



First Quarter 2023 | Report to Shareholders


It certainly was not a dull first quarter in our industry or at Hyperion Bancshares. While there were a couple of banks that made headline news in March, we were able to benefit from some of the turmoil that took place. Along with new customers, we added five great people to our team: Toni Hughes - Compliance Department Manager; Kyia Coleman - Loan Operations Specialist; Susan Battle – Director of SBA Lending; Bill Young – Director of Technology Services; and Ryan Elliot – Loan Operations Specialist. Help us spread the word: Especially during recent banking tumult, the security that comes with smaller banks like ours was and continues to be affirmed.


We achieved exceptional loan growth which increased by 34% year over year. Our deposit growth was even stronger and has increased by 46% since the first quarter of last year. The higher interest rate environment, a 24% increase in non-interest income, and the loan growth, all contributed to our revenues increasing by 59% compared to the same period a year ago. We certainly have seen an increase in our expenses with the higher interest rate environment and our investment in additional talent. As a result of the large loan growth in the quarter, we added \$374,340 to our loan loss provision which impacted our net income compared to the first quarter of 2022 when we did not add any provision.

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; Informing us of talented people who you believe would be a good fit for our organization; and
- Connecting with us via social media (HyperionBank - all one word - on LinkedIn & HyperionBankPA on Facebook) and sharing our posts.

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)

	March 31, 2023	March 31, 2022
Assets:		
Cash and due from banks	25,527,429	7,685,777
Securities available for sale	19,187,928	21,762,966
Other investments	1,653,900	1,339,300
Loans: Less allowance for loan loss	313,549,853	233,409,433
Premises and equipment, net	1,869,703	1,887,010
Accrued interest receivable	1,388,803	955,104
Bank Owned Life Insurance	7,318,770	7,125,023
Other Assets	5,341,684	3,761,423
Total Assets	375,838,070	277,926,036
Liabilities:		
Non interest bearing demand deposits	40,408,453	40,029,067
Interest bearing demand deposits	254,502,007	161,769,992
Total deposits	294,910,460	201,799,059
Federal Home Loan Bank advances	36,207,900	29,149,522
Federal Reserve Bank-PPPLF advances	-	4,931,923
Subordinated Debt	15,708,121	15,618,768
Accrued interest payable	328,132	301,390
Other liabilities	3,776,435	2,872,289
Total liabilities	350,931,048	254,672,951
Stockholders' equity:		
Common stock	2,297,162	2,255,564
Additional paid-in-capital	28,195,528	27,940,329
Accumulated deficit	(3,247,797)	(5,579,971)
Unrealized securities gain/loss	(2,337,871)	(1,362,837)
Total stockholders' equity	24,907,022	23,253,085
Total Liabilities and Stockholders' Equity	375,838,070	277,926,036



Consolidated Statement of Operations

(unaudited)

	Three months ended:	
	March 31, 2023	March 31, 2022
Interest Income:		
Loans, including fees	4,690,164	2,964,487
Securities	82,120	83,073
Other investments	202,541	27,256
Total interest income	4,974,825	3,074,816
Interest Expense:		
Deposits	1,389,327	258,507
Subordinated Debt	237,452	237,300
Other borrowings	155,486	104,645
Total interest expense	1,782,265	600,452
Net interest income	3,192,560	2,474,364
Provision for loan losses	374,340	-
Net interest income after provision	2,818,220	2,474,364
Noninterest income:		
Service charges on deposit accounts	30,180	21,922
Gain on sale of loans	115,059	27,874
Loan fees	40,855	90,698
Income from mortgage joint venture	8,507	8,752
Income from bank owned life insurance	48,859	47,503
Other income	1,493	1,418
Total noninterest income	244,953	198,167
Noninterest expense:		
Salaries and employee benefits	1,468,159	1,178,656
Occupancy and equipment	177,819	140,380
Data processing	270,886	248,986
Professional fees	205,072	158,620
Other operating expenses	567,687	484,116
Total noninterest expense	2,689,623	2,210,758
Income before income taxes	373,550	461,773
Income taxes	68,983	82,854
Net income:	304,567	378,919
 Book Value Per Share	 \$10.84	 \$10.31
Book Value Per Share (not including unrealized gain/loss on securities)	\$11.86	\$10.91
Earnings Per Share	\$0.13	\$0.17



Hyperion Bank Team

Susan Battle
Stephanie Berrocal
Jennifer Carney
Cameron Chislom
Kyia Coleman
Charles Crawford
Lou DeCesare
Marsha Dollar
Ryan Elliot
Amy Ellis
Lauren Flowers
Jennifer Gardella
Anne Garland
Lee Green

Kenny Harris
Andres Herrera
Nicole Hicken
Joel Higdon
Toni Hughes
Michael Iannarelli
Bridget Jungblut
James Kang
Eric Kellum
Christopher Kober
Nicole Leitz
Brian McNulty
Asif Mujtaba
Christopher Mumma

George Perkins
Paul Rutkowski
Danielle Selway
Bob Senske
Analy Siqueira
Vonda Smith
Andy Stein
Frank Sullivan
Ryan Sullivan
Naja Thompson
Elisa Varella
Bill Young

Board of Directors

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

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



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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.

