

HCB Financial Corp.



150 West Court Street
Hastings, MI 49058-1892
Phone 269-945-2401
Fax 269-945-9777

December 19, 2007

Dear Shareholder:

The board of directors has declared a regular quarterly dividend of \$.18 per share and a special year-end dividend of \$.33 per share on your HCB Financial Corp. common stock. These dividends are payable on January 18, 2008 to shareholders of record on December 31, 2007.

You will note that we have kept our quarterly and year-end dividend the same after our recent stock dividend. This will effectively give you a 10 percent increase compared to the dividends declared last December. For the year, our total dividend payments to shareholders have increased by 4 percent compared to that paid from 2006 earnings.

Concurrently, the board authorized the continuation of our Stock Repurchase Program. Under the terms of this program, management is authorized to purchase up to 30,000 shares of HCB Financial Corp. common stock on the open market in 2008.

Our excellent capital position and continued sound earnings has allowed us to offer you excellent dividends and the continuation of our Stock Repurchase Program while still remaining above the well-capitalized requirements of our regulators. As you can see, our capital position provides real strength to our balance sheet and well positions our franchise for the future.

We will also be sending you our unaudited 2007 Financial Highlights along with your dividend payment in January. While we will not close our books on 2007 until January, it appears our performance and asset quality remain strong during one of the most difficult housing markets that we have faced in decades.

The board of directors, our officers and staff all join me in wishing you a happy and prosperous New Year. We also want to thank you for your support and the business you have given us in the past year.

Sincerely,

A handwritten signature in black ink that reads 'Mark A. Kolanowski'. The signature is written in a cursive, flowing style.

Mark A. Kolanowski
President & CEO