

February 2021

COMMUNITY *Interest*

THE QUARTERLY NEWSLETTER
FOR REDWOOD CAPITAL BANK

PHOTO BY: MICHAEL MCCOY



PHOTO BY: MARY CURLESS SMITH

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A True Community Bank

By JOHN DALBY

2020 will be remembered for many things, but one thing is for certain, it was a year that Redwood Capital Bank was discovered for what we have always been – a true community bank. What does this mean exactly? A true community bank is a locally owned and operated financial institution that addresses the needs of a community by providing loans to small businesses and personal loans to individuals and families. The appeal of a community bank is the relationships that it fosters with its customers, shareholders and the greater community at-large.

In most cases, community banks are defined by the Federal Deposit Insurance Corporation (FDIC) as having less than \$1 billion in assets. Community banks are relationship based and customer focused and serve as an economic foundation for their market area. Community banks provide on-going support to non-profit agencies, civic groups, schools, youth organizations and so much more. The financial and personal support have a direct impact right here at home, helping to improve where we live, work and play.

Last year, the COVID-19 pandemic dominated the news, our work and lives. It was also a time when this local, community bank's staff rolled up their sleeves and got to work. For example, our response to the Small Business Administration's Paycheck



...We are relationship based and customer focused

Protection Program (PPP) resulted in funding a total of 590 PPP loans totaling more than \$72 million. This, in turn, started an avalanche of new business depository relationships. Our Consumer Lending Program was discovered and new mortgage originations increased 365% over 2019 - we are now the market leader in that segment. The balance sheet grew over 35%. Redwood Capital Bank provided full services to our clients throughout the crisis, keeping banking available in every market we serve.

Humboldt County is unique. We at Redwood Capital Bank understand the economic climate here and we are motivated to always keep improving, because ultimately, it is our home, too. No other bank in Humboldt County has a greater interest in helping local people succeed. Thank you for your support. We are proud to be Humboldt County's true community bank of choice.

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 all of us in downtown Eureka!

Redwood Capital Bank has many traditions, one of which is that we close each staff meeting with a challenge to every employee to "Go out and be the highlight of your customers day!" Our goal truly is that you will look forward to your visits to the branch and enjoy your time with us.

Looking back on 2020, even with its challenges, I think about the positive things that came out of the year. I think about our customers - interacting with you, listening to your stories, helping you and watching you overcome challenges has been the highlight of our year.

Whether you are a customer that has been with the bank since our inception in 2004, or a new customer that started banking with us in 2020, you are our friends and neighbors and I would like to thank YOU for being the highlight of our day.

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

Henderson Center

B R A N C H



Happy New Year from Henderson Center!

At Redwood Capital Bank, we are all about service. I would like to take a moment to thank our team members. Without them, we would not serve our community and uphold the customer service standards you have come to know and love.

The Henderson Center Branch will celebrate our second anniversary **on February 14th** – more commonly known as Valentine's Day! We are grateful for the support we have received these past two years and look forward to being a part of the Henderson Center business community for many years to come.

Looking back to 2020, the Henderson Center Branch opened a record number of new accounts. We accomplished this with an ongoing pandemic, all the while taking the best safety precautions for our customers and staff.

Regardless of what this year brings, we look forward to serving our community. "The best way to find yourself is to lose yourself in the service of others." - Gandhi

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



PPP - Round 2

By JENNIFER BUDWIG

In April of last year when the Paycheck Protection Program (PPP) rolled out, we had no idea we would end up providing over 600 loans for a total of \$72 million to our local businesses. This was a project that required a significant amount of Redwood Capital Bank's staff time and everybody came together to make this happen. I could not be more proud of our loan team, branches and back office support for working through this process as we all figured it out together. All the while maintaining our customer service levels and welcoming many new business customers to Redwood Capital Bank. It truly was all hands on deck!

Now, we have just rolled out PPP - Round 2. This installment is different than Round 1 as it requires proof of a 25% reduction in revenues quarter-over-quarter, which means that

not all businesses are eligible. The goal of including this requirement is to make sure the funds go to businesses that have been impacted the most. We have already begun processing these requests and received over 100 applications within the first week. It is our goal to get as many of these loans approved and funded as possible so we can continue to help our small, local businesses get through these challenging times.

The positive comments we received from our customers, businesses and the community have been so rewarding. We are so proud to help our community in any way possible and this provides us a great opportunity to do just that. Thank you for all of your support during this time and for referring your friends and families to Redwood Capital Bank!

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



Teamwork

Reflecting upon 2020, I cannot stress enough how proud I am of the teamwork that takes place at RCB every, single day. I would be hard-pressed to make a list of projects that are accomplished by just one, single person, rather, it is far easier to recognize the many accomplishments achieved by combining forces and working together.

I realize that 2020 will likely be most remembered for the pandemic, but looking back professionally as the company's Chief Financial Officer, I see record earnings - Redwood Capital Bank grew substantially in 2020, all while assisting our community and each other.

On a personal level, I am so proud of how this company and our community have pulled together to help each other – that is one of the many things that makes living in Humboldt County so amazing.



Fortuna



B R A N C H



I am excited every January at the possibilities and promise a new year brings! I always wonder what the world (and I) will be like in one short year. Last year developed in a way no one could have dreamed. For all the tragedy and hardship, 2020 had some remarkable moments in Fortuna of generosity and community support.

Over the course of the year, the community rallied to support our neighbors, and nearby areas hard-hit by fires. Recent events included the Santa's Sleigh Program put on by the Fortuna Volunteer Fire Department. They were able to bring Christmas to over 140 families with 375 children who may not have had one otherwise. In response to the lack of activities for children, the community and Chamber of Commerce led the way for Humboldt with the Holiday Dazzle Christmas Light Contest to give children a safe holiday activity to get out and experience holiday decorations with their families!

I am proud that Redwood Capital Bank helped in each of these efforts and countless other ways to support this community we live and work in. As we head into this New Year together the Fortuna Branch wishes you a year filled with joy and light.

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 Year End Earnings Release

By RENÉE BYERS



		At Period End 12/31/20	12/31/19	% Change
Balance Sheet data				
(In Thousands)	Total assets	\$498,111	\$368,024	35%
	Total deposits	\$448,260	\$325,718	38%
	Total loans (net)	\$347,527	\$277,989	25%

		Current Quarter 12/31/20	12/31/2019	% Change
Summary of Operations				
(In Thousands)	Interest income	\$ 4,404	\$ 3,737	18%
	Net Interest Income	\$ 4,055	\$ 3,303	23%
	Book Value per common share	\$ 18.39	\$ 16.17	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

Arcata

B R A N C H



As we start 2021, the landscape is remarkably unchanged. The pandemic is still here and we are deep into another round of Paycheck Protection Program (PPP) loans.

The first quarter of 2021 is starting off well for Arcata. We have a full staff of exceptional employees that are well-versed in providing very high levels of customer service. We are also finishing up our mini remodel.

In the interest of giving back to our community, we are always looking for ways to support our Arcata businesses, especially during these challenging times. While social distancing isn't going away, we know we can still be active in our community. This year we will be devoting more attention to our involvement with Arcata Main Street as well as other organizations whose purpose is to benefit the business community and help Arcata flourish.

We welcome you to stop by the Arcata Branch and say hello! There are lots of happy helpful faces to greet you and assist you. We look forward to seeing you.

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

New Year's Resolutions for 2021



By DAVE TIERNEY

Like so many others, I couldn't wait for 2020 to end. It was a rough year in many ways, but with a new year comes new beginnings, new possibilities and new hope. Many people like to use this time as an opportunity to create resolutions for the coming year, so I thought I would offer some suggestions to those who may be looking for ideas:

- Stay in the loop on what's happening with your account activity by setting up account alerts in our online banking system.
- Explore card controls in our mobile banking system to take control over the security of your debit card.
- Change your online banking passwords. Heck, while you're at it, change your email, Netflix, Prime, and other passwords, as well!
- Set up your debit and credit cards in Apple Pay or Samsung Pay. Not only are these a more secure payment method than dipping or swiping your plastic, in some instances they can be used without having to enter a PIN at the terminal, which is a bonus during the pandemic.
- Monitor your bank activity. Even if you're not using alerts, you can still login on a regular basis to keep an eye on what's happening with your accounts. If you have a business, set up Positive Pay for checks (and soon ACH) and dual controls for outgoing transfers.
- Be suspicious and diligent about fraudulent emails and phone scams.

These are just a few suggestions for a safer (and happier) 2021. Happy New Year everyone!



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



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(707) 725-4722



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



HENDERSON CENTER 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.

BANK HOLIDAYS/ HOLIDAY HOURS

Monday, February 15:
President's Day*
Monday, May 31:
Memorial Day*
* denotes closure

Cover photos by:
Michael McCoy and
Mary Curless Smith

Bank Exterior Photos by
Gary Todoroff -
northcoastphotos.com



Dividend Update

The Redwood Capital Bancorp Board of Directors recently declared the 36th consecutive quarterly cash dividend. The dividend of \$0.07 per share was payable on February 10, 2021 to shareholders of record at the close of business on January 25, 2021. The dividend is equivalent to an annual rate of \$0.28 per share or 1.87%, based upon a market price of \$15.00 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.

MEMBER FDIC



EQUAL HOUSING
LENDER