

COMMUNITY Interest

THE QUARTERLY NEWSLETTER
FOR REDWOOD CAPITAL BANK



PHOTOGRAPHER PHOTOS BY: MICHAEL MCGOY



Traditions

By JOHN DALBY



With the holiday season upon us, I cannot think of another time of year when traditions are more important to people, or closely observed.

Growing up, we always went to church on Christmas Eve. One year, we were snowed in, so we held our own service at home. It was that night that my mother recited from memory the Christmas story and a new family tradition was born.

Traditions are also important at the workplace - or at least they certainly are at Redwood Capital Bank. The third quarter of the year is full of fun and merriment at RCB. During mid-Fall, the RCB team gathers together on Columbus Day for our annual Staff In-Service Day. This is a day of teambuilding, learning, getting to know each other better and there is always laughter and fun involved. By Thanksgiving, the fall decorations come down in our four branches, replaced by beautiful Christmas décor. We receive many compliments from our customers on how much they enjoy the bank's holiday spirit!

A new tradition for RCB this year, will be participating in the Henderson Center Holiday Open House on November 21st.

...What are your favorite traditions?

Our Fortuna Branch will once again host the Fortuna Chamber's Holiday Mixer on December 5th.

What would the holidays be without parties? Redwood Capital Bank hosts a wonderful Christmas party for staff, as well as our much-loved Evening with Santa for our little RCBers and their families to enjoy.

Why are these traditions so important? Traditions give us consistency and a feeling of nostalgia. Traditions bring back memories and provide an opportunity to create new ones.

Here's wishing you and yours a very Merry Christmas and a joyful holiday season, full of your favorite traditions from all of us at Redwood Capital Bank.

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



Henderson Center

B R A N C H



Happy Fall from Downtown Eureka!

At Redwood Capital Bank, our mission is to provide you with outstanding customer service each time you visit, but did you know our outstanding customer service mission also extends to our phone lines?

Redwood Capital Bank is the only bank in Humboldt County where a branch employee answers your phone call every time you call during business hours. Not only do we answer your calls, but our goal is to pick up the phone in three rings or less, every single time. Our branch staff looks forward to your calls. It is our pleasure to serve you!

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



The Eureka Branch ladies pose for a recent ad photo

Henderson Center has been busy raising money.

On September 27th, the Henderson Center Branch hosted a bake sale for Court Appointed Special Advocates (CASA) of Humboldt. Our Henderson team prepared delicious baked goods and had the chance to display them in our lobby. They were free to take and donations were gratefully accepted.

To our amazing customers, thank you for your support and donations. Every dollar counts when we reinvest in our community. A warm thank you from all of our staff in Henderson Center.

Freddy Ramirez is the Henderson Center Branch Manager of Redwood Capital Bank. He can be reached at (707) 444-9864, or via email at framirez@rdwo.com



The Henderson Center Branch Operations Team



A Larger Purpose

By JENNIFER BUDWIG

At our recent Staff In-Service Day, President and CEO, John Dalby talked about the history of Redwood Capital Bank as well as the importance of community banking. He then discussed the book, *The Soul of a Team: A Modern Day Fable for Winning Teamwork* by Tony Dungy. We then broke out into small groups to talk about what the bank means to the community. In Mr. Dungy's book, he talks about a "Larger Purpose". This discussion was a great reminder of Redwood Capital Bank's larger purpose.

In looking back over the last 15 years since the bank originated, it's very cool to see all that it has done for our local community. With the bank deploying deposits in the form of loans, we have assisted with everything from helping individuals achieve first-time home ownership, all the way

to providing loans for commercial customers to expand and grow their businesses. Just driving around Humboldt County, it is amazing to see all of the businesses that have partnered with Redwood Capital Bank to positively impact economic growth within Humboldt County.

We are so proud to be part of this community and so grateful to our customers and shareholders that continue to support us. We always appreciate your referrals and appreciate you sending your friends and family our way. It is our commitment to always provide the excellent customer service which Redwood Capital Bank was founded upon. One of Redwood Capital Bank's larger purpose is helping people realize their dreams.

Jennifer Budwig is the SVP/Chief Loan Officer of Redwood Capital Bank. She can be reached at (707) 444-9817 or via email at jbudwig@rdwo.com



Happy Customers

At Redwood Capital Bank, we take great pride in providing exceptional customer service. One way to measure customer satisfaction is through our Customer Service Questionnaire.

RCB regularly distributes surveys to customers, covering everything from our Lending Department to our Operations staff.

This past October, the results from the most recent Customer Service Questionnaire were compiled and Redwood Capital Bank received a 96.4% combined approval rating.

Happy customers equal loyal customers and loyal customers keep us in business. Your business and support are greatly appreciated – we love doing business with you!



2019 Third Quarter Earnings Release



By RENÉE BYERS

		At Period End		%
		9/30/2019	6/30/2019	Change
Balance Sheet data				
(In Thousands)	Total assets	\$374,612	\$360,721	4%
	Total deposits	\$333,266	\$325,758	2%
	Total loans (net)	\$273,674	\$276,559	-1%

		Current Quarter		%
		9/30/2019	9/30/2018	Change
Summary of Operations				
(In Thousands)	Interest income	\$ 3,834	\$ 3,632	6%
	Net Interest Income	\$ 3,472	\$ 3,403	2%
	Book Value per common share	\$ 15.78	\$ 13.58	16%

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



We are fortunate that we get to work at an amazing community bank and support worthy local organizations and events like the Junior Livestock Auction at the Humboldt County Fair. Nancy Victorine has volunteered at this event for many years. This year she did an outstanding job representing the bank and working at the auction. Nancy also bids on a pig for the branch. This year she had the winning bid for the pig raised by Maddie Van Vleck. Maddie raised a market goat, a lamb and our pig for the auction and she is saving the proceeds for college. Following the auction, we have the pork processed by an excellent local business, Springville Meat Co. When it is ready, any bank employee that wants one gets a delicious package of meat and the rest is donated to the St. Joseph's Pantry Shelf. This year, 37 bank employees and 52 local families in need received a package-o-pork.

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



At left, Nancy Victorine and Maddie Van Vleck at the Humboldt County Fair Junior Livestock Auction.

Arcata

B R A N C H



With the magnificent fall colors and Humboldt State University's Fall semester in full swing, Arcata is buzzing!

In support of our HSU students, we recently supplied Wildberries, Murphy's Market and the North Coast Co-Op with green and gold RCB reusable shopping bags. We hope that students and community members alike will enjoy these bags throughout the year.

The unseasonably warm weather has been great for all the late summer/fall events happening around Arcata including North Country Fair and Pastels On The Plaza. A big thank you to the organizations who organize these events - they add to the vibrancy and character of our community.

Megan Freitas is the Arcata Branch Manager of Redwood Capital Bank. She can be reached at (707) 826-0885, or via email at mfreitas@rdwo.com



Thank you to North Coast Children's Services for another successful Pastels on the Plaza.





Know Your Enemy

By DAVE TIERNEY

"If you know the enemy and know yourself, you need not fear the result of a hundred battles." - Sun Tzu, The Art of War

This quote is as relevant today as it was 2,500 years ago. Sun Tzu, the ancient Chinese military strategist, was essentially saying this: in war, if you can anticipate your enemy's objectives and tactics to achieve them, while simultaneously understanding your own strengths and weaknesses, then you will know how and where they plan to strike. Armed with this knowledge, you cannot lose.

And make no mistake, we are at war. We are at war with cyber criminals who are bent on stealing whatever they can in order to make a buck – identities, credit card data, login credentials, or just straight cash. That's their objective. But what are their tactics? Who are they targeting?

On the financial sector front, it's not banks. Bank systems are hard to break into without someone letting them in the back door. The enemy knows this and therefore they're going after what they perceive to be an easier target: you. They understand that people are more vulnerable than computers, because people react to things differently than machines. Our responses to situations are often influenced by emotions, wants, needs... and we sometimes make poor decisions as a result.

That's precisely what the enemy is counting on when they send you a phishing e-mail alerting you that your online banking login credentials have expired (and ask you to click a link to update them). Or when they send you an e-mail pretending to be your boss, instructing you to wire money out of a business account to take care of an urgent situation. Know your enemy and know yourself. Arm yourself with knowledge, and win the war.

For more information, please see the Fraud Prevention tab on our website at www.redwoodcapitalbank.com.

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



**BANK HOLIDAYS/
HOLIDAY HOURS**
Monday, November 11:
Veteran's Day*
Thursday, November 28:
Thanksgiving*
Friday, November 29:
9:00 a.m.-3:00 p.m.
Tuesday, December 24:
9:00 a.m.-3:00 p.m.
Wednesday, December 25:
Christmas Day*
Wednesday, January 1:
New Year's Day*
* denotes closure

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(707) 725-4722



ARCATA BRANCH
1315 G Street
Arcata, California 95521
(707) 826-0878



**HENDERSON CENTER
BRANCH**
2816 F Street
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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.

Dividend Update

The Redwood Capital Bancorp Board of Directors recently declared the 31st consecutive quarterly cash dividend. The dividend of \$0.07 per share was payable on November 12, 2019 to shareholders of record at the close of business on October 28, 2019. The dividend is equivalent to an annual rate of \$0.28 per share or 1.66%, based upon a market price of \$16.87 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. Gierek 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

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

