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FOR IMMEDIATE RELEASE

July 11, 2023

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

**Petersburg, WV** - Highlands Bankshares, Inc. (OTC: HBSI) announced unaudited earnings of \$1,559,000 for the first six-month period ended June 30, 2023. This represents a decrease of 25.97% from the \$2,106,000 earned during the same period in 2022. On a per share basis, net income was \$1.17 for the first six months of 2023, compared to earnings of \$1.58 per share for the six months ended June 30, 2022.

On July 11, 2023, the Board of Directors declared a quarterly dividend of \$0.45 per share to be paid on August 4, 2023 to all shareholders of record as of July 28, 2023. Based upon the current market price and annualizing the dividends paid to shareholders this quarter, Highlands' current dividend yield is 4.21%.

Jack H. Walters, Chairman and Chief Executive Officer of the holding company, stated "Interest rates have continued to be somewhat volatile, but gradually moved higher over the past quarter. This has allowed us to improve our net interest margin. Unfortunately, those same higher rates also led us to sell certain security issuances at a loss due to credit concerns. These sales impacted results in the current quarter as compared to the linked quarter. On an encouraging note, we continue to see moderately strong loan demand, which has been somewhat surprising given the rapid runup in interest rates and speaks to an underlying strength in the economy."

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.