FOR IMMEDIATE RELEASE
July 14, 2026

Highlands Bankshares, Inc.
Reports 2026 Second Quarter Earnings
And Declares Quarterly Dividend

Petersburg, WV - Highlands Bankshares, Inc. (OTC: HBSI) announced unaudited earnings of $3,837,000 for the first six-month period ended June 30, 2026. This represents an increase of 36.65% from the $2,808,000 earned during the same period in 2025. On a per share basis, net income was $2.91 for the first six months of 2026, compared to earnings of $2.12 per share for the six months ended June 30, 2025.

On July 14, 2026, the Board of Directors declared a quarterly dividend of $0.48 per share to be paid on July 31, 2026 to all shareholders of record as of July 27, 2026. Based upon the current market price and annualizing the dividends paid to shareholders this quarter, Highlands' current dividend yield is 4.09%.

Jack H. Walters, Chairman and Chief Executive Officer of the holding company, stated "We are extremely pleased with 2026 results year to date and these results are reflected in the increase in our quarterly dividend to $0.48. This increase is consistent with our objectives to provide a return on investment to our shareholders while maintaining capital levels sufficient to provide for our future growth objectives. The teams at our two subsidiary banks continue to execute at a high level and drive growth across all segments of our business. Increasing net interest margins and growth in earning assets, along with stabilized deposit costs were the main drivers of the increases in income YTD. This quarter also saw important milestones in our company history as Capon Valley Bank opened their newest location in the Stephenson area of Frederick County, Virginia and The Grant County Bank officially transitioned to the Highlands Bank name on July 1st."

Highlands Bankshares, Inc. currently operates thirteen banking locations in West Virginia and Virginia through its two wholly owned subsidiary banks, Highlands Bank and Capon Valley Bank, and offers insurance services through its wholly owned subsidiary HBI Life Insurance Company. Highlands Bank will be opening their new Falling Waters West Virginia branch in early 2027.