



Rosebank Branch
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda
Tel: 298-4692



Somerset Branch
Mangrove Bay Road
Somerset Village
Sandy's
Bermuda
Tel: 234-0048



St. George's Branch
1 King's Square
St. George's
Bermuda
Tel: 297-1277



Waterfront Branch
90 Pitt's Bay Road
Pembroke
Bermuda
Tel: 294-2070

HEAD OFFICE

**The Bank of N.T. Butterfield
& Son Limited**
65 Front Street
Hamilton HM 12
Bermuda

Tel: (441) 295-1111
Fax: (441) 292-4365
Telex: 3211 FIELD BA
S.W.I.F.T.: BNTB BM HM
E-mail: contact@bntb.bm

MAILING ADDRESS
P. O. Box HM 195
Hamilton HM AX
Bermuda

**DOMESTIC
SUBSIDIARIES**

**Butterfield Asset
Management Limited**
65 Front Street
Hamilton HM 12
Bermuda

Tel: (441) 299-3817
Fax: (441) 292-9947
Telex: 3320 BETCO BA
www.bam.bm

MAILING ADDRESS
P. O. Box HM 195
Hamilton HM AX
Bermuda

**Butterfield Corporate
Services Limited**
Rosebank Centre
11 Bermudiana Road
Pembroke, Bermuda

Tel: (441) 298-6464
Fax: (441) 295-6759
Telex: 3320 BETCO BA

MAILING ADDRESS
P. O. Box HM 195
Hamilton HM AX
Bermuda

**Butterfield Trust
(Bermuda) Limited**
65 Front Street
Hamilton HM 12
Bermuda

Tel: (441) 299-3980
Fax: (441) 292-1258
Telex: 3320 BETCO BA

MAILING ADDRESS
P. O. Box HM 195
Hamilton HM AX
Bermuda



www.bankofbutterfield.com



Principal Overseas Offices & Subsidiaries



Cayman

Bank of Butterfield International (Cayman) Ltd.
Butterfield House
68 Fort Street
George Town
Grand Cayman
Cayman Islands

Tel: (345) 949-7055
Fax: (345) 949-7004
Telex: 4263 BFIELD CP
www.bankofbutterfield.ky

One Butterfield Place
24 Edward Street
George Town
Grand Cayman
Cayman Islands

Tel: (345) 949-7055
Fax: (345) 949-7761

Two Butterfield Place
28 Edward Street
George Town, Grand Cayman
Cayman Islands

Tel: (345) 949-7055
Fax: (345) 949-7004



Compass Centre
19 North Sound Road
George Town
Grand Cayman
Cayman Islands

Tel: (345) 914-5557
Fax: (345) 945-2698



West Shore Center
508B West Bay Road
George Town, Grand Cayman
Cayman Islands

Tel: (345) 949-8565
Fax: (345) 949-8406



Guernsey

Bank of Butterfield International (Guernsey) Limited

Butterfield Trust (Guernsey) Limited

P.O. Box 25 Roseneath
The Grange
St. Peter Port
Guernsey GY1 3AP
Channel Islands

Tel: (01481) 711521
Fax: (01481) 714533
Telex: 4191362 FIELD G
E-mail: buttfld@guernsey.net

Butterfield Fund Managers (Guernsey) Limited

P.O. Box 211
La Tonnelle House
Les Banques
Stv Sampsons
Guernsey GY2 4BF
Channel Islands

Tel: (01481) 720321
Fax: (01481) 716117
Telex: 4191362 FIELD G
E-mail: buttfund@bfmg.lg

Hong Kong

Butterfield Trust (Hong Kong) Limited

Butterfield Corporate Services (Hong Kong) Limited

The Bank of N.T. Butterfield & Son Limited Hong Kong Branch,
(A Restricted Licence Bank)

26th Floor
Bank of China Tower
1 Garden Road
Central Hong Kong

Tel: (852) 2978-5656
Fax: (852) 2845-0336



United Kingdom

Bank of Butterfield (UK) Limited

St Helen's
1 Undershaft
London EC3A 8JX
United Kingdom

Tel: 020 7816 8300
Fax: 020 7816 8306



Principal Group Companies

This list does not include all companies in the Group. It includes all companies that materially contribute to the profit or loss or assets of the Group.

Country of Incorporation	Company Name	Business
Bermuda	The Bank of N.T. Butterfield & Son Limited*	Holding company, banking, credit and treasury services
Bermuda	Bakery Lane Limited	Real estate holding
Bermuda	Butterfield Asset Management Limited	Investment management and capital market services
Bermuda	Butterfield Corporate Services Limited	Mutual fund and corporate services
Bermuda	Butterfield Trust (Bermuda) Limited	Trust services and private banking
Bermuda	Butterfield Securities (Bermuda) Limited	Stockbroking
Bermuda	Butterfield Vencap Limited	Investment holding
Bermuda	Field Real Estate Holdings Limited	Real estate holding
Cayman Islands	Bank of Butterfield International (Cayman) Ltd.	Banking, credit, treasury, trust, investment management and third-party fund administration
Cayman Islands	Butterfield Fund Managers (Cayman) Ltd.	Management of investment funds
Guernsey	Bank of Butterfield International (Guernsey) Limited	Private banking, treasury and investment management
Guernsey	Butterfield Fund Managers (Guernsey) Limited	Third-party fund administration
Guernsey	Butterfield Trust (Guernsey) Limited	Trust services
Hong Kong	Butterfield Corporate Services (Hong Kong) Limited	Corporate services
Hong Kong	Butterfield Trust (Hong Kong) Limited	Trust, pension and mutual fund services
United Kingdom	Bank of Butterfield (UK) Limited	Banking, credit, and treasury services

* Also has a restricted licence Branch in Hong Kong.



M. Calum Johnston, FICB
President & Chief Executive Officer

Graham C. Brooks, ACIB
*Executive Vice President
International & Trust*

C. Wendell Emery, MBE, JP
*Executive Vice President
Operations*

Richard J. Ferrett, ACIB, MCT
*Executive Vice President &
Chief Financial Officer*

Patricia G. Bean
*Senior Vice President
Human Resources*

William G. Francis II, CCP
*Senior Vice President
Information Systems*

Michael A. McWatt
*Senior Vice President
Credit Risk Management*

Janet M. Nearon
*Senior Vice President
Customer Relations*

Peter J. M. Rodger
*Senior Vice President,
Group Legal Adviser, Secretary to the Board*

Ronald E. Simmons, CPA
*Senior Vice President
& Chief Accountant*

Fred H. Tesch, CPA, CFE, CCP, CFSA
*Senior Vice President
Head of Group Internal Audit*

John Whale
Senior Vice President & Head of Treasury

Peter G. Wignall, ACA
*Senior Vice President
Asset Management and
Managing Director,
Butterfield Asset Management Limited*

Group Asset and Liability Management Committee (GALCO)

Terms of Reference:

Identification, review and management of the Group's key financial strategic exposures. Responsibilities include the following: Capital and balance sheet management, review of balance sheet risk concentrations, review of interest rate/exchange rate exposures, both trading and structural, liquidity management, capital allocation, funds transfer pricing and investment portfolio management.

Members:

President & CEO (Chairman), the Chief Financial Officer, Heads of Treasury, International & Trust, Credit Risk Management, the Managing Director of the Cayman Islands subsidiary, and the Vice President, Credit Review.

New Product Review Committee

Terms of Reference:

Promote generation of new product development Group-wide. Review new products from a risk and profitability perspective. Identify, quantify and sign-off on key performance and risk parameters including: profitability impact, financial risks (funding, interest rate, exchange rate), credit/portfolio concentration considerations, operational/processing issues, legal/compliance requirements, accounting and tax issues, capital expenditure implications, strategic fit and reputational risks.

Members:

Chief Financial Officer (Chairman), senior representatives from Credit Risk Management, Community Banking, International & Trust, Internal Audit and Legal.

Executive Information Systems Steering Committee

Terms of Reference:

To set strategic directions and establish policies for the assessment, acquisition, development and implementation of Information Systems that facilitate, enhance and accelerate the execution of Group business strategies.

Members:

President & CEO, Chief Financial Officer, Heads of International & Trust, Treasury, and Information Systems (Chairman).

Credit Committee

Terms of Reference:

To authorise new loans and to review existing loans and credits in excess of the limits assigned to the SVP, Credit Risk Management, and to authorise policies for the Group's lending activities.

Members:

President & CEO (Chairman), Executive Vice President, International & Trust, Senior Vice President, Credit Risk Management.

●
James A. C. King, MD, FRCS(C),
FACS, JP, Chairman
Chairman, KeyTech Ltd.
Chairman, Argus Insurance Co. Ltd.

● ●
Robert J. Stewart, B.Sc. (Econ.)
FCIS, LL.B, Vice Chairman
President, Old Mutual Asset Managers
(Bermuda) Ltd.

● ● ● ●
J. Christopher Astwood, OBE, JP
Chairman, J.B. Astwood & Son Ltd.

●
Geoffrey R. Bell, QC, FCIArb.
Senior Counsel, Appleby, Spurling & Kempe

● ●
Arlene Brock, BA, LL.B, LL.M
Lawyer/Mediator
Elected to the Board 26 September 2000

● ●
Michael A. Butt, MA, MBA*
Director, XL Capital Ltd.

Lt. Col. M. L. Darling, OBE, ED, JP
President & Managing Director,
William Bluck & Company
Retired from the Board 26 September 2000

● ●
Brian Duperreault
Chairman & Chief Executive Officer,
ACE Limited

● ●
Roderick A. Ferguson III, MBA, JP
Managing Director, Gorham's Ltd.

● ●
M. Calum Johnston, FICB*
President & Chief Executive Officer, The
Bank of N. T. Butterfield & Son Limited

Sheila G. Manderson, B.Sc., MBA
Former Executive Director,
Bermuda Hospitals Board

● ● ●
Robert A. Mulderig
Chairman & Chief Executive Officer,
Mutual Risk Management Ltd.

● ●
E. Stanley D. Ratteray, CBE, DDS
Dental Surgeon, Director, Bermuda Press
(Holdings) Ltd.

●
Glenn M. Titterton, A.C.I.I.
Chartered Insurer, President &
Chief Executive Officer, BF&M
Insurance Group

●
Harry Wilken, CA*
President, Jardine Matheson
International Services Limited

* Directors are Bermudian except
where marked

● **Risk Policy Committee**

Terms of Reference:

To act in a consultative capacity in respect of the activities that give rise to credit, market and liquidity risk. To be fully apprised of these risks. To recommend a general risk management mandate to govern these activities. To regularly re-evaluate the risk exposure of the Bank, its risk tolerance and the established mandate. To review policies to control risk exposure.

● **Audit & Compliance Committee**

Terms of Reference:

Responsible for making reports and recommendations to the Board in respect of audited and unaudited financial statements to be published; external auditors' appointments; audit scope, reports, performance and fees; internal audit reports; compliance and litigation reports, and Y2K reports, and regulatory matters.

● **Corporate Governance Committee**

Terms of Reference:

Identify and recommend nominees for the Board in consultation with the Chairman and the Chief Executive Officer. Assess the performance of the Board as a whole. Monitor and recommend on the mandates of the Board Committees and policies governing the size and composition of the Board. Review and recommend on Directors' compensation.

● **Human Resources Committee**

Terms of Reference

To consider and make policy recommendations to the Board on questions relating to the compensation and benefits of personnel. To act in a general capacity in respect of key human resources issues.

Other Board Committees are:

● **Scholarship Committee**

Terms of Reference:

To make recommendations to the Board on all aspects of the operations that support the Bank's Scholarship and Loan Programme. The Committee consists of a minimum of three Board members, a representative from the Department of Education and the Bermuda College, and one employee.

● **Social Services Committee**

Terms of Reference:

To recommend to the Board policy guidelines for the administration of the Bank's charitable donations and the Bank's duties as a responsible corporate citizen.

Directors' Code of Practice

The Directors have adopted a Code of Best Practice based upon United Kingdom recommended principles of corporate governance. In implementing the code, the Board meets regularly, retains full effective control over the Bank, and monitors executive management.

Directors' Share Interests and Service Contracts

Pursuant to Regulation 6.8(3) of section 11A of the Bermuda Stock Exchange Listing Regulations, the total interests of all directors and officers of the Bank in the shares of the Bank as at 30 June 2001 were 386,004 shares. With the exception of those participating in the Shareholders Dividend Reinvestment Plan or the Stock Option Plan, no rights to subscribe for shares in the Bank have been granted to or exercised by any director or officer.

There are no service contracts with directors, except for Mr. M. C. Johnston, the President & Chief Executive Officer, whose contract expires on 15 December 2002.

Allowance for loan losses:

An allowance set aside from income, which in management's opinion is adequate to absorb all credit-related losses from on and off-balance sheet items. It includes specific and general provisions. Allowance for credit losses is deducted from the related asset categories on the balance sheet.

Asset/liability management:

The management and control of the sensitivity of the Bank of Butterfield's income to changes in market rates.

Capital:

The Bank's regulatory capital consists of shareholders' equity, subordinated debt and general provisions. Capital supports asset growth, provides against loan losses and protects depositors.

Capital Ratios

Tier 1, Tier 2 :

These are ratios of capital to risk-adjusted assets, as stipulated by the Bermuda Monetary Authority, based on international guidelines. Tier 1 capital consists primarily of common shareholders' equity plus non-cumulative preferred shares, less any unamortised goodwill. Tier 2 consists of cumulative preferred shares, subordinated debt and general provisions.

Credit risk:

The possibility that a loss may occur should a borrower or counterparty fail to honour fully the terms of a contract.

Derivative and foreign exchange instruments:

Interest rate swaps, forward rate agreements, futures, forwards, options and other contracts used for asset and liability management or trading purposes. The instruments represent contracts with counterparties where payments are made to or from the counterparty based on specific interest rates, currency levels, other market rates, or on terms pre-determined by the contract.

Earnings (or net income) per share:

The net income of the company divided by the average of shares in issue, excluding shares owned by the Stock Option Trust in respect of the Stock Option Plan, shown both pre and post discontinued operations.

Efficiency ratio:

Efficiency ratio measures the efficiency with which the Group deploys operating expenses to generate operating revenue. It expresses non-interest expenses excluding corporation tax as a percentage of the sum of net interest income and other income excluding credit related provisions. A lower efficiency ratio indicates improved productivity.

Floating rate note (FRN):

A debt instrument with a variable interest rate, whereby interest adjustments are made periodically, often every three months, and tied to a money market index such as LIBOR (the London Inter-bank Offered Rate).

General provisions:

Provisions for doubtful credits are established against the loan portfolio in the Group's business lines, where a prudent assessment of adverse economic trends suggests that losses may occur, but where such losses cannot yet be determined on an item-by-item basis.

Goodwill:

Goodwill represents the unamortised cost of acquiring subsidiaries and other net assets in excess of the appraised value of such net assets at the date of acquisition.

Hedging:

Protecting against price, interest rate or foreign exchange exposures by taking positions that are expected to react to market conditions in an offsetting manner.

Interest rate futures:

Contractual obligations to buy or sell a financial instrument on a future date at a specified price established on an organised exchange; collateralised by cash or short-term government securities and subject to daily mark to market with differences settled daily with the exchange in cash.

Interest rate swaps:

Transactions in which two counterparties exchange interest payments based on a specified notional principal amount for a predetermined period, based on agreed-upon fixed and floating rates.

Market risk:

The risk of loss resulting from changes in the prices of financial instruments in the markets in which the Group participates, such as changes in the value of foreign exchange or fixed-income securities.

Net interest margin:

Net interest income, on a tax-equivalent basis, expressed as a percentage of average total assets.

Return on assets:

Net income as a percentage of average total assets.

Securities sold under agreements to repurchase:

The sale of a security with the commitment by the seller to repurchase the security at a specified price. The difference between the sale price and the agreed repurchase on a repurchase agreement is recorded as interest expense.

Structural interest rate risk:

Risk arising from the differing interest rate repricing characteristics of the Group's assets and liabilities. Group policy is to manage the sensitivity of net interest income to the impact of adverse interest rate movements.

Value at risk (VAR):

VAR is an estimate of the potential loss of value that could result from holding a position for a specified period of time, with a given level of statistical confidence.