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**Endeavor Bank Announces 2021 Second Quarter Financial Results**

**Record Profitability from PPP Loan Forgiveness and Strong Core Customer Growth**

SAN DIEGO, California (August 2, 2021) – As anticipated, declines in balance sheet totals during the quarter resulted mainly from the forgiveness of Paycheck Protection Program (PPP) loans. As of June 30, 2021, the Bank's total assets equaled almost \$464 million, a decline from March 31, 2021 of nearly \$48 million, or -9%. Total deposits equaled \$269 million at the end of the second quarter, a decline of \$9 million or -3% from March 31, 2021, and total loans equaled \$364 million, a decline of almost \$22 million or -6% during the quarter. The Bank continued to originate PPP loans through the expiration date of the program on June 30, 2021. At the end of the second quarter, total PPP loan balances equaled \$157 million, reflecting a decline of \$43 million from March 31, 2021. During the same period, non-PPP loan balances increased \$21 million to \$207 million.

Net income after tax for the second quarter totaled \$1.741 million, a material increase from first quarter net income of \$294 thousand. Improvement resulted largely from the recognition of higher PPP related income during the quarter, as well as increased earnings from growth in non-PPP loans.

**June 30, 2021 Financial Results (\$000)**

	<u>June 30, 2021</u>	<u>March 31, 2021</u>
Total Assets	\$463,855	\$511,649
Total Loans	\$364,359	\$386,148
Total Deposits	\$269,026	\$277,698
Total Equity	\$29,744	\$27,948
Net Income After Tax (Quarter Ended)	\$1,741	\$294

For the full detailed financial statements covering the Bank's operating results, please refer to the call report filed with the FDIC at <https://www7.fdic.gov/idasp/advSearchLanding.asp> (Enter Endeavor Bank name and click search).

Dan Yates, CEO, said, "As we emerge from the pandemic, we notched our fifth consecutive quarter of profitability. PPP fee income has been a strong profit driver this quarter and for the first half of the year, but not the only driver. Our core loan and deposit growth, loans and deposits from non-PPP clients, is providing a boost to asset growth and profitability."

Steve Sefton, President, added, "As we move through the forgiveness phase of PPP, we are starting to see the balance sheet contract as we predicted. PPP loans are being forgiven by the SBA and repaid, which triggers recognition of fee income. From the beginning of the PPP program, through the end of the second quarter of this year, Endeavor has recognized \$5.6 million in PPP fee income with \$4.4 million more expected to be recognized as the balance of PPP loans are forgiven. PPP fee income is not only driving bank profits but also providing a permanent increase in Bank capital through retained earnings. We are pleased with our results this quarter, the first half of 2021, and we are optimistic about the future."

Scott Parker, Chief Credit Officer, commented, "We continue to be pleased with the quality and performance of the loan portfolio, especially given the uncertainty present at the outset of the COVID 19 pandemic. With no material delinquencies, no non-accrual loans, and no charge-offs, Endeavor Bank asset quality remains favorable."

### **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. 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 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](http://www.bankendeavor.com) for more information.

### **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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