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9265 Cherry Valley
Caledonia, MI 49316
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156 W Superior
Wayland, MI 49348
269.792.6201

124 W Michigan Ave
Marshall, MI 49068
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Home Banking Center
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highpointcommunitybank.com

Transfer Agent
HC B Financial Corp.
Continental Stock Transfer & Trust Company
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Fourth Quarter Financial Report

2018



January 28, 2019

To Our Shareholders:

Enclosed is our check representing the regular quarterly dividend of \$.15 per share and a special year-end extra dividend of \$.12 per share (a total of \$.27 per share) on your HCB Financial Corp. common stock. These dividends are payable today to shareholders of record at the close of business on December 31, 2018.

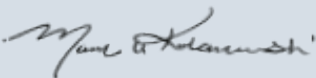
Unaudited net income for 2018 was \$2,166,000 or \$2.03 per share. This is four percent more than our earnings in 2017 when they were \$2,082,000 or \$1.95 per share. Total assets at year-end were \$318,733,000, two percent less than they were one year ago, total deposits were \$260,123,000, also down two percent, and total loans stood at \$203,998,000, reflecting a four percent increase over the course of the past year. Shareholders' equity at year-end was \$30,641,000, two percent more than it was at the end of 2017. Our book value per share now stands at \$28.74.

We should also note that the HCB Financial Corp. Board of Directors has authorized renewal of our Stock Repurchase Program. This program will allow management to purchase up to 30,000 HCB shares on the open market in 2019.

By now you should be fully aware that we amended the bank's Articles of Incorporation to reflect our new name, Highpoint Community Bank. This change was effective on January 21st. Other than a freshened appearance, there are no changes directly impacting HCB Financial Corp. We approach our future with a name that is more reflective and inclusive of all the communities we have grown to serve, one that speaks positively to the type of bank we will be as we move forward, and one that also reminds us of the rich traditions bound by service to customer and community that brought us to where we are today. This new chapter brings tremendous energy and excitement to our team of employees. We are dedicated to continuing the high standards that HCB Financial Corp. and Hastings City Bank have always represented.

As usual, we will be sending you our 2018 Annual Report with full details of our operations prior to the Annual Meeting in April.

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 December 2018	Year-to-Date December 2017	% Change
Interest Income (inc. loan fees)	\$10,941	\$9,985	10%
Interest Expense	816	588	39%
Loan Loss Provision	60	95	-37%
Net Interest Income	\$10,065	\$9,302	8%
Non-Interest Income	2,686	2,714	-1%
Other Non-Interest Expense	10,340	9,732	6%
Federal Income Tax Provision	245	202	21%
Net Income after Tax	<u>\$2,166</u>	<u>\$2,082</u>	<u>4%</u>

Per Share Data

Average Outstanding Shares	1,066,000		
Net Income per Share	2.03	1.95	4%
Dividends per Share	0.72	0.70	3%
Book Value per Share	28.74	28.06	2%

Balance Sheet Highlights

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

Assets	\$318,733	\$326,105	-2%
Loans (gross)	\$203,998	\$196,815	4%
Deposits	\$260,123	\$264,807	-2%
Interest Earning Assets	\$292,681	\$299,077	-2%
Shareholders Equity	\$30,641	\$29,914	2%