Optus Financial Corporation and M&F Bancorp, Inc. Announce Transformative Partnership to Create the Nation's Premier African American Owned Financial Institution

FOR IMMEDIATE RELEASE
July 22, 2026

Columbia, South Carolina, based Optus Financial Corporation ("Optus"), parent company of Optus Bank, and Durham, North Carolina, based M&F Bancorp, Inc. ("MFBP"), parent company of Mechanics & Farmers Bank ("M&F Bank"), today announced the execution of a definitive merger agreement that will unite two of the nation's longest-standing Minority Depository Institutions ("MDIs").

Under the terms of the agreement, MFBP will merge with and into Optus, and M&F Bank will merge with and into Optus Bank (the "Transaction"). Total consideration to MFBP shareholders is expected to be up to $53.30 per common share in cash, consisting of $46.57 per share payable at closing and an additional $6.73 per share contingent upon the repurchase of certain outstanding shares of MFBP preferred stock prior to or within 12 months following closing. The aggregate transaction value is expected to exceed $105.0 million.

This transformative partnership brings together two mission-driven financial institutions with more than 220 years of combined banking experience and a shared commitment to expanding access to capital, advancing economic opportunity, and strengthening underserved communities. The combined organization will build upon a legacy of community development, wealth creation, and economic empowerment that has impacted generations across the Carolinas.

The Transaction represents one of the most significant MDI combinations in recent years and underscores the enduring strength and relevance of mission-driven banking. By combining complementary capabilities and deep community roots, the resulting institution will be uniquely positioned to enhance its impact while preserving the legacy and purpose that have defined both organizations.

The announcement comes at a pivotal time as Optus Bank prepares to celebrate 105 years of "Banking on Communities" this October. Founded in 1921 as Victory Savings Bank, Optus has evolved into one of the nation's leading MDIs and certified Community Development Financial Institutions ("CDFIs"), dedicated to expanding access to credit, capital, and financial services. Similarly, M&F Bank, founded in 1907, has a longstanding history of empowering individuals, families, and businesses throughout North Carolina and is widely recognized as one of the nation's oldest and most respected African American owned financial institutions. United by a shared vision and purpose, the two organizations are well-positioned to expand economic mobility and community impact.

Upon completion of the Transaction, the combined institution will operate ten locations across North and South Carolina and will have approximately $1.27 billion in total assets as of March 31, 2026. James H. Sills III, President and Chief Executive Officer of MFBP, will serve as Chief Executive Officer of both the combined holding company and bank. Paul Mitchell, Chairman of Optus and Optus Bank, will continue to serve as Chairman of both entities.

Paul Mitchell, Chairman of Optus and Optus Bank, commented: “This partnership with M&F Bank represents a defining moment—not only for our organizations, but for mission-driven banking in America. M&F Bank has a proud legacy of supporting entrepreneurship, fostering generational wealth, and expanding access to capital in underserved communities. Together, we will create a stronger institution with greater scale, enhanced capabilities, and an expanded capacity to advance economic mobility throughout the Carolinas and beyond.”

James A. Stewart, Chairman of MFBP and M&F Bank, added: “Shareholders, directors, and employees of both institutions can take pride in this partnership, which honors and advances our shared mission and legacy. The combined organization will allow us to serve more communities and operate with greater scale and effectiveness.”

James H. Sills III, President and Chief Executive Officer of MFBP and M&F Bank, commented: “M&F Bank was founded on the belief that every community deserves a financial institution that understands and serves its unique needs. That principle has guided us for more than a century and led us to this partnership with Optus. We share a common mission, aligned values, and a steadfast commitment to our customers and communities. This Transaction enables us to honor our legacy while providing enhanced resources and capabilities to those we serve.”

Benita Lefft, President of Optus Bank, added: “As we approach our 105th anniversary, this partnership reflects the strength of our shared mission and values. Together, we will expand opportunities for our customers and communities while strengthening economic empowerment across the Carolinas.”

Following completion of the Transaction, the combined institution will continue operating as a mission-driven MDI and CDFI focused on expanding financial inclusion and economic opportunity. Together, Optus Bank and M&F Bank will form the largest African American owned financial institution in the United States, creating a premier platform to advance economic mobility, broaden access to capital, and drive community investment. The combination is expected to enhance the delivery of innovative banking solutions, support small business growth, finance affordable housing, and strengthen community development initiatives—while continuing the relationship-based service model that defines both organizations.

The Transaction has been unanimously approved by the Boards of Directors of both companies and remains subject to customary closing conditions, including approval by MFBP shareholders and required regulatory approvals. Closing is anticipated in the fourth quarter of 2026.

Performance Trust Capital Partners, LLC served as financial advisor to Optus, with Nelson Mullins Riley & Scarborough LLP acting as legal counsel. Piper Sandler & Co. served as financial advisor to MFBP, with Brooks, Pierce, McLendon, Humphrey & Leonard, LLP serving as legal counsel.

About Optus Bank

Founded in 1921 as Victory Savings Bank, Optus Bank is a federally designated Minority Depository Institution and certified Community Development Financial Institution headquartered in Columbia, South Carolina. As South Carolina's only African American owned bank, Optus Bank has spent more than a century expanding access to credit, capital, and financial services to help drive economic mobility and strengthen underserved communities. Guided by its mission of Banking on Communities, Optus Bank remains committed to delivering lasting impact through relationship-driven banking.

About M&F Bank

Founded in 1907 and headquartered in Durham, North Carolina, M&F Bank is the nation's second oldest African American owned financial institution. A federally designated Minority Depository Institution and certified Community Development Financial Institution, M&F Bank has served communities for more than a century by helping individuals, businesses, and organizations build wealth and expand economic opportunity. M&F Bank operates eight locations across North Carolina and remains committed to strengthening the communities it serves.

Additional Information About the Proposed Transaction and Where to Find It

In connection with the proposed merger, MFBP will prepare a proxy statement to be sent to each of its common shareholders. **INVESTORS AND SHAREHOLDERS OF MFBP ARE URGED TO READ THE PROXY STATEMENT REGARDING THE MERGER WHEN IT BECOMES AVAILABLE, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THE PROXY STATEMENT, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER.**

MFBP, its directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of MFBP in connection with the proposed merger. Information about the directors and executive officers of MFBP is set forth in the proxy statement for MFBP's 2026 annual meeting of shareholders. Additional information regarding the interests of those participants and other persons who may be deemed participants in the solicitation may be obtained by reading the proxy statement when it becomes available. Shareholders may obtain free copies of these documents by contacting Valerie Quiett, Corporate Secretary of M&F Bancorp, Inc., at investor.relations@mfbonline.com.