

November 2025

COMMUNITY *Interest*

THE QUARTERLY NEWSLETTER
FOR REDWOOD CAPITAL BANK

PHOTOS BY: MARY CURLESS SMITH

Built on Trust

By JOHN DALBY

At Redwood Capital Bank, trust is the foundation of everything we do. Since 2004, our community has relied on Redwood Capital Bank to safeguard their hard-earned money, provide honest guidance and deliver exceptional service rooted in integrity. That trust is not something we take lightly - it's earned through consistent care, accountability and genuine relationships built right here at home.

Trust also plays an important role beyond the walls of our bank. In today's digital world, we are all navigating a landscape where fraudsters and scammers continually find new ways to deceive people. These criminals are skilled at exploiting our natural tendency to trust - pretending to be someone familiar, creating false urgency or offering deals that seem too good to be true. They count on that moment of misplaced trust to gain access to your personal or financial information.

That's why trusting *yourself* is just as important as trusting your bank. When something feels off - a text message, email or phone call that doesn't sound quite right, pause and double-check before taking action. Call the source directly using a verified phone number or reach out to one of our four branches for guidance. Trust your instincts; if it feels wrong, it probably is. By taking a moment



...Trust your instincts - if it feels wrong, it probably is.

to question before reacting, you give yourself the best protection against fraud.

At Redwood Capital Bank, we're committed to helping you stay informed and empowered. Our staff regularly receives training in the latest fraud prevention techniques and we're always available to answer questions or review suspicious communications. Together, we can create a stronger line of defense - one built on awareness, communication and mutual trust.

In the end, trust remains at the heart of community banking. It's what connects us to each other and to the place we call home. Thank you for continuing to place your trust in Redwood Capital Bank. We're proud to be your trusted financial partner. Here's wishing you and yours a safe and joyful holiday season. Merry Christmas 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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Win/Win

As Chief Financial Officer, I'm pleased to share that Redwood Capital Bank continues to deliver strong financial results. Our solid earnings reflect the health of our local economy, the trust of our customers and the commitment of our employees. Through prudent financial management and steady growth, we are well-positioned to continue supporting our community and providing exceptional service.

Our success is deeply rooted in the partnerships we've built throughout Humboldt County. When local businesses and community organizations thrive, we all benefit. These collaborations create opportunities, strengthen relationships and ensure that the money deposited here continues to work right here at home - supporting neighbors, jobs and local progress.

We're also proud to offer competitive deposit rates that not only reward our customers but contribute to the strength of the bank.

Third Quarter 2025 Earnings Release

By RENÉE BYERS



When our customers earn more, they're empowered to reach their financial goals - and when the bank grows right alongside you, it creates a cycle of shared prosperity. It's a true win/win for everyone.

		At Period End		%
		9/30/2025	9/30/2024	Change
Balance Sheet data				
(In Thousands)	Total Assets	\$542,004	\$534,174	1%
	Total Deposits	\$485,342	\$470,547	3%
	Total Loans (net)	\$387,356	\$380,926	2%

		Current Quarter		%
		9/30/2025	9/30/2024	Change
Summary of Operations				
(In Thousands)	Interest Income	\$6,414	\$6,065	6%
	Net Interest Income	\$5,142	\$4,662	10%
	Book Value per Common Share	\$28.41	\$25.95	9%

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



CDFI Certification Strengthening Community

By JENNIFER BUDWIG

Redwood Capital Bank is proud to serve our neighbors and local businesses with a mission centered on community and opportunity. That's why earning Community Development Financial Institution (CDFI) certification is such a meaningful achievement - it formally recognizes our commitment to strengthening the financial well-being of Humboldt County.

CDFI certification, granted by the U.S. Department of the Treasury, identifies banks that provide fair, affordable financial services in underserved or rural areas. For a community bank, this designation reinforces our purpose: to ensure that everyone has access to the financial tools needed to build a stable and successful future.

Becoming a certified CDFI opens doors to valuable federal resources, including grants and technical assistance programs. These funds can help us expand small business lending, increase access to affordable housing loans and support local

nonprofits - all while keeping decisions and investments right here at home.

The certification also encourages collaboration with government agencies, nonprofits and other mission-driven organizations. By working together, we can bring more capital into our region, helping local businesses grow, creating jobs and fostering long-term community development.

For our customers, this designation means more opportunities and deeper local impact. It reflects our continued dedication to serving everyone with fairness, respect and personal attention, values that have guided Redwood Capital Bank from the beginning.

Ultimately, CDFI certification strengthens what we already do best: invest in people. As we continue to grow alongside our community, we remain committed to ensuring that every individual, family and business in Humboldt County has access to financial opportunity.

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





Henderson Center Branch Update

By MEGHANN BROADSTOCK

The holidays are here and Henderson Center is alive with community spirit. Our branch is proud to be a part of the traditions that bring joy to families and showcase the merchants who make this district so special.

This fall, Henderson Center welcomed nearly 2,000 children for our annual Trick or Treat event. The sidewalks were filled with costumes, candy and laughter as families enjoyed the tradition of visiting local merchants. It was one of the highlights of the season and a wonderful reminder of the joy our community brings when we come together.

As we prepare to print this newsletter issue, we are eagerly anticipating our Holiday Open House, which officially kicks off the Christmas season. Each year, local shops offer sales, treats and one-of-a-kind gifts, while our branch hosts a very special guest - the Grinch! We look forward to families stopping in for photos, smiles and plenty of holiday fun. Children can write letters to Santa Claus and participate in a good-natured "poll" of whether the Grinch should appear on Santa's "naughty" or "nice" list this year.

These events once again show how much shopping locally matters. Every purchase helps neighbors thrive, creates jobs and keeps Henderson Center vibrant. By choosing local first this holiday season, you're giving back to the community we all call home.

And of course, no newsletter would be complete without mentioning some of our favorite visitors: the dogs who come along with their owners. Each month, all of our RCB branches feature a "Dog of the Month" to celebrate the furry friends who brighten our days. It's just another way we stay connected to the community we're proud to serve. Check out Redwood Capital Bank's Facebook page to see our furry friends!

From all of us at the Henderson Center Branch, thank you for being part of these traditions. We look forward to celebrating the season with you and wish you a joyful holiday filled with warmth and connection.

Meghann Broadstock is the VP/Henderson Center Branch Manager and Commercial Relationship Manager of Redwood Capital Bank. She can be reached at (707) 444-9845 or via email at meghann@rdwo.com



Beware of Holiday Season Fraud: How to Stay Safe

By STEPHANIE BYE



As the holiday season approaches, so does an unfortunate rise in fraudulent activity. Each year, scammers take advantage of the festive rush, preying on busy shoppers, charitable givers and online consumers. From fake websites to phishing emails, holiday fraud comes in many forms, making it essential for everyone to stay vigilant.

One of the most common types of holiday fraud is online shopping scams. Fraudsters create fake e-commerce sites offering steep discounts on popular items. These websites often look legitimate but are designed to steal credit card information or never deliver the promised goods. Shoppers should stick to trusted retailers, double-check website URLs and avoid deals that seem too good to be true.

Phishing scams also increase during the holidays. These can come in the form of emails or text messages that appear to be from legitimate companies, asking you to "verify" account information or track a package. Clicking on these links can lead to malware installation or stolen personal data. Always verify messages by visiting official websites directly instead of clicking suspicious links.

Charity fraud is another growing concern. During the season of giving, scammers may pose as charitable organizations to solicit donations. To avoid falling victim, research any organization before donating. Websites like Charity Navigator or the Better Business Bureau can help verify legitimate nonprofits.

To protect yourself, monitor bank statements closely, use strong passwords and enable two-factor authentication where possible. When shopping in person, be cautious of card skimming devices and protect your PIN. And if you think you have been a victim of fraud, reach out to us.

The holidays should be a time of joy, not stress. By staying alert and informed, you can protect yourself and your loved ones from falling victim to fraud this season. Stay safe and shop smart.

Stephanie Bye is the SVP/Chief Risk Officer of Redwood Capital Bank. She can be reached at (707) 444-9876 or via email at sbye@rdwo.com



The Penny is Retiring

The United States Treasury has announced that production of new pennies will officially end in early 2026. Here's what you need to know about the upcoming phase-out and how it may affect cash transactions.

What This Means for You and Your Business: As penny circulation continues to decline, Redwood Capital Bank is here to help you stay informed throughout the transition. The Federal Reserve has stopped fulfilling penny orders after previously rationing its limited inventory. This change is affecting coin orders at Redwood Capital Bank as well as financial institutions nationwide. Requests for pennies may be limited or unavailable due to supply and demand.

How You and Your Business Can Prepare: Plan for coin shortages. With fewer pennies in circulation, transactions requiring exact change may become more challenging. Businesses are encouraged to review and update their cash-handling procedures. Communicate with customers - clearly post signage and provide staff guidance to explain any changes in payment methods or rounding practices. Anticipate rounding - as penny supplies are depleted, cash transactions may be rounded to the nearest nickel. Electronic payments will continue to be processed at exact amounts.

How Redwood Capital Bank is Supporting You: As the penny is phased out, we understand that this change may affect businesses, financial institutions and everyday cash transactions. Redwood Capital Bank is monitoring penny availability at all branch locations and managing our supply carefully. We are committed to keeping customers informed by sharing updates and resources as new information becomes available. Redwood Capital Bank remains committed to supporting our customers and community through this transition. Thank you for your continued partnership and trust.



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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.

UPCOMING BANK HOLIDAYS/ HOLIDAY HOURS

Tuesday, November 11:
Veteran's Day*
Thursday, November 27:
Thanksgiving Day*
Friday, November 28:
9:00 a.m.-3:00 p.m.
Wednesday, December 24:
Christmas Eve
9:00 a.m.-3:00 p.m.
Thursday, December 25:
Christmas Day*
Wednesday, December 31:
New Year's Eve
9:00 a.m.-3:00 p.m.
Thursday, January 1, 2026
New Year's Day*
* denotes closure

Bank Exterior Photos by
Gary Todoroff



Dividend Update

The Redwood Capital Bancorp Board of Directors recently declared the 56th consecutive, quarterly cash dividend. The quarterly cash dividend of \$0.09 per share was payable on November 12, 2025 to shareholders of record at the close of business on October 27, 2025.

The dividend is equivalent to an annual rate of \$0.36 per 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 and CEO
Jennifer Budwig, SVP/COO
Tammy Brown, SVP/CCO
Renée Byers, SVP/CFO
Stephanie Bye, SVP/CRO

Board of Directors

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



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

