

WE ARE COMMUNITY STRONG

PUTTING COMMUNITY FIRST

Range Bank is committed to fostering a team of employees who are proud to be a part of the communities where we live, serve, and work. Throughout 2023, Range Bank's employees collectively contributed over 400 hours of volunteer work to various community initiatives. Whether it involved assisting a local animal shelter, providing meals to those in need, participating in Habitat for Humanity home-building projects, maintaining local trails, or managing concessions at school events, we believe that our volunteer efforts have a substantial impact. In addition to volunteering their time, Range Bank's employees generously donated over \$5,000 to local organizations through our dress-down funds. These funds are accrued when employees choose to make monetary contributions in exchange for being able to wear jeans to work on Fridays.



THE BANK FOR THE SCHOOLS

At Range Bank, we have been dedicated to promoting financial literacy within our communities since 2021. In 2023, our School Spirit team delivered nine in-classroom financial literacy lessons and introduced a new "reality fair" lesson to the program. Our award-winning Financial Literacy program has been recognized by the Michigan Bankers Association since its inception, and we are pleased to announce that our 2023 program has won the award once again. Throughout the year, our support for local schools also extends to our School Spirit Debit Card program and our annual School Supply Drive. Through the School Spirit Debit Card program, we were able to contribute over \$18,500 to participating schools in 2023, bringing the total donations to local schools to over \$70,000 year-to-date. This year, our annual School Supply Drive commenced with a community concert in our headquarters' parking lot and raised over \$6,000 in school supplies, which were distributed to local schools.

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.



OUR MISSION

We will be the bank of choice in the communities we serve.

LOCATIONS

Michigan – Corporate Office

Range Financial Corporation
100 N. Front Street
Marquette, MI 49855
(906) 226-1025

Marquette County

Marquette Headquarters
100 N. Front Street
Marquette, MI 49855

Negaunee Office

601 US 41 Hwy W
Negaunee, MI 49866

Marquette McClellan Office

250 N. McClellan Avenue
Marquette, MI 49855

Harvey Office

216 W. Terrace Street
Marquette, MI 49855

Copper Country

Calumet Office

56730 Calumet Avenue
Calumet, MI 49913

Houghton Office

19320 Jacker Avenue
Houghton, MI 49931

Lake Linden Office

100 Calumet Street
Lake Linden, MI 49945

Dickinson County

Kingsford Office
345 S. Carpenter Avenue
Kingsford, MI 49802

Brown County

Green Bay Office
2403 S. Oneida Street
Green Bay, WI 54304

OFFICERS

Alex M. Roy, Vice President, Business Banking Officer
Amanda F. Knaffla, J.D., CTFA, Chief Trust & Wealth Management Officer
Angela M. Knauss, Senior Vice President, Loan Officer
Benjamin M. Wood, Executive Vice President
Brian L. Syrjala, Chief Home Mortgage Services Officer
Bryan A. Spaeth, Senior Vice President, Business Banking Officer
Christopher J. Gobert, Vice President, Loan Officer
Christy A. Smith, Loan Officer
David A. Symons, CPA, Chief Financial Officer
Debbie A. Wilkie, Vice President, Credit Administration Officer
Eric M. Kucharczyk, Vice President, Business Banking Officer
James P. Markham, Jr., Community Bank President, Copper Country, and Chief Lending Officer
Jeremy A. Hinkson, Vice President, Business Banking Officer
Joe M. Sayen, Loan Officer
Joel C. Benson, Business Banking Officer
John W. Lenten, CPA, Vice President, Internal Auditor & BSA Officer
Kelly L. Jandron, Vice President, Branch Administration Officer
Kimberlee K. Erickson, Marketing Officer
Kimberley S. Kaura, Vice President, Loan Officer
Michele M. Kontio, Vice President, Trust & Wealth Management Officer
Michelle M. McLaughlin, Senior Vice President, Commercial Credit Department Manager
Rachel M. Simonsen, Chief Operations Officer
Roxanne M. Daust, Chair, President, and Chief Executive Officer
Ryan D. Miller, Loan Officer
Sally L. Shaver, Senior Vice President, Mortgage Loan Underwriting
Stacy L. Bouman, Vice President, Deposit Services Officer
Timothy P. Shandonay, Vice President, Information Technology Officer



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.

Range Financial Corporation



ANNUAL REPORT **2023**



As we reflect on our 2023 accomplishments, community was at the core of all Range Bank did. Despite economic challenges that we and other community banks faced, we maintained our commitment to personalized, quality service and competitive products that propel our mission: to be the bank of choice in the communities we serve.

We were gratified by the growth in loans and deposits we achieved last year. Despite rising interest rates from the U.S. Federal Reserve, we grew our commercial loans by more than 10% with growth in all four regions: Marquette County, Copper Country, Dickinson County and Brown County. This is testament to our wonderful commercial loan officers and the quality service they provide to our business customers.

For the second year in a row, we recorded no loan losses in our portfolio of commercial, residential and other consumer loans. The strength of our loan portfolio enabled us to reverse \$100,000 from our loan loss reserve while still maintaining a strong reserve balance.

We are also very pleased to report a 3.6% increase in deposit volume during a time when many banks experienced a decrease in deposits. This is a result of our deposit team intentionally and frequently connecting with our large deposit customers to ensure we are meeting their needs.

As a result, we grew our balance sheet assets by almost 10%, increasing from \$519 million to \$569 million. Additionally, our assets under management increased 6.75%, growing from \$1.01 billion to \$1.08 billion thanks to an increase of 15.5% in our Trust and Wealth Management area. As you know, we have made significant investments in this team over the years, and we are gratified by the results achieved in 2023.

Still, economic headwinds presented significant challenges for us in 2023. Our net income was down compared to the previous year, from \$4.9 million in 2022 to \$1.77 million in 2023. This 64% decline was driven by several factors, including the cost of deposits outpacing our ability to reprice loans and investments.

Interest income from loans and deposits increased \$4.5 million in 2023 compared to the previous year while interest expenses from deposits and loans increased \$6 million, creating a decrease in our net interest income of \$1.5 million for the just-completed year. This put a squeeze on our 2023 net interest margin. As our loans and investments start to reprice, we expect deposit cost increases will slow in 2024, allowing our net interest margin to increase. The fair value of our loan servicing income was also affected by interest rates and our revenue decreased in this category by \$1.97 million when compared to 2022.

Additionally in 2023, we decided to sell \$16 million in investment securities at an average rate of 1.94%, which produced a loss of \$644,000. We then used these funds to purchase investments at higher yields of 6%-7% with the expectation that we will recover this loss in less than one year. This investment sale resulted in an additional expense of \$177,000 when compared to 2022.

Throughout the country, mortgage originations were down. Mortgage servicing rights flattened in 2023 as interest rates stabilized. Finally, we received a one-time payment of \$630,000 of our bank-owned life insurance.

Out of an abundance of caution so we could conserve our capital, our board of directors decided to decrease our fourth-quarter 2023 stock dividend by approximately 50%. This has enabled us to continue to grow in a rate environment that will be positive to our net income. Our board will continue to review our dividend policy on a quarterly basis with a focus on raising the dividend when we feel comfortable with the trajectory of the economy

and our capital position.

Despite these challenges, Range Bank continues to be well capitalized and to enjoy solid liquidity. To set us up for continued success, we have repositioned our balance sheet and created efficiencies within the bank, including reducing our staff count by 14 without the need for any layoffs. We did this through attrition and by carefully analyzing vacancies before rehiring to ensure we had the right people in the right positions. We continue to focus on retaining key members of our team in a competitive job market.

COMMUNITY STRONG

The theme for this annual report – Community Strong – is a nod to our core values and our community-focused accomplishments in 2023. As we begin our 137th year, we continue to be committed to our core values, which we affectionately refer to as ROCKS: respect, ownership, community, knowledge and strength. These core values flow through everything we do as a community bank and in the communities we serve.

I want to take a moment to thank our dedicated leadership team of Range Bank. Their commitment to always doing the right thing for our employees, customers and shareholders is unwavering. I also want to extend my deep gratitude to each and every one of our employees for all they do to uphold our core values every day.

BOARD

One of our long-time directors, John Marshall, retired from the board at the end of 2023, and I would like to express my gratitude for the contributions he made to the bank. During his 20 years on the board of directors, he provided valuable guidance and leadership that included keeping the board informed on what was going on in the community. He was an outstanding supporter of the bank and I wish him all the best in retirement.

LOOKING AHEAD

As we move further into 2024, we continue to analyze what the future economic environment holds. At the time of this writing, inflation continues to retreat at a painfully slow pace and the Fed's commitment to a 2% target has not wavered. We are seeing a healthy U.S. economy with strong consumer sentiment and low unemployment, which will enable the Fed to be patient with any rate decreases and be driven by data, rather than emotions, in its decision-making.

At Range Bank, we believe that by being the bank of choice in the communities we serve, we will continue to grow our franchise, achieve our financial goals and increase shareholder value.

The changes made in late 2023 in combination with our solid balance sheet position allow us to capitalize on growth opportunities in the coming year. We have updated our strategic plan for 2024 and will continue to focus on growth, profitability and risk management.

We hope you will join us Tuesday, May 21, 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.

Thank you for your continued support of Range Bank and the faith you put in us to deliver exceptional service. On behalf of our directors, officers and entire team, I am grateful you are part of our family.

Sincerely,



Roxanne Daust, Chair, President and Chief Executive Officer

RANGE BANK LEADERSHIP TEAM



Roxanne M. Daust
Chief Executive Officer
and President



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



James P. Markham, Jr.
Community Bank President – Copper
Country and Chief Lending Officer



Rachel M. Simonsen
Chief Operations Officer



David A. Symons, CPA
Chief Financial Officer



Brian L. Syrjala
Chief Home Mortgage
Services Officer



Benjamin M. Wood
Executive Vice President

RANGE FINANCIAL CORPORATION AND RANGE BANK BOARD OF DIRECTORS

Roxanne M. Daust – Chair, President and CEO, Range Bank

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

Scott A. Jensen – Vice-President and Co-Owner, 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 & Associates

Peter A. LaFreniere, DDS – Retired, Dental Practice

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

Laura K. Reilly – Attorney and Shareholder, Kendricks, Bordeau, P.C.

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

Stephen W. Verrette – Chairman and CEO, Champion, Inc.

Kurt R. Voss – Owner and CEO, AmeriLux Family of Companies

PROMOTIONS



Stacy Bouman
Vice President,
Deposit Services Officer



Kim Erickson
Marketing Officer



Tim Shandonay
Vice President, Information
Technology Officer



Debbie Wilkie
Vice President, Credit
Administration Officer

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

AT YEAR END	2023	2022	2021	2020	2019
Total Assets	\$569,358	\$518,889	\$529,454	\$459,665	\$371,110
Total Assets Under Management	1,078,412	1,010,185	1,038,418	929,673	810,726
Total Deposits	495,402	474,782	482,673	412,013	328,789
Net Loans	330,129	306,099	263,841	271,686	232,598
Investments	143,404	163,612	202,718	122,776	85,381
Capital Funds	39,288	34,400	42,504	41,696	37,440

EARNINGS	2023	2022	2021	2020	2019
Operating Income	\$24,147	\$21,040	\$20,087	\$20,282	\$18,039
Operating Expense	22,130	15,124	14,595	16,045	14,828
Income Tax Expense	244	1,014	722	1,178	510
Net Income	1,774	4,902	4,769	3,060	2,756
Return on Average Assets	0.33%	0.94%	0.96%	0.71%	0.74%
Return on Average Equity	4.81%	12.75%	11.33%	7.42%	7.43%

PER SHARE DATA	2023	2022	2021	2020	2019
Net Income	\$2.46*	\$6.82*	\$26.54	\$17.04	\$15.37
Cash Dividends	1.23*	4.55*	5.40	5.40	5.40
Book Value	54.53*	47.84*	236.55	232.18	208.76

*Per share data includes a four-for-one stock split in the form of a dividend in the fourth quarter of 2022.

Consolidated Balance Sheets

As of December 31,	2023	2022
ASSETS		
Cash and due from banks	\$62,947,407	\$15,321,958
Federal funds sold	116,000	410,000
Cash and cash equivalents	63,063,407	15,731,958
Debt securities available for sale, net of allowance for credit losses of \$0 at December 31, 2023 and 2022 (amortized cost of \$152,357,463 and \$178,151,197, at December 31, 2023 and 2022, respectively)	141,868,404	162,782,783
Loans held for sale	627,000	417,267
Loans, net of allowance for credit losses of \$5,124,367 and \$5,437,370 at December 31, 2023 and 2022, respectively	330,128,519	306,099,019
Premises and equipment, net	10,085,943	10,351,937
Mortgage servicing rights	5,115,617	4,888,151
Goodwill	1,772,302	1,772,302
Federal Home Loan Bank stock	1,536,000	828,200
Accrued interest receivable	1,523,110	1,453,212
Cash value of life insurance	9,750,037	10,053,386
Income tax receivable	509,344	370,528
Deferred tax asset	2,083,366	3,076,031
Other assets	1,295,273	1,064,363
Total Assets	\$569,358,322	\$518,889,137

LIABILITIES

Non-interest bearing deposits	90,728,592	111,016,744
Interest-bearing deposits	404,673,300	363,765,096
Total deposits	495,401,892	474,781,840
Short-term borrowings	30,000,000	5,355,000
Borrowed funds	389,118	438,384
Subordinated debentures	2,000,000	2,000,000
Accrued payroll	197,649	301,712
Deferred compensation	1,171,221	992,754
Incentive compensation plan payable	49,600	392,023
Other liabilities	860,782	227,183
Total Liabilities	\$530,070,262	\$484,488,896

STOCKHOLDERS' EQUITY

Preferred stock - no par value in 2023, \$0.01 par value in 2022:		
Authorized - 200,000, no shares outstanding	-	-
Common Stock - no par value in 2023, \$0.3334 par value in 2022		
Authorized - 2,000,000 in 2023 and 1,000,000 in 2022		
Outstanding - 721,852 in 2023 and 719,067 in 2022	32,876,957	239,737
Additional paid in capital	-	32,492,400
Retained earnings	14,697,460	13,809,151
Accumulated other comprehensive income (loss)	(8,286,357)	(12,141,047)
Total Stockholders' Equity	\$39,288,060	\$34,400,241
Total Liabilities and Stockholders' Equity	\$569,358,322	\$518,889,137
Memo Item: Standby Letters of Credit	\$1,950,000	\$1,105,000

Consolidated Statements of Income

Years ended December 31,	2023	2022
INTEREST INCOME		
Loans, including fees	\$17,539,831	\$13,854,786
Securities		
Taxable	1,712,117	1,863,616
Tax-exempt	298,836	414,620
Other	1,120,944	263,434
Total Interest Income	\$20,671,728	\$16,396,456

INTEREST EXPENSE

Deposits	6,116,781	1,051,658
Borrowed funds	1,045,817	109,415
Subordinated debentures	147,311	76,384
Total Interest Expense	7,309,909	1,237,457
Net interest income	13,361,819	15,158,999
Provision for (recovery of) credit losses	(100,000)	(650,000)
Net interest income after provision for (recovery of) credit losses	\$13,461,819	\$15,808,999

NONINTEREST INCOME

Service fees	567,221	579,674
Interchange fees	893,177	840,734
Trust fees	774,293	727,417
Loan servicing income	227,466	2,205,414
Other noninterest income	1,013,204	337,498
Total noninterest income	\$3,475,361	\$4,690,737

NONINTEREST EXPENSE

Salaries and benefits	8,835,628	9,054,261
Occupancy	1,418,450	1,335,826
Office expense	1,391,106	1,232,444
Professional fees	920,668	808,892
Net (gain) loss on sale of debt securities available for sale	644,531	466,758
Net (gain) loss on sale of foreclosed assets	-	46,976
Other noninterest expense	1,709,284	1,638,265
Total noninterest expense	14,919,667	14,583,422
Net income before income taxes	2,017,513	5,916,314
Provision for income taxes	243,611	1,014,233
Net Income	\$1,773,902	\$4,902,081

	2023	2022
Earnings Per Common Share	\$2.46	\$6.82

ANNUAL LETTER TO OUR SHAREHOLDERS