

# **First Quarter 2025**

# **The Bank of N.T. Butterfield & Son**

# **Limited**

Earnings Presentation  
April 24, 2025

## **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 or otherwise increase shareholder value, our dividend payout target, our fee/income ratio, our OCI, our growth and expenses, and interest rate levels and impact on our earnings, and business activity levels, 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), changes in trade policies and practices and the resulting uncertainty, market volatility, and potential deterioration in economic conditions, fluctuations of interest rates, inflation, a decline in Bermuda's sovereign credit rating, any sudden liquidity crisis, the successful completion and integration of acquisitions (including our integration of the trust assets acquired 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, potential impacts of climate change, 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.

## **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.

## **Presentation of Financial Information:**

Certain monetary amounts, percentages and other figures included in this report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

# 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

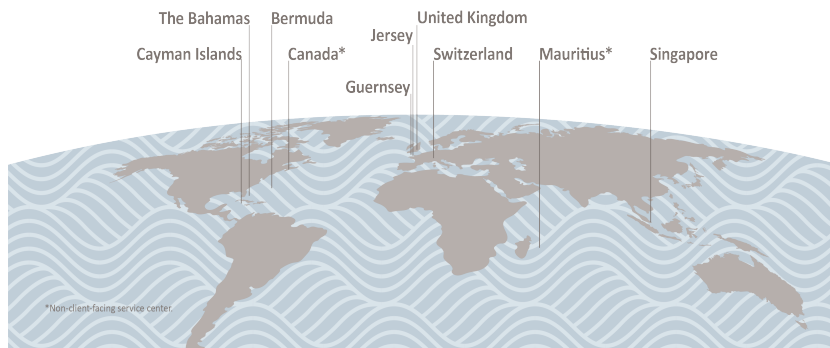
## Agenda

- Overview
- First Quarter 2025 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



- Leading market positions in Bermuda & Cayman
- Expanding retail offerings in The Channel Islands
- Well-secured lending in all markets
- Award winning banking and wealth management offerings

## Sustainability

**WE SUPPORT**



## Awards



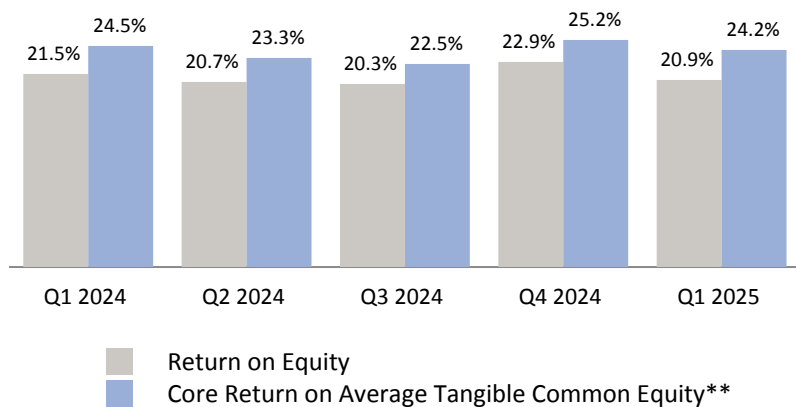
# First Quarter 2025 Highlights



- Net income of \$53.8 million or \$1.23 per share
- Core net income\*\* of \$56.7 million, or \$1.30 per share
- Return on average common equity of 20.9%; core return on average tangible common equity\*\* of 24.2%
- Net Interest Margin of 2.70%, cost of deposits of 1.60%
- Cash dividend rate of \$0.44 per common share during the quarter
- Repurchases of 1.1 million shares at an average price of \$37.78 per share

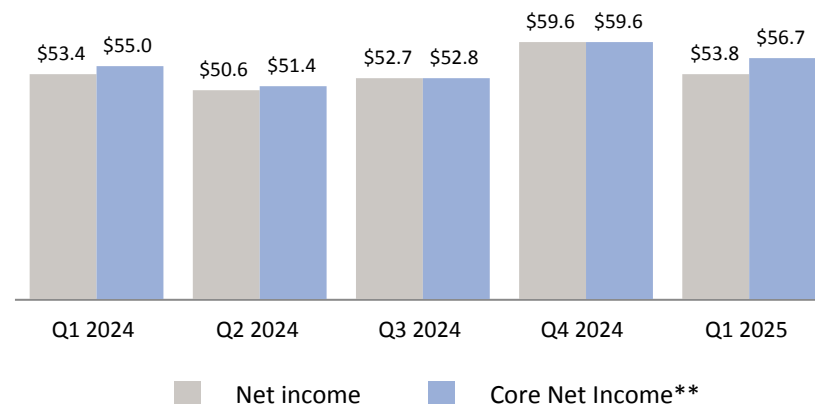
(In US\$ millions)	vs. Q4 2024				vs. Q1 2024	
	Q1 2025	\$	%		\$	%
Net Interest Income	\$ 89.3	\$ 0.7			\$ 2.2	
Non-Interest Income	58.4	(4.8)			3.3	
Provision for Credit Losses	0.4	0.7			—	
Non-Interest Expenses*	(94.4)	(2.2)			(5.0)	
Other Gains (Losses)	—	(0.1)			(0.2)	
<b>Net Income</b>	<b>\$ 53.8</b>	<b>\$ (5.8)</b>	<b>(9.8)%</b>		<b>\$ 0.3</b>	<b>0.6 %</b>
<b>Non-Core Items**</b>	<b>2.9</b>	<b>(2.9)</b>			<b>1.4</b>	
<b>Core Net Income**</b>	<b>\$ 56.7</b>	<b>\$ (2.9)</b>	<b>(4.9)%</b>		<b>\$ 1.7</b>	<b>3.1 %</b>

Return on Equity



Net Income

(In US\$ millions)



\* Includes income taxes

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

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# Financials

# Income Statement

## Net Interest Income



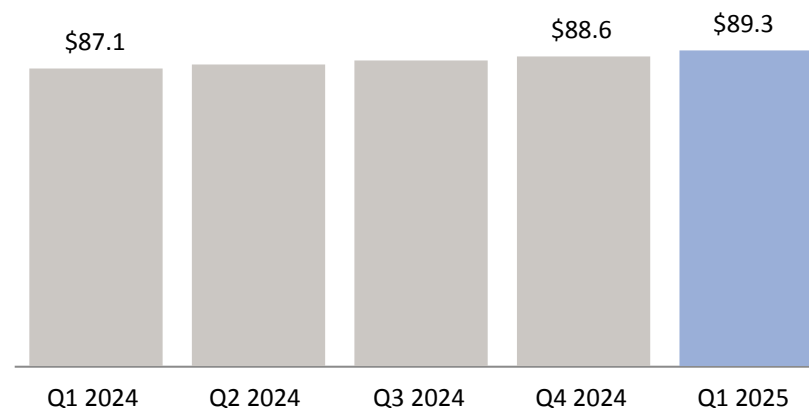
### Net Interest Margin & Yields

(In US\$ millions)

	Q1 2025		vs.Q4 2024	
	Avg. Balance	Yield	Avg. Balance	Yield
Cash, S/T Inv. & Repos	\$ 3,519.3	3.98 %	\$ 78.3	(0.27)%
Investments	5,462.6	2.68 %	5.3	0.17 %
Loans (net)	4,455.3	6.32 %	(117.9)	(0.11)%
Interest Earning Assets	13,437.3	4.23 %	(34.3)	(0.05)%
Interest Bearing Liabilities	9,968.5	(2.06)%	(171.7)	0.16 %
<b>Net Interest Margin</b>		<b>2.70 %</b>		<b>0.09 %</b>

### Net Interest Income before Provision for Credit Losses -Trend

(In US\$ millions)



- Net interest income (“NII”) was higher versus the prior quarter primarily due to lower deposit costs as a result of a positive mix shift in deposits to demand from term, and higher yields on investments, as fixed rate investments were repriced. These were partially offset by lower loan and treasury yields following rate cuts by central banks during the fourth quarter of 2024, coupled with lower day count in the first quarter of 2025
- Net interest margin (“NIM”) is higher at 2.70% compared to 2.61% in the prior quarter
- Average loan volume was lower compared to the prior quarter as amortizations and paydowns outpaced originations

# Income Statement



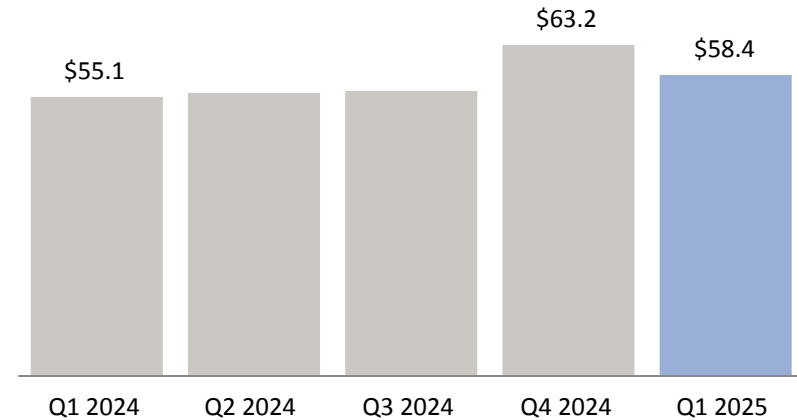
## Non-Interest Income

(In US\$ millions)

	<u>Q1 2025</u>	<u>vs. Q4 2024</u>
Asset management	\$ 9.5	\$ 0.4
Banking	15.1	(6.1)
Foreign exchange revenue	13.7	0.4
Trust	15.6	0.6
Custody and other	3.5	(0.1)
Other	1.0	0.1
<b>Total Non-Interest Income</b>	<b>\$ 58.4</b>	<b>\$ (4.8)</b>

### Non-Interest Income Trend

(In US\$ millions)



- Total non-interest income was down \$4.8 million versus the prior quarter, primarily due to:
  - lower banking fees relative to seasonally higher volumes and incentives recognized in the prior quarter;
  - partially offset by higher foreign exchange revenue driven by volume;
  - higher trust income due to a new service and fee mandate, and special trust fees; and
  - higher asset management revenue due to higher brokerage commission based on increased client activity
- The fee income ratio was 39.4% in the first quarter of 2025 which compares favorably to historical peer\* averages

\* Includes US banks identified by management as a peer group. Please see the Appendix for a list of these banks.

# Income Statement

## Non-Interest Expenses

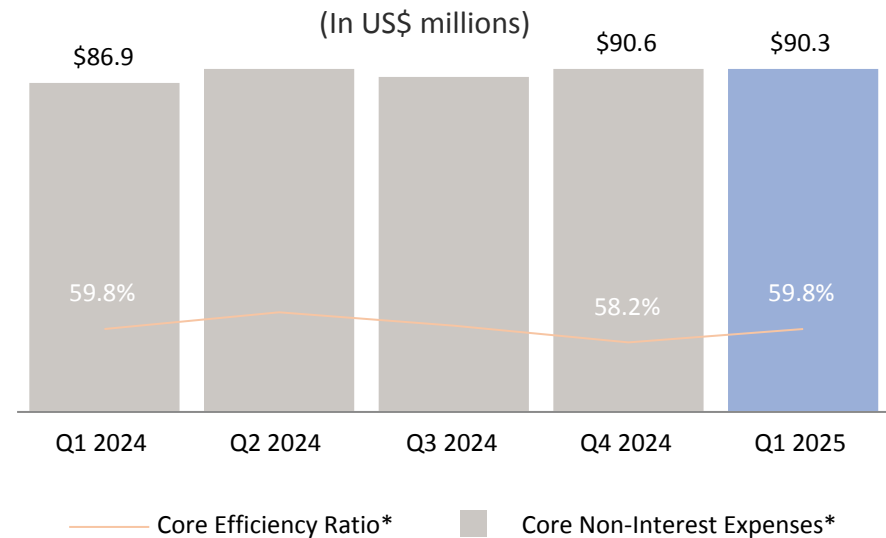


### Core Non-Interest Expenses\*

(In US\$ millions)

	Q1 2025	vs. Q4 2024	
		\$	%
Salaries & Benefits**	\$ 44.1	\$ (0.6)	(1.3)%
Technology & Comm.	16.0	(0.6)	(3.6)%
Professional & O/S Services	5.4	(0.2)	(4.0)%
Property	8.7	0.1	1.7 %
Indirect Taxes	6.3	1.0	19.4 %
Marketing	1.8	(0.6)	(24.7)%
Intangible Amortization	1.9	(0.3)	(15.5)%
Other	6.0	0.8	15.7 %
<b>Total Core Non-Interest Expenses*</b>	<b>\$ 90.3</b>	<b>\$ (0.3)</b>	<b>(0.4)%</b>
Non-Core Expenses*	2.9	2.9	>100%
<b>Non-Interest Expenses</b>	<b>\$ 93.2</b>	<b>\$ 2.6</b>	<b>2.8 %</b>

### Core Non-Interest Expense\* Trend



- Core non-interest expenses\* were similar to the prior quarter with the following underlying movements:
  - lower core salaries and other employee benefits due to better-than-expected experience on staff health care costs offset by the impact of annual salary reviews and promotions;
  - decrease in technology and communications expenses from lower external technology services and corporate travel costs;
  - decrease in marketing expenses due to higher prior quarter event costs and sponsorship;
  - increase in other non-interest expenses driven by provision for a potential legal settlement in the Channel Islands and UK segment; and
  - increase in non-income tax expenses driven by payroll taxes on the annual vesting of share compensation
- Core efficiency ratio\* of 59.8% was favorable compared to the prior quarter and slightly better than the Bank's through-cycle core efficiency ratio target of 60%

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

\*\* Includes Non-Service Employee Benefits Expense

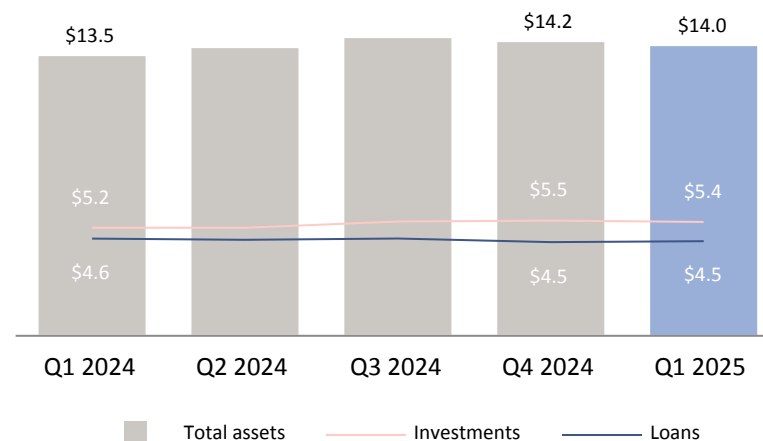


# Balance Sheet

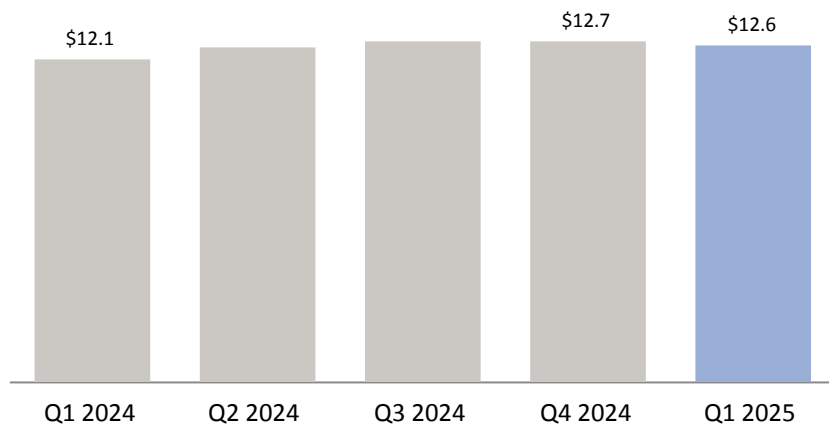


(In US\$ millions)	Q1 2025	Q4 2024	vs Q4 2024	
			%	
Cash and cash equivalents	\$ 2,097	\$ 1,998	5	%
Reverse Repos & S/T Investments	1,498	1,785	(16)	%
Investments	5,448	5,513	(1)	%
Loans (net)	4,518	4,474	1	%
Other Assets	458	462	(1)	%
<b>Total Assets</b>	<b>\$ 14,020</b>	<b>\$ 14,231</b>	<b>(2)</b>	<b>%</b>
Int. Bearing Deposits	\$ 10,038	\$ 10,058	—	%
Non-Int. Bearing Deposits	2,570	2,688	(4)	%
Other Liabilities	354	465	(24)	%
Shareholders' Equity	1,058	1,021	4	%
<b>Total Liab. &amp; Equity</b>	<b>\$ 14,020</b>	<b>\$ 14,231</b>	<b>(2)</b>	<b>%</b>

Total Assets  
(In US\$ billions)



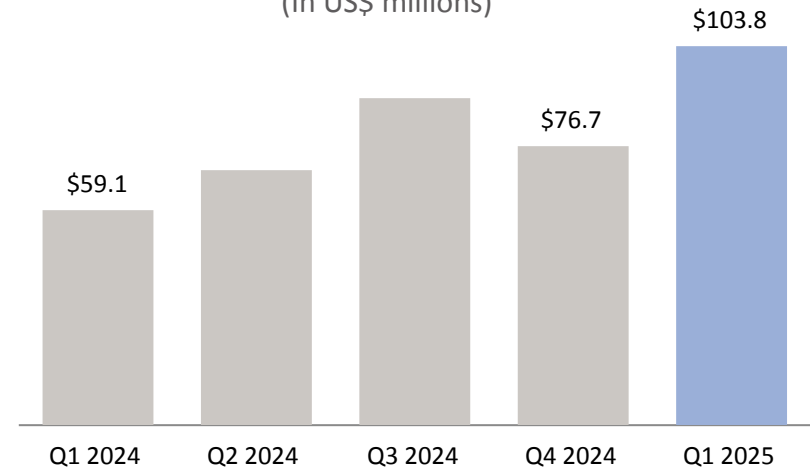
Total Deposits  
(In US\$ billions)



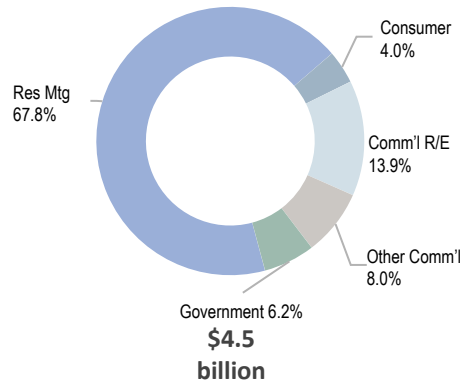
- Period end deposit balances decreased by \$0.1 billion to \$12.6 billion compared to prior year end - partially offset by the weakening US dollar
- Average deposit balances remained flat at \$12.5 billion in Q1 2025 compared to the prior year end
- Butterfield's balance sheet remained low in risk density (risk weighted assets/total assets) at 30.0%

## Non-Accrual Loans

(In US\$ millions)

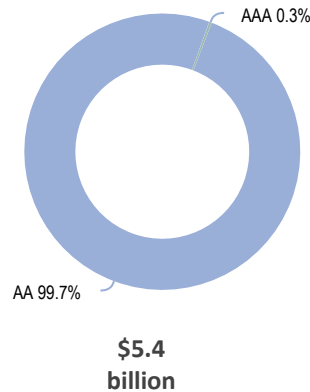


## Loan Distribution

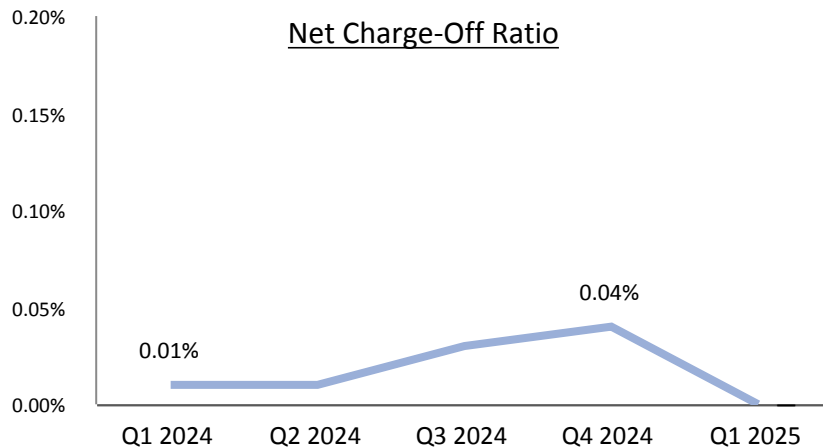


## Investment Portfolio

### Rating Distribution



## Net Charge-Off Ratio

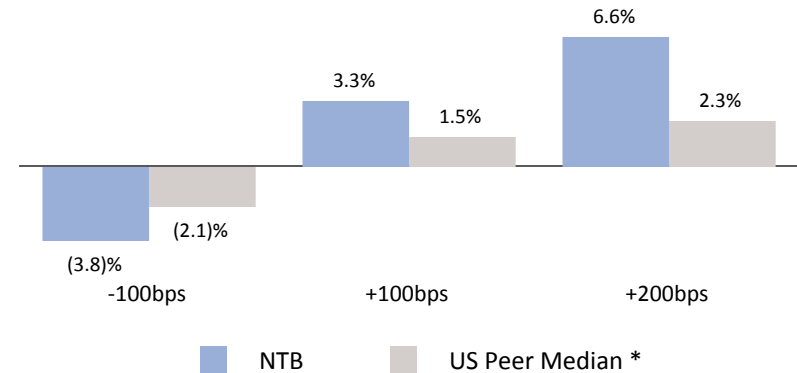


- 68% of the total loan portfolio consists of full-recourse residential mortgages of which 81% have loans-to-values below 70%
- Non-accrual loans increased to 2.3% of gross loans, up from 1.7% in the prior quarter, driven by a residential mortgage relationship in the Channel Islands and UK segment
- Allowance for credit losses at \$25.3 million represented an ACL/Total loans ratio of 0.6%, consistent with the prior quarter
- The net charge-off ratio was negligible as a % of total gross loans

## Average Balance - Balance Sheet

	Average Balances (US\$Mil)		Duration	vs. Q4 2024	Weighted Average Life
	Q1 2025	vs. Q4 2024			
Cash & Reverse Repos & S/T Invest.	\$ 3,519.3	\$ 78.3	0.1	—	N/A
AFS	2,247.5	74.5	3.3	(0.1)	4.1
HTM**	3,215.1	(69.2)	7.1	0.3	8.4
<b>Total</b>	<b>\$ 8,981.9</b>	<b>\$ 83.6</b>			

## Interest Rate Sensitivity



- Total investment portfolio duration increase to 5.5 years compared to 5.3 years in the prior quarter
- Net unrealized losses on AFS securities improved to \$131.4 million as at March 31, 2025 compared with net unrealized losses of \$163.3 million as at the end of the fourth quarter of 2024
- Based on implied forward rates, the AFS OCI would improve by 31% in the next 12 months and 55% in 24 months

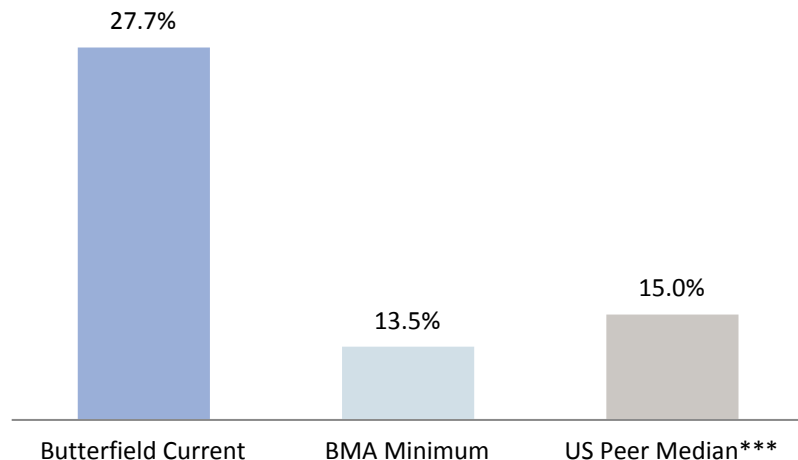
\* Includes US banks identified by management as a peer group. Please see the Appendix for a list of these banks. Q4 2024 comparative data is used as Q1 2025 peer information was not widely available at time of publication.

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

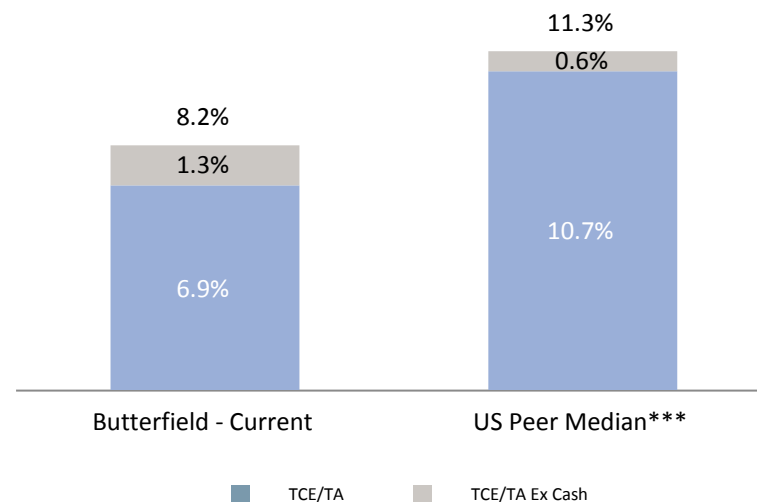
# Capital Requirements and Dividend Return



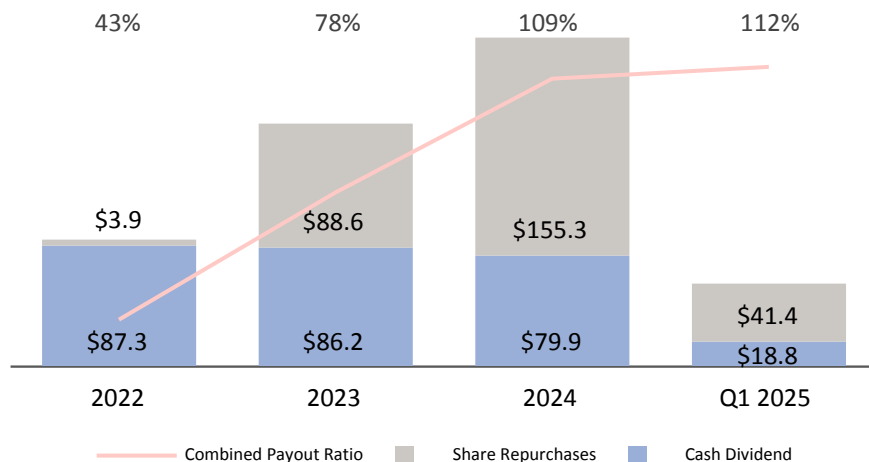
Regulatory Capital - Total Capital Ratio\*



Leverage Capital



Combined Payout Ratio\*\*



- Regulatory capital levels remain conservatively above minimum requirements
- Quarterly dividend rate continues at \$0.44 per common share
- TCE/TA ratio of 6.9%, conservatively above the targeted range of 6.0% to 6.5%
- Tangible book value per share increased 5.7% compared to the prior quarter at \$22.94
- New Basel 4 rules effective on January 1, 2025 resulted in lower risk weighted assets and improved total regulatory capital ratio by 1.9%

\* Effective January 1, 2025, the Bank has adopted the BCBS's revised standardized approach for credit risk framework as required by the BMA.

\*\* 2025 is based on year-to-date cash dividends, share repurchases and net income

\*\*\* Includes US banks identified by management as a peer group. Please see the Appendix for a list of these banks. Q4 2024 comparative data is used as Q1 2025 peer information was not widely available at time of publication.

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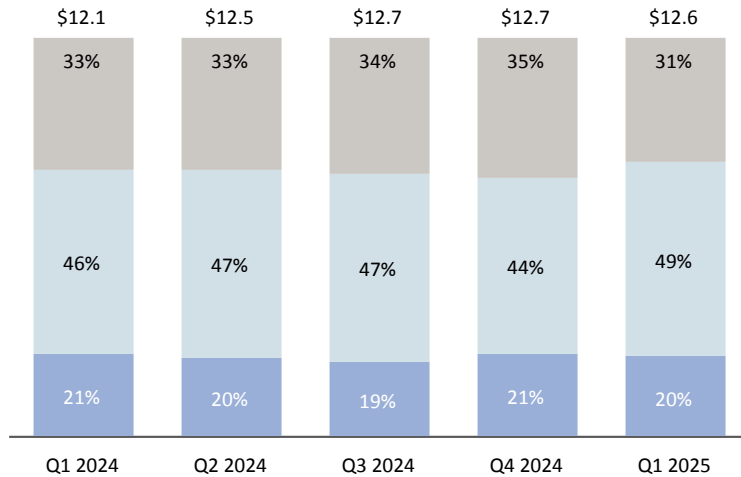
# Appendix

# Deposit Composition by Segment

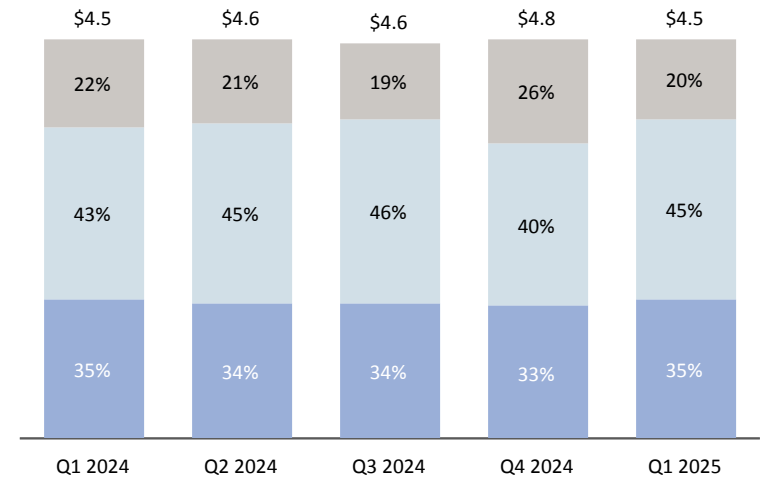


■ Non-interest bearing demand deposits ■ Interest bearing demand deposits ■ Term deposits

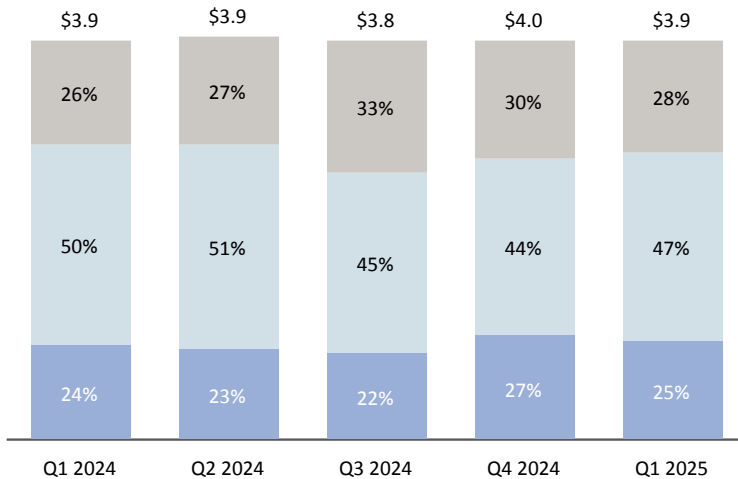
Group (US\$ Billions)



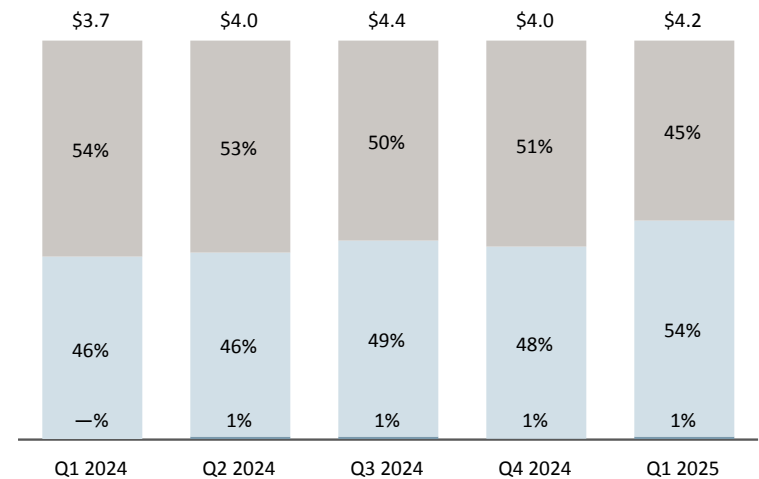
Bermuda (US\$ Billions)



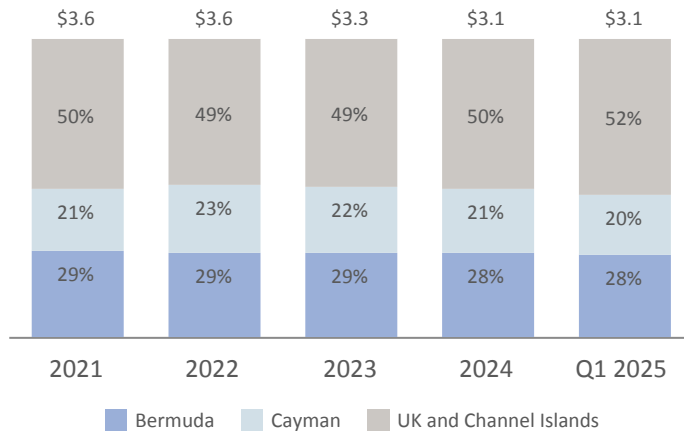
Cayman (US\$ Billions)



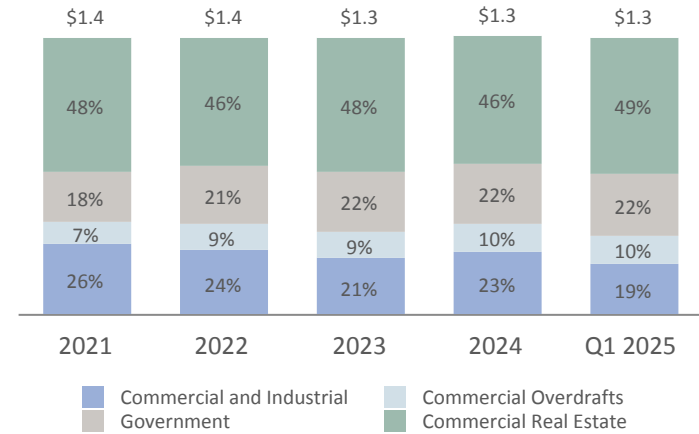
Channel Islands (US\$ Billions)



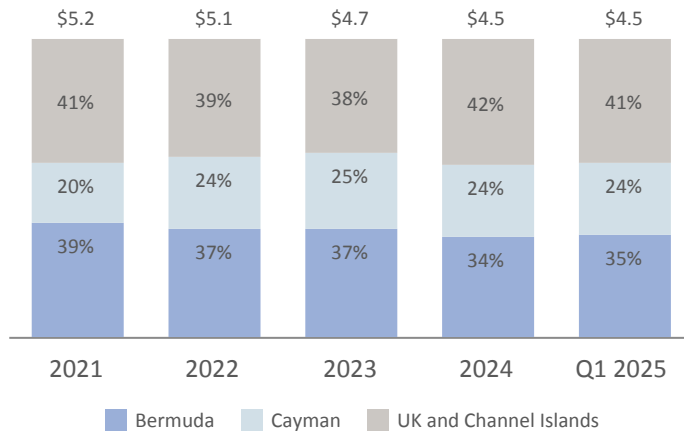
## Residential Mortgage Loans (US\$ Billions)



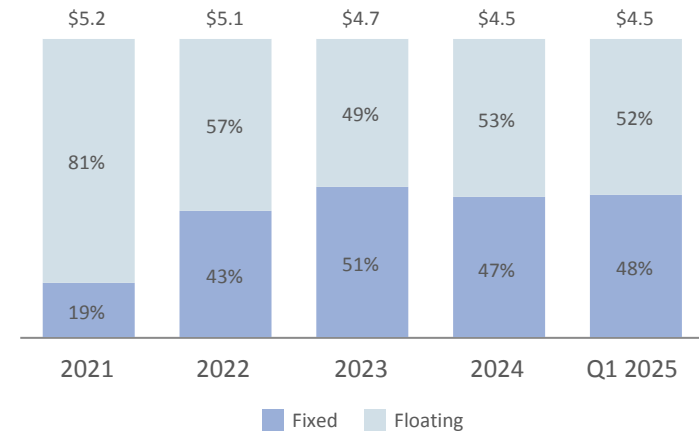
## Commercial Loans (US\$ Billions)



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

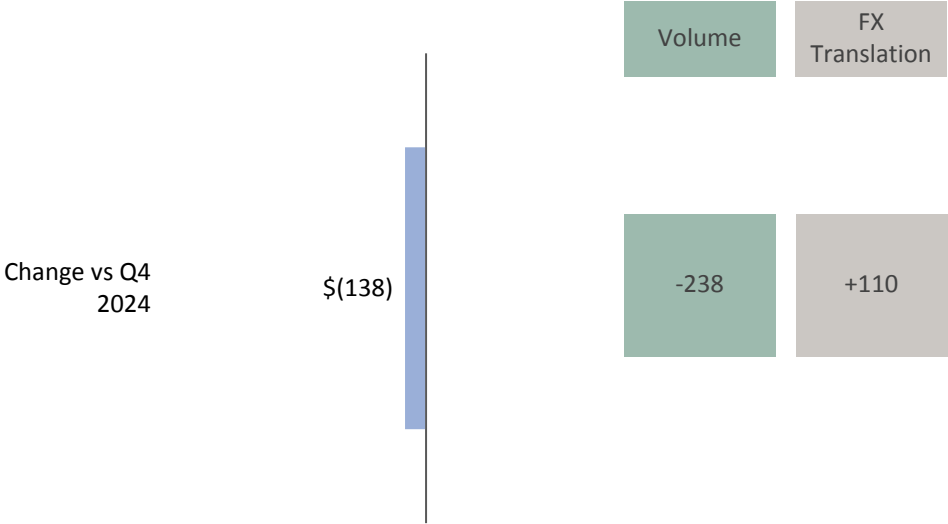


## Fixed vs. Floating Rate Loans (US\$ Billions)

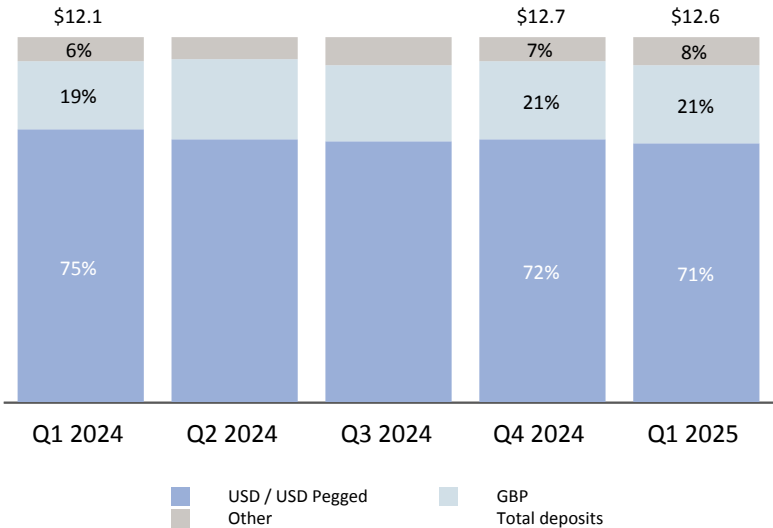




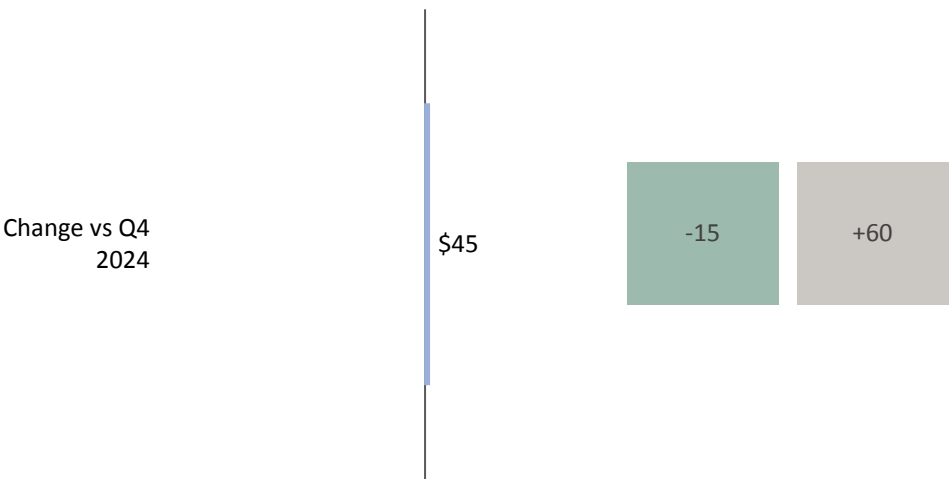
## Deposit Movements (US\$ millions)



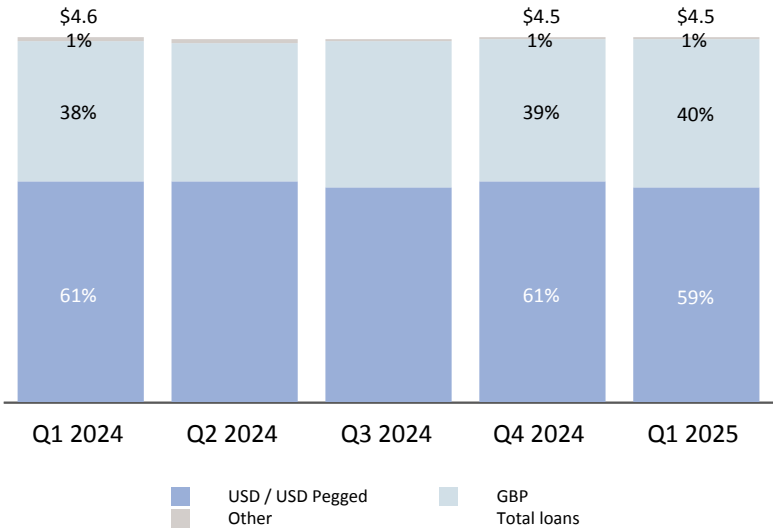
## Deposit Composition by Currency (US\$ billions)



## Loan Movements (US\$ millions)

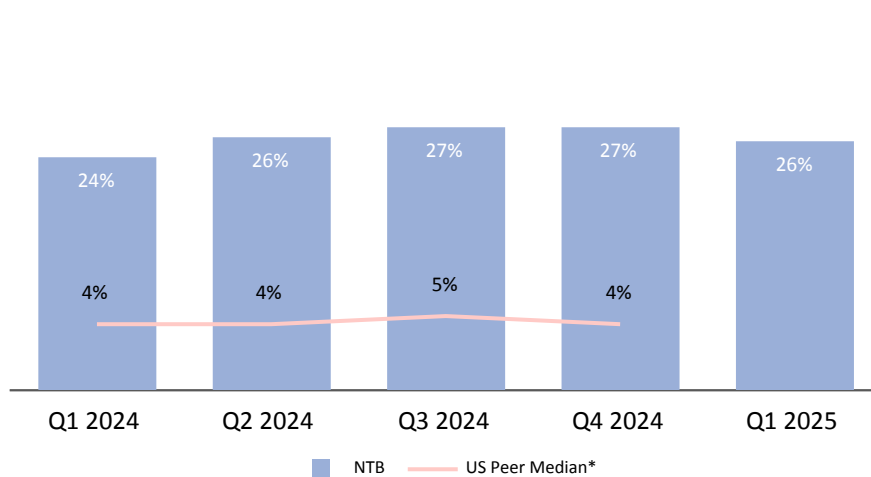


## Loan Composition by Currency (US\$ billions)

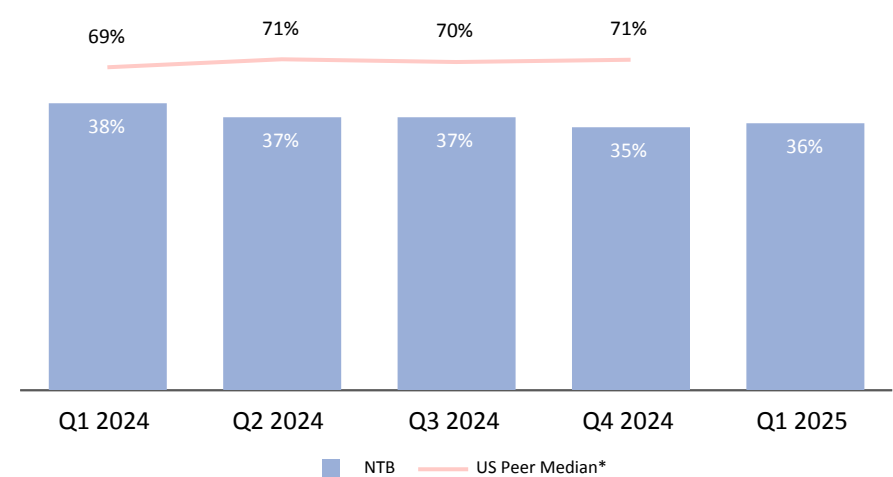




## Liquidity: Cash & Cash Equivalents\*\* to Total Assets



## Loan-to-Deposit Ratio



- Butterfield takes a conservative approach to managing the liquidity and funding risk profile of its balance sheet. This involves the retention of a significant liquidity holding of cash or cash equivalent balances, comprised of interbank deposits and short-dated sovereign Canadian, UK and US Treasury Bills, as well as maintaining significant liquidity facilities with correspondent banks
- Butterfield also maintains capital, liquidity and funding buffers conservatively in excess of regulatory requirements

\* Includes US banks identified by management as a peer group. Please see the Appendix for a list of these banks. Q1 2025 peer information was not widely available at time of publication and therefore not included.

\*\* Includes securities purchased under agreements to resell and short-term investments.

# Balance Sheet Trends



<i>(in millions of US Dollars, unless otherwise indicated)</i>										
	2025	2024				2023				
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
<b>Assets</b>										
Cash and cash equivalents	\$ 2,097	\$ 1,998	\$ 2,067	\$ 2,390	\$ 1,746	\$ 1,647	\$ 1,750	\$ 1,795	\$ 1,345	
Reverse Repos & S/T Investments	1,498	1,785	1,750	1,289	1,480	1,225	893	729	1,263	
Investments	5,448	5,513	5,468	5,168	5,168	5,292	5,319	5,546	5,665	
Loans, Net	4,518	4,474	4,648	4,585	4,644	4,746	4,750	5,003	5,022	
Other Assets	458	462	441	506	490	464	468	435	438	
<b>Total Assets</b>	<b>\$ 14,020</b>	<b>\$ 14,231</b>	<b>\$ 14,373</b>	<b>\$ 13,939</b>	<b>\$ 13,528</b>	<b>\$ 13,374</b>	<b>\$ 13,180</b>	<b>\$ 13,510</b>	<b>\$ 13,733</b>	
<b>Liabilities and Equity</b>										
Total Deposits	\$ 12,608	\$ 12,746	\$ 12,738	\$ 12,548	\$ 12,131	\$ 11,987	\$ 11,861	\$ 12,192	\$ 12,348	
Long-Term Debt	99	99	99	99	99	98	98	98	172	
Other Liabilities	256	366	472	293	304	285	297	269	275	
<b>Total Liabilities</b>	<b>\$ 12,962</b>	<b>\$ 13,211</b>	<b>\$ 13,309</b>	<b>\$ 12,940</b>	<b>\$ 12,533</b>	<b>\$ 12,370</b>	<b>\$ 12,257</b>	<b>\$ 12,559</b>	<b>\$ 12,796</b>	
Common Equity	\$ 1,058	\$ 1,021	\$ 1,064	\$ 999	\$ 995	\$ 1,004	\$ 923	\$ 950	\$ 937	
<b>Total Equity</b>	<b>\$ 1,058</b>	<b>\$ 1,021</b>	<b>\$ 1,064</b>	<b>\$ 999</b>	<b>\$ 995</b>	<b>\$ 1,004</b>	<b>\$ 923</b>	<b>\$ 950</b>	<b>\$ 937</b>	
<b>Total Liabilities and Equity</b>	<b>\$ 14,020</b>	<b>\$ 14,231</b>	<b>\$ 14,373</b>	<b>\$ 13,939</b>	<b>\$ 13,528</b>	<b>\$ 13,374</b>	<b>\$ 13,180</b>	<b>\$ 13,510</b>	<b>\$ 13,733</b>	
<b>Key Metrics</b>										
CET 1 Ratio	25.2 %	23.5 %	22.1 %	22.5 %	22.6 %	23.0 %	23.4 %	22.7 %	22.2 %	
Total Tier 1 Capital Ratio	25.2 %	23.5 %	22.1 %	22.5 %	22.6 %	23.0 %	23.4 %	22.7 %	22.2 %	
Total Capital Ratio	27.7 %	25.8 %	24.3 %	24.8 %	24.9 %	25.4 %	25.8 %	25.1 %	26.2 %	
Leverage ratio	7.4 %	7.3 %	7.1 %	7.3 %	7.5 %	7.6 %	7.8 %	7.6 %	7.2 %	
Risk-Weighted Assets (in \$ millions)	4,207	4,539	4,776	4,668	4,648	4,541	4,522	4,628	4,604	
Risk-Weighted Assets / total assets	30.0 %	31.9 %	33.2 %	33.5 %	34.4 %	34.0 %	34.3 %	34.3 %	33.5 %	
Tangible common equity ratio	6.9 %	6.6 %	6.8 %	6.5 %	6.7 %	6.8 %	6.5 %	6.5 %	6.3 %	
Book value per common share (in \$)	25.07	23.78	24.09	22.12	21.53	21.39	19.20	19.34	18.80	
Tangible book value per share (in \$)	22.94	21.70	21.90	20.03	19.45	19.29	17.73	17.83	17.32	
Non-accrual loans/gross loans	2.3 %	1.7 %	1.9 %	1.5 %	1.3 %	1.3 %	1.2 %	1.2 %	1.1 %	
Non-performing assets/total assets	1.1 %	1.1 %	1.5 %	1.1 %	1.2 %	1.0 %	0.8 %	0.7 %	0.6 %	
Allowance for credit losses/total loans	0.6 %	0.6 %	0.6 %	0.5 %	0.5 %	0.5 %	0.5 %	0.5 %	0.5 %	

\* Effective January 1, 2025, the Bank has adopted the BCBS's revised standardized approach for credit risk framework as required by the BMA. Comparatives were prepared under the prior credit risk framework.

# Average Balance Sheet Trends



(in millions of US Dollars, unless otherwise indicated)

	Q1 2025			Q4 2024			Q1 2024		
	Average balance (\$)	Interest (\$)	Average rate (%)	Average balance (\$)	Interest (\$)	Average rate (%)	Average balance (\$)	Interest (\$)	Average rate (%)
<b>Assets</b>									
Cash and cash equivalents, reverse repurchase agreements and short-term investments	\$ 3,519.3	\$ 34.5	3.98 %	\$ 3,441.1	\$ 36.9	4.25 %	\$ 3,138.3	\$ 36.8	4.71 %
Investment in securities	5,462.6	36.1	2.68 %	5,457.3	34.5	2.51 %	5,204.2	28.9	2.23 %
AFS	2,247.5	17.8	3.21 %	2,173.0	15.8	2.89 %	1,766.3	9.6	2.17 %
HTM	3,215.1	18.3	2.31 %	3,284.3	18.6	2.25 %	3,437.9	19.3	2.25 %
Loans	4,455.3	69.4	6.32 %	4,573.2	74.1	6.43 %	4,689.5	77.0	6.58 %
Commercial	1,320.3	20.6	6.32 %	1,321.9	21.2	6.36 %	1,381.4	23.7	6.88 %
Consumer	3,135.0	48.8	6.32 %	3,251.3	52.9	6.45 %	3,308.1	53.3	6.46 %
Total interest earning assets	13,437.3	140.0	4.23 %	13,471.6	145.5	4.28 %	13,031.9	142.7	4.39 %
Other assets	430.7			429.8			412.0		
<b>Total assets</b>	<b>\$ 13,868.0</b>			<b>\$ 13,901.4</b>			<b>\$ 13,444.0</b>		
<b>Liabilities</b>									
Deposits - interest bearing	\$ 9,853.4	\$ (49.1)	(2.02)%	\$ 9,943.7	\$ (54.4)	(2.17)%	\$ 9,586.5	\$ (54.2)	(2.27)%
Securities sold under agreement to repurchase	16.3	(0.2)	(4.42)%	97.8	(1.1)	(4.27)%	4.6	(0.1)	(4.69)%
Long-term debt	98.7	(1.4)	(5.63)%	98.7	(1.4)	(5.51)%	98.5	(1.4)	(5.58)%
Interest bearing liabilities	9,968.5	(50.7)	(2.06)%	10,140.2	(56.8)	(2.22)%	9,689.7	(55.6)	(2.30)%
Non-interest bearing customer deposits	2,622.4			2,509.5			2,603.5		
Other liabilities	263.6			245.3			250.0		
<b>Total liabilities</b>	<b>\$ 12,854.4</b>			<b>\$ 12,895.0</b>			<b>\$ 12,543.2</b>		
Shareholders' equity	1,013.5			1,006.4			900.8		
<b>Total liabilities and shareholders' equity</b>	<b>\$ 13,868.0</b>			<b>\$ 13,901.4</b>			<b>\$ 13,444.0</b>		
Non-interest bearing funds net of non-interest earning assets (free balance)	\$ 3,468.8			\$ 3,331.5			\$ 3,342.3		
<b>Net interest margin</b>		<b>\$ 89.3</b>	<b>2.70 %</b>		<b>\$ 88.6</b>	<b>2.61 %</b>		<b>\$ 87.1</b>	<b>2.68 %</b>

# Income Statement Trends



(in millions of US Dollars, unless otherwise indicated)

	2025	2024				2023			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Interest Income	\$ 89.3	\$ 88.6	\$ 88.1	\$ 87.4	\$ 87.1	\$ 86.9	\$ 90.2	\$ 92.5	\$ 97.4
Non-Interest Income	58.4	63.2	56.0	55.6	55.1	60.0	52.0	50.2	50.2
Prov. for Credit (Losses) Recovery	0.4	(0.3)	(1.3)	(0.5)	0.4	(1.7)	(0.5)	(1.5)	(0.7)
Non-Interest Expenses*	94.4	92.2	90.0	92.1	89.4	91.4	92.9	84.1	84.8
Other Gains (Losses)	—	0.1	(0.1)	0.1	0.2	(0.3)	—	4.0	0.1
Net Income	\$ 53.8	\$ 59.6	\$ 52.7	\$ 50.6	\$ 53.4	\$ 53.5	\$ 48.7	\$ 61.0	\$ 62.2
Non-Core Items**	\$ 2.9	\$ —	\$ 0.1	\$ 0.8	\$ 1.6	\$ 1.8	\$ 8.2	\$ (4.0)	\$ —
Core Net Income**	\$ 56.7	\$ 59.6	\$ 52.8	\$ 51.4	\$ 55.0	\$ 55.3	\$ 57.0	\$ 57.0	\$ 62.2

## Key Metrics

Loan Yield	6.32 %	6.43 %	6.64 %	6.65 %	6.58 %	6.68 %	6.51 %	6.42 %	6.23 %
Securities Yield	2.68	2.51	2.39	2.30	2.23	2.16	2.06	2.07	2.12
Cost of Deposits	1.60	1.73	1.91	1.89	1.78	1.72	1.52	1.27	1.10
Net Interest Margin	2.70	2.61	2.61	2.64	2.68	2.73	2.76	2.83	2.88
Core Efficiency Ratio**	59.8	58.2	60.2	61.8	59.8	60.5	58.3	57.6	56.0
Core ROATCE**	24.2	25.2	22.5	23.3	24.5	25.4	26.1	26.3	30.5
Fee Income Ratio	39.4	41.7	39.2	39.0	38.6	41.3	36.7	35.5	34.2
Fully Diluted Share Count (in millions of common shares)	43.6	44.6	45.6	46.3	47.2	48.1	49.1	49.9	50.1

\* Includes income taxes

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

# Non-Interest Income & Expense Trends



(in millions of US Dollars, unless otherwise indicated)

	2025	2024				2023			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Non-Interest Income</b>									
Asset Management	\$ 9.5	\$ 9.1	\$ 9.5	\$ 8.9	\$ 8.8	\$ 8.3	\$ 8.0	\$ 8.2	\$ 7.9
Banking	15.1	21.2	14.4	13.8	14.3	18.6	14.1	12.6	13.6
FX Revenue	13.7	13.2	12.2	12.6	13.2	12.8	11.4	11.3	10.7
Trust	15.6	15.1	15.8	15.4	15.0	16.0	14.7	14.3	12.8
Custody & Other Admin.	3.5	3.6	3.5	3.4	3.3	3.3	3.3	3.3	3.3
Other	1.0	0.9	0.7	1.6	0.4	1.0	0.6	0.5	1.8
<b>Total Non-Interest Income</b>	<b>\$ 58.4</b>	<b>\$ 63.2</b>	<b>\$ 56.0</b>	<b>\$ 55.6</b>	<b>\$ 55.1</b>	<b>\$ 60.0</b>	<b>\$ 52.0</b>	<b>\$ 50.2</b>	<b>\$ 50.2</b>
<b>Non-Interest Expense</b>									
Salaries & Benefits*	\$ 46.9	\$ 44.7	\$ 44.7	\$ 44.8	\$ 43.8	\$ 45.9	\$ 51.3	\$ 42.6	\$ 43.7
Technology & Comm.	16.0	16.6	16.5	16.9	16.1	17.2	16.0	14.9	13.9
Professional & O/S Services	5.4	5.7	4.8	6.7	5.5	7.0	4.3	4.8	5.0
Property	8.7	8.6	8.6	8.2	8.7	8.7	7.7	7.5	7.4
Indirect Taxes	6.5	5.3	5.5	5.6	6.3	5.0	5.4	5.3	5.7
Marketing	1.8	2.4	1.3	1.6	1.3	1.7	1.5	1.7	1.5
Intangible Amortization	1.9	2.2	1.9	1.9	1.9	1.4	1.4	1.4	1.4
Other	6.0	5.2	5.6	5.5	4.9	5.2	4.8	5.4	5.3
<b>Total Non-Interest Expense</b>	<b>\$ 93.2</b>	<b>\$ 90.6</b>	<b>\$ 88.8</b>	<b>\$ 91.1</b>	<b>\$ 88.5</b>	<b>\$ 92.2</b>	<b>\$ 92.5</b>	<b>\$ 83.5</b>	<b>\$ 84.1</b>
Income Taxes	1.2	1.5	1.2	0.9	0.9	(0.8)	0.4	0.5	0.7
<b>Total Expense incld. Taxes</b>	<b>\$ 94.4</b>	<b>\$ 92.2</b>	<b>\$ 90.0</b>	<b>\$ 92.1</b>	<b>\$ 89.4</b>	<b>\$ 91.4</b>	<b>\$ 92.9</b>	<b>\$ 84.1</b>	<b>\$ 84.8</b>

\*Includes non-service employee benefits

# Core Non-Interest Expense\* Trends



(in millions of US Dollars, unless otherwise indicated)

indicated)		2025		2024						2023										
		Q1		Q4	Q3	Q2	Q1		Q4	Q3	Q2	Q1		Q4	Q3	Q2	Q1			
Salaries & Benefits*	\$	44.1	\$	44.7	\$	44.7	\$	44.7	\$	42.5	\$	46.2	\$	46.2	\$	43.4	\$	42.6	\$	43.7
Technology & Comm.		16.0		16.6		16.5		16.9		16.1		17.2		17.2		16.0		14.9		13.9
Professional & O/S Services		5.4		5.7		4.7		6.1		5.2		4.9		4.9		4.3		4.7		5.0
Property		8.7		8.6		8.6		8.2		8.7		8.7		8.7		7.7		7.5		7.4
Indirect Taxes		6.3		5.3		5.5		5.5		6.3		5.0		5.0		5.1		5.3		5.7
Marketing		1.8		2.4		1.3		1.6		1.3		1.7		1.7		1.5		1.7		1.5
Intangible Amortization		1.9		2.2		1.9		1.9		1.9		1.4		1.4		1.4		1.4		1.4
Other		6.0		5.2		5.6		5.5		4.9		5.2		5.2		4.8		5.4		5.3
Total Core Non-Interest Expense**	\$	90.3	\$	90.6	\$	88.6	\$	90.3	\$	86.9	\$	90.4	\$	90.4	\$	84.3	\$	83.6	\$	84.1
Income Taxes		1.2		1.5		1.2		0.9		0.9		(0.8)		(0.8)		0.4		0.5		0.7
Total Core Expense incl. Taxes**	\$	91.5	\$	92.1	\$	89.8	\$	91.2	\$	87.8	\$	89.6	\$	89.6	\$	84.7	\$	84.1	\$	84.8

\* Includes non-service employee benefits

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

# Non-GAAP Reconciliation



(in millions of US Dollars, unless otherwise indicated)

(in millions of US Dollars, unless otherwise indicated)		2025	2024					
		Q1	Q4		Q3	Q2		Q1
Net income	A	\$ 53.8	\$ 59.6	\$ 52.7	\$ 50.6	\$ 53.4		
Non-core (gains), losses and expenses								
Non-core expenses								
Early retirement program, voluntary separation, redundancies and other non-core compensation costs		2.9	—	—	0.2	1.3		
Tax compliance review costs		—	—	—	0.1	0.1		
Restructuring charges and related professional service fees		—	—	0.1	0.5	0.3		
Total non-core expenses	C	\$ 2.9	\$ —	\$ 0.1	\$ 0.8	\$ 1.6		
Total non-core (gains), losses and expenses	D=B+C	2.9	—	0.1	0.8	1.6		
Core net income to common shareholders	E=A+D	\$ 56.7	\$ 59.6	\$ 52.8	\$ 51.4	\$ 55.0		
Average shareholders' equity		1,041.3	1,030.0	1,029.2	979.4	996.1		
Average common equity	F	1,041.3	1,030.0	1,029.2	979.4	996.1		
Less: average goodwill and intangible assets		(89.2)	(92.9)	(95.5)	(95.3)	(97.4)		
Average tangible common equity	G	952.1	937.2	933.7	884.1	898.7		
Return on equity	A/F	20.9 %	22.9 %	20.3 %	20.7 %	21.5 %		
Core return on average tangible common equity	E/G	24.2 %	25.2 %	22.5 %	23.3 %	24.5 %		
Core earnings per common share fully diluted								
Adjusted weighted average number of diluted common shares (in thousands)	H	43.6	44.6	45.6	46.3	47.2		
Earnings per common share fully diluted	A/H	1.23	1.34	1.16	1.09	1.13		
Non-core items per share	D/H	0.07	—	—	0.02	0.04		
Core earnings per common share fully diluted	E/H	1.30	1.34	1.16	1.11	1.17		
Core return on average tangible assets								
Total average assets	I	\$ 13,993.7	\$ 13,970.1	\$ 14,053.9	\$ 13,790.9	\$ 13,480.9		
Less: average goodwill and intangible assets		(89.2)	(92.9)	(95.5)	(95.3)	(97.4)		
Average tangible assets	J	\$ 13,904.5	\$ 13,877.2	\$ 13,958.3	\$ 13,695.6	\$ 13,383.5		
Return on average assets	A/I	1.6 %	1.7 %	1.5 %	1.5 %	1.6 %		
Core return on average tangible assets	E/J	1.7 %	1.7 %	1.5 %	1.5 %	1.6 %		

# Non-GAAP Reconciliation

(continued)



(in millions of US Dollars, unless otherwise indicated)

		2025	2024			
		Q1	Q4	Q3	Q2	Q1
<b>Tangible equity to tangible assets</b>						
Shareholders' equity	K	\$ 1,057.8	\$ 1,020.8	\$ 1,064.2	\$ 999.1	\$ 995.1
Less: goodwill and intangible assets		(89.7)	(89.6)	(96.7)	(94.4)	(96.3)
Tangible common equity	L	968.1	931.2	967.5	904.7	898.8
Total assets	M	14,019.8	14,231.4	14,373.0	13,939.1	13,528.1
Less: goodwill and intangible assets		(89.7)	(89.6)	(96.7)	(94.4)	(96.3)
Tangible assets	N	\$ 13,930.1	\$ 14,141.8	\$ 14,276.3	\$ 13,844.7	\$ 13,431.8
<b>Tangible common equity to tangible assets</b>	L/N	<b>6.9 %</b>	<b>6.6 %</b>	<b>6.8 %</b>	<b>6.5 %</b>	<b>6.7 %</b>
<b>Tangible book value per share</b>						
Basic participating shares outstanding (in millions)	O	42.2	42.9	44.2	45.2	46.2
<b>Tangible book value per common share</b>	L/O	<b>22.94</b>	<b>21.70</b>	<b>21.90</b>	<b>20.03</b>	<b>19.45</b>
<b>Efficiency ratio</b>						
Non-interest expenses		\$ 93.2	\$ 90.6	\$ 88.8	\$ 91.1	\$ 88.5
Less: Amortization of intangibles		(1.9)	(2.2)	(1.9)	(1.9)	(1.9)
Non-interest expenses before amortization of intangibles	P	91.3	88.4	86.8	89.3	86.6
Non-interest income		58.4	63.2	56.0	55.6	55.1
Net interest income before provision for credit losses		89.3	88.6	88.1	87.4	87.1
Net revenue before provision for credit losses and other gains/losses	Q	\$ 147.8	\$ 151.9	\$ 144.1	\$ 143.1	\$ 142.2
<b>Efficiency ratio</b>	P/Q	<b>61.8 %</b>	<b>58.2 %</b>	<b>60.3 %</b>	<b>62.4 %</b>	<b>60.9 %</b>
<b>Core efficiency ratio</b>						
Non-interest expenses		\$ 93.2	\$ 90.6	\$ 88.8	\$ 91.1	\$ 88.5
Less: non-core expenses	(C)	(2.9)	—	(0.1)	(0.8)	(1.6)
Less: amortization of intangibles		(1.9)	(2.2)	(1.9)	(1.9)	(1.9)
Core non-interest expenses before amortization of intangibles	R	88.4	88.4	86.7	88.4	85.0
Net revenue before provision for credit losses and other gains/losses	Q	147.8	151.9	144.1	143.1	142.2
<b>Core efficiency ratio</b>	R/Q	<b>59.8 %</b>	<b>58.2 %</b>	<b>60.2 %</b>	<b>61.8 %</b>	<b>59.8 %</b>





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

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