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**FOR IMMEDIATE RELEASE**

October 9, 2018

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

**Petersburg, WV** - Highlands Bankshares, Inc. (OTC: HBSI) announced unaudited earnings of \$2,911,000 for the first nine month period ended September 30, 2018. This represents an increase of 13.36% from the \$2,568,000 earned during the same period in 2017. On a per share basis, net income was \$2.18 for the first nine months of 2018, compared to earnings of \$1.92 per share for the nine months ended June 30, 2017.

On October 9, 2018, the Board of Directors declared a quarterly dividend of \$0.45 per share to be paid on November 2, 2018 to all shareholders of record as of October 26, 2018. This is an increase of 50.0% in the quarterly dividend compared to \$0.30 per share declared for the second quarter of 2017. Based upon the current market price and annualizing the dividends paid to shareholders this quarter, Highlands' current dividend yield is 3.69%.

John Van Meter, Chairman and Chief Executive Officer of the holding company, stated "Our focused asset and liability management strategies contributed to both net interest income and non-interest income growth. These factors along with disciplined operating expense management and the lower tax rate is driving the improved profitability. Even though the loan market pressures have intensified, our net interest margin is holding steady.

"The year over year increase in dividends reflects our confidence in earnings strength while generating premium returns for shareholders. Our market price has increased \$7.50 or 18.2% since the beginning of the year to \$48.75 per share, setting a new company high and providing our shareholders with increased value."

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.