

## **Burke & Herbert Bank & Trust Company Announces Third Quarter Dividend and Second Quarter Earnings**

August 6, 2020

**Alexandria, VA** – Burke & Herbert Bank & Trust Company announced that at a meeting of its Board of Directors held on July 16, 2020, a regular cash dividend of \$20 per share was declared, to be paid on September 1, 2020 to shareholders of record as of the close of business on August 15, 2020. The dividend payment for the quarter is equal to the dividend paid in the prior quarter as well as in the same quarter one year ago.

“Burke & Herbert Bank remains very well capitalized,” noted David P. Boyle, the Bank’s President & Chief Executive Officer. “While the weakened economic environment dampened our earnings this quarter, our strong capital position enables us to continue delivering value for our shareholders in the form of cash dividends,” he added.

The Bank posted net income of \$4.7 million for the second quarter of 2020 and earnings per share of \$25.09. Net income declined by \$2.2 million compared to the first quarter of 2020, driven by a \$4.9 million increase in the provision for loan losses. The larger provision expense reflects expected stress on the loan portfolio resulting from the coronavirus pandemic and its associated negative impact on the economy. In the second quarter of 2020 the Bank was able to reduce non-interest expense by \$3.3 million when compared to the first quarter of 2020 and by \$5.7 million when compared to the same quarter in 2019.

The Bank’s total assets at the end of the second quarter stood at \$3.3 billion, the highest in the Bank’s nearly 168-year history. Year over year asset growth includes a 5.3% increase in total loans, with the loan portfolio reaching \$1.98 billion at quarter-end, also an all-time high. After the reserve for loan losses, which increased by \$11.1 million compared to June 30, 2019, net loans stood at \$1.95 billion, reflecting a 4.7% year over year gain.

Loan growth was driven exclusively by Paycheck Protection Program loans that were made to our small- and mid-sized business customers requiring assistance as their operations were closed or limited during the height of the pandemic. The Bank processed more than 1,100 Paycheck Protection Program loans with \$136 million in total balances during the second quarter.

For more information, please see our [Second Quarter Earnings Report](#).

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 25 branches in Northern Virginia.

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