



# RepublicNotes

SHOP LOCAL. DINE LOCAL. BANK LOCAL.

Newsletter exclusively for the shareholders, clients, employees and followers of Republic Bank of Arizona

## LEADING WITH RESILIENCY

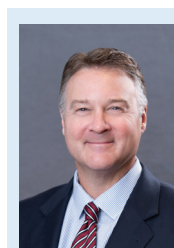
Brian Ruisinger • President and Chief Executive Officer

Looking back a year to Q1 2020 seems like another world. RBAZ was in a leadership transition, the global pandemic shut down the country and the Federal Reserve Bank reduced interest rates quicker than in 2008. Our team viewed the events as an opportunity to lead. We went headfirst into the Paycheck Protection Program and saw tremendous benefit in responding to and supporting small business owners, many of whom experienced a lack of response from larger banks.

In just 12 months, we have made tremendous improvements. We've increased earnings and assets, and improved efficiency, all while facing historic headwinds.

I am pleased to deliver our Q1 2021 results to our stakeholders as we achieved our goals, improving growth and earnings for the fourth consecutive quarter. RBAZ is well-positioned with ample liquidity and access to capital resources to accommodate additional growth in 2021. Our team's work continues to be reflected in our Bauer Five-Star bank rating.

We recently completed the formation of a holding company, RBAZ Bancorp, Inc., which will allow for raising capital, borrowing funds, repurchasing stock and possible acquisitions in the future. The holding company formation was immediately followed by a capital raise of \$6MM that will bolster capital for the growth we experienced in the past five quarters and continued growth in 2021. These actions are a natural evolution of our growth and maturity as an organization.



Brian Ruisinger

**RBAZ** | **Republic Bank**  
of Arizona

### Board Of Directors

**Camala C. Bailey**, Founder and President, Camala C. Bailey, CPA

**Christian C.M. Beams**, Managing Partner, Fredenberg Beams LLC

**Chad E. Cline**, CFO, Symmetry Software

**Regina L.R. Edwards**, Ph.D., Board member for Hope's Crossing and the Phoenix Public Library Foundation

**Judy A. Lynn**, Managing Member, 831 Investors, LLC

**Brian Ruisinger**, President and Chief Executive Officer, RBAZ

**Alan L. Sparks**, Owner and President, Gemma Companies, LLC

**Scarlett Spring**, Co-Founder and Chief Executive Officer of TapRoot Interventions & Solutions

### Executive Leadership Team

**Brian Ruisinger**, President and Chief Executive Officer

**Amy Lou Blunt**, Executive Vice President and Chief Credit Officer

**Christine Haugen**, Executive Vice President and Chief Financial Officer

### Transfer Agent

**Computershare**  
PO Box 505000  
Louisville, KY 40233-5000  
800.962.4284

### Market Makers

**D.A. Davidson & Co.**

**Michael R. Natzic**

mnatzic@dadco.com

P.O. Box 1688  
Big Bear Lake, CA 92315  
800.288.2811

**JWTT Inc.**

**Joey Warmenhoven**

1231 NW Hoyt Street, Suite 206  
Portland, OR 97209  
971.323.0700

**Wedbush Securities, Inc.**

**Tyler McCullough**

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Lake Oswego, OR 97035  
503.471.6782

### FINANCIAL HIGHLIGHTS (UNAUDITED)

(in thousands)	YTD Mar 2021	YTD Mar 2020
Total Assets	\$ 217,837	\$ 115,198
Net Loans & Leases (excl. HFS)	\$ 118,717	\$ 73,601
Total Deposits	\$ 193,395	\$ 97,674
Net Income	\$ 557	\$ 12
(Percentages)		
Return on Average Assets	1.12%	0.04%
Liquidity Ratio	48.31%	39.32%
Leverage Ratio	8.66%	13.86%



## CELEBRATING 14 YEARS SERVING ARIZONA'S BUSINESS COMMUNITY

Republic Bank of Arizona celebrated its 14th anniversary on April 30. We want to sincerely thank our amazing customers, shareholders, and the communities we serve. For the past 14 years, we have focused on supporting the local business and nonprofit communities, as well as their employees and families.

We exceeded \$200 million in total assets in the first quarter of 2021. A lot of people contributed to reaching this milestone, including our dedicated and committed banking team, our incredibly supportive and talented board of directors, and of course, our inspiring clients who put their trust in us on a daily basis. We look forward to serving Arizona's local business community for many years to come.



Voting for Ranking Arizona 2022 is still open. We'd be honored to have your support for Best Community Bank. Here's how:

1. Visit the Ranking Arizona website by searching Ranking Arizona in your browser. If this is the first time voting, you may have to register.
2. Scroll down to "Finance and Professional" and click.
3. Click on "Banks."
4. Scroll down to "Republic Bank of Arizona" and click Vote.

Voting ends July 31 at midnight. You can vote every hour of every day.

Thanks for helping us rank #1. It's time for a local bank to get the #1 spot.



## SAVE THE DATE!

Don't miss our next ShopTalk event focused on Small Business Marketing. Learn how everything from your on-hold music, to your email signature, to your website plays a role in identifying your brand and how you can use your brand to create a memorable customer experience. Plus, get tips on improving employee engagement with creative onboarding strategies and ongoing initiatives.

**Date: July 27, 2021**

**Time: 8:00 a.m.**

**Location: Republic Bank of Arizona, 645 E. Missouri Ave., Ste. 108, Phoenix, AZ 85012**

**Presenter: Ted Raymond, Principal at Pixa Creative**

**RSVP: sthomas@republicaz.com**



## MAKING RBAZ HISTORY!

Congratulations to Vice President Emily Chedister on her 10-year anniversary with Republic Bank of Arizona. Emily is the longest tenured employee in the bank's history and we are so fortunate to have her on our team. We can't thank you enough Emily for everything you do for RBAZ and our customers. You are truly a shining star!

## PPP LOAN FORGIVENESS WINDOW CLOSING SOON

Amy Lou Blunt • Executive Vice President • Chief Credit Officer

If you received a Paycheck Protection Program loan in 2020, your window of opportunity to apply for forgiveness may be closing soon! The 2020 PPP allows a payment deferral period that includes your choice of an 8-week (56 days) or 24-week (168 days) Covered Period during which you are to spend the loan proceeds on Eligible Expenses.



Amy Lou Blunt

Following the end of your Covered Period, you have up to an additional 10 months to apply for Forgiveness for that portion of your loan that was indeed used for Eligible Expenses (hopefully it is 100%). If you do not apply for Forgiveness by the end of the 10-month period, you must begin making monthly payments on your PPP loan, per the terms of the Promissory Note you signed at the origination of your loan.

As an example, if your PPP loan was disbursed April 16, 2020, your maximum Covered Period would expire October 1, 2020. You would have up until August 1, 2021 to apply for Forgiveness, without having to begin making payments. If you do not apply for Forgiveness, principal and interest payments will be due monthly. The payment amount should be reflected in your SBA Promissory Note issued at the origination of your loan.

There are various Forgiveness forms available on the [www.sba.gov](http://www.sba.gov) website. The correct one for you is determined by the amount of your PPP loan: a) use Form 3508S if your loan is \$150,000 or less, b) use Form 3508EZ if your loan is greater than \$150,000 and you can check at least one of two boxes at the top of the Checklist for that form, or c) use Form 3508 for all other PPP loans. You can also request a current version of the correct form from RBAZ at [ppp@republicaz.com](mailto:ppp@republicaz.com). The current revision date is January 19, 2021.

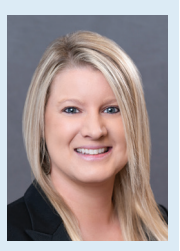
Don't forget that for 2021 PPP loans, your Covered Period can be anytime you choose between 56 days and 168 days, not one or the other, as in 2020. Once you have spent your loan proceeds on expenses that are eligible for Forgiveness, a best practice is to go ahead and gather your supporting documents and prepare your Forgiveness Application and forward for submission.

Waiting can create an opportunity for lost or forgotten paperwork or hamper your recall of pertinent events. The SBA turnaround time for Forgiveness submissions has dramatically improved since the origination window closed. I am confident we all want to leave as much of the negative impacts of the pandemic behind us, and the sooner the better. Forgiveness of your PPP relief loan is one more step in that direction!

## IMPROVED GROWTH AND EARNINGS CONTINUE

Christine Haugen • Executive Vice President • Chief Financial Officer

The first quarter of 2021 marked our fourth consecutive quarter of improvement in our growth and earnings. Our entire staff is extremely proud of the turnaround the Bank has made in just 12 months. We have doubled the asset size of the Bank, increased earnings and improved efficiency.



Christine Haugen

Turning to our quarterly financial results, total assets for the quarter ended March 31, 2021 were \$217.8 million (or \$205.5 million excluding PPP loans) compared to \$190.3 million (or \$175.8 million excluding PPP loans) at December 31, 2020, an increase of \$27.5 million or 14.5% (or \$29.7 million or 16.9% excluding PPP loans).

Asset growth since year-end is comprised of increases in both loans and deposits. Loans were up \$8.8 million or 8.0% from December 31, 2020, of which \$4.9 million was attributable to PPP loans and the remaining \$3.9 million or 3.6% were portfolio loans. Deposits increased \$26.8 million or 16.1% from December 31, 2020 as the Bank continued to achieve results from initiatives introduced in 2020 and deepened existing relationships.

Earnings were \$557,000, or \$0.31 per share, for the quarter ended March 31, 2021 compared to \$12,000, or \$0.01 per share, for the comparative quarter in 2020. Current quarter earnings of \$0.31 per share were comprised of \$0.17 per share attributable to core operations and \$0.14 per share due to impacts from the Paycheck Protection Program.

The Bank remains Well Capitalized with an 8.66% leverage capital ratio and maintains its Bauer five-star rating.

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## ARIZONA BUSINESSES BANK WITH US

**\$1,787,500**

CRE Term Loan  
Retail Strip Center  
*Mesa*

**\$2,081,000**

SFR Term Loan  
S/T Rentals  
*Sedona*

**\$450,000**

CRE Term Loan  
Industrial/Office  
*Sun City*

**\$750,000**

Construction NRLC  
SFR  
*Glendale*

**\$500,000**

Revolving LOC  
Unsecured  
*Mesa*

**\$39,761,000**

Paycheck Protection Program  
2020 \$25,976,000  
2021 \$13,785,000

### To learn more, contact:

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**Amy Lou Blunt**  
Chief Credit Officer

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## RBAZ WELCOMES TWO NEW BANKERS TO OUR TEAM

Amy Lou Blunt is happy to announce more positive direction at RBAZ with the addition of two seasoned Commercial Bankers added to our lending team. Please welcome Bob Cooper and Ben Van Horn!

You will see more about them in upcoming editions.

## GREAT WORKPLACE CULTURE, REFERRALS WELCOME

Republic Bank of Arizona is on the lookout for talented, enthusiastic bankers ready to help change the game when it comes to supporting the financial needs of local businesses and nonprofits. We have several positions available. If you are interested or know someone who is, please check out our careers page at [www.republicbankaz.com/careers](http://www.republicbankaz.com/careers).

Consider joining our growing team where your contributions are recognized and rewarded. This is an exciting time for RBAZ and could be the right place to expand your banking career.