

# BUILDING COMMUNITY STRENGTH

CITY FIRST BANK OF DC 2005 ANNUAL REPORT





## The Difference is our People...

Row 1: **Ann Scoffier**, Sr. VP Marketing and Deposit Development; **Douglas Dillon**, Sr. VP, Commercial Banking Team Leader; **James McGovern**, EVP & Chief Credit and Risk Officer; **Edward Furash**, President & CEO; **Kimberly Levine**, EVP & Chief Financial Officer; **Heather Brown**, Group Sr. VP, Operations; **Milton Franklin**, Group Sr. VP Chief Lending Officer. Row 2: **Godwin Agba**, Sr. VP, Commercial Real Estate Team Leader; **Patricia Mayo**, VP, Loan & Credit Administration Mgr; **Ja'Kayel Strawbridge**, Para Loan Administrator; **Rhonda Dixon**, Sr. Para Loan Administrator; **Swapan Chauduri**, VP & Ass't Controller; **Russell Brown**, Ass't VP Operations Support; **Phyllis Henderson**, Executive Ass't to the CEO; **Linda Dupree**, Loan Operations Team Lead. Row 3: **Eva Rainer**, Vice President, Relationship Mgr.; **Ronald Briggs**, Real Estate Relationship Mgr.; **Dawn Solomon**, Receptionist; **Marcella Mendoza**, Financial Services Rep.; **Khadija Adams**, Head Customer Associate; **Monica Grant**, Support Services Mgr.; **Melrose Nathan**, Sr. VP & Controller, Finance; **Brenda Caesar**, Para Loan Administrator; **Jeff Stout**, Ass't VP, Credit Analyst Trainee. Row 4 (begins in center of front door): **André Brown**, Customer Associate; **Arnetta Parish-Shaw**, Para Loan Administrator; **Mary Nabinett**, Loan Operations Specialist; **Patrice Nye**, Deposit Operations Specialist; **Rená Harris**, Ass't VP. Not pictured: **Stephanie Meyer**, Ass't VP Relationship Manager; **José Ygoa**, Branch Manager; **Jeannette Greenhill-Mensah**, Deposit Operations Team Lead; **Vance Warren**, Customer Associate; **Minta Branham**, Sr. VP, Lending.

## Message from the Chairman and the President



When we write the history of City First Bank, 2005 will be marked as a year of change. The Bank moved its headquarters to a spectacularly renovated building in the heart of DC's historic U Street Corridor. We also took some time to look inward to understand how we could strengthen our operations and structure to position us for greater impact in our market.

At the end of the year, Director Ed Furash, who has had a distinguished 50-year career as a banker and consultant to banks took a more active role in the Bank. Recently, he was named President and CEO after Cliff Kellogg left to take a position at Brookings Institution. At the helm of City First, Cliff contributed significantly to community development in the city. We thank him for his contributions.



We look forward to a bright future under Ed's leadership. Drawing on Ed's banking and financial service experience and the Board's deep roots in the community, we plan to expand City First's banking activities. We will reach more deeply into the communities we already serve and expand into other underserved communities in the region.

Some of our significant achievements in 2005 include:

- We grew our total assets by 20% to \$126.9 million
- We financed 346 affordable housing units, bringing our cumulative total to 2,085 housing units
- We created or retained 168 jobs making a cumulative 1950 jobs
- Through our subsidiary, City First Capital, we provided \$44 million in New Markets Tax Credits, to THEARC and the Atlas Theater.
- We were chosen as a lender for Site Acquisition Financing Initiative (SAFI) by the DC Housing and Community Development Department and have made \$6.8 million in SAFI loans.

As we look ahead to 2006, we anticipate more changes, some of which have already begun. There are a number of new faces—Jim McGovern joined the Bank as Chief Credit and Risk Officer and Kimberly Levine was brought on board as the new CFO. Both Jim and Kim have extensive banking experience. We also promoted other top performers in lending, deposits and operations.

Some things remain unchanged. Everyone at City First is deeply committed to the Bank's mission to provide the best in banking services to the Washington Metropolitan region, particularly in areas that have been historically underserved. We will continue to work with our shareholders, depositors, lending customers, and community partners to build affordable housing, start new businesses, create new educational opportunities, and strengthen the nonprofit organizations – and, through this work, create jobs. Last but not least, City First remains deeply loyal to our customers. They are our lifeblood and the driving force behind everything we do. We measure our success by their success.

Marshall E. Purnell  
Chairman

Edward E. Furash  
President & CEO

## New Markets Tax Credits – A Small Bank casts a long shadow!



Through its subsidiary, City First Capital, City First Bank was able to provide New Markets Tax Credits to investors in The Townhall Education Arts and Recreation Center in Anacostia and the Atlas Theater on H Street. We were proud that both these projects were nominated for the Washington Business Journal's "Best Real Estate Deal of the Year". THEARC won their category – Community Impact. City First continues to work with partner banks and investors, using our NMTC allocation to bolster financing of projects that spur community revitalization.



Atlas Performing Arts Center  
1333 H Street, NE  
Washington, DC 20002



THEARC  
19 Mississippi Ave., SE  
Washington, DC 20020

## Lending Strength

Like its customers, City First Bank is agile, experienced and market-savvy. Because we know what works, we lend to customers with great ideas who often don't fit the conventional bank profile. We lend for our borrowers' success and in doing so help communities succeed. City First's loans center around what it takes to make communities strong: housing, jobs, education, and faith-based and non-faith based community outreach organizations.



### Renovators of small multi-family buildings

Helping small developers buy, fix up and hold small apartment buildings is critical to housing in low income, moderate income, and transition neighborhoods. These transactions are often too small and varied to justify the interest of larger, mainstream banks. Loans to these borrowers build their own success and personal wealth. They, in turn, provide jobs to their neighbors and good quality affordable housing in their neighborhoods.

### Vibrant community organizations

These organizations— schools, day care centers, churches, counseling agencies -- anchor their communities. Facilities financing is often essential to their future financial stability and to that of their communities, too. Working capital is their lifeblood, and its judicious use a key to their survival and success. City First works with these borrowers to structure sustainable access to capital.

### Small businesses seeking capital to grow

Understanding the ins-and-outs of small businesses calls for special expertise. City First has made loans to a number of first time borrowers, is willing to take the time to access Small Business Administration guarantees, and has helped put a number of businesses on a solid growth path.

*"City First's participation—both in financing the acquisition and their willingness to make the stand-by commitment—was critical in allowing us to go forward with this important project."*

*— Ken Ellison, Executive Director of SOME*



## Affordable stable homes for the most vulnerable



It has become increasingly clear that the lack of affordable housing in Washington is the leading cause of homelessness. In response, So Others May Eat (SOME) has expanded their nutrition, health, addiction recovery, and job training services to include both transitional and permanent housing for some of the most vulnerable populations in the District. City First is proud to work with SOME on its Housing Development Initiative (DHI), which aims to build 1,000 additional units of safe, affordable housing for extremely low-income families and individuals.

Recently, City First participated in funding SOME's renovation of Freedom House, a 30-unit Single Room Occupancy (SRO) building for low-income and formerly homeless adult men and women that provides a balance of independence and support. The project is now owned by Affordable Housing Opportunities, Inc., a new non-profit set up by SOME to carry out its Housing Development Initiative. City First Bank's role included a \$1,000,000 first mortgage loan for the acquisition of the property and a stand-by commitment of permanent financing that was ultimately replaced by funds from the District of Columbia Department of Housing and Community Development.

Freedom House  
2125 18th Street, SE  
Washington, DC

## Community Organizations

Schools, day care centers, churches and counseling agencies anchor their communities. Facilities financing is often essential to their financial stability. These organizations often have complex, multi-sourced organizational finances. These loans frequently include multiple partners. We take the time to understand and to construct the most advantageous financing possible for the borrower.



### Year-Round Excellence

**E. L. Haynes Public Charter School**  
3029 14th Street, NW  
Washington, DC 20009

City First has provided funding and financial services to E.L. Haynes from its start-up, extending a facilities loan to outfit the school's current leased space and a renewable line of credit to help cover cash-flow bumps. At City First we think that supporting the establishment of quality charter schools answers a critical need in the City. E.L. Haynes, the only year-round school in the city, provides students with high-quality academic enrichment programs for 47 weeks per year. Outstanding teachers engage Haynes students in project-based instruction and enhanced math, science, and literacy programs. Haynes currently serves students in Pre-K to 3rd grade and will grow to more than 650 students in grades Pre-K to 12. The school's mission is one that addresses some of the key educational challenges we face locally: to ensure that every student will attain high levels of academic achievement and success in college; to eliminate the achievement gaps related to the race, gender, home language, and socioeconomics; and, to demonstrate that all students can succeed academically.

*"City First Bank has been a partner in the development of our school. In addition to exceptional banking services, they have provided us with guidance and expertise and have shared in our vision for the future."*

*– Jennifer C. Niles, Founding Principal  
E.L. Haynes Public Charter School*

*"I'm happy that City First Bank was willing to assist a small church with a big need."  
– Reverend Milton Wilcher*



### Atlantic Street Baptist Church – An oasis of peace

**Atlantic Street Baptist Church**  
30 Atlantic Street, SE  
Washington, DC 20032

Reverend Milton Wilcher has created an oasis in a turbulent southeast neighborhood. People are guided to an oasis by the trees that grow near the water. The Atlantic Street Baptist Church put its roots down 33 years ago when Rev. Wilcher located his church in a house once used as a hairdresser and barber shop that dealt drugs out the back door.

Rev. Wilcher didn't organize community programs. He simply held services and hosted Bible study groups. By force of character and a deep ability to connect, this unassuming pastor has helped to stabilize this little corner of DC. The drug dealers are gone. Today the church is an oasis, offering the thirsty a chance to drink-in peace, spirituality, comfort and security.

City First recently financed the Church's acquisition of the house next door. The transaction puts the house in the church's name, so that the property may be used as security to perpetuate Reverend Wilcher's work and provide a bulwark for the church's finances.



*"City First stayed with me through the SBA loan process. It seemed long and complicated but was well worth the wait! I don't believe I could have done this without City First and SBA support." – Patricia Fraser, owner*

## Banking on Neighborhood Entrepreneurs



Small business banking is an art and a science. City First listens to our customers. How can we help them turn their inspired idea into lasting business reality? What do they need that they can't find? We commit to our customers for the long haul. Our relationship doesn't end with a loan – it begins with one.



*From employee to owner without changing jobs!*

Dash-in  
3620 Mattawoman  
Beantown Road  
Waldorf, MD 20602

As early as 4:00am, Dash-in customers can grab a snack and a coffee, pick up a product they need, be served by a familiar friendly person, and hit the road for the long commute to work. Dash-in and stores like it respond to the needs of busy Americans. When the company announced it was franchising, Patricia Fraser wanted to seize the opportunity and realize her dream of business ownership. She had the knowledge. Patricia had worked in the Dash-in she now owns for 7 years. But, she needed a loan. Through City First, an SBA accredited bank, she obtained an SBA guaranteed loan to buy her franchise.

Last year Patricia was working on salary to help support her family. This year, she and her husband are working together to build their own business! And, build it they are: their sales have been growing 20-30% per month since acquisition. One year after acquiring her store, Patricia was voted Dash-in franchisee of the year!

*"I always remember where I came from. City First stuck with me when I was a struggling developer. Now I'm going to stick with them." – Greg Maison*

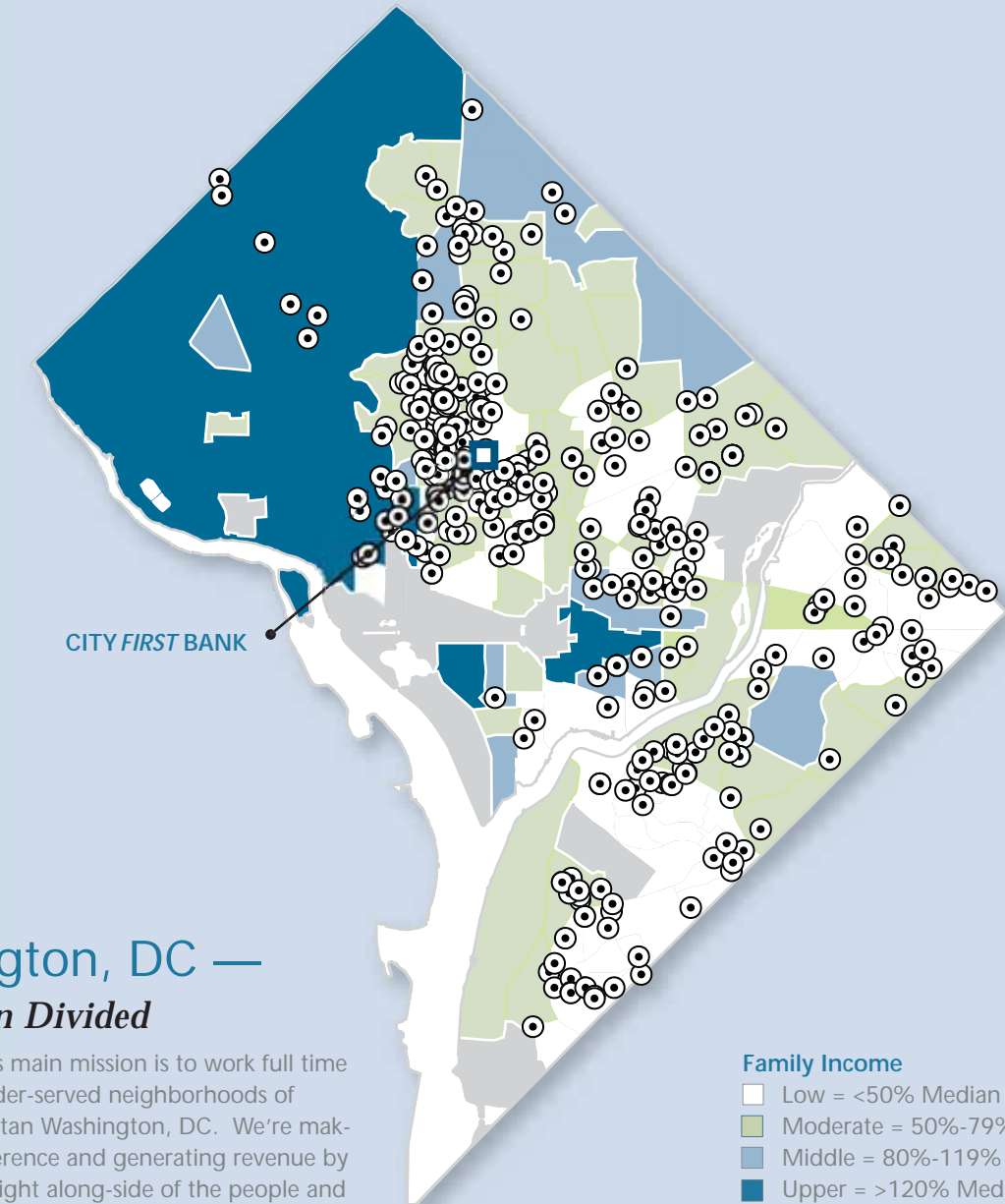
## Building Lasting Customer Relationships—Greg Maison



At City First, we know that investing in the right people and the right projects can make a real difference in changing lives, neighborhoods and communities. Greg's first project was the third loan that City First ever made. When we first featured Greg in an Annual Report in 2000, he had rehabbed six buildings and provided housing for about 18 families. Today, Greg has rehabbed 24 buildings and provided housing for 90 families. Greg's work represents one of our biggest areas of focus: the rehabilitation of buildings to create affordable housing.

Greg exemplifies doing good by doing well. He makes a living providing the most difficult housing there is to find: affordable, multi-family rental housing. He goes beyond merely renting his units—he informs families about the Section VIII subsidy and helps them apply. He has opened up affordable apartments to make room for large families.

Working capital for one man creates a chain of success—a new business is born; individual success is achieved; jobs are created; housing is made available to people at rates they can afford; neighborhoods are strengthened and stabilized.



## Washington, DC — A Region Divided

City First's main mission is to work full time in the under-served neighborhoods of metropolitan Washington, DC. We're making a difference and generating revenue by working right along-side of the people and organizations making a difference in these communities.

### Family Income

- Low = <50% Median
- Moderate = 50%-79% Median
- Middle = 80%-119% Median
- Upper = >120% Median
- Not Classified
- ⊙ City First Loan Customer



## Deposits + City First = Loans

### City First Depositors see a double Bottom Line...

It's a simple formula: deposits fuel loans. City First uses FDIC-insured deposits to lend where it's needed most. At City First, our depositors earn competitive market rates. But just as importantly, we offer the added satisfaction of knowing that while your deposits are earning interest, they're also working hard to improve the community.

- \$50,000 can fund an equipment loan for a small business in Columbia Heights;
- \$100,000 can fund housing renovation in Anacostia;
- \$250,000 can fund the acquisition and renovation of a new community church in Brentwood Park; and
- \$500,000 can fund a line of credit for a nonprofit organization revitalizing housing along North Capitol Street.

## City First — CDARS for our largest depositors

### Put your money on a mission

City First Bank is the first bank in the region to offer FDIC insurance on deposits up to \$25 million,

#### PLUS

The satisfaction of knowing your money is at work in our city's communities

CDARS provides full security, superior financial returns, and convenience to our depositors, while allowing City First to use the funds to lend in the neighborhoods that need it most.

## CITY FIRST PLATINUM DEPOSITORS (Organizations that have deposited \$500,000 or more)

- |                                                          |                                                      |
|----------------------------------------------------------|------------------------------------------------------|
| Annie E. Casey Foundation                                | Heron Foundation                                     |
| Arts and Technology Academy Public Charter School        | HOK/Devroux & Purnell                                |
| Building Bridges Across the River                        | Horning Brothers                                     |
| Capital City Public Charter School                       | House of Ruth                                        |
| Calvary Bilingual Multi-cultural Learning Center         | Howard University                                    |
| Canal Park                                               | Industrial Bank                                      |
| Charter School Development Corporation                   | Kipp DC Public Charter School                        |
| Cooperative Assistance Fund                              | Leviticus 25/23 Fund                                 |
| Community of Hope                                        | Marvin Jawer Companies                               |
| Community Partnership for the Prevention of Homelessness | Meridian Public Charter School                       |
| Cornerstone, Inc.                                        | Metropolitan Washington Airport Authority            |
| DC Bilingual Public Charter School                       | National Congress for Community Economic Development |
| D.C. Chamber of Commerce                                 | National Cooperative Bank                            |
| D.C. Department of Housing and Community Development     | Paul Junior High Public Charter School               |
| DC Government                                            | Potomac Lighthouse Public Charter School             |
| Treasurer's Office                                       | Petromore, Inc.                                      |
| State Education Office                                   | Saint Alban's Parish                                 |
| DC Public Charter School Board                           | Teaching for Change                                  |
| Enterprise Foundation                                    | Thurgood Marshall Academy                            |
| Fannie Mae                                               | Washington Area Community Investment Fund            |
| Freddie Mac                                              | William C. Smith Co.                                 |



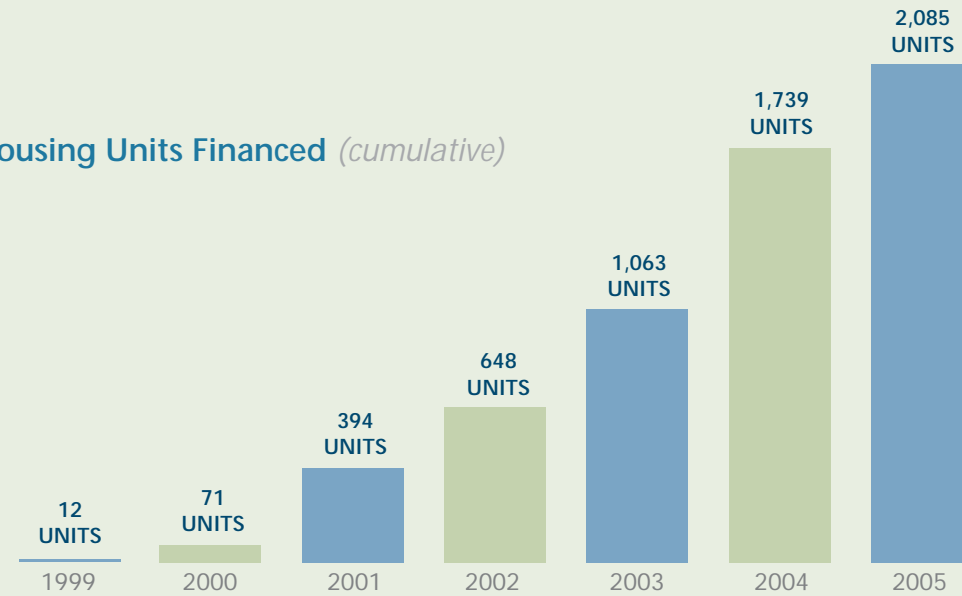


## CFBANC CORPORATION CORPORATE SHAREHOLDERS

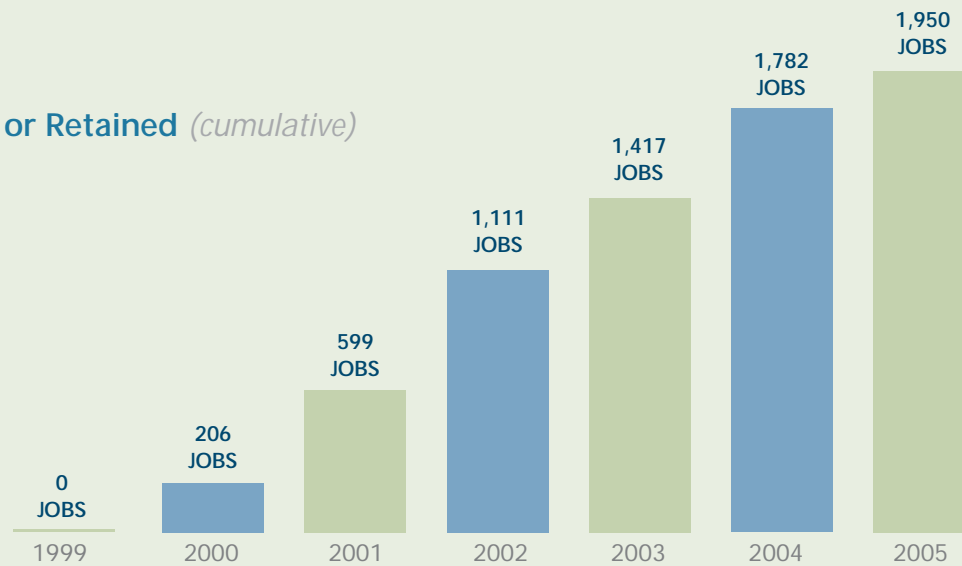
- Amerquest Capital Corporation
- Bank of America Corporation
- Calvert Social Investment Fund Balance Portfolio
- Capital One, Federal Savings Bank
- CFBanc Holdings, Inc.
- Citicorp North America, Inc.
- City First Enterprises
- Community Development Financial Institutions Fund (CDFI Fund)
- Community Foundation for the National Capital Region
- Cooperative Assistance Fund, Inc.
- Fannie Mae
- Ferris Baker Watts, Inc.
- Georgetown University
- J.P. Morgan Chase Community Development Corporation
- M&T Bank
- The National Community Investment Fund (NCIF)
- SunTrust Bank
- Treasury Bank, N.A.
- Wachovia Affordable Housing Community Development Corporation



**Affordable Housing Units Financed** *(cumulative)*



**Jobs Created or Retained** *(cumulative)*



**BOARD AND STAFF**

THE BOARD OF DIRECTORS  
CFBANC CORPORATION AND  
CITY FIRST BANK OF D.C., N.A.

- Marshall E. Purnell, *Chairman of the Board, Principal, Devroux & Purnell*
- Edward E. Furash, *President and CEO, CityFirst Bank of DC*
- David McGrady, *Vice Chairman of the Board, Consultant*
- Marie Mann Bibbs, *Sr. Vice President, Mission Banking, National Cooperative Bank*
- John M. Hamilton, *Chairman, Community First, Inc.*
- Joseph F. Horning, Jr., *President, Horning Brothers*
- Nicholas P. Lambrow, *President, Chesapeake Region, M&T Bank*
- Nicole F. Mandeville, *Sr. Vice President Finance and Treasurer, The Freedom Forum*
- Cantwell F. Muckenfuss, III, *Partner, Gibson, Dunn & Crutcher, LLP*
- Robert Peck, *Sr. Vice President, The Staubach Company*
- Desa Sealy Ruffin, *Principal, Gotham Development*
- Carmen Ramos-Watson, *President & CEO, Quality Management Resources, Inc.*
- W. Christopher Smith, *Chairman & CEO, William C. Smith & Co.*

**ADVISORY BOARD**

- William L. Robertson, *Consultant*
- Andrew Tomback, *Partner, Milbank Tweed Hadley*

**OFFICERS**  
CITY FIRST BANK OF D.C., N.A.

- Edward E. Furash, *President and CEO, 202.243.7106*
- James McGovern, *Executive Vice President, Chief Credit and Loan Officer, 202.243.7137*
- Kimberly Levine, *Executive Vice President, Chief Financial Officer, 202.243.7123*
- Milton Franklin, *Group Sr. Vice President, Chief Lending Officer, 202.243.7108*
- Heather Brown, *Group Senior Vice President, Operations, 202.243.7143*
- Ann W. Scoffier, *Sr. Vice President, Marketing and Deposit Development, 202.243.7118*
- Douglas F. Dillon, *Sr. Vice President, Commercial, SBA and Non-Profit Lending, 202.243.7147*
- Godwin Agba, *Sr. Vice President, Real Estate Lending, 202.243.7102*
- Minta Branham, *Sr. Vice President, SBA Lending, 202.243.7121*
- Melrose Nathan, *Sr. VP & Controller Finance, 202.243.7103*
- Swapan Chaudhuri, *VP& Assistant Controller, 202.243.7124*
- Patricia Mayo, *VP Loan & Credit Administration Manager, 202.243.7153*
- Stephanie Meyer, *Assistant. VP, Commercial & Non-Profit Lending, 202.243.7113*
- Jeff Stout, *Assistant VP, Credit Analyst Trainee, 202.243.7120*
- Russell Brown, *Assistant VP, Operations Support, 202.243.7135*
- Ronald Briggs, *RE Relationship Manager, 202.243.7111*
- José Ygoa, *Branch Manager, 202.243.7133*



## Our Mission

To promote investment in and strengthen under-served communities in the Washington, DC region.

City *First* Bank of DC is the first and only community development bank in the region. A full-service commercial bank with a national bank charter, City *First* is FDIC-insured and recognized by the D.C. Office of Local Business Development as a local small business in an Enterprise Zone.

## Our Vision

To be the premier financier of community development projects throughout the Washington, D.C. region – by providing the highest quality services and best possible rates to our customers as lender, advisor, intermediary, facilitator, or depository institution.



**CITY FIRST  
BANK OF DC**

Member FDIC

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1432 U Street, NW  
Washington, DC 20009

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Fax: 202.243.7195

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[www.cityfirstbank.com](http://www.cityfirstbank.com)