Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844(c)(1)(A)); Section 8(a) of the International Banking Act (12 U.S.C. § 3106(a)); Sections 11(a)(1), 25 and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); Section 211.13(c) of Regulation K (12 C.F.R. § 211.13(c)); and Section 225.5(b) of Regulation Y (12 C.F.R. § 225.5(b)) and section 10(c)(2)(H) of the Home Owners' Loan Act. Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

NOTE: The Annual Report of Holding Companies must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report.

I, James H. Sils, III
Name of the Holding Company Director and Officer
President and CEO
Title of the Holding Company Director and Officer
attest that the Annual Report of Holding Companies (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board’s “Rules Regarding Availability of Information,” 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Signature of Holding Company Director and Officer
Date of Signature

For holding companies not registered with the SEC—Indicate status of Annual Report to Shareholders:
☐ is included with the FR Y-6 report
☐ will be sent under separate cover
☐ is not prepared

For Federal Reserve Bank Use Only
RSSD ID 2807810
C.I.

This report form is to be filed by all top-tier bank holding companies and top-tier savings and loan holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2015
Month / Day / Year
No LEI
Reporters's Legal Entity Identifier (LEI) (20 Character LEI Code)

Reporters's Name, Street, and Mailing Address
M&F Bancorp

Legal Title of Holding Company
2634 Durham Chapel Hill Blvd
(Mailing Address of the Holding Company) Street / F.O. Box
Durham NC 27707
City State Zip Code

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:
Kathy E. Fox VP/Controller
Name Title
919-536-7547
Area Code / Phone Number / Extension
919-587-7807
Area Code / FAX Number
kathy.fox@mfbonline.com
E-mail Address
www.mfbonline.com
Address (URL) for the Holding Company’s web page

Does the reporter request confidential treatment for any portion of this submission?
☐ Yes Please identify the report items to which this request applies:
☐ In accordance with the instructions on pages GEN-2 and 3, a letter justifying the request is being provided.
☐ The information for which confidential treatment is sought is being submitted separately labeled "Confidential.

☐ No

Public reporting burden for this information collection is estimated to vary from 1.3 to 101 hours per response, with an average of 5.25 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0297), Washington, DC 20503.

12/2015
REPORT ITEM

1. Registered with the SEC.

2A. Organizational Chart

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M&F BANCORP, INC
NO LEI
DURHAM, NC
INCORPORATED IN NORTH CAROLINA

100%
MECHANICS & FARMERS BANK
NO LEI
DURHAM, NC
INCORPORATED IN NORTH CAROLINA

2.B. Domestic branch listing submitted via email on March 15, 2016 to the Federal Reserve Bank.
Results: A list of branches for your depository institution: MECHANICS & FARMERS BANK (ID_RSSD: 332224).
This depository institution is held by MBF BANCORP, INC. (2807810) of DURHAM, NC.
The data are as of 12/31/2015. Data reflects information that was received and processed through 01/07/2016.

Reconciliation and Verification Steps:
1. In the Data Action column of each branch row, enter one or more of the actions specified below.
2. If required, enter the date in the Effective Date column.

Actions:
- OK: If the branch information is correct, enter 'OK' in the Data Action column.
- Change: If revision is required, enter 'Change' in the Data Action column and the date when this information first became valid in the Effective Date column.
- Close: If a branch listed was sold or closed, enter 'Close' in the Data Action column and the sale or closure date in the Effective Date column.
- Delete: If a branch listed was never owned by this depository institution, enter 'Delete' in the Data Action column.
- Add: If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the Data Action column and the opening or acquisition date in the Effective Date column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal-sized paper.

Submission Procedure:
When you are finished, send a saved copy to your FRS contact. See the detailed Instructions on this site for more information.

If you are e-mailing this to your FRS contact, put your institution name, city, and state in the subject line of the e-mail.

Note: To satisfy the FR Y-10 reporting requirements, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a Data Action of Change, Close, Delete, or Add.
The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - https://y10online.federalreserve.gov.

FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

<table>
<thead>
<tr>
<th>Date Action</th>
<th>Effective Date</th>
<th>Branch Service Type</th>
<th>Branch ID_RSSD</th>
<th>Branch Name</th>
<th>Street Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>County</th>
<th>Country</th>
<th>FDIC UNINUM*</th>
<th>Office Number*</th>
<th>Head Office</th>
<th>Head Office ID_RSSD*</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>MECHANICS &amp; FARMERS BANK</td>
<td>116 WEST PARRISH STREET</td>
<td>DURHAM</td>
<td>NC</td>
<td>27705</td>
<td>DURHAM</td>
<td>UNITED STATES</td>
<td>332224</td>
<td>MECHANICS &amp; FARMERS BANK</td>
<td>332224</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>MECHANICS &amp; FARMERS BANK</td>
<td>100 SOUTHWAY BOULEVARD</td>
<td>GREENSBORO</td>
<td>NC</td>
<td>27401</td>
<td>GUILFORD</td>
<td>UNITED STATES</td>
<td>332224</td>
<td>MECHANICS &amp; FARMERS BANK</td>
<td>332224</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>MECHANICS &amp; FARMERS BANK</td>
<td>13 EAST MARION ST</td>
<td>RALEIGH</td>
<td>NC</td>
<td>27601</td>
<td>WAKE</td>
<td>UNITED STATES</td>
<td>332224</td>
<td>MECHANICS &amp; FARMERS BANK</td>
<td>332224</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>MECHANICS &amp; FARMERS BANK</td>
<td>1824 ROCK QUARRY RD</td>
<td>RALEIGH</td>
<td>NC</td>
<td>27601</td>
<td>WAKE</td>
<td>UNITED STATES</td>
<td>332224</td>
<td>MECHANICS &amp; FARMERS BANK</td>
<td>332224</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>MECHANICS &amp; FARMERS BANK</td>
<td>770 MARTIN LUTHER KING JR DRIVE</td>
<td>WINSTON-SALEM</td>
<td>NC</td>
<td>27103</td>
<td>FORSYTH</td>
<td>UNITED STATES</td>
<td>332224</td>
<td>MECHANICS &amp; FARMERS BANK</td>
<td>332224</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.
### Report Item 3: Shareholders

**1.A. B.C. and 2.A.B.C. Ownership, Control or Listing of 5% or More With 3.1.A. Holding of 5% or More Through 3.1.C That**

<table>
<thead>
<tr>
<th>Name &amp; Addresses</th>
<th>Country of Citizenship or Incorporation</th>
<th>Number and Percentage of Each Class of Voting Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESTATE OF VIVIAN M. SANSON</td>
<td>USA</td>
<td>180,798 N/A 8.90%</td>
</tr>
<tr>
<td>JAMES E. SANSON*</td>
<td>USA</td>
<td>180,798 8.90%</td>
</tr>
<tr>
<td>SELENA W WHEELER TRUST</td>
<td>USA</td>
<td>146,234 7.20%</td>
</tr>
<tr>
<td>NORTH CAROLINA MUTUAL LIFE INSURANCE COMPANY</td>
<td>USA</td>
<td>186,040 9.16%</td>
</tr>
<tr>
<td>JULIA W TAYLOR TRUST**</td>
<td>USA</td>
<td>194,712 9.60%</td>
</tr>
</tbody>
</table>

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*Pursuant to a Power of Attorney, Dr. Sansom’s sons, Joseph M. Sansom and James E. Sansom, each have voting and investment powers over Dr. Sansom’s shares of common stock. Excluding Dr. Sansom’s shares, as of April 1, 2014, Joseph M. Sansom and James M. Sansom each beneficially owned 1,848 shares.

**Includes 163,234 shares of common stock owned by the Selena Warren Wheeler Trust, for whom Ms. Julia Taylor serves as Trustee and, as such, has certain voting and investment powers over these shares and 48,478 of common stock owned by the Julia W. Taylor Trust for which Ms. Taylor also serves as trustee and as such, has voting and investment power over these shares.
Michael S. Lawrence

Mutual Life Insurance Company, CEO of NC Mutual Life Insurance Company, President-Elect of the Company, and a significant stockholder of the Company.

Willie T. Gloss

Mutual Life Insurance Company, Director of the Company.

Patricia E. Neal

Mutual Life Insurance Company, Director of the Company.

James H. Speed, Jr.

Mutual Life Insurance Company, Director of the Company.

Lyndon C. Pierce

Mutual Life Insurance Company, Director of the Company.

James A. Stewart

Mutual Life Insurance Company, Director of the Company.

Connie White

Mutual Life Insurance Company, Director of the Company.

James H. Bills, Jr.

Mutual Life Insurance Company, Director of the Company.

Randall C. Hall

Mutual Life Insurance Company, Director of the Company.

Valerie M. Quiet

Mutual Life Insurance Company, Director of the Company.