

CAPITAL & RISK MANAGEMENT
PILLAR 3 DISCLOSURE FOR THE QUARTER ENDED MARCH 31, 2024
BUTTERFIELD BANK (CAYMAN) LIMITED



Pillar 3

Template OV1: Overview of RWA

		a	b	c
		RWA		Minimum capital requirements
		March 31, 2024	December 31, 2023	March 31, 2024
1	Credit risk (excluding counterparty credit risk) (CCR)	734,303,409	729,694,731	80,773,375
2	Securitization exposures	340,595,471	338,847,134	37,465,502
3	Counterparty credit risk	621,456	129,861	68,360
4	Of which: current exposure method	621,456	129,861	68,360
5	Of which: standardized method	-	-	-
6	Market risk	571,095	298,637	62,820
7	Of which: Equity Risk (ER)	-	-	-
8	Operational risk	318,923,507	277,872,241	35,081,586
9	Of which: Basic Indicator Approach	-	-	-
10	Of which: Standardised Approach	318,923,507	277,872,241	35,081,586
11	Of which: Alternative Standardised	-	-	-
12	Total (1+2+3+6+8)	1,395,014,938	1,346,842,604	153,451,643

The increase in Operational Risk Weighted Assets (Item 10) measured by the Standardised Approach reflects improved interest income and non-interest income components for the most recent three year average measurement period.

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Template LR1: Summary comparison of accounting assets vs leverage ratio exposure measure

		March 31, 2024	December 31, 2023
1	Total consolidated assets as per published financial statements	4,296,118,366	4,341,738,633
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-	-
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-	-
4	Adjustments for temporary exemption of central bank reserves (if applicable)	-	-
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	(7,927,130)	(8,202,421)
6	Adjustments for regular way purchases and sales of financial assets subject to trade date accounting	-	-
7	Adjustments for eligible cash pooling transactions	-	-
8	Adjustments for derivative financial instruments	2,132,245	645,586
9	Adjustment for securities financing transactions (i.e. repurchase agreements and similar secured lending)	-	-
10	Adjustment for off balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	70,584,010	58,105,551
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	2,125,334	2,156,947
12	Other adjustments	-	-
13	Leverage ratio exposure measure	4,363,032,825	4,394,444,297

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Template LR2: Leverage ratio common disclosure

		a	b
		March 31, 2024	December 31, 2023
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	4,295,143,329	4,341,734,914
2	Gross up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(Specific and general provisions associated with <u>on balance sheet exposures</u> that are deducted from Basel III Tier 1 capital)	2,125,334	2,156,947
6	(Asset amounts deducted in determining Basel III Tier 1 capital and regulatory adjustments)	(7,927,130)	(8,202,421)
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 6)	4,289,341,533	4,335,689,441
Derivative exposures			
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	975,037	3,719
9	Add on amounts for potential future exposure associated with all derivatives transactions	2,132,245	645,586
10	(Exempted central counterparty (CCP) leg of client cleared trade exposures)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	Total derivative exposures (sum of lines 8 to 12)	3,107,282	649,304
Securities financing transaction exposures			
14	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	CCR exposure for SFT assets	-	-
17	Agent transaction exposures	-	-
18	Total securities financing transaction exposures (sum of lines 14 to 17)	-	-
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	228,834,372	200,552,820
20	(Adjustments for conversion to credit equivalent amounts)	(158,232,377)	(142,426,767)
21	(Specific and general provisions associated with off balance sheet exposures deducted in determining Tier 1 capital)	(17,985)	(20,502)
22	Off-balance sheet items (sum of lines 19 and 21)	70,584,010	58,105,551
Capital and total exposures			
23	Tier 1 capital	394,995,165	387,430,581
24	Total exposures (sum of lines 7,13, 18 and 22)	4,363,032,825	4,394,444,297
Leverage ratio		9.05%	8.82%
25	Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)		
25a	Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)		
26	National minimum leverage ratio requirement	3%	3%
27	Applicable leverage buffers	6.05%	5.82%

The Leverage Ratio improved in the most recent quarter following a 1.95% increase in Tier 1 capital against a 0.71% decline in Total exposures.

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LIQ1: Liquidity Coverage Ratio (LCR)

		Quarter Ended March 31, 2024	
		a	b
		TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		1,386,106,938
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers of which:	1,020,678,215	102,067,821
3	<i>Stable deposits</i>	-	-
4	<i>Less stable deposits</i>	1,020,678,215	102,067,821
5	Unsecured wholesale funding, of which:	2,615,391,422	1,120,613,206
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	771,016,106	192,754,027
7	<i>Non-operational deposits (all counterparties)</i>	1,844,375,315	927,859,180
8	<i>Unsecured debt</i>	-	-
9	Secured wholesale funding	-	-
10	Additional requirements, of which:	76,110,010	9,551,107
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	-	-
12	<i>Outflows related to loss of funding on debt products</i>	-	-
13	<i>Credit and liquidity facilities</i>	76,110,010	9,551,107
14	<i>Other contractual funding obligations</i>	-	-
15	Other contingent funding obligations	124,686,158	5,253,784
16	TOTAL CASH OUTFLOWS	3,836,865,804	1,237,485,919
CASH INFLOWS			
17	<i>Secured lending (e.g. reverse repos)</i>	-	-
18	<i>Inflows from fully performing exposures</i>	616,215,641	544,127,446
19	<i>Other cash inflows</i>	28,129	-
20	TOTAL CASH INFLOWS	616,243,769	544,127,446
			TOTAL ADJUSTED VALUES
21	TOTAL HQLA		1,386,106,938
22	TOTAL NET CASH OUTFLOWS		693,358,473
23	LIQUIDITY COVERAGE RATIO (%)		200%

Columns a and b are calculated as simple average month end balances for January 2024, February 2024 and March 2024. Average LCR % improved over the quarter ended December 31, 2023 (179%) on 16% increase in HQLA and a 4% increase in Weighted Value Net Cash Outflows.