

HCB Locations:

150 West Court Street
Hastings, Michigan 49058
269-945-2401

435 Arlington Street
Middleville, Michigan 49333
269-795-3338

111 East Capital Avenue
Bellevue, Michigan 49021
269-763-9418

310 North Main Street
Nashville, Michigan 49073
517-852-0790

9265 Cherry Valley
Caledonia, Michigan 49316
616-891-0010

156 West Superior
Wayland, Michigan 49348
269-792-6201

124 West Michigan Avenue
Marshall, Michigan 49068
269-558-0994

Home Banking Center
269-948-2000 or
Toll-Free 1-888-HCB-HCB1

hastingscitybank.com

Transfer Agent
HCBC Financial Corp.
c/o Broadridge Corporate Issuer Solutions
P.O. Box 1342
Brentwood, NY 11717
Toll-Free 1-855-449-0975



Hastings City Bank

Here For You Since 1886



**SECOND QUARTER FINANCIAL REPORT
2015**

July 28, 2015

To Our Shareholders:

We are pleased to enclose our check representing the quarterly cash dividend of \$.14 per share on your HCB Financial Corp. common stock. This dividend is payable today to shareholders of record at the close of business on June 30, 2015.

Net income for the first six months of 2015 was \$862,000 or \$.81 per share. This was 26% more than our earnings of \$682,000 (\$.64 per share) in the same period of 2014. These positive results reflect improvements throughout the organization. The large deposits with which we were favored a year ago are gradually being withdrawn as planned but a strengthening economy is providing a favorable deposit inflow to replace some of them. Loan demand has been steady and loan quality sufficient enough to negate the need for any provisions for loan losses so far this year. Our office in Marshall is now contributing to the bottom line, something that it did not do in the first half of last year. Overall, we are simply having the best year we have had in some time.

During the twelve months ended June 30, 2015, total assets went up six percent to \$299,816,000. Total deposits increased ten percent to stand at \$251,071,000 at mid-year. Total loans were \$153,462,000 at the end of June, a four percent growth. Shareholders' equity reached \$27,409,000, five percent more than it was one year ago, and brought the book value of our common shares to \$25.71 per share.

We still have some way to go before our operations and profitability return to levels that we achieved prior to the Great Recession. However, we are making steady progress in that direction while maintaining the safety and soundness that earned Hastings City Bank a 23rd consecutive Superior 5-Star Rating from Bauer Financial, Inc. They describe our bank as "...one of the strongest banks in the nation...."

If you have any comments or questions about our organization, please let us know.

Yours truly,



Mark A. Kolanowski
President and
Chief Executive Officer

HCB FINANCIAL CORP.

(Unaudited) Dollars in thousands, except per share data.

Financial Highlights	Year-to-Date June 2015	Year-to-Date June 2014	% Change
Interest Income (inc. loan fees)	\$4,420	\$4,105	8%
Interest Expense	311	284	10%
Loan Loss Provision	—	(37)	-100%
Net Interest Income	\$4,109	\$3,858	7%
Non-Interest Income	1,313	1,235	6%
Other Non-Interest Expense	4,460	4,321	3%
Federal Income Tax Provision	100	90	11%
Net Income after Tax	\$862	\$682	26%

Per Share Data

Average Outstanding Shares	1,066,000		
Net Income per Share	0.81	0.64	26%
Dividends per Share	0.28	0.26	8%
Book Value per Share	25.71	24.43	5%

Balance Sheet Highlights

(Unaudited) Dollars in thousands, except per share data.

Assets	\$299,816	\$283,174	6%
Loans (gross)	\$153,462	\$147,972	4%
Deposits	\$251,071	\$228,812	10%
Interest Earning Assets	\$274,813	\$259,807	6%
Shareholders Equity	\$27,409	\$26,042	5%