GRAND RIVER
COMMERCE, INC.

FINANCIAL STATEMENT

Quarter Ending

September 30, 2022

September 30, 2022

To Our Shareholders:

We present for your review the results of operations for Grand River Commerce, Inc. (the "Company") and Grand River Bank (the "Bank") for the nine-month period ended September 30, 2022.

As of September 30, 2022, total assets of the Company stood at $527 million, an increase of $37 million from year-end 2021. Our loan portfolio grew $50 million, an annualized rate of 19.3%, net of the repayment of Paycheck Protection Program ("PPP") loans. This growth was primarily funded by deposits, which increased by $39 million during the period, or 12.2% on an annualized basis.

As evident from our historically-strong asset quality, we rigorously monitor the performance of our loan portfolio. Careful management of our lending relationships assumes even greater significance, given the current condition of the economy. Our portfolio continues to perform exceptionally well, with negligible delinquency and no charge-offs. At quarter-end, we had two relatively small non-performing loan relationships that we believed pose no risk of loss. Subsequent to the close of the quarter, one of those relationships repaid in full.

At quarter-end, our allowance for loan losses stood at 1.27%, compared to 1.29% at year-end. Following industry standards, we calculate our reserve, in part, by analyzing portfolio mix and applying quantitative and qualitative factors, including lagging indicators that represent overall economic conditions and trends in our portfolio.

As will be discussed in the following paragraphs, the Company, as of September 30, posted a net loss of ($467,000), while the Bank reported net income of $77,000. Consolidated performance was impacted by expenses associated with the development of Grand River Mortgage Company, LLC ("GRMC"). It's important to note that, net of the investment in GRMC, the Bank has generated strong year-to-date net income of $2.1 million.

Grand River Bank is known for consistent growth, strong earnings, pristine asset quality and a uniquely-attractive position in the markets we serve. As we've shared in previous communications, our investment in GRMC, a nationwide mortgage lending subsidiary, is intended to create future income diversification, provide additional financial resources to support the continued expansion of our core West Michigan banking franchise, increase the value of the Company for the benefit of our shareholders, and provide the Bank and our team members with even greater opportunities. The decision to proceed with GRMC was made following a year of rigorous evaluation, financial modeling, and thorough stress testing of a variety of environmental conditions, including market contraction and rapidly rising interest rates. The Bank's directors were advised during their evaluation by a group of nationally-known CPA's, compensation consultants, project managers, and attorneys.

GRMC is led by an industry-leading team with deep experience and a track record of success in all market conditions. The operating platform is now largely complete, lenders are being hired and loan production is just beginning. As is the case with virtually all start-ups, GRMC is experiencing losses, as production revenue has not had time to catch up with the initial costs. Fortunately – as planned – the Bank's strong earnings are able to comfortably support the subsidiary until it becomes revenue positive. While we cannot predict with certainty the ultimate trajectory of the overall economy and we acknowledge that there are factors beyond our control, our expectation – based upon the experience of our board of directors and combined leadership team – is that Grand River Bank will continue to perform well and that GRMC will achieve its anticipated potential. Our most-current forecast anticipates that GRMC will begin to generate meaningful revenue from loan originations during the fourth quarter. We expect to recapture its start-up expense in the first half of next year.

Led by rising interest rates and growth in earning assets, net interest income increased $1.1 million, or 10.7%, on a year-over-year basis. This increase nearly compensated for the $1.4 million year-over-year decrease in PPP-related fee income which, in accordance with accounting standards, is recognized over the life of the loans. From the Bank's perspective, the program worked as intended and, as of September 30, 2022, all PPP loans that we originated have been forgiven. As a result, fees on those loans have all been reflected in interest income.

Non-interest income declined 70% from last year, primarily due to a reduction in the volume of residential mortgage loans sold to secondary market investors and lower aggregate fees realized from those sales. Rising interest rates and other events may further distort local market dynamics, contribute to production limitations over which we have no control and diminish the contribution from our West Michigan mortgage unit in future reporting periods.

Non-interest expense (NIE) increased $3.3 million, or 35%, year-over-year. Approximately $159,000 of the increase resulted from deferred salaries and benefit expenses associated with the second round of PPP lending in 2021. As with PPP-related fee income, origination costs are recognized over the lives of the loans. Funds for PPP expired in 2021 and no additional loans will be made under that program. Net of these PPP-related expenses, the year-over-year NIE increase was 33%, the bulk of which is attributable to startup expenses for GRMC, as referenced earlier in this letter. Net of GRMC related expenses, the NIE increase for the Bank was approximately $415,000, or 4.7%.

Maintaining capital ratios that meet or exceed the regulatory definition of well-capitalized continues to be a priority. As has been the case since its inception, the Bank again met those requirements as of September 30, 2022. The Company also holds reserves that can further support the growth of the Bank and the Company and provide a cushion in the event of unanticipated economic pressure.

Grand River Bank continues to be a West Michigan employer-of-choice and GRMC is quickly earning that distinction among nationwide mortgage companies. Our team members and our board of directors make our Bank a premier financial partner to all those who rely upon us and we're deeply grateful to each of them.

Our financial results are always available via the Investor Relations section of our website, www.grandriverbank.com. We encourage you to use this comprehensive resource to track our performance and to gain valuable information about your investment in our Company. Thank you for your investment and your continued support.

Sincerely,

Robert P. Bilotti	Patrick K. Gill	Elizabeth C. Bracken
Chairman, President & CEO	CEO	President & CFO
Grand River Commerce, Inc.	Grand River Bank	Grand River Bank
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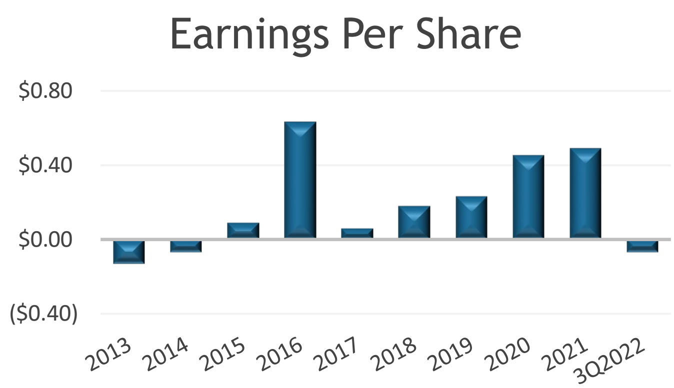
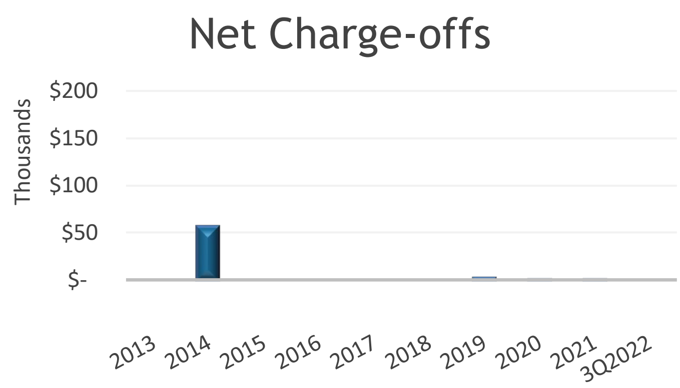
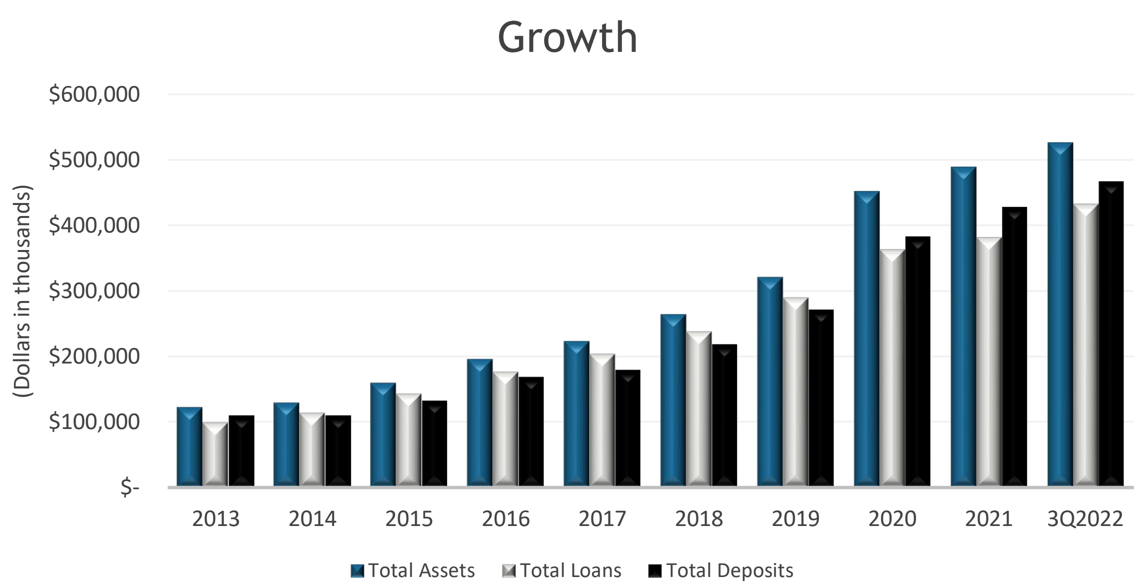
Key ratios



Earnings Per Share
$0.80
$0.40
$0.00
($0.40)
2013
2014
2015
2016
2017
2018
2019
2020
2021
3Q2022

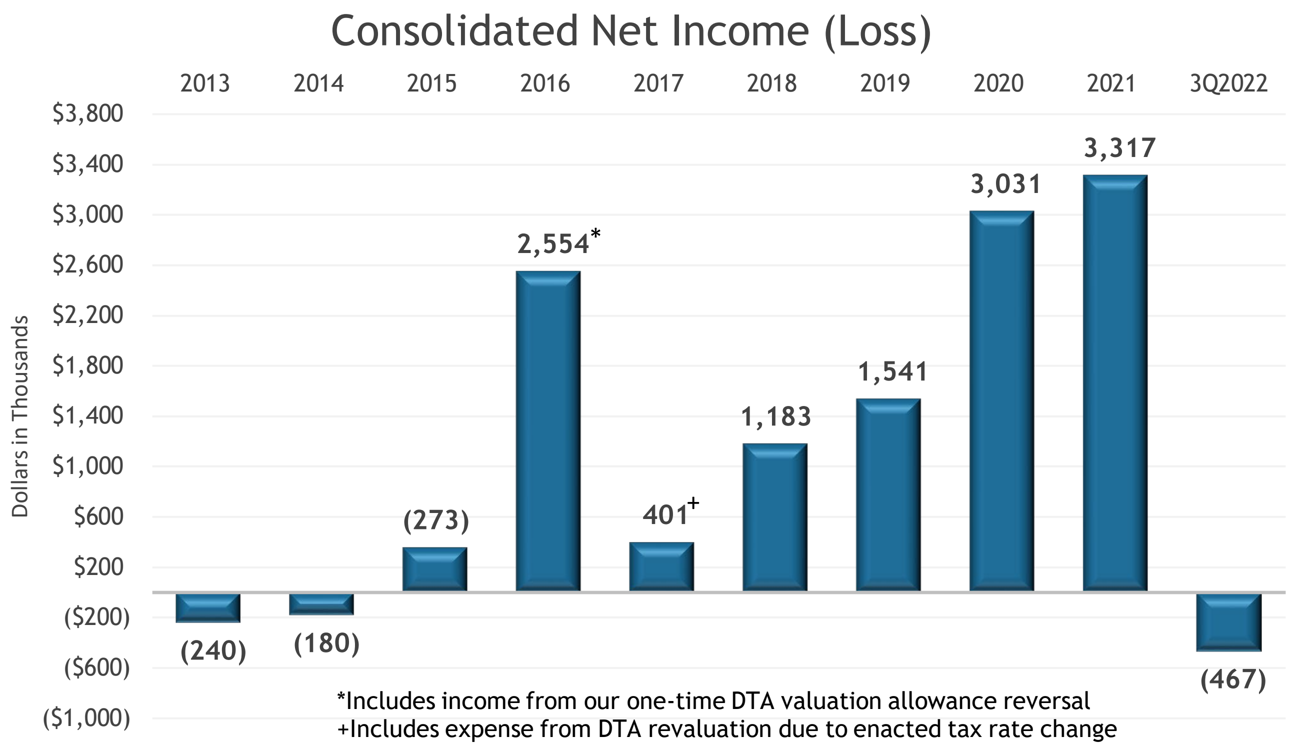


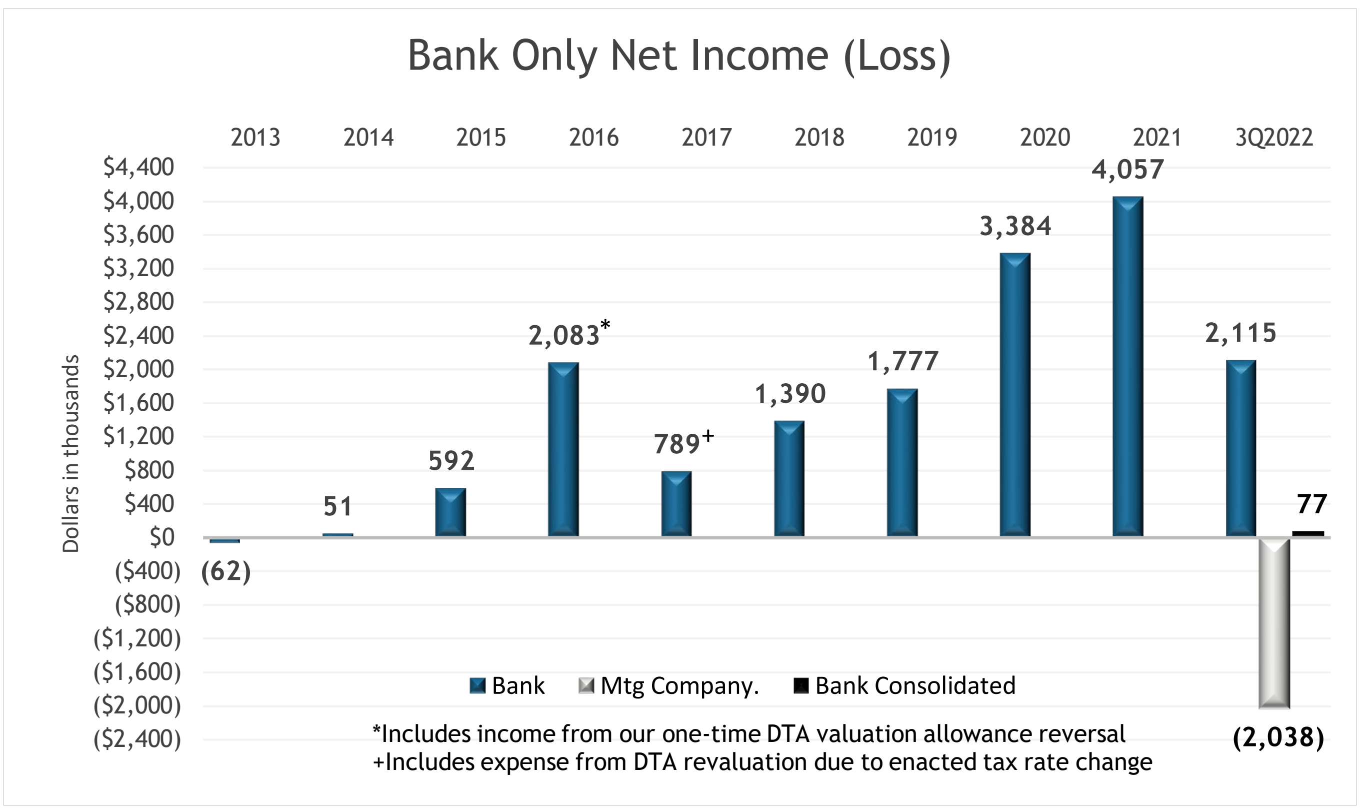
Net Charge-offs
Thousands
$200
$150
$100
$50
$-
2013
2014
2015
2016
2017
2018
2019
2020
2021
3Q2022



Growth
(Dollars in thousands)
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$-
2013
2014
2015
2016
2017
2018
2019
2020
2021
3Q2022
Total Assets
Total Loans
Total Deposits

Key ratios (continued)





Grand River Commerce, Inc.

Selected Financial Data*

(dollars in thousands, except share data)	*For the nine months ended September 30,* 2022	*For the year ended December 31,* 2021	2020	2019	2018
Summary Income Statement Data:					
Total interest income	$ 13,213	$ 16,085	$ 15,085	$ 13,189	$ 10,415
Total interest expense	2,044	2,530	3,859	4,300	2,434
Net interest income	11,169	13,555	11,226	8,889	7,981
Provision for loan losses	620	160	1,531	536	273
Non interest income	803	3,181	4,314	1,789	679
Non interest expense	11,980	12,333	10,136	8,177	6,881
Income (loss) before income taxes	(628)	4,243	3,873	1,965	1,506
Income tax expense	(161)	926	842	424	323
Net income (loss)	(467)	3,317	3,031	1,541	1,183
Pre-provision / Pre-tax income	(8)	4,403	5,404	2,501	1,779
Per Share Income Data:					
Shares outstanding - ending	7,026,423	6,761,758	6,731,809	6,733,809	6,713,809
Shares outstanding - average	6,940,913	6,749,388	6,733,633	6,727,211	6,707,220
Shares outstanding - diluted average	7,052,726	7,103,892	7,078,933	7,072,511	7,095,261
Earnings per common share	$ (0.07)	$ 0.49	$ 0.45	$ 0.23	$ 0.18
Cash dividends per share	-	-	-	-	-
Share market high / low YTD	5.70-7.39	5.05-7.75	4.20-6.35	5.70-8.10	5.85 - 6.50
Closing share price	5.75	7.50	5.05	5.75	6.24
Book value per share	6.31	6.72	6.28	5.81	5.55
Tangible book value per share	6.31	6.72	6.09	5.70	5.46
Share price to book	91%	112%	80%	99%	112%
Selected Balance Sheet Data:					
Total assets	$ 526,843	$ 489,452	$ 451,919	$ 321,326	$ 264,321
Loans, net of allowance for loan losses	427,218	377,343	358,500	286,723	236,062
Memo: Paycheck Protection Program Loans (Net of Unearned Fees and Costs	-	4,287	47,286	-	-
Total deposits	467,158	427,859	382,864	270,962	218,914
Shareholder's equity	44,349	45,437	42,244	39,104	37,277
Bank Asset Quality Data:					
Nonperforming Assets	$ 1,524	$ 1,311	$ -	$ -	$ -
NPAs/ Assets	0.3%	0%	0%	0%	0%
NPAs & 90+ PD/ Assets	0.3%	0%	0%	0%	0%
Nonaccrual & 90+ & OREO/ Assets	0.0%	0%	0%	0%	0%
NCOs/ Avg Loans	0.0%	0%	0%	0%	0%
Loan Loss Reserves/ Gross Loans	1.27%	1.27%	1.30%	1.10%	1.10%
Performance Ratios:					
Return on average shareholder's equity	-1.37%	7.54%	7.51%	4.04%	3.24%
Return on average assets	-0.12%	0.69%	0.76%	0.52%	0.49%
Avg. shareholders' equity to avg. assets	9.10%	9.19%	10.12%	12.91%	15.09%
Asset Growth Rate Annualized	10%	8%	41%	22%	18%
Efficiency ratio	100.07%	73.69%	65.23%	76.58%	79.46%
Bank Regulatory Capital Ratios:					
Common equity tier 1 capital ratio	10.69%	11.14%	12.61%	11.28%	11.21%
Tier 1 leverage capital ratio	9.29%	8.87%	9.12%	10.50%	10.48%
Tier 1 risk based capital ratio	10.69%	11.14%	12.61%	11.28%	11.21%
Total risk based capital ratio	11.90%	12.36%	13.86%	12.33%	12.29%
Capital Buffer	3.90%	4.36%	5.86%	4.33%	4.29%
YTD average assets	**$ 498,306**	**$ 478,673**	**$ 398,858**	**$ 295,619**	**$ 242,043**
YTD average equity	**$ 45,331**	**$ 44,000**	**$ 40,381**	**$ 38,178**	**$ 36,523**

*Source: unaudited

Balance Sheet*
Grand River Commerce, Inc.

	9/30/2022	12/31/2021	$ Change
Assets			
Cash and due from banks	$ 72,774	$ 83,586	$ (10,812)
Federal funds sold	757	737	20
Total Cash and Cash Equivalents	73,531	84,323	(10,792)
Securities, available for sale	15,198	18,101	(2,903)
FHLB & FRB stock, at cost	1,624	1,488	136
Loans held for sale	461	1,014	(553)
Paycheck Protection Program Loans (net of unearned fees and costs)	-	4,177	(4,177)
All Other Loans	432,704	378,032	54,672
Less: allowance for loan losses	5,486	4,866	620
Net Loans	427,218	377,343	49,875
Premises and equipment, net	2,806	2,335	471
DTA, net	1,682	976	706
Interest receivable and other assets	4,323	3,872	451
Total assets	**$ 526,843**	**$ 489,452**	**$ 37,391**
Liabilities			
Non-interest bearing deposits	128,592	107,899	20,693
Interest bearing deposits	338,566	319,960	18,606
Total Deposits	467,158	427,859	39,299
FHLB borrowings	4,500	4,500	-
Fed Funds Purchased & Other Borrowings	-	-	-
Interest payable and other liabilities	2,797	3,637	(840)
Subordinated Debt	8,039	8,019	20
Total liabilities	482,494	444,015	38,479
Equity			
Common stock	70	68	2
Additional paid-in capital	39,467	38,236	1,231
Additional paid-in capital Warrants	1,636	1,256	380
Retained Earnings(Accumulated deficit)	5,529	5,996	(467)
Accumulated other comprehensive income(loss)	(2,353)	(119)	(2,234)
Total equity	44,349	45,437	(1,088)
Total liabilities and equity	**$ 526,843**	**$ 489,452**	**$ 37,391**

*Source: 2022 unaudited; 2021: condensed from audited financial statements.

Statement of Operations*
Grand River Commerce, Inc.

	YTD 9/30/2022	YTD 9/30/2021	$ Change
Interest Income			
Loans, including fees	$ 12,322	$ 11,777	$ 545
Securities	289	225	64
Federal funds sold and other income	602	65	537
Total interest income	13,213	12,067	1,146
Interest Expense			
Deposits	1,588	1,508	80
Borrowings	456	468	(12)
Total interest expense	2,044	1,976	68
Net interest income	11,169	10,091	1,078
Provision for loan losses	620	160	460
Net interest income after provision for loan losses	10,549	9,931	618
Non-interest income			
Service charges and other fees	30	27	3
Gain on sale of loans	579	2,455	(1,876)
Other income	194	178	16
Total non-interest income	803	2,660	(1,857)
Non-interest expense			
Salaries and benefits	8,240	6,110	2,130
Occupancy & equipment expense	767	668	99
Data processing & computer support	265	227	38
Professional Services	682	494	188
Insurance	298	273	25
Software	458	291	167
Other	1,270	798	472
Total non-interest expense	11,980	8,861	3,119
Income before taxes	**$ (628)**	**$ 3,730**	**$ (4,358)**
Income tax expense	(161)	814	(975)
Net income	**$ (467)**	**$ 2,916**	**$ (3,383)**

*Source: unaudited