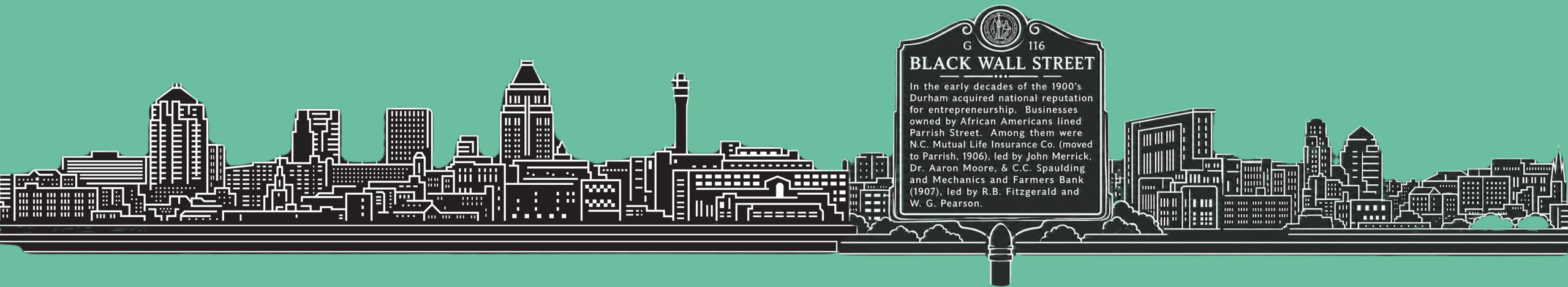


You don't kill a bank to save it!

WHY M&F BANCORP IS
WORTH MORE TO
SHAREHOLDERS ALIVE



Important Information & Cautionary Statements

Triad's proposal is a non-binding indication of interest that M&F's Board has declined to engage with; Triad may revise, supplement or withdraw it at any time, and no assurance can be given that any transaction will occur. This presentation is not an offer or solicitation of any security, is not a proxy solicitation, and does not advise any shareholder how to vote.

Triad owns no M&F shares, owes no obligation to M&F, has an economic interest in the outcome, and has had no access to non-public information of M&F or Optus. Statements about M&F and Optus are drawn from their public filings and call reports, cited where made; characterizations are Triad's opinions. Figures for a combined company are illustrations on stated assumptions, not forecasts, price targets or fairness opinions, and contain forward-looking statements subject to the risks described under "Important Information." Full terms and bases: triadbusinessbank.com/investor.

Important Information & Cautionary Statements - continued

About this presentation. "The Shareholder's Perspective" is published by Triad Business Bank ("Triad") for the shareholders of M&F Bancorp, Inc. ("M&F") and the public, and presents Triad's analysis of M&F's proposed merger with Optus Bancorp, Inc. and Optus Bank ("Optus") and of Triad's own proposal. Triad and its directors and officers have an economic interest in the outcome; readers should read the documents cited and reach their own conclusions.

Triad's proposal is non-binding. Triad's proposal (Proposal Four, delivered October 8, 2026, with supporting material revised October 26, 2026) is a non-binding indication of interest. It is not an offer, commitment or agreement and binds no one. M&F's Board has stated that it does not consider the proposal superior and will not engage. Triad has not withdrawn it and may revise, supplement or withdraw it at any time; the terms of any transaction, if agreed, may differ materially from those described.

No assurance. There can be no assurance that M&F's Board will engage, that a definitive agreement will be reached, or that any transaction will be completed on the terms described or at all. Any transaction would require a definitive agreement, approval by both companies' shareholders, and approval or non-objection of federal and state banking regulators, including confirmation of MDI and CDFI status. Regulatory approvals are discretionary and may be denied, delayed or conditioned; nothing here states or implies the view of any regulator.

Not an offer, solicitation or proxy solicitation. This presentation is not an offer to sell or a solicitation of an offer to buy any security, and is not a proxy statement or a solicitation of any proxy, consent or authorization. Triad does not advise any shareholder how to vote. Shareholders should decide after reading M&F's proxy statement and supplements in full.

Sources and limits of Triad's information. Every statement about M&F, Optus and the Optus transaction is drawn from public information: M&F's proxy statement dated September 1, 2026 and its supplements of September 30 and October 26, 2026; the Agreement and Plan of Merger dated July 21, 2026 (Appendix A); M&F's 2023-2025 annual reports and results releases; the call reports of M&F Bank and Optus Bank; and news reports where identified. Page references are to those documents as published; quotations are excerpts. Triad has had no access to non-public information of M&F or Optus, has conducted no due diligence, has not verified their filings, and takes no responsibility for information published by others. Data on Optus's deposits, funding costs and asset quality is from call-report data as compiled by third-party services, not confirmed against the underlying filings, and is identified as such where shown.

Methods and bases of calculation. Per-share figures for M&F use 1,936,958 common shares outstanding, as disclosed by M&F, unless otherwise stated. The Series E (ECIP) repurchase gain per share uses the figures M&F has disclosed and will differ if the final price or costs differ. The "capital alone" value applies the price-to-tangible-book-value multiples cited in the fairness analysis summarized in M&F's proxy statement to M&F's tangible common equity as adjusted by Triad for the Series E repurchase; it is an illustration, not a valuation opinion. Legal lending limits are illustrative: 15 percent of Tier 1 plus Tier 2 capital as implied by June 30, 2026 call-report ratios, after the cash consideration in each transaction and before purchase accounting, transaction costs and capital contributions; actual limits are set under applicable law and may differ. Tangible book value and tangible common equity are non-GAAP measures. Historical references are context, not predictions.

Illustrations are not forecasts. Figures for a combined company under Triad's proposal, including pro forma assets, ownership, tangible book value, earnings, dividends, lending capacity and the values shown for 1.25 shares at closing, at listing or in any later year, are illustrations on the stated assumptions of Triad's published plan. They are not forecasts, projections, price targets, fairness opinions or valuations, and no value is assured. They depend on assumptions about the completion and timing of a transaction, loan and deposit growth, margins, credit losses, expenses, capital, redeployment of securities into loans, retention of customers and employees, a Nasdaq listing and the multiple a market would assign, none within Triad's control. Actual results would differ, possibly materially, and combined-company shares could be worth less than the values shown or than the cash offered under either proposal.

Forward-looking statements. This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, to the extent applicable, and Triad intends them to be covered by its safe harbor provisions. They include all statements that are not historical fact, including statements about Triad's proposal; the possibility and timing of any transaction; the structure, governance, charter, name, headquarters, management, board, MDI and CDFI status, strategy, lending, growth, earnings, capital, book value, listing and value of a combined company; the effects of the Optus transaction on M&F's shareholders, customers, employees and communities; and Triad's own prospects. They are subject to risks and uncertainties, many outside Triad's control, that could cause actual results to differ materially, including the refusal of M&F's Board to engage; approval of the Optus transaction; failure to reach a definitive agreement or obtain shareholder or regulatory approvals; inability to raise or maintain capital; changes in interest rates, economic conditions, credit quality, deposits and competition; loss of customers or employees; inability to redeploy securities into loans as assumed; failure to achieve a Nasdaq listing; litigation; and changes in law, regulation or accounting standards. Forward-looking statements speak only as of the date of this presentation, and Triad undertakes no obligation to update them except as required by law.

Opinions; no advice; no reliance. Statements describing the sale process, the Board's disclosures, the Optus consideration and the interests of M&F's directors and officers are Triad's opinions on the public record, with sources cited, not statements about any person's motives; the Board's reasons are for the Board to state. Nothing here alleges that any person has violated any law, contract or duty. This presentation is not legal, tax, accounting or investment advice; each shareholder should consult his, her or its own advisers. Triad and its directors, officers, employees and agents make no representation or warranty as to the accuracy or completeness of the information here and, to the fullest extent permitted by law, accept no liability for any loss arising from its use.

Additional information. Triad's published terms, this presentation and the basis of every figure are at [triadbusinessbank.com/investor](https://www.triadbusinessbank.com/investor) and on OTC Markets under TBBC. This presentation is dated October 28, 2026 and speaks only as of that date.

Contact: Jonathan Lee Kelly, Director, Triad Business Bank · +1 617 642 3186 · info@triadbusinessbank.com

SOMEONE TOLD THE M&F BOARD ITS BANK IS WORTH MORE DEAD THAN ALIVE

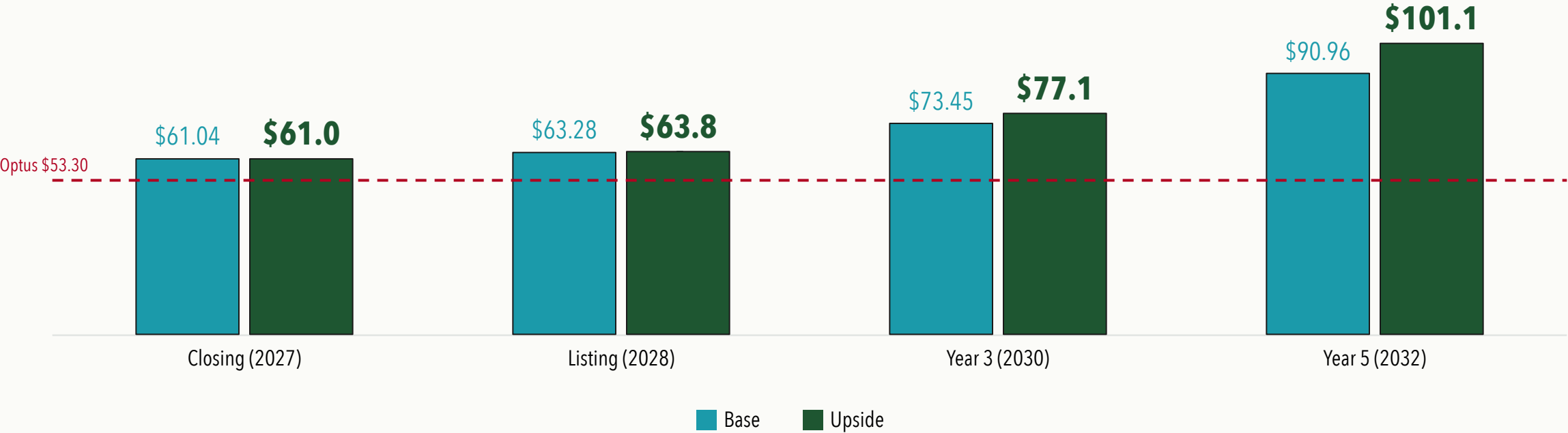
It isn't. Not for the shareholders who own it, not for the congregations whose deposits are in the vault, not for the six HBCU campuses waiting for a lending partner, and not by the arithmetic. The next hundred pages test that one sentence against the Company's own filing and the Optus agreement's own words.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	TRIAD'S PLAN FOR A NEW TOMORROW	WHAT'S GONE WRONG FOR SHAREHOLDERS	APPENDIX
•I. EXECUTIVE SUMMARY •II. PROPOSAL FOUR •III. WHAT THE SHAREHOLDERS HAVE BEEN PAID	•IV. WHERE THINGS STAND •V. THE ECONOMICS •VI. THE ASK	•VII. EXPIRED FAIRNESS - THE PIPER MATH •VIII. THE LOANS IN THE COMMUNITY •IX. WHO GETS PAID •X. PATH OUT OF THE CORNER - M&F BOARD	•A. OBJECTIONS ANSWERED •B. THE OPTUS AGREEMENT •C. SUPPORTING EXHIBITS

YOU
DON'T
KILL A
BANK TO
SAVE IT!

What that is worth to an M&F shareholder electing all stock: 1.25 holding-company shares per M&F share



Source: Proposal Four plan. Value = 1.25 × the price per holding-company share at 1.6x tangible book (Section V, page 48); on earnings at 13.5x the base case is \$46.79 in year 3 and \$76.28 in year 5. Illustrative; arithmetic on the assumptions in the annex; not a forecast, fairness opinion, appraisal or investment advice; see disclaimer.

What the shareholders were told on September 30, and what happened: **approval requires a majority of all outstanding common shares (§8.01); the meeting was adjourned October 7 without approval and again October 20; the count has not been disclosed**

SEPTEMBER 30

"... have received overwhelming support for the combination and future plans of the combined company."

October 7: the agreement did not receive the approval of a majority of the outstanding shares. The meeting was adjourned. It was adjourned again October 20. The count has not been disclosed.

SEPTEMBER 30

"... it is anticipated that the merger with Optus will occur as early as October 30, 2026."

October 26: no vote, no closing, a reconvened meeting on November 4, and closing now "anticipated ... during the fourth quarter of 2026." The shareholders were told the deal was done; the shareholders had not done it.

SEPTEMBER 30

"... a value we are already achieving under the Optus merger proposal."

"Up to." Reduced dollar for dollar below \$36.5M of tangible common equity – calculated without the Series E gain (§2.02(b)(iii)) – in a year the reserve was released and charge-offs exceeded all of 2025. Nothing is achieved until closing, and the number can fall before then.

Approval requires a majority of all outstanding common shares – 968,480 of 1,936,958 (Agreement §8.01) – not a majority of votes cast. The meeting convened October 7 was adjourned without approval and adjourned again October 20. On October 26 the Board said it holds proxies from "an overwhelming majority of outstanding shares"; the count has not been disclosed. "Overwhelming" is not a number: proxies from 70% of the shares, 70% of them in favor, is 49%.

Source: M&F proxy supplement (Sept. 30, 2026) pp. 1–3; M&F announcements of Oct. 7, Oct. 19 and Oct. 20, 2026; M&F proxy supplement (Oct. 26, 2026); Agreement §§2.02, 8.01; Call Report 3/31/2026 (Schedules RI-B, RC-R).

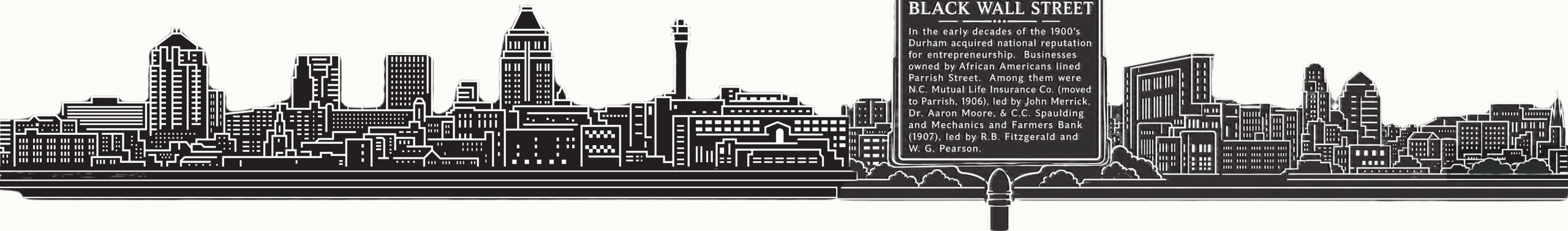
Ten questions a shareholder is entitled to have answered before they vote!

- 1** Why has the Board not met Triad once across four proposals, and on what reading of §5.08(b) was it “not permitted” to?
- 2** On what analysis is \$53.50 fixed, or 1.25 shares at \$37.34 of book, not superior to “up to” \$53.30 and nothing after?
- 3** What was the tally at the October 7 and 20 adjournments, and what proxies, by share, does the October 26 supplement call “overwhelming”?
- 4** What amount of deposit runoff did the fairness analysis assume, and what replaces those deposits?
- 5** What is M&F’s tangible common equity today against the \$36.5M target, measured without the Series E gain, and what is the expected cash per share?
- 6** Why did the October 19 statement describe proration, “up to” cash, a holding period and a dividend prohibition that the published terms do not contain?
- 7** Who are the recipients and what are the amounts of the January 2026 bonus, and has it been paid on the October 22 redemption?
- 8** Did the Board consider that North Carolina will have no African-American MDI if M&F Bank is merged into Optus Bank?
- 9** What will the combined Optus bank be able to lend to one Durham borrower on the day after closing, compared with today?
- 10** Why was the \$31 million annual ECIP lending commitment met in 2023, unreported in 2024, and missed in 2025 – and what does the Optus agreement do about it?

Source: M&F proxy and Agreement; M&F statements of Oct. 7, 19, 20, 2026 and supplement of Oct. 26; FY2023 and FY2025 Annual Reports; Triad published terms. Questions, not assertions.

PROPOSAL IV

The Case For Combining Triad & M&F

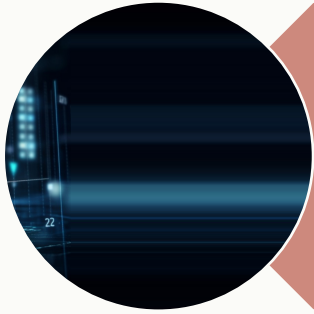


M&F's BOARD CAN STILL BE A **HERO** TO ITS **EMPLOYEES & CUSTOMERS** **SHAREHOLDERS & STAKEHOLDERS!**

		OCTOBER 7th DEAL NOT APPROVED BY SHAREHOLDERS	TRIAD BUSINESSBANK
KEPT NC's LAST AFRICAN AMERICAN MDI ALIVE		✗	✓
SAVED THE M&F NAME FOR POSTERITY		✗	✓
PROTECTED 1907 CHARTER THE LEGACY OF DURHAM's BLACK WALLSTREET		✗	✓
•HONORING THE FOREBEARERS SACRIFICES IN MUCH MORE CHALLENGING ENVIRONMENTS		✗	✓
SECURED SUPERIOR VALUE FOR M&F SHAREHOLDERS		✗	✓
•HIGHER CONSIDERATION THAN DEAL NOT APPROVED ON OCTOBER 7 th BY SHAREHOLDERS		✗	✓
MAXIMIZED VALUE BOTH FOR PRE-TAX & POST-TAX FOCUSED SHARHOLDERS		✗	✓
•EXPANDED LENDING FOR I-40/I-85 HBCU, CHURCHES, SURROUNDING COMMUNITIES & ENTREPRENUERS SEEKING LENDING PARTNERS		✗	✓
BUILT THE FOUNDATION FOR THE COUNTRY'S FIRST +\$2BN AFRICAN AMERICAN BANK BY 2030		✗	✓

Dates and quotations from M&F's proxy statement of September 1, 2026 and its written responses of August 13, September 4 and September 22, 2026. Proposal 2's cash and contingent amounts and Proposal 3's terms as stated in Triad's letters of those dates. Nothing on this page characterizes the Board's process.

M&F EMPLOYEES WILL HAVE **NEW POSSIBILITIES** IN A GROWING BANK



WEALTH PARTICIPATION ENGINE WITH STOCK UPLISTING

NOT AVAILABLE IN A PRIVATE COMPANY



ORGANIC GROWTH THAT DRIVES JOB SECURITY

INSTEAD OF INSECURITY WITH A DIGITAL BANK FIRST STRATEGY



SCALE THAT DRIVES EDUCATION

CONTINUOUS EDUCATION OPPORTUNITIES FOR LEARNING & MARKET RELEVANCE

M&F CUSTOMERS CAN **BRING THEIR BUSINESS HOME**

THE MARKET IS UNDERSERVED AND THE OPPORTUNITY FOR LOW HANGING FRUIT IS CONSIDERABLE



"I'D LIKE TO BANK WITH M&F BANK BUT THEY DON'T OFFER POSITIVE PAY BUSINESS ACCOUNTS"

TREASURY SERVICES FOR DAILY COMMERCE



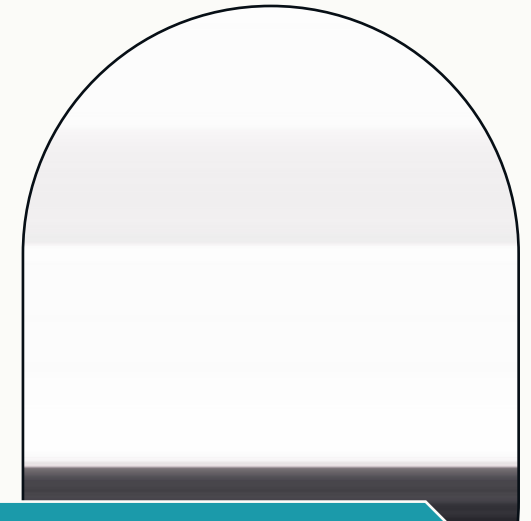
"I'D LIKE TO GET TO A QUICK NO OR TERM SHEET IN THE LIFETIME OF THE OPPORTUNITY"

LENDING THAT IS COMPETITIVE AND INLINE WITH MARKET FOR COMMERCIAL PROJECTS



"WILL THEY LEND AGAINST MY GOVERNMENT CONTRACT THAT REQUIRES IMMEDIATE WORK START QUICK ENOUGH FOR ME TO CONFIDENTLY BID"

RISK MANAGEMENT THAT MAKES THE BANK A BETTER PARTNER

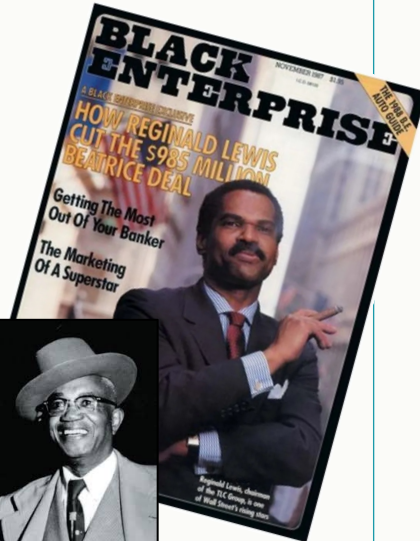
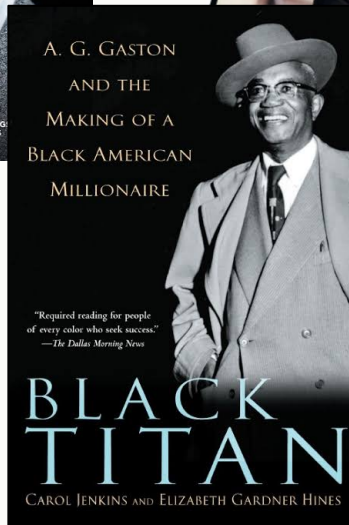


"I TRIED TO BRING SEVERAL MILLION BUT THEY DIDN'T WANT MY DEPOSIT BUSINESS"

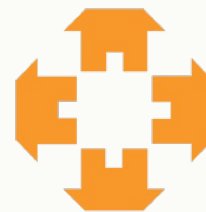
WILLINGNESS TO ACCEPT LARGE MUNICIPAL & BUSINESS DEPOSITS

TOGETHER WE CAN BRING PROVEN **MODELS OF SUCCESS** TO I-40 / I-85 CORRIDOR

**BUSINESS OWNERS, INDEPENDENT SPONSORS, ENTREPRENEURSHIP
BY ACQUISITION - SEEKING LENDING PARTNERS**

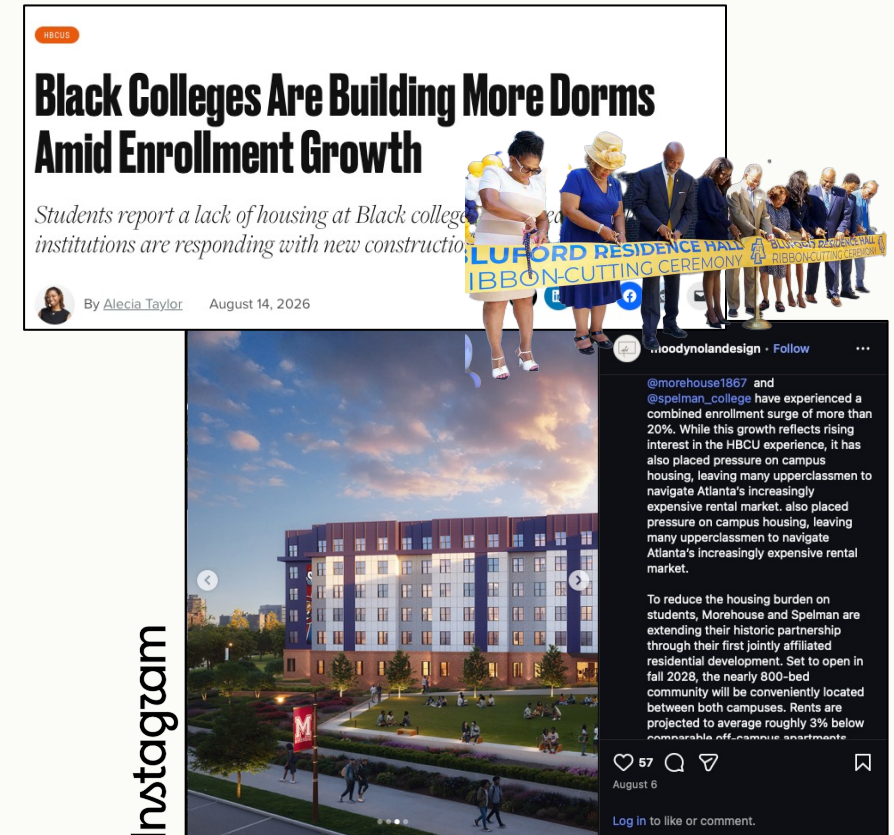


**FAITH BASED INSTITUTIONS -
TRANSFORMING THEIR NEIGHBORHOODS**



**Abyssinian
Development
Corporation**
BELIEVE. BUILD. EMPOWER.

**HISTORICALLY BLACK COLLEGES & UNIVERSITIES - SEEKING TO MEET
GROWING DEMAND FOR THEIR SERVICES**



THE FULL PROMISE OF BANKING IN AMERICA HAS TO BE AVAILABLE TO ALL COMMUNITIES

Five lessons from Parrish Street that can save M&F on November 4 – they are not Triad's; they are North Carolina's, and M&F taught most of them

- 1 **You don't kill a bank to save it.** M&F stayed open through the Great Depression when banks around it did not – because the people who ran it refused to let it end, not because they found someone to end it on better terms.
- 2 **The money goes around town, not in the ground.** The founders' capital went into Durham's houses and Parrish Street's storefronts. Today \$158 million sits in bonds, and the loans have been falling since the end of 2024.
- 3 **Until the deal closes, the bank is still the job.** The founders stayed with the institution until it stood on its own. Under North Carolina law the Board's duty runs to M&F's shareholders until closing – and the agreement permits a conversation with us.
- 4 **You don't live on a legacy, you live up to it. A legacy is a standard, not an asset.** M&F has the history. Triad has the momentum. Proposal Four keeps the history in Durham and puts the momentum behind it.
- 5 **Count what belongs to the people who trusted you with it.** The founders could tell any depositor, on any day, exactly where every dollar was. Parrish Street counted in public. It is time for M&F to count in public too.

Source: published histories of North Carolina Mutual Life Insurance Company and Mechanics and Farmers Bank; Triad release of Oct. 21, 2026; FY2025 Annual Report; Q2 2026 results.



G 116 BLACK WALL STREET

In the early decades of the 1900's Durham acquired national reputation for entrepreneurship. Businesses owned by African Americans lined Parrish Street. Among them were N.C. Mutual Life Insurance Co. (moved to Parrish, 1906), led by John Merrick, Dr. Aaron Moore, & C. C. Spaulding and Mechanics and Farmers Bank (1907), led by R. B. Fitzgerald and C. Pearson.

**YOU DON'T
KILL A BANK
TO SAVE IT!**

**DON'T VOTE
UNTIL YOU KNOW
WHAT YOUR
SHARES ARE WORTH**

**M&F BANK
IS WORTH MORE
ALIVE
THAN DEAD**

**THE BOARD HAS
TO MEET WITH
TRIAD TO BE A
GOOD FIDUCIARY**

EXECUTIVE SUMMARY

**Do Well.
& Do Good.**

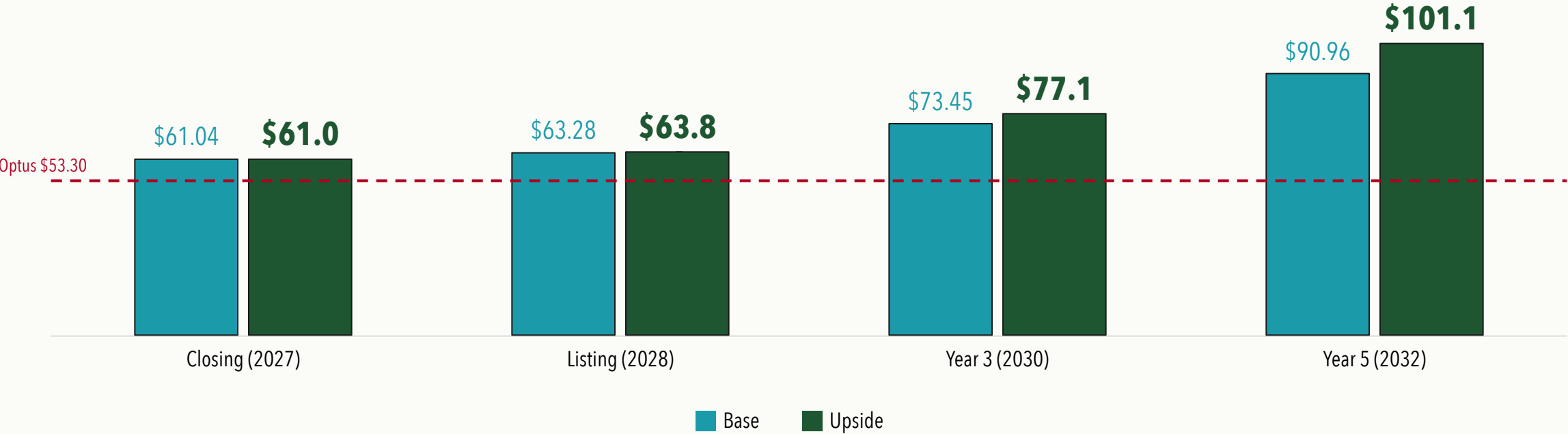
The Optus agreement ends Mechanics & Farmers Bank as an independent institution;

Proposal Four keeps it alive, pays its shareholders more, and lends more to Durham

- What the agreement does. M&F Bank is merged into Optus Bank at closing and “will cease to be an independent bank” (proxy pp. 6, 44). The name survives two years as “a division of Optus Bank,” a South Carolina institution. Shareholders receive “up to” \$53.30 in cash – \$46.57 as signed, plus the \$6.73 that became payable October 22 when M&F repurchased the Series E with its own money – reduced dollar for dollar if tangible common equity at closing falls below \$36.5M, measured without the Series E gain (\$2.02) – and own nothing afterward. Optus has not added a dollar since July.
- What Proposal Four does. M&F Bank keeps its 1907 charter, its name, its Durham headquarters and its MDI and CDFI standing, with a majority African-American board written into the charter. Each shareholder chooses \$53.50 in cash, fixed at closing, on up to 25% of the shares, or 1.25 shares of a \$1.0 billion combined company with an exchange listing targeted for 2028 – about \$37.34 of tangible book per M&F share by the end of the closing year, against \$18.56 standalone before the October 22 repurchase. Legacy M&F holders own 47–50%.
- What the cash does to the bank. About \$103 million leaves the combined Optus bank at closing; after it, the bank can lend about \$11 million to one borrower – less than M&F Bank can today, and less than Optus can. Under Proposal Four about \$26 million leaves and the two charters can lend about \$17 million together, with a path to more than twice that by 2030.
- Why the shareholders have already paid. \$158 million of M&F’s money sits in bonds; loans have fallen since the end of 2024; EPS to common is down 61% in thirty months (\$2.75 → \$1.06); the shares trade last in price-to-assets among the Company’s N.C. peers. The regulator’s peer report ranks M&F 7th percentile for loan growth and ROE and 93rd for capital.
- What we ask. A meeting with the independent directors and their advisers before November 4. The agreement permits it (proxy pp. 42–44). A 119-year-old bank can survive two more weeks of deliberation. It cannot survive the Optus agreement coming to pass.

Source: M&F proxy statement (Sept. 1, 2026), Agreement and Plan of Merger (July 21, 2026) and proxy supplement (Oct. 26, 2026); FY2023–FY2025 Annual Reports; Q2 2026 results; FFIEC call reports June 30, 2026; UBPR 3/31/2026; Triad Proposal Four Supporting Material (Oct. 13, 2026) and Proposal Four plan (revised Oct. 26, 2026). Lending limits are Triad’s arithmetic at 15% of Tier 1 + Tier 2 capital, after cash consideration.

What that is worth to an M&F shareholder electing all stock: 1.25 holding-company shares per M&F share



Source: Proposal Four plan. Value = 1.25 × the price per holding-company share at 1.6x tangible book (Section V, page 48); on earnings at 13.5x the base case is \$46.79 in year 3 and \$76.28 in year 5. Illustrative; arithmetic on the assumptions in the annex; not a forecast, fairness opinion, appraisal or investment advice; see disclaimer.

The shareholders are being asked to sell for less than the bank is worth: the Optus cash sits below every measure of a share's value, and it is the only number on this page that can go down

\$ per M&F share held today. Bar length to scale.



\$0.20

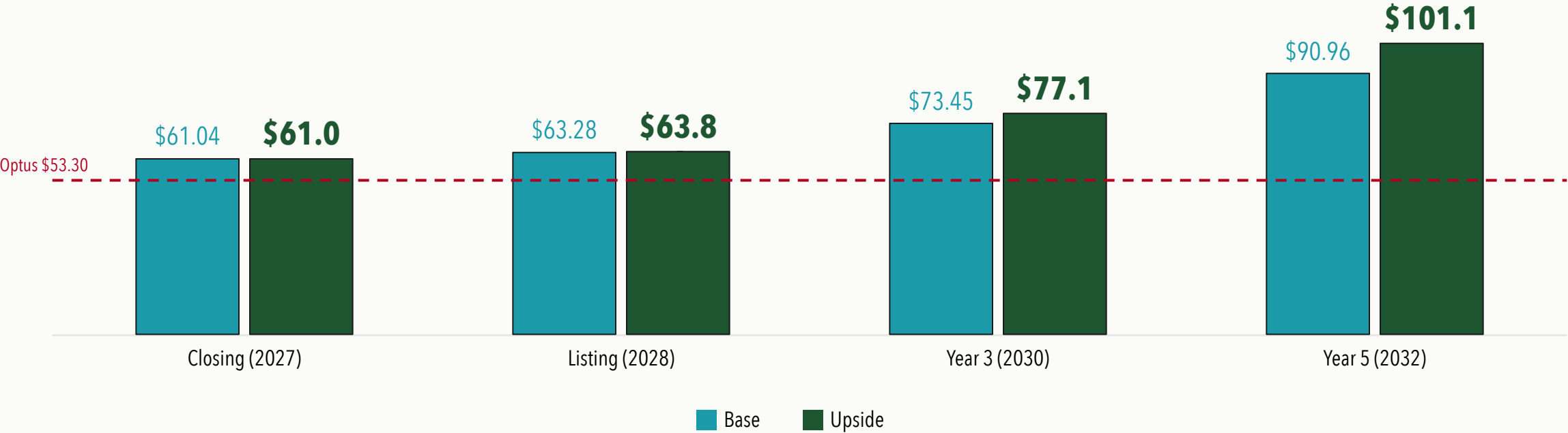
more per share, fixed, from Proposal Four’s cash election than from the Optus “up to” price. \$53.50 is a floor; \$53.30 is a ceiling, reduced for any shortfall below \$36.5M of tangible common equity at closing, calculated without the Series E gain (Agreement §2.02). The \$6.73 Optus “added” on October 22 was the shareholders’ own gain.

1.71x

the Optus cash, on the base case at year five, for a holder who takes 1.25 shares and stays. Even the downside case – lending and deposit volumes a third slower than plan – passes the cash price in the closing year on the book basis.

Source: M&F proxy, supplement (Oct. 26, 2026) and Agreement §2.02; Proposal Four plan (revised Oct. 26, 2026), base and downside cases; grid on page 28. Stock-path values: 1.25 holding-company shares at 1.6x tangible book (peer 75th percentile); on earnings at 13.5x, \$46.79 in year 3 and \$76.28 in year 5. Arithmetic on stated assumptions, not forecasts or price targets. See disclaimer.

What that is worth to an M&F shareholder electing all stock: 1.25 holding-company shares per M&F share



Source: Proposal Four plan. Value = 1.25 × the price per holding-company share at 1.6x tangible book (Section V, page 48); on earnings at 13.5x the base case is \$46.79 in year 3 and \$76.28 in year 5. Illustrative; arithmetic on the assumptions in the annex; not a forecast, fairness opinion, appraisal or investment advice; see disclaimer.

Side by side, in each document's own words: the Optus agreement and Proposal Four

Term	Optus agreement (proxy Sept. 1, 2026; Agreement July 21, 2026)	Proposal Four (published Oct. 8; Supporting Material Oct. 13)
Cash per M&F share	"Up to" \$53.30 since Oct. 22; reduced dollar for dollar if TCE at closing is below \$36.5M, measured without the Series E gain (\$2.02)	\$53.50, fixed at closing, on up to 25% of shares; prorated only above the cap
Additional consideration	None – the \$6.73 folded into the price on Oct. 22 (\$2.01(e)(vii)); the ~\$2.6M January bonus became payable on the same event	1.25 shares of the combined company for every share not taking cash – no reduction
What holders own afterward	Nothing	47-50% of a \$1.0B company, listing targeted 2028; ~\$37.34 TBV per M&F share by the end of the closing year
M&F Bank charter	Merged into Optus Bank; "will cease to be an independent bank" (pp. 6, 44)	1907 charter kept, no sunset
Name and headquarters	Name survives two years as "a division of Optus Bank," Columbia, S.C.	Name and Durham headquarters kept; M&F Bancorp remains the holding company
MDI / CDFI standing in North Carolina	No African-American MDI remains in North Carolina	Preserved; majority African-American board written into charter and by-laws
Cash leaving the bank at closing	~\$103.2M	~\$25.9M
Implied limit to one borrower after closing	~\$11.3M (M&F Bank alone today: \$11.6M; Optus: \$15.2M)	~\$17.2M, two charters; ~\$37.5M at 2030 goal
Holding period / dividend restriction	–	None in the published terms; dividend policy set by the combined board with M&F designees

Source: M&F proxy statement, supplement (Oct. 26, 2026) and Agreement and Plan of Merger (Appendix A); Triad Summary of Proposed Terms, Summary of Key Terms and Supporting Material (triadbusinessbank.com/investors); FFIEC call reports June 30, 2026. Lending limits are Triad's arithmetic; method in Appendix B, page 112.

What an M&F shareholder receives under Proposal Four – in cash, in stock, and in the years after

Electing cash

\$53.50

per share, fixed at closing, available on up to 25% of shares outstanding; elections above the cap prorated. Funded by \$25.0M of 8% subordinated debt and \$6.9M of holding-company reserves; no bank capital used.

Electing stock

1.25 shares

of the combined company for every share not taking cash – no reduction. About \$37.34 of tangible book per M&F share by the end of the closing year in a \$1.0B institution with a listing targeted for 2028, against \$18.56 standalone before the October 22 Series E repurchase.

Holding through year 3 (2030)

\$3.47

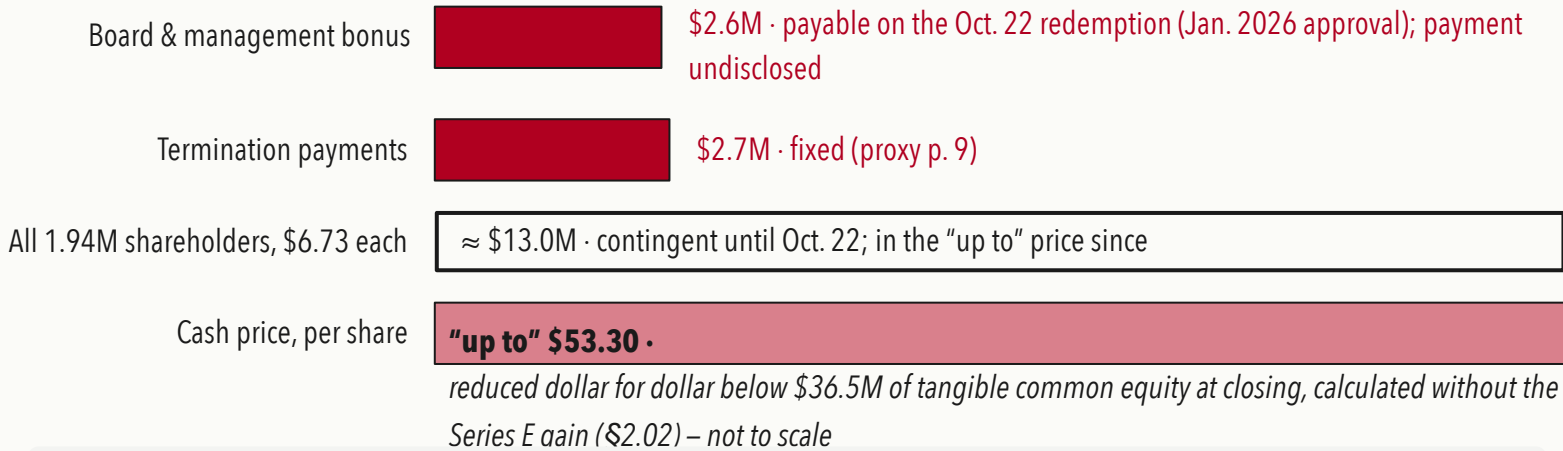
of adjusted EPS per M&F share in year 3 of the base case – against \$1.06 earned in the last twelve months; \$5.65 in year 5. Dividend policy set by the combined board, on which M&F designees sit.

Per M&F share (1.25 shares)	Closing year (2027)	Listing (2028)	Year 3 (2030)	Year 5 (2032)
Tangible book value	\$37.34	\$38.71	\$44.93	\$55.65
Adjusted EPS – base case	\$1.39	\$0.71 *	\$3.47	\$5.65
Adjusted EPS – upside case	\$1.39	\$0.99 *	\$4.69	\$7.91
Illustrative value at 1.6x tangible book	\$61.04	\$63.28	\$73.45	\$90.96

* Listing year (2028) is after the \$40M raise at \$35.85: shares rise from 3,831,916 to 4,948,000 (base) / 5,087,000 (upside) before the new capital is lent; on the pre-raise share count the same earnings are \$0.81 base / \$1.13 upside (bridge on page 52). Source: Triad published terms (Oct. 8, 2026); Proposal Four plan (revised Oct. 26, 2026). Adjusted EPS excludes one-time costs; 2027 carries six months of M&F; upside case = the faster ramp in Annex II. On earnings at 13.5x the base case is \$46.79 in year 3 and \$76.28 in year 5. Not price targets or forecasts. See Section V and disclaimer.

Who gets paid under the Optus agreement: the shareholders' \$6.73 and the insiders' bonus both became payable on October 22 – only the shareholders' had been conditional

\$ millions, to scale. All bars are now fixed; the shareholders' was contingent from July 21 to October 22.



The bonus was approved in January 2026, was not disclosed as a subsequent event in the annual report five weeks later, and was not on the June 2 ballot. The agreement let a five-member Optus committee pay it after closing even without the redemption, while the shareholders' \$6.73 depended on it (p. 44). On October 22 M&F redeemed the Series E itself: the bonus is now payable under the January resolution, excluded from the closing capital test (§2.02(b)(iv)); whether it has been paid is undisclosed. Triad draws no conclusion as to any individual's motive.

Source: 2026 Proxy Statement pp. 11–12 (bonus resolution); M&F merger proxy (Sept. 1, 2026) pp. 9, 44, supplement (Oct. 26, 2026) and Agreement §§2.01(e), 2.02; FY2025 Annual Report (earnings to common; subsequent-events note; ECIP originations); FY2023 Annual Report (\$31.0M requirement). Share count 1,936,958 per the proxy. Per-share and percentage comparisons are Triad arithmetic on the Company's figures. See Section IX.

5%

of the \$52.3M ECIP discount. The discount was earned by lending. The year the bonus was approved, qualified lending was \$28.2M against the \$31M annual requirement.

\$1.34

the bonus per share, against the earnings per share the bank produced for its shareholders in the last twelve months.

vs.

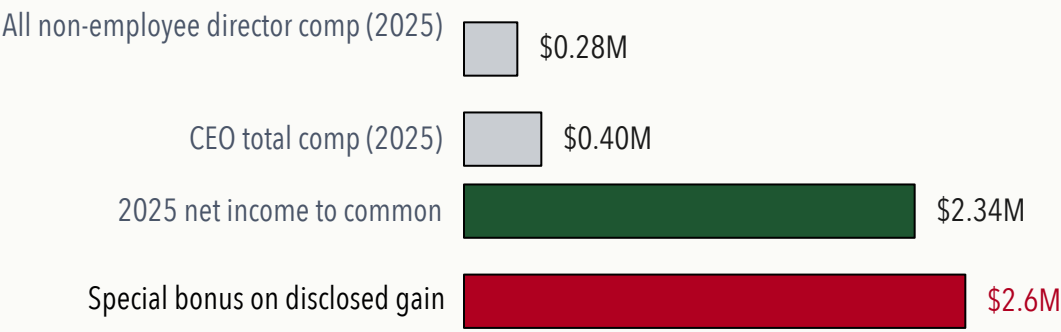
\$1.06

of all FY2025 earnings to common (\$2.34M). More than a full year of what the shareholders earned, for an event the shareholders could have had without it.

111%

Sized against this Company, **the bonus is larger than a full year of the earnings that belong to the shareholders** – and it rewards an event, not the creation of value

\$ millions



- 5% of the Company’s disclosed \$52.3M ECIP gain ≈ \$2.6M. No individual allocations, caps, vesting or clawbacks are disclosed; no split between Board and management.
- The formula contains no lending target, no EPS target, no shareholder-return target – its sole trigger is “the successful redemption of the ECIP.”
- The qualifying performance was substantially achieved before the plan was approved; the Governance Policies’ requirement that incentives link to “financial goals set in advance” is unmet on its face.
- Contrast the ordinary incentive: a \$38,794 CEO bonus in 2025. The redemption plan could pay the insider group ~65x that amount.

Redemption itself may well be right for shareholders. That is precisely why it requires no bonus – boards do not get paid extra for doing their jobs. The redemption happened on October 22. Under Proposal Four every dollar of the gain stays in the shareholders’ equity; under the Optus agreement it funds the cash paid to departing holders.

Source: 2026 Proxy Statement pp. 11–17; FY2025 Annual Report; merger proxy (disclosed \$52.3M gain); Corporate Governance Policies §2.3. Bar chart uses the Company’s disclosed figures.

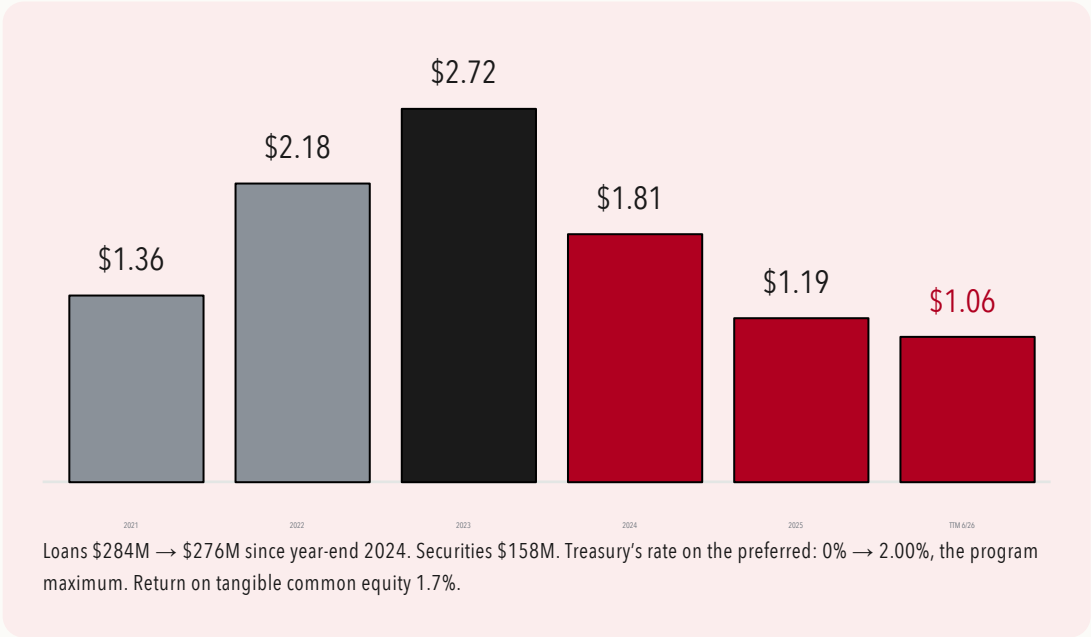
The public record, in order: every entry has been disclosed; they have never been put on one page together

Jun 2022	Treasury invests \$80.0M at 0% for two years, then 0.5–2.0% depending on lending. The FY2023 report states the “annual ECIP lending requirement”: \$31.0M.	Feb 27 2026	Annual Report: “no additional subsequent events requiring accrual or disclosure.” The bonus is not mentioned.
FY2023	Qualified lending \$49.9M, “161% of goal.” EPS to common \$2.72, the record high. Brokered deposits \$0.	Q1 2026	Charge-offs \$795K, more than all of 2025. Provision \$51K. Reserve coverage released 1.62% → 1.39% as nonaccruals rose 47%. Brokered deposits \$0 → \$36.1M.
FY2024	\$115.5M of bonds bought against \$17.4M of net loan growth. Qualified lending: not published. EPS \$1.81.	Jun 2 2026	Annual meeting. Directors re-elected. The bonus is not on the ballot. Trailing EPS \$1.06, down 61% from 2023.
Jan 8 2025	Company signs the option to repurchase the Series E at a discount, exercisable from Q3 2026. Gain later disclosed: \$52.3M.	Jul 21 2026	Optus agreement: “up to” \$46.57, reduced below \$36.5M of TCE (\$2.02); \$6.73 only if redeemed within twelve months. Bonus payable by an Optus committee after closing if not yet redeemed (p. 44). Termination payments \$2.7M (p. 9). M&F Bank merges into Optus Bank (pp. 6, 44).
FY2025	Qualified lending \$28.2M, below the requirement, which is no longer mentioned. Loans down \$5.0M; securities \$192.3M. Treasury’s rate reaches 2.00%, the maximum. EPS \$1.19.	Sep 1 2026	Proxy: the fairness analysis assumed “the runoff of a certain amount of deposits as of Closing.” Approval requires a majority of all outstanding shares.
Jan 2026	Board approves “an aggregate special bonus equal to five percent of the ECIP Discount” “to incentivize and reward members of the Board and the Corporation’s management.” About \$2.6M.	Oct 7 – 26	Oct. 7: not approved by a majority of outstanding shares; adjourned twice; reconvenes Nov. 4. Oct. 8: Proposal Four, \$53.50 fixed. Oct. 22: M&F repurchases the Series E; the \$6.73 folds into the price – “up to” \$53.30; the bonus becomes payable. Oct. 26: Board claims “overwhelming” proxies; says it “was not permitted” to engage.

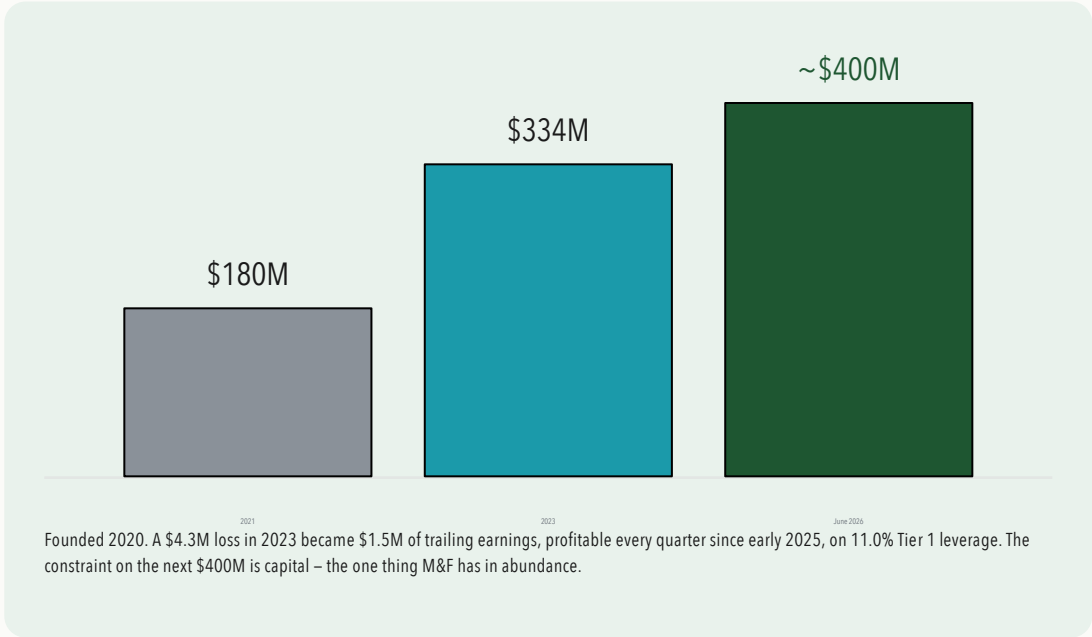
Source: FY2023–FY2025 Annual Reports; 2026 Proxy Statement pp. 11–12; M&F merger proxy (Sept. 1, 2026) pp. 6, 9, 44 and Agreement §2.02; Call Report and UBPR 3/31/2026; Q2 2026 results; M&F announcements of Oct. 7 and Oct. 20, 2026; M&F proxy supplement (Oct. 26, 2026). Triad draws no conclusion as to anyone’s motive. Sections III, VIII and IX carry each entry in full.

Two banks, two directions: **M&F's earnings per share fell 61% after the \$80 million arrived; Triad's loan book more than doubled on the same corridor with a fraction of the capital**

M&F Bancorp – EPS to common, \$ per share



Triad Business Bank – loans, \$ millions



M&F has capital without a lending engine at scale. Triad has a lending engine without capital. Proposal Four puts the two together under one holding company, on one corridor, with M&F Bank's charter, name and home office intact and its chief executive in his role.

Source: M&F Annual Reports FY2021–FY2025 and results releases Q4 2024 and Q2 2026 (EPS diluted to common; TTM basic); Triad Business Bank filings and FFIEC call reports. Triad June 30 figures approximate pending call-report conformance.

African-American MDIs by Implied Legal Lending Limit: third by total assets at closing, and the first past \$2 billion in total assets on the 2030 goal

Institution, ranked by total assets (June 30, 2026, bank-level)	Implied limit to one borrower \$M	Total assets \$M	Limit ÷ assets
Triad + M&F, 2030 goal (illustrative)	37.5	+2BILLION	1.50%
City First Bank, N.A. – Washington, DC	30.9	1,560	2.00%
Liberty Bank and Trust – New Orleans	20.2	1,130	1.80%
Industrial Bank – Washington, DC	18.8	774	2.40%
Triad + M&F at closing, after \$26M cash (two charters) – third	17.2	1,000	1.70%
Citizens Trust Bank – Atlanta	16.7	790	2.10%
First Independence Bank – Detroit	15.7	875	1.80%
Optus Bank – Columbia, SC	15.2	764	2.00%
Optus + M&F, simple sum, after \$103M cash to M&F shareholders – second, not first	11.3	1,240	0.90%
Mechanics and Farmers Bank – Durham	11.6	476	2.40%
OneUnited Bank – Boston	10.1	638	1.60%
Triad Business Bank – Greensboro	9.5	536	1.80%
Carver Federal Savings Bank – New York	8.5	658	1.30%

Source: FFIEC call reports June 30, 2026 as compiled by Visbanking (data updated July 21–31, 2026); FDIC MDI List; Triad MDI assets chart of Oct. 20, 2026. Ranking is by bank-level total assets; holding-company figures may differ. With \$500M of additional loans the combined company would be \$1.5B (illustrative, not a forecast). Limits = 15% of Tier 1 + Tier 2 capital (ACL for CBLR filers), Triad's arithmetic, rounded; before purchase accounting. Optus + M&F is a simple sum before the deposit runoff the proxy's fairness analysis assumed. The 2030 goal is a goal, not a forecast. Full method: Triad lending-limit page.

The time to act is now: four clocks are running, and all of them favor a conversation before November 4

THE VOTE CLOCK

Approval requires a majority of all outstanding common shares – 968,480 (\$8.01) – not of votes cast. The October 7 meeting was adjourned without approval, and again October 20. **On October 26 the Board claimed proxies from “an overwhelming majority”;** the count is undisclosed. Proxies from 70% of the shares, 70% in favor, is 49%. The reconvened meeting is November 4.

THE CAPITAL CLOCK

The Optus closing cash falls dollar for dollar below \$36.5M of TCE – calculated without the Series E gain (§2.02(b)(iii)), **so the October 22 repurchase protects nothing.** Q1 charge-offs exceeded all of 2025 and the reserve was released. Every quarter the number that sets the price moves – and not in the shareholders' favor.

THE EARNINGS CLOCK

Every quarter of hibernation forgoes ~\$750K of pre-tax earnings on the redeployable portfolio, and every past quarter at the 2.00% Treasury rate costs the shareholders what a lending bank would have earned the discount with.

THE HISTORY CLOCK

Mechanics and Farmers Bank was chartered in 1907. The decision whether North Carolina keeps an African-American MDI – and whether the first one past \$2 billion in total assets is built on the Durham charter – is being made this month, by this Board.

Source: M&F proxy; Agreement §§2.02, 8.01; M&F supplement (Sept. 30, 2026) p. 3; M&F announcements of Oct. 7 and Oct. 20, 2026; M&F proxy supplement (Oct. 26, 2026); Call Report 3/31/2026 (Schedule RI-B, RC-R); Triad estimates; published histories.

On October 7 the shareholders did not approve the sale. Section 5.08(b) of the agreement lets the Board engage with a proposal “reasonably likely to lead to a Superior Proposal.” \$53.50 fixed – or 1.25 shares and the bank kept – against “up to” \$53.30 and nothing after, is that proposal

What the agreement allows (§5.08(b); proxy pp. 42–44)

- Before the shareholders’ meeting the Board may engage with a bona fide, unsolicited written proposal if it determines in good faith, with its advisers, that it “constitutes or is reasonably likely to lead to a Superior Proposal” and that failing to engage “would cause it to violate its fiduciary duties.”
- The determination asked of the Board before it engages is not that the proposal is superior; it is that it is reasonably likely to lead to one.
- A superior proposal is defined to include one in which the other company’s shareholders would hold more than 50% – which is Proposal Four’s structure.
- On October 26 the Board said it “was not permitted to engage.” Section 5.08(b), quoted above, is the provision it negotiated for this. Engagement is a conversation, not a breach.

What Triad will do

- Meet the Board, the independent directors and their advisers at any time, anywhere they choose.
- Conform a definitive agreement to Proposal Four following engagement.
- Keep the M&F chief executive in his current role and the Durham home office in Durham.
- Wait. A 119-year-old bank can survive two more weeks of deliberation.

“You don’t have to pick a side. And you don’t have to kill the bank on November 4 before your board honors its fiduciary duty and seeks the best deal for its shareholders. Nobody on M&F’s board has to be wrong for this to work. Call us. The light is on.”

– Triad Business Bank, October 21, 2026

Source: M&F proxy statement pp. 42–44 (no-shop and superior-proposal provisions); M&F proxy supplement (Oct. 26, 2026); Triad release of Oct. 21, 2026.

The structure of this document follows the structure of the decision

- | | | | |
|-----|--|------|---|
| I | Executive summary. The price against the value, who gets paid on what condition, the record in order, and the agreement's own door to a meeting. | II | Proposal Four. Terms, what they preserve, the election, sources and uses, capital, the earnings ramp, the value, and what Triad brings. |
| III | What the shareholders have been paid. Earnings per share down 61% in thirty months; a last-place multiple; token capital returns. | IV | Where things stand. Four proposals, the Board's responses, the October 19 statement corrected, the October 22 repurchase, and a vote not approved on October 7. |
| V | The economics. The stock at closing, listing, year three and year five; EPS and book value growth; the engines; every assumption, for anyone to run. | VI | The ask. One meeting before November 4; two paths from here; what stays in Durham when the bank stays open. |
| VII | Expired fairness – the Piper math. The July 21 opinion, what it covered and was told not to, and the same arithmetic run today. | VIII | The loans in the community. Shrinking where the community needs it; straining where it is concentrated; credit where it is due. |
| IX | Who gets paid. The bonus, the termination payments, the pill without a vote, and what Treasury's capital was for. | X | Path out of the corner. What a selling board does, where this one departed, what cures each departure; the failed vote; what any director can ask for this week. Appendix A-C: objections, the Optus agreement, exhibits. |

If only the executive summary is read: **the price is below the value, the shareholders' price is still "up to" while the insiders' payments are fixed, the earnings have fallen while Triad's have risen, and the agreement permits the Board to meet with us. If the whole document is read, every one of those sentences is footnoted to the Company's own filings.**

TRIAD BUSINESS BANK

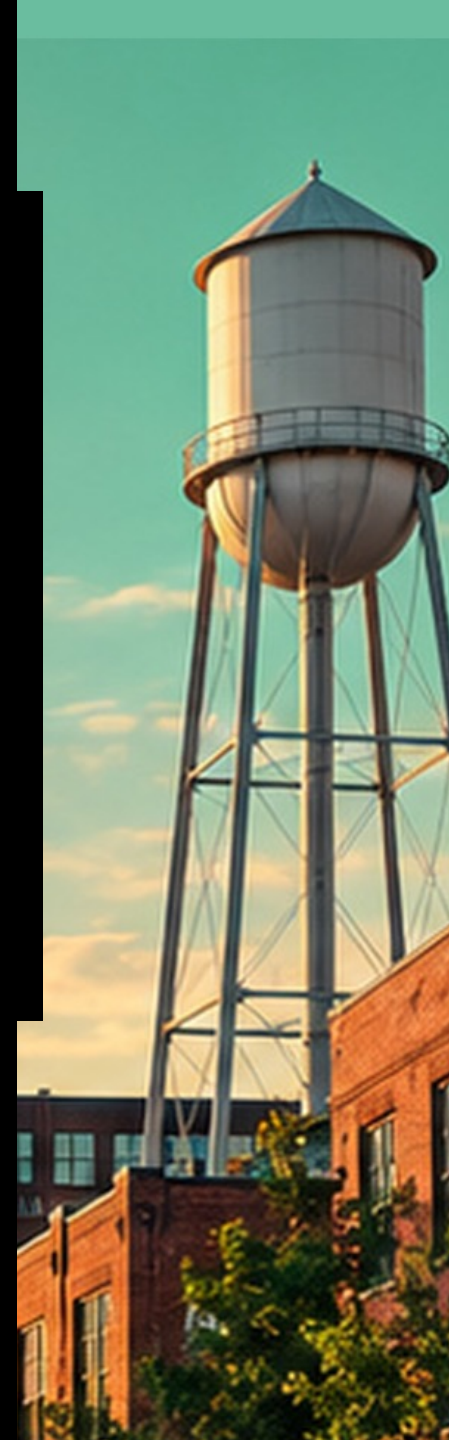
SECTION II · PROPOSAL FOUR

Proposal Four

The terms, what they preserve, the election, the capital, the value – what the combination does for employees and customers, and the bank that gets built on Parrish Street.

You
Don't
Kill A
Bank To
Save It!

Do Well.
& Do Good.



Proposal Four – summary of proposed terms, as published October 8, 2026

Term	Proposal Four
Structure	Combination of M&F Bancorp and Triad Business Bank under one holding company; both bank charters continue
Consideration per M&F share	\$53.50 in cash, fixed at closing, available on up to 25% of shares outstanding (elections above the cap prorated) – or 1.25 shares of the combined company for every share not taking cash; mixed elections permitted
Cash pool	~\$25.9M at the 25% cap, funded with transaction costs by \$25.0M of 8% subordinated debt and \$6.9M of holding-company reserves; no bank capital used
Series E (ECIP) preferred	Repurchased in full by M&F Oct. 22, 2026; the \$52.3M disclosed gain stays in the shareholders' equity
ownership	Legacy M&F holders 47.4%–49.9% of the combined company; Triad holders a majority
M&F Bank	Keeps its 1907 charter, its name and its Durham headquarters, with no sunset; chief executive remains in his current role
MDI / CDFI	Preserved: majority African-American board written into the combined company's charter and by-laws; same community served; CDFI status on the same basis
Holding company	M&F Bancorp remains the holding company; three M&F designees on the combined board through the second anniversary of closing; Nasdaq listing targeted within 12–18 months of closing
Holding period / dividends	No holding period; no dividend prohibition; dividend policy set by the combined board
Documentation	Draft merger agreement conformable to Proposal Four within two business days of engagement

Source: Triad Summary of Proposed Terms, Summary of Key Terms and Supporting Material (Oct. 8 and 13, 2026), [triadbusinessbank.com/investors](https://www.triadbusinessbank.com/investors); funding per the Proposal Four plan (Oct. 26, 2026); M&F proxy supplement (Oct. 26, 2026). Proposal Four is a non-binding indication of interest; see disclaimer.

What Proposal Four preserves – and what the Optus agreement does not

The 1907 charter

Mechanics & Farmers Bank continues as a North Carolina bank. No sunset. Under Optus it “will cease to be an independent bank” at closing.

The name and the home office

M&F Bank, headquartered in Durham, permanently. Under Optus the name survives two years as “a division of Optus Bank,” Columbia, S.C.

An African-American MDI in North Carolina

Majority African-American board written into charter and by-laws; FDIC’s MDI test looks to board and community served. Under Optus, North Carolina has no African-American MDI.

CDFI standing

Preserved on the same basis – same charter, same market, same deep-impact lending that earned the ECIP discount.

The deposits and the decisions

Core deposits stay in Durham; the decision about who gets the next loan is made in North Carolina. The Optus fairness analysis assumed deposit runoff at closing.

The people

The chief executive remains in his current role; three M&F designees sit on the combined board; branch staff and relationship bankers keep their customers.

Three quarters of the shares stay as shares, so three quarters of the capital stays in Durham. Two charters lend together to one borrower. \$158 million of securities goes to work as loans along I-40 and I-85 instead of leaving on I-85 and I-77.

Source: Triad Summary of Key Terms; M&F merger proxy pp. 6, 44 and fairness-analysis assumptions; FDIC Minority Depository Institutions program definition.

The election: each shareholder chooses – cash for those whose circumstances call for it, shares for those who want to see the M&F story continue

All cash

100 M&F shares → \$5,350, fixed at closing. If total cash elections exceed 25% of shares outstanding, the excess is prorated into shares at 1.25.

All shares

100 M&F shares → 125 shares of the combined company – ~\$3,487 of tangible book at closing (vs. \$1,856 standalone), with the growth of the combined bank’s lending behind it.

Mixed

100 M&F shares → e.g. 25 shares for \$1,337.50 in cash and 75 shares for 93.75 shares of the combined company. Any mix the holder chooses.

Compared with the Optus agreement	Optus	Proposal Four
Cash at closing per share	"Up to" \$53.30, adjustable below \$36.5M TCE	\$53.50 fixed (≤25% of shares)
Contingent / deferred	None since Oct. 22 – \$6.73 folded into the price	None – the Oct. 22 gain stays in the shareholders' equity
Choice	None – all holders cashed out	Holder's election, share by share
Continuing ownership	None	47-50% of a \$1.0B listed company

Source: Triad Summary of Proposed Terms; M&F merger proxy, supplement (Oct. 26, 2026) and Agreement §2.02. Illustrations assume the cash cap is not exceeded; tax consequences vary by holder and are not addressed here.

Sources and uses at closing: the idle holding-company capital does the one job it was raised for

Uses – \$31.9M

Item	\$M
Cash to electing M&F holders (\$53.50 × 25% cap)	25.9
Transaction costs	6.0
Total uses	31.9

Sources – \$31.9M

Item	\$M
Holding-company reserves	6.9
8% subordinated debt	25.0
New equity issued to M&F holders (1.25 shares on 75%)	non-cash
Total sources	31.9

- M&F repurchased the Series E on October 22, 2026 with its own funds (Oct. 26 supplement), so no repurchase is funded at closing. The Company's disclosed gain of \$52.3M is already in M&F's equity and stays there under Proposal Four.
- No brokered money funds the consideration. The Optus agreement pays ~\$103.2M of cash out of the combined bank; this structure pays \$25.9M out and keeps the rest as shares.
- Tangible common equity at closing: \$110.8M; CET1 ratio 13.9% at the end of the closing year against a 7.0% minimum, and never below 10.5% through 2032.

Source: Proposal Four plan (revised Oct. 26, 2026), Annex I; M&F merger proxy (disclosed gain) and supplement (Oct. 26, 2026). Illustrative; arithmetic on the assumptions in Annex I and II; not a forecast, fairness opinion, appraisal or investment advice; see disclaimer.

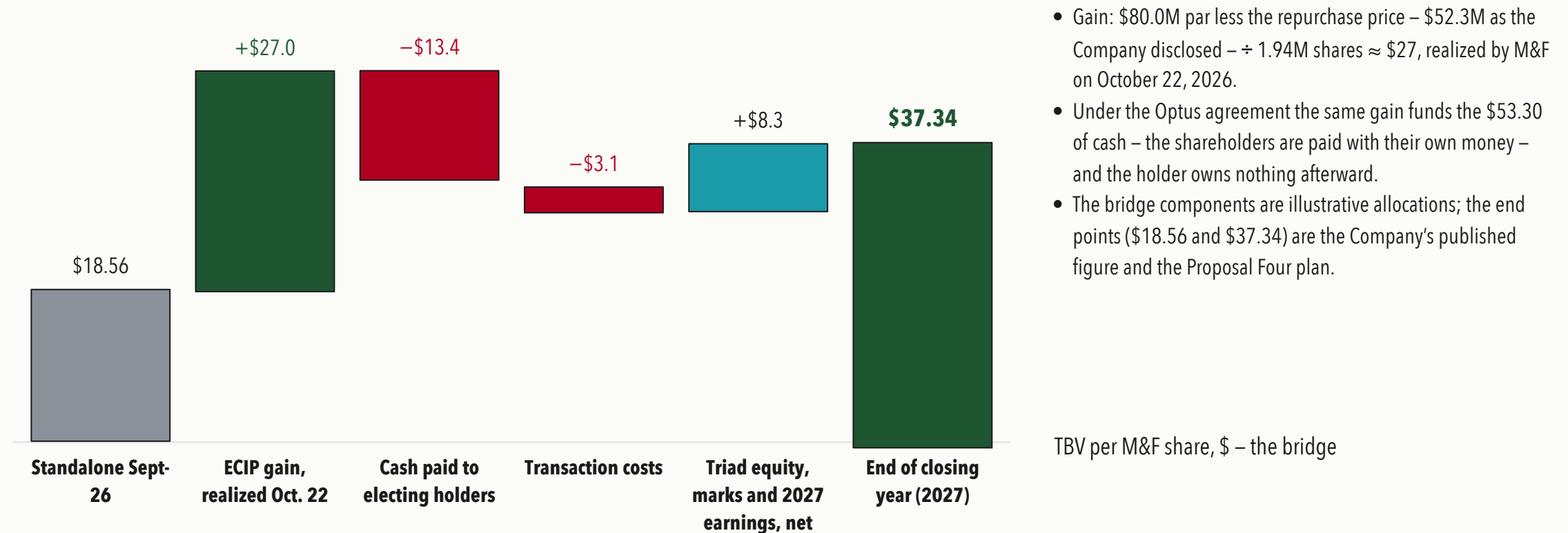
Pro forma balance sheet at closing: a \$1.0 billion two-charter institution – with a stated path to the first past \$2 billion in total assets

\$ millions, June 30, 2026 basis	M&F	Triad	Adjustments	Pro forma
Total assets	476	536	(≈12)	~1,000
Loans	276	~400	–	~676
Securities	158	~60	redeploy over 36 months	~218 → ~120
Deposits	364	~468	–	~832
Tangible common equity	~36	~59	+ gain, – cash, – costs	110.8
Series E preferred (ECIP)	80.0	–	repurchased Oct. 22	–
Tier 1 leverage today; CET1 at end-2027 pro forma	26.6%	11.0%	–	CET1 13.9%
Implied limit to one borrower (two charters)	11.6	9.5	after \$25.9M cash	~17.2

Both charters continue under one holding company. Each bank’s limit applies to its own loans; together, through a participation between affiliates, they can extend about \$17 million to one borrower at closing – the church and the senior center on one lot, the 200-bed dormitory, the shareholder buying the company she has run for twenty years.

Source: FFIEC call reports June 30, 2026 (Visbanking / bankregreports.com); Triad Supporting Material p. 10 (published pro forma); tangible common equity and CET1 per the Proposal Four plan (revised Oct. 26, 2026). Triad figures approximate; before purchase accounting. Illustrative; arithmetic on the assumptions in Annex I and II; not a forecast, fairness opinion, appraisal or investment advice; see disclaimer.

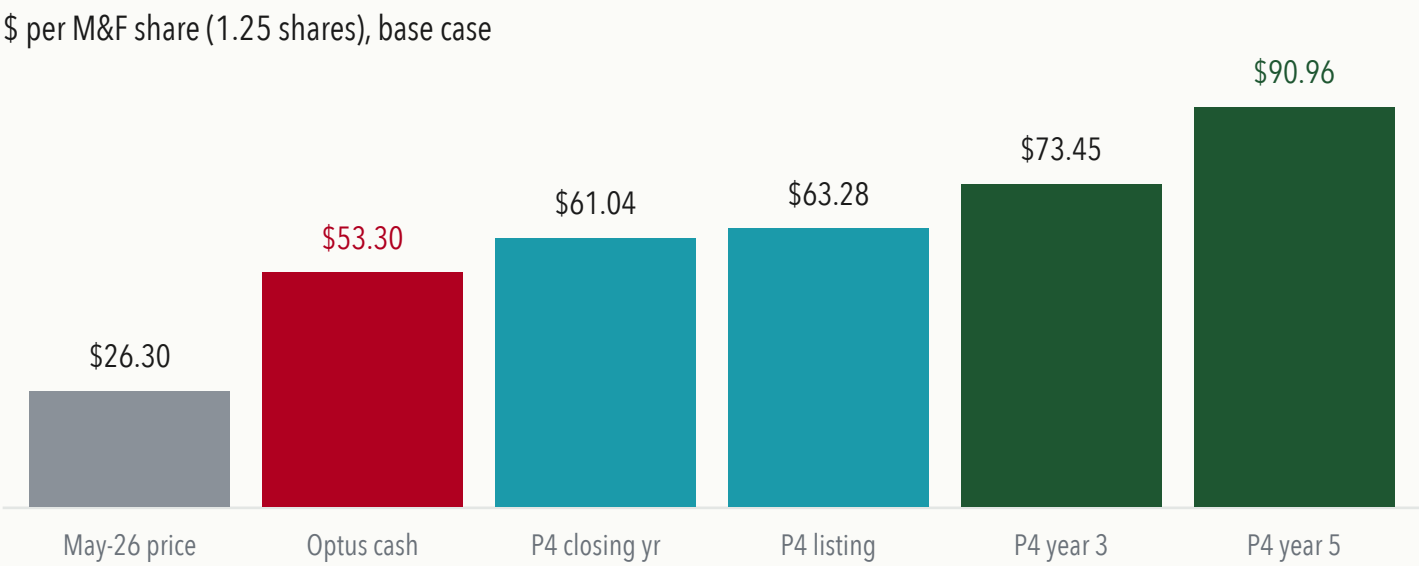
Tangible book per M&F share doubles in the closing year – \$18.56 to \$37.34 – because the ECIP gain M&F realized on October 22 stays with the shareholders instead of being paid out to departing ones



- Gain: \$80.0M par less the repurchase price – \$52.3M as the Company disclosed – ÷ 1.94M shares ≈ \$27, realized by M&F on October 22, 2026.
- Under the Optus agreement the same gain funds the \$53.30 of cash – the shareholders are paid with their own money – and the holder owns nothing afterward.
- The bridge components are illustrative allocations; the end points (\$18.56 and \$37.34) are the Company's published figure and the Proposal Four plan.

Source: Company Sept. 2026 release (\$18.56); Proposal Four plan (revised Oct. 26, 2026): tangible book \$29.87 per holding-company share at 31 December 2027 × 1.25 = \$37.34; M&F merger proxy (disclosed \$52.3M gain) and supplement (Oct. 26, 2026). Illustrative; arithmetic on the assumptions in Annex I and II; not a forecast, fairness opinion, appraisal or investment advice; see disclaimer.

What the share could be worth: illustrative value per M&F share at 1.6x tangible book – and the downside case beneath it



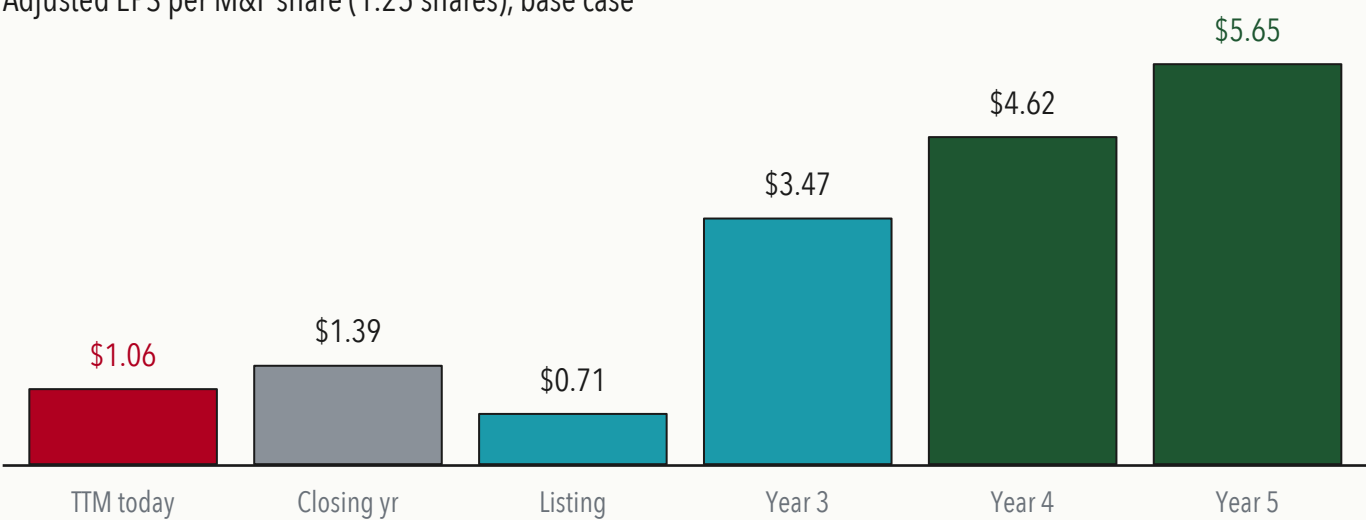
Beneath it	Close	Yr 3	Yr 5
Downside case	\$61.13	\$69.70	\$80.63
Lowest grid point (1.2x, 10x)	–	–	\$61.64

These are illustrations of what stated assumptions imply at 1.6x tangible book, not price targets; on earnings at 13.5x the base case is \$46.79 in year 3 and \$76.28 in year 5. The Optus bar is a ceiling (“up to”); the Proposal Four bars have a downside case beneath them and an shareholder behind them.

Source: Proposal Four plan (revised Oct. 26, 2026), base and downside cases; M&F proxy. 1.6x tangible book is the peer 75th percentile (FBNC, FCCO, BOTJ, PEBK, SFST; prices 24 August 2026); see the grid on the next page and the disclaimer.

The earnings ramp: four engines take adjusted EPS per M&F share from \$1.06 today to \$3.47 in year three and \$5.65 in year five, after a listing year that carries the new shares before the plan earns on them

Adjusted EPS per M&F share (1.25 shares), base case



Engine 1 – Lending limits and yield. Triad-led lending from three named sources; 17 relationship managers by 2032.

Engine 2 – Deposit franchise. Four named deposit sources replace brokered money and fund ~\$250M a year of growth.

Engine 3 – Unitranche Lending Facility to Support Entrepreneurship via Acquisition, Business Ownership Growth, & Independent Sponsors

Engine 4 – Corridor and syndication. I-40/I-85 facilities arranged and syndicated.

Source: Proposal Four plan (revised Oct. 26, 2026), base case; Q2 2026 results (TTM \$1.06). Adjusted EPS excludes one-time transaction costs; 2027 carries six months of M&F. Not a forecast; see disclaimer and the grid on page 28.

Sensitivity: every year-5 grid point exceeds the Optus cash; in year 3, ten of sixteen points are above \$53.30, one is at it, and five – the lower-left of the grid – are under it

Year 3 (2030) – \$ per M&F share (tangible book \$44.93, adjusted EPS \$3.47)

P/TBV ↓ · P/E →	10x	12x	14x	16x
1.2x	\$44.3	\$47.8	\$51.3	\$54.7
1.4x	\$48.8	\$52.3	\$55.7	\$59.2
1.6x	\$53.3	\$56.8	\$60.2	\$63.7
1.8x	\$57.8	\$61.3	\$64.7	\$68.2

What moves the grid: the pace of Engine 1 lending and Engine 2 deposits, credit, and the 2028 listing. The upside case – the same engines at management’s faster ramp – lifts every point; the downside case, a third slower, is on the previous page.

Year 5 (2032) – \$ per M&F share (tangible book \$55.65, adjusted EPS \$5.65)

P/TBV ↓ · P/E →	10x	12x	14x	16x
1.2x	\$61.6	\$67.3	\$72.9	\$78.6
1.4x	\$67.2	\$72.9	\$78.5	\$84.2
1.6x	\$72.8	\$78.4	\$84.1	\$89.7
1.8x	\$78.3	\$84.0	\$89.6	\$95.3

What it does not depend on: a multiple above the N.C. peer median (1.2x / 14.9x) in the bottom row of the year-5 grid. Five points of the year-3 grid sit below the Optus cash, the lowest by \$9.0; ten are above it and one is at it, with the shareholder still at the table. Every year-5 point is above it, the lowest by \$8.3.

Source: Proposal Four plan (revised Oct. 26, 2026), base case; each point = average of (tangible book × P/TBV) and (adjusted EPS × P/E), Triad’s arithmetic. Illustrative; arithmetic on the assumptions in Annex I and II; not a forecast, fairness opinion, appraisal or investment advice; see disclaimer.

What Triad brings: a Piedmont commercial lending engine, sitting directly on top of the I-40 / I-85 Corridor with the country’s largest HBCU at the intersection in NC A&T

Triad Business Bank (TBBC) June 30, 2026	
Founded	2020, Greensboro, N.C.
Total assets	\$536M
Loans / deposits	~\$400M / ~\$468M
Net income, TTM	\$1.5M (loss of \$4.3M in 2023)
Profitable	Every quarter since early 2025
Tier 1 leverage / CET1	11.0% / 11.6%
Loan yield / cost of deposits	5.4% / 3.7%
Implied limit to one borrower	\$9.5M

Commercial banking, private banking and treasury solutions for businesses and professionals across Greensboro, Winston-Salem and High Point – a lean, modern platform with no legacy branch cost.

Loan growth that M&F has not had: \$180M (2021) → ~\$400M (2026). The constraint on the next \$400M is capital – the one thing M&F has in abundance.

The complement is exact: M&F’s cost of deposits (1.7%) against Triad’s loan yield (5.4%); M&F’s capital against Triad’s pipeline; M&F’s century of trust against Triad’s commercial underwriting bench.

M&F has capital without a lending engine at scale. Triad has a lending engine without capital. The map draws itself – and it is drawn on the I-40/I-85 corridor, not on I-85 south to Columbia.

Source: Triad Business Bank filings and FFIEC call reports; Triad peer comparables (yields, cost of deposits, FY2025); Triad lending-limit page (Oct. 21, 2026).

The geography: the Triangle and the Piedmont Triad, one corridor, six HBCU anchor markets – and nine branches that already overlap

Market	Anchor institution	Presence
Durham	N.C. Central University	M&F home office
Raleigh	Shaw · St. Augustine's	M&F branch
Greensboro	N.C. A&T (largest HBCU in the U.S.)	Triad home office · M&F branch
Winston-Salem	Winston-Salem State	Triad · M&F
High Point	–	Triad
Charlotte	Johnson C. Smith	M&F branch

3.74M
people, July 2024

1.1%
projected annual growth
'24-'30

102,074
employer establishments

The combined footprint runs the length of I-40 and I-85 from Charlotte to Raleigh. Major employers – SAS, Cisco, IBM, Pfizer, Honeywell, Guilford County Schools – sit inside it. So do six HBCU campuses with rezoned land, vendor ecosystems and housing demand that no bank in the corridor has yet organized itself to serve.

Under the Optus agreement the decision about who gets the next loan on this corridor is made in Columbia, S.C. Under Proposal Four it is made in Durham and Greensboro.

Source: OSBM; U.S. Census Bureau ACS 2023 5-year; Bureau of Labor Statistics; company branch listings. The Triangle (Raleigh-Durham-Chapel Hill) and the Piedmont Triad (Greensboro-Winston-Salem-High Point).

Missed paper, 2020–present: five financeable HBCU-corridor projects, five M&F markets – each one banked by someone else, or still waiting for a lender

Market / HBCU	Project	What there was to finance	Bank(s) of record
Durham – NCCU	300 & 500 E. Main St. (Maizon Durham)	305 affordable + 248 market-rate units, ~30,000 SF commercial; broke ground 2022 – a mile from M&F’s headquarters	Santander (\$49M construction, 2022); Self-Help / Durham Affordable Housing Loan Fund
Greensboro – N.C. A&T	The Resurgent	\$60M mixed-use on East Market St.; developer explicitly shopping for a bank loan in 2021–22	Wells Fargo, The Innovate Fund, Partners for the Common Good (\$31.5M NMTC, 2024)
Charlotte – JCSU	Historic West End / Beatties Ford	Neighborhood investment program and commercial-kitchen incubator buildout	Fifth Third (\$20M, 2021); Uwharrie Bank
Winston-Salem – WSSU	Innovation Quarter, Phase II	1.5 miles from campus; \$9M ARPA infrastructure with a 36% minority- and women-owned participation target	No community bank in the public record – city / county / state, ARPA, Advocate Health / Wake Forest
Raleigh – Shaw / St. Aug’s	The ShawU District	26-acre campus rezoned (2022) for ground-lease redevelopment; land valued \$160–270M vs. a \$13M endowment	No financing partner named through the 2022–24 rezoning. An open field.

Wells Fargo and Fifth Third each appear twice across these five markets. M&F Bank – chartered 1907, headquartered roughly a mile from the Durham deal – appears zero times. With a \$17M two-charter limit at closing, the combined bank can lead or co-lead the next one.

Source: public filings, municipal records and press reporting, 2020–2025; detail and citations in Triad’s Supporting Material.

Engine 3: a \$75M unitranche facility and a \$10M stake in an SBIC fund put excess capital behind entrepreneurship-through-acquisition – the business owner buying the company she has run for twenty years

\$10M SBIC stake LP stake in an SBIC fund financed 2:1 with SBA debentures; 400% risk weight	+	\$75M unitranche Unitranche lending to acquisition sponsors; 2% day-one allowance	=	Engine 3 Entrepreneurship-through-acquisition (ETA) lending, in the base case
\$ millions except per share, base case				
		2029	2030	2032
Pre-tax contribution		0.8	1.8	3.2
After tax at 23%		0.6	1.4	2.5
Added per M&F share (1.25 shares), \$		+0.16	+0.35	+0.62
Return on allocated capital, 2032				23.7% (fund stake 12.8%)

Stanford’s 2024 search-fund study: 35.1% aggregate pre-tax IRR and 4.5x return on invested capital across 681 funds – **with Black searchers at ~8% of the field. The gap is capital access, not deal quality**; an SBA-leveraged unitranche is priced for exactly this profile. Engine 3 is in the base case at \$75M and \$10M; a larger program is upside.

Source: Proposal Four plan (revised Oct. 26, 2026), Engine 3; Stanford GSB Search Fund Study (2024); Black Search Network. Illustrative; the program requires SBA licensing and is not assured; see disclaimer.

Cash-flow alternatives to the building fund: ventures on church-owned land that service debt from operating revenue, not a one-time capital campaign

HOUSING	RETAIL / MIXED-USE	URGENT CARE / HEALTH
18,000 affordable homes targeted COGIC CEDC × Enterprise Community Partners: 200 congregations trained (2023) to convert underused church land into homes and community facilities. Enterprise has deployed \$154M behind faith-based development since 2006.	32 acres Chicago South Side Trinity UCC – Imani Village: retail, boutique hotel, agricultural center and community health clinic alongside 80 single-family homes and 70 senior units. Funded through LIHTC, TIF, HUD-linked allocation and municipal loans.	1987 founded – still operating Church Health, Memphis: a congregation-rooted urgent-care and primary clinic run as a going concern – flat \$50 urgent visit fee, sliding-scale established care, dental, eye and behavioral health. The clinic throws off real fee revenue.

Wells Fargo is underwriting this thesis nationally through a foundation grant, not balance-sheet lending – leaving construction and permanent debt on faith-owned land largely unclaimed by any single bank. COGIC alone has several dozen congregations inside M&F's existing N.C. footprint.

Source: Enterprise Community Partners / COGIC CEDC announcements (2023); Trinity UCC Imani Village reporting; Church Health, Memphis. Examples are illustrative of structure, not commitments.

What the combination does for the people who are not shareholders: **employees get a growth engine and a listed stock; customers get a bank that can say yes**

Employees

- Organic growth that drives job security – a two-charter lending bank on the I-40/I-85 corridor, not a digital-first integration into an out-of-state platform.
- A career wealth engine with uplisting – equity in a Nasdaq-listed company, targeted within twelve to eighteen months of closing; not possible in a private company or a cashed-out one.
- Scale that drives education – continuous training and market relevance that a \$1 billion institution can fund and a \$476 million one cannot.
- Compensation and benefits for continuing M&F executives no less favorable in the aggregate than today; existing arrangements addressed in the definitive agreement.

Customers – in their own words, from the corridor

"I'd like to bank with M&F but they don't offer positive-pay business accounts."

"I'd like to get to a quick no, or a term sheet, in the lifetime of the opportunity."

"Will they lend against my government contract that requires immediate work? "

"I tried to bring several million but they didn't want my deposit business."

Treasury services for daily commerce; commercial lending priced to market; risk management that makes the bank a better partner; a willingness to accept large municipal and business deposits. The market is underserved and the low-hanging fruit is considerable.

Together, existing models of success come to the I-40/I-85 corridor: business owners and independent sponsors seeking lending partners; faith-based institutions transforming their neighborhoods; historically Black colleges and universities meeting growing demand for their services. The full promise of banking in America has to be available to African-American communities.

Source: Triad, "Proposal IV – Protecting a Community Legacy" (Oct. 2026), delivered to the Board; Proposal Four Supporting Material (Oct. 13, 2026). Customer statements are as related to Triad by prospective corridor customers and are illustrative of demand, not representations about any M&F account.

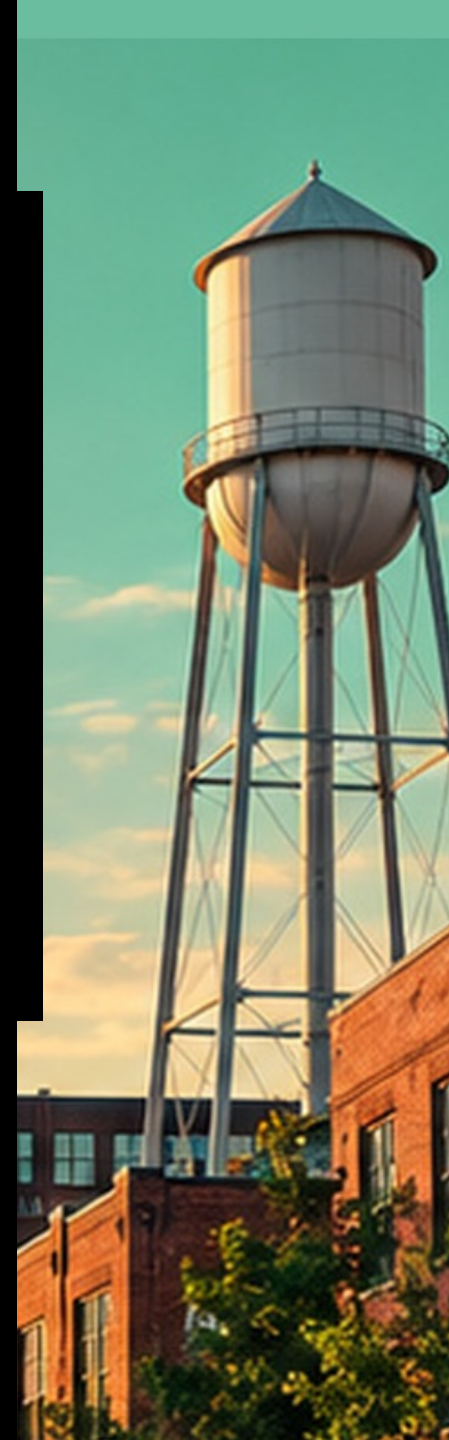
SECTION III · WHAT THE SHAREHOLDERS HAVE BEEN PAID

What the shareholders Have Been Paid

M&F Earnings per share down 61% in thirty months, at the last multiple in the peer group. The shareholders have been told their capital is at work in the community. The filings say otherwise.

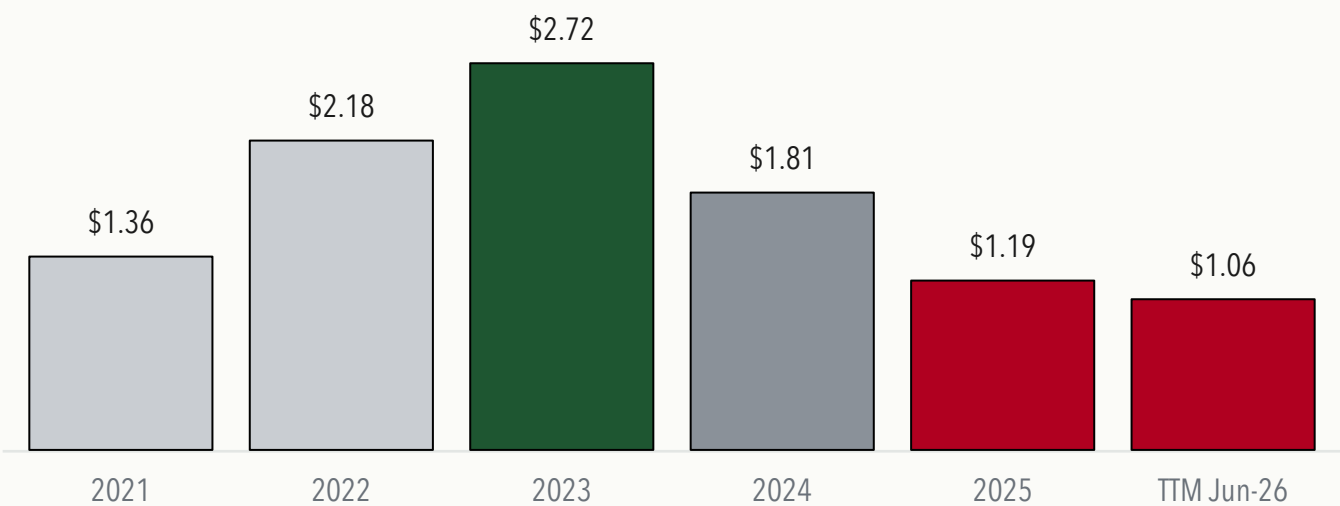
You
Don't
Kill A
Bank To
Save It!

Do Well.
& Do Good.



Earnings per share to common have fallen 61% in thirty months, while the capital that was meant to grow them has sat still

Diluted EPS to common, \$ per share



-61%

EPS to common, 2023 (\$2.75 basic) to the last twelve months (\$1.06)

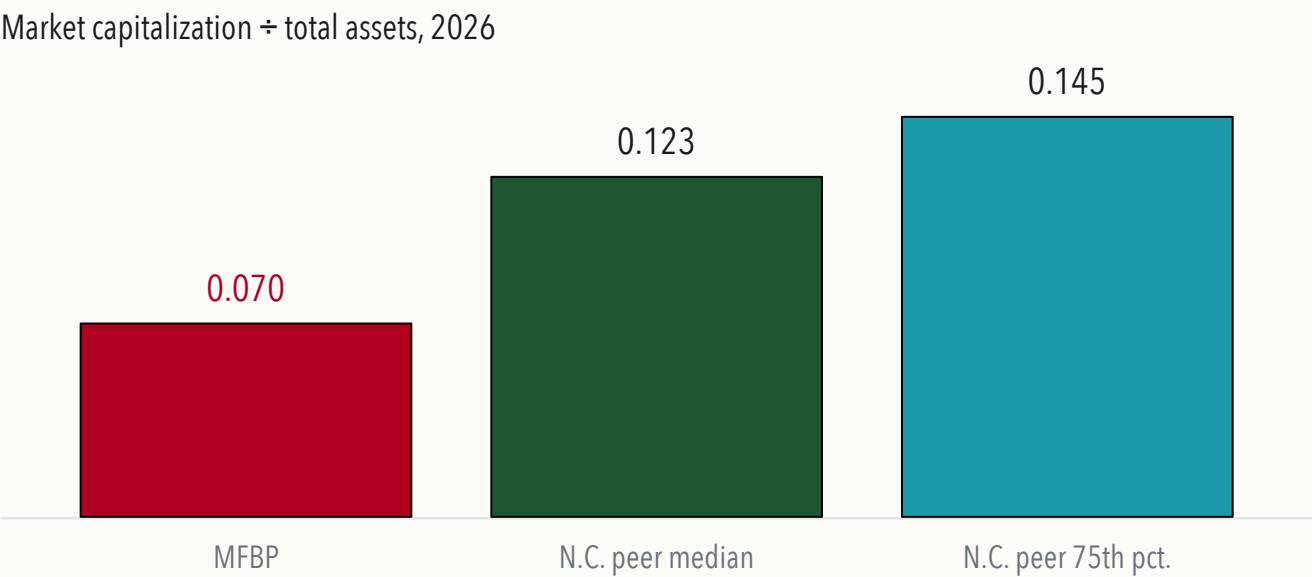
~1.7%

Return on tangible common equity, FY2025

Preferred dividends rose from \$0.24M (2023) to \$1.96M (2025) as the ECIP rate reached its 2.00% cap – the rate Treasury charges institutions whose qualified lending has not grown. One-time grant income (~\$2.8M in 2023) rolled off. Only one of those was outside the Board’s control.

Source: FY2021–FY2025 Annual Reports (statements of operations); Q2 2026 results release (TTM basic EPS to common); return on tangible common equity computed by Triad from the Annual Reports.

M&F trades at the lowest price-to-assets in its own North Carolina peer group – the discount is the market’s verdict on capital allocation, not on the franchise



Source: Triad peer comparables (May 2026); FY2025 Annual Report; Triad computations.

May 2026	P / E	P / B	P / A
MFBP	10.0x	1.1x	0.070
N.C. peer median	14.9x	1.2x	0.123
N.C. peer 75th pct.	20.9x	1.5x	0.145

Peer set includes First Bancorp, Southern Bancshares, Dogwood State (1.7x book), Live Oak and other N.C. community banks. On peer-median multiples applied to current earnings alone the stock would trade meaningfully higher; on deployed earnings, multiples of today’s price.

Over the same thirty months, the bank the Board calls “sub-standard and predominantly unprofitable” went from a loss to a profit – every quarter since early 2025

M&F Bancorp – as it reported it		
Measure	End 2023/24	June 30, 2026
EPS to common (TTM, basic)	\$2.75 (2023)	\$1.06
Loans	\$284M (YE2024)	\$276M
Deposits	\$391M (YE2024)	\$364M
Securities	\$192M (YE2025)	\$158M
Treasury dividend rate on ECIP	0.00% (2022-23)	2.00% – program maximum

Triad Business Bank – as it reported it		
Measure	2023	TTM June 30, 2026
Net income	(\$4.3M)	\$1.5M
Profitable quarters	–	Every quarter since early 2025
Total assets	~\$500M	\$536M
Loans (bank-level)	\$334M	~\$400M+
Founded	2020	Greensboro, N.C.

We are not the older bank and we do not pretend to be. M&F has the history. Triad has the momentum. Proposal Four keeps the history in Durham and puts the momentum behind it. The Optus agreement keeps neither.

Source: M&F proxy supplement (Sept. 30, 2026) p. 2 (quotation); M&F Annual Reports FY2023, FY2025 and results releases Q4 2024 and Q2 2026; Triad Business Bank filings and FFIEC call reports. EPS are TTM basic to common; loans and deposits are period-end.

The Optus consideration is a modest premium to a depressed price – and a discount to what the capital alone is worth

Per M&F share	Value	Basis
Reference price, May 2026	\$26.30	Last of N.C. peers on price / assets
Tangible book value, standalone, Sept. 2026	\$18.56	Company release
Tangible book after the Oct. 22 Series E repurchase	~\$45.56	$\$18.56 + \text{the } \$52.3\text{M disclosed gain} \div 1.94\text{M shares} \approx +\$27$
Optus agreement – cash at closing	"up to" \$53.30	Since Oct. 22; cut below \$36.5M TCE, measured without the Series E gain (\$2.02)
Optus agreement – the \$6.73 inside the \$53.30	\$6.73	Contingent until M&F's own repurchase, Oct. 22; never valued
Proposal Four – cash election	\$53.50	Fixed at closing; up to 25% of shares
Proposal Four – stock election, tangible book, closing year	\$37.34	$1.25 \times \$29.87$ tangible book per new share, end-2027; 47–50% of a \$1.0B company
Proposal Four – illustrative value, year 3 / year 5	\$73.45 / \$90.96	1.25 shares at 1.6x tangible book; not a forecast

The point is not that \$53.30 is a bad number. It is that the Optus agreement pays it out of the bank's own capital – the \$80 million Treasury put in to lend on Parrish Street – and then owns nothing. The gain on the preferred, realized October 22, is what makes the cash possible; it is the shareholders' gain, and the buyer is paying them with it.

Under Proposal Four the same gain stays with the same shareholders – and three quarters of them stay shareholders of the bank that earned it, at \$37.34 of book in a listed company, with the lending engine to grow it.

Source: M&F proxy and Agreement §2.02; Company Sept. 2026 release; Proposal Four plan (revised Oct. 26, 2026). Repurchase completed Oct. 22, 2026 (supplement, Oct. 26); gain of \$52.3M is M&F's own disclosed figure. Illustrative; see disclaimer.

Capital returned to shareholders has been token; the one buyback was below book, then stopped

54,000

shares repurchased in 2025 at ~\$18.04 – below computed common book of \$18.91 – and then the program stopped. 2.8% of the float.

\$0.24

common dividend per share in 2025 – a 0.9% yield on the May price, against \$1.96M paid to Treasury on the preferred the same year.

\$0

of the \$80M ECIP proceeds contributed to the Bank in 2023, 2024 or 2025. ~\$66M of cash and securities held at the holding company at YE2025.

\$M unless stated	2021	2022	2023	2024	2025
Net income	2.78	4.51	5.70	4.77	4.30
Preferred dividends	0.09	0.18	0.24	1.14	1.96
Net income to common	2.69	4.33	5.46	3.63	2.34
Common dividends per share	\$0.06	\$0.12	\$0.16	\$0.20	\$0.24
Return on tangible common equity	–	–	4.1%	2.7%	1.7%

Source: FY2021–FY2025 Annual Reports (statements of operations and equity; Note 17 parent-only financials; buyback disclosure); return on tangible common equity computed by Triad from the Annual Reports.

What the shareholders have been told, and what the filings show

What is reasonably assumed	What the filings show
"The \$80M of Treasury capital is at work in the community"	\$158M of securities at June 30, 2026; loans down from \$284M (YE2024) to \$276M; ~\$65M of Tier 1 never left the holding company
"Community lending is accelerating"	ECIP-qualified originations \$49.9M (2023, "161% of goal") → not published (2024) → \$28.2M (2025), short of the \$31.0M annual requirement M&F itself described
"The Optus transaction is a rescue"	M&F Bank "will cease to be an independent bank"; ~\$103M of capital leaves at closing; the combined bank can lend less to one borrower than M&F Bank can today
"Shareholders get \$53.30 of value from Optus"	"Up to" \$53.30, reduced dollar for dollar below a \$36.5M TCE target calculated without the Series E gain; the \$6.73 became payable only on Oct. 22, by M&F's own repurchase; nothing owned afterward
"Triad's proposal is uncertain"	\$53.50 fixed at closing on up to 25% of shares; 1.25 shares for the rest, without reduction; no holding period; no dividend prohibition
"The vote is overwhelming"	Two adjournments; the Board says its proxies are "overwhelming"; the count has not been disclosed; a majority of all outstanding shares is required

Depositors, congregations and shareholders extend this Bank extraordinary trust. They deserve the unvarnished record – and the Board can supply it in the proxy supplement it has promised.

Source: FY2023 and FY2025 Annual Reports; Q2 2026 results; M&F proxy (Sept. 1, 2026) and Agreement §2.02; M&F statements of Oct. 7, 19 and 20, 2026 and supplement of Oct. 26; Triad published terms. \$31.0M requirement per FY2023 Annual Report and ICBA Independent Banker, Feb. 1, 2023.

SECTION IV · WHERE THINGS STAND

Where Things Stand

On October 7 the Optus agreement did not receive the approval of a majority of the outstanding shares. The meeting has been adjourned twice, without a count. It reconvenes November 4. On October 22 M&F repurchased the Series E, and the price became “up to” \$53.30 – on the shareholders’ own gain. Four written proposals are on the table; the Board says it was “not permitted” to engage with any of them.

Plan for a
New
Tomorrow

Do Well.
& Do Good.



Triad has approached M&F four times, each time improving its terms; the meeting has moved twice, the price moved once – on the shareholders' own money – and the facts have not

Aug. 6 · Aug. 17 · Sept. 10	Proposals One to Three. All-stock in-market combination, then a revised ratio, then a cash election – each preserving the charter, Durham and MDI status. The proxy refers to Triad as “Party A” and records an “improved proposal.”
July 21, 2026	M&F signs the Agreement and Plan of Merger with Optus Bank – M&F Bank to be merged into Optus Bank; “up to” \$46.57 cash plus \$6.73 contingent.
Sept. 1, 2026	Proxy statement filed. Approval requires a majority of all outstanding shares. Fairness analysis assumed “the runoff of a certain amount of deposits as of Closing.”
Oct. 7 · Oct. 20	Shareholder meeting convened and adjourned twice. Shareholders were told the count was “overwhelming” and were not told the count.
Oct. 8 · Oct. 13	Proposal Four published, with Summary of Proposed Terms, Key Terms and Supporting Material at triadbusinessbank.com/investors : \$53.50 cash or 1.25 shares; charter, name, Durham, MDI/CDFI kept.
Oct. 19 · Oct. 26	M&F statement and supplement: meeting adjourned to November 4; Board “does not consider” Proposal Four superior and says it “was not permitted” to engage; Triad described as “sub-standard and predominantly unprofitable”; Proposal Four described in ways the published terms do not support.
Oct. 21 · 22 · Nov. 4	Triad responds on the record. Oct. 22: M&F repurchases the Series E; the \$6.73 folds into the price – “up to” \$53.30. Oct. 26: Board claims “overwhelming” proxies. Nov. 4: reconvened meeting. Triad has not withdrawn.

Source: M&F proxy statement (Sept. 1, 2026), Agreement and Plan of Merger (July 21, 2026), M&F proxy supplements (Sept. 30 and Oct. 26, 2026) and statement of Oct. 19, 2026; Triad releases of Oct. 8, 13 and 21, 2026.

Each proposal answered what M&F said about the last – value, certainty, mission – and Proposal Four answers all three

Term	Proposal One	Proposal Two	Proposal Three	Proposal Four (Oct. 8, 2026)
Structure	All-stock; M&F acquires Triad	All-stock; revised ratio	Stock with cash election	\$53.50 cash ($\leq 25\%$ of shares) or 1.25 shares
Cash certainty	None	None	Cash element introduced	Fixed at closing; no TCE adjustment
M&F Bank charter, name, Durham	Kept	Kept	Kept	Kept, no sunset; holdco in Greensboro
MDI / CDFI standing	Kept	Kept	Kept	Majority African-American board written into charter and by-laws
ECIP Series E	Retained	Retained	Repurchased at closing	Repurchased by M&F Oct. 22; gain stays with the shareholders
Legacy M&F ownership	Majority	Majority	~50%	47–50% of a \$1.0B listed company
M&F chief executive	Continues	Continues	Continues	Remains in current role
Board response	Declined	Declined	Not engaged	"Does not consider ... superior"; "not permitted" to engage (Oct. 19, 26)

What has not changed across four proposals: the charter stays, the home office stays, the mission stays, and the deposits stay in North Carolina. What has changed is that the shareholders can now take fixed cash at a premium or 1.25 shares at \$37.34 of book in a \$1.0B listed company. Triad is not finished listening.

Source: Triad proposal letters and published Summary of Proposed Terms; M&F proxy statement, Oct. 19 statement and Oct. 26 supplement.

The October 19 statement described Proposal Four in ways the published terms do not support – three corrections, each against the document

M&F said

Shareholders would receive “a fraction of the 1.25 shares due to proration.”

The published terms say

The 1.25 exchange ratio is fixed. Proration applies only to cash elections above the 25% cap; every share not receiving cash receives 1.25 shares, without reduction.

M&F implied

That Triad’s cash is uncertain.

The documents say

“Up to” is Optus’s term, not Triad’s. The \$53.50 is fixed at closing. It is the Optus agreement whose cash is “up to” \$53.30, reduced dollar for dollar below a \$36.5M TCE target calculated without the Series E gain (\$2.02) – the \$6.73 of it payable only since October 22, by M&F’s own repurchase.

M&F said

Proposal Four imposes a five-year holding period and a dividend prohibition.

The published terms say

Proposal Four contains neither. Dividend policy is set by the combined board, on which M&F designees sit. The pro forma assumes no common dividend to illustrate retained-earnings build; it is not a restriction.

A board may in good faith prefer one transaction to another. It should not describe the other inaccurately to the shareholders who must choose. We ask that the proxy supplement describe Proposal Four as published – and we will sit with the Board’s advisers to make sure it does.

Source: M&F statement of Oct. 19, 2026; Triad Summary of Proposed Terms and Summary of Key Terms (triadbusinessbank.com/investors); Agreement and Plan of Merger §§2.01(e), 2.02; proxy p. 44; supplement (Oct. 26, 2026).

Approval requires a majority of all outstanding shares, the meeting has been adjourned twice, and the count has not been read

The arithmetic the proxy supplies

- The Optus agreement needs a majority of all outstanding shares, not a majority of votes cast. An unvoted share is a “no.”
- The meeting convened October 7 was adjourned, reconvened October 20, and adjourned again to November 4.
- Shareholders were told on September 30 that support was “overwhelming,” and on October 26 that proxies from “an overwhelming majority of outstanding shares” are in hand. They have not been told the count. “Overwhelming” is not a number: proxies from 70% of the shares, 70% of them in favor, is 49%.
- If the vote fails, the merger fails; if the merger fails, the \$2.7 million in termination payments that ride on it are not paid (proxy p. 9).

What Parrish Street would do

The founders could tell any depositor, on any day, exactly where every dollar was. A board that has the votes closes the polls and reads the number. A board that does not have them keeps the meeting open and asks for time.

Parrish Street counted in public. We ask the Board to disclose the tally as of each adjournment, and to let shareholders see Proposal Four as published before they are asked to vote again.

Triad draws no conclusion from the adjournments. We note only that shareholders are entitled to know the value of their shares and the state of the vote. Don’t vote until you have the material information to understand the economic value of your shares.

Source: M&F proxy statement (Sept. 1, 2026) pp. 9, 42–44; M&F announcements of Oct. 7, Oct. 19 and Oct. 20, 2026; M&F proxy supplement (Oct. 26, 2026).

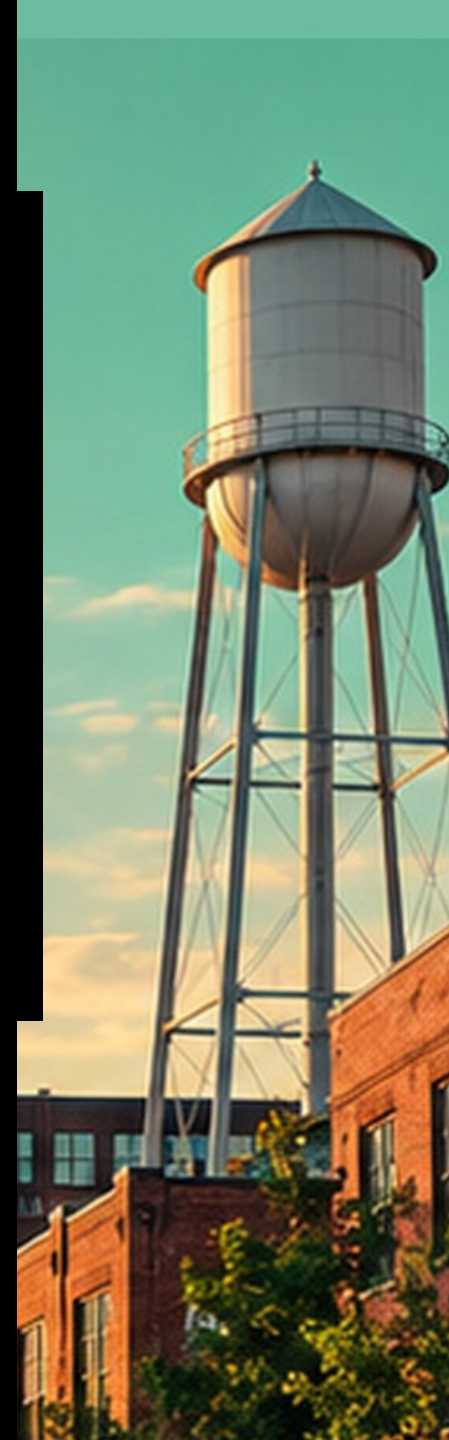
SECTION V · THE ECONOMICS

The Economics of Us | What a Combination Looks Like

What the stock is worth at closing, at listing, in year three and in year five, on earnings and on book; what that is worth to an M&F shareholder electing stock; the earnings ramp; and book value growth – base and upside. The assumptions are in the annex for investors and bankers to run themselves.

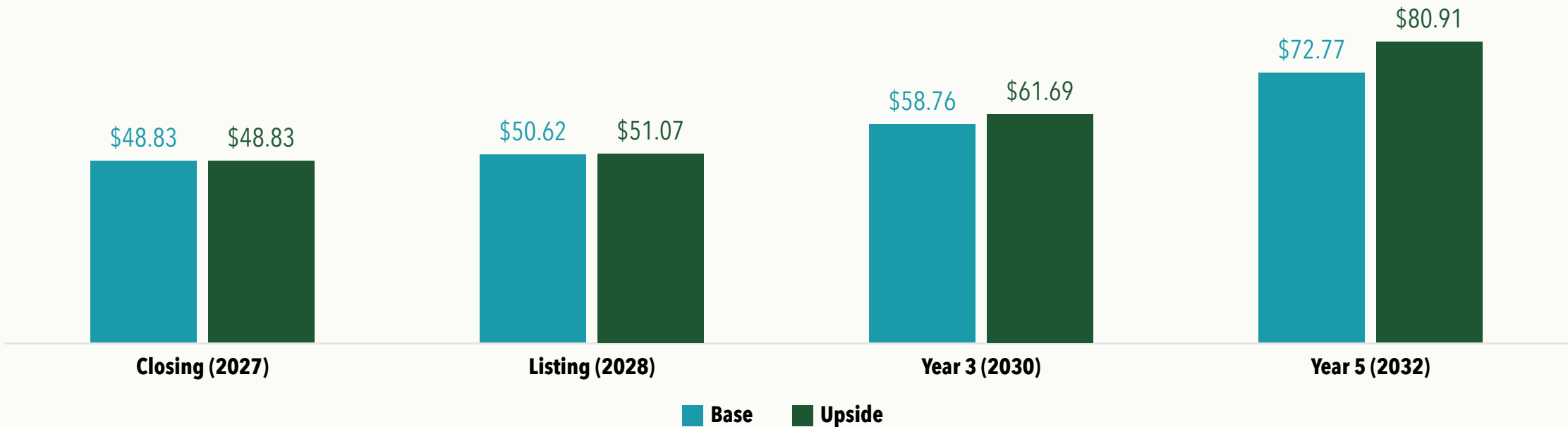
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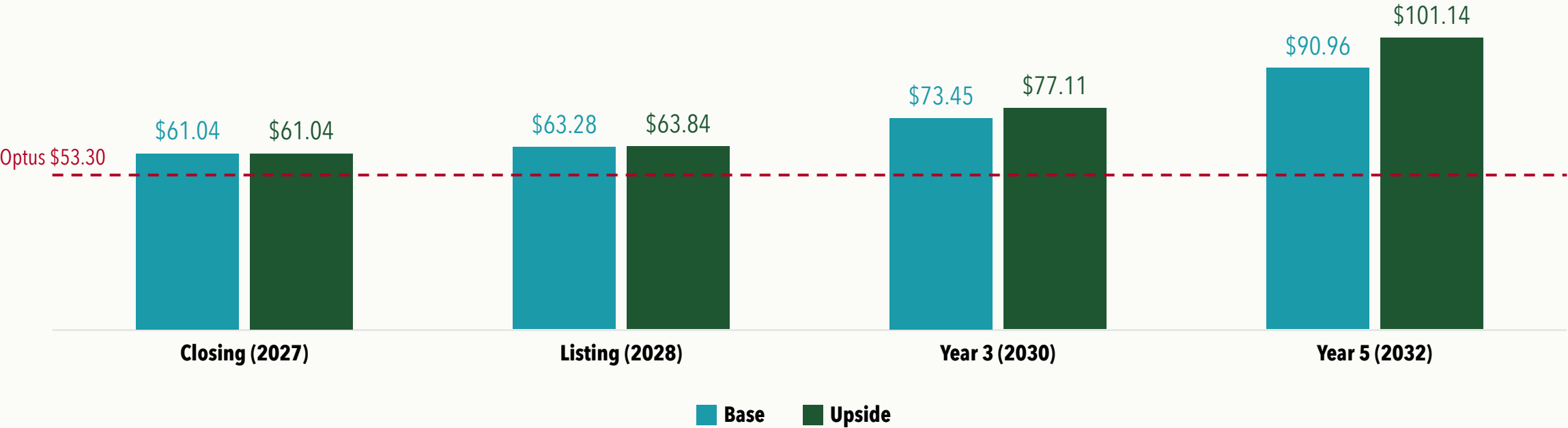
What the stock is worth: price per combined share at 1.6x tangible book – closing, listing, year three and year five

Price per holding-company share at 1.6x tangible book – \$



Source: Proposal Four plan. 1.6x tangible book and 13.5x adjusted (core) earnings are the peer 75th-percentile multiples (FBNC, FCCO, BOTJ, PEBK, SFST; prices 24 August 2026). Earnings-basis prices are low at closing and listing because the closing year carries six months of M&F and the listing year carries the new shares before the plan earns on them. Illustrative; arithmetic on the assumptions in the annex; not a forecast, fairness opinion, appraisal or investment advice; see disclaimer.

What that is worth to an M&F shareholder electing all stock: 1.25 holding-company shares per M&F share



Source: Proposal Four plan. Value = 1.25 × the price per holding-company share on the previous page. Illustrative; arithmetic on the assumptions in the annex; not a forecast, fairness opinion, appraisal or investment advice; see disclaimer.

The four growth engines and two enablers: how each is built, what it carries by 2032, what it earns, and what it returns on the capital it consumes

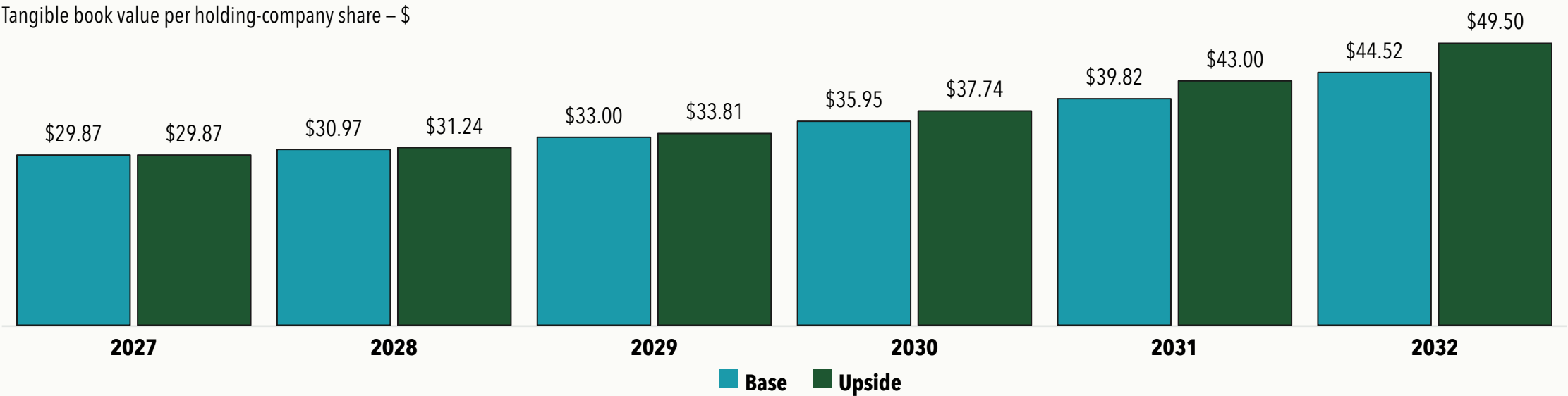
Engine	How it is built	2032 balance	2032 pre-tax	Return on allocated capital
1 · Lending limits and yield	Three sources named by Triad’s CEO: relationships where Triad is a minority lender; director-related and limit-constrained relationships (Regulation O applies); relationship-manager pipelines – 17 managers by 2032, each ramping 15/45/75/100% to a \$50M book. Costs follow headcount; day-one allowance on new lending; 35% participated to M&F Bank.	\$902M	\$9.0M	9.4% alone; 23.6% funded by Engine 2
2 · Deposit franchise	Relationship deposits at 30% of engine loans; reciprocal (ICS/CDARS), community and MDI-programme institutional, and treasury-management deposits from client counts × average balances; 5% annual attrition. About \$250M a year of total deposit growth.	\$1,042M	\$13.7M	Funding engine – credited at 4.25%
3 · SBIC and unitranche	\$75M unitranche facility on balance sheet, capacity × ramp; \$10M limited-partnership stake in an SBIC fund built up from its own economics (2x SBA debentures); 400% risk weight on the stake.	\$75M + \$10M	\$3.2M	23.7% (fund stake 12.8%)
4 · Corridor and syndication	I-40/I-85 facilities arranged deal by deal at \$25M average; 20% held to a \$50M cap, balance syndicated; arrangement fees on new syndications, agency fees on the syndicated balance. Active from 2031.	\$189M arranged	\$1.0M	32.6%
Enablers	\$120M of Triad’s \$145M brokered certificates retired in year one with M&F securities; \$160M of M&F securities redeployed in total, held at or above 8% of deposits; 5% cost synergies, half in year one, back-office only, both charters and head offices kept.	–	\$2.2M + \$2.0M	–

The engines work as a pair. Triad’s lending earns 9.4% on its allocated capital when charged wholesale funding and 23.6% when funded by M&F’s deposit franchise. That spread is the thesis of the combination in one number: M&F has the cheapest money in its peer group and no engine to lend it; Triad has the engine and buys its money. Base case shown; the upside case runs the same engines at the faster ramp described in the annex.

Source: Proposal Four plan, growth-engine schedules, base case. Engine 1 sources A and B and Engine 2 client counts are calibrated to management guidance, to be replaced with Triad’s relationship and pipeline data. Illustrative; arithmetic on stated assumptions (annex); not a forecast, fairness opinion, appraisal or investment advice; see disclaimer.

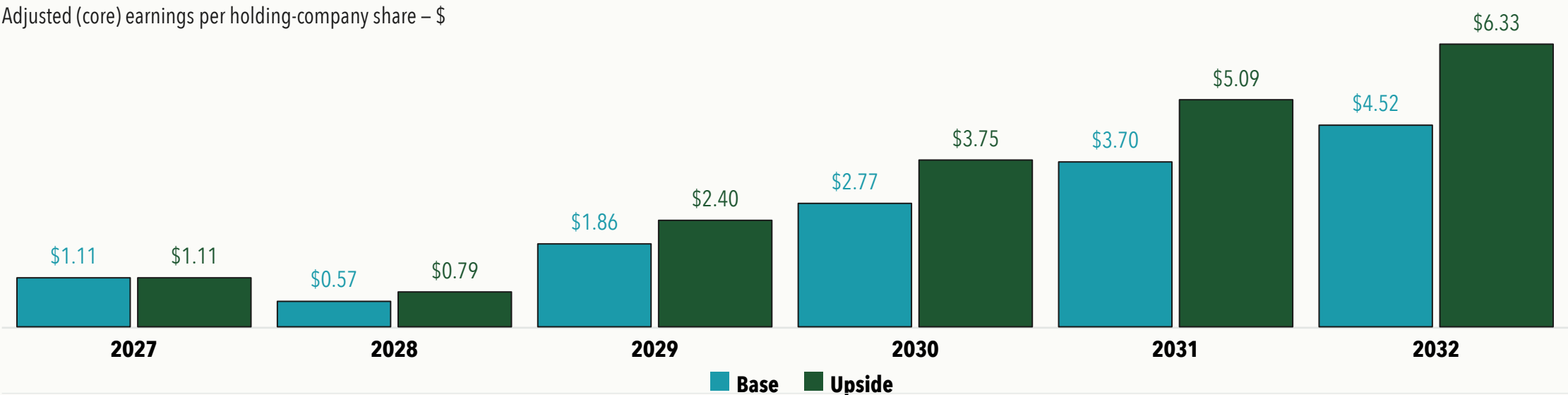
Book value growth: tangible book per share from \$29.87 at closing to \$44.52 to \$49.50 in year five – every dollar earned retained

Tangible book value per holding-company share – \$



Source: Proposal Four plan. Tangible book at closing reflects the Series E retired \$52.3M below par, the cash election, costs and fair-value marks; no common dividend assumed; the 2028 raise at \$35.85 is accretive to book. Illustrative; arithmetic on the assumptions in the annex; not a forecast, fairness opinion, appraisal or investment advice; see disclaimer.

The earnings ramp: adjusted earnings per share from \$1.11 in the closing year to \$4.52 to \$6.33 in year five



Source: Proposal Four plan. Core earnings exclude one-time transaction costs; shares outstanding 3,831,916 at closing and 4,948,000 (base) / 5,087,000 (upside) after the 2028 raise. Illustrative; arithmetic on the assumptions in the annex; not a forecast, fairness opinion, appraisal or investment advice; see disclaimer.

How return on equity is built: every source of pre-tax earnings from the closing year to 2032, with the costs of growth charged in full before the engines are credited

Pre-tax contribution, \$M	2027 (close)	2028	2029	2030	2031	2032
Triad standalone (management budget)	2.6	3.5	3.5	3.8	4.0	4.2
M&F standalone	2.1	3.8	3.5	3.2	2.9	2.6
Cost synergies, net of restructuring	(0.8)	(0.4)	1.8	1.9	1.9	2.0
Enabler – balance-sheet optimisation	–	1.2	2.4	2.3	2.2	2.2
Engine 1 – lending limits and yield	–	(0.8)	0.5	3.1	6.0	9.0
Engine 2 – deposit franchise	–	1.3	4.2	7.4	10.7	13.7
Engine 3 – SBIC and unitranche	–	(0.2)	0.8	1.8	2.6	3.2
Engine 4 – corridor and syndication	–	–	–	–	0.2	1.0
Holding company and listing (liquidity applied, sub debt, public-company costs)	(1.7)	(4.0)	(4.6)	(4.7)	(4.7)	(4.7)
Risk, compliance and operating infrastructure for growth	–	(0.8)	(1.9)	(3.5)	(5.1)	(6.8)
Purchase accounting; transaction costs	(5.9)	0.2	0.2	0.2	(0.3)	(0.9)
Funding, liquidity and capital (net of transfer pricing)	0.6	(1.5)	1.9	2.7	3.7	3.8
Pre-tax income – base case	(3.2)	2.3	12.3	18.2	24.1	29.4
Core return on average common equity – base case	3.0%	1.7%	5.5%	7.7%	9.4%	10.4%
Core return on average common equity – upside case	3.0%	2.4%	7.0%	10.1%	12.2%	13.3%

Each line is a source of pre-tax earnings; the lines add exactly to pre-tax income and, converted to return-on-equity points, to reported return on equity. The early years are held down by one-time costs, public-company costs and the infrastructure hired ahead of growth; the engines overtake them in 2029. The upside case reaches 13.3% by 2032.

Source: Proposal Four plan, earnings build-up. Engines charged for funding at the 4.25% marginal wholesale rate; Engine 2 credited at the same rate. 2027 includes six months of M&F and \$6.0M of one-time transaction costs. Illustrative; arithmetic on stated assumptions (annex); not a forecast, fairness opinion, appraisal or investment advice; see disclaimer.

Where the deposits come from and how the lending is funded: four named deposit sources replace brokered money in year one and fund about \$250M a year of growth thereafter

How loan growth is funded, \$M	2028	2029	2030	2031	2032
Loan growth (97-98% led by Triad)	194.3	260.0	268.7	281.9	221.9
Organic deposit growth	33.7	34.0	32.8	34.3	35.9
Engine 2 deposits	207.6	220.5	215.4	212.1	186.5
Less: brokered retired	(120.0)	–	–	–	–
Securities run-down / (purchases)	165.5	(19.3)	(19.9)	(19.7)	(17.8)
Retained earnings	1.5	9.2	13.7	18.3	22.4
Listing proceeds (net)	36.4	–	–	–	–
Wholesale and subordinated funding	2.7	–	–	–	–
Other balance-sheet movements	(133.1)	15.6	26.6	36.9	(5.0)

Where incremental deposits come from, \$M	2028	2029	2030	2031	2032
Organic growth at both banks	33.7	34.0	32.8	34.3	35.9
Relationship deposits of engine borrowers	44.6	65.6	68.3	72.4	53.7
Reciprocal deposits (ICS / CDARS)	80.0	76.0	72.2	68.6	65.2
Community and MDI-programme institutional	50.0	47.5	45.1	42.9	40.7
Treasury-management clients	33.0	31.4	29.8	28.3	26.9
Brokered certificates retired	(120.0)	–	–	–	–
Change in deposits	121.3	254.5	248.2	246.5	222.4

Deposits first; then M&F's securities (\$160M redeployed in total, never below 8% of deposits); then retained earnings and the 2028 raise. Wholesale funding peaks at zero. Loans-to-deposits passes the 95% policy ceiling from 2029 in the base case – deposit growth modestly above plan, or lending paced to the deposit base, keeps it within; the extra deposits needed are \$1M in 2029 and \$97M by 2032.

Source: Proposal Four plan, funding schedules, base case. Engine 2 client counts are calibrated to guidance. Illustrative; arithmetic on stated assumptions (annex); not a forecast, fairness opinion, appraisal or investment advice; see disclaimer.

The combined company, 2027–2032: \$1.07B to \$2.26B of assets (upside \$2.62B), core EPS \$1.11 to \$4.52 (upside \$6.33), tangible book \$29.87 to \$44.52 (upside \$49.50), every capital test passed every year

\$ millions except per share	2027 (close)	2028	2029	2030	2031	2032
Gross loans	747.6	941.9	1,201.9	1,470.6	1,752.6	1,974.5
Total deposits	888.3	1,009.6	1,264.1	1,512.3	1,758.8	1,981.1
Total assets	1,067.4	1,229.3	1,493.0	1,754.9	2,019.7	2,264.4
Common equity	124.5	162.3	171.5	185.2	203.5	225.9
Net interest income	26.5	40.1	54.2	65.8	77.5	87.3
Non-interest expense	31.2	38.4	41.4	46.9	53.1	58.8
Pre-tax income	(3.2)	2.3	12.3	18.2	24.1	29.4
Core net income to common	3.3	2.5	9.2	13.7	18.3	22.4
Core EPS per holding-company share – base	\$1.11	\$0.57	\$1.86	\$2.77	\$3.70	\$4.52
Core EPS per holding-company share – upside	\$1.11	\$0.79	\$2.40	\$3.75	\$5.09	\$6.33
Tangible book per holding-company share – base	\$29.87	\$30.97	\$33.00	\$35.95	\$39.82	\$44.52
Tangible book per holding-company share – upside	\$29.87	\$31.24	\$33.81	\$37.74	\$43.00	\$49.50
Core return on equity – base / upside	3.0% / 3.0%	1.7% / 2.4%	5.5% / 7.0%	7.7% / 10.1%	9.4% / 12.2%	10.4% / 13.3%
Core efficiency ratio	84.7%	84.1%	70.2%	66.0%	63.1%	62.0%
Net interest margin	2.57%	3.60%	4.08%	4.12%	4.16%	4.11%
CET1 ratio (7.0% minimum)	13.9%	15.3%	12.8%	11.4%	10.6%	10.5%
Legal lending limit – Triad Bank	10.4	13.1	16.7	20.4	24.3	27.3
Legal lending limit – M&F Bank	11.9	12.0	12.0	12.2	12.4	12.7
Capacity of both banks through participation	22.3	25.0	28.8	32.6	36.7	40.0

Source: Proposal Four plan; balance sheet and income lines are the base case. Shares outstanding 3,831,916 at closing; 4,948,000 (base) / 5,087,000 (upside) after the 2028 raise of \$40M gross at \$35.85. Lending limits are 15% of each bank's Tier 1 plus Tier 2 capital, per borrower, bank by bank; the participation capacity is a memo, not a legal limit. Illustrative; arithmetic on stated assumptions (annex); not a forecast, fairness opinion, appraisal or investment advice; see disclaimer.

Annex I · Key assumptions for replication: timeline, election, shares, the Series E, closing payments, purchase accounting, synergies, rates and the two standalone banks

Assumption	Base case	Basis
Timeline	Closing 1 July 2027; exchange listing 2028; Engine 4 active from 2031	M&F consolidated for the second half of 2027
Election	\$53.50 cash on up to 25% of M&F shares (484,240), prorated above the cap; 1.25 holding-company shares otherwise	Published terms, Oct. 8, 2026
Shares	M&F 1,936,958 outstanding; Triad 8,064,072 exchanged 4-for-1; 3,831,916 after closing; legacy Triad held at a 52% minimum by ratio adjustment	Proxy; Triad records
Series E	Repurchased in full by M&F on 22 October 2026, retiring \$80.0M at par (price not stated in the Oct. 26 supplement; the proxy disclosed ~\$27.7M and a \$52.3M gain); gain in M&F equity; Series D retained	Oct. 26 supplement; proxy-disclosed gain
Closing payments	\$31.9M: \$25.9M cash + \$6.0M costs; funded by \$25.0M of 8% holding-company subordinated debt and \$6.9M of reserves	No bank-level capital used; no repurchase funded at closing
Purchase accounting	Reverse acquisition, Triad as accounting acquirer; loan mark – 1.5%; core deposit intangible 2.0% of core deposits; consideration at \$37.98 per share (an accounting input for the purchase price only); goodwill \$3.5M	Estimates pending valuation specialist
Cost synergies	5.0% of combined non-interest expense; half in year one; restructuring 1.25x run-rate	Back-office only; both charters and head offices kept
Funding rate; tax	4.25% marginal wholesale (FHLB) rate for transfer pricing; 23% statutory tax	–
Triad standalone	2026–2028 management budget less \$564K a year of advised variances; loans 7% tapering to 6%; 3.38% margin on loans and securities; provisions 0.15% of loans; expenses +5%	Budget updated for 31 December 2025 actuals
M&F standalone	First-half 2026 run-rate; loans +2% a year; 4.30% margin	Published results
Balance sheet rules	Cash is the balancing item with a 4%-of-deposits floor, wholesale below it; securities at or above 8% of deposits; interest on the balancing item on the prior year-end balance	Avoids circularity

Source: Proposal Four integrated plan, 26 October 2026. Every output can be reproduced from these assumptions and those on the next page; Triad will provide its full calculations to the Board's advisers under a customary confidentiality agreement. Illustrative; arithmetic on stated assumptions (annex); not a forecast, fairness opinion, appraisal or investment advice; see disclaimer.

Annex II · Key assumptions for replication: the four engines, enablers, credit, growth costs, capital policy, the listing, valuation and returns

Assumption	Base case	Basis
Engine 1 – sources	\$175M of borrowing these clients hold with other lenders, \$125M capturable (sources A and B); relationship managers hired in cohorts, 17 by 2032, each ramping 15/45/75/100% over three years to a \$50M book at \$300K fully loaded; 35% of engine loans participated to M&F Bank	CEO's three named sources; calibrated to guidance
Engine 1 – volumes and yields	\$125M of new lending in year one, \$200M a year after; yields 6.25–6.75%	Management guidance
Engine 2 – deposits	Relationship deposits at 30% of engine loans; reciprocal, community and MDI-programme institutional, and treasury-management deposits from client counts × average balances; ~\$250M a year of total growth; blended cost ~2.5%; 5% annual attrition	Management guidance
Engine 3	\$75M unitranche facility, capacity × ramp, 2% day-one allowance; \$10M SBIC limited-partnership stake, 2x SBA debentures, 400% risk weight; the bank recognises its share of fund income	Fund built up from its own economics
Engine 4	I-40/I-85 facilities at \$25M average; 20% held to a \$50M cap; balance syndicated; arrangement fees on new syndications and agency fees on the syndicated balance; from 2031	–
Enablers	\$120M of Triad's \$145M brokered certificates retired in year one with M&F securities; \$160M of M&F securities redeployed in total	Published plan
Credit	Day-one allowance 1.25% on new lending (2% unitranche); charge-offs 0.25%	Above recent run-rates
Growth costs	\$750K control infrastructure; 0.6% of loan growth; \$1.2M public-company costs; lender and deposit-gathering hires with the engines	Growth carries its full cost
Capital policy	9% CET1 management target; capital moved down to hold Triad Bank at 12% total risk-based; legal lending limit 15% of each bank's Tier 1 + Tier 2, per borrower; loans-to-deposits 95% ceiling; liquidity 10% floor; no common dividend	Policy tests reported each year
Listing	2028; \$40M gross primary raise at 1.20x tangible book (\$35.85); 4,948,000 shares after	–
Valuation	Average of price-to-tangible-book and price-to-earnings at the 75th percentile of five Southeast community banks: 1.63x tangible book, 13.5x core earnings (1.50x book for reference); peer prices as of 24 August 2026	Management benchmark
Returns	Measured from closing to 31 December of each year; M&F holders against the undisturbed \$29.25; Triad holders against \$6.50	–
Upside and downside cases	Loan and deposit volumes, ramps, yields, credit and synergy phasing move together; upside = the same engines at a faster ramp; downside ≈ one third slower	–

Source: Proposal Four integrated plan, 26 October 2026. Illustrative; arithmetic on stated assumptions (annex); not a forecast, fairness opinion, appraisal or investment advice; see disclaimer.

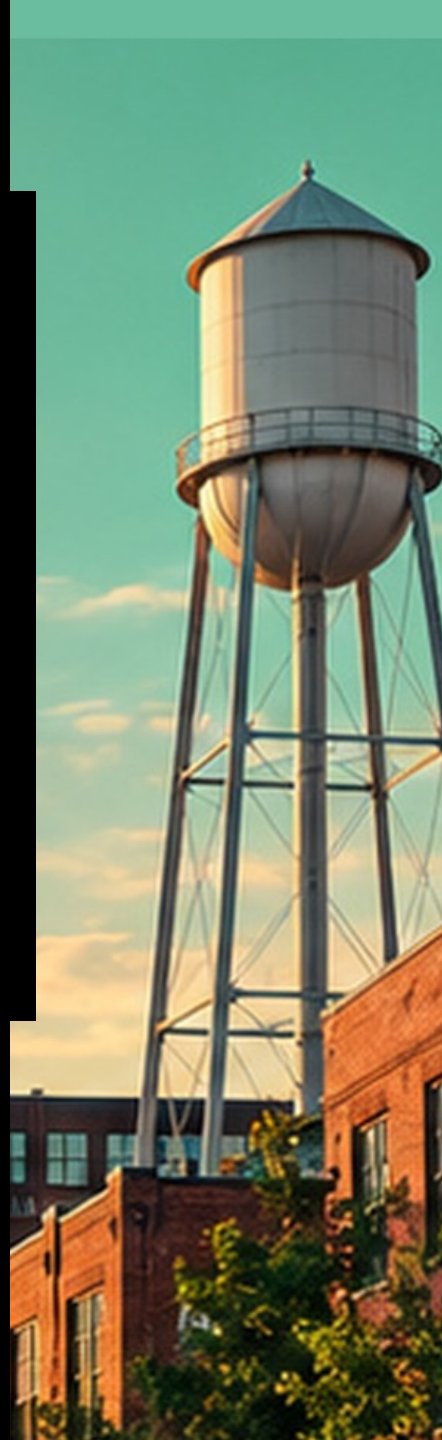
SECTION VI · THE ASK

The Ask

One meeting, before November 4. What the shareholders, the congregations, the campuses and the Series D holders keep when the bank stays open – and the two paths from here.

You
Don't
Kill A
Bank To
Save It!

Do Well.
& Do Good.



Conclusions

- **M&F's shareholders have suffered a 61% decline in earnings per share while the Company held \$158 million of Treasury-funded capital in bonds.** The market has priced that choice: last in price-to-assets among its North Carolina peers.
- The Optus agreement does not repair the choice; it monetizes it. About \$103 million leaves the bank at closing, the combined institution can lend less to one borrower than M&F Bank can today, M&F Bank ceases to be an independent bank, and North Carolina loses its African-American minority depository institution.
- Proposal Four pays more – \$53.50 fixed in cash on up to a quarter of the shares, or 1.25 shares at \$37.34 of book in a listed company – **keeps the charter, the name, the Durham home office, the chief executive and the MDI designation, and puts the capital to work on the I-40/I-85 corridor.**
- The Board's October 19 statement described Proposal Four in ways the published terms do not support. **The shareholders are entitled to a side-by-side comparison, as published, before they are asked to vote again.**
- **The merger agreement permits the Board to engage.** Triad will meet the Board, its independent directors and its advisers at any time, anywhere, and can conform definitive documentation within two business days.
- Nobody on this Board has to be wrong for this to work. They can have signed in good faith and still choose to keep the bank. That is what boards are for.

What we ask of the Board – every item is achievable before November 4

- 1 MEET US. The independent directors and the Company's advisers, with Triad and its advisers, at a time and place of the Board's choosing – we propose Tuesday, October 27.**
- 2 DESCRIBE PROPOSAL FOUR ACCURATELY in the promised proxy supplement: \$53.50 fixed, 1.25 shares without reduction, no holding period, no dividend prohibition – and set it beside the Optus terms.**
- 3 DISCLOSE THE TALLY as of each adjournment, and the deposit-runoff assumption in the fairness analysis.**
- 4 BEST & FINAL IS ONLY AVAILABLE FOR GOOD FAITH ENGAGEMENT**

Source: Triad release of Oct. 21, 2026; M&F proxy pp. 42–44. We do not advise any shareholder how to vote.

Two paths from here – we are prepared for either; only one of them builds the Second Founding together

Path I – Renewal, together

- Meeting with the independent directors and advisers this week
- Proxy supplement describes both transactions as published; the Board determines Proposal Four is reasonably likely to lead to a superior proposal and engages
- Definitive agreement conformed; joint announcement; the Bank announces the Second Founding as its own
- Quiet resolution: M&F Bank stays in Durham; the shareholders choose cash or shares; the Board's good faith is vindicated, not questioned

Path II – The shareholders decide without the Board

- This document, and the record behind it, made available to every M&F shareholder before November 4
- The lending-limit arithmetic, the Optus funding profile and the ten questions on page 115 put to the Board in public, and to the press with the documents attached
- Records demands under North Carolina law regarding the January 2026 award and the vote tally
- Triad remains at the table through November 4 and after; Proposal Four is not withdrawn

Path II describes rights Triad reserves; it is not a commitment to any specific action, and nothing in it is a solicitation of proxies or advice on how to vote. We would far rather walk Path I.

Source: Triad; M&F proxy pp. 42–44. See disclaimer.

What stays in Durham when the bank stays open: the shareholders, the congregations, the campuses and the capital

1.94M shares

M&F's shareholders – who can choose 1.25 shares and stay shareholders of their own bank at \$37.34 of book in a listed company, or take \$53.50, fixed, if they need the cash

\$26.2M

of faith-based deposits already in the vault – the congregations that fund the bank and borrow from it, and whose next sanctuary-and-senior-center needs a \$12M lender

6 campuses

NCCU, Shaw, St. Augustine's, N.C. A&T, WSSU, JCSU – rezoned land, vendor ecosystems and dormitories waiting for a bank that can write a \$15M check

\$17.3M

of Series D held by JPMorgan, Bank of America, Wells Fargo and Citigroup – kept as corridor participation partners rather than refinanced away

\$59M + a pipeline

Triad's capital and its commercial lending engine – \$180M of loans in 2021, ~\$400M today – on the same corridor, under the same holding company

\$52.3M

of ECIP discount – the Treasury's reward to the institution, captured at closing for the shareholders who earned it, not paid out to departing ones

None of this requires the Board to have been wrong. **It requires the Board to decide the bank is worth more open than sold**, and to let its shareholders see both offers as published. The shareholders decide the rest.

Source: M&F merger proxy (1,936,958 shares); FY2025 Annual Report (Note 9 deposits, Notes 1 & 20 preferred); Triad call reports; M&F merger proxy (disclosed gain); Triad published terms.

Five lessons from Parrish Street that can save M&F on November 4 – they are not Triad’s; they are North Carolina’s, and M&F taught most of them

- 1 You don’t kill a bank to save it.** M&F stayed open through the Great Depression when banks around it did not – because the people who ran it refused to let it end, not because they found someone to end it on better terms.
- 2 The money goes around town, not in the ground.** The founders’ capital went into Durham’s houses and Parrish Street’s storefronts. Today \$158 million sits in bonds, and the loans have been falling since the end of 2024.
- 3 Until the deal closes, the bank is still the job.** The founders stayed with the institution until it stood on its own. Under North Carolina law the Board’s duty runs to M&F’s shareholders until closing – and the agreement permits a conversation with us.
- 4 You don’t live on a legacy, you live up to it. A legacy is a standard, not an asset.** M&F has the history. Triad has the momentum. Proposal Four keeps the history in Durham and puts the momentum behind it.
- 5 Count what belongs to the people who trusted you with it.** The founders could tell any depositor, on any day, exactly where every dollar was. Parrish Street counted in public. It is time for M&F to count in public too.

Source: published histories of North Carolina Mutual Life Insurance Company and Mechanics and Farmers Bank; Triad release of Oct. 21, 2026; FY2025 Annual Report; Q2 2026 results.

TRIAD BUSINESS BANK

On October 7 the shareholders did not approve the sale. The agreement, in §5.08(b), lets the Board engage with a written proposal reasonably likely to lead to a superior one. \$53.50 fixed, or 1.25 shares and the bank kept, against "up to" \$53.30 and nothing after, is that proposal. The meeting takes an hour.

Call us. **You don't kill a bank to save it.**

TRIAD BUSINESS BANK | M&F BANCORP



TRIAD BUSINESS BANK

SECTION VII · EXPIRED FAIRNESS – THE PIPER MATH

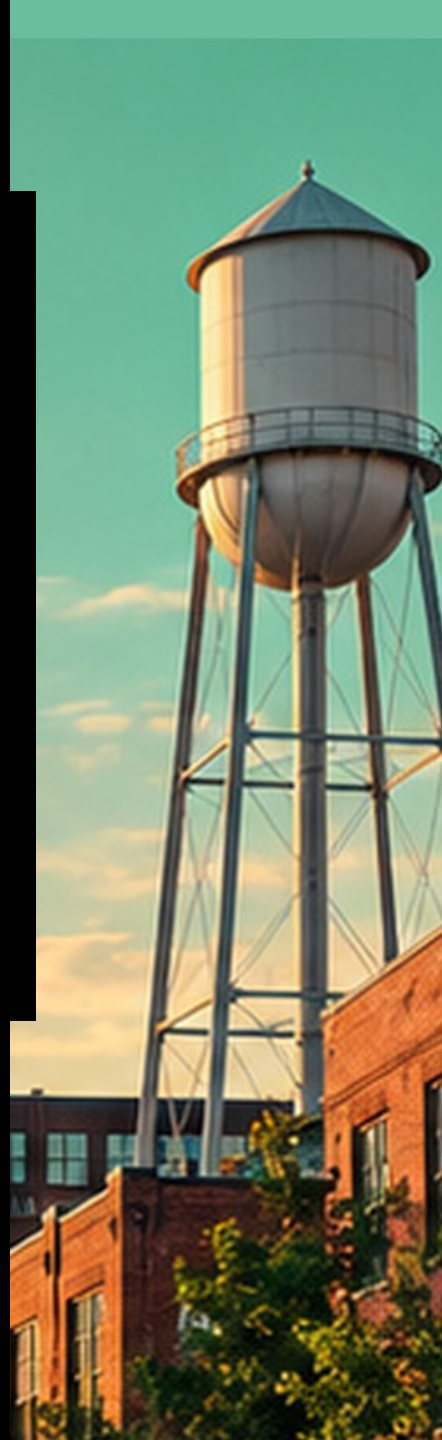
Expired Fairness For Shareholders: The Advisor's Math Revisited

The fairness analysis was dated July 266, before any competing proposal existed, on a picture that no longer exists. Run the same arithmetic today and the Optus price is book value plus the shareholders' own discount, with nothing paid for the bank.

66

What's Gone Wrong for Shareholders

**You Don't Kill A Bank
To Save It!**



The adviser’s own multiples price the standalone bank at about \$24 a share. Add the \$27 discount the shareholders earned and the capital alone is worth about \$51. The Optus price is \$53.30 – about \$2 a share, \$4 million in all, for \$364M of deposits, a 1907 charter and CDFI and MDI standing

Step	What it is	Per M&F share	Note
A	Standalone tangible book value per M&F share, September 2026	\$18.56	Company release
B	Adviser’s comparable-transaction and peer medians, as cited	1.28x – 1.33x	Midpoint 1.305x
C = A × B	Standalone book at the adviser’s own multiples	\$23.76 – \$24.68	Midpoint \$24.22
D	ECIP discount per share: (\$80.0M par – \$27.7M repurchase) ÷ 1,936,958 shares	\$27.00	Earned by M&F; disclosed gain \$52.3M
E = C + D	The capital alone: book at the adviser’s multiple, plus the discount at face	\$50.76 – \$51.68	Midpoint \$51.22
F	Optus cash per share, “up to,” since Oct. 22	\$53.30	Reduced below \$36.5M TCE, calculated without the Series E gain (\$2.02)
E – F	Optus price less the capital alone – what is paid for the franchise	\$1.62 – \$2.54	Midpoint \$2.08 – about \$4.0M in all
D ÷ F	Share of the Optus price that is the shareholders’ own discount	51%	\$27.00 of \$53.30
G	Proposal Four cash election, Available for up to 25% of Shares Out.	\$53.50	\$2.28 above E’s midpoint

\$27 of \$53.30

is the shareholders’ own discount – a gain M&F earned through fourteen quarters of deep-impact lending. The buyer is paying the shareholders with their own money and calling the balance a premium. At the adviser’s own multiples the capital alone is worth about \$51; the price pays about \$2 above it for everything else.

\$2 for the franchise

Step E counts the discount at face. If the discount is instead captured into book and the adviser’s multiple applied to all of it (\$45.56 × 1.28–1.33x), the standalone bank is worth \$58–61 before a dollar of earnings improvement. Either way, about \$2 a share of the \$53.30 is all that pays for \$364M of deposits, a 1907 charter and CDFI and MDI standing.

Source: Triad Proposal Four Supporting Material, sensitivity page (adviser’s September 2026 medians of 1.28x and 1.33x tangible book, as cited); Company Sept. 2026 release (TBV \$18.56); M&F merger proxy (disclosed \$52.3M gain; 1,936,958 shares) and supplement (Oct. 26, 2026); Agreement §2.02. Arithmetic is Triad’s.

The Piper math, then and now: a 2.5x-book “premium” in July is 1.2x book once the ECIP gain the Company realized on October 22 is counted – and every input has moved against the shareholders while four higher proposals went unanswered

Per M&F share	July 21 – what the adviser priced	Today – \$53.30, with the gain realized Oct. 22
Cash price	\$46.57, “fair, from a financial point of view”	“Up to” \$53.30 since Oct. 22 – cut below \$36.5M TCE, measured without the Series E gain (\$2.02(b)(iii)); no closing below \$35.0M
Contingent \$6.73	Not valued – “at your direction and with your consent”	Folded into the price Oct. 22 by M&F’s own repurchase (\$2.01(e)(vii)) – the shareholders’ gain, paid as the buyer’s “increase”; still never valued
Tangible book per share	\$18.56 standalone	\$45.56 – \$18.56 + the \$27.00 ECIP gain (\$52.3M ÷ 1,936,958), realized Oct. 22
Implied price / tangible book	2.51x – twice the 1.28–1.33x medians	1.17x – \$53.30 ÷ \$45.56
Earnings per share	\$1.19 (FY2025)	\$1.06 TTM; \$2.07 once the Series E dividends stop; \$3.26 if \$100M of bonds are lent
Implied price / earnings	39x	26x on \$2.07 – 16x on \$3.26
Premium to the undisturbed \$29.25	+59%	Against the capital alone at the adviser’s multiples (\$51.22): +4%
Competing proposals in writing	None	Four; the fourth \$53.50 fixed – above the Optus cash
Reserve coverage · Treasury rate on the Series E	Assumed adequate, “with your consent” · 2.00%	Released 1.62% → 1.39% as charge-offs passed all of 2025 · 2.00%, the maximum
Value of the stock path the Board called “theoretical”	–	\$73.45 by 2030, \$90.96 by 2032, for a holder electing shares, at 1.6x tangible book; about \$44 for redeeming the Series E alone

2.5x → 1.2x

The premium the adviser priced in July is the shareholders’ own discount counted as the buyer’s money. Count the gain the Company realized on October 22 and the Optus price is 1.17x book – the buyer’s “increase” was the shareholders’ own money.

Every input moved against the shareholders

Earnings down, reserve released, the price adjustable only downward, the \$6.73 folded in by the shareholders’ own gain and still unvalued – and four higher proposals the adviser was never asked to compare.

\$53.50 fixed

The only fixed cash on the table, above a price that is still “up to.” Nobody has asked the adviser whether it is superior. Section 5.08(b) lets the Board ask. The window is open through November 4.

Source: Piper Sandler & Co. opinion, July 21, 2026 (proxy App. B); M&F merger proxy and supplements (Sept. 30 and Oct. 26, 2026); Agreement §§2.01(e), 2.02, 5.08(b), 6.03(h); Company Sept. 2026 release (TBV \$18.56); FY2025 Annual Report and Q2 2026 results (EPS); Call Report 3/31/2026; Proposal Four plan (revised Oct. 26, 2026). Pro forma EPS: TTM \$1.06 + \$1.96M of Series E dividends ÷ 1,936,958 = \$2.07; + ~\$100M redeployed at +300bps after 23% tax ≈ +\$1.19 = \$3.26. Medians of 1.28x/1.33x as cited in Triad’s Supporting Material. Triad’s arithmetic; illustrative; see disclaimer.

The fairness analysis is dated July 21, 2026 – the day the agreement was signed and sixteen days before the first competing proposal existed. It has been cited against four proposals since, **and never refreshed in public**

Jul 21	Optus agreement signed; adviser's analysis delivered – no competing proposal exists	Aug 6	Proposal One delivered
Aug 13	Board: "does not constitute a superior proposal"	Aug 17	Proposal Two
Sep 4	Board: not "reasonably likely to lead to a superior proposal"	Sep 10	Proposal Three
Sep 22	Board: "inadequate value"	Sep 30	Proxy supplement: reaffirms, citing "the advice of our financial advisor" – no figure disclosed
Oct 7	Special meeting: agreement not approved by a majority of outstanding shares; adjourned	Oct 8	Proposal Four: \$53.50 fixed or 1.25 shares
Oct 19	Board statement: not superior; proxy supplement promised	Oct 20 - 26	Adjourned again; Oct. 26 supplement reaffirms, citing the adviser – still no figure; price now "up to" \$53.30

One opinion, delivered on the day of signing, has been cited against four proposals it never saw. The opinion itself says it "does not address . . . the relative merits of the Merger as compared to any other alternative transactions," that it covers only the \$46.57 of July 21, that the CVR was not evaluated "at your direction," and that Piper Sandler "[has] not undertaken to update, revise, reaffirm or withdraw" it. The September 30 and October 26 supplements cite "the advice of our financial advisor" on Triad's proposals and disclose no number, no multiple and no method.

Source: M&F merger proxy (Sept. 1, 2026), adviser's opinion and summary; M&F proxy supplements (Sept. 30 and Oct. 26, 2026); M&F responses of Aug. 13, Sept. 4, Sept. 22; M&F announcements of Oct. 7, 19, 20, 2026; Triad proposals of Aug. 6, Aug. 17, Sept. 10, Oct. 8.

What the Board asked Piper Sandler, and what it told Piper not to look at – in the opinion letter’s own words

The CVR was never valued – at the Board’s direction

“We express no opinion as to the value of the Per Share CVR Payment Amount and, at your direction and with your consent, did not evaluate the impact or likelihood of its payment.”

The Board told its adviser not to value the \$6.73, then told its shareholders the deal was worth “up to \$53.30 ... at closing.” On October 22 M&F repurchased the Series E itself and the \$6.73 became part of the price – paid for by the shareholders’ own gain, and still never valued by anyone.

Alternatives were outside the question

“[The opinion] does not address ... the relative merits of the Merger as compared to any other alternative transactions or business strategies that might exist for M&F.”

Every Board letter since has rejected Triad by citing advice that, by its own terms, never compared anything to anything.

The reserve was assumed, not examined

“We did not make an independent evaluation of the adequacy of the allowance for credit losses ... We have assumed, with your consent, that the allowance ... [is] adequate.”

In Q1 2026 coverage was released from 1.62% to 1.39% as charge-offs exceeded all of 2025. The adviser was told to assume it was fine.

The opinion covers the \$46.57 of July 21 and nothing else

“Our opinion is directed only to the fairness ... of the Per Share Closing Consideration.”

Fair as to \$46.57, “up to,” on July 21. Not as to the package. Not as to \$53.30. Not as to the deal.

Stale by design

“Events occurring after the date hereof could materially affect this opinion. We have not undertaken to update, revise, reaffirm or withdraw this opinion.”

Four proposals, two quarters, a reserve release and a failed vote later, the Board is still citing July. The adviser said in July it would not be.

The inputs came from management and from the buyer

“... certain internal financial projections for M&F ... as provided by the senior management of M&F”; “... the runoff of a certain amount of deposits ... as provided by the senior management of Optus.” Fee “contingent upon consummation of the Merger.”

Projections from a management team with a buyer-side employment agreement and a redemption bonus; a deposit-runoff number from the buyer; an adviser paid only if it closes. None of that is improper. All of it is why a board asks the questions this Board did not.

Source: Piper Sandler & Co. written opinion to the Board of Directors of M&F Bancorp, Inc., July 21, 2026 (merger proxy Appendix B), pp. 1–4. Quotations verbatim; emphasis added. Reserve coverage and charge-offs per Call Report 3/31/2026 (Schedules RI-B, RC-R). Characterizations are Triad’s opinion.

Three ways to value one share. **The Board priced the first, a liquidation, and called it a sale**

Frame	Arithmetic	Per M&F share	What it values
Liquidation – the Optus frame	Standalone tangible book \$18.56 + discount captured \$27.00	≈ \$45.56 (price: “up to” \$53.30)	The capital, cashed out. Nothing for the franchise.
Going concern – standalone	Book with the discount (~\$45–50) and ~\$100M of securities redeployed at +300bps (≈ \$1.19 of EPS on \$1.06), at the adviser’s own 1.28x–1.33x and 14x	≈ \$58–66	The bank, kept, run as a bank
Going concern – combined/ TBB (Proposal Four)	\$37.34 of book per M&F share in the closing year; \$69.70 downside and \$73.45 base at year 3, at 1.6x book	\$53.50 fixed today for the cash election; \$70–73 at year 3 for stock	The bank, kept, with a lending engine attached

The Optus price is about \$2 a share above the liquidation frame at the adviser’s own multiples. That is what a price looks like when the adviser’s multiples are applied to the capital and nothing is paid for a 119-year deposit franchise. A buyer paying for a going concern pays for the deposits, the charter and the earnings a bank earns when it lends. A buyer paying book plus the discount is buying the capital and taking the franchise for free.

Source: Company Sept. 2026 release; M&F merger proxy; Triad’s arithmetic (standalone deployment, page 68); Proposal Four plan (revised Oct. 26, 2026), downside and base cases. Illustrative; not price targets; see disclaimer.

The Board's September 30 supplement counted the \$6.73 as "immediate ... at closing" **in the text and admitted in its footnote that it was neither** – it became payable on October 22, by M&F's own repurchase, four weeks after the shareholders were shown the higher number and asked to vote on it

THE SUPPLEMENT SAYS, IN THE BODY

"the Optus merger proposal provides for the immediate payment of up to \$53.30 in cash at closing."

"... a value we are already achieving under the Optus merger proposal."

"... consideration provided under the Optus Merger Agreement of up to \$53.30 per share, payable in cash."

THE SUPPLEMENT SAYS, IN FOOTNOTE 1

"... (i) an initial cash payment of up to \$46.57 and (ii) an additional cash payment of \$6.73 payable in the event the redemption of our Series E ... occurs before or within 12 months after the merger with Optus."

Not immediate, not at closing, and not certain when the shareholders were told it was. For fourteen weeks it was payable only if the Series E was repurchased within twelve months, and Optus "shall not be required to consummate the ECIP Repurchase if, in Optus' reasonable determination made in good faith, such consummation would impose materially adverse economic terms, regulatory risk, capital structure consequences, or operational constraints on Optus or its Subsidiaries" (§2.01(e)(iv)). It became part of the price on October 22 because M&F exercised its own option with its own money (§2.01(e)(vii)) – Optus added nothing. And the \$53.30 is itself "up to," reduced dollar for dollar below \$36.5M of tangible common equity, calculated without the Series E gain (§2.02(b)(iii)).

The Board instructed its adviser not to value the \$6.73, then compared Triad's \$12.00 at closing to "\$53.30 ... at closing." The honest comparison was \$12.00 plus a share kept plus \$19.25 of preferred, against "up to" \$46.57 plus a payment that had not been earned. Proposal Four removed even that argument: \$53.50 fixed, on the shareholder's election. **The Board's answers on October 19 and October 26 did not change.**

Source: M&F proxy statement supplements dated Sept. 30, 2026 (pp. 1–2 and footnote 1) and Oct. 26, 2026; Agreement §§2.01(e), 2.02; Triad proposal of Sept. 10, 2026 and Proposal Four (Oct. 8, 2026).

Why the shareholders' interests were not served: **the duty to get the highest value attached the day the Board decided to sell, and the record since shows one valuation, never refreshed, against four proposals never met**

- 1** Once the Board decided to sell for cash, its job changed. Before that decision directors run a company and are judged on the long run. After it they are selling the shareholders' property, and the measure is whether they got the highest value reasonably available. That is not Triad's standard. It is the standard every fairness opinion presumes.
- 2** A valuation performed once and never refreshed. Delivered the day of signing; not updated as four proposals arrived, as earnings fell, and as the reserve was released in the quarter that sets the price.
- 3** A price that captures the shareholders' discount and pays nothing for the franchise. At the adviser's own multiples the capital is worth about \$51 a share. The price was \$46.57, "up to"; since October 22 it is \$53.30, "up to" – about \$2 above the capital alone.
- 4** A contingent payment to shareholders that the agreement let lapse while the insiders' bonus survived closing. For fourteen weeks \$13.0M to 1.94M shareholders depended on an event; \$2.6M to the Board and management by committee did not (proxy p. 44). On October 22 M&F's own repurchase made both payable.
- 5** No comparison of \$53.50 fixed, or 1.25 shares at \$37.34 of book, to "up to" \$53.30 – by the opinion's own terms. Piper's letter "does not address ... the relative merits of the Merger as compared to any other alternative transactions." The supplement cites the adviser and discloses nothing it said.

Triad does not say the July analysis was wrong on the day it was given. It says the day has passed. A fiduciary told in October that the July number still governs is being asked to vote on a photograph.

Source: M&F merger proxy and supplement; Agreement §§2.02, 5.08; 2026 Proxy pp. 11–12; Call Report 3/31/2026 (Schedules RI-B, RC-R); Triad Supporting Material. Characterizations are Triad's opinion.

TRIAD BUSINESS BANK

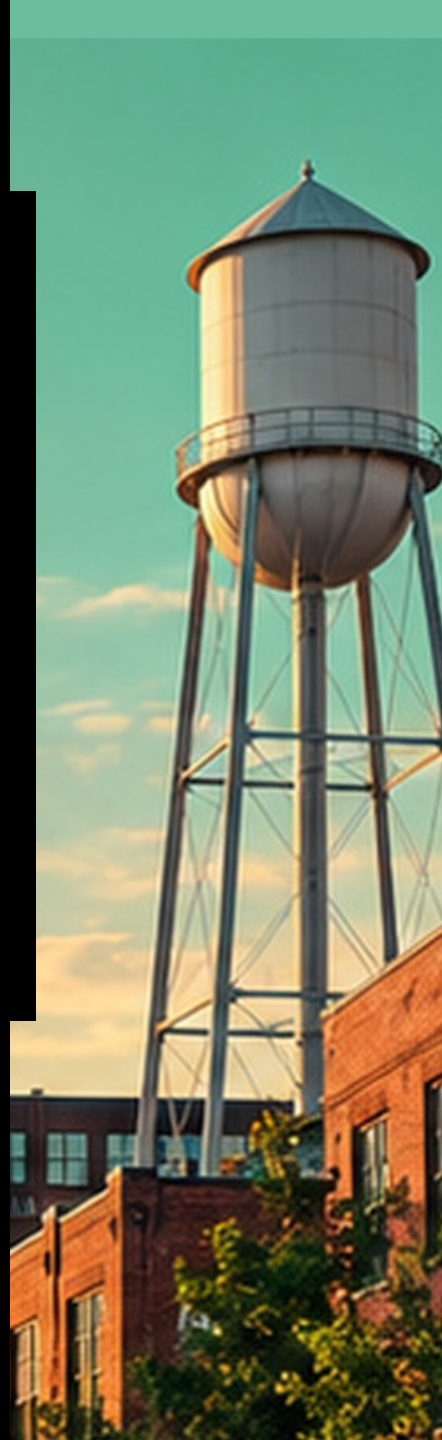
SECTION VIII · THE LOANS IN THE COMMUNITY

The Loans That Are in the Community

Segment by segment, strengths honored, strain unvarnished. The productive book is shrinking; the church book is one dollar in five and showing exactly the stress the notes predicted.

You
Don't
Kill A
Bank To
Save It!

Do Well.
& **Do Good.**



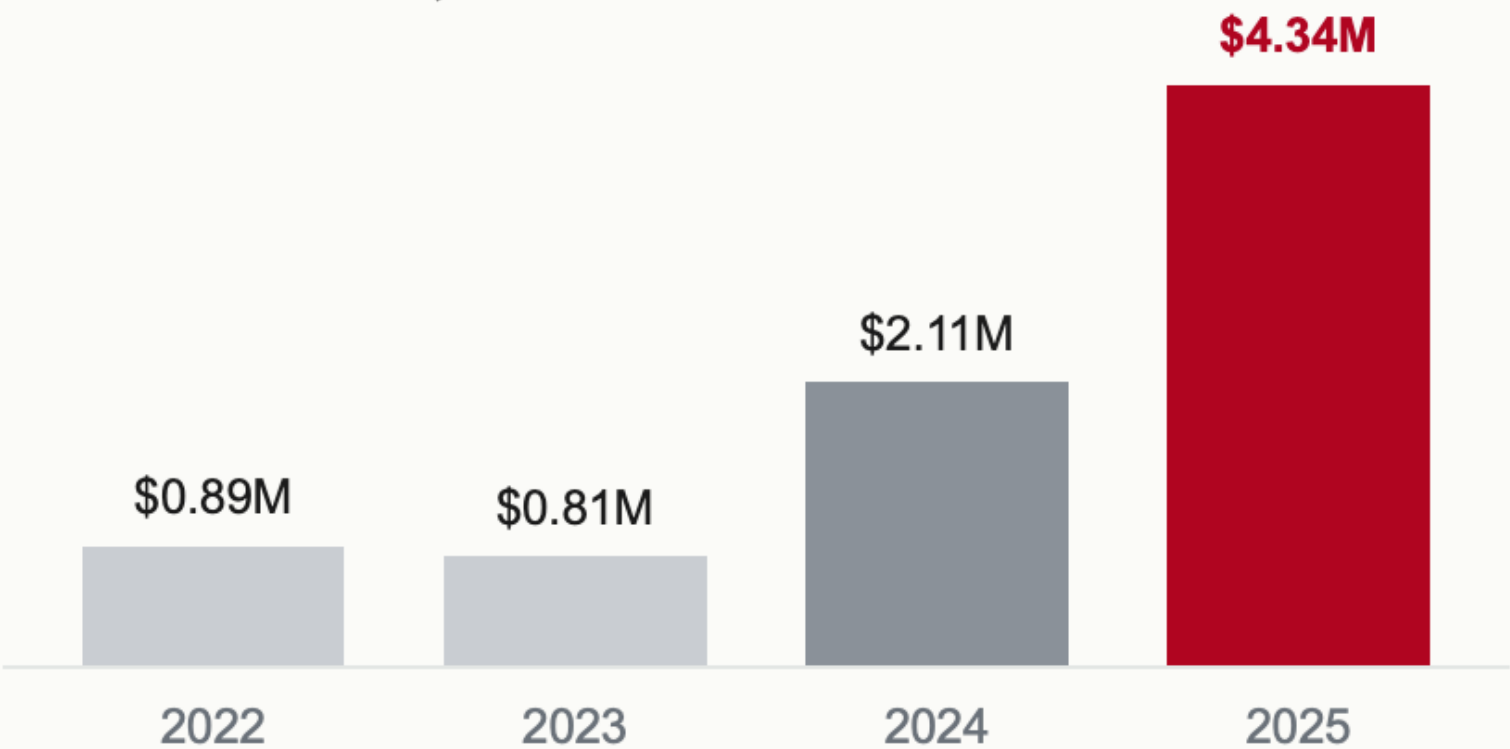
The portfolio stopped growing where the community needs it most: the productive engine – commercial, construction – is shrinking; growth is in consumer credit and home equity

Segment (\$M)	2022	2023	2024	2025	Trend
Commercial (incl. SBA 7(a))	57.7	55.8	54.7	51.6	Down 4 straight years
CRE – construction	7.1	4.2	9.7	7.3	Cut 25% in 2025
CRE – owner-occupied	35.5	49.9	41.3	43.8	Modest recovery
CRE – other (incl. retail)	30.0	29.1	33.5	33.0	Flat
Faith-based non-profit	52.4	55.7	56.7	55.4	~20% of book every year
Residential first mortgage	25.4	31.2	35.4	33.8	Down in 2025
Multifamily housing	30.8	31.5	31.0	31.8	Flat for 4 years
Home equity	6.3	9.3	10.6	12.3	+94% since 2022
Consumer	1.6	1.5	8.4	9.3	~6x since 2023
Total loans (net of fees)	246.9	269.1	284.0	279.1	Shrank in 2025; \$276M at June 30, 2026

Source: FY2023–FY2025 Annual Reports, Note 6 (loan composition); FY2022 per FY2023 report; Q2 2026 results release.

Beneath a calm aging table, credit is deteriorating fast: nonaccruals up 5x in two years, on a shrinking book

Nonaccrual loans, \$M — 1.56% of the book at YE2025



- Special-mention loans quadrupled in one year: \$3.9M → \$15.9M (YE2025), led by CRE owner-occupied (\$9.6M) and commercial (\$3.1M).
- Total criticized loans (~\$20.2M) now equal ~7% of loans – and ~28% of the Bank's \$73.1M Tier 1 capital.
- Net charge-offs: \$41K (2023) → \$882K (2024) → \$504K (2025) → \$795K gross in Q1 2026 alone.
- \$4.0M of nonaccruals are current on payments – risk management is running ahead of the aging table, which is prudent, and confirms the stress is real.
- All of this on a loan book that shrank 1.75% in 2025. The Bank is de-risking growth and still accumulating risk.

Source: FY2025 Annual Report, Note 6 (nonaccrual, aging and risk-rating tables); FY2024 report for prior years; Call Report 3/31/2026.

One dollar in five rests on voluntary giving: the faith-based book is the largest segment, three-quarters the size of the Bank's Tier 1 capital, and reserved at less than half its weight

19.9%

of all loans: faith-based non-profit (\$55.4M) – the largest segment every year since at least 2022

76%

of Bank Tier 1 capital (\$73.1M) represented by the \$55.4M church book

8.65%

share of loss reserves allocated to a segment that is ~20% of loans

\$26.2M

of faith-based deposits – the same congregations fund the Bank and owe it

"Repayment of these loans is generally dependent on voluntary contributions, which can be effected by economic downturns."

– The Company's own concentration disclosure, FY2025 Annual Report, Note 6. The annual letters to shareholders have never discussed it.

The faith institution franchise is a century-old trust asset and the answer is not to exit it. It is to convert that trust into structures where congregations build wealth instead of servicing it – see page 79.

Source: FY2025 Annual Report Notes 1, 6, 9; Bank Tier 1 per regulatory capital note; deposit concentration per Note 9. Ratios computed by Triad.

The church book is now showing exactly the strain the notes predicted – 2025 was the year “historically low losses” stopped being current information

NONACCRUALS

Faith-based nonaccruals tripled in 2025: \$511K → \$1,611K – the segment’s worst level in the disclosed record (\$885K in 2022, \$597K in 2023).

FIRST CHARGE-OFF

A \$377K faith-based charge-off in 2025 – the segment’s first in the disclosed period – with a \$443K provision behind it.

CRITICIZED LOANS

\$5.15M special-mention + substandard – 9.3% of the segment. Nearly all of the special mention and \$2.0M of the substandard were 2025-vintage originations, criticized within their first year.

ZERO ALLOWANCE

The full \$1.6M of nonaccrual church loans carries no specific allowance – justified by collateral the Company itself says has no “significant over-coverage.” The collateral is special-use sanctuaries.

FALLING DEPOSITS

Faith-based deposits have declined from \$30.6M (2023) to \$26.2M (2025) – the giving base behind the loans is thinning while the loans strain.

Source: FY2022–FY2025 Annual Reports: nonaccrual, vintage risk-rating, collateral-dependent and ACL tables (Note 6); deposit concentration (Note 9).

Serve the church better: from tithe-dependent debt to asset-building ministry – keep every relationship, change the growth

How a church building loan works today

- Fixed debt service on a sanctuary – a special-use building with no rental income and a thin resale market
- Repayment comes from voluntary giving: the most pro-cyclical cash flow in the economy, falling exactly when members lose jobs
- In hard times the math demands more giving from a stressed congregation – **debt service that leans on the pulpit to preach through the downturn**
- The Bank cannot realistically foreclose on a church in its own community – so stress becomes quiet forbearance, and risk becomes invisible until it is a charge-off

What the combined bank would do instead

- Cap sanctuary debt near 10–12% of loans over time through growth and refinancing – no called loans, no exits
- Underwrite to cash flow: faith-based institution led economic development underwritten to leases, program revenue, endowment, contractual rents
- **Make churches sponsors, not just borrowers: housing, childcare, clinics and retail on church-owned land, where the congregation owns the asset**
- Syndicate the big projects with the Series D money-center holders and CDFI partners – more capital in the corridor at less concentration
- **Report it: a faith-franchise scorecard in every annual report**

The words “health,” “clinic” and “childcare” do not appear once in four years of M&F annual reports. Every one of these is deep-impact eligible, diversifies the book, and builds community assets that appreciate.

Source: FY2025 Annual Report Notes 1 & 6 (risk factors, concentration, collateral language); absence of healthcare/childcare lending verified across FY2022–FY2025 reports. Characterizations are Triad’s opinion; proposal per the Appendix.

Credit where due: what this Bank does well – **the critique is aimed at allocation and structure**, not at the underwriting craft the record honors

- A real SBA 7(a) engine: \$31.9M on book (62% of the commercial segment), a secondary-market sales program launched in 2024, and gains growing \$146K → \$334K.
- Deep-impact discipline: ≥60% qualified lending for 14 consecutive quarters through 2025 – the record that earned the Treasury discount option early.
- Home-equity growth (+94% since 2022) is putting homeowners' equity to work – quietly one of the most mission-consistent lines in the book.
- The faith-based franchise itself is a trust asset: “specialized lending experience” (the Company’s words) that no competitor in these markets can match.

The problem is not capability. It is what the balance sheet was – and was not – asked to do with it.

Proposal Four keeps every one of these strengths, in the same charter, under the same name, in the same building on Parrish Street – and gives them a lending engine and capital to grow behind them. The Optus agreement folds them into a division of a South Carolina bank, for two years.

Source: FY2024–FY2025 Annual Reports (SBA, Note 6 concentration language, ACL); UBPR 3/31/2026; M&F proxy pp. 6, 44.

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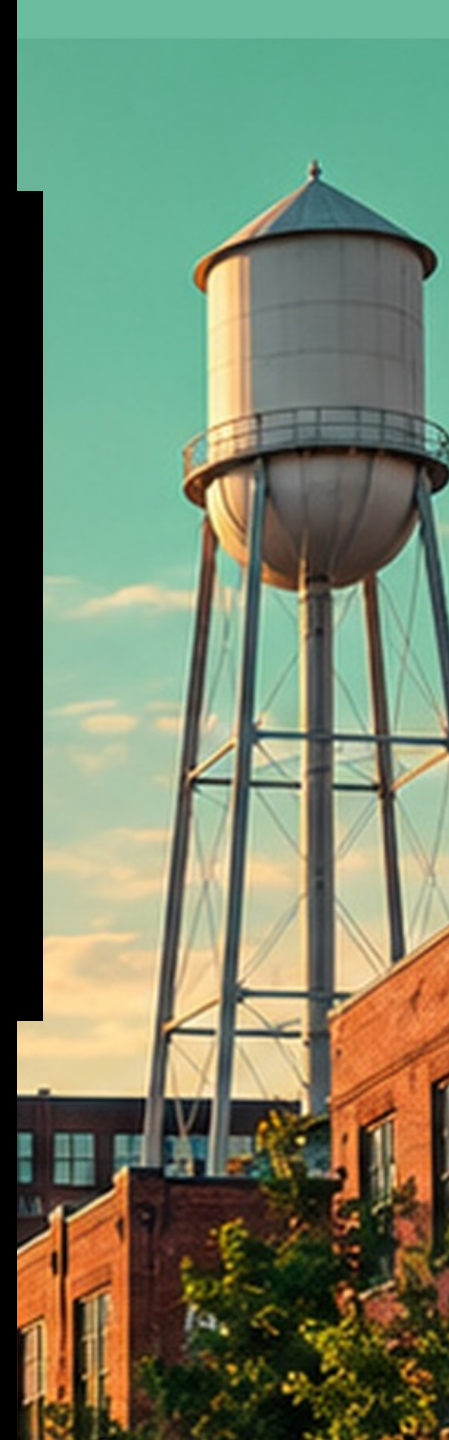
SECTION IX · WHO GETS PAID

Who Gets Paid

A bonus of 5% of a discount earned by lending, in a year the lending fell short; termination payments that ride on the vote; a pill without a vote and no say-on-pay. The proxy sets out the incentives itself. We question structures, not individuals.

You
Don't
Kill A
Bank To
Save It!

Do Well.
& **Do Good.**



"Interests in the Merger that may be different from, or in addition to, those of our shareholders generally" – the proxy's own section, in its own words

Shareholders may wish to read pages 9, 10 and 27 of the merger proxy. Triad draws no conclusion from them; the Board's reasons are the Board's to state.

Item	What the proxy discloses	Reference
Termination payments	\$2.7 million in payments ride on the merger closing; if the vote fails, the merger fails, and they are not paid	p. 9
Chief executive employment agreement	An employment agreement with Optus begins on the day the merger closes; until then his duty, and the Board's, runs to M&F's shareholders	p. 10
Voting agreements	Directors and officers have signed voting agreements in favor of the Optus transaction	p. 27
January 2026 special bonus	\$2.6 million approved by the Board in January 2026, payable on the redemption of the Series E preferred	2026 proxy pp. 11–12
What the Optus agreement adds	A five-member Optus committee with authority to pay those bonuses after closing if the redemption had not occurred before closing, while shareholders' \$6.73 depended on it (p. 44). The redemption occurred Oct. 22; under the January approval the bonus is payable on it. Whether it has been paid, and to whom, is undisclosed; the agreement keeps the expense out of the closing capital test (§2.02(b)(iv))	p. 44
Vote standard	A majority of all outstanding shares; the meeting has been adjourned twice; the Board says its proxies are "overwhelming"; the count has not been disclosed	pp. 9, 42

Under Proposal Four the M&F chief executive remains in his current role, compensation and retention for continuing M&F executives are as provided in the September 10 proposal, and the gain on the Series E repurchase of October 22 stays in the shareholders' equity – no consideration to any shareholder depends on the redemption event.

Source: M&F merger proxy statement (Sept. 1, 2026) pp. 9, 10, 27, 42, 44 and supplement (Oct. 26, 2026); 2026 annual-meeting proxy pp. 11–12; Triad Summary of Key Terms.

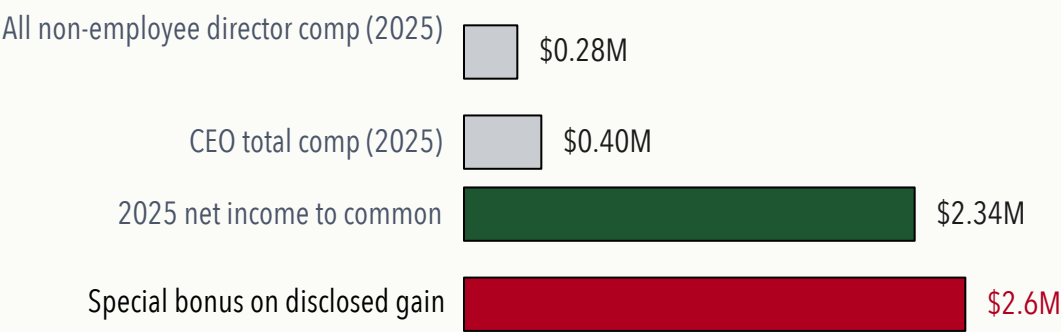
Anatomy of the January 2026 bonus: each step is documented in the Company's own filings – follow the sequence

Jun 2022	Treasury invests \$80.0M (Series E ECIP preferred) – 0% dividend years 1-2, then 0.5-2.0% depending on qualified lending growth.
2022-2025	Bank exceeds the 60% deep-impact threshold for 14 consecutive quarters – the performance that qualifies the repurchase discount.
Jan 8, 2025	Company signs the purchase-option agreement: right to repurchase all 80,000 shares at a discount, exercisable as early as Q3 2026.
Jan 2026	Board approves “an aggregate special bonus equal to five percent of the ECIP Discount, payable upon the successful redemption of the ECIP” – “to incentivize and reward members of the Board and the Corporation’s management.” About \$2.6M on the Company’s disclosed \$52.3M gain.
Feb 27, 2026	FY2025 Annual Report subsequent-events note: “no additional subsequent events requiring accrual or disclosure.” The bonus is not mentioned.
Jun 2, 2026	Annual meeting: directors re-elected; no bonus proposal, no say-on-pay, no pill ratification on the ballot.
Jul 21, 2026	Optus agreement signed; a committee may pay the bonus after closing if not yet redeemed (p. 44). Oct. 22: M&F repurchases the Series E – bonus payable; \$6.73 folds into the price.

Source: FY2024–FY2025 Annual Reports (Notes 1, 21); 2026 Proxy Statement pp. 11–12; merger proxy (Sept. 1, 2026) p. 44 and supplement (Oct. 26, 2026); U.S. Treasury ECIP Disposition Policy. Triad draws no conclusion as to any individual's motive.

Sized against this Company, **the bonus is larger than a full year of the earnings that belong to the shareholders** – and it rewards an event, not the creation of value

\$ millions



- 5% of the Company’s disclosed \$52.3M ECIP gain ≈ \$2.6M. No individual allocations, caps, vesting or clawbacks are disclosed; no split between Board and management.
- The formula contains no lending target, no EPS target, no shareholder-return target – its sole trigger is “the successful redemption of the ECIP.”
- The qualifying performance was substantially achieved before the plan was approved; the Governance Policies’ requirement that incentives link to “financial goals set in advance” is unmet on its face.
- Contrast the ordinary incentive: a \$38,794 CEO bonus in 2025. The redemption plan could pay the insider group ~65x that amount.

Redemption itself may well be right for shareholders. That is precisely why it requires no bonus – boards do not get paid extra for doing their jobs. The redemption happened on October 22. Under Proposal Four every dollar of the gain stays in the shareholders’ equity; under the Optus agreement it funds the cash paid to departing holders.

Source: 2026 Proxy Statement pp. 11–17; FY2025 Annual Report; merger proxy (disclosed \$52.3M gain); Corporate Governance Policies §2.3. Bar chart uses the Company’s disclosed figures.

The Board’s own rules – adopted and re-approved on January 29, 2026, the same month as the bonus – and what the record shows at each checkpoint

Checkpoint	The Company’s own rule	What the record shows
Recusal	Director Code of Ethics §IV: conflicted directors must “fully disclose the circumstances” and “abstain from participation in any decision-making”	No recusals disclosed – every approving director is a beneficiary
Waiver	Conflicts permitted only “under the conditions approved by the Board” via formal waiver	None disclosed
Disinterested review	Related-party procedure (proxy pp. 17–18): “a majority vote of all disinterested directors”	Could not function; not applied so far as disclosed
Committee authority	Compensation Committee Charter §IV: authority over directors’ “compensation fees”	An uncapped share of a transaction gain is not a fee by any reading
Shareholder vote	Ordinary community-bank practice: say-on-pay; interested transactions ratified	Not submitted at the June 2, 2026 annual meeting; no say-on-pay at all
Disclosure	Full compensation-table disclosure; subsequent-events note	One paragraph outside the tables; omitted from the FY2025 subsequent-events note
State-law standard	N.C. Gen. Stat. §55-8-31: disinterested-director approval, shareholder approval, or demonstrated fairness	None of the three evidenced in the record

Our ask is rescission and reform, not litigation. Any one of these alone would warrant review; all of them together, in a transaction that also ends the Bank’s independence, warrant a conversation with the shareholders before they vote.

Source: M&F Bancorp governance documents, Board-approved Jan. 29, 2026; 2026 Proxy Statement; FY2025 Annual Report Note 21; N.C. Gen. Stat. §55-8-31. Triad is a bank, not counsel; legal characterizations are Triad’s opinion.

A 10% poison pill at a chronically undervalued bank – **adopted without a shareholder vote**, while the Board itself said no takeover attempt existed

- Successor rights plan adopted after the 2014 plan's expiry; trigger set at >10% ownership– dilution mechanics against any holder crossing it.
- The Board's stated rationale: the stock "is undervalued" and shareholders need protection from "potentially coercive" acquirers. The FAQ answers its own question – "Is a third party trying to acquire control? No."
- The largest outside holder already owns 10.2%. **All directors and executive officers combined: 5.7%.**
- The pill's **10% trigger sits far below the 30% change-of-control threshold in management's own severance agreements** (2.99x / 2.0x base).
- Within eighteen months of adopting a plan to protect shareholders from "coercive" acquirers, **the Board agreed to a transaction in which the Bank "will cease to be an independent bank"** – and has declined to engage with the alternative that keeps it.

A board that will not let shareholders vote on the pill and will not hold a say-on-pay vote asks for a great deal of trust. Proposal Four asks the Board to extend that same trust to its shareholders: put both transactions in front of them, as published, and let them choose.

Source: Shareholders' Rights Plan FAQ; 2026 Proxy Statement (ownership table, severance terms); merger proxy (Sept. 1, 2026) pp. 6, 44.

Governance scorecard: measured against ordinary community-bank norms, M&F fails on six of seven

Annual say-on-pay vote	No
Shareholder ratification of rights plan	No
Enforced director retirement policy	No
Recusal of interested directors from own-pay decisions	Not disclosed
Incentive comp tied to pre-set financial goals	No
Board refreshment (new independent director in last 3 yrs)	Yes – one (2023)
Full compensation disclosure in the compensation tables	No – outside the tables
Vote tally disclosed at each adjournment of the merger meeting	No

Source: 2026 Proxy Statement; Company governance documents; M&F announcements of Oct. 7, 19 and 20, 2026; Triad assessment.

What the ECIP capital was for: below-market capital in exchange for deep-impact lending, with the discount rewarding the institution so the benefit compounds in the community

The program's design

- \$80.0M of Series E preferred at 0% for two years, then 0.50–2.00% set by qualified lending growth – the cheapest capital in American banking.
- M&F's own annual report: the capital was to "enhance support of small businesses and consumers" in its community; the annual lending requirement was \$31.0M.
- Treasury's Disposition Policy conditions the discounted repurchase on sustained deep-impact lending – the discount is the program's reward to the institution and its mission.
- Participants operate under an Excessive & Luxury Expenditure Policy limiting performance incentives to "reasonable expenditures ... in accordance with written plans and policies."

What each transaction does with it

- Optus agreement: the gain funds ~\$103M of cash to selling shareholders; the capital leaves the combined bank at closing; the charter that earned the discount ceases to be independent.
- Proposal Four: the gain M&F realized on October 22 stays in the shareholders' equity; three quarters of the shares stay as shares; the capital stays in Durham under the same MDI/CDFI charter; \$158M of securities goes to work as loans along I-40 and I-85.
- Every ECIP participant has an interest in how redemptions are handled.

We ask only that the program's own design be honored. **The statute's beneficiaries are communities, not signatories.**

Source: U.S. Treasury ECIP program terms and Disposition Policy (Nov. 2024); M&F Excessive and Luxury Expenditure Policy (Jan. 2026); FY2023 Annual Report; ICBA Independent Banker, Feb. 1, 2023.

TRIAD BUSINESS BANK

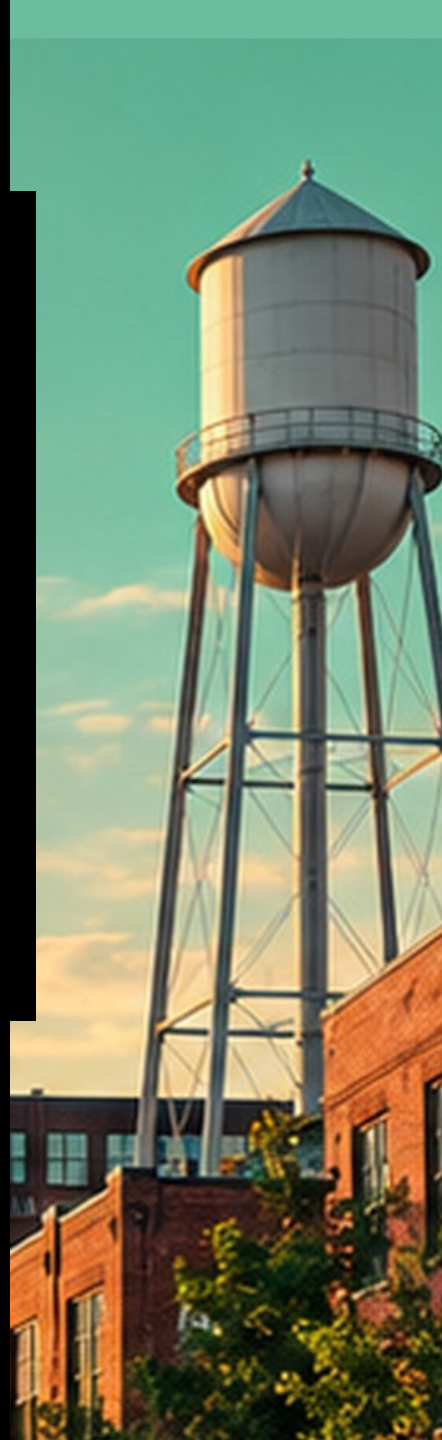
SECTION X · PATH OUT OF THE CORNER

Path Out Of The Corner

What a selling board does, where this one departed, and what cures each departure – with every fact on its page. A board that has done none of the things on this list has one left that costs nothing. **A meeting.**

You
Don't
Kill A
Bank To
Save It!

Do Well.
& Do Good.



Seven facts on the public record, how a shareholder's advisors will read each of them, and what cures each one – every cure is still available before November 4

What the record shows	How a shareholder's own advisors read it	What cures it
Four written proposals – Aug. 6, Aug. 17, Sept. 10, Oct. 8 – not one meeting; “not permitted to engage” (Oct. 26)	Directors cannot have been informed about an alternative they refused to hear. Uninformed is the duty-of-care claim.	A good faith meeting under §5.08(b). Costs nothing. Documents diligence.
Four rising proposals; the Optus price never moved; no request to Optus disclosed	The Board had leverage to raise the price for shareholders and did not use it.	A best-and-final from both parties, in writing, on the record.
No go-shop; no disclosed market check before signing	The Board cannot show the price was the best available because it never tested it.	A limited market check now, or a documented reason none was needed.
A fairness analysis dated July 21, never refreshed; the supplement cites the adviser and discloses no figure	The Board relied on a stale opinion against proposals it never saw and would not let its shareholders see the analysis.	A bring-down opinion that compares Proposal Four as published.
A \$2.6M bonus to “members of the Board and management,” approved in January, not on the June ballot, payable on the redemption – which occurred Oct. 22; payment undisclosed	The Board approved a payment that includes members of the Board. §55-8-31 asks for disinterested approval, shareholder approval, or proof of fairness. Which directors voted, and whether any abstained, is not on the record.	Independent counsel; a disinterested committee; shareholder ratification or rescission.
Sept. 30 supplement: “immediate payment of up to \$53.30 ... at closing”; footnote 1: only if redeemed within 12 months – which happened Oct. 22, four weeks later	A disclosure claim writes itself when the body and the footnote of the same page disagree.	A corrected supplement before any further vote.
“Overwhelming support” Sept. 30; no majority Oct. 7; two adjournments; “overwhelming” proxies Oct. 26; no count	Shareholders were told the outcome before they voted and not told the outcome after.	Read the number.

Source: M&F merger proxy and supplements (Sept. 30 and Oct. 26, 2026); 2026 Proxy pp. 11–12; M&F responses of Aug. 13, Sept. 4, Sept. 22 and statements of Oct. 7, 19, 20; N.C. Gen. Stat. §55-8-31. Characterizations are Triad’s opinion.

The scorecard, part one: five things a selling board does to get the highest price, against what the record shows

What a selling board does	M&F BOARD	What the record shows	Where it is written
Runs a market check – contacts the logical buyers before signing, or negotiates a go-shop so others can bid after		§5.08(a) is a full no-shop: M&F may not “initiate, solicit, induce or knowingly encourage” any proposal. No go-shop. The shareholders have been told, in substance, that no one else would buy the bank. Four written proposals from a North Carolina bank say otherwise.	Proxy, Background of the Merger; Agreement §5.08
Meets the bidder – a proposal a board has not heard is a proposal it cannot price		Four proposals – Aug. 6, Aug. 17, Sept. 10, Oct. 8. Not one meeting. Each answered by letter within days: “does not constitute a superior proposal,” not “reasonably likely to lead to,” “inadequate value.” Oct. 26: “not permitted to engage” – under the provision written to permit it.	M&F responses of Aug. 13, Sept. 4, Sept. 22, Oct. 14; Oct. 19 statement; Oct. 26 supplement
Asks the buyer to raise – a higher bid is leverage; the matching right exists to be used		The agreement has one trigger that puts Optus on the clock: a Notice of Superior Proposal, opening a five-business-day Notice Period of good-faith negotiation on improved terms (§5.08(e)). The Board never sent one. Four rising proposals over eleven weeks; Optus never added a dollar – the Oct. 22 move to \$53.30 was the shareholders’ own \$6.73, already in the agreement. The only lever in the contract, never pulled.	Agreement §5.08(e); no amendment disclosed
Values the consideration as it is – a payment that has not been earned is not worth face	 	Piper Sandler: “at your direction and with your consent, [we] did not evaluate the impact or likelihood of its payment.” The Board called it “immediate ... at closing.” It became payable Oct. 22, by M&F’s own repurchase (§2.01(e)(vii)); no adviser has opined on \$53.30, and the price is still “up to.”	Piper opinion (App. B) p. 3; supplement p. 1 and fn. 1; Oct. 26 supplement; §2.01(e)
Counts insider leakage as a cost of the deal – money to management and directors at closing is money that did not go to price		\$2.6M bonus pool, payable on the Oct. 22 redemption under the January approval – whether paid is undisclosed; \$2.7M termination payments; a new employment agreement with the buyer. \$5.3M, or \$2.73 a share, counted nowhere.	2026 Proxy pp. 11–12; merger proxy pp. 9, 10, 44
Source: as cited in the table. Characterizations are Triad’s opinion; every quoted phrase is the Company’s.			

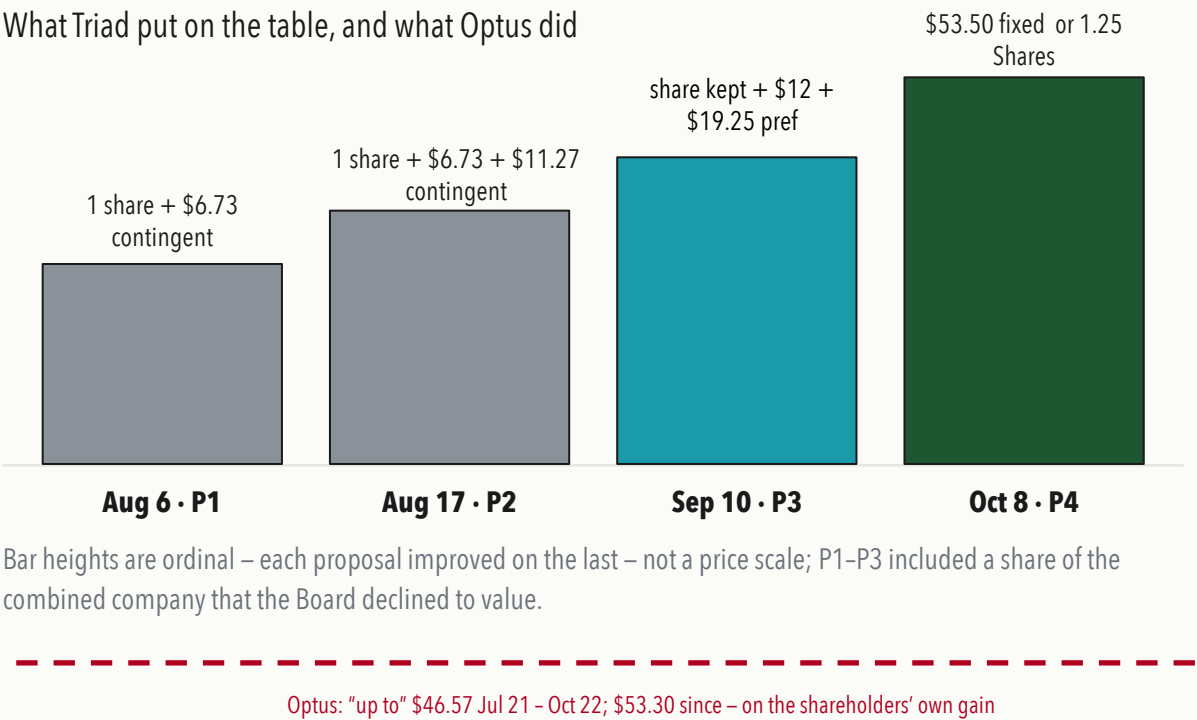
The scorecard, part two: going-concern value, a bring-down, the count, accuracy about the alternative – and accuracy about the deal itself

What a selling board does	What the record shows	Where it is written
Values the company as a going concern – a bank is its franchise, deposits and earning power, not its book on a given day	The price is within a dollar of standalone book plus the Treasury discount. Nothing in it is attributable to \$364M of deposits at the cheapest cost in the peer group, a 1907 charter, CDFI and MDI standing, or the earnings a lending bank earns.	Section: The Piper Math
Refreshes the analysis before the vote – an opinion is a snapshot; a board asks for a bring-down when facts change	Dated July 21; by its own terms “not undertaken to update, revise, reaffirm or withdraw.” Since then: four proposals, two quarters of falling earnings, a reserve release, two adjournments, and a repurchase that changed the price. No bring-down disclosed. Both supplements cite “the advice of our financial advisor” and give no figure.	Proxy; supplements (Sept. 30, Oct. 26); Oct. 19 statement
Tells the shareholders the count – a board with the votes closes the polls; one without says so	Sept. 30: “overwhelming support.” Oct. 7: not approved by a majority of outstanding shares. Oct. 20: adjourned again. Oct. 26: proxies from “an overwhelming majority of outstanding shares.” The number has not been disclosed. A board with the votes reads them.	Supplements of Sept. 30 p. 3 and Oct. 26; announcements of Oct. 7, 19, 20
Describes the alternative accurately – a board may prefer one bid; it may not misstate the other	The supplement compared “\$12.00 at closing” to “\$53.30 at closing.” The Oct. 19 statement described proration, a holding period and a dividend prohibition that Proposal Four does not contain.	Supplement p. 1; Oct. 19 statement; Triad published terms
Says what it is building – accurately	Supplement: the combination will be “the largest African American-owned financial institution in the United States.” By total assets, the measure banks are measured by, Optus + M&F at \$1.24B ranks second to City First Bank at \$1.56B; if the claim rests on an ownership test, the supplement does not say so.	Supplement p. 2; FFIEC call reports June 30, 2026

Source: as cited in the table; FFIEC call reports June 30, 2026 as compiled by Visbanking (City First \$1.56B; Liberty \$1.13B; Optus \$764M; M&F \$476M). Characterizations are Triad's opinion.

Four proposals, each higher than the last. The Optus price never moved. The Board had the leverage a competing bid creates and got nothing for its shareholders with it

What Triad put on the table, and what Optus did



Four rising proposals. Eleven weeks. Not one dollar more from Optus.

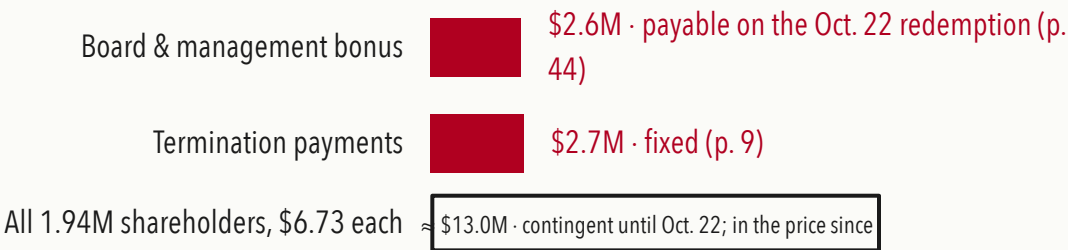
A competing bid is the single most valuable thing a selling board can receive, because it is the only thing that makes the buyer pay more. The agreement gives Optus five business days to respond to a Notice of Superior Proposal, and no obligation to raise (§5.08(e)). Over four proposals no Notice was sent and Optus never added a dollar: the move from "up to" \$46.57 to "up to" \$53.30 on October 22 was the contingent \$6.73 that was always in the agreement, earned by M&F's own repurchase – and the number can still go down.

The contract has exactly one mechanism that obliges the Board to go to Optus and Optus to decide: a Notice of Superior Proposal and a five-business-day Notice Period of good-faith negotiation (§5.08(e)). It is triggered by the Board's determination, which the Board controls. It was never triggered. The Board did not get it for the shareholders because it never asked in the one way the agreement makes the asking count. The leverage four proposals created was spent on letters saying no.

Source: Triad proposals of Aug. 6, Aug. 17, Sept. 10 and Oct. 8, 2026; M&F proxy and supplement; Agreement §§2.02, 5.08. No amendment to the Optus agreement has been disclosed as of Oct. 26, 2026.

The ledger the Board did not show its shareholders: the contingent \$6.73 counted at face as "immediate" four weeks before it was earned, and \$5.3M of fixed payments to insiders counted at zero

\$ millions, to scale. All now fixed; the shareholders' was contingent until Oct. 22.



On September 30 the supplement counted the shareholders' \$13.0M at face and called it immediate; it became part of the price on October 22, when M&F repurchased the Series E with the shareholders' money. It counted the insiders' fixed \$5.3M nowhere, then and now. A comparison that treats a payment as certain before it was earned, and fixed payments as nothing, has not measured the deal.

\$2.73 per share to insiders at closing ($\$5.3\text{M} \div 1.94\text{M shares}$), against a cash price of "up to" \$53.30. Payments to insiders at closing are counted nowhere in the price (pp. 9, 10, 44).

111% the bonus pool as a share of all FY2025 earnings to common (\$2.34M), approved in a year qualified lending was \$28.2M against a \$31M requirement, and not on the June 2 ballot.

Source: M&F proxy supplements (Sept. 30, 2026, fn. 1; Oct. 26, 2026); merger proxy pp. 9, 10, 44; 2026 Proxy pp. 11-12; FY2025 Annual Report. Per-share figures on 1,936,958 shares; Triad arithmetic.

What the shareholders were told on September 30, and what happened: **approval requires a majority of all outstanding common shares (§8.01); the meeting was adjourned October 7 without approval and again October 20; the count has not been disclosed**

SEPTEMBER 30

"... have received overwhelming support for the combination and future plans of the combined company."

October 7: the agreement did not receive the approval of a majority of the outstanding shares. The meeting was adjourned. It was adjourned again October 20. The count has not been disclosed.

SEPTEMBER 30

"... it is anticipated that the merger with Optus will occur as early as October 30, 2026."

October 26: no vote, no closing, a reconvened meeting on November 4, and closing now "anticipated ... during the fourth quarter of 2026." The shareholders were told the deal was done; the shareholders had not done it.

SEPTEMBER 30

"... a value we are already achieving under the Optus merger proposal."

"Up to." Reduced dollar for dollar below \$36.5M of tangible common equity – calculated without the Series E gain (§2.02(b)(iii)) – in a year the reserve was released and charge-offs exceeded all of 2025. Nothing is achieved until closing, and the number can fall before then.

Approval requires a majority of all outstanding common shares – 968,480 of 1,936,958 (Agreement §8.01) – not a majority of votes cast. The meeting convened October 7 was adjourned without approval and adjourned again October 20. On October 26 the Board said it holds proxies from "an overwhelming majority of outstanding shares"; the count has not been disclosed. "Overwhelming" is not a number: proxies from 70% of the shares, 70% of them in favor, is 49%.

Source: M&F proxy supplement (Sept. 30, 2026) pp. 1–3; M&F announcements of Oct. 7, Oct. 19 and Oct. 20, 2026; M&F proxy supplement (Oct. 26, 2026); Agreement §§2.02, 8.01; Call Report 3/31/2026 (Schedules RI-B, RC-R).

Liquidation versus going concern, in one picture: the Board priced the column on the left and never let its shareholders see the other two

	Liquidation frame – the Optus price	Going concern – standalone, deployed	Going concern – Proposal Four, year 3
What is counted	Tangible book + the Treasury discount	Book with the discount + earnings from lending the securities	Book with the discount + two charters' earnings
Per M&F share	≈ \$45.56 (price: "up to" \$53.30)	≈ \$58–66 at the adviser's own multiples	\$69.70 downside; \$73.45 base, at 1.6x book
What the franchise is worth in the frame	≈ \$2 in the price	The difference	The difference, plus the engine
Who keeps the bank	Nobody – M&F Bank merges into Optus Bank	The shareholders	The shareholders, 47–50% of a listed \$1.0B company

The shareholders are being asked to accept the first column. The Board has not shown them the second or the third, and has declined to meet the only party offering the third.

Source: Company Sept. 2026 release; M&F merger proxy pp. 6, 44; Triad's arithmetic (page 68); Proposal Four plan (revised Oct. 26, 2026). Illustrative; not price targets; see disclaimer.

What the scorecard adds up to

A board that runs no market check cannot know the price is the best available.

A board that will not meet the only other bidder cannot know what that bidder would pay.

A board that does not ask its buyer to raise has left the buyer's matching right unused – and the shareholders' leverage on the table.

A board that counted a contingent payment at face four weeks before it was earned, and insider payments at zero, has overstated the shareholders' side of the ledger and understated its own.

A board that values a lending bank at book plus a discount has priced a liquidation and called it a sale.

A board that relies in October on an analysis from July, after all of the above has changed, is relying on a date the opinion itself says it does not update.

None of this requires a director to have acted in bad faith. It requires only that the shareholders be allowed to see it. Section 5.08(b) gives the Board the door: it may engage with a written proposal "reasonably likely to lead to a Superior Proposal." The determination asked of it is not that Proposal Four is superior. It is that \$53.50 fixed, or 1.25 shares and the bank kept, against "up to" \$53.30 and nothing after, is reasonably likely to lead there. "Not permitted" is the Board's reading of a door it wrote. A board that has done none of the things on this list has one left that costs nothing.

A meeting.

**You don't kill a
bank to save it.**

Source: M&F merger proxy and supplement; Agreement §§2.02, 5.08(b). Characterizations are Triad's opinion.

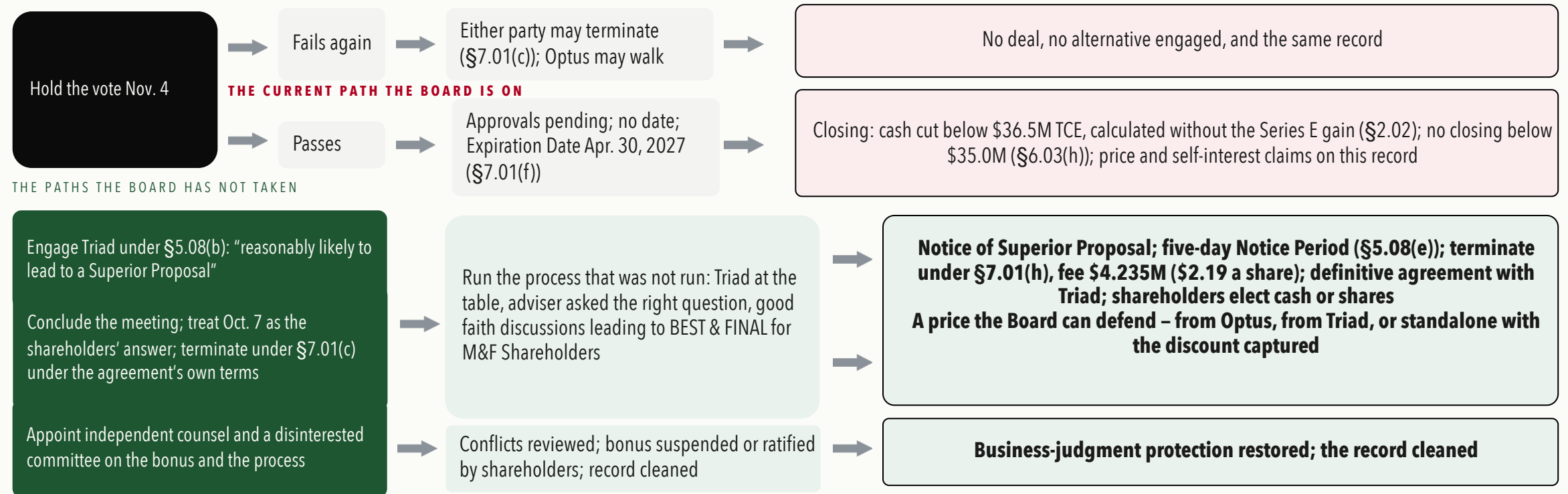
ARE WE GOING TO LET THIS HAPPEN AGAIN?

How shameful to let another Black business disappear like NC Mutual.



YOU DON'T KILL A BANK TO SAVE IT

A path out of the corner : two branches on the path the Board is on, both ending in the same conclusions by shareholder advisors ; three branches it has not taken, each of which ends in a price it can defend



Source: Agreement §§2.01(e), 2.02, 5.04(a) ("M&F Meeting" includes any adjournment, so the §5.08(b) window is open through November 4), 5.08(b), 5.08(e), 6.03(h), 7.01(c), 7.01(f), 7.01(h), 7.02(a); N.C. Gen. Stat. §55-8-31. Triad says nothing about any agency's view of any application.

The options the Board has not taken: every one is available before November 4, and the first costs nothing but an hour

Rank	Option the Board has not taken	What it does for the Board	What it does for the shareholders
1	Engage Triad under §5.08(b) – one meeting, this week	Cures “uninformed” on the spot; costs nothing; the agreement permits it	Both offers seen as published before they vote
2	Independent counsel and a disinterested committee on the bonus and the process	Restores the §55-8-31 safe harbor on the January 2026 payment	The \$2.6M either justified in public or returned
3	Correct the supplement before any further vote	Removes the disclosure claim and the injunction risk	The truth about \$53.30, “up to,” and the count
4	End the meeting; treat October 7 as the answer; terminate under the agreement’s own terms	Ends the exposure to a price that can only fall and a vote that has not been obtained	The shareholders’ October 7 decision respected

Approval requires a majority of all outstanding common shares – 968,480 of 1,936,958 (Agreement §8.01) – not a majority of votes cast. The meeting convened October 7 was adjourned without approval and adjourned again October 20. On October 26 the Board said it holds proxies from “an overwhelming majority of outstanding shares”; the count has not been disclosed. “Overwhelming” is not a number: proxies from 70% of the shares, 70% of them in favor, is 49%. The agreement’s own covenant: where sufficient favorable voting power is present to secure the Requisite M&F Shareholder Approval, M&F will not adjourn the meeting unless advised by counsel that failure to do so would reasonably be expected to breach the Board’s fiduciary duties (§5.04(b)). Triad draws no inference. Source: Agreement §5.08(b); N.C. Gen. Stat. §55-8-31; M&F supplements (Sept. 30 and Oct. 26, 2026). The §7.01(h) path carries the \$4.235M Fiduciary Termination Fee (§7.02(a)), \$2.19 a share; the stock election’s illustrative value in the closing year, \$61.04 at 1.6x book, is \$7.74 above the Optus price before year 3 or year 5 is counted. Not legal advice.

What any director can ask for this week – each a request, not a concession

A bring-down of the July 21 analysis that compares \$53.50 fixed, and 1.25 shares at \$37.34 of book, with “up to” \$53.30 – a price no adviser has opined on – in writing, before any further vote.

A committee of disinterested directors, with independent counsel, to review the January 2026 payment to members of the Board and management: who voted, who abstained, and whether the conditions of N.C. Gen. Stat. §55-8-31 were met.

A meeting with Triad under §5.08(b). The determination the agreement asks for is “reasonably likely to lead to a Superior Proposal,” not “superior.”

A corrected supplement before any further vote, setting out both transactions as published, with the body and the footnote in agreement.

The certified count as of October 7 and October 20, and the proxies in hand as of October 26, by share, read into the record.

Questions for counsel: what the Company’s indemnification and insurance do and do not cover for each claim on this record; whether reliance on a July opinion against October facts preserves the business-judgment presumption; what §5.04(b) requires when the votes are in hand; what §5.08(b) permits, against “not permitted to answer.”

Any one of these can be asked this week by a single director without conceding that anything was wrong. Together they are the record a board can defend – and the meeting is the only item that costs nothing.

**You don’t kill a
bank to save it.**

Source: Agreement §§5.04(b), 5.08(b); N.C. Gen. Stat. §55-8-31; M&F proxy supplement (Sept. 30, 2026); M&F announcements of Oct. 7 and Oct. 20, 2026; M&F proxy supplement (Oct. 26, 2026). Triad is not counsel; these are questions a director may put to the Company’s own advisers.

The day after: an announcement the Board could make, in its own voice

- “The Board of Directors of M&F Bancorp, Inc. today announced that, consistent with its fiduciary duties and with the terms of its merger agreement with Optus Financial Corporation, it has taken the following steps.
- The Board has met with representatives of Triad Business Bank under Section 5.08(b) of the merger agreement to determine whether Triad’s October 8 proposal is reasonably likely to lead to a Superior Proposal.
- The Board has asked its financial adviser to update its July 21, 2026 analysis to compare the consideration under the Optus agreement with Triad’s proposal as published.
- The Board has referred the January 2026 ECIP redemption bonus, payable following the October 22 repurchase, to a committee of disinterested directors, advised by independent counsel.
- The Board will file a supplement to its proxy statement describing both transactions as published before any further vote is taken, and will announce the certified vote count as of each adjournment of the special meeting.
- The Board has not changed its recommendation. It will report to shareholders when its review is complete.”
- Nothing in this draft is a statement by M&F or its Board. It is Triad’s illustration of an announcement the Board could make the day after it meets, so that the meeting is the Board’s own decision. Source: Agreement §§5.04, 5.08(b); N.C. Gen. Stat. §55-8-31.

THE BOARD CAN STILL LIVE UP TO
THE LEGACY IF IT CHOOSES TO

ONCE
WE LET IT HAPPEN.

North Carolina Mutual
was lost to a generation.

OUR
HISTORY
OUR FUTURE

COMMUNITY
CAPITAL
OPPORTUNITY

G 116
BLACK WALL STREET

In the early decades of the 1900's Durham acquired national reputation for entrepreneurship. Businesses owned by African Americans lined Parrish Street. Among them were N.C. Mutual Life Insurance Co. (moved to Parrish, 1906), led by John Merrick, Dr. Aaron Moore, & C. C. Spaulding and Mechanics and Farmers Bank (1907), led by R.B. Fitzgerald and W. G. Pearson.

THIS TIME
WE CHOSE
DIFFERENTLY.

The Board saved the last Black bank in North Carolina, protected the 1907 charter, and chose the Triad deal to keep its legacy alive for generations.

DURHAM
STRONGER
TOGETHER

BLACK
BUSINESS
BUILDS
BRIGHTER
TOMORROWS

MECHANICS & FARMERS BANK

THANK YOU
FOR CHOOSING NORTH CAROLINA



SAVED
NORTH CAROLINA'S
LAST AFRICAN AMERICAN
MDI



PROTECTED
THE 1907 CHARTER
AND LEGACY



CREATED OPPORTUNITY
FOR EMPLOYEES,
CUSTOMERS &
COMMUNITIES



STRONGER TOGETHER
WITH THE TRIAD DEAL
FOR A BRIGHTER
FUTURE



INVESTING
IN NORTH CAROLINA
FOR GENERATIONS
TO COME

If the record stands / If the Board meets

IF THE RECORD STANDS

- A price claim on this record.
- A self-interest claim on the January 2026 payment.
- A disclosure claim built from one page of the Board's own supplement.
- Arithmetic the Board never ran, run by someone else.
- A deal that can still fail on its own terms – price adjustment, outside date.

Nobody on this Board has to have been wrong. A board that signed in good faith in July can meet in good faith in October. The meeting is the cure for every claim on these pages, and it is the only item here that costs nothing.

IF THE BOARD MEETS

- Informed, on the record, under a provision the Board itself negotiated.
- A bring-down opinion that compares what exists today.
- A disinterested review of the January 2026 payment.
- A corrected supplement and a vote that holds.

Call us. **You don't kill a bank to save it.**

Source: as stated throughout this section. Triad is not counsel and does not provide legal advice; M&F directors should put every question on these pages to their own counsel.

TRIAD BUSINESS BANK

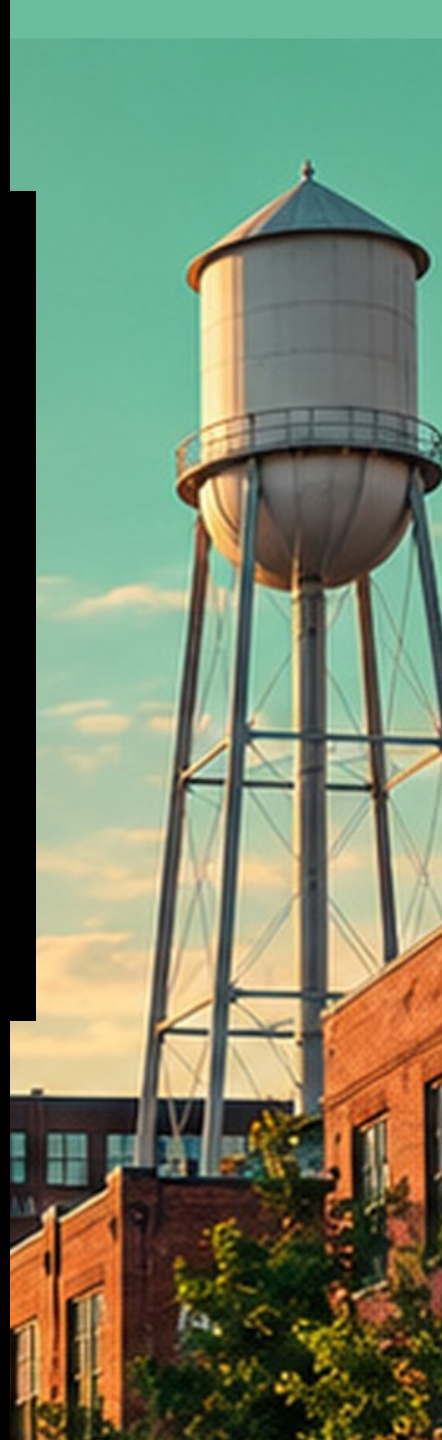
APPENDIX A · OBJECTIONS ANSWERED

Objections, Answered

The objections we expect – some already made on October 19 and October 26 – and our responses, against the documents.

You
Don't
Kill A
Bank To
Save It!

Do Well.
& Do Good.



"Triad is sub-standard and predominantly unprofitable" – the record, thirty months to June 30, 2026, as each company reported it

The objection

Triad lost money and is too young to be trusted with M&F's legacy.

Triad lost \$4.3M in 2023 as a de novo building scale; it earned \$1.5M in the last twelve months and has been profitable every quarter since early 2025. M&F's EPS fell 61% over the same period. We are not the older bank. M&F has the history; Triad has the momentum. Proposal Four keeps the history in Durham and puts the momentum behind it.

The objection

Triad's capital ratios are thinner than M&F's.

They are – 11.0% Tier 1 leverage against 26.6% – because Triad lends. That is the point of the combination: M&F's capital against Triad's pipeline, under a holding company with \$110.8M of tangible common equity at closing and a 13.9% CET1 ratio at the end of the closing year. The combined company has more capital, better deployed, than either alone.

The objection

Government securities are the safe choice; community lending is risky.

The "safe" portfolio funded a 61% EPS decline and a last-place multiple. Credit drift happened anyway: nonaccruals up 5x while the book shrank. Not lending has not prevented credit risk; it has starved the earnings that absorb it. The Bank's own 14 qualifying quarters prove it can underwrite this lending soundly. The plan is phased, capped and disclosed.

Source: M&F proxy supplement (Sept. 30, 2026) p. 2 and statement of Oct. 19, 2026; M&F and Triad filings and call reports; FY2025 Annual Report Note 6; Triad Supporting Material.

“Optus is certain; Triad is a non-binding indication” – what each document actually binds

The objection A signed agreement beats a proposal.	Proposal Four is non-binding because the Board has not let it become anything else. A draft agreement conformable within two business days has been offered four times. The agreement the Board signed permits the conversation that would make Triad’s terms binding. Certainty is available; it has been declined.
The objection Triad’s cash is uncertain and prorated.	\$53.50 is fixed at closing. Proration applies only to cash elections above the 25% cap; every share not receiving cash receives 1.25 shares, without reduction. It is the Optus cash that is “up to” \$53.30, reduced below a \$36.5M TCE target measured without the Series E gain.
The objection Triad cannot fund the cash.	The cash pool is \$25.9M, funded with transaction costs by \$25.0M of subordinated debt and \$6.9M of holding-company reserves, set out in the published sources and uses. The Optus consideration is ~\$103M. The smaller cash requirement is the feature, not the weakness: it is what keeps the capital in Durham.
The objection Engaging would breach the agreement – the Board “was not permitted” to.	The agreement allows the Board to engage with a proposal reasonably likely to lead to a superior proposal, and defines a superior proposal to include one in which the other company’s holders exceed 50% (pp. 42–44). A conversation is not a termination. “Not permitted” is the Board’s reading of its own door.

Source: M&F proxy pp. 42–44 and supplement (Oct. 26, 2026); Agreement §§2.01(e), 2.02; Triad Summary of Proposed Terms and Supporting Material.

“Optus is a Black bank; Triad is not” – the MDI designation turns on the board, the charter and the community served, and Proposal Four keeps all three in North Carolina

The objection Only a combination with another Black-owned bank preserves M&F’s legacy.	Under the Optus agreement, M&F Bank ceases to exist as an independent institution and North Carolina has no African-American MDI. Under Proposal Four, M&F Bank keeps its charter and Durham home office, a majority African-American board is written into the charter and by-laws, and the combined company meets the FDIC’s MDI test on the same basis as City First, the largest African-American MDI in the country by total assets. The legacy stays where it was made.
The objection Triad’s shareholders would hold a majority.	They would – 50-53% – with M&F holders at 47-50%, three M&F designees on the combined board and a majority African-American board in the charter. Under Optus, M&F holders hold 0%. The question is not who holds a majority of shares; it is whether M&F’s shareholders hold any, and whether the bank that serves Durham is still governed from Durham.
The objection The community prefers Optus.	We hold every advocate for minority depository institutions in the highest regard, and we have never said otherwise. We ask only that the community be shown both transactions as published: one that moves the capital and the decisions to Columbia, and one that keeps them on Parrish Street and puts \$158 million to work along I-40 and I-85.

Source: FDIC MDI Program policy statement and MDI List; M&F proxy pp. 6, 44; Triad Summary of Key Terms.

"The plan is too ambitious; the projections are aggressive" – what the base case does and does not depend on

The objection

\$5.65 of EPS by year 5 is a fantasy.

Four engines with every cost of growth charged: Triad-led lending from three named sources; four named deposit sources replacing brokered money; a \$75M unitranche and \$10M SBIC stake; corridor syndication from 2031; \$160M of securities redeployed; 5% synergies. The downside case – volumes a third slower – is still \$80.63 in year 5 at 1.6x book, and every year-5 grid point exceeds the Optus cash.

The objection

Rapid loan growth is how banks fail.

Agreed – which is why the plan is phased over ~12 quarters, matched to securities maturities, funded by core and reciprocal deposits rather than brokered money, capped by segment and single name, confined to collateral classes the banks already underwrite, and preceded by a dedicated workout resource for the criticized book. The ramp from 55% to 65% loans/assets returns M&F to where it was in 2021.

The objection

Two charters are inefficient.

Two charters are what keep M&F Bank alive and its MDI designation intact. The cost is a second examination cycle and some duplicated administration; the benefit is a \$17M combined limit through affiliate participations, the Durham charter, and the CDFI standing. Back-office consolidation where it does not touch the customer is in the base case at 5% of combined expense.

Source: Proposal Four plan (revised Oct. 26, 2026); Triad Supporting Material; FY2021 and FY2023 Annual Reports (loans/assets 63.5%; 2023 originations). Illustrative; see disclaimer.

"The vote is overwhelming; this is a distraction" – **if the votes are there, the remedy is to count them**

The objection

Shareholders have already decided.

Then the polls can close and the number can be read. The meeting has been adjourned twice without a tally; on October 26 the Board said it holds proxies from "an overwhelming majority of outstanding shares," and still gave no number. Approval requires a majority of all outstanding shares – 968,480. Proxies from 70% of the shares, 70% of them in favor, is 49%. Triad has no objection to waiting until November 4 – or beyond. A 119-year-old bank can survive two more weeks of deliberation.

The objection

Triad is an unprofitable opportunist exploiting a vulnerable institution (Exhibit B).

Triad's record is on the table – the Board's Exhibit B and Triad's own call reports: chartered in 2020, \$536M of assets and \$59M of tangible common equity built through its start-up years, earnings rising while M&F's fell 61%. Proposal Four does not ask the shareholders to take that history on faith: \$53.50 fixed on the cash election, 1.25 shares at \$37.34 of book, every assumption published, M&F designees on the board. Four approaches in writing, each improving the terms, is not opportunism. It is the offer the Board has not let its shareholders see as published.

The objection

The Board signed in good faith and cannot now change course.

Nobody on M&F's board has to be wrong for this to work. They can have signed in good faith and still choose to keep the bank. That is what boards are for – and it is what the agreement's own superior-proposal provisions exist to allow. We were here on October 7, on October 20, and we will be here on November 4.

Source: M&F proxy pp. 9, 42–44; M&F announcements of Oct. 7, 19 and 20, 2026 and supplement of Oct. 26, 2026 (Exhibit B); Triad release of Oct. 21, 2026.

TRIAD BUSINESS BANK

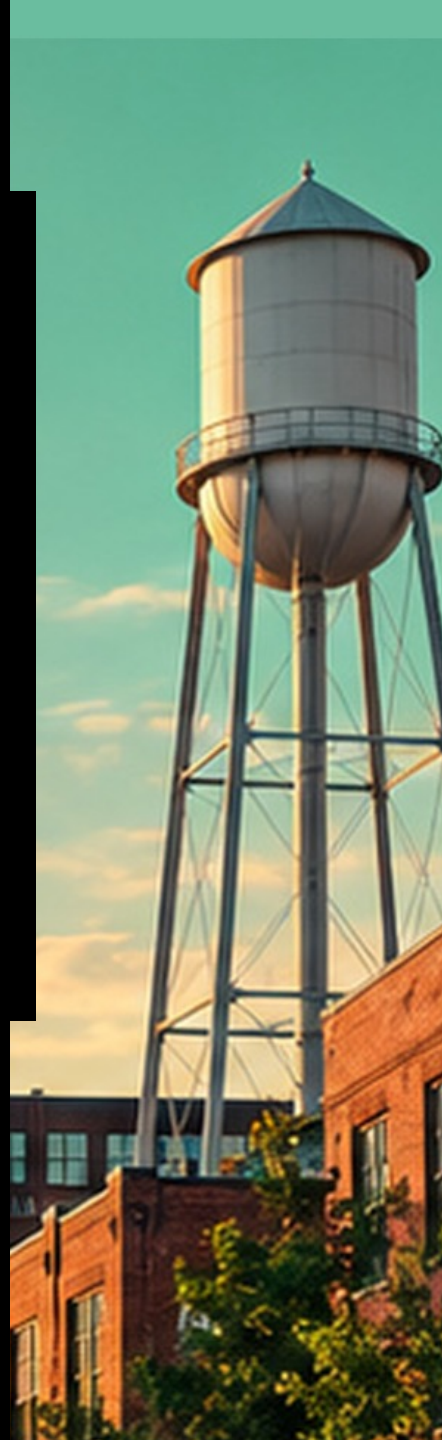
APPENDIX B · THE OPTUS AGREEMENT

The Optus Agreement

\$103 million out the door, the deposits replaced at 2.9 percent, a lending limit smaller than the buyer's today, the name a two-year division, and no African-American MDI left in North Carolina.

You
Don't
Kill A
Bank To
Save It!

Do Well.
& Do Good.



On every measure the shareholders care about, Mechanics & Farmers is worth more open than sold – including with no transaction at all

Per M&F share, or for Durham	Sold (Optus agreement)	Alive – standalone, deployed	Alive – Proposal Four
Cash in hand	"up to" \$53.30, adjustable	–	\$53.50 fixed on up to 25% of shares
Tangible book per share	none – cashed out	\$18.56 → ~\$45.56 after the Oct. 22 repurchase	\$37.34 closing year → \$55.65 year 5
Earnings per share	none	\$1.06 → ~\$2.40 on \$100M redeployed	\$1.39 closing year → \$3.47 year 3 → \$5.65 year 5
Illustrative value, year 3 / year 5	≤ \$53.30, once	~\$45–50 at peer multiples	\$73.45 / \$90.96 base; \$69.70 / \$80.63 downside
Limit to one borrower	~\$11.3M combined – less than M&F Bank alone	\$11.6M	\$17.2M → \$37.5M goal
Who decides the next loan on Parrish Street	Columbia, S.C.	Durham	Durham
African-American MDI in North Carolina	None	Yes	Yes – in the charter
The name on the door	A two-year division	M&F Bank	M&F Bank, no sunset

The middle column is the one the Board should weigh hardest. Even with no transaction at all, a bank that redeploys its own securities and captures its own discount is worth more to its shareholders than the cash on offer. The sale is not a floor under the value. It is a ceiling on it.

Source: M&F proxy, supplement (Oct. 26, 2026) and Agreement §2.02; Company Sept. 2026 release; Triad’s arithmetic (standalone deployment, page 68); Proposal Four plan (revised Oct. 26, 2026), base and downside cases. Illustrative; not price targets; see disclaimer.

Cash paid to selling shareholders leaves the bank. Shares don't. That is the whole difference between the two transactions in nine words

Optus agreement

\$103 million

out the door at closing – “up to” \$53.30 a share on 1.94 million shares. The two banks' combined capital of \$178.6 million becomes about \$75 million. The combined bank can lend less to one borrower than M&F Bank alone can today.

What leaves under Optus: \$103M of cash to selling shareholders; M&F's core deposits, which the proxy's fairness analysis assumed would run off; the charter; the headquarters; the decision about who gets the next loan.

Proposal Four

\$26 million

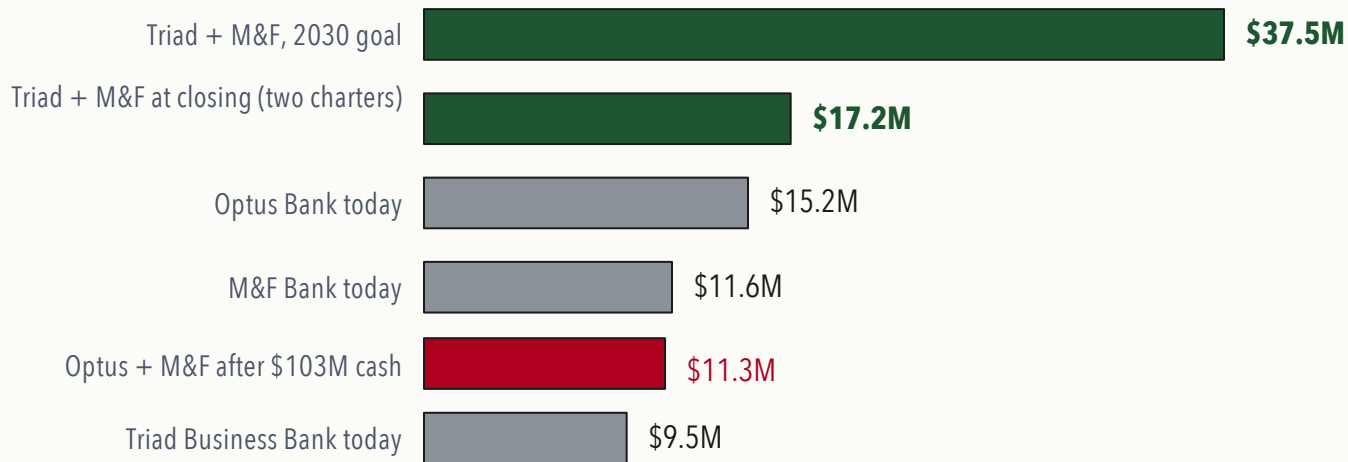
out the door – \$53.50 fixed on up to a quarter of the shares. The other three quarters stay as shares, so the capital stays in Durham. Combined capital of \$140.5 million becomes about \$115 million. Two charters, lending together.

What replaces it: money raised at the acquirer's cost of funds of about 2.9%, with no address in Durham. The capital Treasury put in to lend on Parrish Street funds a balance sheet in South Carolina.

Source: FFIEC call reports June 30, 2026; M&F proxy (shares implied by the Company's own 25% cash-cap figure of 484,240 shares → 1,936,960); Triad Supporting Material p. 10. Before purchase accounting, transaction costs and any subordinated debt contributed to the bank; M&F's Oct. 22 Series E repurchase was a holding-company transaction. The direction does not change.

A lending limit is the biggest loan a bank can make to one customer. After the cash goes out, the Optus deal lends less to one borrower than M&F Bank does today

Implied limit to one borrower, \$M – 15% of Tier 1 + Tier 2 capital, June 30, 2026



- The church. A sanctuary and a senior center on one lot is a \$12M loan. A bank with an \$11M limit cannot do it alone; a bank with a \$17M limit can.
- The HBCU dorm. Two hundred beds is a \$15M facility. Today no African-American MDI except City First and Liberty can write that check alone.
- The business buyer. A business owner buying the company she has run for twenty years needs \$8M. Every bank on the list can do that one. **The question is who can do the next one, and the one after.**

Source: FFIEC call reports June 30, 2026 (bankregreports.com); Triad lending-limit page (Oct. 21, 2026). Optus + M&F: \$11.3M on the \$53.30 price in force since Oct. 22 (~\$103M of cash); ~\$16.6M if \$35M of subordinated debt is contributed to the bank; point estimate shown is cash consideration alone. Loan sizes are illustrations. Limits are Triad’s arithmetic and should be confirmed with each institution.

"Certainty" cuts the other way: the Optus cash is adjustable and was contingent until October 22; the Proposal Four cash is fixed, and the stock keeps the shareholder at the table

Source of uncertainty	Optus agreement	Proposal Four
Closing cash	"Up to" \$53.30 – reduced dollar for dollar if TCE at closing is below \$36.5M, measured without the Series E gain (\$2.02); the Q1 reserve release bears directly on that number	\$53.50 fixed on up to 25% of shares; no TCE adjustment
Contingent value	Contingent July 21 – Oct. 22, until M&F's own repurchase; the price remains "up to"	None contingent – the Oct. 22 gain stays in the shareholders' equity
Deposit runoff	Assumed in the fairness analysis; replaced at the acquirer's cost of funds	Core deposits stay in Durham under the same charter and name
Regulatory and MDI confirmation	Required; M&F Bank merged out of existence; N.C. loses its African-American MDI	Required; both charters continue; MDI and CDFI preserved by board and community
Shareholder approval	Majority of all outstanding shares; adjourned twice; "overwhelming" proxies claimed; count undisclosed	Both companies' shareholders; election by each holder
What the holder has afterward	Nothing	47-50% of a \$1.0B listed company, or cash, or both

The Board's October 19 statement implied that Triad's terms were the uncertain ones. The documents say otherwise. We ask the proxy supplement to set both out, side by side, as published.

Source: Agreement and Plan of Merger §§2.01(e), 2.02; M&F proxy pp. 9, 42-44 and supplement (Oct. 26, 2026); Triad Summary of Proposed Terms; Call Report 3/31/2026.

What it means on Parrish Street: **the money gets on the highway to Columbia**, and what comes back costs 2.9 percent

What leaves

\$103 million of cash to selling shareholders at closing. M&F's core deposits, which the proxy assumed would run off. The charter, the headquarters, and the decision about who gets the next loan.

What replaces it

Money raised at the acquirer's cost of funds of 2.9 percent, with no address in Durham. The capital the Treasury put in to lend on Parrish Street funds a balance sheet in South Carolina.

What Triad keeps

Three quarters of the shares, and so three quarters of the capital, in Durham. Two charters lending together to one borrower. \$158 million of securities going to work as loans along I-40 and I-85 instead of leaving on I-85 and I-77.

They pay \$103 million out the door.

They replace the deposits at 2.9 percent.

The day after closing, the bank can lend less to your church than it can today.

You don't kill a bank to save it.

Source: FFIEC call reports June 30 and March 31, 2026; M&F proxy (fairness-analysis assumptions); Triad Supporting Material.

Ten questions a shareholder is entitled to have answered before November 4 – and that we would rather the Board answer in a room with us than in a proxy supplement

- 1** Why has the Board not met Triad once across four proposals, and on what reading of §5.08(b) was it “not permitted” to?
- 2** On what analysis is \$53.50 fixed, or 1.25 shares at \$37.34 of book, not superior to “up to” \$53.30 and nothing after?
- 3** What was the tally at the October 7 and 20 adjournments, and what proxies, by share, does the October 26 supplement call “overwhelming”?
- 4** What amount of deposit runoff did the fairness analysis assume, and what replaces those deposits?
- 5** What is M&F’s tangible common equity today against the \$36.5M target, measured without the Series E gain, and what is the expected cash per share?
- 6** Why did the October 19 statement describe proration, “up to” cash, a holding period and a dividend prohibition that the published terms do not contain?
- 7** Who are the recipients and what are the amounts of the January 2026 bonus, and has it been paid on the October 22 redemption?
- 8** Did the Board consider that North Carolina will have no African-American MDI if M&F Bank is merged into Optus Bank?
- 9** What will the combined Optus bank be able to lend to one Durham borrower on the day after closing, compared with today?
- 10** Why was the \$31 million annual ECIP lending commitment met in 2023, unreported in 2024, and missed in 2025 – and what does the Optus agreement do about it?

Source: M&F proxy and Agreement; M&F statements of Oct. 7, 19, 20, 2026 and supplement of Oct. 26; FY2023 and FY2025 Annual Reports; Triad published terms. Questions, not assertions.

TRIAD BUSINESS BANK

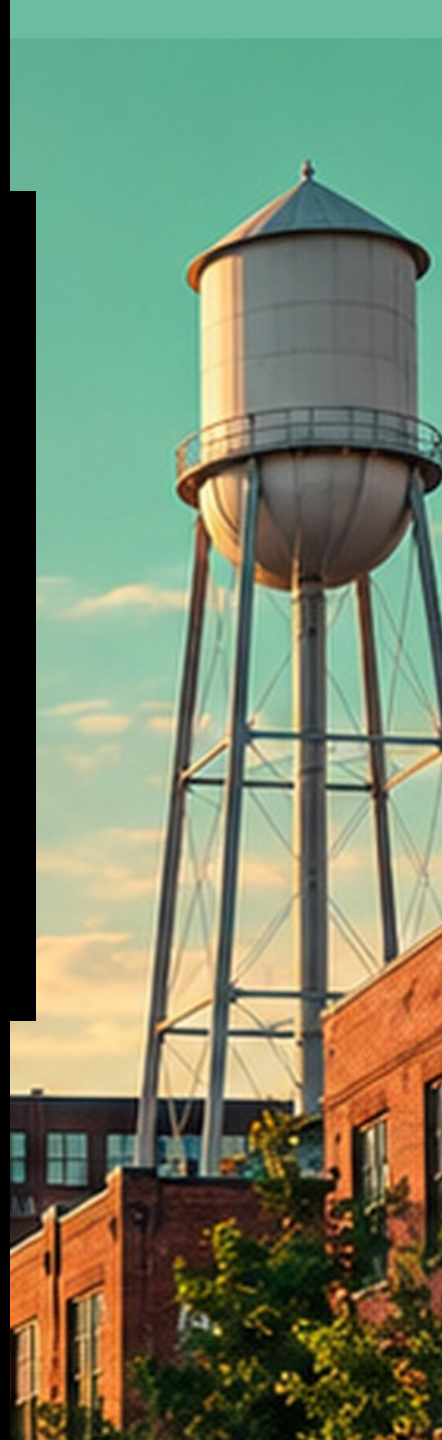
APPENDIX C · SUPPORTING EXHIBITS

Supporting Exhibits

The Second Founding plan and its milestones; ownership, listing, path to closing and integration; balance sheet and earnings detail; the preferred stock; the peer set; methodology, data notes and contact.

You
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Bank To
Save It!

Do Well.
& Do Good.



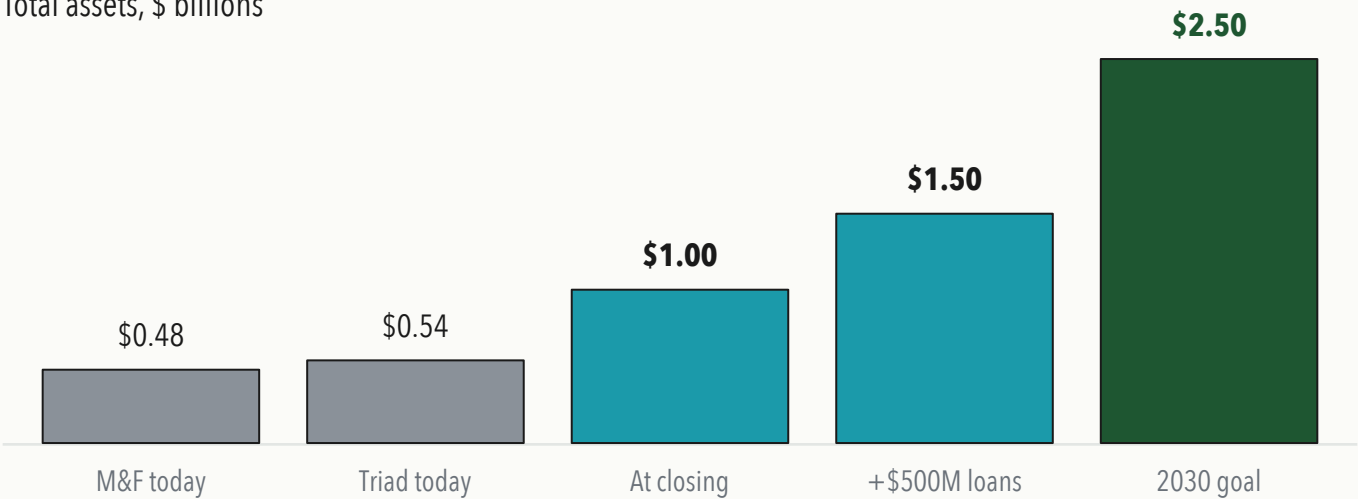
What a protected M&F looks like: same charter, same mission, same markets – different choices

Measure	Today (FY2025 / Q2 2026)	Optus agreement	Triad Proposal (2030-32 plan)
Securities / assets	37.8%	n/a – bank merged	~20%
Loans / assets	54.9%	n/a	≥65%
Limit to one borrower	\$11.6M	~\$11.3M combined	\$17.2M → \$37.5M
EPS per M&F share	\$1.06	none – cashed out	\$3.47 (yr 3) → \$5.65 (yr 5)
Return on tangible common equity	~1.7%	n/a	10.4% base, 13.3% upside (2032)
Director incentives	5% of the redemption discount	payable on the Oct. 22 redemption; whether paid undisclosed	Set by the combined board; no consideration tied to the redemption event
African-American MDI in North Carolina	Yes	No	Yes – written into the charter
Valuation	Lowest P/assets in N.C. peer set	“up to” \$53.30, adjustable; nothing after	Listed; peer multiple on higher earnings

Source: FY2025 Annual Report; Q2 2026 results; M&F proxy and supplement (Oct. 26, 2026); Proposal Four plan (revised Oct. 26, 2026) and plan targets – objectives, not forecasts; see disclaimer.

Scale is a strategy: the first African-American MDI past \$2 billion in total assets, built across the I-40/I-85 corridor

Total assets, \$ billions



- Closing: published pro forma, \$1.0B, two charters, \$17.2M limit to one borrower.
- +\$500M of net loans funded by deposits and FHLB advances: Triad's book doubled in 36 months, M&F's securities redeployed, reciprocal deposits previously turned away.
- 2030: \$2.5B at a 10% capital ratio implies ~\$250M of capital and a limit near \$37.5M – the first African-American MDI past \$2B in total assets. City First, the largest today by total assets, is \$1.56B.
- Combination criteria published in advance: accretion, mission, MDI certification.

A bank at 47.7% total capital that will not lend, return, or combine has chosen stagnation as a strategy. A bank that pays its capital out at closing has chosen an exit. Proposal Four chooses scale – in North Carolina.

Source: FFIEC call reports June 30, 2026; Triad Supporting Material (Oct. 13, 2026) p. 10 and open letter. The \$1.5B and \$2.5B bars are illustrative of balance-sheet size if the plan is achieved; they are goals, not forecasts.

Three futures on one page – a director should be able to absorb this choice in ten seconds

Dimension	Status quo	Optus agreement	Triad Proposal IV
M&F Bank	Independent, hibernating	Merged into Optus Bank; name a two-year division	Independent charter, Durham, no sunset
Shareholder value	\$26.30 ref.; last multiple in N.C. peers	"up to" \$53.30, adjustable; nothing after	\$53.50 fixed or 1.25 shares at \$37.34 book; 47-50% shareholder
Balance sheet	38% securities; loans falling	\$103M capital out; deposits replaced at 2.9%	\$26M out; \$158M securities → loans
Lending power	\$11.6M to one borrower	~\$11.3M combined – less than M&F Bank alone	\$17.2M at closing → \$37.5M goal
Community	Qualified originations –43%	Decisions move to Columbia, S.C.	>\$50M/yr originations; corridor scorecard
MDI in North Carolina	Yes	None	Yes – in the charter
Governance	Unratified pill; no say-on-pay; 24-year tenure	No M&F board; bonus payable on the Oct. 22 redemption	Three M&F designees; majority African-American board in the charter

Source: status quo per FY2025 Annual Report, Q2 2026 results and UBPR 3/31/2026; Optus agreement per M&F proxy, supplement (Oct. 26, 2026) and Agreement; Second Founding per Triad published terms, Section II and Appendix C.

Path to closing: a definitive agreement within days of engagement, and a timetable no longer than the one the Board has already accepted

Days 0-2	Board engages under the agreement’s superior-proposal provisions; mutual confidentiality agreement; Triad’s draft merger agreement conformed to Proposal Four and delivered.
Weeks 1-3	Confirmatory diligence; fairness opinions; Board determination; definitive agreement signed.
Weeks 3-8	Joint proxy / election materials; regulatory applications filed with the relevant federal and North Carolina agencies, including MDI and CDFI confirmation; Treasury notified on the Series E repurchase.
Months 3-5	Shareholder meetings of both companies; election period for M&F holders; regulatory review period.
Closing	Series E repurchased; cash paid to electing holders; 1.25 shares issued; both charters continue; listing process begins. Target: mid-2027.

What is already done: published terms, published pro forma, published sources and uses, a draft agreement, holding-company liquidity at closing identified, and a sub-debt arrangement for the balance.

What we do not say: whether any agency will or should approve any transaction. Both proposals require the same classes of approval; we note only that Proposal Four keeps both charters and the MDI designation intact.

Source: Triad Supporting Material; M&F proxy pp. 42-44. Timetable is an objective, not an assurance; any transaction requires a definitive agreement and shareholder and regulatory approvals.

MDI and CDFI standing: the designations turn on the board, the charter and the community served – and all three stay

The FDIC's MDI test

An institution qualifies as a minority depository institution if either (a) 51% or more of the voting stock is owned by minority individuals, or (b) a majority of the board of directors is minority and the community the institution serves is predominantly minority.

City First Bank, N.A. – the largest African-American MDI by total assets – is designated on the second basis, after absorbing Broadway Federal.

How Proposal Four meets it

- Majority African-American board written into the combined company's charter and by-laws
- M&F Bank's charter continues; its Durham headquarters and branch footprint continue
- The community served since 1907 continues to be served, with more capital behind it
- CDFI certification preserved on the same basis – 60% target-market lending is the binding test, and the corridor plan is built to exceed it

Under the Optus agreement, M&F Bank is merged into Optus Bank. North Carolina will no longer have an African-American minority depository institution. That is not a prediction; it is what the agreement does (proxy pp. 6, 44).

Source: FDIC Minority Depository Institutions Program (Policy Statement); FDIC MDI List; CDFI Fund certification standards; Triad Summary of Key Terms; M&F merger proxy. Confirmation of MDI and CDFI status with the relevant agencies is a closing condition; see disclaimer.

North Carolina peer set – price / earnings and price / book, April 2026

Institution	P / E	P / B	Note
Truist Financial Corporation	12.7x	1.6x	Charlotte
First Bancorp	19.7x	2.0x	Southern Pines
First Citizens BancShares	11.4x	1.2x	Raleigh
KS Bancorp	9.5x	1.6x	Smithfield
Farmers & Merchants Bancorp	9.5x	1.3x	Salisbury
Southern BancShares (N.C.)	13.1x	1.3x	Mount Olive
Oak Ridge Financial Services	10.8x	1.2x	Oak Ridge
Lumbee Guaranty Bank	11.0x	0.9x	Pembroke
BlueHarbor Bank	10.6x	1.9x	Mooreville
Live Oak Bancshares	14.4x	1.5x	Wilmington
HomeTrust Bancshares	11.8x	1.4x	Asheville
Median	11.8x	1.4x	April 2026 set
M&F Bancorp (on common EPS / common book)	18.4x on \$1.19 → 10.0x on normalized	1.5x on common; 0.070 P/assets – last	Durham
Triad Business Bank	37.8x (early-earnings)	1.0x	Greensboro

Source: Triad peer comparables, April–May 2026 (S&P Capital IQ; company filings). The 14.9x / 1.2x medians used in Sections II and III are from the May 2026 community-bank subset; this table shows the broader April set.

Methodology and key assumptions

- Lending limits: 15% of Tier 1 + Tier 2 capital as implied by June 30, 2026 call-report ratios (Tier 1 = leverage ratio $\times$ average assets; Tier 2 from total vs. Tier 1 risk-based ratios; ACL for CBLR filers per 12 CFR 32.2). Cash consideration deducted dollar for dollar; before purchase accounting, transaction costs and any subordinated debt contributed; M&F's Oct. 22 Series E repurchase was a holding-company transaction. Optus + M&F: \$11.3M on the \$53.30 price ($\sim$ \$103.2M of cash); $\sim$ \$16.6M if \$35M of subordinated debt is contributed to the bank. Shares: 1,936,960 from M&F's own 25% cash-cap figure (484,240).
- Proposal Four closing: the Series E was repurchased by M&F on Oct. 22, 2026 (gain \$52.3M as the Company disclosed, in M&F's equity); cash election at the 25% cap (\$25.9M) and \$6.0M of costs funded by \$25.0M of 8% subordinated debt and \$6.9M of holding-company reserves. Tangible common equity at closing \$110.8M; CET1 13.9% at end-2027; tangible book \$29.87 per holding-company share at end-2027 $\times$ 1.25 = \$37.34 per M&F share; 3,831,916 shares post-closing, 4,948,000 after the 2028 raise.
- Earnings ramp (base case): Engine 1 lending limits and yield, Engine 2 deposit franchise, Engine 3 SBIC and unitranche, Engine 4 corridor and syndication, plus \$160M of securities redeployed and 5% cost synergies, every cost of growth charged. Adjusted EPS per M&F share 2027–2032: \$1.39 / \$0.71 / \$2.32 / \$3.47 / \$4.62 / \$5.65; tangible book \$37.34 / \$38.71 / \$41.25 / \$44.93 / \$49.78 / \$55.65. Full assumptions in Annex I and II, Section V.
- Illustrative values: 1.25 shares at 1.6x tangible book (peer 75th percentile; 13.5x adjusted earnings shown for reference); the grid averages (tangible book $\times$ P/TBV) and (adjusted EPS $\times$ P/E) at 1.2–1.8x and 10–16x. Downside case: volumes a third slower. Not price targets.
- Standalone deployment arithmetic: \$100M redeployed at +300bps $\approx$ \$3.0M pre-tax; after tax at $\sim$ 23% $\approx$ \$2.31M $\approx$ \$1.19/share on 1.937M shares; phased over $\sim$ 12 quarters.
- Bonus pool: 5% $\times$ the Company's disclosed \$52.3M ECIP gain $\approx$ \$2.6M (earlier estimate using Treasury's program-wide 7–28% price range: \$2.9–3.7M).
- Common book value: total equity less \$97.3M of preferred, divided by 1.93–1.94M shares; TBV \$18.56 per the Company's September 2026 release.

Source: as stated; full basis of every figure at [triadbusinessbank.com/investors](https://www.triadbusinessbank.com/investors). See disclaimer.

Data notes and what we do not say

Data notes

- Annual figures are holding-company consolidated; Q1 and Q2 2026 figures are bank-level (Mechanics & Farmers Bank, Cert 12266) from the FFIEC Call Report and UBPR (Peer Group 5: insured commercial banks \$300M-\$1B, 1,279 institutions). The distinction is noted where material.
- Loan figures from Note 6 of the FY2023-FY2025 Annual Reports; FY2022 from the FY2023 report. Faith-based = "faith-based non-profit" construction, owner-occupied and other classes combined (\$55.4M, 19.86% at YE2025).
- Criticized = special mention + substandard + doubtful per vintage tables: ~\$20.2M at YE2025 vs ~\$6.6M at YE2024.
- Derived yields (two-point averages): loans 6.39%, securities 3.91% for FY2025 – ~248bp spread.
- Optus figures from its own call reports as compiled by Visbanking (3/31/26) and bankregreports.com (6/30/26). Total assets on different compilers may differ slightly (Carver: \$651.5M vs \$658.05M).
- EPS are trailing twelve months, basic, to common; loans and deposits are period-end.

What we do not say

- Whether any federal or state agency will or should approve any transaction.
- Anything about the motives of any director or officer. The proxy's "interests that differ" section speaks for itself.
- How any shareholder should vote. This is not a proxy solicitation.
- Any figure without its source.
- A word against anyone who advocates for minority depository institutions. We are one.

Statements characterizing lending structures, incentives and community needs are Triad's opinions; all underlying figures are the Company's, Optus's or the FFIEC's.

Published terms, source documents and contact

Triad's published materials

- Summary of Proposed Terms (Oct. 8, 2026)
- Summary of Key Terms
- Supporting Material, including the pro forma balance sheet and sources and uses (Oct. 13, 2026)
- Lending-limit page with method and sources (Oct. 21, 2026)
- Response release, "You don't kill a bank to save it" (Oct. 21, 2026)
- All at triadbusinessbank.com/investors

M&F's documents relied on

- Proxy statement dated September 1, 2026, and Agreement and Plan of Merger dated July 21, 2026 (Appendix A)
- 2026 annual-meeting proxy statement; governance documents approved Jan. 29, 2026
- Annual Reports FY2018–FY2025; results releases Q4 2024 and Q2 2026; September 2026 release
- Statements of October 7, 19 and 20, 2026
- FFIEC Call Reports and UBPR, Cert 12266, 3/31/2026 and 6/30/2026

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You don't kill a bank to save it!

**YOU SAVE IT BY BUILDING
A NEW TOMORROW!**

