

February 2026

COMMUNITY

Interest

THE QUARTERLY NEWSLETTER
FOR REDWOOD CAPITAL BANK

PHOTOS BY: MARY CURLESS SMITH

Budwig Joins Boards

By JOHN DALBY

I am pleased to share an important leadership update that reflects both the strength of our organization and our commitment to thoughtful succession planning at Redwood Capital Bank.

On January 21, 2026, our Board of Directors appointed Jennifer P. Budwig, Senior Vice President and Chief Operating Officer, to the Boards of Directors of both Redwood Capital Bancorp and Redwood Capital Bank. This appointment is a natural and well-earned next step for a leader who has played an integral role in our Bank's success for nearly two decades.

Jennifer joined Redwood Capital Bank in 2006 as a Vice President and Commercial Loan Officer and quickly distinguished herself through her leadership, operational insight and deep commitment to our customers and communities. Over the years, she has served in a variety of leadership roles, including Regional Manager of the Eel River Valley, Senior Vice President, Chief Lending Officer and most recently, Senior Vice President, Chief Operating Officer.

In her current role, Jennifer oversees the Bank's day-to-day operations and



**...We are well-positioned
for continued success.**

provides strategic leadership that supports our long-term growth and performance.

Many of you may also recall that Jennifer served as Acting Chief Executive Officer from July 2021 through June 2022 during my medical leave of absence. Her steady leadership during that time ensured continuity and stability and further demonstrated the depth of her experience, judgment and dedication to our organization.

Jennifer is a trusted leader whose values align closely with Redwood Capital Bank's culture and community-focused mission. Her appointment to the Boards reflects the strong confidence we have in her leadership and the meaningful contributions she continues to make to our Bank.

Continued on Page 2...



Inside This Issue

Budwig Joins Boards	Page 1-2
Earnings Release	Page 2
Opportunities to Grow and Innovate	Page 3
Welcome Nathan Berti	Page 3
Welcome Heather Bell	Page 4
Dividend Update	Page 4
Senior Management and Directors	Page 4
Holidays	Page 4
ATM Information	Page 4
Branch Locations	Page 4

Consistency

As we reflect on our year-end earnings, one theme stands out above all others: consistency. While interest rates and economic conditions may change, Redwood Capital Bank's commitment to our community does not. Through every cycle, we remain focused on long-term stability, prudent financial management and serving our customers with care and consistency. Our strength allows us to continue supporting Humboldt County no matter what the broader economy brings.

Financial performance is only part of how we measure success. As a locally owned community bank, we are proud to reinvest in the places we serve through donations, sponsorships and support of local organizations. Just as important is the personalized customer service our team provides every day - building relationships, understanding individual needs and delivering solutions that help our customers and businesses thrive.

Year-End 2025 Earnings Release

By RENÉE BYERS



Looking ahead, our promise remains unchanged. Redwood Capital Bank will continue to be a dependable partner for Humboldt County, through changing markets and beyond. We are grateful for the trust our customers and shareholders place in us and remain proud to serve as your local community partner.

		At Period End		%
		12/31/2025	12/31/2024	Change
Balance Sheet data				
(In Thousands)	Total Assets	\$529,013	\$528,261	0.14%
	Total Deposits	\$471,714	\$471,708	0%
	Total Loans (net)	\$381,678	\$382,638	-0.25%

		Current Quarter		%
		12/31/2025	12/31//2024	Change
Summary of Operations				
(In Thousands)	Interest Income	\$6,289	\$6,016	5%
	Net Interest Income	\$5,124	\$4,694	9%
	Book Value per Common Share	\$29.41	\$25.83	14%

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



...John E. Dalby Continued from Page 1

Jennifer's appointment also reflects the strength of the leadership team we have built at Redwood Capital Bank over twenty-two years. As a locally owned and operated community bank, continuity matters - to our customers, our employees and our shareholders. Having leaders who understand our markets, our history and our values allows us to remain responsive, resilient and grounded in the communities we serve.

Equally important is Jennifer's commitment to people - both inside and outside the Bank. She is a mentor to many on our team and a familiar presence in our local communities through civic involvement and service. That connection to Humboldt County and the Eel River Valley has always been a cornerstone of Redwood Capital Bank and it is reassuring to know that future leadership will continue to honor that tradition.

Looking ahead, I am also pleased to share that, as part of our long-term succession planning, the Board anticipates that Jennifer will transition into the role of President in the second quarter of 2026. In that role, she will assist in shaping the Bank's strategic objectives, oversee its long-term direction and daily operations and continue her active involvement in the communities we serve.

I will continue to serve as Chief Executive Officer, focusing on the overall performance of the Company and Bank, Board governance, shareholder relations and supporting Jennifer and our leadership team as we carry forward our mission and vision.

Redwood Capital Bank has always been built on strong relationships, thoughtful leadership and a deep commitment to Humboldt County. Jennifer's expanded role strengthens our leadership structure and positions us well for the future. I am grateful for her dedication and proud to work alongside her as we continue serving our customers, communities and shareholders.

Congratulations, Jennifer - with these transitions, I am confident that Redwood Capital Bank is well positioned for continued success. With strong governance, experienced leadership and a clear succession plan in place, we remain focused on serving our customers with integrity, supporting our employees and delivering long-term value to our shareholders. I am proud of the organization we have built together and grateful for the trust you place in us as we move forward.

John E. Dalby is the founding President and CEO of Redwood Capital Bank. He can be reached at (707) 444-9833 or via email at jdalby@rdwo.com





Opportunities to Grow and Innovate

By JENNIFER BUDWIG

I am deeply honored to share that I have been appointed to the Boards of Directors of Redwood Capital Bancorp and Redwood Capital Bank.

After nearly 20 years with this organization, this new role is both meaningful and humbling and it gives me the opportunity to continue serving a bank and a community that have shaped my career in profound ways.

When I joined Redwood Capital Bank in 2006 as a Vice President and Commercial Loan Officer, I could not have imagined the path ahead. My early years overseeing the Fortuna Branch allowed me to work closely with customers, small businesses and families, gaining firsthand insight into what a locally owned community bank truly means. Those experiences reinforced the importance of relationships, trust and responsiveness - values that remain at the heart of Redwood Capital Bank today.

Over the years, I have had the privilege of serving in a variety of leadership roles, including Regional Manager of the Eel River Valley, Senior Vice President, Chief Lending Officer and now Senior Vice President, Chief Operating Officer.

Each role has expanded my understanding of the Bank - from lending and credit to operations, strategy and organizational leadership. These experiences have given me a deep appreciation for the dedicated employees who make our Bank successful every day and for the systems and processes that allow us to deliver exceptional service to our customers.

One of the most defining moments of my career occurred when I was asked to serve as Acting Chief Executive Officer during John Dalby's medical leave of absence. Looking back, that period instilled in me of the importance of teamwork, continuity and clear communication. I am grateful for the trust placed in me during that time and for the support of our Board, leadership team and employees.

Strong governance and continuity are essential for a community bank and I am proud to contribute to that work in this expanded capacity. I look forward to collaborating closely with our Board members and leadership team to support the

Bank's long-term strategy, financial strength and community-focused mission.

Looking ahead, I am excited about the opportunity to transition into the role of President in the second quarter of 2026. In that role, I will work alongside John Dalby, our founding President and Chief Executive Officer. John's leadership, mentorship and vision have been instrumental in building Redwood Capital Bank into the institution it is today and I am grateful for the opportunity to continue learning from him as we move forward together.

At its core, Redwood Capital Bank has always been about people - our customers, our employees and our communities. As we look to the future, my focus remains on preserving the values that have defined us while embracing opportunities to grow, innovate and strengthen our organization. I am committed to ensuring that we remain a trusted financial partner for generations to come, grounded in local decision making and community involvement.

Thank you to our customers, shareholders and community partners for your continued trust and support. And to our incredible employees - your dedication and professionalism inspire me every day. I am proud of our shared history and excited about the future we are building together.



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

RCB Welcomes Nathan Berti



Redwood Capital Bank is please to announce the hiring of Nathan Berti, Commercial Relationship Manager. Nathan was born and raised in Humboldt County and earned a degree in Business Administration from Point Loma Nazarene University. While he is new to the financial industry, Nathan brings to Redwood Capital Bank a strong background in customer experience, sales and real estate management. Nathan looks forward to working with you on your commercial lending needs. Nathan can be reached at (707) 444-9811 or via email at nberti@rdwo.com



Welcome Heather Bell



Redwood Capital Bank is pleased to welcome Heather Bell, Senior Vice President/Chief Information Officer. A northern California native, Heather was raised in Central Valley and Cottonwood and most recently lived in Red Bluff, California. Heather brings a deep understanding of community banking and a proven track record of leadership, innovation and operational excellence.

Heather was a founding employee of Cornerstone Community Bank, where she played a key role in building the institution from the ground up. Over the course of her career, she advanced through a series of leadership roles in Operations, advancing to Assistant Manager, Operations Officer, Senior Vice President and Director of Operations and most recently, Senior Vice President and Director of Information Technology. Her experience spans both operational strategy and technology leadership, positioning her well to support Redwood Capital Bank's continued growth and focus on efficiency, security and service.

In addition to her professional accomplishments, Heather has been actively involved in her community, serving with Kiwanis and the Chamber of Commerce in Tehama County. She looks forward to becoming an engaged member of the Humboldt County community. Redwood Capital Bank is excited to have Heather on our leadership team and looks forward to the expertise and perspective she brings to the Bank and our customers.

Heather Bell is the SVP/Chief Information Officer of Redwood Capital Bank. She can be reached at (707) 444-9812 or via email at hbelle@rdwo.com



UPCOMING BANK HOLIDAYS/ HOLIDAY HOURS

Monday, February 16:
President's Day*

Monday, May 25:
Memorial Day*

* denotes closure

Bank Exterior Photos by
Gary Todoroff



Dividend Update

The Redwood Capital Bancorp Board of Directors recently declared the 57th consecutive, quarterly cash dividend. The quarterly cash dividend of \$0.09 per share was payable on February 9, 2026 to shareholders of record at the close of business on January 26, 2026.

The dividend is equivalent to an annual rate of \$0.36 per share or 1.26%, based upon the \$28.50 market price as of year-end. For more information regarding investing in Redwood Capital Bancorp, please visit:

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.

Senior Management

John E. Dalby, President and CEO
Jennifer Budwig, SVP/COO
Tammy Brown, SVP/CCO
Renée Byers, SVP/CFO
Stephanie Bye, SVP/CRO
Heather Bell, SVP/CIO

Board of Directors

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



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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.

redwoodcapitalbank.com

HOURS OF OPERATION

Monday - Thursday: 9:00 a.m. - 5:00 p.m.

Friday: 9:00 a.m. - 5:30 p.m.

MEMBER FDIC



This newsletter may contain forward-looking statements that are subject to risks and uncertainties and as such does not represent legal, accounting or other professional advice.