



Q1 2017 Earnings Call  
April 26, 2017



# Forward-Looking Statements

## 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.

# Q1 2017 Earnings Call

## 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

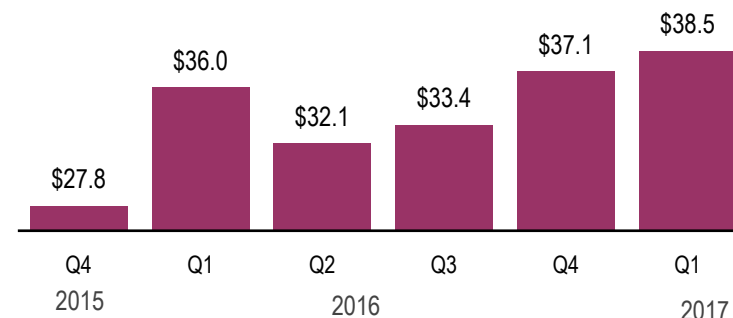
- Leading Bank in Attractive Markets
- Strong Capital Generation and Return
- Efficient, Conservative Balance Sheet
- Visible Earnings



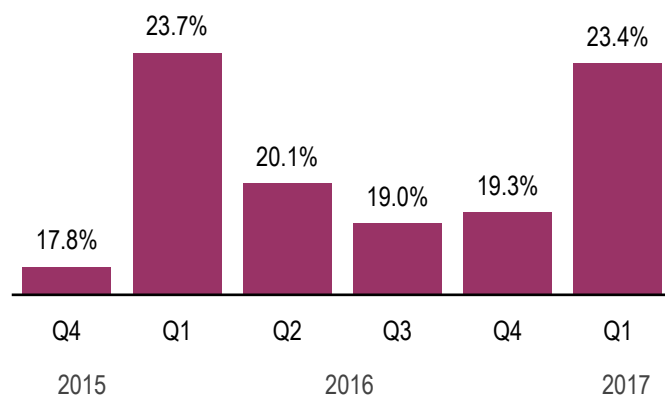
# Q1 2017 Highlights

- 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.





Financials

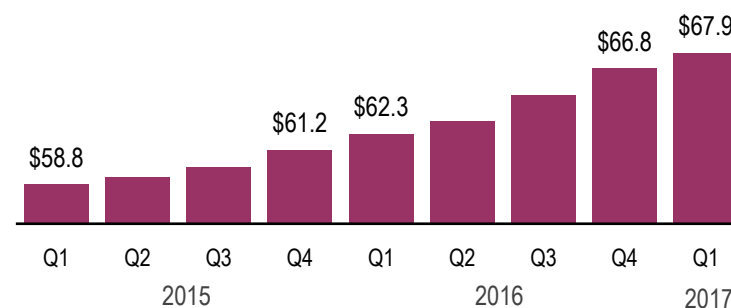
# Income Statement

## 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



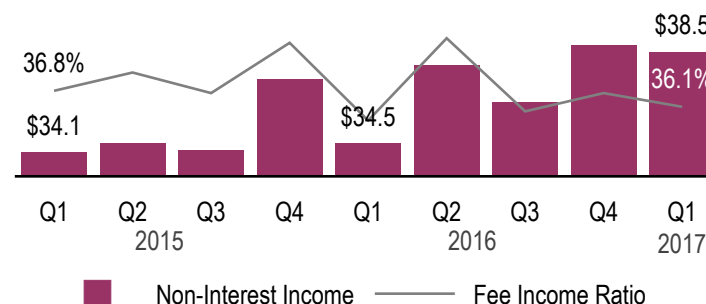
- Increases on both volume and yields on investments drove net interest income increases.
- Carry-forward effects of late Q4 deployment of excess liquidity deployment plus early Q1 deployment into HTM.
- Loans reprice - Bermuda residential mortgages with a 90 day notice period.

# Income Statement

# Non-Interest Income

Non-Interest Income Trend

	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>



- 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 1 January; overall level impacted by lack of new upfront origination fees

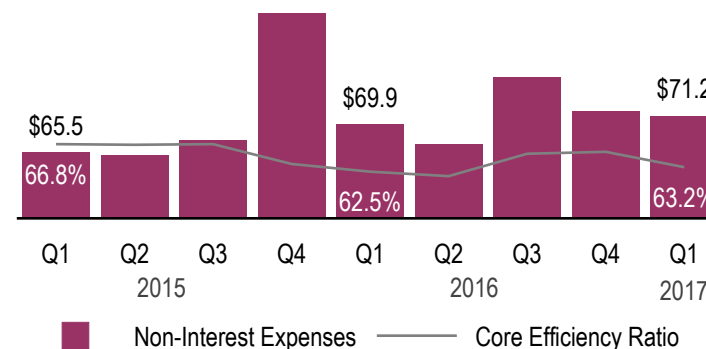
\* Includes US banks with assets between \$5-50bn as of most recent quarter.

# 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 %
<b>Core Non-Interest Expenses</b>	<b>68.5</b>	<b>(1.7)</b>	<b>(2.5)%</b>



- 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.

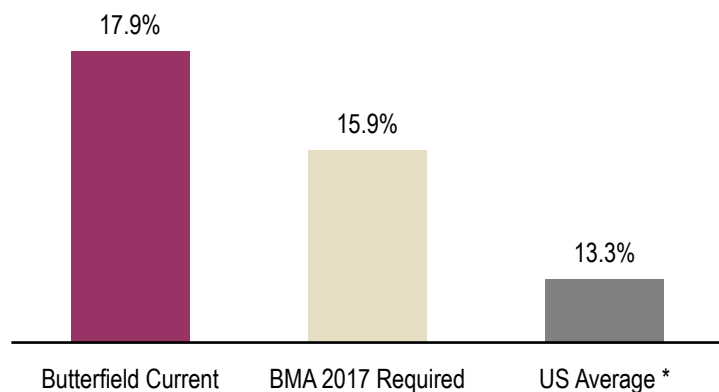
\* See the Appendix for a reconciliation of the non-GAAP measure.

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

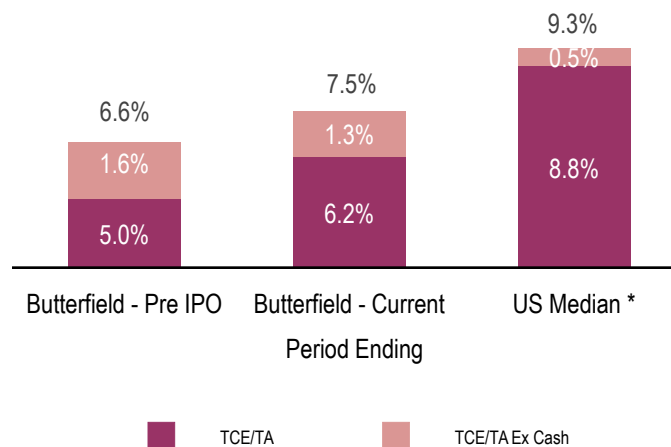


# Capital Requirements and Return

Regulatory Capital (Basel III) -  
Total Capital Ratio



Leverage Capital



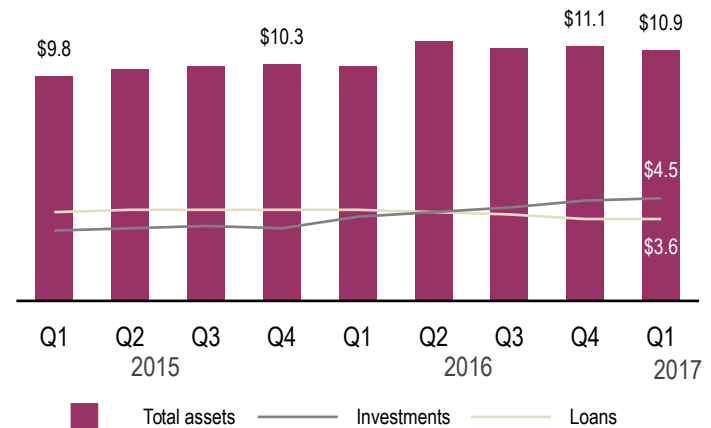
- Meeting current and anticipated regulatory capital requirements.
- Continued dividend of \$0.32 per share declared for 1st quarter.
- Excess capital available for normalizing leverage capital ratios post IPO.

\* Includes US banks with assets between \$5-50bn as of most recent quarter.

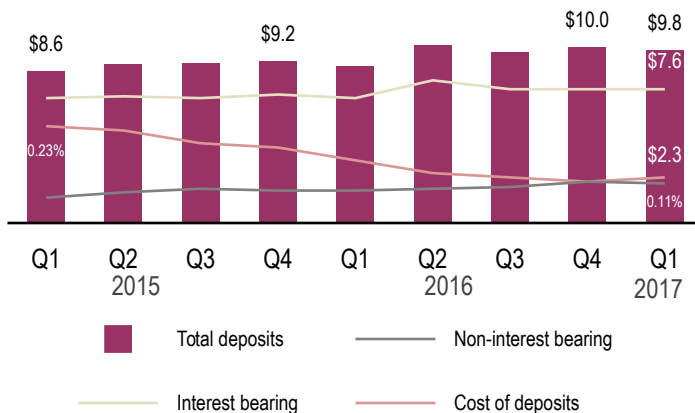
# Balance Sheet

	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>\$ 10,944</b>	<b>\$ 11,104</b>
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>\$ 10,944</b>	<b>\$ 11,104</b>

## Total Assets



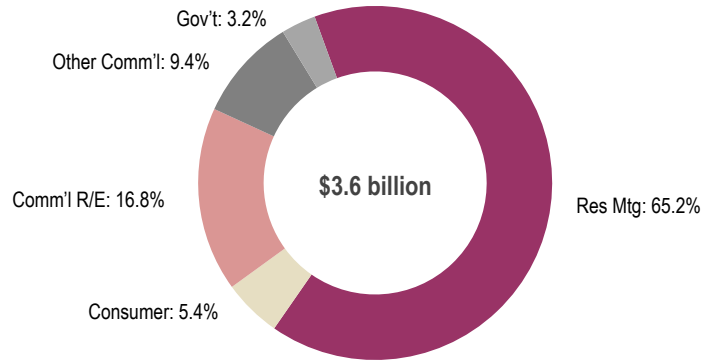
## Total Deposits



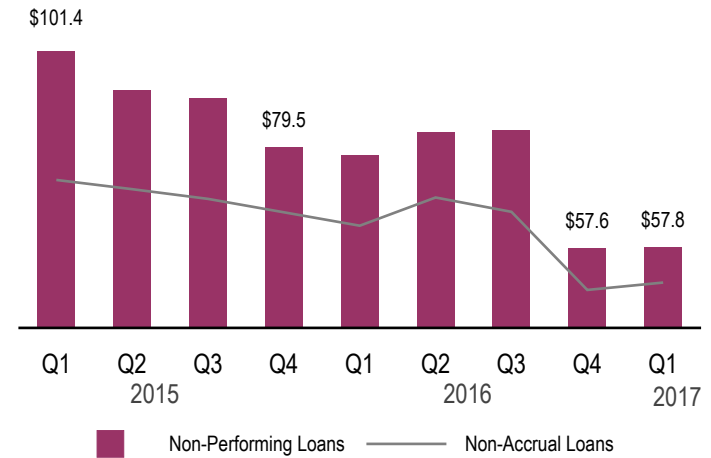
- Loan balances flat with paydowns in commercial lending offset by growth in residential mortgages.
- Investment balances increased as a result of planned deployment of excess liquidity.
- Cost of deposit steady at 0.11%.

# Asset Quality

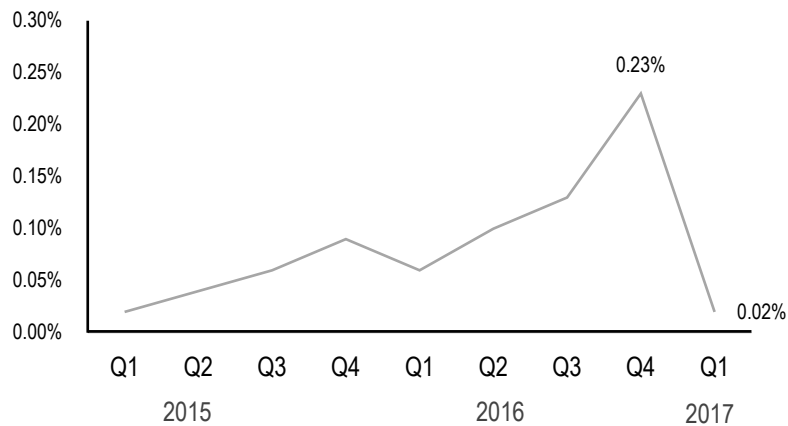
## Loan Distribution



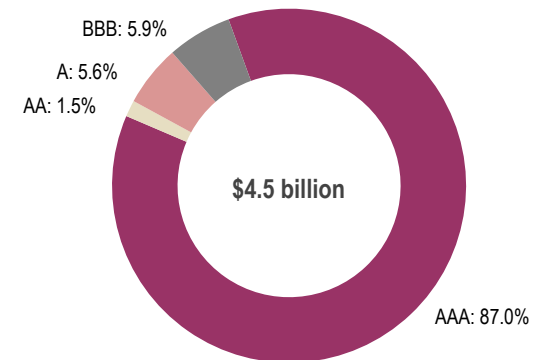
## Non-Performing and Non-Accrual Loans



## Net Charge-Off Ratio



## Investment Portfolio Rating Distribution

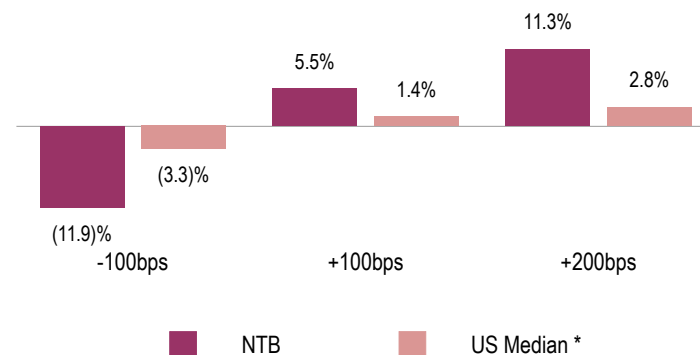


# Interest Rate Sensitivity

## 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.

\* Includes US banks with assets between \$5-50bn as of most recent quarter.





		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		—
Investments		4,549	4,400	4,114	3,870	3,679		3,224	3,286	3,245	3,086		—
Loans, Net		3,573	3,570	3,836	3,904	3,953		4,000	3,974	3,977	3,922		—
Other Assets		350	363	363	422	355		354	364	367	390		392
<b>Total Assets</b>	<b>\$</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		\$ —
Long-Term Debt		236	117	117	117	117		117	117	117	117		—
Other Liabilities		117	242	230	263	343		227	215	213	212		—
<b>Total Liabilities</b>	<b>\$</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		\$ 1
Preferred Equity	\$	—	\$ —	\$ 183	\$ 183	\$ 183		\$ 183	\$ 183	\$ 183	\$ 183		\$ —
<b>Total Equity</b>	<b>\$</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>\$</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			
Non-interest bearing funds net of non-interest earning assets (free balance)	\$ 2,920.9			\$ 2,960.3			\$	2,474.2			
Net interest margin		\$ 67.9	2.58 %		\$ 66.8	2.45 %			\$ 62.3	2.54 %	

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
Key Metrics																		
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

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



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>\$ 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>\$ 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>\$ 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>	

(in millions of US Dollars, unless otherwise indicated)

(in millions of US Dollars, unless otherwise indicated)		2017		2016				2015			
		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Net income	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)	—	—	—	—	—	—	—	
Net income to common shareholders	C	35.9	(9.9)	19.9	25.7	22.7	3.5	24.7	19.2	23.9	
Non-core (gains), losses and expenses											
Non-core (gains) losses											
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	—	—	—	—	
Total non-core (gains) losses	D	\$ —	\$ 0.1	\$ (0.7)	\$ —	\$ 0.9	\$ 6.8	\$ (3.0)	\$ 3.0	\$ (1.4)	
Non-core expenses											
Early retirement program, redundancies and other non-core compensation		—	—	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	—	—	—	—	—	—	—	—	
Total non-core expenses	E	\$ 2.6	\$ 1.6	\$ 10.1	\$ 2.3	\$ 8.3	\$ 21.8	\$ 3.5	\$ 1.5	\$ 2.4	
Total non-core (gains), losses and expenses	F=D+E	2.6	1.7	9.4	2.3	9.2	28.6	0.5	4.5	1.0	
Core net income	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	
Return on equity	C/I	19.9%	(5.2)%	11.7%	16.7%	15.4%	(4.4)%	17.1%	12.9%	14.1%	
Core return on average tangible common equity	H/J	23.4%	19.3 %	19.0%	20.1%	23.7%	17.8 %	19.3%	17.6%	16.0%	
Core earnings per common share fully diluted											
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	
Earnings per common share fully diluted	C/K	0.65	(0.19)	0.41	0.54	0.48	(0.14)	0.52	0.39	0.43	
Non-core items per share	(F-B)/K	0.05	0.81	0.19	0.05	0.19	0.64	0.01	0.09	0.02	
Core earnings per common share fully diluted		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)

(in millions of US Dollars, unless otherwise indicated)		2017		2016			2015			
		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Core return on average tangible assets										
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
Return on average assets	A/L	1.3%	1.3%	0.9%	1.1%	1.1%	(0.1)%	1.1%	1.0%	1.2%
Core return on average tangible assets	G/M	1.5%	1.3%	1.2%	1.2%	1.4%	1.1 %	1.2%	1.1%	1.2%
Tangible equity to tangible assets										
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
Tangible common equity to tangible assets	O/P	6.2%	5.9%	6.6%	5.0%	5.5%	5.1 %	5.3%	5.0%	6.5%
Tangible total equity to tangible assets	N/P	6.2%	5.9%	8.2%	6.7%	7.3%	6.8 %	7.1%	6.8%	8.4%
Efficiency ratio										
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
Efficiency ratio	Q/R	65.7%	67.1%	75.1%	64.0%	71.1%	87.4 %	70.4%	68.2%	69.3%
Core efficiency ratio										
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
Core efficiency ratio	S/T	63.2%	65.6%	65.3%	61.8%	62.5%	63.7 %	66.8%	66.7%	66.8%