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COMMUNITY Interest

THE QUARTERLY NEWSLETTER
FOR REDWOOD CAPITAL BANK

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Internet Crime Report Released

By DAVE TIERNEY

The FBI recently released its annual Internet Crime Report for 2021. This interesting (albeit alarming) document is produced using data provided by the Internet Crime Complaint Center (IC3) in an effort to share information with the general public about the state of cybercrime in our country.

Established in May 2000, the IC3's mission is to provide Americans with a reliable and convenient online portal to report internet crime to federal authorities. The IC3 has received more than 6.5 million complaints in that time and its Recovery Asset Team – formed in 2018 to act as a liaison between law enforcement and financial institutions – has recovered hundreds of millions of dollars in stolen funds.

The data from these complaints are aggregated and used to produce the annual report. As one might expect, the report indicates that there has been an “unprecedented increase” in the number of cyber attacks reported in the United States, with no signs of slowing down. Indeed, looking over the past five years, the total number of incidents reported to the IC3 increased from 301,580 in 2017 (with \$1.4 billion in losses) to 847,376 in 2021 (with \$6.9 billion in losses).

By far, the largest category of reported attacks were in the Phishing /Vishing /Smishing / Pharming category, with over 320,000 incidents reported in 2021. These attacks use social engineering techniques via email, voice and text messages to try and coax



...Cybercriminals do not discriminate

victims into providing cybercriminals with money or personal information.

And virtually no one is immune: with the exception of the 19-and-under crowd, the number of reported attacks broken down by age group are relatively similar, whether you are in the 20-29 range or the 60+ range. Cybercriminals do not discriminate; rather, they are targeting people across all demographics.

In addition to a slew of statistics related to cybercrime, the report contains an overview of the IC3, interesting anecdotes from the Recovery Asset Team, overviews of various types of fraud and tips for how to stay safe online.

To check out the Internet Crime Report for yourself, or to file a complaint with IC3, head over to the IC3 website at <https://www.ic3.gov>. There you will find a trove of information available to help keep you protected from cybercrime.

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



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Eureka



B R A N C H



Our community is moving into a post-pandemic era. It is refreshing to see all of the local events being reinvented and everyone's eagerness to attend and support all of these wonderful organizations and causes.

Redwood Capital Bank's staff has been excited to participate! Recently, we had 11 employees create a team to support the Redwood Discovery Museum's 21st Perilous Plunge. Thank you to all of our staff who volunteer their time to support these causes!

Branch life in downtown Eureka continues to be busy and exciting. Whether it is your first time in the branch meeting us, or you are a customer we see regularly, getting to know you and help you with your financial needs is the highlight of our day.

If you haven't been in the branch in a while, please swing by and say hello and let us know what we can do to serve you.

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 Spring from the whole crew at Henderson Center!

Outdoor events and traditions continue here in Henderson Center, kicking off with the Farmer's Market in June. As the weather warms and the flowers start to bloom, the hanging flower baskets on F Street are a sight to see. A big thank you to Shafer's Ace Hardware and the Henderson Center Merchants Association for organizing and maintaining this tradition. We look forward to seeing you in the branch or around the neighborhood.

Also, thank you to everyone who stopped by during our third anniversary celebration and blood drive. Hosting our local blood mobile on a quarterly basis is what you can expect to see. Look for upcoming dates on our RCB Facebook page.

As always, we are excited and happy to assist our customers and future customers with any financial endeavors. Please stop by the branch or give us a call if we can assist with any questions or offer any financial guidance... 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



At Your Service

By JENNIFER BUDWIG

Semi-annually, Redwood Capital Bank distributes a Customer Service Questionnaire. Surveys are sent to customers to measure satisfaction levels of our Commercial and Consumer Lending teams and Operation's staff at each branch. These surveys allow us to efficiently collect honest feedback from customers. Responses are used to identify areas for improvement, share customer insight, recognize outstanding performances and, in general, motivate staff to exceed customer service standards. The results of these surveys lead to improved communication and a better understanding of our customers.

In our most recent survey, Redwood Capital Bank received a combined satisfaction rating of 96.5%. Our scores are consistently in the high ninety percent range. Providing excellent customer service is the foundation RCB is built upon.

Additionally, Redwood Capital Bank has once again received two very prestigious awards – one from *The Findley Reports* and the other from Bauer Financial. The designation of *Super Premiere Performing Bank* from *The Findley Reports* is the highest designation possible for California community banks to receive and places Redwood Capital Bank in the top 10% of all banks in the Western United States. For the 11th consecutive year, Redwood Capital Bank has received the 5-Star rating from Bauer Financial, one of the most well-known, independent and respected financial rating agencies within the banking trade.

We remain humble and grateful for the accolades we have received and for the tremendous partnerships we have with you - our customers and shareholders. Thank you for making Redwood Capital Bank your local, community bank of choice.

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



Economic Pivot

Financially, 2021 was a stellar year for Redwood Capital Bank. With the substantial influx of Paycheck Protection Program (PPP) liquidity, the challenge we now face is ... what's in store for 2022? In the first quarter of 2022, Redwood Capital Bank continued to perform in the major balance sheet categories of assets, loans and deposits. As of March 31, 2022, total assets increased 6% from the same time period of March 2021.

The challenge for many financial institutions is to find creative ways to pivot and respond to shifting economic conditions. Migrating in a rising rate environment can be difficult. Nationally we are seeing the Federal Reserve fight inflation with increased rates. While there are many factors that are out of our control, Redwood Capital Bank continues to be a solid financial partner for individuals, families and businesses in Humboldt County. That is the local, community bank difference.



Fortuna



B R A N C H



It is good to be a small town banker. Here in the Eel River Valley, people are very conscious of their neighbors and their connections. They keep tabs on each other and are glad to help out, whether for a high school fundraiser, or one of the excellent Chamber of Commerce events. People buy things in town because they know the owner and the importance of local businesses.

When times are good, there is a sense of joy and fun, in well-known events like Rodeo Week in Fortuna or the Tractor Parade in Ferndale. I hear people asking much more often, "how is staff doing and how is the bank doing?" We reassure one another with the ordinary during extraordinary times.

When times are uncertain there is a sense of "life still goes on here" and "we will get through it together." I am looking forward to spring, better times and getting to see more of you out and about at the events we love.

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

First Quarter 2022 Earnings Release



By RENÉE BYERS

	At Period End		% Change
	3/31/2022	3/31/2021	
Balance Sheet data			
(In Thousands) Total assets	\$579,542	\$546,435	6%
Total deposits	\$516,200	\$496,863	4%
Total loans (net)	\$337,165	\$362,215	-7%

	Year to Date		% Change
	12/31/2021	12/31/2020	
Summary of Operations			
(In Thousands) Interest income	\$3,864	\$4,261	-9%
Net Interest Income	\$3,572	\$3,928	-9%
Book Value per common share	\$ 19.06	\$ 18.82	1%

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



With the announcement of Humboldt State University transitioning to Cal Poly Humboldt, there is a buzz in Arcata that is palpable. Real estate investors are clamoring for opportunities to purchase multi-family properties. Commercial properties are also hot right now, as buyers are still looking to take advantage of commercial lending rates that are still attractive. Many are looking for opportunities to be a part of the huge growth that is expected over the next few years, as the university looks to double their enrollment in the next seven years.

This means that the Arcata Branch has been seeing a big jump in daily transactions. What has typically been a quieter branch, is becoming much busier on a daily basis and we are currently looking to expand our team.

Customer service scores were very strong in the first quarter and we are setting our focus on training so we can meet the challenge of more customers. Planning for the future would not be possible without our amazing team in Arcata. Please stop by next time you are in town and let us show you what's happening as we plan to make 2022 another exceptional year.

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

Dividend Update

The Redwood Capital Bancorp Board of Directors recently declared the 41st consecutive quarterly cash dividend. The dividend of \$0.07 per share was payable on May 10, 2022 to shareholders of record at the close of business on April 25, 2022. The annualized dividend of \$0.28 combined with Tangible Book Value appreciation from March 31, 2021 to March 31, 2022 was 2.76%. Market value for RWCB was \$22.60 per common share as of close of business March 31, 2022. 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

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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



One More Thing...



Pictured above are the members of RCB's amazing Perilous Plunge team! Back row (l-r) Shannon Brewer, Amy Minor, Kylie Walker, Rosie Rodriguez, Larry Veatch and Janey Silva. Front row (l-r) Tyler Vaughn-Sanchez, Todd Rowe, Danoto Pope and Kevin Plessinger.

The Perilous Plunge is an annual fundraiser for the Discovery Museum. For more information, visit www.discovery-museum.org Photo courtesy of Matt Filar

**BANK HOLIDAYS/
HOLIDAY HOURS**
Monday, May 30:
Memorial Day*
Monday, June 20:
Juneteenth*
Monday, July 4:
Independence Day*
Monday, September 5:
Labor Day*
* denotes closure

Cover photos by:
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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.

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