



FOR IMMEDIATE RELEASE

April 11, 2023

**Highlands Bankshares, Inc.
Reports 2023 First Quarter Earnings
And Declares Quarterly Dividend**

Petersburg, WV - Highlands Bankshares, Inc. (OTC: HBSI) announced unaudited earnings of \$782,000 for the first three-month period ended March 31, 2023. This represents a decrease of 15% from the \$917,000 earned during the same period in 2022. On a per share basis, net income was \$0.58 for the first three months of 2023, compared to earnings of \$0.68 per share for the three months ended March 31, 2022.

On April 11, 2023, the Board of Directors declared a quarterly dividend of \$0.45 per share to be paid on May 4, 2023 to all shareholders of record as of April 27, 2023. Based upon the current market price and annualizing the dividends paid to shareholders this quarter, Highlands' current dividend yield is 4.53%.

Jack H. Walters, Chairman and Chief Executive Officer of the holding company, stated "The banking industry has been much in the news of late with the highly publicized failures of a couple of large regional banks. We are pleased that we, along with most other community banks, have a much different business model. The vast majority of our depositors are fully covered by FDIC insurance and our customer base is well diversified. We are proud of being one of the best capitalized bank holding companies in West Virginia, and believe that it provides our shareholders and customers peace of mind during turbulent times. Turning to earnings for the current quarter, Q1 earnings benefited from an improving net interest margin as well as excellent loan growth compared to the year ago period, however this was offset by the write down during the quarter of a corporate bond in our investment portfolio that we determined would ultimately not be collected."

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.