

# **FINANCIAL REPORT FOR THE THREE MONTHS ENDED MARCH 31, 2025**

THE BANK OF N.T. BUTTERFIELD & SON LIMITED



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**The Bank of N.T. Butterfield & Son Limited**  
**Consolidated Balance Sheets (unaudited)**  
*(In thousands of US dollars, except share and per share data)*

	As at	
	March 31, 2025	December 31, 2024
<b>Assets</b>		
Cash and demand deposits with banks - Non-interest bearing	90,563	93,145
Demand deposits with banks - Interest bearing	159,667	165,741
Cash equivalents - Interest bearing	1,847,114	1,739,226
Cash and cash equivalents	2,097,344	1,998,112
Securities purchased under agreements to resell	735,843	1,205,373
Short-term investments	762,241	580,026
Investment in securities		
Available-for-sale at fair value (including assets pledged that secured parties are permitted to sell or repledge: nil (2024: \$93,468) (amortized cost: \$2,394,593 (2024: \$2,435,752)))	2,263,206	2,272,486
Held-to-maturity (fair value: \$2,677,968 (2024: \$2,671,040))	3,184,912	3,240,290
Total investment in securities	5,448,118	5,512,776
Loans		
Loans	4,543,647	4,499,300
Allowance for credit losses	(25,264)	(25,709)
Loans, net of allowance for credit losses	4,518,383	4,473,591
Premises, equipment and computer software, net	156,416	153,782
Goodwill	24,326	23,617
Other intangible assets, net	65,343	65,992
Equity method investments	6,644	6,594
Accrued interest and other assets	205,131	211,533
<b>Total assets</b>	<b>14,019,789</b>	<b>14,231,396</b>
<b>Liabilities</b>		
Deposits		
Non-interest bearing	2,569,960	2,687,877
Interest bearing	10,037,613	10,058,032
Total deposits	12,607,573	12,745,909
Securities sold under agreements to repurchase	—	92,562
Employee benefit plans	83,984	83,589
Accrued interest and other liabilities	171,638	189,799
Total other liabilities	255,622	365,950
Long-term debt	98,784	98,725
<b>Total liabilities</b>	<b>12,961,979</b>	<b>13,210,584</b>
<b>Commitments, contingencies and guarantees (Note 10)</b>		
<b>Shareholders' equity</b>		
Common share capital (BMD 0.01 par; authorized voting ordinary shares 2,000,000,000 and non-voting ordinary shares 6,000,000,000) issued and outstanding: 42,820,091 (2024: 43,537,979)	428	435
Additional paid-in capital	898,729	916,394
Retained earnings	439,599	422,461
Less: treasury common shares, at cost: 619,212 (2024: 619,212)	(23,511)	(23,063)
Accumulated other comprehensive income (loss)	(257,435)	(295,415)
<b>Total shareholders' equity</b>	<b>1,057,810</b>	<b>1,020,812</b>
<b>Total liabilities and shareholders' equity</b>	<b>14,019,789</b>	<b>14,231,396</b>

The accompanying notes are an integral part of these consolidated financial statements.

The Bank of N.T. Butterfield & Son Limited  
Consolidated Statements of Operations (unaudited)  
(In thousands of US dollars, except per share data)

	Three months ended	
	March 31, 2025	March 31, 2024
<b>Non-interest income</b>		
Asset management	9,549	8,842
Banking	15,076	14,259
Foreign exchange revenue	13,680	13,192
Trust	15,628	15,044
Custody and other administration services	3,509	3,314
Other non-interest income	988	442
<b>Total non-interest income</b>	<b>58,430</b>	<b>55,093</b>
<b>Interest income</b>		
Interest and fees on loans	69,435	76,986
Investments (none of the investment securities are intrinsically tax-exempt)		
Available-for-sale	17,763	9,573
Held-to-maturity	18,307	19,325
Cash and cash equivalents, securities purchased under agreements to resell and short-term investments	34,507	36,828
<b>Total interest income</b>	<b>140,012</b>	<b>142,712</b>
<b>Interest expense</b>		
Deposits	49,136	54,209
Long-term debt	1,371	1,371
Securities sold under agreements to repurchase	178	54
<b>Total interest expense</b>	<b>50,685</b>	<b>55,634</b>
<b>Net interest income before provision for credit losses</b>	<b>89,327</b>	<b>87,078</b>
Provision for credit (losses) recoveries	379	409
<b>Net interest income after provision for credit losses</b>	<b>89,706</b>	<b>87,487</b>
Net gains (losses) on other real estate owned	—	(12)
Net other gains (losses)	25	249
<b>Total other gains (losses)</b>	<b>25</b>	<b>237</b>
<b>Total net revenue</b>	<b>148,161</b>	<b>142,817</b>
<b>Non-interest expense</b>		
Salaries and other employee benefits	45,528	42,773
Technology and communications	16,009	16,127
Professional and outside services	5,444	5,513
Property	8,721	8,723
Indirect taxes	6,494	6,304
Non-service employee benefits expense	1,337	982
Marketing	1,775	1,302
Amortization of intangible assets	1,897	1,931
Other expenses	6,013	4,877
<b>Total non-interest expense</b>	<b>93,218</b>	<b>88,532</b>
<b>Net income before income taxes</b>	<b>54,943</b>	<b>54,285</b>
Income tax benefit (expense)	(1,179)	(854)
<b>Net income</b>	<b>53,764</b>	<b>53,431</b>
<b>Earnings per common share</b>		
Basic earnings per share	1.26	1.15
Diluted earnings per share	1.23	1.13

The accompanying notes are an integral part of these consolidated financial statements.

The Bank of N.T. Butterfield & Son Limited  
Consolidated Statements of Comprehensive Income (unaudited)  
(In thousands of US dollars)

	Three months ended	
	March 31, 2025	March 31, 2024
<b>Net income</b>	<b>53,764</b>	<b>53,431</b>
<b>Other comprehensive income (loss), net of taxes</b>		
Unrealized net gains (losses) on translation of net investment in foreign operations	3,931	(63)
Net changes on investments transferred to held-to-maturity	1,777	2,001
Unrealized net gains (losses) on available-for-sale investments	31,911	(14,277)
Employee benefit plans adjustments	361	1,250
<b>Other comprehensive income (loss), net of taxes</b>	<b>37,980</b>	<b>(11,089)</b>
<b>Total comprehensive income (loss)</b>	<b>91,744</b>	<b>42,342</b>

The accompanying notes are an integral part of these consolidated financial statements.

The Bank of N.T. Butterfield & Son Limited  
Consolidated Statements of Changes in Shareholders' Equity (unaudited)

	Three months ended			
	March 31, 2025		March 31, 2024	
	Number of shares	In thousands of US dollars	Number of shares	In thousands of US dollars
<b>Common share capital issued and outstanding</b>				
Balance at beginning of period	43,537,979	435	47,529,045	475
Retirement of shares	(1,094,727)	(11)	(1,155,790)	(11)
Issuance of common shares	376,839	4	466,884	4
<b>Balance at end of period</b>	<b>42,820,091</b>	<b>428</b>	<b>46,840,139</b>	<b>468</b>
<b>Additional paid-in capital</b>				
Balance at beginning of period		916,394		988,904
Share-based compensation		5,341		4,796
Share-based settlements		40		22
Retirement of shares		(23,042)		(24,048)
Issuance of common shares, net of underwriting discounts and commissions		(4)		(4)
<b>Balance at end of period</b>		<b>898,729</b>		<b>969,670</b>
<b>Retained earnings</b>				
Balance at beginning of period		422,461		342,520
Net Income for the period		53,764		53,431
Common share cash dividends declared and paid, \$0.44 per share (2024: \$0.44 per share)		(18,769)		(20,506)
Retirement of shares		(17,857)		(10,524)
<b>Balance at end of period</b>		<b>439,599</b>		<b>364,921</b>
<b>Treasury common shares</b>				
Balance at beginning of period	619,212	(23,063)	619,212	(18,104)
Purchase of treasury common shares	1,094,727	(41,358)	1,155,790	(35,139)
Retirement of shares	(1,094,727)	40,910	(1,155,790)	34,583
<b>Balance at end of period</b>	<b>619,212</b>	<b>(23,511)</b>	<b>619,212</b>	<b>(18,660)</b>
<b>Accumulated other comprehensive income (loss)</b>				
Balance at beginning of period		(295,415)		(310,198)
Other comprehensive income (loss), net of taxes		37,980		(11,089)
<b>Balance at end of period</b>		<b>(257,435)</b>		<b>(321,287)</b>
<b>Total shareholders' equity</b>		<b>1,057,810</b>		<b>995,112</b>

The accompanying notes are an integral part of these consolidated financial statements.

The Bank of N.T. Butterfield & Son Limited  
Consolidated Statements of Cash Flows (unaudited)  
(In thousands of US dollars)

	Three months ended	
	March 31, 2025	March 31, 2024
<b>Cash flows from operating activities</b>		
Net income	53,764	53,431
<b>Adjustments to reconcile net income to operating cash flows</b>		
Depreciation, accretion and amortization	12,569	(5,878)
Provision for credit losses (recoveries)	(379)	(409)
Share-based payments and settlements	5,381	4,818
Net (gains) losses on other real estate owned	—	12
(Increase) decrease in carrying value of equity method investments	(80)	584
Dividends received from equity method investments	30	45
<b>Changes in operating assets and liabilities</b>		
(Increase) decrease in accrued interest receivable and other assets	19,360	(20,106)
Increase (decrease) in employee benefit plans, accrued interest payable and other liabilities	(27,825)	(4,234)
<b>Cash provided by (used in) operating activities</b>	<b>62,820</b>	<b>28,263</b>
<b>Cash flows from investing activities</b>		
Net (increase) decrease in securities purchased under agreements to resell	492,862	52,346
Short-term investments other than restricted cash: proceeds from maturities and sales	409,615	636,158
Short-term investments other than restricted cash: purchases	(593,864)	(917,859)
Available-for-sale investments: proceeds from maturities and pay downs	137,355	184,993
Available-for-sale investments: purchases	(97,155)	(151,505)
Held-to-maturity investments: proceeds from maturities and pay downs	56,450	59,142
Net (increase) decrease in loans	12,675	84,593
Additions to premises, equipment and computer software	(7,402)	(1,620)
Purchase of intangible assets	—	(477)
<b>Cash provided by (used in) investing activities</b>	<b>410,536</b>	<b>(54,229)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in deposits	(241,478)	187,822
Net increase (decrease) in securities sold under agreements to repurchase	(90,032)	—
Common shares repurchased	(41,358)	(35,139)
Cash dividends paid on common shares	(18,769)	(20,506)
<b>Cash provided by (used in) financing activities</b>	<b>(391,637)</b>	<b>132,177</b>
Net effect of exchange rates on cash, cash equivalents and restricted cash	15,846	(4,228)
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>97,565</b>	<b>101,983</b>
<b>Cash, cash equivalents and restricted cash: beginning of period</b>	<b>2,088,542</b>	<b>1,672,260</b>
<b>Cash, cash equivalents and restricted cash: end of period</b>	<b>2,186,107</b>	<b>1,774,243</b>
<b>Components of cash, cash equivalents and restricted cash at end of period</b>		
Cash and cash equivalents	2,097,344	1,746,221
Restricted cash included in short-term investments on the consolidated balance sheets	88,763	28,022
<b>Total cash, cash equivalents and restricted cash at end of period</b>	<b>2,186,107</b>	<b>1,774,243</b>
<b>Supplemental disclosure of non-cash items</b>		
Transfer to (out of) other real estate owned	—	87
Initial recognition of right-of-use assets and operating lease liabilities	766	—

The accompanying notes are an integral part of these consolidated financial statements.

## Note 1: Nature of business

The Bank of N.T. Butterfield & Son Limited ("Butterfield", the "Bank" or the "Company") is incorporated under the laws of Bermuda and has a banking license under the Banks and Deposit Companies Act, 1999 ("the Act"). Butterfield is regulated by the Bermuda Monetary Authority ("BMA"), which operates in accordance with Basel principles.

Butterfield is a full service bank and wealth manager headquartered in Hamilton, Bermuda. The Bank operates its business through three geographic segments: Bermuda, Cayman, and the Channel Islands and the UK, where its principal banking operations are located and where it offers specialized financial services. Butterfield offers banking services, comprised of retail and corporate banking, and wealth management, which consists of trust, private banking, and asset management. In the Bermuda, Cayman, and Channel Islands and the UK segments, Butterfield offers both banking and wealth management services. Butterfield also has operations in the jurisdictions of The Bahamas, Canada, Mauritius, Singapore and Switzerland, which are included in our Other segment.

The Bank's common shares trade on the New York Stock Exchange under the symbol "NTB" and on the Bermuda Stock Exchange ("BSX") under the symbol "NTB.BH".

## Note 2: Significant accounting policies

The accompanying unaudited interim consolidated financial statements of the Bank have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and should be read in conjunction with the Bank's audited financial statements for the year ended December 31, 2024.

In the opinion of Management, these unaudited interim consolidated financial statements reflect all adjustments (consisting primarily of normal recurring accruals) considered necessary for a fair statement of the Bank's financial position and results of operations as at the end of and for the periods presented. The Bank's results for interim periods are not necessarily indicative of results for the full year.

The preparation of financial statements in conformity with GAAP requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the unaudited consolidated financial statements and the reported amounts of revenues and expenses during the reporting period, and actual results could differ from those estimates. Management believes that the most critical accounting estimates upon which the financial condition depends, and which involve the most complex or subjective decisions or assessments, are as follows:

- Allowance for credit losses
- Fair value of financial instruments
- Impairment of goodwill
- Employee benefit plans

## New Accounting Pronouncements

There were no accounting developments issued during the three months ended March 31, 2025 or accounting standards pending adoption which impacted the Bank.

## Note 3: Cash and cash equivalents

	March 31, 2025	December 31, 2024
<b>Non-interest bearing</b>		
Cash and demand deposits with banks	90,563	93,145
<b>Interest bearing</b>		
Demand deposits with banks	159,667	165,741
Cash equivalents	1,847,114	1,739,226
<b>Sub-total - Interest bearing</b>	2,006,781	1,904,967
<b>Total cash and cash equivalents</b>	2,097,344	1,998,112

## Note 4: Short-term investments

	March 31, 2025	December 31, 2024
<b>Unrestricted</b>		
Maturing within three months	265,788	415,072
Maturing between three to six months	373,684	74,524
Maturing between six to twelve months	34,006	—
<b>Total unrestricted short-term investments</b>	673,478	489,596
<b>Affected by drawing restrictions related to minimum reserve and derivative margin requirements</b>		
Interest earning demand and term deposits	88,763	90,430
<b>Total restricted short-term investments</b>	88,763	90,430
<b>Total short-term investments</b>	762,241	580,026



**The Bank of N.T. Butterfield & Son Limited**  
**Notes to the Consolidated Financial Statements (unaudited) (continued)**  
*(In thousands of US dollars, unless otherwise stated)*

**Note 5: Investment in securities**

**Amortized Cost, Carrying Amount and Fair Value**

On the consolidated balance sheets, available-for-sale ("AFS") investments are carried at fair value and held-to-maturity ("HTM") investments are carried at amortized cost.

	March 31, 2025				December 31, 2024			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
<b>Available-for-sale</b>								
US government and federal agencies	2,377,953	5,577	(135,561)	2,247,969	2,324,841	1,451	(162,673)	2,163,619
Non-US governments debt securities	—	—	—	—	93,803	—	(335)	93,468
Asset-backed securities - Student loans	40	—	—	40	40	—	—	40
Residential mortgage-backed securities	16,600	—	(1,403)	15,197	17,068	—	(1,709)	15,359
<b>Total available-for-sale</b>	<b>2,394,593</b>	<b>5,577</b>	<b>(136,964)</b>	<b>2,263,206</b>	<b>2,435,752</b>	<b>1,451</b>	<b>(164,717)</b>	<b>2,272,486</b>
<b>Held-to-maturity<sup>1</sup></b>								
US government and federal agencies	3,184,912	59	(507,003)	2,677,968	3,240,290	—	(569,250)	2,671,040
<b>Total held-to-maturity</b>	<b>3,184,912</b>	<b>59</b>	<b>(507,003)</b>	<b>2,677,968</b>	<b>3,240,290</b>	<b>—</b>	<b>(569,250)</b>	<b>2,671,040</b>

<sup>1</sup>For the three months ended March 31, 2025 and March 31, 2024, impairments recognized in other comprehensive income for HTM investments were nil.

**Investments with Unrealized Loss Positions**

The Bank does not believe that the AFS debt securities that were in an unrealized loss position as of March 31, 2025, comprising 171 securities representing 69.4% of the AFS portfolios' carrying value (December 31, 2024: 184 and 87.7%), represent credit losses. Total gross unrealized AFS losses were 8.7% of the fair value of the affected securities (December 31, 2024: 8.3%).

The Bank's HTM debt securities are comprised of US government and federal agencies securities and have a zero credit loss assumption under the Current Expected Credit Loss Model ("CECL") model. HTM debt securities that were in an unrealized loss position as of March 31, 2025, were comprised of 218 securities representing 98.8% of the HTM portfolios' carrying value (December 31, 2024: 220 and 100%). Total gross unrealized HTM losses were 19.2% of the fair value of affected securities (December 31, 2024: 21.3%).

Management does not intend to sell and it is likely that management will not be required to sell the securities prior to the anticipated recovery of the cost of these securities. Unrealized losses were attributable primarily to changes in market interest rates, relative to when the investment securities were purchased, and not due to a decrease in the credit quality of the investment securities. The issuers continue to make timely principal and interest payments on the securities. The following describes the processes for identifying credit impairment in security types with the most significant unrealized losses as shown in the preceding tables.

Management believes that all the **US government and federal agencies securities** do not have any credit losses, given the explicit and implicit guarantees provided by the US federal government.

Management believes that all the **Non-US governments debt securities** do not have any credit losses, given the explicit guarantee provided by the issuing government.

Investments in **Asset-backed securities - Student loans** are composed of securities collateralized by Federal Family Education Loan Program ("FFELP") loans. FFELP loans benefit from a US federal government guarantee of at least 97% of defaulted principal and accrued interest, with additional credit support provided in the form of over-collateralization, subordination and excess spread, which collectively total in excess of 100%. Accordingly, the vast majority of FFELP loan-backed securities are not exposed to traditional consumer credit risk.

Investments in **Residential mortgage-backed securities** relate to 13 securities (December 31, 2024: 13) which are rated AAA and possess similar significant credit enhancement as described above. No credit losses were recognized on these securities as the weighted average credit support and the weighted average loan-to-value ratios range from 15.6% - 50.1% and 43.4% - 52.2%, respectively. Current credit support is significantly greater than any delinquencies experienced on the underlying mortgages.

In the following tables, debt securities with unrealized losses that are not deemed to be credit impaired and for which an allowance for credit losses has not been recorded are categorized as being in a loss position for "less than 12 months" or "12 months or more" based on the point in time that the fair value most recently declined below the amortized cost basis.

**The Bank of N.T. Butterfield & Son Limited**  
**Notes to the Consolidated Financial Statements (unaudited) (continued)**  
*(In thousands of US dollars, unless otherwise stated)*

	Less than 12 months		12 months or more			
	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Total fair value	Total gross unrealized losses
<b>March 31, 2025</b>						
<b>Available-for-sale securities with unrealized losses</b>						
US government and federal agencies	365,811	(3,005)	1,188,678	(132,556)	1,554,489	(135,561)
Asset-backed securities - Student loans	—	—	40	—	40	—
Residential mortgage-backed securities	—	—	15,197	(1,403)	15,197	(1,403)
<b>Total available-for-sale securities with unrealized losses</b>	<b>365,811</b>	<b>(3,005)</b>	<b>1,203,915</b>	<b>(133,959)</b>	<b>1,569,726</b>	<b>(136,964)</b>
<b>Held-to-maturity securities with unrealized losses</b>						
US government and federal agencies	—	—	2,641,166	(507,003)	2,641,166	(507,003)
	Less than 12 months		12 months or more			
	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Total fair value	Total gross unrealized losses
<b>December 31, 2024</b>						
<b>Available-for-sale securities with unrealized losses</b>						
US government and federal agencies	696,835	(7,922)	1,187,094	(154,751)	1,883,929	(162,673)
Non-US governments debt securities	—	—	93,468	(335)	93,468	(335)
Asset-backed securities - Student loans	—	—	40	—	40	—
Residential mortgage-backed securities	—	—	15,359	(1,709)	15,359	(1,709)
<b>Total available-for-sale securities with unrealized losses</b>	<b>696,835</b>	<b>(7,922)</b>	<b>1,295,961</b>	<b>(156,795)</b>	<b>1,992,796</b>	<b>(164,717)</b>
<b>Held-to-maturity securities with unrealized losses</b>						
US government and federal agencies	36,713	(476)	2,634,326	(568,774)	2,671,039	(569,250)

#### Investment Maturities

The following table presents the remaining term to contractual maturity of the Bank's securities. The actual maturities may differ as certain securities offer prepayment options to the borrowers.

	Remaining term to maturity						
	Within 3 months	3 to 12 months	1 to 5 years	5 to 10 years	Over 10 years	No specific or single maturity	Carrying amount
<b>March 31, 2025</b>							
<b>Available-for-sale</b>							
US government and federal agencies	—	95,222	939,888	—	—	1,212,859	2,247,969
Asset-backed securities - Student loans	—	—	—	—	—	40	40
Residential mortgage-backed securities	—	—	—	—	—	15,197	15,197
<b>Total available-for-sale</b>	<b>—</b>	<b>95,222</b>	<b>939,888</b>	<b>—</b>	<b>—</b>	<b>1,228,096</b>	<b>2,263,206</b>
<b>Held-to-maturity</b>							
US government and federal agencies	—	—	—	—	—	3,184,912	3,184,912

#### Pledged Investments

The Bank pledges certain US government and federal agencies investment securities to further secure the Bank's issued customer deposit products. The secured party does not have the right to sell or repledge the collateral.

	March 31, 2025		December 31, 2024	
	Amortized cost	Fair value	Amortized cost	Fair value
<b>Pledged investments - secured customer deposit product</b>				
Available-for-sale	22,025	20,604	22,888	21,062
Held-to-maturity	95,876	85,836	95,588	84,003

As at March 31, 2025, the Bank pledged nil (December 31, 2024: 93.5 million) in non-US governments debt investment securities to secure the Bank's repurchase agreements. Where the secured party has the right to sell or repledge the collateral, the Bank disclosed such pledged financial assets separately in the accompanying consolidated balance sheets.

#### Taxability of Interest Income

None of the investments' interest income have received a specific preferential income tax treatment in any of the jurisdictions in which the Bank owns investments.

## **Note 6: Loans**

The principal means of securing residential mortgages, personal, credit card and business loans are entitlements over assets and guarantees. Mortgage loans are generally repayable over periods of up to thirty years and personal and business loans are generally repayable over terms not exceeding five years. Government loans are repayable over a variety of terms which are individually negotiated. Amounts owing on credit cards are revolving and typically a minimum amount is due within 30 days from billing. The credit card portfolio is managed as a single portfolio and includes consumer and business cards. The effective yield on total loans as at March 31, 2025 is 6.16% (December 31, 2024: 6.29%). The interest receivable on total loans as at March 31, 2025 is \$16.3 million (December 31, 2024: \$8.0 million). The interest receivable is included in Accrued interest and other assets on the consolidated balance sheets and is excluded from all loan amounts disclosed in this note.

### **Loans' Credit Quality**

The four credit quality classifications set out in the following tables are defined below and describe the credit quality of the Bank's lending portfolio. These classifications each encompass a range of more granular internal credit rating grades. Loans' internal credit ratings are assigned by the Bank's customer relationship managers as well as members of the Bank's jurisdictional and Group Credit Committees. The borrowers' financial condition is documented at loan origination and maintained periodically thereafter at a frequency which can be up to monthly for certain loans. The loans' performing status, as well as current economic trends, are continuously monitored. The Bank's jurisdictional and Group Credit Committees meet on a monthly basis. The Bank also has a Group Provisions and Impairments Committee which is responsible for approving significant provisions and other impairment charges.

A **pass** loan shall mean a loan that is expected to be repaid as agreed. A loan is classified as pass where the Bank is not expected to face repayment difficulties because the present and projected cash flows are sufficient to repay the debt and the repayment schedule as established by the agreement is being followed. Loans in this category are reviewed by the Bank's management on at least an annual basis.

A **special mention** loan shall mean a loan under close monitoring by the Bank's management on at least a quarterly basis. Loans in this category are currently still performing, but are potentially weak and present an undue credit risk exposure, but not to the point of justifying a classification of substandard.

A **substandard** loan shall mean a loan whose evident unreliability makes repayment doubtful and there is a threat of loss to the Bank unless the unreliability is averted. Loans in this category are under close monitoring by the Bank's management on at least a quarterly basis.

A **non-accrual** loan shall mean either management is of the opinion full payment of principal or interest is in doubt or that the principal or interest is 90 days past due unless it is a residential mortgage loan which is well secured and collection efforts are reasonably expected to result in amounts due. Loans in this category are under close monitoring by the Bank's management on at least a quarterly basis.

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The amortized cost of loans by credit quality classification and allowance for expected credit losses by class of loans is as follows:

March 31, 2025	Pass	Special mention	Substandard	Non-accrual	Total amortized cost	Allowance for expected credit losses	Total net loans
<b>Commercial loans</b>							
Government	283,623	—	—	—	283,623	(430)	283,193
Commercial and industrial	222,107	1,000	706	17,993	241,806	(11,709)	230,097
Commercial overdrafts	120,285	1,781	—	3	122,069	(73)	121,996
<b>Total commercial loans</b>	<b>626,015</b>	<b>2,781</b>	<b>706</b>	<b>17,996</b>	<b>647,498</b>	<b>(12,212)</b>	<b>635,286</b>
<b>Commercial real estate loans</b>							
Commercial mortgage	554,121	696	2,239	17,493	574,549	(1,097)	573,452
Construction	55,124	—	—	—	55,124	—	55,124
<b>Total commercial real estate loans</b>	<b>609,245</b>	<b>696</b>	<b>2,239</b>	<b>17,493</b>	<b>629,673</b>	<b>(1,097)</b>	<b>628,576</b>
<b>Consumer loans</b>							
Automobile financing	17,898	—	5	118	18,021	(47)	17,974
Credit card	87,140	—	266	—	87,406	(2,075)	85,331
Overdrafts	34,376	—	—	27	34,403	(399)	34,004
Other consumer <sup>1</sup>	42,256	—	828	854	43,938	(942)	42,996
<b>Total consumer loans</b>	<b>181,670</b>	<b>—</b>	<b>1,099</b>	<b>999</b>	<b>183,768</b>	<b>(3,463)</b>	<b>180,305</b>
<b>Residential mortgage loans</b>	<b>2,877,385</b>	<b>12,314</b>	<b>125,729</b>	<b>67,280</b>	<b>3,082,708</b>	<b>(8,492)</b>	<b>3,074,216</b>
<b>Total</b>	<b>4,294,315</b>	<b>15,791</b>	<b>129,773</b>	<b>103,768</b>	<b>4,543,647</b>	<b>(25,264)</b>	<b>4,518,383</b>

<sup>1</sup> Other consumer loans' amortized cost includes \$13 million of cash and portfolio secured lending and \$26 million of lending secured by buildings in construction or other collateral.

December 31, 2024	Pass	Special mention	Substandard	Non-accrual	Total amortized cost	Allowance for expected credit losses	Total net loans
<b>Commercial loans</b>							
Government	266,303	—	—	—	266,303	(462)	265,841
Commercial and industrial	210,911	347	778	18,026	230,062	(11,147)	218,915
Commercial overdrafts	115,558	1,896	—	1	117,455	(75)	117,380
<b>Total commercial loans</b>	<b>592,772</b>	<b>2,243</b>	<b>778</b>	<b>18,027</b>	<b>613,820</b>	<b>(11,684)</b>	<b>602,136</b>
<b>Commercial real estate loans</b>							
Commercial mortgage	572,875	858	2,301	17,520	593,554	(3,267)	590,287
Construction	48,484	—	—	—	48,484	—	48,484
<b>Total commercial real estate loans</b>	<b>621,359</b>	<b>858</b>	<b>2,301</b>	<b>17,520</b>	<b>642,038</b>	<b>(3,267)</b>	<b>638,771</b>
<b>Consumer loans</b>							
Automobile financing	18,010	—	6	164	18,180	(34)	18,146
Credit card	90,433	—	244	—	90,677	(1,919)	88,758
Overdrafts	37,110	—	—	38	37,148	(378)	36,770
Other consumer <sup>1</sup>	45,180	—	832	733	46,745	(923)	45,822
<b>Total consumer loans</b>	<b>190,733</b>	<b>—</b>	<b>1,082</b>	<b>935</b>	<b>192,750</b>	<b>(3,254)</b>	<b>189,496</b>
<b>Residential mortgage loans</b>	<b>2,849,805</b>	<b>23,619</b>	<b>137,093</b>	<b>40,175</b>	<b>3,050,692</b>	<b>(7,504)</b>	<b>3,043,188</b>
<b>Total</b>	<b>4,254,669</b>	<b>26,720</b>	<b>141,254</b>	<b>76,657</b>	<b>4,499,300</b>	<b>(25,709)</b>	<b>4,473,591</b>

<sup>1</sup> Other consumer loans' amortized cost includes \$10 million of cash and portfolio secured lending and \$27 million of lending secured by buildings in construction or other collateral.

The Bank of N.T. Butterfield & Son Limited  
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Based on the most recent analysis performed, the amortized cost of loans by year of origination and credit quality classification is as follows:

March 31, 2025	Pass	Special mention	Substandard	Non-accrual	Total amortized cost
<b>Loans by origination year</b>					
2025	109,484	1,000	—	—	110,484
2024	509,518	—	262	140	509,920
2023	316,482	—	13,451	45	329,978
2022	779,422	1,411	774	—	781,607
2021	423,174	700	—	—	423,874
Prior	1,909,250	10,899	115,020	103,553	2,138,722
<b>Overdrafts and credit cards</b>	<b>246,985</b>	<b>1,781</b>	<b>266</b>	<b>30</b>	<b>249,062</b>
<b>Total amortized cost</b>	<b>4,294,315</b>	<b>15,791</b>	<b>129,773</b>	<b>103,768</b>	<b>4,543,647</b>

December 31, 2024	Pass	Special mention	Substandard	Non-accrual	Total amortized cost
<b>Loans by origination year</b>					
2024	497,053	—	267	—	497,320
2023	366,278	—	506	51	366,835
2022	759,398	888	750	4	761,040
2021	422,496	781	—	13	423,290
2020	270,060	451	32,733	7,503	310,747
Prior	1,690,525	22,704	106,754	69,047	1,889,030
<b>Overdrafts and credit cards</b>	<b>248,859</b>	<b>1,896</b>	<b>244</b>	<b>39</b>	<b>251,038</b>
<b>Total amortized cost</b>	<b>4,254,669</b>	<b>26,720</b>	<b>141,254</b>	<b>76,657</b>	<b>4,499,300</b>

**Age Analysis of Past Due Loans (Including Non-Accrual Loans)**

The following tables summarize the past due status of the loans. The aging of past due amounts are determined based on the contractual delinquency status of payments under the loan and this aging may be affected by the timing of the last business day at period end. Loans less than 30 days past due are included in current loans.

March 31, 2025	30 - 59 days	60 - 89 days	90 days or more	Total past due loans	Total current	Total amortized cost
<b>Commercial loans</b>						
Government	—	—	—	—	283,623	283,623
Commercial and industrial	800	—	17,194	17,994	223,812	241,806
Commercial overdrafts	—	—	3	3	122,066	122,069
<b>Total commercial loans</b>	<b>800</b>	<b>—</b>	<b>17,197</b>	<b>17,997</b>	<b>629,501</b>	<b>647,498</b>
<b>Commercial real estate loans</b>						
Commercial mortgage	582	—	17,493	18,075	556,474	574,549
Construction	—	—	—	—	55,124	55,124
<b>Total commercial real estate loans</b>	<b>582</b>	<b>—</b>	<b>17,493</b>	<b>18,075</b>	<b>611,598</b>	<b>629,673</b>
<b>Consumer loans</b>						
Automobile financing	128	—	105	233	17,788	18,021
Credit card	539	264	266	1,069	86,337	87,406
Overdrafts	—	—	27	27	34,376	34,403
Other consumer	394	78	712	1,184	42,754	43,938
<b>Total consumer loans</b>	<b>1,061</b>	<b>342</b>	<b>1,110</b>	<b>2,513</b>	<b>181,255</b>	<b>183,768</b>
<b>Residential mortgage loans</b>	<b>20,440</b>	<b>11,860</b>	<b>114,013</b>	<b>146,313</b>	<b>2,936,395</b>	<b>3,082,708</b>
<b>Total amortized cost</b>	<b>22,883</b>	<b>12,202</b>	<b>149,813</b>	<b>184,898</b>	<b>4,358,749</b>	<b>4,543,647</b>

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**Notes to the Consolidated Financial Statements (unaudited) (continued)**  
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December 31, 2024	30 - 59 days	60 - 89 days	90 days or more	Total past due loans	Total current	Total amortized cost
<b>Commercial loans</b>						
Government	—	—	—	—	266,303	266,303
Commercial and industrial	217	—	17,227	17,444	212,618	230,062
Commercial overdrafts	—	—	1	1	117,454	117,455
<b>Total commercial loans</b>	<b>217</b>	<b>—</b>	<b>17,228</b>	<b>17,445</b>	<b>596,375</b>	<b>613,820</b>
<b>Commercial real estate loans</b>						
Commercial mortgage	346	—	17,520	17,866	575,688	593,554
Construction	—	—	—	—	48,484	48,484
<b>Total commercial real estate loans</b>	<b>346</b>	<b>—</b>	<b>17,520</b>	<b>17,866</b>	<b>624,172</b>	<b>642,038</b>
<b>Consumer loans</b>						
Automobile financing	83	35	153	271	17,909	18,180
Credit card	514	280	244	1,038	89,639	90,677
Overdrafts	—	—	38	38	37,110	37,148
Other consumer	739	31	733	1,503	45,242	46,745
<b>Total consumer loans</b>	<b>1,336</b>	<b>346</b>	<b>1,168</b>	<b>2,850</b>	<b>189,900</b>	<b>192,750</b>
<b>Residential mortgage loans</b>	<b>17,520</b>	<b>5,797</b>	<b>106,965</b>	<b>130,282</b>	<b>2,920,410</b>	<b>3,050,692</b>
<b>Total amortized cost</b>	<b>19,419</b>	<b>6,143</b>	<b>142,881</b>	<b>168,443</b>	<b>4,330,857</b>	<b>4,499,300</b>

**Changes in Allowances For Credit Losses**

Allowance for expected credit losses decreased during the three months ended March 31, 2025 driven by a release related to a commercial real estate facility in Bermuda and partially offset by a provision on a residential mortgage facility in the Channel Islands and UK segment. As disclosed in Note 2 of the December 31, 2024 Audited Consolidated Financial Statements, the Bank continuously collects and maintains attributes related to financial instruments within the scope of CECL, including current conditions, and reasonable and supportable assumptions about future economic conditions.

	Three months ended March 31, 2025				
	Commercial	Commercial real estate	Consumer	Residential mortgage	Total
Balance at the beginning of period	11,684	3,267	3,254	7,504	25,709
Provision increase (decrease)	774	(2,136)	(59)	1,017	(404)
Recoveries of previous charge-offs	—	—	652	41	693
Charge-offs, by origination year					
2025	—	—	—	—	—
2024	—	—	—	—	—
2023	—	—	—	(30)	(30)
2022	—	—	—	—	—
2021	—	—	—	—	—
Prior	(250)	(34)	(13)	(86)	(383)
Overdrafts and credit cards	(7)	—	(376)	—	(383)
Other	11	—	5	46	62
<b>Allowances for expected credit losses at end of period</b>	<b>12,212</b>	<b>1,097</b>	<b>3,463</b>	<b>8,492</b>	<b>25,264</b>

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**Notes to the Consolidated Financial Statements (unaudited) (continued)**  
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	Three months ended March 31, 2024				
	Commercial	Commercial real estate	Consumer	Residential mortgage	Total
Balance at the beginning of period	11,248	1,441	3,096	9,974	25,759
Provision increase (decrease)	423	(85)	154	(917)	(425)
Recoveries of previous charge-offs	—	—	284	108	392
Charge-offs, by origination year					
2024	—	—	—	—	—
2023	—	—	(2)	—	(2)
2022	—	—	—	—	—
2021	—	—	—	—	—
2020	—	—	—	—	—
Prior	(170)	—	—	(323)	(493)
Overdrafts and credit cards	(1)	—	(446)	—	(447)
Other	—	—	(1)	(3)	(4)
<b>Allowances for expected credit losses at end of period</b>	<b>11,500</b>	<b>1,356</b>	<b>3,085</b>	<b>8,839</b>	<b>24,780</b>

**Collateral-dependent loans**

Management identified that the repayment of certain commercial and consumer mortgage loans is expected to be provided substantially through the operation or the sale of the collateral pledged to the Bank ("collateral-dependent loans"). The Bank believes that for the vast majority of loans identified as collateral-dependent, the sale of the collateral will be sufficient to fully reimburse the loan's carrying amount.

**Non-Performing Loans**

During the three months ended March 31, 2025, no interest was recognized on non-accrual loans. No credit deteriorated loans were purchased during the period.

	March 31, 2025				December 31, 2024			
	Non-accrual loans with an allowance	Non-accrual loans without an allowance	Past due 90 days or more and accruing	Total non-performing loans	Non-accrual loans with an allowance	Non-accrual loans without an allowance	Past due 90 days or more and accruing	Total non-performing loans
<b>Commercial loans</b>								
Commercial and industrial	17,193	800	—	17,993	17,209	817	—	18,026
Commercial overdrafts	—	3	—	3	—	1	—	1
<b>Total commercial loans</b>	<b>17,193</b>	<b>803</b>	<b>—</b>	<b>17,996</b>	<b>17,209</b>	<b>818</b>	<b>—</b>	<b>18,027</b>
<b>Commercial real estate loans</b>								
Commercial mortgage	2,914	14,579	—	17,493	17,410	110	—	17,520
<b>Total commercial real estate loans</b>	<b>2,914</b>	<b>14,579</b>	<b>—</b>	<b>17,493</b>	<b>17,410</b>	<b>110</b>	<b>—</b>	<b>17,520</b>
<b>Consumer loans</b>								
Automobile financing	108	10	—	118	126	38	—	164
Credit card	—	—	266	266	—	—	244	244
Overdrafts	—	27	—	27	—	38	—	38
Other consumer	521	333	—	854	528	205	—	733
<b>Total consumer loans</b>	<b>629</b>	<b>370</b>	<b>266</b>	<b>1,265</b>	<b>654</b>	<b>281</b>	<b>244</b>	<b>1,179</b>
<b>Residential mortgage loans</b>	<b>46,989</b>	<b>20,291</b>	<b>53,890</b>	<b>121,170</b>	<b>22,630</b>	<b>17,545</b>	<b>72,693</b>	<b>112,868</b>
<b>Total non-performing loans</b>	<b>67,725</b>	<b>36,043</b>	<b>54,156</b>	<b>157,924</b>	<b>57,903</b>	<b>18,754</b>	<b>72,937</b>	<b>149,594</b>

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**Loan Modifications Made to Borrowers Experiencing Financial Difficulty**

The following table summarizes the amortized cost basis of loan modifications made to borrowers experiencing financial difficulty during the three-months ended March 31, 2025 and March 31, 2024.

	<u>Amortized cost basis</u>				<u>In % of the class of loans</u>	<u>Weighted average financial effects</u>		
	Term extension and interest rate reduction	Payments delay in # of months	Term extension	Interest rate reduction		Months of payment delay	Months of term extension	Interest rate reduction
March 31, 2025								
Residential mortgage loans	1,223	—	419	1,230	0.1 %	0	34	2.7 %

	<u>Amortized cost basis</u>				<u>In % of the class of loans</u>	<u>Weighted average financial effects</u>		
	Term extension and interest rate reduction	Payments delay in # of months	Term extension	Interest rate reduction		Months of payment delay	Months of term extension	Interest rate reduction
March 31, 2024								
Commercial mortgage	—	—	—	654	0.1 %	—	0	3.0 %
Residential mortgage loans	1,257	—	—	1,174	0.1 %	—	31	3.0 %

**Age analysis and subsequent default of modified loans.**

As at March 31, 2025 and March 31, 2024, all loans for which a concession was granted during the preceding 12 months are current, except for the following:

Commercial mortgages:

- Nil (March 31, 2024: \$0.5 million) of commercial mortgages for which a term extension and reduction in interest rate was granted are 60 to 89 days past due.

Residential mortgage loans:

- \$1.2 million (March 31, 2024: \$0.1 million) of residential mortgage loans for which a reduction in interest rate was granted are 30 to 59 days past due;
- \$0.2 million (March 31, 2024: Nil) of residential mortgage loans for which a reduction in interest rate was granted are 60 to 89 days past due; and
- \$0.2 million (March 31, 2024: \$0.8 million) of residential mortgage loans for which a reduction in interest rate was granted had a payment default and are 90 days or more past due.

**Note 7: Credit risk concentrations**

Concentrations of credit risk in the lending and off-balance sheet credit-related arrangements portfolios arise when a number of customers are engaged in similar business activities, are in the same geographic region, or when they have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic conditions. The Bank regularly monitors various segments of its credit risk portfolio to assess potential concentrations of risks and to obtain collateral when deemed necessary. In the Bank's commercial portfolio, risk concentrations are evaluated primarily by industry and by geographic region of loan origination. In the consumer portfolio, concentrations are evaluated primarily by products. Credit exposures include loans, guarantees and acceptances, letters of credit and commitments for undrawn lines of credit. Unconditionally cancellable credit cards and overdraft lines of credit are excluded from the tables below.

The following table summarizes the credit exposure of the Bank by geographic region. The exposure amounts disclosed below do not include accrued interest and are gross of allowances for credit losses and gross of collateral held.



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Geographic region	March 31, 2025				December 31, 2024			
	Cash and cash equivalents, resell agreements and short-term investments	Loans	Off-balance sheet	Total credit exposure	Cash and cash equivalents, resell agreements and short-term investments	Loans	Off-balance sheet	Total credit exposure
Belgium	3,590	—	—	3,590	2,478	—	—	2,478
Bermuda	38,734	1,623,558	169,982	1,832,274	37,227	1,631,461	186,210	1,854,898
Canada	1,271,448	—	—	1,271,448	1,417,882	—	—	1,417,882
Cayman Islands	29,486	1,044,084	206,055	1,279,624	40,675	1,068,142	218,817	1,327,634
France	—	—	—	—	207,687	—	—	207,687
Germany	1,292	—	—	1,292	1,178	—	—	1,178
Guernsey	1	561,036	110,753	671,790	1	552,994	103,979	656,974
Ireland	8,738	—	—	8,738	8,672	—	—	8,672
Japan	151,117	—	—	151,117	121,862	—	—	121,862
Jersey	—	258,543	51,270	309,813	—	223,964	68,217	292,181
Mauritius	1,408	—	—	1,408	1,055	—	—	1,055
Norway	111,634	—	—	111,634	100,148	—	—	100,148
Switzerland	3,374	—	—	3,374	3,377	—	—	3,377
The Bahamas	269	3,462	—	3,731	184	3,791	—	3,975
United Kingdom	1,395,303	1,052,964	101,124	2,549,391	1,240,116	1,018,948	137,654	2,396,718
United States	577,084	—	—	577,084	599,264	—	—	599,264
Other	1,950	—	115	2,065	1,705	—	—	1,705
<b>Total gross exposure</b>	<b>3,595,428</b>	<b>4,543,647</b>	<b>639,299</b>	<b>8,778,373</b>	<b>3,783,511</b>	<b>4,499,300</b>	<b>714,877</b>	<b>8,997,688</b>

**Note 8: Deposits**

**By Maturity**

March 31, 2025	Demand		Total demand deposits	Term				Total term deposits	Total deposits
	Non-interest bearing	Interest bearing		Within 3 months	3 to 6 months	6 to 12 months	After 12 months		
Demand or less than \$100k <sup>1</sup>	2,569,960	6,120,185	8,690,145	54,231	18,624	21,537	10,463	104,855	8,795,000
Term - \$100k or more	N/A	N/A	—	2,774,208	432,399	565,206	40,760	3,812,573	3,812,573
<b>Total deposits</b>	<b>2,569,960</b>	<b>6,120,185</b>	<b>8,690,145</b>	<b>2,828,439</b>	<b>451,023</b>	<b>586,743</b>	<b>51,223</b>	<b>3,917,428</b>	<b>12,607,573</b>

December 31, 2024	Demand		Total demand deposits	Term				Total term deposits	Total deposits
	Non-interest bearing	Interest bearing		Within 3 months	3 to 6 months	6 to 12 months	After 12 months		
Demand or less than \$100k <sup>1</sup>	2,687,877	5,579,775	8,267,652	51,608	18,035	19,912	10,395	99,950	8,367,602
Term - \$100k or more	N/A	N/A	—	3,540,636	416,374	348,301	72,996	4,378,307	4,378,307
<b>Total deposits</b>	<b>2,687,877</b>	<b>5,579,775</b>	<b>8,267,652</b>	<b>3,592,244</b>	<b>434,409</b>	<b>368,213</b>	<b>83,391</b>	<b>4,478,257</b>	<b>12,745,909</b>

<sup>1</sup>The weighted-average interest rate on interest-bearing demand deposits as at March 31, 2025 is 0.81% (December 31, 2024: 0.87%).

**By Type and Segment**

	March 31, 2025			December 31, 2024		
	Payable on demand	Payable on a fixed date	Total	Payable on demand	Payable on a fixed date	Total
Bermuda	3,580,556	889,674	4,470,230	3,535,770	1,245,294	4,781,064
Cayman	2,808,962	1,110,870	3,919,832	2,793,194	1,177,909	3,971,103
Channel Islands and the UK	2,300,627	1,916,884	4,217,511	1,938,688	2,055,054	3,993,742
<b>Total deposits</b>	<b>8,690,145</b>	<b>3,917,428</b>	<b>12,607,573</b>	<b>8,267,652</b>	<b>4,478,257</b>	<b>12,745,909</b>

**Note 9: Employee benefit plans**

The Bank maintains trustee pension plans including non-contributory defined benefit plans and a number of defined contribution plans, and provides post-retirement medical benefits to its qualifying retirees. The defined benefit provisions under the pension plans are generally based upon years of service and average salary during the relevant years of employment. The defined benefit and post-retirement medical plans are not open to new participants and are non-contributory and the funding required is provided by the Bank, based upon the advice of independent actuaries. The defined benefit pension plans are in the Bermuda, Guernsey and UK jurisdictions, and the defined benefit post-retirement medical plan is in Bermuda. The Bank has a residual obligation on top of its defined contribution plan in Mauritius.

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The Bank included an estimate of the 2025 Bank contribution and estimated benefit payments for the next ten years under the pension and post-retirement plans in its audited financial statements for the year-ended December 31, 2024. During the three months ended March 31, 2025, there have been no material revisions to these estimates.

		Three months ended	
	Line item in the consolidated statements of operations	March 31, 2025	March 31, 2024
<b>Defined benefit pension expense (income)</b>			
Interest cost	Non-service employee benefits expense	1,281	1,279
Expected return on plan assets	Non-service employee benefits expense	(1,619)	(1,555)
Amortization of net actuarial (gains) losses	Non-service employee benefits expense	583	589
Amortization of prior service (credit) cost	Non-service employee benefits expense	20	20
<b>Total defined benefit pension expense (income)</b>		<b>265</b>	<b>333</b>
<b>Post-retirement medical benefit expense (income)</b>			
Service cost	Salaries and other employee benefits	11	14
Interest cost	Non-service employee benefits expense	1,092	1,096
Amortization of net actuarial (gains) losses	Non-service employee benefits expense	131	131
Amortization of prior service (credit) cost	Non-service employee benefits expense	(151)	(578)
<b>Total post-retirement medical benefit expense (income)</b>		<b>1,083</b>	<b>663</b>

The components of defined benefit pension expense (income) and post-retirement benefit expense (income) other than the service cost component are included in the line item non-service employee benefits expense in the consolidated statements of income.

**Note 10: Credit related arrangements, repurchase agreements and commitments**

**Commitments**

The Bank enters into contractual commitments to extend credit, normally with fixed expiration dates or termination clauses, at specified rates and for specific purposes. Substantially all of the Bank's commitments to extend credit are contingent upon customers maintaining specific credit standards at the time of loan funding. Management assesses the credit risk associated with certain commitments to extend credit in determining the level of the allowance for expected credit losses.

The Bank has a facility with one of its custodians, whereby the Bank may offer up to \$200 million of standby letters of credit to its customers on a fully secured basis. Under the standard terms of the facility, the custodian has the right to set-off against securities held of 110% of the utilized facility. At March 31, 2025, \$132.4 million (December 31, 2024: \$138.4 million) of standby letters of credit were issued under this facility.

	March 31, 2025	December 31, 2024
<b>Outstanding unfunded commitments to extend credit</b>		
Commitments to extend credit	413,950	475,289
Documentary and commercial letters of credit	669	1,576
<b>Total unfunded commitments to extend credit</b>	<b>414,619</b>	<b>476,865</b>
Allowance for credit losses	(115)	(90)

**Credit-Related Arrangements**

Standby letters of credit and letters of guarantee are issued at the request of a Bank customer in order to secure the customer's payment or performance obligations to a third party. These guarantees represent an irrevocable obligation of the Bank to pay the third party beneficiary upon presentation of the guarantee and satisfaction of the documentary requirements stipulated therein, without investigation as to the validity of the beneficiary's claim against the customer. Generally, the term of the standby letters of credit does not exceed one year, while the term of the letters of guarantee does not exceed four years. The types and amounts of collateral security held by the Bank for these standby letters of credit and letters of guarantee are generally represented by deposits with the Bank or a charge over assets held in mutual funds.

The Bank considers the fees collected in connection with the issuance of standby letters of credit and letters of guarantee to be representative of the fair value of its obligation undertaken in issuing the guarantee. In accordance with applicable accounting standards related to guarantees, the Bank defers fees collected in connection with the issuance of standby letters of credit and letters of guarantee. The fees are then recognized in income proportionately over the life of the credit agreements. The following table presents the outstanding financial guarantees. Collateral is shown at estimated market value less selling cost. Where the collateral is cash, it is shown gross including accrued income.

	March 31, 2025			December 31, 2024		
	Gross	Collateral	Net	Gross	Collateral	Net
<b>Outstanding financial guarantees</b>						
Standby letters of credit	222,857	200,297	22,560	236,220	207,267	28,953
Letters of guarantee	1,823	1,787	36	1,792	1,756	36
<b>Total</b>	<b>224,680</b>	<b>202,084</b>	<b>22,596</b>	<b>238,012</b>	<b>209,023</b>	<b>28,989</b>

#### **Repurchase agreements**

The Bank utilizes repurchase agreements and resell agreements (reverse repurchase agreements) to manage liquidity that are carried at the amounts at which the securities will be subsequently sold or repurchased. The risks of these transactions include changes in the fair value of the securities posted or received as collateral and other credit related events. The Bank manages these risks by ensuring that the collateral involved is appropriate and by monitoring the value of the securities posted or received as collateral on a daily basis.

As at March 31, 2025, the Bank had 7 open positions (December 31, 2024: 15) in resell agreements with a remaining maturity of less than 120 days involving pools of mortgages issued by US federal agencies and Non-US government debt securities. The carrying value of these resell agreements is \$0.7 billion (December 31, 2024: \$1.2 billion) and are included in securities purchased under agreements to resell on the consolidated balance sheets. As at March 31, 2025, there were no positions (December 31, 2024: no positions) which were offset on the consolidated balance sheets to arrive at the carrying value, and there was no collateral amount which was available to offset against the future settlement amount.

As at March 31, 2025, the Bank had zero open position (December 31, 2024: one) in a repurchase agreement with a remaining maturity of less than 30 days involving one Non-US government debt securities, with the carrying value of the repurchase agreement being nil (December 31, 2024: \$92.6 million).

#### **Legal Proceedings**

There are actions and legal proceedings pending against the Bank and its subsidiaries which arose in the normal course of its business. Management, after reviewing all actions and proceedings pending against or involving the Bank and its subsidiaries, considers that the resolution of these matters would in the aggregate not be material to the consolidated financial position of the Bank, except as noted in the following paragraph.

As publicly announced, in November 2013, the US Attorney's Office for the Southern District of New York applied for and secured the issuance of so-called John Doe Summonses to six US financial institutions with which the Bank had correspondent bank relationships in connection with a US cross border tax investigation. On August 3, 2021, the Bank announced it had reached a resolution with the United States Department of Justice concerning this inquiry. The resolution is in the form of a non-prosecution agreement with a three-year term which concluded in July 2024. The Bank paid \$5.6 million in respect of Forfeiture and Tax Restitution Amounts which is consistent with that previously provisioned for.

**Note 11: Leases**

The Bank enters into operating lease agreements either as the lessee or the lessor, mostly for office and parking spaces as well as for small office equipment. The terms of the existing leases, including renewal options that are reasonably certain to be exercised, extend up to the year 2038. Certain lease payments will be adjusted during the related lease's term based on movements in the relevant consumer price index.

	Three months ended	
	March 31, 2025	March 31, 2024
<b>Lease costs</b>		
Operating lease costs	1,841	1,388
Short-term lease costs	295	818
Sublease income	—	(289)
<b>Total net lease cost</b>	<b>2,136</b>	<b>1,917</b>
<b>Operating lease income</b>	<b>106</b>	<b>110</b>
<b>Other information for the period</b>		
Right-of-use assets related to new operating lease liabilities	766	—
Operating cash flows from operating leases	1,445	1,923
<b>Other information at end of period</b>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Operating leases right-of-use assets (included in other assets on the balance sheets)	36,520	35,347
Operating lease liabilities (included in other liabilities on the balance sheets)	37,200	35,604
Weighted average remaining lease term for operating leases (in years)	11.89	11.87
Weighted average discount rate for operating leases	5.94 %	5.93 %

The following table summarizes the maturity analysis of the Bank's commitments for long-term leases as at December 31, 2024:

<b>Year ending December 31</b>	<b>Operating Leases</b>
2025	5,249
2026	4,910
2027	4,911
2028	4,909
2029	3,667
2030 & thereafter	16,746
<b>Total commitments</b>	<b>40,392</b>
Less: effect of discounting cash flows to their present value	(4,788)
<b>Operating lease liabilities</b>	<b>35,604</b>

**Note 12: Segmented information**

The Bank is managed by the Chairman & CEO, its Chief Operating Decision Maker ("CODM"), on a geographic basis. The Bank presents four reportable segments, three geographical and one other: Bermuda, Cayman, Channel Islands and the UK, and Other. The Other segment is composed of several non-reportable operating segments that have been aggregated in accordance with GAAP. Each reportable segment has a managing director who reports to the Chairman & CEO. The Chairman & CEO and the segment managing director have final authority over resource allocation decisions and performance assessment.

The geographic segments reflect this management structure and the manner in which financial information is currently evaluated by the Chairman & CEO in assessing operating performance. Segment results are determined based on the Bank's management reporting system, which assigns balance sheet and statement of operations items to each of the geographic segments. The process is designed around the Bank's organizational and management structure and, accordingly, the results derived are not necessarily comparable with similar information published by other financial institutions. A description of each reportable segment and table of financial results is presented below.

Accounting policies of the reportable segments are the same as those described in Note 2 of the Bank's audited financial statements for the year ended December 31, 2024. Transactions between segments are accounted for on an accrual basis and are all eliminated upon consolidation. The Bank generally does not allocate assets, revenues and expenses among its business segments, with the exception of certain corporate overhead expenses and loan participation revenue and expenses. Loan participation revenue and expenses are allocated pro-rata based upon the percentage of the total loan funded by each jurisdiction participating in the loan. Other expenses are comprised of marketing, non-service employee benefits and other non-interest expenses.

The **Bermuda** segment provides a comprehensive range of retail, commercial and private banking services. Retail services are offered to individuals and small to medium-sized businesses through three branch locations and through internet banking, mobile banking, automated teller machines and debit cards. Retail services include deposit services, consumer and mortgage lending, credit cards and personal insurance products. Commercial banking includes commercial lending and mortgages, cash management, payroll services, remote banking and letters of credit. Treasury services include money market and foreign exchange activities. Bermuda's wealth management offering consists of Butterfield Asset Management Limited, which provides investment management, advisory and brokerage services and Butterfield Trust (Bermuda) Limited, which provides trust, estate, company management and custody services. Bermuda is also the location of the Bank's head offices and accordingly, retains the unallocated corporate overhead

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expenses.

The **Cayman** segment provides a comprehensive range of retail, commercial and private banking services. Retail services are offered to individuals and small to medium-sized businesses through three branch locations and through internet banking, mobile banking, ATMs and debit cards. Retail services include deposit services, consumer and mortgage lending, credit cards and property/auto insurance. Commercial banking includes commercial lending and mortgages, cash management, payroll services, remote banking and letters of credit. Treasury services include money market and foreign exchange activities. Cayman's wealth management offering comprises investment management, advisory and brokerage services and Butterfield Trust (Cayman) Limited, which provides trust, estate and company management.

The **Channel Islands and the UK** segment includes the jurisdictions of Guernsey and Jersey (Channel Islands), and the UK. In the Channel Islands, a broad range of services are provided to individuals, private clients, trusts, financial institutions and funds including deposit services, mortgage lending, credit cards, private and corporate banking, treasury services, internet banking, wealth management and fiduciary services. The UK jurisdiction provides mortgage services for high-value residential properties.

The **Other** segment includes the jurisdictions of The Bahamas, Canada, Mauritius, Singapore and Switzerland. These operating segments individually and collectively do not meet the quantitative threshold for segmented reporting and are therefore aggregated as non-reportable operating segments.

<b>Total Assets by Segment</b>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Bermuda	5,203,488	5,438,279
Cayman	4,283,646	4,337,829
Channel Islands and the UK	4,642,478	4,526,623
Other	64,827	62,682
<b>Total assets before inter-segment eliminations</b>	<b>14,194,439</b>	<b>14,365,413</b>
Less: inter-segment eliminations	(174,650)	(134,017)
<b>Total</b>	<b>14,019,789</b>	<b>14,231,396</b>

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Three months ended March 31, 2025	Bermuda	Cayman	Channel Islands and the UK	Other	Total before eliminations	Inter-segment eliminations	Total
<b>Interest income</b>							
Interest income	54,188	39,826	45,959	39	140,012	—	140,012
Interest income - Inter-segment	277	966	33	—	1,276	(1,276)	—
<b>Interest income Total</b>	<b>54,465</b>	<b>40,792</b>	<b>45,992</b>	<b>39</b>	<b>141,288</b>	<b>(1,276)</b>	<b>140,012</b>
<b>Interest expense</b>							
Interest expense	11,802	10,301	28,582	—	50,685	—	50,685
Interest expense - Inter-segment	997	—	279	—	1,276	(1,276)	—
<b>Interest expense Total</b>	<b>12,799</b>	<b>10,301</b>	<b>28,861</b>	<b>—</b>	<b>51,961</b>	<b>(1,276)</b>	<b>50,685</b>
<b>Net interest income</b>							
Net interest income	42,386	29,525	17,377	39	89,327	—	89,327
Net interest income - Inter-segment	(720)	966	(246)	—	—	—	—
<b>Net interest income Total</b>	<b>41,666</b>	<b>30,491</b>	<b>17,131</b>	<b>39</b>	<b>89,327</b>	<b>—</b>	<b>89,327</b>
<b>Non-interest income</b>	<b>22,960</b>	<b>19,605</b>	<b>11,030</b>	<b>10,841</b>	<b>64,436</b>	<b>(6,006)</b>	<b>58,430</b>
<b>Allowance for credit losses</b>	<b>2,877</b>	<b>(120)</b>	<b>(2,378)</b>	<b>—</b>	<b>379</b>	<b>—</b>	<b>379</b>
<b>Net revenue before gains and losses</b>	<b>67,503</b>	<b>49,976</b>	<b>25,783</b>	<b>10,880</b>	<b>154,142</b>	<b>(6,006)</b>	<b>148,136</b>
<b>Gains and losses</b>	<b>22</b>	<b>—</b>	<b>3</b>	<b>—</b>	<b>25</b>	<b>—</b>	<b>25</b>
<b>Total net revenue</b>	<b>67,525</b>	<b>49,976</b>	<b>25,786</b>	<b>10,880</b>	<b>154,167</b>	<b>(6,006)</b>	<b>148,161</b>
<b>Expenses</b>							
Salaries and other employee benefits	19,193	7,901	11,450	6,984	45,528	—	45,528
Technology and communications	7,931	3,473	2,111	328	13,843	—	13,843
Non-income taxes	4,868	575	610	441	6,494	—	6,494
Professional and outside services	3,562	473	1,205	204	5,444	—	5,444
Property	2,345	788	1,801	620	5,554	—	5,554
Amortization of intangible assets	358	275	854	410	1,897	—	1,897
Depreciation	3,422	1,075	712	124	5,333	—	5,333
Income tax benefit (expense)	—	—	930	249	1,179	—	1,179
Other expenses	10,028	3,595	677	831	15,131	(6,006)	9,125
<b>Expenses Total</b>	<b>51,707</b>	<b>18,155</b>	<b>20,350</b>	<b>10,191</b>	<b>100,403</b>	<b>(6,006)</b>	<b>94,397</b>
<b>Net income</b>	<b>15,818</b>	<b>31,821</b>	<b>5,436</b>	<b>689</b>	<b>53,764</b>	<b>—</b>	<b>53,764</b>

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Three months ended March 31, 2024	Bermuda	Cayman	Channel Islands and the UK	Other	Total before eliminations	Inter-segment eliminations	Total
<b>Interest income</b>							
Interest income	54,877	41,196	46,576	63	142,712	—	142,712
Interest income - Inter-segment	2,111	1,577	92	—	3,780	(3,780)	—
<b>Interest income Total</b>	<b>56,988</b>	<b>42,773</b>	<b>46,668</b>	<b>63</b>	<b>146,492</b>	<b>(3,780)</b>	<b>142,712</b>
<b>Interest expense</b>							
Interest expense	13,473	11,281	30,880	—	55,634	—	55,634
Interest expense - Inter-segment	1,654	20	2,106	—	3,780	(3,780)	—
<b>Interest expense Total</b>	<b>15,127</b>	<b>11,301</b>	<b>32,986</b>	<b>—</b>	<b>59,414</b>	<b>(3,780)</b>	<b>55,634</b>
<b>Net interest income</b>							
Net interest income	41,404	29,915	15,696	63	87,078	—	87,078
Net interest income - Inter-segment	457	1,557	(2,014)	—	—	—	—
<b>Net interest income Total</b>	<b>41,861</b>	<b>31,472</b>	<b>13,682</b>	<b>63</b>	<b>87,078</b>	<b>—</b>	<b>87,078</b>
Non-interest income	21,516	17,311	11,320	10,279	60,426	(5,333)	55,093
Allowance for credit losses	482	(57)	(16)	—	409	—	409
Net revenue before gains and losses	63,859	48,726	24,986	10,342	147,913	(5,333)	142,580
Gains and losses	22	—	215	—	237	—	237
<b>Total net revenue</b>	<b>63,881</b>	<b>48,726</b>	<b>25,201</b>	<b>10,342</b>	<b>148,150</b>	<b>(5,333)</b>	<b>142,817</b>
<b>Expenses</b>							
Salaries and other employee benefits	18,400	6,560	11,397	6,416	42,773	—	42,773
Technology and communications	7,272	3,438	2,291	349	13,350	—	13,350
Non-income taxes	4,864	552	492	396	6,304	—	6,304
Professional and outside services	3,471	595	1,168	279	5,513	—	5,513
Property	2,421	740	2,150	606	5,917	—	5,917
Amortization of intangible assets	358	275	854	444	1,931	—	1,931
Depreciation	3,315	1,169	943	158	5,585	—	5,585
Income tax benefit (expense)	—	—	676	178	854	—	854
Other expenses	8,654	3,108	(24)	754	12,492	(5,333)	7,159
<b>Expenses Total</b>	<b>48,755</b>	<b>16,437</b>	<b>19,947</b>	<b>9,580</b>	<b>94,719</b>	<b>(5,333)</b>	<b>89,386</b>
<b>Net income</b>	<b>15,126</b>	<b>32,289</b>	<b>5,254</b>	<b>762</b>	<b>53,431</b>	<b>—</b>	<b>53,431</b>

### Note 13: Derivative instruments and risk management

The Bank uses derivatives for risk management purposes and to meet the needs of its customers. The Bank's derivative contracts principally involve over-the-counter ("OTC") transactions that are negotiated privately between the Bank and the counterparty to the contract and include interest rate contracts and foreign exchange contracts.

The Bank may pursue opportunities to reduce its exposure to credit losses on derivatives by entering into International Swaps and Derivatives Association ("ISDAs"). Depending on the nature of the derivative transaction, bilateral collateral arrangements may be used, as well. When the Bank is engaged in more than one outstanding derivative transaction with the same counterparty, and also has a legally enforceable master netting agreement with that counterparty, the net marked-to-market exposure represents the netting of the positive and negative exposures with that counterparty. When there is a net negative exposure, the Bank regards its credit exposure to the counterparty as being zero. The net marked-to-market position with a particular counterparty represents a reasonable measure of credit risk when there is a legally enforceable master netting agreement between the Bank and that counterparty.

Certain of these agreements contain credit risk-related contingent features in which the counterparty has the option to accelerate cash settlement of the Bank's net derivative liabilities with the counterparty in the event the Bank's credit rating falls below specified levels or the liabilities reach certain levels.

All derivative financial instruments, whether designated as hedges or not, are recorded on the consolidated balance sheets at fair value within other assets or other liabilities. These amounts include the effect of netting. The accounting for changes in the fair value of a derivative in the consolidated statements of operations depends on whether the contract has been designated as a hedge and qualifies for hedge accounting.

#### Notional Amounts

The notional amounts are not recorded as assets or liabilities on the consolidated balance sheets as they represent the face amount of the contract to which a rate or price is applied to determine the amount of cash flows to be exchanged. Notional amounts represent the volume of outstanding transactions and do not represent the potential gain or loss associated with market risk or credit risk of such instruments. Credit risk is limited to the positive fair value of the derivative instrument, which is significantly less than the notional amount.

#### Fair Value

Derivative instruments, in the absence of any compensating up-front cash payments, generally have no market value at inception. They obtain value, positive or negative, as relevant interest rates, exchange rates, equity or commodity prices or indices change. The potential for derivatives to increase or decrease in value as a result of the foregoing factors is generally referred to as market risk. Market risk is managed within clearly defined parameters as prescribed by senior management of the Bank. The fair value is defined as the profit or loss associated with replacing the derivative contracts at prevailing market prices.

#### Risk Management Derivatives

The Bank enters into interest derivative contracts as part of its overall interest rate risk management strategy to minimize significant unplanned fluctuations in earnings that are caused by interest rate volatility. The Bank's goal is to manage interest rate sensitivity by modifying the repricing or maturity characteristics of certain consolidated balance sheet assets and liabilities so that movements in interest rates do not adversely affect the net interest margin. Derivative instruments that are used as part of the Bank's risk management strategy include interest rate swap contracts that have indices related to the pricing of specific consolidated balance sheet assets and liabilities. Interest rate swaps generally involve the exchange of fixed and variable-rate interest payments between two parties, based on a common notional principal amount and maturity date. The Bank uses foreign currency derivative instruments to hedge its exposure to foreign currency risk. Certain hedging relationships are formally designated and qualify for hedge accounting as fair value or net investment hedges. Risk management derivatives comprise fair value hedges, net investment hedges and derivatives not formally designated as hedges as described below.

**Fair value hedges** include designated currency swaps that are used to minimize the Bank's exposure to variability in the fair value of AFS investments due to movements in foreign exchange rates. The effective portion of changes in the fair value of the hedged items attributable to foreign exchange rates is recognized in current year earnings consistent with the related change in fair value of the hedging instrument. For fair value hedges, hedging effectiveness of the hedged item and the hedging instrument are assessed and managed at inception and on an ongoing basis using a partial-term method.

**Net investment hedges** include designated currency swaps and qualifying non-derivative instruments and are used to minimize the Bank's exposure to variability in the foreign currency translation of net investments in foreign operations. The effective portion of changes in the fair value of the hedging instrument is recognized in Accumulated other comprehensive income (loss) ("AOCIL") consistent with the related translation gains and losses of the hedged net investment. For net investment hedges, all critical terms of the hedged item and the hedging instrument are matched at inception and on an ongoing basis to minimize the risk of hedge ineffectiveness.

For derivatives designated as net investment hedges, the Bank follows the method based on changes in spot exchange rates. Accordingly:

- The change in the fair value of the derivative instrument that is reported in AOCIL (i.e., the effective portion) is determined by the changes in spot exchange rates.
- The change in the fair value of the derivative instrument attributable to changes in the difference between the forward rate and spot rate are excluded from the measure of the hedge ineffectiveness and that difference is reported directly in the consolidated statements of operations under foreign exchange revenue.

Amounts recorded in AOCIL are reclassified to earnings only upon the sale or substantial liquidation of an investment in a foreign subsidiary.

For foreign-currency-denominated financial instruments that are designated as hedges of net investments in foreign operations, the translation gain or loss that is recorded in AOCIL is based on the spot exchange rate between the reporting currency of the Bank and the functional currency of the respective subsidiary. See Note 20: Accumulated other comprehensive income (loss) for details on the amount recognized into AOCIL during the current period from translation gain or loss.

**Derivatives not formally designated as hedges** are entered into to manage the foreign exchange risk of the Bank's exposure. Changes in the fair value of derivative instruments not formally designated as hedges are recognized in foreign exchange revenue.

#### Client service derivatives

The Bank enters into foreign exchange contracts primarily to meet the foreign exchange needs of its customers. Foreign exchange contracts are agreements to exchange specific amounts of currencies at a future date at a specified rate of exchange. Changes in the fair value of client services derivative instruments are recognized in foreign exchange revenue.

The following table shows the aggregate notional amounts of derivative contracts outstanding listed by type and respective gross positive or negative fair values and classified by those used for risk management (sub-classified as hedging and those that do not qualify for hedge accounting), client services and credit derivatives. Fair value of derivatives is



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recorded in the consolidated balance sheets in other assets and other liabilities. Gross positive fair values are recorded in other assets and gross negative fair values are recorded in other liabilities, subject to netting when master netting agreements are in place.

March 31, 2025	Derivative instrument	Number of contracts	Notional amounts	Gross positive fair value	Gross negative fair value	Net fair value
<b>Risk management derivatives</b>						
Net investment hedges	Currency swaps	3	114,893	860	(108)	752
Fair value hedges	Currency swaps	3	137,196	2,308	(100)	2,208
Derivatives not formally designated as hedging instruments	Currency swaps	57	1,615,364	8,829	(5,531)	3,298
Subtotal risk management derivatives			1,867,453	11,997	(5,739)	6,258
<b>Client services derivatives</b>						
	Spot and forward foreign exchange	145	242,272	1,106	(1,013)	93
<b>Total derivative instruments</b>			2,109,725	13,103	(6,752)	6,351
December 31, 2024	Derivative instrument	Number of contracts	Notional amounts	Gross positive fair value	Gross negative fair value	Net fair value
<b>Risk management derivatives</b>						
Net investment hedges	Currency swaps	1	23,235	986	—	986
Fair value hedges	Currency swaps	3	139,512	—	(4,496)	(4,496)
Derivatives not formally designated as hedging instruments	Currency swaps	54	2,008,630	44,038	(7,181)	36,857
Subtotal risk management derivatives			2,171,377	45,024	(11,677)	33,347
<b>Client services derivatives</b>						
	Spot and forward foreign exchange	145	217,490	1,681	(1,589)	92
<b>Total derivative instruments</b>			2,388,867	46,705	(13,266)	33,439

In addition to the above, as at March 31, 2025 foreign denominated deposits of £194.8 million (December 31, 2024: £277.1 million); SGD1.6 million (December 31, 2024: SGD 1.5 million) and CHF0.4 million (December 31, 2024: CHF0.4 million) were designated as a hedge of foreign exchange risk associated with the net investment in foreign operations.

We manage derivative exposure by monitoring the credit risk associated with each counterparty using counterparty specific credit risk limits, using master netting arrangements where appropriate and obtaining collateral. The Bank elected to offset in the consolidated balance sheets certain gross derivative assets and liabilities subject to netting agreements.

The Bank also elected not to offset certain derivative assets or liabilities and all collateral received or paid that the Bank or the counterparties could legally offset in the event of default. In the tables below, these positions are deducted from the net fair value presented in the consolidated balance sheets in order to present the net exposures. The collateral values presented in the following table are limited to the related net derivative asset or liability balance and, accordingly, do not include excess collateral received or paid.

	Gross fair value recognized	Less: offset applied under master netting agreements	Net fair value presented in the consolidated balance sheets	Less: positions not offset in the consolidated balance sheets		
March 31, 2025				Gross fair value of derivatives	Cash collateral received / paid	Net exposures
Derivative assets						
Spot and forward foreign exchange and currency swaps	13,103	(5,567)	7,536	—	(85)	7,451
Derivative liabilities						
Spot and forward foreign exchange and currency swaps	6,752	(5,567)	1,185	—	—	1,185
Net positive fair value			6,351			
	Gross fair value recognized	Less: offset applied under master netting agreements	Net fair value presented in the consolidated balance sheets	Less: positions not offset in the consolidated balance sheets		
December 31, 2024				Gross fair value of derivatives	Cash collateral received / paid	Net exposures
Derivative assets						
Spot and forward foreign exchange and currency swaps	46,705	(11,227)	35,478	—	(250)	35,228
Derivative liabilities						
Spot and forward foreign exchange and currency swaps	13,266	(11,227)	2,039	—	(682)	1,357
Net positive fair value			33,439			

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The following tables show the location and amount of gains (losses) recorded in either the consolidated statements of operations or consolidated statements of comprehensive income on derivative instruments outstanding.

Derivative instrument	Consolidated statements of operations line item	Three months ended	
		March 31, 2025	March 31, 2024
Spot and forward foreign exchange	Foreign exchange revenue	1	71
Currency swaps, not designated as hedge	Foreign exchange revenue	(33,559)	16,113
Currency swaps - fair value hedges	Foreign exchange revenue	6,703	(5,946)
Total net gains (losses) recognized in net income		(26,855)	10,238

Derivative instrument	Consolidated statements of comprehensive income line item	Three months ended	
		March 31, 2025	March 31, 2024
Currency swaps - net investment hedge	Unrealized net gains (losses) on translation of net investment in foreign operations	(233)	1,387
Total net gains (losses) recognized in comprehensive income		(233)	1,387

**Note 14: Fair value measurements**

The following table presents the financial assets and liabilities that are measured at fair value on a recurring basis. Management classifies these items based on the type of inputs used in their respective fair value determination as described in Note 2 of the Bank's audited financial statements for the year ended December 31, 2024.

Management reviews the price of each security monthly, comparing market values to expectations and to the prior month's price. Management's expectations are based upon knowledge of prevailing market conditions and developments relating to specific issuers and/or asset classes held in the investment portfolio. Where there are unusual or significant price movements, or where a certain asset class has performed out-of-line with expectations, the matter is reviewed by management.

Financial instruments in Level 1 include US and UK Government Treasury notes.

Financial instruments in Level 2 include government debt securities, mortgage-backed securities, other asset-backed securities, forward foreign exchange contracts and securities sold under agreements to repurchase.

There were no Level 3 investments as at March 31, 2025 and December 31, 2024.

There were no transfers between Level 1 and Level 2 or Level 2 and Level 3 during the three months ended March 31, 2025 and the year ended December 31, 2024.

	March 31, 2025			December 31, 2024		
	Fair value		Total carrying amount / fair value	Fair value		Total carrying amount / fair value
	Level 1	Level 2		Level 1	Level 2	
Items that are recognized at fair value on a recurring basis:						
Available-for-sale investments						
US government and federal agencies	1,035,110	1,212,859	2,247,969	991,357	1,172,262	2,163,619
Non-US governments debt securities	—	—	—	93,468	—	93,468
Asset-backed securities - Student loans	—	40	40	—	40	40
Residential mortgage-backed securities	—	15,197	15,197	—	15,359	15,359
Total available-for-sale	1,035,110	1,228,096	2,263,206	1,084,825	1,187,661	2,272,486
Other assets - Derivatives	—	7,536	7,536	—	35,478	35,478
Financial liabilities						
Other liabilities - Derivatives	—	1,185	1,185	—	2,039	2,039

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Items Other Than Those Recognized at Fair Value on a Recurring Basis:

	Level	March 31, 2025			December 31, 2024		
		Carrying amount	Fair value	Appreciation / (depreciation)	Carrying amount	Fair value	Appreciation / (depreciation)
Financial assets							
Cash and cash equivalents	Level 1	2,097,344	2,097,344	—	1,998,112	1,998,112	—
Securities purchased under agreements to resell	Level 2	735,843	735,843	—	1,205,373	1,205,373	—
Short-term investments	Level 1	762,241	762,241	—	580,026	580,026	—
Investments held-to-maturity	Level 2	3,184,912	2,677,968	(506,944)	3,240,290	2,671,040	(569,250)
Loans, net of allowance for credit losses	Level 2	4,518,383	4,503,133	(15,250)	4,473,591	4,433,872	(39,719)
Financial liabilities							
Term deposits	Level 2	3,917,428	3,926,967	(9,539)	4,478,257	4,482,978	(4,721)
Securities sold under agreements to repurchase	Level 2	—	—	—	92,562	92,562	—
Long-term debt	Level 2	98,784	98,581	203	98,725	98,361	364

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**Note 15: Interest rate risk**

The following tables set out the assets, liabilities and shareholders' equity on the date of the earlier of contractual maturity, expected maturity or repricing date. Use of these tables to derive information about the Bank's interest rate risk position is limited by the fact that customers may choose to terminate their financial instruments at a date earlier than the contractual maturity or repricing date. Examples of this include fixed-rate mortgages, which are shown at contractual maturity but which may be subject to early prepayment, and certain term deposits, which are shown at contractual maturity but which may be withdrawn before their contractual maturity subject to prepayment penalties. Investments are shown based on remaining contractual maturities. The remaining contractual principal maturities for mortgage-backed securities (primarily US government agencies) do not consider prepayments. Remaining expected maturities will differ from contractual maturities because borrowers may have the right to prepay obligations before the underlying mortgages mature.

March 31, 2025	Earlier of contractual maturity or repricing date						
(in \$ millions)	Within 3 months	3 to 6 months	6 to 12 months	1 to 5 years	After 5 years	Non-interest bearing funds	Total
<b>Assets</b>							
Cash and cash equivalents	2,007	—	—	—	—	91	2,098
Securities purchased under agreements to resell	736	—	—	—	—	—	736
Short-term investments	353	375	34	—	—	—	762
Investments	2	3	102	1,055	4,286	—	5,448
Loans	2,473	116	214	1,356	279	80	4,518
Other assets	—	—	—	—	—	458	458
<b>Total assets</b>	<b>5,571</b>	<b>494</b>	<b>350</b>	<b>2,411</b>	<b>4,565</b>	<b>629</b>	<b>14,020</b>
<b>Liabilities and shareholders' equity</b>							
Shareholders' equity	—	—	—	—	—	1,058	1,058
Demand deposits	6,120	—	—	—	—	2,570	8,690
Term deposits	2,828	451	587	51	—	—	3,917
Other liabilities	—	—	—	—	—	256	256
Long-term debt	99	—	—	—	—	—	99
<b>Total liabilities and shareholders' equity</b>	<b>9,047</b>	<b>451</b>	<b>587</b>	<b>51</b>	<b>—</b>	<b>3,884</b>	<b>14,020</b>
Interest rate sensitivity gap	(3,476)	43	(237)	2,360	4,565	(3,255)	—
Cumulative interest rate sensitivity gap	(3,476)	(3,433)	(3,670)	(1,310)	3,255	—	—

December 31, 2024	Earlier of contractual maturity or repricing date						
(in \$ millions)	Within 3 months	3 to 6 months	6 to 12 months	1 to 5 years	After 5 years	Non-interest bearing funds	Total
<b>Assets</b>							
Cash and cash equivalents	1,905	—	—	—	—	93	1,998
Securities purchased under agreements to resell	1,142	63	—	—	—	—	1,205
Short-term investments	505	75	—	—	—	—	580
Investments	93	6	22	1,097	4,294	—	5,512
Loans	2,398	104	229	1,407	283	53	4,474
Other assets	—	—	—	—	—	462	462
<b>Total assets</b>	<b>6,043</b>	<b>248</b>	<b>251</b>	<b>2,504</b>	<b>4,577</b>	<b>608</b>	<b>14,231</b>
<b>Liabilities and shareholders' equity</b>							
Shareholders' equity	—	—	—	—	—	1,021	1,021
Demand deposits	5,580	—	—	—	—	2,688	8,268
Term deposits	3,593	434	368	83	—	—	4,478
Securities sold under agreements to repurchase	93	—	—	—	—	—	93
Other liabilities	—	—	—	—	—	273	273
Long-term debt	—	98	—	—	—	—	98
<b>Total liabilities and shareholders' equity</b>	<b>9,266</b>	<b>532</b>	<b>368</b>	<b>83</b>	<b>—</b>	<b>3,982</b>	<b>14,231</b>
Interest rate sensitivity gap	(3,223)	(284)	(117)	2,421	4,577	(3,374)	—
Cumulative interest rate sensitivity gap	(3,223)	(3,507)	(3,624)	(1,203)	3,374	—	—

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**Note 16: Long-term debt**

On June 11, 2020, the Bank issued US \$100 million of Subordinated Lower Tier II capital notes. The notes were issued at par and due on June 15, 2030. The issuance was by way of a registered offering with US institutional investors. The notes are listed on the BSX in the specialist debt securities category. The proceeds of the issue were used, among others, to repay the entire amount of the US \$45 million outstanding subordinated notes Series 2005-B which matured on July 2, 2020. The notes issued pay a fixed coupon of 5.25% until June 15, 2025 when they become redeemable in whole at the option of the Bank. The notes were priced at a spread of 4.43% over the 10-year US Treasury yield. The Bank incurred \$2.3 million of costs directly related to the issuance of these capital notes. These costs have been capitalized directly against the carrying value of these notes on the balance sheet, and will be amortized over the life of the notes.

No interest was capitalized during the three months ended March 31, 2025, and the year ended December 31, 2024.

The following table presents the contractual maturity and interest payments for long-term debt issued by the Bank as at March 31, 2025. The interest payments are calculated until contractual maturity using the Secured Overnight Financing Rate ("SOFR") as outlined below.

Long-term debt	Earliest date redeemable at the Bank's option	Contractual maturity date	Interest rate until date redeemable	Interest rate from earliest date redeemable to contractual maturity	Principal Outstanding	Interest payments until contractual maturity		
						Within 1 year	1 to 5 years	After 5 years
Bermuda								
2020 issuance	June 15, 2025	June 15, 2030	5.25 %	3 months US\$ SOFR + 5.060%	100,000	9,806	38,432	2,420
Unamortized debt issuance costs					(1,216)			
Long-term debt less unamortized debt issuance costs					98,784			

**Note 17: Earnings per share**

Earnings per share have been calculated using the weighted average number of common shares outstanding during the period after deduction of the shares held as treasury stock. The dilutive effect of share-based compensation plans was calculated using the treasury stock method, whereby the proceeds received from the exercise of share-based awards are assumed to be used to repurchase outstanding shares, using the average market price of the Bank's shares for the period. Numbers of shares are expressed in thousands.

During the three months ended March 31, 2025, the average number of outstanding awards of unvested common shares was 1.8 million (March 31, 2024: 1.5 million). Only awards for which the sum of 1) the expense that will be recognized in the future (i.e., the unrecognized expense) and 2) its exercise price, if any, was lower than the average market price of the Bank's common shares were considered dilutive and, therefore, included in the computation of diluted earnings per share.

An award's unrecognized expense is also considered to be the proceeds the employees would need to pay to purchase accelerated vesting of the awards. For the purposes of calculating dilution, such proceeds are assumed to be used by the Bank to buy back common shares at the average market price. The weighted-average number of outstanding awards, net of the assumed weighted-average number of common shares bought back, is included in the number of diluted participating shares.

	Three months ended	
	March 31, 2025	March 31, 2024
Net income	53,764	53,431
<b>Basic Earnings Per Share</b>		
Weighted average number of common shares issued	43,170	47,152
Weighted average number of common shares held as treasury stock	(619)	(619)
<b>Weighted average number of common shares (in thousands)</b>	<b>42,551</b>	<b>46,533</b>
<b>Basic Earnings Per Share</b>	<b>1.26</b>	<b>1.15</b>
<b>Diluted Earnings Per Share</b>		
Weighted average number of common shares	42,551	46,533
Net dilution impact related to awards of unvested common shares	1,041	634
<b>Weighted average number of diluted common shares (in thousands)</b>	<b>43,592</b>	<b>47,167</b>
<b>Diluted Earnings Per Share</b>	<b>1.23</b>	<b>1.13</b>

**Note 18: Share-based payments**

The common shares transferred to employees under all share-based payments are either taken from the Bank's common treasury shares or from newly issued shares. All share-based payments are settled by the ultimate parent company which, pursuant to Bermuda law, is not taxed on income. There are no income tax benefits in relation to the issue of such shares as a form of compensation.

In May 2020, the Board of Directors approved the 2020 Omnibus Plan (the "2020 Plan"). Under the 2020 Plan, 3.0 million shares are initially available for grant to employees in the form of stock options or unvested share awards. In February 2025, the Board of Directors approved the Amended and Restated 2020 Omnibus Share Incentive Plan with 5.0 million additional shares available for grant to employees in the form of stock options or unvested share awards. Both types of awards are detailed below.

### Stock Option Awards

#### 2020 Plans

Under the 2020 Plan, options can be awarded to Bank employees and executive management, based on predetermined vesting conditions that entitle the holder to purchase one common share at a subscription price no less than the price of the most recently traded common share when granted and have a maximum term of 10 years.

There were no stock options outstanding as at March 31, 2025 and December 31, 2024.

#### Share-Based Incentive Programs

Recipients of unvested share awards are entitled to the related common shares at no cost, at the time the award vests. Recipients of unvested shares may be entitled to receive additional unvested shares having a value equal to the cash dividends that would have been paid had the unvested shares been issued and vested. Such additional unvested shares granted as dividend equivalents are subject to the same vesting schedule and conditions as the underlying unvested shares.

Unvested shares subject only to the time vesting condition generally vest upon retirement, death, disability or upon termination, by the Bank, of the holder's employment unless if in connection with the holder's misconduct. Unvested shares subject to both time vesting and performance vesting conditions remain outstanding and unvested upon retirement and will vest only if the performance conditions are met. Unvested shares can also vest in limited circumstances and if specifically approved by the Board, as stipulated in the holder's employment contract. In all other circumstances, unvested shares are generally forfeited when employment ends.

The grant date weighted average fair value (which equals the actual trading price prevailing on grant date) of unvested share awards granted in the three months ended March 31, 2025 was \$37.44 per share (December 31, 2024: \$30.11 per share). The Bank expects to settle these awards by issuing new shares.

#### Employee Deferred Incentive Program

Under the Bank's EDIP, shares are awarded to Bank employees and executive management based on the time vesting condition, which states that the shares will vest equally over a three-year period from the effective grant date.

#### Employee Long-Term Incentive Share Program

Under the Bank's ELTIP, performance shares as well as time-vesting shares were awarded to employees and executive management. The performance shares will generally vest upon the achievement of certain performance targets in the three-year period from the effective grant date. The time-vesting shares will generally vest over the three-year period from the effective grant date.

#### Employee Share Purchase Plan

The Bank's ESPP was approved in July 2021 and registered in November 2021. The first offering period started in May 2022. Under the Bank's ESPP, eligible employees may elect to contribute up to 15% of their regular compensation toward the purchase of the Bank's shares at a 10% discount from market price on the closing date of each offering period. The ESPP specifies two consecutive six month offering periods per year. In the case of termination of employment or voluntary partial or full withdrawal from the plan, the related current offering period ESPP contributions are refunded to the employee and thus cannot be used to purchase shares under the ESPP. During the three months ended March 31, 2025, nil shares (December 31, 2024: 16,762 shares) were issued under the ESPP.

### Changes in Outstanding ELTIP and EDIP awards (in thousands of shares transferable upon vesting)

	Three months ended			
	March 31, 2025		March 31, 2024	
	EDIP	ELTIP	EDIP	ELTIP
Outstanding at beginning of period	628	1,151	665	915
Granted	117	319	80	521
Vested (fair value in 2025: \$15.3 million, 2024: \$14.1 million, )	(112)	(268)	(137)	(333)
<b>Outstanding at end of period</b>	<b>633</b>	<b>1,202</b>	<b>608</b>	<b>1,103</b>

Share-based Compensation Cost Recognized in Net Income

	Three months ended	
	March 31, 2025	March 31, 2024
	EDIP and ELTIP	EDIP and ELTIP
Cost recognized in net income	5,488	4,914

Unrecognized Share-based Compensation Cost

	March 31, 2025		December 31, 2024	
	Unrecognized cost	Weighted average years over which it is expected to be recognized	Unrecognized cost	Weighted average years over which it is expected to be recognized
<b>EDIP</b>	7,594	1.68	8,829	1.88
<b>ELTIP</b>				
Time vesting shares	52	0.87	66	1.12
Performance vesting shares	24,378	2.18	15,877	1.79
<b>Total unrecognized expense</b>	<b>32,024</b>		<b>24,772</b>	

Note 19: Share repurchase programs

From time to time, the Bank may seek to repurchase and retire equity securities of the Bank, through cash purchase, privately negotiated transactions, or otherwise. Such transactions, if any, depend on prevailing market conditions, liquidity and capital requirements, contractual restrictions, and other factors.

Common Share Repurchase Program

On February 14, 2022, the Board approved a new common share repurchase program, authorizing the purchase of up to 2.0 million common shares through to February 28, 2023.

On February 13, 2023, the Board approved a new common share repurchase program, authorizing the purchase of up to 3.0 million common shares through to February 29, 2024.

On December 5, 2023, the Board approved a new common share repurchase program, authorizing the purchase of up to 3.5 million common shares through to December 31, 2024.

On July 22, 2024, the Board approved a new common share repurchase program, authorizing the purchase of up to 2.1 million common shares through to December 31, 2024.

On December 9, 2024, the Board approved a new common share repurchase program, authorizing the purchase of up to 2.7 million common shares through to December 31, 2025.

In the three months ended March 31, 2025, the Bank repurchased and retired 1,094,727 shares.

Common share repurchases	Three months ended	Year ended December 31	
	March 31, 2025	2024	2023
Acquired number of shares (to the nearest 1)	1,094,727	4,490,940	3,133,717
Average cost per common share	37.78	34.58	28.27
<b>Total cost (in US dollars)</b>	<b>41,357,779</b>	<b>155,305,756</b>	<b>88,590,240</b>

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**Note 20: Accumulated other comprehensive income (loss)**

Three months ended March 31, 2025	Unrealized net gains (losses) on translation of net investment in foreign operations	Unrealized net gains (losses) on HTM investments	Unrealized net gains (losses) on AFS investments	Employee benefit plans adjustments			Total AOCIL
				Pension	Post- retirement healthcare	Subtotal - employee benefits plans	
<b>Balance at beginning of period</b>	(26,191)	(73,919)	(162,275)	(49,282)	16,252	(33,030)	(295,415)
Other comprehensive income (loss), net of taxes	3,931	1,777	31,911	381	(20)	361	37,980
<b>Balance at end of period</b>	(22,260)	(72,142)	(130,364)	(48,901)	16,232	(32,669)	(257,435)

Three months ended March 31, 2024	Unrealized net gains (losses) on translation of net investment in foreign operations	Unrealized net gains (losses) on HTM investments	Unrealized net gains (losses) on AFS investments	Employee benefit plans adjustments			Total AOCIL
				Pension	Post- retirement healthcare	Subtotal - employee benefits plans	
<b>Balance at beginning of period</b>	(25,478)	(82,067)	(162,910)	(51,563)	11,820	(39,743)	(310,198)
Other comprehensive income (loss), net of taxes	(63)	2,001	(14,277)	1,697	(447)	1,250	(11,089)
<b>Balance at end of period</b>	(25,541)	(80,066)	(177,187)	(49,866)	11,373	(38,493)	(321,287)

**Net Change of AOCIL Components**

Net Change of AOCIL Components		Three months ended	
		March 31, 2025	March 31, 2024
Line item in the consolidated statements of operations, if any			
Net unrealized gains (losses) on translation of net investment in foreign operations adjustments			
Foreign currency translation adjustments	N/A	15,095	(4,360)
Gains (losses) on net investment hedge	N/A	(11,164)	4,297
Net change		3,931	(63)
Held-to-maturity investment adjustments			
Amortization of net gains (losses) to net income	Interest income on investments	1,777	2,001
Net change		1,777	2,001
Available-for-sale investment adjustments			
Gross unrealized gains (losses)	N/A	32,849	(14,606)
Foreign currency translation adjustments of related balances	N/A	(938)	329
Net change		31,911	(14,277)
Employee benefit plans adjustments			
Defined benefit pension plan			
Net actuarial gain (loss)	N/A	—	1,029
Amortization of net actuarial (gains) losses	Non-service employee benefits expense	583	589
Amortization of prior service (credit) cost	Non-service employee benefits expense	20	20
Foreign currency translation adjustments of related balances	N/A	(222)	59
Net change		381	1,697
Post-retirement healthcare plan			
Amortization of net actuarial (gains) losses	Non-service employee benefits expense	131	131
Amortization of prior service (credit) cost	Non-service employee benefits expense	(151)	(578)
Net change		(20)	(447)
Other comprehensive income (loss), net of taxes		37,980	(11,089)



## Note 21: Capital structure

### Authorized Capital

The par value of each issued common share and each authorized but unissued common share is BM\$0.01 and the authorized share capital of the Bank comprises 2,000,000,000 common shares of par value BM\$0.01 each, 6,000,000,000 non-voting ordinary shares of par value BM\$0.01 each, 110,200,001 preference shares of par value US\$0.01 each and 50,000,000 preference shares of par value £0.01 each.

### Dividends Declared

During the three months ended March 31, 2025, the Bank declared and paid cash dividends of \$0.44 (March 31, 2024: \$0.44) for each common share as of the related record dates. On April 23, 2025, the Board of Directors declared an interim dividend of \$0.44 per common share to be paid on May 21, 2025 to shareholders of record on May 7, 2025.

The Bank is required to comply with Section 54 of the Companies Act 1981 issued by the Government of Bermuda (the "Companies Act") each time a dividend is declared or paid by the Bank and also obtain a letter of no objection from the BMA pursuant to the Banks and Deposit Companies Act 1999 for any dividends declared. The Bank has complied with Section 54 and has obtained the BMA's letter of no objection for all dividends declared during the periods presented.

### Regulatory Capital

Effective January 1, 2025, the Bank has adopted the Basel Committee on Banking Supervision's revised standardized approach for credit risk framework as required by the BMA. Comparatives were prepared under the prior credit risk framework.

The Bank's regulatory capital is determined in accordance with current Basel guidelines as issued by the BMA. The Bank is fully compliant with all regulatory capital requirements to which it is subject, and it maintains capital ratios in excess of regulatory minimums as at March 31, 2025 and December 31, 2024. The following table sets forth the Bank's capital adequacy in accordance with the relevant Basel framework:

	March 31, 2025		December 31, 2024	
	Actual	Regulatory minimum	Actual	Regulatory minimum
<b>Capital</b>				
CET 1 capital	1,060,355	N/A	1,066,058	N/A
Tier 1 capital	1,060,355	N/A	1,066,058	N/A
Tier 2 capital	107,058	N/A	107,061	N/A
Total capital	1,167,413	N/A	1,173,119	N/A
<b>Risk Weighted Assets</b>	4,207,210	N/A	4,539,376	N/A
<b>Leverage Ratio Exposure Measure</b>	14,368,394	N/A	14,679,662	N/A
<b>Capital Ratios (%)</b>				
CET 1 capital	25.2 %	10.0 %	23.5 %	10.0 %
Tier 1 capital	25.2 %	11.5 %	23.5 %	11.5 %
Total capital	27.7 %	13.5 %	25.8 %	13.5 %
Leverage ratio	7.4 %	5.0 %	7.3 %	5.0 %

## Note 22: Related party transactions

### Financing Transactions

Certain directors and executives of the Bank, companies in which they are principal owners and/or members of the board, and trusts in which they are involved, have deposits with the Bank, have loans and/or are guarantors for loans with the Bank. Loans to directors were made in the ordinary course of business at normal credit terms, including interest rate and collateral requirements. Loans to executives may be eligible for preferential rates. All of these loans were considered performing loans as at March 31, 2025 and December 31, 2024. Loan balances with directors and executives of the Bank, companies in which they are principal owners and/or members of the board, and trusts in which they are involved were as follows:

<b>Balance at December 31, 2023</b>	19,735
Net loans issued (repaid) during the year	(1,081)
Effect of changes in the composition of related parties	983
<b>Balance at December 31, 2024</b>	19,637
Net loans issued (repaid) during period	(223)
Effect of changes in the composition of related parties	—
<b>Balance at March 31, 2025</b>	19,414

Consolidated balance sheets	March 31, 2025	December 31, 2024
Deposits	79,185	92,182

**The Bank of N.T. Butterfield & Son Limited**  
**Notes to the Consolidated Financial Statements (unaudited) (continued)**  
*(In thousands of US dollars, unless otherwise stated)*

<b>Consolidated statement of operations</b>	Three months ended	
	<b>March 31, 2025</b>	March 31, 2024
Interest and fees on loans	308	326
Total non-interest expense	24	38
Other non-interest income	92	78

Certain affiliates of the Bank have loans and deposits with the Bank which were made and are maintained in the ordinary course of business on normal commercial terms. Balances with these parties were as follows:

<b>Consolidated balance sheets</b>	<b>March 31, 2025</b>	December 31, 2024
Loans	9,024	9,056
Deposits	334	811
Accrued interest and other liabilities	249	167

<b>Consolidated statement of operations</b>	Three months ended	
	<b>March 31, 2025</b>	March 31, 2024
Interest and fees on loans	179	202
Total non-interest expense	211	399
Other non-interest income	63	62

**Investments**

As at March 31, 2025, several Butterfield mutual funds which are managed by a wholly owned subsidiary of the Bank, had loan balances and deposit balances held with the Bank. The Bank also earned asset management revenue and custody and other administration services revenue from funds managed by a wholly-owned subsidiary of the Bank and from directors and executives, companies in which they are principal owners and/or members of the board and trusts in which they are involved, as well as other income from other related parties.

<b>Consolidated balance sheets</b>	<b>March 31, 2025</b>	December 31, 2024
Deposits	6,449	9,441

<b>Consolidated statement of operations</b>	Three months ended	
	<b>March 31, 2025</b>	March 31, 2024
Asset management	2,736	2,563
Custody and other administration services	351	321

**Note 23: Subsequent events**

On April 23, 2025, the Board of Directors declared an interim dividend of \$0.44 per common share to be paid on May 21, 2025 to shareholders of record on May 7, 2025.