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Endeavor Bancorp Announces 2022 Second Quarter Financial Results

SAN DIEGO (July 26, 2022) – Endeavor Bancorp, the holding company for Endeavor Bank, announces continued strong growth during the second quarter of 2022, including record levels of core loans and deposits.

Results for the second quarter ended June 30, 2022, included Total Assets of \$468 million, a 22% increase from the prior quarter end. Loans totaled \$355 million, a \$23 million or 7% increase from the end of the first quarter, and included declines in PPP loan balances by \$10.5 million. Total deposits equaled \$408 million, an increase of \$95 million or 30% during the second quarter. Second quarter pre-tax net income totaled \$909 thousand, reflecting an increase of \$2 thousand from pre-tax net income of \$907 thousand for the first quarter. Second quarter net income included PPP related net income of \$279 thousand, which was down versus the prior quarter as fewer PPP loans remain in the Bank's loan portfolio. As of June 30th, only \$7.3 million PPP loans remain out of over \$300 million that the bank originated.

Year to date net income as of June 30, 2022, was \$3.5 million, including a one-time, non-recurring recognition of deferred tax assets totaling approximately \$2.5 million. Given improvement in bank core earnings, Bank management believes it is now more likely than not that future earnings will be sufficient to recognize the benefit of remaining net deferred tax assets.

During the quarter, shareholders approved the plan of reorganization to create the bank holding company, Endeavor Bancorp. In addition, the Endeavor Bancorp board elected to downstream \$12 million in Tier 1 capital from the holding company to the Bank. The infusion of capital will allow for additional growth in the months and years ahead. As a result of the capital infusion, the Bank's Tier 1 capital ratio improved to 11.81%, well above the regulatory well capitalized minimum capital ratio requirement of 6.00%.

CEO Dan Yates commented, "As interest rates are poised to continue to increase in 2022, we expect to see a further increase in our loan yields, especially as we move through floors on current variable rate loans in the third quarter. The Bank continues to experience strong growth in our balance sheet while navigating a more volatile economic and interest rate environment. We are well underway with several strategic initiatives and are focused on achieving the milestone of cumulative profitability in the next twelve months." Yates added that the significant increase in deposits included some potentially volatile larger deposit relationships which could experience outflows in the months ahead. President Steve Sefton added, "We greatly appreciate the trust and support of our shareholders. It remains a privilege to work alongside our Endeavor Bank team members as we endeavor to serve our community."

June 30, 2022 Financial Results (\$000 omitted) – Unaudited

June 30, 2022 results are for Consolidated Endeavor Bancorp. March 31, 2022 results are for Endeavor Bank and its consolidated subsidiary Endeavor Bancorp. 2021 results are for Endeavor Bank only.

	June 30, 2022 <i>Quarterly Results</i>	Mar 31, 2022 <i>Previous Quarter Comparison</i>	June 30, 2021 <i>Year over Year Comparison</i>
Core Loan Balances	\$347,428	\$314,232	\$207,086
PPP Loan Balances	\$ 7,310	\$17,826	\$157,273
Total Gross Loan Balances	\$354,738	\$332,058	\$364,359
Total Assets	\$468,054	\$382,938	\$463,855
Total Deposits	\$408,032	\$313,485	\$269,026
Total Equity	\$ 36,170 ¹	\$ 32,885	\$ 29,744
Quarterly Pretax Net Income	\$ 909	\$ 907	\$ 2,209

¹ Bank holding company Total Equity does not include proceeds from the issuance of subordinated debt. Bank only Total Equity as of 6/30/2022 totaled \$48,469,000 and included \$12,000,000 in additional paid in capital contributed to the bank by the holding company from proceeds of the subordinated debt issuance.

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 La Mesa. 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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