



FOR IMMEDIATE RELEASE

July 11, 2017

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

Petersburg, WV - Highlands Bankshares, Inc. (OTCQB: HBSI) announced unaudited earnings of \$1,600,000 for the first six month period ended June 30, 2017. This represents a decrease of approximately 15.5% from the \$1,893,000 earned during the same period in 2016. On a per share basis, net income was \$1.20 per share for the first six months of 2017, compared to \$1.42 earnings per share for the six months ended June 30, 2016.

On July 11, 2017, the Board of Directors declared a quarterly dividend of \$0.28 per share to be paid on August 4, 2017 to all shareholders of record as of July 28, 2017. Based upon the current market price and annualizing the dividends paid to shareholders this quarter, Highlands' current dividend yield is 2.8%.

John Van Meter, Chairman and Chief Executive Officer of the holding company, stated "Our market price has continued to increase during 2017 ending the second quarter at \$40.00 per share, representing 102.7% of book value. We are pleased with the momentum as it contributes to an increase in the value of shareholder portfolios."

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.