



Butterfield



2017 Q3 Analyst Call
The Bank of N.T. Butterfield & Son Limited

October 25, 2017

Forward-Looking Statements

Forward-Looking Statements:

Certain of the statements made in this presentation 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 our actual results, performance, capital, ownership or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Our performance may vary 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:

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

Q3 2017 Earnings Call

Presenters

Michael Collins

Chairman & Chief Executive Officer

Michael Schrum

Chief Financial Officer

Dan Frumkin

Chief Operating Officer

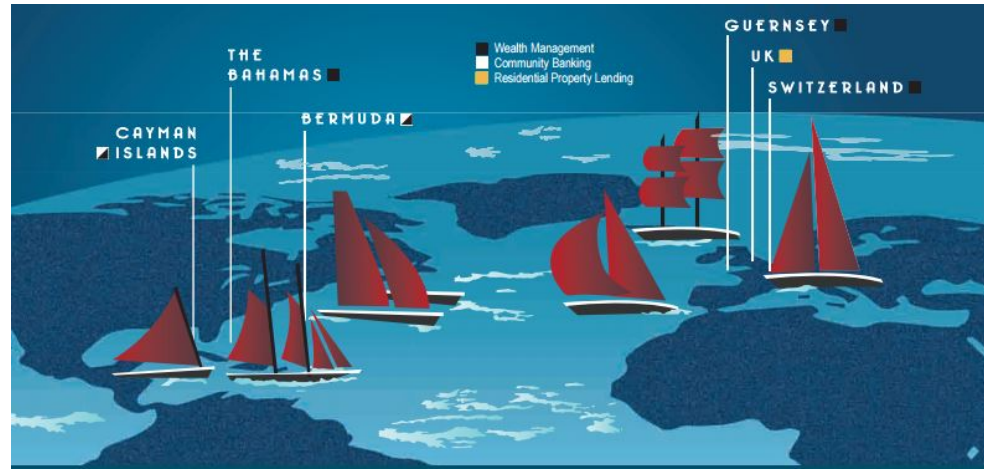
Agenda

- Overview
- Financials
- Summary
- Q&A

Butterfield Overview

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

Six International Locations



Awards



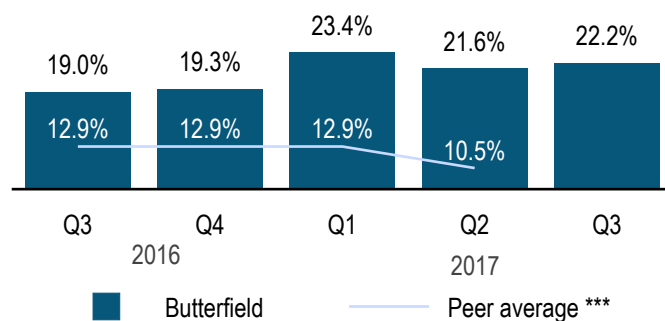
Q3 2017 Highlights

- Net income of \$41.1 million, or \$0.74 per share
- Core Net Income** of \$40.7 million, or \$0.73 per share
- Net Interest Margin of 2.81%, cost of deposits of 0.10%
- Return on average common equity of 20.7%; core return on average tangible common equity** of 22.2%
- Butterfield to acquire Global Trust Solutions business from Deutsche Bank****

Core Net Income**



Core Return on Average Tangible Common Equity**



	Q3 2017	vs. Q2 2017		vs. Q3 2016	
		\$	%	\$	%
Net Interest Income	\$ 74.3	\$ 2.8		\$ 9.3	
Non-Interest Income	38.2	(0.5)		2.0	
Prov. for Credit Losses	0.7	1.2		1.0	
Non-Interest Expenses*	(73.8)	(1.7)		(3.7)	
Other Gains (Losses)	1.8	(0.2)		1.1	
Net Income	\$ 41.1	\$ 5.0	14.0 %	\$ 17.0	70.9 %
Non-Core Items**	(0.4)	(1.8)		(9.8)	
Core Net Income**	\$ 40.7	\$ 3.2	8.5 %	\$ 7.3	21.7 %

* Includes income taxes

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

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

**** Announced subsequent to quarter-end.



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Financials

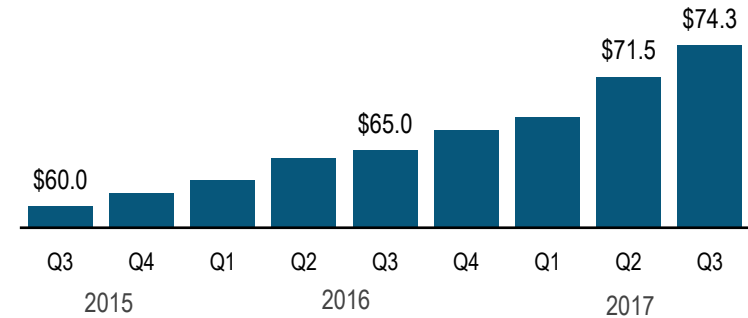
Income Statement

Net Interest Margin & Yields

	Q3 2017		vs. Q2 2017	
	Avg. Balance	Yield	Avg. Balance	Yield
Cash, S/T Inv. & Repos	\$ 2,241.5	0.81%	\$ (395.3)	0.13%
Investments	4,561.9	2.22%	22.7	0.02%
Loans (net)	3,682.3	5.16%	75.6	0.05%
Interest Earning Assets	10,485.8	2.95%		
Total Liabilities	10,042.0	0.15%	(338.9)	—%
Net Interest Margin		2.81%		0.15%

Net Interest Income

Net Interest Income before Provision for Credit Losses - Trend



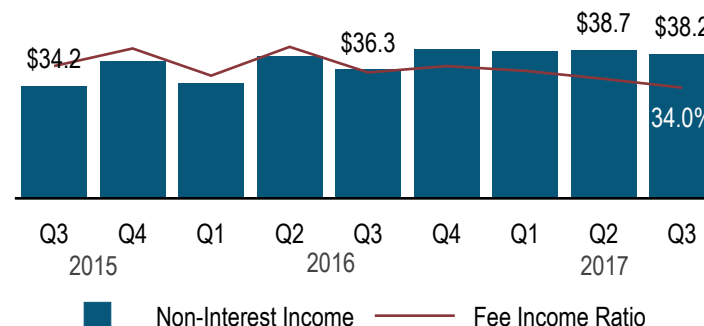
- Continued margin expansion resulting from higher short-term rates.
- Increase in commercial loan yields improved lending margins.

Income Statement

Non-Interest Income

	Q3	vs. Q2 2017	
		\$	%
Asset management	\$ 6.3	\$ 0.4	6.5 %
Banking	10.8	(0.1)	(1.3)%
FX Revenue	7.6	—	0.3 %
Trust	10.9	(0.3)	(2.7)%
Custody and Other	2.0	0.1	6.5 %
Other	0.5	(0.6)	(50.4)%
Total Non-Interest Income	\$ 38.2	\$ (0.5)	(1.2)%

Non-Interest Income Trend



- Acquisition of Global Trust Solutions (“GTS”) business from Deutsche Bank will add scale and talent to existing trust operations in Switzerland, Guernsey and Cayman and add a profitable and strategically important private trust platform in Singapore.
- GTS will generate stable trust fee income and will be accretive once integrated.
- Stability of non-interest income supported by diversification of fee-related businesses.
- Fee income ratio of 34.0% remains well above peers* and increases returns on equity.

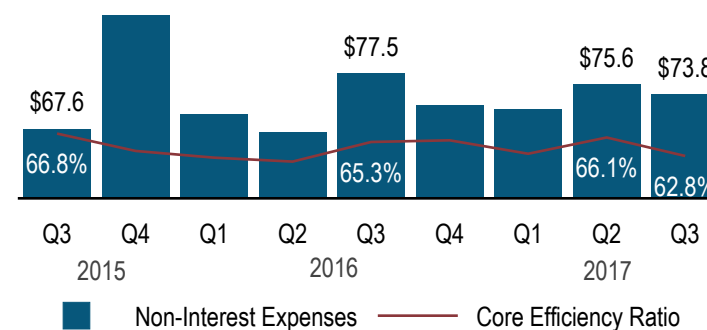
Income Statement

Non-Interest Expenses

Core Non-Interest Expenses*

	vs. Q2 2017	
	Q3	\$ %
Salaries & Benefits	\$ 37.2	\$ 0.1
Technology & Comm.	13.1	(0.2)
Property	5.1	(0.2)
Professional & O/S Services	5.6	(0.1)
Indirect Taxes	4.6	0.1
Intangible Amortization	1.0	(0.1)
Marketing	0.9	(1.5)
Other **	4.2	(0.6)
Total Core Non-Interest Expenses*	\$ 71.8	\$ (2.4) (3.2)%
Non-Core Expenses*	2.0	0.6
Non-Interest Expenses***	\$ 73.8	\$ (1.8) (2.3)%

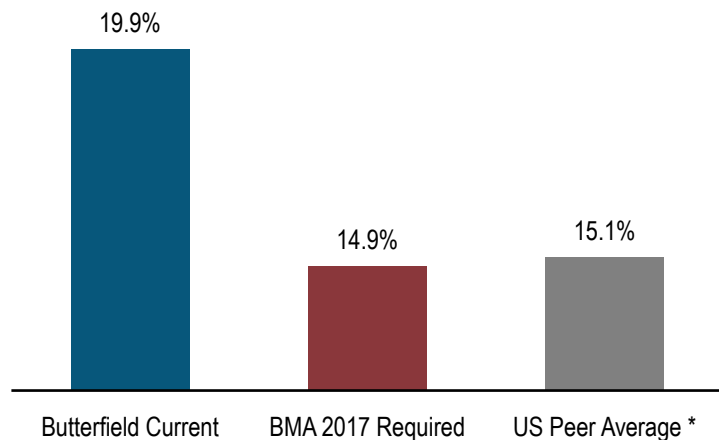
Non Interest Expense Trend ***



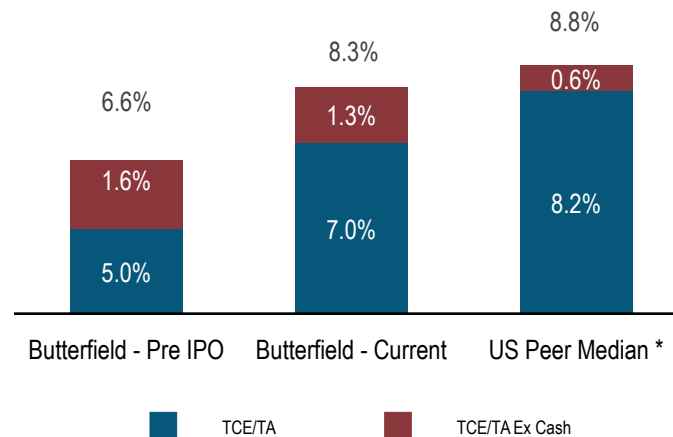
- Elevated expense levels in Q3 due to Sarbanes Oxley-related costs, investment in compliance systems and processes, and Group Service Center (Halifax) build out.
- Increased professional fees expenses related to the acquisitions of GTS.
- Expecting to return to normalized cost / income ratios in the short term.

Capital Requirements and Return

Regulatory Capital (Basel III) -
Total Capital Ratio



Leverage Capital

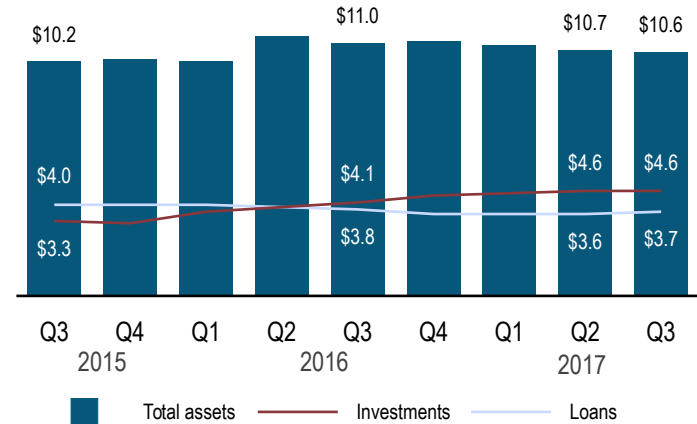


- Continued conservative capital management provides capacity for acquisitions.
- \$0.32 per share dividend declared for 3rd quarter.
- Butterfield continues to build capital resulting in leverage capital at the high end of target capital range.

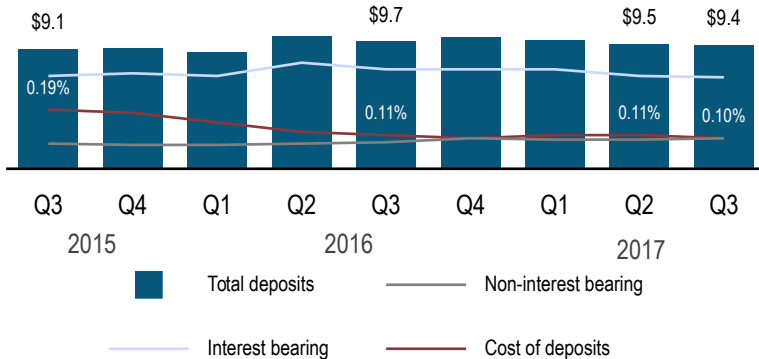
Balance Sheet

	Q3 2017		Q2 2017	
Cash & Equivalents	\$	1,546	\$	1,720
S/T Inv. & Reverse Repos		418		478
Loans (net)		3,664		3,588
Investments		4,613		4,558
Other Assets		338		335
Total Assets	\$	10,578	\$	10,679
Int. Bearing Deposits	\$	7,036	\$	7,150
Non-Int. Bearing Deposits		2,371		2,329
Other Liabilities		368		430
Shareholders Equity		802		770
Total Liab. & Equity	\$	10,578	\$	10,679

Total Assets



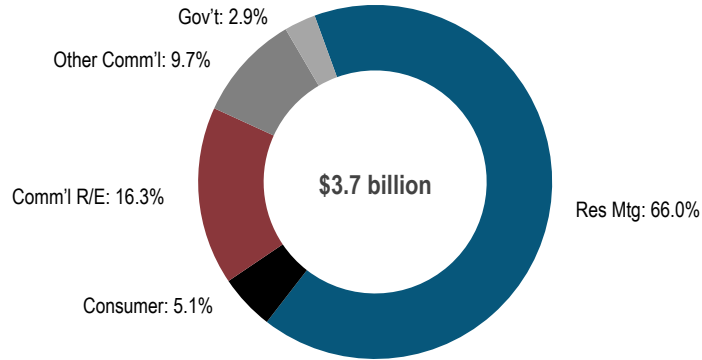
Total Deposits



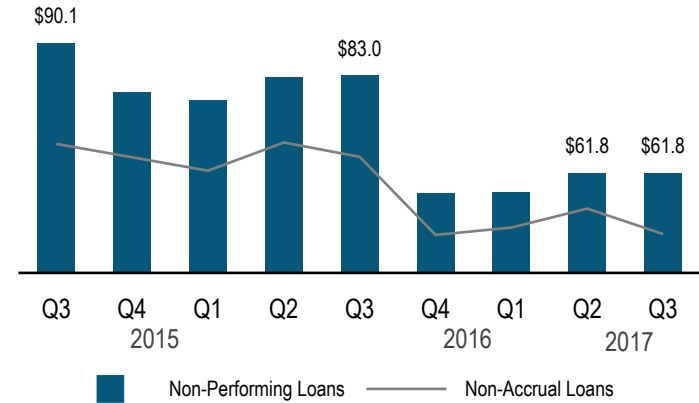
- Loan balances flat with paydowns in commercial lending offset by growth in residential mortgages.
- Cash balances within target range due to further deployment into short-dated securities and slightly lower deposit balances.
- Cost of deposit steady at 0.10%.

Asset Quality

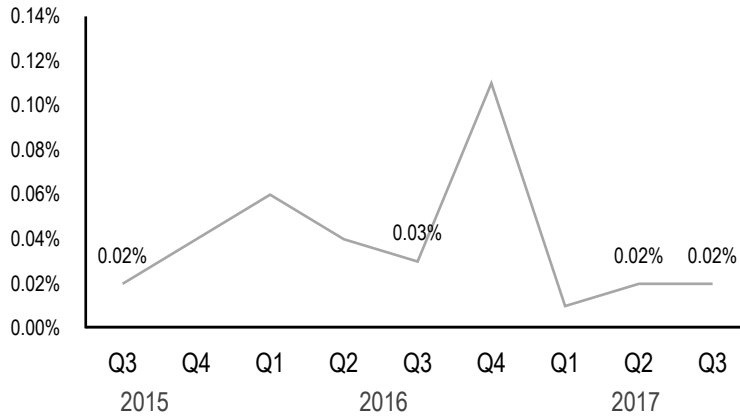
Loan Distribution



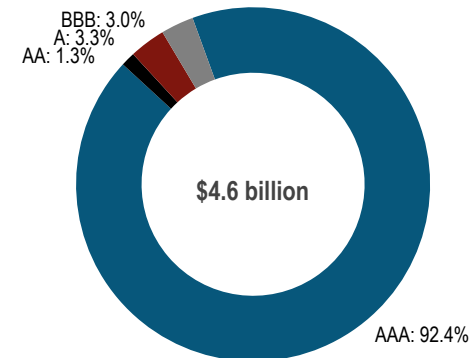
Non-Performing and Non-Accrual Loans



Net Charge-Off Ratio



Investment Portfolio Rating Distribution

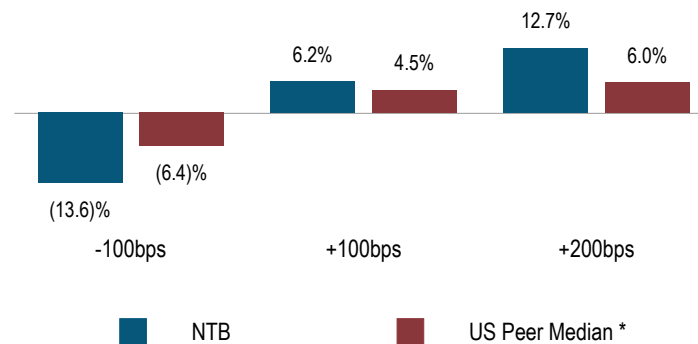


Interest Rate Sensitivity

Average Balance - Balance Sheet

	Average Balances (\$bn)		Duration	vs. Q2 2017
	Q3 2017	vs. Q2 2017		
Cash	1,984.8	(288.2)	N/A	N/A
S/T Invest.	256.7	(107.1)	0.1	(0.1)
AFS	3,265.0	(47.1)	2.4	0.2
HTM	1,296.1	69.7	5.8	(0.1)
Total	6,802.6	(372.7)		

Interest Rate Sensitivity**



- The Bank remains significantly more sensitive to increases in interest rates relative to its US peers*.
- Stability in franchise deposits continues to be valuable in a rising rate environment.
- Cautiously optimistic that term rate market will be more constructive in the near term.

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

** These projections present the estimated change in net interest income assuming gradual parallel shifts of the yield curve in even increments over the first twelve months, followed by rates held constant thereafter.



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Summary

Q&A

Appendices

Appendix

Balance Sheet Trends

	2017			2016				2015			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Assets											
Cash & Equivalents	\$ 1,546	\$ 1,720	\$ 1,867	\$ 2,102	\$ 1,485	\$ 2,655	\$ 1,774	\$ 2,289	\$ 2,262	\$ 2,101	\$ 2,060
Reverse Repos	210	184	63	149	186	—	—	—	—	—	—
S/T Investments	208	294	542	520	995	436	425	409	331	380	342
Investments	4,613	4,558	4,549	4,400	4,114	3,870	3,679	3,224	3,286	3,245	3,086
Loans, Net	3,664	3,588	3,573	3,570	3,836	3,904	3,953	4,000	3,974	3,977	3,922
Other Assets	338	335	350	363	363	422	355	354	364	367	390
Total Assets	\$ 10,578	\$ 10,679	\$ 10,944	\$ 11,104	\$ 10,979	\$ 11,287	\$ 10,186	\$ 10,276	\$ 10,217	\$ 10,070	\$ 9,800
Liabilities and Equity											
Total Deposits	\$ 9,407	\$ 9,479	\$ 9,849	\$ 10,034	\$ 9,667	\$ 10,091	\$ 8,939	\$ 9,182	\$ 9,111	\$ 9,001	\$ 8,600
Long-Term Debt	117	117	117	117	117	117	117	117	117	117	117
Other Liabilities	252	313	236	242	230	263	343	227	215	213	212
Total Liabilities	\$ 9,776	\$ 9,909	\$ 10,203	\$ 10,393	\$ 10,014	\$ 10,471	\$ 9,399	\$ 9,526	\$ 9,443	\$ 9,331	\$ 8,929
Common Equity	\$ 802	\$ 770	\$ 741	\$ 711	\$ 782	\$ 633	\$ 604	\$ 567	\$ 591	\$ 556	\$ 688
Preferred Equity	—	—	—	—	183	183	183	183	183	183	183
Total Equity	\$ 802	\$ 770	\$ 741	\$ 711	\$ 965	\$ 816	\$ 787	\$ 750	\$ 774	\$ 739	\$ 871
Total Liabilities and Equity	\$ 10,578	\$ 10,679	\$ 10,944	\$ 11,104	\$ 10,979	\$ 11,287	\$ 10,186	\$ 10,276	\$ 10,217	\$ 10,070	\$ 9,800
Key Metrics											
TCE / TA	7.0%	6.7%	6.2%	5.9%	6.6%	5.0%	5.5%	5.1%	5.3%	5.0%	6.5%
CET 1 Ratio	17.8%	17.0%	15.8%	15.3%	16.1%	12.3%	12.4%	N/A	N/A	N/A	N/A
Total Tier 1 Capital Ratio	17.8%	17.0%	15.8%	15.3%	20.5%	16.5%	16.4%	16.2%	15.8%	15.6%	17.9%
Total Capital Ratio	19.9%	19.1%	17.9%	17.6%	22.9%	18.9%	18.7%	19.0%	18.6%	18.5%	20.8%

	2017 - Q3			2017 - Q2			2017 - Q1		
	Average balance (\$)	Interest (\$)	Average rate (%)	Average balance (\$)	Interest (\$)	Average rate (%)	Average balance (\$)	Interest (\$)	Average rate (%)
Assets									
Cash due from banks, reverse repurchase agreements and short-term investments	\$ 2,241.5	\$ 4.6	0.81%	\$ 2,636.9	\$ 4.5	0.68%	\$ 2,476.7	\$ 3.5	0.57%
Investment in securities	4,561.9	25.5	2.22%	4,539.2	24.9	2.20%	4,556.4	24.4	2.17%
Trading	0.8	—	—%	0.8	—	—%	0.7	—	—%
AFS	3,265.0	16.3	1.98%	3,312.1	16.1	1.95%	3,358.7	15.9	1.92%
HTM	1,296.1	9.2	2.83%	1,226.3	8.9	2.90%	1,196.9	8.6	2.90%
Loans	3,682.3	47.9	5.16%	3,606.8	46.0	5.11%	3,661.1	44.0	4.87%
Commercial	1,240.3	16.0	5.11%	1,199.6	14.7	4.92%	1,361.5	15.1	4.49%
Consumer	2,442.0	31.9	5.19%	2,407.1	31.2	5.20%	2,229.6	28.9	5.10%
Total interest earning assets	10,485.8	78.0	2.95%	10,782.9	75.3	2.80%	10,694.1	71.9	2.73%
Other assets	327.8			359.5			352.7		
Total assets	\$ 10,813.5	\$ 78.0	2.86%	\$ 11,142.4	\$ 75.3	2.71%	\$ 11,046.8	\$ 71.9	2.64%
Liabilities									
Interest bearing deposits	\$ 7,255.3	\$ (2.5)	0.14%	\$ 7,635.2	\$ (2.7)	0.14%	\$ 7,656.2	\$ (2.8)	0.15%
Customer demand deposits	5,367.2	(0.1)	0.01%	5,634.8	(0.3)	0.02%	5,411.2	(0.3)	0.02%
Customer term deposits	1,873.8	(2.3)	0.48%	1,991.5	(2.4)	0.47%	2,177.7	(2.4)	0.44%
Deposits from banks	14.3	(0.1)	2.65%	8.8	(0.1)	2.70%	67.4	(0.1)	0.49%
Long-term debt	117.0	(1.3)	4.26%	117.0	(1.2)	4.20%	117.0	(1.2)	4.14%
Interest bearing liabilities	7,372.3	(3.7)	0.20%	7,752.2	(3.9)	0.20%	7,773.2	4.0	0.21%
Non-interest bearing customer deposits	2,413.9			2,377.6			2,334.1		
Other liabilities	255.7			251.1			257.0		
Total liabilities	\$ 10,042.0	\$ (3.7)	0.15%	\$ 10,380.9	\$ (3.9)	0.15%	\$ 10,364.3	\$ (4.0)	0.16%
Shareholders' equity	771.6			761.5			682.5		
Total liabilities and shareholders' equity	\$ 10,813.5			\$ 11,142.4			\$ 11,046.8		
Non-interest bearing funds net of non-interest earning assets (free balance)	\$ 3,113.4			\$ 3,030.7			\$ 2,920.9		
Net interest margin		\$ 74.4	2.81%		\$ 71.5	2.66%		\$ 67.9	2.58%

	2017			2016				2015			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Interest Income	\$ 74.3	\$ 71.5	\$ 67.9	\$ 66.8	\$ 65.0	\$ 64.3	\$ 62.3	\$ 61.2	\$ 60.0	\$ 59.3	\$ 58.8
Non-Interest Income	38.2	38.7	38.5	38.8	36.3	37.9	34.5	37.3	34.2	34.5	34.1
Prov. for Credit Losses	(0.7)	0.5	(0.3)	(0.9)	0.3	5.3	(0.3)	2.6	0.9	2.0	0.2
Non-Interest Expenses	73.8	75.6	71.2	71.9	77.5	67.0	70.2	87.9	67.6	65.3	65.7
Other Gains (Losses)	1.8	2.0	0.2	0.8	0.6	(0.2)	(0.2)	(10.3)	3.1	(3.2)	1.0
Net Income	\$ 41.1	\$ 36.1	\$ 35.9	\$ 35.4	\$ 24.0	\$ 29.8	\$ 26.8	\$ (2.3)	\$ 28.8	\$ 23.3	\$ 28.0
Non-Core Items*	\$ (0.4)	\$ 1.4	\$ 2.6	\$ 1.7	\$ 9.4	\$ 2.3	\$ 9.2	\$ 30.1	\$ 0.5	\$ 4.5	\$ 1.0
Core Net Income	\$ 40.7	\$ 37.5	\$ 38.5	\$ 37.1	\$ 33.4	\$ 32.1	\$ 36.0	\$ 27.8	\$ 29.3	\$ 27.8	\$ 29.0
Key Metrics											
Loan Yield	5.16%	5.11%	4.87%	4.92%	4.75%	4.72%	4.74%	4.63%	4.61%	4.66%	4.63%
Securities Yield	2.22	2.20	2.17	1.98	1.91	1.87	2.07	2.08	2.10	2.33	2.16
Interest Bearing Dep. Cost	0.14	0.14	0.15	0.13	0.11	0.12	0.15	0.18	0.19	0.22	0.23
Net Interest Margin	2.81	2.66	2.58	2.45	2.39	2.44	2.54	2.48	2.43	2.52	2.48
Core Efficiency Ratio*	62.8	66.1	63.2	65.6	65.3	61.8	62.5	63.7	66.8	66.7	66.8
Core ROATCE*	22.2	21.6	23.4	19.3	19.0	20.1	23.7	17.7	19.3	17.6	16.0
Fee Income Ratio	34.0	35.1	36.1	36.4	35.9	39.1	35.5	38.9	36.7	37.6	36.8
Fully Diluted Share Count (in millions of common shares)	55.5	55.6	55.2	54.7	49.0	49.0	47.4	47.3	47.4	49.9	55.7

	2017			2016				2015				
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Non-Interest Income												
Trust	\$ 10.9	\$ 11.3	\$ 11.4	\$ 11.5	\$ 11.6	\$ 10.8	\$ 10.1	\$ 10.3	\$ 9.9	\$ 10.2	\$ 10.0	
Asset Management	6.3	5.9	5.8	6.0	5.6	5.3	4.2	5.3	4.7	4.6	4.3	
Banking	10.8	10.9	10.0	11.0	9.7	10.0	8.7	10.2	8.5	8.2	8.3	
FX Revenue	7.6	7.5	8.3	7.4	6.5	8.4	8.3	8.3	7.6	8.0	7.9	
Custody & Other Admin.	2.0	1.9	2.0	2.0	2.3	2.3	2.2	2.3	2.3	2.5	2.4	
Other	0.5	1.1	0.9	0.9	0.6	1.0	1.0	0.9	1.2	1.0	1.2	
Total Non-Interest Income	\$ 38.2	\$ 38.7	\$ 38.5	\$ 38.8	\$ 36.3	\$ 37.9	\$ 34.5	\$ 37.3	\$ 34.2	\$ 34.5	\$ 34.1	
Non-Interest Expense												
Salaries & Benefits	\$ 37.4	\$ 37.4	\$ 36.0	\$ 34.2	\$ 42.4	\$ 32.2	\$ 31.2	\$ 37.8	\$ 32.1	\$ 32.3	\$ 32.7	
Technology & Comm.	13.2	13.4	12.9	14.5	14.4	14.1	14.5	14.6	14.7	13.9	13.9	
Property	5.1	5.4	4.9	5.5	5.4	5.1	5.0	5.5	5.7	5.2	5.2	
Professional & O/S Services	6.9	6.1	6.2	5.4	4.1	5.4	4.1	13.7	5.8	4.1	4.1	
Indirect Taxes	4.6	4.5	4.2	4.7	4.2	2.8	4.6	1.6	4.2	3.8	4.3	
Intangible Amortization	1.0	1.1	1.0	1.0	1.2	1.3	1.1	1.1	1.1	1.1	1.1	
Marketing	0.9	2.4	1.0	1.7	0.9	1.0	0.9	1.2	0.7	1.1	0.9	
Restructuring	0.4	0.6	0.4	0.5	0.6	0.7	4.5	2.2	—	—	—	
Other	4.0	4.5	4.3	4.4	4.4	4.2	4.0	9.5	3.1	3.6	3.3	
Total Non-Interest Expense	\$ 73.6	\$ 75.3	\$ 71.0	\$ 71.9	\$ 77.3	\$ 66.7	\$ 69.9	\$ 87.2	\$ 67.4	\$ 65.1	\$ 65.5	
Income Taxes	0.2	0.3	0.2	—	0.2	0.2	0.3	0.7	0.2	0.2	0.2	
Total Expense incld. Taxes	\$ 73.8	\$ 75.6	\$ 71.2	\$ 71.9	\$ 77.5	\$ 67.0	\$ 70.2	\$ 87.9	\$ 67.6	\$ 65.3	\$ 65.7	

	2017			2016				2015			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Salaries & Benefits	\$ 37.2	\$ 37.1	\$ 35.9	\$ 34.0	\$ 33.6	\$ 31.5	\$ 29.6	\$ 31.0	\$ 31.4	\$ 32.1	\$ 31.8
Technology & Comm.	13.1	13.3	12.8	14.4	14.2	13.8	13.9	14.4	14.6	13.6	13.8
Property	5.1	5.3	4.9	5.5	5.3	5.0	5.0	5.5	5.7	5.2	5.2
Professional & O/S Services	5.6	5.7	4.3	5.4	3.9	4.8	3.0	4.5	3.4	3.1	2.7
Indirect Taxes	4.6	4.5	4.3	3.9	3.9	2.8	4.6	1.5	4.2	3.8	4.2
Intangible Amortization	1.0	1.1	1.0	1.0	1.2	1.3	1.1	1.1	1.1	1.1	1.1
Marketing	0.9	2.4	1.0	1.7	0.9	1.0	0.9	1.2	0.7	1.1	0.9
Restructuring	—	—	—	—	—	—	—	—	—	—	—
Other	4.0	4.5	4.2	4.3	4.3	4.2	3.4	4.6	3.1	3.7	3.5
Total Core Non-Interest Expense	\$ 71.6	\$ 73.9	\$ 68.4	\$ 70.2	\$ 67.3	\$ 64.4	\$ 61.5	\$ 63.8	\$ 64.2	\$ 63.7	\$ 63.2
Income Taxes	0.2	0.3	0.2	—	0.2	0.2	0.3	0.7	0.2	0.2	0.2
Total Core Expense incld. Taxes	\$ 71.8	\$ 74.2	\$ 68.6	\$ 70.2	\$ 67.5	\$ 64.6	\$ 61.8	\$ 64.5	\$ 64.4	\$ 63.9	\$ 63.4

Appendix

Non-GAAP Reconciliation

(in millions of US Dollars, unless otherwise indicated)

		2017			2016			2015				
		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net income	A	\$ 41.1	\$ 36.1	\$ 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	41.1	36.1	35.9	(9.9)	19.9	25.7	22.7	(6.5)	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)		(2.5)	—	(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	—	0.1	0.7	(0.7)	—	0.9	—	—	—	—
Total non-core (gains) losses	D	\$ (2.4)	\$ —	\$ —	\$ 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		0.1	0.1	—	—	0.3	0.1	1.3	6.6	1.0	—	0.8
Tax compliance review costs		0.4	0.7	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	—	—	1.1	0.2	1.0	1.2	0.2	0.3	0.6	—
Restructuring charges and related professional service fees		0.4	0.6	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	\$ 2.0	\$ 1.4	\$ 2.6	\$ 1.6	\$ 10.1	\$ 2.3	\$ 8.3	\$ 23.4	\$ 3.5	\$ 1.5	\$ 2.4
Total non-core (gains), losses and expenses	F=D+E	(0.4)	1.4	2.6	1.7	9.4	2.3	9.2	30.2	0.5	4.5	1.0
Core net income	G=A+F	\$ 40.7	\$ 37.5	\$ 38.5	\$ 37.1	\$ 33.4	\$ 32.1	\$ 36.0	\$ 27.9	\$ 29.3	\$ 27.8	\$ 29.0
Core net income attributable to common shareholders	H=C-B+F	40.7	37.5	38.5	33.7	29.3	28.0	31.9	23.7	25.2	23.7	24.9
Average shareholders' equity		788.9	759.2	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	788.9	759.2	729.3	757.9	676.5	616.6	589.5	581.6	572.9	596.8	686.4
Less: average goodwill and intangible assets		(61.3)	(61.6)	(61.7)	(62.9)	(65.5)	(57.4)	(49.5)	(52.6)	(54.6)	(55.3)	(56.4)
Average tangible common equity	J	727.6	697.6	667.6	695.0	611.0	559.2	540.0	529.0	518.3	541.5	630.0
Return on equity	C/I	20.7%	19.0%	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	22.2%	21.6%	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	K	55.5	55.6	55.2	54.7	49.0	47.3	47.4	47.3	47.4	49.9	55.7
Earnings per common share fully diluted	C/K	0.74	0.65	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	(0.01)	0.02	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		0.73	0.67	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		
		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Core return on average tangible assets												
Total average assets	L	\$10,744.8	\$10,981.8	\$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		(61.3)	(61.6)	(61.7)	(62.9)	(65.5)	(57.4)	(49.5)	(52.6)	(54.6)	(55.3)	(56.4)
Average tangible assets	M	\$10,683.5	\$10,920.2	\$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	1.5%	1.3%	1.3%	1.3%	0.9%	1.1%	1.0%	(0.1)%	1.1%	1.0%	1.2%
Core return on average tangible assets	G/M	1.5%	1.4%	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		\$ 802.4	\$ 769.9	\$ 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)	(61.5)	(61.4)	(61.9)	(64.6)	(66.4)	(49.1)	(51.1)	(53.3)	(56.0)	(54.7)
Tangible total equity	N	741.0	708.4	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	741.0	708.4	679.6	648.8	717.2	566.6	554.9	516.4	537.7	500.1	633.9
Total assets		10,578.4	10,678.7	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)	(61.5)	(61.4)	(61.9)	(64.6)	(66.4)	(49.1)	(51.1)	(53.3)	(56.0)	(54.7)
Tangible assets	P	\$10,517.0	\$10,617.2	\$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	7.0%	6.7%	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	7.0%	6.7%	6.2%	5.9%	8.2%	6.7%	7.3%	6.8%	7.1%	6.8%	8.4%
Efficiency ratio												
Non-interest expenses		\$ 73.6	\$ 75.3	\$ 71.0	\$ 71.9	\$ 77.3	\$ 66.7	\$ 69.9	\$ 87.2	\$ 67.4	\$ 65.1	\$ 65.5
Less: Amortization of intangibles		(1.0)	(1.1)	(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	72.6	74.2	70.0	70.9	76.1	65.4	68.8	86.1	66.3	64.0	64.4
Non-interest income		38.2	38.7	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		74.3	71.5	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	\$ 112.5	\$ 110.2	\$ 106.4	\$ 105.6	\$ 101.3	\$ 102.2	\$ 96.8	\$ 98.5	\$ 94.2	\$ 93.8	\$ 92.9
Efficiency ratio	Q/R	64.5%	67.4%	65.7%	67.1%	75.1%	64.0%	71.1%	87.4%	70.4%	68.2%	69.3%
Core efficiency ratio												
Non-interest expenses		\$ 73.6	\$ 75.3	\$ 71.0	\$ 71.9	\$ 77.3	\$ 66.7	\$ 69.9	\$ 87.2	\$ 67.4	\$ 65.1	\$ 65.5
Less: non-core expenses	(E)	(2.0)	(1.4)	(2.6)	(1.6)	(10.1)	(2.3)	(8.3)	(23.3)	(3.5)	(1.5)	(2.4)
Less: amortization of intangibles		(1.0)	(1.1)	(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	70.6	72.8	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	112.5	110.2	106.4	105.6	101.3	102.2	96.8	98.5	94.2	93.8	92.9
Core efficiency ratio	S/T	62.8%	66.1%	63.2%	65.6%	65.3%	61.8%	62.5%	63.7%	66.8%	66.7%	66.8%

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