

February 2023

# COMMUNITY *Interest*

THE QUARTERLY NEWSLETTER  
FOR REDWOOD CAPITAL BANK

PHOTO BY: MATT ST. CHARLES



PHOTO BY: MICHAEL MCCOY

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## True Colors

By JOHN DALBY

*"In prosperity our friends know us; in  
adversity we know our friends."*

– John Churlton Collins

What comes to mind when you hear the phrase, "Showing your true colors?" It is easy to conjure-up a negative connotation of someone demonstrating a different side to their personality when times are bad or challenging. It is important to remember that circumstances and environments change, the key is to remain consistent with one's core values, allowing our true colors to always shine through, regardless of the situation.

This is true both personally and professionally. A successful leader knows the importance of providing exceptional service and being a good neighbor to the community it serves in the best of times - and even more importantly, when things get tough.

Looking back over the last few years, we have all weathered our share of challenges. From a national pandemic that rocked the world, to local summers with devastating fires and drought, to more recently the copious number of earthquakes that shook



**...We take care of people  
right here at home.**

(and continue to shake) Humboldt County.

Redwood Capital Bank is Humboldt County's local, community bank. We are here to serve our customers, shareholders and the community-at-large. When Covid-19 hit the North Coast and businesses were thrown into uncertainty, our RCB team stepped-up to the challenge and worked tirelessly on the Paycheck Protection Program (PPP) – funding 968 PPP loans totaling over \$100 million.

As natural disasters occur - from fires to the east in the Willow Creek and Ruth areas, to earthquakes throughout the community, Redwood Capital Bank is here to help. We support relief efforts through direct donations to non-profit organizations and response agencies who work first-hand helping to provide stabilization post-disasters.

*Continued on Page 4...*



# Five Star Balance Sheet

Redwood Capital Bank is committed to giving five-star service while managing a five-star balance sheet.

In 2005, Redwood Capital Bank established a relationship with IntraFi. IntraFi helps financial institutions of all sizes keep money secure, manage cash balances and increase profitability. This allows Redwood Capital Bank the ability to manage excess liquidity and improve overall strength to the balance sheet for higher performance. Through this process, Redwood Capital Bank manages over \$125 million in excess deposits through the IntraFi products. These deposits are not reflected on Redwood Capital Bank's balance sheet; however, they do provide access to liquidity for funding as needed.

This relationship tool has given customers access to greater levels of FDIC insurance on their deposits and provided Redwood Capital Bank an additional tool for achieving a high-performing, five-star balance sheet.

## Year End 2022 Earnings Release

By RENÉE BYERS



		At Period End		%
		12/31/2022	12/31/2021	Change
<b>Balance Sheet data</b>				
(In Thousands)	Total assets	\$521,349	\$595,323	-12%
	Total deposits	\$471,435	\$541,556	-13%
	Total loans (net)	\$379,493	\$332,321	14%

		Current Quarter		%
		12/31/2022	12/31/2021	Change
<b>Summary of Operations</b>				
(In Thousands)	Interest income	\$5,183	\$4,204	23%
	Net Income	\$1,942	\$1,293	50%
	Earnings per common share (fully diluted)	\$ 0.98	\$ 0.66	49%

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](mailto:rbyers@rdwo.com)



## Financial Partners

By JENNIFER BUDWIG

According to Investopedia, a commercial loan is a debt-based funding arrangement between a business and a financial institution such as a bank. It is typically used to fund major capital expenditures and/or cover operational costs that the company may otherwise be unable to afford.

At Redwood Capital Bank, we have a team of six commercial loan officers that cover the Humboldt County market. Our local lending team has years of banking experience and a solid understanding of the Humboldt County market. We take the time to meet with clients to get a sense of their business goals and lending needs. In essence, we become your financial partner.

*The Loan Process* - The very first step in the commercial loan process is a meeting between a loan officer and their customer. The loan officer will ask for specific documents to create the loan package. Once a loan package is complete, it goes to Loan Support for preliminary reports, then it is forwarded for underwriting. The proposed loan is then sent to either Redwood Capital Bank's Chief Credit Officer, Tammy Brown or to our Loan Committee for a

decision. Upon approval, the loan returns to Loan Support where loan documents are drawn. Once the documents are signed, the package returns back to Loan Support for closing. We are so fortunate to provide all of these services in-house, as well as offering local decision making. This leads to quicker answers and a faster turnaround time for our customers.

At Redwood Capital Bank, we will make every attempt to accommodate your loan request and provide you with exceptional customer service. No other bank in Humboldt County has a greater interest in seeing businesses grow and thrive. Your success is our success.

For more information, please contact any of our Commercial Loan Officers:

- Jennifer Budwig (707) 444-9817
- Dan Haskins (707) 444-9825
- Bob Judevine (707) 826-0820
- Brian Gonzalez (707) 444-9864
- Jamie Anderson (707) 269-4410
- Meghann Broadstock (707) 444-9845

We look forward to working with you!

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](mailto:jbudwig@rdwo.com)







## Pro Tips for Fraud Prevention

By MICHAEL MCCOY

Recently, people have been getting calls, emails or texts purporting to be from Amazon, PayPal, or other companies claiming that their accounts have been compromised and will be closed without immediate action. These scammers might also say that a mistake was made and funds were erroneously transferred to your account that need to be returned.

**Pro Tip:** These are both lies and efforts to get you to provide your account information and/or send money in the form of gift cards.

Other forms of this scam are that the scammer is from a **government agency**, i.e. the Internal Revenue Service (IRS) or law enforcement and say you owe taxes or a fine. They might also pretend to be a family member or friend in **trouble**, who needs money right away. Another scam is saying **you've won a prize**, but first must pay fees or other charges.

**Pro Tip:** Scammers rely on generating fear to get you to act and give them account information and/or money. Stop, think and don't act out of fear. If you are uncertain, end the conversation immediately and then log in to your real accounts to see their status.

In these and similar scenarios, here are signs you're dealing with a scammer:

- The caller says it's urgent. They tell you to pay right away or something terrible will happen. They try to pressure you into acting quickly, so you don't have time to think or talk to someone you trust. Don't pay - it's a scam.
- The caller wants you to pay a fine or correct the 'mistake' by purchasing gift cards. No legitimate agency or company wants to be paid in gift cards. If you find yourself in a check-out line at a store purchasing gift cards to pay someone you don't know - STOP. It's a scam.
- The caller asks you for the gift card number and PIN. The scammer uses that information to get the money you've loaded on the card. Don't give them those numbers. You will lose your money and you will not be able to get it back. It's a scam.

**If you paid a scammer with a gift card, tell the company that issued the card right away.** Keep the card and find any receipts you have. Then contact the Federal Trade Commission (FTC) at [ReportFraud.ftc.gov](https://www.reportfraud.ftc.gov). This website is the federal government's website where you can report fraud, scams and bad business practices. You can also visit [www.consumer.ftc.gov](https://www.consumer.ftc.gov) to find additional tips and learn how to avoid scams.

Michael McCoy is the SVP/Chief Risk Officer of Redwood Capital Bank. He can be reached at (707) 444-9852, or via email at [mmccoy@rdwo.com](mailto:mmccoy@rdwo.com)



## The New Face of Phishing

By DAVE TIERNEY



I was recently reading an article written by Dave Piscitello, VP of Security for the Internet Corporation for Assigned Names and Numbers (ICANN) and Board member of the Anti-Phishing Working Group (APWG), about how phishing has evolved over the years. Historically, phishing has been mostly associated with email scams and hacks facilitated by malicious links or file attachments, but as Piscitello points out, the criminals have adapted their tactics to the social media world we live in today.

He notes:

- The traditional face of phishing still exists, but other forms of phishing are on the rise.
- Phishing attacks are now perpetrated through social media by attackers who lure victims to impersonation web sites through phishing URLs in posts or comments.
- Attackers are targeting Facebook, LinkedIn, Twitter, Tumblr, Snapchat, Google+, Instagram, and other social media platforms.
- Attackers also distribute phishing lures in text messages, Skype, Facebook Messenger, or other messaging services. These new attack vectors demonstrate that phishers have adapted to society's increased mobility and today's diversity of messaging platforms.
- The purpose of phishing attacks is evolving, as well. Although direct financial fraud remains a primary incentive, attackers also target people based on political or social motivations.

Clearly, today's phishing is much more sophisticated than just an email with a malicious link or infected file attachment. Attacks are coming from many different channels and possibly for different reasons than what we've seen in the past. Although these attacks are evolving, the fundamental strategies for preventing a phishing attack remain constant:

- Don't trust unsolicited messages, regardless of the platform, that use classic social engineering scare tactics to get you to take action that could be harmful.
- If unsure, err on the side of caution. Attempt to verify the validity of the message before clicking any links or opening file attachments.
- Be mindful of what you put on social media and who is allowed to view it. What clues could your content reveal about you if it fell into the wrong hands?
- Think before you click!

Dave Tierney is the SVP/Chief Information Officer of Redwood Capital Bank. He can be reached at (707) 444-9848 or via email at [dtierney@rdwo.com](mailto:dtierney@rdwo.com)





## ...True Colors continued from Page 1

Just last year, Redwood Capital Bank supported nearly 200 local non-profit organizations, representing a diverse array of agencies, schools and civic groups throughout Humboldt County.

The majority of dollars deposited at Redwood Capital Bank stay here in the local area, as do the dollars that we donate. That is the beauty of a community bank, we take care of people right here at home. It just makes good sense. By supporting each other, we make our community stronger, more vibrant and a better place for all of us to live, work and play.

This March marks Redwood Capital Bank's 19th year in business. Thank you for the opportunity to serve you and for placing your trust in us. If you are not a customer, please feel free to stop by any of our four branch locations and discover the "true colors" of community banking.

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](mailto:jdalby@rdwo.com)



**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



**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.

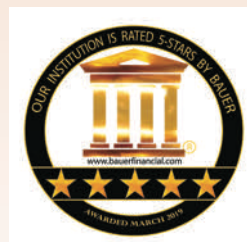
## BANK HOLIDAYS/ HOLIDAY HOURS

Monday, February 20:  
President's Day\*

Monday, May 29:  
Memorial Day\*

\* denotes closure

Bank Exterior Photos by  
Gary Todoroff  
[northcoastphotos.com](http://northcoastphotos.com)



## Dividend Update

The Redwood Capital Bancorp Board of Directors recently declared the the 44th consecutive, quarterly cash dividend, The dividend of \$0.08 per share was payable on February 14, 2023 to shareholders of record at the close of business on January 30, 2023. The dividend is equivalent to an annual rate of \$0.32 per share or 1.73%, based upon a market price as of year-end.

For more information regarding investing in Redwood Capital Bancorp, please visit:

[www.redwoodcapitalbank.com](http://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 CFO Renée Byers at (707) 444-9849 or via email at [rbyers@rdwo.com](mailto:rbyers@rdwo.com).

## Senior Management

John E. Dalby, President & CEO  
Jennifer Budwig, SVP/CLO  
Tammy Brown, SVP/CCO  
Renée Byers, SVP/CFO  
Michael McCoy, SVP/CRO  
Dave Tierney, SVP/CIO

## Board of Directors

John J. Gierke, Jr., Chairman  
J. William McAuley, Vice Chairman  
Tyrone Champ  
John E. Dalby  
Jennifer Harris  
Benjamin McWhorter  
W. Timothy Needham  
K. Jeff Nelson  
Michele Rieke  
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

