

February 2022

COMMUNITY *Interest*

THE QUARTERLY NEWSLETTER
FOR REDWOOD CAPITAL BANK



COVER PHOTOS BY: MICHAEL McCOY



Obstacles and Opportunities

By JOHN DALBY

"A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty."

- Winston Churchill



...Focus on the blessings

when presented with a challenge.

I am happy to report that I am currently back to work, albeit part-time, and I look forward to returning to business-as-usual in the near future. In the meantime, I would like to take this opportunity to thank the Board of Directors, the management team and the RCB staff for continuing the day-to-day business operations of the bank during my absence.

2021 was a record year for Redwood Capital Bank and we could not have achieved such a high level of success without the hard work of our dedicated team and the support of our customers and shareholders.

Thank you for your patronage. Here's looking forward to new opportunities in the year ahead.

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



Inside This Issue

Obstacles and Opportunities	Page 1
Eureka Branch	Page 2
Henderson Center Branch	Page 2
Your Financial Partner	Page 2
Earnings Release	Page 3
Fortuna Branch	Page 3
Arcata Branch	Page 3
Check Fraud	Page 4
Holidays	Page 4
ATM Information	Page 4
Branch Locations	Page 4
Dividend Update	Page 4
Senior Management & Directors	Page 4

As reported in the November, 2021 issue of this publication, I spent a portion of last year away from Redwood Capital Bank on a medical leave of absence. I am very grateful to everyone who has expressed their good wishes and continue to keep my family and I in their thoughts and prayers.

During my absence, one thing that I found to be especially helpful was to focus on the blessings I have received rather than the challenges of my illness. For example, how relationships with loved ones and friends become deeper; how the kindness and support of friends and others made a difference; and how faith and stillness can change attitudes and outcomes.

When a circumstance or situation causes discomfort or pain, it is an opportunity to turn the obstacle into a motivator. By changing the focus from fear to faith, a mindset of gratitude builds internally to help guide you forward – wiser, stronger and more confidently.

Opportunities hide behind obstacles. No one is immune to problems. The struggle is to see the potential for growth

Eureka



B R A N C H



The Eureka Branch is hustling and bustling with activity as we start a new year. 2021 was a year of resilience, innovation, change and growth and I could not be more proud of our team as they continue to learn, grow and adapt to be able to serve you at the highest level possible.

It is our privilege to help you achieve your financial needs and whether you are a founding customer of Redwood Capital Bank, or a new customer to us, we are so grateful that you chose Redwood Capital Bank to be your bank.

Our team in the Eureka Branch is ever-changing. If you aren't following Redwood Capital Bank on Facebook already, please give us a follow! We highlight all of these changes in addition to introducing you to new Redwood Capital Bank employees and keeping you up-to-date on our community involvement with Humboldt County's many local organizations. Facebook is a great way to engage and I hope to see you there!

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



Henderson Center

B R A N C H



Happy New Year from all of us in Henderson Center! I wanted to take a moment to introduce myself as the new Henderson Center Branch Manager and Commercial Loan Officer. My name is Brian Gonzalez. I joined the amazing team in December 2021 and have an abundance of banking experience. I began my banking career in 2002 and have held a variety of positions from Operations to Branch Manager. I am looking forward to contributing to our local community and working with the Henderson Center merchants to keep our events and traditions going in the future.

The Henderson Center Branch celebrated our 3rd anniversary on February 14, 2022. We appreciate each and every one of you and the Henderson Center community for being so welcoming and such great neighbors these past three years.

I cannot wait to see what 2022 will bring. At RCB, we take pride in our values and will continue to uphold our commitment to provide top-notch customer service. We are here to assist our customers with any financial needs the future may bring. Stop by the Henderson Center Branch to say hello... we love doing business with you!

Brian Gonzalez is the AVP/Henderson Center Branch Manager of Redwood Capital Bank. He can be reached at (707) 444-9864, or via email at bgonzalez@rdwo.com



Your Financial Partner

By JENNIFER BUDWIG

According to Google, these are the top five qualities of a good loan officer - a good loan officer will:

1. Bring expertise to your loan process
2. Tailor loans to your personal and financial situation
3. Possess superior customer service skills
4. Provide suggestions for improving qualifications
5. Communicate well with all involved parties

Redwood Capital Bank provides all of these qualities and more to our customers. What is equally important is where you get your loan. At Redwood Capital Bank, we are fortunate to have a strong, local lending team that understands the Humboldt County market and serves both our commercial and residential customers.

Dollars deposited here stay here. These deposits are then turned into loans and re-invested within our community. Community banks such as RCB have a greater focus on serving small businesses – because that's who we are, too. We are not a corporate giant, we are your financial partner. Another key advantage to getting your loan with Redwood Capital Bank is our local decision making. We understand how to do business here at home and have a genuine, vested interest in the health and well-being of our economy.

I am pleased to welcome Meghann Broadstock and Brian Gonzalez to Redwood Capital Bank's Commercial Lending team. They join Dan Haskins, Bob Judevine, Jamie Anderson and myself. We are proud to be Humboldt County's local choice for commercial lending.

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



Record Earnings

Redwood Capital Bank ended 2021 with record earnings, with a 20% increase over December, 2020. That is amazing! These numbers also equate to a great deal of dedication by our Redwood Capital Bank team. 2021 presented all the challenges of 2020 and then some. We all hoped the pandemic would end and that our lives would get back to “normal.” If anything, 2021 taught us a new normal, increasing our flexibility and our commitment to be there for each other.

I believe one of the reasons Redwood Capital Bank had such a great year is that in tough times people look for security. There is something to be said for a local financial institution that keeps its word, is a good friend and neighbor and has a genuine interest in the success of its customers, shareholders and the community at-large. That is who we are.

Looking ahead into 2022, here’s wishing you a year of good health and prosperity from all of us at Redwood Capital Bank.



Fortuna



B R A N C H



I am excited to be heading into a brand new year, full of possibility and hope. 2021 was notable for its many changes here in the Fortuna Branch and the adaptability it brought-out in our community. I am glad to report that I consistently have seen staff and customers responding to pandemic-related challenges with grace and humor. I feel lucky because I know that isn’t the case everywhere.

Communities in the Eel River Valley are small, tight-knit and are great places to live and work. People here are generous in good times and more so in hard times. A great example of this generosity is the annual Christmas party hosted by the Fortuna Chamber of Commerce and its supporting businesses for the California Conservation Corp members.

This party is in appreciation of the countless hours these young people spend working to improve our communities. Volunteerism is part of their service and many local events are enriched with their help. The main event of the party is presenting every Corp member with a Christmas stocking. I am always heart-happy to see the community’s generosity, providing 100+ overflowing Christmas stockings every year. In 2021, we delivered the most overloaded stockings ever, but unfortunately, could not have the in-person party. This is one of the events I am most looking forward to returning in 2022!

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

2021 Year End Earnings Release



By RENÉE BYERS

	At Period End		% Change
	12/31/2021	12/31/2020	
Balance Sheet data			
(In Thousands) Total assets	\$595,323	\$498,111	20%
Total deposits	\$541,556	\$448,260	21%
Total loans (net)	\$332,321	\$347,527	-4%

	Year to Date		% Change
	12/31/2021	12/31/2020	
Summary of Operations			
(In Thousands) Interest income	\$17,171	\$16,109	7%
Net Interest Income	\$15,885	\$14,600	9%
Book Value per common share	\$ 20.52	\$ 18.39	12%

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



Arcata

B R A N C H



It is unbelievable that 2022 is in full swing. In 2021, we saw some interesting challenges, much the same as 2020, but thankfully the Arcata team was able to accomplish great things for Redwood Capital Bank and for our customers.

Customer service levels were very high again this year and we are so thankful to our team for consistently performing at an exceptional level. I am certain the service we provided in Arcata has contributed to our phenomenal growth in market share, beating the overall Arcata market growth by 24% in 2021. As we start a new year, we have insights on how to attract even more new customers in 2022.

As a bank that has always focused on being business-friendly, you can bet we will be looking to make even more local connections within the community next year. Commercial loans (real estate, lines of credit, equipment purchase, working capital) are our specialty, so hopefully we will get an opportunity to speak with many of you about how we can benefit your Humboldt County business.

And I know we could not do it without our incredible staff. Here’s looking forward to great opportunities in 2022!

Jamie Anderson is the AVP/Arcata Branch Manager. He can be reached at (707) 269-4410, or via email at janderson@rdwo.com

Check Fraud on the Rise



By DAVE TIERNEY

Despite an overall decline in check transactions over the years, banks across the country are seeing a recent rise in check fraud. Check fraud typically involves forgery or alteration of a check to make it look legitimate. These bad checks are then deposited at financial institutions, either in person or via a mobile deposit app and in some cases the checks are cashed at local businesses such as grocery stores.

All banks have systems and processes in place to help prevent check fraud, but like any other security control, nothing is 100% foolproof. Businesses and consumers can join the fight against check fraud in the following ways:

- For businesses that issue checks to cover operating expenses, consider using Positive Pay with Online Banking. Positive Pay allows you to control which checks clear your account and for what amounts.
- Businesses and consumers alike should keep a watchful eye on their account activity, increasing the likelihood that fraudulent transactions are noticed in a timely fashion. Account activity alerts via text or email are a great way to accomplish this.
- Keep a watchful eye on your checks and who you write them to. Any check in the wrong hands can provide a template to create a forgery.

If you notice anything suspicious in your account activity, please alert your financial institution immediately. The sooner it is reported, the better your chances of having a favorable outcome.

Dave Tierney is the SVP/IT Director of Redwood Capital Bank. He can be reached at (707) 444-9848 or via email at dtierney@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 21:
President's Day*

Monday, May 30:
Memorial Day*
* denotes closure

Cover photos by:
Michael McCoy

Bank Exterior Photos by
Gary Todoroff -
northcoastphotos.com



Dividend Update

The Redwood Capital Bancorp Board of Directors recently declared the 40th consecutive quarterly cash dividend. The dividend of \$0.07 per share was payable on February 16, 2022 to shareholders of record at the close of business on January 31, 2022. The dividend is equivalent to an annual rate of \$0.28 per share or 1.36%, based upon a market price as of year end. For more information regarding investing in Redwood Capital Bancorp, please visit our website at 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, Acting CEO, SVP/CLO
Tammy Brown, SVP/CCO
Renée Byers, SVP/CFO
Michael McCoy, SVP/Risk Manager
Dave Tierney, SVP/IT Director

Board of Directors

John J. Gierek, Jr., Chairman
J. William McAuley, Vice Chairman
Tyrone Champ
John E. Dalby
Jennifer Harris
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

