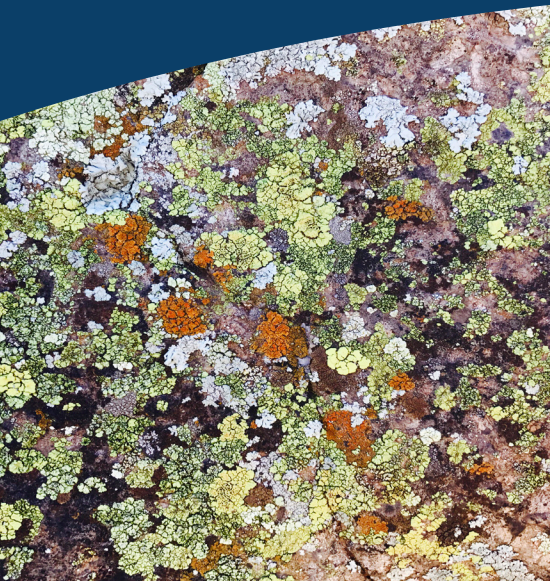


November 2018

COMMUNITY *Interest*

THE QUARTERLY NEWSLETTER
FOR REDWOOD CAPITAL BANK

COVER NATURE PHOTOS BY: MICHAEL MCCOY



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Home Court Advantage

By JOHN DALBY

Often times, we use the analogy that Redwood Capital Bank is like a family. While this is certainly true, I also like to compare Redwood Capital Bank to a team. One of my favorite teams is the Golden State Warriors. All of the players are talented. Each person brings a different skill set to the game, yet they all work together to benefit the team as a whole.

Like the Warriors, Redwood Capital Bank is staffed by talented individuals who unite their various talents and skills to benefit the company. It is my pleasure to announce the recent expansion of our Senior Management team. Renée Byers has been officially promoted to Senior Vice President (SVP)/Chief Financial Officer. She has been with Redwood Capital Bank since 2008 and is a 2018 graduate of the prestigious Pacific Coast Banking School (see story on Page 2). Additionally, I am pleased to announce the promotion of Michael McCoy to SVP/Risk Manager and David Tierney to SVP/IT Director. Michael is a Class of 2011 graduate of Pacific Coast Banking School and Dave graduated from Bank Technology Management School at the University of Wisconsin in 2016. Both Michael and Dave have been with Redwood Capital Bank since 2006. Tammy Brown, SVP/Chief Credit Officer, Jennifer Budwig, SVP/Chief Lending Officer and I welcome Renée, Michael and Dave to the Senior Management team.

I would also like to recognize one of our founding teammates, retired Director Craig Perrone. Craig was a very active member of the Board of Directors. Throughout his



...Look for our new Henderson Center Branch to open in early 2019.

tenure, he served on numerous committees, including Loan Committee, Asset and Liability Committee (ALCO) and Audit Committee. His consistent passion for excellence was infectious and his presence will certainly be missed. Mr. Perrone will continue to support the institution in the capacity of Director Emeritus.

One of the most exciting expansions to Team RCB is the highly anticipated opening of our fourth branch location in Henderson Center. Look for our grand opening in early 2019.

Humboldt County is our home. We live here, we work here and we play here. Redwood Capital Bank was founded on the mission of providing exceptional community banking services to you – our shareholders and customers. As Humboldt County's only truly local community bank - and with a team like this, we certainly have the home court advantage!

Here's wishing you a wonderful holiday season - from all of us at Redwood Capital Bank.

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



Top (l-r) Meghann Broadstock and Marc Chaton
Bottom (l-r) Tracy Stewart, Melissa Reininger and Tia Tupper-Brownell

Eureka Branch Promotions

Congratulations to Meghann Broadstock, Tia Tupper-Brownell, Marc Chaton, Melissa Reininger and Tracy Stewart on their recent promotions.

Meghann Broadstock was recently promoted from Commercial Relationship Officer to Assistant Vice President (AVP)/Eureka Branch Manager. She has been with RCB since 2006.

Tia Tupper-Brownell received the promotion from AVP to Vice President (VP). Tia is our Consumer Lending Manager. She has worked for the bank since 2006.

Marc Chaton received the promotion from AVP to VP/Network Administrator and has worked at RCB since 2010.

Melissa Reininger was recently promoted from AVP/Operations Supervisor, Eureka Branch to AVP/Central Branch Support Specialist. She has been with RCB since 2011.

Tracy Stewart was promoted from AVP to VP Loan Support Manager. Tracy has worked at RCB since 2007.

Congratulations on these well deserved promotions!



RCB Senior Management Team: (l-r) Renée Byers, Michael McCoy, John Dalby, Jennifer Budwig, Dave Tierney and Tammy Brown

Online Banking Evolution Continues

By DAVE TIERNEY



This past August, Redwood Capital Bank rolled out a new Bill Pay system that features a streamlined user interface, Mobile Bill Pay functionality and back-end enhancements that allow us to provide better customer service to our valued customers. And we're not stopping there.

Beginning on November 4th, you will notice a brand new user experience when you sign on to RCB's Online Banking. Whether you access online banking from a desktop, tablet, or smartphone, the system will adapt to your device, including touch-enabled capabilities. This intuitive navigation and design will provide simpler access to key features, making it faster to find the information and tools you need.

We hope you like the new and improved online banking and stay tuned for more exciting developments in the RCB digital banking platform!

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



Renée Byers and John Dalby

Congratulations Renée Byers

Redwood Capital Bank congratulates Renée Byers, SVP/CFO on her successful completion and graduation from Pacific Coast Banking School in Seattle, Washington this past August.

The Pacific Coast Banking School provides outstanding graduate-level executive leadership and financial management education. Instruction takes place during a two-week resident session over three consecutive summers, along with comprehensive study between the summer sessions.

Renée's achievements at PCBS are a direct reflection of her dedication and commitment to offer the very best service and knowledge to RCB and our customers. Congratulations!



Exciting Times at RCB

These are exciting times at Redwood Capital Bank! We all are eagerly awaiting the opening of the Henderson Center branch in early 2019. With two new Branch Managers in Eureka and Arcata, it is amazing to see how far Redwood Capital Bank has come in the past 14 years.

The addition of the Henderson Center branch to the RCB family will bring many new opportunities – for the company and the community. One of the cornerstones in the bank's mission is to be an economic foundation for Humboldt County. We also strive to be a good neighbor and to consistently give back to our community.

We look forward to expanding our service area and to continue our history of providing the very best banking experience on the North Coast.



Get Ready Humboldt

By JENNIFER BUDWIG

I recently joined a panel of business professionals for the launch of a program called *Get Ready Humboldt*. The program is a community-wide effort to promote the importance of college education for our youth. *Get Ready Humboldt* is funded through an innovation grant from the state. Credit for this grant goes to the local business community, Humboldt County Office of Education, CR and HSU for the work they did to improve college-going rates in our region.

Education beyond high school is now a vital strategy. A college education is increasingly important for job opportunities, financial security and for quality of life. For communities, higher rates of college education help businesses succeed and improve the overall economy.

For some time now, there has been a significant gap between employers who are having a difficult time finding employees and students who would like to stay in Humboldt County but can't find jobs. The initiative is helping to bridge that gap. *Get Ready Humboldt* is a local effort designed for

our local families and students who are confronting a world of rapid change and uncertainty about the future of work.

We as a community can help by providing support, information and guidance. There are multiple elements to the campaign to improve our workforce, as well as retain youth in Humboldt County - which will continue to promote the economic viability of our community. What a win-win for our County and communities! To get more information about the program, visit: <http://getreadyhumboldt.com> or find them on Facebook and Instagram.

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



2018 Third Quarter Earnings Release

By RENÉE BYERS



		Period Ended		%
		9/30/2018	6/30/2018	Change
Balance Sheet data (at period end)				
(In Thousands)	Total assets	\$372,707	\$349,443	7%
	Total deposits	\$340,424	\$318,089	7%
	Total loans (net)	\$277,288	\$270,660	2%

		Current Quarter		%
		9/30/2018	9/30/2017	Change
Summary of Operations				
(In Thousands)	Interest income	\$ 3,632	\$ 3,376	8%
	Net Interest Income	\$ 3,403	\$ 3,175	7%
	Book Value per common share	\$ 13.58	\$ 12.40	10%

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

Fortuna B R A N C H



Jennifer Broadstock

Jennifer Broadstock Promoted to AVP

Jennifer Broadstock recently received the promotion to Assistant Vice President. Jen began her career in banking in 2006 and has been with RCB since 2011. She is the Operations Supervisor for the Fortuna Branch. Bob Judevine, Fortuna Branch Manager stated, "Jennifer richly deserves this promotion. She is a phenomenal leader and well-respected by staff and customers alike."

Congratulations Jennifer!

Arcata

B R A N C H



Lindsay Johnson and Megan Freitas

Arcata Branch Promotions

Redwood Capital Bank is excited to announce two recent promotions in the Arcata Branch.

Lindsay Johnson recently received the title of Assistant Vice President (AVP). Lindsay is the Operations Manager at our Arcata Branch and has worked at RCB since 2016.

Megan Freitas has been promoted from Customer Service Representative to the new Arcata Branch Manager. Megan has more than 10 years of banking experience and has been working at Redwood Capital Bank since 2017.

Congratulations to Lindsay and Megan!

BANK HOLIDAYS/ HOLIDAY HOURS

Monday, November 12
Veteran's Day*

Thursday, November 22:
Thanksgiving Day*

Friday, November 23:
Open 9:00 a.m. - 3:00 p.m.

Monday, December 24:
Open 9:00 a.m. - 3:00 p.m.

Tuesday, December 25:
Christmas Day*

Monday, December 31:
Open 9:00 a.m. - 3:00 p.m.

Tuesday, January 1, 2019
New Year's Day*

* denotes closure

Cover Photos
Michael McCoy

Bank Exterior Photos
Gary Todoroff
northcoastphotos.com

Dividend Update

The Redwood Capital Bancorp Board of Directors recently declared the 27th consecutive quarterly cash dividend. The dividend of \$0.07 per share is payable on November 13, 2018 to shareholders of record at the close of business on October 29, 2018. The dividend is equivalent to an annual rate of \$0.28 per share or 1.51%, based upon a market price of \$18.50 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
Larry A. DeBeni
W. Timothy Needham
K. Jeff Nelson
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



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

Coming Soon to Henderson Center
2816 F Street, Eureka • (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.



Redwood
Capital Bank
Our interest is YOU