

May 2024

COMMUNITY *Interest*

THE QUARTERLY NEWSLETTER
FOR REDWOOD CAPITAL BANK



PHOTOS BY: MARY CURLESS SMITH



Reasons to Bank Locally-Part 3

By JOHN DALBY

Note: This is the third in a four-part series that began in the November, 2023 issue. Prior issues can be found online at www.redwoodcapitalbank.com

Banking activities create jobs. Local investments create local jobs.

Your banking activities create jobs. The question is where? The out-of-area banks come to our community, take our deposit dollars and employ the majority of their people in faraway places. Such centralization is good for that bank, but it is not good for our local economy. Over the past 20 years, we have seen the impact of such centralization with hundreds of local jobs being eliminated here and shipped to another state or eliminated altogether.

Because we are Humboldt County's only local bank, choosing Redwood Capital Bank is an endorsement to keep jobs right here at home.

Locally hired individuals create a more stable and efficient workforce. Businesses that hire locally are more likely to entice employees who love their community and contribute to its health and wellbeing. All these factors lead to increased employee loyalty and lower turnover rates, particularly when they are combined with a positive work environment.

Currently, Redwood Capital Bank



... Follow the Jobs

employs over 80 people with full-time jobs with excellent benefits. We provide our team with regular training and educational opportunities. Additionally, we make every attempt to promote from within whenever possible.

At Redwood Capital Bank, we are local through and through. Our branch locations are local, our people are local and the decisions we make, from company policies to lending are made locally by people that you know and trust.

It has been said that the one constant in life is change and we have certainly seen many changes over the past 20 years. One thing that will not change is our commitment to you, our valued customers, shareholders, staff and community. Thank you for your support since 2004. Redwood Capital Bank is proud to be Humboldt County's local, community bank - 20-years strong!

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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Here's to Your Health

Summer is on the horizon and after a long, wet winter and spring, we are all looking forward to longer days and plenty of sunshine. As summer approaches, I find myself thinking about health - good health that allows us to enjoy time outdoors, going for hikes, having long weekends at the lake, bike rides and all the fun that comes along with summertime.

As we all strive to have a healthy balance in our personal lives, Redwood Capital Bank also strives to run a healthy, productive business. From our balance sheet, to providing jobs for our incredible staff, returns for our shareholders, exceptional customer service standards and ongoing community support. As Humboldt County's local, community bank, our health and well being directly impact the local economy.

Like anything in life, sometimes, the path to achieving a healthy balance is challenging; however, the rewards prove to be worth the effort.

First Quarter 2024 Earnings Release

By RENÉE BYERS



		At Period End		%
		3/31/2024	3/31/2023	Change
Balance Sheet Data				
(In Thousands)	Total Assets	\$527,120	\$511,533	3%
	Total Deposits	\$468,151	\$459,091	2%
	Total Loans (net)	\$386,517	\$379,756	2%

		Year to Date		%
		3/31/2024	3/31/2023	Change
Summary of Operations				
(In Thousands)	Interest Income	\$5,743	\$5,113	12%
	Net Interest Income	\$4,649	\$4,794	-3%
	Book Value per Common Share	\$23.99	\$ 20.85	15%

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



Trust Your Gut

By JENNIFER BUDWIG

I'm sure we are all familiar with the saying that it is important to always, "trust your gut." Simply put, it means to trust your instincts. With fraud on the rise daily, trusting your instincts is more important than ever.

According to Google, fraudsters can use artificial intelligence (AI) to clone voices, alter images and create fake videos intending to spread false and misleading information. AI technology is being used to imposter family members, friends and business associates to access your finances.

Imagine receiving a telephone call from a number that looks exactly like your financial institutions telephone number. The person you are speaking with sounds legitimate, but you have a funny feeling that something's not quite right. Maybe the person is asking you for personal information or telling you that you need to take immediate action, or creating a sense of urgency on something you are not familiar with. These scenarios are all too real.

In any situation, take a moment to stop and think. If your gut is telling you that something sounds fishy, a great practice is to end the conversation immediately, followed by calling your financial institution directly.

Email is another form of communication that is ripe for fraud. At Redwood Capital Bank, customer care is our top priority. Please know that we will never solicit the following information via email:

1. User ID's
2. Passwords
3. Social Security Numbers
4. Card or Account Numbers
5. Credit Card Security Codes

Redwood Capital Bank's website offers many fraud prevention tips and best practices. For more information, please visit www.redwoodcapitalbank.com. You can also visit www.consumer.ftc.gov to find additional tips to avoid scams. Be proactive and take the steps necessary to ensure that you are the only one with access to your personal information.

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 Branch Update

By BRIAN GONZALEZ

Greetings from The Friendly City! I hope this newsletter finds you well. It has been a busy start to the year here at the Fortuna branch, with a number of exciting events and activities keeping us on our toes.

We have had the pleasure of seeing many familiar faces at both our branch and various community events. We truly appreciate the support and camaraderie of our customers and it is always a pleasure to connect with you all in person.

Looking ahead to the summer months, we are eagerly anticipating the upcoming events in our community. The 103rd Fortuna Rodeo and the 33rd Annual Redwood AutoXpo are just a couple of the events that we are looking forward to participating in. It's always a blast to kick off Rodeo Week by cooking chili and serving hundreds of people during the Chili Cook-Off and ending the week with staff, family and friends by walking in the parade and handing out candy to the crowd. These events are a great opportunity for us to connect with the community and show our support for the wonderful place that we call home.

In addition, we are proud to be a part of the Humboldt County Fair Junior Livestock Auction. This event is not only a great opportunity for us to support the local youth in our community, but also a chance for us to come together and celebrate the hard work and dedication of our young farmers and ranchers. Every year, we look forward to the young FFA and 4H members who come into the branch with their letters (and goodies) to share with us information about the animal they have been raising and will be auctioning off at the Fair.

We are grateful for the continued support of our customers and the community at large. We look forward to seeing you at future events and continuing to serve you with the same level of dedication and commitment that you have come to expect from Redwood Capital Bank.

Thank you for being a part of the Redwood Capital Bank family.

Brian Gonzalez is the VP/Fortuna Branch Manager of Redwood Capital Bank. He can be reached at (707) 726-7718, or via email at bgonzalez@rdwo.com



A Fond Farewell

By MICHAEL McCOY



Seventeen and a half years ago I was invited to join Redwood Capital Bank as the bank's compliance officer. I was living in Portland at the time as the compliance officer for Umpqua Bank having moved there after their acquisition of Humboldt Bank. It wasn't even a decision to make, to come back to the Humboldt community that my family loves and to work with my Humboldt Bank friends and colleagues at a true community bank.

There is a difference between a true community bank and regional or national banks and there is a difference between Redwood Capital Bank and other community banks. That difference is manifested in our sense of fellowship, community, service and concern; concern for our customers, our coworkers and our community.

As the compliance officer I worked in the back office ensuring the bank followed the myriad federal and state banking regulations, managing audits and examinations and whatever miscellaneous jobs rolled my way. Many functions in the bank are done in the background, unseen by customers, but they ensure that our customer service stays on top.

The teamwork, especially in challenging times, is wonderful here and to see people pull together to help either one or all of our customers with the same concern and attention makes me proud to be a part of this bank. It's been a privilege to serve this Board of Directors, Senior Management, each department and each branch; to work with so many who truly care has been wonderful.

But now it's time for me to move on, time to retire from the world of business and the world of work. I'm looking forward to having unstructured time to do all the things I enjoy so very much. I'll miss the daily interactions with everyone, the jokes, the laughter and the teamwork but I'll be happy to know it's still going on there every day and that I was a part of an organization that made a world of difference in so many people's lives.

Thank you, Redwood Capital Bank, for all that you've given and shared with me over these many years, it's been a wonderful experience.

Michael McCoy is the retired SVP/Chief Risk Officer of Redwood Capital Bank.





Apiture Update

By DAVE TIERNEY

As reported in the last issue of this newsletter, Redwood Capital Bank will be upgrading our current online banking system to Apiture. The conversion is slated for Q4 2024. Along with improved technology, functionality and convenience to customers, there are also internal benefits of working with Apiture and their support staff. This past March, two of Apiture's project managers who are assigned to our account traveled to Humboldt County to meet with the Redwood Capital Bank team to get a better understanding of who we are, how we currently do business and to provide step-by-step guidelines of what to expect over the next few months. From this site visit, Apiture was able to provide a clear road map of what the upgrade will entail, which in the end, will result in a better conversion experience for all of us.

While it is our hope that this conversion will be as seamless as possible to our customers, it is reassuring to know that the Apiture team is there to support us every step of the way. Look for more information in the coming months about the Apiture conversion – we are very excited to make the switch!

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



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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.

BANK HOLIDAYS/ HOLIDAY HOURS

Monday, May 27:
Memorial Day*

Wednesday, June 19:
Juneteenth*

Thursday, July 4:
Independence Day*

Monday, September 2:
Labor Day*

* denotes closure

Bank Exterior Photos by
Gary Todoroff
northcoastphotos.com



Dividend Update

The Redwood Capital Bancorp Board of Directors recently declared the 49th consecutive, quarterly cash dividend. The dividend of \$0.08 per share was payable on May 13, 2024 to shareholders of record at the close of business on April 29, 2024. The annualized dividend of \$0.32 combined with Tangible Book Value appreciation from March 31, 2023 to March 31, 2024 was 20.34%. Market value for RWCB was \$20.51 per share as of close of business March 31, 2024. 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 & 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

