



FOR IMMEDIATE RELEASE

July 12, 2022

**Highlands Bankshares, Inc.
Reports 2022 Second Quarter Earnings
And Declares Quarterly Dividend**

Petersburg, WV - Highlands Bankshares, Inc. (OTC: HBSI) announced unaudited earnings of \$2,106,000 for the first six-month period ended June 30, 2022. This represents a decrease of 9.81% from the \$2,335,000 earned during the same period in 2021. On a per share basis, net income was \$1.58 for the first six months of 2022, compared to earnings of \$1.74 per share for the six months ended June 30, 2021.

On July 12, 2022, the Board of Directors declared a quarterly dividend of \$0.45 per share to be paid on August 5, 2022 to all shareholders of record as of July 29, 2022. Based upon the current market price and annualizing the dividends paid to shareholders this quarter, Highlands' current dividend yield is 4.11%.

Jack H. Walters, Chairman and Chief Executive Officer of the holding company, stated "Despite the backdrop of high inflation, supply shortages, and general economic uncertainty, Highlands continues to work with the small businesses and consumers in our region to help them turn their visions into reality. The first half of 2022 has been marked by interest rate volatility and increasing pressure on the expense side of the income statement as vendors and suppliers pass along increased costs. Loan demand has continued to be strong in most areas but we are cautious as to the impact that higher rates will have on consumers and businesses moving forward. We are pleased with our performance thus far and pleased to distribute another dividend payment to our shareholders."

Highlands Bankshares, Inc. operates twelve banking locations in West Virginia and Virginia through its two wholly-owned subsidiary banks, The Grant County Bank and Capon Valley Bank, and offers insurance services through its wholly-owned subsidiary HBI Life Insurance Company.