

June 2019

COMMUNITY *Interest*

THE QUARTERLY NEWSLETTER
FOR REDWOOD CAPITAL BANK

COVER NATURE PHOTOS BY: MICHAEL MCCOY



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A Walk Down Memory Lane

By JOHN DALBY

Let's take a brief walk down memory lane – all the way back to 2004...

- The Summer Olympics were held in Athens, Greece
- Lance Armstrong won an unprecedented 6th consecutive Tour de France
- Condoleezza Rice replaced Colin Powell as Secretary of State
- George W. Bush won a second Presidential term
- Facebook was launched as a social media networking site
- Martha Stewart was convicted of a felony and spent five months in prison
- Spaceship One was the first privately funded spaceplane to achieve space flight
- Google's IPO raised \$1.67 billion
- The National WWII Memorial opened in Washington, DC
- REDWOOD CAPITAL BANK OPENED

In March, 2004, Redwood Capital Bank opened its doors. With one branch (Eureka Main) and 16 founding employees, we embarked upon a journey to return local, community banking to Humboldt County. In 2007, Redwood Capital Bank expanded in to the Eel River Valley market with the opening of our second branch in the new Strong's Creek Plaza, Fortuna. By summer, 2014, Redwood Capital Bank had grown to be three branches strong with the opening of the Arcata Branch. This expansion proved to be a wonderful opportunity to partner with Humboldt State University and the Natural History Museum and the chance to further grow our brand in the northern Humboldt market.



...The secret to our success is
YOU!

Fast-forward to Valentine's Day, 2019 – the grand opening of our fourth full-service branch in Henderson Center, Eureka.

What is the secret to Redwood Capital Bank's success over the last 15 years? It is simple – the secret to our success is people. The people who work here, the people we do business with, the people who invest in this company and the people of this community. Each and every one of YOU are the reason Redwood Capital Bank continues to grow and thrive.

Looking back over the past 15 years, there have been numerous memories. As the company has grown, we have added lots of new faces and sadly lost a few RCB family members too. Looking forward, our promise to you remains the same as it did on our first day of business, to deliver superior community banking services to this community.

Thank you Humboldt County - 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



Eureka

B R A N C H



Nanette, Kylie and Lori

Eureka Branch Promotions

Congratulations to Nanette Jones, Kylie Chase and Lori White, each of whom are in new positions at the Eureka Branch.

Nanette Jones has been promoted to VP/Consumer Credit Administrator. She oversees all aspects of RCB's Consumer Lending, including the mortgage originators and underwriters. Nanette is a founding employee of the bank and was most recently the Eureka Branch Manager and oversaw the Mortgage Lending department. Nanette enjoys spending time with her grandchildren, camping, travelling and spoiling her two little dogs.

Kylie Chase has been promoted from New Accounts Representative to Consumer Loan Specialist Trainee. Kylie started out at RCB as a Loan Processor from 2008-2012. She returned to the Eureka Branch Operations Department in 2014 and briefly transferred to the Henderson Center Branch earlier this year. Kylie enjoys fishing, vacations and time spent outdoors. Kylie and her family reside in Eureka.

Lori White helped open the Arcata Branch as RCB's New Accounts Representative in 2014. She transferred to the Fortuna Branch in 2016 and to the Main Eureka Branch as a Customer Service Representative in 2018. Lori was recently promoted to New Accounts. Lori enjoys spending time with her family on her ranch and looks forward to becoming a Grandma this summer.



RCB's Consumer Lending Team
Deb, Tia, Leanne, Nanette, Kylie and Senilyn

Who Moved My Cheese?

By JENNIFER BUDWIG



Quite some time ago, I was working at another company and the President asked all of the employees to read a book called "Who Moved My Cheese?" At the time, the organization was undergoing significant changes. The book is about managing change and uses a simple parable to show that when it comes to living in a rapidly changing world, what matters most is your attitude. The book helps discover how to anticipate, acknowledge and accept change in order to have a positive impact on your job, relationships and every aspect of your life. This book was very inspirational. It created a mindset shift from dreading and fearing change, to accepting and embracing it.

As the opening of Redwood Capital Bank's Henderson Center branch approached, change was the only constant! This meant hiring new staff as well as multiple job transfers and promotions, resulting in several organizational changes. With these changes came a lot of training. Our staff has been nothing short of amazing - navigating through this by welcoming all new employees with open arms, volunteering to train, sharing knowledge and continuing to provide the great customer service RCB is known for.

Now that the new branch is open and people are settling into their new roles, it's very inspiring to look at our staff who continue to step-up to support and mentor each other. Most of our promotions have been internal - opening up great opportunities for individuals to flourish in their new roles. Without the collective support of our entire staff, it would have never been as successful as it has been. Our RCB employees are truly exceptional!

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



Local Lenders Here for You

Whether you are buying a new home, refinancing, or building the home of your dreams, Redwood Capital Bank's Consumer Lending team will help you choose the loan product that is right for you.

Redwood Capital Bank is local – from the appraisers we use, our underwriting team, to the quick local decisions made right here in Humboldt County regarding your loan. When you do business with RCB, your money stays local. Dollars deposited here stay here and are redistributed back in to the local economy in the form of loans to individuals, families and businesses.

Redwood Capital Bank is proud to be Humboldt County's choice for community banking! For more information regarding home loans, please contact Tia Tupper-Brownell at (707) 444-9829.

Foundation of Our Success

Redwood Capital Bank prides itself on providing superior customer service. This service, combined with a consistent track record of strong performance have earned Redwood Capital Bank two very notable awards.

As reported in the February issue of this publication, Redwood Capital Bank received a *5-Star* rating from Bauer Financial. Additionally, for 2018, Redwood Capital Bank has again been awarded the prestigious *Super Premier Performing* designation by *The Findley Reports*, a publication that provides a comprehensive analysis and evaluation of California's banking industry.

While industry recognition is nice to receive and very-much appreciated, there would be no awards without you; our valued customers and shareholders. Thank you for your business and trust. Your satisfaction is the foundation for our success.



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 First Quarter Earnings Release

By RENÉE BYERS



		At Period End		%
		3/31/2019	3/31/2018	Change
Balance Sheet data				
(In Thousands)	Total assets	\$356,650	\$340,964	5%
	Total deposits	\$322,482	\$310,540	4%
	Total loans (net)	\$281,212	\$259,403	8%

		Year to date		%
		3/31/2019	3/31/2018	Change
Summary of Operations				
(In Thousands)	Interest income	\$ 3,813	\$ 3,276	16%
	Net Interest Income	\$ 3,553	\$ 3,090	15%
	Book Value per common share	\$ 14.75	\$ 12.86	15%

Fortuna B R A N C H



Alejandra Garcia

Fortuna Branch Promotion

Congratulations to Alejandra Garcia on her promotion to New Accounts Representative. Alejandra began working for Redwood Capital Bank in 2014 and will celebrate her five-year anniversary with the company in October. Alejandra was born in Mexico City, Mexico and came to Humboldt County nearly 25 years ago. Alejandra enjoys going to the movies, camping and going to the park. She and her family live in Fortuna. Stop by and say hi to Alejandra – she looks forward to working with you!

Arcata B R A N C H



Ronnie Bradbury

Arcata Branch Promotion

Ronnie Bradbury was recently promoted from Customer Service Representative to New Accounts. Ronnie started working at RCB's Arcata Branch in January, 2018 and believes that Redwood Capital Bank is not only the best local bank to work for, but RCB is one of the greatest companies to work for!

Ronnie enjoys camping and travelling. He and his wife reside in Eureka.

Henderson Center B R A N C H



Eddie Garcia

Congratulations Eddie Garcia

Eddie Garcia began his banking career at RCB at the Eureka Branch in 2016. After leaving the company for two years, Eddie returned as a Customer Service Representative, helping to open the Henderson Center branch. Eddie was recently promoted to New Accounts Representative.

Eddie loves the people at RCB – both the customers and his co-workers. In his free time, Eddie enjoys playing and coaching soccer. Eddie lives in Eureka.

Stop by and say hi to Eddie at the New Accounts desk in Henderson Center. He looks forward to working with you!

BANK HOLIDAYS/ HOLIDAY HOURS

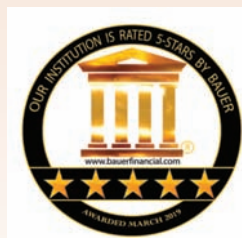
Thursday, July 4:
Independence Day*

Monday, September 2:
Labor Day*

* denotes closure

Cover photos by:
Michael McCoy

Bank Exterior Photos by
Gary Todoroff -
northcoastphotos.com



Dividend Update

The Redwood Capital Bancorp Board of Directors recently declared the 29th consecutive quarterly cash dividend. The dividend of \$0.07 per share was payable on May 20, 2019 to shareholders of record at the close of business on May 6, 2019. The dividend is equivalent to an annual rate of \$0.28 per share or 1.67%, based upon a market price of \$16.80 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
W. Timothy Needham
K. Jeff Nelson
Michele Rieke
James R. Seiler
Steven M. Strombeck



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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
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.

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



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.