Board of Governors of the Federal Reserve System

FRB RICHMOND

Annual Report of Holding Companies—FR Y-6

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

This Report is required by law: Section 5(2)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844 (c)(2)(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 1002(9)(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, Robert C. White
Name of the Holding Company Director and Official
President
Title of the Holding Company Director and Official

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 Official
12/20/2016

Date of Signature

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

For Federal Reserve Bank Use Only

RSSID ID: 383744-

Date of Report (top-tier holding company's fiscal year-end):
September 30, 2016

Month / Day / Year:

Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporters Name, Street, and Mailing Address
Wake Forest Bancorp, M.H.C.

Legal Title of Holding Company
PO Box 1167, 302 S. Brooks Street
(Westinghouse Address of the Holding Company) Street / P.O. Box
Wake Forest NC 27587
City / State / Zip Code

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:
Robert C. White
President

Name / Title

Area Code / Phone Number / Extension
919-556-5146

Area Code / FAX Number
919-556-5300

E-mail Address
bob.white@wakeforestfederal.com

Address (URL) for the Holding Company's web page
www.wakeforestfederal.com

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.
For Use By Tiered Holding Companies

Top-tiered holding companies must list the names, mailing address, and physical locations of each of their subsidiary holding companies below.

<table>
<thead>
<tr>
<th>Wake Forest Bancshares, Inc.</th>
<th>Legal Title of Subsidiary Holding Company</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box</td>
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<td>Physical Location (if different from mailing address)</td>
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Wake Forest Bancshares, Inc.
Annual Report to Shareholders

Item 1.

The Annual Report to Shareholders for the fiscal year ended September 30, 2016 is attached. Wake Forest Bancshares, Inc. is the reporting entity. The financial statements for Wake Forest Bancorp, MHC are included in the Annual Report by reference to footnote number 14. The standalone financial statements for Wake Forest Bancshares, Inc. are included in the Annual Report by reference to footnote number 15.
Wake Forest Bancorp M.H.C and Subsidiaries
Organizational Chart

Item 2a

Address: all entities are located at:
302 S. Brooks Street
Wake Forest, N.C. 27587

Note that none of the entities within the organizational structure have a Legal Entity Identifier (LEI)

Wake Forest Bancorp, M.H.C.
(Mutual Holding Company)
Federally chartered April 1996

Owens 55.4% of Wake Forest Bancshares, Inc
at September 30, 2016
Organized April, 1996, Conducts no business activities

Wake Forest Bancshares, Inc.
(Stock Holding Company)
Federally chartered May 1999

Owens 100% of Wake Forest Federal
at September 30, 2016
This is the reporting level that has outside shareholders but none more than 5% (other than the MHC)
Organized May, 1999
Conducts no activities other than buying back shares and paying dividends

Wake Forest Federal Savings and Loan Association
Federally charted Savings & Loan Assn
Organized in 1922

Home office (which is only branch) located in Wake Forest, N.C.
Wake Forest Federal Savings & Loan Association
Domestic Branches

Item 2b.

The wholly owned Wake Forest Federal Savings & Loan Association has one branch, which is located at 302 S. Brooks Street, Wake Forest, NC 27587

There are no corrections/additions/deletions to what has previously been supplied to the Federal Reserve.

The branch does not have a popular name but is known as located in Wake Forest. It is a full service branch.
Item 3.

Wake Forest Bancorp, M.H.C. is a Mutual Holding Company and the depositors and certain borrowers are voting members of the Company as described below:

Each depositor shall be permitted to cast one vote for each $100, or fraction thereof, of deposits held at the Association on December 31st of each year. In addition, borrowers from the Assn as of April 3, 1996 (the date of incorporation of the MHC) shall be entitled to one vote for the period of time during which such borrowing that existed on April 3, 1996 continues to exist on December 31st of each year. No member shall be allowed to cast more than 400 votes.

Wake Forest Bancorp, M.H.C. holds 55.4% of the voting stock of Wake Forest Bancshares, Inc., which is the reporting company and the entity that has outside shareholders.

Wake Forest Bancorp, M.H.C., Wake Forest, NC USA
Wake Forest Bancshares, Inc., Wake Forest, NC USA

There are no known shareholders of Wake Forest Bancshares, Inc. that hold more than 5% of the stock of Wake Forest Bancshares, Inc. either at or during the fiscal year ended September 30, 2016.

There are no outstanding warrants or stock options that could increase the potential number of shares held by any stockholder.
Wake Forest Bancorp, M.H.C.
Insiders

Item 4. Wake Forest Bancorp, M.H.C. is a mutual holding company and therefore does not have any principal stockholders. Wake Forest Bancshares, Inc. is the entity that has shareholders but none hold more than 5%. The Directors and Executive Officers of Wake Forest Bancorp, M.H.C. are the same as for Wake Forest Bancshares, Inc. and Wake Forest Federal Savings & Loan Association.

<table>
<thead>
<tr>
<th>Name</th>
<th>City, State, Country</th>
<th>Principal Occupation</th>
<th>Title or Position with Subsidiaries</th>
<th>Title or Position with Holding Company</th>
<th>% of Voting Shares in Subsidiaries Wake Forest Bancshares, Inc.</th>
<th>% of Voting Shares in Subsidiaries Wake Forest Bancorp, M.H.C.</th>
<th>Names of Companies if Own 25% or More Voting Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Howard L. Brown</td>
<td>Wake Forest, NC, USA</td>
<td>Retired, Rolesville Oil Company</td>
<td>Director</td>
<td>N/A</td>
<td>0.72%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>John D. Lyon</td>
<td>Wake Forest, NC, USA</td>
<td>Owner, Marathon Management</td>
<td>Director</td>
<td>N/A</td>
<td>2.40%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Rodney M. Privette</td>
<td>Rolesville, NC, USA</td>
<td>Owner, Privette Insurance Agency</td>
<td>Director</td>
<td>N/A</td>
<td>0.11%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Earl F. Shoaf</td>
<td>Raleigh, NC, USA</td>
<td>Owner, National Transformer Sales</td>
<td>Director</td>
<td>N/A</td>
<td>0.87%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Anna O. Sumerlin</td>
<td>Wake Forest, NC, USA</td>
<td>Retired, Former CEO of the Company</td>
<td>Director, Chair of the Board</td>
<td>N/A</td>
<td>0.48%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Robert W. Wilkinson III</td>
<td>Wake Forest, NC, USA</td>
<td>Retired, Former MG Officer of Company</td>
<td>Director</td>
<td>N/A</td>
<td>0.53%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Robert C. White</td>
<td>Wake Forest, NC, USA</td>
<td>President &amp; CEO of the Company</td>
<td>Director, CEO &amp; CFO</td>
<td>N/A</td>
<td>0.68%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Randy L. Bright</td>
<td>Wake Forest, NC, USA</td>
<td>Funeral Director-Bright Funeral Home</td>
<td>Director</td>
<td>N/A</td>
<td>0.26%</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Sue E. Anthony</td>
<td>Wake Forest, NC, USA</td>
<td>Owner/Operator, Anthony Law Office</td>
<td>Director</td>
<td>N/A</td>
<td>0.13%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Billy B. Faulkner</td>
<td>Louisburg, NC, USA</td>
<td>Sr VP, Treasurer/Sec of the Company</td>
<td>Sr VP, Treasurer/Secretary</td>
<td>N/A</td>
<td>0.17%</td>
<td>N/A</td>
<td>N/A</td>
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