



Management Presentation

June 2, 2017



Butterfield

# Disclaimer

## Forward-Looking Statements:

Certain of the statements made in this Release are “forward-looking statements” within the meaning and protections of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements with respect to our current beliefs, plans, objectives, goals, expectations, anticipations, assumptions, estimates, intentions, and future performance, and involve known and unknown risks, uncertainties and other factors, which may be beyond our control, and which may cause the actual results, performance, capital, ownership or achievements of the Bank to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements due to a variety of factors, including worldwide economic conditions, success in business retention and obtaining new business and other factors. All statements other than statements of historical fact are statements that could be forward-looking statements. You can identify these forward-looking statements through our use of words such as “may,” “will,” “anticipate,” “assume,” “should,” “indicate,” “would,” “believe,” “contemplate,” “expect,” “estimate,” “continue,” “plan,” “point to,” “project,” “could,” “intend,” “target” and other similar words and expressions of the future.

All written or oral forward-looking statements attributable to us are expressly qualified in their entirety by this cautionary notice, including, without limitation, those risks and uncertainties described in our Securities and Exchange Commission (“SEC”) reports and filings. Such reports are available upon request from the Bank, or from the SEC, including through the SEC’s Internet website at <http://www.sec.gov>. We have no obligation and do not undertake to update, revise or correct any of the forward-looking statements after the date hereof, or after the respective dates on which any such statements otherwise are made.

## About Non-GAAP Financial Measures:

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

# Management Presentation – June 2, 2017

## Presenters

### Michael Collins

Chief Executive Officer

### Michael Schrum

Chief Financial Officer

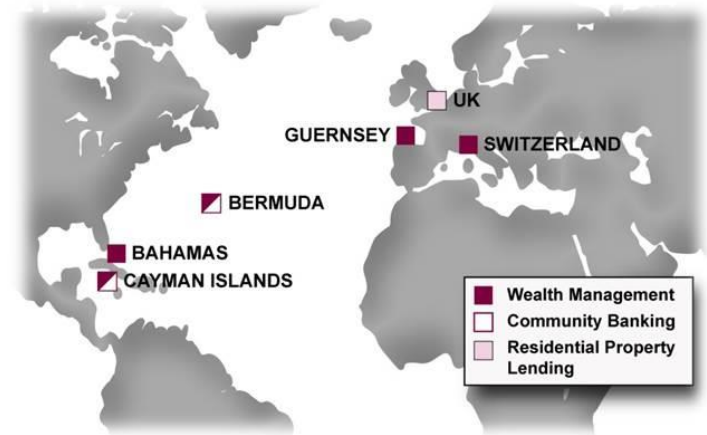
### Dan Frumkin

Chief Risk Officer

## Agenda

- Overview
- Financials
- Summary
- Q&A

## Six International Locations



## Butterfield Overview

- Leading Bank in Attractive Markets
- Strong Capital Generation and Return
- Efficient, Conservative Balance Sheet
- Visible Earnings



# Who We Are and What We Do

## Our History

1758



Nathaniel Butterfield established a trading firm in Bermuda

1904

STATEMENT OF THE ASSETS AND LIABILITIES OF THE BANK OF N. T. BUTTERFIELD & SON, LIMITED, ON THE 31st DAY OF NOVEMBER 1904.	
The Capital of the Bank is £25,000 divided into 500 Shares of £50 each. The number of shares issued is 500,000. Out of the amount of £250,000 there have been made under which £25,000 have been received.	
<b>The LIABILITIES of the Bank on the above date:</b>	<b>The ASSETS of the Bank on the first day of Nov. 1904:</b>
Share Reserve to comply with the Bank Act, 1892, £25,000 0 0	Government Securities, £25,000 0 0
Call Accounts, £4,000 0 0	By Shares Received, £25,000 0 0
On Deposits, £1,000 0 0	By Loans, £25,000 0 0
On Bills of Exchange and Promissory Notes, £4,000 0 0	On Cash, £25,000 0 0
On Single Orders, £2,000 0 0	On Other Securities, £25,000 0 0
On various Accounts, £2,000 0 0	On Other Assets, £25,000 0 0
<b>Total Liabilities, £50,000 0 0</b>	<b>Total Assets, £50,000 0 0</b>

N. T. BUTTERFIELD, MANAGER.

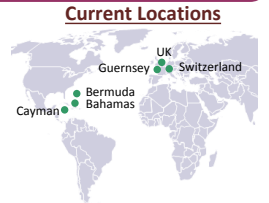
Incorporated in Bermuda and formally established under a special act from local Parliament

1971



Listed on the Bermuda Stock Exchange

2010-2016



- Exited Locations**
- ✗ Barbados
  - ✗ Hong Kong
  - ✗ Malta
  - ✗ UK Bank

Strategic repositioning



Bank of N.T. Butterfield established as Bermuda's first bank

1858



Butterfield grew with the Bermuda insurance market

1955-2004

THE CARLYLE GROUP



\$550 million equity recapitalization from the Carlyle Group, CIBC, and existing investors due to impact of financial crisis

2009-2010

HSBC Bermuda

HSBC Cayman



3 wealth acquisitions (Legis, HSBC Cayman, HSBC Bermuda)

2014-2016

# Who We Are and What We Do

## Company Overview

Business Line	Banking		Wealth Management	
Core Geographies	Bermuda <i>(56% of Group deposits<sup>1</sup>, 58% of Group loans<sup>2</sup>)</i>	Cayman Islands <i>(30% of Group deposits<sup>1</sup>, 22% of Group loans<sup>2</sup>)</i>	Bermuda	Cayman Islands
Clients	<ul style="list-style-type: none"> <li>➤ Local residents</li> <li>➤ Captive insurers</li> <li>➤ Mid-market reinsurers</li> </ul>	<ul style="list-style-type: none"> <li>➤ Local residents</li> <li>➤ Captive insurers</li> <li>➤ Hedge funds</li> </ul>	<ul style="list-style-type: none"> <li>➤ Private trust clients</li> <li>➤ Ultra-high net worth, multi-generational families from Europe, Asia, Latin America, and Middle East</li> </ul>	
Focus Areas / Key Statistics	<ul style="list-style-type: none"> <li>➤ Global deposits fund local mortgages</li> <li>➤ \$9.8bn deposits, \$3.6bn net loans</li> <li>➤ 65% USD deposits, 19% USD-pegged</li> <li>➤ 66% mortgages, 30% commercial loans<sup>3</sup></li> </ul>		<ul style="list-style-type: none"> <li>➤ Butterfield is Trustee: \$91.7bn AUA<sup>4</sup></li> <li>➤ The trusts and beneficiaries require private banking and asset management</li> <li>➤ Family deposits across generations</li> </ul>	
Industry Characteristics	Organic Growth Potential / Historically Higher Returns / Limited Competition		Organic & Acquisition Growth Potential / Lower Capital Requirements	

<sup>1</sup> Includes private banking deposits.

<sup>2</sup> Based on gross loans. Based on country in which loan was originated.

<sup>3</sup> Commercial loans includes government loans.

<sup>4</sup> AUA for trust only, does not include custody.

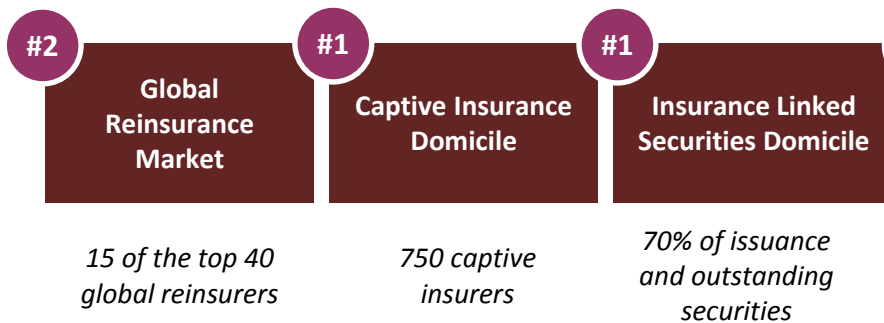


# Bermuda and Cayman Islands

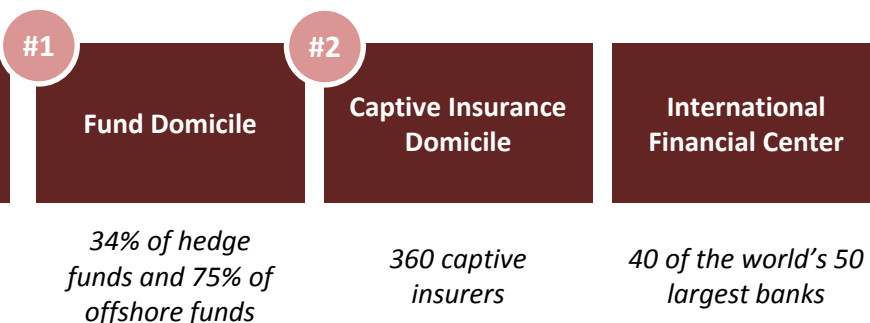
## Leading Bank in Attractive Markets

2015 Statistics	Bermuda	Cayman
Population	66,000	60,000
GDP per Capita	\$ 92,500	\$ 56,100
Moody's Sovereign Rating <sup>(1)</sup>	A2	Aa3

### Bermuda's Insurance and Reinsurance Market



### Cayman Islands' Financial Services Market

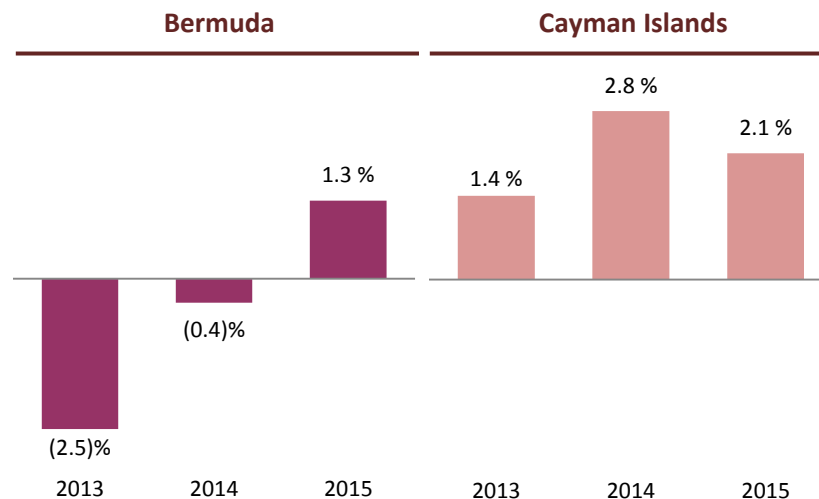


**Global capital: Foreign currency deposits (primarily USD) held by local banks exceed 3x GDP in Bermuda and Cayman Islands**

### Key Market Attributes

- British Overseas Territories, English Common Law, UK Privy Council final court of appeal
- Affluent resident population, no corporate or personal income tax
- FATCA / CRS tax transparency requires reporting on foreign nationals to 67 tax authorities, including US tax persons to the IRS
- The Bermuda Monetary Authority (BMA) and the Cayman Islands Monetary Authority (CIMA) are primary financial services regulators

### Real GDP Growth



Sources: SNL Financial, Association of Bermuda Insurers and Reinsurers, Bermuda Government, UN Department of Economic and Social Affairs Population Division, Butterfield Research, CIA World Fact Book, The Economist, Appleby

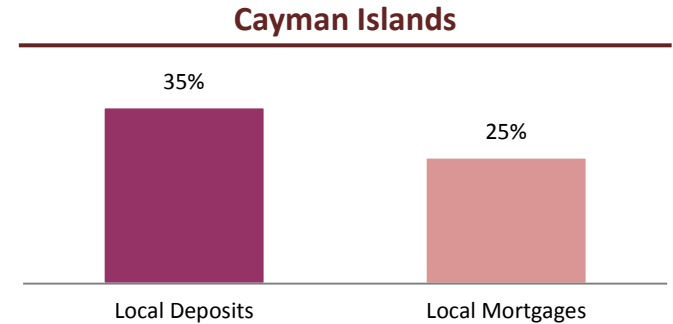
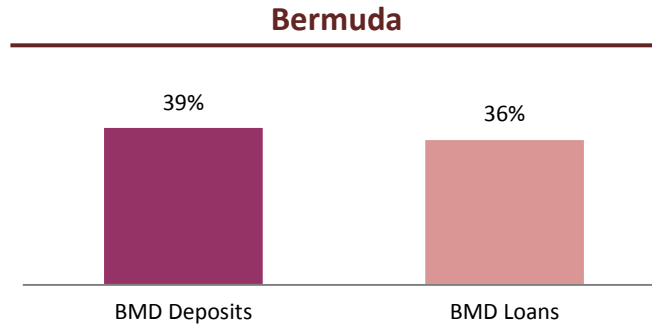
<sup>1</sup> Sovereign Ratings as of 1-Nov-2016.



# Leading Share in Our Markets with Attractive Client Base

## Leading Bank in Attractive Markets

### Market Share



### Competitive Landscape



### Selected Awards



*"Bermuda Bank of the Year 2013, 2014, 2015 and 2016"*



*"Best Developed Market Bank: Bermuda 2015 and 2016"*

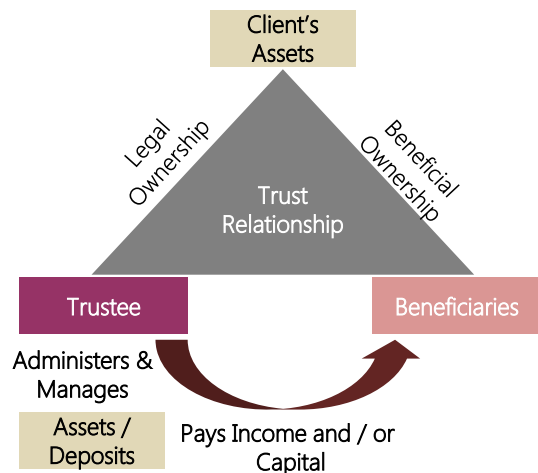


*"Cayman Bank of the Year 2013, 2014 and 2015"*

# Award-Winning Trust Business

## Leading Bank in Attractive Markets

### Private Trust Overview



### Private Trust Economics

- Trustee fees
- FX fees
- Custody fees
- Asset management fees
- NII deposits

### Butterfield Value Proposition

- Bank-owned trust company with over 70 years of experience
- Multi-jurisdictional offering in English Common Law domiciles
- Fiduciary expertise and service respected by key introducers
- Recognized as one of the leading trust companies in the world



“Trust Company of the Year, 2015”

### Private Trust Landscape





Market data table with columns for stock symbols and prices.

NYSE

GTS



Butterfield

Bank of N.Y. Butterfield & Son September 16, 2016

NTB 23.5000 24.00 25.00

10,638,298

23.50

NTB LISTED NYSE

Butterfield

Bank of N.Y. Butterfield & Son September 16, 2016

NTB 23.5000 24.00 25.00

10,638,298

23.50

NTB LISTED NYSE

Butterfield



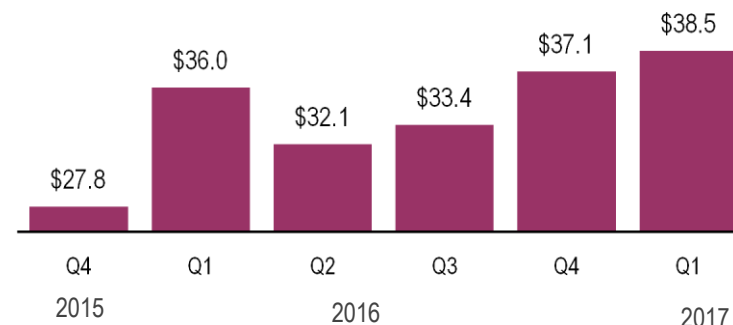
Q1 2017 Financials



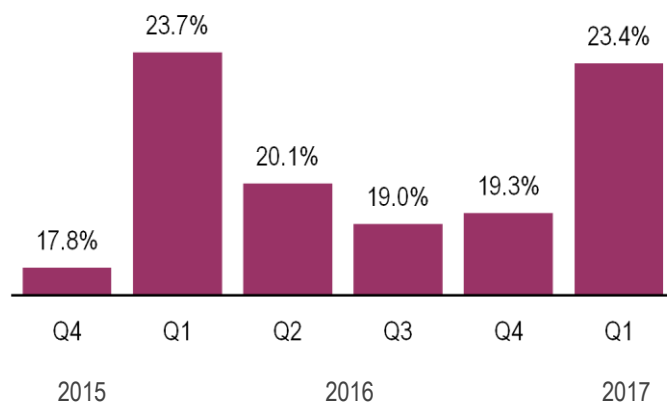
# Q1 2017 Highlights

- Successful first follow-on offering.
- Establishment of Butterfield Mortgages Limited in the UK.
- Core ROE of 23.4% for the quarter, an increase over 19.3% in the previous quarter.
- Core EPS\* of \$0.70.
- Net income increased 1.4% over the previous quarter.
- Core net income\* increased 3.8% over the previous quarter.
- NIM of 2.58%, a 13 bps increase over the previous quarter
- Dividend of \$0.32 per share.

## Core Net Income\*



## Core Return on Average Tangible Common Equity\*



	Q1 2017	vs. Q4 2016		vs. Q1 2016	
		\$	%	\$	%
Net Interest Income	67.9	1.1	1.7%	5.6	9.0%
Non-Interest Income	38.5	(0.3)	(0.6)%	4.0	11.6%
Prov. for Credit Losses	0.3	(0.5)	(61.1)%	—	(0.9)%
Non-Interest Expenses*	(71.2)	0.7	1.0%	(1.0)	(1.4)%
Other Gains (Losses)	0.2	(0.5)	(72.0)%	0.5	193.4%
Net Income	35.9	0.5	1.4%	9.1	34.0%
Non-Core Items**	2.6	0.9	51.7%	(6.6)	(71.1)%
Core Net Income	38.5	1.4	3.8%	2.5	7.0%

\* Includes income taxes

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

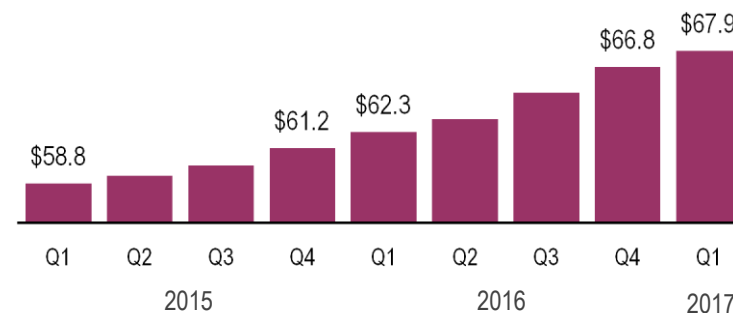
# Income Statement

## Net Interest Margin & Yields

	Q1 2017		vs. Q4 2016	
	Avg. Balance	Yield	Avg. Balance	Yield
Cash, S/T Inv. & Repos	2,476.7	0.57%	(408.0)	0.08%
Investments	4,556.4	2.17%	333.3	0.19%
Loans (net)	3,661.1	4.87%	(47.4)	(0.05)%
Earning assets	10,694.1	2.73%		
Total Liabilities	10,364.3	(0.16)%	46.4	(0.01)%
Net Int. Income & NIM		2.58%		0.13%

# Net Interest Income

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



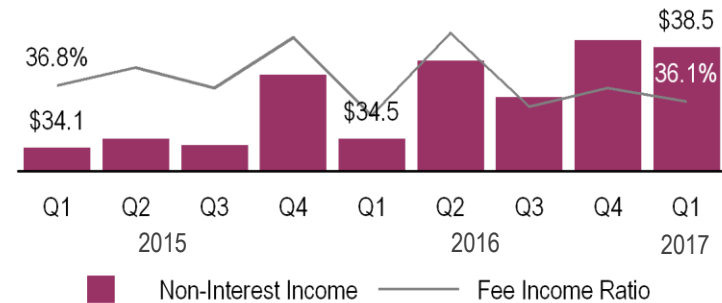
- Increases on both volume and yields on investments drove net interest income increases.
- Carry-forward effects of late Q4 deployment of excess liquidity deployment plus early Q1 deployment into HTM.
- Loans reprice - Bermuda residential mortgages with a 90-day notice period.

# Income Statement

# Non-Interest Income

	Q1	vs. Q4 2016	
		\$	%
Asset management	5.8	(0.2)	(3.2)%
Banking	10.0	(0.9)	(8.6)%
FX Revenue	8.3	0.9	12.5%
Trust	11.4	(0.1)	(1.2)%
Custody and Other	2.0	—	(1.0)%
Other	0.9	0.1	14.2%
<b>Total Non-Interest Income</b>	<b>38.5</b>	<b>(0.3)</b>	<b>(0.6)%</b>

Non-Interest Income Trend



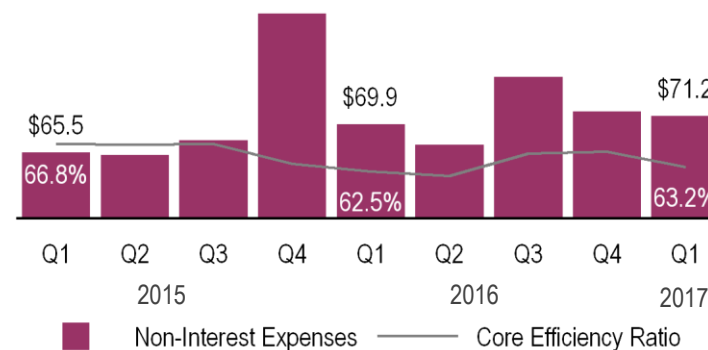
- Stable fee revenue with improved foreign exchange volumes.
- Fee income ratio of 36.1% remains well above peers\*.
- General banking fees were increased as at January 1st; overall level impacted by lack of new upfront origination fees

# Income Statement

# Non-Interest Expenses

Non Interest Expense Trend

	Q1	vs. Q4 2016	
		\$	%
Salaries & Other Emp. Benefits	36.0	1.8	5.3%
IT & Communications	12.9	(1.5)	(10.6)%
Professional Services	6.2	0.9	16.4%
Property	4.9	(0.6)	(11.2)%
Indirect Taxes	4.2	(0.5)	(11.1)%
Restructuring	0.4	(0.1)	(18.8)%
Other **	6.7	(0.7)	(9.1)%
<b>Total Non-Interest Expenses</b>	<b>71.2</b>	<b>(0.7)</b>	<b>(1.0)%</b>
Non-Core Expenses*	(2.6)	1.0	63.3%
Core Non-Interest Expenses	68.5	(1.7)	(2.5)%



- Continued focus on expense management.
- Non-core professional services fees relating to the successful first follow on offering incurred in the first quarter of 2017.
- Core Cost Efficiency Ratio\* of 63.2% a slight decrease. Post-retirement healthcare benefit costs caused elevated levels of employee benefits.

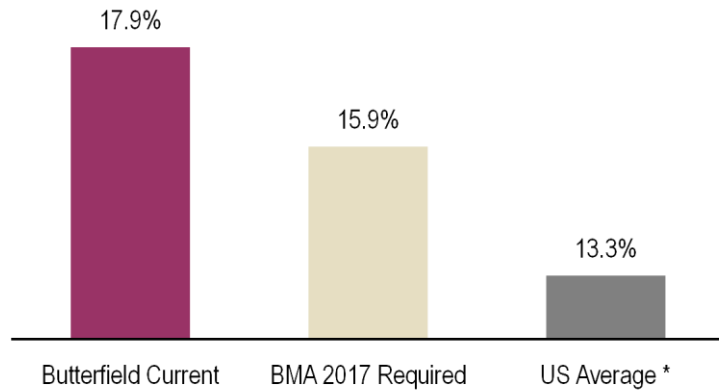
\* See the Appendix for a reconciliation of the non-GAAP measure.

\*\* Includes Marketing & Communications, Amortization of Intangible Assets, Other Non-Interest Expenses and Income Taxes

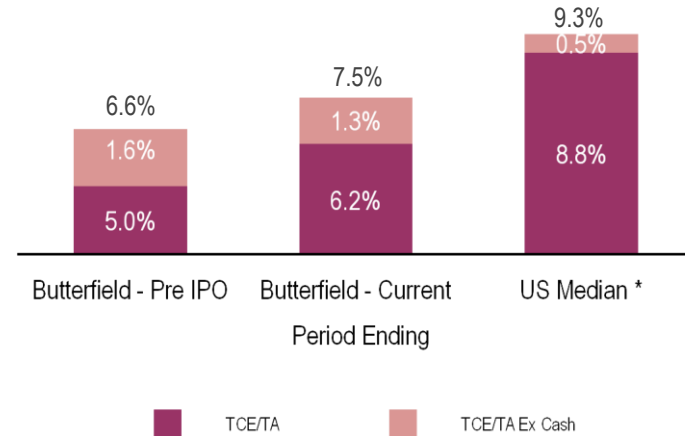
# Capital Requirements and Return

## Regulatory Capital (Basel III) -

### Total Capital Ratio



## Leverage Capital

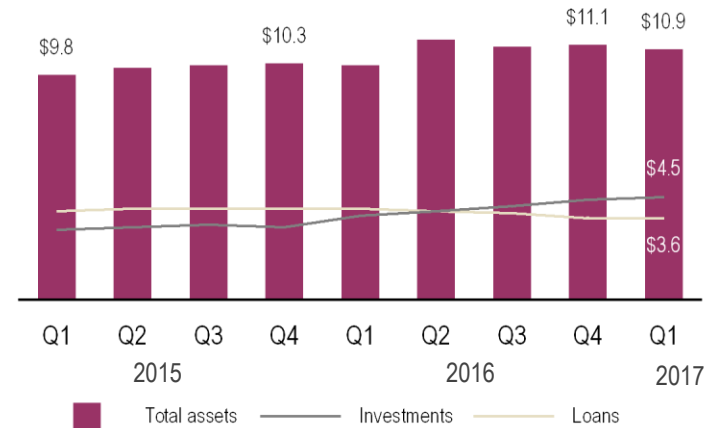


- Meeting current and anticipated regulatory capital requirements.
- Continued dividend of \$0.32 per share declared for Q1.
- Excess capital available for normalizing leverage capital ratios post IPO.

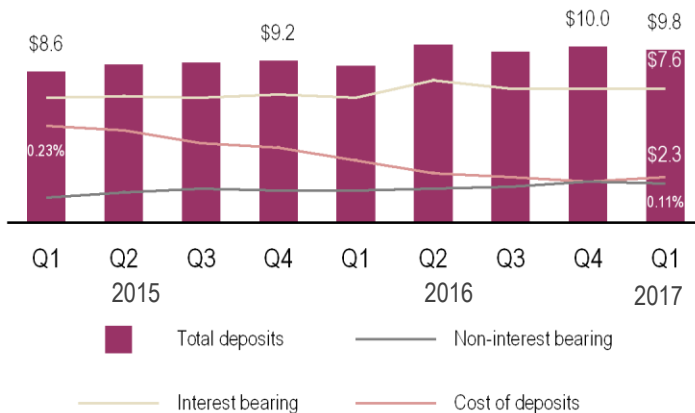
# Balance Sheet

	March 31, 2017		December 31, 2016	
Cash & Equivalents	\$	1,867	\$	2,102
S/T Inv. & Reverse Repos		605		669
Loans (net)		3,573		3,570
Investments		4,549		4,400
Other Assets		350		363
<b>Total Assets</b>	<b>\$</b>	<b>10,944</b>	<b>\$</b>	<b>11,104</b>
<hr/>				
Int. Bearing Deposits	\$	7,586	\$	7,649
Non-Int. Bearing Deposits		2,263		2,385
Other Liabilities		353		359
Shareholders Equity		741		711
<b>Total Liab. &amp; Equity</b>	<b>\$</b>	<b>10,944</b>	<b>\$</b>	<b>11,104</b>

## Total Assets



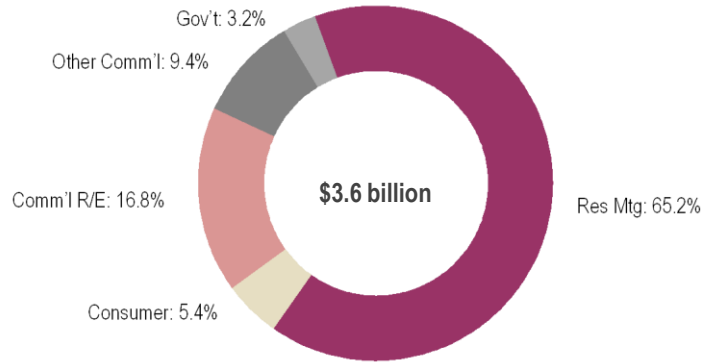
## Total Deposits



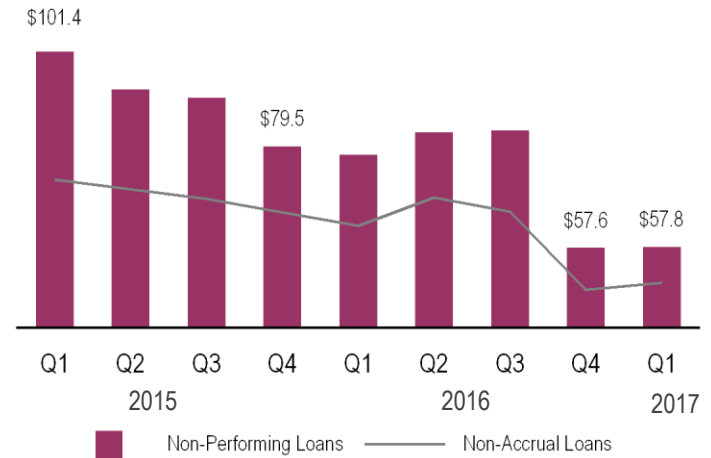
- Loan balances flat with paydowns in commercial lending offset by growth in residential mortgages.
- Investment balances increased as a result of planned deployment of excess liquidity.
- Cost of deposit steady at 0.11%.

# Asset Quality

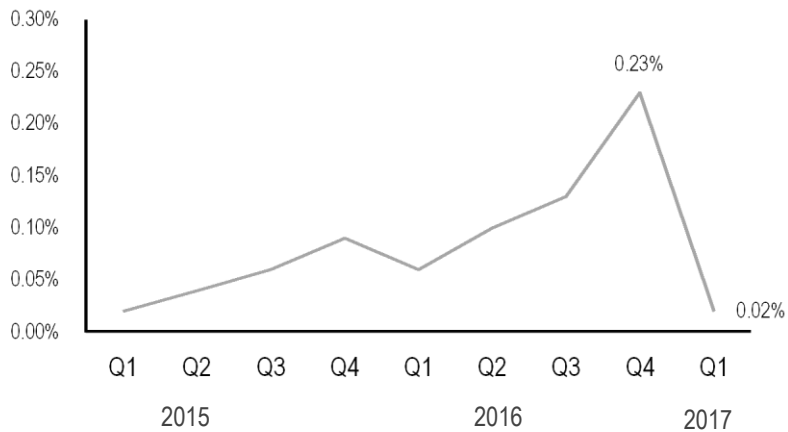
Loan Distribution



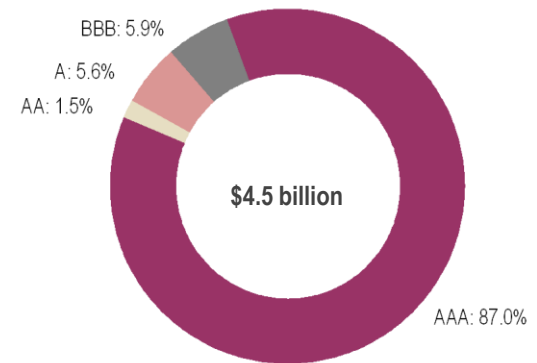
Non-Performing and Non-Accrual Loans



Net Charge-Off Ratio



Investment Portfolio Rating Distribution



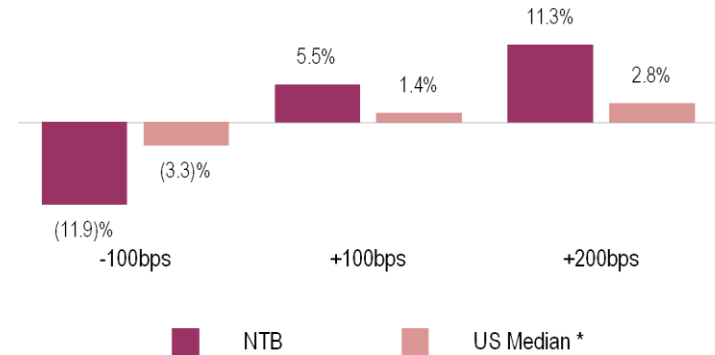


# Interest Rate Sensitivity

## Average Balance - Balance Sheet

	Average Balances (\$bn)		Spot	Duration	vs. Q4 2016
	Q1 2017	vs. Q4 2016			
Cash	1,867.1	2,019.2	1,867.3	N/A	N/A
S/T Invest.	547.4	762.0	542.2	0.1	(0.1)
AFS	3,358.7	(76.5)	3,306.2	2.5	—
HTM	1,196.9	410.0	1,236.0	6.3	—
<b>Total</b>	<b>4,556.4</b>	<b>333.3</b>	<b>4,548.6</b>		

## Interest Rate Sensitivity



- The Bank remains significantly more sensitive to increases in interest rates versus US peers.
- Liability deployment increased the HTM portfolio size late in Q4 2016 and further in early Q1 2017. Update to IRRBB.
- The Bank remains interest rate sensitive after further increasing HTM investments and maintaining the overall duration in the investment portfolio.

# Highlights

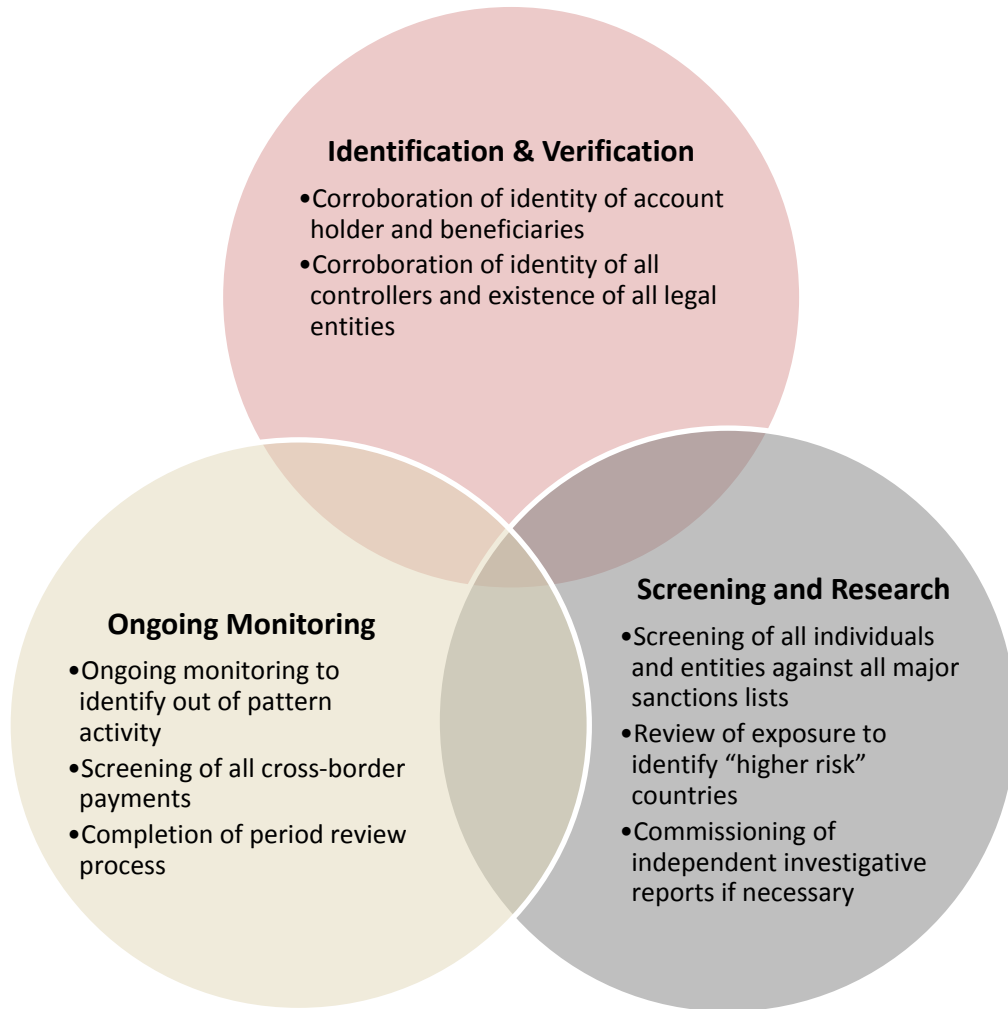
- 1 Leading Bank in Attractive Markets
- 2 Strong Capital Generation and Return
- 3 Efficient Balance Sheet and Visible Earnings
- 4 Potential Growth Opportunities
- 5 Experienced Team with Local Market Knowledge



Summary | Q&A | Appendix

# Meeting Regulatory Standards

## Risk Governance Framework



## Compliance Organization

Role	FTE	% of Total FTE
Business Conduct & Controls	82	54%
CDD Documentation and Review	33	22%
Money Laundering Reporting Officers & Financial Crime	22	15%
Assurance & Training	11	7%
Monitoring, Analytics & Reporting	2	1%
Group Head	1	1%
<b>Total</b>	<b>151</b>	<b>100%</b>
<b>Compliance FTE % of Total FTE</b>		<b>12%</b>

# Appendix

# Balance Sheet Trends

	2017	2016				2015				2014
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>Assets</b>										
Cash & Equivalents	\$ 1,867	\$ 2,102	\$ 1,485	\$ 2,655	\$ 1,774	\$ 2,289	\$ 2,262	\$ 2,101	\$ 2,060	\$ 2,063
Reverse Repos	63	149	186	—	—	—	—	—	—	—
S/T Investments	542	520	995	436	425	409	331	380	342	395
Investments	4,549	4,400	4,114	3,870	3,679	3,224	3,286	3,245	3,086	2,989
Loans, Net	3,573	3,570	3,836	3,904	3,953	4,000	3,974	3,977	3,922	4,019
Other Assets	350	363	363	422	355	354	364	367	390	392
<b>Total Assets</b>	<b>\$ 10,944</b>	<b>\$ 11,104</b>	<b>\$ 10,979</b>	<b>\$ 11,287</b>	<b>\$ 10,186</b>	<b>\$ 10,276</b>	<b>\$ 10,217</b>	<b>\$ 10,070</b>	<b>\$ 9,800</b>	<b>\$ 9,858</b>
<b>Liabilities and Equity</b>										
Total Deposits	\$ 9,849	\$ 10,034	\$ 9,667	\$ 10,091	\$ 8,939	\$ 9,182	\$ 9,111	\$ 9,001	\$ 8,600	\$ 8,672
Long-Term Debt	236	117	117	117	117	117	117	117	117	117
Other Liabilities	117	242	230	263	343	227	215	213	212	220
<b>Total Liabilities</b>	<b>\$ 10,203</b>	<b>\$ 10,393</b>	<b>\$ 10,014</b>	<b>\$ 10,471</b>	<b>\$ 9,399</b>	<b>\$ 9,526</b>	<b>\$ 9,443</b>	<b>\$ 9,331</b>	<b>\$ 8,929</b>	<b>\$ 9,009</b>
Common Equity	\$ 741	\$ 711	\$ 782	\$ 633	\$ 604	\$ 567	\$ 591	\$ 556	\$ 688	\$ 666
Preferred Equity	\$ —	\$ —	\$ 183	\$ 183	\$ 183	\$ 183	\$ 183	\$ 183	\$ 183	\$ 183
<b>Total Equity</b>	<b>\$ 741</b>	<b>\$ 711</b>	<b>\$ 965</b>	<b>\$ 816</b>	<b>\$ 787</b>	<b>\$ 750</b>	<b>\$ 774</b>	<b>\$ 739</b>	<b>\$ 871</b>	<b>\$ 849</b>
<b>Total Liabilities and Equity</b>	<b>\$ 10,944</b>	<b>\$ 11,104</b>	<b>\$ 10,979</b>	<b>\$ 11,287</b>	<b>\$ 10,186</b>	<b>\$ 10,276</b>	<b>\$ 10,217</b>	<b>\$ 10,070</b>	<b>\$ 9,800</b>	<b>\$ 9,858</b>
<b>Key Metrics</b>										
TCE / TA	6.2%	5.9%	6.6%	5.0%	5.5%	5.1%	5.3%	5.0%	6.5%	6.2%
CET 1 Ratio	15.8%	15.3%	16.1%	12.3%	12.4%	N/A	N/A	N/A	N/A	N/A
Total Tier 1 Capital Ratio	15.8%	15.3%	20.5%	16.5%	16.4%	16.2%	15.8%	15.6%	17.9%	19.6%
Total Capital Ratio	17.9%	17.6%	22.9%	18.9%	18.7%	19.0%	18.6%	18.5%	20.8%	22.2%

	2017 - Q1			2016 - Q4			2016 - Q1		
	Average balance (\$)	Interest (\$)	Average rate (%)	Average balance (\$)	Interest (\$)	Average rate (%)	Average balance (\$)	Interest (\$)	Average rate (%)
<b>Assets</b>									
Cash due from banks, reverse repurchase agreements and short-term investments	\$ 2,476.7	\$ 3.5	0.57%	\$ 2,884.7	\$ 3.6	0.49%	\$ 2,368.9	\$ 1.6	0.27%
Investment in securities	4,556.4	24.4	2.17%	4,223.1	21.0	1.98%	3,478.1	18.0	2.07%
Trading	0.7	—	—%	0.9	—	—%	309.1	1.0	1.25%
AFS	3,358.7	15.9	1.92%	3,338.0	14.6	1.74%	2,441.7	11.7	1.92%
HTM	1,196.9	8.6	2.90%	884.2	6.2	2.78%	727.2	5.3	2.92%
Loans	3,661.1	44.0	4.87%	3,708.5	46.0	4.92%	4,012.6	47.4	4.74%
Commercial	1,361.5	15.1	4.49%	1,456.4	15.9	4.34%	1,409.0	18.7	5.32%
Consumer	2,229.6	28.9	5.10%	2,252.1	30.1	5.29%	2,603.6	28.7	4.43%
Total interest earning assets	10,694.1	71.9	2.73%	10,816.3	70.6	2.59%	9,859.6	67.0	2.72%
Other assets	352.7			349.0			314.1		
Total assets	\$ 11,046.8	\$ 71.9	2.64%	\$ 11,165.2	\$ 70.6	2.61%	\$ 10,173.7	\$ 67.0	2.64%
<b>Liabilities</b>									
Interest bearing deposits	\$ 7,656.2	\$ (2.8)	(0.15)%	\$ 7,739.0	\$ (2.6)	(0.13)%	\$ 7,230.3	\$ —	(0.20)%
Customer demand deposits	5,411.2	(0.3)	—	5,915.4	(0.7)	—	5,870.4	(1.5)	(0.10)%
Customer term deposits	2,177.7	(2.4)	(0.44)%	1,720.0	(1.8)	(0.41)%	1,351.7	(2.0)	(0.58)%
Deposits from banks	67.4	(0.1)	(0.49)%	103.6	(0.1)	(0.43)%	8.2	—	(0.31)%
Securities sold under agreement to repurchase	—	—	—%	—	—	—%	38.1	(0.1)	(0.74)%
Long-term debt	117.0	(1.2)	(4.14)%	117.0	(1.2)	(3.94)%	117.0	(1.1)	(3.75)%
Interest bearing liabilities	7,773.2	4.0	(0.21)%	7,856.0	(3.8)	(0.19)%	7,385.4	(4.7)	(0.25)%
Non-interest bearing customer deposits	2,334.1			2,272.7			1,882.2		
Other liabilities	257.0			189.2			96.4		
Total liabilities	\$ 10,364.3	\$ (4.0)	(0.16)%	\$ 10,317.9	\$ (3.8)	(0.15)%	\$ 9,364.0	\$ (4.7)	(0.20)%
Shareholders' equity	682.5			847.3			809.7		
Total liabilities and shareholders' equity	\$ 11,046.8			\$ 11,165.2			\$ 10,173.7		
<b>Non-interest bearing funds net of non-interest earning assets (free balance)</b>									
	\$ 2,920.9			\$ 2,960.3			\$ 2,474.2		
Net interest margin		\$ 67.9	2.58%		\$ 66.8	2.45%		\$ 62.3	2.54%

# Appendix

# Income Statement Trends

	2017		2016				2015			
		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Interest Income	\$	67.9	\$ 66.8	\$ 65.0	\$ 64.3	\$ 62.3	\$ 61.2	\$ 60.0	\$ 59.3	\$ 58.8
Non-Interest Income		37.5	38.8	36.3	37.9	34.5	37.3	34.2	34.5	34.1
Prov. for Credit Losses		(0.3)	(0.9)	0.3	5.3	(0.3)	2.6	0.9	2.0	0.2
Non-Interest Expenses		71.0	71.9	77.5	67.0	70.2	87.9	67.6	65.3	65.7
Other Gains (Losses)		0.2	(0.2)	(0.2)	(0.6)	(0.1)	(10.3)	3.1	(3.2)	1.0
Net Income	\$	35.9	\$ 35.4	\$ 24.0	\$ 29.8	\$ 26.8	\$ (2.3)	\$ 28.8	\$ 23.3	\$ 28.0
Non-Core Items*	\$	2.6	\$ 1.7	\$ 9.4	\$ 2.3	\$ 9.2	\$ 30.1	\$ 0.5	\$ 4.5	\$ 1.0
Core Net Income	\$	38.5	\$ 37.1	\$ 33.4	\$ 32.1	\$ 36.0	\$ 27.8	\$ 29.3	\$ 27.8	\$ 29.0
<b>Key Metrics</b>										
Loan Yield		4.87%	4.92%	4.75%	4.72%	4.74%	4.63%	4.61%	4.66%	4.63%
Securities Yield		2.17	1.98	1.91	1.87	2.07	2.08	2.10	2.33	2.16
Interest Bearing Dep. Cost		0.03	0.14	0.11	0.12	0.15	0.18	0.19	0.22	0.23
Net Interest Margin		2.58	2.45	2.39	2.44	2.54	2.48	2.43	2.52	2.48
Core Efficiency Ratio*		63.2	65.6	65.3	61.8	62.5	63.7	66.8	66.7	66.8
Core ROATCE*		23.4	19.3	19.0	20.1	23.7	17.7	19.3	17.6	16.0
Fee Income Ratio		36.1	36.4	35.9	39.1	35.5	38.9	36.7	37.6	36.8

# Appendix

# Non-Interest Income & Expense Trends

	2017		2016				2015			
		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Non-Interest Income</b>										
Trust	\$	11.4	\$ 11.5	\$ 11.6	\$ 10.8	\$ 10.1	\$ 10.3	\$ 9.9	\$ 10.2	\$ 10.0
Asset Management		5.8	6.0	5.6	5.3	4.2	5.3	4.7	4.6	4.3
Banking		10.0	11.0	9.7	10.0	8.7	10.2	8.5	8.2	8.3
FX Revenue		8.3	7.4	6.5	8.4	8.3	8.3	7.6	8.0	7.9
Custody & Other Admin.		2.0	2.0	2.3	2.3	2.2	2.3	2.3	2.5	2.4
Other		0.9	0.9	0.6	1.0	1.0	0.9	1.2	1.0	1.2
<b>Total Non-Interest Income</b>	<b>\$</b>	<b>38.5</b>	<b>\$ 38.8</b>	<b>\$ 36.3</b>	<b>\$ 37.9</b>	<b>\$ 34.5</b>	<b>\$ 37.3</b>	<b>\$ 34.2</b>	<b>\$ 34.5</b>	<b>\$ 34.1</b>
<b>Non-Interest Expense</b>										
Salaries & Benefits	\$	36.0	\$ 34.2	\$ 42.4	\$ 32.2	\$ 31.2	\$ 37.8	\$ 32.1	\$ 32.3	\$ 32.7
Technology & Comm.		12.9	14.5	14.4	14.1	14.5	14.6	14.7	13.9	13.9
Property		4.9	5.5	5.4	5.1	5.0	5.5	5.7	5.2	5.2
Professional & O/S Services		6.2	5.4	4.1	5.4	4.1	13.7	5.8	4.1	4.1
Indirect Taxes		4.2	4.7	4.2	2.8	4.6	1.6	4.2	3.8	4.3
Intangible Amortization		1.0	1.0	1.2	1.3	1.1	1.1	1.1	1.1	1.1
Marketing		1.0	1.7	0.9	1.0	0.9	1.2	0.7	1.1	0.9
Restructuring		0.4	0.5	0.6	0.7	4.5	2.2	—	—	—
Other		4.3	4.4	4.4	4.2	4.0	9.5	3.1	3.6	3.3
<b>Total Non-Interest Expense</b>	<b>\$</b>	<b>71.0</b>	<b>\$ 71.9</b>	<b>\$ 77.3</b>	<b>\$ 66.7</b>	<b>\$ 69.9</b>	<b>\$ 87.2</b>	<b>\$ 67.4</b>	<b>\$ 65.1</b>	<b>\$ 65.5</b>
Income Taxes		0.2	—	0.2	0.2	0.3	0.7	0.2	0.2	0.2
<b>Total Expense incl. Taxes</b>	<b>\$</b>	<b>71.2</b>	<b>\$ 71.9</b>	<b>\$ 77.5</b>	<b>\$ 67.0</b>	<b>\$ 70.2</b>	<b>\$ 87.9</b>	<b>\$ 67.6</b>	<b>\$ 65.3</b>	<b>\$ 65.7</b>



# Appendix

# Non-GAAP Reconciliation

(in millions of US Dollars, unless otherwise indicated)

		2017		2016		2015				
		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Net income</b>	A	\$ 35.9	\$ 35.4	\$ 24.0	\$ 29.8	\$ 26.8	\$ (2.3)	\$ 28.8	\$ 23.3	\$ 28.0
Dividends and guarantee fee of preference shares		—	(3.4)	(4.1)	(4.1)	(4.1)	(4.1)	(4.1)	(4.1)	(4.1)
Premium paid on repurchase of preference shares	B	—	(41.9)	—	—	—	—	—	—	—
<b>Net income to common shareholders</b>	C	35.9	(9.9)	19.9	25.7	22.7	3.5	24.7	19.2	23.9
<b>Non-core (gains), losses and expenses</b>										
<b>Non-core (gains) losses</b>										
Gain on disposal of a pass-through note investment (formerly a SIV)		(0.1)	(0.6)	—	—	—	—	—	—	—
Impairment of and gain on disposal of fixed assets (including software)		—	—	—	—	—	5.1	—	—	(0.2)
Change in unrealized (gains) losses on certain investments		—	—	—	—	—	1.7	(3.0)	3.0	(1.2)
Adjustment to holdback payable for a previous business acquisition		0.1	0.7	(0.7)	—	0.9	—	—	—	—
<b>Total non-core (gains) losses</b>	D	\$ —	\$ 0.1	\$ (0.7)	\$ —	\$ 0.9	\$ 6.8	\$ (3.0)	\$ 3.0	\$ (1.4)
<b>Non-core expenses</b>										
Early retirement program, redundancies and other non-core compensation costs		—	—	0.3	0.1	1.3	6.6	1.0	—	0.8
Tax compliance review costs		0.2	—	0.2	0.5	0.6	0.4	0.9	0.9	1.6
Provision in connection with ongoing tax compliance review		—	—	—	—	0.7	4.8	—	—	—
Business acquisition costs		—	1.1	0.2	1.0	1.2	0.2	0.3	0.6	—
Restructuring charges and related professional service fees		0.4	0.5	0.6	0.7	4.5	2.5	—	—	—
Investigation of an international stock exchange listing costs		—	—	—	—	—	8.9	1.3	—	—
Cost of 2010 legacy option plan vesting and related payroll taxes		—	—	8.8	—	—	—	—	—	—
Secondary offering costs		2.0	—	—	—	—	—	—	—	—
<b>Total non-core expenses</b>	E	\$ 2.6	\$ 1.6	\$ 10.1	\$ 2.3	\$ 8.3	\$ 21.8	\$ 3.5	\$ 1.5	\$ 2.4
<b>Total non-core (gains), losses and expenses</b>	F=D+E	2.6	1.7	9.4	2.3	9.2	28.6	0.5	4.5	1.0
<b>Core net income</b>	G=A+F	\$ 38.5	\$ 37.1	\$ 33.4	\$ 32.1	\$ 36.0	\$ 26.3	\$ 29.3	\$ 27.8	\$ 29.0
Core net income attributable to common shareholders	H=C-B+F	38.5	33.7	29.3	28.0	31.9	22.2	25.2	23.7	24.9
Average shareholders' equity		729.3	895.0	859.4	799.5	772.4	764.5	755.8	779.7	869.3
Less: average preference shareholders' equity		—	(137.1)	(182.9)	(182.9)	(182.9)	(182.9)	(182.9)	(182.9)	(182.9)
Average common equity	I	729.3	757.9	676.5	616.6	589.5	581.6	572.9	596.8	686.4
Less: average goodwill and intangible assets		(61.7)	(62.9)	(65.5)	(57.4)	(49.5)	(52.6)	(54.6)	(55.3)	(56.4)
Average tangible common equity	J	667.6	695.0	611.0	559.2	540.0	529.0	518.3	541.5	630.0
<b>Return on equity</b>	C/I	19.9%	(5.2)%	11.7%	16.7%	15.4%	(4.4)%	17.1%	12.9%	14.1%
<b>Core return on average tangible common equity</b>	H/J	23.4%	19.3%	19.0%	20.1%	23.7%	17.8%	19.3%	17.6%	16.0%
<b>Core earnings per common share fully diluted</b>										
Adjusted weighted average number of diluted common shares (in thousands)	K	55.2	54.7	49.0	47.3	47.4	47.3	47.4	49.0	0.1
<b>Earnings per common share fully diluted</b>	C/K	0.65	(0.19)	0.41	0.54	0.48	(0.14)	0.52	0.39	0.43
<b>Non-core items per share</b>	(F-B)/K	0.05	0.81	0.19	0.05	0.19	0.64	0.01	0.09	0.02
<b>Core earnings per common share fully diluted</b>		0.70	0.62	0.60	0.59	0.67	0.50	0.53	0.48	0.45

# Appendix

# Non-GAAP Reconciliation (cont'd)

(in millions of US Dollars, unless otherwise indicated)

		2017		2016		2015				
		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Core return on average tangible assets</b>										
Total average assets	L	\$ 10,982.6	\$ 11,106.3	\$ 11,207.4	\$ 10,794.8	\$ 10,243.3	\$ 10,083.5	\$ 10,102.8	\$ 9,870.8	\$ 9,859.0
Less: average goodwill and intangible assets		(61.7)	(62.9)	(65.5)	(57.4)	(49.5)	(52.6)	(54.6)	(55.3)	(56.4)
Average tangible assets	M	\$ 10,920.8	\$ 11,043.4	\$ 11,141.8	\$ 10,737.3	\$ 10,193.8	\$ 10,030.8	\$ 10,048.1	\$ 9,815.4	\$ 9,802.7
<b>Return on average assets</b>	A/L	1.3%	1.3%	0.9%	1.1%	1.1%	(0.1)%	1.1%	1.0%	1.2%
<b>Core return on average tangible assets</b>	G/M	1.5%	1.3%	1.2%	1.2%	1.4%	1.1%	1.2%	1.1%	1.2%
<b>Tangible equity to tangible assets</b>										
Shareholders' equity		\$ 741.0	\$ 710.7	\$ 964.7	\$ 815.9	\$ 786.9	\$ 750.4	\$ 773.9	\$ 739.0	\$ 871.5
Less: goodwill and intangible assets		(61.4)	(61.9)	(64.6)	(66.4)	(49.1)	(51.1)	(53.3)	(56.0)	(54.7)
Tangible total equity	N	679.6	648.8	900.1	749.5	737.8	699.3	720.6	683.0	816.8
Less: preference shareholders' equity		—	—	(182.9)	(182.9)	(182.9)	(182.9)	(182.9)	(182.9)	(182.9)
Tangible common equity	O	679.6	648.8	717.2	566.6	554.9	516.4	537.7	500.1	633.9
Total assets		10,943.6	11,103.5	10,978.5	11,287.2	10,185.6	10,275.6	10,216.5	10,069.8	9,800.3
Less: goodwill and intangible assets		(61.4)	(61.9)	(64.6)	(66.4)	(49.1)	(51.1)	(53.3)	(56.0)	(54.7)
Tangible assets	P	\$ 10,882.2	\$ 11,041.6	\$ 10,913.9	\$ 11,220.8	\$ 10,136.5	\$ 10,224.5	\$ 10,163.2	\$ 10,013.8	\$ 9,745.6
<b>Tangible common equity to tangible assets</b>	O/P	6.2%	5.9%	6.6%	5.0%	5.5%	5.1%	5.3%	5.0%	6.5%
<b>Tangible total equity to tangible assets</b>	N/P	6.2%	5.9%	8.2%	6.7%	7.3%	6.8%	7.1%	6.8%	8.4%
<b>Efficiency ratio</b>										
Non-interest expenses		\$ 71.0	\$ 71.9	\$ 77.3	\$ 66.7	\$ 69.9	\$ 87.2	\$ 67.4	\$ 65.1	\$ 65.5
Less: Amortization of intangibles		(1.0)	(1.0)	(1.2)	(1.3)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)
Non-interest expenses before amortization of intangibles	Q	70.0	70.9	76.1	65.4	68.8	86.1	66.3	64.0	64.4
Non-interest income		38.5	38.8	36.3	37.9	34.5	37.3	34.2	34.5	34.1
Net interest income before provision for credit losses		67.9	66.8	65.0	64.3	62.3	61.2	60.0	59.3	58.8
Net revenue before provision for credit losses and other gains/losses	R	\$ 105.2	\$ 105.6	\$ 101.3	\$ 102.2	\$ 96.8	\$ 98.5	\$ 94.2	\$ 93.8	\$ 92.9
<b>Efficiency ratio</b>	Q/R	65.7%	67.1%	75.1%	64.0%	71.1%	87.4%	70.4%	68.2%	69.3%
<b>Core efficiency ratio</b>										
Non-interest expenses		\$ 71.0	\$ 71.9	\$ 77.3	\$ 66.7	\$ 69.9	\$ 87.2	\$ 67.4	\$ 65.1	\$ 65.5
Less: non-core expenses	(E)	(2.6)	(1.6)	(10.1)	(2.3)	(8.3)	(21.8)	(3.5)	(1.5)	(2.4)
Less: amortization of intangibles		(1.0)	(1.0)	(1.2)	(1.3)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)
Core non-interest expenses before amortization of intangibles	S	67.4	69.3	66.0	63.1	60.5	64.3	62.8	62.5	62.0
Net revenue before provision for credit losses and other gains/losses	T	105.2	105.6	101.3	102.2	96.8	98.5	94.2	93.8	92.9
<b>Core efficiency ratio</b>	S/T	63.2%	65.6%	65.3%	61.8%	62.5%	63.7%	66.8%	66.7%	66.8%