









# Financial Highlights



Butterfield continues to pursue a strategy to promote long-term growth while maintaining a strong capital and liquidity profile. A central tenet of that strategy is to build upon our relationship-based business approach by delivering exceptional client services.

<div>NET INCOME*</div> <div>\$48.7M</div> <div> down \$8.7 million</div> <div>CORE NET INCOME*</div> <div>\$57.0M</div> <div>down \$0.6 million</div>	<div>NET INTEREST INCOME*</div> <div>\$90.2M</div> <div> down \$1.0 million</div>	<div>NON-INTEREST INCOME*</div> <div>\$52.0M</div> <div> up \$2.1 million</div>	<div>NON-INTEREST EXPENSES*</div> <div>\$92.5M</div> <div> up \$10.5 million</div> <div>CORE NON-INTEREST EXPENSES*</div> <div>\$84.3M</div> <div>up \$2.5 million</div>
<div>RETURN ON AVERAGE COMMON EQUITY</div> <div>20.6%</div> <div> Q3 2022 28.5%</div>	<div>CORE EFFICIENCY RATIO**</div> <div>58.3%</div> <div> Q3 2022 57.0%</div>	<div>RETURN ON AVERAGE ASSETS</div> <div>1.4%</div> <div> Q3 2022 1.6%</div>	<div>QUARTERLY DIVIDEND*</div> <div>\$0.44</div> <div>per common share</div> <div></div>

\* IN US DOLLARS  
(With comparisons to the quarter ended 30 September 2022)

\*Please refer to the “Reconciliation of Non-GAAP Financial Measures” in our published third quarter 2023 results



## CAPITAL RATIOS

COMMON EQUITY TIER 1

23.4%

31 Dec 2022 20.3%

TOTAL CAPITAL RATIO

25.8%

31 Dec 2022 24.1%

## RECENT DEVELOPMENTS

The Bank performed well in the third quarter with results that demonstrate its continued focus on a stable low risk density balance sheet, while delivering consistent and growing non-interest income and balanced capital management.

Butterfield reported net income of \$48.7 million and core net income\* of \$57.0 million. The non-core expenses of \$8.2 million were associated with a group-wide restructuring program implemented in the quarter and which is expected to deliver annual cost savings of approximately \$13 million once fully implemented. The Bank reported a return on common equity of 20.6% and a core return on average tangible common equity\* of 26.1% for the third quarter of 2023 with earnings and core earnings per diluted share\* of \$0.99 and \$1.16, respectively.

The net interest margin was 2.76% in the third quarter, a decrease of 7 basis points, with the cost of deposits rising to 152 basis points from 127 basis points in the prior quarter. Deposit pricing increased across all of Butterfield’s banking jurisdictions as there was a mix shift from demand deposits to term deposits and fixed term deposits rolled into higher rates due to rising market interest rates.





Q3 2023 FINANCIAL HIGHLIGHTS

The Bank’s tangible common equity ratio of 6.5% has held steady and continues to be at the conservative end of its targeted range of between 6% and 6.5%. As a result, the Bank increased activity in its share repurchase program with repurchases of 1.1 million common shares in the third quarter.

As higher-for-longer interest rates have developed as the most likely scenario in the near term, competition for deposits has increased across the Bank’s island jurisdictions, particularly in the Channel Islands. Butterfield continues to work closely with clients to ensure their financial services needs are met and that each relationship is appropriately managed.

CREDIT RATINGS

KBRA

Short-Term K1  
Long-Term Senior A+

Moody’s

Short-Term P2  
Long-Term Senior A3

S&P

Short-Term A2  
Long-Term Senior BBB+

Headquartered in Hamilton, Bermuda, Butterfield offers a range of community banking and bespoke financial services from eight leading international financial centres, supported by service centres in Canada and Mauritius. Butterfield serves international clients from Bermuda, the Cayman Islands, Guernsey and Jersey, where our principal banking operations are located, and The Bahamas, Switzerland, Singapore and the United Kingdom, where we offer specialised financial services. Banking services comprise deposit, cash management and lending solutions for individual, business and institutional clients. Wealth management services are composed of trust, private banking, asset management and custody. In Bermuda, the Cayman Islands, Guernsey and Jersey, we offer both banking and wealth management. In The Bahamas, Singapore and Switzerland, we offer select wealth management services. In the UK, we offer residential property lending.

Certain of the statements made in this document 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 (including economic growth and general business conditions) and fluctuations of interest rates, inflation, a decline in Bermuda’s sovereign credit rating, the successful completion and integration of acquisitions (including our progress on subsequent closings of the acquisition of trust assets from Credit Suisse) or the realization of the anticipated benefits of such acquisitions in the expected time-frames or at all, success in business retention (including the retention of relationships associated with our Credit Suisse acquisition) and obtaining new business, the impact of the COVID-19 pandemic, the success of our updated systems and platforms 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 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 Securities and Exchange Commission (“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.