THE STILWELL GROUP
111 BROADWAY • 12TH FLOOR
NEW YORK, NY 10006
(212) 269-1551
INFO@STILWELLGROUP.COM

May 26, 2016

Dear Fellow HFBC Owner,

I believe our Bank's management has been unfaithful to shareholders. In our view, HFBC has broken the most obvious commitment to do right by its owners — paying management fairly for a job well-done. Instead, HFBC management performs poorly, and the Board egregiously overpays them year after year!

Consider:

- Return on average equity has been below 4% for the last 5 years.[1]

- CEO's pay has been increased by the Board **14** times since the *turn of the millennium*[2] – that's **15** years! – even though the Bank has performed POORLY!

- CEO has made a great deal of money over the last **15** years while the owners' returns have remained INADEQUATE!

- HFBC still pays country club dues for the CEO and another executive.[3]

- HFBC still covers the lease payment of the CEO's car.[4]

Now, HFBC makes cash payments to executives to cover their personal taxes[5] — REPUGNANT! When was the last time someone paid your taxes for you?

To make matters worse, HFBC pays consultants to set executive incentives for our POORLY-performing Bank that are comparable to the compensation plans of much better banks.[6] Our Bank doesn't compare!

We believe the Board's relationship with management is suspect if they can justify overpaying executives who consistently under-deliver.

Sincerely,

/s/ Megan Parisi
(917) 881-8076
mparisi@stilwellgroup.com

[1] See http://goo.gl/JwXPTb (p. 3; 2013-2015); http://goo.gl/0EeXIk (p. 3; 2011-2013)

[2] See , e.g., http://goo.gl/BTUq9V (p. 22; 2013-2015); http://goo.gl/nccwS1 (p. 19; 2011-2013); http://goo.gl/4RwzRM (p. 19; 2009-2011); http://goo.gl/Ry1aCJ (p. 17; 2006-2008)

[3] See http://goo.gl/BTUq9V (p. 19)

[4] See http://goo.gl/BTUq9V (p. 19)

[5] See http://goo.gl/vpfAYd

[6] See http://goo.gl/3QgJOp