

Fourth Quarter and Year-End 2022 Earnings Presentation

The Bank of N.T. Butterfield & Son Limited
February 14, 2023

Forward-Looking Statements

Forward-Looking Statements:

Certain of the statements made in this release are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, assumptions estimates, intentions, and future performance, including, without limitation, our intention to make share repurchases and our dividend payout target, and involve known and unknown risks, uncertainties and other factors, which may be beyond our control, and which may cause the actual results, performance, capital, ownership or achievements of Butterfield to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements due to a variety of factors, including worldwide economic conditions and fluctuations of interest rates, inflation, a decline in Bermuda's sovereign credit rating, the successful completion and integration of acquisitions or the realization of the anticipated benefits of such acquisitions in the expected time-frames or at all, success in business retention and obtaining new business, the impact of the COVID-19 pandemic, actions taken by governmental authorities in response to the pandemic, the eventual timing and duration of economic stabilization and recovery from the pandemic and other factors. Forward-looking statements can be identified by words such as "anticipate," "assume," "believe," "estimate," "expect," "indicate," "intend," "may," "plan," "point to," "predict," "project," "seek," "target," "potential," "will," "would," "could," "should," "continue," "contemplate" and other similar expressions, although not all forward-looking statements contain these identifying words. All statements other than statements of historical fact are statements that could be forward-looking statements.

All forward-looking statements in this disclosure are expressly qualified in their entirety by this cautionary notice, including, without limitation, those risks and uncertainties described in our Securities and Exchange Commission ("SEC") reports and filings, including under the caption "Risk Factors" in our most recent Form 20-F. Such reports are available upon request from Butterfield, or from the SEC, including through the SEC's website at <https://www.sec.gov>. Any forward-looking statements made by Butterfield are current views as at the date they are made. Except as otherwise required by law, Butterfield assumes no obligation and does not undertake to review, update, revise or correct any of the forward-looking statements included in this disclosure, whether as a result of new information, future events or other developments. You are cautioned not to place undue reliance on the forward-looking statements made by Butterfield in this disclosure. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, and should only be viewed as historical data.

About Non-GAAP Financial Measures:

This presentation contains non-GAAP financial measures including "core" net income and other financial measures presented on a "core" basis. We believe such measures provide useful information to investors that is supplementary to our financial condition, results of operations and cash flows computed in accordance with GAAP; however, our non-GAAP financial measures have a number of limitations. As such, investors should not view these disclosures as a substitute for results determined in accordance with GAAP, and they are not necessarily comparable to non-GAAP financial measures that other companies use. Reconciliations of these non-GAAP measures to corresponding GAAP financial measures are provided in the Appendix of this presentation.

Agenda and Overview

Presenters

Michael Collins

Chairman and Chief Executive Officer

Craig Bridgewater

Group Chief Financial Officer

Michael Schrum

President and Group Chief Risk Officer

Agenda

- Overview
- Full Year 2022 Highlights
- Fourth Quarter 2022 Financials
- Q&A

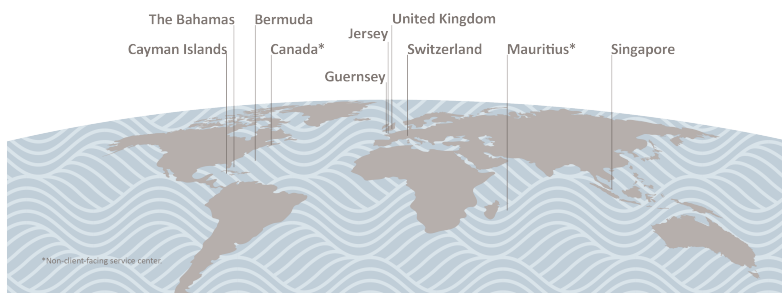
Butterfield Overview

- Leading Bank in Attractive Markets
- Strong Capital Generation and Return
- Resilient, Capital Efficient, Diversified Fee Revenue Model
- Efficient, Conservative Balance Sheet
- Experienced Leadership Team

Ten International Locations

ESG Membership

Awards



- Leading market positions in Bermuda & Cayman
- Expanding loan and mortgage offerings in The Channel Islands
- Well-secured lending in all markets, including Central London, UK
- Award winning wealth management offerings

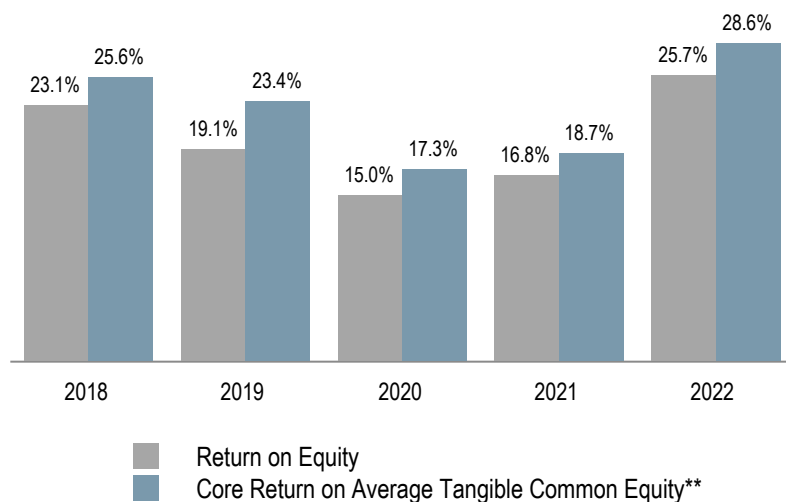


Full Year 2022 Highlights

- Net income of \$214.0 million, or \$4.29 per share
- Core Net Income** of \$215.7 million, or \$4.33 per share
- Return on average common equity of 25.7%; core return on average tangible common equity** of 28.6%
- Net Interest Margin of 2.41%, cost of deposits of 0.34%
- Active capital management with aggregate quarterly dividends of \$1.76 per common share
- New 2023 share repurchase authorization for up to 3.0 million common shares
- Signed agreement with Credit Suisse to acquire their global trust business in Singapore, Guernsey and The Bahamas

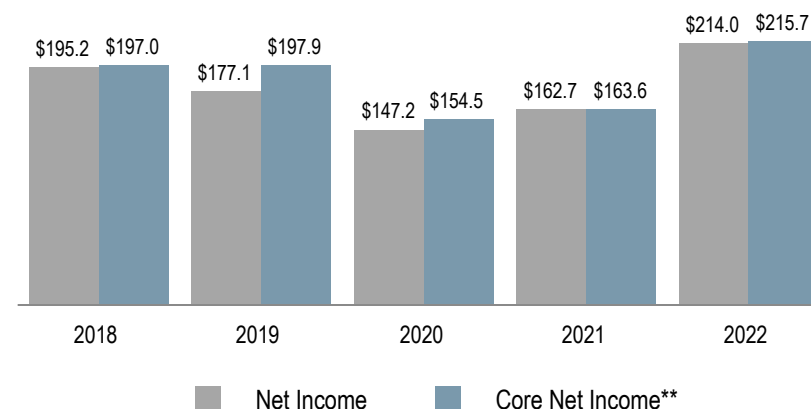
(In US\$ millions)	vs. 2021	
	2022	\$ %
Net Interest Income	\$ 343.6	\$ 43.8
Non-Interest Income	206.6	8.5
Provision for Credit Losses	(2.4)	(5.5)
Non-Interest Expenses*	(335.3)	1.7
Other Gains (Losses)	1.5	2.9
Net Income	\$ 214.0	\$ 51.4 31.6 %
Non-Core Items**	1.7	0.8
Core Net Income**	\$ 215.7	\$ 52.1 31.9 %

Return on Equity



Net Income

(In US\$ millions)



* Includes income taxes

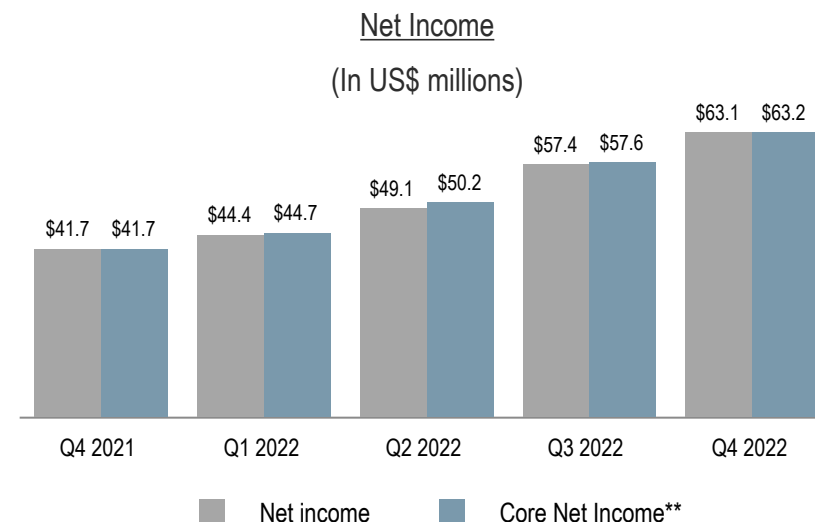
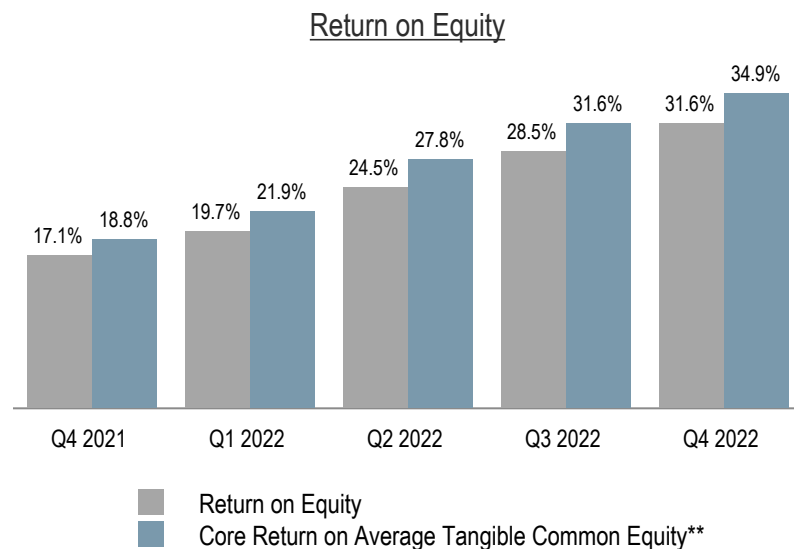
** See the Appendix for a reconciliation of the non-GAAP measure

Financials

Fourth Quarter 2022 Highlights

- Net income of \$63.1 million, or \$1.26 per share
- Core net income** of \$63.2 million or \$1.27 per share
- Return on average common equity of 31.6%; core return on average tangible common equity** of 34.9%
- Net Interest Margin of 2.79%, cost of deposits of 0.78%
- Cash dividend rate of \$0.44 per common share during the quarter
- Appointment of Ingrid Pierce as new Independent Director

(In US\$ millions)	vs. Q3 2022				vs. Q4 2021	
	Q4 2022	\$	%		\$	%
Net Interest Income	\$ 94.6	\$ 3.4			\$ 20.1	
Non-Interest Income	54.9	5.0			2.3	
Provision for Credit Losses	(1.6)	(0.8)			(2.2)	
Non-Interest Expenses*	(85.4)	(2.5)			(0.8)	
Other Gains (Losses)	0.6	0.5			2.1	
Net Income	\$ 63.1	\$ 5.7	9.9 %		\$ 21.5	51.5 %
Non-Core Items**	0.1	—			—	
Core Net Income**	\$ 63.2	\$ 5.6	9.8 %		\$ 21.5	51.5 %



* Includes income taxes

** See the Appendix for a reconciliation of the non-GAAP measure

Income Statement

Net Interest Income

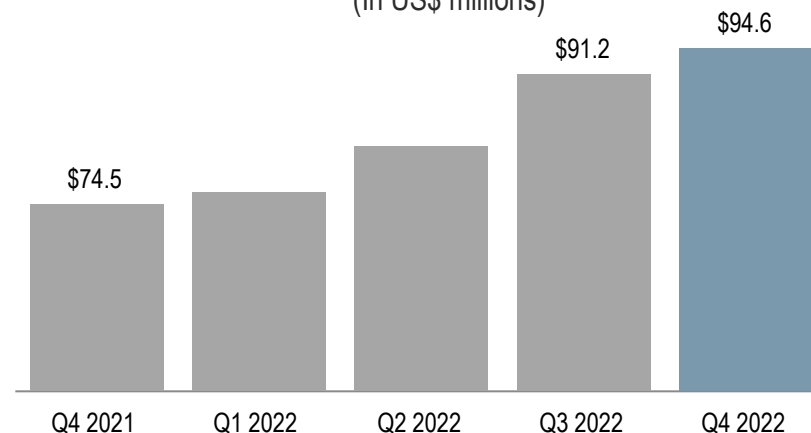
Net Interest Margin & Yields

(In US\$ millions)

	Q4 2022		vs. Q3 2022	
	Avg. Balance	Yield	Avg. Balance	Yield
Cash, S/T Inv. & Repos	\$ 2,538.4	2.81 %	\$ (280.1)	1.41 %
Investments	5,854.9	2.03 %	(152.5)	0.09 %
Loans (net)	5,039.8	5.79 %	(83.3)	0.74 %
Interest Earning Assets	13,433.0	3.59 %	(515.8)	0.61 %
Interest Bearing Liabilities	9,650.7	(1.10)%	(460.9)	(0.57)%
Net Interest Margin		2.79 %		0.20 %

Net Interest Income before Provision for Credit Losses - Trend

(In US\$ millions)



- Net interest income ("NII") increased by \$3.4 million versus the prior quarter primarily due to higher margins on loans and treasury assets, which were partially offset by higher deposit costs, particularly in the more competitive Channel Islands markets
- Net interest margin ("NIM") improved as a result of balancing asset repricing with cost of deposits
- The value of average investment balances decreased due to scheduled maturities in the MBS portfolio, offset by a decrease in net unrealized losses
- Average loan balances decreased in the fourth quarter compared to the prior quarter due to net paydowns in Bermuda and Cayman

Income Statement

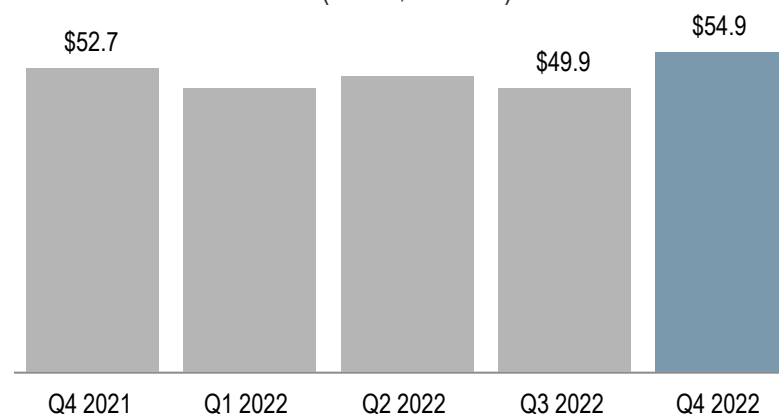
Non-Interest Income

(In US\$ millions)

	Q4 2022	vs. Q3 2022
Asset management	\$ 7.4	\$ —
Banking	17.5	3.4
Foreign exchange revenue	11.5	(0.3)
Trust	13.7	1.2
Custody and other	3.4	—
Other	1.4	0.7
Total Non-Interest Income	\$ 54.9	\$ 5.0

Non-Interest Income Trend

(In US\$ millions)



- Non-interest income increased in the quarter due to higher banking fees driven by higher card services fees from seasonal credit and debit card transaction activity and higher trust income driven by both new business and higher activity-based fees
- The fee income ratio was 37.1% in the fourth quarter of 2022 which compares favorably to the peer average* and the 35.6% in the prior quarter

* Includes US banks identified by management as a peer group. Please see the Appendix for a list of these banks. Q3 2022 comparative data is used as Q4 2022 peer information was not widely available at time of publication.

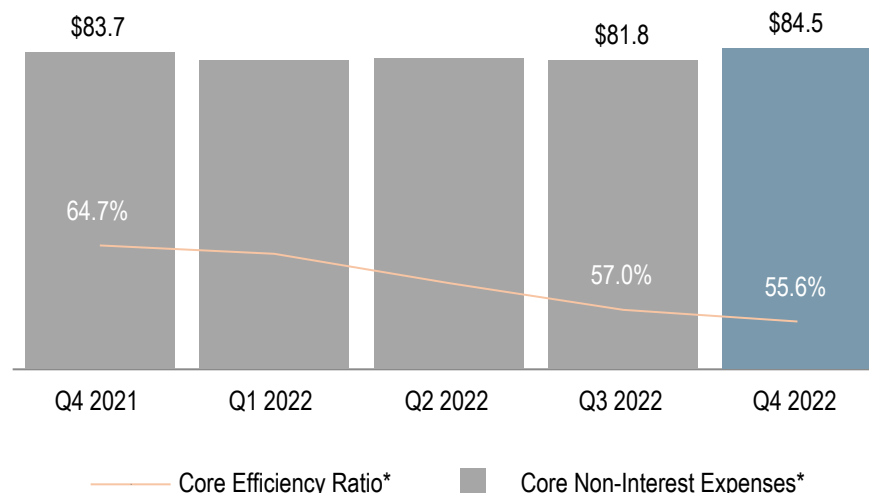
Income Statement

Non-Interest Expenses

Core Non-Interest Expenses* (In US\$ millions)	vs. Q3 2022		
	Q4 2022	\$	%
Salaries & Benefits**	\$ 44.7	\$ 2.8	6.6 %
Technology & Comm.	14.3	—	0.2 %
Professional & O/S Services	4.2	(0.5)	(9.7)%
Property	8.0	0.1	1.3 %
Indirect Taxes	5.4	0.2	3.7 %
Marketing	1.8	0.4	24.3 %
Intangible Amortization	1.4	—	(0.6)%
Other	4.7	(0.3)	(5.6)%
Total Core Non-Interest Expenses*	\$ 84.5	\$ 2.7	3.3 %
Non-Core Expenses*	0.1	—	(24.8)%
Non-Interest Expenses	\$ 84.7	\$ 2.7	3.3 %

Core Non-Interest Expense* Trend

(In US\$ millions)



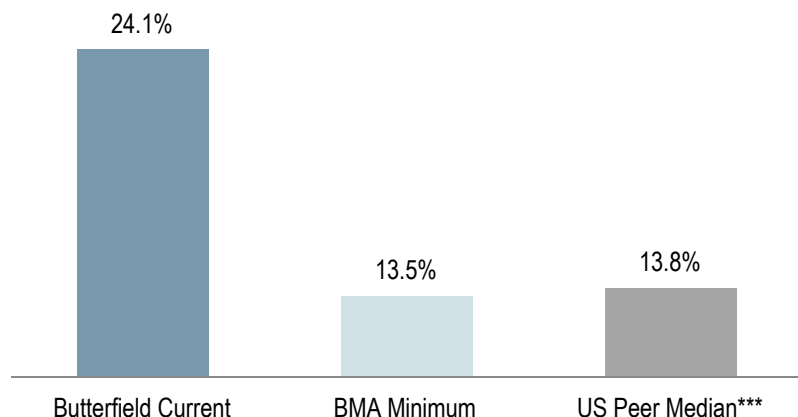
- Core non-interest expenses* were higher than the prior quarter, primarily as a result of an increase in staff-related expenses due to higher performance-based incentive accruals and non-recurring severance costs
- Core efficiency ratio* of 55.6% continued to improve as the rate of increase in revenues, primarily as a result of rising market interest rates, exceeded the marginal change in non-interest expenses. Butterfield continues to target a through-cycle core efficiency ratio of 60%

* See the Appendix for a reconciliation of the non-GAAP measure

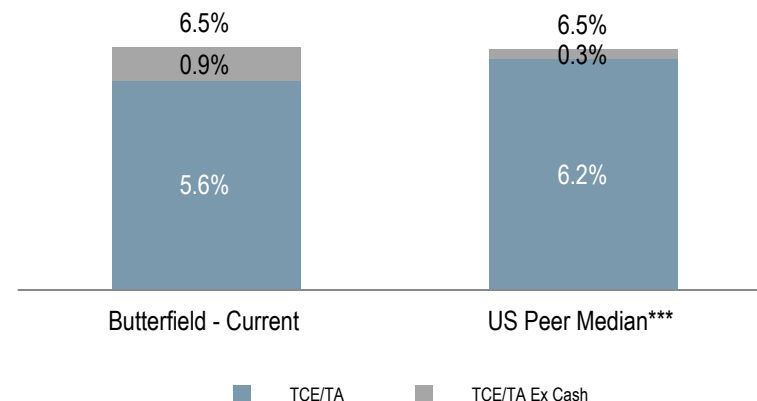
** Includes Non-Service Employee Benefits Expense

Capital Requirements and Dividend Return

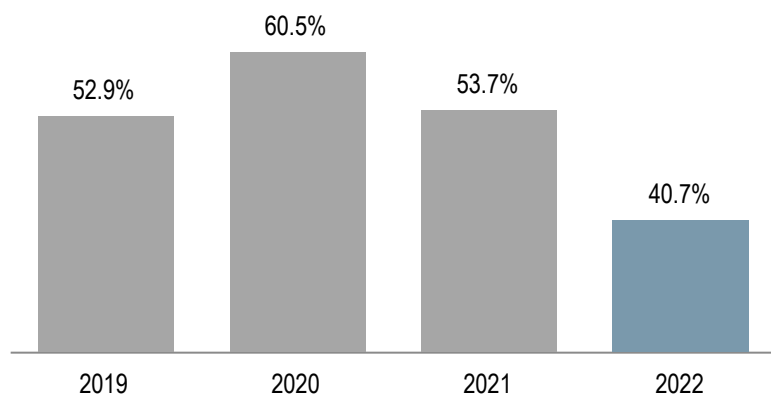
Regulatory Capital (Basel III) - Total Capital Ratio*



Leverage Capital



Dividend Payout Ratio



* In accordance with regulatory capital guidance, the Bank has elected to make use of transitional arrangements which allow the deferral of the January 1, 2020 CECL impact of \$7.8 million on its regulatory capital over a period of 5 years.

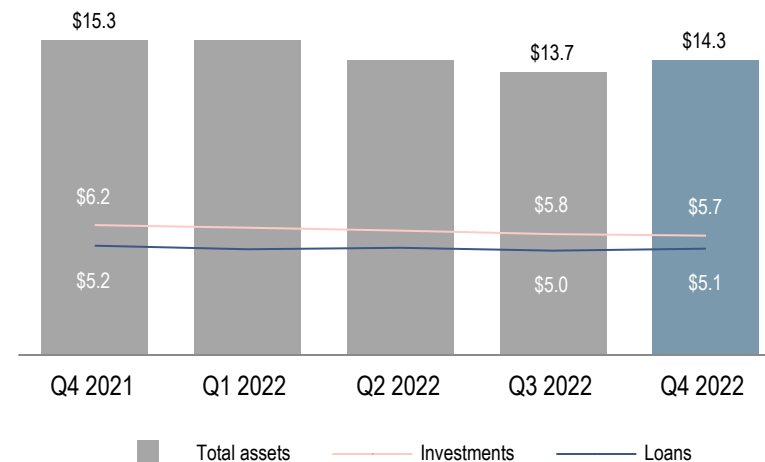
- Regulatory capital levels remain conservatively above requirements
- Quarterly dividend rate continues at \$0.44 per common share
- TCE/TA ratio of 5.6% has increased compared to 5.0% last quarter, due to a decrease in the accumulated other comprehensive loss in the "available for sale" investment portfolio due to lower US market interest rates quarter over quarter. This was partially offset by higher deposit levels
- TCE/TA ex-cash and ex-OCI are 6.5% and 8.2%, respectively

** Includes US banks identified by management as a peer group. Please see the Appendix for a list of these banks. Q3 2022 comparative data is used as Q4 2022 peer information was not widely available at time of publication.

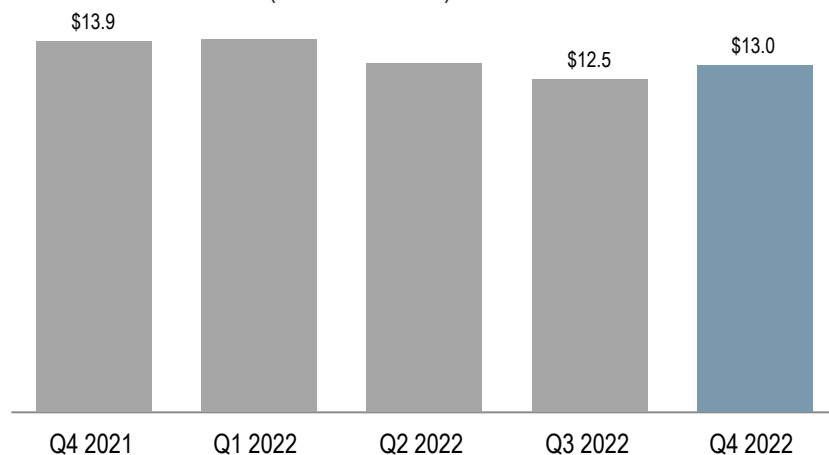
Balance Sheet

			vs Q4 2021
(In US\$ millions)	Q4 2022	Q4 2021	%
Cash and cash equivalents	\$ 2,101	\$ 2,180	(4)%
Reverse Repos & S/T Investments	944	1,295	(27)%
Investments	5,727	6,237	(8)%
Loans (net)	5,096	5,241	(3)%
Other Assets	437	382	14 %
Total Assets	\$ 14,306	\$ 15,335	(7)%
Int. Bearing Deposits	\$ 9,951	\$ 11,050	(10)%
Non-Int. Bearing Deposits	3,040	2,821	8 %
Other Liabilities	450	487	(8)%
Shareholders' Equity	865	977	(12)%
Total Liab. & Equity	\$ 14,306	\$ 15,335	(7)%

Total Assets
(In US\$ billions)



Total Deposits
(In US\$ billions)



- Period end deposit balances decreased by \$0.9 billion to \$13.0 billion compared to the prior year-end due to client deposit activation and a strengthened US dollar
- Butterfield's balance sheet remains low in risk density (risk weighted assets/total assets) at 33.9%

Balance Sheet Movements

Deposit Movements

(in US\$ millions)

Change vs Q3 2022

\$530

Volume

FX
Translation

+290

+240

Change vs Q4 2021

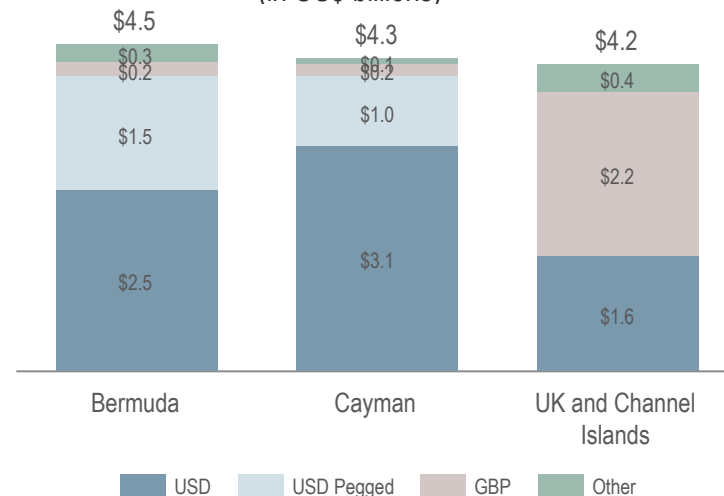
\$(870)

(500)

(370)

Deposit Currency by Segment

(in US\$ billions)



Loan Movements

(in US\$ millions)

Change vs Q3 2022

\$105

(40)

+145

Change vs Q4 2021

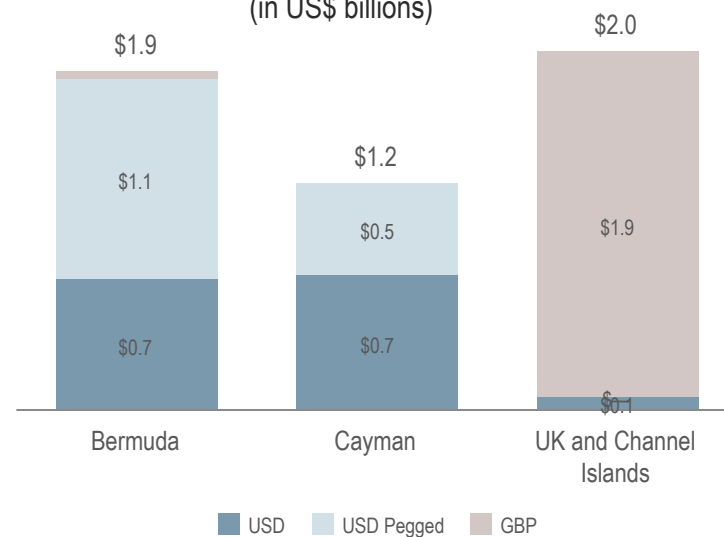
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+95

(240)

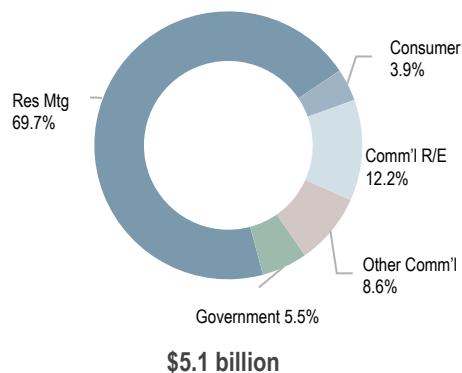
Loan Currency by Segment

(in US\$ billions)



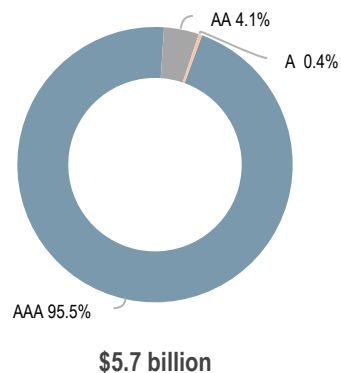
Asset Quality

Loan Distribution



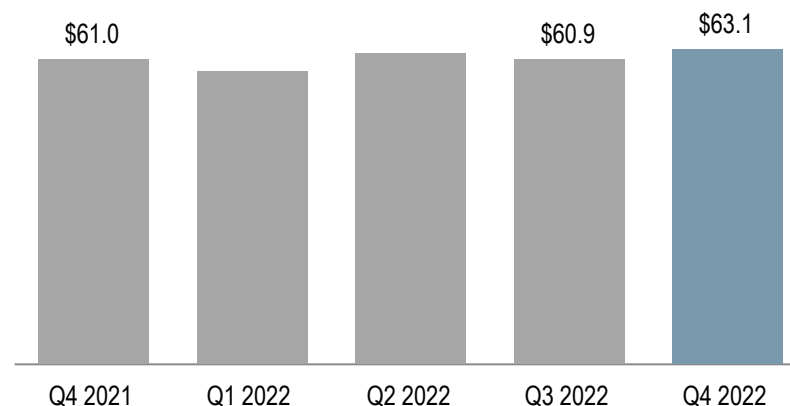
Investment Portfolio

Rating Distribution

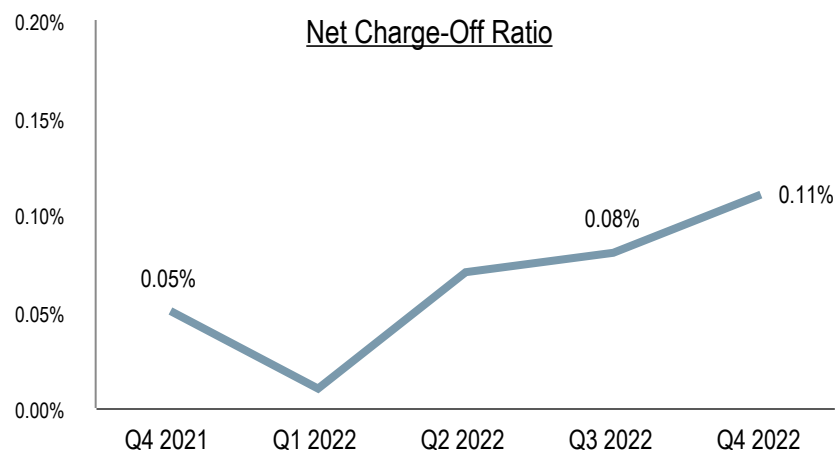


Non-Accrual Loans

(In US\$ millions)



Net Charge-Off Ratio



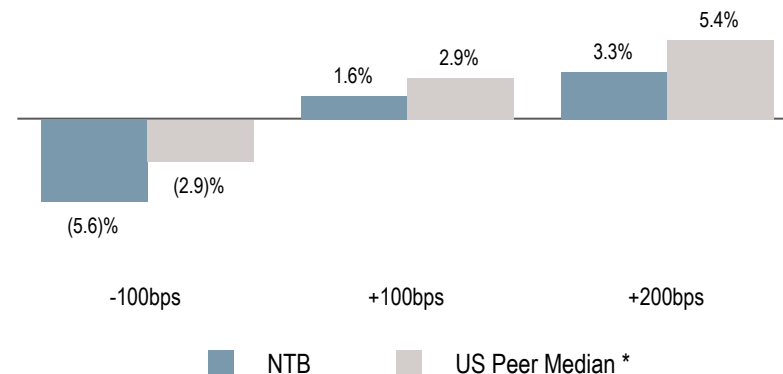
- Investment portfolio continues to be of very high credit quality with 96% comprised of AAA rated securities, primarily US Government guaranteed mortgage backed securities
- Non-accrual loans remained at 1.2% of gross loans, consistent with the prior quarter
- Allowance for credit losses at \$25.0 million representing an ACL/Total loans of 0.5%
- The net charge off ratio continues to be low at 0.11%

Interest Rate Sensitivity

Average Balance - Balance Sheet

		Average Balances (US\$Mil)		Duration		Weighted Average Life
		Q4 2022	vs. Q3 2022		vs. Q3 2022	
Cash & Reverse Repos & S/T Invest.	\$	2,538.4	\$ (280.1)	0.3	0.1	N/A
AFS		2,074.5	(65.5)	3.6	(0.1)	4.7
HTM**		3,780.3	(86.9)	6.5	0.1	9.4
Total	\$	8,393.2	\$ (432.5)			

Interest Rate Sensitivity



- Total investment portfolio duration was unchanged compared to the third quarter of 2022 at 5.4 years
- NII models showed a continued reduction in interest rate sensitivity due to an increased volume of fixed rate loans and continued high sensitivity of deposit costs in the Channel Islands
- As of December 31, 2022, the Bank had \$220.2 million in net unrealized losses in the AFS portfolio, compared with net unrealized losses of \$240.1 million as at the end of the third quarter of 2022. This reflects higher fair value due to changes in long-term US dollar market interest rates compared to the prior quarter

* Includes US banks identified by management as a peer group. Please see the Appendix for a list of these banks. Q3 2022 comparative data is used as Q4 2022 peer information was not widely available at time of publication.

** The HTM portfolio is comprised of securities with negative convexity which typically exhibit lower prepayment speeds when assuming higher future rates.

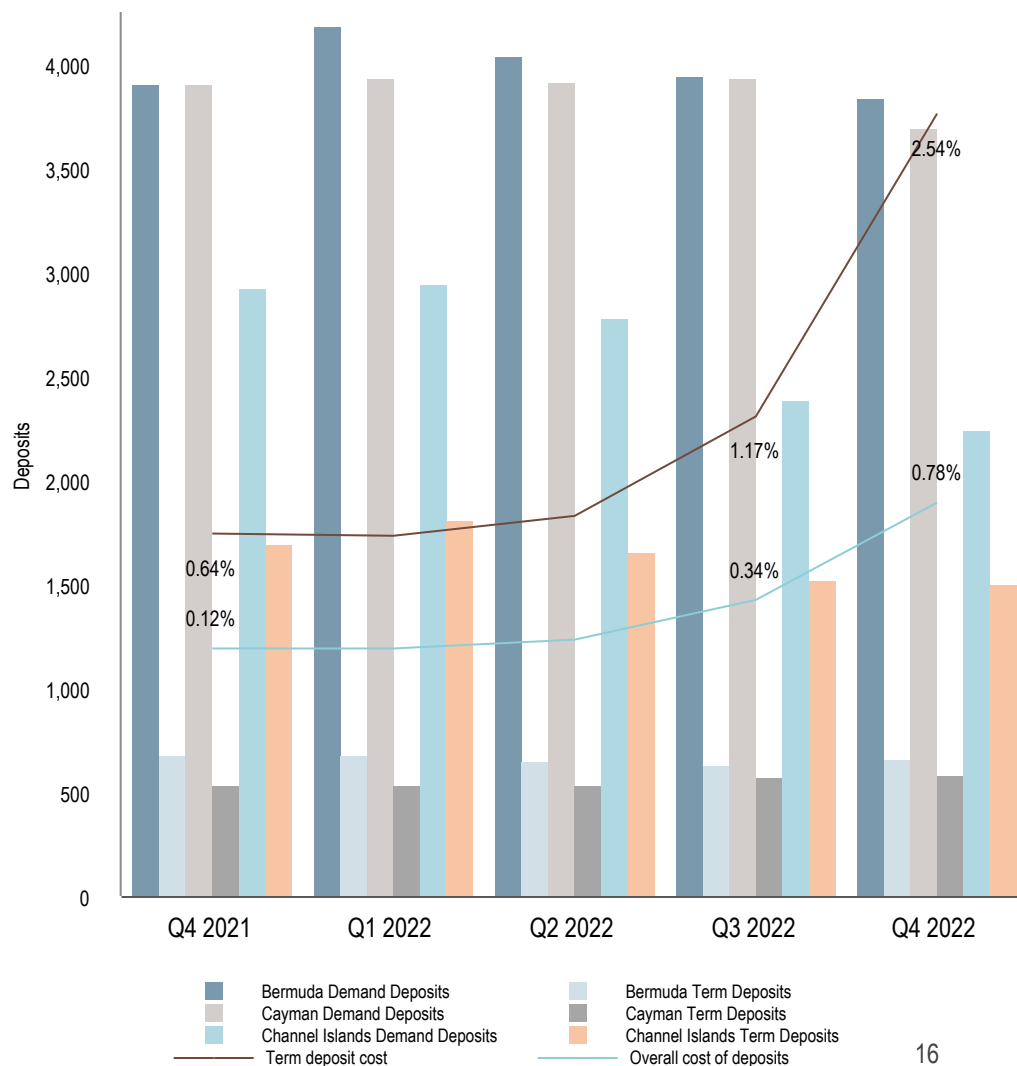
Appendix

Appendix

Deposits

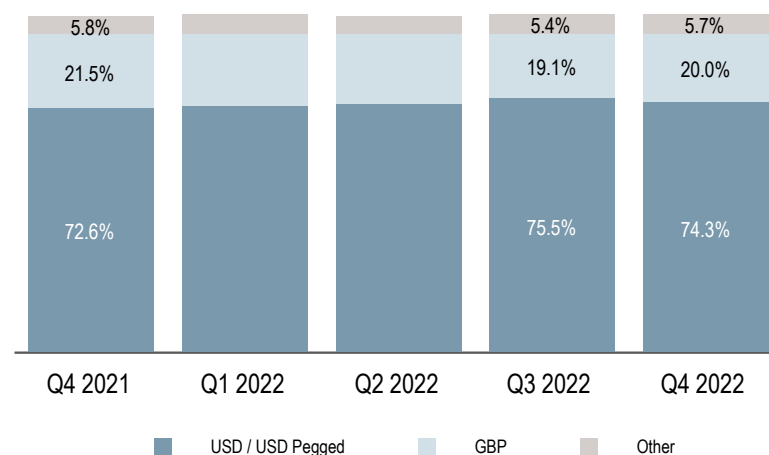
Average Deposit Volume and Cost of Deposits

(In US\$ millions)

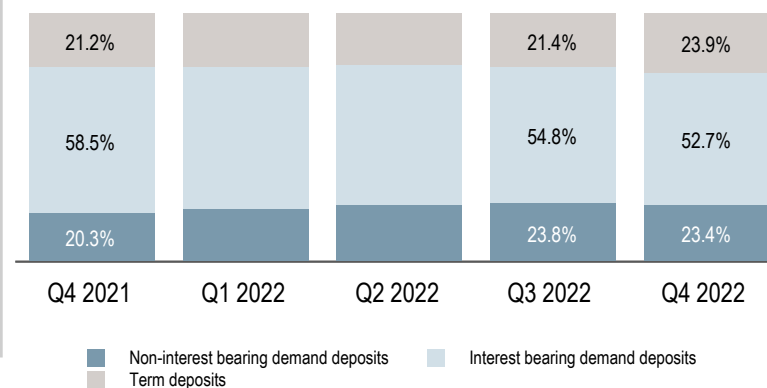


Deposit Composition

By Currency

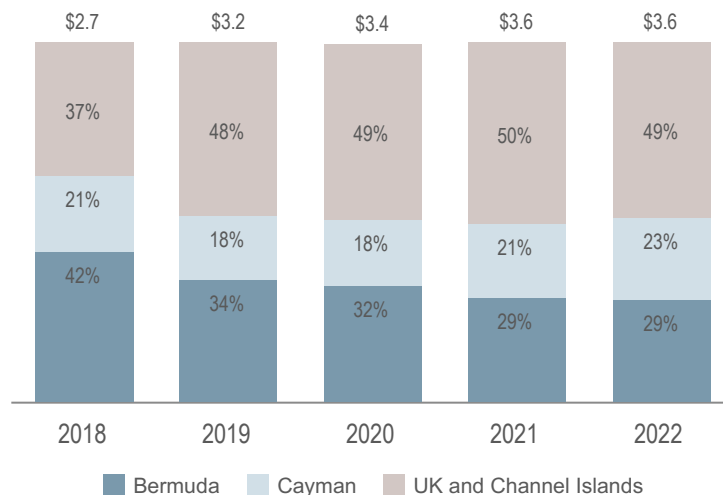


By Type

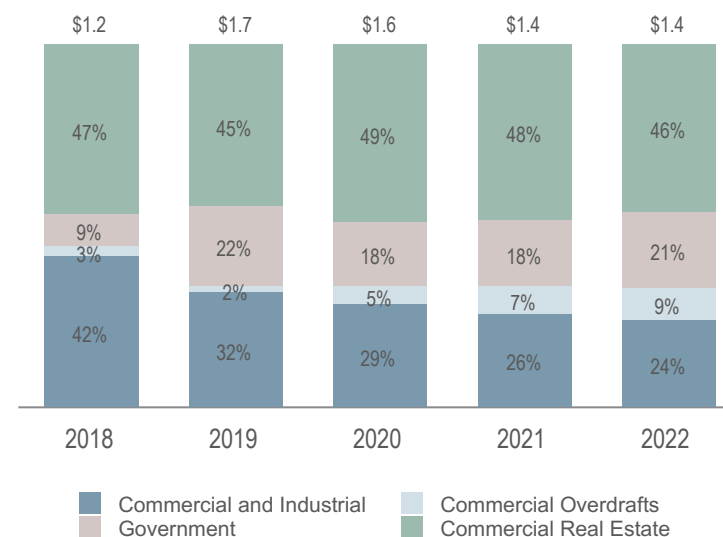


Appendix

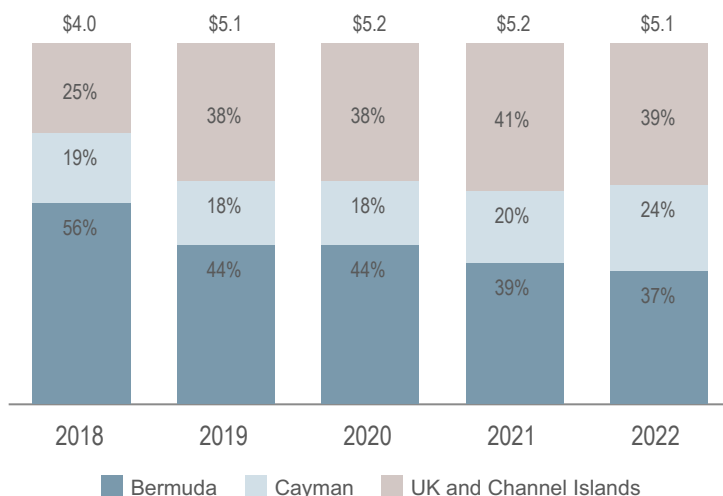
Residential Mortgage Loans (US\$ Billions)



Commercial Loans (US\$ Billion)



Loan Portfolio Composition by Originating Segment (US\$ Billions)



- Stable loan book composed of well-seasoned residential mortgage books with 70% of mortgages at 70% or below loan-to-value
- Loans are individually underwritten in all markets
- Minimal wholesale or cross-border lending outside of current jurisdictions

Appendix

Balance Sheet Trends

(in millions of US Dollars, unless otherwise indicated)

2022					2021					2020
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	
Assets										
Cash and cash equivalents	\$ 2,101	\$ 1,485	\$ 1,340	\$ 2,103	\$ 2,180	\$ 2,310	\$ 2,766	\$ 2,582	\$ 3,290	
Reverse Repos & S/T Investments	944	995	1,516	1,601	1,295	1,446	1,651	1,236	1,020	
Investments	5,727	5,805	5,970	6,111	6,237	5,984	5,605	5,426	4,863	
Loans, Net	5,096	4,992	5,139	5,068	5,241	5,204	5,221	5,149	5,161	
Other Assets	437	422	386	383	382	389	421	412	405	
Total Assets	\$ 14,306	\$ 13,699	\$ 14,350	\$ 15,266	\$ 15,335	\$ 15,332	\$ 15,665	\$ 14,805	\$ 14,739	
Liabilities and Equity										
Total Deposits	\$ 12,991	\$ 12,461	\$ 13,075	\$ 13,933	\$ 13,870	\$ 13,861	\$ 14,193	\$ 13,361	\$ 13,250	
Long-Term Debt	172	172	172	172	172	172	172	172	171	
Other Liabilities	278	311	300	319	316	325	334	335	335	
Total Liabilities	\$ 13,441	\$ 12,944	\$ 13,547	\$ 14,424	\$ 14,358	\$ 14,358	\$ 14,698	\$ 13,868	\$ 13,757	
Common Equity	\$ 865	\$ 755	\$ 802	\$ 842	\$ 977	\$ 974	\$ 967	\$ 936	\$ 982	
Total Equity	\$ 865	\$ 755	\$ 802	\$ 842	\$ 977	\$ 974	\$ 967	\$ 936	\$ 982	
Total Liabilities and Equity	\$ 14,306	\$ 13,699	\$ 14,350	\$ 15,266	\$ 15,335	\$ 15,332	\$ 15,665	\$ 14,805	\$ 14,739	
Key Metrics										
CET 1 Ratio	20.3 %	18.9 %	17.7 %	17.3 %	17.6 %	16.9 %	16.1 %	16.4 %	16.1 %	
Total Tier 1 Capital Ratio	20.3 %	18.9 %	17.7 %	17.3 %	17.6 %	16.9 %	16.1 %	16.4 %	16.1 %	
Total Capital Ratio	24.1 %	22.7 %	21.4 %	20.9 %	21.2 %	20.4 %	19.5 %	20.0 %	19.8 %	
Leverage ratio	6.7 %	6.4 %	5.8 %	5.5 %	5.6 %	5.5 %	5.2 %	5.4 %	5.3 %	
Risk-Weighted Assets (in \$ millions)	4,843	4,780	4,854	5,043	5,101	5,185	5,321	5,105	5,069	
Risk-Weighted Assets / total assets	33.9 %	34.9 %	33.8 %	33.0 %	33.3 %	33.8 %	34.0 %	34.5 %	34.4 %	
Tangible common equity ratio	5.6 %	5.0 %	5.1 %	5.0 %	5.8 %	5.8 %	5.6 %	5.7 %	6.1 %	
Book value per common share (in \$)	17.42	15.21	16.17	16.97	19.83	19.68	19.49	18.84	19.88	
Tangible book value per share (in \$)	15.92	13.76	14.61	15.30	18.08	17.92	17.67	17.00	18.00	
Non-accrual loans/gross loans	1.2 %	1.2 %	1.2 %	1.2 %	1.2 %	1.2 %	1.3 %	1.4 %	1.4 %	
Non-performing assets/total assets	0.5 %	0.5 %	0.5 %	0.5 %	0.5 %	0.5 %	0.6 %	0.7 %	0.6 %	
Allowance for credit losses/total loans	0.5 %	0.5 %	0.5 %	0.5 %	0.5 %	0.5 %	0.6 %	0.6 %	0.7 %	

Appendix

Average Balance Sheet Trends

(in millions of US Dollars, unless otherwise indicated)

	Q4 2022			Q3 2022			Q4 2021		
	Average balance (\$)	Interest (\$)	Average rate (%)	Average balance (\$)	Interest (\$)	Average rate (%)	Average balance (\$)	Interest (\$)	Average rate (%)
Assets									
Cash and cash equivalents, reverse repurchase agreements and short-term investments	\$ 2,538.4	\$ 18.0	2.81 %	\$ 2,818.4	\$ 10.0	1.40 %	\$ 3,316.3	\$ 0.3	0.03 %
Investment in securities	5,854.9	30.0	2.03 %	6,007.3	29.4	1.94 %	6,266.1	26.1	1.65 %
AFS	2,074.5	8.9	1.71 %	2,140.1	8.5	1.58 %	3,499.6	12.2	1.38 %
HTM	3,780.3	21.1	2.21 %	3,867.3	20.9	2.14 %	2,766.5	13.9	1.99 %
Loans	5,039.8	73.5	5.79 %	5,123.1	65.3	5.05 %	5,185.4	54.6	4.18 %
Commercial	1,477.2	22.4	6.00 %	1,523.3	20.8	5.41 %	1,520.9	16.8	4.39 %
Consumer	3,562.6	51.2	5.70 %	3,599.8	44.5	4.90 %	3,664.5	37.8	4.09 %
Total interest earning assets	13,433.0	121.5	3.59 %	13,948.9	104.6	2.98 %	14,767.7	81.0	2.17 %
Other assets	385.7			369.1			359.4		
Total assets	\$ 13,818.7			\$ 14,317.9			\$ 15,127.2		
Liabilities									
Interest bearing deposits	\$ 9,476.3	\$ (24.5)	(1.02)%	\$ 9,939.5	\$ (11.1)	(0.44)%	\$ 10,718.3	\$ (4.0)	(0.15)%
Long-term debt	172.2	(2.4)	(5.53)%	172.1	(2.4)	(5.53)%	171.8	(2.4)	(5.54)%
Interest bearing liabilities	9,650.7	(26.9)	(1.10)%	10,111.7	(13.5)	(0.53)%	10,890.1	(6.4)	(0.23)%
Non-interest bearing customer deposits	3,039.0			3,074.6			2,928.2		
Other liabilities	254.2			256.2			277.5		
Total liabilities	\$ 12,943.9			\$ 13,442.4			\$ 14,095.9		
Shareholders' equity	874.8			875.5			1,031.3		
Total liabilities and shareholders' equity	\$ 13,818.7			\$ 14,317.9			\$ 15,127.2		
Non-interest bearing funds net of non-interest earning assets (free balance)	\$ 3,782.3			\$ 3,837.2			\$ 3,877.6		
Net interest margin		\$ 94.6	2.79 %		\$ 91.2	2.59 %		\$ 74.5	2.00 %

Appendix

Income Statement Trends

(in millions of US Dollars, unless otherwise indicated)

	2022				2021				2020
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net Interest Income	\$ 94.6	\$ 91.2	\$ 82.0	\$ 75.9	\$ 74.5	\$ 75.7	\$ 74.7	\$ 74.9	\$ 75.6
Non-Interest Income	54.9	49.9	51.8	49.9	52.7	49.0	48.8	47.6	47.8
Prov. for Credit Recovery (Losses)	(1.6)	(0.8)	(0.7)	0.7	0.6	—	1.0	1.5	2.4
Non-Interest Expenses*	85.4	82.9	84.0	82.9	84.6	85.2	85.6	81.7	83.3
Other Gains (Losses)	0.6	0.1	0.1	0.8	(1.6)	0.3	0.7	(0.8)	(0.4)
Net Income	\$ 63.1	\$ 57.4	\$ 49.1	\$ 44.4	\$ 41.7	\$ 39.8	\$ 39.6	\$ 41.6	\$ 42.1
Non-Core Items**	\$ 0.1	\$ 0.2	\$ 1.1	\$ 0.3	\$ 0.1	\$ 0.2	\$ 0.5	\$ —	\$ 0.8
Core Net Income**	\$ 63.2	\$ 57.6	\$ 50.2	\$ 44.7	\$ 41.7	\$ 40.0	\$ 40.1	\$ 41.6	\$ 42.9

Key Metrics

Loan Yield	5.79 %	5.05 %	4.48 %	4.26 %	4.18 %	4.22 %	4.28 %	4.37 %	4.42 %
Securities Yield	2.03	1.94	1.89	1.79	1.65	1.77	1.82	1.95	2.11
Cost of Deposits	0.78	0.34	0.16	0.12	0.12	0.11	0.10	0.12	0.12
Net Interest Margin	2.79	2.59	2.26	2.03	2.00	1.97	2.01	2.09	2.25
Core Efficiency Ratio**	55.6	57.0	60.2	63.7	64.7	66.3	66.3	64.8	65.6
Core ROATCE**	34.9	31.6	27.8	21.9	18.8	17.9	18.7	19.3	19.0
Fee Income Ratio	37.1	35.6	38.9	39.5	41.2	39.3	39.2	38.4	38.0
Fully Diluted Share Count (in millions of common shares)	50.0	49.8	49.8	49.8	49.8	49.9	49.9	49.9	49.8

* Includes income taxes

** See the reconciliation of non-GAAP measures on pages 23-24

Appendix

Non-Interest Income & Expense Trends

(in millions of US Dollars, unless otherwise indicated)

(in millions of US Dollars, unless otherwise indicated)											
2022					2021					2020	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4		
Non-Interest Income											
Asset Management	\$ 7.4	\$ 7.4	\$ 7.4	\$ 7.5	\$ 7.6	\$ 7.4	\$ 7.4	\$ 7.4	\$ 7.2		
Banking	17.5	14.1	12.9	12.7	15.4	12.6	12.5	11.4	13.6		
FX Revenue	11.5	11.8	12.0	12.4	10.9	10.8	10.5	11.2	9.3		
Trust	13.7	12.6	13.3	12.7	14.2	12.9	13.0	12.8	13.3		
Custody & Other Admin.	3.4	3.3	3.3	3.6	3.9	3.7	3.8	3.8	3.4		
Other	1.4	0.7	2.8	1.0	0.8	1.5	1.5	0.9	0.9		
Total Non-Interest Income	\$ 54.9	\$ 49.9	\$ 51.8	\$ 49.9	\$ 52.7	\$ 49.0	\$ 48.8	\$ 47.6	\$ 47.8		
Non-Interest Expense											
Salaries & Benefits*	\$ 44.7	\$ 42.0	\$ 42.3	\$ 41.0	\$ 41.1	\$ 42.0	\$ 43.2	\$ 39.0	\$ 41.4		
Technology & Comm.	14.3	14.3	14.0	14.1	15.7	16.3	15.7	16.1	16.1		
Professional & O/S Services	4.3	4.8	5.4	5.1	5.6	5.7	4.9	5.2	5.3		
Property	8.0	7.9	7.6	7.9	8.0	7.8	7.6	7.4	7.4		
Indirect Taxes	5.4	5.2	5.5	5.9	5.5	5.4	5.4	5.8	5.1		
Marketing	1.8	1.5	1.6	1.5	1.2	0.9	1.0	1.4	1.6		
Intangible Amortization	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.5	1.5		
Other	4.7	4.9	5.2	5.0	5.2	4.8	5.4	4.6	4.9		
Total Non-Interest Expense	\$ 84.7	\$ 82.0	\$ 83.0	\$ 82.0	\$ 83.8	\$ 84.4	\$ 84.8	\$ 80.9	\$ 83.2		
Income Taxes	0.7	0.9	1.1	1.0	0.8	0.8	0.8	0.7	0.1		
Total Expense incld. Taxes	\$ 85.4	\$ 82.9	\$ 84.0	\$ 82.9	\$ 84.6	\$ 85.2	\$ 85.6	\$ 81.7	\$ 83.3		

*Includes non-service employee benefits

Appendix

Core Non-Interest Expense* Trends

(in millions of US Dollars, unless otherwise indicated)

	2022				2021				2020	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	
Salaries & Benefits**	\$ 44.7	\$ 42.0	\$ 41.2	\$ 41.0	\$ 41.1	\$ 42.0	\$ 41.8	\$ 39.0	\$ 40.6	
Technology & Comm.	14.3	14.3	14.0	14.1	15.7	16.3	15.7	16.1	16.1	
Professional & O/S Services	4.2	4.7	5.4	4.9	5.5	5.6	4.9	5.2	5.3	
Property	8.0	7.9	7.6	7.9	8.0	7.8	7.6	7.4	7.4	
Indirect Taxes	5.4	5.2	5.5	5.9	5.5	5.4	5.4	5.8	5.1	
Marketing	1.8	1.5	1.6	1.5	1.2	0.9	1.0	1.4	1.6	
Intangible Amortization	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.5	1.5	
Other	4.7	4.9	5.2	4.8	5.2	4.7	5.4	4.6	4.9	
Total Core Non-Interest Expense	\$ 84.5	\$ 81.8	\$ 81.9	\$ 81.6	\$ 83.7	\$ 84.2	\$ 83.4	\$ 80.9	\$ 82.4	
Income Taxes	0.7	0.9	1.1	1.0	0.8	0.8	0.8	0.7	0.1	
Total Core Expense incld. Taxes	\$ 85.3	\$ 82.8	\$ 83.0	\$ 82.6	\$ 84.5	\$ 84.9	\$ 84.2	\$ 81.7	\$ 82.5	

* See the reconciliation of non-GAAP measures on pages 23-24

** Includes non-service employee benefits

Appendix

Non-GAAP Reconciliation

(in millions of US Dollars, unless otherwise indicated)

		2022				2021	
		Q4		Q3		Q2	
Net income	A	\$ 63.1	\$ 57.4	\$ 49.1	\$ 44.4	\$ 41.7	
Non-core expenses							
Early retirement program, voluntary separation, redundancies and other non-core compensation costs		—	—	1.0	—	—	
Tax compliance review costs		0.1	0.2	—	0.1	0.1	
Settlement of client-related tax inquiry		—	—	—	0.2	—	
Total non-core expenses	C	\$ 0.1	\$ 0.2	\$ 1.1	\$ 0.3	\$ 0.1	
Total non-core (gains), losses and expenses	D=B+C	0.1	0.2	1.1	0.3	0.1	
Core net income to common shareholders	E=A+D	\$ 63.2	\$ 57.6	\$ 50.2	\$ 44.7	\$ 41.7	
Average shareholders' equity		791.2	799.0	804.6	912.8	965.2	
Average common equity	F	791.2	799.0	804.6	912.8	965.2	
Less: average goodwill and intangible assets		(73.4)	(75.1)	(80.0)	(84.7)	(86.6)	
Average tangible common equity	G	717.8	723.9	724.6	828.1	878.5	
Return on equity	A/F	31.6 %	28.5 %	24.5 %	19.7 %	17.1 %	
Core return on average tangible common equity	E/G	34.9 %	31.6 %	27.8 %	21.9 %	18.8 %	
Core earnings per common share fully diluted							
Adjusted weighted average number of diluted common shares (in thousands)	H	50.0	49.8	49.8	49.8	49.8	
Earnings per common share fully diluted	A/H	1.26	1.15	0.99	0.89	0.84	
Non-core items per share	D/H	0.01	0.01	0.02	0.01	—	
Core earnings per common share fully diluted	E/H	1.27	1.16	1.01	0.90	0.84	
Core return on average tangible assets							
Total average assets	I	\$ 13,863.7	\$ 14,160.1	\$ 14,793.3	\$ 15,449.0	\$ 15,180.6	
Less: average goodwill and intangible assets		(73.4)	(75.1)	(80.0)	(84.7)	(86.6)	
Average tangible assets	J	\$ 13,790.3	\$ 14,085.0	\$ 14,713.3	\$ 15,364.3	\$ 15,094.0	
Return on average assets	A/I	1.8 %	1.6 %	1.3 %	1.2 %	1.1 %	
Core return on average tangible assets	E/J	1.8 %	1.6 %	1.4 %	1.2 %	1.1 %	

Appendix

Non-GAAP Reconciliation (cont'd)

(in millions of US Dollars, unless otherwise indicated)

		2022				2021
		Q4	Q3	Q2	Q1	Q4
Tangible equity to tangible assets						
Shareholders' equity	K	\$ 864.8	\$ 754.9	\$ 802.4	\$ 841.8	\$ 977.5
Less: goodwill and intangible assets		(74.4)	(71.9)	(77.5)	(82.9)	(86.1)
Tangible common equity	L	790.4	683.0	725.0	758.9	891.4
Total assets	M	14,306.1	13,699.3	14,349.9	15,266.0	15,335.2
Less: goodwill and intangible assets		(74.4)	(71.9)	(77.5)	(82.9)	(86.1)
Tangible assets	N	\$ 14,231.7	\$ 13,627.5	\$ 14,272.5	\$ 15,183.1	\$ 15,249.1
Tangible common equity to tangible assets	L/N	5.6 %	5.0 %	5.1 %	5.0 %	5.8 %
Tangible book value per share						
Basic participating shares outstanding (in millions)	O	49.7	49.6	49.6	49.6	49.3
Tangible book value per common share	L/O	15.92	13.76	14.61	15.30	18.08
Efficiency ratio						
Non-interest expenses		\$ 84.7	\$ 82.0	\$ 83.0	\$ 82.0	\$ 83.8
Less: Amortization of intangibles		(1.4)	(1.4)	(1.4)	(1.5)	(1.5)
Non-interest expenses before amortization of intangibles	P	83.3	80.6	81.6	80.5	82.3
Non-interest income		54.9	49.9	51.8	49.9	52.7
Net interest income before provision for credit losses		94.6	91.2	82.0	75.9	74.5
Net revenue before provision for credit losses and other gains/losses	Q	\$ 149.5	\$ 141.1	\$ 133.8	\$ 125.8	\$ 127.2
Efficiency ratio	P/Q	55.7 %	57.1 %	61.0 %	64.0 %	64.7 %
Core efficiency ratio						
Non-interest expenses		\$ 84.7	\$ 82.0	\$ 83.0	\$ 82.0	\$ 83.8
Less: non-core expenses	(C)	(0.1)	(0.2)	(1.1)	(0.3)	(0.1)
Less: amortization of intangibles		(1.4)	(1.4)	(1.4)	(1.5)	(1.5)
Core non-interest expenses before amortization of intangibles	R	83.1	80.4	80.5	80.1	82.2
Net revenue before provision for credit losses and other gains/losses	Q	149.5	141.1	133.8	125.8	127.2
Core efficiency ratio	R/Q	55.6 %	57.0 %	60.2 %	63.7 %	64.7 %

Appendix

Peer Group

Our peer group includes the following banks, noted by their ticker symbols:

- First Republic Bank (FRC)
- SVB Financial Group (SIVB)
- East West Bancorp, Inc. (EWBC)
- Cullen/Frost Bankers, Inc. (CFR)
- Associated Banc-Corp (ASB)
- Wintrust Financial Corporation (WTFC)
- Commerce Bancshares, Inc. (CBSH)
- UMB Financial Corporation (UMBF)
- First Hawaiian, Inc. (FHB)
- Bank of Hawaii Corporation (BOH)
- Trustmark Corporation (TRMK)
- International Bancshares Corporation (IBOC)
- Community Bank System, Inc. (CBU)
- First Financial Bankshares, Inc. (FFIN)
- Westamerica Bancorporation (WABC)