

April 15, 2022

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 March 31, 2022.

HCFSI (In Thousands)

Net Income for your holding company through March 31, 2022 was \$375 as compared to \$849 for the same quarter last year. Return on Average Equity was 5.20% and Return on Average Assets was 0.50% compared to 11.01% and 1.26% respectively at March 31, 2021. Book value of your common stock is \$44.58 while Earnings per Share are \$0.64. At March 31, 2022, total share-holder equity is \$26,322.

HCB (In Thousands)

Net Income through the end of the first quarter 2022 was \$394 compared to \$870 for the same period last year. March 31, 2022 Return on Average Equity was 5.93% with Return on Average Assets of 0.53% compared to 12.83% and 1.36% respectively at March 31, 2021. Total assets at the end of the quarter were \$298,074 versus \$271,269 in 2021. Total loans ended the first quarter at \$135,329 while total deposits were \$261,753 compared to \$147,682 and \$231,121, respectively in 2021.

Year to Date Financial Performance

First quarter results for net income were ahead of budget forecasts for 2022. For the remainder of 2022 we expect the real estate market to slow down considerably due to rising interest rates, and despite economic headwinds and geopolitical turmoil, we are working to continue to grow the bank, both organically and nonorganically. Recently we hired a seasoned Agriculture banker to help us diversify our loan portfolio and meet the needs of the vast farming community in our markets and beyond. In addition, our Board and Management Team will continue to focus on opportunities to grow HCB into other markets where a strong community bank is sorely needed. To assist us with growth and operation of the bank we will be retooling our core banking systems and associated technology related platforms during 2022 to provide better service to our customers, and protect their information against the cyber security threats that continue to permeate the world we live in. In the midst of this, Huron Community Bank remains strong, stable, and secure. Our goal, as always, is to “make a difference” in the lives of those we serve.

I am excited to be part of the HCB team, they’re awesome! I look forward to meeting all shareholders and customers. I invite you to stop by my office and visit, or call me to get acquainted. Our strength as a community bank is rooted in the support of our shareholders, the loyalty of our customers, and the commitment of our team.

Cash Dividend Declared

Your Board of Directors declared a cash dividend of \$0.41 per share to shareholders of record on April 5, 2022. This represents the 113th consecutive quarter in which a cash dividend has been paid to our shareholders. The dividend was paid on April 15, 2022. If you are not already enrolled in our dividend reinvestment program, I would encourage you to do so as it is a great way to increase investment in your bank!

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”.

Sincerely,



Robert J. (Bob) Thomas
President & CEO



HCFSI Consolidated Balance Sheet
(000's Omitted)

HCFSI Consolidated Report of Income
(000's Omitted)

Huron Community Bank
Financial Highlights

	(Unaudited) 3/31/2022	(Unaudited) 3/31/2021	Three Months Ended	(Unaudited) 3/31/2022	(Unaudited) 3/31/2021		(Unaudited) 3/31/2022	(Unaudited) 3/31/2021
ASSETS						PROFITABILITY		
Cash & Due From Banks	\$ 35,562	\$ 46,506	Interest on Loans	\$ 1,395	\$ 1,548	Net Income (In thousands)	\$ 394	\$ 870
Investment Securities	116,210	67,252	Interest on Investments	481	357	Return on Assets - YTD Annualized	0.53%	1.36%
Total Loans	135,328	147,681	TOTAL INTEREST INCOME	1,877	1,905	Return on Equity - YTD Annualized	5.93%	12.83%
Allowance for Loan Loss	(2,683)	(2,548)	INTEREST EXPENSE	144	140	Net Interest Margin - YTD Annualized	2.53%	2.91%
Net Loans	132,645	145,133	NET INTEREST INCOME	1,733	1,765			
Bank Premises & Equipment	2,575	2,946	Fees on Loans	322	882			
Accrued Interest Receivable	840	850	Other Income	260	303	SELECTED BALANCES (In Thousands)		
Intangible Assets	405	405	Total Other Operating Income	582	1,186	Total Assets	\$ 298,074	\$ 271,269
Other Assets	10,877	9,182	Salaries and Benefits (net)	1,106	999	Total Loans	\$ 135,329	\$ 147,682
TOTAL ASSETS	\$ 299,115	\$ 272,275	Fixed Expense	247	251	Total Deposits	\$ 261,753	\$ 231,121
			Variable Expense	607	591	Stockholder's Equity	\$ 23,324	\$ 28,386
LIABILITIES & EQUITY			Loan Loss Provision	0	45			
Total Deposits	\$ 259,766	\$ 229,737	Loss (Gain) on Assets	(103)	0			
Repurchase Agreements	8,790	7,580	Other Operating Expense	1,857	1,886			
FHLB/FRB Borrowings	3,000	3,000	NET INCOME BEFORE INCOME TAXES	458	1,065			
Other Liabilities	1,238	1,185	FEDERAL INCOME TAXES	83	216			
TOTAL LIABILITIES	272,794	241,502	NET INCOME	\$ 375	\$ 849			
Common Stock	590	588	Basic Earnings Per Share	\$ 0.64	\$ 1.44			
Surplus	19,140	19,066	Book Value Per Share	\$ 44.58	\$ 52.38			
Retained Earnings	10,604	10,122	Cash Dividends Declared Per Share	\$ 0.41	\$ 0.41			
Unrealized Gain(Loss) Inv. Sec. AFS	(4,013)	998						
TOTAL SHAREHOLDERS EQUITY	26,322	30,773						
TOTAL LIABILITIES & EQUITY	\$ 299,115	\$ 272,275						

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
Robert J. Thomas
Brenden A. Stephenson

DIRECTORS EMERITUS

Earl T. O'Loughlin
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Monty L. Kruttlin
Robert M. Beneson
Thomas B. Huck
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