



PLEASE MARK VOTES AS IN THIS EXAMPLE

REVOCABLE PROXY HIGHLANDS BANKSHARES, INC.

Annual Meeting of Shareholders, May 12, 2009 THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS.

The undersigned hereby appoints Leslie A. Barr and Steven C. Judy, either of whom may act with full power of substitution, as proxies to vote, as designated below, at the Annual Meeting of Shareholders to be held on May 12, 2009, and at any adjournment thereof, the shares of Highlands Bankshares, Inc. common stock held of record by the undersigned as of March 18, 2009. Each share is entitled to one vote per nominee unless a shareholder requests cumulative voting at least 48 hours before the meeting. If cumulative voting for the election of directors is requested, the proxies, unless otherwise directed, shall have full discretion and authority to cumulate their votes and vote for less than all such nominees.

The shares to which this proxy relates will be voted as specified. If no specification is made, such shares will be voted in favor of the proposals set forth on this proxy.

1. PROPOSAL ONE: ELECTION OF DIRECTORS

Class B: Gerald W. Smith
L. Keith Wolfe

	For	With- hold Authority
	<input type="checkbox"/>	<input type="checkbox"/>

Clarence E. Porter

(INSTRUCTION: To withhold authority to vote for any individual nominee, write that nominee's name in the space below.)

2. PROPOSAL TWO:

RATIFICATION OF APPOINTMENT
OF SMITH ELLIOTT KEARNS &
COMPANY, LLC AS INDEPENDENT
REGISTERED CERTIFIED PUBLIC
ACCOUNTANTS

	For	Against	Abstain
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

IN THEIR DISCRETION, THE PROXIES ARE AUTHORIZED TO VOTE UPON SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE ANNUAL MEETING.

Please be sure to date and sign this proxy card in the box below.

Date

Sign above

↑ Detach above card, sign, date and mail in postage paid envelope provided. ↑

HIGHLANDS BANKSHARES, INC.

Please complete, date and sign the proxy and return it as soon as possible in the enclosed postage prepaid envelope. The proxy must be signed exactly as the name or names appear on the label attached to this proxy. If signing as a trustee, executor, etc., please so indicate.

**PLEASE ACT PROMPTLY
SIGN, DATE & MAIL YOUR PROXY CARD TODAY**

IF YOUR ADDRESS HAS CHANGED, PLEASE CORRECT THE ADDRESS IN THE SPACE PROVIDED BELOW AND RETURN THIS PORTION WITH THE PROXY IN THE ENVELOPE PROVIDED.

**PROXY MATERIALS ARE
AVAILABLE ON-LINE AT:**

<http://www.cfpproxy.com/4993>