

July 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 June 30, 2024.

HCFSI (In Thousands)

Net Income for our holding company through June 30, 2024, was \$723 as compared to \$582 for the same period last year. Return on Average Equity was 6.70% and Return on Average Assets was 0.44% compared to 5.41% and 0.37% respectively on June 30, 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 \$39.79, and share-holder equity is \$21,564. 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 \$53.39 and \$28,937, respectively, compared to \$52.20 and \$29,971, respectively, at June 30, 2023. As of June 30, 2024, Earnings per Share is \$1.31 compared to \$1.01 at June 30, 2023.

HCB (In Thousands)

Net Income through the end of the second quarter 2024 was \$772 compared to \$635 for the same period last year. June 30, 2024 Return on Average Equity was 7.60% with Return on Average Assets of 0.47% compared to 6.37% and 0.41% respectively on June 30, 2023. Total assets at the end of the second quarter were \$324,854 versus \$310,814 in 2023. Total loans ended the second quarter at \$160,321 while total deposits were \$273,663.

Year to Date Financial Performance

The 2nd quarter 2024 results show Huron Community Bank has positive momentum and improving metrics compared to 2023. The interest rate environment remains elevated and there are increasing economic pressures for our individual and business clients. Many banks and financial companies are seeing increases in delinquency due to these challenges. Even though there are challenges in the economic environment, Huron Community Bank is still growing and investing in the communities we serve. Overall loans for the bank have increased over \$11 million dollars this year. Our lending standards and credit quality remain strong as we continue to find opportunities for growth. We continue to focus on being a trusted advisor and expanding our banking relationships for our customers.

I am looking forward to being part of the HCB team and this community. I invite you to stop into my office, email or call me for a visit or to get acquainted. Our management team remains focused on making a positive impact for our shareholders, team members and local communities.

Cash Dividend Declared

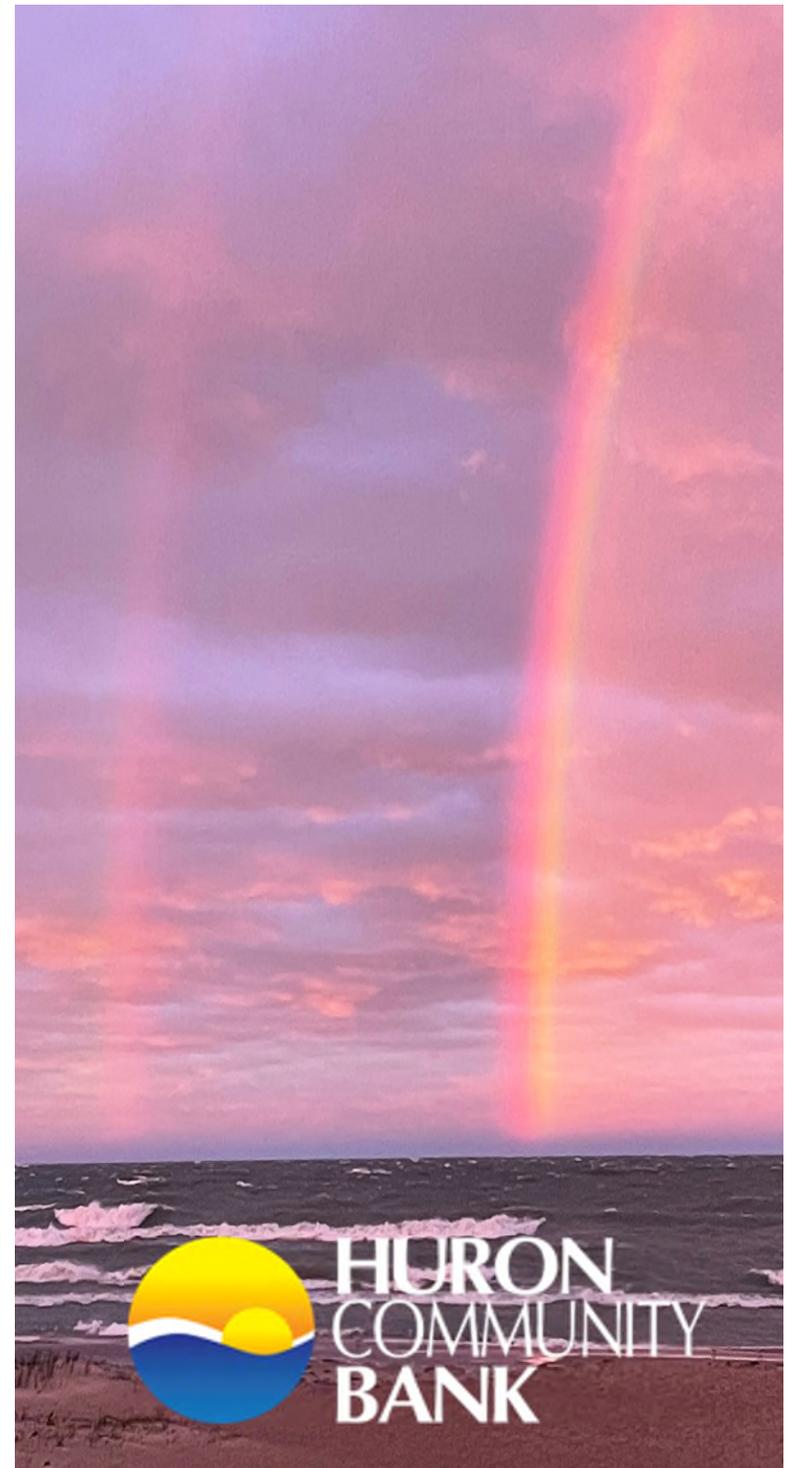
Your Board of Directors declared a cash dividend of \$0.45 per share to shareholders of record on July 5, 2024. This represents the 122nd consecutive quarter in which a cash dividend has been paid to our shareholders. The dividend was paid on July 15, 2024. If you are not already enrolled in our dividend reinvestment program, I would encourage you to do so. It is a great way to increase investment in the bank!

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,



Josh A. Eling
President & CEO



HCFSI Consolidated Balance Sheet
(000's Omitted)

HCFSI Consolidated Report of Income
(000's Omitted)

Huron Community Bank
Financial Highlights

ASSETS	(Unaudited) 6/30/2024	(Unaudited) 6/30/2023	Six Months Ended	(Unaudited) 6/30/2024	(Unaudited) 6/30/2023	PROFITABILITY	(Unaudited) 6/30/2024	(Unaudited) 6/30/2023
Cash & Due From Banks	\$ 49,126	\$ 43,302	Interest on Loans	\$ 4,654	\$ 3,927	Net Income (In thousands)	\$ 772	\$ 635
Investment Securities	101,135	105,727	Interest on Investments	2,178	1,584	Return on Assets - YTD Annualized	0.47%	0.41%
Total Loans	160,149	147,459	TOTAL INTEREST INCOME	6,832	5,511	Return on Equity - YTD Annualized	7.60%	6.37%
Allowance for Loan Loss	(2,430)	(2,683)				Net Interest Margin - YTD Annualized	3.02%	3.10%
Net Loans	157,719	144,776	INTEREST EXPENSE	2,305	1,145			
Bank Premises & Equipment	3,444	3,496	NET INTEREST INCOME	4,527	4,366			
Accrued Interest Receivable	1,348	950						
Intangible Assets	405	405	Fees on Loans	165	220			
Other Assets	12,808	13,246	Other Income	537	446	SELECTED BALANCES (In Thousands)		
TOTAL ASSETS	\$ 325,986	\$ 311,902	Total Other Operating Income	702	666	Total Assets	\$ 324,854	\$ 310,814
						Total Loans	\$ 160,321	\$ 147,340
LIABILITIES & EQUITY			Salaries and Benefits (net)	2,333	2,366	Total Deposits	\$ 273,663	\$ 273,050
			Fixed Expense	554	478	Stockholder's Equity	\$ 20,406	\$ 19,934
Total Deposits	\$ 273,615	\$ 272,999	Variable Expense	1,553	1,574			
Repurchase Agreements	3,242	5,426	Loan Loss Provision	0	0			
FHLB/FRB Borrowings	25,000	10,000	Loss (Gain) on Assets	0	(1)			
Other Liabilities	2,565	2,429	Other Operating Expense	4,440	4,417			
TOTAL LIABILITIES	304,422	290,854	INCOME BEFORE INCOME TAXES	789	615			
Common Stock	542	574	FEDERAL INCOME TAXES	66	33			
Surplus	16,085	17,953	NET INCOME	\$ 723	\$ 582			
Retained Earnings	12,310	11,444	Basic Earnings Per Share	\$ 1.31	\$ 1.01			
Unrealized Gain(Loss) Inv. Sec. AFS	(7,373)	(8,924)	Book Value Per Share	\$ 39.79	\$ 36.66			
TOTAL SHAREHOLDERS EQUITY	21,564	21,047	Cash Dividends Declared Per Share	\$ 0.90	\$ 0.76			
TOTAL LIABILITIES & EQUITY	\$ 325,986	\$ 311,902						

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
Brenden A. Stephenson
Josh A. Eling

DIRECTORS EMERITUS

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

East Tawas Office
(989) 362-6700

Oscoda Office
(989) 739-9125

AuGres Office
(989) 876-8068

West Branch Office
(989) 343-1050

Tawas City Office
(989) 362-8671

Lincoln Office
(989) 736-6727

Harrisville Office
(989) 724-6719

Rose City Office
(989) 685-1169