

December 3, 2015

Dear Shareholder,

Best holiday wishes from your friends at First National Bank!

FNBH Bancorp, Inc. is reporting the following results for the third quarter of 2015 and as of September 30, 2015:

- Quarterly net income of \$1,730,000, compared to \$2,538,000 for the third quarter of 2014
 - 2015 includes \$1,500,000 reverse provision expense compared with \$2,500,000 reverse provision expense recorded in third quarter 2014
- Year to date net income of \$2,132,000 compared to \$2,693,000 in 2014
- Total assets of \$355.7 million, increased from \$322.8 million at year-end 2014
- Tangible book value per share of \$1.20, compared to \$1.12 at year-end 2014
- Reduction in classified loans of \$4.4 million, or 41.68%, since year-end 2014

For additional detail on the Company's subsidiary bank, The First National Bank in Howell, please visit the FDIC's website at www.fdic.gov.

A press release issued November 19, 2015 announced the termination of the regulatory Consent Order that the Company's subsidiary bank, First National Bank in Howell, has operated under since September 2009. The Board of Directors and bank employees would like to take this opportunity to express our gratitude for the support and loyalty that the Company's shareholders and customers have shown while we worked to rehabilitate the bank and terminate the Order.

We have recently entered into an agreement with our core data processing provider that will enhance our ability to consistently deliver positive, convenient and timely customer experiences. We are excited to improve our competitive capabilities and look forward to implementation of these technology enhancements during 2016.

We continue to diligently focus on improving the Company's financial performance and may in the future once again have the potential to record reverse provision expense. In addition, as core earnings improve, we will closely evaluate the reinstatement of all or a portion of the Company's approximate \$8.5 million net deferred tax asset. We cannot guarantee any further reverse provision expense or reinstatement of any portion of our net deferred tax asset; however, if one or both of these events were to occur, we expect it would significantly enhance book value per share.

The Company's common stock is quoted and traded under the symbol "FNHM" on the OTCBB. If you are interested in buying or selling shares of FNBH Bancorp, Inc., please contact either Thomas Dooley or Nick Bicking with Boenning & Scattergood at 866-326-8113. (Products and services are offered through Boenning & Scattergood. Boenning & Scattergood is not affiliated with FNBH Bancorp, Inc.)

Thank you for your investment and your commitment to community banking. Be assured that your questions and suggestions are always welcome. You can contact me or a member of your Board of Directors anytime via the information below.

Cordially,



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DISCLAIMER

Discussions and statements in this letter that are not statements of historical fact, including, without limitation, statements that include terms such as "will," "may," "should," "believe," "expect," "forecast," "anticipate," "estimate," "project," "intend," "likely," "optimistic" and "plan," and statements about future or projected financial and operating results, plans, projections, objectives, expectations, and intentions and other statements that are not historical facts, are forward-looking statements. Forward-looking statements include, but are not limited to, descriptions of plans and objectives for future operations, products or services; projections of our future revenue, earnings or other measures of economic performance; forecasts of credit losses and other asset quality trends; statements about or expectations regarding any future reverse provision expense or reinstatement of our net deferred tax asset; and descriptions of other steps we may take to improve our capital position. These forward-looking statements express our current expectations, forecasts of future events, or long-term goals and, by their nature, are subject to assumptions, risks, and uncertainties. Although we believe that the expectations, forecasts, and goals reflected in these forward-looking statements are reasonable, actual results could differ materially for a variety of reasons. For example, our loan portfolio may not perform as we expect; we may not be successful with our cost reduction, loan growth, and other initiatives; and/or economic conditions could deteriorate in a manner that further hurts our financial condition or performance.

Our results of operations, cash flows, financial position, and prospects could also be materially and adversely affected by additional factors that are not presently known to us, that we currently consider to be immaterial, or that develop after the date of this letter. We cannot assure you that our future results will meet expectations. While we believe the forward-looking statements in this letter are reasonable, you should not place undue reliance on any forward-looking statement. In addition, these statements speak only as of the date made. We do not undertake, and expressly disclaim, any obligation to update or alter any statements, whether as a result of new information, future events, or otherwise, except as required by applicable law.

FNBH BANCORP, INC.
SUMMARY FINANCIAL DATA
September 30, 2015 Shareholder Correspondence
(Unaudited)

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
	(in thousands, except per share data)			
Statement of Operations Data:				
Interest income	\$ 2,520	\$ 2,589	\$ 7,475	\$ 7,752
Interest expense	136	168	413	553
Net interest income	2,384	2,421	7,062	7,199
Provision for loan losses	(1,500)	(2,500)	(1,500)	(2,500)
Noninterest income	552	633	1,730	1,858
Gain (loss) on available for sale securities	5	-	4	2
Noninterest expense	2,699	3,016	8,130	8,861
Income before federal income taxes	1,742	2,538	2,166	2,698
Net income	1,730	2,538	2,132	2,693

Per Share Data⁽¹⁾:

Basic and diluted net income per share	\$ 0.06	\$ 0.09	\$ 0.08	\$ 0.10
Weighted average basic and diluted shares outstanding	27,770,423	27,770,143	27,770,409	27,045,561

⁽¹⁾ 2014 per share data and number of shares include 17,510 shares of Mandatorily Convertible Non-Cumulative Junior Participating Preferred Stock, Series B, converted to common shares at a rate reflecting a price per common share of \$0.70.

	September 30,	December 31,			
	2015	2014	2013	2012	2011
	(dollars in thousands)				
Balance Sheet Data:					
Total assets	\$ 355,733	\$ 322,826	\$ 312,290	\$ 296,871	\$ 292,080
Loans, gross	162,195	160,046	165,115	180,191	208,844
Allowance for loan losses	6,221	7,109	9,214	11,769	12,690
Securities	150,327	133,315	68,459	73,365	33,104
Deposits	320,916	290,379	285,313	287,682	283,653
Shareholders' equity	33,416	31,144	25,106	7,369	6,609
Ratios:					
Allowance for loan losses to loans outstanding	3.84%	4.44%	5.58%	6.53%	6.08%
Average equity to average asset ratio	9.66%	8.99%	3.37%	2.35%	2.96%
Net interest margin (tax equivalent)	3.15%	3.43%	3.84%	3.88%	4.26%

	September 30,	December 31,			
	2015	2014	2013	2012	2011
	(dollars in thousands)				
Nonperforming Loans and Assets:					
Nonaccrual loans	\$ 5,814	\$ 8,304	\$ 11,067	\$ 12,839	\$ 22,962
Loans past due 90 days and still accruing	-	4	-	201	9
Total nonperforming loans	5,814	8,308	11,067	13,040	22,971
Other real estate	1,500	1,174	480	3,427	3,026
Total nonperforming assets	\$ 7,314	\$ 9,482	\$ 11,547	\$ 16,467	\$ 25,997
Nonperforming loans as a percent of total loans	3.58%	5.19%	6.70%	7.24%	11.00%
Allowance for loan losses as a percent of nonperforming loans	107.00%	85.57%	83.26%	90.25%	55.25%
Nonperforming assets as a percent of total loans and other real estate	4.47%	5.88%	6.97%	8.97%	12.27%

	September 30,	December 31,			
	2015	2014	2013	2012	2011
	(in thousands)				
Classified Loans:					
Commercial	\$ 86	\$ 261	\$ 164	\$ 694	\$ 1,328
Commercial Real Estate	3,744	6,196	13,061	16,830	26,908
Consumer Real Estate	2,262	3,981	4,465	5,233	6,310
Consumer and Other	66	121	127	144	159
Total	\$ 6,158	\$ 10,559	\$ 17,817	\$ 22,901	\$ 34,705