

CAPITAL & RISK MANAGEMENT
PILLAR 3 DISCLOSURES
FOR THE QUARTER ENDED MARCH 31, 2025
BUTTERFIELD BANK (CAYMAN) LIMITED



Pillar 3

Template OV1: Overview of RWA

		a	b	c
		RWA		Minimum capital requirements
		March 31, 2025	December 31, 2024	March 31, 2025
1	Credit risk (excluding counterparty credit risk) (CCR)	652,684,814	697,521,304	71,795,330
2	Securitization exposures	347,802,174	346,469,854	38,258,239
3	Counterparty credit risk	847,788	1,064,616	93,257
4	Of which: current exposure method	847,788	1,064,616	93,257
5	Of which: standardized method	-	-	-
6	Market risk	390,440	493,848	42,948
7	Of which: Equity Risk (ER)	-	-	-
8	Operational risk	351,775,556	318,923,507	38,695,311
9	Of which: Basic Indicator Approach	-	-	-
10	Of which: Standardised Approach	351,775,556	318,923,507	38,695,311
11	Of which: Alternative Standardised	-	-	-
12	Total (1+2+3+6+8)	1,353,500,773	1,364,473,129	148,885,085

The decrease in Credit risk (item 1) is primarily driven by lower claims on banks and lower claims on commercial real estate, partially offset by higher claims on corporates.

The increase in Operational risk (item 10), measured by the Standardised Approach, reflects improved interest income and non-interest 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

		March 31, 2025	December 31, 2024
1	Total consolidated assets as per published financial statements	4,283,645,889	4,337,829,349
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	(6,825,969)	(7,101,259)
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	2,982,258	2,494,855
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)	57,555,363	59,737,531
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	1,745,595	1,696,520
12	Other adjustments	-	-
13	Leverage ratio exposure measure	4,339,103,137	4,394,656,995

The decrease in consolidated assets reflects a decrease in cash and short term investment position which is primarily driven by decreased customer deposit balances, with an increase in the investment portfolio and other assets offset by a decrease in loan volumes.

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Template LR2: Leverage ratio common disclosure

		a	b
		Mar 31, 2025	Dec 31, 2024
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	4,282,389,208	4,335,001,123
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)	1,745,595	1,696,520
6	(Asset amounts deducted in determining Basel III Tier 1 capital and regulatory adjustments)	(6,825,969)	(7,101,259)
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 6)	4,277,308,835	4,329,596,384
Derivative exposures			
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	1,256,681	2,828,225
9	Add on amounts for potential future exposure associated with all derivatives transactions	2,982,258	2,494,855
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)	4,238,939	5,323,080
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	206,774,740	219,537,133
20	(Adjustments for conversion to credit equivalent amounts)	(149,194,245)	(159,781,814)
21	(Specific and general provisions associated with off balance sheet exposures deducted in determining Tier 1 capital)	(25,131)	(17,788)
22	Off-balance sheet items (sum of lines 19 and 21)	57,555,363	59,737,531
Capital and total exposures			
23	Tier 1 capital	403,070,299	400,974,279
24	Total exposures (sum of lines 7,13, 18 and 22)	4,339,103,137	4,394,656,995
Leverage ratio		9.29%	9.12%
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	6.29%	6.12%

The Leverage Ratio improved in the most recent quarter following a 1.26% decline in Total Exposures against an increase in Tier 1 Capital of 0.52%

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LIQ1: Liquidity Coverage Ratio (LCR)

		Quarter Ended March 31, 2025	
		a	b
		TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		1,308,285,152
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers of which:	1,042,089,181	104,208,918
3	Stable deposits	-	-
4	Less stable deposits	1,042,089,181	104,208,918
5	Unsecured wholesale funding, of which:	2,558,818,835	1,062,308,354
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	762,316,517	190,579,129
7	Non-operational deposits (all counterparties)	1,796,502,318	871,729,225
8	Unsecured debt	-	-
9	Secured wholesale funding	-	-
10	Additional requirements, of which:	58,627,922	7,709,138
11	Outflows related to derivative exposures and other collateral requirements	-	-
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	58,627,922	7,709,138
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	141,621,576	8,348,739
16	TOTAL CASH OUTFLOWS	3,801,157,515	1,182,575,150
CASH INFLOWS			
17	Secured lending (e.g. reverse repos)	-	-
18	Inflows from fully performing exposures	653,555,083	608,323,058
19	Other cash inflows	44,904	-
20	TOTAL CASH INFLOWS	653,599,987	608,323,058
			TOTAL ADJUSTED VALUES
21	TOTAL HQLA		1,308,285,152
22	TOTAL NET CASH OUTFLOWS		574,252,092
23	LIQUIDITY COVERAGE RATIO (%)		228%

Columns a and b are calculated as simple average month-end balances for January 2025, February 2025 and March 2025.

Average LCR % increased over the quarter ended December 31, 2024 of 193% on a 9% increase in HQLA against a 8% decline in Weighted Value Net Cash Outflows.