

November 2014

COMMUNITY *Interest*

THE QUARTERLY NEWSLETTER
FOR REDWOOD CAPITAL BANK

My bank...

is invested in our community!

Abundance

By JOHN DALBY

abun·dance - Merriam-Webster defines abundance as:

- : a large amount of something,
- : an ample quantity,
- : affluence, wealth,
- : a relative degree of plentifulness

Abundance comes in many forms. At Redwood Capital Bank, we are abundantly grateful for you, our valued customers and shareholders. Our core values are built upon relationship-based banking – we are your friends and neighbors. We strive to know you by name and we care about you. When we say “Our interest is you,” it is more than a tag line in our advertising, it is the mission of this company to be a financial partner for businesses, individuals and families right here at home. When our customers and investors are successful, so are we.

2014 has been outstanding year for the company. We expanded to the north with the opening of our Arcata branch, celebrated our tenth year in business, increased the quarterly shareholder dividend, garnered a ranking of *Super Premier Performing* from *The Findley Reports* and a *5-Star* rating from Bauer Financial. Recently, Redwood Capital Bank was notified that we have been

PHOTO CREDIT: MATTHEW ST. CHARLES



...We are your friends and neighbors

selected by the Best Companies Group and *American Banker Magazine* as one of the top 40 “Best Banks to Work For” in the country. These accolades make us very proud, but our biggest reward comes from you – making Redwood Capital Bank your bank of choice and with the business that you entrust us with each and every day.

With the hustle and bustle of the holiday season fast approaching, we at Redwood Capital Bank will strive to be a highlight in your day. Each of our three full-service branches looks forward to seeing you and assisting you with your financial needs. Here’s wishing you and yours an abundance of joy this holiday season and in the New Year to come.

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

What We Do



By DON HARTMANN

Just about every day when I get home from work my wife asks me: "What did you do today?" This is often a difficult question to answer because many of the things we do in banking are intangible. If I was an auto mechanic I might answer: "I fixed five cars today." If I was a real estate developer: "I looked at three properties today." Electrician: "I spent the day working on that school job." Airline pilot: "I flew to San Francisco, Sacramento and back to Eureka." You get the picture. I can't answer that we made a loan or opened a deposit with so-and-so because that is confidential information. But that's not the real answer anyway. Our primary mission is to serve. We serve each other as fellow employees. We serve our clients because without them there would be no us. We serve our shareholders because they are also the reason we are here today. We hope to have the opportunity to serve you.

Don Hartmann is the EVP/Chief Credit Officer of Redwood Capital Bank. He can be reached at (707) 444-9822 or via email at dhartmann@rdwo.com



late November or early December 2014, Mobile Check Deposits is probably already here. There are a few details that you'll need to be aware of, so be sure to check out our web site at redwoodcapitalbank.com/mobilebanking for more information.

Mobile check deposits – one more way that Redwood Capital Bank is striving to make banking with us the highlight of your day. Just don't forget to come in and say hi every once in a while, too!

** - Qualified accounts only. Some limitations apply. See our website at redwoodcapitalbank.com/mobilebanking for more information.*

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



Kylie Chase and Debbie Viall



Welcome Kylie Chase and Debbie Viall

Kylie Chase was born and raised in Eureka. She started her banking career in 2007. Kylie likes the family environment here at Redwood Capital Bank. Kylie's free time is enjoyed with her five month old daughter, Madisyn. Kylie and her family reside in Eureka.

Debbie Viall grew up in the Bay Area. She moved to Humboldt County in 1988, having worked in the banking field since 1982. Debbie has always liked Redwood Capital Bank because all of her friends are here. Debbie and her husband live in Eureka. She has two grown children and four grandsons.

RCB Mobile Check Deposits Coming to an IOS or Android Device Near You

By DAVE TIERNEY

At Redwood Capital Bank, we love seeing our customers every day. Experiencing that personal interaction, while delivering great customer service, is far and away the highlight of our day.

But it's not about us. It's about you. We exist to make your banking experience the highlight of *your* day. And let's be honest – life is busy, and sometimes you just don't have time to make it down to the bank to deposit that rebate check you received in the mail, or the reimbursement check you received from work.

That's okay, we understand. With the new check deposit feature we're rolling out for RCB Mobile Banking, you can take a

picture of those checks and make your deposits right from your IOS or Android mobile device, from virtually anywhere you have an Internet connection*.

Here's how it works: Using our Mobile Banking app, you can take a picture of the front and back of your check, key in the amount of the check and an e-mail address where you'd like to have the receipt sent, and submit. It's that easy. Deposits made before 3:00 p.m. PST will be processed the next day. You can only deposit one check at a time, but you can make multiple deposits the same day (up to \$2,500.00 total).

As of this writing, we are still in the testing phase, but if you're reading this in

A True Financial Partner

A strong community bank is essential to rural areas and their economies. From day one, we have been diligent in our commitment to helping local business owners create jobs that stimulate our economy. Now more than ever, Humboldt County needs a strong, engaged community bank and Redwood Capital Bank fills that role by providing superior customer service and customized loan products designed for the north coast. We are and will continue to be an attractive choice for customers looking for a true financial partner.

Redwood Capital Bank is passionate about being the best community-based bank in Humboldt County. Thank you for your continued support over the last 10 years. We look forward to a prosperous future together.



2014 Third Quarter Earnings Release

By FRED MOORE



		Period Ended		%
		9/30/2014	9/30/2013	Change
Balance Sheet data (at period end)				
(In Thousands)	Total assets	\$273,665	\$250,627	9%
	Total deposits	\$245,835	\$224,905	9%
	Total loans (net)	\$200,024	\$166,500	20%

		Quarter Ended		%
		9/30/2014	9/30/2013	Change
Summary of Operations (current quarter)				
(In Thousands)	Net income	\$ 633	\$ 628	1%
	Net Interest Income	\$ 2,613	\$ 2,288	14%
	Earnings per Common Share	\$ 0.34	\$ 0.35	-1%
	(fully diluted)			

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

Community Investment

By JENNIFER BUDWIG



Fall is a busy time here at Redwood Capital Bank! The Apple Harvest Festival is always a great event in Fortuna and through our participation in Rotary, Bob Judevine and I drove tractors for the hay rides. There was also a golf tournament fundraiser for the Redwood Memorial Foundation in which RCB had two teams comprised of members of our Board of Directors and customers.

With the opening of the Arcata branch, we are ramping up our involvement within the north county. The Arcata branch participated in Pastels on the Plaza, with artwork provided by Kaitlyn Poehner and Johanna Downey-Chapman, as well as attending numerous Chamber of Commerce events.

Recently, we attended the North Coast Land Trust dinner, Wildberries 20th anniversary, two Kiwani's Women of the Year events and

donated over \$15,000.00 to athletic programs, the Natural History Museum, CASA, the MGC Color Run, HSU, Big Brothers Big Sisters, Humboldt Area Foundation and many more. One of our most sizeable donations this period was to the Humboldt Business Challenge. They provide incentives to promising entrepreneurs in cash awards, in-kind prizes and meaningful recognition. The program is in its infancy stage, but has tremendous promise to support local entrepreneurs in going forward.

We are very proud to support our local businesses, non-profits, organizations and community!

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



Fortuna B R A N C H



Alejandra Garcia

Welcome Alejandra Garcia

Alejandra Garcia was born and raised in Mexico City, Mexico. She came to Humboldt County 20 years ago and has worked in the medical field, as well as banking. When asked what she likes the best so far at Redwood Capital Bank, Alejandra replied, "I like the great customer service culture here at Redwood Capital Bank and how everybody helps each other." In her free time, Alejandra enjoys going to the movies, camping and going to the park. Alejandra and her family reside in Fortuna. Alejandra looks forward to meeting you!

My bank is... local.

Arcata

B R A N C H



Johanna Downey-Chapman and Kaitlyn Poehner

Pastels on the Plaza

Fall is in the air. A favorite event each year is Pastels on the Plaza which occurs the first Saturday in October on the Arcata Plaza. It is a benefit for North Coast Children's Services. Local businesses sponsor sidewalk squares around the Arcata Plaza and talented artists create temporary masterpieces in chalk. Redwood Capital Bank would like to thank our very own Kaitlyn Poehner and Johanna Downey-Chapman for their artistic talents in representing the bank so well!

BANK HOLIDAYS/ HOLIDAY HOURS

Tuesday, November 11:
Veteran's Day*
Thursday, November 27:
Thanksgiving Day*
Friday, November 28:
Open 9:00 a.m.-3:00 p.m.
Wednesday, December 24:
Open 9:00 a.m.-3:00 p.m.
Thursday, December 25:
Christmas Day*
Wednesday, December 31:
Open 9:00 a.m.-3:00 p.m.
Thursday, January 1:
New Years Day*
Monday, January 19:
Martin Luther King, Jr. Day*

* denotes closure

Cover Nature Photos
by: Matthew St. Charles
and Michael McCoy

Bank Exterior Photos
Gary Todoroff
northcoastphotos.com

A complete list of bank
holidays can be found at:
redwoodcapitalbank.com

Dividend Update

The Redwood Capital Bancorp Board of Directors recently declared the eleventh consecutive quarterly cash dividend. The dividend of \$0.06 per share is payable on November 7, 2014 to shareholders of record at the close of business on October 27, 2014. The dividend is equivalent to an annual rate of \$0.24 per share or 2.51%, based upon a market price of \$9.55 per common share.

Since December 31, 2011, the company's stock price has risen by over 64% and its book value, combined with dividends, increased approximately 25.6% over the same period.

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 fmoore@rdwo.com.

Senior Management

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

Board of Directors

John E. Burke, Chairman
John J. Gierke Jr., Vice Chairman
Russell N. Britt
John E. Dalby
Larry A. DeBeni
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.

MEMBER FDIC



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



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