eclipse℠

A FRESH WAY TO BANK

October 20, 2026

Dear Eclipse Bancorp Shareholder:

The 3rd quarter was marked by several highlights, including:

- Our 6th consecutive quarter-over-quarter earnings increase; 109% increase year-over-year.
- Record high Net Interest Income for the 3rd consecutive quarter.
- Independent bank research firm Bauer Financial upgraded Eclipse Bank to a 5-Star Superior rating – their highest possible rating.
- Eclipse Bancorp raised $13 Million in capital via private placement of subordinated debt. The issuance was oversubscribed, reflecting strong investor demand.

Earnings increased by 1% on a linked quarter basis and 109% year-over-year, to $582,607, as continued Net Interest Income expansion offset lower quarterly SBA fee income. Return on Average Assets was essentially flat compared to the prior quarter, but 104 percentage points higher year-over-year, while Return on Average Equity dipped by 0.8 but jumped by 94 percentage points, respectively.

Net Interest Income ("NII") reached a record high for the 3rd consecutive quarter, increasing by 6.9% compared to the prior quarter and 14% year-over-year. The Bank's Net Interest Margin ("NIM") of 2.91% improved by 16 basis points on a quarterly basis and 39 basis points year-over-year. The increases in NII and NIM were driven by a combination of existing loans repricing, new loans being added at higher rates, and higher loan & prepayment fees. The Federal Reserve increased their Federal Funds rate in September for the first time in three years. While funding costs typically increase as rates rise, loan yields are positioned to benefit as 46% of the portfolio reprices within 12 months or less. 39% of those balances consist of fixed rate loans currently yielding less than 5%.

Non-Interest Income was 50% lower on a linked quarter basis, primarily due to decreased SBA loan activity, and essentially flat year-over-year. Non-Interest Expense ("NIE") levels declined by 1.2% and grew by 0.07%, respectively. NIE as a percentage of assets remained conservative at 2.16%.

Total Assets were higher by 4.25% during the quarter and 3.88% compared to the prior year as deposits climbed over both periods. Our Tier 1 Leverage ratio of 9.59% climbed by six basis points on a linked-quarter basis and 42 basis points year-over-year. Credit quality remains strong. Non-Performing Loans as a percentage of total loans increased slightly during the quarter, to 0.43%.

Three Months Ended 6/30/26	Three Months Ended 6/30/26	Three Months Ended 9/30/25

Net Return on Average Assets	**0.47%**	0.47%	0.23%
Net Return on Average Equity	**6.63%**	6.68%	3.41%
Book Value Per Share, ex. AOCI	**$11.58**	$11.40	$10.96
Book Value Per Share, inc. AOCI	**$10.61**	$10.50	$9.94
OTCQB Trading Price Per Share	**$9.00**	$7.55	$6.10
Earnings Per Share (annualized)	**$0.70**	$0.69	$0.34
Net Interest Margin (bank level)	**2.91%**	2.75%	2.51%
Loan Loss Reserve as % of Total Loans	**0.89%**	0.89%	0.89%
Non-performing Loans as % of Total Loans	**0.43%**	0.31%	0.23%
Tier 1 Leverage Capital Ratio	**9.59%**	9.53%	9.17%
Total Assets	**$506,441,582**	$485,801,438	$487,535,839
Net Loans	**$412,218,806**	$411,812,251	$414,796,982
Deposits	**$359,407,226**	$341,265,063	$355,414,525
Equity Capital, ex. AOCI	**$38,350,847**	$37,767,450	$36,363,469
Equity Capital, inc. AOCI	**$35,133,085**	$34,783,189	$32,976,427

**AOCI = Accumulated Other Comprehensive Income (includes "mark-to-market" securities adjustment)*

The trading price for Eclipse Bancorp (OTCQB: ECLP) increased by 19% during the quarter and 48% year-over-year. Its year-to-date increase of 29% has outperformed the KRE and KBW regional bank indexes, at 6.98% and 3.26%, respectively, and the S&P 500 index at 11%. To purchase additional shares, please contact our market maker Mike Acampora, SVP of JWTT Inc.'s Community Bank Equities Group, at (904)299-9337 or mike@jwttinc.com.

We raised $13 million in capital through an oversubscribed debt offering during the quarter. Proceeds will be used for general corporate purposes, including the consolidation of approximately $9 million in outstanding debt.

Lastly, we are pleased to welcome Patti Robertson to the board of directors of both Eclipse Bank and Eclipse Bancorp. A Louisville native, Patti possesses over 30 years of banking experience, serving as COO and Managing Director of PNC Bank's national healthcare practice prior to her retirement in 2024. She brings extensive knowledge of commercial banking and the Louisville market.

Thank you for your continued support and your investment in Eclipse.

Andrew R. Pyles
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