



ANNUAL REPORT 2021

DEEP-ROOTED  
**strength.**  
FORWARD-  
THINKING **focus.**

 **Range Financial Corporation**

# annual letter

## TO OUR SHAREHOLDERS



As we begin our 135th year anniversary as a community bank, I can't help but reflect on the rich history and success of our organization. This is a milestone few businesses will reach – in fact, only eight of the 81 banks currently headquartered in Michigan have a longer history than Range Bank. I feel privileged to be only the eleventh president in our 135-year history and the first woman to hold the position. The success and longevity of

our financial institution is a tribute to the steadfast efforts of generations of employees and directors who have helped us reach this tremendous milestone.

We owe this success in large part to our deep-rooted strength and our focus on forward thinking. We understand, respect and embrace our heritage of more than a century of community-focused leadership and local decision-making. From our headquarters in Marquette, we are invested in the communities we serve in the Upper Peninsula and Northern Wisconsin. Range Bank has an incredibly solid foundation on which to build.

And building we have been – and will continue to do so. With an eye to the past, we focus on the needs of our customers now and into the future. We pair highly personalized customer service with high-tech solutions to meet the needs of individuals, businesses and nonprofits.

Please join us in our anniversary celebration that will include special events planned during the month of June as well as highlights on our history, our branches and incredible team all year long. Connect with us on Facebook, LinkedIn and Instagram to keep up to date on all of the events planned throughout 2022.

### FINANCIAL ACHIEVEMENTS AND MILESTONES

In addition to our milestone anniversary, I am extremely proud to share several 2021 financial performance milestones that include:

- Record net income of \$4.77 million, an increase in earnings of 56%, or \$1.7 million, over the prior year – which was itself a record. Our record year was driven by continued strong mortgage volumes and a second round of the Paycheck Protection Program. We also realized lower expenses to fund our loan loss reserve due to solid asset quality and strong reserve balances.
- Our assets under management topped the \$1 billion mark for the first time, reaching \$1.04 billion, which is an increase of 11.6%, or \$106 million. Off balance sheet growth was driven by an increase in the mortgages we sold and continue to service along with growth in our Trust and Wealth Management area.
- We grew our year-end assets to top \$500 million, reaching \$529 million, an increase of 15%, or \$69 million, over the previous year. A key driver of growth on our balance sheet has been strong deposit balances due to excess liquidity in the market.

### LOOKING FORWARD

As we move further into 2022, we are cautiously optimistic that the world is shifting from pandemic to endemic. The past two-

plus years have been difficult for us all, and for our economy. We remain optimistic the worst of COVID-19 is behind us, although we face continued headwinds with rising inflation and interest rates, shortages in the supply chain and workers and increased geopolitical risks in Europe and Asia. Even with this uncertainty, our balance sheet is strong and well positioned to meet these challenges. We believe we will see economic growth over the next year, and we are hopeful that this will lead to an increase in demand for business loans. We have much to look forward to in the months ahead. We believe our community-banking focus and our reputation will provide opportunity for future growth.

We have developed a new strategic plan that will guide our growth in both the short and long term. Each department of the bank has a plan, and we have placed particular emphasis on continuing to grow the Green Bay market and expanding our Trust and Wealth Management assets. We are in a great position with a strong team and are excited to execute on our strategies.

In addition, we continue to focus on innovation that includes technology as well as finding products and services to support our customers. We recently put together an innovation team of visionary thinkers from all areas of the bank who will be working together to execute on this portion of our strategic plan. Our goal is to anticipate and meet our customers' needs, grow our customer base and add value to our shareholders.

### TEAM AND BOARD

We couldn't accomplish any of that without a strong team, which is a key to our success and longevity. We made several promotions over the past year to strengthen our organization, from lending and mortgages to branch administration and wealth management. We so appreciate the contributions of all our 118 team members in our nine locations in Michigan and Wisconsin.

Words cannot express my gratitude for contributions of two long-term board members who retired in 2021. Janet Kuru retired from the board after a 55-year career with Range Bank. She retired from her position as President and CEO of Range Bank-Copper Country in 2006 and remained a dedicated and valuable board member until her retirement. Additionally, Anita Johns retired from the board after 24 years of leadership and valuable guidance. Both of these women were outstanding supporters of the bank, and I wish them all of the best in their retirement.

### THANK YOU

Please join us on Tuesday, May 17, at 5 p.m. for our annual shareholder meeting. We are excited to host an in-person gathering this year, and I am looking forward to seeing everyone face to face – with no masks. You will find additional details in your annual meeting notice. I also hope to see you at the 135th year anniversary celebration activities we have planned.

I would like to express my sincere appreciation for the support you have provided during this milestone year! On behalf of the directors, officers and team, thank you for your continued confidence in our organization.

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*,  
**Roxanne M. Daust**, *Chairman, President & Chief Executive Officer*, **Benjamin M. Wood**, *Executive Vice President*,  
**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**

*Range Bank Lead Director; President, Calumet Electronics Corp.*

**Timothy J. Baroni**

*Retired Community Bank President, Range Bank – Copper Country*

**Scott A. Jensen**

*Vice President & Co-Owner of Guindon Moving & Storage,  
and Ashley Home Stores of Escanaba and Marquette*

**Allan L. Koskey**

*Retired, Koskey Funeral Home, Inc.*

**Anthony N. Kronicich, CPA**

*Retired, President, Kronicich, Hill & Associates*

**Peter A. LaFreniere, DDS**

*Dental Practice*

**John F. Marshall**

*Retired, Lake Superior & Ishpeming Railroad Co.*

**Laura K. Reilly**

*Shareholder and Vice President, Kendricks, Bordeau, Keefe,  
Seavoy & Larsen, P.C.*

**Stephen W. Verrette**

*Chairman & CEO, Champion, Inc.*

**Kurt R. Voss**

*Owner and CEO of the AmeriLux Family of Companies*

## GREEN BAY

# advisory board

**Gail M. McNutt**

*Coach & Consultant, GMM Consulting*

**Kurt R. Voss**

*Owner/CEO, AmeriLux Family of Companies*

**Hans Schaupp**

*President, LCL Bulk Transport Inc.*

**Randall J. Peterson**

*Management Consultant, Retired Commercial Bank Chairman, President and CEO*

# thank you

FOR YOUR SERVICE

**JANET KURU**

1988 - 2021

**Janet Kuru** retired in 2021. Her career spanned a combined 55 years as an employee and board member. Her banking knowledge was invaluable in providing guidance and leadership.

**ANITA JOHNS**

1997 - 2021

**Anita Johns** retired from the board after 24 years of dedication. She was an outstanding supporter of the bank and will be missed.



**RangeBank**

“As we begin our 135th year anniversary as a community bank, I can’t help but reflect on the rich history and success of our organization. The success and longevity of our financial institution is a tribute to the steadfast efforts of generations of employees and directors who have helped us reach this tremendous milestone.”

- Roxanne Daust  
President & CEO



#### **SPIRIT WEEK BIRTHDAY CELEBRATION!**

We celebrated Range Bank’s Birthday in June by hosting Spirit Week! Each day was a different theme – employees went all out!

Monday – Jersey Day

Tuesday – Hawaiian Day

Wednesday – Show Your Alma Mater School Spirit

Thursday – Decades Day or Throwback Thursday

Friday – Range Bank Spirit Day

**celebrating**

135 YEARS



## AWARDED 8 YEARS IN A ROW!

Thank you for voting us as The Mining Journal's Readers' Choice Best Bank for the 8th year in a row. We are honored!



### ALL-EMPLOYEE TRAINING DAY

We held our annual October All-Employee Training Day at River Rock Lanes in Ishpeming. The day's theme was "we are all a piece of the puzzle," and the day included learning the functions of all the departments, creating a limitless culture and teambuilding.



### MONDAY NIGHT FOOTBALL TAILGATE

Thank you to everyone who came to our first Monday Night Football tailgate party on September 20th at our Green Bay office! We had a great time with our Green Bay community.

# strong



## HOUSING SOLUTIONS IN OUR COMMUNITY

Range Bank was pleased to be part of the grand reopening of Lake Superior Village and Pine Ridge Marquette. We helped support the rehabilitation of these apartments by making an equity investment in a special fund co-sponsored by a Lansing-based nonprofit organization, Cinnaire, and the Michigan Bankers Association. This fund provides equity for apartment communities which offer rent priced affordably for low- and moderate-income households.



## WE'VE GOT SCHOOL SPIRIT!

*We support our schools with financial literacy and much more.*

We are so grateful for our local schools; we appreciate their dedication to their students and all they do for our communities. Range Bank is a proud supporter of our schools through our School Spirit Debit Cards, Financial Literacy Programs and our Annual School Supply Drive. This year, our School Supply Drive raised over \$10,000 for supplies! Additionally, the list of participating schools in our School Spirit Debit Card program is expanding; we currently have 12 local schools participating. Our Financial Literacy program is popular amongst our local schools, as we teach high school students valuable lessons including how to protect themselves from fraud and scams and how to budget their finances.



## RANGE BANK CLEAN ENERGY FUND

The Range Bank Clean Energy Fund provided its first grant of \$5,000 to Lake Superior Life Care & Hospice on September 22nd during the Community Foundation of Marquette County's annual celebration. The Range Bank Clean Energy Fund was established this year to assist nonprofits with investing in energy-saving projects and education. Pictured are Hanna Westra, Range Bank Marketing and Public Relations Specialist; Jennifer Voegtline, Lake Superior Life Care and Hospice CEO; Zosia Eppensteiner, Community Foundation of Marquette County CEO; and Roxanne Daust, Range Bank President and CEO.

# promotions



**Benjamin (Benji) Wood** was promoted to Executive Vice President & Community Bank President for Dickinson and Green Bay.



**Amanda Knaffla, J.D., CTFA**, was promoted to Chief Trust & Wealth Management Officer.



**Rachel Simonsen** was promoted to Chief Operations Officer.



**Brian Syrjala** was promoted to Chief Home Mortgage Officer.



**Angie Knauss** was promoted to Senior Vice President, Mortgage Loan Officer.



**Chris Gobert** was promoted to Vice President, Mortgage Loan Officer.



**Christy Smith** was promoted to Loan Officer.



**Stacy Bouman** was promoted to Branch Administration Officer.



**Joe Sayen** was promoted to Branch Administration Officer.

2021

# financial summary

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

As of December 31,	2021	2020	2019	2018	2017
<b>AT YEAR END</b>					
Total Assets	\$ 528,979	\$ 459,665	\$ 371,110	\$ 382,402	\$ 371,046
Total Assets Under Management	1,038,418	929,673	810,726	774,245	758,280
Total Deposits	482,673	412,013	328,789	346,034	335,754
Net Loans	267,807	271,686	232,598	218,881	216,465
Investments	202,718	122,776	85,381	99,583	106,940
Capital Funds	42,504	41,696	37,440	32,922	32,226

### EARNINGS

Operating Income	\$ 20,019	\$ 20,161	\$ 18,039	\$ 16,581	\$ 15,406
Operating Expense	14,564	15,923	14,828	13,575	12,365
Income Tax Expense	685	1,178	510	368	577
Net Income	4,769	3,060	2,756	2,637	2,464
Return on Average Assets	0.96%	0.71%	0.74%	0.70%	0.68%
Return on Average Equity	11.33%	7.42%	7.43%	7.85%	7.37%

### PER SHARE DATA

Net Income	\$ 26.54	\$ 17.04	\$ 15.37	\$ 14.71	\$ 13.76
Cash Dividends	5.40	5.40	5.40	5.40	5.25
Book Value	236.55	232.18	208.76	183.61	179.97

## Reconciliation of Reserve for Bad Debt

(in thousands of dollars)

As of December 31,	2021	2020
Balance beginning of period	\$ 5,501	\$ 3,593
Recoveries credited to reserve	254	96
Provision for possible loan losses	300	1,960
Losses charged to reserve	(235)	(148)
Balance end of period	\$ 5,820	\$ 5,501

## ASC 820 Valuation – Securities Footnote

### Y to Y

Date	12/31/21	12/31/20	Change
No.	174	145	29
Par	\$198,159,773	\$114,567,197	\$83,592,576
Book	201,987,735	118,000,379	83,987,356
Market	201,810,970	121,659,336	80,151,634
Gain/Loss	(176,765)	3,658,957	(3,835,722)
		Book-Par change	\$394,780



## Combined Statement of Condition (unaudited, in thousands of dollars)

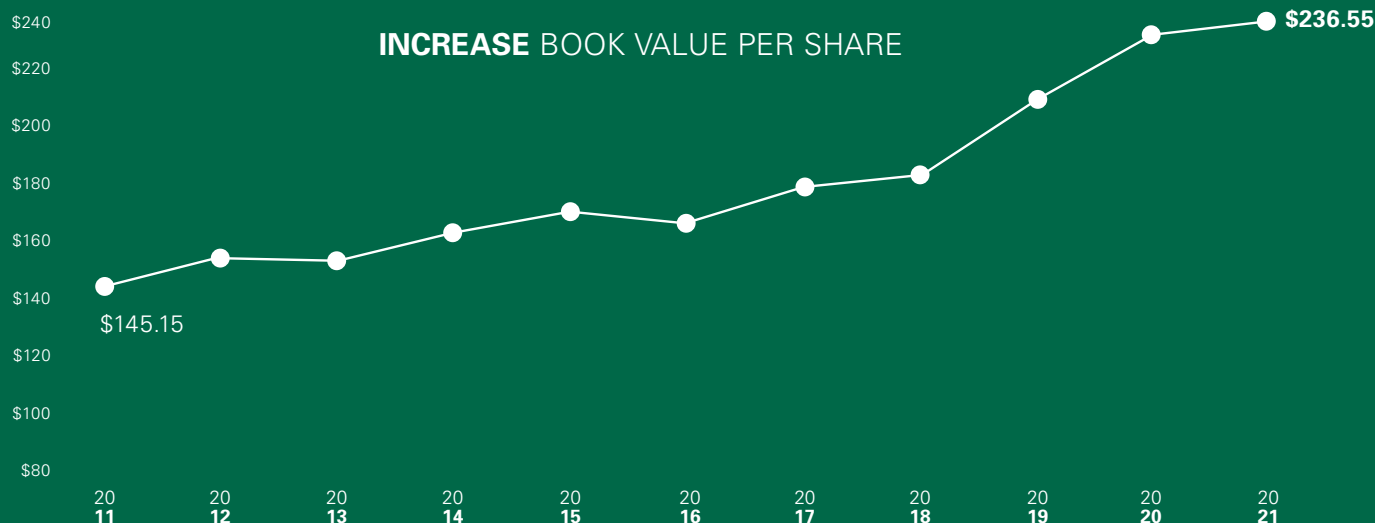
As of December 31,	2021	2020
<b>ASSETS</b>		
Cash and Due from Banks	\$ 31,486	\$ 40,988
Investment Securities		
Held to Maturity	-	-
Available for sale (stated at fair value)	202,718	122,776
Federal funds sold and securities purchased under agreements to resell	-	-
Loans, net of unearned income	273,627	277,186
Allowance for possible loan loss	(5,820)	(5,501)
Loans, net	267,807	271,685
Bank Premises, Furniture and Equipment	10,438	10,645
Real Estate owned other than bank premises	75	403
Goodwill	1,772	1,772
All Other Assets	14,683	11,396
<b>Total Assets</b>	<b>\$ 528,979</b>	<b>\$ 459,665</b>
<b>LIABILITIES</b>		
Total Deposits	\$ 482,673	\$ 412,013
Total Demand Deposits	272,777	218,140
Total Time and Savings Deposits	209,896	193,872
All Other Liabilities	3,802	5,957
<b>Total Liabilities (excluding subordinated notes and debentures)</b>	<b>\$ 486,475</b>	<b>\$ 417,969</b>
<b>EQUITY CAPITAL</b>		
Common Stock (\$1 par value)		
1,000,000 shares authorized, 179,784 shares outstanding	179	179
Capital in Excess of Par	5,013	4,973
Retained Earnings	37,452	33,653
Unrealized gain (loss) on securities available for sale	(140)	2,891
<b>Total Equity Capital</b>	<b>\$ 42,504</b>	<b>\$ 41,696</b>
<b>Total Liabilities and Equity Capital</b>	<b>\$ 528,979</b>	<b>\$ 459,665</b>
Memo Item: Standby Letters of Credit	\$ 1,116	\$ 1,572

## Reconciliation of Equity Capital Accounts

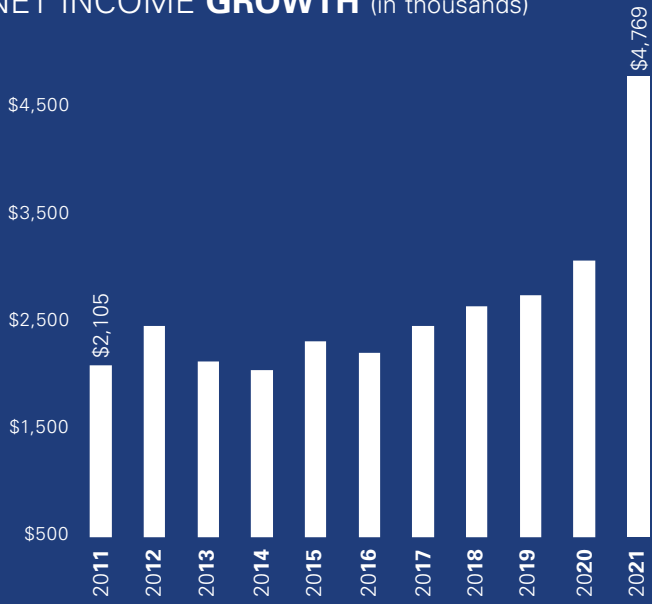
	Common Stock	Retained Earnings	Unrealized Gain (Loss) on Securities Available for Sale	Total Stockholders' Equity
Balance, December 31, 2020	\$ 5,152,809	\$ 33,652,455	\$ 2,890,576	\$ 41,695,840
Net Income		4,769,254		4,769,254
Cash dividends declared, \$5.40 per share		(969,656)		(969,656)
Issuance of shares	137,948			137,948
Acquisition of shares outstanding	(98,721)			(98,721)
Change in unrealized gain (loss) on securities available-for- sale, net of applicable deferred income taxes			(3,030,220)	(3,030,220)
<b>Balance, December 31, 2021</b>	<b>\$ 5,192,036</b>	<b>\$ 37,452,053</b>	<b>\$ (139,644)</b>	<b>\$ 42,504,445</b>

# Combined Statement of Income (unaudited, in thousands of dollars)

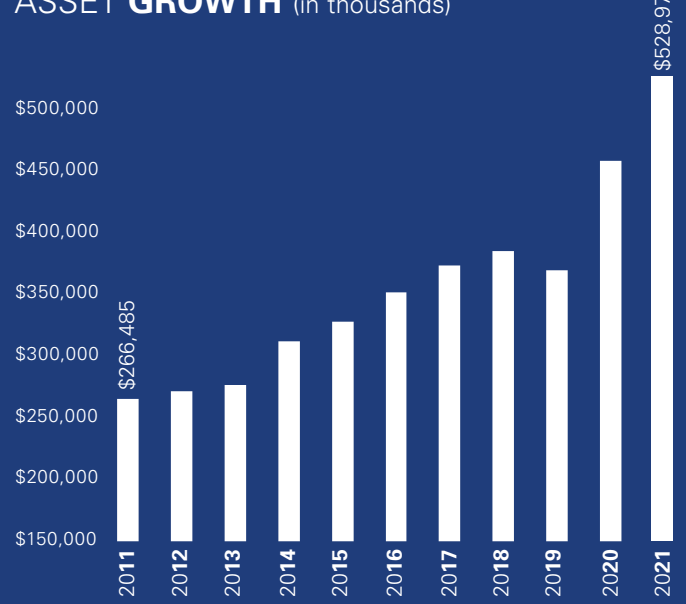
As of December 31,	2021	2020
<b>INTEREST INCOME</b>		
Interest and fees on loans	\$ 15,611	\$ 16,357
Interest on investment securities:		
Taxable	1,588	1,241
Tax-exempt	488	510
<b>Total Interest Income</b>	<b>17,687</b>	<b>18,108</b>
<b>INTEREST EXPENSE</b>		
Interest expense on deposits	796	1,259
Interest expense on borrowings	72	89
<b>Total Interest Expense</b>	<b>868</b>	<b>1,348</b>
Net interest income	16,819	16,760
Provision for loan losses	(300)	(1,960)
<b>Net Interest Income After Provision for Loan Losses</b>	<b>16,519</b>	<b>14,800</b>
<b>OTHER INCOME</b>		
Service charges	387	422
Other operating income	1,944	1,620
<b>Total Other Income</b>	<b>2,331</b>	<b>2,042</b>
<b>OPERATING EXPENSES</b>		
Salaries and employee benefits	8,322	8,026
Occupancy	993	911
Other operating expenses	4,081	3,678
<b>Total Operating Expenses</b>	<b>13,396</b>	<b>12,615</b>
Income before provision for income taxes	5,454	4,227
Provision for income taxes	(685)	(1,178)
Income before other gains and losses	4,769	3,049
Security gains (losses)	0	11
Extraordinary gains (losses)	0	0
<b>Net Income</b>	<b>\$ 4,769</b>	<b>\$ 3,060</b>
	<b>2021</b>	<b>2020</b>
<b>Earnings Per Common Share</b>	<b>\$ 26.54</b>	<b>\$ 17.04</b>



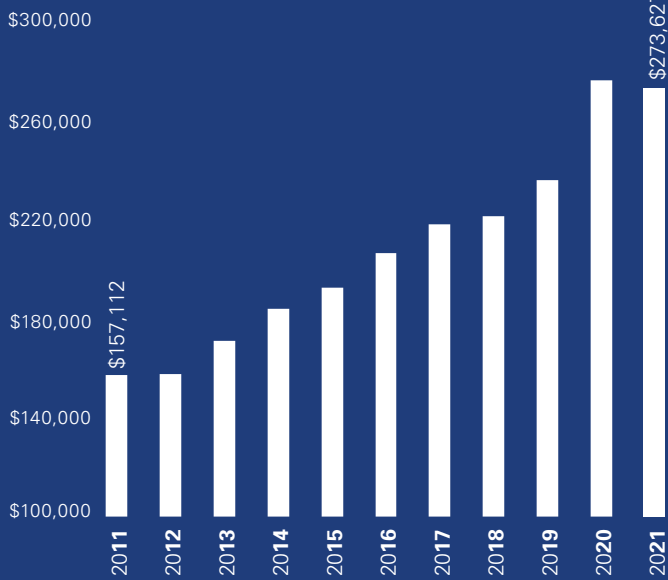
### NET INCOME GROWTH (in thousands)



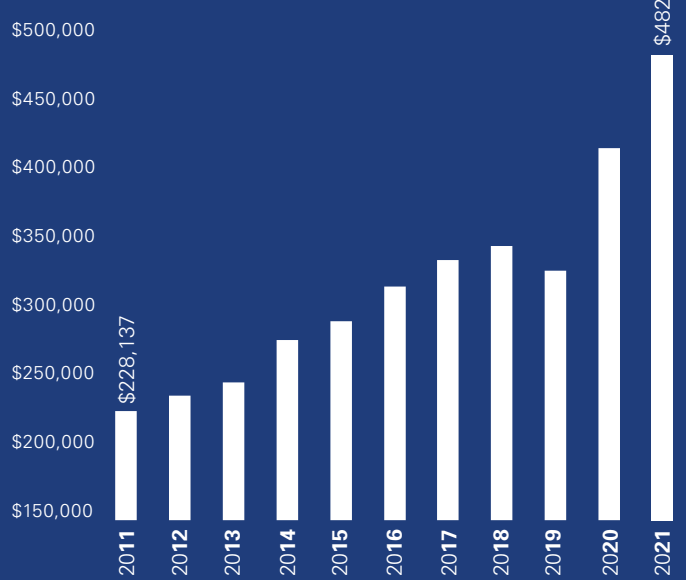
### ASSET GROWTH (in thousands)



### 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

**Danny M. Dawidowski**, Chief Investment Officer Trust & Wealth Management

**James P. Markham, Jr.**, Chief Lending Officer & Community Bank President for Copper Country

**Amanda F. Knaffla, J.D., CTFA**, Chief Trust & Wealth Management Officer

**Rachel M. Simonsen**, Chief Operations Officer

**Brian L. Syrjala**, Chief Home Mortgage Officer

**Charlotte L. Gaudreau**, Senior Vice President, Loan Administration Officer

**Angela M. Knauss**, Senior Vice President, Mortgage Loan Officer

**Michelle M. McLaughlin**, Senior Vice President, Commercial Credit Department Manager

**Sally L. Shaver**, Senior Vice President, Mortgage Loan Underwriting

**Kristy M. Sibilsky**, Senior Vice President, Business Banking Officer

**Bryan A. Spaeth**, Senior Vice President, Business Banking Officer

**Bethany J. Cody**, Vice President, Marketing Officer

**Christopher H. DeRoche**, Vice President, Loan Officer

**Christopher J. Gobert**, Vice President, Loan Officer

**Lucy Grove**, Vice President, Human Resources Officer

**Kelly L. Jandron**, Vice President, Branch Administration Officer

**Michele M. Kontio**, Vice President, Trust Officer

**John W. Lenten, CPA**, Vice President, Internal Auditor & BSA Officer

**Kimberley S. Kaura**, Assistant Vice President, Loan Officer

**Eric M. Kucharczyk**, Business Banking Officer

**Alex M. Roy**, Business Banking Officer

**Cheryl L. O'Brien**, Loan Officer

**Kristin D. Knapp**, Loan Officer

**Ryan D. Miller**, Loan Officer

**Timothy P. Shandonay**, Information Security & Technology Officer

**Kimberly C. Wetton**, Compliance & Security Officer

**Christy A. Smith**, Loan Officer

**Stacy L. Bouman**, Branch Administration Officer

**Joseph M. Sayen**, Branch Administration Officer



# RangeBank



RANGE BANK | [RANGEBANK.COM](http://RANGEBANK.COM)

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.