

August 2015

COMMUNITY *Interest*

THE QUARTERLY NEWSLETTER
FOR REDWOOD CAPITAL BANK

We are...

LOCAL!

Community Partners

By JOHN DALBY

If I had to describe Redwood Capital Bank in only three words, they would be:

- 1) Local
- 2) Community
- 3) Partner.

Recently, we have started a new advertising campaign entitled, "Community Partners." In it, representatives from area non-profit organizations are featured promoting the many positive things that they do for our community. The response has been very favorable. Look for more ads in this series to come throughout 2015.

In July, we said goodbye to Gregg Foster, former VP/Commercial Loan Officer. Gregg had been with Redwood Capital Bank since 2012 and was a tremendous asset in building and growing our Arcata branch and commercial loan portfolio. We offer him sincere best wishes as he returns to the Redwood Region Economic Development Commission (RREDC) as their Executive Director.



...We are blessed to call
Humboldt County
home.

This is a great professional fit for Gregg and a benefit for Humboldt County's future economic development.

As summer begins to wind down, I look back upon the many activities that have taken place in the last few months (see Jennifer Budwig's article on Page 3) and of Redwood Capital Bank's involvement. From baseball games and oysters to chili cook-offs and parade floats, we are blessed to call Humboldt County home. All of us at Redwood Capital Bank thank you for the trust you have placed in us with your business and your commitment to keeping your dollars local. We pledge to remain Humboldt County's local, community partner.

John Dalby is the President and CEO of Redwood Capital Bank. He can be reached at (707) 444-9833 or via email at jdalby@rdwo.com



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Eureka

B R A N C H



Katie, Peyton, Doug and Stephanie

Welcome Katie Haskins, Peyton Imperiale, Doug Flockhart and Stephanie Richardson

The Eureka Branch has a few new faces. Please welcome Katie Haskins, Peyton Imperiale, Doug Flockhart and Stephanie Richardson.

Katie Haskins (Teller) was born and raised in Humboldt County, graduating from Eureka High School. Prior to coming to RCB, Katie has been a stay-at-home mom. Katie loves the customers and how everyone has been so patient with her. In her free time, Katie enjoys being outside; hiking and playing disc golf.

Peyton Imperiale (Teller) was born and raised in Hydesville. She graduated from Chico State University with a degree in Ag Business. Peyton likes the positive and friendly atmosphere here at RCB. Peyton enjoys spending time at her family's ranch in Dinsmore.

Doug Flockhart (Courier) was born and raised in Fortuna. Prior to RCB, Doug worked in property management and as a logger. When asked what he likes about RCB, Doug replied, "Everything, especially the people." In his spare time, Doug enjoys playing golf.

Stephanie Richardson (Teller) was raised in Humboldt County. She began her banking career in 2007. She likes that RCB is a local, community bank. Stephanie is also attending HSU studying Business/Finance. She enjoys travelling and is a SF Giants fan.

Stop by and say hello to Katie, Peyton, Doug and Stephanie. They look forward to meeting you!

Meghann Broadstock, Relationship Officer



Meghann Broadstock has been with Redwood Capital Bank since 2006. She started as a high school intern and has worked her way through various positions, such as: Teller, Roving Teller, Vault Teller and New Accounts Representative. In her new position as Relationship Officer, Meghann will be building and expanding upon current banking relationships, as well as meeting with new businesses and promoting our services to potential customers. Meghann will also be working with overdraft lines of credit, auto loans, home equity lines of credit and consumer lending. When asked to sum up what makes Redwood Capital Bank different, Meghann replied, "We have a staff that cares about the bank and about our community. Our customers make our work fun." In her free time, Meghann enjoys being a cheerleader in support of her husband and daughter in their various activities. She loves going to the lake with her family and traveling to tropical locations. Meghann and her family live in Loleta. Meghann can be reached at (707) 444-9845 or via email at

meghann@rdwo.com



Flash in the Pan?

By DAVE TIERNEY



There's been a lot of talk in the cybersecurity world lately calling for the death of Adobe Flash Player. Flash is software that is used by some web sites to deliver multimedia content, most commonly videos and games. The problem with Flash is it can be (and is) exploited by hackers to inject malicious code into multimedia objects on otherwise legitimate web sites. When a user accesses a site containing Flash content, the content could be secretly dropping malware onto your computer, if the Flash object on the site has been compromised by a hacker. What can you do to be more secure? If you do have Flash installed on your computer, make sure you have the most current version and are receiving security updates from Adobe. These updates should be automatically installed as soon as they are available. Also, most web browsers have the ability to filter out at least some Flash content, which can be bypassed with user intervention. Check out your browser's security settings to see what options are available. A quick Google search can be helpful in this regard. Flash may be on its last legs, but until it is completely eradicated, protect yourselves and stay diligent.

Dave Tierney is the VP/IT Director of Redwood Capital Bank. He can be reached at (707) 444-9848 or via email at dtierney@rdwo.com



The Hometown Advantage

July, 2015 marked the one year anniversary for our Arcata Branch. Congratulations to Sue Ringwald and her entire team for surpassing the goals and expectations placed upon them for new deposit growth. Now three branches strong, Redwood Capital Bank has successfully expanded its footprint within Humboldt County, providing the passion and top-notch customer care that we have come to be known for.

As you, our valued customers and shareholders know, Redwood Capital Bank is committed to being your local community bank. We are proud to be the hometown financial choice for Humboldt County businesses, individuals and families. Monies that are deposited here stay here in our community, which helps make this a better place for all of us to live, work and play.



All That Humboldt Has to Offer

By JENNIFER BUDWIG

Summer is upon us and what a glorious one it has been so far. As many areas in the rest of the country have been experiencing record breaking temperatures, we have had our comfortable, cooler, coastal temperatures that have driven our fellow Californians this way for a break from the heat.

It is a fun-filled, packed summer in Humboldt County with a lot happening in our back yard! Kicking it off, Redwood Capital Bank has been involved with many activities including the Oyster Festival, our "Day with the Crabs", the Fortuna Rodeo Chili Cook-Off, (recipient of the People's Choice Award) and Rodeo Parade, (First Place, Commercial float). And that's just getting things started. There are many more fun events to come, including the Auto X-Po, Humboldt County Fair and Apple

Harvest Days.

Redwood Capital Bank's involvement between our employees being actively involved in civic groups such as Rotary, Chambers and Soroptimist, our buy-in casual days in which we donate the proceeds to local non-profits and our ongoing donations to various organizations is a true credit to our continued commitment to Humboldt County. So, enjoy our comfortable coastal climate and the rest of the summer's social events, as well as the beautiful scenic hiking trails, rivers, beaches and all that Humboldt has to offer.

Jennifer Budwig is the SVP/Chief Lending Officer of Redwood Capital Bank. She can be reached at (707) 444-9817 or via email at jbudwig@rdwo.com



2015 Second Quarter Earnings Release

By FRED MOORE



Balance Sheet data (at period end)	Period Ended		% Change
	6/30/2015	6/30/2014	
(In Thousands) Total assets	\$304,202	\$261,925	16%
Total deposits	\$275,428	\$234,670	17%
Total loans (net)	\$212,922	\$188,200	13%

Summary of Operations (current quarter)	Quarter Ended		% Change
	6/30/2015	6/30/2014	
(In Thousands) Net income	\$ 572	\$ 450	27%
Net Interest Income	\$ 2,722	\$ 2,432	12%
Earnings per Common Share (fully diluted)	\$ 0.30	\$ 0.24	26%

Fred Moore is the EVP/Chief Financial Officer of Redwood Capital Bank. He can be reached at (707) 444-9840 or via email at fmoore@rdwo.com

Fortuna B R A N C H



Chili Cook-Off for a Cause

Fortuna Rodeo is a week's worth of family fun in the "Friendly City." Redwood Capital Bank is proud to announce that the Fortuna Volunteer Fire Department won the \$1,000.00 prize in our first ever "Chili Cook-Off for a Cause" competition. We asked four organizations to put a call out to their members. Everyone who voted for RCB's Chili for the "People's Choice" award was given the same number of tickets to vote for their favorite organization. Other winning organizations included: Fortuna Rotary, Fortuna Police Officer's Foundation, Fortuna Sunrise Rotary and Fortuna Kiwanis. Each of these groups received \$100.00. Thank you to the Fortuna Rodeo Association, the Fortuna Chamber of Commerce and to everyone involved with Rodeo Week!

We are...**COMMUNITY!**

Arcata

B R A N C H

Chairman of the Board
J. Gierke, Jr., Vice-Chairman of the Board
Stephen P. Amor
John A. Brandvold
Russell N. Britt
John E. Dalby
Larry A. DeBoni

J. William McAuley
Craig L. Perrone
John R. Selvage
Steven Strombeck
Edythe E. Vaissade

Redwood Capital Bank

Organizers
Chet Allen
David Anderson
John and Karen Brandvold
Margaret Campbell
and Teresa Cerech
and Lisa DeBoni
Edythe E. Vaissade

Redwood Capital Bank

Founders
Jim and Bobbie Adams
Robert and Janine Asprill
Pete and Mary Ann Bensen
Joseph and Patricia Bissac
Victor and Dolores Blane
Rick Breen
Jerry Carlson
Richard and Sandra Case
Coastal Care Centers
R.H. Corky Cornwell
David Dibble
Michael and Mary Dominick
Janice Domington
Tracy Dunaway
Everette and Anita Ellingwood
Orvamae Emmerson
John and Virginia Falter
Linda and Fredrickson
Jenny Giamatti
John and Karen Brandvold
Margaret Campbell
and Teresa Cerech
and Lisa DeBoni
Edythe E. Vaissade

Shannon Maciel

Welcome Shannon Maciel

Redwood Capital Bank is pleased to welcome Shannon Maciel to the commercial lending team as VP/Commercial Relationship Manager. Shannon was born and raised in Humboldt County, graduating from Fortuna High School. She began her banking career in 1993 and has done everything from Teller to Branch Manager. Most recently, Shannon worked for U.S. Bank in Commercial Lending. When asked what she most looks forward to about working at RCB, she replied, "I look forward to being a part of a local bank that supports our community and that is so focused on customer service." Shannon is involved as a board member of Families Advocating Autism Now, is active in Kiwanis and participates in many local events such as: Bowl for Kid's Sake, the Youth Ambassador Program and the CASA Kid Walk to name a few. In her spare time, Shannon enjoys crafting. She and her husband reside in McKinleyville with their two sons.

Dividend Update

The Redwood Capital Bancorp Board of Directors recently declared the fourteenth consecutive quarterly cash dividend. The dividend of \$0.06 per share is payable on August 7, 2015 to shareholders of record at the close of business on July 27, 2015. The dividend is equivalent to an annual rate of \$0.24 per share or 2.14%, based upon a market price of \$11.24 per common share.

Since December 31, 2011, the rise in the company's stock price, combined with dividends, has generated a total return over 111%.

For more information regarding investing in Redwood Capital Bancorp, please visit our website at www.redwoodcapitalbank.com and click on Investor Relations. There you can access a list of market makers, as well as local financial advisors who can assist you in acquiring Redwood Capital Bancorp shares. For more information on the quarterly dividend, please contact Fred Moore at (707) 444-9840 or via email at fmoore@rdwo.com.

BANK HOLIDAYS/ HOLIDAY HOURS

Monday, September 7:
Labor Day*

Monday, October 12:
Columbus Day*

Wednesday, November 11:
Veteran's Day*
*denotes closure

Cover Nature Photos
by: Mary Curless Smith
and Michael McCoy

Bank Exterior Photos
Gary Todoroff



Senior Management

John E. Dalby, President & CEO
Fred J. Moore III, EVP/CFO
Jennifer Budwig, SVP/CLO
Tammy Brown, SVP/CCO

Board of Directors

John E. Burke, Chairman
John J. Gierke Jr., Vice Chairman
Russell N. Britt
John E. Dalby
Larry A. DeBoni
J. William McAuley
W. Timothy Needham
Craig L. Perrone
James R. Seiler
John R. Selvage
Steven M. Strombeck

redwoodcapitalbank.com
HOURS OF OPERATION
Monday - Thursday: 9:00 a.m. - 5:00 p.m.
Friday: 9:00 a.m. - 6:00 p.m.

MEMBER FDIC



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402 G Street
Eureka, California 95501
(707) 444-9800



FORTUNA BRANCH
1075 S. Fortuna Blvd., Ste. A
Fortuna, California 95540
(707) 725-4722



ARCATA BRANCH
1315 G Street
Arcata, California 95521
(707) 826-0878



If you have ever used another financial institution's ATM to withdraw money from your account, chances are you paid a surcharge fee. We know these surcharges can add up, and that is why we joined an ATM network called the SUM Switch. It eliminates surcharges normally incurred when you use another institution's ATM*.



Now you can use hundreds of ATMs without paying costly surcharge fees. Just look for the SUM Switch logo when you are using another financial institution's ATM and you will know that you can receive money from your own account without extra fees*.

* Foreign ATM usage fee might still apply depending on your account type.



Redwood
Capital Bank
Our interest is YOU