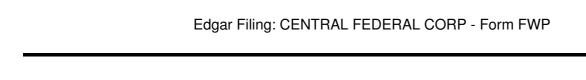
CENTRAL FEDERAL CORP Form FWP March 02, 2012

Investment Overview March 2012



Legal Disclaimer

This Investor Presentation (Presentation) has been produced by Central Federal Corporation (CFC) solely for use at this with the rights offering of Common Stock of CFC, and may not be reproduced or redistributed, in whole or in part, to any othe statement (Registration Statement), including a prospectus (Prospectus) with the Securities and Exchange Commission (Stock to which this Presentation relates. Before you decide whether to invest, you should read the Prospectus in that registration information about CFC and this offering. You may obtain these documents for free by visiting EDGAR on the SEC Website a ParaCap Group, LLC, financial advisor and information agent, will arrange to send to you the Prospectus if you request by call Statements contained in, or incorporated by reference into this Presentation that are not statements of historical fact are forward

good faith by us. Forward-looking statements include, but are not limited to: (1) projections of revenues, income or loss, earning structure and other financial items; (2) plans and objectives of CFC s or CFBank s management or Boards of Directors; (3) st economic performance; and (4) statements of assumptions underlying such statements. Words such as "estimate," "strategy," ' "predict," "will," "intend," "plan," "targeted," and the negative of these terms, or similar expressions, are intended to identify for exclusive means of identifying such statements. Various risks and uncertainties may cause actual results to differ materially fr statements. The following factors could cause such differences: a continuation of current high unemployment rates and difficu in general economic conditions and economic conditions in the markets we serve, any of which may affect, among other things charge-offs, and provision for loan loss expense; changes in interest rates that may reduce net interest margin and impact fundi sufficient liquidity to continue to fund our operations; our ability to reduce our high level of nonperforming assets and operatir prices, including real estate values, which may adversely impact the value of financial products including securities, loans and temporary impairment of securities held in our securities portfolio; results of examinations of CFC and CFBank by the Regula Regulators may, among other things, require CFBank to increase its allowance for loan losses or write-down assets; our ability CFBank Cease and Desist Orders issued by Regulators; the uncertainties arising from CFC s participation in the TARP Capita on employee recruitment and retention and other business and practices, and uncertainties concerning the potential redemption investment under the program, including the timing of, regulatory approvals for, and conditions placed upon, any such redemp regulations; various monetary and fiscal policies and regulations, including those determined by the Fed, the FDIC and the OC regional commercial banks, savings banks, credit unions and other non-bank financial institutions; our ability to grow our core may affect our operations, pricing, products and services; unanticipated litigation, claims or assessments; and management's ab Forward-looking statements are not guarantees of performance or results. A forward-looking statement may include a stateme the forward-looking statement. CFC believes it has chosen these assumptions or bases in good faith and that they are reasonab assumptions or bases almost always vary from actual results, and the differences between assumptions or bases and actual resu statements included in this report speak only as of the date of the report. We undertake no obligation to publicly release revision reflect events or circumstances after the date of such statements, except to the extent required by law.

Executive Summary

```
Executive Summary
4
Why Invest in a Community Bank Today?
Which Community Banks Are and Will Be Successful?
Why CFBK?
1
2
3
```

Offering Highlights		
Issuer:		
Security Offered:		
Warrants:		

Proposed Offering Price:
Proposed Offering Size:
Standby Purchaser Commitment:
Aggregate Net Proceeds:
Use of Proceeds:
Financial Advisor / Information Agent: Central Federal Corporation (NASDAQ: CFBK) Common shares
1 warrant to purchase 1 share for every 3 shares purchased. Exercisable for 3 years at \$1.00 strike price. \$1.00 per share
Up to 30,000,000 shares 5,035,000 shares
Approximately \$21.3 million to \$28.4 million Invest \$13.5 million in wholly owned subsidiary CFBank to
improve capital position and retain the rest at the holding company for general corporate purposes
ParaCap Group, LLC

Changes at CFBK in the Past Two Years 6

Promoted new CEO and President in May 2010
Engaged two different independent loan review firms, and a consulting firm to assess asset quality, workout strategies, and performance
Began process of reducing nonperforming assets
Strengthened allowance for loan losses
Re-engineered credit and workout operations

Retained a financial advisor to explore strategic alternatives

Attracted Timothy O Dell, Thad Perry and Bob Hoeweler to lead the Company s recapitalization

1

2

3

4

5

6

7

Improved Asset Quality Non-Performing Assets (\$000s)

7

12,265

13,234

14,066

13,053

13,024 14,566 11,850 9,522 7,650 2,000 4,000 6,000 8,000 10,000 12,000 14,000 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3

2009 2010 2011

Strengthened Reserves

Loan Loss Reserves / Gross Loans

(%)

8

1.9

3.0

3.2

4.6

- 4.7
- 4.9
- 5.0
- 4.5
- 4.2
- 0.0
- 1.0
- 2.0
- 3.0
- 4.0 5.0
- 6.0

- Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 2009
- 2010
- 2011

I. Why Invest in a Community Bank Today?

```
Why Invest in a Community Bank Today?

1

2

3

4

10

Major deterioration in public perception of big banks
Favorable year-over-year dynamics in the real estate market and economy
```

There are numerous attractive potential customers up for grabs, particularly small and medium-sized businesses, executives and professionals

Strong

business

model

if

derivatives

and

other

complex

financial

instruments

are

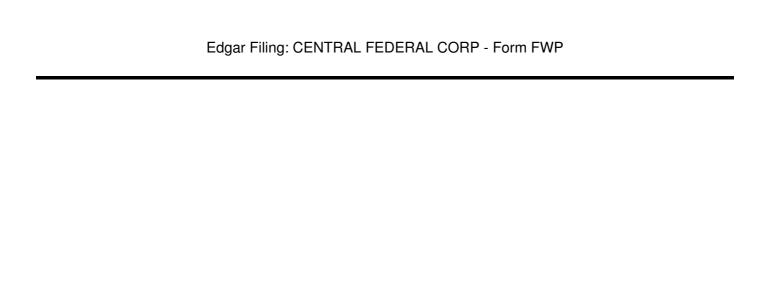
avoided



Stock Performance Last Two Years

Source: SNL 9.4% (16.5%)S&P Bank Index Too Big To Fail List (50.0)(40.0)(30.0)(20.0)(10.0)0.0 10.0 20.0 30.0 The financial crisis has caused a severe backlash against the country s Too Big To Fail banks. There has been a significant deterioration of the public s, investors and regulators perception of these institutions. Both business and retail customers have experienced deteriorating service levels, long decision periods, and high uncertainty in dealing with the larger banks. As a result, many Americans have called for a return to smaller community banks through protests and organized events such as the National Bank Transfer Day. Too Big To Fail List as defined by the G-20 Financial Stability Board; Includes: Bank of America, Citi, Goldman Sachs, Wells Fargo, State Street, Bank of New York Mellon, JP Morgan, and Morgan Stanley

11



Favorable Economic Trends

Ohio has posted the **fifth largest increase in jobs of all 50 states**, on a year-over-year basis from December 2010, according to the Bureau of Labor Statistics

Since December 2010, **Ohio has added 72,400 jobs**, trailing only Texas, New York, Florida, and California.

All of CFBank s markets have witnessed a notable decline in the unemployment rate over the last year:

In the East Liverpool-Salem MSA, the improving manufacturing base and increased investment in the

Utica

Shale

region

have

caused

the

unemployment

rate

to

decrease

from

11.2%

to

8.8%

year-

over-year, nearly **two times greater than the year-over-year rate of decline of the** national unemployment rate.

The Akron MSA s diverse economic base has also led to relatively strong job growth. **In** December, Akron s unemployment rate was 7.3%, compared to 7.6% in Ohio and 8.5% nationally.

The Columbus MSA s unemployment rate has been consistently lower than the state and national averages throughout the recession. **In December, the Columbus MSA** s **unemployment** rate was 6.4%; significantly better than state and national figures.

12

Housing Market Stabilizing
Case-Shiller Home Price Index:
Cleveland versus National Average
Case-Shiller Percent
Decline From Market Peak
13
City
Percent

Decline Las Vegas -61.6% Phoenix -56.4% Miami -51.5% Tampa -48.0% Detroit -45.1% San Francisco -41.3% Los Angeles -40.5% San Diego -40.0% Minneapolis -36.3% Chicago -34.8% Atlanta -34.4% Seattle -31.1% Portland -28.6% Washington -27.3% New York -23.9% Cleveland -20.1% **Boston** -16.9% Charlotte -16.9% Denver -10.8% Dallas -9.2% 75.00 95.00 115.00 135.00 155.00 175.00 195.00 215.00 Cleveland, OH Composite 20

Opportunity to Attract Customers & Talent Akron MSA Columbus MSA East Liverpool MSA Source: 2011 FDIC Deposit Market Share Data

1.

2.

3.

```
4.
5.
1.
2.
3.
4.
5.
1.
2.
3.
4.
5.
14
Top 5 Deposit Market Share Leaders in CFBK s Markets
```

Historic P/TBV Multiples
Historic P/E Multiples
Valuations at Historic Lows
15
Price /Tangible Book and Price/LTM Earnings Multiples for SNL Bank Index

II. Which Community Banks Are and Will Be Successful?

Which Community Banks Are and Will Be Successful?

Strong, experienced leadership, focused on stakeholder values and balanced risk/returns

Directors and management willing to put their own money and relationships on the line

Large enough to be relevant, small enough to provide exceptional

service and
maintain strong long term relationships and competitive advantage
Attractive markets offering growth potential
Ample capital to take advantage of market opportunities
1
2
3
4
5

Strong, Experienced Leadership Timothy

T.

O Dell

Proposed Chief

Executive

Officer

Currently the owner of the Chetwood Group, which provides advisory services to a number of privately held enterprises in construction, health care, real estate and professional services

Prior to founding Chetwood in 2003, Mr. O Dell spent 22 years at Fifth Third Bank, and was a senior executive with Fifth Third s Central Ohio operations for 12 of those years, concluding his tenure serving as President and Chief Executive Officer

For

10

of

his

years

with

Fifth

Third

Central

Ohio,

Mr.

O Dell

also

served

as

a

senior

lender

and

managed

its

commercial banking and residential and commercial real estate divisions

During his tenure, Fifth Third s Central Ohio division grew by \$4 billion in deposits and \$5 billion in loans from organic growth and through strategic acquisitions

Mr.

O Dell

served

on

the

board

of

the

Columbus

Chamber

of

Commerce

and

The

Ohio

State

University

Medical

Center,

and he was a founding investor in the Ohio TechAngel Venture Fund B.B.A.

Marshall University 18

Strong, Experienced Leadership Robert

E.

Hoeweler,

Jr.

Proposed

Chairman

Chief Executive Officer of a diverse group of companies owned by the Hoeweler family, including manufacturing, communication, distribution, business services and venture capital entities Served as Vice Chairman of Winton Financial, Inc., a \$550 million Cincinnati-based S&L, from its initial public offering in 1988 through its ultimate sale in 2005 to WesBanco, Inc. Has served on the boards of directors of one of the country s largest privately owned waste and recycling companies since 1986 and a privately owned commercial bakery since 1988 Director of Skipjack Financial Services, a provider of payment processing services that the Hoeweler family led from its inception through its sale to a super-regional banking company, from 1996 through 2009 B.S. University of Cincinnati Thad R. Perry Proposed President Senior Partner with Accenture for over 30 years where he was involved in consulting, transaction structuring, and management of operations. He operated the firm s Columbus, Ohio practice and developed its regulated industries

practice. From 1988 through 1998, Mr. Perry managed Accenture s German, Austrian and Swiss practices, which accounted for nearly \$1 billion in gross revenues

Former Chief Operating Officer of Western Europe operations, and

served on Accenture s European Management Board

and the Global Strategic Planning, Management, Markets, Executive, Outsourcing, and Technology Committees His experiences in banking include the transformation of both the technical and business processes for credit card, internet banking and security, stock and trading exchanges, international banking and customer relationship management

M.B.A.

The Ohio State University

B.S.

The Ohio State University

19

Strong, Experienced Leadership James Howard Frauenberg, II

Proposed Director

Principal owner of Addison Holding, LLC which manages investments of private individuals Active in opening new franchises for two retail chains, Five Guys Burgers and Fries and Flip Flops Senior officer with Check Smart Financial in Dublin, Ohio from 1995 to 2008 Donal

Malenick

Proposed Director

Chief Executive Officer of Columbus Steel Castings from 2003 through 2008

President of Worthington Steel from 1976 to 1999

Former board member of Max and Ermas Restaurants of Columbus, Ohio from 2006 until it was sold in 2008

Member of KeyBank s advisory board from 2001 to 2005

Private investor since 2008

20

Strong, Experienced Leadership

Eloise L. Mackus

Current Chief Executive Officer

Named CEO in February 2011, after becoming Interim CEO in May 2010; will continue as General Counsel Joined CFBank in July 2003 as Senior Vice President, General Counsel and Corporate Secretary, and became Executive Vice President of both institutions in January 2009

20 years of banking related experience

Previously served as Vice President and General Manager of International Operations and Assistant General Counsel for

J.M. Smucker Company, and Partner at Brouse McDowell

Executive Studies

Harvard and Thunderbird Universities

J.D.

University of Akron School of Law

B.A.

Calvin College

Therese Ann Liutkus

Current President, Treasurer and Chief Financial Officer

Named President in June 2010; will continue as CFO

Joined CFBank as Chief Financial Officer in November 2003

25 years of banking experience

Previously served as CFO and Treasurer of First Place Financial Corp. and FFY Financial Corp.

B.B.A.

Cleveland State University

21

Strong, Experienced Leadership Timothy

R.

Fitzwater

Senior Commercial

Officer

Joined CFBank in June 2010

39 years of banking experience

Previously worked for National City Bank (now PNC) for 36 years,

rising to President of the Northeast Region

Managed approximately \$3 billion in assets and \$1 billion commercial loan portfolio

B.S.

Bowling Green State University

Keith D. Anderson

Senior Credit Officer

Joined CFBank in June 2005

33 years of banking experience

Previously served as Senior Credit Officer for over six years with Champaign National Bank in Bath, Ohio, and Senior Credit Officer of Summit Bank, headquartered in Fairlawn,

Ohio for six years

B.S.

University of Akron

Kemper

C.

Allison

Vice

President

of

Commercial

Loan

Workout

Joined CFBank in February 2010

22 years of banking experience

Previously served as Senior Vice President and Chief Lending Officer of Advantage Bank in Worthington, Ohio for nearly eight years, and held positions at Bank One, Akron, N.A. and State Savings Bank B.S.B.A.

The Ohio State University

22

Directors/Management Personally Invested

23

Existing

Intended

Ownership

Purchase

Current Directors and Executive Officers

208,323

258,500

Proposed New Directors and Executive Officers

2,300,000

Proposed Other Standby Purchasers

2,735,000

Current Directors and Executive Officers as well as Standby Purchasers as a Group 208,323

5,293,500

Number of Shares

Competitive Size & Community Orientation

CFBK operates four branches in three attractive markets

The Bank has approximately \$265 million in assets before the growth that the recapitalized company may be able to achieve in future years.

CFBK is focused on consumers and small businesses in the communities it serves and does not deal in derivatives, capital markets operations or loan syndications

The Company is committed to offering a level of customer service that bigger banks cannot deliver while providing the services and technology that today s customers desire 24

Market Opportunity Unemployment Rate By County

December 2011 CFBank Locations (4) 25

Market Opportunity Source: SNL

26

Household

Income

(\$000s)

0%

5%

10% 15% 20% 25% 30% 35% 40% Did Not Complete High School High School Diploma Some College Associate Degree Bachelors Degree Graduate Degree Fairlawn Worthington Ohio **United States** 0% 5% 10% 15% 20% 25% 30% 35% 40% 45% < 25 25 < 49 50 < 99 100 < 199 > 200 Fairlawn Worthington Ohio **United States** Education

Level

Market Opportunity 27

Well CFBank CFBank Peer Capitalized Regulatory Capital Ratios 9/30/11 Pro Forma

Medians (a)
Requirement
Tier 1 Capital to Tangible Assets (Leverage Ratio)
5.55%
10.16%
9.56%
5.00%
Tier 1 Capital to Risk Weighted Assets
9.13%
16.98%
14.29%
6.00%
Total Risk-Based Capital to Risk Weighted Assets
10.41%
18.22%

Note: Pro forma ratios reflect gross proceeds of \$22.5 million at an offering price of \$1.00/share (minimum of offering) net of assumed commissions and other transaction expenses, with \$13.5 million invested in CFBank.

Ratios do not include an additional \$7 - \$8 million that will be retained at the holding company.

(a) Peer group reflects 3Q'11 bank-level data from 148 Midwestern institutions with assets between \$250 - \$300 million Capital to Take Advantage of Opportunities

For Growth

15.54% 10.00%

28

III. Why CFBK?

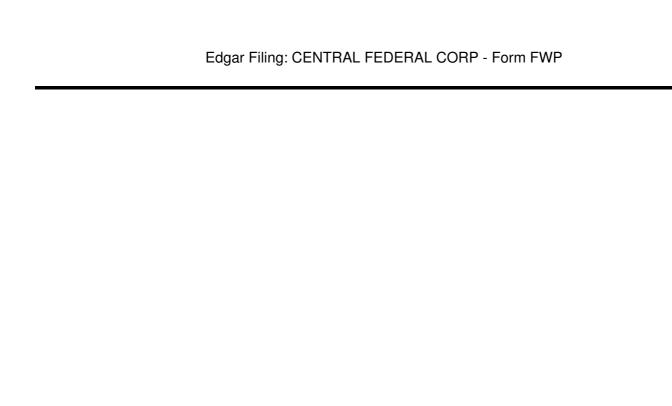
Solid Platform for Quality Growth CFBK Listed and Traded on NASDAQ Presence in Two Metro Markets Plus Two More Community Branch Banks

Akron (Fairlawn HQ) Springboard to Cleveland Metro Market

Columbus Existing Presence with Untapped Potential Historical Banking Relationships

Wellsville and Calcutta Community Branch Banks Solid Core Deposits

Cincinnati Future Expansion Why CFBK? 30



Model Focused on Diversification 31

Diversified Balance Sheet, Less Reliance on Real Estate Loans, Greater Focus on Non-Credit Fee Income

Expanding on Community Banking Foundation

Focusing on High Quality Small and Middle Market Businesses, Plus the Private Banking Needs of

Executives and Entrepreneurs Who Own Them

Leveraging State of the Art Technology to Compete Against the Regional Bank Players and to Create Operational Efficiency

Delivered to Customers by Senior Business and Private Bankers

32

Committed to Building and Developing a Highly Qualified Team
Management and the Board Will Have Skin in the Game
Hands-On Management Style that Stresses Accountability for Results
Simple Plan with a Focus on Execution
Strong Controls and Risk Management Processes
Diversified Business and Asset Mix
Focus on Increasing Product Offerings and Developing Core Deposits

Building a Culture that Strives for Excellence and Drives Stakeholder Value Key Operating Tenets

CFBK: A Unique Opportunity for Creating Stakeholder Value

33