

April 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 March 31, 2021.

HCFSI (In Thousands)

Net Income for your holding company through March 31, 2021 was \$849 as compared to \$346 for the same quarter last year. Return on Average Equity was 11.01% and Return on Average Assets was 1.26% compared to 4.91% and 0.62% respectively at March 31, 2020. Book value of your common stock is \$52.38 while Earnings per Share are \$1.44. At March 31, 2021, total share-holder equity is \$30,773.

HCB (In Thousands)

Net Income through the end of the first quarter 2021 was \$870 compared to \$365 for the same period last year. March 31, 2021 Return on Average Equity was 12.83% with Return on Average Assets of 1.36% compared to 5.42% and 0.66% respectively at March 31, 2020. Total assets at the end of the quarter were \$271,269 versus \$229,446 in 2020. Total loans ended the first quarter at \$147,682 while total deposits were \$231,121 compared to \$143,762 and \$186,394, respectively in 2020.

Year to Date Financial Performance

First quarter results for net income were well ahead of budget forecasts for 2021. Although margins continue to compress, the added loan volume with participation in the SBA PPP program, along with the associated loan fees, has helped to offset the compression. YTD 2021 margin was 2.91% compared to 3.62% at the end of the first quarter 2020. The number of businesses positively impacted by the program has been a benefit to our market. Our balance sheet continues to grow as clients keep their liquidity on deposit. Real Estate loan demand remains strong while commercial lending can be characterized as steady.

COVID-19's impact is still the largest factor in projecting the remainder of 2021. The economy is doing its best to recover in these unpredictable times. 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.

Cash Dividend Declared

Your Board of Directors declared a cash dividend of \$0.41 per share to shareholders of record on April 5, 2021. This represents the 109th consecutive quarter in which a cash dividend has been paid to our shareholders. The dividend was paid on April 15, 2021. 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,



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

ASSETS	(Unaudited) 3/31/2021	(Unaudited) 3/31/2020	Three Months Ended	(Unaudited) 3/31/2021	(Unaudited) 3/31/2020	PROFITABILITY	(Unaudited) 3/31/2021	(Unaudited) 3/31/2020
Cash & Due From Banks	\$ 46,506	\$ 33,925	Interest on Loans	\$ 1,548	\$ 1,765	Net Income (In thousands)	\$ 870	\$ 365
Investment Securities	67,252	41,313	Interest on Investments	357	369	Return on Assets - YTD Annualized	1.36%	0.66%
Total Loans	147,681	143,762	TOTAL INTEREST INCOME	1,905	2,133	Return on Equity - YTD Annualized	12.83%	5.42%
Allowance for Loan Loss	(2,548)	(1,820)	INTEREST EXPENSE	140	269	Net Interest Margin - YTD Annualized	2.91%	3.62%
Net Loans	145,133	141,942	NET INTEREST INCOME	1,765	1,864			
Bank Premises & Equipment	2,946	3,044	Fees on Loans	882	133			
Accrued Interest Receivable	850	738	Other Income	303	259	SELECTED BALANCES (In Thousands)		
Intangible Assets	405	405	Total Other Operating Income	1,186	392	Total Assets	\$ 271,269	\$ 229,446
Other Assets	9,182	9,053	Salaries and Benefits (net)	999	1,034	Total Loans	\$ 147,682	\$ 143,762
TOTAL ASSETS	\$ 272,275	\$ 230,420	Fixed Expense	251	231	Total Deposits	\$ 231,121	\$ 186,394
			Variable Expense	591	534	Stockholder's Equity	\$ 28,386	\$ 26,683
LIABILITIES & EQUITY			Loan Loss Provision	45	53			
Total Deposits	\$ 229,737	\$ 186,235	Loss (Gain) on Assets	0	0			
Repurchase Agreements	7,580	3,569	Other Operating Expense	1,886	1,852			
FHLB/FRB Borrowings	3,000	11,500	NET INCOME BEFORE INCOME TAXES	1,065	404			
Other Liabilities	1,185	1,260	FEDERAL INCOME TAXES	216	58			
TOTAL LIABILITIES	241,502	202,564	NET INCOME	\$ 849	\$ 346			
Common Stock	588	580	Basic Earnings Per Share	\$ 1.44	\$ 0.60			
Surplus	19,066	18,673	Book Value Per Share	\$ 52.38	\$ 48.06			
Retained Earnings	10,122	8,662	Cash Dividends Declared Per Share	\$ 0.41	\$ 0.39			
Unrealized Gain(Loss) Inv. Sec. AFS	998	(58)						
TOTAL SHAREHOLDERS EQUITY	30,773	27,856						
TOTAL LIABILITIES & EQUITY	\$ 272,275	\$ 230,420						

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
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