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A FRESH WAY TO BANK

April 27, 2026

Dear Eclipse Bancorp Shareholder:

Earnings of $431,802 for the first quarter represented a 32% improvement on a linked-quarter basis and a $674,428 increase year-over-year. This marked the fourth consecutive quarter of earnings growth. Return on Average Assets of 0.36% outperformed the linked-quarter and prior year periods at 0.27% and -0.21%, respectively, while Return on Average Equity of 5.18% exceeded respective results of 3.92% and -3.06%.

Net Interest Income ("NII") improvement remains among our primary strategic objectives. NII for the quarter was a record $2,943,150, an increase of 3.7% quarter-over-quarter and 23% year-over-year. NII has increased sequentially for six consecutive quarters. Net Interest Margin ("NIM") expansion continued, with bank-level NIM climbing by five basis points on a linked-quarter basis and by 48 basis points, or 22 percentage points, year-over-year. The Bank's NIM has doubled over the past eight quarters. Meanwhile, substantial runway remains as 30% of the loan book – or $126 million – is comprised of fixed rate credits currently yielding ~5.00% that reprice in 24 months or less.

Non-Interest Income of $338,245 was higher on both a linked-quarter and year-over-year basis – by 97% and 43%, respectively – driven largely by increases in SBA and mortgage loan sale revenue. Meanwhile, Non-Interest Expense increased by 1.36% over the prior quarter but decreased by 7.37% compared to a year ago. Expenses equated to 2.21% of average assets, on an annualized basis, or nearly 10 percentage points better than our FDIC-defined peer group.

The Bank's Tier 1 Leverage Ratio of 9.42% was essentially flat compared to prior quarter and 16 basis points higher than the prior year period, primarily attributable to retained earnings accretion. Tangible book value per share was $10.29 at quarter-end, increasing by 2.39%, or 9.55% annualized, compared to prior quarter and 6.19% year-over-year. Total Assets increased both quarter-over-quarter and year-over-year, by 2.67% and 3.63%, respectively. Deposits climbed by $3 million vs. both the prior quarter and comparable prior year periods, despite respective reductions in high-yielding Certificates of Deposit of $5 million and $10 million.

Credit quality remains strong. Non-Performing Loans, which represent loans on non-accrual status or 90+ days past due, increased by 69 basis points year-over-year and 30 basis points on a linked-quarter basis, to 0.91% of loans. However, most of the increase was due to one commercial credit that matured and did not complete the refinance process in time. The refinance has since been completed. Excluding this credit, the adjusted Non-Performing Loan ratio falls to 0.33%, which continues to compare favorably to our FDIC-defined peer at 0.53%.

	Three Months Ended 3/31/2026	Three Months Ended 12/31/2025	Three Months Ended 3/31/2025
Net Return on Average Assets	**0.36%**	0.27%	-0.21%
Net Return on Average Equity	**5.18%**	3.92%	-3.06%
Book Value Per Share, ex. AOCI	**$11.23**	$11.02	$10.80
Book Value Per Share, inc. AOCI	**$10.29**	$10.05	$9.69
Earnings Per Share (annualized)	**$0.52**	$0.39	-$0.28
Net Interest Margin (bank level)	**2.66%**	2.61%	2.18%
Loan Loss Reserve as % of Total Loans	**0.87%**	0.89%	0.92%
Non-performing Loans as % of Total Loans	**0.91%**	0.22%	0.61%
Tier 1 Leverage Capital Ratio	**9.42%**	9.43%	9.26%
Total Assets	**$495,253,313**	$482,335,569	$477,908,972
Net Loans	**$423,924,880**	$411,469,291	$406,622,176
Deposits	**$348,229,163**	$345,198,854	$345,492,295
Equity Capital, ex. AOCI	**$37,190,079**	$36,711,550	$35,838,628
Equity Capital, inc. AOCI	**$34,081,919**	$33,505,888	$32,168,108

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

Technology was a primary area of emphasis during the quarter as we began the process of selecting a new digital banking vendor. We've also begun integrating Artificial Intelligence into our daily operations and continue to explore additional use cases for this rapidly advancing technology. We look forward to sharing further details in the quarters ahead as we leverage technology to gain even greater efficiencies and drive additional scale, while retaining our client-centric business model.

We appreciate your support and your investment in Eclipse.

Respectfully,

Andrew R. Pyles
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