



Fourth Quarter 2023 | Report to Shareholders

2023 was another strong year of growth with loans and deposits increasing by 29%. Our revenue was 65% higher for the year with lower profits as the cost of deposits was significantly higher, we increased our provision for loan losses, and we no longer had tax credits. The fourth quarter of the year was our most profitable quarter. The bank is focused on increasing non-interest income which was up 30% over the last 12 months.

Credit quality remains very healthy and the bank put almost twice as much money aside in our loan loss provision as a result of strong loan growth.

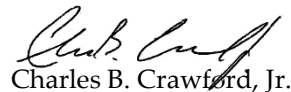
And we finished the year with two new additions to our team: Michael DiPietro, Deposit Operations Specialist, and Lexus Banks, Universal Banker.

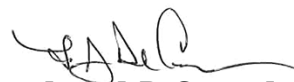
The third quarter resulted in moderate growth and increased profitability. Total revenue over the last 12 months is up 73% with slightly lower profits. The annual balance sheet growth has been very strong with loans up 32% and deposits up 29%. The banking industry is being challenged with the current interest rate environment and we are pleased to be outperforming our peers with a net interest margin that has averaged 4.28% over the last year. We continue to be conservative in our loan underwriting and our asset quality remains strong.

You can impact your investment and value by:

- Doing business with us - both commercial & individual;
- Referring business such as commercial customers (including SBA), 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, 2023	September 30, 2022
Assets:		
Cash and due from banks	28,587,253	14,501,904
Securities available for sale	17,827,318	19,239,453
Other investments	2,331,700	1,373,900
Loans: Less allowance for loan loss	335,550,556	254,733,702
Premises and equipment, net	1,875,484	1,852,395
Accrued interest receivable	1,481,969	987,580
Bank Owned Life Insurance	7,419,626	7,221,212
Other Assets	4,696,734	3,747,289
Total Assets	399,770,640	303,657,435
Liabilities:		
Non interest bearing demand deposits	42,628,908	42,913,677
Interest bearing demand deposits	258,905,462	190,055,640
Total deposits	301,534,370	232,969,317
Federal Home Loan Bank advances	52,737,168	29,178,791
Federal Reserve Bank-PPPLF advances	-	384,600
Subordinated Debt	15,753,026	15,663,369
Accrued interest payable	378,223	285,972
Other liabilities	3,859,679	2,186,524
Total liabilities	374,262,466	280,668,573
Stockholders' equity:		
Common stock	2,297,523	2,255,564
Additional paid-in-capital	28,376,112	28,077,072
Accumulated deficit	(2,265,375)	(4,594,651)
Unrealized securities gain/loss	(2,900,086)	(2,749,123)
Total stockholders' equity	25,508,174	22,988,862
Total Liabilities and Stockholders' Equity	399,770,640	303,657,435



Consolidated Statement of Operations

(unaudited)

	Nine Months Ended:	
	September 30, 2023	September 30, 2022
Interest Income:		
Loans, including fees	16,358,661	9,515,654
Securities	242,113	249,107
Other investments	939,987	259,879
Total interest income	17,540,761	10,024,640
Interest Expense:		
Deposits	6,041,011	970,822
Subordinated Debt	712,357	711,900
Other borrowings	426,177	309,632
Total interest expense	7,179,545	1,992,354
Net interest income	10,361,216	8,032,286
Provision for loan losses and unfunded commitments	495,797	92,842
Net interest income after provision	9,865,419	7,939,444
Noninterest income:		
Service charges on deposit accounts	92,825	70,034
Gain on sale of loans	115,059	27,874
Loan fees	143,903	198,516
Income from mortgage joint venture	27,711	12,260
Income from bank owned life insurance	149,715	143,692
Gain on the sale of OREO	60,703	-
Other income	3,982	3,325
Total noninterest income	593,898	455,701
Noninterest expense:		
Salaries and employee benefits	4,739,093	3,524,712
Occupancy and equipment	558,054	450,798
Data processing	869,997	761,269
Professional fees	668,082	450,546
Other operating expenses	2,015,556	1,529,820
Total noninterest expense	8,850,782	6,717,145
Income before income taxes	1,608,535	1,678,000
Income taxes	321,547	313,760
Net income:	1,286,988	1,364,240
 Book Value Per Share	 \$11.10	 \$10.19
Book Value Per Share (not including unrealized gain/loss on securities)	\$12.36	\$11.41
Earnings Per Share	\$0.56	\$0.60



Hyperion Bank Team

Susan Battle
Kimberly Bauer
Alexandria Brown
Karen Chavarria
Charles Crawford
Lou DeCesare
Marsha Dollar
Ryan Elliott
Amy Ellis
Megan Fantini
Lauren Flowers
Jennifer Gardella
Lee Green
Kenny Harris

Andres Herrera
Nicole Hicken
Joel Higdon
Nancy Hollingsworth
Toni Hughes
Michael Iannarelli
Bridget Jungblut
James Kang
Eric Kellum
Christopher Kober
Carlos Laverde
Naja Leggins
Nicole Leitz
Brian McNulty

Asif Mujtaba
Christopher Mumma
George Perkins
Cara Rossi
Paul Rutkowski
Danielle Selway
Vonda Smith
Andy Stein
Frank Sullivan
Ryan Sullivan
Cassandra Tepper
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



199 W. Girard Avenue
Philadelphia, PA 19123
215.789.4200

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

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.

