Burke&Herbert
Financial Services Corp.

Burke & Herbert Bank & Trust Company Announces Second Quarter 2021 Dividend and First Quarter 2021 Earnings

April 23, 2021

Alexandria, VA – At its meeting on April 22, 2021, the Board of Directors of Burke & Herbert Bank & Trust Company declared a $20.00 per share regular cash dividend to be paid on June 1, 2021 to shareholders of record as of the close of business on May 14, 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 solid earnings results for the first quarter of 2021. Net income totaled $8.9 million for the quarter, a 29% improvement over the $6.9 million earned for the same period in 2020, and earnings per share for the quarter increased by $11.00 from the same prior year quarter to $47.95.

"We are pleased with our solid start to 2021," said David P. Boyle, the Bank's President & Chief Executive Officer. "While the interest rate environment continues to be challenging for the industry, we are excited about forecasted economic improvements as we execute our plans to enhance and grow the Bank. We remain confident that our progress will result in additional success and value for our shareholders," he added.

For the first quarter of 2021 net interest income was $24.1 million, an improvement of $2.4 million compared to the first quarter of 2020. Interest income was slightly below the first quarter of 2020 but the decrease was more than offset by a reduction in interest expense of $2.9 million. Non-interest income was lower than the first quarter of 2020 primarily due to $1.9 million in gains on the sale of investment securities in the first quarter of 2020. Compared to the same period last year, the provision for loan losses decreased $1.6 million to $0.5 million due to improved credit quality and lower origination volume. Non-interest expense was essentially flat to that of the same quarter of 2020.

At the end of the first quarter of 2021, assets totaled $3.5 billion, a 12% increase compared to the same time last year, and equity was $376.0 million with capital ratios remaining well above regulatory requirements.

For more information, please review our **2021 First Quarter Earnings Report.**

Burke & Herbert Bank & Trust Company, established in 1852, is the oldest bank in the Commonwealth of Virginia and the oldest continuously operated bank 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.

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