



ANNUAL
REPORT
TWENTY TWENTY-TWO



ANNUAL LETTER TO OUR SHAREHOLDERS

We had much to celebrate in 2022, including our year-long 135th anniversary featuring festivities and picnics in the communities we serve. On behalf of our entire team, thank you for joining us in saluting this wonderful chapter in Range Bank's story – and for your past, present and future partnership.

During the past year, we also celebrated another year of record net income. This \$4.9 million milestone was driven by several accomplishments, including:

- Business loan growth of 19% (net of Paycheck Protection Program), with increases in each one of our regions: Marquette County, Copper Country, Dickinson County and Brown County. Thank you to our business banking team for its hard work.
- The strength in our loan portfolio that enabled us to reverse \$650,000 from our loan loss reserve while maintaining a strong reserve balance.
- An increase in the value of the mortgage loans we sell on the secondary market and continue to service, also due to rising rates.
- An increase in our net interest margin, also due to rising loan rates.

Additionally, we completed a four-for-one stock split in the form of a dividend, making our stock more affordable for our employees and investors.

Our balance sheet assets and assets under management decreased slightly in 2022, even with the increase in business loans, mainly due to a decision in December to sell \$22 million in investment securities. We incurred a \$467,000 loss with the sale of the investment securities knowing we would recover the loss in less than a year by funding loans and paying down borrowings. In addition, this move will boost our capital, liquidity and net interest margin for 2023.

The increase in our balance sheet to more than \$500 million has required us to complete our first financial statement audit. You can view our Consolidated Financial Statements for the years ending Dec. 31, 2022, and 2021 by following the instructions in your annual meeting mailing.

OUR COMMUNITY IMPACT

During the past year, our Trust & Wealth Management (T&WM) team celebrated a decade of providing customized financial solutions to best fit our customers' needs and goals. We are proud of our unique approach to managing investments as well as our results. In addition, we have a highly qualified T&WM team led by Amanda Knaffla, J.D., CTFA, which has the expertise and determination to help our customers successfully administer their trust assets and grow their wealth. The team is distinctly poised for growth and expansion in the future.

We believe in supporting our communities beyond simply providing exceptional financial products and services. One of the ways we do this is through financial literacy for both children and adults, which was recognized in 2022 with our first Financial Literacy Award from the Michigan Bankers Association. Our financial literacy accomplishments last year included:

- Providing and presenting financial literacy lessons in our local schools.
- Partnering with the Marquette Area Public Schools Education Foundation on its 1st to Finish children's savings account program for students starting first grade.
- Offering a new My Spend account for teens opening their first bank account. This free account encourages teens to manage money while allowing parents oversight and control.
- Providing a new Blue Path account that meets Bank On national standards for safe and affordable bank accounts as established by the Cities for Financial Empowerment Fund.

Range Bank also reached a wonderful milestone of donating over \$50,000 to our local schools through our School Spirit debit card program, which now has 15 participating schools. Additionally, our third annual school supply

drive provided learning essentials for students as they headed back to the classroom, and a \$5,000 donation brought our 2022 total to \$8,000 in supplies for our local schools.

OUR CULTURE

We are incredibly proud of the culture we have built at Range Bank – and the fact employees feel we are a great place to work. As part of our most recent employee survey, conducted anonymously every six months, we earned a 9.42 score out of 10 when employees were asked if they were proud to work at Range Bank. We also received a 9.35 score when they were asked if they'd recommend us as an employer of choice.

We could not have achieved these scores without a great staff who makes their teammates feel included, welcomed and valued. This, in turn, enables us to provide stellar customer service.

LOOKING TO THE YEAR AHEAD

As we begin our 136th year as a community bank, we recognize many uncertainties in the economy. While we expect to be impacted in the short term, our balance sheet continues to be strong, and we remain focused on bringing long-term value to our shareholders.

We will do this with a focus on growth and innovation – as highlighted in our updated strategic plan for 2023. Later in 2023, we will implement a premier core processing system that will meet the needs of our growing organization today and into the future, providing internal efficiencies and upgrades to customer-facing systems. Our innovation team continues to look for ways to add value to our banking services, including strengthening our online and mobile service offerings while simultaneously ensuring the cybersecurity of our customers.

In 2023, we will continue to concentrate our efforts to grow commercial lending as well as trust and wealth management. We see opportunities to enhance both areas and are equipping our teams with the tools and resources they need for success. Although we anticipate mortgage volume will be down this year due to low inventory and higher interest rates, we will work to increase our market share in our service area.

The biggest shift in our 2023 goals is a focus on growing our core deposit base and managing our deposit costs. The Federal Reserve Open Market Committee (FOMC) has tightened monetary policy to fight inflationary concerns as rapidly as it has ever done. As a result, we have had to increase our deposit rates at a rapid pace to continue to remain competitive in the market. This will increase our deposit costs and could negatively impact 2023 earnings. With this said, economists are carefully watching consumer and business spending, which continues to be resilient despite economic headwinds.

I want to acknowledge and applaud the leadership team of Range Bank – their fierce dedication to doing the right thing for our customers, shareholders and employees is unwavering. I am also grateful for the commitment of our longtime employees and those who have joined us in recent years. They demonstrate our culture and values every day – and are simply the best!

We hope you will join us Tuesday, May 16 at 5 p.m. for our annual shareholder meeting. You'll find specific details in your annual meeting notice. I also look forward to seeing you throughout the year at various community events.

Your support of Range Bank continues to fuel our commitment to our customers and the communities we serve. On behalf of our directors, officers and entire team, I want to extend our deep appreciation for your continued partnership.

Gratefully yours,

Roxanne M. Daust Chairman, President & Chief Executive Officer

LEADERSHIP TEAM



FROM LEFT TO RIGHT:

Rachel M. Simonsen, Chief Operations Officer; **Amanda F. Knaffla, J.D., CFTA**, Chief Trust & Wealth Management Officer; **David A. Symons, CPA**, Chief Financial Officer; **James P. Markham, Jr.**, Chief Lending Officer & Community Bank President, Copper Country; **Roxanne M. Daust**, Chairman, President & Chief Executive Officer; **Benjamin M. Wood**, Executive Vice President & Community Bank President for Dickinson and Green Bay; **Lucy Grove**, Vice President, Human Resources Officer; **Brian L. Syrjala**, Chief Home Mortgage Officer

RANGE FINANCIAL CORPORATION AND RANGE BANK

BOARD OF DIRECTORS

Roxanne M. Daust
Chairman, President & CEO, Range Bank

Stephen D. Vairo
Lead Director, CEO, Calumet Electronics Corporation

Timothy J. Baroni
Retired Community Bank President, Range Bank – Copper Country

Scott A. Jensen
Vice President & Co-owner of Guindon Moving & Storage, and Ashley HomeStores of Escanaba and Marquette

Allan L. Koskey
Retired, Koskey Funeral Home, Inc.

Anthony N. Kroncich, CPA
Retired, Kroncich, Hill and Associates

Dr. Peter A. LaFreniere
Retired, Dental Practice

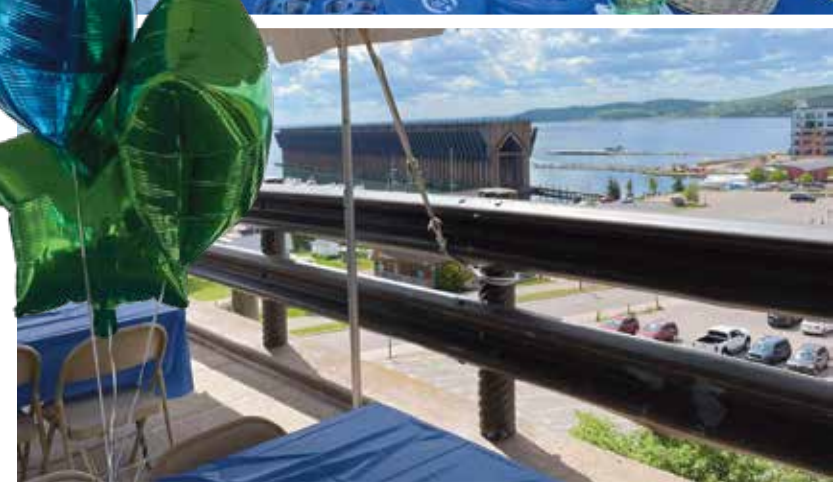
John F. Marshall
Retired, Lake Superior & Ishpeming Railroad Co.

Laura K. Reilly
Attorney and Shareholder of Kendricks, Bordeau, Keefe, Seavoy & Larsen, P.C.

Stephen W. Verrette
Chairman & CEO, Champion, Inc.

Kurt R. Voss
Owner & CEO of the AmeriLux Family of Companies





THANK YOU FOR CELEBRATING WITH US!

ANNIVERSARY PICNICS

Our 135th Anniversary celebration lasted all summer long! We celebrated this important milestone with community picnics in each of the regions we serve.

- June 10:** Marquette
- June 23:** Kingsford
- July 6:** Negaunee
- July 20:** Houghton
- August 9:** Green Bay



CELEBRATING 135 YEARS

SPIRIT WEEK

We celebrated our 135th Anniversary on June 10, 2022. All week long, Range Bank employees dressed up for Spirit Week.

- Music Monday**
- Twinning Tuesday**
- Western Wednesday**
- Throwback Thursday**
- Futuristic Friday**



CORE VALUES

- Respect**
We treat fellow co-workers, customers and partners with equal respect.
- Ownership**
We are accountable for our actions.
- Community**
We are committed to building strong communities.
- Knowledge**
We have the expertise to provide sound financial advice.
- Strength**
We are financially stable with a strong organizational culture.



SUPPORTING SCHOOLS, STUDENTS AND TEACHERS



AWARD-WINNING FINANCIAL LITERACY PROGRAM

We were honored to be a 2022 Financial Literacy Award recipient from the Michigan Bankers Association. Our program continues to grow with courses educating students on banking basics, budgeting, careers in banking, fraud and scam prevention and an introduction to credit.



MY SPEND TEEN

In 2022, we launched "My Spend Teen" – a fee-free bank account for teens. Teens can learn how to manage money while parents have visibility and control. Parents are able to stay on top of their children's spending and take advantage of teachable money moments. Learn more at rangebank.com/personal/my-spend-teen.

SCHOOL SPIRIT DEBIT CARD PROGRAM REACHES MILESTONE

Through our School Spirit debit card program, we've donated over \$50,000 to our partner schools. We've grown the program to support 12 schools, with three additional schools being added in the coming months.



SCHOOL SUPPLY DRIVE

Our third annual school supply drive allowed us to donate over \$8,000 worth of supplies and to support 15 schools.



TRAINING DAY

On Monday, October 10, Range Bank employees from all nine of our branches gathered at River Rock Lanes in Ishpeming for our annual All-Employees Training Day. The day included presentations from each department, a presentation on personal and team excellence by our guest speaker and team-building activities.

STRONG TEAMS.

STRONG LEADERSHIP.



BAUERFINANCIAL 5-STAR

Range Bank received a 5-Star Superior rating by *BauerFinancial* in September 2022. *BauerFinancial* is regarded as a reputable source by federal and state regulators as well as retail consumers, and the star rating reflects the results of thorough analysis of financial reporting required by the federal government for all financial institutions. We are proud to be rated 5-Star Superior by *Bauer Financial*.



The Marquette County Mortgage Team was recognized by the community and voted the Best Mortgage Lending Team in *The Mining Journal's* Best of the Best Awards. We are grateful to be recognized by the community for this award.



MARQUETTE COUNTY MORTGAGE TEAM FROM LEFT TO RIGHT: **Chris Gobert, Christy Smith, Kristin Knapp, Brian Syrjala and Angie Knauss**

PROMOTIONS



Kim Kaura
was promoted to Vice President,
Mortgage Loan Officer



Eric Kucharczyk
was promoted to Vice President,
Business Banking Officer



Alex Roy
was promoted to Vice President,
Business Banking Officer



Cheryl O'Brien
was promoted to Assistant Vice
President, Mortgage Loan Officer



Joel Benson
was promoted to
Business Banking Officer



Joe Sayen
was promoted to
Mortgage Loan Officer



ROXANNE DAUST, our President and CEO, received several honorable awards and recognitions.

The Michigan Bankers Association (MBA) announced the election of Roxanne as the new Chair-Elect of the 2022-23 Michigan Bankers Association Board of Directors.

She was named to the Federal Reserve Bank of Minneapolis' Community Depository Institutions Advisory Council. As a member of the council, Roxanne will provide information, advice and recommendations to the Federal Reserve Bank of Minneapolis' President on banking and economic activity in Upper Michigan.

Roxanne was the 2022 Evergreen Award recipient. The Evergreen Award honors individuals in Marquette County who are dedicated to supporting and mentoring women and children, helping them to reach their leadership potential.

Roxanne was also named chair for the Lake Superior Community Partnership.

SUPPORTING OUR LOCAL COMMUNITIES

Groups of Range Bank employees gave back to the community by volunteering with their local Habitat for Humanity. Our Trust & Wealth Management team helped the Marquette County Habitat for Humanity and ReStore install siding and exterior fixtures, and our Green Bay team assisted with the structural framework of the Greater Green Bay Habitat for Humanity build.



GREEN BAY TEAM FROM LEFT TO RIGHT: **Tiffany Erickson, Kendra Becker and Ryan Miller**



TRUST & WEALTH MANAGEMENT TEAM FROM LEFT TO RIGHT: **Michele Kontio, Jessica Mantei, Amanda Marlowe and Amanda Knaffla**

5-Year Summary (in thousands of dollars, except per share data)

AT YEAR END	2022	2021	2020	2019	2018
Total Assets	\$518,889	\$529,454	\$459,665	\$371,110	\$382,402
Total Assets Under Management	1,010,185	1,038,418	929,673	810,726	774,245
Total Deposits	474,782	482,673	412,013	328,789	346,034
Net Loans	306,099	263,841	271,686	232,598	218,881
Investments	163,612	202,718	122,776	85,381	99,583
Capital Funds	34,400	42,504	41,696	37,440	32,922

EARNINGS

Operating Income	\$21,040	\$20,087	\$20,282	\$18,039	\$16,773
Operating Expense	15,124	14,595	16,045	14,828	13,768
Income Tax Expense	1,014	722	1,178	510	368
Net Income	4,902	4,769	3,060	2,756	2,637
Return on Average Assets	0.94%	0.96%	0.71%	0.74%	0.70%
Return on Average Equity	12.75%	11.33%	7.42%	7.43%	7.85%

PER SHARE DATA (FOUR-FOR-ONE STOCK SPLIT IN THE FORM OF A DIVIDEND IN 2022)

Net Income	\$6.82	\$26.54	\$17.04	\$15.37	\$14.71
Cash Dividends	4.55	5.40	5.40	5.40	5.40
Book Value	47.84	236.55	232.18	208.76	183.61

Reconciliation of Allowance for Loan Loss

	2022	2021
Balance at beginning of period	\$5,820,204	\$5,501,022
Recoveries of loans previously charged off	267,166	253,729
Provision (Credit) for loan losses	(650,000)	300,000
Loans charged off	-	(234,547)
Balance at end of period	\$5,437,370	\$5,820,204

ASC 820 Valuation – Securities Footnote

Y to Y

Date	12/31/22	12/31/21	Change
No.	142	174	(32)
Par	\$175,431,955	\$198,159,773	\$(22,727,818)
Book	\$178,151,198	\$201,987,735	\$(23,836,537)
Market	\$162,782,784	\$201,810,970	\$(39,028,186)
Gain/Loss	\$(15,368,414)	\$(176,765)	\$(15,191,649)
		Book-Par change	\$(1,108,719)

Consolidated Statements of Changes in Stockholders' Equity

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
Balance at December 31, 2021	\$59,940	\$5,132,097	\$37,452,052	\$(139,644)	\$42,504,445
Net Income	-	-	4,902,081	-	4,902,081
Other comprehensive income (loss)	-	-	-	(12,001,403)	(12,001,403)
Issuance of common stock	70	217,238	-	-	217,308
Redemption of common stock	-	(217,208)	-	-	(217,208)
Stock dividends (Four-for-one stock split in the form of a dividend)	179,727	27,360,273	(27,540,000)	-	-
Cash Dividends (\$4.55 per share)	-	-	(1,004,982)	-	(1,004,982)
Balance at December 31, 2022	\$239,737	\$32,492,400	\$13,809,151	\$(12,141,047)	\$34,400,241

Consolidated Balance Sheets

As of December 31,

	2022	2021
ASSETS		
Cash and due from banks	\$15,321,958	\$31,486,545
Federal funds sold	410,000	-
Cash and cash equivalents	15,731,958	31,486,545
Debt securities available for sale	162,782,783	201,810,970
Loans held for sale	417,267	3,899,501
Loans, net	306,099,019	263,841,014
Premises and equipment, net	10,351,937	10,437,827
Mortgage servicing rights	4,888,151	2,682,737
Goodwill	1,772,302	1,772,302
Federal Home Loan Bank stock	828,200	905,900
Accrued interest receivable	1,453,212	1,336,886
Other real estate, net	-	75,000
Cash value of life insurance	10,053,386	9,821,201
Income tax receivable	370,528	48,885
Deferred tax asset	3,076,031	492,000
Other assets	1,064,363	843,173
Total Assets	\$518,889,137	\$529,453,941

LIABILITIES

Non-interest bearing deposits	111,016,744	124,153,727
Interest-bearing deposits	363,765,096	358,519,725
Total deposits	474,781,840	482,673,452
Short-term borrowings	5,355,000	-
Borrowed funds	438,384	484,039
Subordinated debt	2,000,000	2,000,000
Accrued payroll	301,712	200,596
Deferred compensation	992,754	891,414
Incentive compensation plan payable	392,023	488,650
Other Liabilities	227,183	211,345
Total Liabilities	\$484,488,896	\$486,949,496

STOCKHOLDERS' EQUITY

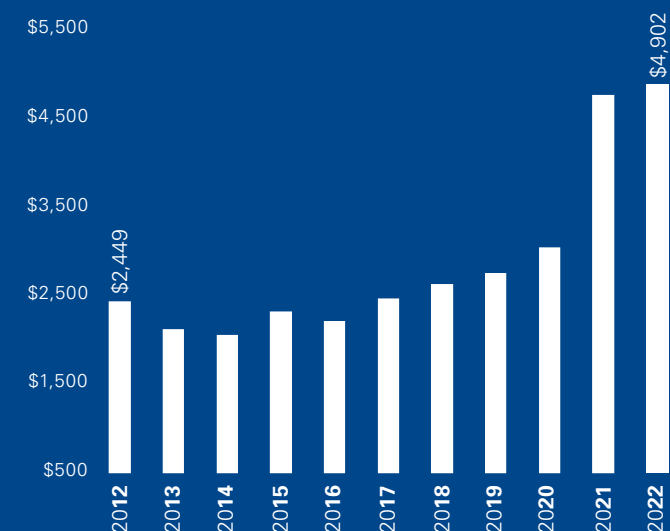
Preferred stock - \$0.01 par value:		
Authorized - 200,000, no shares outstanding	-	-
Common Stock - \$0.3334 par value:		
Authorized - 1,000,000		
Outstanding - 719,067 in 2022 and 179,784 in 2021	239,737	59,940
Additional paid in capital	32,492,400	5,132,097
Retained earnings	13,809,151	37,452,052
Accumulated other comprehensive income (loss)	(12,141,047)	(139,644)
Total Stockholders' Equity	\$34,400,241	\$42,504,445
Total Liabilities and Stockholders' Equity	\$518,889,137	\$529,453,941
Memo Item: Standby Letters of Credit	\$1,105,000	\$1,116,000

Consolidated Statements of Income

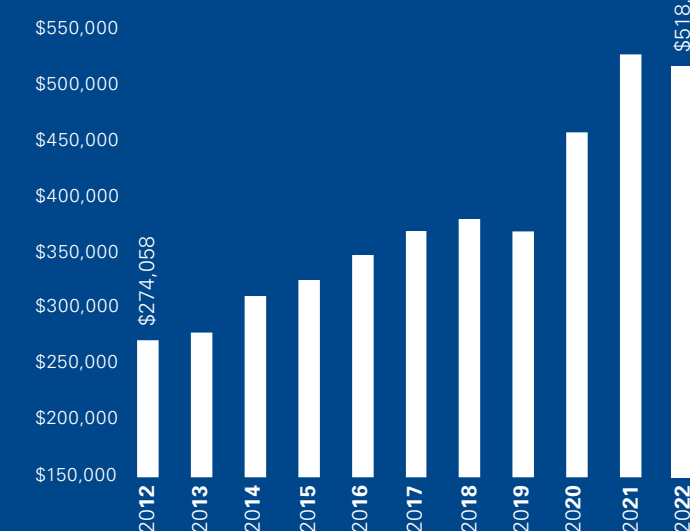
Years Ended December 31	2022	2021
INTEREST INCOME		
Loans, including fees	\$13,854,786	\$15,541,964
Securities		
Taxable	1,863,616	1,521,842
Tax-exempt	414,620	487,976
Other	263,434	65,937
Total Interest Income	\$16,396,456	\$17,617,719
INTEREST EXPENSE		
Deposits	1,051,658	795,659
Borrowed funds	109,415	27,951
Subordinated debentures	76,384	43,841
Total Interest Expense	1,237,457	867,451
Net interest income	15,158,999	16,750,268
Provision (credit) for loan losses	(650,000)	300,000
Net interest income after provision (credit) for loan losses	\$15,808,999	\$16,450,268
NONINTEREST INCOME		
Service fees	579,674	499,730
Interchange fees	840,734	785,812
Trust fees	727,417	759,233
Net gain (loss) on sale of foreclosed assets	(46,976)	53,829
Loan servicing income	2,205,414	109,696
Other noninterest income	337,498	261,044
Total noninterest income	\$4,643,761	\$2,469,344
NONINTEREST EXPENSE		
Salaries and benefits	9,054,261	8,322,487
Occupancy	1,335,826	1,339,333
Office expense	1,232,444	1,090,832
Professional fees	808,892	922,638
Net (gain) loss on sale of debt securities available for sale	466,758	-
Other noninterest expense	1,638,265	1,752,710
Total Noninterest Expenses	14,536,446	13,428,000
Net income before income taxes	5,916,314	5,491,612
Provision for income taxes	1,014,233	722,358
Net Income	\$4,902,081	\$4,769,254
	2022	2021
Earnings Per Common Share (Four-for-one stock split in the form of a dividend)	\$6.82	\$26.54

October 27, 2022: Range Financial Corporation, the holding company for Range Bank, announced that the Board of Directors approved a four-for-one stock split in the form of a stock dividend. "We are pleased to announce the stock dividend and feel this will make stock ownership more accessible to employees and investors," said Roxanne Daust, President. Each stockholder of record on November 1, 2022, received a dividend of three additional shares of common stock for each then-held shares. These shares were distributed on November 15, 2022.

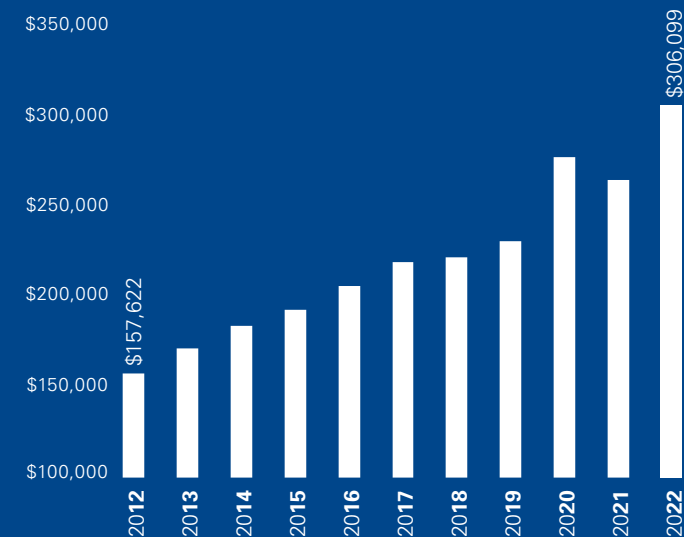
NET INCOME GROWTH (in thousands)



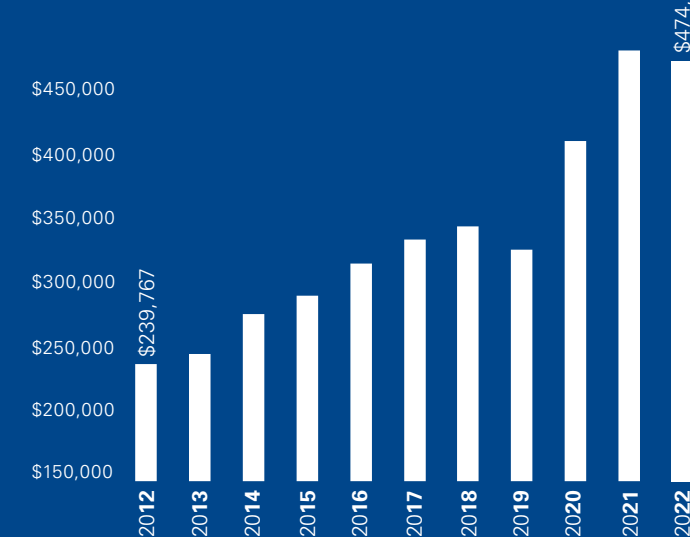
ASSET GROWTH (in thousands)



LOAN GROWTH (in thousands)



DEPOSIT GROWTH (in thousands)



Corporate Office

Range Financial Corporation

100 North Front Street
Marquette, MI 49855
(906) 226-1025

Marquette County

Marquette Headquarters
Negaunee
Marquette, McClellan Avenue
Harvey

Copper Country

Calumet
Houghton
Lake Linden

Dickinson County

Kingsford

Brown County

Green Bay

Officers

Roxanne M. Daust, Chairman, President & Chief Executive Officer
Benjamin M. Wood, Executive Vice President & Community Bank President
for Dickinson and Green Bay
David A. Symons, CPA, Chief Financial Officer
James P. Markham, Jr., Chief Lending Officer & Community Bank President
Amanda F. Knaffla, J.D., CTFA, Chief Trust & Wealth Management Officer
Rachel M. Simonsen, Chief Operating Officer
Brian L. Syrjala, Chief Home Mortgage Officer
Charlotte L. Gaudreau, Senior Vice President, Business Banking Officer
Angela M. Knauss, Senior Vice President, Loan Officer
Michelle M. McLaughlin, Senior Vice President, Commercial Credit Department Manager
Sally L. Shaver, Senior Vice President, Mortgage Loan Underwriting
Bryan A. Spaeth, Senior Vice President, Business Banking Officer
Christopher H. DeRoche, Vice President, Loan Officer
Christopher J. Gobert, Vice President, Loan Officer
Jeremy A. Hinkson, Vice President, Business Banking Officer
Lucy Grove, Vice President, Human Resources Officer
Kelly L. Jandron, Vice President, Branch Administration Officer
Kimberley S. Kaura, Vice President, Loan Officer
Michele M. Kontio, Vice President, Trust & Wealth Management Officer
Eric M. Kucharczyk, Vice President, Business Banking Officer
John W. Lenten, CPA, Vice President, Internal Audit & BSA Officer
Alex M. Roy, Vice President, Business Banking Officer
Cheryl L. O'Brien, Assistant Vice President, Loan Officer
Kristin D. Knapp, Loan Officer
Ryan D. Miller, Loan Officer
Timothy P. Shandonay, Information Technology Officer
Kimberly C. Wetton, Compliance & Information Security Officer
Christy A. Smith, Loan Officer
Stacy L. Bouman, Retail Banking Officer
Joe M. Sayen, Loan Officer
Joel C. Benson, Business Banking Officer



RangeBank



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Range Bank is a wholly owned subsidiary of Range Financial Corporation and is locally owned and managed to best serve the needs of the families and businesses in the communities it serves.