



Third Quarter 2024 | Report to Shareholders

We are glad to have Rob Hamilton & Denisha Hernandez on our team; both joined us this past quarter as Universal Bankers. And at its 2024 Convention in Sept., the Pennsylvania Association of Community Bankers recognized yours truly as the organization's new Board Chair; this is already leading to some great synergies.

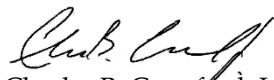
The company's performance received a lot of recognition in the third quarter as we were named to the Philadelphia Business Journal's "Fast 50" for the fifth consecutive year, coming in as the 25th fastest growing company in the region and the only bank on this year's list. Of course, Inc. 5000 also named us as one of the fastest growing companies in the nation, at #3,835. And, the Philadelphia Business Journal recognized Hyperion Bank among 20 finalists (small company category) for 2024 Best Places to Work; we are proud of our team, particularly because this recognition was employee-instigated & employee-driven!

The growth awards are driven by sales, and our revenues for 2024 are 20% higher than the same period in 2023. Our balance sheet has experienced more moderate growth with loans up 8% and deposits up by 12%. We added more money to our loan loss reserve during the 3rd quarter; our net income for the first nine months is slightly less than a year ago. We are pleased to see the 13% increase in book value per share over the last year.

You can impact your investment and value by:

- Letting potential customers know we have **additional FDIC coverage** (multi-million dollar protection) via our ICS® and CDARS® programs, so they can access multi-million-dollar FDIC protection by working directly with just our bank. (Offer of credit subject to approval.)
- Sharing that we have a **strong SBA program** (we are an SBA Express Lender, a special status that streamlines the process).
- Knowing we can create **tailored banking product & service packages** for small businesses or groups of employees. Just ask!
- Connecting us with **potential strategic partners** and **talented potential team members**.

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, 2024	September 30, 2023
Assets:		
Cash and due from banks	31,249,957	28,587,253
Securities available for sale	18,104,900	17,827,318
Other investments	1,959,800	2,331,700
Loans: Less allowance for loan loss	363,304,477	335,550,556
Premises and equipment, net	1,801,563	1,875,484
Accrued interest receivable	1,707,072	1,481,969
Bank Owned Life Insurance	7,666,348	7,419,626
Other Assets	4,314,362	4,696,734
Total Assets	430,108,479	399,770,640
Liabilities:		
Non interest bearing demand deposits	39,134,299	42,628,908
Interest bearing demand deposits	299,763,317	258,905,462
Total deposits	338,897,616	301,534,370
Federal Home Loan Bank advances	42,493,547	52,737,168
Subordinated Debt	15,843,986	15,753,026
Accrued interest payable	296,879	378,223
Other liabilities	3,206,786	3,859,679
Total liabilities	400,738,814	374,262,466
Stockholders' equity:		
Common stock	2,336,306	2,297,523
Additional paid-in-capital	28,716,643	28,376,112
Retained earnings (Accumulated deficit)	103,069	(2,265,375)
Unrealized securities gain/loss	(1,786,353)	(2,900,086)
Total stockholders' equity	29,369,665	25,508,174
Total Liabilities and Stockholders' Equity	430,108,479	399,770,640



Consolidated Statement of Operations

(unaudited)

	Nine Months Ended:	
	September 30, 2024	September 30, 2023
Interest Income:		
Loans, including fees	19,589,035	16,358,661
Securities	231,012	242,113
Other investments	1,174,413	939,987
Total interest income	20,994,460	17,540,761
Interest Expense:		
Deposits	9,478,804	6,041,011
Subordinated Debt	713,508	712,357
Other borrowings	370,820	426,177
Total interest expense	10,563,132	7,179,545
Net interest income	10,431,328	10,361,216
Provision for loan losses and unfunded commitments	464,682	495,797
Net interest income after provision	9,966,646	9,865,419
Noninterest income:		
Service charges on deposit accounts	96,640	92,825
Gain on sale of loans	164,967	115,059
Loan fees	197,198	143,903
Income (loss) from mortgage joint venture	31,069	27,711
Income from bank owned life insurance	189,869	149,715
Gain on the sale of OREO	-	60,703
Other income (loss)	-	3,982
Total noninterest income	679,743	593,898
Noninterest expense:		
Salaries and employee benefits	4,982,314	4,739,093
Occupancy and equipment	544,529	558,054
Data processing	1,024,750	869,997
Professional fees	562,581	668,082
Other operating expenses	2,044,056	2,015,556
Total noninterest expense	9,158,230	8,850,782
Income before income taxes	1,488,159	1,608,535
Income taxes	285,689	321,547
Net income:	1,202,470	1,286,988
 Book Value Per Share	 \$12.57	 \$11.10
Book Value Per Share (not including unrealized gain/loss on securities)	 \$13.34	 \$12.36
Earnings Per Share	 \$0.52	 \$0.56



Hyperion Bank Team

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Susan Battle
Kimberly Bauer
Karen Chavarria
Travis Copeland
Charles Crawford
Lou DeCesare
Michael DiPietro
Marsha Dollar
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Lauren Flowers
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Denisha Hernandez
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Nancy Hollingsworth
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Naja Leggins
Nicole Leitz

Brian McNulty
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Christopher Mumma
George Perkins
Cara Rossi
Danielle Selway
Ka'Rin Smith
Vonda Smith
Andy Stein
Frank Sullivan
Ryan Sullivan
Cassandra Tepper
Elisa Varella
Lexus Whyte
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.

