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Endeavor Bank Announces 2022 First Quarter Financial Results
Strong Core Loan Growth

SAN DIEGO, California (April 21, 2022) – Endeavor Bank, San Diego's premier headquartered business bank, focusing on consultative banking to local businesses announces results for the first quarter. We are committed to being a highly valued resource for our local business community, and since our launch just over 4 years ago, we have assisted over a thousand local businesses with loans to support their operational needs.

At the end of the first quarter, core loans (the loan segment that bank management defines as all loans excluding PPP loans), increased by over \$34 million, or 12%, in the first quarter of the year and by more than \$128 Million, or 69%, over the past 12 months. Gross loans totaled \$332 Million, the same as year-end 2021 because the Bank's PPP loan portfolio declined by over \$34 Million during the first quarter of this year. PPP loans are intended to be forgiven over time and the PPP loan portfolio has in fact been steadily decreasing since the PPP stimulus program sunset last year.

In direct relation to the Bank's strong core loan growth, and given the cautionary outlook for the U.S. economy, management elected to increase the Bank's loan loss reserves by \$420,000 in the first quarter which negatively impacted earnings. By comparison, the Bank only increased loan loss reserves by \$280,000 in the first quarter of 2021. Total loan loss reserves now stand at \$4,495,000 or 1.43% of the total core loan portfolio. To date the Bank has had no loan charge offs since inception.

At the end of the first quarter, total deposits equaled \$328 million, reflecting a decline of almost \$11 million during the first quarter of the year, yet over \$50 million in annual growth since March 31, 2021. The decline in deposits in the first quarter was primarily related to business owners that sold their companies in 2021 and disbursed funds into wealth management accounts outside the Bank.

As the Bank's PPP program continues to wind down with the SBA forgiving loans in the due course of business, the Bank is still realizing one-time non-recurring fee income associated with its participation in the program. The Bank originated total PPP loans of \$304 million during the funding phase of the program. As of March 31, 2022, the remaining PPP portfolio had paid down to \$17.8 Million. This is down from \$52.6 Million at year end 2021 and down from \$200 Million a year ago. To date the Bank has recognized \$9.7 million in PPP fees, including \$742,000 that was recognized in the first quarter of 2022.

Year-to-date earnings before loan loss reserves and taxes at March 31, 2022, was \$1,327,000, compared to \$768,000 as of March 31, 2021, representing a 72% increase year over year. First quarter earnings include annual board related stock compensation costs of \$185,000 which are non-recurring with respect to the remainder of the year, plus \$145,000 in legal and interest expenses related to the establishment of Endeavor Bancorp, regulatory filings, and the reorganization to establish a holding company. First quarter expenses also included increased rent and staffing expenses associated with

the opening of the Bank's newest location, a loan production office located in East San Diego County. It should be noted that earnings in the first quarter of 2021 included \$594,000 in organizer and retroactive director equity compensation. When adjusted for these non-recurring expenses the comparison of earnings before loan loss reserves and taxes represents a decrease from \$1,362,000 as of March 31, 2021 to \$1,327,000 as of March 31, 2022.

Management continues to internally track the non-GAAP measure of "core pre-tax earnings", which it defines as pre-tax net income excluding net PPP related interest and fees. This earnings metric is important to note as PPP fees are non-recurring as the program ended in 2021. On a year over year comparison, year-to-date "core pre-tax earnings" as of March 31, 2022 increased by \$931,000 relative to year-to-date "core pre-tax earnings" as of March 31, 2021.

The Bank's year-to-date net interest margin improved to 4.07% as of March 31, 2022, as compared to 3.67% at year-end 2021 and 3.03% as of March 31, 2021. The improvement is attributed to increases in the Bank's core loan balances, decreases in the Bank's PPP loan balances, and the recent increase in the Fed Funds rate by 25 basis points.

Dan Yates, Chief Executive Officer, commenting on the first quarter, stated, "Our internal review of our growing core loan portfolio continues to point towards the strength of our customers' financial condition. However, the Federal Reserve has made it clear that it will take actions necessary to reduce inflation and this is anticipated to reduce economic growth. We believe that Endeavor Bank is well positioned to provide support for our clients in a slowing economy and we should benefit from rising rates."

Steve Sefton, President, commented, "Endeavor is benefiting as our team and consultative approach attracts the right clients that are growing and prospering."

March 31, 2022 Financial Results (\$000 omitted) – Unaudited

March 31, 2022 results are for Endeavor Bank and its consolidated subsidiary Endeavor Bancorp. Results for March 31 and December 31, 2021, are for Endeavor Bank only.

	March 31, 2022 Quarterly Results	Dec 31, 2021 Previous Quarter Comparison	March 31, 2021 Year over Year Comparison
Core Loan Balances	\$314,232	\$279,521	\$185,769
PPP Loan Balances	\$17,826	\$52,583	\$200,379
Total Gross Loan Balances	\$332,058	\$332,104	\$386,148
Total Assets	\$382,938	\$429,271	\$511,649
Total Deposits	\$313,485	\$339,347	\$277,698
Total Equity	\$32,885	\$32,705	\$27,948
Quarterly Pretax Net Income	\$907,000	\$2,285,000	\$488,000

For detailed financial statements covering the Bank's operating results, please refer to the call report filed with the FDIC located at <https://www.otcmartets.com/stock/EDVR/disclosure>.

About Endeavor Bank

Endeavor Bank is primarily owned and operated by San Diegans for San Diego businesses and their owners. The bank's focus is local: local decision-making, local board, local founders, local owners, and relationships with local clients in the San Diego metropolitan marketplace and its surrounding areas.

Headquartered in downtown San Diego in the landmark Symphony Towers building, the Bank also operates a loan production and executive administration office in Carlsbad and a new loan production office in East County. Endeavor Bank provides traditional business banking services across a broad spectrum of industries and specialties. Unique to the bank is its consultative banking approach that partners our business clients with Endeavor Bank's senior management. Together, we build strategies and provide resources that solve problems, plan for the future, and help clients' efforts to grow revenues and profits.

Visit www.bankendeavor.com for more information.

EDVR Shareholders

With many of our shareholders transferring their EDVR shares to their brokerage companies, along with ongoing trading taking place, the Bank may not have the most current shareholder contact information. If you are an EDVR shareholder and would like to receive information via a more timely method, please complete the **Shareholder Communication Preference Form** on our website:

<https://www.bankendeavor.com/investor-relations> so we can keep you updated on EDVR news, and invite you to various shareholder networking events throughout the year.

Forward-Looking Statements

This press release includes “forward-looking statements,” as such term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on the current beliefs of the Bank’s directors and executive officers (collectively, “Management”), as well as assumptions made by and information currently available to the Bank’s Management. All statements regarding the Bank’s business strategy and plans and objectives of Management of the Bank for future operations, are forward-looking statements. When used in this press release, the words “anticipate,” “believe,” “estimate,” “expect” and “intend” and words or phrases of similar meaning, as they relate to the Bank or the Bank’s Management, are intended to identify forward-looking statements. Although the Bank believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. Important factors that could cause actual results to differ materially from the Bank’s expectations (“cautionary statements”) are the effects of the COVID-19 pandemic and related government actions on the Bank and its customers, loan losses, changes in interest rates, loss of key personnel, lower lending limits and capital than competitors, regulatory restrictions and oversight of the Bank, the secure and effective implementation of technology, risks related to the local and national economy, the Bank’s implementation of its business plans and management of growth, loan performance, interest rates, and regulatory matters, the effects of trade, monetary and fiscal policies, inflation, and changes in accounting policies and practices. Based upon changing conditions, if any one or more of these risks or uncertainties materialize, or if any underlying assumptions prove incorrect, actual results may vary materially from those described as anticipated, believed, estimated, expected, or intended. The Bank does not intend to update these forward-looking statements.

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