

4 April 2024

# **Statement of Terms of Scheme to Transfer Banking Business**

**from Butterfield Bank (Jersey) Limited  
to Butterfield Bank (Guernsey) Limited,  
acting through its Jersey Branch  
(Butterfield Bank (Guernsey) Limited,  
Jersey Branch) under the registered  
business name 'Butterfield Bank Jersey'**



## Notification

### Statement of terms of Scheme to transfer banking business

The Butterfield group wishes to reorganise its business in Jersey to create alignment across Butterfield's Channel Islands entities to assist with the strategic goal of a move to more retail oriented offering.

This statement is provided pursuant to the Banking Business (Jersey) Law 1991. It intended as a guide for Butterfield Bank (Jersey) Limited's ("**BBJL**") and Butterfield Bank (Guernsey) Limited's ("**BBGL**") customers, members and employees and sets out the terms of the Scheme and the independent auditor's report prepared by PricewaterhouseCoopers CI LLP (the "**Report**") and provides insight on the likely effects of the Scheme.

### How can you obtain more detailed information of the Scheme

A copy of this statement, the full terms of the Scheme as set out in the scheme document (the "**Scheme Document**"), the Report and the application to Court to approve the Scheme are available free of charge upon request up to the date of the sanctioning hearing to approve the Scheme. Additionally, the documents are available for inspection and collection at Butterfield Bank, IFC6, IFC Jersey, St. Helier, JE2 3BZ.

Any updates regarding the Transfer (as defined below), the Court hearing and its approval will be posted on our website at <https://www.butterfieldgroup.com/en-je>.

If you still have questions or concerns after reading this guide and visiting our website, please speak to your usual contact at BBJL and/or BBGL (as applicable) or email us at [Branchtransfer@butterfieldgroup.com](mailto:Branchtransfer@butterfieldgroup.com).

## Statement summarising the terms of the Scheme and the Independent Auditor's Report

### Background

This statement summarises the terms of the Scheme and summarises the Report.

Subject to the prior consent of the Jersey Financial Services Commission (“**JFSC**”), the Royal Court of Jersey (the “**Court**”) and the Guernsey Financial Services Commission (“**GFSC**”), the Butterfield Group wishes to reorganise its business in Jersey by way of a banking law scheme of transfer pursuant to Article 48D of the Banking Business (Jersey) Law 1991 (the “**Banking Law**”), so that all business, including deposit-taking business (as defined in the Banking Law), lending and other banking business (together, the “**Banking Business**”), Investment Business, Money Service Business and Fund Services Business (each as defined in the Financial Services (Jersey) Law 1998 (the “**FS Law**”) currently carried on in or from within Jersey by BBJL (all such activities together, the “**Business**”) will be transferred to and then carried on by BBGL acting through its Jersey branch (Butterfield Bank (Guernsey) Limited, Jersey Branch) under the registered business name ‘Butterfield Bank Jersey’ (“**BBGL Jersey Branch**”) (the “**Scheme**”).

The Scheme will involve the transfer as a going concern of the Business, and all assets and liabilities of BBJL related to the Business, to BBGL Jersey Branch, with very limited exceptions (if any), as more particularly described as the “**Transferring Business**” in Schedule 1 of the Scheme Document (the “**Transfer**”). The Transferring Business will also include the client accounts of BBJL (including deposit and loan accounts and any securities, portfolio, custody and investment accounts) being transferred to BBGL Jersey Branch. It is also intended that the ownership of Butterfield (Jersey) Nominees Limited, currently a wholly owned subsidiary of BBJL, will be transferred to BBGL. All Jersey employees of BBJL have been or will be transferred to a Guernsey service company (the “**ServiceCo**”), which is an affiliate of BBGL, on the same terms prior to the Transfer Date (as such term is defined in the Scheme Document).

In relation to customers of BBJL, we are proposing to transfer your account(s) and any related contracts which form part of the Transferring Business from BBJL to BBGL Jersey Branch. There will be no material changes to the products and services you currently receive as a result of the Transfer. The deposit and lending interest rates, tariffs and charges applicable immediately before the Transfer will also remain the same immediately following the Transfer.

In order to implement the Scheme, we must obtain approval from the Court, the JFSC and the GFSC. The Court will only approve the Scheme if it is satisfied that all of the legal requirements have been met and that the proposed Transfer is fair to customers as a whole. In relation to customers of BBJL, if the Court approves the Scheme, we expect that your account(s) and contracts relating to the Transferring Business will transfer without the need for any further action being taken by you. However, if we consider that any further action is required then we will write to you again with further details.

### How can you raise any questions or concerns about the Scheme

If you have any questions or concerns about the Scheme, please call us using the contact details in the accompanying letter.

If you believe that you will be adversely affected by the Transfer, you have the right to raise your concerns by appearing at Court in person or by a representative such as a lawyer (at your own cost). The Court hearing to request approval of the Scheme is due to take place at **10:00am on 14 May 2024** at the Royal Court of Jersey, Royal Square, St. Helier, Jersey JE1 1JG. Any updates regarding the Transfer or the Court hearing will be posted on our website <https://www.butterfieldgroup.com/en-je>.

If you believe that the Scheme could affect the tax you pay or if you have any other questions about tax, please speak to an independent tax advisor.

## Summary of main terms of the Scheme

Any client accounts, deposit or loan accounts, any securities, portfolio, custody and investment accounts held by you with BBJL, along with any related contracts will transfer to BBGL Jersey Branch. The Transfer will be implemented through the Scheme pursuant to Article 48D of and the Schedule to the Banking Law.

If the Court approves the Scheme, it is intended that the Scheme will become effective on the “**Effective Date**” being **00:01am on 01 June 2024**.

The terms of the Scheme include that upon Transfer, and with effect from the applicable Transfer Date:

- **cheques and other payment instructions:** any negotiable instrument, cheque, warrant, draft, letter of credit or order for payment of money relating to such part of the Transferring Business as is transferring on such applicable Transfer Date, drawn on or by, or given to, or accepted or endorsed by, BBJL, or payable at any place of business of BBJL, whether so drawn, given, accepted, endorsed or payable before, on or after the applicable Transfer Date, shall have the same effect as if it had been drawn on or by, given to or accepted or endorsed by BBGL Jersey Branch or, as the case may be, as if the place of business at which it is payable were a place of business of BBGL Jersey Branch;
- **continuity of contracts:** each transferring contract will have effect as if made with BBGL Jersey Branch, each transferring contract shall be subject to the same terms and conditions as applicable immediately prior to the Transfer Date and BBGL Jersey Branch shall have the same rights and obligations under each transferring contract as BBJL had immediately prior to the Transfer Date;
- **changes to account terms and conditions:** the terms and conditions relating to your account will not be amended by the Scheme, each transferring account shall be deemed for all purposes to be a single continuing account irrespective of any re-designation or change in reference to that account made on or after the Transfer Date;
- **continuing in proceedings:** any claim, counterclaim, complaint, petition, suit, appeal or other legal process issued, served, pending, threatened or otherwise commenced or continuing in respect of BBJL shall be continued by, against or with BBGL Jersey Branch and BBGL Jersey Branch shall be entitled to all defences, claims, counterclaims, defences to counterclaims and rights of set off that were or would have been available to BBJL in relation to those proceedings;
- **documents in custody:** the custody of any document, record, goods or other thing held by BBJL as bailee or in any other similar capacity in respect of the transferring business will pass to BBGL Jersey Branch in the same capacity;
- **personal data:** BBGL Jersey Branch will become the data controller in respect of all personal data and corresponding consents relating to the transferring business;
- **privacy and confidentiality:** BBGL Jersey Branch will, in relation to the transferring business, owe to any person the same duties of confidentiality and privacy as those which BBJL owned in relation to the transferring business;
- **transferring Business:** each and every part of the transferring business shall by and in accordance with the terms of the Scheme (as outlined in this statement) be transferred as a going concern from BBJL to, and vested in, BBGL Jersey Branch, with very limited exceptions (if any); and
- **eligible deposits:** there will be no change to how your eligible deposits are protected, any eligible deposits you have with us will still be protected by the Jersey Depositors Compensation Scheme. Similarly, it will remain the case that for those depositors of BBJL not currently afforded protection by the Jersey Depositors Compensation Scheme, these depositors will remain unprotected as a result of the Transfer. Post implementation of the Scheme and upon conclusion of the proposed Transfer, the financial position of BBGL (rather than BBJL) will be relevant to client deposits held with BBGL Jersey Branch. In the unlikely event of

a failure of BBGL, such non-eligible deposits of BBGL Jersey Branch would be paid subject to statutory order of priority and the assets and realisations available in BBGL.

### Residual Assets and Liabilities

The Scheme includes additional provisions dealing with certain residual assets and liabilities that are intended to transfer but, for whatever reason, do not transfer to BBGL Jersey Branch on the Effective Date.

The Scheme provides that these be held on trust by BBJL for BBGL Jersey Branch as residual assets or residual liabilities until the applicable residual transfer date under the terms of the Scheme.

### Amendment of Scheme

BBJL and BBGL Jersey Branch can agree to amend the terms of the Scheme before it is approved by the Court. At any time after the sanction of the Scheme, BBGL Jersey Branch may apply to the Court for consent to amend the terms of the Scheme, provided that in any such case the JFSC shall be notified of, and have the right to be heard at, any hearing of the Court at which such application is considered.

In the case of any minor or technical amendment to the terms of the Scheme, or any amendment to correct any manifest error in its terms, the amendment may be made upon the agreement of BBJL and BBGL Jersey Branch without the consent of the Court provided that in any such case the JFSC have been notified of the proposed amendment and have approved the same.

### Summary of the Report of the Independent Auditor

The Report concludes, *inter alia*, that based on the facts and assumptions prepared by management as set out in the Report of PricewaterhouseCoopers CI LLP (the “**Independent Auditor**”) and the examination of the Scheme documents, returns and capital plans conducted by the Independent Auditor, nothing has come to the Independent Auditor’s attention that causes them to believe that:

- the proposed transfer would have a materially adverse effect on the financial position, liquidity or capital adequacy of BBJL or BBGL or that would indicate that BBJL or BBGL would not have the ability to meet their liabilities after the proposed transfer of business between BBJL and BBGL Jersey Branch in accordance with the terms of the Scheme;
- the proposed transfer of the business in accordance with the terms of the Scheme would disadvantage the clients or creditors of BBJL and BBGL as a whole; and
- the depositor’s compensation scheme arrangements and creditor hierarchy considerations would have any material adverse effect on customers upon the Scheme taking effect.

17175917.12.B6021.J47607

---

Butterfield Bank (Jersey) Limited (“BBJL”) is regulated by the Jersey Financial Services Commission to conduct deposit-taking business under the Banking Business (Jersey) Law 1991 (as amended), and investment business, fund service business and money service business pursuant to the Financial Services (Jersey) Law 1998, (as amended). BBJL is registered under the Data Protection (Jersey) Law, 2018 and is registered with the Jersey Registrar of Companies for the purpose of the Companies (Jersey) Law 1991 (as amended). Registered office address: IFC6, IFC Jersey, St Helier, Jersey JE2 3BZ. Company registration number 124784. BBJL is a participant in the Jersey Bank Depositors Compensation Scheme. The Scheme offers protection for eligible deposits of up to £50,000. The maximum total amount of compensation is capped at £100,000,000 in any 5 year period. Full details of the Scheme and banking groups covered are available on the Government of Jersey website [www.gov.je/dcs](http://www.gov.je/dcs), or on request. Terms and Conditions can be obtained from our website and copies of the latest audited accounts are available on request. BBJL is a wholly-owned subsidiary of The Bank of N.T. Butterfield & Son Limited



Butterfield Bank (Jersey) Limited | P.O. Box 250, IFC6, IFC Jersey, St. Helier,  
Jersey JE4 5PU, Channel Islands

**butterfieldgroup.com** | Tel +44 (0) 1534 843 333 Fax +44 (0) 1534 843 334

jersey@butterfieldgroup.com