

Board of Directors

Charles W. Thorley, Chairman
Retired President, Eastern Michigan Bank

Earl E. DesJardins, Vice Chairman
Civil Engineer, BMJ Engineers & Surveyors, Inc.

Bradley D. Apsey
President, Apsey Funeral Home, Inc.

Gilbert B. Clark
Retired Farmer

Robert G. Frohm
Partner, Frohm, Kelley, Butler & Ryan, P.C.

Karen S. Flanagan
Farmer

Ann Randall Kendrick
*Owner, Pollock Randall Funeral Home
and Marysville Funeral Home*

Timothy M. Ward
President/CEO, Eastern Michigan Bank

Kenneth J. Wilhelm
Partner, Fraser Manufacturing Corporation

John C. Williams
Superintendent, Croswell Electrical & Water Departments

Corporate Officers

Timothy M. Ward, President/CEO

Kathlene M. Partaka, Secretary/Exec. V.P. - Operations

Charles O. Racette, Senior V.P. - Loans

Karen M. Lord, Chief Financial Officer

EASTERN MICHIGAN FINANCIAL CORPORATION

65 N. Howard Avenue
P.O. Box 139
Croswell, Michigan 48422
(810) 679-2500

LOCATIONS

MAIN OFFICE

65 N. Howard Avenue • Croswell, MI 48422
(810) 679-2500 • 1 (800) 397-2504

LOAN CENTER

66 N. Howard Avenue
Croswell, MI 48422
(810) 679-2500

LEXINGTON OFFICE

5446 Main Street
Lexington, MI 48450
(810) 359-5353

CROSWELL DRIVE-IN

5200 E. Peck Road
Croswell, MI 48422
(810) 679-3620

MARYSVILLE OFFICE

2970 Gratiot Boulevard
Marysville, MI 48040
(810) 364-4854

DECKERVILLE OFFICE

3636 Main Street
Deckerville, MI 48427
(810) 376-2015

MINDEN CITY OFFICE

1728 Main Street
Minden City, MI 48456
(989) 864-3393

FORT GRATIOT OFFICE

3061 Krafft Road
Fort Gratiot, MI 48059
(810) 966-2281

PORT HURON OFFICE

600 Water Street
Port Huron, MI 48060
(810) 987-9777

LAKEPORT OFFICE

7090 Lakeshore Road
Lakeport, MI 48059
(810) 385-3211

SANDUSKY OFFICE

324 S. Sandusky Road
Sandusky, MI 48471
(810) 648-3230

Eastern Michigan Financial Corporation



COMPARATIVE FINANCIAL STATEMENT
MARCH 31, 2010



Committed to Community



MEMBER
FDIC

To Our Shareholders

Business Highlights

Eastern Michigan Financial Corporation earnings through the first quarter of 2010 were \$561,000 or \$0.50 per share, up \$0.34 per share over the same period in 2009. Return on Average Equity (ROE) during this time increased 6.33% over 2009 figures to 9.61% and Return on Average Assets (ROA) increased 0.57% over first quarter 2009 to 0.90%. While I must mention that these figures reflect a one-time gain of \$91,600 (net of tax) from the sale of a security, even without the lift, earnings per share would have been \$0.42, ROE would have been 8.03% and ROA would have been 0.75%, all notable increases over last year's results. Our Capital to Assets ratio was down slightly at 9.46% as of March 31, 2010, compared to 9.87% as of March 31, 2009.

Book value per share rose \$0.92 over first quarter 2009 to \$20.81. Market value per share was \$8.00 as of the last known trade at quarter's end.

Total assets were \$248,393,000 compared to \$227,567,000 for the same quarter in 2009. Loans decreased by 3.80% over first quarter 2009, ending at \$168,450,000 and deposits ended the quarter at \$221,724,000, a 9.70% increase over the same period last year.

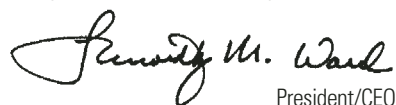
Stockholder Dividend

The Board of Directors declared a first quarter 2010 dividend of \$0.12 per share which was equal to the first quarter of 2009.

Management Comments

To think that all of our challenges are behind us would be naive. Unemployment remains unbearably high in both Sanilac and St. Clair Counties, even for a state that leads the nation with its jobless rate. While milk prices are up from the painfully low prices we saw last summer, further increases are still necessary to return this industry to health -- and the health of the dairy industry has significant economic impact on our northern service area.

That being said, first quarter results give us reason to feel cautiously optimistic about 2010. Net income demonstrated a return to more normalized results and our net-interest margin finished the quarter at a solid 4.15%. Loan loss provision was less than a third of what it was this time last year -- only \$110,000 compared to \$354,000 for first quarter 2009 - and deposit balances remained strong. Our prudent and conservative course of management continues to serve us well and we will not veer from it now, guarding against bumps in the road that surely lie ahead.


President/CEO



In January, we visited this group of second graders at Meyer Elementary School in Lexington to talk about the importance of saving money.

CONSOLIDATED BALANCE SHEETS (unaudited)

	March 31	
	2010	2009
ASSETS		
Cash and due from banks.....	\$ 24,983	\$ 11,722
Securities.....	41,843	28,270
Federal funds sold & other deposits.....	0	1,360
Loans.....	168,450	175,091
Allowance for loan loss.....	(2,996)	(2,540)
Other assets.....	16,113	13,664
TOTAL ASSETS.....	248,393	227,567

LIABILITIES

Deposits		
Non-interest bearing.....	30,190	23,087
Interest bearing.....	191,534	179,049
Total deposits.....	221,724	202,136
Other liabilities.....	3,177	2,975
TOTAL LIABILITIES.....	224,901	205,111

SHAREHOLDERS' EQUITY

Common stock (issued 1,128,737 in 2010 and 2009).....	5,644	5,644
Surplus.....	1,705	1,692
Retained earnings.....	15,832	15,348
Accumulated other comprehensive income (loss)....	311	(228)
TOTAL SHAREHOLDERS' EQUITY.....	23,492	22,456
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY... \$	248,393	227,567

FINANCIAL RATIOS

Return on Average Equity (annualized).....	9.61%	3.28%
Return on Average Assets (annualized).....	0.90%	0.33%
Capital to Assets.....	9.46%	9.87%
Allowance for Loan Loss / Loans.....	1.78%	1.45%

(Dollars in thousands except per share data)

CONSOLIDATED STATEMENTS OF INCOME (unaudited)

	Three Months Ended March 31,	
	2010	2009
INTEREST INCOME		
Interest & fees on loans.....	2,471	2,610
Interest on federal funds sold & other deposits..	45	17
Interest on investment securities.....	260	238
TOTAL INTEREST INCOME.....	2,776	2,865
INTEREST EXPENSE.....	581	825
NET INTEREST INCOME.....	2,195	2,040
PROVISION FOR LOAN LOSSES.....	110	354
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES.....	2,085	1,686
OTHER INCOME.....	419	339
OTHER OPERATING EXPENSES.....	1,803	1,769
INCOME BEFORE INCOME TAXES.....	701	256
INCOME TAX EXPENSE.....	140	71
NET INCOME.....	\$ 561	\$ 185
EARNINGS PER COMMON SHARE	\$ 0.50	\$ 0.16

(Dollars in thousands except per share data)

STOCK INFORMATION

Transfer Agent and Registrar:

Eastern Michigan Financial Corporation
65 North Howard Avenue
Crowell, MI 48422
810-679-4330

Stock Listing:

Symbol: EFIN
Over-The-Counter
Bulletin Board

Investor Relations Contact:

Karen M. Lord,
Chief Financial Officer
810-679-4330

Number of Shares , issued and outstanding.....	2010 1,128,737	2009 1,128,737
Number of Shareholders of Record.....	306	309
Cash Dividends Declared , year-to-date.....	0.12	0.12
Book Value , end-of-period.....	20.81	19.89
Market Value , last trade known.....	8.00	9.99