

November 7, 2017

Dear Shareholder,

FNBH Bancorp, Inc. reports the following results as of and for the three and nine months ended September 30, 2017:

- Quarterly net income of \$711,000 compared to \$1,635,000 for the third quarter of 2016
 - *Pre-tax, pre-provision net income totaled \$1,040,000 compared to \$846,000 in 2016*
 - *Net income included no reverse provision compared to \$750,000 in 2016*
 - *Net income included \$329,000 of income tax expense compared to \$39,000 of income tax benefit in 2016*

- Year to date net income of \$1,927,000 compared to \$4,585,000 in 2016
 - *Pre-tax, pre-provision net income totaled \$2,876,000 compared to \$2,179,000 in 2016*
 - *Net income included no reverse provision expense compared to \$2,350,000 reverse provision expense in 2016*
 - *Net income included \$949,000 of income tax expense compared to \$56,000 of income tax benefit in 2016*

- Total assets of \$392.7 million compared to \$399.3 million at year-end 2016

- Tangible book value per share of \$1.73 compared to \$1.63 at year-end 2016

- Increase in total loans of \$31.8 million, or 14.0% from year-end 2016

- Increase in nonperforming assets of \$1.6 million, or 70.6%, since year-end 2016
 - *September 30, 2017 Classified Asset Ratio was 10.1% compared to 7.4 % at December 31, 2016*

For additional information on the Company's subsidiary bank, First National Bank in Howell, please visit the FFIEC's central data repository public data website at <https://cdr.ffiec.gov/public/>.

During third quarter 2017, we commenced an in-house residential mortgage lending program. The Bank is now originating a wide range of residential mortgage loans, including secondary market conforming loans, construction loans and loans held in the bank's portfolio. These residential lending activities will enhance noninterest income through secondary market loan sales and contribute to increased loan interest income. We are excited to offer this in-house residential mortgage solution and will be working to make residential mortgage lending a meaningful component of our overall business.

Loan portfolio growth contributes significantly to our improving profitability. Consequently, we again ask you, our shareholders, to support the Bank with your loan business and loan referral opportunities. **Thank you for your business and please continue sharing your referrals.** Our loan pricing remains very competitive and we eagerly pursue new lending opportunities.

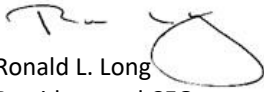
The Company's common stock is quoted and traded under the symbol "FNHM" on the OTCBB. If you are interested in buying or selling shares of FNBH Bancorp, Inc., please contact either:

- 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.)

- Mike Sammon at 312-242-0433 with FIG Partners LLC. (Products and services are offered through FIG Partners LLC. FIG Partners LLC is not affiliated with FNBH Bancorp, Inc.)

We thank you for your investment and your commitment to community banking. Your questions and suggestions are always welcome. Please contact me or any of our Directors anytime. Our contact information is provided 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 our business and growth strategies; and expectations about economic and market conditions and trends. 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, which 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, 2017 Shareholder Correspondence
(Unaudited)

	Three months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016

(in thousands, except per share amounts)

Statement of Operations Data:

Interest income	\$ 3,409	\$ 3,221	\$ 9,694	\$ 9,202
Interest expense	122	130	379	396
Net interest income	3,287	3,091	9,315	8,806
Provision (credit) for loan losses	-	(750)	-	(2,350)
Noninterest income	607	498	1,644	1,533
Net gain on available for sale securities	-	9	199	84
Net gain (loss) on other real estate owned and repossessed assets	(1)	(50)	43	(26)
Noninterest expense	2,853	2,702	8,325	8,218
Income before income taxes	1,040	1,596	2,876	4,529
Net income	711	1,635	1,927	4,585

Per Share Data:

Earnings per basic common share	\$ 0.03	\$ 0.06	\$ 0.07	\$ 0.17
Weighted-average basic common shares outstanding	27,771,678	27,771,678	27,771,678	27,771,678

	September 30,	December 31,			
	2017	2016	2015	2014	2013

(in thousands)

Balance Sheet Data:

Total assets	\$ 392,737	\$ 399,281	\$ 348,169	\$ 322,826	\$ 312,290
Loans held for investment, gross	258,327	226,507	170,826	160,046	165,115
Allowance for loan losses	4,875	4,826	5,718	7,109	9,214
Securities	94,017	143,720	142,587	133,315	68,459
Deposits	343,199	332,065	313,066	290,379	285,313
Other borrowings	-	20,500	-	-	-
Shareholders' equity	48,123	45,151	34,033	31,144	25,106

Ratios:

Allowance for loan losses to loans outstanding	1.89%	2.13%	3.35%	4.44%	5.58%
Average equity to average asset ratio	12.16%	10.39%	9.74%	8.99%	3.37%
Net interest margin (tax equivalent)	3.43%	3.37%	3.15%	3.38%	3.84%

	September 30,	December 31,			
	2017	2016	2015	2014	2013

(in thousands)

Nonperforming Loans and Assets:

Nonaccrual loans	\$ 2,545	\$ 2,103	\$ 5,464	\$ 8,304	\$ 11,067
Loans past due 90 days and still accruing	-	-	-	4	-
Total nonperforming loans	2,545	2,103	5,464	8,308	11,067
Other real estate	1,333	170	971	1,174	480
Total nonperforming assets	\$ 3,878	\$ 2,273	\$ 6,435	\$ 9,482	\$ 11,547

Nonperforming loans as a percent of total loans	0.99%	0.93%	3.20%	5.19%	6.70%
Allowance for loan losses as a percent of nonperforming loans	191.55%	229.48%	104.65%	85.57%	83.26%
Nonperforming assets as a percent of total loans and other real estate	1.49%	1.00%	3.75%	5.88%	6.97%

	September 30,	December 31,			
	2017	2016	2015	2014	2013

(in thousands)

Classified Loans:

Commercial	\$ 40	\$ -	\$ 62	\$ 261	\$ 164
Commercial Real Estate	1,394	847	3,385	6,196	13,061
Consumer Real Estate	1,152	1,325	2,242	3,981	4,465
Consumer and Other	13	21	60	121	127
Total	\$ 2,599	\$ 2,193	\$ 5,749	\$ 10,559	\$ 17,817