



FOR IMMEDIATE RELEASE

April 11, 2017

**Highlands Bankshares, Inc.
Reports 2017 First Quarter Earnings
And Declares Quarterly Dividend**

Petersburg, WV - Highlands Bankshares, Inc. (OTCQB: HBSI) announced unaudited earnings of \$765,000 or \$0.57 per share for the three month period ended March 31, 2017. In comparison, earnings during the first three months of 2016 were \$884,000 or \$0.66 per share.

On April 11, 2017, the Board of Directors declared a quarterly dividend of \$0.28 per share to be paid on May 5, 2017 to all shareholders of record as of April 28, 2017. This is an increase of 8.0% in the quarterly dividend of \$0.26 per share declared for the first quarter of 2016. Based upon the current market price and annualizing the dividends paid to shareholders this quarter, Highlands' current dividend yield is 2.9%.

John Van Meter, Chairman and Chief Executive Officer of the holding company, stated "The market price of our stock increased over 40% during 2016 and has continued to steadily rise in the first quarter of 2017 creating a corresponding increase in shareholder value. We are returning a higher percentage of our earnings to our shareholders in the form of dividends as we continue to generate capital maintaining our already solid capital position as we prepare for future growth."

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.