

GRAND RIVER COMMERCE, INC.



FINANCIAL STATEMENTS

QUARTER ENDED JUNE 30

2025



August 5, 2025

Dear Shareholders,

We are pleased to report for your review the unaudited results of operations for Grand River Commerce, Inc. (the “Company”) and Grand River Bank (the “Bank”), for the six-month period ended June 30, 2025.

Financial Results - 1H 2025

As of June 30, 2025, total assets of the Company stood at \$512 million, a decrease of \$12.2 million from year-end 2024, which fits within our strategic plan to strengthen the Company’s capital position. Current loan demand across the industry remains soft compared to historical periods, with borrowers delaying significant projects and purchases due to economic uncertainties. Residential mortgage production continues to be hampered by elevated interest rates and short housing supply in our market. This softening in demand, coupled with our strategic initiative to shift the portfolio’s mix to increased commercial and industrial lending, has resulted in a \$23.1 million decrease in gross loan balances, since year end 2024. Despite the decreased loan balances, an improved net interest margin has led to an improvement of nearly 4% in net interest income, or an additional \$233,000, when compared to the same period in 2024.

Asset quality, a leading indicator of the fundamental strength of our Bank, remains strong. Delinquency is nominal and non-performing loans, as a percentage of the portfolio, remain low, at 0.3%. Our clean, well-performing portfolio allows us to avoid the distraction, expense and losses associated with troubled credits.

The wind up of Grand River Mortgage Company, LLC (GRMC) continues to progress as planned. Its negative impact on the operations of the Company as a whole was de minimis in the first half of 2025. A net loss of \$10,000 has been recognized so far this year compared to \$58,000 for the same period of 2024. The Bank results also continue to improve in 2025. Bank only net income rose to \$768,000, compared to \$209,000 in the same period last year. At the Company level, net income of \$104,000 compares favorably to the \$491,000 loss in the 1st half of last year.

The initiatives we have implemented continue and are producing the desired results. Growth of the net interest margin has led to increased net interest income. We have managed the balance sheet to anticipate modest rate fluctuations, but if rates remain stable or decrease, we expect to report continued margin improvement throughout the remainder of 2025.

Year-over-year, non-interest income declined \$247,000, primarily as a consequence of lower fee income tied to less gain on sale of loans and customer rate swap transactions. Both sources of income are impacted by interest rates and other economic factors. Management is focused on opportunities to increase the generation of non-interest income in the remainder of 2025 through improved sales efforts.

Prudent management of non-interest expenses is a top priority for the Company. Initiatives implemented to reduce these costs have shown results. Non-interest expense for continuing operations has declined \$715,000 or 10% in 1st half results year over year.

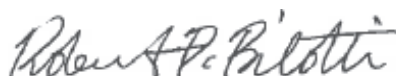
Our financial results are always available via the Investor Relations section of our website, www.grandriverbank.com. We encourage you to use this comprehensive resource to track performance and to gain valuable information about your investment in our Company.

We remain committed to the improvement of our performance trajectory and are encouraged by our results to date.

We appreciate your continued support and confidence in our Bank. Together, we are building a stronger, more resilient institution that is poised for sustained growth and profitability.

Thank you for your trust and partnership.

Sincerely,



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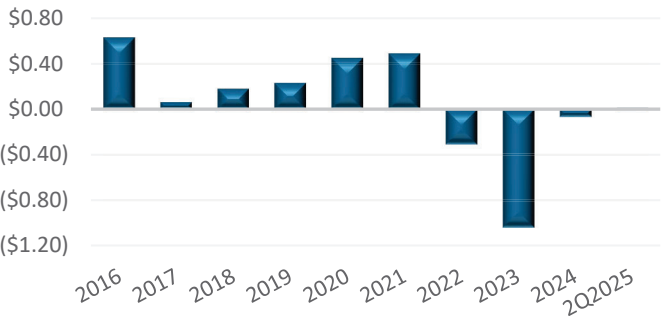
Forward looking statements

Certain statements contained in this presentation are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to significant risks and uncertainties. Forward-looking statements include information concerning our future results, interest rates, loan and deposit growth, operations, new branch openings and business strategy. These statements often included words such as "may," "will," "believe," "expect," "anticipate," "predict," "intend," "plan," "estimate," or "continue" or the negative thereof or other variations thereon or comparable terminology. As you consider forward-looking statements, you should understand that these statements are not guarantees of future performance or results. They involve risks, uncertainties and assumptions that could cause actual results to differ materially from those in the forward-looking statements. These factors include but are not limited to: (i) the continuing strength of our existing business, which may be affected by various factors, including but not limited to interest rate fluctuations, level of delinquencies, defaults and prepayments by our borrowers, general economic conditions and conditions specifically related to the financial and credit markets, legislative and regulatory changes in banking, securities and tax laws, regulations and their application by our regulators, our competition; and (ii) the risks and uncertainties discussed in this quarterly report, Dated August 5, 2025; and (iii) the risks and uncertainties set

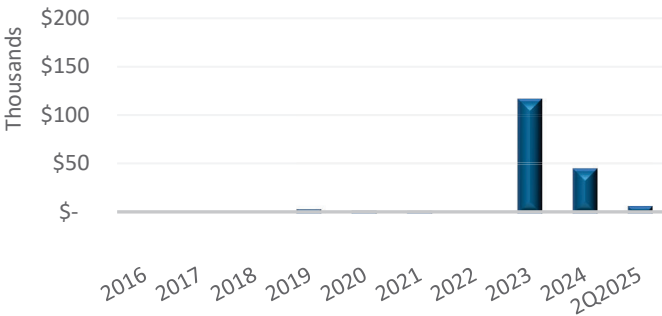
forth from time to time in the Company's other published reports and public statements. You should keep in mind that any forward-looking statements speak only as of the date on which they were made. New risks and uncertainties come up from time to time and it is impossible for us to predict these events or how they may affect us. We do not intend to update or revise any forward-looking statements after the date on which they are made. In light of all of the foregoing risks and uncertainties, you should keep in mind that any forward-looking statement made in this presentation may not reflect actual future results.

Key ratios

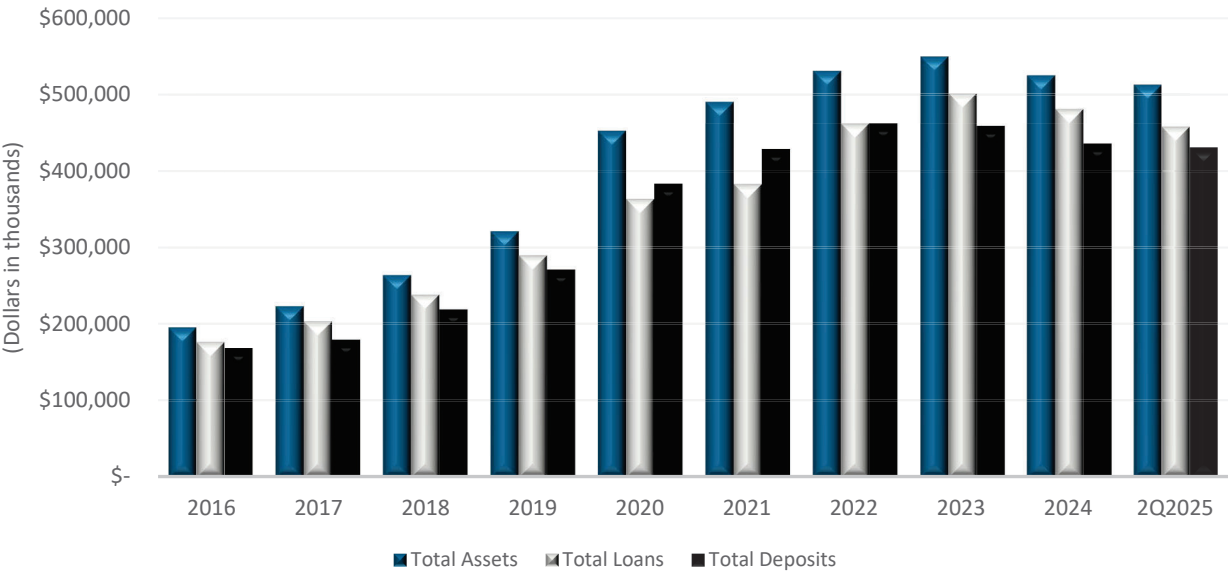
Earnings Per Share



Net Charge-offs

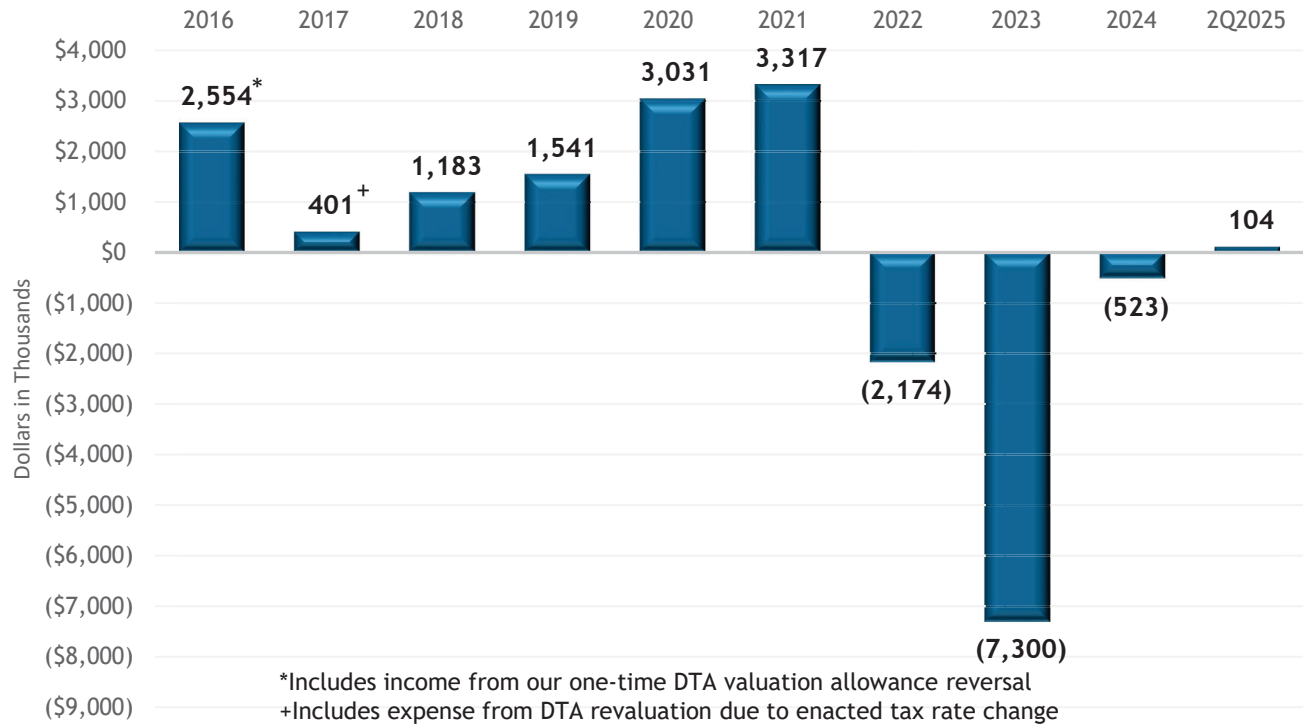


Growth

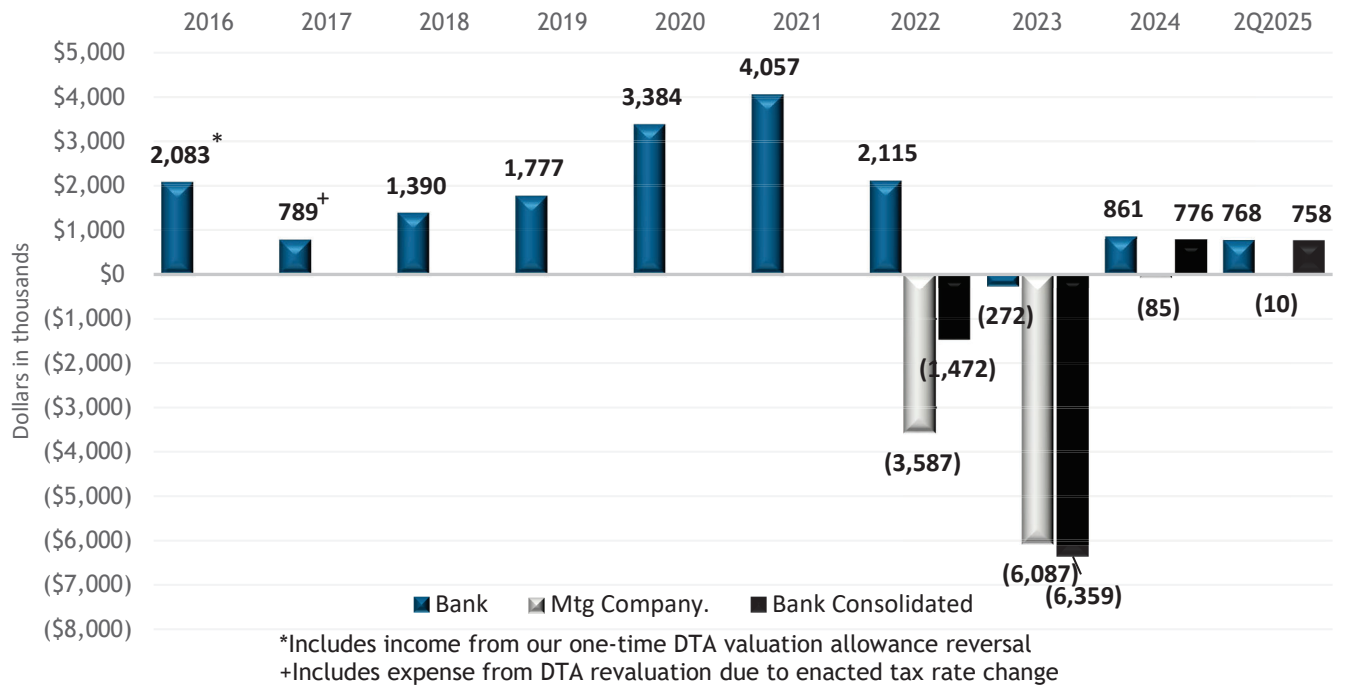


Key ratios (continued)

Consolidated Net (Loss) Income



Bank Only Net (Loss) Income



GRAND RIVER COMMERCE, INC.

Consolidated Financial Highlights*

		YTD				
\$ in thousands except for per share data	YTD 2Q2025	2024	2023	2022	2021	2020
Summary Statement of Operations Data:						
Total interest income	\$ 13,363	\$ 28,428	\$ 26,472	\$ 19,073	\$ 16,085	\$ 15,085
Total interest expense	7,217	16,195	13,410	4,083	2,530	3,859
Net interest income	6,146	12,233	13,062	14,990	13,555	11,226
Allowance for credit loss/(reversal)	(167)	(377)	(49)	1,063	160	1,531
Non interest income	310	980	3,396	1,134	3,181	4,314
Non interest expense	6,490	14,251	25,746	17,868	12,333	10,136
Income (loss) before income taxes	133	(661)	(9,239)	(2,807)	4,243	3,873
Income tax expense	29	(138)	(1,939)	(633)	926	842
Net income/(loss)	104	(523)	(7,300)	(2,174)	3,317	3,031
Pre-provision / Pre-tax income/(Loss)	(34)	(1,038)	(9,288)	(1,744)	4,403	5,404
Per Share Income Data:						
Shares outstanding - ending	7,038,924	7,039,280	7,039,280	7,026,423	6,761,758	6,731,809
Shares outstanding - average	7,038,983	7,039,280	7,038,301	6,962,466	6,749,388	6,733,633
Shares outstanding - diluted average	9,276,418	9,270,769	7,776,401	7,074,279	7,119,295	7,078,933
Earnings/(loss) per common share	\$ 0.01	\$ (0.07)	\$ (1.04)	\$ (0.31)	\$ 0.49	\$ 0.45
Cash dividends per share	-	-	-	-	-	-
Share market high / low YTD	2.85-4.00	2.52-3.44	3.13-6.00	5.50-7.39	5.05-7.75	4.20-6.35
Closing share price	3.75	2.85	3.43	5.50	7.50	5.05
Book value per share	5.05	4.97	5.06	6.10	6.72	6.28
Tangible book value per share	5.05	4.97	5.06	6.10	6.72	6.09
Share price to book	0.74	0.57	0.68	0.90	1.12	0.80
Selected Balance Sheet Data:						
Total assets	\$ 512,338	\$ 524,507	\$ 549,076	\$ 530,250	\$ 489,452	\$ 451,919
Loans, net of allowance for credit losses	451,827	474,822	495,128	455,362	377,343	358,500
Total deposits	430,117	435,121	458,276	461,677	427,859	382,864
Shareholders' equity	35,512	35,000	35,628	42,839	45,437	42,244
Bank Asset Quality Data:						
Nonperforming Assets (NPA)	\$ 1,542	\$ 1,562	\$ 1,641	\$ 1,244	\$ 1,311	\$ -
NPAs/ Assets	0.3%	0.3%	0.3%	0.2%	0.3%	0.0%
NPAs & 90+ PD/ Assets	0.3%	0.3%	0.3%	0.2%	0.3%	0.0%
Nonaccrual & 90+ & OREO/ Assets	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%
Net Charge-offs/ Avg Loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Allowance for credit losses / Loans	1.11%	1.07%	1.08%	1.29%	1.27%	1.30%
Performance Ratios:						
Return on average shareholders' equity	0.59%	-1.50%	-18.44%	-4.84%	7.54%	7.51%
Return on average assets	0.04%	-0.10%	-1.37%	-0.43%	0.69%	0.76%
Avg. shareholders' equity to avg. assets	6.83%	6.44%	7.45%	8.89%	9.19%	10.12%
Asset Growth Rate Annualized	-13%	-4%	3%	8%	8%	41%
Efficiency ratio	100.53%	107.86%	156.43%	110.82%	73.69%	65.23%
Bank Regulatory Capital Ratios:						
Common equity tier 1 capital ratio	11.37%	10.90%	9.35%	9.82%	11.14%	12.61%
Tier 1 leverage capital ratio	9.47%	9.19%	8.15%	8.85%	8.87%	9.12%
Tier 1 risk based capital ratio	11.37%	10.90%	9.35%	9.82%	11.14%	12.61%
Total risk based capital ratio	12.57%	12.09%	10.55%	11.07%	12.36%	13.86%
Capital Buffer	4.57%	4.09%	2.55%	3.07%	4.36%	5.86%
YTD average assets	\$ 515,327	\$ 542,332	\$ 531,405	\$ 505,311	\$ 478,673	\$ 398,858
YTD average equity	\$ 35,178	\$ 34,929	\$ 39,597	\$ 44,911	\$ 44,000	\$ 40,381

*Note that the financial highlights are inclusive of the discontinued operations of Grand River Mortgage Company (GRMC). These statements do not include all disclosures required by "GAAP" for a complete presentation of our financial condition and results of operations. For further information, please refer to the consolidated financial statements and footnotes included in our annual report for the year ended December 31, 2024.

GRAND RIVER COMMERCE, INC.
CONSOLIDATED BALANCE SHEETS ^(1,2)

(Dollars in thousands)

	<u>6/30/2025</u>	<u>12/31/2024</u>	<u>\$ Change</u>
ASSETS			
Cash and due from banks	\$ 34,681	\$ 23,513	\$ 11,168
Federal funds sold	-	-	-
Total Cash and Cash Equivalents	34,681	23,513	11,168
Securities, available for sale	12,331	12,431	(100)
FHLB & FRB stock, at cost	4,069	3,657	412
Loans held for sale	-	497	(497)
	-		
Loans	456,903	479,962	(23,059)
Less allowance for credit losses	5,076	5,140	(64)
Net Loans	451,827	474,822	(22,995)
Premises and equipment, net	1,203	1,350	(147)
Deferred income tax asset, net	4,050	4,182	(132)
Interest receivable and other assets	4,172	4,038	134
Discontinued operations	5	17	(12)
TOTAL ASSETS	\$ 512,338	\$ 524,507	\$ (12,169)
LIABILITIES			
Non-interest bearing deposits	\$ 91,741	\$ 89,828	\$ 1,913
Interest bearing deposits	338,376	345,293	(6,917)
Total Deposits	430,117	435,121	(5,004)
Federal Home Loan Bank advances	28,000	35,500	(7,500)
Interest payable and other liabilities	2,766	3,022	(256)
Subordinated debt	15,604	15,525	79
Discontinued operations	339	339	-
TOTAL LIABILITIES	476,826	489,507	(12,681)
SHAREHOLDERS' EQUITY			
Common stock	70	70	-
Additional paid-in capital	40,989	40,992	(3)
Accumulated deficit	(3,897)	(4,001)	104
Accumulated other comprehensive loss	(1,650)	(2,061)	411
TOTAL EQUITY	35,512	35,000	512
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 512,338	\$ 524,507	\$ (12,169)

1. 06/30/2025 unaudited financials; 12/31/2024 condensed from audited financial statements.

2. These financial statements do not include all disclosures required by "GAAP" for a complete presentation of the financial condition and results of operations. For further information, please refer to the consolidated financial statements and footnotes included in our annual report for the year ended December 31, 2024.

GRAND RIVER COMMERCE, INC.
CONSOLIDATED STATEMENT OF OPERATIONS ⁽¹⁾

(Dollars in thousands)

	YTD		
	6/30/2025	6/30/2024	\$ Change
	(unaudited)		
INTEREST INCOME			
Loans, including fees	\$ 12,601	\$ 13,313	\$ (712)
Securities	269	254	15
Federal funds sold and other income	493	602	(109)
TOTAL INTEREST INCOME	13,363	14,169	(806)
INTEREST EXPENSE			
Deposits	5,879	6,949	(1,070)
Borrowings	1,338	1,307	31
TOTAL INTEREST EXPENSE	7,217	8,256	(1,039)
NET INTEREST INCOME	6,146	5,913	233
Credit loss (reversal)/expense	(167)	(179)	12
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	6,313	6,092	221
NONINTEREST INCOME			
Service charges and other fees	35	28	7
Gain on sale of loans	160	346	(186)
Other income	115	183	(68)
TOTAL NONINTEREST INCOME	310	557	(247)
NONINTEREST EXPENSE			
Salaries and benefits	4,082	4,743	(661)
Occupancy & equipment expense	531	543	(12)
Data processing & computer support	288	262	26
Software	441	485	(44)
Professional Services	320	304	16
Insurance	338	366	(28)
Other expense	478	490	(12)
TOTAL NONINTEREST EXPENSE	6,478	7,193	(715)
Net income (loss) before taxes	145	(544)	689
Income tax expense (benefit)	31	(111)	142
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	114	(433)	547
Loss from discontinued operations	(13)	(76)	63
Income tax benefit	(3)	(18)	15
NET LOSS FROM DISCONTINUED OPERATIONS	(10)	(58)	48
NET INCOME (LOSS)	\$ 104	\$ (491)	\$ 595

1. These financial statements do not include all disclosures required by "GAAP" for a complete presentation of the financial condition and results of operations. For further information, please refer to the consolidated financial statements and footnotes included in our annual report for the year ended December 31, 2024.