



CDCI ANNUAL USE OF CAPITAL SURVEY - 2015

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

CFBanc Corporation/City First Bank of DC, NA

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| Person to be contacted regarding this report: | Kimberly J. Levine, EVP & CFO | RSSD: (For Bank Holding Companies) | 2697945 |
| UST Sequence Number: | 900 | Holding Company Docket Number: (For Thrift Holding Companies) | |
| CPP/CDCI Funds Received: | 5,781,000 | FDIC Certificate Number: (For Depository Institutions) | 34352 |
| CPP/CDCI Funds Repaid to Date: | 0 | Credit Union Charter Number: (For Credit Unions) | |
| Date Funded (first funding): | Sep 17, 2010 | City: | Washington |
| Date Repaid ¹ : | N/A | State: | District of Columbia |

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

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| <input checked="" type="checkbox"/> | Increase lending or reduce lending less than otherwise would have occurred. | During 2015, over \$41 million in new loan commitments were originated bringing our outstanding balance to \$167 million at December 31, 2015. Though this reflects a modest decrease in outstandings, the Bank continued to provide financing to economically distressed target markets. |
| <input type="checkbox"/> | To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.). | |
| <input checked="" type="checkbox"/> | Increase securities purchased (ABS, MBS, etc.). | During 2015, the Bank purchased a net of almost \$36 million in Treasury, governmental agency and mortgage backed securities, offset by \$10 million in security sales. |

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| <input type="checkbox"/> | Make other investments | |
| <input checked="" type="checkbox"/> | Increase reserves for non-performing assets | In 2015, The Bank recorded a provision for loan losses of \$876 thousand, primarily attributable to an increase in loans displaying higher risk characteristics. |
| <input type="checkbox"/> | Reduce borrowings | |
| <input checked="" type="checkbox"/> | Increase charge-offs | During 2015, the Bank charged off almost \$700 thousand in loans. |
| <input type="checkbox"/> | Purchase another financial institution or purchase assets from another financial institution | |
| <input checked="" type="checkbox"/> | Held as non-leveraged increase to total capital | The Bank's risk based capital ratio increased from 18.65% at December 31, 2014 to 19.90% at December 31, 2015, increasing capital to permit further leverage for funding future loan demand. |

What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

n/a

What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

In 2015, the Bank's NMTC subsidiary was able to act as a pass through entity for another NMTC allocatee in the redeployment of \$14 million in NMTC funds, resulting in both fees and net interest income for the Bank. This transaction required one of the Bank's consolidated NMTC subsidiaries to make a \$14 million loan funded by a \$14 million borrowing. The capital of the consolidated Bank entity was sufficient to permit this transaction without negatively impacting the capital ratios.

Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

n/a