

February 2019

COMMUNITY *Interest*

THE QUARTERLY NEWSLETTER
FOR REDWOOD CAPITAL BANK

COVER NATURE PHOTOS BY: MICHAEL MCCOY

A Promising Year Ahead

By JOHN DALBY

Redwood Capital Bank started the New Year off by once again receiving the 5-Star rating from Bauer Financial, one of the most well-known and respected financial rating agencies within the bank trade. Additionally, at this year's Greater Eureka Chamber of Commerce Annual Dinner, Redwood Capital Bank received the Large Business of the Year Award for its contributions to the community, top-notch customer service, positive work environment, investments in the local economy and commitment to giving back to the community. As this newsletter goes to print, we eagerly anticipate the opening of our fourth branch location in Henderson Center. We are excited to expand our footprint and to provide additional service to our Eureka-based customers. We cannot wait to become a part of the vibrant neighborhood and business district that makes up Henderson Center.

2019 also marks Redwood Capital Bank's 15-year anniversary. From our humble beginnings with one branch location to four branches and 75 employees strong, we certainly have come a long way! I would like to recognize our founding employees, including: Cindy Conn, Dan Haskins, Nanette Jones, Tina Susmilch, Nicole Beauchamp, Libby Charlton and Vickie Hensley for their dedication and commitment for the past 15 years.



...Happy 15-Year Anniversary RCB!

I also would like to take this opportunity to welcome Jeff Nelson and Michele Rieke to our Board of Directors. Jeff is a registered professional engineer. He joined SHN Consulting Engineers and Geologists in 1979 and served as CEO from 2001 until his recent retirement. Michele has worked at St. Joseph Hospital since 1990, most recently as the Director of Human Resources serving both St. Joseph and Redwood Memorial Hospitals. I look forward to working with Jeff and Michele and appreciate the expansive expertise and leadership they will bring to the Board of Directors.

Finally, none of these awards or recognitions would be possible without the continued support of our customers and shareholders. Whether you have been with RCB since 2004, or are new to our community bank family, we love doing business with you!

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



Alexis, Lindsay, Vivian and Lauren

Eureka Branch Promotions and New Hires

Congratulations to Lindsay Johnson, Vivian Graziose, Alexis O'Rourke and Lauren Pope, each of whom are either in a new position at the Eureka Branch, or newly hired to RCB.

Lindsay Johnson recently accepted the position of Operations Supervisor at the Eureka Branch. Lindsay is an Assistant Vice President, who transferred from the Arcata Branch. Lindsay has been with RCB since 2016.

Vivian Graziose has been promoted from a Customer Service Representative to New Accounts. She has worked for RCB since 2017.

Alexis O'Rourke has been hired as a Customer Service Representative. She worked previously as a Bookkeeper and Office Assistant. Alexis was born and raised in Hoopa and enjoys playing basketball and hiking. She resides in McKinleyville.

Lauren Pope grew up in Fortuna and was formerly a Middle School Teacher's Aide. She also joins RCB as a Customer Service Representative. Lauren enjoys travelling, hiking and learning new languages. Lauren and her husband live in Eureka.

Congratulations and welcome!!



RCB staff reacts to winning Large Business of the Year at the Eureka Chamber Annual Dinner

Leadership and Impact Award

By JENNIFER BUDWIG



At the Eureka Chamber Annual Dinner, there was a new award presented, titled "Leadership Impact Award." Congratulations to President and CEO John Dalby on receiving the award for 2018. The following is a summary from David Hull, Past President of the Eureka Chamber who presented the award:

"The criteria was based on a leader in the business community who inspires and encourages others, earning a high level of trust and credibility. Criteria also includes respectful, accountable, values differences, encourages and collaborates, using their influence to the benefit of the community as a whole. They model continuous learning, mentoring others along the journey. Candidates for this award need to demonstrate business innovation, adaptability, flexibility, problem solving, organizational awareness, customer service, resource management and technical competence in their field. Throughout his career, he has been active in the community serving on boards and committees of numerous service organizations including: the St. Joseph Hospital Board of Trustees, Eureka Chamber of Commerce (three times!), Ingomar Club, RREDC, Rotary Club of SW Eureka, City of Eureka Housing Advisory Board, the Salvation Army, American Cancer Society, Christian Youth Fund and the Humboldt Senior Resource Center. Halfway through his 30-year career in banking, he joined with a group of local individuals in an effort to bring community banking back to Humboldt County. Redwood Capital Bank was born. He is a collaborator, demonstrates great integrity, and has cultivated a culture at Redwood Capital that retains employees better than most any business in our area. Oh! And he is just a great guy!"

A huge part of Redwood Capital Bank's success is because of the culture fostered by John Dalby. RCB is a great place to work - valuing family, employee success, and an extremely high level of customer service. This award not only acknowledges the incredible job John has done with RCB, but all that he's given back to Humboldt County. Thank you to the Eureka Chamber and the members who voted for John to receive the Leadership and Impact Award - we are so proud of John and this much-deserved honor.

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



John Dalby receives the 2018 Leadership and Impact Award from Donna Wright, Eureka Chamber Executive Director and David Hull, Eureka Chamber Past President. For more information on the Greater Eureka Chamber of Commerce, please visit www.eurekachamber.com

Bigger, Better, Best

2018 was by far Redwood Capital Bank's BEST year ever! This can be attributed to record earnings, combined with strong loan growth and excellent credit quality. Additionally, the 5-Star ranking from Bauer Financial that we received denotes sound compliance and consistent, quality financial management on behalf of the bank.

RCB is getting BIGGER - we have been patiently awaiting the opening of the Henderson Center Branch. The underwriting staff, Loan Support and the Facilities crew have moved in and we look forward to opening mid-February. We invite you to stop by and see the beautiful new branch, located on the corner of Henderson and F Streets in Eureka.

Redwood Capital Bank is committed to being your local community bank. We remain proud to be the hometown financial choice for businesses, individuals and families, all of which makes this a BETTER place to live, work and play.



Fortuna B R A N C H



Ami, Wendy, Bob and Kaysha

Fortuna Branch Co-Hosts Annual Chamber Mixer and Holiday Open House

A great time was had by all at the annual Strongs Creek Plaza Holiday Open House and December Fortuna Chamber Mixer. The Mixer was held at RCB's Fortuna Branch and was co-hosted with Demello, McAuley, McReynolds and Holland, Humboldt Land Title and Grocery Outlet. Thank you to everyone who attended and to the businesses who donated fabulous prizes!

2018 FourthQuarter Earnings Release

By RENÉE BYERS



		At Period End		%
		12/31/2018	12/31/2017	Change
Balance Sheet data				
(In Thousands)	Total assets	\$368,129	\$342,153	8%
	Total deposits	\$334,738	\$311,733	7%
	Total loans (net)	\$278,715	\$255,209	9%

		Year to date		%
		12/31/2018	12/31/2017	Change
Summary of Operations				
(In Thousands)	Interest income	\$14,299	\$13,168	9%
	Net Interest Income	\$13,435	\$12,414	8%
	Book Value per common share	\$ 14.17	\$ 12.48	14%

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



Amanda and Rhea

Welcome and Congratulations

Congratulations to Rhea Varley who was recently promoted from New Accounts Representative to Operations Supervisor in the Arcata Branch. Rhea has been with RCB since 2017.

Welcome to Amanda McKinzie, who joins the Arcata crew as a Customer Service Representative. Amanda grew up in Fortuna and enjoys travelling, cooking and family activities. She and her family live in McKinleyville.

Henderson Center B R A N C H



Kylie, Debbie, Katie, Freddy, Brittany, Jill and Eddie

Henderson Center Branch Front Line

Freddy Ramirez – Branch Manager/Loan Officer – Freddy was hired in November and has been in the banking field since 2010. Freddy was born in Michoacán, Mexico and grew up in the Central Valley. Freddy and his family reside in McKinleyville.

Jill Ceffalo – Operations Supervisor – Jill was promoted from New Accounts at the Eureka Branch to Operations Supervisor, Henderson Center.

Kylie Chase – New Accounts – Kylie transferred from the Eureka Branch to the Henderson Center Branch.

Debbie Viall – Customer Service Representative – Debbie is transferring to Henderson Center Branch from the Eureka Branch.

Katie Haskins – Vault Teller – Katie is also moving from the Eureka Branch to Henderson Center Branch.

Brittany Burns – Customer Service Representative – Brittany is new to RCB. She was born and raised in Fortuna and likes hiking and fishing.

Eddie Garcia – Customer Service Representative – Welcome back to RCB Eddie! Eddie originally worked in the Eureka Branch in 2016 and has returned to be part of the Customer Service team in the new branch.

The front-line crew join the underwriting staff, Loan Support and Facilities in the beautiful new branch location.

BANK HOLIDAYS: Monday, February 18 - Closed for President's Day
Bank Exterior Photos by Gary Todoroff - northcoastphotos.com



EUREKA BRANCH
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

Henderson Center
2816 F Street, Eureka • (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.



**Redwood
Capital Bank**
Our interest is YOU

Dividend Update

The Redwood Capital Bancorp Board of Directors recently declared the 28th consecutive quarterly cash dividend. The dividend of \$0.07 per share is payable on February 13, 2019 to shareholders of record at the close of business on January 29, 2019. The dividend is equivalent to an annual rate of \$0.28 per share or 1.81%, based upon a market price of \$15.51 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
Russell N. Britt
John E. Dalby
Larry A. DeBeni
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.

MEMBER FDIC

