

July 16, 2020

Dear Shareholders and Friends, Ladies and Gentlemen,

We are pleased to present to you selected financial highlights of Huron Community Financial Services, Inc. (HCFSI) and Huron Community Bank (HCB) for the period ending June 30, 2020.

HCFSI (In Thousands)

Net Income for our holding company through June 30, 2020 was \$887 as compared to \$1,009 for the same period last year. Return on Average Equity was 6.25% and Return on Average Assets was 0.74% compared to 7.60% and 0.93% respectively at June 30, 2019. Book value of your common stock is \$51.12, and Earnings per Share are \$1.53. At June 30, 2019, the share-holder equity is \$29,746.

HCB (In Thousands)

Net Income through the end of the second quarter 2020 was \$923 compared to \$1,059 for the same period last year. June 30, 2020 Return on Average Equity was 6.88% with Return on Average Assets of 0.79% compared to 8.49% and 0.99% respectively at June 30, 2019. Total assets at the end of the second quarter were \$257,772 versus \$217,072 in 2019. Total loans ended the second quarter at \$164,484 while total deposits were \$205,866.

Year to Date Financial Performance

The second quarter continued to show solid performance for your bank as second quarter results for net income were ahead of budget. This performance is the result of an increased volume in real estate loan refinancing due to the low mortgage rate environment and continued decreases in many operating expenses. Total outstanding loans at the end of June 2020 were \$164.5 million compared to \$145.0 million at June 2019 month end.

On the commercial lending side HCB facilitated 215 PPP loans totaling over \$26 million. The SBA program assisted our local businesses in meeting payroll, covering rent, paying utilities and covering interest expense during these unprecedented economic times.

Cash Dividend Declared

Your Board of Directors declared a cash dividend of \$0.39 per share to shareholders of record at July 6, 2020. This represents the 106th consecutive quarter in which a cash dividend has been paid to our shareholders. The dividend was paid on July 15, 2020. If you are not already enrolled in our dividend reinvestment program, I would encourage you to do so. It is a great way to increase investment in the bank!

As always, I encourage you to reach out to me if you should have any questions or concerns. We appreciate your continued support and investment in HCFSI/HCB and "Community Banking" as we continue to make a difference in people's lives.

The ladies and gentlemen of HCB thank you for your support and welcome your comments.

Sincerely,



Jeff Loomis
President & CEO



HCFSI Consolidated Balance Sheet
(000's Omitted)

HCFSI Consolidated Report of Income
(000's Omitted)

Huron Community Bank
Financial Highlights

ASSETS	(Unaudited) 6/30/2020	(Unaudited) 6/30/2019	Six Months Ended	(Unaudited) 6/30/2020	(Unaudited) 6/30/2019	PROFITABILITY	(Unaudited) 6/30/2020	(Unaudited) 6/30/2019
Cash & Due From Banks	\$ 42,649	\$ 29,347	Interest on Loans	\$ 3,522	\$ 3,627			
Investment Securities	40,708	33,211	Interest on Investments	709	751	Net Income (In thousands)	\$ 923	\$ 1,059
Total Loans	164,483	145,028	TOTAL INTEREST INCOME	4,231	4,379	Return on Assets - Year-to-date annualized	0.79%	0.99%
Allowance for Loan Loss	(1,971)	(1,808)	INTEREST EXPENSE	512	481	Return on Equity - Year-to-date annualized	6.88%	8.49%
Net Loans	162,512	143,221	NET INTEREST INCOME	3,719	3,897	Net Interest Margin - Year-to-date annualized	3.39%	3.91%
Bank Premises & Equipment	2,996	2,715				SELECTED BALANCES (In Thousands)		
Accrued Interest Receivable	741	643	Fees on Loans	552	205	Total Assets	\$ 257,772	\$ 217,072
Intangible Assets	405	405	Other Income	627	488	Total Loans	\$ 164,484	\$ 145,029
Other Assets	8,739	8,468	Total Other Operating Income	1,179	692	Total Deposits	\$ 205,866	\$ 176,515
TOTAL ASSETS	\$ 258,750	\$ 218,011	Salaries and Benefits (net)	2,078	1,892	Stockholder's Equity	\$ 28,566	\$ 26,200
			Fixed Expense	451	425			
LIABILITIES & EQUITY			Variable Expense	1,092	1,045			
Total Deposits	\$ 205,722	\$ 176,250	Loan Loss Provision	203	35			
Repurchase Agreements	6,603	3,395	Loss (Gain) on Assets	21	(8)			
FRB/FHLB Borrowings	15,560	10,000	Other Operating Expense	3,845	3,390			
Other Liabilities	1,118	910	NET INCOME BEFORE INCOME TAXES	1,053	1,200			
TOTAL LIABILITIES	229,004	190,555	FEDERAL INCOME TAXES	166	191			
Common Stock	582	571	NET INCOME	\$ 887	\$ 1,009			
Surplus	18,810	18,234	Basic Earnings Per Share	\$ 1.53	\$ 1.78			
Retained Earnings	8,994	8,331	Book Value Per Share	\$ 51.12	\$ 48.09			
Unrealized Gain(Loss) Inv. Sec. AFS	1,360	320	Cash Dividends Declared Per Share	\$ 0.78	\$ 0.76			
TOTAL SHAREHOLDERS EQUITY	29,746	27,456						
TOTAL LIABILITIES & EQUITY	\$ 258,750	\$ 218,011						

HURON COMMUNITY FINANCIAL SERVICES, INC.

BOARD OF DIRECTORS

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Wayne D. Bigelow, Vice Chairman
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Matthew W. Buresh
Gary J. Thibault
Larry J. Richardson
Jeffrey B. Loomis

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