GRAND RIVER
COMMERCE, INC.

FINANCIAL STATEMENTS

Quarter Ending
September 30, 2024

November 13, 2024

To Our Shareholders:

The following unaudited statements reflect the result of operations for Grand River Commerce, Inc. (the “Company”) and Grand River Bank (the “Bank”), for the nine-month period ended September 30, 2024. As discussed in detail below, these data include the nominal adverse impact of trailing expenses associated with Grand River Mortgage Company, LLC (GRMC), the Bank’s mortgage subsidiary which was shut down in late 2023. At the time of this writing, almost all of the issues related to GRMC’s closure have been successfully resolved, allowing for the return of positive revenue generation (profit) at the Bank level. Our expectation is that the Company will similarly benefit from operational improvement throughout the balance of the year.

As of September 30, 2024, total assets of the Company stood at $542 million, a decrease of $7.4 million from year-end 2023. As noted last quarter, commercial loan demand has softened, which continues as some borrowers have delayed significant projects and purchases in anticipation of interest rate reductions and lower borrowing costs. Softer loan demand isn’t unique to our Bank; financial institutions across our market, and nationally are facing similar circumstances. In addition, residential mortgage production continues to be hampered by elevated interest rates, lower demand and an insufficient inventory of homes available for sale. Recent data from the Kent and Ottawa County realtor associations reflect these trends. The corresponding decrease in loans and securities available for sale more than offset growth in cash holdings.

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

Reflecting our strong asset quality, the allowance for credit losses stood at 1.07% at quarter-end, compared to 1.08% at year-end. The slight year-to-date decrease in the allowance ratio is primarily attributable to shifts in loan portfolio composition. As detailed in our Annual Report, we adopted ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, commonly referred to as CECL, in 2023, and adjusted our allowance calculation methodology accordingly. Under CECL, a portion of the reserve is now accounted for in Other Liabilities. On a combined basis, reserves as of September 30, 2024, stood at 1.12%, compared to 1.15% on December 31, 2023.

As reported previously, the Board of Directors, in late October of last year, approved the closure of GRMC, our national mortgage lending subsidiary. The loans-in-process pipeline was cleared out earlier this year and the wind-up is nearing completion. In previous communications, we shared our belief that eliminating the drag from GRMC would allow the Bank to begin the process of recovery and restoration. Accordingly, it is both encouraging and gratifying to report that the Bank’s profitability continues to improve. Through the third quarter of 2024, the Bank has generated net income of $354,000. That compares favorably to a same-period 2023 loss of $4.2 million. On a Bank-only basis, separate from the trailing GRMC shutdown expense mentioned at the outset of this letter, we generated year-to-date income of $428,000. At the Company level, for the third quarter, a year-to-date loss of $609,000 was realized, primarily due to interest expense on the Company's subordinated-debt issuance, and routine administrative costs.

Bank earnings are generated primarily through our net interest margin, the spread between the cost of our deposits and the aggregate yield on our loan portfolio. When increases in our funding costs outpace corresponding increases in our loan portfolio yield, the resulting margin compression compromises our profitability. Margin improvement, the correction of that trend, is a longer-term process. The initiatives we implemented eighteen months ago are ongoing and are producing benefit but require further time to be fully effective. In addition, the headwinds created by a national economic policy predicated upon elevated interest rates have slowed our progress. As rates remain stable or decrease, we expect to report continued margin improvement throughout the remainder of this year and into 2025.

Year-over-year, non-interest income declined $2.3 million, primarily as a consequence of the closure of GRMC. The explanation for the decrease is simple; GRMC generated non-interest income of $2.4 million in the first nine months of 2023 from its mortgage banking operations. During the same period this year, GRMC generated no non-interest income. Separately, at the Company level, as of September 30, 2024, non-interest income has increased by $160,000. As anticipated, the shutdown of GRMC resulted in a year-over-year improvement in non-interest expense, which dropped $8.2 million, or 43%. The Board and Management remain keenly focused upon prudent expense control and improved efficiencies. In furtherance of these goals, the bank made the difficult decision to implement a reduction in force during July of this year. Incident to the staffing reductions, the bank incurred one-time expenses of approximately $221,000. Going forward, our commitment to expense reduction will net approximately $1,000,000 in annualized cost savings. We anticipate the realization of cost savings near term.

Maintaining capital ratios that meet or exceed the regulatory definition of well-capitalized remains a priority. As has been the case since its inception, the Bank again met those requirements as of September 30, 2024.

On September 3, 2024, the bank announced the previously planned promotion of Drew Ysseldyke to President & CEO of the Bank. He succeeds Pat Gill, who had served as CEO since 2012. The Company and Bank want to thank Pat for his 12 plus years of service and leadership to the company which are highlighted by many years of robust growth while maintaining near pristine asset quality. His contributions to our organizations are many, and we are grateful for all that he has done.

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.

GRAND RIVER COMMERCE, INC.

We remain committed to the restoration of our traditional performance trajectory and are encouraged by our interim improvement. As we pursue further improvement, thank you for your continued investment and your support.

Sincerely,

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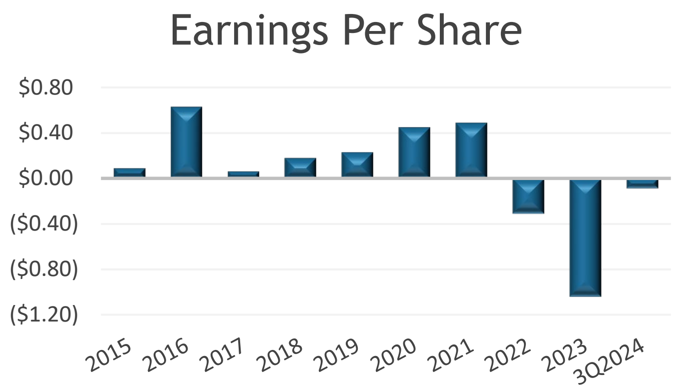
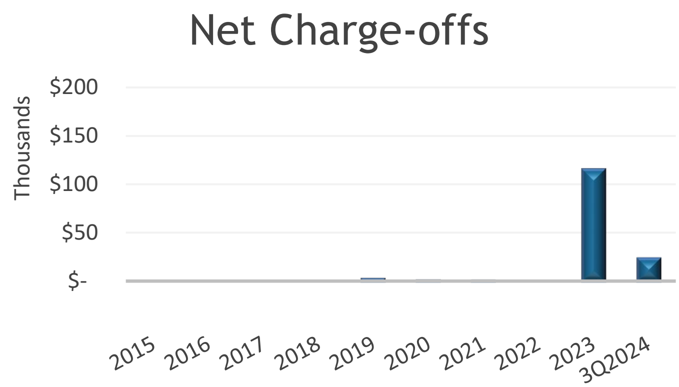
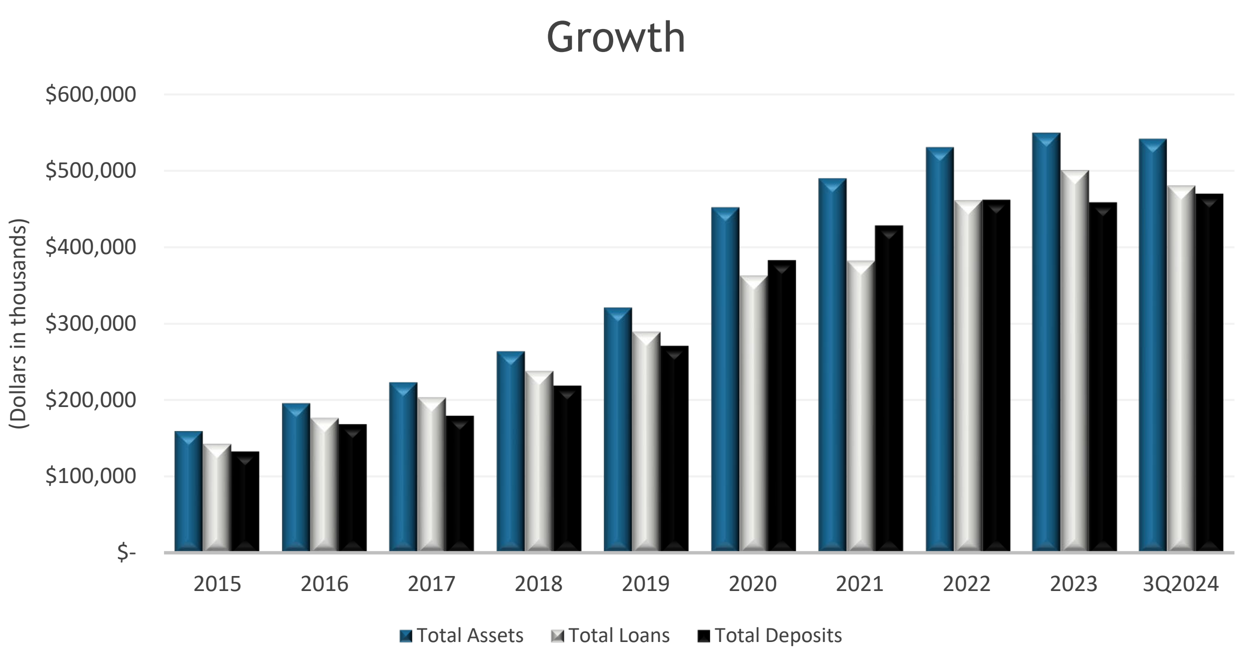
Forward looking statements

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 November 13, 2024; 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.

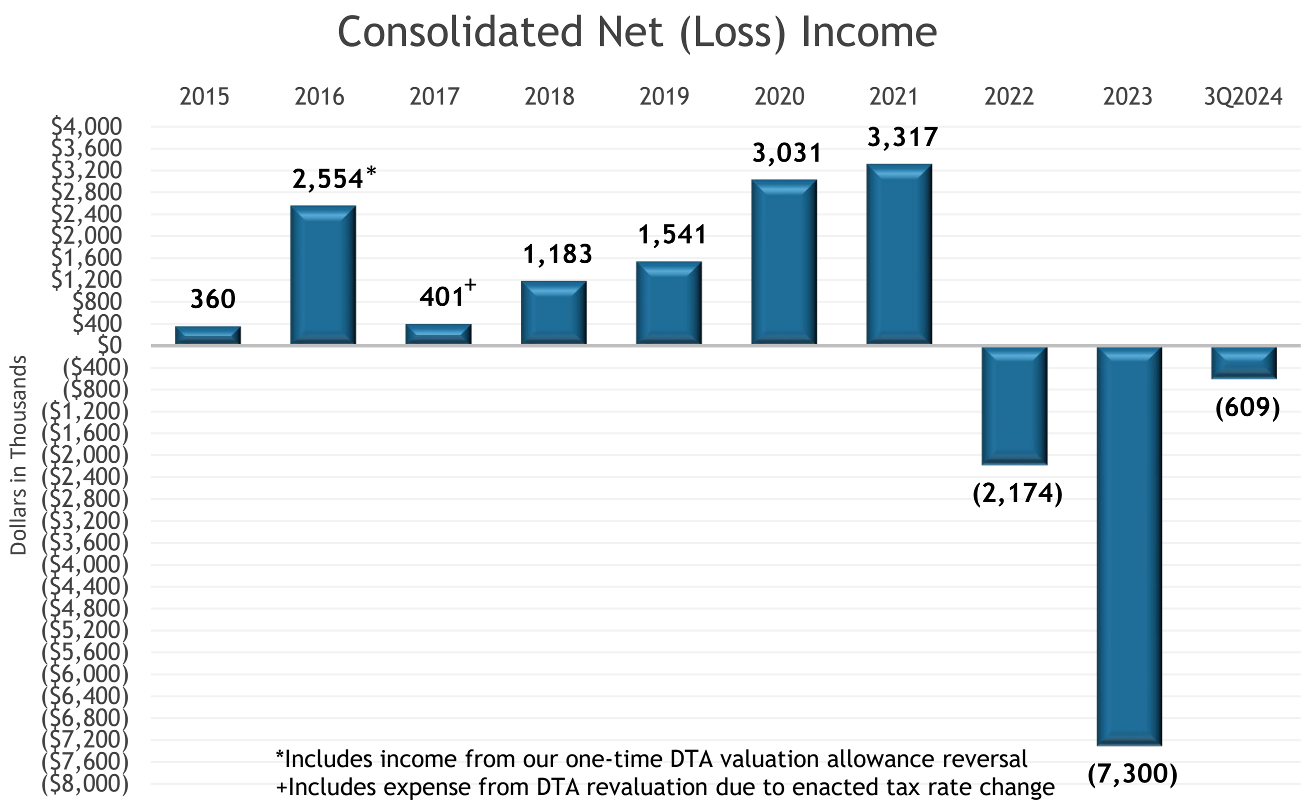
Key ratios

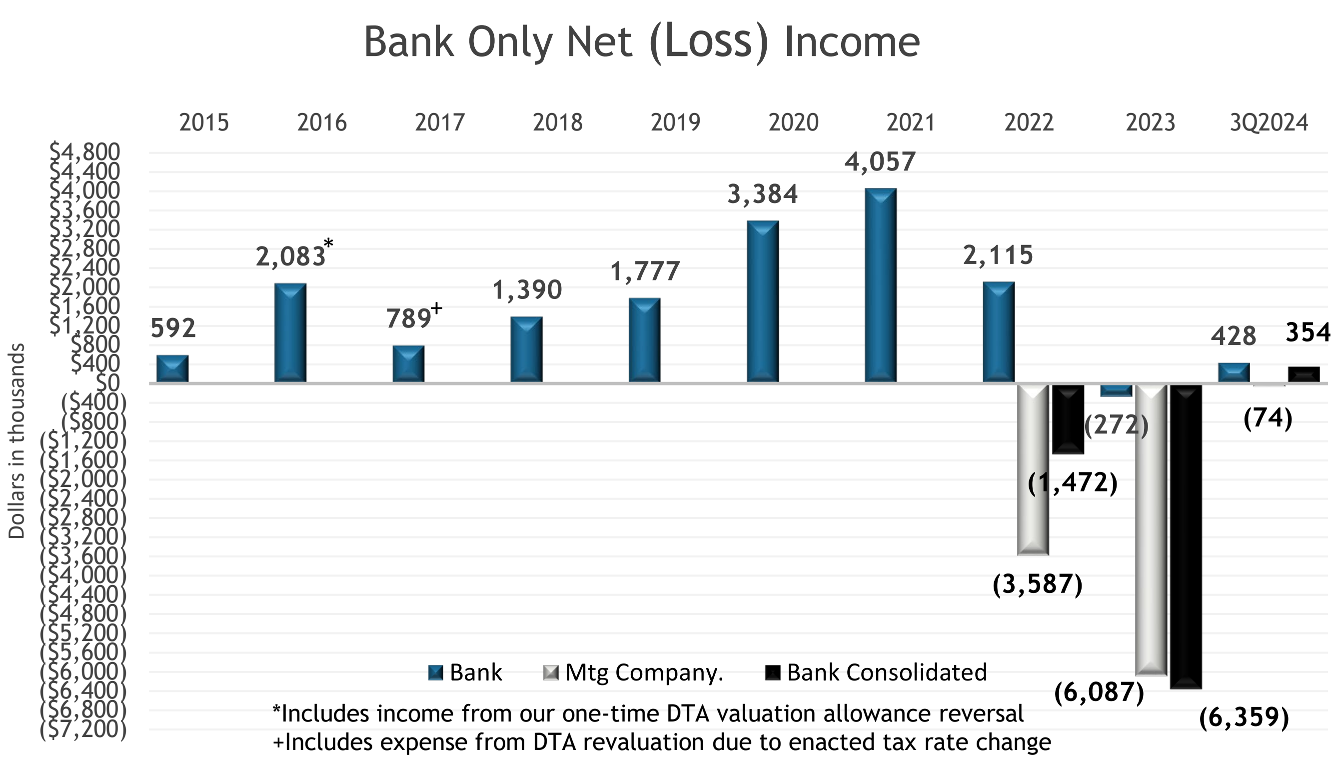

Earnings Per Share
$0.80
$0.40
$0.00
($0.40)
($0.80)
($1.20)
2015
2016
2017
2018
2019
2020
2021
2022
2023
3Q2024


Net Charge-offs
Thousands
$200
$150
$100
$50
$-
2015
2016
2017
2018
2019
2020
2021
2022
2023
3Q2024


Growth
(Dollars in thousands)
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$-
2015
2016
2017
2018
2019
2020
2021
2022
2023
3Q2024
Total Assets
Total Loans
Total Deposits

Key ratios (continued)





GRAND RIVER COMMERCE, INC.

Consolidated Financial Highlights*

		YTD				
$ in thousands except for per share data	**YTD 3Q2024**	**2023**	**2022**	**2021**	**2020**	**2019**
Summary Statement of Operations Data:						
Total interest income	$ 21,446	$ 26,472	$ 19,073	$ 16,085	$ 15,085	$ 13,189
Total interest expense	12,378	13,410	4,083	2,530	3,859	4,300
Net interest income	9,068	13,062	14,990	13,555	11,226	8,889
Allowance for credit loss/(reversal)	(305)	(49)	1,063	160	1,531	536
Non interest income	754	3,396	1,134	3,181	4,314	1,789
Non interest expense	10,896	25,746	17,868	12,333	10,136	8,177
Income (loss) before income taxes	(769)	(9,239)	(2,807)	4,243	3,873	1,965
Income tax expense	(160)	(1,939)	(633)	926	842	424
Net income/(loss)	(609)	(7,300)	(2,174)	3,317	3,031	1,541
Pre-provision / Pre-tax income/(Loss)	(1,074)	(9,288)	(1,744)	4,403	5,404	2,501
Per Share Income Data:						
Shares outstanding - ending	7,039,280	7,039,280	7,026,423	6,761,758	6,731,809	6,733,809
Shares outstanding - average	7,039,280	7,038,301	6,962,466	6,749,388	6,733,633	6,727,211
Shares outstanding - diluted average	9,270,816	7,776,401	7,074,279	7,119,295	7,078,933	7,072,511
Earnings/(loss) per common share	$ (0.09)	$ (1.04)	$ (0.31)	$ 0.49	$ 0.45	$ 0.23
Cash dividends per share	-	-	-	-	-	-
Share market high / low YTD	2.56-3.44	3.13-6.00	5.50-7.39	5.05-7.75	4.20-6.35	5.70-8.10
Closing share price	3.25	3.43	5.50	7.50	5.05	5.75
Book value per share	5.01	5.06	6.10	6.72	6.28	5.81
Tangible book value per share	5.01	5.06	6.10	6.72	6.09	5.70
Share price to book	0.65	0.68	0.90	1.12	0.80	0.99
Selected Balance Sheet Data:						
Total assets	$ 541,190	$ 548,556	$ 530,250	$ 489,452	$ 451,919	$ 321,326
Loans, net of allowance for credit losses	480,564	495,128	455,362	377,343	358,500	286,723
Total deposits	469,634	458,313	461,677	427,859	382,864	270,962
Shareholders' equity	35,292	35,628	42,839	45,437	42,244	39,104
Bank Asset Quality Data:						
Nonperforming Assets (NPA)	$ 1,741	$ 1,641	$ 1,244	$ 1,311	$ -	$ -
NPAs/ Assets	0.3%	0.3%	0.2%	0.3%	0.0%	0.0%
NPAs & 90+ PD/ Assets	0.3%	0.3%	0.2%	0.3%	0.0%	0.0%
Nonaccrual & 90+ & OREO/ Assets	0.1%	0.1%	0.0%	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	1.07%	1.08%	1.29%	1.27%	1.30%	1.10%
Performance Ratios:						
Return on average shareholders' equity	-2.33%	-18.44%	-4.84%	7.54%	7.51%	4.04%
Return on average assets	-0.15%	-1.37%	-0.43%	0.69%	0.76%	0.52%
Avg. shareholders' equity to avg. assets	6.39%	7.45%	8.89%	9.19%	10.12%	12.91%
Asset Growth Rate Annualized	-2%	3%	8%	8%	41%	22%
Efficiency ratio	110.93%	156.43%	110.82%	73.69%	65.23%	76.58%
Bank Regulatory Capital Ratios:						
Common equity tier 1 capital ratio	10.58%	9.35%	9.82%	11.14%	12.61%	11.28%
Tier 1 leverage capital ratio	8.89%	8.15%	8.85%	8.87%	9.12%	10.50%
Tier 1 risk based capital ratio	10.58%	9.35%	9.82%	11.14%	12.61%	11.28%
Total risk based capital ratio	11.77%	10.55%	11.07%	12.36%	13.86%	12.33%
Capital Buffer	3.77%	2.55%	3.07%	4.36%	5.86%	4.33%
YTD average assets	**$ 546,316**	**$ 531,405**	**$ 505,311**	**$ 478,673**	**$ 398,858**	**$ 295,619**
YTD average equity	**$ 34,892**	**$ 39,597**	**$ 44,911**	**$ 44,000**	**$ 40,381**	**$ 38,178**

*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, 2023.

GRAND RIVER COMMERCE, INC.
CONSOLIDATED BALANCE SHEETS [1,2]
(Dollars in thousands)

	9/30/2024	12/31/2023	$ Change
ASSETS			
Cash and due from banks	$ 31,451	$ 21,981	$ 9,470
Federal funds sold	-	-	-
Total Cash and Cash Equivalents	**31,451**	**21,981**	**9,470**
Securities, available for sale	13,200	13,882	(682)
FHLB & FRB stock, at cost	3,582	3,157	425
Loans held for sale	2,937	1,255	1,682
	-		
Loans	485,752	500,540	(14,788)
Less allowance for credit losses	5,188	5,412	(224)
Net Loans	**480,564**	**495,128**	**(14,564)**
Premises and equipment, net	1,440	1,709	(269)
Deferred income tax asset, net	4,104	4,047	57
Interest receivable and other assets	4,328	4,568	(240)
Discontinued operations	31	3,349	(3,318)
TOTAL ASSETS	**$ 541,637**	**$ 549,076**	**$ (7,439)**
LIABILITIES			
Non-interest bearing deposits	$ 93,645	$ 96,004	$ (2,359)
Interest bearing deposits	375,988	362,272	13,716
Total Deposits	**469,634**	**458,276**	**11,358**
Federal Home Loan Bank advances	17,500	34,500	(17,000)
Interest payable and other liabilities	3,387	4,329	(942)
Subordinated debt	15,485	15,366	119
Discontinued operations	339	977	(638)
TOTAL LIABILITITES	**506,345**	**513,448**	**(7,103)**
SHAREHOLDERS' EQUITY			
Common stock	70	70	-
Additional paid-in capital	40,992	40,992	-
Accumulated deficit	(4,087)	(3,478)	(609)
Accumulated other comprehensive loss	(1,683)	(1,956)	273
TOTAL EQUITY	**35,292**	**35,628**	**(336)**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 541,637**	**$ 549,076**	**$ (7,439)**

1. 09/30/2024 unaudited financials; 12/31/2023 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, 2023.

GRAND RIVER COMMERCE, INC.
CONSOLIDATED STATEMENT OF OPERATIONS [1,2]

(Dollars in thousands)

	YTD 9/30/2024	YTD 9/30/2023	$ Change
	(unaudited)		
INTEREST INCOME			
Loans, including fees	$ 20,102	$ 17,523	$ 2,579
Securities	392	343	49
Federal funds sold and other income	941	875	66
TOTAL INTEREST INCOME	**21,434**	**18,741**	**2,694**
INTEREST EXPENSE			
Deposits	10,470	8,183	2,287
Borrowings	1,908	1,239	669
TOTAL INTEREST EXPENSE	**12,378**	**9,422**	**2,956**
NET INTEREST INCOME	9,056	9,319	(263)
Credit loss (reversal)/expense	(304)	(85)	(219)
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	**9,360**	**9,404**	**(43)**
NONINTEREST INCOME			
Service charges and other fees	45	36	9
Gain on sale of loans	416	338	78
Other income	294	221	73
TOTAL NONINTEREST INCOME	**755**	**595**	**160**
NONINTEREST EXPENSE			
Salaries and benefits	6,912	6,999	(87)
Non-Recurring Reduction in Force Costs	221	-	221
Occupancy & equipment expense	806	820	(14)
Data processing & computer support	417	317	100
Software	732	699	33
Professional Services	479	566	(87)
Insurance	509	444	65
Other expense	711	924	(213)
TOTAL NONINTEREST EXPENSE	**10,787**	**10,769**	**18**
Net loss before taxes	(672)	(770)	98
Income tax benefit	(137)	(141)	4
NET LOSS FROM CONTINUING OPERATIONS	**(535)**	**(629)**	**94**
Loss from discontinued operations	(97)	(5,292)	5,195
Income tax benefit	(23)	(1,132)	1,109
NET LOSS FROM DISCONTINUED OPERATIONS	**(74)**	**(4,160)**	**4,086**
NET LOSS	**$ (609)**	**$ (4,789)**	**$ 4,180**

1. Certain amounts reported in the 09/30/2023 statement of operations were reclassified to conform to the 09/30/2024 presentation.

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, 2023.