

Principal Group Companies

This list does not include all companies in the Group. It includes all companies that materially contributed to the profit or loss or assets of the Group. Countries shown indicate the country of incorporation and the principal country of operation.

The Bank of N.T. Butterfield & Son Limited*

Holding company, banking, credit and treasury services / Bermuda

* Also has a restricted licence Branch in Hong Kong; pending sale to Dextia BIL subject to regulatory approval.

Butterfield Asset Management Limited

Investment management and capital market services / Bermuda

Butterfield Corporate Services Limited

Third party fund and corporate services / Bermuda

Butterfield Trust (Bermuda) Limited

Trust services and private banking / Bermuda

Butterfield Vencap Limited

Investment holding / Bermuda

Field Real Estate Holdings Limited

Real estate holding / Bermuda

Bank of Butterfield International (Cayman) Ltd.

Banking, credit, treasury, trust, investment management and third-party fund administration / the Cayman Islands

Butterfield Fund Managers (Cayman) Ltd.

Management of investment funds / the Cayman Islands

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 / Guernsey

Bank of Butterfield (UK) Limited

Banking, credit, and treasury services / United Kingdom

Board of Directors & Principal Board Committees

[Committee membership indicated by numbers]

1

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

2,3,4

Robert J. Stewart, FCIS, LL.B, Vice Chairman
Chairman, Island Circle Limited, Bermuda
Director, Shell Trust (Bermuda) Limited

2,4,6

J. Christopher Astwood, OBE, JP
Chairman, J.B. Astwood & Son Ltd.
Deputy Chairman
Argus Insurance Co. Ltd.

Geoffrey R. Bell, QC, FCIArb.

Senior Counsel
Appley, Spurling & Kempe

3,4,5

Ariene Brock, LL.B, LL.M
Lawyer / Mediator

Michael A. Butt*

Former Director, XL Capital Ltd.
Retired from the Board 28 January 2002.

1,4

Brian Duperreault
Chairman & Chief Executive Officer
ACE Limited

1,2,4

Roderick A. Ferguson III, JP
Managing Director, Gorham's Ltd.
Chairman, Purvis Ltd.

M. Calum Johnston, FICB*

Former President & Chief Executive Officer
The Bank of N.T. Butterfield & Son Limited
Retired from the Board 28 January 2002.

1,3,5

Sheila G. Manderson
Chief Executive Officer
KeyTech Ltd.

1,2,6

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

3

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

5,6

Alan R. Thompson*
President & Chief Executive Officer
The Bank of N. T. Butterfield & Son Limited
Elected to the Board 28 January 2002.

Glenn M. Titterton, A.C.I.I.

Chartered Insurer, President & Chief Executive Officer
BF&M Insurance Group

2

Harry Wilken, CA*
President
Jardine Matheson International Services Limited

John R. Wright, FIB, FCIOBS*

Retired Bank Chief Executive
Elected to the Board 28 January 2002.

*Directors are Bermudian except where marked

1: Risk Policy Committee

Terms of Reference:

To act in a consultative capacity in respect of the activities that give rise to credit, market, liquidity and operational 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.

2: 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 regulatory matters.

3: 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.

4: 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.

5: Scholarship Committee

Terms of Reference:

To make recommendations to the Board on all aspects of the operations that support the Bank's Scholarship and Bursary 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.

6: 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' and Executive Officers' Share Interests and Directors' Service Contracts

Pursuant to Regulation 6.8(3) of section IIA of the Bermuda Stock Exchange Listing Regulations, the total interests of all directors and executive officers of the Bank in the shares of the Bank as at 30 June 2002 were 397,990 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. None of the Directors or Executive Officers had any interest in any debt securities issued by the Bank or its subsidiaries.

There are no service contracts with directors, except for Alan R. Thompson, President & Chief Executive Officer, whose contract expires on 28 January 2005.



Management & Management Committees

Alan R. Thompson President & Chief Executive Officer
Graham C. Brooks, ACIB Executive Vice President, International & Trust
C. Wendell Emery, MBE, JP Executive Vice President, Operations
Richard J. Ferretti, ACIB, MCT Executive Vice President & Chief Financial Officer
Karla Lacey-Minors Senior Vice President, Human Resources & Corporate Communications
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
Lloyd O. Wiggan Senior Vice President, Banking
Bob W. Wilson Senior Vice President, Credit

Management Committee

Terms of Reference:

The Bank's full-time executive body under the authority of the President & CEO. It oversees the day-to-day business of the Bermuda based operations of Bank of Butterfield. It operates in a manner consistent with the Bank's by-laws and Board approved policies, and recommends issues to the Board of Directors for approval as required. This committee in no way releases an individual executive of his or her accountabilities and responsibilities in their respective area.

Members: President & CEO (Chairman), EVP International & Trust, EVP & Chief Financial Officer, EVP Operations, SVP Banking, SVP Credit, SVP Credit Risk Management, and SVP Human Resources & Corporate Communications.

Asset and Liability Management Committee (ALCO)

Terms of Reference:

To provide a high-level management forum for the identification, control and management of balance sheet trends, liquidity, trading positions, on and off balance sheet exposures, investment portfolios and interest rate and exchange rate exposures of the Group.

Members: President & CEO (Chairman), EVP & Chief Financial Officer, EVP International & Trust, SVP Credit Risk Management, VP and Chief Investment Officer and VP & Treasurer.

Risk Review Committee

Terms of Reference:

To evaluate, prioritise and manage operational risk and compliance, including ensuring appropriate internal controls and corporate governance within Bank of Butterfield Group.

Members: EVP & Chief Financial Officer (Chairman), EVP Operations, SVP Chief Accountant, VP Head of Treasury Operations, VP Group Compliance, VP Head of Banking Operations, VP Head of Global Custody and VP Operations Control.

Credit Committee

Terms of Reference:

To provide a process to review the overall loan activity, including charge-offs and monitoring the update of credit guidelines for the Bank Group. This committee co-ordinates lending objectives.

Members: President & CEO (Chairman), EVP International & Trust, SVP Credit Risk Management, SVP & Head of Retail Banking and SVP Credit.

Technology 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 (Chairman), EVP Operations, SVP Chief Accountant, SVP & Head of Retail Banking, VP Managing Director Butterfield Corporate Services, VP Application & Systems Support and VP Head of Electronic Banking.

Glossary of Terms

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

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, currency options and other contracts used for asset 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 predetermined 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 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 and amortisation of intangible assets, 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, normally every three months, and tied to a money market index such as LIBOR (the London Interbank 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.

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 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 interest bearing 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.



Shareholder Information

Dividend Payment

Payment of dividends is quarterly, occurring in November, February, May and August.

Exchange Listing

The Bank's shares are listed on The Bermuda Stock Exchange (BSX) and the Cayman Islands Stock Exchange (CSX), located at:

Bermuda (Primary Listing)

Phase 1 – 3rd Floor,
Washington Mall,
Church Street,
Hamilton HM 11,
Bermuda
Telephone: (441) 292-7212 or 292-7213
Fax: (441) 292-7619
Internet: www.bsx.com

Cayman Islands (Secondary Listing)

Elizabethan Square,
4th Floor,
P.O. Box 2408 GT,
Grand Cayman, Cayman Islands
Telephone: (345) 945-6060
Fax: (345) 945-6061

Share Dealing Service

Butterfield Securities (Bermuda) Limited
65 Front Street
Hamilton,
Bermuda
Telephone: (441) 299-3972
Fax: (441) 296-8867

Share Price

Published daily in The Royal Gazette in Bermuda and available on Bloomberg Financial Markets (symbol: NTB BH). Also available on the BSX Internet site (www.bsx.com).

Dividend Reinvestment Plan

Details are available from Butterfield Corporate Services Limited (see below).

Certain restrictions apply.
Registrar and Transfer Agent
Butterfield Corporate Services Limited
Rosebank Centre
11 Bermudiana Road
Pembroke,
Bermuda
Telephone: (441) 298-6464
Fax: (441) 295-6759
E-mail: contact@bntb.bm

Head Office

The Bank of N. T. Butterfield & Son Limited
65 Front Street
Hamilton,
Bermuda
Telephone: (441) 295-1111
Fax: (441) 292-4365

Mailing Address

P. O. Box HM 195
Hamilton HM AX,
Bermuda
Internet: www.bankofbutterfield.com

Media Relations / Publication Requests

Corporate Communications
Telephone: (441) 299-3886
E-mail: contact@bntb.bm

Investor Relations

Chief Financial Officer
Telephone: (441) 299-1643
E-mail: richardferrett@bntb.bm

Written Notice of Share Repurchase Programme BSX Regulation 6.38

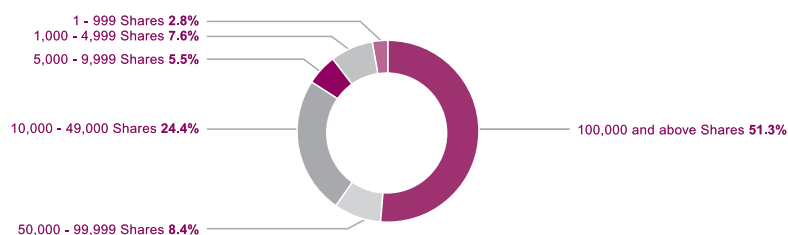
The Board of Directors of the Bank has the present intention to repurchase over the twelve month period commencing 1 July 2002, up to 2 million of its ordinary shares of par value \$1 each pursuant to its share repurchase programme authorised by shareholders on 29 October 1997. As at 30 June 2002, 2 million shares represent 9.4% of total issued shares of the Bank. This intention is subject to appropriate market conditions and repurchases will only be made in the best interests of the Bank.

The Directors consider that share repurchase is an excellent means of enhancing shareholder value while increasing earnings per share.

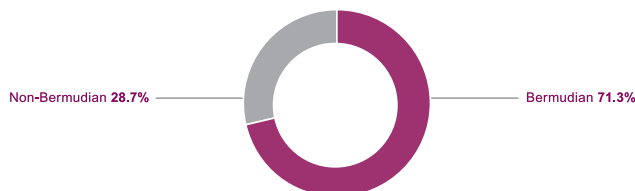
Shares repurchased and cancelled in the financial year to 30 June 2002 totalled 287,521 at an average price of \$31.75 and aggregate cost of \$9.13 million.

From time to time the Bank's associates, insiders, and insiders' associates as defined in the BSX Regulations may sell shares which may result in being repurchased pursuant to the programme, but under BSX Regulations such trades must not be pre-arranged and all repurchases must be made in the open market. Prices paid by the Bank must not, according to BSX Regulations, be higher than the last independent trade.

The Bank will continue to advise the BSX monthly of shares repurchased and cancelled.



Distribution of Shares by Number Held



Split of Share Ownership Bermudian/Non-Bermudian

