

# *Fast Forward*



# 2010 ANNUAL REPORT



**CITY FIRST BANK OF DC**  
We see the possibilities



“We received a fourth award of NMTC authority from the CDFI Fund, \$70 million bringing our total to \$300 million.”

Greetings from the Board of Directors:

On behalf of the Board of Directors of CFBanc Corporation and City First Bank of DC, I am proud to present our 2010 Annual Report. Each year as we prepare this report to our stakeholders, we are astonished when we look back at the past year and recognize our progress and the contribution City First has made to the Washington community. This is especially so as the impact of this lasting recession is taken into account.

In 2010, we made steady progress in our mission to help low wealth communities become strong and self sustaining and to bolster the financial condition of the bank:

- Bank capital increased by \$6.6 million primarily through earnings and an investment of \$5.7 million by the U.S. Treasury Department.
- We closed \$48.1 million in New Markets Tax Credit (NMTC) deals including two very high impact projects in Washington – the financing of new facilities for Mary’s Center for Maternal and Child Care and the Capital Area Food Bank.
- We originated \$18.7 million in new commercial loans that, in the aggregate, created and retained 149 jobs, and financed 129 units of affordable housing and 202,477 square feet of new commercial space.
- We reported pre-tax earnings of \$1.7 million, our fourth straight year of profit in an economic environment that was challenging to both us and our community banking peers.
- We were successful in receiving a fourth award of NMTC authority from the CDFI Fund, \$70 million, one of the largest awards in the nation. This award brings our total NMTC authority since the program began to \$300 million.

This year, we also accepted, with regret, the resignation of our President and CEO for the past three years, Dorothy Bridges. We were saddened to learn of her pending departure, but are confident that the good work of the bank will move forward uninterrupted as we engage in a national search for her successor. We are a strong organization with a team of professional bankers that is unparalleled in the community development industry.

As we end the first quarter of 2011 and look beyond, we see positive signs that our community is emerging from the toughest recession in recent memory. We are poised to continue to serve the banking needs of the Washington area and to work creatively with our many partners to bring more innovative and imaginative solutions to your financial services needs.

On a personal note, for their work and tireless dedication, I want to extend my sincere appreciation to the leadership and staff of City First, and my colleagues and friends on the Board of Directors. I also want to thank our shareholders, depositors and commercial customers. Your confidence in us during these challenging times is very deeply appreciated. Thank you for your support and collaboration.

Sincerely,

C. F. Muckenfuss  
Chairman, Board of Directors

“As we reflect on our accomplishments in 2010, we also look forward to exploring how we can continue to enhance the well-being and vitality of our communities in the years ahead.”



A Message from the President and CEO:

I am pleased to introduce the 2010 annual report for City First Bank. The bank's performance for the year continues its positive trends in key areas. Strong earnings, significantly improved capital position and continued prudent risk management were significant accomplishments that positioned the bank to take advantage of new opportunities. During 2010, we had some notable achievements. In September 2010 we received a capital infusion of \$5.7 million through the Department of the Treasury's Community Development Capital Initiative Program. This investment helps to strengthen our capital position and allows us to make larger loans to our existing and future customers, particularly the many small businesses that create jobs and put people back to work. Throughout the economic recession, because of sound credit management and investment policies, the bank has remained profitable. The bank reported pretax earnings of \$1.7 million, which is comparable to 2009 income of \$1.8 million.

Our core earnings from net interest income after provision for credit losses increased by 27 percent and we were able to manage key expense categories during the year. We also continue to benefit from our phenomenal activity in the New Markets Tax Credit (NMTC) program. Our success at being awarded an additional allocation will ensure our ability to fund vital projects in our target market for the next few years. We have garnered a national reputation in the NMTC industry because of the high quality and level of community impact of projects we finance.

When I joined the bank three years ago, I had no idea what a great adventure I had begun! I am indeed honored to have served as the President and CEO of City First. In spite of a very difficult recession, City First has continued its leadership in the community development industry, and we have remained focused on its core fundamentals. I am very proud of the bank, the customers and the staff who have worked hard to achieve quality performance. As we reflect on our accomplishments in 2010, we also look forward to exploring how we can continue to enhance the well-being and vitality of our communities in the years ahead.

So it was with mixed emotions that I announced my intention to leave City First in June 2011. Being at the helm of the organization and steering the bank to profitability during one of the most challenging economic times that our country has known has been one of the most rewarding experiences of my career. And I am proud that I leave the bank in sound fiscal and operational condition. I look forward to continuing my career in the community development industry and know that I will have opportunities to work with City First and all of our stakeholders in the future. My heartfelt thanks go to the Board which furthered my training, helped to expand my Washington, DC network and supported me during this venture. To the highly motivated and extremely talented staff at City First Bank – words cannot express my gratitude for your limitless commitment and work. I could not have done it without you. And finally, to our investors, socially responsible depositors and customers: Thank you for the confidence you showed in me and the bank by your continued loyalty and business with us. You all have my deepest appreciation. I wish the bank continued success and look forward to working with you all again.

With Warm Regards,

A handwritten signature in cursive script that reads "Dorothy J. Bridges".

Dorothy J. Bridges  
President and CEO

# Commercial Lending

Commercial lending for the development or preservation of affordable housing, the construction or renovation of community facilities, and loans for the business operations of small for-profit and non-profit companies remains the center of the City First Bank mission. The impact of the continuing economic recession brought challenges to our customers and to the bank in 2010. The bank worked diligently to manage these challenges, while still providing access to capital for our commercial customers. At the same time, City First originated \$18.7 million in new commercial loans. Collectively those loans:

- created 89 new jobs and retained 60 existing jobs;
- produced 129 units of affordable housing;
- financed 202,477 square feet of commercial space and
- allowed the expansion of educational, health and other facilities, including charter schools that increased their pupil capacity by 1,149 students.

“Vida@Brightwood is the first new construction in the neighborhood in over 30 years, and has brought vital housing and services for seniors in an underserved community.”

One of the more exciting projects financed this year was the Vida@Brightwood project on Missouri Avenue, NW. City First provided a \$1.3 million loan as a participant in a complex \$8.6 million deal to build a new 36-unit, affordable rental building and community services facility for senior citizens. Crucial predevelopment support was provided by the District of Columbia Neighborhood Investment Fund and a portion of the construction costs was funded by federal stimulus dollars provided through the Low Income Housing Tax Credit Exchange Program. In addition, The Enterprise Foundation made a Green Communities grant to the project. City First provided the only private debt in the financing package.

Vida@Brightwood is the first new construction in the neighborhood in over 30 years, and has brought vital housing and services for seniors in an underserved community. The project was developed through a partnership between Vida Senior Center, a community-based senior service agency, and developer Dantes Partners. Vida@Brightwood offers a combination of modern housing and living space designed specifically for senior citizens on fixed incomes. All units are designed to be accessible and the building features several environmentally sensitive design elements such as a green roof and privately metered electrical service. Vida Senior Center will offer comprehensive senior services onsite that will be available to residents and the community at large.

“Vida@Brightwood offers a combination of modern housing and living space designed specifically for senior citizens on fixed incomes.”

202,477 sq. ft.  
of new commercial space financed





1509

19th Street, SE

149 jobs

were created through our loans



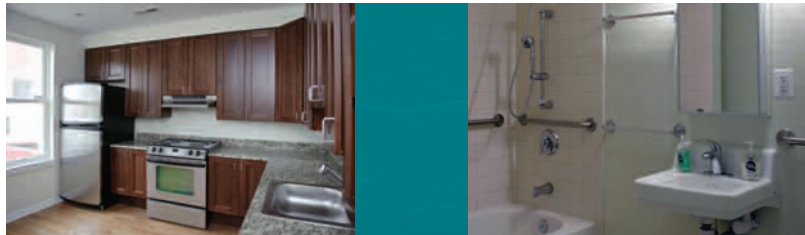
2010

**B**eing nimble in an economic downturn is a challenge, but City First was able to convert a problem loan into a community asset. With our financing of \$1.6 million, Bruce Finland, a long term customer, acquired and renovated a deteriorating, but still partially occupied, 36-unit multifamily property located on 19th Street, SE. The City First loan financed the moderate renovation of the entire building, starting with the six vacant units that required more substantial improvements. Ultimately, all of the units had some level of renovation, resulting in the preservation of 36 units of affordable housing for low income residents.

Mi Casa: Ivy City neighborhood, DC

# 129 homes

we financed 129 affordable housing units



Green Renovation of  
Mi Casa Condominium

**M**uch of the work of City First is accomplished in partnership with non-profit developers. One such example is the financing we provided for Mi Casa to support its new initiative in Ivy City. Founded in 1992, Mi Casa Inc. is a nationally recognized, locally based non-profit organization whose mission is to provide affordable home ownership, in particular well-designed, energy-efficient homes for families of low or moderate income. Mi Casa is also committed to maintaining neighborhood open spaces and community multi-use and service areas for existing populations. Mi Casa recruits minority contractors to join revitalization efforts, and supports small businesses by creating jobs within District of Columbia communities.

In a joint effort between the District, residents, and non-profit developers to restore the Ivy City neighborhood in NE, Mi Casa was awarded several vacant lots by the Department of Housing and Community Development (DHCD) for construction of for-sale affordable single family homes. Mi Casa completed the first phase of the project, which involved a green renovation of three existing buildings into eight condominiums affordable for low-to moderate-income families. For the second phase, City First provided \$1.15 million in acquisition and construction financing that assisted Mi Casa with the construction of seven highly energy-efficient single family homes in nine scattered in-fill lots in the neighborhood. The homes will be available to families earning 80 percent of the Washington Area Median Income.



**A**lthough we specialize in affordable housing, City First also promotes economic diversity in neighborhoods. We financed 13 affordable housing transactions in 2010 which resulted in the creation of 129 units of affordable housing. But we also financed a 16-unit market rate condominium conversion developed by Neighborhood Development Company (NDC), a City First customer since 1999. NDC's mission is to develop and renovate residential and commercial properties that advance the revitalization of urban neighborhoods in Washington, DC. The company has completed the development of over 420,000 square feet of real estate. It was involved in several large-scale developments including City Vista project, Old Convention Center and Steven's School Projects, which collectively total over 2 million square feet of mixed use space. In 2009, for the second year in a row, NDC was included in the *Black Enterprise Magazine* "BE 100" listing of top black-owned businesses in the nation. The company was also recognized by the *Washington Business Journal* as one of Washington DC's "100 Top Private Companies" for 2009. The \$2.8 million City First loan was used to acquire and renovate a building on G Street, NE. Our willingness to provide financing on a for-sale development is indicative of our confidence in our borrower relationships, our mission to support the growth of small businesses, and our interest in promoting the residential and commercial diversity that is key to a healthy and sustainable neighborhood. Additionally, the renovation of the building will return a blighted, deteriorated and unsafe property to productive use and help to bolster the revitalization of the Capitol Hill neighborhood.

## Lamont Lofts: Washington, DC



Neighborhood Development Company, (NDC) returns a blighted and unsafe property to productive use on Capitol Hill.



“NDC’s mission is to develop and renovate residential and commercial properties that advance the revitalization of urban neighborhoods in Washington, DC.”



# New Market Tax Credits

City First has used the NMTC program to finance large-scale real estate projects that can encourage further private investments in our low wealth and underserved communities. NMTC financing works by combining private equity made possible by federal tax credits with concessionary debt to allow City First to structure investments as large as \$22 million. Frequently our NMTC investments are made in the same communities where we are originating traditional commercial loans; thus, we leverage the impact of our smaller loans with larger transformational NMTC deals. We are fortunate to have developed strong partnerships with major investors such as US Bancorp Community Development Corporation, Chase, Wells Fargo, Bank of America, Suntrust Bank, PNC, Capital One, Chevron and Nationwide.

When the New Markets Tax Credit program was offered in 2003 for the first time, City First won \$73 million in authority. From the first projects financed – Tivoli Square in Columbia Heights and the Town Hall Education Arts Recreation Campus (THEARC) in Congress Heights – City First has been in the forefront of the industry. Since then, City First has been awarded three additional rounds of NMTC authority for a cumulative total of \$300 million. The latest award of \$70 million from the 2010 cycle was one of the largest in the country, validating the superior track record City First has earned. Our NMTC portfolio focuses on community facilities that provide valuable educational, health care, legal, social and recreational services to low-income and underserved neighborhoods, and at the same time, offer jobs targeted to local residents.

“Our NMTC portfolio focuses on community facilities that provide valuable educational, health care, legal, social and recreational services to low-income and underserved neighborhoods, and at the same time, offer jobs targeted to local residents.”

The following projects illustrate the diversity of our NMTC program, but more importantly, the value of the community-focused, mission-driven perspective of City First Bank. Over our eight-year history in the NMTC program, we have chosen to finance primarily community facility deals that have a double bottom line impact: Our financing substantially increases the capacity of a non-profit organization to deliver services more effectively and to a larger client base and these projects also become catalysts for greater investment by others in the neighborhood. Since 2005, City First has financed 20 projects in Washington, DC, Maryland, Virginia, Delaware and Pennsylvania. The impact of the financing has been considerable: 3,179 construction jobs created, 1,876 permanent jobs created or retained, 1.6 million square feet built out primarily in community facilities, and \$222.6 million raised in private financing in highly distressed communities. In 2010, City First invested \$48.1 million in authority including financing two vital projects in DC – the acquisition and build-out of two locations of Mary’s Center and the new construction of the Capital Area Food Bank facility.

<b>Project/Location</b>	<b>Allocation Amount</b>	<b>Project Summary</b>
CFBanc Corp Investment, Washington, DC	\$ 3,050,000	Concessionary traditional commercial loans such as IHOP on Alabama Avenue, SE
Atlas Performing Arts Center, H Street, NE Washington, DC	\$ 19,999,999	Construction and mini-permanent financing of conversion of historic theater into multi-tenanted performance arts center
THEARC, Mississippi Avenue, SE Washington, DC	\$ 9,400,000	Construction of 110,000 square foot multi-tenanted arts, educational, recreational and health clinic facility in Ward 8
Tivoli Square, 14th Street, NW Washington, DC	\$ 14,400,000	Mixed use retail, performing arts and housing development in Columbia Heights that was the first substantial development in over 50 years – home of Gala Hispanic Theatre
Brewers Hill/Gunther Bottle Baltimore, MD	\$ 2,873,827	Mixed use office and retail space from adaptive re-use of historic brewery in Baltimore
Noisette, S. Charleston, SC	\$ 5,752,632	Adaptive re-use of former naval base into office, retail and warehouse space
Park Triangle, Irving Street, NW Washington, DC	\$ 10,000,000	Mixed use retail and residential project in Columbia Heights which brought first large scale housing to 14th Street
4th Street Vistas, 4th and Mississippi Avenue, SE Washington, DC	\$ 16,000,000	Acquisition and construction of 94-unit workforce housing development in Congress Heights
Commercial RE, Riverdale, MD	\$ 1,023,542	Concessionary financing of commercial real estate project
Lyons Shipyard, Norfolk, VA	\$ 7,073,684	Acquisition and rehabilitation of full service shipyard in low-income community
Humanim at American Brewery Baltimore, MD	\$ 14,000,000	Adaptive re-use of historic brewery to serve as statewide headquarters for Humanim, a job development and social service agency
Wicomico Building Baltimore, MD	\$ 4,000,000	Rehabilitation of 400,000 square foot commercial office building for small businesses and non-profit agencies in downtown Baltimore
E.L. Haynes Public Charter School Georgia Avenue, NW, Washington, DC	\$ 21,000,000	Construction and permanent financing of the first permanent home for a nationally recognized charter school in the Petworth community of Ward 4
Bread for the City, 7th Street, NW Washington, DC	\$ 6,400,000	Construction of new addition and rehabilitation of existing clinic and administrative space for major health and legal services provider in the Shaw community of Ward 2
Shoprite at Christina Crossing Wilmington, DE	\$ 9,850,000	Development of full service grocery store in low income community
Queen Theatre Wilmington, DE	\$ 5,000,000	Rehabilitation and adaptive re-use of historic theatre, including restaurant and radio broadcasting facility in downtown Wilmington
Capital Area Food Bank, Puerto Rico Avenue, NE Washington, DC	\$ 20,000,000	Development of new 120,000 square foot food storage, preparation and distribution facility to serve the Washington metropolitan region
Multi-State Habitat for Humanity	\$ 22,000,000	Financing for six local Habitat affiliates in Washington DC, New Castle, DE, Chesapeake, MD, Bucks County and Philadelphia, PA and Charlottesville, VA
Sun Center Studio, Chester, PA	\$ 10,000,000	Construction of mixed use entertainment, production, sound stage and studio facility
Mary's Center, Georgia Avenue, NW Washington, DC	\$ 20,000,000	Build-out of new facility on Georgia Avenue and extensive rehabilitation of Ontario Road clinic
Lehigh Valley PBS Bethlehem, PA	\$ 8,176,316	Construction of new broadcasting and programming facility for PBS and expansion of community educational programming
<b>TOTAL ALLOCATIONS DEPLOYED</b>	<b>\$ 230,000,000</b>	

**\$300M** Total NMTC Authority

## Mary's Center for Maternal & Child Care

# 18,500

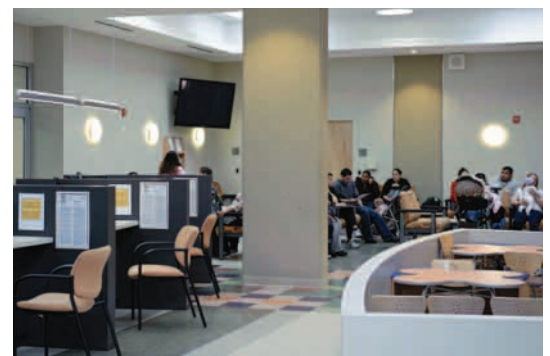
individuals are served each year,  
regardless of their ability to pay

**M**ary's Center has served indigent, low-income and uninsured residents of Washington since 1988. The organization serves immigrant and other poor families who face financial, cultural and language barriers in receiving social and medical services. As a Federally Qualified Health Center, Mary's Center provides access to primary medical and dental care services to over 18,500 individuals each year, regardless of the ability to pay. Mary's Center services include primary care to adults and adolescents including physical exams, prenatal care, family planning, and sick visits, Women, Infants, and Children (WIC) services, and pediatric care for children ages 12 and younger. Mental Health services are provided including diagnosis, assessment, counseling, case management and prescription monitoring. Substance abuse screening, referrals and post-detoxification counseling are also available. In addition to its onsite clinical work, Mary's Center operates comprehensive outreach programs including home visits and a mobile van to reach all of Washington. The mobile van targets low-income neighborhoods in areas such as Petworth, Chinatown and Brookland. City First provided \$20 million in NMTC financing in partnership with the District of Columbia Primary Care Association and US Bancorp Community Development Corporation to develop a new facility in Petworth and renovate the Adams Morgan clinic. A total of 26,000 square feet was developed at 3910 Georgia Avenue NW to build out 22 new medical exam rooms; 2,294 square feet for reception space and a four-chair dental practice; 1,496 square feet for the WIC reception, conference, business office and laboratory space; administrative and nurse provider offices; 5,122 square feet of dedicated space for a charter school; and onsite parking. The financing also funded the total renovation of its long standing facility on Ontario Road, NW. The renovation of the 6,700 square foot Ontario Road facility will result in the expansion and updating of exam rooms, medical laboratories and patient care space, and new equipment and furniture. The expanded Mary's Center facility created 30 new permanent jobs, 575 construction jobs and retained 185 existing jobs.



# 26,000

square feet of space was developed to build out 22 new medical exam rooms, a four-chair dental practice, reception area, conference room, business & nurses office, lab space, & charter school.



Mary's Center Waiting Area

## Capital Area Food Bank (CAFB)

Each year, CAFB distributes over 20 million pounds of food and 6 million pounds of fresh produce through its network of more than 700 member agencies. The CAFB project retained 73 existing jobs and created 20 new permanent and 172 construction jobs.

For the past 30 years, the Capital Area Food Bank, or CAFB, has been the largest food collection, storage and distribution facility in the Washington metro region. Each year, the CAFB distributes over 20 million pounds of food and 6 million pounds of fresh produce through its network of more than 700 member agencies. CAFB, operating out of an antiquated facility too small to support its ever expanding client base, sought NMTC financing to purchase and renovate a new facility. Using funds raised through an extensive capital campaign, charitable contributions, grants from the DC Department of Housing and Community development, and New Markets Tax Credit equity provided by Chase, City First made a \$20 million loan for a new warehouse and distribution center. When completed in late 2011, the new facility on Puerto Rico Avenue, NE will contain 100,000 square feet of warehouse and 25,000 square feet of office space, as well as 162,000 cubic feet of freezer and 253,000 cubic feet of refrigerator space. The new facility will allow CAFB to double its capacity to 40 million pounds of food distributed within five years of occupancy. In addition, CAFB will enjoy lower occupancy and operating costs, benefit from greater efficiencies among staff, Board and volunteers, technological upgrades and significant expansion of its services, such as the Kids Café program which will expand to 100 locations in DC public schools. This project, like Mary's Center, expands services and benefits in low-income communities, and also promotes job development. The CAFB project created 20 new permanent jobs, retained 73 existing jobs and created 172 construction jobs.



# The Baptist Award



Debbi Hurd Baptist  
1949—2000

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 and access to capital in low wealth communities in Washington. This year, the 2010 Baptist Award celebrates the work of Mary's Center and its tireless President and CEO, Maria Gomez, and the District of Columbia Primary Care Association.

## Maria S. Gomez

Maria Gomez, President and CEO of Mary's Center for Maternal and Child Care, founded the organization in 1988. During her tenure, the annual budget has grown from \$250,000 to \$14 million. Maria has received numerous awards for her civic and professional leadership including the Jessie Bernard Wise Woman Award from the Center for Women Policy Studies, the Hispanic Community Leadership Award from the Hispanic Employees Association, *Washingtonian Magazine's* Washingtonian of the Year award, the *Washington Business Journal's* Minority Business Leader Award, the District of Columbia Primary Care Association's Salmon Award, EOFULA Spanish Senior Center Abuelitos' Community Service Award, and *The Washington Post* award for Excellence in Nonprofit Management. Prior to establishing Mary's Center, Maria worked for the DC Department of Health as a public health nurse.



Mary's Center Staff

## District of Columbia Primary Care Association

Founded in 1996, the District of Columbia Primary Care Association (DCPCA) is a leader in the health care community. It is a non-profit health action and advocacy organization improving health care and health coverage for low-income, uninsured, and medically vulnerable people in the District. DCPCA's membership includes 14 community health centers with 48 sites, as well as hospitals, managed care organizations, community-based organizations, advocacy groups, and academic health programs. DCPCA achieves its mission by building community health centers, developing policies to support access and sustainability for health services, demonstrating improved systems and health outcomes, promoting health information technology to link it all together, and facilitating the development

and sustainability of an effective, integrated health care system in the District that guarantees access to primary care and eliminates inequity in health outcomes. City First considers the DC Primary Care Association an invaluable partner in its work to finance community health facilities across Washington. It has provided technical and financial resources to facilities citywide including Bread for the City, Community of Hope, La Clinica del Pueblo, Mary's Center for Maternal and Child Care, Perry Family Health Center, Planned Parenthood of Metropolitan Washington, So Others Might Eat, Unity Health Care and the Whitman Walker Clinic.



## 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.

# Financials

CFBANC CORPORATION & SUBSIDIARIES

## Comparative Consolidated Statements Of Income And Other Key Data



### Years ended December 31,

	<u>2010</u>		<u>2009</u>
<b>INCOME STATEMENT DATA:</b>			
<i>(\$ in thousands, except per share data)</i>			
Interest income	\$ 7,397	\$	7,214
Interest expense	1,049		1,328
Net interest income	6,348		5,886
Provision for credit losses	300		1,112
Net interest income after provision for credit losses	6,048		4,774
Noninterest income	2,468		3,831
Noninterest expense	6,806		6,814
Income before income taxes	1,710		1,791
Income tax expense	642		455
<b>Net income</b>	<b>\$ 1,068</b>	<b>\$</b>	<b>1,336</b>

### COMMON SHARE DATA:

Net income	\$ 0.56	\$	0.72
Book value	11.41		10.98
Common stock outstanding at end of period	1,863,813		1,863,713
Weighted average Common shares outstanding during period	1,863,774		1,867,277

### BANK PERFORMANCE DATA:

Return on average total assets	0.68%	0.96%
Return on average total equity	4.65%	6.93%
Net interest income as a % of average assets	4.03%	4.23%
Loans to deposits	83%	83%

### BANK CAPITAL RATIOS:

Tier 1 risk-based capital	23.11%	16.96%
Total risk-based capital	24.38%	18.23%
Tier 1 leverage	16.17%	14.51%





## Comparative Consolidated Balance Sheets

### Years ended December 31,

	<u>2010</u>	<u>2009</u>
<b>BALANCE SHEET DATA:</b>		
(\$ in thousands)		
<b>Assets:</b>		
Cash & due from banks	\$ 2,919	\$ 1,597
Short-term Investments	13,525	21,977
Investment Securities	28,810	19,009
Loans, net	102,355	101,625
Other Assets	10,378	12,692
<b>Total Assets</b>	<b>\$ 157,987</b>	<b>\$ 156,900</b>

### Liabilities:

#### Deposits:

Non-interest bearing demand	\$ 11,937	\$ 13,751
NOW	19,196	20,681
Money Market & Savings	34,014	22,872
Time, \$100,000 or more	11,664	10,044
Other time	49,525	58,328
<b>Total Deposits</b>	<b>126,336</b>	<b>125,676</b>

Borrowings	2,555	7,986
Other Liabilities	2,046	2,774
<b>Total Liabilities</b>	<b>130,937</b>	<b>136,436</b>
Stockholder's Equity	27,050	20,464
<b>Total Liabilities &amp; Stockholder's Equity</b>	<b>\$ 157,987</b>	<b>\$ 156,900</b>

### Loan Portfolio Composition

#### At December 31,

	<u>2010</u>	<u>2009</u>
(In thousands)		
Commercial business	\$ 28,468	\$ 24,176
Real Estate:		
Commercial mortgage	70,386	72,955
Construction and land development	6,873	7,926
Installment loans to individuals	10	11
<b>Total Gross Loans</b>	<b>105,737</b>	<b>105,068</b>
Less: net deferred loan fees	(425)	(474)
<b>Total Loans, net of deferred fees</b>	<b>105,312</b>	<b>104,594</b>
Less: Allowance for credit losses	(2,957)	(2,969)
<b>Loans, net</b>	<b>\$ 102,355</b>	<b>\$ 101,625</b>

# Management

## 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

Dorothy J. Bridges, President and CEO, City First Bank of DC

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, Manager Real Estate, SunTrust Bank

Nicole Mandeville, Senior Vice President Finance and Treasurer, The Freedom Forum

Kathy J. McKinless, CPA

Hassan Minor, Jr., Senior Vice President, Howard University

Ellen Seidman

W. Christopher Smith, Chairman and CEO, William C. Smith Company

## EXECUTIVE OFFICERS

Dorothy J. Bridges, 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

Lessie Powell Evans, Real Estate Development and Finance Consultant

Linda V. Jackson, Resident Services Coordinator, The Shelter Group

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



Mary's Center

# 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/Wachovia Affordable Housing Community Development Corporation  
Wells Fargo/Wachovia Bank





**CITY FIRST BANK OF DC**

We see the possibilities



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