

Burke & Herbert Bank & Trust Company Announces 2021 First Quarter Dividend, Fourth Quarter and 2020 Earnings

March 5, 2021

Alexandria, VA – At its meeting on January 28, 2021, the Board of Directors of Burke & Herbert Bank & Trust Company declared a \$20.00 per share regular cash dividend to be paid on March 1, 2021 to shareholders of record as of the close of business on February 16, 2021. The dividend payment for the quarter equaled the dividend paid in the prior quarter as well as in the same quarter in 2020. This dividend declaration by the Board follows the Bank’s announcement of strong earnings for the fourth quarter of 2020 and the year overall.

“Despite the unprecedented challenges that we all faced this past year, we are pleased to report that Burke & Herbert Bank persevered in 2020 to generate solid financial results and positive returns for our shareholders,” said David P. Boyle, the Bank’s President and Chief Executive Officer. “I am particularly proud of how our team stepped up to deliver critical banking services to our customers and assist local businesses facing financial hardships as a result of the pandemic during this past year.” He added, “And, while we needed to shift resources and attention to new challenges, we were still able to make substantial progress on several important initiatives that will strengthen the Bank going forward.”

Net income after taxes and earnings per share for the fourth quarter of 2020 were \$9.1 million and \$48.72, respectively, both of which compare favorably to corresponding third quarter figures of \$5.8 million and \$31.40. For the year ended December 31, 2020, the Bank posted net income after taxes of \$26.5 million, ahead of the prior year by 56.1%. Annualized earnings per share increased by \$51.58 to \$142.21.

Net interest income for 2020 improved by \$1.03 million to \$90.3 million when compared to the prior year. While interest income from both the Bank’s loan portfolio and investment portfolio was down by 8.3% when compared to 2019, the decline was more than offset by a substantial decrease (47.4%) in interest expense. Net interest income after provision for loan losses, at \$77.6 million, declined by \$5.4 million when compared to 2019. Given the difficult economic conditions caused by the pandemic, the Bank recognized provision for loan loss expense in 2020 of \$12.6 million, a \$6.4 million increase over 2019.

Non-interest income, at \$18.5 million showed a slight improvement over 2019 despite the fact that the Bank recognized \$1.2 million more in gains on the sale of investment securities in 2019 than in 2020. Revenues from Trust and Wealth Management services, fees from the sale of residential mortgage loans, and Bank Owned Life Insurance income all contributed to the improvement while transaction-based service charges from deposit accounts and revenues from debit and credit cards experienced declines when compared to 2019.

Non-interest expenses for the year totaled \$67.7 million, a \$16.7 million or 19.8% decline when compared to the prior year. Approximately 72% of this improvement can be attributed to a reduction in Salary and Employee Benefits expense which declined by \$12.0 million or 22.6% when compared to 2019.

Burke & Herbert Bank ended the year with total assets of \$3.4 billion, an all-time high for the Bank. Since December 31, 2019, assets increased by \$566.7 million or 19.8%.

For more information, please see our [2020 Annual Report](#) and [2020 Audited Financial Statements](#).

Burke & Herbert Bank & Trust Company, established in 1852, is the oldest bank in the Commonwealth of Virginia and the oldest continuously operating bank in the Washington DC area. The Bank offers a full range of personal and business banking products and services designed to meet customers’ banking, borrowing, and investing needs. Burke & Herbert Bank & Trust Company is headquartered in Alexandria and operates more than 20 branches in Northern Virginia.