

CAPITAL & RISK MANAGEMENT  
PILLAR 3 DISCLOSURES  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024  
BUTTERFIELD BANK (CAYMAN) LIMITED



# Pillar 3

## Template OV1: Overview of RWA

		a	b	c
		RWA		Minimum capital requirements
		September 30, 2024	June 30, 2024	September 30, 2024
1	Credit risk (excluding counterparty credit risk) (CCR)	688,117,858	715,812,134	75,692,964
2	Securitization exposures	353,167,936	341,995,699	38,848,473
3	Counterparty credit risk	341,473	861,262	37,562
4	Of which: current exposure method	341,473	861,262	37,562
5	Of which: standardized method	-	-	-
6	Market risk	484,359	359,838	53,279
7	Of which: Equity Risk (ER)	-	-	-
8	Operational risk	318,923,507	318,923,507	35,081,586
9	Of which: Basic Indicator Approach	-	-	-
10	Of which: Standardised Approach	318,923,507	318,923,507	35,081,586
11	Of which: Alternative Standardised	-	-	-
12	Total (1+2+3+6+8)	1,361,035,132	1,377,952,440	149,713,865

The decrease in Credit Risk is mainly driven by lower claims on High Risk Assets, claims on Residential Mortgages, claims on Off Balance Sheet Items, partially offset by an increase in claims on Banks. Increases in Securitization exposures is due to net purchases of securities and their improving underlying value.

# Pillar 3

## Template LR1: Summary comparison of accounting assets vs leverage ratio exposure measure

		September 30, 2024	June 30, 2024
1	Total consolidated assets as per published financial statements	4,150,239,877	4,266,663,859
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-	-
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-	-
4	Adjustments for temporary exemption of central bank reserves (if applicable)	-	-
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	(7,376,550)	(7,651,840)
6	Adjustments for regular way purchases and sales of financial assets subject to trade date accounting	-	-
7	Adjustments for eligible cash pooling transactions	-	-
8	Adjustments for derivative financial instruments	1,341,295	2,370,404
9	Adjustment for securities financing transactions (i.e. repurchase agreements and similar secured lending)	-	-
10	Adjustment for off balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	62,461,383	72,846,640
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	1,776,022	1,816,762
12	Other adjustments	-	-
13	<b>Leverage ratio exposure measure</b>	<b>4,208,442,027</b>	<b>4,336,045,825</b>

The decrease in consolidated assets reflects lower levels of short term investments, loans and other assets in the period under review.

# Pillar 3

## Template LR2: Leverage ratio common disclosure

		a	b
		Sep 30, 2024	June 30, 2024
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	4,149,873,808	4,264,727,953
2	Gross up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(Specific and general provisions associated with <u>on balance sheet exposures</u> that are deducted from Basel III Tier 1 capital)	1,776,022	1,816,762
6	(Asset amounts deducted in determining Basel III Tier 1 capital and regulatory adjustments)	(7,376,550)	(7,651,840)
7	<b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 6)</b>	<b>4,144,273,280</b>	<b>4,258,892,875</b>
<b>Derivative exposures</b>			
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	366,068	1,935,906
9	Add on amounts for potential future exposure associated with all derivatives transactions	1,341,295	2,370,404
10	(Exempted central counterparty (CCP) leg of client cleared trade exposures)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	<b>Total derivative exposures (sum of lines 8 to 12)</b>	<b>1,707,363</b>	<b>4,306,309</b>
<b>Securities financing transaction exposures</b>			
14	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	CCR exposure for SFT assets	-	-
17	Agent transaction exposures	-	-
18	<b>Total securities financing transaction exposures (sum of lines 14 to 17)</b>	<b>-</b>	<b>-</b>
<b>Other off-balance sheet exposures</b>			
19	Off-balance sheet exposure at gross notional amount	224,285,620	242,557,621
20	(Adjustments for conversion to credit equivalent amounts)	(161,816,461)	(169,700,010)
21	(Specific and general provisions associated with off balance sheet exposures deducted in determining Tier 1 capital)	(7,775)	(10,970)
22	<b>Off-balance sheet items (sum of lines 19 and 21)</b>	<b>62,461,383</b>	<b>72,846,640</b>
<b>Capital and total exposures</b>			
23	<b>Tier 1 capital</b>	<b>398,330,085</b>	<b>400,284,219</b>
24	<b>Total exposures (sum of lines 7,13, 18 and 22)</b>	<b>4,208,442,027</b>	<b>4,336,045,825</b>
<b>Leverage ratio</b>		<b>9.47%</b>	<b>9.23%</b>
25	Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)		
25a	Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)		
26	<b>National minimum leverage ratio requirement</b>	<b>3%</b>	<b>3%</b>
27	<b>Applicable leverage buffers</b>	<b>6.47%</b>	<b>6.23%</b>

The Leverage Ratio improved in the most recent quarter following a 2.94% decline in Total exposures against a decrease in Tier 1 capital 0.49%.

# Pillar 3

## LIQ1: Liquidity Coverage Ratio (LCR)

		Quarter Ended September 30, 2024	
		a	b
		TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)
<b>HIGH-QUALITY LIQUID ASSETS</b>			
1	Total high-quality liquid assets (HQLA)		1,186,991,249
<b>CASH OUTFLOWS</b>			
2	Retail deposits and deposits from small business customers of which:	976,152,670	97,615,267
3	Stable deposits	-	-
4	Less stable deposits	976,152,670	97,615,267
5	Unsecured wholesale funding, of which:	2,415,554,420	994,106,075
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	773,343,480	193,335,870
7	Non-operational deposits (all counterparties)	1,642,210,940	800,770,205
8	Unsecured debt	-	-
9	Secured wholesale funding	-	-
10	Additional requirements, of which:	74,524,894	8,928,066
11	Outflows related to derivative exposures and other collateral requirements	-	-
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	74,524,894	8,928,066
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	144,963,462	5,868,601
16	TOTAL CASH OUTFLOWS	3,611,195,446	1,106,518,010
<b>CASH INFLOWS</b>			
17	Secured lending (e.g. reverse repos)	-	-
18	Inflows from fully performing exposures	529,939,849	463,946,449
19	Other cash inflows	168,954	-
20	TOTAL CASH INFLOWS	530,108,802	463,946,449
			TOTAL ADJUSTED VALUES
21	TOTAL HQLA		1,186,991,249
22	TOTAL NET CASH OUTFLOWS		642,571,561
23	LIQUIDITY COVERAGE RATIO (%)		185%

Columns a and b are calculated as simple average month end balances for July 2024, August 2024 and September 2024.  
Average LCR % declined over the quarter ended September 30, 2024 (185%) on 14% decline in HQLA and a 12% decline in Weighted Value Net Cash Outflows.