



Second Quarter 2023 | Report to Shareholders

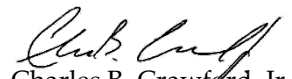
We had another strong quarter of asset growth, and we were pleased to add the following people to our team: Kimberly Bauer, Compliance Analyst; Alexandria Brown, Branch Manager/Philadelphia; Carlos Laverde, SVP, Commercial Lending; Christasia Smith, Universal Banker; and Cassandra Tepper, Loan Operations Supervisor.


In our attempt to maximize long-term shareholder value, we continue to balance quality, growth, and profitability. We have enhanced the quality of our team and the loan quality continues to improve with declines in our delinquencies and non-performing loans. Our balance sheet has grown by over \$100 million in the last year. Our loan and deposit portfolios have increased by 41% and 43% respectively in the last twelve months. We have experienced lower profitability through the first half of the year as we have significantly increased our loan loss provision because of growth, and our interest expense on deposits has increased significantly because of growth and the increase in rates that we are paying our depositors.

You can impact your investment and add value 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 (LinkedIn & 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)

	June 30, 2023	June 30, 2022
Assets:		
Cash and due from banks	24,904,278	19,014,213
Securities available for sale	18,536,625	20,754,093
Other investments	1,671,700	1,373,900
Loans: Less allowance for loan loss	335,903,277	238,167,595
Premises and equipment, net	1,866,031	1,883,377
Accrued interest receivable	1,518,090	1,060,792
Bank Owned Life Insurance	7,368,374	7,172,938
Other Assets	4,294,739	4,643,163
Total Assets	396,063,114	294,070,071
Liabilities:		
Non interest bearing demand deposits	39,005,126	45,165,221
Interest bearing demand deposits	276,355,674	176,126,166
Total deposits	315,360,800	221,291,387
Federal Home Loan Bank advances	36,222,454	29,164,076
Federal Reserve Bank-PPPLF advances	-	2,432,150
Subordinated Debt	15,730,574	15,641,069
Accrued interest payable	161,049	135,358
Other liabilities	3,464,894	2,089,947
Total liabilities	370,939,771	270,753,987
Stockholders' equity:		
Common stock	2,297,162	2,255,564
Additional paid-in-capital	28,285,801	28,008,701
Accumulated deficit	(2,863,954)	(5,103,116)
Unrealized securities gain/loss	(2,595,666)	(1,845,065)
Total stockholders' equity	25,123,343	23,316,084
Total Liabilities and Stockholders' Equity	396,063,114	294,070,071



Consolidated Statement of Operations

(unaudited)

	Six Months Ended	
	June 30, 2023	June 30, 2022
Interest Income:		
Loans, including fees	10,280,921	6,109,196
Securities	162,469	165,931
Other investments	552,860	77,851
Total interest income	10,996,250	6,352,978
Interest Expense:		
Deposits	3,586,957	542,498
Subordinated Debt	474,904	474,600
Other borrowings	263,946	207,457
Total interest expense	4,325,807	1,224,555
Net interest income	6,670,443	5,128,423
Provision for loan losses and unfunded commitments	479,479	6,995
Net interest income after provision	6,190,964	5,121,428
Noninterest income:		
Service charges on deposit accounts	65,581	44,698
Gain on sale of loans	115,059	27,874
Loan fees	91,871	149,545
Income from mortgage joint venture	23,208	11,284
Income from bank owned life insurance	98,463	95,417
Gain on the sale of OREO	60,703	-
Other income	3,037	607
Total noninterest income	457,922	329,425
Noninterest expense:		
Salaries and employee benefits	3,099,365	2,337,364
Occupancy and equipment	372,307	292,917
Data processing	570,971	500,543
Professional fees	451,211	275,493
Other operating expenses	1,295,585	977,198
Total noninterest expense	5,789,439	4,383,515
Income before income taxes	859,447	1,067,338
Income taxes	171,036	211,594
Net income:	688,411	855,744
 Book Value Per Share	 \$10.94	 \$10.34
Book Value Per Share (not including unrealized gain/loss on securities)	\$12.07	\$11.16
Earnings Per Share	\$0.30	\$0.38



Hyperion Bank Team

Susan Battle
Kimberly Bauer
Stephanie Berrocal
Alexandria Brown
Jennifer Carney
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
Carlos Laverde
Nicole Leitz
Brian McNulty
Asif Mujtaba

Christopher Mumma
George Perkins
Paul Rutkowski
Danielle Selway
Christasia Smith
Vonda Smith
Andy Stein
Frank Sullivan
Ryan Sullivan
Cassandra Tepper
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
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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.

