



Second Quarter 2024 | Report to Shareholders

We were pleased to add three new team members this quarter: Ka'Rin Smith, Philadelphia Branch Manager; Travis Copeland, Atlanta Assistant Branch Manager; and Eric Golden, SVP, CFO & Treasurer. Paul Rutkowski, our outgoing CFO, has announced his retirement, first working concurrently with Eric Golden to ensure continuity.

Paul's financial leadership over the last seven years has seen Hyperion Bank go from assets of \$89 million to \$420 million. Capital grew from \$6 million to \$41 million, and net income has increased by a multiple of 13. We are grateful for the opportunity to work alongside Paul during such a pivotal time for the bank.

The first half of 2024 has seen more moderate balance sheet growth in loans and deposits. Revenues have increased by 26% and our net income is up 38% over the same period last year. The credit quality of our loan portfolio continues to be very good. 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)

	June 30, 2024	June 30, 2023
Assets:		
Cash and due from banks	36,284,195	24,904,278
Securities available for sale	17,689,739	18,536,625
Other investments	1,097,700	1,671,700
Loans: Less allowance for loan loss	349,899,859	335,903,277
Premises and equipment, net	1,787,301	1,866,031
Accrued interest receivable	1,742,710	1,518,090
Bank Owned Life Insurance	7,599,006	7,368,374
Other Assets	4,241,682	4,294,739
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Total Assets	420,342,192	396,063,114
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Liabilities:		
Non interest bearing demand deposits	46,395,123	39,005,126
Interest bearing demand deposits	305,789,186	276,355,674
Total deposits	352,184,309	315,360,800
Federal Home Loan Bank advances	20,925,832	36,222,454
Subordinated Debt	15,821,246	15,730,574
Accrued interest payable	97,105	161,049
Other liabilities	2,860,691	3,464,894
Total liabilities	391,889,183	370,939,771
Stockholders' equity:		
Common stock	2,336,306	2,297,162
Additional paid-in-capital	28,618,336	28,285,801
Accumulated deficit	(152,357)	(2,863,954)
Unrealized securities gain/loss	(2,349,276)	(2,595,666)
Total stockholders' equity	28,453,009	25,123,343
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Total Liabilities and Stockholders' Equity	420,342,192	396,063,114



Consolidated Statement of Operations

(unaudited)

Six Months Ended:

	June 30, 2024	June 30, 2023
Interest Income:		
Loans, including fees	12,976,174	10,280,921
Securities	154,975	162,469
Other investments	806,276	552,860
Total interest income	13,937,425	10,996,250
Interest Expense:		
Deposits	6,174,759	3,586,957
Subordinated Debt	475,768	474,904
Other borrowings	291,356	263,946
Total interest expense	6,941,883	4,325,807
Net interest income	6,995,542	6,670,443
Provision for loan losses and unfunded commitments	113,561	479,479
Net interest income after provision	6,881,981	6,190,964
Noninterest income:		
Service charges on deposit accounts	63,063	65,581
Gain on sale of loans	132,905	115,059
Loan fees	149,222	91,871
Income (loss) from mortgage joint venture	27,929	23,208
Income from bank owned life insurance	122,527	98,463
Gain on the sale of OREO	-	60,703
Other income (loss)	-	3,037
Total noninterest income	495,646	457,922
Noninterest expense:		
Salaries and employee benefits	3,371,338	3,099,365
Occupancy and equipment	354,392	372,307
Data processing	687,119	570,971
Professional fees	364,726	451,211
Other operating expenses	1,425,603	1,295,585
Total noninterest expense	6,203,178	5,789,439
Income before income taxes	1,174,449	859,447
Income taxes	227,406	171,036
Net income:	947,043	688,411

Book Value Per Share	\$12.18	\$10.94
Book Value Per Share (not including unrealized gain/loss on securities)	\$13.18	\$12.07
Earnings Per Share	\$0.41	\$0.30



Hyperion Bank Team

Jesus Ayala	Lee Green	Asif Mujtaba
Lexus Banks	Oliver Hanley	Christopher Mumma
Susan Battle	Andres Herrera	George Perkins
Kimberly Bauer	Nicole Hicken	Cara Rossi
Karen Chavarria	Joel Higdon	Paul Rutkowski
Travis Copeland	Nancy Hollingsworth	Danielle Selway
Charles Crawford	Toni Hughes	Ka'Rin Smith
Lou DeCesare	Michael Iannarelli	Vonda Smith
Michael DiPietro	Bridget Jungblut	Andy Stein
Marsha Dollar	James Kang	Frank Sullivan
Ryan Elliott	Eric Kellum	Ryan Sullivan
Amy Ellis	Christopher Kober	Cassandra Tepper
Megan Fantini	Carlos Laverde	Elisa Varella
Lauren Flowers	Naja Leggins	Bill Young
Jennifer Gardella	Nicole Leitz	
Eric Golden	Brian McNulty	

Board of Directors

Charles Crawford	Robert N.C. Nix, III
Lou DeCesare	Michael Purcell
Jill Jinks	Lara Rhame
James J. McAlpin, Jr.	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.

