HCB Financial Corp.

2024 Annual Report

TABLE OF CONTENTS

highpoint
COMMUNITY BANK

Raising Expectations.

OUR VISION

Be the best community bank.

MISSION STATEMENT

Elevating our communities through exceptional care and service.

CORE VALUES

- Customer service is the first consideration in everything we do.
- The only thing that differentiates us from our competition is our employees.
- We are a for-profit organization.
- A reputation built on honesty and integrity is irreplaceable.
- We are community oriented.
- We embrace change and innovation.

TO OUR SHAREHOLDERS

From the desk of Mark A. Kolanowski

On behalf of our directors and officers, it is my pleasure to present the HCB Financial Corp. 2024 Annual Report. I am most pleased to share we have achieved record performance during the past fiscal year. Our success is a testament to the hard work and dedication of our employees and the continued support of our customers, the board of directors, and shareholders. I am grateful for the commitment of so many who work tirelessly to make HCB what it is today. Key highlights of our record performance include:

- Record Net income of $6,006,029 or $5.85 per common share, representing a 20% improvement over our 2023 earnings of $5,014,831 or $4.84 per share.
- Record Assets of $627,900,222, representing a 12% increase over the previous year.
- Record Loans of $324,021,054, representing a 4% improvement over the previous year.
- Record Deposits of $575,453,503, representing a 13% increase over the previous year.
- Record Shareholders' Equity of $42,357,916, representing a 14% increase over the previous year.

These outstanding results reflect the strength of the business plan we have in place and the execution of our team. We have made significant progress in improving our profitability, gaining efficiency in our operations, establishing meaningful growth, and building a high-performing team. We are particularly proud of our achievements in:

- Setting record profitability for the past three consecutive years.
- Gaining operational efficiencies by implementing new employee communication and collaboration software.
- Enhancing the mortgage customer experience with an efficient and time saving upgrade to our loan process workflow.

- Establishing significant growth in both the Kent County and Kalamazoo markets with momentum that is creating new opportunities.

- Identifying talent and establishing a team of high performers who are contributing today and preparing to take on greater roles in the future.

As we turn our attention to the years ahead, we do so with enthusiasm created by this great foundation built from our recent performance. The board of directors and management recently conducted an in-depth review of our strategic objectives. The outcome was a resounding conclusion that we are on the right path. We are confident the objectives established in our updated business plan will strongly position us for future success.

Great customer experiences involve people, processes and places. While I have already commented on our great people and enhanced processes, I would be remiss if I failed to mention place. In our on-going efforts to maintain our beautiful and welcoming customer spaces, we have recently begun renovating the lobby of the Hastings branch. While hard to believe, our "new" main office building is now over 20 years old. How people choose to bank has changed during that time, and we are committed to ensuring the branch banking experience not only meets their needs but also exceeds expectations. We plan to announce a grand reopening date sometime in May.

Our Annual Meeting will be held on Wednesday, April 16, 2025 at 1:00 p.m. in the Main Office of Highpoint Community Bank. Whether you are able to attend or not, please complete and return the enclosed proxy in advance of the meeting. This will allow us to tally the votes prior to the meeting and proceed without undue delay. Our directors, officers and I look forward to seeing as many of you there as possible.

Yours truly,

Mark A. Kolanowski

Mark A. Kolanowski
President and Chief Executive Officer

FINANCIAL HIGHLIGHTS

AT YEAR-END	2024	2023	% CHANGE
Assets	$627,900	$561,432	12%
Deposits	$575,454	$507,166	13%
Loans, net	$324,021	$312,974	4%
Investments	$61,932	$79,422	-22%
Stockholder's Equity	$42,358	$37,227	14%

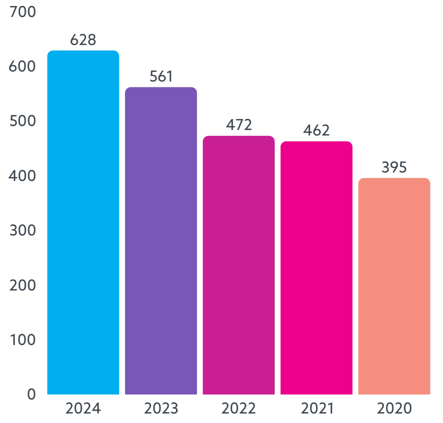
FOR THE YEAR	2024	2023	% CHANGE
Net income	$6,006	$5,015	20%
Return on average assets	1.02%	0.93%	10%
Return on average equity	15.03%	14.49%	4%
Net charge-offs to avg loans	0.00%	0.00%	0%

PER SHARE	2024	2023	% CHANGE
Dividends per share	$1.37	$1.09	26%
Net income per share	5.85	4.84	21%
Book value at year end	41.53	35.91	16%

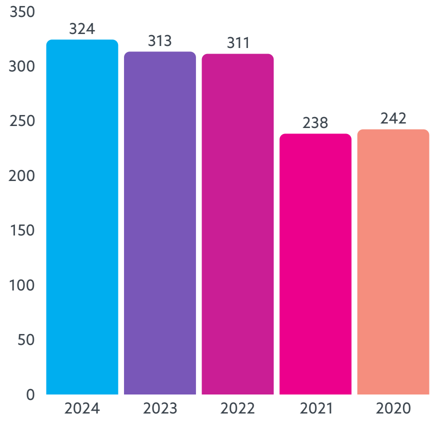
Dollar amounts in thousands, except per-share data.

KEY GRAPHS

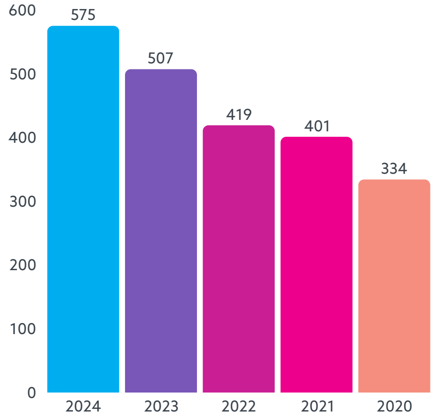
TOTAL ASSETS (MILLIONS)



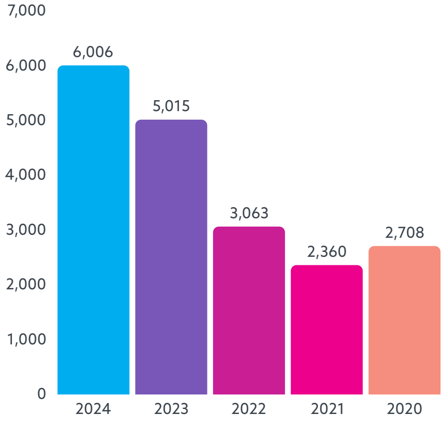
NET LOANS (MILLIONS)



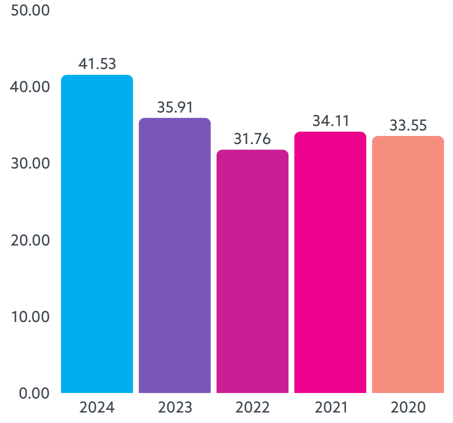
TOTAL DEPOSITS (MILLIONS)



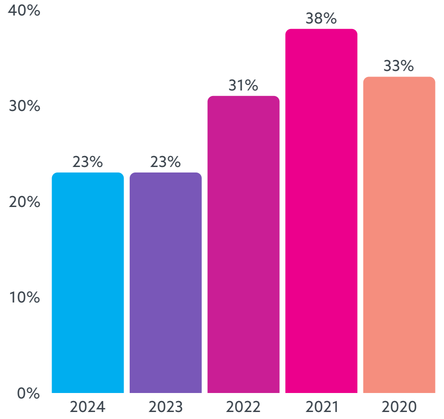
EARNINGS (THOUSANDS)



BOOK VALUE (PER SHARE, IN DOLLARS)



DIVIDEND PAYOUT RATIO



Plante & Moran, PLLC
Suite 300
634 Front Avenue N.W.
Grand Rapids, MI 49504
Tel: 616.774.8221
Fax: 616.459.3594
plantemoran.com

Independent Auditor's Report

To the Board of Directors
HCB Financial Corp.

Opinion

We have audited the consolidated financial statements of HCB Financial Corp. (the "Company"), which comprise the consolidated balance sheet as of December 31, 2024 and 2023 and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are required to be independent of the Company and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

Auditor’s Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

To the Board of Directors
HCB Financial Corp.

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the letter to shareholders, financial highlights, and key graphs but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Plante & Moran, PLLC

February 13, 2025

HCB Financial Corp.
Consolidated Balance Sheets
December 31, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	**$ 223,096,246**	$ 151,710,926
Interest-bearing time deposits in other financial institutions	**744,000**	3,969,000
Securities available-for-sale	**59,675,457**	73,940,870
Restricted investment in Federal Home Loan Bank stock	**1,512,100**	1,512,100
Loans, net of allowance of $3,156,169 at 2024 and $2,922,603 at 2023	**324,021,054**	312,974,175
Premises and equipment, net	**6,211,214**	6,379,032
Bank owned life insurance	**9,012,232**	7,118,454
Accrued interest receivable and other assets	**3,627,919**	3,827,289
Total assets	**$ 627,900,222**	$ 561,431,846
Liabilities and Stockholders' Equity		
Liabilities:		
Deposits:		
Non-interest-bearing	**$ 108,122,227**	$ 104,119,599
Interest-bearing	**467,331,276**	403,046,814
	575,453,503	507,166,413
Federal Home Loan Bank advances	**7,000,000**	14,000,000
Accrued interest payable and other liabilities	**3,088,803**	3,038,504
Total liabilities	**585,542,306**	524,204,917
Stockholders' equity:		
Common stock, no par value - 1,500,000 shares authorized; issued and outstanding of 1,020,000 in 2024 and 1,036,600 in 2023	**1,553,880**	1,579,112
Capital surplus	**2,489,401**	2,529,905
Retained earnings	**40,544,221**	36,410,150
Accumulated other comprehensive loss	**(2,229,586)**	(3,292,238)
Total stockholders' equity	**42,357,916**	37,226,929
Total liabilities and stockholders' equity	**$ 627,900,222**	$ 561,431,846

See accompanying notes

HCB Financial Corp.
Consolidated Statements of Income
Years ended December 31, 2024 and 2023

	2024	2023
Interest income		
Loans, including fees	**$ 15,565,992**	$ 13,979,953
Investment securities:		
Taxable	**677,051**	889,902
Tax-exempt	**937,110**	1,050,370
Federal funds sold and other	**9,256,642**	5,748,027
	26,436,795	21,668,252
Interest expense		
Deposits	**7,925,913**	4,411,760
Federal Home Loan Bank advances	**128,007**	229,601
	8,053,920	4,641,361
Net interest income	**18,382,875**	17,026,891
Provision for credit losses	**240,094**	317,049
Provision for unfunded commitments	**24,060**	4,368
Net interest income after provision for credit losses	**18,118,721**	**16,705,474**
Other income		
Service charges and fees	**1,820,089**	1,763,570
Wealth management income	**720,116**	690,863
Net gain on sale of securities	**24,285**	16,449
Net gain on sale of loans	**1,171**	865
Earnings from bank owned life insurance	**262,989**	174,402
Other income	**445,991**	275,240
	3,274,641	2,921,389
Other expenses		
Salaries and employee benefits	**8,298,358**	7,928,754
Occupancy and equipment	**1,399,706**	1,536,640
Data processing	**2,537,128**	2,359,585
Professional fees	**630,051**	628,360
FDIC Insurance	**300,000**	285,900
Other operating expenses	**1,310,090**	1,263,793
	14,475,333	14,003,032
Income before federal income taxes	**6,918,029**	5,623,831
Federal income taxes	**912,000**	609,000
Net income	**$ 6,006,029**	$ 5,014,831
Basic and Diluted earnings per share	**$ 5.85**	$ 4.84

See accompanying notes

HCB Financial Corp.
Consolidated Statements of Comprehensive Income
Years ended December 31, 2024 and 2023

	2024	2023
Net income	**$ 6,006,029**	$ 5,014,831
Available-for-sale securities		
Unrealized holding gains arising during the year	**1,369,414**	1,017,175
Reclassification adjustment for net realized gains included in net income (A)	**(24,285)**	(16,449)
Other comprehensive income before income tax	**1,345,129**	1,000,726
Income tax expense related to other comprehensive income (B)	**(282,477)**	**(210,152)**
Other comprehensive income	**1,062,652**	790,574
Comprehensive Income	**$ 7,068,681**	$ 5,805,405

(A) - Included in net gain on securities

(B) - Federal Income Tax expense in 2024 and 2023 includes $5,100 and $3,454 related to reclassification adjustments

See accompanying notes

HCB Financial Corp.
Consolidated Statements of Stockholders' Equity
Years Ended December 31, 2024 and 2023

	Common Stock	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance at January 1, 2023	$ 1,579,112	$ 2,529,905	$ 32,891,673	$ (4,082,812)	32,917,878
Retained earnings impact of adoption of new accounting standard	-	-	(366,460)	-	(366,460)
Net income	-	-	5,014,831	-	5,014,831
Other comprehensive income/(loss)	-	-	-	790,574	790,574
Dividends declared - $1.09 per share	-	-	(1,129,894)	-	(1,129,894)
Balance at December 31, 2023	1,579,112	2,529,905	36,410,150	(3,292,238)	37,226,929
Net income	**-**	**-**	**6,006,029**	**-**	**6,006,029**
Stock Repurchase	**(25,232)**	**(40,504)**	**(471,293)**		**(537,029)**
Other comprehensive income/(loss)	**-**	**-**	**-**	**1,062,652**	**1,062,652**
Dividends declared - $1.37 per share	**-**	**-**	**(1,400,665)**	**-**	**(1,400,665)**
Balance at December 31, 2024	**$ 1,553,880**	**$ 2,489,401**	**$ 40,544,221**	**$ (2,229,586)**	**$ 42,357,916**

See accompanying notes

HCB Financial Corp.
Consolidated Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Net income	**$ 6,006,029**	$ 5,014,831
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	**240,094**	317,049
Provision for unfunded commitments	**24,060**	4,368
Depreciation	**574,798**	636,730
Net amortization of securities	**151,683**	170,251
Earnings on bank owned life insurance, net	**(471,514)**	(174,402)
Loans originated for sale	**(72,500)**	(45,000)
Proceeds from sale of loans	**73,671**	45,865
Net gain on sales of other real estate	**-**	(1,216)
Net gain on sale of loans	**(1,171)**	(865)
Net gain on sale of securities	**(24,285)**	(16,449)
Net change in:		
Accrued interest receivable and other assets	**(83,107)**	(201,190)
Accrued interest payable and other liabilities	**(57,925)**	1,404,178
Net cash from operating activities	**6,359,833**	7,154,150
Cash flows from investing activities		
Net change in interest-bearing deposits in other financial institutions	**3,225,000**	496,000
Activity in available-for-sale securities:		
Sales	**-**	2,962,865
Maturities, prepayments, calls	**16,283,143**	18,972,601
Purchases	**(800,000)**	(2,300,000)
Loan originations and payments, net	**(11,286,973)**	(2,513,804)
Purchases of premises and equipment, net	**(406,980)**	(215,092)
Proceeds from sale of other real estate owned	**-**	278,290
Purchase of bank owned life insurance	**(2,000,000)**	-
Proceeds from bank owned life insurance	**577,736**	-
Net cash from investing activities	**5,591,926**	17,680,860
Cash flows from financing activities		
Net change in deposits	**68,287,090**	88,427,622
Repayments of Federal Home Loan Bank advances	**(7,000,000)**	(5,000,000)
Common stock repurchased	**(537,029)**	-
Cash dividends paid	**(1,316,500)**	(1,005,502)
Net cash from financing activities	**59,433,561**	82,422,120
Net change in cash and cash equivalents	**71,385,320**	107,257,130
Cash and cash equivalents at beginning of year	**151,710,926**	44,453,796
Cash and cash equivalents at end of year	**$ 223,096,246**	$ 151,710,926
Supplemental disclosures of cash flow information		
Cash paid for interest	**$ 8,422,899**	$ 3,941,907
Cash paid for income taxes	**1,040,000**	640,000
Supplemental non-cash disclosures		
Dividends declared and not paid	**$ 561,000**	$ 476,836

See accompanying notes

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: HCB Financial Corp. (the Company) is a bank holding company headquartered in Hastings, Michigan. The Company's wholly owned subsidiary, Highpoint Community Bank (the Bank), operates six full-service banking offices and one loan production office in and around Barry County. The Bank offers a variety of deposit and lending services.

Principles of Consolidation: The consolidated financial statements include the accounts and operations of HCB Financial Corp. and its wholly owned subsidiaries, Highpoint Community Bank; Highpoint Insurance Services; HCB Real Estate Holdings, LLC; and Court Street Financial, Inc. All significant inter-company balances and transactions have been eliminated in consolidation.

Subsequent Events: The Company has evaluated subsequent events for recognition and disclosure through February 13, 2025, which is the date the financial statements were available to be issued.

Use of Estimates: To prepare financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions based on available information. These estimates and assumptions affect the amounts reported in the financial statements and the disclosures provided and future results could differ. Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for credit losses.

Cash Flows: Cash and cash equivalents include cash, deposits with other financial institutions and federal funds sold. Net cash flows are reported for customer loan and deposit transactions and for interest-bearing time deposits with other financial institutions.

Cash and Cash Equivalents: The Company maintains deposit accounts with other financial institutions, which generally exceed federally insured limits or are uninsured.

Interest-Bearing Time Deposits in other Financial Institutions: Interest-bearing time deposits in other financial institutions consist of fully insured certificates of deposits with $0 maturing within 1 year and $744,000 maturing within 2-5 years.

Restricted Investments: The Bank is a member of the Federal Home Loan Bank (FHLB) System and is required to invest in capital stock of the FHLB of Indianapolis. The amount of the required investment is determined and adjusted periodically by the FHLB. The capital stock is carried at cost and evaluated for impairment on an annual basis.

Securities: Debt securities are classified as held-to-maturity and carried at amortized cost when management has the positive intent and ability to hold them to maturity. Debt securities are classified as available-for-sale when they might be sold before maturity. Securities available-for-sale are carried at fair value, with unrealized holding gains and losses reported in other comprehensive income, net of tax.

Interest income includes amortization of purchase premium or discount. Purchase premiums and discounts on non-callable debt securities are recognized into income over the term of the securities. Premiums on callable debt securities are amortized against income over the period until the earlier of the first call date or maturity. Gains and losses on sales are based on the amortized cost of the security sold. Gains and losses on sales are recorded on the trade date and determined using the specific identification method.

For available-for-sale debt securities in an unrealized loss position, the Company first assesses whether it intends to sell or more likely than not will be required to sell the security before recovery of its amortized cost basis. If either criteria is met, the security’s amortized cost basis is written down to fair value through income.

For debt securities available-for-sale that do not meet the aforementioned criteria, the Company evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security is compared to the amortized cost basis of the security. If the present value of the cash flow is expected to be collected is less than the amortized cost basis, an allowance for credit losses is recorded, limited to the amount that the fair value is less than the amortized cost basis. Any impairment not recorded through an allowance for credit losses is recognized in other comprehensive income. Accrued interest receivable on available-for-sale debt securities totaled $280,000 and $399,000 at December 31, 2024 and 2023, respectively and was reported in accrued interest receivable and other assets on the consolidated balance sheets and is excluded from the estimate of credit losses. As of December 31, 2024 and 2023, there was no allowance for credit losses on available-for-sale securities.

Loans: Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at the principal balance outstanding, net of unearned interest, deferred loan fees, and costs, and an allowance for credit losses. The Bank's loans are generally secured by specific items of collateral including real property, consumer assets, and business assets.

Interest income is reported on the interest method. Interest income on loans is generally discontinued at the time the loan is 90 days delinquent, unless the credit is well-secured and in process of collection. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

For loans placed on nonaccrual, all interest accrued but not received is reversed against interest income. Interest received on such loans is accounted for on the cash-basis or cost-recovery method until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Loans held for sale are reported at the lower of cost or market, on an aggregate basis. Mortgage loans held for sale are generally sold with servicing rights retained; the carrying value of mortgage loans sold is reduced by the amount allocated to the servicing right. Gains and losses on sales of mortgage loans are based on the difference between the selling price and the carrying value of the related loan sold.

Allowance for Credit Losses: The allowance for credit losses is established for amounts expected to be uncollectible over the contractual life of the loans. The Company evaluates loans and available-for-sale (AFS) securities to determine the allowance for credit losses. The Company estimates the allowance for loans by utilizing a model that uses collateral and loan characteristics as common risk factors. An allowance on AFS securities is provided when a credit loss is deemed to have occurred for securities which the Company does not intend to sell or is not required to sell. Accrued interest receivable on loans totaled $1,396,000 and $1,381,000 at December 31, 2024 and 2023, respectively, and was reported in accrued interest receivable and other assets on the consolidated balance sheets and is excluded from the estimate of credit losses.

Loans that do not share similar risk characteristics with other loans are evaluated individually. When repayment of collateral is expected to be dependent on the operation or sale of the collateral, expected credit losses are based on the fair value of the collateral as of the reporting date.

The Company calculates the allowance for credit losses using an expected loss model that considers the Company's actual historical loss rates adjusted for current economic conditions and reasonable and supportable forecasts. The Company considered the impact of a variety of qualitative factors when making adjustments for reasonable and supportable forecasts. For example, trends in loan charge-offs and trends in delinquencies are just two of the qualitative factors that the Company utilizes for potential adjustments to its forecasts. The Company also utilizes an internal ratings factor when determining potential adjustments to its forecasts. Uncollectible amounts are written off against the allowance in the period they are determined to be uncollectible. Recoveries of amounts previously written off are recognized when received. Loans are considered delinquent if the repayment terms are not met.

The Company adopted ASC 326 using the modified retrospective method for all financial assets measured at amortized cost and off-balance-sheet credit exposures. In 2023, the Company recorded a net decrease to retained earnings of $366,460 for the cumulative effect of adopting ASC 326. The transition adjustment includes

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a $446,132 increase in the allowance for credit losses, a $17,743 liability recognized for credit losses on off-balance-sheet exposures, and a $97,415 increase in deferred tax assets.

Residential real estate loans are evaluated for credit losses using various economic indicators. Environmental factors that may impact collateral value on residential real estate loans include data on average local home sales, national and local economic conditions, and local employment rates. These factors are used to calculate an adjustment for current economic conditions. Other residential real estate loans with additional risk factors are loans where the payment is more than 30 days past due.

Commercial loans are evaluated for credit losses using the following risk classification codes assigned to commercial credits internally:

- Risk Ratings 1-5 are considered to be within an acceptable risk tolerance to the bank.
- Risk Rating 6 is considered special mention. Loans in this category are included on the watch list and have identifiable weaknesses. Special mention assets are not adversely classified and do not expose the Bank to sufficient risk to warrant adverse classification.
- Risk Rating 7 is considered substandard. Loans in this category are considered very high risk, are included on the watch list, have well-defined weaknesses, normal repayment is in jeopardy, and are reviewed quarterly for impairment.
- Risk Rating 8 is considered impaired non-accrual. Loans in this category have all substandard characteristics plus the loans are in non-accrual status. These loans have significant weaknesses making full collection of interest unlikely.
- Risk Rating 9 is considered doubtful. Loans in this category possess all substandard and non-accrual characteristics and have significant weaknesses making full collection through payment or liquidation questionable and improbable.
- Risk Rating 10 is considered loss. Loans are charged off in a timely manner, as collection is highly unlikely.

These risk codes are reviewed and adjusted as appropriate in several circumstances. A formal loan review process is conducted on loans above various dollar thresholds based on the type of collateral securing the credit. The loan reviewer will either affirm that the risk rating is appropriate or recommend a change. Risk codes are also adjusted upon loan renewals, additional requests, and upon receipt of knowledge that an event has caused a change in apparent risk of an individual credit.

Bank Owned Life Insurance: The Company has purchased life insurance policies on certain key executives. Bank owned life insurance is recorded at the amount that can be realized under the insurance contracts at the balance sheet date, which is the cash surrender value adjusted for other charges or other amounts that are probable at settlement.

Transfers of Financial Assets: Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Company, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and (3) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Servicing Rights: Mortgage servicing rights are held at amortized cost. Servicing rights represent the fair value of retained servicing rights on loans sold. Servicing assets are expensed in proportion to, and over the period of, estimated net servicing revenues. Impairment is evaluated based on the fair value of the assets using groupings of the underlying loans as to interest rates and then, secondarily, as to prepayment characteristics. Fair value is determined by using prices for similar assets with similar characteristics, when available, or based upon discounted cash flows using market-based assumptions. Any impairment is reported as a valuation allowance to the extent that fair value is less than the capitalized amount.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Servicing fee income, which is reported on the income statement as other income, is recorded for fees earned for servicing loans. The fees are based on a contractual percentage of the outstanding principal and are recorded as income when earned. The amortization of mortgage servicing rights is netted against loan servicing fee income. Servicing fees total $47,000 and $114,000 for the years ended December 31, 2024 and 2023, respectively. Late fees and ancillary fees related to loan servicing are not material.

Premises and Equipment: Land is stated at cost. Premises and equipment are stated at cost less accumulated depreciation. The provision for depreciation is computed principally using the straight-line method over the estimated lives of the related assets. Expenditures for normal repair and maintenance are charged to expenses as incurred.

Other Real Estate Owned: Real estate properties acquired through or in lieu of loan foreclosure are initially recorded at the fair value less estimated selling cost at the date of foreclosure. Any write-downs based on the asset's fair value at the date of acquisition are charged to the allowance for loan losses. If fair value declines, a valuation allowance is recorded through expense. Costs after acquisition are expensed.

Long-Term Assets: Premises and equipment and other long-term assets are reviewed for impairment when events indicate their carrying amount may not be recoverable from future undiscounted cash flows. If impaired, the assets are recorded at fair value.

Post Retirement Benefit: The Bank sponsors a post retirement benefit plan that provides medical and life insurance benefits for life, to eligible retirees who retired prior to 2004. At year-end 2024, the plan provided benefits to six participants. At year-end 2024 and 2023, the accrued benefit obligation recognized in the consolidated balance sheet was $51,000 and $59,000, respectively. Additional disclosures related to the post retirement health care plan are not material to the financial statements.

Income Taxes: Income tax expense is the total of the current year income tax due or refundable and the change in deferred tax assets and liabilities. Deferred tax assets and liabilities are the expected future tax amounts for the temporary differences between carrying amounts and tax basis of assets and liabilities, computed using enacted tax rates. A valuation allowance, if needed, reduces deferred tax assets to the amount expected to be realized.

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

The Company recognizes interest and/or penalties related to income tax matters in income tax expense.

Earnings Per Share: Basic earnings per common share is net income divided by the weighted average number of common shares outstanding during the period, which were 1,026,203 and 1,036,600 for years ending 2024 and 2023. There were no potentially dilutive common stock equivalents for 2024 or 2023.

Off-Balance Sheet Financial Instruments: Financial instruments include off-balance sheet credit instruments such as commitments to make loans and standby letters of credit issued to meet customer financing needs. The face amount for these items represents the exposure to loss before considering customer collateral or ability to repay. Such financial instruments are recorded when they are funded.

Comprehensive Income: Comprehensive income consists of net income and other comprehensive income. Other comprehensive income includes unrealized gains and losses on securities available for sale, which are also recognized as a separate component of equity.

Loss Contingencies: Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

be reasonably estimated. Management does not believe there are such matters that will have a material effect on the financial statements.

Fair Value of Financial Instruments: Fair values of financial instruments are estimated using relevant market information and other assumptions,and is more fully disclosed in a separate note. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular items. Changes in assumptions or in market conditions could significantly affect the estimates.

Dividend Restriction: Banking regulations require maintaining certain capital levels and may limit the dividends paid by the bank to the holding company or by the holding company to shareholders.

Revenue Recognition: ASC Topic 606, Revenue from Contracts with Customers, provides the guidance used to recognize revenue from contracts with customers for transfers of goods or services and transfers of non-financial assets, unless those contracts are within the scope of other guidance. The Company's principal revenue streams that are within the scope of ASC Topic 606 include service charges and fees and trust income. These revenues are generally recognized immediately upon the completion of the service or over time as services are performed. Any services performed over time generally require that the Company renders services each period, for example monthly, therefore the Company measures progress in completing these services based upon the passage of time.

Litigation: From time to time, the Bank may be involved in various legal proceedings that are incidental to its business. In the opinion of management, the Bank is not a party to any legal proceedings that are material to its financial condition, either individually or in the aggregate.

Adoption of New Accounting Standards: In March 2022, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. The amendments in this update improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The Company adopted the amendments in this update on December 31, 2024.

NOTE 2 - SECURITIES

The fair value of available-for-sale securities and the related gross unrealized gains and losses recognized in accumulated other comprehensive income were as follows:

Available-for-sale

2024	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**
U.S. Govt and federal agency	**$ 11,536,630**	**$ -**	**$ 437,559**	**$ 11,099,071**
State and municipal	**35,226,598**	**244,434**	**1,255,473**	**34,215,559**
Mortgage-backed, residential	**7,208,489**	**1,409**	**499,277**	**6,710,621**
Corporate	**6,050,000**	**-**	**838,257**	**5,211,743**
Certificates of Deposit	**2,476,000**	**5,289**	**42,826**	**2,438,463**
Total	**$ 62,497,717**	**$ 251,132**	**$ 3,073,392**	**$ 59,675,457**
2023				
U.S. Govt and federal agency	$ 12,597,744	$ -	$ 759,141	$ 11,838,603
State and municipal	46,522,862	321,757	1,861,635	44,982,984
Mortgage-backed, residential	9,196,191	-	677,148	8,519,043
Corporate	7,066,462	-	1,061,421	6,005,041
Certificates of Deposit	2,725,000	-	129,801	2,595,199
Total	$ 78,108,259	$ 321,757	$ 4,489,146	$ 73,940,870

The fair value of debt securities and carrying amount, if different, at year-end 2024 by contractual maturity were as follows. Securities not due at a single maturity date, primarily consisting of mortgage-backed securities, are shown separately.

	Available-for-sale	
	Amortized Cost	**Fair Value**
Due in one year or less	**$ 13,556,917**	**$ 13,349,859**
Due after one through five years	**26,968,319**	**25,913,840**
Due after five through ten years	**12,142,992**	**11,100,036**
Due after ten years	**2,621,000**	**2,601,101**
Mortgage-backed, residential	**7,208,489**	**6,710,621**
	$ 62,497,717	**$ 59,675,457**

NOTE 2 - SECURITIES (Continued)

Securities pledged at year-end 2024 and 2023 had a carrying amount of $16,879,000 and $19,457,000, respectively, and were pledged to secure public deposits and other purposes as required or permitted by law.

Securities with unrealized losses at year-end 2024 and 2023, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, are as follows:

	Less than 12 Months		12 Months or More		Total	
2024	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**
U.S. Govt. and federal agency	**$ -**	**$ -**	**$ 11,099,071**	**$ 437,559**	**$ 11,099,071**	**$ 437,559**
State and municipal	**1,494,103**	**4,197**	**25,647,029**	**1,251,276**	**27,141,132**	**1,255,473**
Mortgage-backed, residential	**-**	**-**	**6,387,761**	**499,277**	**6,387,761**	**499,277**
Corporate	**-**	**-**	**5,211,743**	**838,257**	**5,211,743**	**838,257**
Certificates of Deposit	**-**	**-**	**1,686,174**	**42,826**	**1,686,174**	**42,826**
	$ 1,494,103	**$ 4,197**	**$ 50,031,778**	**$ 3,069,195**	**$ 51,525,881**	**$ 3,073,392**
2023						
U.S. Govt. and federal agency	$ -	$ -	$ 11,838,603	$ 759,141	$ 11,838,603	$ 759,141
State and municipal	2,600,968	14,617	33,261,770	1,847,018	35,862,738	1,861,635
Mortgage-backed, residential	360,694	2,351	8,158,350	674,797	8,519,044	677,148
Corporate	-	-	6,005,041	1,061,421	6,005,041	1,061,421
Certificates of Deposit	-	-	2,595,199	129,801	2,595,199	129,801
	$ 2,961,662	$ 16,968	$ 61,858,963	$ 4,472,178	$ 64,820,625	$ 4,489,146

Unrealized losses have not been recognized into income because the securities are of high credit quality, management does not intend to sell and it is not likely that management would be required to sell the securities prior to their anticipated recovery, and the decline in fair value is largely due to changes in market interest rates. The fair value is expected to recover as the securities approach their maturity date and/or market rates decline.

Sales of available-for-sale securities, as well as calls that produced a gain/(loss), were as follows:

	2024	2023
Proceeds	**$ 1,000,000**	$ 2,962,865
Gross gains	**24,285**	27,630
Gross losses	**-**	(11,181)

NOTE 3 - LOANS

Loans at year-end were as follows:	**2024**	2023
Real estate:		
Construction	**$ 2,257,955**	$ 2,705,960
Commercial	**156,254,126**	133,970,247
Residential	**98,327,798**	96,011,864
Commercial	**11,183,276**	13,621,668
Consumer	**7,450,391**	8,961,223
SBA Guaranteed	**3,335,515**	5,384,070
Municipal Loans	**48,368,162**	55,241,746
Subtotal	**327,177,223**	315,896,778
Allowance for credit losses	**(3,156,169)**	(2,922,603)
	$ 324,021,054	$ 312,974,175

Mortgage loans serviced for others are not reported as assets. Such loans aggregated to $37,827,000 and $41,311,000 at year-end 2024 and 2023, respectively. There we no mortgage loans originated for sale but not yet delivered as of December 31, 2024 and 2023. Capitalized mortgage servicing rights were $210,000 and $256,000 at year-end 2024 and 2023, respectively, and are included in accrued interest receivable and other assets.

Certain directors and executive officers of the Company, including their associates, were loan customers of the Bank during 2024 and 2023. The outstanding loan balances for these persons at year-end 2024 and 2023 amounted to $5,214,000 and $3,763,000, respectively. During 2024, new loans to these persons amounted to $2,054,000 and payments amounted to $606,000, compared to new loans of $951,000 and payments of $409,000 during 2023. Existing loans to new directors and executive officers in 2024 amounted to $3,000

NOTE 3 - LOANS (Continued)

Activity in the allowance for credit losses for 2024 and 2023, by portfolio segment, was as follows:

December 31, 2024	**Construction Real Estate**	**Commercial Real Estate**	**Residential Real Estate**	**Commercial**	**Consumer**	**SBA Guaranteed**	**Municipal Loans**	**Unallocated**	**Total**
Allowance for credit losses:									
Beginning balance	**$ 39,694**	**$ 1,678,463**	**$ 777,403**	**$ 203,463**	**$ 218,056**	**$ -**	**$ 5,524**	**$ -**	**$ 2,922,603**
Provision for expected credit losses	**(6,253)**	**281,462**	**29,427**	**(39,809)**	**(24,046)**	**-**	**(687)**	**-**	**240,094**
Loans charged-off	**-**	**-**	**-**	**-**	**(10,032)**	**-**	**-**	**-**	**(10,032)**
Recoveries	**-**	**-**	**-**	**-**	**3,504**	**-**	**-**	**-**	**3,504**
Ending balance	**$ 33,441**	**$ 1,959,925**	**$ 806,830**	**$ 163,654**	**$ 187,482**	**$ -**	**$ 4,837**	**$ -**	**$ 3,156,169**

December 31, 2023	Construction Real Estate	Commercial Real Estate	Residential Real Estate	Commercial	Consumer	SBA Guaranteed	Municipal Loans	Unallocated	**Total**
Allowance for credit losses:									
Beginning balance	$ 54,397	$ 966,678	$ 420,752	$ 93,728	$ 30,805	$ 38,817	$ 525,015	$ 23,074	$ 2,153,266
Cumulative effect of change in accounting principle	50,885	490,449	246,417	92,045	153,242	(38,817)	(525,015)	(23,074)	446,132
Provision for expected credit losses	(65,588)	221,336	110,234	17,690	27,853	-	5,524	-	317,049
Loans charged-off	-	-	-	-	(118)	-	-	-	(118)
Recoveries	-	-	-	-	6,274	-	-	-	6,274
Ending balance	$ 39,694	$ 1,678,463	$ 777,403	$ 203,463	$ 218,056	$ -	$ 5,524	$ -	$ 2,922,603

NOTE 3 - LOANS (Continued)

Non-accrual loans and loans past due 90 days still on accrual include both smaller balance homogeneous loans that are collectively evaluated for credit losses and individually evaluated loans.

The following table presents the amortized cost basis of non-accrual loans by class as of year-end 2024 and 2023:

2024

	Non-Accrual Loans With No ACL	Total Non-Accrual Loans	Interest Income Recognized During the Period on Non-Accrual Loans
Real estate:			
Construction	$ -	$ -	$ -
Commercial	-	-	-
Residential	192,095	192,095	15,023
Commercial	-	-	-
Consumer	-	-	-
SBA Guaranteed	-	-	-
Municipal Loans	-	-	-
Total	$ 192,095	$ 192,095	$ 15,023

2023

	Non-Accrual Loans With No ACL	Total Non-Accrual Loans	Interest Income Recognized During the Period on Non-Accrual Loans
Real estate:			
Construction	$ -	$ -	$ -
Commercial	-	-	-
Residential	-	209,862	10,183
Commercial	-	-	-
Consumer	-	2,295	175
SBA Guaranteed	-	-	-
Municipal Loans	-	-	-
Total	$ -	$ 212,157	$ 10,358

NOTE 3 - LOANS (Continued)

The following tables present the aging of the recorded investment in past due loans by class of loans as of year-end 2024 and 2023:

December 31, 2024	30-59 Days Past Due	60-89 Days Past Due	90 or more Days Past Due	Total	Current	Total Loans	90 or more days past due and accruing
Real estate:							
Construction	$ -	$ -	$ -	$ -	$ 2,257,955	$ 2,257,955	$ -
Commercial	-	-	-	-	156,254,126	156,254,126	-
Residential	10,960	-	210,552	221,512	98,106,286	98,327,798	18,456
Commercial	-	-	-	-	11,183,276	11,183,276	-
Consumer	3,587	12,667	-	16,254	7,434,137	7,450,391	-
SBA Guaranteed	-	-	-	-	3,335,515	3,335,515	-
Municipal Loans	-	-	-	-	48,368,162	48,368,162	-
Total	$ 14,547	$ 12,667	$ 210,552	$ 237,766	$ 326,939,457	$ 327,177,223	$ 18,456

December 31, 2023	30-59 Days Past Due	60-89 Days Past Due	90 or more Days Past Due	Total	Current	Total Loans	90 or more days past due and accruing
Real estate:							
Construction	$ -	$ -	$ -	$ -	$ 2,705,960	$ 2,705,960	$ -
Commercial	-	-	-	-	133,970,247	133,970,247	-
Residential	162,960	-	209,862	372,822	95,639,042	96,011,864	-
Commercial	-	-	-	-	13,621,668	13,621,668	-
Consumer	4,492	-	6,061	10,553	8,950,670	8,961,223	3,766
SBA Guaranteed	-	-	-	-	5,384,070	5,384,070	-
Municipal Loans	-	-	-	-	55,241,746	55,241,746	-
Total	$ 167,452	$ -	$ 215,923	$ 383,375	$ 315,513,403	$ 315,896,778	$ 3,766

NOTE 3 - LOANS (Continued)

Troubled Loan Modifications:

The below table presents the amortized cost basis as of year-end 2024 and 2023 of the loans modified to borrowers experiencing financial difficulty disaggregated by class of financing receivable and type of concession granted during the reporting period.

December 31, 2024	**Interest Rate Reduction**		**Term Extension**	
	Amortized Cost Basis	**% of Total Class of Loans**	**Amortized Cost Basis**	**% of Total Class of Loans**
Real estate:				
Construction	$ -	0%	$ -	0%
Commercial	-	0%	-	0%
Residential	-	0%	-	0%
Commercial	-	0%	-	0%
Consumer	-	0%	-	0%
SBA Guaranteed	-	0%	-	0%
Municipal Loans	-	0%	-	0%
Total	$ -		$ -	

December 31, 2023	Interest Rate Reduction		Term Extension	
	Amortized Cost Basis	% of Total Class of Loans	Amortized Cost Basis	% of Total Class of Loans
Real estate:				
Construction	$ -	0%	$ -	0%
Commercial	-	0%	-	0%
Residential	-	0%	-	0%
Commercial	-	0%	-	0%
Consumer	4,550	0%	831	0%
SBA Guaranteed	-	0%	-	0%
Municipal Loans	-	0%	-	0%
Total	$ 4,550		$ 831	

The following tables present the financial effect by type of modification made to borrowers experiencing financial difficulty and class of financing receivable:

December 31, 2024	**Interest Rate Reduction**	**Term Extension**
Real estate:	**-**	**-**
Construction	**-**	**-**
Commercial	**-**	**-**
Residential	**-**	**-**
Commercial	**-**	**-**
Consumer	**-**	**-**
SBA Guaranteed	**-**	**-**
Muncipal Loans	**-**	**-**

December 31, 2023	Interest Rate Reduction	Term Extension
Real estate:	-	-
Construction	-	-
Commercial	-	-
Residential	-	-
Commercial	-	-
Consumer	Reduced contractual rate from 13.75% to 8.50%	Added 14 months to the life of the loan, which reduced monthly payment amounts for the borrower
SBA Guaranteed	-	-
Municipal Loans	-	-

There were no loans that had a payment default during the years ended December 31, 2024 and 2023 that were modified in the twelve months before default to borrowers experiencing financial difficulty.

As of year-end 2024 and 2023, there were no loans in default that have been modified in the past twelve months to borrowers experiencing financial difficulty.

HCB Financial Corp.
Notes to Consolidated Financial Statements
(Continued)

NOTE 3 - LOANS (Continued)

Credit Quality Indicators:

The Company categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Company analyzes loans individually by classifying the loans as to credit risk. This analysis includes credit relationships with an outstanding balance greater than $150,000 and non-homogeneous loans, such as commercial and commercial real estate loans. This analysis is performed annually, at renewals, and when new information on a credit is learned. The Company uses the following definitions for risk ratings:

Special Mention: Loans classified as special mention are included on the watch list and have identifiable weaknesses. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the Bank's credit position at some future date. Special mention assets are not adversely classified and do not expose the Bank to sufficient risk to warrant adverse classification. Not rated loans that are past due 30-89 days are also included in this category.

Substandard: Loans classified as substandard are considered very high risk, included on watch list, have well-defined weaknesses, normal repayment is in jeopardy, and are reviewed quarterly for impairment. Not rated loans that are more than 89 days past due are included in this category.

Impaired Non-Accrual: Loans classified as impaired non-accrual are very high risk and are in non-accrual status. These loans have significant weaknesses, making full collection of interest unlikely.

Doubtful: Loans classified as doubtful have all the weaknesses inherent in those classified as impaired non-accrual, plus significant weaknesses making full collection through payment or liquidation questionable and improbable. The Bank had no doubtful loans in 2024 and 2023.

Loans not meeting the criteria above that are analyzed individually as part of the above described process, are considered to be pass rated loans. Municipal loans are primarily short-moderate term loans to municipalities related to maintenance or improvement projects that are funded by approved special tax assessments. The Company reviews updated financial information on long-term issues periodically. Groups of homogeneous loans and municipal loans are not rated and are listed as pass.

The following tables present the amortized cost basis of loans by credit quality indicator, class, and year of origination for term loans as of December 31, 2024 and 2023, respectively:

December 31, 2024	Term loans amortized cost basis by origination year						
	2024	2023	2022	2021	Prior	Revolving Loans Amortized Cost Basis	Total
Real Estate - Construction							
Pass	$ 94,946	$ 268,711	$ 324,093	$ 663,237	$ 175,435	$ 731,533	$ 2,257,955
Special Mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-
Impaired Non-Accrual	-	-	-	-	-	-	-
Total Real Estate - Construction	94,946	268,711	324,093	663,237	175,435	731,533	2,257,955
Current year-to-date gross write-offs	-	-	-	-	-	-	-

NOTE 3 - LOANS (Continued)

December 31, 2024	Term loans amortized cost basis by origination year						
	2024	2023	2022	2021	Prior	Revolving Loans Amortized Cost Basis	Total
Real Estate - Commercial							
Pass	24,462,684	25,252,269	66,709,947	7,401,667	20,385,987	12,041,572	156,254,126
Special Mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-
Impaired Non-Accrual	-	-	-	-	-	-	-
Total Real Estate - Commercial	24,462,684	25,252,269	66,709,947	7,401,667	20,385,987	12,041,572	156,254,126
Current year-to-date gross write-offs	-	-	-	-	-	-	-
Real Estate - Residential							
Pass	15,226,504	12,377,639	10,453,330	17,753,896	37,163,730	5,131,188	98,106,287
Special Mention	-	-	-	-	10,960	-	10,960
Substandard	-	-	-	-	18,456	-	18,456
Impaired Non-Accrual	-	-	-	-	192,095	-	192,095
Total Real Estate-Residential	15,226,504	12,377,639	10,453,330	17,753,896	37,385,241	5,131,188	98,327,798
Current year-to-date gross write-offs	-	-	-	-	-	-	-
Commercial							
Pass	2,962,570	2,685,050	2,441,530	151,242	257,255	2,685,629	11,183,276
Special Mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-
Impaired Non-Accrual	-	-	-	-	-	-	-
Total Commercial	2,962,570	2,685,050	2,441,530	151,242	257,255	2,685,629	11,183,276
Current year-to-date gross write-offs	-	-	-	-	-	-	-

HCB Financial Corp.
Notes to Consolidated Financial Statements
(Continued)

NOTE 3 - LOANS (Continued)

December 31, 2024	Term loans amortized cost basis by origination year						
	2024	2023	2022	2021	Prior	Revolving Loans Amortized Cost Basis	Total
Consumer							
Pass	2,285,212	1,657,762	1,798,341	762,965	669,226	260,631	7,434,137
Special Mention	-	16,254	-	-	-	-	16,254
Substandard	-	-	-	-	-	-	-
Impaired Non-Accrual	-	-	-	-	-	-	-
Total Consumer	2,285,212	1,674,016	1,798,341	762,965	669,226	260,631	7,450,391
Current year-to-date gross write-offs	-	-	9,022	-	1,010	-	10,032
SBA Guaranteed							
Pass	423,363	241,659	1,986,022	433,544	250,927	-	3,335,515
Special Mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-
Impaired Non-Accrual	-	-	-	-	-	-	-
Total SBA Guaranteed	423,363	241,659	1,986,022	433,544	250,927	-	3,335,515
Current year-to-date gross write-offs	-	-	-	-	-	-	-
Municipal Loans							
Pass	5,611,500	3,333,771	13,553,672	10,608,569	15,260,650	-	48,368,162
Special Mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-
Impaired Non-Accrual	-	-	-	-	-	-	-
Total Municipal Loans	5,611,500	3,333,771	13,553,672	10,608,569	15,260,650	-	48,368,162
Current year-to-date gross write-offs	-	-	-	-	-	-	-
Total loans	$ 51,066,779	$ 45,833,115	$ 97,266,935	$ 37,775,120	$ 74,384,721	$ 20,850,553	$ 327,177,223

NOTE 3 - LOANS (Continued)

December 31, 2023	Term loans amortized cost basis by origination year					
	2023	2022	2021	Prior	Revolving Loans Amortized Cost Basis	Total
Real Estate - Construction						
Pass	$ 1,133,083	$ 389,910	$ 774,489	$ 224,060	$ 184,418	$ 2,705,960
Special Mention	-	-	-	-	-	-
Substandard	-	-	-	-	-	-
Impaired Non-Accrual	-	-	-	-	-	-
Total Real Estate - Construction	1,133,083	389,910	774,489	224,060	184,418	2,705,960
Current year-to-date gross write-offs	-	-	-	-	-	-
Real Estate - Commercial						
Pass	27,534,691	71,915,439	8,106,806	24,558,401	1,854,910	133,970,247
Special Mention	-	-	-	-	-	-
Substandard	-	-	-	-	-	-
Impaired Non-Accrual	-	-	-	-	-	-
Total Real Estate - Commercial	27,534,691	71,915,439	8,106,806	24,558,401	1,854,910	133,970,247
Current year-to-date gross write-offs	-	-	-	-	-	-
Real Estate - Residential						
Pass	12,198,155	12,838,378	18,082,298	44,882,130	7,629,403	95,630,364
Special Mention	-	-	118,447	10,748	33,765	162,960
Substandard	-	-	-	8,678	-	8,678
Impaired Non-Accrual	-	-	-	209,862	-	209,862
Total Real Estate-Residential	12,198,155	12,838,378	18,200,745	45,111,418	7,663,168	96,011,864
Current year-to-date gross write-offs	-	-	-	-	-	-
Commercial						
Pass	3,919,787	4,362,933	1,588,724	1,813,531	1,852,141	13,537,116
Special Mention	-	-	-	-	-	-
Substandard	-	-	-	84,552	-	84,552
Impaired Non-Accrual	-	-	-	-	-	-
Total Commercial	3,919,787	4,362,933	1,588,724	1,898,083	1,852,141	13,621,668
Current year-to-date gross write-offs	-	-	-	-	-	-

HCB Financial Corp.
Notes to Consolidated Financial Statements
(Continued)

NOTE 3 - LOANS (Continued)

December 31, 2023	Term loans amortized cost basis by origination year					
	2023	2022	2021	Prior	Revolving Loans Amortized Cost Basis	Total
Consumer						
Pass	2,966,597	2,707,921	1,429,993	1,467,807	378,351	8,950,669
Special Mention	-	4,493	-	-	-	4,493
Substandard	-	3,766	-	-	-	3,766
Impaired Non-Accrual	-	-	2,295	-	-	2,295
Total Consumer	2,966,597	2,716,180	1,432,288	1,467,807	378,351	8,961,223
Current year-to-date gross write-offs	-	-	-	-	118	118
SBA Guaranteed						
Pass	68,450	101,278	701,486	46,516	4,466,340	5,384,070
Special Mention	-	-	-	-	-	-
Substandard	-	-	-	-	-	-
Impaired Non-Accrual	-	-	-	-	-	-
Total SBA Guaranteed	68,450	101,278	701,486	46,516	4,466,340	5,384,070
Current year-to-date gross write-offs	-	-	-	-	-	-
Municipal Loans						
Pass	5,654,449	19,178,787	11,641,926	18,766,584	-	55,241,746
Special Mention	-	-	-	-	-	-
Substandard	-	-	-	-	-	-
Impaired Non-Accrual	-	-	-	-	-	-
Total Municipal Loans	5,654,449	19,178,787	11,641,926	18,766,584	-	55,241,746
Current year-to-date gross write-offs	-	-	-	-	-	-
Total loans	$ 53,475,212	$ 111,502,905	$ 42,446,464	$ 92,072,869	$ 16,399,328	$ 315,896,778

NOTE 4 - PREMISES AND EQUIPMENT

Premises and equipment are summarized as follows:

	2024	2023
Land	$ **1,208,168**	$ 1,208,168
Buildings	**9,522,887**	9,492,432
Furniture and equipment	**4,762,096**	4,487,179
	15,493,151	15,187,779
Less: Accumulated depreciation	**(9,281,937)**	(8,808,747)
	$ **6,211,214**	$ 6,379,032

The Company has approximately $481,000 in outstanding premises and equipment commitments as of December 31, 2024.

NOTE 5 - DEPOSITS

Time deposits of $250,000 or more were $16,514,000 and $24,865,000 at year-end 2024 and 2023, respectively. Scheduled maturities of all time deposits for the next five years and thereafter are as follows:

2025	$ 65,673,781
2026	3,409,473
2027	920,021
2028	172,235
2029	147,730
Thereafter	-

The Company held deposits of approximately $1,966,000 and $1,705,000 for related parties at year-end 2024 and 2023, respectively.

NOTE 6 - FEDERAL HOME LOAN BANK ADVANCES

Advances from the Federal Home Loan Bank ("FHLB") were $7,000,000 and $14,000,000 at year-end 2024 and 2023, respectively. The weighted average fixed interest rate of outstanding advances was 1.08% and 1.51% at year-end 2024 and 2023, respectively.

Advances are payable at maturity dates or prior with penalty for prepayment. The advances were collateralized by $63,619,000 and $65,929,000 of first mortgage loans under a blanket lien arrangement at year-end 2024 and 2023, respectively.

Scheduled maturities and required payments over the next five years and thereafter:

2025	$	-
2026		7,000,000
2027		-
2028		-
2029		-
Thereafter		-

The Company's Federal Home Loan Bank Overdraft Line of Credit had a balance of $0 at year-end 2024 and 2023.

NOTE 7 - RETIREMENT PLAN

The Bank sponsors a 401(k) savings plan that allows eligible employees to contribute a percentage of their annual compensation. The Bank matches a portion of the participant's contribution, up to plan specified maximums. The Bank contributed $97,000 and $95,000 to the plan during 2024 and 2023, respectively. The Bank may also elect to make a profit-sharing contribution to the Plan.

Additionally, retirement benefits are provided to substantially all employees under a discretionary profit-sharing and employee stock ownership plan (ESOP). The Bank recognized expense of $350,000 and $300,000 during 2024 and 2023, respectively, related to the profit-sharing plan, which includes contributions to the ESOP of $175,000 and $150,000 in 2024 and 2023, respectively. Compensation cost is recognized for contributions to the plan equal to the amount of cash contributed or the fair value of shares contributed. All contributions during 2024 and 2023 were made in cash. Dividends declared on shares held by the ESOP are charged to retained earnings. All shares held by the ESOP are treated as outstanding in computing earnings per share. Total allocated shares in the ESOP were 72,993 and 84,136 as of December 31, 2024 and 2023. No shares were committed to be released or held in suspense.

NOTE 8 - FEDERAL INCOME TAXES

The provision for income taxes is summarized as follows:

	Year ended December 31 2024	2023
Current	$ 1,044,000	$ 864,000
Deferred	(132,000)	(255,000)
	$ 912,000	$ 609,000

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Bank's deferred tax assets and liabilities are as follows:

	December 31 2024	2023
Deferred income tax assets:		
Allowance for credit and loan losses in excess of deductible amounts	$ 602,000	$ 553,000
Post retirement benefits	11,000	13,000
Accrued liabilities	344,000	287,000
Deferred loan fees	2,000	3,000
Unrealized losses/(gains) on securities	593,000	875,000
Other	2,000	2,000
	1,554,000	1,733,000
Deferred income tax liabilities:		
Prepaid expenses	(57,000)	(57,000)
Book-tax basis differences on property and equipment	(268,000)	(287,000)
Mortgage servicing rights	(44,000)	(54,000)
Other	(23,000)	(23,000)
	(392,000)	(421,000)
Net deferred income tax assets	$ 1,162,000	$ 1,312,000

At year-end 2024 and 2023 there were no unrecognized tax benefits recorded. The Bank does not expect the amount of unrecognized tax benefits to significantly change within the next twelve months. There were no interest or penalties recorded during 2024 or 2023. The net deferred income tax asset is reported in other assets.

A reconciliation of the difference between federal income taxes and the amount computed by applying the statutory rate are as follows:

	Year ended December 31 2024	2023
Taxes at statutory rate	$ 1,453,000	$ 1,181,000
Effect of tax-exempt interest	(497,000)	(582,000)
Effect of BOLI income	(99,000)	(37,000)
Other	55,000	47,000
	$ 912,000	$ 609,000

NOTE 9 - LOAN COMMITMENTS AND STANDBY LETTERS OF CREDIT

Some financial instruments, such as loan commitments, credit lines, letters of credit, and overdraft protection, are issued to meet customer financing needs. These are agreements to provide credit or to support the credit of others, as long as conditions established in the contract are met, and usually have expiration dates. Commitments may expire without being used. Off-balance sheet risk to credit loss exists up to the face amount of these instruments, although material losses are not anticipated. The same credit policies are used to make such commitments as are used for loans, including obtaining collateral at exercise of the commitment.

At year-end 2024 and 2023, the Bank had commitments to fund loans to customers and available unused lines of credit of $22,746,000 and $24,889,000, respectively. Commitments under outstanding standby letters of credit amounted to $950,000 and $990,000 at year-end 2024 and 2023, respectively.

NOTE 10 – REGULATORY MATTERS

Banks are subject to regulatory capital requirements administered by federal banking agencies. Capital adequacy guidelines and prompt corrective action regulations involve quantitative measures of assets, liabilities, and certain off-balance sheet items calculated under regulatory accounting practices. Capital amounts and classifications are also subject to qualitative judgments by regulators. Failure to meet capital requirements can initiate regulatory action. The net unrealized gain or loss on available-for-sale securities is not included in computing regulatory capital. The table below presents capital adequacy information including the 2.50% capital conservation buffer. Management believes, as of year-end 2024 and 2023, that the Bank meets all capital adequacy requirements to which it is subject.

Prompt corrective action regulations provide five classifications: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized, although these terms are not used to represent overall financial condition. If adequately capitalized, regulatory approval is required to accept brokered deposits. If undercapitalized, capital distributions are limited, as is asset growth and expansion, and capital restoration plans are required. At year-end 2024 and 2023, the most recent regulatory notifications categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since that notification that management believes have changed the institution's category.

Actual and required capital amounts (000's omitted) and ratios at year-end are presented below:

	Actual		Required For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Regulations	
	Amount	**Ratio**	**Amount**	**Ratio**	**Amount**	**Ratio**
2024						
Total capital to risk-weighted assets:	**$ 47,332**	**16.21%**	**$ 30,662**	**10.50%**	**$ 29,202**	**10.00%**
Tier 1 (core) capital to risk-weighted assets:	**44,313**	**15.17%**	**24,822**	**8.50%**	**23,361**	**8.00%**
Common Tier 1 to risk-weighted assets (CET1):	**44,313**	**15.17%**	**20,441**	**7.00%**	**18,981**	**6.50%**
Tier 1 (core) capital to average assets:	**44,313**	**6.85%**	**25,873**	**4.00%**	**32,341**	**5.00%**
2023						
Total capital to risk-weighted assets:	$ 43,441	15.13%	$ 30,145	10.50%	$ 28,710	10.00%
Tier 1 (core) capital to risk-weighted assets:	40,770	14.20%	24,403	8.50%	22,968	8.00%
Common Tier 1 to risk-weighted assets (CET1):	40,770	14.20%	20,097	7.00%	18,661	6.50%
Tier 1 (core) capital to average assets:	40,770	7.15%	22,805	4.00%	28,506	5.00%

NOTE 11 - FAIR VALUE

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Company used the following methods and significant assumptions to estimate the fair value of each type of financial instrument:

Securities: The fair value for securities is determined by quoted market prices, if available (Level 1). For securities where quoted prices are not available, fair values are calculated based on market prices of similar securities (Level 2). For securities where quoted prices or market prices of similar securities are not available, fair values are calculated using discounted cash flows or other market indicators (Level 3). Discounted cash flows are calculated using spread to swap and Treasury curves that are updated to incorporate loss severities, volatility, credit spread, and optionality. During times when trading is more liquid, broker quotes are used, if available, to validate the model. Rating agency and industry research reports as well as defaults and deferrals on individual securities are reviewed and incorporated into the calculations. Both observable and unobservable inputs may be used to determine the fair value of positions classified as Level 3 assets. As a result, the unrealized gains and losses for these assets presented in the tables within this schedule may include changes in fair value that were attributable to both observable and unobservable inputs.

Collateral-Dependent Loans Held for Investment: The fair values of collateral-dependent loans held for investment are generally based on recent real estate valuations. These valuations may utilize a single valuation approach or a combination of approaches including comparable sales and the income approach. Adjustments are routinely made in the appraisal process by the appraisers to adjust for differences between the comparable sales and income data available. Such adjustments are usually significant and typically result in a Level 3 classification of the inputs for determining fair value. Periodically, in cases where the carrying value exceeds the fair value of the collateral less cost to sell, a charge is recognized in the form of a charge-off.

Other Real Estate Owned: Assets acquired through or instead of loan foreclosure are initially recorded at fair value less costs to sell when acquired, establishing a new cost basis. These assets are subsequently accounted for at lower of cost or fair value less estimated costs to sell. Fair value is commonly based on recent real estate valuations, which are updated no less frequently than annually. These valuations may utilize a single valuation approach or a combination of approaches, including comparable sales and the income approach. Adjustments are routinely made in the appraisal process by the independent appraisers to adjust for differences between the comparable sales and income data available. Such adjustments are usually significant and typically result in a Level 3 classification of the inputs for determining fair value. Real estate owned properties are evaluated on a quarterly basis for additional impairment and adjusted accordingly.

Valuations for both collateral-dependent loans and real estate owned are performed by certified general appraisers (for commercial properties), certified residential appraisers, or state licensed appraisers whose qualifications and licenses have been reviewed and verified by the Company. Once received, an administrator level employee or higher reviews the assumptions and approaches utilized in the valuation as well as the resulting fair value in comparison with independent data sources such as recent market data or industry-wide statistics. On an annual basis, the Company compares the actual selling price of collateral that has been sold to the most recent valuation to determine what additional adjustment should be made to the valuation to arrive at fair value. The most recent analysis performed indicated that a discount of 20% should be applied.

NOTE 11 - FAIR VALUE (Continued)

Assets and liabilities measured at fair value on a recurring basis are summarized below:

Fair Value measurements at December 31 using:

2024	**Carrying Value**	**Level 1**	**Level 2**	**Level 3**
U.S. Govt and federal agency	**$ 11,099,071**	**$ 1,977,031**	**$ 9,122,040**	**$ -**
State and municipal	**34,215,559**	**-**	**8,326,617**	**25,888,942**
Mortgage-backed, residential	**6,710,621**	**-**	**6,710,621**	**-**
Corporate	**5,211,743**	**-**	**5,211,743**	**-**
Certificate of Deposit	**2,438,463**	**-**	**2,438,463**	**-**
Available-for-sale securities	**$ 59,675,457**	**$ 1,977,031**	**$ 31,809,484**	**$ 25,888,942**

2023	Carrying Value	Level 1	Level 2	Level 3
U.S. Govt and federal agency	$ 11,838,603	$ 1,948,281	$ 9,890,322	$ -
State and municipal	44,982,984	-	14,610,561	30,372,423
Mortgage-backed, residential	8,519,043	-	8,519,043	-
Corporate	6,005,041	-	6,005,041	-
Certificate of Deposit	2,595,199	-	2,595,199	-
Available-for-sale securities	$ 73,940,870	$ 1,948,281	$ 41,620,166	$ 30,372,423

There were no realized gains or losses on the sale of Level 3 assets for year-end 2024 or 2023 which would be reported in the net gain on sale of available-for-sale securities.

The following table shows the change in fair value of Level 3 investments for the years ending 2024 and 2023:

Change in Fair Value of Level 3 Investments:	**2024**	2023
Balance, January 1	**$ 30,372,423**	$ 34,253,167
Total realized losses included in income	**-**	-
Total unrealized gains included in other comprehensive income	**154,569**	483,400
Net purchases, sales, calls and maturities	**(4,638,050)**	(4,364,144)
Balance, December 31	**$ 25,888,942**	$ 30,372,423

NOTE 11 - FAIR VALUE (Continued)

Assets measured at fair value on a non-recurring basis are summarized below:
As of December 31, 2024 and 2023, there were no collateral-dependent loans measured at fair value on a non-recurring basis.

As applicable, the fair values of collateral dependent loans carried at fair value are determined by third party appraisals. Management makes adjustments to these appraised values based on the age of the appraisal. The fair value of the collateral is adjusted for estimated costs to sell if the Bank intends to sell rather than operate the collateral. Quantitative information about Level 3 fair value measurements is presented if there are large or complex classes of financial instruments measured at fair value on a non-recurring basis. No such information is deemed significant for 2024 or 2023.

The methods and assumptions, not previously presented, that are used to estimate fair value are described as follows:

Carrying amount is the estimated fair value for cash and cash equivalents, short-term borrowings, and accrued interest receivable and payable. The methods for determining the fair values for securities were described previously. For fixed and variable rate loans, fair value is based upon the exit price notion where projected cash flows are discounted using interest rates and credit adjustments from a market participant's perspective. For interest-bearing deposits and for deposits with infrequent repricing or repricing limits, fair value is based on discounted cash flows using current market rates applied to the estimated life. Fair value of debt is based on current rates for similar financing. The fair value of off-balance sheet items is not considered material.

The carrying amounts, estimated fair values of financial instruments, and fair value level are summarized as follows:

		2024		2023	
	Fair Value Level	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Assets:					
Cash and cash equivalents	1	**$ 223,096,246**	**$ 223,096,000**	$ 151,710,926	$ 151,711,000
Interest-bearing deposits	2	**744,000**	**729,212**	3,969,000	3,862,000
Securities - available-for-sale	1	**1,977,031**	**1,977,000**	1,948,281	1,948,000
Securities - available-for-sale	2	**31,809,484**	**31,809,000**	41,620,166	41,620,000
Securities - available-for-sale	3	**25,888,942**	**25,889,000**	30,372,423	30,372,000
Federal Home Loan Bank stock	3	**1,512,100**	**1,512,000**	1,512,100	1,512,000
Loans, net	3	**324,021,054**	**305,109,000**	312,974,175	280,995,000
Accrued interest receivable	2	**1,675,207**	**1,675,000**	1,780,480	1,780,000
Liabilities:					
Time Deposits	2	**70,309,240**	**70,290,000**	74,293,461	74,165,000
Federal Home Loan Bank advances	2	**7,000,000**	**6,710,000**	14,000,000	13,449,000
Accrued interest payable	2	**361,885**	**362,000**	730,865	731,000

NOTE 12 - Segment Disclosure

The Company operates one business segment. The President & CEO, who is the chief operating decision maker for the Company, looks at Net Income and Net Interest Income as the main reporting measure to assess the segment performance.

THIS PAGE INTENTIONALLY LEFT BLANK

GIVING BACK, MOVING FORWARD

At Highpoint Community Bank, we believe that strong communities create strong futures. Through sponsorships, volunteer efforts, and partnerships, we're committed to giving back to the communities we serve—because when we invest in people, we all move forward together.

DIRECTORS

Joseph J. Babiak, Jr.
Retired, President and C.E.O.
Hastings Insurance Company

Brian N. Calley
President and C.E.O.
Small Business Association
of Michigan

Matthew R. Garber
Family Physician
Corewell Spectrum Health

Joan M. Heffelbower
Retired, Chief Financial Officer
Highpoint Community Bank

Barbara L. Hunt
Accounting Manager
Bethany Christian Services

Mark A. Kolanowski
President and C.E.O.
Highpoint Community Bank

Chad R. Paalman
C.E.O.
NuWave Technology Partners

W. Scott McKeown
Retired, Partner
McKeown & Kraai, PLC

Nathaniel E. Tagg
Partner, Attorney at Law
Tripp, Tagg and Storrs

HCB FINANCIAL CORP. OFFICERS

Mark A. Kolanowski
President and C.E.O.

Robert G. Ranes, Jr.
Vice President and Secretary

Richard L. Zwiernikowski, Jr.
Vice President and Treasurer

BANK OFFICERS

Mark A. Kolanowski
President and C.E.O.

Chelsey A. Foster
Executive Vice President
Chief Operating Officer

Timothy S. Tierney
Executive Vice President
Retail Banking

Khaja (Jay) Ahmed
Senior Vice President
Market President - Kent County

Linda G. Engle
Senior Vice President
Market President - Marshall

Kimberly G. Finkbeiner
Senior Vice President
Chief Information Officer

Robert G. Ranes, Jr.
Senior Vice President
Chief Lending Officer

Lanny L. Scoby
Senior Vice President
Market President - Kalamazoo

Jeffrey R. Steeby
Senior Vice President
Wealth Management

Richard L. Zwiernikowski, Jr.
Senior Vice President
Chief Financial Officer

Amanda M. Bechler-Currier
Vice President
Controller and Compliance Officer

Barbara L. Denny
Vice President
Retail Lending Compliance Officer

Scott J. McAllister
Vice President
Credit Manager

Toni C. Murphy
Vice President
Human Resources

Stephen R. Ritsema
Vice President
Mortgage Sales Manager

Ashley E. Van Alstine
Vice President
Branch Administration and Marketing

Karen S. Scoby
Vice President
Business Development Officer

Dawn N. Braden
Assistant Vice President
Operations Process
Manager/BSA Officer

Amanda L. Eavey
Electronic Banking Officer

Kristen D. Fisher
Assistant Vice President
Compliance Officer

Rebecca L. Mead
Assistant Vice President
Cash Management

Robert S. Pawloski
Assistant Vice President
Regional Branch Manager

Jeanette M. Elston
Branch Manager - Caledonia

Kara K. Hayes
Security Officer
Branch Manager - Hastings

Emily R. Lambert
Loan Operations Manager

Denise Price
Deposit Operations Manager

Valorie K. Vaughan
Senior Branch Manager
Marshall

2025 Officer Promotion


Highpoint Community Bank, a subsidiary of HCB Financial Corp., operates 6 full-service banking offices, a loan production office, and two ITM locations.

HASTINGS
150 West Court Street

CALEDONIA
9265 Cherry Valley SE

KALAMAZOO LOAN CENTER
259 East Michigan Avenue
Suite 108-B

MIDDLEVILLE
435 Arlington Street

WAYLAND
156 West Superior Street

STATE STREET ITM
1330 West State Street

NASHVILLE
310 North Main Street

MARSHALL
1124 West Michigan Avenue

DELTON ITM
10199 South M-43 Highway

888.422.2280 | highpointcommunitybank.com

highpoint

COMMUNITY BANK

EQUAL HOUSING LENDER

Member FDIC