

October 15, 2021

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 September 30, 2021.

**HCFSI (In Thousands)**

Net Income for our holding company through September 30, 2021 was \$1,962 as compared to \$1,533 for the same period last year. Return on Average Equity was 8.43% and Return on Average Assets was 0.92% compared to 7.07% and 0.82% respectively at September 30, 2020. Book value of your common stock is \$53.59 per share and Earnings per Share are \$3.34. At September 30, 2021 the share-holder equity is \$31,190.

**HCB (In Thousands)**

Net Income through the end of the third quarter 2021 was \$2,017 compared to \$1,584 for the same period last year. September 30, 2021 Return on Average Equity was 9.37% with Return on Average Assets of 0.96% compared to 7.67% and 0.87% respectively at September 30, 2020. Total assets at the end of the third quarter were \$316,057 versus \$273,779 in 2020. Total loans ended the third quarter at \$134,638 while total deposits were \$275,823.

**Year to Date Financial Performance**

At the bank level, YTD net income has outpaced budget by \$399.7K. However, YTD 2021 net interest margin was 2.77% compared to 3.25% at the end of the third quarter 2020. Total outstanding loans at the end of September 2021 were \$134.6 million compared to \$162.2 million at September 2020 month end. This decrease in loan balances are directly attributable to the repayment of the CARES's Act PPP loans. The bank's balance sheet growth, coupled with increased mortgage activity, was the largest contributors to overall profitability in the 3<sup>rd</sup> quarter. Our total of \$316,057 is the largest asset size your bank has reached. The deposit growth has been primarily in the stable core deposits portion of the bank.

**Cash Dividend Declared**

Your Board of Directors declared a cash dividend of \$0.41 per share to shareholders of record at October 5, 2021. This represents the 111th consecutive quarter in which a cash dividend has been paid to our shareholders. The dividend was paid on October 15, 2021. 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!

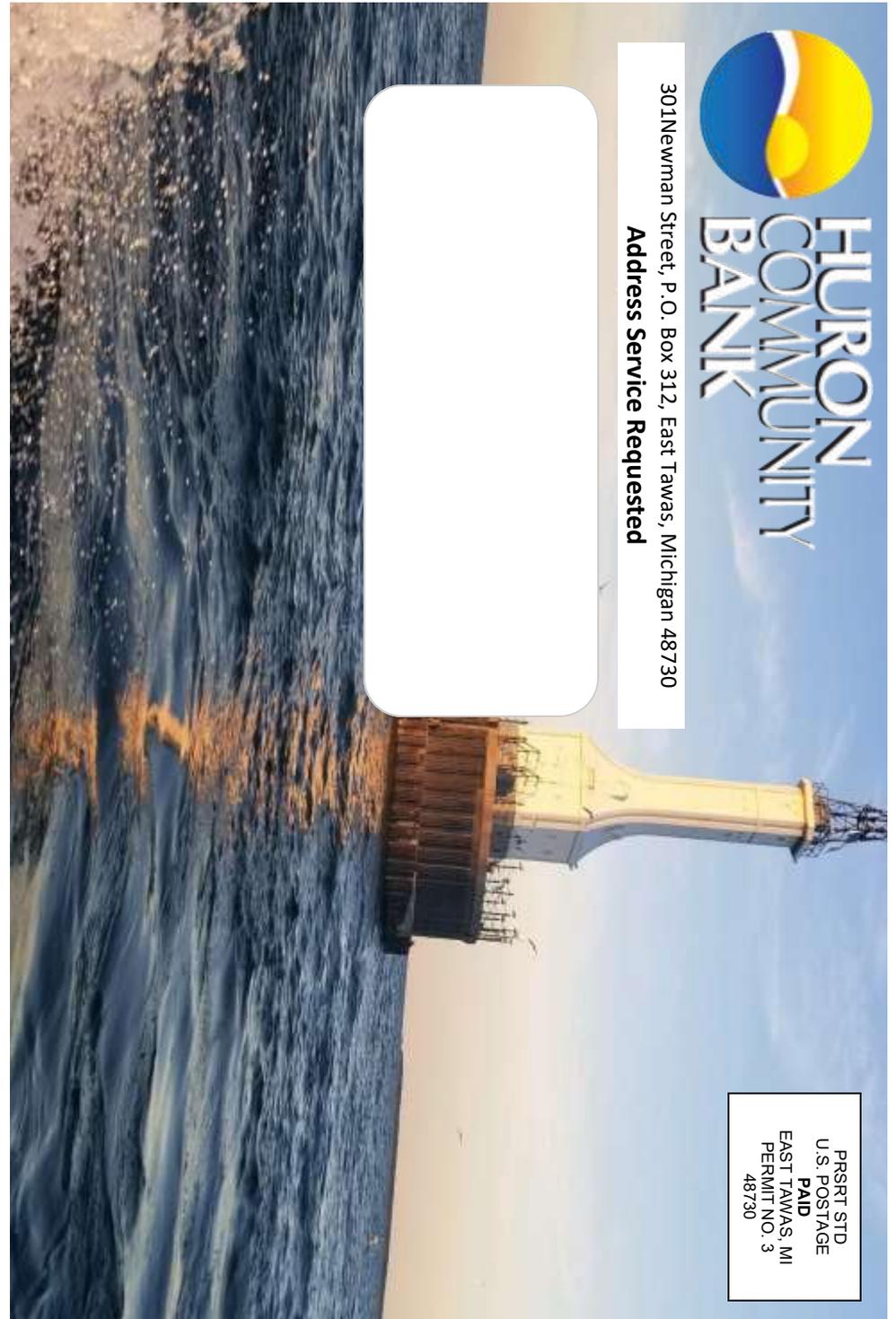
As always, I encourage you to reach out to me if you should have any questions or concerns. We appreciate your continued support and investment in HCFSI/HCB and "Community Banking" as we continue to make a difference in people's lives.

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

Sincerely,



Jeff Loomis  
President & CEO



**HURON  
COMMUNITY  
BANK**

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**HCFSI Consolidated Balance Sheet**  
 (000's Omitted)

**HCFSI Consolidated Report of Income**  
 (000's Omitted)

**Huron Community Bank**  
**Financial Highlights**

	(Unaudited) 9/30/2021	(Unaudited) 9/30/2020	Nine Months Ended	(Unaudited) 9/30/2021	(Unaudited) 9/30/2020	PROFITABILITY	(Unaudited) 9/30/2021	(Unaudited) 9/30/2020
<b>ASSETS</b>								
Cash & Due From Banks	\$ 65,747	\$ 59,491	Interest on Loans	\$ 4,400	\$ 5,190	Net Income (In thousands)	\$ 2,017	\$ 1,584
Investment Securities	105,937	42,067	Interest on Investments	1,169	1,040	Return on Assets - YTD Annualized	0.96%	0.87%
Total Loans	134,637	162,240	<b>TOTAL INTEREST INCOME</b>	<b>5,569</b>	<b>6,230</b>	Return on Equity - YTD Annualized	<b>9.37%</b>	<b>7.67%</b>
Allowance for Loan Loss	(2,638)	(2,190)	INTEREST EXPENSE	416	713	Net Interest Margin - YTD Annualized	<b>2.77%</b>	<b>3.25%</b>
Net Loans	131,999	160,050	NET INTEREST INCOME	5,153	5,517			
Bank Premises & Equipment	2,898	2,952	Fees on Loans	1,696	1,115			
Accrued Interest Receivable	852	863	Other Income	998	949	<b>SELECTED BALANCES (In Thousands)</b>		
Intangible Assets	405	405	Total Other Operating Income	2,694	2,064	Total Assets	\$ 316,057	\$ 273,779
Other Assets	9,234	8,932	Salaries and Benefits (net)	2,862	3,104	Total Loans	\$ 134,638	\$ 162,241
<b>TOTAL ASSETS</b>	<b>\$ 317,071</b>	<b>\$ 274,759</b>	Fixed Expense	736	692	Total Deposits	\$ 275,823	\$ 233,652
			Variable Expense	1,831	1,639	Stockholder's Equity	\$ 29,674	\$ 28,938
<b>LIABILITIES &amp; EQUITY</b>			Loan Loss Provision	135	293			
Total Deposits	\$ 275,339	\$ 233,584	Loss (Gain) on Assets	(32)	20			
Repurchase Agreements	6,361	6,701	Other Operating Expense	5,532	5,747			
FHLB/FRB Borrowings	3,000	3,000	NET INCOME BEFORE INCOME TAXES	2,315	1,834			
Other Liabilities	1,180	1,409	FEDERAL INCOME TAXES	353	301			
<b>TOTAL LIABILITIES</b>	<b>285,881</b>	<b>244,694</b>	NET INCOME	\$ 1,962	\$ 1,533			
Common Stock	582	580	Basic Earnings Per Share	\$ 3.34	\$ 2.64			
Surplus	18,696	18,657	Book Value Per Share	\$ 53.59	\$ 51.87			
Retained Earnings	10,773	9,432	Cash Dividends Declared Per Share	\$ 1.23	\$ 1.17			
Unrealized Gain(Loss) Inv. Sec. AFS	1,139	1,397						
<b>TOTAL SHAREHOLDERS EQUITY</b>	<b>31,190</b>	<b>30,066</b>						
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 317,071</b>	<b>\$ 274,759</b>						

**HURON COMMUNITY FINANCIAL SERVICES, INC.**
**BOARD OF DIRECTORS**

Alan J. Stephenson, Chairman  
 Wayne D. Bigelow, Vice Chairman  
 David H. Cook  
 Matthew W. Buresh  
 Gary J. Thibault  
 Larry J. Richardson  
 Jeffrey B. Loomis

**DIRECTORS EMERITUS**

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 Howard C. Look  
 Monty L. Kruttlin  
 Robert M. Beneson  
 Thomas B. Huck  
 Mark D. Elliott

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