



FOR IMMEDIATE RELEASE – November 4, 2025

Contact:

Randall C. Hall, EVP/CFO

919.313.3600

randall.hall@mfbonline.com

M&F Bancorp, Inc. Announces Third Quarter 2025 Results and Quarterly Cash Dividend

DURHAM, N.C.-- M&F Bancorp, Inc. ("Company") (OTCPK: MFBP), the parent company of M&F Bank ("Bank"), announced unaudited financial results for the third quarter of 2025 and a quarterly cash common dividend of \$0.06 per share.

Third Quarter 2025 Highlights

- Net income totaled \$1.6 million and \$1.4 million for the three months ended September 30, 2025 and 2024, respectively, up 15.40%; net income totaled \$3.7 million and \$3.5 million for the nine months ended September 30, 2025 and 2024, respectively, up 6.98%. Net income available to common stockholders totaled \$1.1 million and \$928,000 for the three months ended September 30, 2025 and 2024, respectively, up 21.66%; net income available to common stockholders totaled \$2.2 million and \$2.8 million for the nine months ended September 30, 2025 and 2024, respectively, down 20.22%.
- Basic and diluted earnings per common share of \$0.58 for the three months ended September 30, 2025, up from \$0.47 and \$0.46, respectively, for the same period in 2024; basic and diluted earnings per common share of \$1.14 and \$1.12, respectively, for the nine months ended September 30, 2025, down from \$1.41 and \$1.40, respectively, for the same period in 2024.
- Return on average common stockholders' equity of 13.17% for the three months ended September 30, 2025, compared with 12.14% for the same period in 2024.
- Period end loans of \$274.9 million, down 3.21% from December 31, 2024.
- Reversal of credit losses totaled \$27,000 and \$16,000 for the three months ended September 30, 2025 and 2024, respectively; provision for credit losses totaled \$574,000 and \$274,000 for the nine months ended September 30, 2025 and 2024, respectively.
- Period end deposits of \$380.6 million, down 2.61% from December 31, 2024.
- Period end assets of \$519.4 million, down 1.07% from December 31, 2024.

James H. Sills III, President and CEO of the Company, commented, "We had a very good third quarter; our net income was up 15.40% year over year due to lower interest expenses and lower operating expenses. We are still seeing uncertainty in the economy, and overall lending is down. The Company continues to have strong liquidity and excess capital compared to peer banks. We continue to focus on reducing our asset quality metrics and improving our efficiency ratio. On a positive note, our fee income related to gains on sales of SBA loans continues to increase for the Company. Finally, we have exceeded the ECIP 60% deep impact lending requirements for 13 straight quarters."

The Board of Directors declared a quarterly cash dividend of \$0.06 per share of common stock payable on or about December 19, 2025 to stockholders of record as of the close of business on November 19, 2025. "We are pleased to continue our quarterly cash dividend as it reflects our Company's performance and commitment to enhance stockholder value," said James A. Stewart, Chairman of the Board of Directors. The Company's capital ratios remain strong and exceeded all regulatory requirements. As of September 30, 2025, the Company's stockholders' equity was 25.64% of total assets.

As previously announced, the Board of Directors authorized a \$2.6 million stock repurchase program during the fourth quarter of 2024. The timing and exact amount of common stock repurchased will depend on various factors, including market conditions, internal capital generation and capital consumption through loan growth or other uses. Repurchases may be executed through open market purchases, privately negotiated transactions, or by other means in accordance with federal securities laws, including utilizing a Rule 10b5-1 program, and may be suspended at any time without prior notice. As of October 31, 2025, 54,000 shares had been repurchased under the repurchase program, which is authorized through the end of 2025.

For the three months ended September 30, 2025, net interest income was \$5.3 million, which was an 6.12% increase from \$5.0 million during the same period in 2024. For the three months ended September 30, 2025, the net interest margin was 4.24% compared to 4.18% for the same period in 2024, an increase of 6 basis points. The increase was due to a higher average earning assets during the quarter ended September 30, 2025 compared to prior year and a decrease in cost of interest-bearing deposits. For the nine months ended

September 30, 2025, net interest income was \$15.8 million, which was an 8.33% increase from \$14.6 million during the same period in 2024. For the nine months ended September 30, 2025, the net interest margin was 4.16% compared to 4.25% for the same period in 2024, a decrease of 9 basis points. The decrease was due to a slightly lower yield on interest-earning assets partially offset by a lower cost of interest-bearing deposits.

The Company recorded a reversal for credit losses of \$27,000 and \$16,000 for the three months ended September 30, 2025 and 2024, respectively. The Company recorded a provision for credit losses of \$574,000 and \$274,000 for the nine months ended September 30, 2025 and 2024, respectively. The Allowance for Credit Losses (“ACL”) as a percentage of total loans was 1.44% at September 30, 2025 compared to 1.37% at December 31, 2024. Nonperforming assets excluding performing loans modified to borrowers experiencing financial difficulties represented 0.67% and 0.40% of total assets as of September 30, 2025 and 2024, respectively.

Noninterest income totaled \$818,000 in the three months ended September 30, 2025, compared with \$1.1 million for the same period in 2024, a decrease of \$264,000 or 24.40%. During the quarter ended September 30, 2025, the Company recognized grant revenue in the amount of \$110,000 compared to \$467,000 during the comparable period of the prior year. The grant revenue primarily came from U.S. Treasury Community Development Financial Institution Fund’s Equitable Recovery Program (“ERP”) during the 2025 and 2024 periods. This program is designed to 1) provide funding to Community Development Financial Institutions (“CDFI”) to expand lending, grant making and investment activities in low- or moderate-income communities and to borrowers that have significant unmet capital and financial services needs and have experienced disproportionate economic impacts from the COVID-19 pandemic and 2) enable CDFIs to build organization capacity and acquire technology, staff and other tools necessary to accomplish the activities under a CDFI ERP award. Excluding grant revenue, noninterest income increased \$93,000 or 15.12%. The largest contributor to the increase was gains on sales of Small Business Administration (“SBA”) loans, which totaled \$91,000 during the quarter ended September 30, 2025 compared with none during same period of the prior year. Guaranteed portions of certain SBA loans are sold into the secondary market, which generates gains for the Company. This is a relatively new service, which broadens the Company’s lending service area. Noninterest income totaled \$2.5 million in the nine months ended September 30, 2025, compared with \$3.2 million for the same period in 2024, a decrease of \$637,000 or 20.16%. During the nine months ended September 30, 2025, the Company recognized grant revenue in the amount of \$304,000 compared to \$1.2 million during the comparable period of the prior year. Excluding grant revenue, noninterest income increased \$248,000 or 12.58%. The largest contributor to the increase was gains on sales of SBA loans, which totaled \$333,000 during the nine months ended September 30, 2025 compared with none during same period of the prior year.

Noninterest expense totaled \$4.1 million in the three months ended September 30, 2025, a decrease of \$213,000 or 4.91%, from the same period in 2024. The most significant decreases occurred in salaries and employee benefits, which decreased \$236,000 or 10.10%, reflective of some personnel restructuring, information technology, which decreased \$82,000 or 14.21%, which primarily reflects a renegotiated contract with the Company’s core systems provider and other expenses, which decreased \$53,000 or 14.72%, primarily reflecting changes in certain components associated with the Company’s defined benefit pension and other post-retirement plans. Noninterest expense totaled \$13.1 million in the nine months ended September 30, 2025 and 2024, a decrease of \$28,000 or 0.21%, from the same period in 2024. The most significant decreases occurred in salaries and employee benefits, which decreased \$396,000, primarily reflective of some personnel restructuring and other expenses, which decreased \$130,000, primarily reflecting changes in certain components associated with the Company’s defined benefit pension and other post-retirement plans.

As of September 30, 2025, accumulated other comprehensive loss totaled \$5.6 million compared to \$9.6 million at December 31, 2024. The accumulated other comprehensive loss was primarily due to fluctuation in interest rates and its impact on the Company’s investment securities held available-for-sale, which are carried at fair value. When rates increase, the value of investment securities decrease; the opposite is true when rates move in the opposite direction. As investment securities mature, principal is paid down or if rates decrease, the accumulated other comprehensive loss will decrease and may turn positive.

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. 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.

Banking Services | ATM Usage Worldwide | Mobile Banking | Online Bill Pay | Remote and Mobile Deposit | Checking | Savings | Lending | Wealth Management

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.

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands except for share and per share data)

	September 30, 2025 (Unaudited)	December 31, 2024
ASSETS		
Cash and cash equivalents:		
Cash and due from banks	\$ 3,154	\$ 2,681
Interest-bearing cash	35,428	33,688
Total cash and cash equivalents	38,582	36,369
Interest-bearing time deposits	2,174	2,962
Investment securities available-for-sale, at fair value	170,879	166,093
Investment securities held-to-maturity (fair value of \$12,899 in 2025 and \$14,243 in 2024)	12,926	14,430
Other invested assets	372	324
Loans, net of unearned income and deferred fees	274,902	284,027
ACL	(3,966)	(3,902)
Loans, net	270,936	280,125
Interest receivable	2,170	2,146
Bank premises and equipment, net	4,135	3,712
Cash surrender value of bank-owned life insurance	10,769	10,699
Other real estate owned	-	99
Deferred tax assets, net	2,198	3,313
Operating lease right-of-use asset	921	1,071
Other assets	3,332	3,663
TOTAL ASSETS	\$ 519,394	\$ 525,006
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Interest-bearing deposits	\$ 287,798	\$ 295,778
Noninterest-bearing deposits	92,771	94,986
Total deposits	380,569	390,764
Other borrowings	21	24
Operating lease liabilities	984	1,132
Other liabilities	4,626	5,013
Total liabilities	386,200	396,933
Stockholders' equity:		
Series C Junior Participating Preferred Stock- \$0.01 par value, 21,000 shares authorized, no shares issued or outstanding	-	-
Series D Noncumulative Perpetual Preferred Stock- \$0.01 par value, 20,000 shares authorized at September 30, 2025 and December 31, 2024; 17,302 shares issued and outstanding at September 30, 2025 and December 31, 2024	17,302	17,302
Series E Noncumulative Perpetual Preferred Stock- \$0.01 par value, 80,000 shares authorized at September 30, 2025 and December 31, 2024; 80,000 shares issued and outstanding at September 30, 2025 and December 31, 2024	80,000	80,000
Common stock, no par value, 10,000,000 shares authorized at September 30, 2025 and December 31, 2024; issued and outstanding: 1,941,565 and 1,983,018 at September 30, 2025 and December 31, 2024, respectively	8,504	9,194
Retained earnings	33,037	31,164
Accumulated other comprehensive loss	(5,649)	(9,587)
Total stockholders' equity	133,194	128,073
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 519,394	\$ 525,006

CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in thousands except for share and per share data)
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
Interest income:				
Loans, including fees	\$ 4,499	\$ 4,455	\$ 13,504	\$ 12,947
Investment securities, including dividends				
Taxable	1,748	1,467	5,316	3,673
Tax-exempt	53	40	132	119
Interest-bearing time deposits	27	33	88	93
Other	343	466	975	1,351
Total interest income	6,670	6,461	20,015	18,183
Interest expense:				
Deposits	1,333	1,432	4,172	3,559
Borrowings	-	-	1	-
Total interest expense	1,333	1,432	4,173	3,559
Net interest income	5,337	5,029	15,842	14,624
Provision for credit losses:				
Provision for (reversal of) credit losses on loans	(22)	41	511	447
Provision for (reversal of) credit losses on unfunded commitments	(5)	(57)	63	(173)
Total provision for (reversal of) credit losses	(27)	(16)	574	274
Net interest income after provision for (reversal of) credit losses	5,364	5,045	15,268	14,350
Noninterest income:				
Service charges on deposit accounts	182	200	550	576
Other service charges, commissions and fees	122	132	366	404
Commissions from sales of financial products	136	126	420	473
Cash surrender value of life insurance	86	83	255	245
SBA loan sale gains	91	-	333	-
Grant revenue	110	467	304	1,189
Other income	91	74	295	273
Total noninterest income	818	1,082	2,523	3,160
Noninterest expense:				
Salaries and employee benefits	2,101	2,337	6,758	7,154
Occupancy and equipment	422	395	1,252	1,131
Directors compensation	89	90	256	276
Marketing	180	90	420	259
Professional fees	290	302	1,010	968
Information technology	495	577	1,768	1,677
FDIC deposit insurance	54	50	167	144
OREO expenses, net	30	-	35	-
Delivery expenses	51	44	158	143
Interchange expenses	110	97	299	269
Other	307	360	984	1,114
Total noninterest expense	4,129	4,342	13,107	13,135
Income before income tax expense	2,053	1,785	4,684	4,375
Income tax expense	434	382	989	921
Net income	1,619	1,403	3,695	3,454
Preferred stock dividends	(490)	(475)	(1,470)	(665)
Net income available to common stockholders	\$ 1,129	\$ 928	\$ 2,225	\$ 2,789
Basic and diluted income per share of common stock:				
Basic	\$ 0.58	\$ 0.47	\$ 1.14	\$ 1.41
Diluted	0.58	0.46	1.12	1.40
Weighted average shares of common stock outstanding:				
Basic	1,941,565	1,982,518	1,957,155	1,982,391
Diluted	1,961,040	2,002,894	1,978,122	1,998,284

SELECTED QUARTERLY FINANCIAL RATIOS*(Unaudited)*

	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Selected Quarterly Financial Ratios						
Return on average assets (1) (2)	0.87%	0.41%	0.42%	0.64%	0.75%	0.90%
Return on average common stockholders' equity (1)(3)	13.17%	6.50%	6.91%	10.57%	12.14%	15.20%
Tangible book value per share	\$ 18.44	\$ 17.44	\$ 16.81	\$ 15.50	\$ 16.68	\$ 14.68
Net interest margin (1)(4)	4.24%	4.24%	4.01%	4.00%	4.18%	4.22%
Net interest income to average assets (1)	4.11%	4.12%	3.91%	3.88%	4.05%	4.13%
Efficiency ratio (5)	66.93%	74.34%	72.44%	69.80%	70.92%	73.56%
Nonperforming assets to total assets	1.51%	1.06%	1.45%	1.56%	1.58%	1.53%
Nonperforming assets excluding performing loans modified to borrowers in financial distress to total assets	0.67%	0.31%	0.33%	0.42%	0.40%	0.23%

(1) Annualized

(2) Calculated by dividing annualized net income available to common shareholders by average assets

(3) Calculated by dividing annualized net income available to common shareholders by average common equity

(4) Excludes net unrealized holding gains (losses) in available-for-sale securities

(5) Calculated by dividing total noninterest expense by the sum of federally taxable equivalent net interest income and noninterest income excluding securities gains (losses), if applicable