



2013

Annual Report



CITY FIRST BANK OF DC

Shaping the **future** of our neighborhoods



CITY FIRST BANK OF DC

A DIFFERENT KIND OF BANK

As a community development bank, City First's mission begins and ends with the community. We are dedicated to those we serve, and in turn they shape us as we work together to help our underserved communities to grow and prosper.

City First Bank distinguishes itself from other banks because of its mission. On average over 80% of the loans we originate each year are located in low to moderate wealth communities. Typically, our customers are developers of affordable housing, community service organizations, and small businesses as well as charter schools, churches and other community institutions.



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LETTER FROM THE CHAIRMAN OF THE BOARD AND PRESIDENT

We are exceptionally proud of the achievements we made to advance our communities and strengthen our institution's overall performance during 2013. For almost 16 years, City First Bank of DC has strived to find economic solutions to the challenges impacting low wealth communities in Washington, while operating a well-managed, deeply balanced depository institution.

In that spirit, City First had a remarkable 2013. We originated a record \$66 million in new loans. We completed four transformative New Markets Tax Credit (NMTC) projects deploying \$61 million as catalysts for critical neighborhood reinvestment. Ninety-two percent of our record \$127 million in 2013 lending and NMTC financings had a community development purpose. We are also proud to report that City First Bank earned \$2.6 million in 2013 after taxes of \$1.8 million further buttressing our capital base. Importantly for our long-term success, we continued to add to our team of talented professionals with a deep commitment to our collective stewardship and a wealth of experience, talent, and energy.

The impact of this work was tangible. During 2013, the bank financed 405 affordable housing units, helped to increase the capacity of community facilities to serve an additional 9,360 clients annually, provided loans that allowed companies to retain 592 jobs and created an additional 371 jobs, and financed over 192,397 square feet of commercial space. With a loan to deposit ratio of 91%, our investment and deposit fundings have been put to use serving the commercial and nonprofit sectors of our city and region. Our work was recognized last year through receipt of a Bank Enterprise Award of \$323,000 from the U.S. Treasury's Community Development Financial Institutions Fund, based on our strong record of lending in highly distressed neighborhoods.

We continue to see the significant impact that successful small businesses have on their communities, especially low wealth and underserved neighborhoods. Small businesses create jobs, stabilize neighborhoods and generate an inviting

climate for further growth. Lending that supports small businesses has always been a focus for City First. Supporting that commitment, we have also significantly expanded our lending team, adding three outstanding and experienced professionals with deep experience in small business finance and SBA 7(a) lending.

Our New Markets Tax Credit program is a powerful tool. Through the NMTC program we have financed transformative projects that spur additional economic development by creating jobs and providing critical community services. We have now fully deployed our fifth award of NMTC authority for a total of \$370 million. With these deployments, we have financed critical projects in Washington, Maryland, Virginia, Delaware and Pennsylvania. Within the District alone, we have financed nineteen projects comprising 67% of our total allocations.

City First's NMTC projects include health and social service centers such as Unity Parkside Health Center, Central Union Mission, Bread for the City and Mary's Center; public charter schools including Washington Latin and Thurgood Marshall Public Charter School; multi-faceted community facilities such as Tivoli Square, THEARC, Anthony Bowen YMCA and the Atlas Performing Arts Theatre; and an expanded distribution center for the Capital Area Food Bank.

This past November, we hosted our inaugural Finance Summit entitled "The Resurgence of Neighborhoods: Fueling DC's Economic Growth". More than 400 attendees, including developers, policymakers, community leaders, and entrepreneurs participated. We discussed what we've collectively accomplished in Washington. More importantly, we began to identify where and how we can enhance collaboration



CITY FIRST BANK OF DC



to support growth, help preserve the diversity and engagement of our existing communities, and ensure that the benefits are enjoyed equitably across our great city.

Providing access to credit and financial services to under-resourced communities and organizations lies at the core of our mission at City First Bank of DC. We are proud of the impact City First has made, but are mindful of how much more there is to do. We look forward to working with you.

Thank you for your support and the opportunity to serve you.

With great appreciation,

Chuck Muckenfuss
Chairman of the Board

Brian E. Argrett
President and CEO

2013 IMPACT

9,360

ADDITIONAL CLIENTS
SERVED IN COMMUNITY
FACILITIES FINANCED BY
CITY FIRST BANK



FINANCED 405 UNITS OF
AFFORDABLE HOUSING, A
72% INCREASE
OVER 2012



\$127 MILLION IN
2013 COMMUNITY
DEVELOPMENT
FINANCING



LENDING TO CHARTER SCHOOLS
HAS RESULTED IN OVER
8,000 NEW
CHARTER SCHOOL SEATS
SINCE 1993

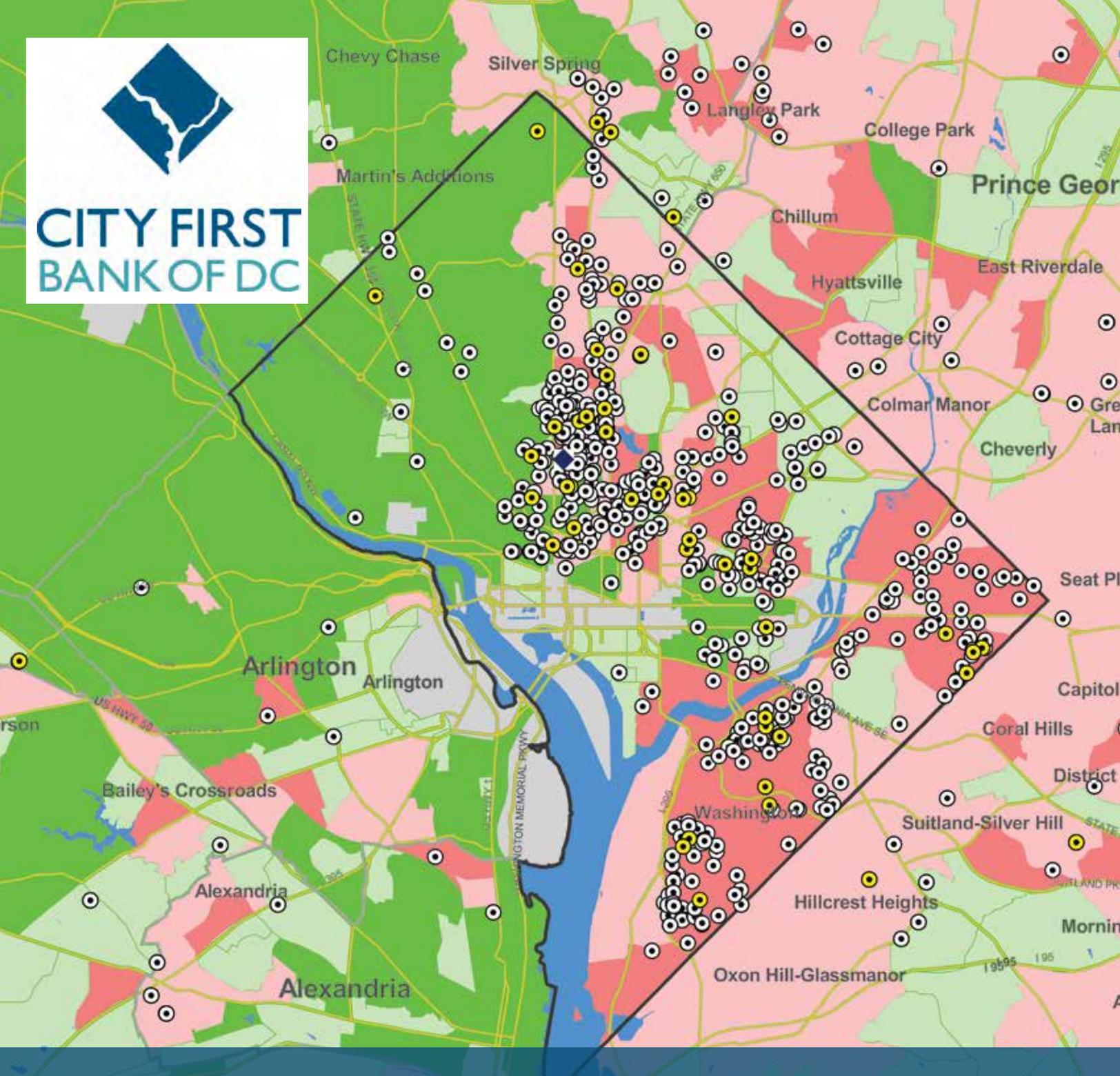


592 EXISTING JOBS
WERE RETAINED AND
371 CREATED

91%
LOAN TO
DEPOSIT RATIO



\$66 MILLION
IN NEW LOANS, A **16%**
INCREASE OVER 2012



Loans Originated 1999 - 2013

- ◆ Bank Office Location
- Borrower Location (2013)
- Borrower Location (Pre-2013)
- CRA Assessment Area

Census Tract Income Classification (FFIEC 2014)

- Low <= 50% Median Family Income
- Moderate = 50% - < 80% Median Family Income
- Middle = 80% - < 120% Median Family Income
- Upper >= 120% Median Family Income
- Census Tracts Not Classified



CELEBRATING

20
YEARS OF
SERVICE

CITY FIRST FAMILY OF COMPANIES

FINANCE SUMMIT • NOV. 7, 2013





Finance Summit 2013

On November 7, 2013, the City First Family of Companies hosted our Inaugural Finance Summit titled *“The Resurgence of Neighborhoods: Fueling DC’s Economic Growth.”*

The summit brought together more than 400 people, including real estate developers, policy makers, community leaders and advocates, and local entrepreneurs to address the resurgence of our neighborhoods and ways we can maintain our diversity in order to ensure that long-term residents benefit from these exciting developments, especially those in low-wealth communities.

A number of key topics were covered during the various panel discussions led by our dynamic speakers. Among those topics were:

- ◆ Collaboration among government, businesses, educators, and local communities is essential to create and keep strong and diverse neighborhoods.
- ◆ Taking the long view is a winning strategy. Projects that spur economic development may take years to bring to fruition, but they are well worth the effort.
- ◆ Anchor institutions such as schools, hospitals and art organizations are key economic development engines. They are often the “pioneers” that can drive development.
- ◆ Efforts to provide education and job training are necessary to advance and expand opportunities for our residents.
- ◆ New Market Tax Credits are a critical economic development tool that can jump start resurgence in a distressed community.

Throughout our history, City First Bank has embraced the importance of collaboration. Through our flexible lending practices and programs, such as the New Markets Tax Credit Program, we have provided financing that supports the growth and expansion of schools, arts organizations, and community organizations including Mary’s Center, the Capital Area Food Bank, and Bread for the City. Each one has played a distinct and powerful role in the resurgence of the city’s neighborhoods. Without this financing, these projects that spawned growth and opportunity in formerly struggling communities would likely not have moved forward.

Yet there is still so much to do. We will continue in our mission to ensure that the District’s neighborhoods remain vibrant and diverse, and that those in low wealth communities participate fully in the economic resurgence of our City. ◆

BEN'S CHILI BOWL

Everyone has their own definition of what makes a good day. For Bernadette “Peaches” Halton, a good day is making sure all of her daily jobs are done. For 38 years Peaches has worked at Ben’s Chili Bowl on U Street. It’s the only job she’s ever had.

“I love my job,” said Peaches. “Once the chili is done and the customers are happy, my day is complete.”

So what has made Ben’s Chili Bowl such a famous fixture in the U Street Corridor? The chili, obviously, but according to Peaches it’s so much more than that.

“The customers are great. We have a great atmosphere with the jukebox playing,” she said. “People can come in and talk about sports or whatnot and just hang out.”

Friendship, family and fun have been at the heart of what has made Ben’s Chili Bowl a neighborhood landmark. Opened in August 1958 by Ben and Virginia Ali, Ben’s Chili Bowl remained committed to serving its clientele in a neighborhood that deteriorated after the 1968 riots, came to a virtual standstill during construction of the U Street Metro but is now enjoying a resurgence with new businesses starting to see the great opportunities to be found here.

Maintaining your business in an area that has experienced that kind of change and challenge takes a commitment beyond making great chili every day. It takes a belief that the presence of your business can help change lives. The Alis have always believed that supporting the community with a place where people feel at home, that provides jobs and a sense of family are keys to reclaiming their neighborhood.



“The Alis are like family to me. So are all the people who come in with their kids and their grandkids. It’s so family-oriented,” said Peaches. “I’d be on my last breath and I’d still come to work. This is a wonderful place!” ♦

City First Bank recently provided financing to Ali Boyz, LLC, which owns Ben’s Chili Bowl to expand its operations. The new locations include a Ben’s Chili Bowl restaurant in Rosslyn and a future operation on H Street, NE.

The newest restaurant will contribute to the on-going revitalization of the H Street Corridor. The first floor of the building will house the H Street Ben’s Chili Bowl and carryout, and the second floor and roof deck will house a restaurant concept that will mirror Ben’s Next Door on U Street.

LONG STORY SHORT MEDIA

Telling stories that change lives

Naysayers may claim that starting a business in the middle of the worst recession in decades is a bad choice. But when you have a true passion, a clear vision of what you wish to achieve, and the will to do it, then it's the perfect time. In 2008, with a two-month old son and a family that depended upon two incomes, Jessica Stuart followed her passion to tell stories in a meaningful way. After honing her craft working for the Today Show, The Oprah Winfrey Show and ABC News, Jessica founded Long Story Short Media, a firm specializing in short form, multi-use video and live content production.

"It's not about producing content, it's about translating our clients' message and story into believable and impactful communications that help them achieve their goals," said Jessica. "At the time we started there was a lot of content on the Internet, but there really were not 'stories' that created a connection with their audiences."

Long Story Short had their share of doubters. "In the first year, we took every single job that came our way," said Jessica. "People questioned who would pay for the kind of stories and productions we produced." However, within a year the landscape had completely changed. "We were in the right place at the right time," she said. "We have been one step ahead of what is going on in the industry."

A special focus for Long Story Short Media is producing socially responsible work that supports programs that improve lives and support community development. Projects for Green Mountain's Free Trade Campaign, the Elizabeth Glaser Pediatric AIDS Foundation, and the Gates Foundation's Living Proof program to improve women's health services worldwide are just a few of the stories have helped to translate.

"We work with people who are trying to leverage what they have in order to tell their story so they can make a difference in the world," said Jessica.

Jessica was able to build her business without debt. However, when the time came to expand, she turned to City First Bank to borrow funds for the purchase and renovation of a building to locate her new headquarters and permanently set down roots for her business.

"City First and my relationship manager have been amazing," she said. "This business is my baby and I believe they really care about us. Being able to own a building for my company has finally made it feel like a real business for me. It lets everyone know – hey, we're doing it!" ♦



In 2013 City First Bank partnered with Long Story Short Media to finance the purchase of their first headquarters building on Georgia Avenue in Northwest DC. Plans for the property include a total renovation of all three floors to include new office space, a conference room and production space. For Long Story Short Media, the renovation is about more than growing their business. It's also about the opportunity to help with revitalizing the neighborhood and contributing to the health of the community.



PETE'S NEW HAVEN STYLE APIZZA

Pete's is not just a pizza joint. Owners Joel and Alicia Mehr, Tom and Kerri Knowles-Marr, and Tri Nguyen turned their passion for food and a commitment to health into a thriving local pizzeria that focuses on using locally sourced, all natural ingredients.

Joel was the partner who first dreamed of having a pizza place focusing on the New Haven, Connecticut-style pizza he and his wife loved. Joel had worked with Tom at the National Gallery of Art restaurant where they became friends. It seemed natural to ask him to be a partner. In April 2008, they opened their first place in Columbia Heights. Two years later, they invited Tri to join the partnership, and they have been a happy family ever since.

Joel Mehr first learned about City First Bank in 2007 when he attended a ribbon cutting ceremony for the E.L. Haynes Public Charter School, which was financed through City First. Joel and Tom had tried talking to several banks about financing their dream, but no one had been willing to talk with them.

“We went to many banks, but City First was the one that sat down and talked with us. They’ve been our bank since the beginning and have been a huge partner in helping us grow to four stores,” said Joel.

“In addition to the financing for our stores, City First handles our operational and payroll accounts. Our first store, Columbia Heights is now doing double the business it did in the beginning,” said Tom.

While building their second store in Friendship Heights in June 2010, they had an opportunity to purchase space in Clarendon, Virginia and took the plunge. They knew it was a great opportunity into an up and coming, developing area. After opening three stores in quick succession, they waited a bit to ensure everything was running smoothly and efficiently before opening their fourth store in Silver Spring, Maryland during the spring of 2013.

As a local business, they take as much pride in supporting their neighborhoods as they do the farmers and suppliers of their natural and sustainable ingredients. “We find the areas to open our stores where we will ‘fit’ in and ‘fit’ the neighborhood,” said Joel. “All of our stores are in developing areas.”

“When we came in to open our first store, we wanted it to be in a growing neighborhood,” said Tom. “Bringing capital into small businesses makes a huge difference to neighborhoods and helps them build wealth. Each new store we open brings about 30 to 50 employees per store. We love being able to bring new jobs to a community.”

The partners say that the love for what they are doing is what’s most important. “It’s much easier to put in the hard work as owners” said Tri. “We are passionate about what we do. It’s our baby. It doesn’t seem like a job, and the bonus is that you get to work with your best friends.”

“We are at the point where we need to standardize operations,” said Tri. “We started with 10 employees and now have over 200, and we’ve brought on a Regional Manager. We’re lucky to have great managers and a fabulous team.”

“We try to provide a family atmosphere for all of the folks who work here,” said Tom. “It’s really important to us.” ♦

T STREET COOPERATIVE

Controlling their own future...

Finding affordable housing is a continuing challenge for all Washington, DC residents, but even more so for families with modest incomes. As neighborhoods are reclaimed and new developments built, long-term residents are often pushed out as they are priced out of the market.

“I’ve lived here for 17 years and we love the location,” said Angela Taylor who lives in a 30-unit, cooperatively owned, building located directly behind City First Bank of DC. “I grew up in this neighborhood and it was horrible when I was younger – full of drug dealers. Now, with all the development it’s becoming very desirable to live and work here”.

Alma Roxer is a housekeeper working in the Federal Triangle area. “My dad was President of the Cooperative when we lived in T Street twenty years ago,” she said. “The tenants organized to buy the building then. Cooperatives are so much better for people who don’t earn a lot of money.”

In 2011, a developer offered a development strategy to the building’s current residents that would have transformed the building to homeownership condominiums. The property is located in one of the most sought after real estate locations in Washington, DC but the condominium program as presented would not have allowed the residents to appropriately share in the financial benefits. In addition, it would also have resulted in the displacement of families who could not afford the new condominium prices.

“In the neighborhood, this building is the only place people can live affordably,” said Angela.

Collectively, the City First Family of Companies developed a strategy and provided financing for the existing tenants to continue to live in their homes. City First Enterprises connected the residents with legal resources and assisted in the creative funding needed for the cooperative to reclaim control of their building. City First Bank provided the financing required for the cooperative to pay off their existing bank debt and provided additional construction dollars to complete the renovation of the property. City First Homes executed legally binding permanent affordability agreements that balances wealth building with future affordability. Now, the residents look forward to keeping their homes and staying in their U Street Corridor neighborhood.

“I love living here,” said Zulma Castaneda, 13 year resident and teacher at Mount Pleasant Rosemont Day Care Center. “Everything is nearby for me and my children. It just goes to show that cooperatives work.” ♦



Shaping lives and building for the future....

Working in partnership with the T Street Cooperative Board, City First Bank structured financing to pay off the \$1.3 million loan taken out by the developer for the initial condominium conversion allowing the residents to maintain ownership. City First Bank also provided additional construction dollars to complete the renovation of the property. With the Bank’s assistance the cooperative was able to complete the renovations that improved living conditions as well as increase the overall value of the residents’ units.





EJF REAL ESTATE SERVICES

Creating a sense of family....

For many low wealth communities in the District, quality living environments are a challenge to find. DC neighborhoods that offer families housing that is well designed and affordable are vital to supporting thriving and diverse communities. There is always a need to increase the capacity of what is available for the many residents looking for a good place to call home.

For Peter and Matthew Greeves, owners of EJF Real Estate Services, this was a need they could not ignore. For the past four years, EJF Real Estate Services has been voted Best Property Management Company in DC by the Washington City Paper. Approximately 6,000 people are living in a unit managed by EJF, which is about 1% of the total population of DC.

“They don’t see us as just managing the building, they see us as an extension of their family” said Yumarsy Garcia, property manager for the Martin Luther King Jr. Latino Cooperative. “This place has 73 units and our residents are 100% from the Latino community, with most of the families working in the restaurant business. The people are so friendly and nice here. They stop in the office to say hi and see how our day is going. We make this place a good home for them. EJF does great work here for these residents.”

Today, about 10% of EJF Real Estate Services’ business is dedicated to philanthropic activity. “We truly want to give back to the community,” said Peter. “We work with several community development organizations such as City First Bank customer, Mi Casa”, a non-profit committed to providing home ownership opportunities in the District’s inner-city. “By doing so, we knew we could affect many more people by taking on the management of their properties and those of many other local organizations.” ♦

BANKING ON A BETTER FUTURE WITH CITY FIRST

EJF Real Estate Services first came to City First Bank in 2013 after previously being the customer of a large bank. However, when EJF needed to integrate their banking information into the company’s new management software, the large bank wasn’t interested in working with them. Because of its flexibility, City First Bank could take on the challenge of working out a unique solution for them. Now EJF has the ability to link directly to their banking accounts with their own software, and they have the ability to manage their own accounts themselves. Additionally, they have found their fees are much lower than what they were previously paying at the larger bank and that is good for EJF and all of their managed properties.

Partnering with City First Bank has meant that EJF can focus more attention on serving their residents and finding new properties and lives to improve.

REVITALIZING NEIGHBORHOODS:



BROOK ROSE DEVELOPMENT

Preserving historic landmarks for future generations

Revitalization of a deteriorating area doesn't have to mean tearing everything down to start from scratch. There is value in honoring and maintaining the history of our neighborhoods even as we modernize and improve them for our citizens.

"Thoughtful development builds a community for the long term," says Brook Rose, a DC developer who has built a reputation for innovative, detailed restorations of historic properties. His most memorable restoration is the home Senator Warren G. Harding resided in prior to 1920 when he was elected president and moved to the White House.

Rose's newest project is the renovation of the old Gyro Motor Company building, which was owned by the eminent inventor Emile Berliner. Berliner developed and manufactured helicopter engines on the site during the early part of the last century. The oldest part of the factory dates back to 1902.

"I fell in love with this building," said Rose. "DC has so few industrial buildings in this town. We were built as an office space town, not an industrial one, so this building was special. The challenge in the project is to preserve

the old and combine with a new structure that respects the architecture of the original."

Rose will be turning the currently vacant, eyesore property into one of his signature, well-crafted and designed condominium buildings. It will, appropriately, be named the Helicopter Factory.

"The fabric of this immediate area is so interesting," Rose mused. "There is Howard University right down the street, an emerging restaurant scene on 11th street, and it's only six blocks away from what will become the hub of U Street. I'm honored to be able to partake in the revitalization of such a wonderful part of the city. We're thrilled to create a new chapter for the helicopter factory in this neighborhood and for the people who live here."

Rose is looking forward to putting his creativity to work to preserve a rare piece of DC's aeronautical history.

"It's wonderful to have a fingerprint on something that was here before you and will be here long after you're gone," he said. "I love being part of all the wonderful things going on in DC. I'm lucky to be able to do what I'm doing. It doesn't feel like work." ♦

Brook Rose first approached City First Bank in 2013 regarding financing for the restoration of the vacant Helicopter Factory into industrial-inspired townhouse residences. His approach will create a new chapter for the landmark building and contribute to the ongoing revitalization of the U Street corridor.

Working with a partner that values more than the dollar value of a project was important to Rose. "City First Bank doesn't have the marble-top lobby counters or the fanciest chandeliers," he said. "But that's just superficial fluff. City First is not antiseptic corporate. They are people who care and want to be a part of a mission to make a real difference. They want to do more and work harder for you. That's what's meaningful to a business."

EMPOWERING CHANGE

through the New Markets Tax Credit Program

Among 179 organizations nationwide and only a handful of regulated banks, City First Bank is one of the most successful in assembling and deploying capital through the New Markets Tax Credit Program allocations. Through our affiliate, City First New Markets Fund II, LLC, City First has used the program to finance large scale transformational real estate projects that can encourage distressed communities.

City First is a five-time awardee of New Markets Tax Credit authority and has become the premier NMTC facility lender in the region. Of the \$370 million NMTC authority we have received, 67% of our total allocations have been deployed in the District through nineteen separate community development projects. In 2013, we closed financing on three DC facilities: Central Union Mission, The Anthony Bowen YMCA, and Washington Latin Public Charter School.

THE ANTHONY BOWEN YMCA

Shaping lives and building for the future...

Most people just think of the “Y” as a place to go for the fitness programs or the pool. But the Bowen YMCA is more than just a building. For the families that depend on the Y’s services, the building truly shapes and cultivates stability within the lives of those that access them.

“The people here at the Y are our family. Without the Y, I don’t know what kind of after school care my daughter would have. I depend on these folks,” said Charmaine Brandon, a single mom with a 4 year-old daughter, Emma. “With everything in the new facility, the Y has rounded out the programming,” said Charmaine. “It’s the final piece of the puzzle and I don’t need to worry. They know who we are and they know Emma. They love and care for her.”

The Bowen YMCA began a redevelopment project to turn it’s dilapidated building into a modern, mixed-use facility featuring 170 residential units, retail space and underground parking. The new center offers a full-service fitness and wellness center, child-care facility, a test kitchen to promote healthy eating, indoor swimming pool, internet café, administrative offices and a rooftop terrace.

“The Y’s programming for older kids focuses on character development – being honest, taking responsibility for yourself and being good citizens. Great values,” said Charmaine. “I can’t say how helpful it is. I have a great family village that is supporting me and helping me instill great values in my child.” ◆





CITY FIRST – SUPPORTING THE COMMUNITIES NEEDS

City First Bank partnered with the Anthony Bowen YMCA on the redevelopment project utilizing the Bank's New Markets Tax Credit program. As a condition of receiving NMTC equity, the Y entered into a community benefits agreement with City First that requires them to provide subsidized and fee-free services to low and moderate income families equivalent to the value of the tax credit equity that benefited the project, approximately \$4.7 million.

While the neighborhood is gentrifying, the Anthony Bowen YMCA is committed to continuing its long-standing tradition of serving the low-to-moderate income families in the community. Low-income families will be offered a community membership at about \$80 annually. Childcare is offered with a third of the slots discounted for low-income families and a third reserved for families with subsidy from the DC Department of Human Services. Services offered include health and nutrition counseling, a diabetes prevention program, and healthy kids day programs.

CENTRAL UNION MISSION

Rebuilding Lives

It's an all too common story. A young man comes from a disadvantaged family, with a mother who was an alcoholic. He needed to work to make money for the family, so he started to use and sell drugs, then lands in jail. When Riccardo got out of jail in 2008, he had nowhere to go. But for Riccardo, the story doesn't have a common ending. Someone told him about the Central Union Mission and it changed his life.

Central Union Mission's programs include a residential rehabilitation program; an overnight shelter for homeless men; food, clothing and furniture distribution; and programs specifically for seniors and the Latino community. Over 2,200 people volunteer their services and support to the Mission each year. All of the program participants are encouraged to give back in some way to the shelter.

Craig was a field cook in the U.S. Army before being the victim of a car fire and getting into trouble. He came to Central Union Mission after getting out of jail and now works as a cook at the Mission. "I learned patience here," Craig said. "Now I work hard to make the best meal I can because it might be the most important meal of the day for someone."

"None of us ever thought we'd wind up in a shelter," said Keith who was an addict when he arrived in DC from Philadelphia in 2008. "But here we are," he said. "We made mistakes but Central Union Mission is all about taking responsibility."

"Central Union Mission is a great place to start over," said Sean. "They provide the food, clothes, and shelter so you can concentrate on the other things. They have all the resources you need to get motivated. There is no other launching pad like this."

"Central Union Mission didn't just give me a bed to stay in, they taught me to be a man," says Riccardo, who now works for the Mission in the Laundry Room. "Once I started feeling good about myself, it was the turning point," said Riccardo. "Central Union Mission made it happen. I would have worked here for free. I wanted to give back to this unbelievable place that turned my life around. This is an amazing place." ♦





City First Helps Continue the Mission...

In 2013, Central Union Mission relocated into a new facility located at the former, historic Gales School building in DC's Ward 6. The new facility allows the Mission to expand their programs and services to include an additional 26,000 meals served every year and provide safe sleeping accommodations for an additional 30 spaces every night for a total of 9,500 each year, as well as provide educational and counseling services to an additional 1,190 clients. Included are new classrooms with state of the art technology, expanded medical, legal, dental, and caseworker offices, and a new fitness center.

City First Bank partnered with Central Union Mission to fund this project through the bank's New Market Tax Credit program. The project created approximately 100 construction jobs, 16 full time jobs and 10 part time jobs. The restoration of the Gales School also rescued a historic building and supported the revitalization of the Union Station community. When planning the renovation, project leaders focused on building environmental sustainability including setting aside 20% of the outdoor space as public open space, cleaning of a brown-field, and use of recycled materials for at least 50% of the project materials.

WASHINGTON LATIN PUBLIC CHARTER SCHOOL

Ancient Wisdom Guiding Students through a New Millennium

Washington Latin Public Charter School opened in 2006 with 179 students in middle school, grades 5-7. Since the school opened it has grown to over 600 students in grades 5-12, housed in three rented sites. But what sets Washington Latin apart from other charter schools is its curriculum.

Washington Latin offers a unique education based on the classical teaching philosophy of ancient Rome and Greece, which is structured on the belief that education is a training of character formed at the intersection of intellectual development and moral integrity. The curriculum offers students four different languages – Latin, French, Mandarin and Arabic. The school also provides specialized instruction for students who are not proficient in English and students with disabilities.

“We had no athletic facility or fields and barely enough room for classrooms. We have been on five different campuses in our history” says Head of School, Martha Cutts. So in 2013 with the help of City First Bank, Washington Latin began a project that would renovate and modernize the former Rudolph Elementary School located at 5210 2nd Street NW in Washington DC. “City First Bank provided us with a New Markets Tax Credit that is going to save us millions of dollars in repaying the loan.”

For Washington Latin, the new school will help them fulfill their mission of serving a diverse student population from all over the District of Columbia. Currently, thirty percent of students qualify for the free and reduced lunch program.

“Banks often will support commercial projects. But, a school project.....what is more important than education?” Martha explains. “We are now all together for the first time on one campus and we couldn’t have done it without City First Bank.” ◆



PARTNERING TO RECLAIM AN EDUCATIONAL CENTER...

With financing from City First Bank, Washington Latin Public Charter School renovated and modernized the old Rudolph Elementary School located in NW Washington DC. The building was closed in 2008 and then went into the DC public school surplus inventory. The new campus contains a renovated school building, library and gymnasium and includes two large playing fields.

Washington Latin won the rights to modernize the school in July 2012. Of the eight schools that submitted applications for excess inventory, Washington Latin was the only successful applicant, based upon its strong academic performance and demonstrated financial capacity.

In addition to allowing the charter school to consolidate its operations into one facility, the project also created 50 short-term construction jobs and 8 new permanent jobs.

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 and social vitality of underserved communities, as well as promoting access to vital services to low wealth neighborhoods in the Washington area. For 2013, the Baptist Award recipients are Robert "Bob" Pohlman and Bob Moore.

2012

David O. Treadwell
KIPP DC

2011

N Street Village
Mi Casa

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.

2013 WINNERS

ROBERT “BOB” POHLMAN

Robert “Bob” Pohlman is known for his leadership as Executive Director of the Coalition for Nonprofit Housing and Economic Development (CNHED) in the District of Columbia since its formation in 2000. As Executive Director of CNHED, Bob has led 140 member organizations in ensuring that residents with low and moderate incomes have housing and economic opportunities in neighborhoods throughout the District of Columbia. He played a central role in organizing citywide housing advocacy to gain dedicated funding for the District’s Housing Production Trust Fund. Since 2002 it has become one of the nation’s most successful housing trust funds, investing more than \$400 million to help finance the production of over 8,000 affordable homes for low and moderate-income DC residents.

Bob’s work at CNHED follows 23 years in the DC government, where he served as Director of the Department of Housing and Community Development, Deputy Mayor for Finance, and Chief Financial Officer. He has served on both of the District’s Comprehensive Housing Strategy Task Forces and recently was appointed by Mayor Gray to the Housing Production Trust Fund Advisory Board. Bob has been a vital source of information and a leading spokesman for affordable housing in the region for the past 40 years.

BOB MOORE

Bob Moore has been a fixture in the revitalization efforts within the District of Columbia since 1979, when he was appointed to the position of Director of DC Housing and Community Development by Mayor Marion Barry. Additionally, as President of the Development Corporation of Columbia Heights, he has spent the last 20 years leading the effort to assemble projects and strengthen services in that developing neighborhood. His focal projects, the development of the Frank D. Reeves Municipal Center and the Geno Baroni Apartments, are among some of the earliest revitalization efforts in DC’s Fourteenth Street Corridor. His strength at making constructive alliances between non-profit organizations, private sector businesses and government agencies has facilitated development projects that spur community growth and improve people’s lives.

Bob has been a leader in community action and redevelopment since his days as a welfare caseworker in Camden, New Jersey during the 1960s. While there he developed a prototype of what has become the standard intensive case-management model. During the 1970s Bob was Director of Public Housing in Houston, Texas, where he further honed his skills in urban housing finance. Bob continues to be a leader for community revitalization, home ownership and economic development in Columbia Heights and throughout the Washington, DC region.




**CITY
FIRST**
BANK OF DC

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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
SunTrust Bank, NA
SunTrust Community Development Corporation
US Department of the Treasury
Wells Fargo/Wachovia Affordable Housing Community
Development Corporation
Wells Fargo/Wachovia Bank

FINANCIAL STATEMENTS: CFBANC CORPORATION & SUBSIDIARIES

Comparative Consolidated Statements of Income and other Key Data

	Years ended December 31,	
	2013	2012 ⁽¹⁾
INCOME STATEMENT DATA		
<i>(\$ in thousands, except per share data)</i>		
Interest income	\$9,487	\$8,758
Interest expense	617	630
Net interest income	8,870	8,128
Provision for credit losses	500	625
Net interest income after provision for credit losses	8,370	7,503
Noninterest income	5,948	4,920
Noninterest expense	8,809	8,577
Income before income taxes	5,509	3,846
Income taxes expense	(1,780)	(1,247)
Net income	3,729	2,599
Less: Net Income attributable to noncontrolling interest	(1,150)	(772)
Net income	\$2,579	\$1,827
COMMON SHARE DATA:		
Net income	\$1.32	\$0.92
Book value	13.98	12.93
Common stock outstanding at end of period	1,864,213	1,864,113
Weighted average Common shares outstanding during period	1,864,123	1,864,113
BANK PERFORMANCE DATA:		
Return on average total assets	1.16%	0.91%
Return on average total equity	8.39%	6.30%
Net interest income as a % of average assets	3.98%	4.03%
Loans to deposits	91%	78%
BANK CAPITAL RATIOS:		
Tier 1 risk-based capital	19.12%	17.84%
Total risk-based capital	20.39%	19.11%
Tier 1 leverage	14.31%	12.59%

CF BANC CORPORATION & SUBSIDIARIES

Comparative Consolidated Balance Sheets

	Years ended December 31,	
	2013	2012 ⁽¹⁾
(\$ in thousands)		
BALANCE SHEET DATA:		
Assets:		
Cash & due from banks	\$5,211	\$3,815
Short-term Investments	6,004	28,249
Investment Securities	42,368	46,459
Loans, net	151,553	138,590
Other Assets	8,616	8,606
Total Assets	\$213,752	\$225,720
Liabilities:		
Deposits:		
Non-interest bearing demand NOW	\$29,953	\$25,152
Money Market & Savings	21,979	51,129
Time, \$100,000 or more	47,899	43,910
Other time	19,655	21,776
Total Deposits	51,437	40,297
Borrowings	170,923	182,264
Other Liabilities	8,183	11,342
Total Liabilities	2,666	2,110
CFBancorp Stockholder's Equity	181,772	195,716
Noncontrolling Interest	31,842	29,881
Total Liabilities & Stockholder's Equity	\$213,752	\$225,720

Loan Portfolio Composition

	Years ended December 31,	
	2013	2012
(In thousands)		
Commercial business	\$14,838	\$18,965
Real Estate:		
Commercial mortgage	113,647	108,494
Construction and land development	28,026	16,154
Installment loans to individuals	6	7
Total Gross Loans	156,517	143,620
Less: net deferred loan fees	(680)	(732)
Total Loans, net of deferred fees	155,837	142,888
Less: Allowance for credit losses	(4,284)	(4,298)
Loans, net	\$151,553	\$138,590

⁽¹⁾ Restated to reflect Non-controlling Interest



CITY FIRST BANK OF DC

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