



Greater Eureka Chamber of Commerce
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EARNINGS RELEASE – July 29, 2020

Earnings Release – Redwood Capital Bancorp – Second Quarter, 2020 Strong Second Quarter Earnings – Continued Dividend

On July 29, 2020, REDWOOD CAPITAL BANCORP (RWCB.OB), the only locally owned and operated community bank holding company in Humboldt County, announced unaudited financial results for the three month period ended June 30, 2020. Redwood Capital Bank, the company's wholly owned subsidiary, reported strong second quarter earnings.

John Dalby, President and CEO remarked, "2020 has been an unprecedented year for the country, our county and the banking industry. The national and local government's response to COVID-19 has influenced changes to the economy. These changes have resulted in material variations to the balance sheets of financial institutions that participated in the Small Business Administration's Paycheck Protection Program (PPP). As a result of the outstanding efforts of our staff, as of July 1, 2020, Redwood Capital Bank funded 590 PPP loans, totaling more than \$72 million. In addition to booking these loans, we have seen a significant migration of deposits to the bank. This migration is a testament to the continued excellent service provided by our outstanding staff."

Total assets as of June 30, 2020 were \$460.1 million, an increase of 25% from the prior quarter and 28% from the same period last year. Total loans, net of unearned income, rose to \$349.8 million as of June 30, 2020, an increase of 27% from the March 31, 2020 figures and an increase of 26% over the quarter ended June 30, 2019. Lastly, total deposits grew to \$415.8 million as of June 30, 2020, an increase of 28% over the prior quarter and 28% higher than the June 30, 2019 reported figure.

Net interest income for the quarter ended June 30, 2020 totaled \$3,539,000 up 9% from the \$3,238,000 reported for the three months ended March 31, 2020; however, down slightly by 1% from the \$3,576,000 reported for the three months ended June 30, 2019. The company also reported net income after taxes and provision expenses in the second quarter of 2020 of \$1,104,000 up 105% reported for the three months ended March 31, 2020 and an increase of 5% from the \$1,047,000 reported for the second quarter of 2019.

Renee Byers, SVP/CFO stated, "We are pleased with the company's financial performance during the second quarter of 2020. The team effort of the staff to assist our community during this time in our lives has been simply amazing."

Additionally, the Board of Directors declared a quarterly cash dividend of \$0.07 per share, payable on August 7, 2020, to shareholders of record at the close of business on July 27, 2020. The dividend is equivalent to an annual rate of \$0.28 per share or 2.48%, based upon a market price of \$11.30 per common share. CEO Dalby explained, "This

quarter's dividend represents the 34th consecutive quarter of cash dividends being paid. We are particularly proud of the consistency of our performance."

For more information regarding Redwood Capital Bancorp, please visit our website at www.redwoodcapitalbank.com, contact Renee Byers, SVP/CFO, at (707) 444-9849, or stop by our headquarters and main office at 402 "G" Street, Eureka, California 95501.

This press release may contain forward-looking statements that are subject to risks and uncertainties. Such risks and uncertainties may include but are not necessarily limited to fluctuations in interest rates, inflation, government regulations and general economic conditions, and competition within the business areas in which the Bank is conducting its operations, including the real estate market in California and other factors beyond the Bank's control. Such risks and uncertainties could cause results for subsequent interim periods or for the entire year to differ materially from those indicated. Readers should not place undue reliance on the forward-looking statements, which reflect management's view only as of the date hereof. The Bank undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.