Butterfield

The Bank of N.T. Butterfield & Son Limited | 65 Front Street, Hamilton, HM 12, Bermuda
P.O. Box HM 195 | Hamilton HM AX, Bermuda | Tel: (441) 295 1111 Fax: (441) 295 3878
www.butterfieldgroup.com

NEWS RELEASE

*** For Immediate Release ***

Butterfield Reports Second Quarter Profit

- **Second quarter core earnings of $26.0 million, up $5.8 million or 28.7%.**
- **Core cash return on tangible common equity improves to 15.0%, up from 11.0%**
- **Core cash earnings per share of $0.04, up from $0.03**
- **Board declares interim dividend of $0.01 per common share**
- **Strong capital position maintained with a total capital ratio of 22.0%**

Hamilton, Bermuda–29 July 2014: The Bank of N.T. Butterfield & Son Limited ("Butterfield" or the "Bank") today announced net income for the second quarter ended 30 June 2014 of $27.5 million ($0.04 per share on a fully diluted basis) compared to $32.9 million ($0.05 per share on a fully diluted basis) in the same quarter a year ago. Core earnings[(1)] for the second quarter were $26.0 million, an improvement of $5.8 million or 28.7% over the second quarter of 2013, which drove an improvement in the core cash return on average tangible common equity ratio to 15.0% compared to 11.0% in the second quarter of 2013.

Year-to-date core earnings for the six months ended 30 June 2014 were $49.1 million ($0.07 per share on a fully diluted basis), up $13.6 million (38.3%) from $35.5 million for the six-month period ended 30 June 2013. Year-to-date net income increased by $4.5 million for the six months ended 30 June 2014 to $50.7 million, compared to a year-to-date net income of $46.2 million for the six-month period ended 30 June 2013.

Brendan McDonagh, Butterfield's Chairman & Chief Executive Officer, said, "We are pleased to report that Butterfield's quarterly and half-year core earnings showed good year-on-year growth in earnings of nearly 30%, which translates to an improvement in core returns to common shareholders to 15%, a key milestone in Butterfield's strategic objective of delivering strong returns to our shareholders.

"Each successive profitable quarter serves to improve Butterfield's already-strong capital position and provides the Bank with the opportunity to enhance shareholder value through investment in strategic businesses that will drive long-term growth, and more directly through share buy-backs and dividends. Our acquisition strategy seeks to minimise risk by investing in businesses in which we have expertise and a meaningful market presence, whilst delivering accretive earnings in excess of our cost of capital within our risk tolerance framework.

(1) See page 5 for reconciliation of US GAAP results to core earnings.

"During the quarter, we enhanced our trust and fiduciary services presence in Guernsey—a core market for Butterfield—with the completion of the acquisition of the Legis Group's trust business. Subsequent to quarter-end, we also announced that we have reached an agreement to acquire parts of HSBC's retail and corporate banking business in the Cayman Islands—our second largest market— which will enhance our Cayman business and see total assets grow from $2.2 billion to an anticipated $3.0 billion, strengthening our leading market position.

"Butterfield completed preparations for compliance with the US Foreign Account Tax Compliance Act ("FATCA") by the 30 June deadline. FATCA imposes due diligence, information reporting and control obligations on non-US financial institutions for certain US persons who maintain relationships with these institutions. The Bank is now in the process of collecting documentation from customers with US connections in fulfillment of those obligations. We would like to thank those customers affected for complying with the requirements imposed by the new rules."

Financial highlights for the quarter ended 30 June 2014 (with comparisons to the second quarter of 2013):

- **Core earnings** of $26.0 million, up $5.8 million or 28.7%
- **Core cash return on average tangible common equity** of 15.0%, up from 11.0%
- **Core return on average assets** of 1.1%, up from 0.9%
- **Core efficiency ratio** of 67.9%, improved from 70.7%
- **Net interest margin** of 2.72%, improved from 2.63%
- **Non-accrual loans** of $88.5 million improved by 15.0%

John Maragliano, Butterfield's Chief Financial Officer, said, "In the second quarter, the Bank's net income and core earnings showed significant year-over-year improvement as a result of our continued approach to prudent balance sheet and expense management and execution of our capital management plan. Net interest income before provision for credit losses was up by $4.0 million on improved investment yields owing to our consistent asset and liability management strategy and the effect of the retirement of two tranches of subordinated debt earlier in the year, the latter reducing quarterly interest expenses by $1.4 million. Non-interest income increased by $3.9 million from the combination of increasing business volumes, new business generation and additional trust revenues from the consolidation of the Legis acquisition. As a result, total revenue before credit losses and other gains grew by $7.9 million, compared to an increase in core operating expenses of $3.2 million leading to the 280 basis point improvement in the Bank's core efficiency ratio to 67.9%."

Capital Management

During the first quarter of 2014, the Board approved, with effect from 1 April 2014, the 2014 common share buy-back programme, authorising the purchase and cancellation of up to 15 million common shares.

On 28 April 2014, the Board approved the 2014 preference share buy-back programme, authorising the purchase and cancellation of up to 26,600 preference shares.

Under the Bank's share buy-back programmes, the total shares acquired or purchased for cancellation during the quarter ended 30 June 2014 amounted to 1.6 million common shares to be held as treasury shares at an average cost of $1.99 per share (total cost of $3.2 million) and 175 preference shares at an average cost of $1,181 per share (total cost of $0.2 million).

The Board declared quarterly dividends of $20 per share on the Bank's 8% non-cumulative perpetual voting preference shares, to be paid on 15 September 2014 to preference shareholders of record on 1 September 2014.

The Board also declared an interim dividend of $0.01 per common and contingent value convertible preference share to be paid on 29 August 2014 to shareholders of record on 15 August 2014.

ANALYSIS AND DISCUSSION OF SECOND QUARTER RESULTS

Income statement	**Three months ended 30 June**		**Six months ended 30 June**	
(in $ millions)	**2014**	**2013**	**2014**	**2013**
Non-interest income	35.0	31.1	66.6	61.2
Net interest income before provision for credit losses	59.1	55.1	117.4	107.2
Total net revenue before provision for credit losses and other gains	94.1	86.2	184.0	168.4
Provision for credit losses	(3.1)	(3.2)	(6.6)	(7.8)
Total other gains	9.2	12.4	10.5	13.0
Total net revenue	100.2	95.4	187.9	173.6
Total operating expenses	(72.5)	(62.2)	(136.9)	(126.9)
Total net income before taxes	27.7	33.2	51.0	46.7
Income tax expense	(0.2)	(0.3)	(0.3)	(0.5)
Net income	27.5	32.9	50.7	46.2
Dividends and guarantee fee of preference shares	(4.1)	(4.3)	(8.2)	(8.7)
Premium paid on preference share buy-backs	-	(2.5)	-	(2.6)
Net earnings attributable to common shareholders	23.4	26.1	42.5	34.9
Net earnings per share				
- Basic	$0.04	$0.05	$0.08	$0.06
- Diluted	$0.04	$0.05	$0.08	$0.06
Adjusted weighted average number of participating shares on a fully diluted basis [1] (thousands)	557,298	553,564	556,719	553,528
Key financial ratios				
Core return on average assets	1.1%	0.9%	1.1%	0.8%
Core cash return on average tangible common equity	15.0%	11.0%	14.0%	9.2%
Net interest margin [2]	2.72%	2.63%	2.75%	2.57%
Core efficiency ratio	67.9%	70.7%	68.6%	73.0%

(1) Includes both common and contingent value convertible preference shares.

(2) During the second quarter of 2013, the Bank enhanced its net interest margin calculation by changing its balance sheet averages from monthly to daily averages. Prior periods have been restated for this change in methodology.

Balance sheet	As at	
(in $ millions)	30 June 2014	31 December 2013
Cash and cash equivalents	2,200	1,730
Short-term investments	58	55
Investments in debt and equity securities	3,049	2,614
Loans, net of allowance for credit losses	4,027	4,088
Premises, equipment and computer software	233	241
Goodwill and intangibles	53	19
Other assets	161	124
Total assets	**9,781**	**8,871**
Total deposits	8,580	7,638
Other liabilities	224	223
Subordinated debt	117	207
Total liabilities	**8,921**	**8,068**
Liquidation preference of preference shares	183	184
Common equity	677	619
Shareholders' equity	**860**	**803**
Total liabilities and shareholders’ equity	**9,781**	**8,871**

Key balance sheet ratios:		
Tangible book value per share	$1.14	$1.09
Tier 1 capital ratio	18.9%	19.6%
Total capital ratio	22.0%	23.7%
Tangible common equity ratio	6.4%	6.8%
Tangible total equity ratio	8.3%	8.9%
Non-accrual loans/gross loans	2.2%	2.5%
Non-performing assets/total assets	0.9%	1.2%

Reconciliation of US GAAP Results to Core Earnings

Transactions viewed by management to be outside the normal course of business and unusual in nature are excluded from core earnings as they obscure financial analysis and trends. The table below shows the reconciliation of net income in accordance with US GAAP to core earnings.

Income statement	**Three months ended 30 June**		**Six months ended 30 June**	
(in $ millions)	**2014**	**2013**	**2014**	**2013**
Net income	**27.5**	**32.9**	**50.7**	**46.2**
Non-core items:				
Gain on disposal of a pass-through note investment (formerly a SIV)	(8.7)	-	(8.7)	-
Additional consideration from previously disposed of entities	(0.2)	-	(0.2)	-
Realised gain on legal settlement	-	(13.1)	-	(13.1)
Realised gain on private equity investment	-	-	(1.1)	-
Early retirement programme and redundancies	0.4	0.4	0.6	2.4
One-off project costs	4.9	-	5.7	-
Business acquisition costs	2.1	-	2.1	-
Total non-core items	**(1.5)**	**(12.7)**	**(1.6)**	**(10.7)**
Core earnings	26.0	20.2	49.1	35.5
Preference dividend and guarantee fee	(4.1)	(4.3)	(8.2)	(8.7)
Amortisation of intangible assets	1.1	0.8	2.0	1.7
Core cash earnings to common shareholders[(1)]	**23.0**	**16.7**	**42.9**	**28.5**
Core cash earnings per share fully diluted	**$0.04**	**$0.03**	**$0.08**	**$0.05**

(1) Premium paid on preference share buy-backs were not adjusted as management views the transaction as non-core.

COMMENTARY ON STATEMENT OF OPERATIONS FOR THE QUARTER ENDED 30 JUNE 2014 COMPARED WITH THE QUARTER ENDED 30 JUNE 2013

Net Income

Total net income for the second quarter of 2014 was $27.5 million, compared to net income of $32.9 million in the second quarter of 2013. However, both quarters were impacted by net one-off, non-core gains and expenses, which in 2013 included a $13.1 million gain from a legal settlement. Excluding the non-core items, core earnings for the quarter ended 30 June 2014 were $26.0 million, up $5.8 million from 2013, an improvement of 28.7%.

The $5.8 million improvement largely reflects a $4.0 million increase in net interest income principally from higher yields earned on the investment portfolio ($2.5 million) and lower subordinated debt costs ($1.4 million). Non-interest income improved by $3.9 million attributable to higher banking fees of $1.4 million and higher trust income of $3.1 million. Core gains are up $1.0 million from increased gains on trading investments and reduced losses on other real estate owned ("OREO") properties. These increases were offset by increases in provisions of $0.1 million and core operating expenses of $3.2 million.

Net Interest Income

Net interest income before provision for credit losses increased by $4.0 million to $59.1 million in the second quarter of 2014, compared to $55.1 million during the second quarter of 2013.

- Total interest income increased by $3.0 million to $65.7 million, a result of $2.5 million higher investment revenues due to a 23 basis point increase in yields. Additionally, loan interest income improved by $0.4 million attributable largely to the favourable impact of exchange rate movements in our pound-denominated businesses in Europe.

- Total interest expense declined by $1.0 million, primarily from $1.4 million of lower subordinated debt interest expense as a result of the redemption of both the 2008 issuance, Series A, $53 million, 7.59% subordinated debt, effective 27 May 2013 and the 2005 issuance, Series A, $90 million, 4.81% subordinated debt, effective 2 January 2014. Partially offsetting the decrease was an increase in interest expense owing to an increase in average customer balances as the cost of funds remained flat, year over year, at 30 basis points.

- Average interest-earning assets were $8.7 billion, up $0.3 billion compared to the second quarter of 2013, driven primarily by an increase in customer deposits that were used to fund increased investment purchases, lending activities, and the repayment of subordinated debt. The yield on average interest-earning assets was unchanged at 3.0%, year over year. Balance sheet growth drove the overall increase in net interest income.

Non-Interest Income

Non-interest income improved from $31.1 million in the second quarter of 2013 to $35.0 million in the second quarter of 2014. The $3.9 million (12.7%) improvement is attributed to:

- Banking services revenue improved by $1.4 million from $7.7 million to $9.1 million over last year due to higher credit card activity as a result of increased credit card volumes and one-off banking fees earned in the second quarter of 2014.

- Foreign exchange revenue decreased by $0.3 million, or 3.5%, from $7.5 million to $7.2 million in the second quarter of 2014, as the second quarter of 2013 included large, one-off transactions.

- Trust revenue of $10.4 million for the quarter was up $3.1 million compared to the second quarter of 2013, due primarily to additional revenues earned from the recently acquired Legis trust business and an increase in fees earned from new business growth.

Provision for Credit Losses

The Bank's net provision for credit losses was $3.1 million in the quarter, improving $0.1 million compared to the $3.2 million recorded in the same period last year. By comparison, the current quarter has lower provisions on larger commercial mortgages but is offset by an increase in provisions on residential mortgages.

Other Gains (Losses)

Gains of $9.2 million were recognised in the second quarter of 2014, of which $8.7 million was a realised gain on the sale of the Bank's last remaining structured investment. This gain is reflective of the prudent decision made to hold the asset when the market was distressed as the underlying intrinsic value was much higher than market prices reflected at the time. In the second quarter of 2013, the Bank realised a $13.1 million gain on the legal settlement of a prior structured investment holding. Excluding all non-core gains, core gains of $0.3 million are up $1.0 million from a loss of $0.7 million in the second quarter of 2013, from increased gains on trading investments and reduced losses on OREO properties.

Operating Expense

Core operating expenses increased by $3.2 million (5.2%) from $62.1 million in the second quarter of 2013 to $65.3 million in the second quarter of 2014, of which $0.9 million relates to the consolidation of Legis Trust. Over $1.0 million of the increase in expenses is attributable to the impact of the recent strengthening of the pound sterling on our European businesses which is offset by the same effects on pound-denominated revenues. The focus on cost management is evident in the 280 basis point improvement in the core efficiency ratio to 67.9% during the second quarter of 2014.

Core net salaries and benefit costs were $32.0 million in the second quarter of 2014, up $1.3 million from increased staff costs resulting from the consolidation of Legis Trust and the adverse impact of foreign exchange movements. Headcount on a full-time equivalency basis at quarter-end was 1,132, compared to 1,157 a year ago.

Other notable operating expense increases total $1.3 million due primarily to a $1.0 million increase in technology and communications expense from the investment in new banking systems in Europe and a $0.3 million increase in amortisation of intangible assets from the Legis Trust acquisition.

Non-core expenses increased by $7.4 million in the second quarter of 2014 due primarily to business acquisition costs, the early retirement and redundancy programme, and costs associated with a stringent compliance review programme of customer data to ensure our files meet internationally recognised standards.

BALANCE SHEET COMMENTARY AT 30 JUNE 2014 COMPARED WITH 31 DECEMBER 2013

Total Assets

Total assets of the Bank were $9.8 billion at 30 June 2014, up $1.0 billion from 31 December 2013, of which approximately $0.6 billion was short-term deposits over quarter-end from institutional clients that have subsequently withdrawn the funds. The Bank maintained a highly liquid position at 30 June 2014 with $5.3 billion of cash and cash equivalents plus short and long-term investments representing 54.3% of total assets, an improvement from 49.6% at 31 December 2013.

Loans Receivable

The loan portfolio totalled $4.0 billion at the end of the quarter, down $0.1 billion from year-end 2013. The decline was driven by prepayments of commercial loans and weak residential mortgage demand across the jurisdictions, combined with paydowns on the existing portfolio.

Allowance for credit losses at 30 June 2014 totalled $54.3 million, an increase of $1.5 million from the $52.8 million recorded at year-end 2013. The movement in the allowance was mainly the result of additional specific provisions of $7.7 million (net of recoveries of $1.1 million) recorded during the first half of the year, and $6.2 million in charge-offs and foreign exchange movements.

The loan portfolio represented 41% of total assets at 30 June 2014 compared to 46% at 31 December 2013, the decline attributable to the lower loan balances and higher total deposits. Similarly, loans as a percentage of customer deposits was lower at 47%, compared to 54% at year-end 2013.

As at 30 June 2014, the Bank had gross non-accrual loans of $88.5 million representing 2.2% of total gross loans, reflecting an improvement from the $104.1 million, or 2.5%, of total loans at year-end 2013. The decrease was due to proceeds from the first quarter 2014 sale of a hospitality loan that was in receivership and resolution of residential mortgage loans in non-accrual status.

Net non-accrual loans were $64.3 million, equivalent to 1.6% of net loans, after specific provisions of $24.3 million. This compares favourably to the year-end 2013 figures where net non-accrual loans were $82.0 million. The specific provision coverage ratio of 27.4% improved considerably from 21.2% at 31 December 2013 as the resolution of large commercial loans amplifies the coverage ratio on the more diversified and less concentrated remaining balance.

Non-performing loans, which include non-accrual loans and accruing loans past due by 90 days or more, totalled $108.0 million as at 30 June 2014, down $8.7 million from year-end 2013. The decrease is driven by the proceeds from the aforementioned sale of a hospitality loan partially offset by an increase in non-performing residential mortgages.

Investments

The investment portfolio was $3.0 billion as at 30 June 2014, compared to $2.6 billion at year-end 2013. The increased portfolio size was due to purchases of shorter-duration certificates of deposit and liquid US government agency securities. The investment portfolio holds high quality assets with 99% invested in securities rated “A” or higher. Total net unrealised losses on the portfolio improved by $52.3 million from a loss position of $57.5 million at year-end 2013 to $5.2 million at 30 June 2014. The improvement relates to a global decrease in longer-term interest rates and a compression of credit spreads due to an improving US economy.

Deposits

Average customer deposits of $7.8 billion for the six months ending 30 June 2014 increased by $0.2 billion from $7.6 billion for the six months ending 31 December 2013.

On a period-end basis, customer deposits increased $1.0 billion to $8.6 billion from $7.6 billion at year-end 2013 of which approximately $0.6 billion was short-term deposits over quarter-end from institutional clients who have subsequently withdrawn the funds.

REVIEW OF RESULTS OF MAJOR OPERATIONS

Bermuda

Net income before gains and losses was $10.3 million in the second quarter of 2014, down $0.8 million from $11.1 million in the second quarter of 2013, due principally to project-related professional services costs and lower loan interest income offset by higher investment income, lower interest expense on subordinated debt, and lower compensation costs. Net gains decreased from $12.8 million in the second quarter of 2013 to $8.9 million in the second quarter of 2014, with a material gain recognised on investments in each quarter. Net income after gains and losses was $19.2 million, a decrease of $4.8 million from $24.0 million in the second quarter of 2013.

Net interest income before provisions for credit losses increased by $1.6 million to $36.0 million in the second quarter of 2014 due to increased investment income as a result of a higher investment base partially offset by volume-driven lower loan interest income.

Provision for credit losses of $2.3 million were consistent with the second quarter of 2013.

Non-interest income of $15.4 million in the second quarter of 2014 was up $0.6 million, or 3.7%, reflecting higher revenues from an increase in credit card transaction volumes partially offset by lower asset management revenues.

Non-interest expenses increased by $3.0 million to $38.9 million in the second quarter of 2014 due to professional services expenditures on acquisition and regulatory project costs, as well as increased depreciation on fixed assets.

Total assets as at 30 June 2014 were $5.3 billion, up $0.6 billion from year-end 2013. Customer deposits ended the period at $4.3 billion, up $0.7 billion from year-end 2013 as a result of seasonal fluctuations, and loan balances ended the period at $2.2 billion, consistent with year-end 2013.

Client assets under administration were $33.6 billion for the trust and corporate services business and $30.4 billion for the custody business, whilst assets under management were $2.5 billion.

Cayman Islands

Net income before gains and losses for the second quarter ending 30 June 2014 was $7.1 million, up $0.2 million from the second quarter in 2013. The increase was due primarily to increases in loan interest income, offset by expenditures on professional services related to acquisition and regulatory projects.

Net interest income before loan loss provisions was $14.5 million in the second quarter of 2014, an improvement of $2.2 million compared to the second quarter of 2013. The increase was driven primarily by increases in loan balances of $164.8 million from 30 June 2013.

Cayman recorded $0.4 million in credit loss provisions in the second quarter of 2014 compared to $0.6 million of provisions taken in the second quarter of 2013.

Non-interest income was $8.3 million, up $0.3 million from the second quarter of 2013. The increase was due primarily to increased banking fees and commissions on higher debit and credit card volumes.

Non-interest expenses increased $2.5 million, year over year, to $15.3 million, driven primarily by expenditures on professional services related to acquisition and regulatory projects, as well as increased loan servicing and technology servicing costs.

Total assets at 30 June 2014 were $2.2 billion, a decrease of $0.1 billion with year-end 2013 levels. Loans remained constant from year-end 2013 at $1.0 billion.

Client assets under administration were $3.3 billion for the trust and corporate services business and $1.4 billion for the custody business, whilst assets under management were $0.7 billion.

Guernsey

Guernsey's quarterly results incorporated the Legis Trust business for the first time in the second quarter of 2014, the acquisition having closed on 1 April 2014.

Guernsey recorded net income before gains and losses of $0.8 million in the second quarter of 2014, compared to $2.0 million in 2013, a decrease of $1.2 million, due primarily to increased technology depreciation and professional service fees offset by the net impact of the Legis acquisition.

Net interest income, before provision for credit losses, declined by $0.3 million to $4.5 million, in the second quarter of 2014, compared to $4.8 million last year. Favourable foreign exchange rate movements resulted in interest income increasing by $0.3 million offset by increased interest expenses of $0.6 million from the offering of higher rate products to attract new deposit growth and increased inter-Group subordinated debt interest costs.

Provision for credit losses were $0.1 million during the second quarter of 2014.

Non-interest income increased by $2.6 million to $7.4 million, attributable to additional revenues earned from the acquired business together with higher banking fees earned.

Total expenses at $11.1 million were $3.4 million higher than 2013, due primarily to additional expenses attributable to the acquired business and an increase in technology and amortisation expenses.

Total assets of $1.8 billion at 30 June 2014 were up slightly from $1.4 billion at year-end 2013, attributable primarily to corporate client deposit growth.

Client assets under administration for the trust and corporate services business were $45.3 billion, at the end of the second quarter of 2014, up from $10.1 billion at year-end 2013 with the increase attributable to the acquired business. Assets under administration for the custody and administered banking businesses were $9.6 billion. Client assets under management were unchanged at $0.4 billion.

United Kingdom

The United Kingdom recorded net income before gains and losses of $0.1 million in the second quarter of 2014, down $0.3 million as compared to $0.4 million in the second quarter of 2013, due primarily to higher non-interest expenses.

Net interest income before credit provisions of $3.9 million was up $0.4 million from $3.5 million in the second quarter of 2013 due to favourable exchange rate fluctuations.

Provision for credit losses were $0.4 million during the second quarter of 2014 due to new provisions required on commercial real estate loans.

Operating expenses at $5.7 million in the second quarter of 2014 were $1.2 million greater than the second quarter of 2013 due to $0.4 million one-off costs and increases in salary, technology and non-income tax expenses.

Total assets at $0.9 billion at the end of the second quarter of 2014 were $0.1 billion greater than at year-end 2013. Loan balances were $0.5 billion at the end of the second quarter of 2014, stable compared with year-end 2013. Customer deposit balances of $0.7 billion at the end of the second quarter of 2014 were also unchanged from year-end 2013.

Assets under management of $0.3 billion at the end of the second quarter of 2014 were unchanged from year-end 2013. Custody client assets under administration at the end of the second quarter of 2014 amounted to $1.9 billion, up $0.3 billion from $1.6 billion at year-end.

Certain statements in this release may be deemed to include “forward-looking statements” and are based on management’s current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from those included in these statements due to a variety of factors including worldwide economic conditions, success in business retention and obtaining new business and other factors.

This release is neither an offer to sell nor a solicitation of an offer to buy any securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale is unlawful. Securities may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state laws.

The Bank of N.T. Butterfield & Son Limited (“Butterfield”) is Bermuda’s first and largest independent bank, and a specialist provider of international financial services. The Butterfield Group offers a full range of community banking services in Bermuda, and the Cayman Islands, encompassing retail and corporate banking and treasury activities. In the wealth management area, the Group provides private banking, asset management, investment advisory and personal trust services from its headquarters in Bermuda and subsidiary offices in The Bahamas, the Cayman Islands, Guernsey, Switzerland and the United Kingdom. Butterfield also provides services to corporate and institutional clients from offices in Bermuda, The Bahamas, the Cayman Islands and Guernsey, which include asset management and corporate trust services.

Butterfield is a publicly traded corporation with shares listed on the Bermuda Stock Exchange. Butterfield’s share price is published daily in *The Royal Gazette* (www.theroyalgazette.com) and is also available on *Bloomberg Financial Markets* (symbol: NTB BH) and the Bermuda Stock Exchange website (www.bsx.com). Further details on the Butterfield Group can be obtained from our website at www.butterfieldgroup.com.

Investor Relations Contact:

John Maragliano
Chief Financial Officer
The Bank of N.T. Butterfield & Son Limited
Phone: (441) 298 4758
Fax: (441) 295 2899
E-mail: john.maragliano@butterfieldgroup.com

Media Relations Contact:

Mark Johnson
Vice President, Communications, Brand & Public Affairs
The Bank of N.T. Butterfield & Son Limited
Phone: (441) 299 1624
Fax: (441) 295 3878
E-mail: mark.johnson@butterfieldgroup.com