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## **M&F Bancorp, Inc. Receives \$80 Million in New Capital Investment Funds**

*U.S. Treasury program encourages Minority Depository Institutions (MDIs) to support small businesses and consumers in their communities.*

**DURHAM, N.C., June 22, 2022** – M&F Bancorp, Inc. (the “Company”), parent company of M&F Bank (the “Bank”), the second-oldest African American-owned bank in the United States, announced today that it has successfully closed on a \$80 million investment from the U.S. Treasury as part of the Emergency Capital Investment Program (“ECIP”).

In exchange for this investment, the Company issued 80,000 shares of Senior Non-Cumulative Perpetual Preferred Stock, Series E (the “Series E Preferred Stock”) to the U.S. Treasury. The Series E Preferred Stock, which qualifies as Tier 1 capital for regulatory purposes, 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 are payable on the Series E Preferred Stock during years 1 and 2. Thereafter, noncumulative dividends are payable at a rate 0.5% to 2.0%, 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.

“As a result of this investment, the Company’s capital now exceeds \$119.0 million. This investment is a testament to the strength of the M&F Bank franchise, the health and soundness of the Company and its abilities to positively impact disadvantaged communities within its markets,” commented James H. Sills, III, M&F Bank’s President and CEO. “This investment will allow us to build on our recent successes by providing even more ways for us to support small businesses in our community.”

Established by the Consolidated Appropriations Act of 2021, the ECIP was created to encourage low- and moderate-income community financial institutions to enhance their support of small businesses and consumers in their communities.

Through the ECIP, the U.S. Treasury will provide up to \$9 billion in capital directly to depository institutions that are certified Community Development Financial Institutions (“CDFIs”) or Minority Depository Institutions (“MDIs”) –

like the Company. The additional capital will help the Bank make loans to small businesses, minority-owned businesses, and consumers all across North Carolina. These funds will especially support businesses in low-income and

underserved communities that may have been disproportionately impacted by the economic effects of the COVID-19 pandemic.

This investment will be transformational in that it will allow the company to continue to implement technology enhancements, provide more lending capacity in additional communities, build relationships with financial partners to provide additional services, and provide more robust financial literacy platforms for the benefit of the communities it serves.

As an independent community bank, M&F Bank is committed to providing competitive and holistic financial solutions, as well as stellar customer service, to individuals and businesses located in Durham, Raleigh, Greensboro, Winston-Salem, and Charlotte. To learn more, visit [www.mfbonline.com](http://www.mfbonline.com).

### **About M&F Bank**

Founded in 1907 in North Carolina, M&F Bank is the second-oldest African American owned bank in the United States. With \$370.0 million in total assets as of March 31, 2022, M&F Bank is the eighth-largest African American owned financial institution in the United States. The Bank's mission is to promote personal and community development by providing capital to small- and medium-sized businesses in its local communities, with particular emphasis on the financial needs of underserved populations and geographies.

