

May 2016

COMMUNITY *Interest*

THE QUARTERLY NEWSLETTER
FOR REDWOOD CAPITAL BANK

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Join the Fight Against Identity Theft

By DAVE TIERNEY

In the February newsletter, I wrote about some of the ways that businesses can protect the data on their network from compromise. In this installment, I'll be covering another very real threat to both businesses and consumers alike – identity theft.

Most of us have probably heard horror stories of identity theft. Hopefully few of us have actually experienced it. It can be a very difficult situation to navigate – not just financially, but also emotionally. If any of you have ever had something stolen from you, you can likely remember the feelings of anger and violation that came with that. Now imagine that it wasn't a bike or a stereo that was taken – but your identity. That elevates the stress and anxiety to a whole new level.

According to a report from the U.S. Department of Justice, an estimated 17.6 million people age 16 or older were victims of one or more incidents of identity theft in 2014. If I could impart just one piece of advice, it would be this: please take it seriously. Identity



...Knowledge is power.

theft is real. It isn't something that only happens to other people – it could very well happen to you, especially if you don't know how to protect yourself against it.

There are lots of resources online for tips about how to defend yourself, and what to do if your identity has been stolen (or you suspect it has been stolen). If you need a place to start, please visit Redwood Capital Bank's website (www.redwoodcapitalbank.com) and look under the Online Banking Info menu for a link to our "Fraud Prevention" page. There you will find lots of tips and information about things you can do to help safeguard your personal information.

Knowledge is power. Be vigilant and educate yourself. Take your personal security into your own hands.

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



Eureka

B R A N C H

At Your Service

By JENNIFER BUDWIG



2015 was a stellar year for Redwood Capital Bank and the beginning of 2016 continues with this same trend. Our growth has been in large part due to a significant influx of customers moving from other institutions as their bank has gone through a merger. When banks go through this process, there typically are problems and challenges that impact customer service. At Redwood Capital Bank, our top priority is taking care of our customers and providing exceptional service. When people decide where to do business, whether it is at a retail store or for a service-related need, the level of service provided will always be a factor when determining where to spend their hard-earned money.

Twice a year the bank sends out a customer service questionnaire to get feedback as to how we are doing in terms of the service we provide. It never ceases to amaze me the reviews we receive every time. The ratings are always exceptional - in the high 90 percentile. Some examples of comments we received from the last survey follow, "Good job! We were very happy with the respectful and efficient staff at RCB." "This was the smoothest lending experience I have ever had." "We are thrilled to be able to partner with RCB on our debt facilities." "Great employee attention." "All of the tellers are awesome. We appreciate the small town feel with the big bank services." "I'm glad I chose RCB. I was listened to and respected as an individual. It was a great experience." "I have been a customer at RCB since day one and feel this is a great bank. From my bank account, to my home loans, to the banking I do for my job, RCB has never let me down." These are just a few examples of our customers' comments. I would love to be able to list all of them, but it would take up the whole newsletter. We are small enough to know our customers, while being big enough to provide a full array of services in meeting our customers' financial needs. We very much pride ourselves on the service we provide because we really do care about our customers. Maintaining extraordinary service continues to be a #1 priority for our bank. As the business world evolves, one thing is very clear; exceptional service will never go out of style.

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



Alexa, Senilyn, Eddy, Malissa and Peyton

Welcome and Congratulations

There are some new faces and new promotions at the Eureka Branch.

Alexa Taylor started working here in January, 2015 as a Teller. She has been promoted to New Accounts Representative. Alexa graduated from Fortuna High School and enjoys shopping and Netflix. She lives in Scotia with her family and new puppy, Tilly.

Senilyn Ranoco began her banking career with RCB in 2007. She has worked as a Teller and as a Loan Specialist. Senilyn has accepted the new position of Fannie Mae Underwriter Trainee. In her new position, she is learning about underwriting mortgage loans. Senilyn enjoys reading, working out and playing outdoors with her children. She and her family reside in Eureka.

Eddy Garcia is a new Teller to the Eureka Branch. He started working here in March. Eddy likes that RCB is a customer service oriented company and he's enjoying getting to know his co-workers and customers. When Eddy isn't working, he enjoys playing soccer. Eddy lives in Eureka.

Malissa Aiton is our newest employee. She recently started on the teller line. Malissa likes how friendly everyone is and that RCB is a great place to work with many opportunities. Malissa enjoys outdoor activities such as hiking and going to the beach. She and her fiancé live in Blue Lake with their two dogs, Harley and Dakota.

Peyton Imperiale began her career at RCB in May, 2015 as a Teller. She trained as a Vault Teller and has now accepted the position of Loan Specialist. She is busy learning the ins and outs of loan processing. Peyton enjoys spending time with her family and her new puppy, Cash. Peyton resides in Hydesville.

Alexa, Senilyn, Eddy, Malissa and Peyton are excited about their new roles here at Redwood Capital Bank. They look forward to working with you!



Redwood Capital Bank's 2016 Bowl for Kid's Sake Team

RCB Awarded “Best Bank”

For the third consecutive year and the fifth time in the company’s 12-year history, Redwood Capital Bank has been awarded the prestigious designation of *Super Premier Performing* by *The Findley Reports*. The rating of *Super Premier Performing* is the highest designation possible for California community banks to receive and places the bank as a quality leader in the banking industry. The designation takes into consideration the bank’s elite ranking for total deposits, average total assets, net loan losses and other valuable financial information. Additionally, it was recently announced that for the second year in a row, Redwood Capital Bank has been voted “Best Bank” by the readers of the Times-Standard in their annual Best of the North Coast Reader’s Choice Awards. While we are honored by these awards, we remain mindful that it is the ongoing satisfaction of you, our valued customers and shareholders that is our most important benchmark. It is your trust and partnership that make Redwood Capital Bank Humboldt County’s local banking choice.



2016 First Quarter Earnings Release



By FRED MOORE

	Period Ended		% Change
	3/31/2016	3/31/2015	
Balance Sheet data (at period end)			
(In Thousands) Total assets	\$320,658	\$293,405	9%
Total deposits	\$293,580	\$265,002	11%
Total loans (net)	\$226,192	\$206,918	9%

	Year to Date		% Change
	3/31/2016	3/31/2015	
Summary of Operations (year to date)			
(In Thousands) Net income	\$ 535	\$ 448	19%
Net Interest Income	\$ 2,876	\$ 2,630	9%
Earnings per Common Share (fully diluted)	\$ 0.28	\$ 0.24	18%

Fred Moore is the EVP/Chief Financial Officer of Redwood Capital Bank. He can be reached at (707) 444-9840 or via email at fmoore@rdwo.com

Our Future

By JOHN DALBY



Our youth are our future. I have had the pleasure for a number of years to be the Master of Ceremonies for the Greater Eureka Chamber of Commerce’s Youth Ambassador Program Kick-Of Night. The Youth Ambassador Program partners area youth who are juniors in high school with representatives from the business community. In addition, throughout the competition, ambassadors receive training in much-needed skills such as public speaking and formal interviews. The program runs February through May and culminates with the Final Night event. Participants compete for \$5,750.00 in scholarships and gain valuable knowledge and insight to the area’s business community.

Sincere thanks to the Eureka Chamber of Commerce, the Youth Ambassador Committee and the many businesses who support this program through sponsorship funding and for investing in our most important local resource – our youth.

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



Redwood Capital Bank has been a supporter of the Youth Ambassador Program since our inception. It is inspiring to meet these young adults and listen to their future aspirations.

Fortuna B R A N C H



Casey Smith

Welcome Casey Smith

The Fortuna Branch welcomes Casey Smith to the Friendly City! Casey has been with Redwood Capital Bank since fall of 2015 and has worked in the banking industry since 1985. Casey began her career with Redwood Capital Bank as a Teller in the Arcata Branch and has now transferred to the Fortuna Branch to be closer to home. Fortuna Branch Operations Supervisor, Nancy Victorine commented, “We are so excited to have Casey at the Fortuna Branch. She fit in right away and brings an amazing focus to our customer service!” Stop by and say hi to Casey at the Fortuna Branch. She looks forward to meeting you!

We are...**COMMUNITY!**

Arcata BRANCH



Annie Meagher, Brandon Kakitsuka and Kylie Chase

Welcome Annie, Brandon & Kylie

Annie Meagher started working at RCB in March. Annie likes that everyone is so friendly, even when there is a lot to learn. Annie lives in McKinleyville with her husband and two sons. They enjoy going to Trinity Lake.

Brandon Kakitsuka is an intern from HSU. He is currently in the MBA Program studying Business and Strategic Sustainability. After graduation, Brandon hopes to continue his career with RCB. Brandon enjoys playing basketball, working out and reading. He and his wife reside in Eureka with their two dogs, Jax and Grace.

Kylie Chase is the new Relationship Officer for the Arcata Branch. Kylie began her career at RCB in 2008 in Consumer Lending. She has most recently worked in New Accounts. Kylie enjoys getting out and meeting new people and finding new ways to help people and their businesses. Kylie and her partner Korey live in Eureka with their two-year old daughter. Kylie enjoys fishing, gardening and playing at the park with her family.

Stop by and meet the new faces in the Arcata Branch.

BANK HOLIDAYS/ HOLIDAY HOURS

Monday, May 30:
Memorial Day*

Monday, July 4:
Independence Day*

Monday, September 5:
Labor Day*

* denotes closure

Cover Nature Photos
by: Marc Chaton Photography

Bank Exterior Photos
Gary Todoroff
northcoastphotos.com



Dividend Update

The Redwood Capital Bancorp Board of Directors recently declared the 17th consecutive quarterly cash dividend. The dividend of \$0.06 per share is payable on May 13, 2016 to shareholders of record at the close of business on May 2, 2016. The dividend is equivalent to an annual rate of \$0.24 per share or 2.12%, based upon a market price of \$11.33 per common share.

Since April, 2015, the stock price appreciation, combined with dividend payments represents a 7.63% annualized return to shareholders.

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 Fred Moore at (707) 444-9840 or via email at fmoores@rdwo.com.

Senior Management

John E. Dalby, President & CEO
Fred J. Moore III, EVP/CFO
Jennifer Budwig, SVP/CLO
Tammy Brown, SVP/CCO

Board of Directors

John E. Burke, Chairman
John J. Gierek Jr., Vice Chairman
Russell N. Britt
John E. Dalby
Larry A. DeBoni
J. William McAuley
W. Timothy Needham
Craig L. Perrone
James R. Seiler
John R. Selvage
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.



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(707) 725-4722



ARCATA BRANCH
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Arcata, California 95521
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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.



Redwood Capital Bank

Our interest is YOU

MEMBER FDIC

