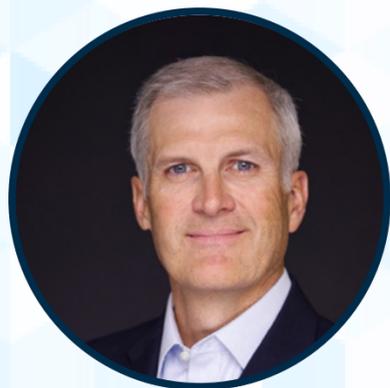




∞
COMMERCE ONE

SHAREHOLDER UPDATE - Q2 2025



A MESSAGE TO OUR SHAREHOLDERS

July 25, 2025

As we reach the midpoint of the year, I want to take this opportunity to thank you for your continued support. I am pleased to share financial highlights from the second quarter as well as other updates on our bank and the banking industry.

The financial landscape continues to evolve rapidly. New technologies, including the growing presence of stablecoins, are reshaping how consumers and businesses alike think about banking services. In this dynamic environment, our focus remains on meeting the needs of our clients and delivering an exceptional experience while investing in the technology and talent that will define the future of banking.

The financial results for the first half of the year were outstanding. Revenue totaled \$14.7 million, a 31% increase over the prior year, while net income totaled \$5.8 million or \$1.17 per share, a 37% increase over the first half of 2024. For the six months ended June 30, 2025, KPI's include a net interest margin of 3.74%, return on assets of 1.50%, return on equity of 14.75% and an efficiency ratio of 43.8%. For the quarter ended June 30, 2025, CommerceOne reported net income of \$2.9 million for the period or \$0.58 per share. Loans totaled \$656 million, and deposits totaled \$668 million as of June 30, 2025, representing a year-over-year increase of 17% and 19%, respectively.



We previously announced the relocation of our main office to the iconic John Hand building, as well as the addition of a new office in Mountain Brook Village. These projects are progressing well and remain on schedule. Both offices are expected to open in the third quarter of this year.

I am incredibly excited about the future of our company. We will continue to explore opportunities to add talent, deploy new technologies, expand into new markets, and diversify our revenue stream as we strive to maximize shareholder value.

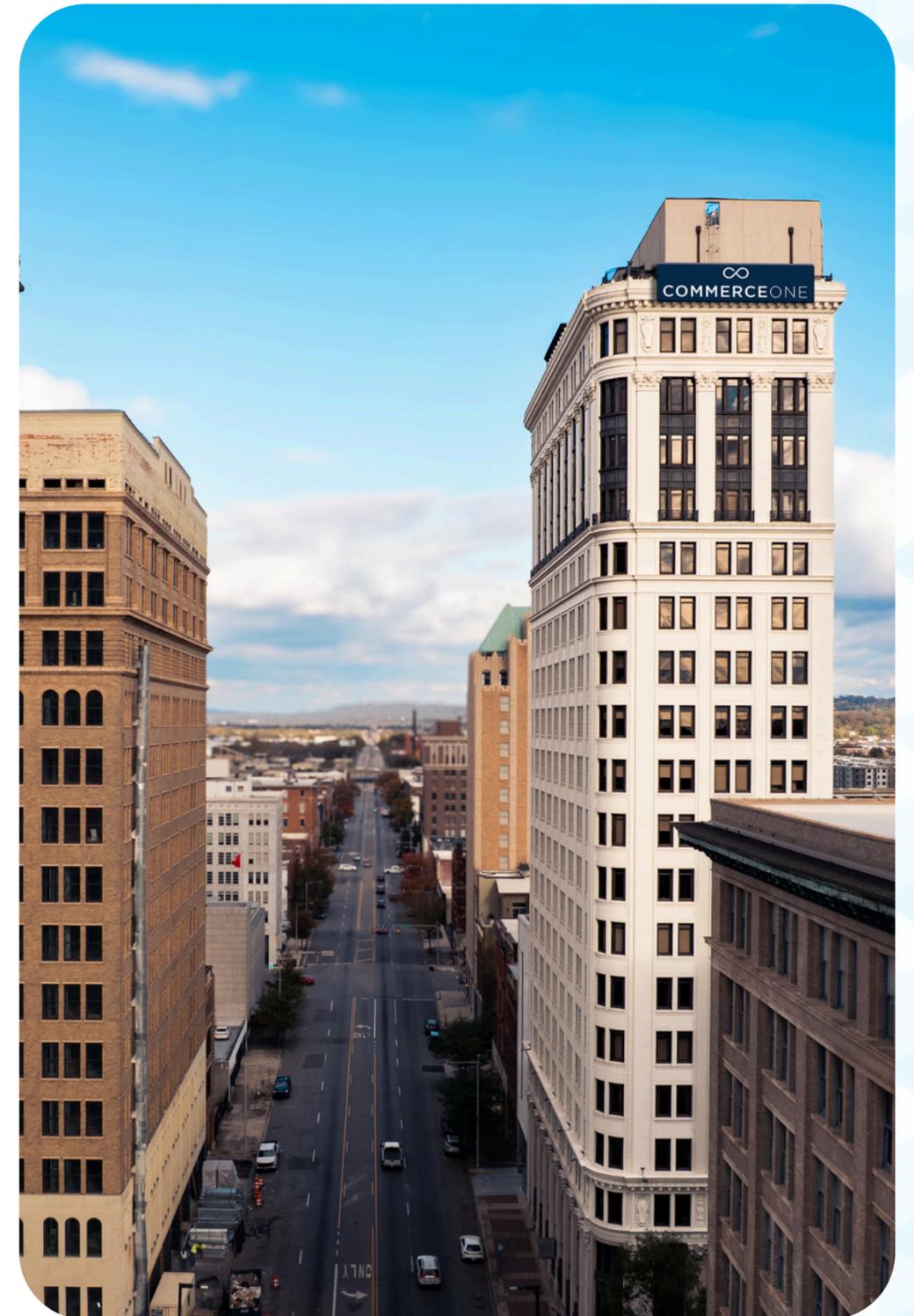
Thank you for your investment, support, and trust.

If you have questions or if we may be of service, please contact us at investor.relations@commerceonebank.com or 205.719.5750.

Regards,



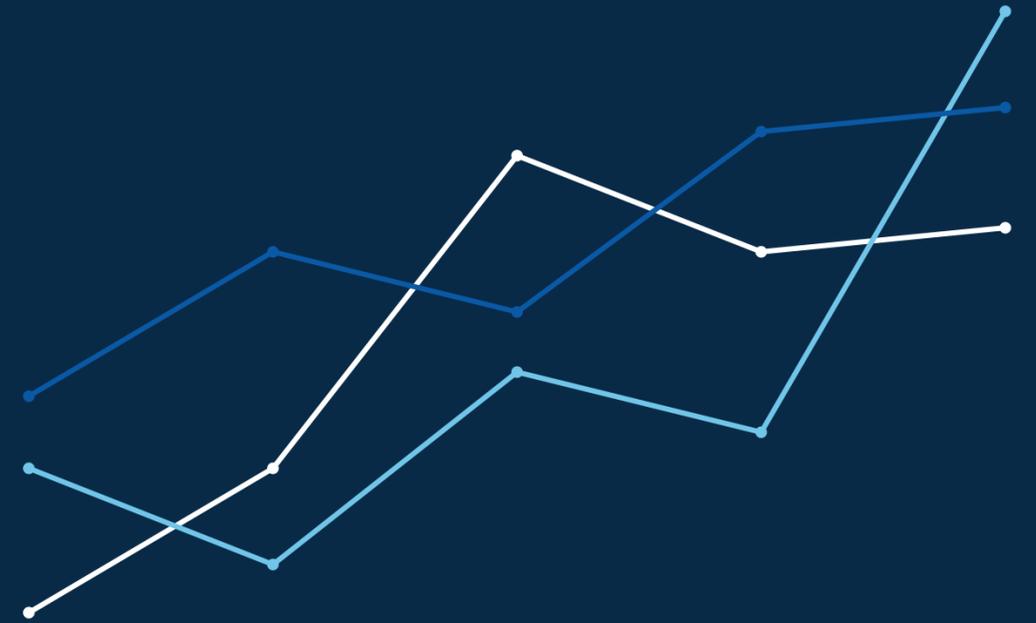
Kenneth W. Till
Chief Executive Officer



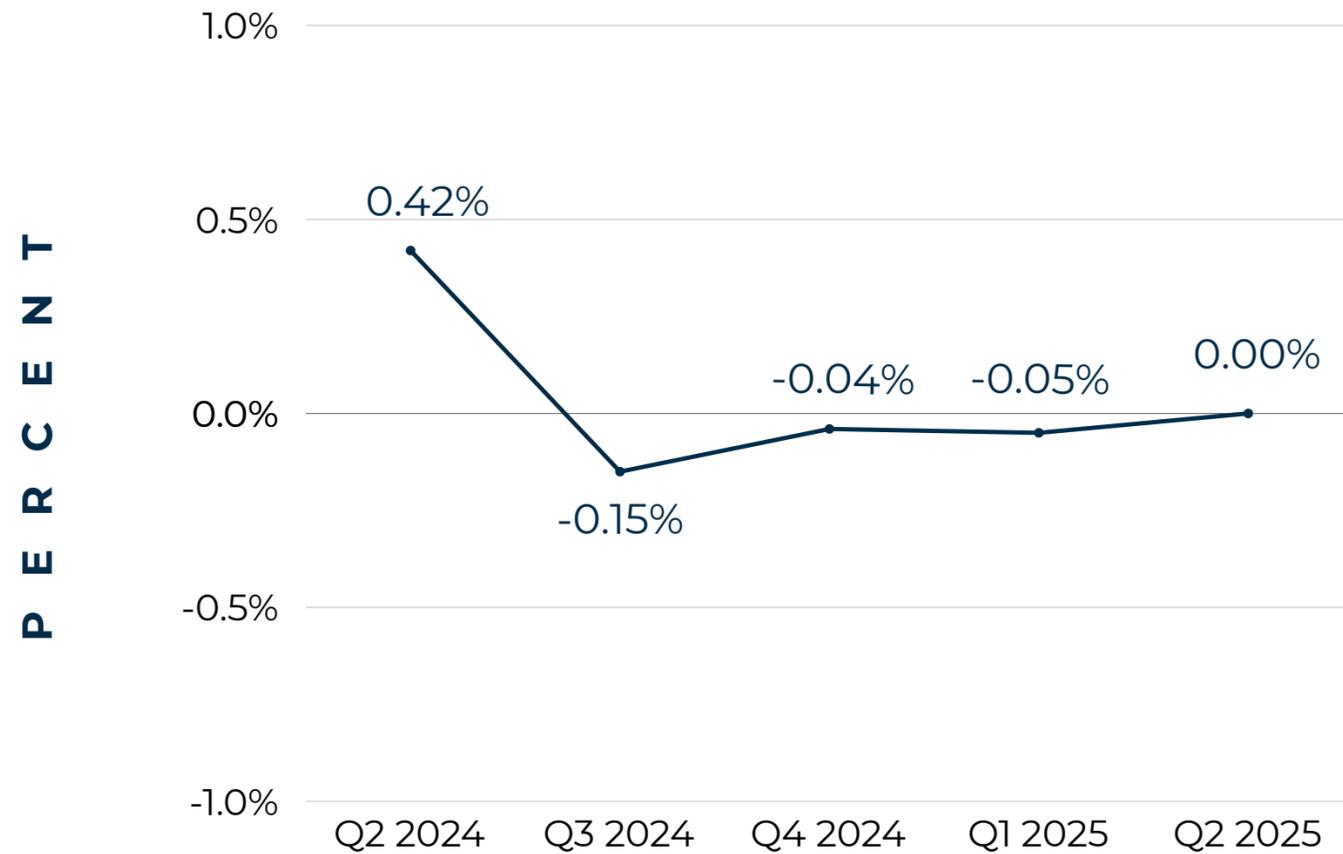


Q2 2025

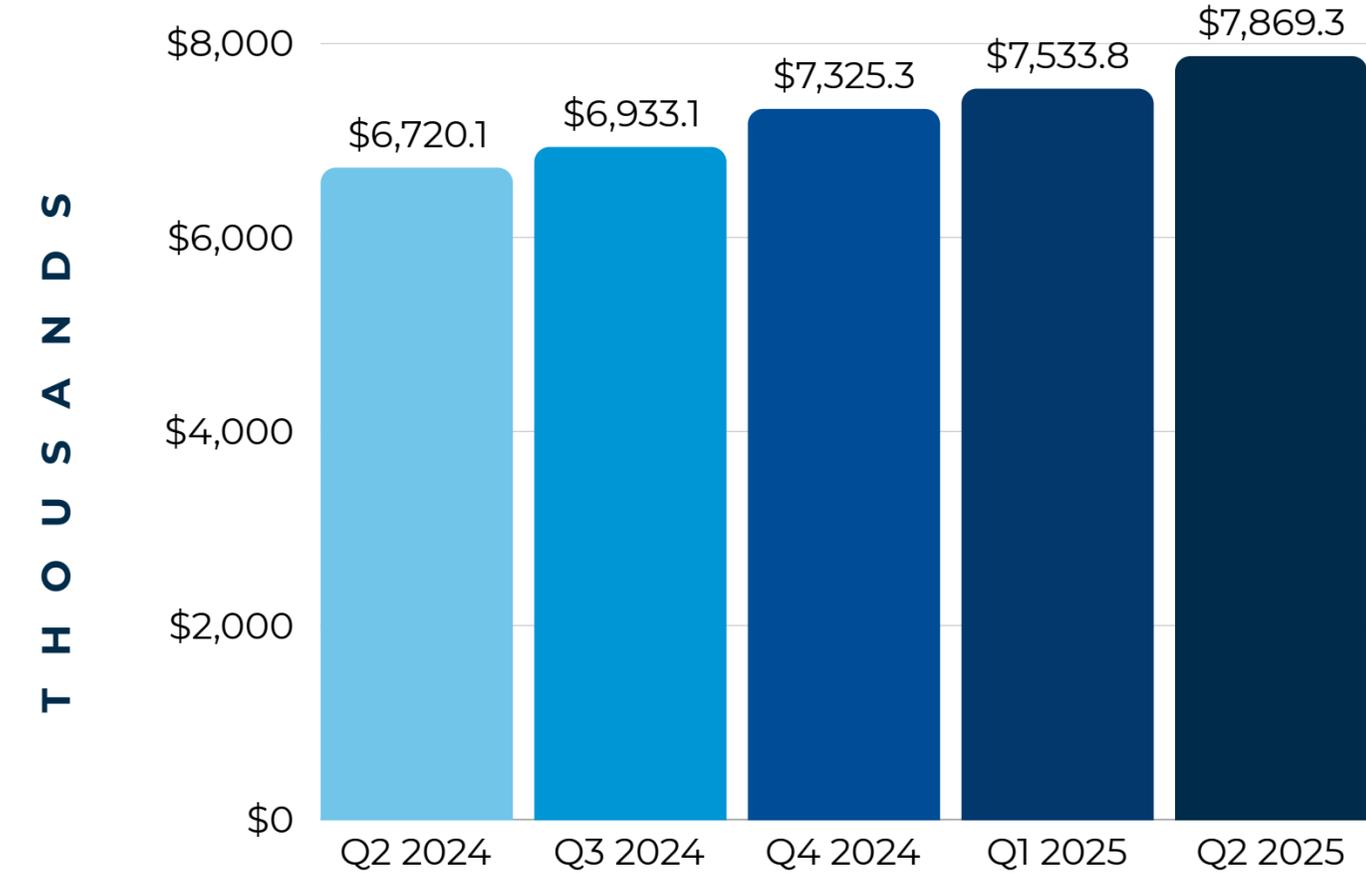
FINANCIAL REPORT



Net Charge-offs/Average Loans

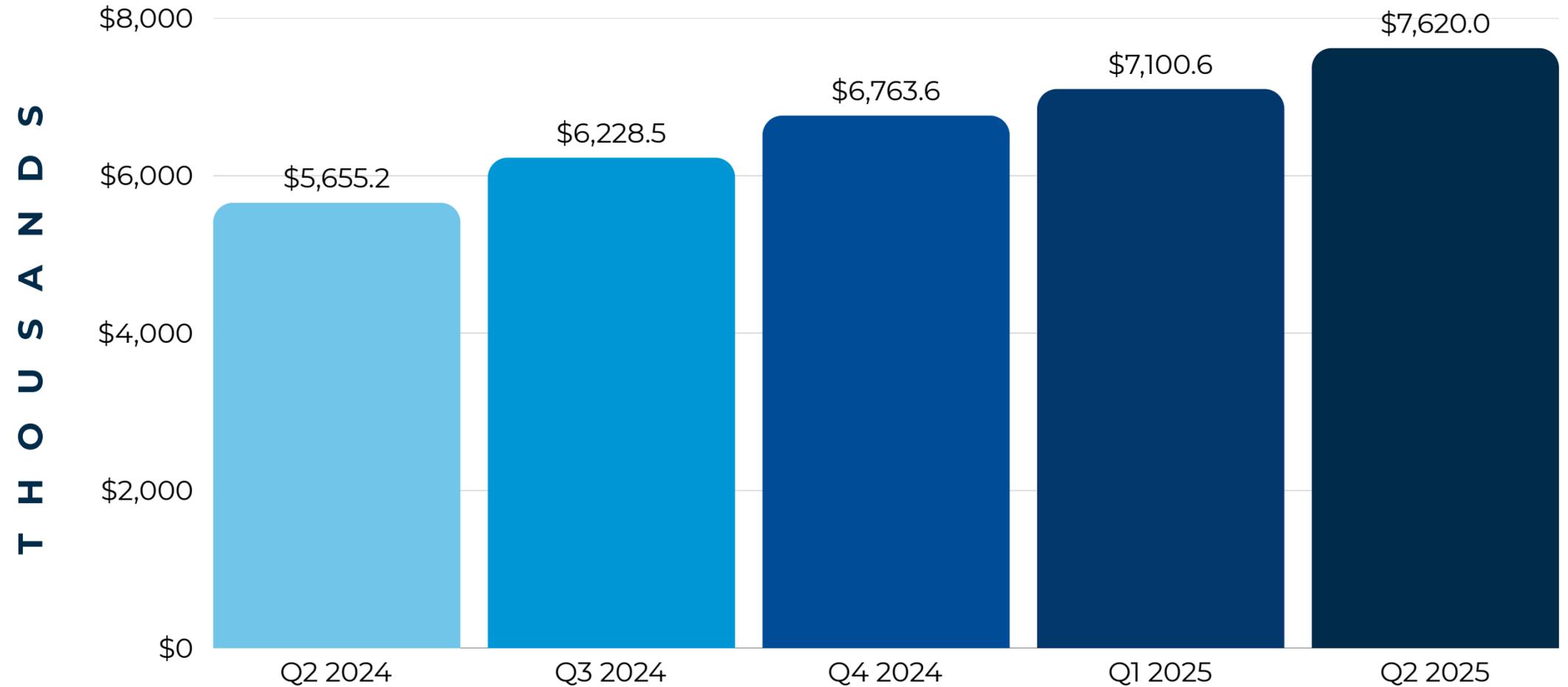


Allowance For Loan Losses



Asset quality is a leading principle for the CommerceOne management team. As of June 30, 2025, CommerceOne reported no non-performing loans. During the second quarter, approximately \$6,000 was recovered from a previously charged-off amount. The Bank’s allowance for possible future loan losses totaled \$7.9 million or 1.20% of loans outstanding.

Total Revenue

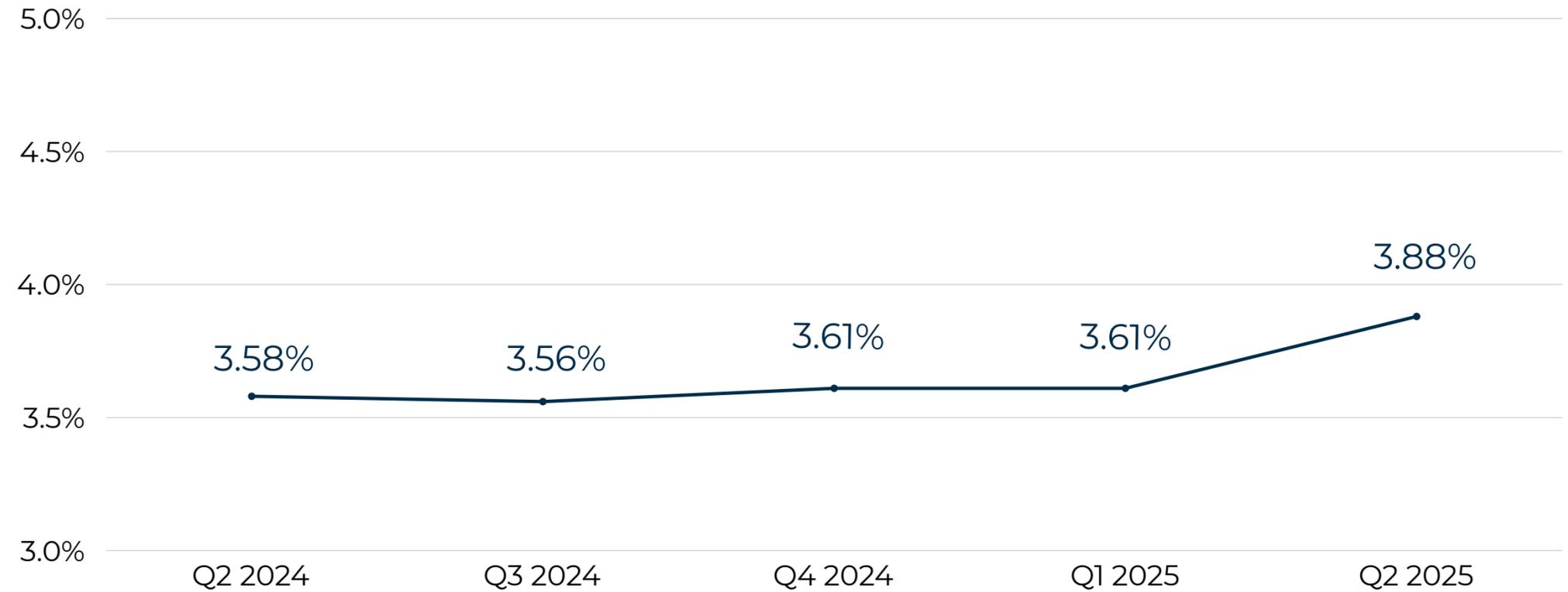


Revenue totaled \$7.6 million for the three months ended June 30, 2025, compared to \$7.1 million for the three months ended March 31, 2025, and \$5.7 million for the second quarter of 2024. On a year-over-year basis, revenue for the six months ended June 30, 2025, totaled \$14.7 million, an increase of 31% compared to the prior year. Net interest income represented approximately 98% of total revenue.

Net Interest Margin

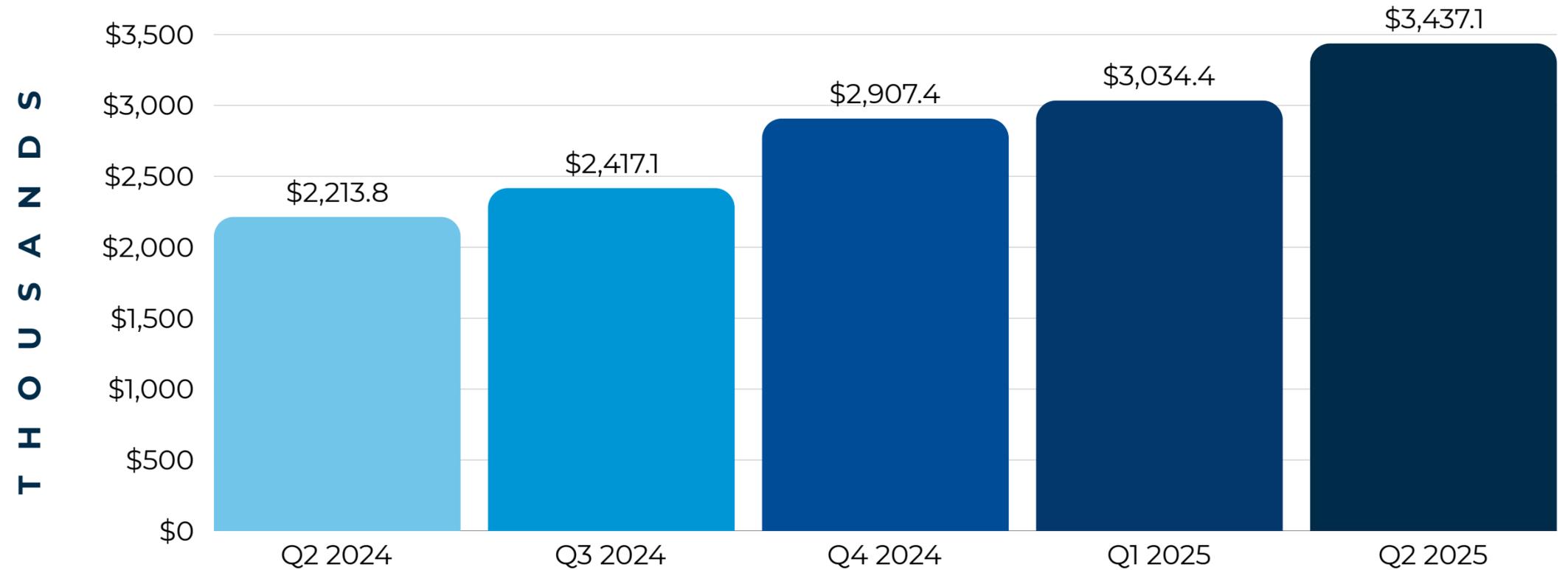


T H O U S A N D S



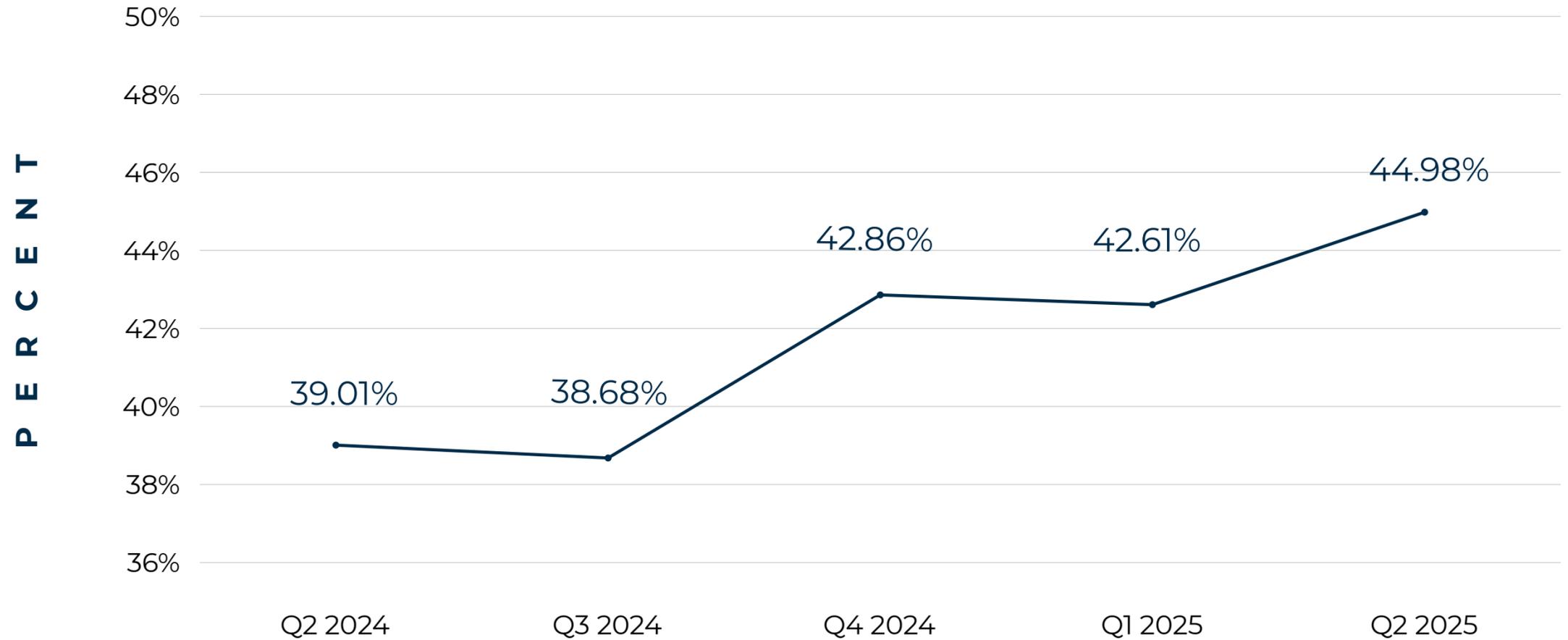
For the three months ended June 30, 2025, CommerceOne reported a net interest margin (NIM) of 3.88%, which was driven by a 6.51% average yield on earning assets and an average cost of funds of 2.94%. The second quarter NIM of 3.88% represents an increase of 27 basis points from the 3.61% NIM for the first quarter of 2025 and a 30 basis point increase compared to the second quarter of the prior year. The higher linked quarter NIM was due to a more favorable balance sheet mix including an increase in average loan balances, and a higher yield on loans.

Non-Interest Expenses



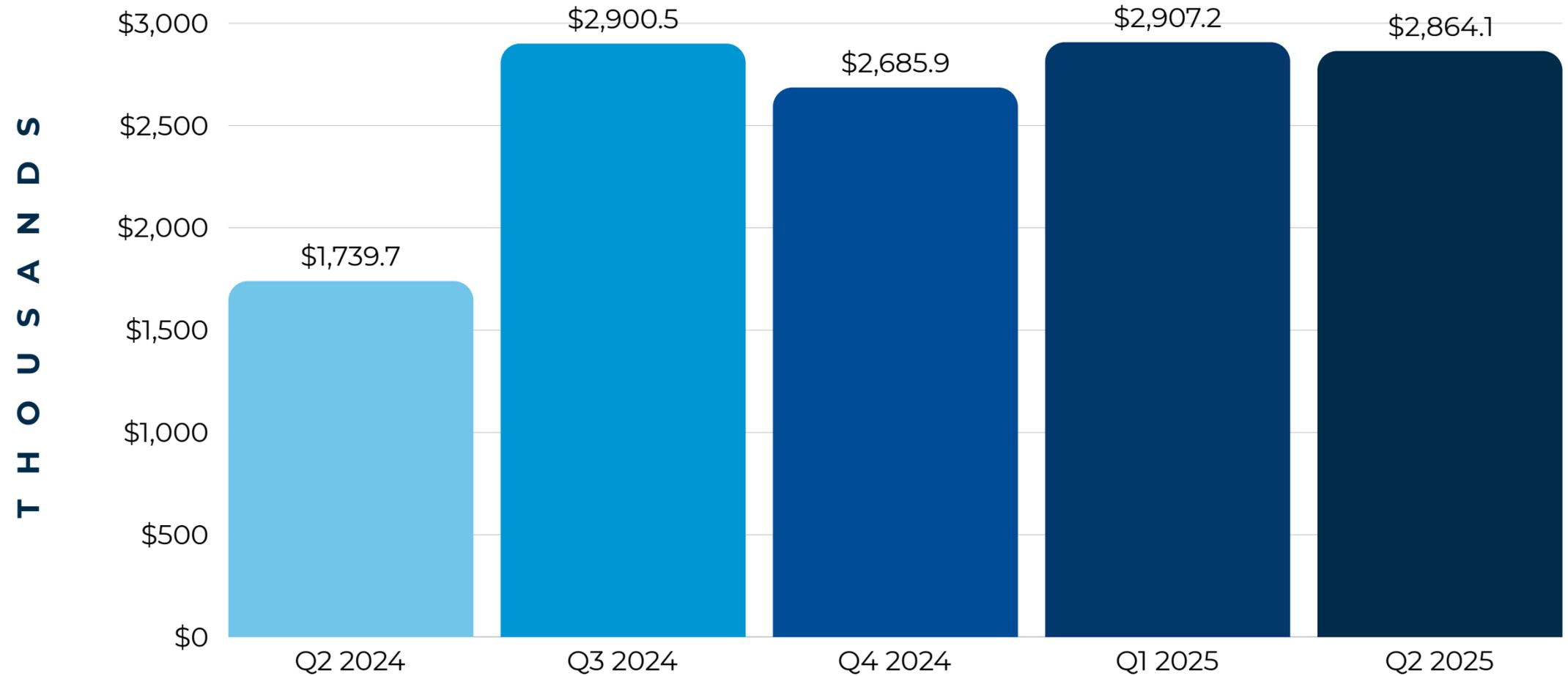
Non-interest expenses totaled \$3.4 million for the three months ended June 30, 2025, \$3.0 million for the three months ended March 31, 2025, and \$2.2 million for the three months ended June 30, 2024. On a year-over-year basis, non-interest expenses for the six months ended June 30, 2025, increased \$2.0 million due primarily to higher compensation costs, business development, and technology expenses. Non-interest expenses include salaries and benefits (constituting 63% of the total), occupancy costs, and other non-interest expenses. As of June 30, 2025, CommerceOne had 49 full-time equivalent associates.

Efficiency Ratio



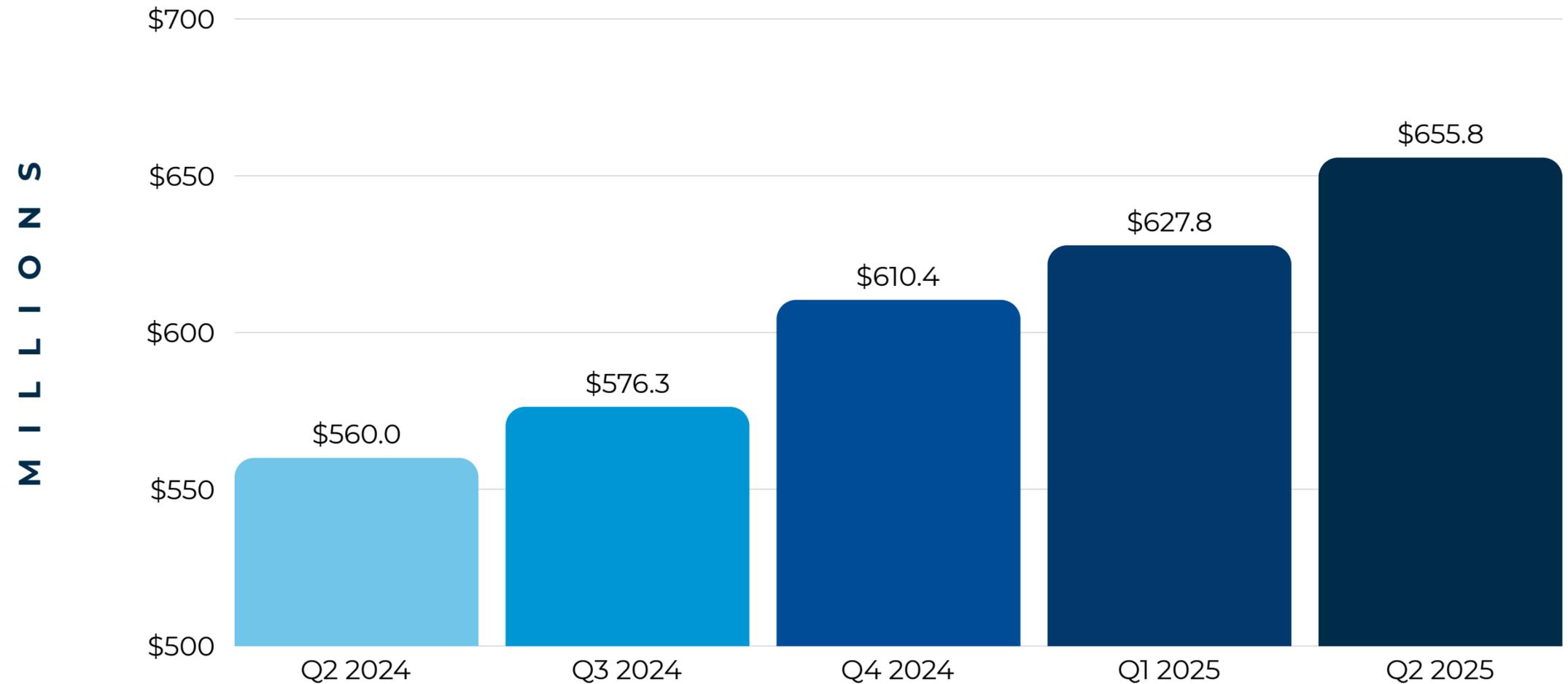
The efficiency ratio for the second quarter was 45.0% compared to 42.6% for the prior quarter and 39.0% for the second quarter of the prior year. The increase compared to the prior quarter was primarily driven by higher salary and benefit costs in the second quarter.

Net Income



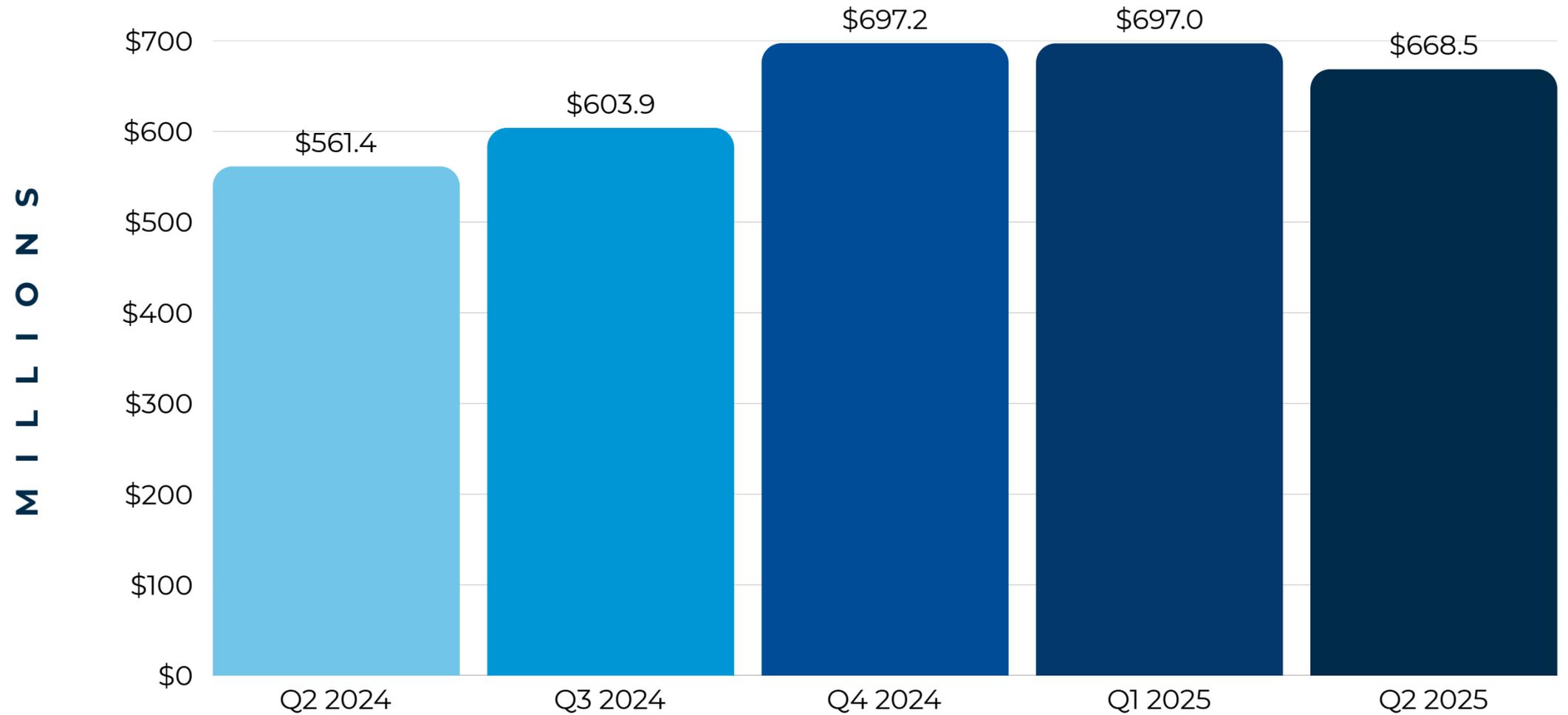
Net income totaled \$2.9 million for the three months ended June 30, 2025, and March 31, 2025, compared to \$1.7 million for the second quarter of the prior year. For the six months ended June 30, 2025, net income totaled \$5.8 million or \$1.17 per share.

Total Loans



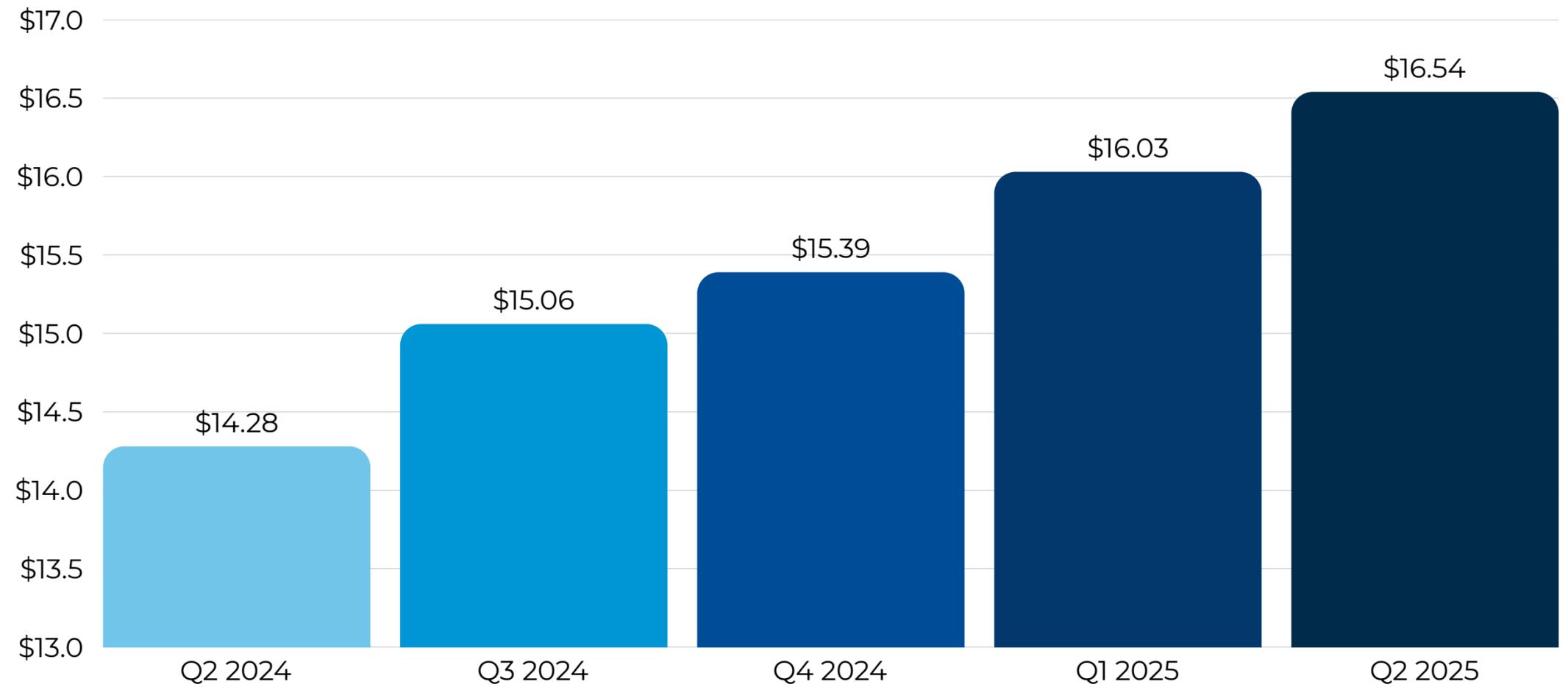
Loan balances of \$655.8 million are diversified with no undue concentrations with regard to industry, loan type, or collateral. Loans outstanding increased \$95.8 million or 17% compared to the second quarter of 2024 and increased 4% on a linked-quarter basis. As of June 30, 2025, the average loan size was \$524,000 with an average yield of 6.76%.

Total Deposits



Deposit balances totaled \$668.5 million as of June 30, 2025. This represents an increase of \$107.1 million or 19% compared to the second quarter of 2024, but a decrease of 4% on a linked-quarter basis. The deposit mix includes 65% in money market accounts and 18% in non-interest-bearing accounts.

Tangible Book Value Per Share



Q2 2025 FINANCIAL REPORT

Balance Sheet (Unaudited) (in thousands, except per share data)

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change</u>
Loans, net of unearned income	655,779	506,006	17%
Total assets	761,283	662,686	15%
Deposits	668,471	561,415	19%
Total equity	81,631	69,733	17%
Book value per share	\$ 16.54	\$ 14.28	16%

Income Statement (Unaudited) (in thousands)

	Quarter to Date			Year to Date		
	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change</u>
Net interest income	\$ 7,451	\$ 5,509	35%	\$ 14,389	\$ 10,983	31%
Provision for loan losses	385	1,104	-65%	564	1,085	-48%
Total non-interest income	169	146	16%	332	284	17%
Total non-interest expense	3,437	2,214	55%	6,471	4,521	43%
Net income	\$ 2,864	\$ 1,740	65%	\$ 5,771	\$ 4,218	37%

Financial Ratios (Unaudited)

	Quarter to Date		Year to Date	
	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Return on average assets	1.49%	1.13%	1.50%	1.36%
Return on average equity	14.28%	10.14%	14.75%	12.49%
Efficiency ratio	44.98%	39.01%	43.84%	39.98%
Earnings per share	\$ 0.58	\$ 0.36	\$ 1.17	\$ 0.86
Net Interest margin	3.88%	3.58%	3.74%	3.55%



∞
COMMERCE ONE

SHAREHOLDER UPDATE - Q2 2025