



FOR IMMEDIATE RELEASE

October 11, 2016

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

Petersburg, WV - Highlands Bankshares, Inc. (OTCQB: HBSI) announced unaudited earnings of \$2,651,000 for the first nine month period ended September 30, 2016. This represents an increase of approximately 11.5% from the \$2,377,000 earned during the same period in 2015. On a per share basis, net income was \$1.98 per share for the first nine months of 2016, compared to \$1.78 earnings per share for the nine months ended September 30, 2015.

On October 11, 2016, the Board of Directors declared a quarterly dividend of \$0.28 per share to be paid on November 7, 2016 to all shareholders of record as of October 31, 2016. Based upon the current market price and annualizing the dividends paid to shareholders this quarter, Highlands' current dividend yield is 3.8%.

John Van Meter, Chairman and Chief Executive Officer of the holding company, stated "We anticipate the strong momentum we have experienced during 2016 to continue throughout the remainder of the year while we maintain a high quality balance sheet, generate growth, and increase profits."

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.