

April 15, 2024

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, 2024.

HCFSI (In Thousands)

Net Income for your holding company through March 31, 2024 was \$314 as compared to \$245 for the same quarter last year. Return on Average Equity was 5.75% and Return on Average Assets was 0.38% compared to 4.55% and 0.31% respectively at March 31, 2023. After the Generally Accepted Accounting Principles (GAAP) adjustments of our Unrealized Gains and Losses of the securities portfolio, the Book Value of your common stock is \$39.46 and Share-Holder Equity is \$21,755. These GAAP adjustments in **NO WAY** affects any of the bank's regulatory ratios, the strength of the bank, or the **EQUITY OF THE SHAREHOLDERS**. This does **NOT** affect the share price of the stock or the value of shares owned by any shareholder. **This is just an accounting entry reflecting the timing difference between rates moving up or down and the maturity of these securities.** When these GAAP adjustments are backed out, Book Value per share and Share-Holder Equity are \$53.20 and \$29,332, respectively, compared to \$52.04 and \$30,054, respectively, at March 31, 2023. At March 31, 2024 Earnings per Share is \$0.57 compared to \$0.42 at March 31, 2023.

HCB (In Thousands)

Net Income through the end of the first quarter 2024 was \$338 compared to \$268 for the same period last year. March 31, 2024 Return on Average Equity was 6.57% with Return on Average Assets of 0.42% compared to 5.33% and 0.35% respectively at March 31, 2023. Total assets at the end of the quarter were \$324,292 versus \$312,355 in 2023. Total loans ended the first quarter at \$151,285 while total deposits were \$278,058 compared to \$143,404 and \$274,128, respectively in 2023.

Year to Date Financial Performance

First quarter results for net income were ahead of budget forecasts for 2024. For the remainder of 2024 we will be closely watching the overall economic conditions. Inflation seems to be running ahead of projections, which has delayed any anticipated rates cuts by the Federal Reserve. This has had a negative effect on mortgage interest rates. Both mortgage and consumer loan demand remain low. A bright spot for the bank has been in the area of Ag Lending. Over the past two years, growth in this area has surpassed traditional lending demand in commercial and commercial real estate lending. The bank was fortunate to hire an individual who is not only a farmer, he has 20 years' experience lending in this field. The bank is experiencing good growth in our Treasury Management Services. This is a concerted effort by Senior Retail Management, Business Development Manager and our personal bankers to identify needs of our customer base and show how the bank may assist in those areas. Included in the product offerings is Positive Pay, Mobile Deposits, Remote Check Deposit, ACH services, etc. The bank is also working on updates to our website. This will make it easier for current and potential customers to access all the great services the bank has to offer. The addition of the Rose City branch location has opened up new markets for Huron Community Bank. We are seeing success in this location with new business and personal accounts. With all of these items, the team at HCB expects to attain or exceed our budget numbers for the year. Ever-present is the focus on protecting customers from cyber security threats that continue to plague our industry and society as a whole.

I hope you will be able to join us on May 13th for the annual shareholder meeting. As we celebrate our 35th year as a community bank I'm reminded that this was all made possible with the support of our shareholders, the loyalty of our customers, and the commitment of our team.

Cash Dividend Declared

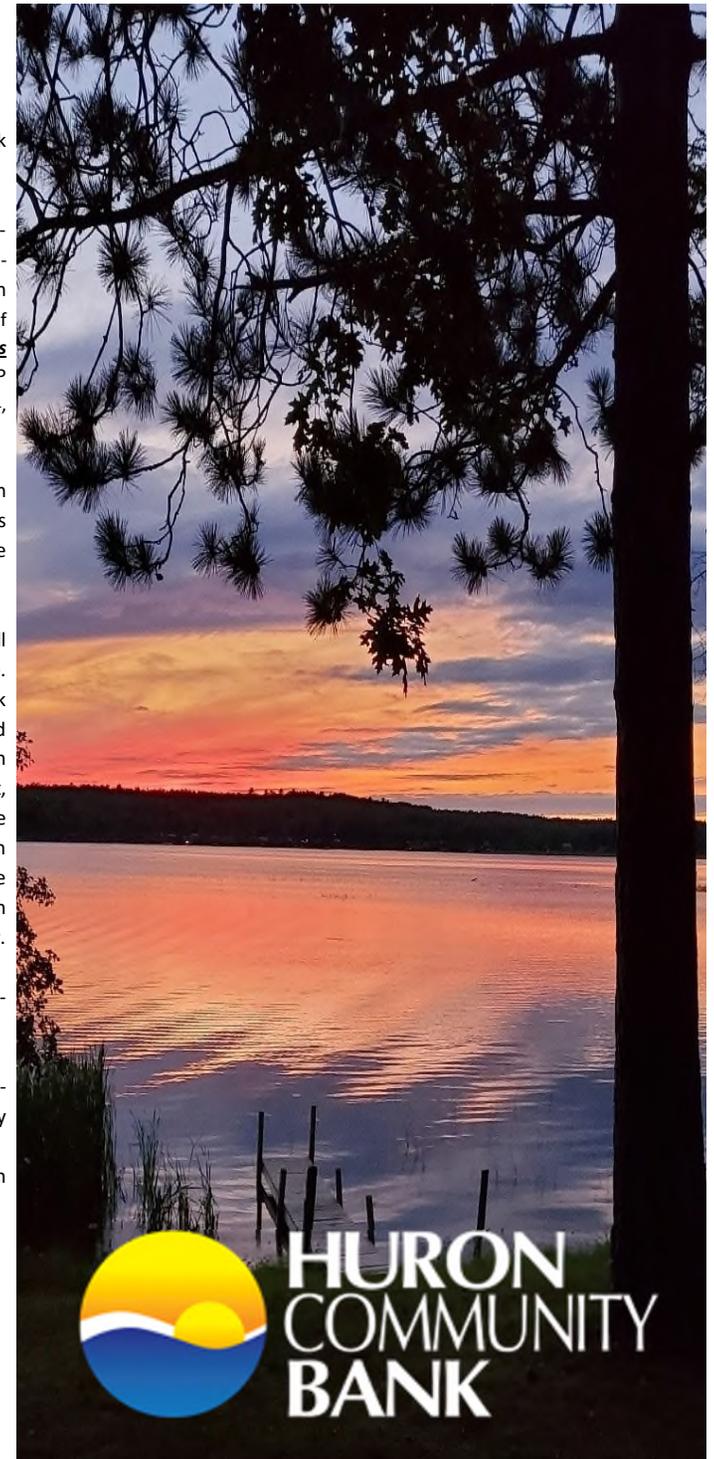
Your Board of Directors declared a cash dividend of \$0.45 per share to shareholders of record on April 5, 2024. This represents the 121st consecutive quarter in which a cash dividend has been paid to our shareholders. The dividend was paid on April 15, 2024. If you are not already enrolled in our dividend 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,



John A. Emmendorfer
Interim-President and CCO



HCFSI Consolidated Balance Sheet
(000's Omitted)

HCFSI Consolidated Report of Income
(000's Omitted)

Huron Community Bank
Financial Highlights

ASSETS	(Unaudited) 3/31/2024	(Unaudited) 3/31/2023	Three Months Ended	(Unaudited) 3/31/2024	(Unaudited) 3/31/2023	PROFITABILITY	(Unaudited) 3/31/2024	(Unaudited) 3/31/2023
Cash & Due From Banks	\$ 54,281	\$ 45,271	Interest on Loans	\$ 2,225	\$ 1,898	Net Income (In thousands)	\$ 338	\$ 268
Investment Securities	104,201	110,046	Interest on Investments	1,110	781	Return on Assets - YTD Annualized	0.42%	0.35%
Total Loans	151,026	143,403	TOTAL INTEREST INCOME	3,335	2,679	Return on Equity - YTD Annualized	6.57%	5.33%
Allowance for Loan Loss	(2,429)	(2,683)				Net Interest Margin - YTD Annualized	2.99%	2.98%
Net Loans	148,597	140,720	INTEREST EXPENSE	1,109	522			
Bank Premises & Equipment	3,510	3,176						
Accrued Interest Receivable	1,453	1,064	NET INTEREST INCOME	2,226	2,157			
Intangible Assets	405	405						
Other Assets	12,790	12,753	Fees on Loans	73	103			
			Other Income	276	235	SELECTED BALANCES (In Thousands)		
TOTAL ASSETS	\$ 325,418	\$ 313,434				Total Assets	\$ 324,292	\$ 312,355
			Total Other Operating Income	349	338	Total Loans	\$ 151,285	\$ 143,404
LIABILITIES & EQUITY			Salaries and Benefits (net)	1,186	1,245	Total Deposits	\$ 278,058	\$ 274,128
			Fixed Expense	284	250	Stockholder's Equity	\$ 20,589	\$ 20,352
Total Deposits	\$ 277,989	\$ 273,904	Variable Expense	772	757			
Repurchase Agreements	3,266	6,446	Loan Loss Provision	0	0			
FHLB/FRB Borrowings	20,000	10,000	Loss (Gain) on Assets	0	(1)			
Other Liabilities	2,408	1,458						
			Other Operating Expense	2,242	2,252			
TOTAL LIABILITIES	303,663	291,808						
			INCOME BEFORE INCOME TAXES	333	243			
Common Stock	551	578						
Surplus	16,636	18,137	FEDERAL INCOME TAXES	19	(2)			
Retained Earnings	12,145	11,340						
Unrealized Gain(Loss) Inv. Sec. AFS	(7,577)	(8,429)	NET INCOME	\$ 314	\$ 245			
TOTAL SHAREHOLDERS EQUITY	21,755	21,626	Basic Earnings Per Share	\$ 0.56	\$ 0.42			
			Book Value Per Share	\$ 39.46	\$ 37.44			
TOTAL LIABILITIES & EQUITY	\$ 325,418	\$ 313,434	Cash Dividends Declared Per Share	\$ 0.45	\$ 0.41			

HURON COMMUNITY FINANCIAL SERVICES, INC.

BOARD OF DIRECTORS

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