



## Third Quarter 2022 | Report to Shareholders

We are pleased to have added two new team members to the bank since the last quarter. Analy Siqueira has joined our deposit operations group and we also welcomed Anne Garland who is our new Assistant Branch Manager.

Our biggest growth category on our balance sheet over the last year has been the 15% increase in our loan portfolio as we have been able to deploy a lot of the cash that we generated from our deposit growth. The quality of our loan portfolio continues to improve despite the economic challenges that exist in our economy today. The dramatic rise in interest rates has had some positive and some negative impacts on our company. On the positive side, our revenue and net interest margin have both increased. On the negative side, our mortgage fee income has declined and the unrealized loss on our investment portfolio has increased significantly. The net income at the bank level has increased every quarter this year and this quarter's income is up 17% compared to the third quarter last year. The year-to-date net income of the company is down from this time last year primarily because of the interest expense of our subordinated debt that was only in place for a portion of last year.

You can impact your investment and add value to the company by:

- Doing business with us;
- Referring business such as commercial customers, individuals, and prospective homebuyers to us;
- Connecting us with potential strategic partners; and
- Informing us of talented people who you believe would be a good fit for our organization.

Thank you for your support,

Charles B. Crawford, Jr.  
Chairman and CEO

Louis J. DeCesare, Jr.  
President & COO

*This letter does not constitute an offer to sell or the solicitation of an offer to buy the rights or the underlying shares of common stock or warrants nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful under the securities laws of any such jurisdiction.*



## Consolidated Balance Sheet

(unaudited)

	September 30, 2022	September 30, 2021
<b>Assets:</b>		
Cash and due from banks	14,501,904	46,416,277
Securities available for sale	19,239,453	21,525,989
Other investments	1,373,900	1,339,300
Loans: Less allowance for loan loss	254,733,702	221,090,147
Premises and equipment, net	1,852,395	1,872,892
Accrued interest receivable	987,580	950,597
Bank Owned Life Insurance	7,221,212	5,031,586
Other Assets	3,747,289	1,730,039
<b>Total Assets</b>	<b>303,657,435</b>	<b>299,956,827</b>
<b>Liabilities:</b>		
Non interest bearing demand deposits	42,913,677	40,563,803
Interest bearing demand deposits	190,055,640	176,711,451
<b>Total deposits</b>	<b>232,969,317</b>	<b>217,275,254</b>
Federal Home Loan Bank advances	29,178,791	29,120,413
Federal Reserve Bank-PPPLF advances	384,600	12,078,472
Subordinated Debt	15,663,369	15,574,168
Accrued interest payable	285,972	311,448
Other liabilities	2,186,524	2,026,203
<b>Total liabilities</b>	<b>280,668,573</b>	<b>276,385,958</b>
<b>Stockholders' equity:</b>		
Common stock	2,255,564	2,238,278
Additional paid-in-capital	28,077,072	28,008,379
Accumulated deficit	(4,594,651)	(6,570,547)
Unrealized securities gain/loss	(2,749,123)	(105,241)
<b>Total stockholders' equity</b>	<b>22,988,862</b>	<b>23,570,869</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>303,657,435</b>	<b>299,956,827</b>



## Consolidated Statement of Operations

(unaudited)

	Nine Months ended:	
	September 30, 2022	September 30, 2021
<b>Interest Income:</b>		
Loans, including fees	9,515,654	8,679,763
Securities	249,107	59,974
Other investments	259,879	149,235
<b>Total interest income</b>	<b>10,024,640</b>	<b>8,888,972</b>
<b>Interest Expense:</b>		
Deposits	970,822	912,984
Subordinated Debt	711,900	281,382
Other borrowings	309,632	345,745
<b>Total interest expense</b>	<b>1,992,354</b>	<b>1,540,111</b>
<b>Net interest income</b>	<b>8,032,286</b>	<b>7,348,861</b>
Provision for loan losses	92,842	190,963
<b>Net interest income after provision</b>	<b>7,939,444</b>	<b>7,157,898</b>
<b>Noninterest income:</b>		
Service charges on deposit accounts	70,034	86,275
Gain on sale of loans	27,874	97,216
Loan fees	198,516	229,136
Mortgage broker fee income	-	85,255
Income from mortgage joint venture	12,360	121,887
Income from bank owned life insurance	143,692	31,587
Other income	3,225	7,920
<b>Total noninterest income</b>	<b>455,701</b>	<b>659,276</b>
<b>Noninterest expense:</b>		
Salaries and employee benefits	3,524,712	2,936,848
Occupancy and equipment	450,798	416,388
Data processing	761,269	614,410
Professional fees	450,546	453,367
Other operating expenses	1,529,820	1,315,303
<b>Total noninterest expense</b>	<b>6,717,145</b>	<b>5,736,316</b>
<b>Income before income taxes</b>	<b>1,678,000</b>	<b>2,080,858</b>
<b>Income taxes</b>	<b>313,760</b>	<b>503,353</b>
<b>Net income:</b>	<b>1,364,240</b>	<b>1,577,505</b>
 <b>Book Value Per Share</b>	 \$10.19	 \$10.53
<b>Earnings Per Share</b>	\$0.60	\$0.70



## Hyperion Bank Team

Stephanie Berrocal  
Jennifer Carney  
Cameron Chislom  
Steve Cope  
Charles Crawford  
Lou DeCesare  
Marsha Dollar  
Amy Ellis  
Lauren Flowers  
Anne Garland  
Lee Green  
Christian Guers  
Kenny Harris

Andres Herrera  
Nicole Hicken  
Joel Higdon  
Michael Iannarelli  
Bridget Jungblut  
James Kang  
Eric Kellum  
Christopher Kober  
Brian McNulty  
Asif Mujtaba  
Christopher Mumma  
Alisha Nasse  
George Perkins

Paul Rutkowski  
Danielle Selway  
Bob Senske  
Douglas Shelen  
Analy Siqueira  
Andy Stein  
Frank Sullivan  
Ryan Sullivan  
Naja Thompson  
Elisa Varella  
Danielle Williams

## Board of Directors

Charles Crawford  
Lou DeCesare  
Jill Jinks  
James J. McAlpin, Jr.

Robert N.C. Nix, III  
Michael Purcell  
Lara Rhame  
Gretchen Santamour



199 W. Girard Avenue  
Philadelphia, PA 19123  
215.789.4200

3525 Piedmont Rd., Suite 5-215  
Atlanta, GA 30305  
404.381.2110

[HyperionBank.com](http://HyperionBank.com)

### Forward Looking Statements.

*This document includes forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about our plans, objectives, expectations and intentions that are not historical facts, and other statements identified by words such as "may," "will," "expects," "believes," "plans," "anticipates," "opportunity," "current," "seeks," "estimates," or "potential," or the negative thereof or other and similar expressions. These forward-looking statements are based on current expectations and projections about future events. Investors are cautioned that forward-looking statements are not guarantees of future performance or results and involve risks and uncertainties that cannot be predicted or quantified, and, consequently, our actual performance may differ materially from that expressed or implied by such forward-looking statements.*

