Board of Governors of the Federal Reserve System

FRB RICHMOND

Annual Report of Holding Companies—FR Y-6

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844 (c)(1)(A)); Section 8(a) of the International Banking Act (12 U.S.C. § 3106(a)); Sections 11(a)(1), 25 and 25A of the Federal Reserve Act (12 U.S.C. §§ 244(a)(1), 602, and 611a); Section 211.13(c) of Regulation K (12 C.F.R. § 211.13(c)); and Section 225.5(b) of Regulation Y (12 C.F.R. § 225.5(b)) and section 10(c)(2)(H) of the Home Owners' Loan Act. Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

NOTE: The Annual Report of Holding Companies must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report.

I, John G. Van Meter
Name of the Holding Company Director and Official
Chairman of the Board, President & CEO Title of the Holding Company Director and Official

attest that the Annual Report of Holding Companies (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Signature of Holding Company Director and Official
02/27/2015 Date of Signature

For holding companies not registered with the SEC—Indicate status of Annual Report to Shareholders:
☐ is included with the FR Y-6 report
☒ will be sent under separate cover
☐ is not prepared

For Federal Reserve Bank Use Only
RSSD ID: 131750
C.I.

This report form is to be filed by all top-tier bank holding companies and top-tier savings and loan holding companies organized under U.S. law and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2014

Month / Day / Year
N/A

Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address
Highlands Bankshares, Inc.
3 North Main Street, P.O. Box 929
Petersburg, WV 26847

City State Zip Code

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:
Tammy L. Kesner Accounting Manager
Name Title
304-257-4111 Area Code / Phone Number / Extension
Area Code / Phone Number / Extension
304-257-4386 Area Code / FAX Number
tkesner@grantcountybank.com E-mail Address

Address (URL) for the Holding Company's web page

Does the reporter request confidential treatment for any portion of this submission?
☐ Yes Please identify the report items to which this request applies:
☐ In accordance with the instructions on pages GEN-2 and 3, a letter justifying the request is being provided.
☒ The information for which confidential treatment is sought is being submitted separately labeled "Confidential."

☐ No

Public reporting burden for this information collection is estimated to vary from 1.3 to 101 hours per response, with an average of 5.25 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0297), Washington, DC 20503.
Results: A list of branches for your holding company/HIGHLANDS BANKSHARES, INC. (1212756) of PETERSBURG, WV
The data are as of 12/31/2014. Data reflects information that was received and processed through 01/07/2015.

Reconciliation and Verification Steps
1. In the Data Action column of each branch row, enter one or more of the actions specified below.
2. If required, enter the date in the Effective Date column.

**Actions**
- **OK:** If the branch information is correct, enter "OK" in the Data Action column.
- **Change:** If the branch information is incorrect or incomplete, revise the data, enter "Change" in the Data Action column, and the date when this information first became valid in the Effective Date column.
- **Close:** If a branch listed was sold or closed, enter "Close" in the Data Action column and the sale or closure date in the Effective Date column.
- **Delete:** If a branch listed was never owned by this depository institution, enter "Delete" in the Data Action column.
- **Add:** If a reportable branch is missing, insert a row, add the branch data, and enter "Add" in the Data Action column and the opening or acquisition date in the Effective Date column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

**Submission Procedure**
When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.

Note:
- To satisfy the FR Y-10 reporting requirements you must also submit FR Y-10 Domestic Branch Schedules for each branch with a Data Action of Change, Close, Delete, or Add.
- The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - https://ylOonline.federalreserve.gov.

*FDIC UNINUM, Office Number, and ID_RSO columns are for reference only. Verification of these values is not required.

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<tr>
<th>Data Action</th>
<th>Effective Date</th>
<th>Branch Service Type</th>
<th>Branch ID_RSO*</th>
<th>Popular Name</th>
<th>Street Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>County</th>
<th>Country</th>
<th>FDIC UNINUM*</th>
<th>Office number*</th>
<th>Head Office</th>
<th>Head Office ID_RSO*</th>
<th>Comments</th>
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<td>18836</td>
<td>CAPON VALLEY BANK</td>
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<td>UNITED STATES</td>
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<td>WESTERN FREDERICK BRANCH</td>
<td>6701 NORTHWESTERN PKE</td>
<td>GANT</td>
<td>VA</td>
<td>22197</td>
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<td>960649</td>
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<td>STEPHENS CITY BRANCH</td>
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<td>712 NORTH MAIN STREET</td>
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<td>&quot;&quot;</td>
<td>GRANT COUNTY BANK, THE</td>
<td>3 N MAIN STREET</td>
<td>RIXBOURG</td>
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<td>GRANT</td>
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<td>CANYON VALLEY BRANCH</td>
<td>3502 APPALACHIAN HWY</td>
<td>DAVIS</td>
<td>WV</td>
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<td>TUCKER</td>
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<td>DAVIS BRANCH</td>
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<td>KEYES BRANCH</td>
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<td>KEYES</td>
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<td>MINERAL</td>
<td>UNITED STATES</td>
<td>229054</td>
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<td>MOOREFIELD BRANCH</td>
<td>300 SOUTH MAIN ST</td>
<td>MOOREFIELD</td>
<td>WV</td>
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<td>HARDY</td>
<td>UNITED STATES</td>
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<td>RIVERTON BRANCH</td>
<td>1151 MOUNTAIN DRIVE</td>
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<td>26814</td>
<td>PENDLETON</td>
<td>UNITED STATES</td>
<td>228053</td>
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</table>
Report Item 3: Securities holders
(1)(a)(b)(c) and (2)(a)(b)(c)

Item 3:1
Current Securities holders with ownership, control or holdings of 5% or more
with power to vote as of fiscal year ending 12-31-2013

None

Item 3:2
Securities holders with ownership, control or holdings of 5% or more
during 2013.

None
Form FRY-6
Highlands Bankshares, Inc.
Fiscal Year Ending December 31, 2014

Report Item 4: Insiders
(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)

<table>
<thead>
<tr>
<th>Name, City, State, Country</th>
<th>Principal Occupation if other than with Bank Holding Company</th>
<th>Title &amp; Position with Bank Holding Company</th>
<th>Title &amp; Position with Subsidiaries (Include Names of Subsidiaries)</th>
<th>Title &amp; Position with Other Businesses (Include names of other businesses)</th>
<th>Percentage of Voting Shares in Bank Holding Company</th>
<th>Percentage of Voting Shares in Subsidiaries (Include names of subsidiaries)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leslie A. Barr</td>
<td>Wardensville, WV</td>
<td>Retired</td>
<td>Director - Capon Valley Bank and HBI Life</td>
<td>N/A</td>
<td>0.51%</td>
<td>N/A</td>
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<tr>
<td>Morris M. Homan, Jr.</td>
<td>Moorefield, WV</td>
<td>Veterinarian</td>
<td>Director - Capon Valley Bank, Grant County Bank, and HBI Life</td>
<td>Owner, Mountaineer Veterinarians, Heritage View Farms</td>
<td>0.14%</td>
<td>N/A</td>
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<td>Gerald W. Smith Baker, WV</td>
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<td>Self-employed</td>
<td>Director - Capon Valley Bank and HBI Life</td>
<td>Owner, Broadway Electric, Enviroco, Special Security Services, Borderline LLC.</td>
<td>0.25%</td>
<td>N/A</td>
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<tr>
<td>John G. Van Meter</td>
<td>Petersburg, WV</td>
<td>Attorney</td>
<td>Chairman of the Board - Van Meter</td>
<td>Owner Partner, Van Meter &amp; Van Meter Atty at Law</td>
<td>4.00%</td>
<td>N/A</td>
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<tr>
<td>Jack H. Walters</td>
<td>Moorefield, WV</td>
<td>Attorney</td>
<td>Vice Chairman of the Board - Walters</td>
<td>Senior Partner, Walters &amp; Krauskopf Atty at Law</td>
<td>0.79%</td>
<td>N/A</td>
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<td>Kathy G. Kimble</td>
<td>Petersburg, WV</td>
<td>Retired</td>
<td>Director - Grant County Bank and HBI Life</td>
<td>N/A</td>
<td>0.34%</td>
<td>N/A</td>
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<td>Alan L. Brill</td>
<td>Wardensville, WV</td>
<td>N/A</td>
<td>Director; Treasurer - Capon Valley Bank</td>
<td>N/A</td>
<td>0.31%</td>
<td>N/A</td>
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<td>George L. Ford</td>
<td>Petersburg, WV</td>
<td>N/A</td>
<td>Director; HBI Life and President &amp; Chief Executive Officer</td>
<td>N/A</td>
<td>0.16%</td>
<td>N/A</td>
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<td>Donald J. Baker, Jr.</td>
<td>Keyser, WV</td>
<td>N/A</td>
<td>Director - Grant County Bank and HBI Life</td>
<td>Owner, Baker Insurance Services</td>
<td>0.16%</td>
<td>N/A</td>
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<tr>
<td>Jack C. Barr</td>
<td>Keyser, WV</td>
<td>N/A</td>
<td>Director - Grant County Bank and HBI Life</td>
<td>Owner, Jack C. Barr Atty at Law</td>
<td>0.10%</td>
<td>N/A</td>
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</table>

List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)