



FOR IMMEDIATE RELEASE

February 21, 2017

**Highlands Bankshares, Inc.
Reports Year End 2016 Earnings
And Declares Quarterly Dividend**

Petersburg, WV - Highlands Bankshares, Inc. (OTCQB: HBSI) announced unaudited earnings of \$3,729,000 for the year ended December 31, 2016. This represents an increase of approximately 18.1% from the \$3,331,000 earned during the same period in 2015. On a per share basis, net income was \$2.79 per share for 2016, compared to \$2.49 earnings per share for 2015.

On February 21, 2017, the Board of Directors declared a quarterly dividend of \$0.28 per share to be paid on March 10, 2017 to all shareholders of record as of February 3, 2017. Based upon the current market price and annualizing the dividends paid to shareholders this quarter, Highlands' current dividend yield is 3.0%.

John Van Meter, Chairman and Chief Executive Officer of the holding company, stated "Highlands Bankshares recorded the highest level of net income since 2008. This reflects our continued commitment to deliver higher returns to our shareholders through increased dividends while maintaining capital levels above industry averages. Our market price continued to increase during the year ending at \$35.75, a 40.2% increase over the year end 2015 market price generating an increase in the value of shareholder portfolios. The market price has continued to climb since year end to the current rate of \$37.50"

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.