



FOR IMMEDIATE RELEASE

April 10, 2018

**Highlands Bankshares, Inc.
Reports 2018 First Quarter Earnings
And Declares Quarterly Dividend**

Petersburg, WV - Highlands Bankshares, Inc. (OTC: HBSI) announced unaudited earnings of \$984,000 for the first three month period ended March 31, 2018. This represents an increase of 28.6% from the \$765,000 earned during the same period in 2017. On a per share basis, net income was \$0.74 for the first three months of 2018, compared to earnings of \$0.57 per share for the three months ended March 31, 2017.

On April 10, 2018, the Board of Directors declared a quarterly dividend of \$0.45 per share to be paid on May 4, 2018 to all shareholders of record as of April 27, 2018. This is an increase of 60.7% in the quarterly dividend compared to \$0.28 per share declared for the first quarter of 2017. Based upon the current market price and annualizing the dividends paid to shareholders this quarter, Highlands' current dividend yield is 4.2%.

John Van Meter, Chairman and Chief Executive Officer of the holding company, stated "Our performance in the first quarter of 2018 has positioned us well for a successful year. We are pleased to be returning a higher percentage of our earnings to our shareholders in the form of dividends as we incorporate into our dividend strategy the reduction in the corporate tax rate passed late last year. We remain committed to 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.