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FOR IMMEDIATE RELEASE

April 12, 2016

**Highlands Bankshares, Inc.  
Reports 2016 First Quarter Earnings  
And Declares Quarterly Dividend**

**Petersburg, WV** - Highlands Bankshares, Inc. (OTCQB: HBSI) announced unaudited earnings of \$884,000 for the first three month period ended March 31, 2016. This represents an increase of approximately 16.6% from the \$775,000 earned during the same period in 2015. On a per share basis, net income was \$0.66 per share for the first three months of 2016, compared to \$0.56 earnings per share for the quarter ended March 31, 2015.

On April 12, 2016, the Board of Directors declared a quarterly dividend of \$0.26 per share to be paid on May 6, 2016 to all shareholders of record as of April 29, 2016. This is an increase of 4.0% in the quarterly dividend of \$0.25 per share declared for the first quarter of 2015. Based upon the current market price and annualizing the dividends paid to shareholders this quarter, Highlands' current dividend yield is 3.6%.

John Van Meter, Chairman and Chief Executive Officer of the holding company, stated "Our performance in the first quarter of 2016 has positioned us well for a successful year. We are returning a higher percentage of our earnings to our shareholders in the form of dividends as we continue to generate capital to strengthen our already solid capital position."

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.