Highlands Bankshares, Inc.
Financial Results
As of March 31, 2026

Unaudited

HIGHLANDS BANKSHARES, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands of dollars)

	March 31, 2026	December 31, 2025
ASSETS		
Cash and due from banks	$ 4,473	$ 4,994
Interest bearing deposits in banks	$ 16,212	$ 14,374
Federal funds sold	$ 17,304	$ 17,399
Investment securities available for sale	$ 82,894	$ 84,238
Restricted investments, at cost	$ 2,491	$ 2,566
Loans	$ 479,863	$ 477,370
Allowance for loan losses	$ (5,636)	$ (5,527)
Bank premises and equipment, net of depreciation	$ 15,437	$ 15,003
Interest receivable	$ 2,511	$ 2,418
Investment in life insurance contracts	$ 12,610	$ 12,522
Foreclosed assets, net of valuation allowance	$ 343	$ 312
Goodwill	$ 1,534	$ 1,534
Other intangible assets, net of amortization	$ 5	$ 6
Other assets	$ 4,669	$ 4,587
Total Assets	$ 634,710	$ 631,796
LIABILITIES		
Deposits		
Non-interest bearing deposits	$ 141,014	$ 140,186
Interest bearing transaction and savings accounts	$ 256,784	$ 256,642
Time deposits over $250,000	$ 29,933	$ 28,801
All other time deposits	$ 124,852	$ 125,293
Total Deposits	$ 552,583	$ 550,922
Long term debt instruments	$ 8,437	$ 8,843
Other short term borrowing	$ -	$ -
Accrued expenses and other liabilities	$ 5,050	$ 4,389
Total Liabilities	$ 566,070	$ 564,154
STOCKHOLDERS' EQUITY		
Common Stock, $5 par value, 3,000,000 shares authorized, 1,436,874 shares issued, 1,319,360 shares outstanding	$ 7,184	$ 7,184
Surplus	$ 1,662	$ 1,662
Treasury stock (117,254 shares, at cost)	$ (3,973)	$ (3,973)
Retained earnings	$ 66,578	$ 65,424
Other accumulated comprehensive loss	$ (2,811)	$ (2,655)
Total Stockholders' Equity	$ 68,640	$ 67,642
Total Liabilities and Stockholders' Equity	$ 634,710	$ 631,796

The accompanying notes are an integral part of these financial statements

HIGHLANDS BANKSHARES, INC.
CONSOLIDATED STATEMENTS OF INCOME
(In Thousands of Dollars, Except Per Share Data)

	Quarter Ending March 31, 2026 Unaudited	2025 Unaudited
Interest Income		
Interest and fees on loans	$ 8,117	$ 7,161
Interest on federal funds sold	196	199
Interest on deposits in other banks	82	67
Interest and dividends on securities	619	517
Total Interest Income	9,014	7,944
Interest Expense		
Interest on deposits	2,151	2,095
Interest on borrowed money	151	173
Total Interest Expense	2,302	2,268
Net Interest Income	6,712	5,676
Provision for Loan Losses	123	187
Net Interest Income After Provision for Loan Losses	6,589	5,489
Non-interest Income		
Service charges	288	253
Life insurance investment income	88	79
Gains on securities transactions	0	0
Other non-interest income	417	400
Total Non-interest Income	793	732
Non-interest Expense		
Salaries and employee benefits	2,559	2,303
Occupancy and equipment expense	579	585
Data processing expense	822	588
Directors fees	140	113
Legal and professional fees	143	165
Office supplies, postage and freight expense	51	53
FDIC premiums	86	77
Loan and foreclosed asset expense	100	66
Losses on sale of foreclosed property	0	0
Losses on appraisal adjustments of other real estate	0	0
Other non-interest expense	641	502
Total Non-interest Expense	5,121	4,452
Income Before Provision For Income Taxes	2,261	1,769
Provision for Income Taxes	486	385
Net Income	$ 1,775	$ 1,384
Per Share Data		
Cash Dividends	$0.47	$0.45
Weighted Average Common Shares Outstanding	1,319,360	1,328,372

The accompanying notes are an integral part of these financial statements.

Highlands Bankshares, Inc
(Unaudited)
March 31, 2026

Highlands Bankshares, Inc. (HBSI) is a registered bank holding company incorporated under the laws of West Virginia. It is the parent company of The Grant County Bank, Capon Valley Bank, and HBI Life Insurance Company. Highlands Bankshares, Inc. operates community banking in West Virginia and Virginia from 12 locations.

The accounting and reporting policies of Highlands Bankshares, Inc. and its subsidiaries (collectively, the Company) conform to accounting principles generally accepted in the United States of America. The consolidated financial statements included herein are for Highlands Bankshares, Inc. and its subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

The accompanying interim consolidated financial statements have been prepared under the presumption that users of the interim consolidated financial information have either read or have access to the audited consolidated financial statements of Highlands Bankshares, Inc. and subsidiaries for the year ended December 31, 2025.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are based on information available to management at the time the estimates are made.

The unaudited consolidated financial statements as of March 31, 2026 include, in the opinion of management, all adjustments, consisting solely of normal recurring adjustments, necessary for a fair presentation of the financial results for the respective interim periods and are not necessarily indicative of results of operations to be expected for the entire fiscal year.

The Company's critical accounting policies are unchanged since December 31, 2025.