



**FOR IMMEDIATE RELEASE – January 10, 2025**

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**M&F Bancorp, Inc. enters into Agreement with the U.S. Treasury providing for the discounted repurchase of \$80 Million of Treasury’s ECIP Preferred Stock.**

DURHAM, N.C., January 10, 2025 – M&F Bancorp, Inc. (OTC Pink: MFBP; the “Company”), the parent company of M&F Bank (the “Bank”), the second-oldest African American-owned bank in the United States, announced today that it has entered a Preferred Stock ECIP Securities Purchase Option Agreement with the U.S. Treasury (the “Option Agreement”), which, subject to the terms and conditions of the Option Agreement, gives the Company the option to repurchase the 80,000 shares of Senior Non-Cumulative Perpetual Preferred Stock, Series E (the “Series E Preferred Stock”) previously issued to the U.S. Treasury as part of the Emergency Capital Investment Program (“ECIP”). Established by the Consolidated Appropriations Act of 2021, the ECIP program was created to enable participant financial institutions to provide loans, grants, and forbearances to small businesses, minority-owned businesses, and consumers, especially in low income and underserved communities, including persistent poverty counties, that may have been disproportionately impacted by the economic effects of the COVID–19 pandemic.

The ECIP program provided approximately \$8.6 billion in capital directly to depository institutions and their holding companies certified as Community Development Financial Institutions (“CDFIs”) or Minority Depository Institutions (“MDIs”). The additional capital has helped the Bank make loans to small businesses, minority-owned businesses, and consumers across North Carolina. Loans made by the Bank utilizing these funds provided critical support to businesses in low-income and underserved communities that were disproportionately impacted by the economic effects of the COVID-19 pandemic.

In June 2022, the Company issued 80,000 shares of Series E Preferred Stock to the U.S. Treasury in exchange for Treasury’s investment of \$80 million. The Series E Preferred Stock has limited voting rights, no maturity date and ranks senior to the Company’s common stock with respect to the payment of dividends and distributions, and amounts payable upon liquidation, dissolution and winding-up of the Company. No dividends were payable on the Series E Preferred Stock during years 1 and 2. Thereafter, noncumulative dividends are payable at a rate of 0.5% to 2.0% of the \$80 million liquidation preference, with the actual rate determined during years 3-10 based on the Bank’s annual qualified lending amount and thereafter fixed at a rate based on the Bank’s average qualified lending amount.

In November 2024, the U.S. Treasury adopted the ECIP Disposition Policy, which established guidelines for the sale and repurchase of ECIP preferred stock in order to further support ECIP participants with the strongest track record of lending in underserved communities, such as the Company. Pursuant to the Option Agreement, the Company may repurchase the Series E Preferred Stock from Treasury at a discount to the initial purchase price, provided the Company is in good regulatory standing, has maintained its MDI and/or CDFI status, and satisfies 60% of the deep impact lending threshold, providing loans to low- and moderate-income communities, for 16 consecutive quarters and satisfies certain other customary closing conditions.

Currently, the Company has met this requirement for the past eight consecutive quarters, which qualified the Company as one of the initial 14 ECIP participants to enter into the Option Agreement. Assuming the Company continues to satisfy the ECIP program requirements and the Option Agreement closing conditions, the Company may exercise its option to repurchase the Series E Preferred Stock as early as the 4<sup>th</sup> quarter of 2026.

“The ECIP investment and the Bank’s selection as one of the first ECIP participants to qualify to enter into an Option Agreement, is a testament to the strength of the M&F Bank franchise, the health and soundness of the Bank, and its ability to positively impact disadvantaged communities within its markets. This is exciting news. We believe that the potential repurchase of the Series E Preferred Stock will be transformational for the M&F Bank franchise, in that it will allow the Company to continue to grow its assets, increase market share, and build on our recent successes by providing additional ways to support consumers and small businesses in our community,” commented James H. Sills, III, President and CEO of the Company and the Bank.

### **About M&F Bancorp, Inc.**

M&F Bancorp, Inc., a bank holding company headquartered in Durham, NC, and is the parent company of M&F Bank. The company has \$512.4 million in total assets as of September 30, 2024. M&F Bank is a state-chartered commercial bank founded in 1907 and has operated continuously since 1908. Branches are located in Durham, Raleigh, Charlotte, Greensboro and Winston-Salem, NC. M&F Bank is one of only a few NC banks designated by the U.S. Treasury as a Community Development Financial Institution.

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### **Forward-looking Information**

This release contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Company and the Bank. These forward-looking statements involve risks and uncertainties and are based on the beliefs and assumptions of management of the Company and the Bank and on the information available to management at the time that these disclosures were prepared. These statements can be identified by the use of words like "expect," "anticipate," "estimate" and "believe," variations of these words and other similar expressions. Readers should not place undue reliance on forward-looking statements as a number of important factors could cause actual results to differ materially from those in the forward-looking statements. Neither the Company nor the Bank undertakes an obligation to update any forward-looking statements. Source: M&F Bancorp, Inc.