

February 2020

COMMUNITY *Interest*

THE QUARTERLY NEWSLETTER
FOR REDWOOD CAPITAL BANK



COVER NATURE PHOTOS BY: MICHAEL McCOY



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Sweet 16

By JOHN DALBY

Looking back on 2019, Redwood Capital Bank had a stellar year. The bank maintained its 5-Star rating from Bauer Financial, as well as the Super Premier Performing ranking from The Findley Reports. These are two of the most well-known and respected financial rating agencies within the banking trade.

At the national level, Redwood Capital Bank was one of 85 financial institutions chosen as a “Best Bank to Work For” by American Banker Magazine and Best Companies Group. Additionally, at the 2019 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 we work our way into 2020, Redwood Capital Bank will celebrate 16 years in business. From our humble beginnings with one branch location to now four branches and 75+ employees, we certainly have grown! I would like to recognize our long-time founding employees, including: Cindy Conn, Dan Haskins, Nanette Jones, Tina Susmilch, Nichol Beauchamp, Libby Charlton and Vickie Hensley for their



...Thank you to our 16-year founding employees!

dedication and commitment to RCB over the past 16 years.

I would also like to take this opportunity to welcome Jennifer Harris to our Board of Directors. Jenny is the President and CEO of AmHydro and has over 30 years of experience working in finance and strategy. I look forward to working with Jenny and appreciate the expansive expertise and leadership she will bring to the Board of Directors.

There is much on the horizon to look forward to in 2020. Nothing would be possible though without the continued commitment to community banking from you, our valued customers and shareholders.

Thank you for making Redwood Capital Bank Humboldt County’s local community bank of choice – we love doing business with you!

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



Eureka



B R A N C H



Happy New Year from the Eureka Branch! A new year means new opportunities to support our local community and 2020 is off to a great start with our support of the Greater Eureka Chamber of Commerce Youth Ambassador Scholarship Program. This is a competitive program for local high school juniors where they are matched with community-minded, local business sponsors to learn about community service, public speaking and interview skills. Redwood Capital Bank has not only been a sponsor of this program for many years, but allows multiple employees to devote their time to serve on this important committee. There is no better way to give back to our community than investing in our local youth. If you are interested in getting involved in the Youth Ambassador Program, you can contact the Greater Eureka Chamber of Commerce directly at 707-442-3738.

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

2019 Youth Ambassadors pictured with Eureka Chamber President & CEO, Donna Wright



Photo courtesy of Eureka Chamber



Henderson Center

B R A N C H



Greetings from Henderson Center. I hope everyone had a fantastic holiday season! As my team and I reflect on the past year, we are humbled by our great success in Henderson Center. This success comes from working alongside amazing partners in the community, including the Henderson Center Merchants Association. The business owners take pride in making sure Henderson Center is a safe and clean place for our community to enjoy.

As this new year progresses, we look forward to furthering relationships within our neighborhood business district and establishing new ones beyond. Our first anniversary is February 14th, please pay us a visit and help us celebrate!

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



RCBers having fun with Olaf at the Henderson Center Merchant's Association Holiday Open House held in November.



The North End

By JENNIFER BUDWIG

There are a lot of exciting things happening in Arcata and the north end of our county! We are very happy to announce Jamie Anderson as our Commercial Loan Officer in the Arcata Branch. Jamie is a Humboldt County native who was born and raised in Fortuna. He and his wife recently moved back to Humboldt County to be closer to family. We are very excited to have Jamie as part of our RCB team. He comes to us with a very extensive knowledge in commercial real estate and business development is a passion of his.

With the addition of Jenny Harris of AmHydro as our newest Director, we are looking forward to further developing RCB's relationships in the north end of the county. Another exciting happening in the north is that the McKinleyville Chamber of Commerce recently announced the addition of Jessie Miles as their

new President and CEO/Executive Director. We look forward to working with Jessie in her new role in the McKinleyville community. Lastly, the addition of Dr. Tom Jackson Jr. as the eighth Humboldt State University President. He has spent the last several months reaching out to various individuals, stakeholders and organizations within our community to learn more about our area and develop those ties with the University. I was honored to attend Dr. Jackson's investiture ceremony, which was an extraordinary event. We are fortunate to have someone with his passion and vision in this position. Hearing Dr. Jackson speak about his journey to Humboldt County and his excitement to be here was such a good reminder of the beautiful area where we live, as well as the amazing community we have in this area! If you see Jamie, Jenny, Jessie or Dr. Jackson, please give them a big welcome and congratulate them in their new positions!

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



A Banner Year

2019 was a banner year! In 2019, Redwood Capital Bank opened our fourth full-service branch. From renovations to ribbon-cutting, this was no small undertaking. The Henderson Center Branch continues to grow and has proven to be very popular for its convenient location for our Eureka-based customers. With the new branch and RCB's continued growth, seven new full-time, benefitted positions were added, as well as expanded office space for our Loan Support and Commercial Underwriting departments. The Eureka Main Branch also received interior upgrades including new carpeting, furniture, paint and several new offices.

Finally, with the changing interest rate environment, Redwood Capital Bank managed to help our customers achieve their goals, while at the same time allowing us to exceed ours. Here's looking forward to another great year!



Fortuna



B R A N C H



Arcata

B R A N C H



2019 Fourth Quarter Earnings Release



By RENÉE BYERS

	At Period End		%
	12/31/2019	9/30/2019	Change
Balance Sheet data			
(In Thousands) Total assets	\$368,024	\$374,612	-2%
Total deposits	\$325,718	\$333,266	-2%
Total loans (net)	\$277,989	\$273,674	2%
Summary of Operations			
(In Thousands)	Year to Date 12/31/2019	12/31/2018	% Change
Interest income	\$ 15,252	\$ 14,299	7%
Net Interest Income	\$ 13,904	\$ 13,435	3%
Book Value per common share	\$ 16.17	\$ 14.17	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

2019 was an amazing year for the Fortuna Branch! No area in the branch saw more change than our New Accounts Department. After many years of steady growth, we started the year adding a second half-time New Accounts Representative, Alejandra Garcia. Then, our much-loved founding New Accounts Representative, Deborah Ecker retired. Alejandra moved to full-time at New Accounts and we increased the staffing to a second full-time representative to fully serve our customers. Kaysha Mahood was promoted to that position. Wendy Eberhardt is also cross-training in new accounts for much needed backup and support. Finally, after an exhaustive search we found two immensely talented individuals, Katelynn Maynard and Kristen Boatman and persuaded them to join our teller team to back fill for the retirements and promotions. We are very excited to see what 2020 has in store for us here in Fortuna, as we continue serving new and existing customers in the Eel River Valley.

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



The Fortuna Branch Team

Happy to start 2020 in beautiful Arcata!

It has been very exciting to begin 2020 as the Commercial Relationship Manager at the Arcata Branch. The branch has been without a full-time commercial lender for awhile and it is obvious in just a short amount of time that customers are interested in what RCB has to offer local businesses. With each day, I have the opportunity to introduce myself to existing customers and begin building commercial relationships. I am quickly determining where we have strengths and where we have opportunities to grow. 2020 provides a great opportunity to develop a plan for customer outreach, both existing and new. Fortunately, there is plenty of opportunity for growth!

So far, my time in Arcata has taught me that this is a strong, vibrant community where people are proud to live and work. The new year brings on many events in Arcata and the surrounding communities. RCB will host a table at the Arcata Chamber Business Leadership Awards Dinner in February to highlight business successes of 2019. We will also be attending the upcoming State of the City event which highlights what the City has in store for 2020 and beyond. Throw in some always lively, monthly Arcata and McKinleyville Chamber Mixers and I am quickly filling up my calendar and meeting many of the decision makers that work and help shape this energetic community.

Jamie Anderson is the AVP/Commercial Relationship Manager at the Arcata Branch. 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 32nd consecutive quarterly cash dividend. The dividend of \$0.07 per share was payable on February 11, 2020 to shareholders of record at the close of business on January 27, 2020. The dividend is equivalent to an annual rate of \$0.28 per share or 1.50%, based upon a market price of \$18.62 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. Gierck 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

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

Watch Out for Phone/ Text Spoofing



By DAVE TIERNEY

The ability of hackers to “spoof” the incoming number on a phone call or text message, making it appear as though it came from a legitimate source, is not a new development in the world of cyber security. Tools that allow people to do this have been around for a long time - but the bad guys are using this technology in unique and alarming ways.

Many of us are familiar with the text or phone alerts that credit and debit card issuers often use when they detect potentially fraudulent activity on a card. This typically involves speaking to someone in customer service to verify transactions. What if that phone call or text message was spoofed to look like it came from your bank, but was actually from a hacker trying to gather private information from you that could allow them to access your card or online banking?

One way to protect yourself against spoofing is to verify the fraud alert by initiating a call to the fraud center if you do receive an alert. Rather than speaking to someone who called you, tell the person you’re going to hang up and call them back. Many banks list a fraud or customer service number on the back of their cards. If you have a Redwood Capital Bank debit card, the fraud center phone number is not listed, but you can reach them at (800) 389-4887. You might even consider adding this number to your phone’s contact list.

It does take a bit more effort, but it’s better to be safe than sorry when it comes to “spoofing”.

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



BANK HOLIDAYS/ HOLIDAY HOURS

Monday, February 17:
President’s Day*

Monday, May 25:
Memorial Day*

* denotes closure

Cover photos by:
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Bank Exterior Photos by
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northcoastphotos.com



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Fortuna, California 95540
(707) 725-4722



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



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BRANCH**
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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.

This newsletter may contain forward-looking statements that are subject to risks and uncertainties and as such does not represent legal, accounting or other professional advice.

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