

April 17, 2018

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, 2018.

HCFSI (In Thousands)

Net Income for our holding company through March 31, 2018 was \$373 as compared to \$389 for the same quarter last year. Return on Average Equity was 6.13% and Return on Average Assets was 0.72% compared to 6.38% and 0.80% respectively at March 31, 2017. Book value of your common stock is \$43.59 and Earnings per Share are \$0.67. At March 31, 2018 the share-holder equity is \$24,195.

HCB (In Thousands)

Net Income through the end of the first quarter 2018 was \$393 compared to \$427 for the same period last year. March 31, 2018 Return on Average Equity was 6.81% with Return on Average Assets of 0.78% compared to 7.48% and 0.88% respectively at March 31, 2017. Total assets at the end of the quarter were \$204,620 versus \$196,160 in 2017. Total loans ended the first quarter at \$142,000 while total deposits were \$168,035.

Year to Date Financial Performance

2018 Q1 shows another solid start for our bank. First quarter results for net income were ahead of budget forecast. Our Net Interest Margin continues to improve coming in at 3.82% compared to 3.68% at the end of the first quarter 2017. Total outstanding loans remained steady thru March of 2018 at \$142.0 million compared to \$142.7 million for March 2017 month end.

The successful acquisition of deposits and a selected set of loans in Oscoda from First Federal of Northern Michigan was completed in early February. The results have added stability to our deposit base and increased volume in our Oscoda Branch.

Consumer confidence, along with an improved outlook from our business clients, continues to move both the local and national economy forward. Home sales are strong. Retailers are seeing more consumer traffic and our industrial base continues to experience higher sales and profits. On a national level, interest rates have increased slightly and economists are predicting a continued increase in those rates over the balance of the year.

Cash Dividend Declared

Your Board of Directors declared a cash dividend of \$0.30 per share to shareholders of record at April 5, 2018. This represents the 97th consecutive quarter in which a cash dividend has been paid to our shareholders. The dividend was paid on April 16, 2018. 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!

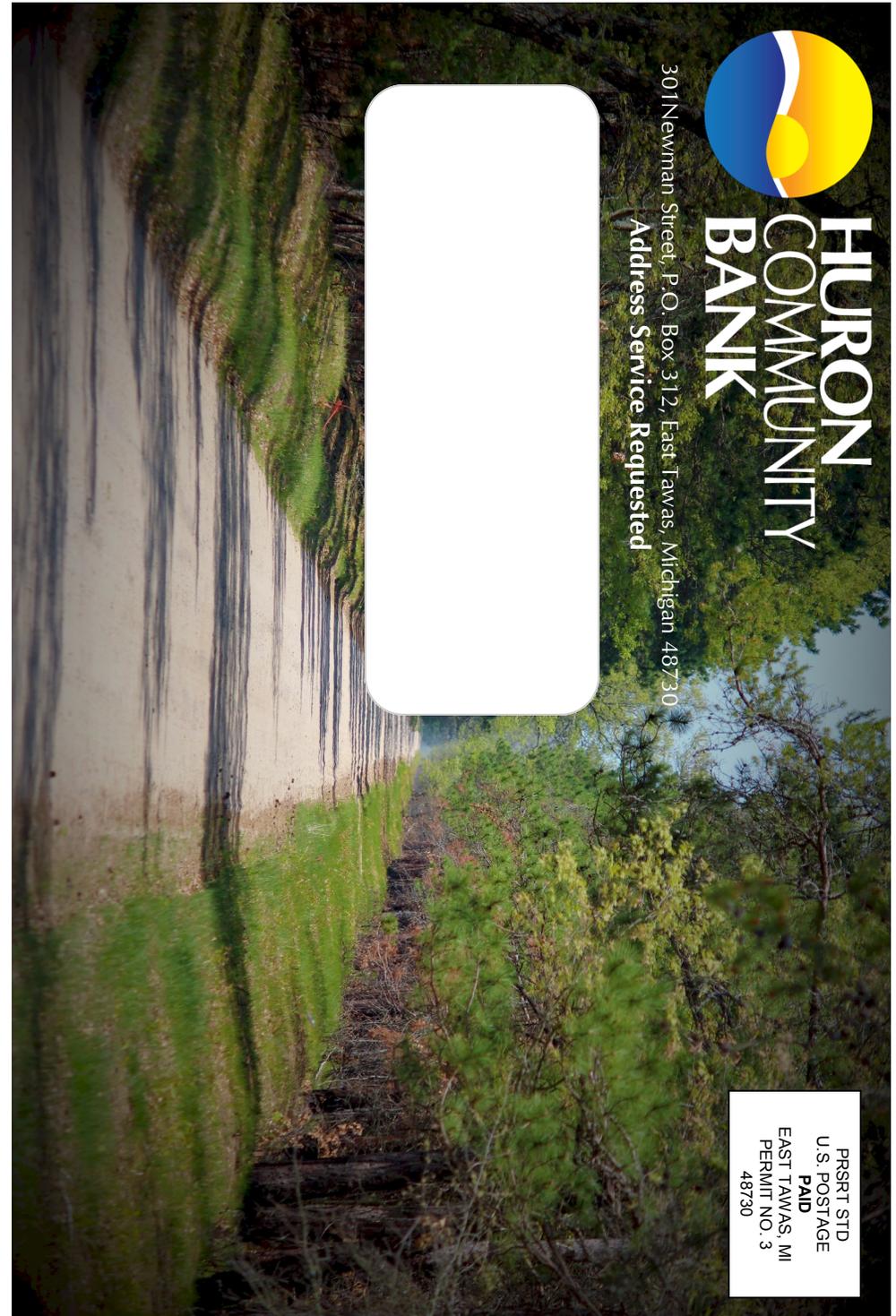
As always I encourage you to reach out to me if you should have any questions or concerns. We appreciate your continued support and investment in HCFSI/HCB and "Community Banking" as we continue to make a difference in people's lives.

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

Sincerely,

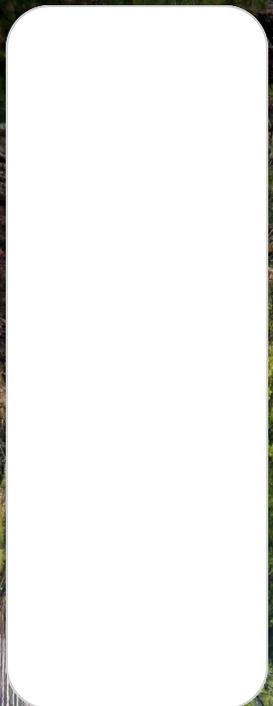


Jeff Loomis
President & CEO



**HURON
COMMUNITY
BANK**

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Address Service Requested



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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)	(Unaudited)	Three Months Ended	(Unaudited)	(Unaudited)	PROFITABILITY	(Unaudited)	(Unaudited)
	3/31/2018	3/31/2017		3/31/2018	3/31/2017		3/31/2018	3/31/2017
Cash & Due From Banks	\$ 17,141	\$ 14,763	Interest on Loans	\$ 1,659	\$ 1,600	Net Income (In thousands)	\$ 393	\$ 427
Investment Securities	35,924	29,338	Interest on Investments	264	162	Return on Assets - Year-to-date annualized	0.78%	0.88%
Total Loans	142,000	142,721	TOTAL INTEREST INCOME	1,923	1,762	Return on Equity - Year-to-date annualized	6.81%	7.48%
Allowance for Loan Loss	(1,886)	(1,904)	INTEREST EXPENSE	133	100	Net Interest Margin - Year-to-date annualized	3.82%	3.68%
Net Loans	140,115	140,817	NET INTEREST INCOME	1,790	1,662	SELECTED BALANCES (In Thousands)		
Bank Premises & Equipment	2,671	2,699	Fees on Loans	60	99	Total Assets	\$ 204,620	\$ 196,160
Accrued Interest Receivable	673	511	Other Income	245	248	Total Loans	\$ 142,000	\$ 142,721
Intangible Assets	405	405	Total Other Operating Income	305	346	Total Deposits	\$ 168,035	\$ 167,171
Other Assets	8,607	8,865	Salaries and Benefits (net)	944	773	Stockholder's Equity	\$ 23,263	\$ 23,274
TOTAL ASSETS	\$ 205,536	\$ 197,398	Fixed Expense	202	214			
			Variable Expense	494	428			
LIABILITIES & EQUITY			Loan Loss Provision	23	30			
Total Deposits	\$ 168,020	\$ 167,165	Loss (Gain) on Assets	(4)	13			
Repurchase Agreements	6,210	5,073	Other Operating Expense	1,658	1,457			
FHLB Borrowings	6,500	0	NET INCOME BEFORE INCOME TAXES	437	551			
Other Liabilities	611	697	FEDERAL INCOME TAXES	64	163			
TOTAL LIABILITIES	181,341	172,935	NET INCOME	\$ 373	\$ 389			
Common Stock	555	562	Basic Earnings Per Share	\$ 0.67	\$ 0.69			
Surplus	17,414	17,762	Book Value Per Share	\$ 43.59	\$ 43.55			
Retained Earnings	6,616	6,059	Cash Dividends Declared Per Share	\$ 0.30	\$ 0.28			
Unrealized Gain(Loss) Inv. Sec. AFS	(390)	80						
TOTAL SHAREHOLDERS EQUITY	24,195	24,463						
TOTAL LIABILITIES & EQUITY	\$ 205,536	\$ 197,398						

HURON COMMUNITY FINANCIAL SERVICES, INC.

BOARD OF DIRECTORS

Alan J. Stephenson, Chairman
Wayne D. Bigelow, Vice Chairman
Thomas B. Huck
David H. Cook
Matthew W. Buresh
Mark D. Elliott
Gary J. Thibault
Jeffrey B. Loomis

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Monty L. Kruttlin
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