

August 2020

COMMUNITY *Interest*

THE QUARTERLY NEWSLETTER
FOR REDWOOD CAPITAL BANK

COVER NATURE PHOTOS BY: MICHAEL MCCOY



Shop Local!

By JOHN DALBY

The COVID-19 pandemic has lasted far longer than was first anticipated and the recent announcement of the Governor to reverse direction and begin closing some businesses will further impact our local businesses and their employees. The Shelter in Place order went into effect on March 20, 2020 and many local businesses were forced to lay-off staff and temporarily close their doors to the public. A significant percentage of shopping transitioned from in-store to online. Now more than five months later, there has never been a more important time to Shop Local!

Supporting local retailers, service providers and restaurants has always helped our community grow and thrive. Today we need to support these businesses to help them survive. Now, more than ever, we need to support our locally-owned businesses rather than on-line retailers or national chains. We as consumers have a positive impact on our economy and the environment. Without our local businesses and restaurants, much of the character of Humboldt County will be lost.

Many studies, including the Andersonville Study of Retail Economics, indicate a significant, greater increase in the local economy when we spend money with local businesses. It's simple - shopping right here at home keeps more money in our local economy.



...Your support helps our community grow and thrive.

Also, spending locally instead of online or out-of-town ensures that sales taxes are reinvested back into our community.

Redwood Capital Bank is Humboldt County's local, community bank. We offer the same products and services the big banks do – checking and savings accounts, consumer and commercial loans, credit cards, etc., but one of the biggest differences is our commitment to the local economy. Monies are reinvested back into the community in the form of loans to individuals, families and businesses – helping our community prosper.

Together we can help restore local business and in doing so make Humboldt County an even better place to live, work and play. Here's wishing you and yours good health from all of us at Redwood Capital Bank.

John Dalby is the President & 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



Greetings from the Eureka Branch! While we are still amidst a pandemic, we continue to take precautions to keep our valued customers and staff safe. RCB is also finding creative ways to help serve the community. Recently, RCB held a blood drive for the Northern California Community Blood Bank (NCCBB) at three of our branches. We received a record number of donations that will tremendously help our local hospitals. If you have considered donating blood before, here are six simple steps as outlined by the Blood Bank:

1. Finding a blood drive! Please visit www.nccbb.org for Blood Center Hours and to find a bloodmobile.
2. Registration: Please bring your Photo ID and answer a few questions if it is your first donation.
3. Fill out a Donor History Questionnaire to ensure the safety of your blood supply.
4. Screening Interview: Clarifying anything from the questionnaire and checking your blood pressure, pulse and hematocrit.
5. Donate: This is what it's all about! A donation only takes 5-10 minutes in the chair.
6. Time to Refresh: Stay for 15 minutes to have some juice and cookies and relax.

For more information please visit: www.nccbb.org. Thank you to our customers and employees who participated!

Meghan Broadstock is the AVP/Eureka Branch Manager of Redwood Capital Bank. She can be reached at (707) 444-9845, or via email at meghan@rdwo.com



Nobody Likes Getting Short Changed

By JENNIFER BUDWIG

The coronavirus pandemic has created an issue with coin distribution resulting in financial institutions and businesses around the country running low on pennies, nickels, dimes and quarters. This means that when businesses can't get change from their financial institutions, they don't have it available to provide to their customers.

As of late July, Redwood Capital Bank was only receiving 10% of the pennies ordered from the Federal Reserve. As such, we have had to limit what we can provide to our customers with change orders. This leads to businesses not having enough change for their customers. So what do businesses do when they can't make change? Businesses are starting to get creative including requiring exact change, taking debit/credit cards only, providing credit back on a store card, or rounding down or up when making change. If you can pack your pockets with change and provide the exact change, or use your debit card, your local merchants and financial institutions will be very grateful!



Henderson Center

B R A N C H



Redwood Capital Bank is happy to be an ongoing sponsor of the Eureka Street Art Festival. Over the past several years, the festival has brought new vibrancy to the City of Eureka by producing numerous murals in Downtown and Old Town.

Henderson Center businesses are excited that the 2020 Eureka Street Art Festival will be held in Henderson Center, August 10-15. For the week of the festival, artists will be painting murals primarily on E and F Streets between Henderson and Harris. Twelve new murals and eight sidewalk poetry installations will be created.

This year due to the pandemic, there will be social distancing rules in place, but the public is still invited to come out and interact with the mural artists and watch the installation of world-class art.

We are fortunate to be able to host and enjoy an event that not only enhances the look of our overall community, but gives us something to look forward to in these unfamiliar times. If you do plan to visit Henderson Center, we wish you a fun and safe time!

For more information on the Eureka Street Art Festival, please visit: www.eurekastreetartfestival.com

Freddy Ramirez is the AVP/Henderson Center Branch Manager of Redwood Capital Bank. He can be reached at (707) 444-9864, or via email at framirez@rdwo.com

Paycheck Protection Program (PPP) Update

RCB has been going strong with the PPP since it launched on April 4th and it has been a wild ride. As of the beginning of July, the Small Business Administration (SBA) reported there were a total of 1,657 PPP loans granted in Humboldt County. Redwood Capital Bank funded 590 of these loans, totalling \$72,341,200 and equating to 36%. This far exceeds any other local financial institution.

We could not be more proud of our lending team and all the employees at RCB. Granting these loans has helped businesses retain staff and keep their businesses viable, while at the same time putting an influx of money back into our local economy.

We are geared-up for the second phase of the PPP, which is the debt forgiveness aspect and are expecting it to be implemented soon. More to come on this for our borrowers that have undertaken PPP loans.

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



Community Partners

As we continue through this pandemic journey together, I could not be more proud to be part of the Redwood Capital Bank team. Throughout the company, everyone has taken great pride to step-up and be there for our community and each other.

Additionally, during a time when deposit rates are at historical lows and businesses are being tested at every turn, the relationships between Redwood Capital Bank and the community have become even stronger. This is one of the many reasons that partnering with a local, financial institution like Redwood Capital is so important - we are your friends and neighbors.

Thank you for choosing Redwood Capital Bank to be your financial partner. Your success is our success!



Fortuna



B R A N C H



For many years, the Fortuna Branch has been blessed with very low turnover. We very much appreciate and value the expertise and experience long-term employees bring. Sooner or later though everyone retires. This summer, two of our amazing Fortuna Branch staff members have retired.

Nancy Victorine's last day was June 30th. Nancy helped open the branch over 13 years ago. Nancy was in banking here in Humboldt County over 40 years and knows just about everyone! Her warm smile and ready laugh made her well-loved by customers and co-workers alike.

Joining Nancy in retirement is Robin Figas. Robin has been a steady presence at the branch for more than eight years. Her warm and friendly demeanor and quiet team spirit made her an integral part of our branch family. Robin's last day was July 31st.

Not coincidentally, after an exhaustive search, we found two great additions to the Fortuna staff - Emilee Cummings and Carmen Fisch. We hope you will come by the branch soon so you can meet them in person.

Bob Judevine is the VP/Fortuna Branch Manager of Redwood Capital Bank. He can be reached at (707) 726-7718, or via email at bjudevine@rdwo.com

2020 Second Quarter Earnings Release

By RENÉE BYERS



		At Period End		%
		6/30/2020	3/31/2020	Change
Balance Sheet data				
(In Thousands)	Total assets	\$460,130	\$368,100	25%
	Total deposits	\$415,843	\$325,464	28%
	Total loans (net)	\$349,826	\$276,392	27%

		Current Quarter		%
		6/30/2020	3/31/2020	Change
Summary of Operations				
(In Thousands)	Interest income	\$ 3,923	\$ 3,651	7%
	Net Interest Income	\$ 3,539	\$ 3,238	9%
	Book Value per common share	\$ 16.94	\$ 16.45	3%

Renée Byers is the SVP/Chief Financial Officer of Redwood Capital Bank. She can be reached at (707) 444-9849 or via email at rbyers@rdwo.com

Arcata

B R A N C H



I am very pleased to be representing RCB in the north market as the Arcata Branch Manager and Commercial Loan Officer.

With the PPP loans winding down over the past month, we've been able to assess how we fared overall and are very pleased with the results. The Arcata branch lobby has remained open and we have seen another strong quarter of activity. Additionally, the branch has been very focused on providing a high level of service - we hear countless customers commenting on our full access to services while other banks are still offering limited hours and longer wait times. Our focus is always about partnering with the local community and it is extremely rewarding to hear how much we have helped small businesses in Arcata navigate these challenging months.

The second quarter has enabled us to reflect upon a very critical time for our Branch and especially our customers. We are very proud of how we were able to step-up for our community and provide support to so many businesses. I look forward to spending more time out-and-about, re-connecting with the people and places of the North Coast.

Jamie Anderson is the AVP/Arcata Branch Manager. He can be reached at (707) 269-4410, or via email at janderson@rdwo.com

Dividend Update

The Redwood Capital Bancorp Board of Directors recently declared the 34th consecutive quarterly cash dividend. The dividend of \$0.07 per share was payable on August 7, 2020 to shareholders of record at the close of business on July 27, 2020. The dividend is equivalent to an annual rate of \$0.28 per share or 2.48%, based upon a market price of \$11.30 per common share. 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 Renée Byers at (707) 444-9849 or via email at rbyers@rdwo.com.

Senior Management

John E. Dalby, President & CEO
Tammy Brown, SVP/CCO
Renée Byers, SVP/CFO
Jennifer Budwig, SVP/CLO
Michael McCoy, SVP/Risk Manager
Dave Tierney, SVP/IT Director

Board of Directors

John J. Gierke Jr., Chairman
J. William McAuley, Vice Chairman
John E. Dalby
Jennifer Harris
W. Timothy Needham
K. Jeff Nelson
Michele Rieke
James R. Seiler
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.

BANK HOLIDAYS/ HOLIDAY HOURS

Monday, September 7:
Labor Day*
Monday, October 12:
Columbus Day*
Thursday, November 26:
Thanksgiving Day*
Friday, November 27:
9:00 a.m.-3:00 p.m.
* denotes closure

Cover photos by:
Michael McCoy
Bank Exterior Photos by
Gary Todoroff -
northcoastphotos.com



Redwood Capital Bank offers the same commodities that the big banks do – even consumer and business credit cards. We make it easy to choose the credit card that is right for you. Individuals can choose from Mastercard® or Visa® - Low Rate or Preferred Points Reward. World Card is available to all Mastercard® applicants. Businesses can choose from a Standard Card with no annual fee or the Preferred Points Rewards Card, both are available in either Mastercard® or Visa®.

A complete list of card benefits and options can be found on Redwood Capital Bank's website. Applying is easy. Visit www.redwoodcapitalbank.com, select either Personal or Business and go to the Credit Card section. Download the application and submit. See application for current APR's and fees. Application is subject to approval.



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FORTUNA BRANCH
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ARCATA BRANCH
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Arcata, California 95521
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**HENDERSON CENTER
BRANCH**
2816 F Street
Eureka, California 95501
(707) 444-9888



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.

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