

## HCB Locations:

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Nashville, MI 49073  
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Caledonia, MI 49316  
616.891.0010

156 W Superior  
Wayland, MI 49348  
269.792.6201

124 W Michigan Ave  
Marshall, MI 49068  
269.558.0994

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Transfer Agent  
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Continental Stock Transfer & Trust Company  
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New York, NY 10004-1561  
Email [cstmail@continentalstock.com](mailto:cstmail@continentalstock.com)  
Toll Free 1.800.509.5586 or 1.212.845.3206

# First Quarter Financial Report

2026



April 28, 2026

To Our Shareholders:

We are pleased to enclose a check representing the regular cash dividend of \$0.35 per share on your HCB Financial Corp. common stock. This dividend is payable today to shareholders of record as of the close of business on March 31, 2026.

For the first three months of 2026, net income totaled \$1,021,000, or \$1.02 per common share. One year ago, we reported first quarter earnings of \$1,288,000, or \$1.26 per share, representing a year-over-year decline of 21%. The primary contributor to the lower quarterly results was a decrease in temporary deposits that had served as a meaningful short-term earning asset. One-time non-interest expenses and a reduction in non-interest income were also factors. Importantly, despite the year-over-year decline, our net income exceeded internal projections for the quarter.

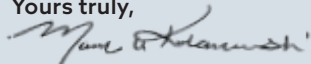
Over the past twelve months, total assets decreased 6% to \$597,210,000, and total deposits decreased 7% to \$545,731,000 at quarter end. We continued to experience quality loan growth, with total loans increasing 10% to \$369,867,000. This growth resulted in a loan loss provision of \$188,000 for the quarter. Shareholders' equity increased 9% from the prior year to \$47,537,000, and quarter-end book value per share increased to \$47.54 from \$42.59 in the prior year.

The most significant news we have to share is our planned merger announced last month. HCB Financial Corp. has agreed to combine with Independent Bank Corporation, the parent company of Independent Bank. Our Board of Directors has unanimously approved the merger transaction, which is expected to close in the third quarter of 2026, subject to the satisfaction of customary closing conditions, including shareholder and regulatory approvals. Independent Bank is a Michigan-based community bank headquartered in Grand Rapids with a long-standing commitment to serving customers, supporting employees, and strengthening the communities it serves. As banking continues to evolve—with increasing demands related to technology, cybersecurity, and regulatory requirements—we believe this transaction will position our organization with the scale, strength, and resources necessary to support long-term success for our customers, communities, and shareholders.

In the near future, we will hold a shareholder meeting to vote on approval of the merger. You will receive additional information regarding the time, location, and voting process as soon as it becomes available. In the meantime, additional information about the merger is available on our website at [www.highpointcommunitybank.com](http://www.highpointcommunitybank.com).

We appreciate your loyalty and continued support and look forward to sharing additional information in the coming weeks.

Yours truly,



Mark A. Kolanowski  
President and Chief Executive Officer

## HCB FINANCIAL CORP.:

(Unaudited) Dollars in thousands, except per share data.

Financial Highlights	Year-to-Date March 2026	Year-to-Date March 2025	% Change
Interest Income (inc. loan fees)	\$6,537	\$6,740	-3%
Interest Expense	1,997	2,012	-1%
Loan Loss Provision	<u>188</u>	<u>322</u>	<u>-42%</u>
Net Interest Income	\$4,352	\$4,406	-1%
Non-Interest Income	590	702	-16%
Other Non-Interest Expense	3,797	3,634	4%
Federal Income Tax Provision	<u>124</u>	<u>186</u>	<u>-33%</u>
Net Income after Tax	<u>\$1,021</u>	<u>\$1,288</u>	<u>-21%</u>

### Per Share Data

Average Outstanding Shares	1,000,000	1,020,000	
Outstanding Shares End of Period	1,000,000	1,020,000	
Net Income per Average Outstanding Shares	1.02	1.26	-19%
Dividends per Average Outstanding Shares	.35	.35	0%
Book Value per Outstanding Shares End of Period	47.54	42.59	12%

### Balance Sheet Highlights

(Unaudited) Dollars in thousands, except per share data.

Assets	\$597,210	\$638,539	-6%
Loans (gross)	\$369,867	\$337,157	10%
Deposits	\$545,731	\$585,982	-7%
Interest Earning Assets	\$573,892	\$616,440	-7%
Shareholders Equity	\$47,537	\$43,443	9%