



With a stable history that parallels Bermuda's development, Bank of Butterfield has evolved to become a vital community bank and a provider of specialised offshore financial services.

We trace our origins back to the Butterfield family, who farmed the island as early as the 1600s. In 1758, Nathaniel T. Butterfield founded a merchant-trading firm, which in 1858 became The Bank of N.T. Butterfield & Son, Bermuda's first bank.

Working with many generations of Bermudians, we have made a significant contribution to building a strong and successful economy on the island. Dating back to the late 1800s, we supported a budding tourism industry by lending to hotels, retailers and other parties building the island's infrastructure. In 1904, with the equivalent of about \$120,000 in assets, the Bank was incorporated by Act of Parliament. By 1923, we had 13 employees, and by 1946, we had 425 shareholders. By the 1950s, we were serving a growing international business community. Throughout the rest of the 20th century we continued to play an essential role in the island's economy, and undertook focused expansion in offshore markets.

Today we continue to provide community banking services in Bermuda and the Cayman Islands and have become a specialist offshore financial services group. We provide institutional and individual customers with a range of banking, credit, treasury, investment, trust, custody and corporate services.

Our headquarters remain in Bermuda's capital, Hamilton, and the island is home to our largest operation. We also have offices in Barbados, the Cayman Islands, Guernsey and the United Kingdom, as well as a strategic investment in Hong Kong. We have over \$5.7 billion in assets and administer over \$45 billion of client assets.

Our success is built on fundamental strengths: integrity, a stable customer base, strong capital and liquidity positions and solid core businesses. Essential to our accomplishment is a dedicated team of employees who work together to continue to build business, increase efficiency and improve service. In all, we had 1,229 employees at the close of financial year 2002, 749 in Bermuda and 480 overseas.

Our home country regulator is the Bermuda Monetary Authority, which operates in accordance with Basel principles and maintains close contacts with regulators in the other jurisdictions where we have offices. Bank of Butterfield common stock is listed on the Bermuda Stock Exchange and the Cayman Islands Stock Exchange. We have over 3,300 shareholders with 21 million shares outstanding.