

November 2023

COMMUNITY *Interest*

THE QUARTERLY NEWSLETTER
FOR REDWOOD CAPITAL BANK

PHOTOS BY: MARY CURLESS SMITH

Reasons to Bank Locally, Part 1

By JOHN DALBY

Dreams can become a reality. Nobody is more aware of that than me. The year was 2004. The Facebook (later renamed Facebook) was launched, the Summer Olympic games were held in Athens, Greece, the Boston Red Sox won the World Series and George W. Bush was elected the 43rd President of the United States. Locally, on March 24, 2004, Redwood Capital Bank opened its doors for business as Humboldt County's community bank of choice.

Recently, I came across a series of ads I recorded back in 2004 called, "Reasons to Bank Locally." As I revisited the series, I realized that while many things have changed over the past 20 years, the reasons for having a local community bank in Humboldt County are still very much the same. Over the next few issues of this publication, I'd like to share this series with you, starting with:

Reason Number One: Sow Locally, Reap Locally.

Our local economy is driven by local business which, in turn, is driven by two things: first, an investment in capital infrastructure such as equipment and facilities; and second, an investment in working capital to fuel business growth. In this rural community, only a local bank is committed to lending here in Humboldt County. The big banks are reluctant to lend here due to their lack of understanding of the uniqueness of this



...Sow locally, reap locally.

marketplace and their lack of interaction between the businessperson and the loan decision maker. How can someone make a decision about you and your business when they have never met you? How can they understand your marketplace if they have never been to this community, let alone take the time to understand it? At Redwood Capital Bank, character matters - we take the time to get to know you, with our main focus on investing in this community. Redwood Capital Bank – where every ONE counts!

These words are as true today as they were almost 20 years ago. I look forward to sharing the rest of this series with you over the course of next year and celebrating Redwood Capital Bank's upcoming, 20-year milestone.

Here's wishing you and yours a joyous holiday season 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



Inside This Issue

| | |
|-------------------------------|--------|
| Reasons to Bank Locally | |
| Part 1 | Page 1 |
| Earnings Release | Page 2 |
| Taking Care of You | Page 2 |
| Eureka Area Branches | Page 3 |
| Fraud Prevention Tips | Page 3 |
| Credit Card | Page 4 |
| Holidays | Page 4 |
| ATM Information | Page 4 |
| Branch Locations | Page 4 |
| Dividend Update | Page 4 |
| Senior Management & Directors | Page 4 |

Strong Balance Sheet

A strong balance sheet is more than having greater assets than liabilities on paper, businesses with strong balance sheets are built to support their company's goals and enhance financial performance.

A company with a strong balance sheet is more likely to withstand an economic downturn and is better suited to prosper in economic upturns.

Redwood Capital Bank is strong – from our balance sheet to our operations. In a continued, unprecedented series of events, many bank balance sheets have declined. Redwood Capital Bank has strategically managed a tight, high- performing balance sheet.

The Board of Directors and management continue to remain conservative and ever conscientious of our position as an economic foundation within our community.

Third Quarter 2023 Earnings Release

By RENÉE BYERS



| | | At Period End | | % |
|---------------------------|-------------------|---------------|-----------|--------|
| | | 9/30/2023 | 9/30/2022 | Change |
| Balance Sheet data | | | | |
| (In Thousands) | Total assets | \$512,380 | \$553,682 | -7% |
| | Total deposits | \$459,433 | \$507,284 | -9% |
| | Total loans (net) | \$386,390 | \$359,209 | 8% |

| | | Current Quarter | | % |
|------------------------------|--|-----------------|-----------|--------|
| | | 9/30/2023 | 9/30/2022 | Change |
| Summary of Operations | | | | |
| (In Thousands) | Interest income | \$5,512 | \$4,861 | 13% |
| | Net Income | \$1,947 | \$1,729 | 13% |
| | Earnings per common share (fully diluted) | \$ 1.00 | \$ 0.87 | 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



Taking Care of You

By JENNIFER BUDWIG

If the past few years have taught us anything, it is to expect the unexpected. From a worldwide pandemic to natural disasters on the home front, it is essential to have a financial partner who cares about you and this community.

Recently, there has been a lot of talk in the financial world about people shopping for better rates/higher yields, etc. When making these considerations, it's a good idea to factor into the equation who you are doing business with.

What happens when there is a problem? Are you reading and understanding all the fine print? Is the relationship based online or with someone who is located out of the area? Do they really know you? Can you access them easily? Do they know where Humboldt County is located?

The bottom line is - how much do they really care?

All financial institutions have similar commodities – checking

and savings accounts, personal and business loans, credit cards, etc. At Redwood Capital Bank, we set ourselves apart from our competition by offering the same products the other banks do, but where we really shine is in the level of service we provide. Simple things like having a real person answer the telephone to help you, to knowing our customers by name - it is who we are. From taking care of our shareholders, how we treat our customers and being a good neighbor in our community, this level of consideration and service is a part of everything we do. It is our core mission to be the highlight of your day.

By doing business with Redwood Capital Bank, you will get a variety of skilled local people who are here to work with you. From our front-line operation staff, our lending team, management, and support staff, we all have the same goal – to take care of you!

If you are not already banking with Redwood Capital Bank, please stop by any of our four full-service branches in Eureka, Fortuna, Arcata and Henderson Center – we will treat you right!

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





Eureka Area Update

By MEGHANN BROADSTOCK

Happy Fall from the Eureka area! Since my last newsletter writing there has been a bit of a change-up in the Eureka Main and Henderson Center branches. Previously, I was managing the Eureka Main Branch and Brian Gonzalez was splitting his time managing both Henderson Center and the Fortuna Branches. It was determined it would make much more logistical sense for Brian to focus solely on the Fortuna Branch and for me to split my time between Henderson Center and downtown Eureka. This change has been in place since May and is going very well.

When the Henderson Center Branch opened in 2018, it was such a convenient location for many of our Eureka Main Branch customers. Spending time in Henderson Center has given me the great pleasure of seeing some familiar faces from downtown who have since made Henderson Center their primary branch. Thank you to everyone who has welcomed me with open arms!

Joining the Henderson Center team has given me the opportunity to participate with the Henderson Center Merchants Association. This group is a great organization that strives to highlight Henderson Center businesses and advocate for their success. Two of their much-loved events are the annual Trick or Treat which happened on October 28, 2023 and the annual Henderson Center Holiday Open House on November 16, 2023. Typically, merchants are visited by an estimated 2,000 children and their families for trick or treating and fun games! The Henderson Center Holiday Open House is a traditional kick-off to the holiday season with Santa, snow, lots of games and holiday cheer.

The Eureka Main Branch is business as usual! The staff have been busy attending events for local organizations, including blood drives for the Northern California Community Blood Bank, the Providence St. Joseph Hospital Foundation Gala, the Humboldt Association of Realtors Golf Tournament, the Sequoia Park Zoo Foundation's Zootini and many more. We appreciate the opportunity to support so many wonderful causes throughout our community.

Thank you to all our customers for your continued support. We are here because of you, and it is our honor to serve you. I wish all of you a wonderful and blessed holiday season.

Meghann Broadstock is the VP/Eureka Area Manager and Commercial Loan Officer of Redwood Capital Bank. She can be reached at (707) 444-9845, or via email at meghann@rdwo.com



Safeguarding Your Finances 10 Tips to Prevent Financial Fraud

By DAVE TIERNEY



In an increasingly digital world, financial fraud has become a pervasive threat. Scammers are constantly devising new ways to exploit vulnerabilities, making it crucial for individuals to take proactive measures to protect their hard-earned money. Here are some essential tips to help shield yourself from financial fraud:

- 1. Strengthen Your Passwords:** Use strong, unique passwords for each financial account, incorporating a mix of uppercase and lowercase letters, numbers and special characters. Consider using a reliable password manager to keep them secure.
- 2. Enable Two-Factor Authentication (2FA):** Whenever possible, enable 2FA for your online accounts. This extra layer of security significantly reduces the risk of unauthorized access.
- 3. Beware of Phishing Scams:** Be cautious of unsolicited emails, texts, or calls. Verify the sender's identity and avoid clicking on suspicious links or sharing personal information.
- 4. Regularly Monitor Your Accounts:** Routinely check your bank, credit card and investment account statements for any unauthorized or suspicious transactions. Report any discrepancies immediately.
- 5. Protect Personal Information:** Safeguard your Social Security number, date of birth and financial information. Only share such data with trusted entities.
- 6. Shred Sensitive Documents:** Dispose of financial statements, bills and other documents with personal information by shredding them to prevent dumpster diving.
- 7. Stay Informed:** Keep up to date with the latest scams and fraud prevention techniques. Government sites such as the FBI's Internet Crime Complaint Center ([ic3.gov](https://www.ic3.gov)) and the Federal Trade Commission ([ftc.gov](https://www.ftc.gov)) are great resources for not only preventing fraud but reporting it.
- 8. Secure Your Devices:** Install reputable antivirus and anti-malware software on your devices and keep them up to date. Regularly update your operating systems and apps to patch security vulnerabilities.
- 9. Use Secure Wi-Fi Networks:** Avoid conducting financial transactions on public Wi-Fi networks. When using public networks, consider using a virtual private network (VPN) to encrypt your data.
- 10. Be Skeptical:** If something seems too good to be true, it probably is. Scammers often use offers of quick riches or urgent warnings to manipulate victims.

Financial fraud can happen to anyone, but with diligence and awareness, you can significantly reduce your risk. By following these tips, you'll be better equipped to protect your finances and maintain peace of mind in the digital age.

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



Dividend Update

The Redwood Capital Bancorp Board of Directors recently declared the 47th consecutive, quarterly cash dividend. The dividend of \$0.08 per share was payable on November 13, 2023 to shareholders of record at the close of business on October 30, 2023. The dividend is equivalent to an annual rate of \$0.32 per share or 1.68% based upon a market price of \$19.01 per common share.

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. Gierek, 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.

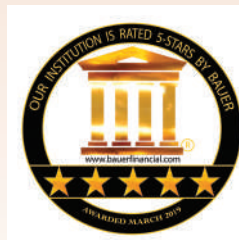
MEMBER FDIC



BANK HOLIDAYS/
HOLIDAY HOURS
Thursday, November 23:
Thanksgiving*
Friday, November 24:
9:00 a.m.-3:00 p.m.
Monday, December 25:
Christmas*
Monday, January 1:
New Year's*
Monday, January 15:
Martin Luther King, Jr.*
Monday, February 19:
President's Day*

* denotes closure

Bank Exterior Photos by
Gary Todoroff -
northcoastphotos.com



Redwood Capital Bank offers the same commodities that the big banks do – even consumer and business credit cards. We make it easy to choose the credit card that is right for you. Individuals can choose from Mastercard® or Visa® - Low Rate or Preferred Points Reward. World Card is available to all Mastercard® applicants. Businesses can choose from a Standard Card with no annual fee or the Preferred Points Rewards Card, both are available in either Mastercard® or Visa®.

A complete list of card benefits and options can be found on Redwood Capital Bank's website. Applying is easy. Visit www.redwoodcapitalbank.com, select either Personal or Business and go to the Credit Card section. Download the application and submit. RCB customers can also apply online under online banking. See application for current APR's and fees. Application is subject to approval.



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.