

FINANCIAL REPORT FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

THE BANK OF N.T. BUTTERFIELD & SON LIMITED



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The Bank of N.T. Butterfield & Son Limited
Consolidated Balance Sheets (unaudited)
(In thousands of US dollars, except share and per share data)

	As at	
	September 30, 2025	December 31, 2024
Assets		
Cash and demand deposits with banks - Non-interest bearing	105,686	93,145
Demand deposits with banks - Interest bearing	162,214	165,741
Cash equivalents - Interest bearing	1,233,468	1,739,226
Cash and cash equivalents	1,501,368	1,998,112
Securities purchased under agreements to resell	1,155,950	1,205,373
Short-term investments	830,761	580,026
Investment in securities		
Available-for-sale at fair value (including assets pledged that secured parties are permitted to sell or repledge: Nil (2024: \$93,468) (amortized cost: \$2,721,244 (2024: \$2,435,752))	2,619,749	2,272,486
Held-to-maturity (fair value: \$2,605,627 (2024: \$2,671,040))	3,055,181	3,240,290
Total investment in securities	5,674,930	5,512,776
Loans		
Loans	4,493,314	4,499,300
Allowance for credit losses	(25,669)	(25,709)
Loans, net of allowance for credit losses	4,467,645	4,473,591
Premises, equipment and computer software, net	158,548	153,782
Goodwill	25,349	23,617
Other intangible assets, net	63,499	65,992
Equity method investments	6,724	6,594
Accrued interest and other assets	201,581	211,533
Total assets	14,086,355	14,231,396
Liabilities		
Deposits		
Non-interest bearing	2,581,924	2,687,877
Interest bearing	10,139,043	10,058,032
Total deposits	12,720,967	12,745,909
Securities sold under agreements to repurchase	—	92,562
Employee benefit plans	84,876	83,589
Accrued interest and other liabilities	174,556	189,799
Total other liabilities	259,432	365,950
Long-term debt	—	98,725
Total liabilities	12,980,399	13,210,584
Commitments, contingencies and guarantees (Note 10)		
Shareholders' equity		
Common share capital (BMD 0.01 par; authorized voting ordinary shares 2,000,000,000 and non-voting ordinary shares 6,000,000,000) issued and outstanding: 41,201,173 (2024: 43,537,979)	412	435
Additional paid-in capital	872,667	916,394
Retained earnings	480,586	422,461
Less: treasury common shares, at cost: 619,212 (2024: 619,212)	(27,115)	(23,063)
Accumulated other comprehensive income (loss)	(220,594)	(295,415)
Total shareholders' equity	1,105,956	1,020,812
Total liabilities and shareholders' equity	14,086,355	14,231,396

The accompanying notes are an integral part of these consolidated financial statements.

The Bank of N.T. Butterfield & Son Limited
Consolidated Statements of Operations (unaudited)
(In thousands of US dollars, except per share data)

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Non-interest income				
Asset management	9,914	9,454	28,842	27,180
Banking	17,830	14,421	47,631	42,485
Foreign exchange revenue	13,224	12,226	38,857	38,000
Trust	16,236	15,773	48,235	46,254
Custody and other administration services	3,141	3,484	9,802	10,169
Other non-interest income	836	679	3,263	2,689
Total non-interest income	61,181	56,037	176,630	166,777
Interest income				
Interest and fees on loans	70,267	76,445	210,748	230,023
Investments (none of the investment securities are intrinsically tax-exempt)				
Available-for-sale	19,839	12,688	55,928	33,062
Held-to-maturity	17,387	18,852	53,600	56,997
Cash and cash equivalents, securities purchased under agreements to resell and short-term investments	31,911	41,989	100,052	120,185
Total interest income	139,404	149,974	420,328	440,267
Interest expense				
Deposits	46,681	59,662	144,987	172,609
Long-term debt	—	1,371	3,681	4,114
Securities sold under agreements to repurchase	2	888	207	977
Total interest expense	46,683	61,921	148,875	177,700
Net interest income before provision for credit losses	92,721	88,053	271,453	262,567
Provision for credit (losses) recoveries	(564)	(1,316)	(394)	(1,390)
Net interest income after provision for credit losses	92,157	86,737	271,059	261,177
Net gains (losses) on other real estate owned	—	—	—	68
Net other gains (losses)	(61)	(52)	33	181
Total other gains (losses)	(61)	(52)	33	249
Total net revenue	153,277	142,722	447,722	428,203
Non-interest expense				
Salaries and other employee benefits	46,604	43,703	137,573	130,331
Technology and communications	16,043	16,468	48,346	49,453
Professional and outside services	4,951	4,814	15,547	17,014
Property	8,199	8,551	25,706	25,506
Indirect taxes	5,512	5,467	17,855	17,358
Non-service employee benefits expense	1,292	982	3,920	2,947
Marketing	1,388	1,289	4,858	4,174
Amortization of intangible assets	1,970	1,942	5,844	5,762
Other expenses	4,809	5,550	16,088	15,895
Total non-interest expense	90,768	88,766	275,737	268,440
Net income before income taxes	62,509	53,956	171,985	159,763
Income tax benefit (expense)	(1,447)	(1,240)	(3,834)	(3,025)
Net income	61,062	52,716	168,151	156,738
Earnings per common share				
Basic earnings per share	1.50	1.18	4.04	3.44
Diluted earnings per share	1.46	1.16	3.93	3.38

The accompanying notes are an integral part of these consolidated financial statements.

The Bank of N.T. Butterfield & Son Limited
Consolidated Statements of Comprehensive Income (unaudited)
(In thousands of US dollars)

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Net income	61,062	52,716	168,151	156,738
Other comprehensive income (loss), net of taxes				
Unrealized net gains (losses) on translation of net investment in foreign operations	(422)	2,057	5,838	1,945
Net changes on investments transferred to held-to-maturity	2,137	2,007	5,896	6,206
Unrealized net gains (losses) on available-for-sale investments	18,485	59,666	61,847	46,827
Employee benefit plans adjustments	736	(174)	1,240	1,230
Other comprehensive income (loss), net of taxes	20,936	63,556	74,821	56,208
Total comprehensive income (loss)	81,998	116,272	242,972	212,946

The accompanying notes are an integral part of these consolidated financial statements.

The Bank of N.T. Butterfield & Son Limited
Consolidated Statements of Changes in Shareholders' Equity (unaudited)

	Three months ended				Nine months ended			
	September 30, 2025		September 30, 2024		September 30, 2025		September 30, 2024	
	Number of shares	In thousands of US dollars	Number of shares	In thousands of US dollars	Number of shares	In thousands of US dollars	Number of shares	In thousands of US dollars
Common share capital issued and outstanding								
Balance at beginning of period	41,724,081	417	45,782,082	458	43,537,979	435	47,529,045	475
Retirement of shares	(669,951)	(7)	(993,203)	(10)	(2,880,140)	(29)	(3,228,523)	(32)
Issuance of common shares	147,043	2	3,005	—	543,334	6	491,362	5
Balance at end of period	41,201,173	412	44,791,884	448	41,201,173	412	44,791,884	448
Additional paid-in capital								
Balance at beginning of period		881,196		953,254		916,394		988,904
Share-based compensation		5,573		5,185		16,355		15,471
Share-based settlements		48		53		526		518
Retirement of shares		(14,149)		(20,679)		(60,603)		(67,075)
Issuance of common shares, net of underwriting discounts and commissions		(1)		—		(5)		(5)
Balance at end of period		872,667		937,813		872,667		937,813
Retained earnings								
Balance at beginning of period		454,524		383,500		422,461		342,520
Net Income for the period		61,062		52,716		168,151		156,738
Common share cash dividends declared and paid, \$0.50 and 1.38 per share (2024: \$0.44 and \$1.32 per share)		(20,453)		(19,718)		(57,577)		(60,348)
Retirement of shares		(14,547)		(14,128)		(52,449)		(36,540)
Balance at end of period		480,586		402,370		480,586		402,370
Treasury common shares								
Balance at beginning of period	619,212	(25,468)	619,212	(20,552)	619,212	(23,063)	619,212	(18,104)
Purchase of treasury common shares	669,951	(30,350)	993,203	(36,752)	2,880,140	(117,133)	3,228,523	(108,030)
Retirement of shares	(669,951)	28,703	(993,203)	34,817	(2,880,140)	113,081	(3,228,523)	103,647
Balance at end of period	619,212	(27,115)	619,212	(22,487)	619,212	(27,115)	619,212	(22,487)
Accumulated other comprehensive income (loss)								
Balance at beginning of period		(241,530)		(317,546)		(295,415)		(310,198)
Other comprehensive income (loss), net of taxes		20,936		63,556		74,821		56,208
Balance at end of period		(220,594)		(253,990)		(220,594)		(253,990)
Total shareholders' equity		1,105,956		1,064,154		1,105,956		1,064,154

The accompanying notes are an integral part of these consolidated financial statements.

The Bank of N.T. Butterfield & Son Limited
Consolidated Statements of Cash Flows (unaudited)
(In thousands of US dollars)

	Nine months ended	
	September 30, 2025	September 30, 2024
Cash flows from operating activities		
Net income	168,151	156,738
Adjustments to reconcile net income to operating cash flows		
Depreciation, accretion and amortization	29,432	33,952
Provision for credit losses (recoveries)	394	1,390
Share-based payments and settlements	16,882	15,989
Net (gains) losses on other real estate owned	—	(68)
(Increase) decrease in carrying value of equity method investments	(190)	387
Dividends received from equity method investments	60	110
Changes in operating assets and liabilities		
(Increase) decrease in accrued interest receivable and other assets	28,782	21,646
Increase (decrease) in employee benefit plans, accrued interest payable and other liabilities	(28,019)	(1,146)
Cash provided by (used in) operating activities	215,492	228,998
Cash flows from investing activities		
Net (increase) decrease in securities purchased under agreements to resell	102,831	(955,524)
Short-term investments other than restricted cash: proceeds from maturities and sales	1,109,455	2,007,287
Short-term investments other than restricted cash: purchases	(1,338,460)	(1,581,580)
Available-for-sale investments: proceeds from maturities and pay downs	240,093	462,660
Available-for-sale investments: purchases	(527,821)	(663,513)
Held-to-maturity investments: proceeds from maturities and pay downs	187,215	197,357
Held-to-maturity investments: purchases	—	(37,712)
Net (increase) decrease in loans	138,785	187,635
Additions to premises, equipment and computer software	(19,516)	(12,909)
Proceeds from sale of other real estate owned	—	530
Purchase of intangible assets	—	(481)
Cash provided by (used in) investing activities	(107,418)	(396,250)
Cash flows from financing activities		
Net increase (decrease) in deposits	(297,278)	590,610
Net increase (decrease) in securities sold under agreements to repurchase	(90,032)	96,049
Repayment of long-term debt	(100,000)	—
Common shares repurchased	(117,132)	(108,030)
Cash dividends paid on common shares	(57,577)	(60,348)
Cash provided by (used in) financing activities	(662,019)	518,281
Net effect of exchange rates on cash, cash equivalents and restricted cash	53,025	84,232
Net increase (decrease) in cash, cash equivalents and restricted cash	(500,920)	435,261
Cash, cash equivalents and restricted cash: beginning of period	2,088,542	1,672,260
Cash, cash equivalents and restricted cash: end of period	1,587,622	2,107,521
Components of cash, cash equivalents and restricted cash at end of period		
Cash and cash equivalents	1,501,368	2,067,189
Restricted cash included in short-term investments on the consolidated balance sheets	86,254	40,332
Total cash, cash equivalents and restricted cash at end of period	1,587,622	2,107,521
Supplemental disclosure of non-cash items		
Transfer to (out of) other real estate owned	—	87
Initial recognition of right-of-use assets and operating lease liabilities	4,580	1,262

The accompanying notes are an integral part of these consolidated financial statements.

The Bank of N.T. Butterfield & Son Limited
Notes to the Consolidated Financial Statements (unaudited)
(In thousands of US dollars, unless otherwise stated)

Note 1: Nature of business

The Bank of N.T. Butterfield & Son Limited ("Butterfield", the "Bank" or the "Company") is incorporated under the laws of Bermuda and has a banking license under the Banks and Deposit Companies Act, 1999 ("the Act"). Butterfield is regulated by the Bermuda Monetary Authority ("BMA"), which operates in accordance with Basel principles.

Butterfield is a full service bank and wealth manager headquartered in Hamilton, Bermuda. The Bank operates its business through three geographic segments: Bermuda, Cayman, and the Channel Islands and the UK, where its principal banking operations are located and where it offers specialized financial services. Butterfield offers banking services, comprised of retail and corporate banking, and wealth management, which consists of trust, private banking, and asset management. In the Bermuda, Cayman, and Channel Islands and the UK segments, Butterfield offers both banking and wealth management services. Butterfield also has operations in the jurisdictions of The Bahamas, Canada, Mauritius, Singapore and Switzerland, which are included in our Other segment.

The Bank's common shares trade on the New York Stock Exchange under the symbol "NTB" and on the Bermuda Stock Exchange ("BSX") under the symbol "NTB.BH".

Note 2: Significant accounting policies

The accompanying unaudited interim consolidated financial statements of the Bank have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and should be read in conjunction with the Bank's audited financial statements for the year ended December 31, 2024.

In the opinion of Management, these unaudited interim consolidated financial statements reflect all adjustments (consisting primarily of normal recurring accruals) considered necessary for a fair statement of the Bank's financial position and results of operations as at the end of and for the periods presented. The Bank's results for interim periods are not necessarily indicative of results for the full year.

The preparation of financial statements in conformity with GAAP requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the unaudited consolidated financial statements and the reported amounts of revenues and expenses during the reporting period, and actual results could differ from those estimates. Management believes that the most critical accounting estimates upon which the financial condition depends, and which involve the most complex or subjective decisions or assessments, are as follows:

- Allowance for credit losses
- Fair value of financial instruments
- Impairment of goodwill
- Employee benefit plans

New Accounting Pronouncements

There were no accounting developments issued during the nine months ended September 30, 2025 or accounting standards pending adoption which impacted the Bank.

Note 3: Cash and cash equivalents

	September 30, 2025	December 31, 2024
Non-interest bearing		
Cash and demand deposits with banks	105,686	93,145
Interest bearing		
Demand deposits with banks	162,214	165,741
Cash equivalents	1,233,468	1,739,226
Sub-total - Interest bearing	1,395,682	1,904,967
Total cash and cash equivalents	1,501,368	1,998,112

Note 4: Short-term investments

	September 30, 2025	December 31, 2024
Unrestricted		
Maturing within three months	284,331	415,072
Maturing between three to six months	315,274	74,524
Maturing between six to twelve months	144,902	—
Total unrestricted short-term investments	744,507	489,596
Affected by drawing restrictions related to minimum reserve and derivative margin requirements		
Interest earning demand and term deposits	86,254	90,430
Total restricted short-term investments	86,254	90,430
Total short-term investments	830,761	580,026

The Bank of N.T. Butterfield & Son Limited
Notes to the Consolidated Financial Statements (unaudited) (continued)
(In thousands of US dollars, unless otherwise stated)

Note 5: Investment in securities

Amortized Cost, Carrying Amount and Fair Value

On the consolidated balance sheets, available-for-sale ("AFS") investments are carried at fair value and held-to-maturity ("HTM") investments are carried at amortized cost.

	September 30, 2025				December 31, 2024			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Available-for-sale								
US government and federal agencies	2,705,907	10,859	(111,160)	2,605,606	2,324,841	1,451	(162,673)	2,163,619
Non-US governments debt securities	—	—	—	—	93,803	—	(335)	93,468
Asset-backed securities - Student loans	—	—	—	—	40	—	—	40
Residential mortgage-backed securities	15,337	—	(1,194)	14,143	17,068	—	(1,709)	15,359
Total available-for-sale	2,721,244	10,859	(112,354)	2,619,749	2,435,752	1,451	(164,717)	2,272,486
Held-to-maturity¹								
US government and federal agencies	3,055,181	650	(450,204)	2,605,627	3,240,290	—	(569,250)	2,671,040
Total held-to-maturity	3,055,181	650	(450,204)	2,605,627	3,240,290	—	(569,250)	2,671,040

¹For the nine months ended September 30, 2025 and September 30, 2024, impairments recognized in other comprehensive income for HTM investments were Nil.

Investments with Unrealized Loss Positions

The Bank does not believe that the AFS debt securities that were in an unrealized loss position as of September 30, 2025, comprising 160 securities representing 56.6% of the AFS portfolios' carrying value (December 31, 2024: 184 and 87.7%), represent credit losses. Total gross unrealized AFS losses were 7.6% of the fair value of the affected securities (December 31, 2024: 8.3%).

The Bank's HTM debt securities are comprised of US government and federal agencies securities and have a zero credit loss assumption under the Current Expected Credit Loss ("CECL") model. HTM debt securities that were in an unrealized loss position as of September 30, 2025, were comprised of 218 securities representing 98.9% of the HTM portfolios' carrying value (December 31, 2024: 220 and 100%). Total gross unrealized HTM losses were 17.5% of the fair value of affected securities (December 31, 2024: 21.3%).

Management does not intend to sell and it is likely that management will not be required to sell the securities prior to the anticipated recovery of the cost of these securities. Unrealized losses were attributable primarily to changes in market interest rates, relative to when the investment securities were purchased, and not due to a decrease in the credit quality of the investment securities. The issuers continue to make timely principal and interest payments on the securities. The following describes the processes for identifying credit impairment in security types with the most significant unrealized losses as shown in the preceding tables.

Management believes that all the **US government and federal agencies securities** do not have any credit losses, given the explicit and implicit guarantees provided by the US federal government.

Management believes that all the **Non-US governments debt securities**, which have now matured, did not have any credit losses, given the explicit guarantee provided by the issuing government.

Investments in **Asset-backed securities - Student loans** were composed of securities collateralized by Federal Family Education Loan Program ("FFELP") loans. FFELP loans benefit from a US federal government guarantee of at least 97% of defaulted principal and accrued interest, with additional credit support provided in the form of over-collateralization, subordination and excess spread, which collectively total in excess of 100%.

Investments in **Residential mortgage-backed securities** relate to 13 securities (December 31, 2024: 13) which are rated AAA and may possess structural features of securitization, such as subordination, excess spread, over collateralization or other forms of credit enhancement. No credit losses were recognized on these securities as the weighted average credit support and the weighted average loan-to-value ratios range from 15.6% - 50.1% and 42.7% - 51.8%, respectively. Current credit support is significantly greater than any delinquencies experienced on the underlying mortgages.

In the following tables, debt securities with unrealized losses that are not deemed to be credit impaired and for which an allowance for credit losses has not been recorded are categorized as being in a loss position for "less than 12 months" or "12 months or more" based on the point in time that the fair value most recently declined below the amortized cost basis.

The Bank of N.T. Butterfield & Son Limited
Notes to the Consolidated Financial Statements (unaudited) (continued)
(In thousands of US dollars, unless otherwise stated)

	Less than 12 months		12 months or more			
	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Total fair value	Total gross unrealized losses
September 30, 2025						
Available-for-sale securities with unrealized losses						
US government and federal agencies	92,596	(270)	1,376,737	(110,890)	1,469,333	(111,160)
Residential mortgage-backed securities	—	—	14,144	(1,194)	14,144	(1,194)
Total available-for-sale securities with unrealized losses	92,596	(270)	1,390,881	(112,084)	1,483,477	(112,354)
Held-to-maturity securities with unrealized losses						
US government and federal agencies	—	—	2,569,862	(450,204)	2,569,862	(450,204)

	Less than 12 months		12 months or more			
	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Total fair value	Total gross unrealized losses
December 31, 2024						
Available-for-sale securities with unrealized losses						
US government and federal agencies	696,835	(7,922)	1,187,094	(154,751)	1,883,929	(162,673)
Non-US governments debt securities	—	—	93,468	(335)	93,468	(335)
Asset-backed securities - Student loans	—	—	40	—	40	—
Residential mortgage-backed securities	—	—	15,359	(1,709)	15,359	(1,709)
Total available-for-sale securities with unrealized losses	696,835	(7,922)	1,295,961	(156,795)	1,992,796	(164,717)
Held-to-maturity securities with unrealized losses						
US government and federal agencies	36,713	(476)	2,634,326	(568,774)	2,671,039	(569,250)

Investment Maturities

The following table presents the remaining term to contractual maturity of the Bank's securities. The actual maturities may differ as certain securities offer prepayment options to the borrowers.

	Remaining term to maturity						
	Within 3 months	3 to 12 months	1 to 5 years	5 to 10 years	Over 10 years	No specific or single maturity	Carrying amount
September 30, 2025							
Available-for-sale							
US government and federal agencies	—	444,361	833,539	—	—	1,327,706	2,605,606
Residential mortgage-backed securities	—	—	—	—	—	14,143	14,143
Total available-for-sale	—	444,361	833,539	—	—	1,341,849	2,619,749
Held-to-maturity							
US government and federal agencies	—	—	—	—	—	3,055,181	3,055,181

Pledged Investments

The Bank pledges certain US government and federal agencies investment securities to further secure the Bank's issued customer deposit products. The secured party does not have the right to sell or repledge the collateral.

	September 30, 2025		December 31, 2024	
	Amortized cost	Fair value	Amortized cost	Fair value
Pledged investments - secured customer deposit product				
Available-for-sale	20,016	18,995	22,888	21,062
Held-to-maturity	94,952	86,699	95,588	84,003

As at September 30, 2025, the Bank pledged Nil (December 31, 2024: \$93.5 million) in non-US governments debt investment securities to secure the Bank's repurchase agreements. Where the secured party has the right to sell or repledge the collateral, the Bank disclosed such pledged financial assets separately in the accompanying consolidated balance sheets.

Taxability of Interest Income

None of the investments' interest income have received a specific preferential income tax treatment in any of the jurisdictions in which the Bank owns investments.

Note 6: Loans

The principal means of securing residential mortgages, personal, credit card and business loans are entitlements over assets and guarantees. Mortgage loans are generally repayable over periods of up to thirty years and personal and business loans are generally repayable over terms not exceeding five years. Government loans are repayable over a variety of terms which are individually negotiated. Amounts owing on credit cards are revolving and typically a minimum amount is due within 30 days from billing. The credit card portfolio is managed as a single portfolio and includes consumer and business cards. The effective yield on total loans as at September 30, 2025 is 5.94% (December 31, 2024: 6.29%). The interest receivable on total loans as at September 30, 2025 is \$11.2 million (December 31, 2024: \$8.0 million). The interest receivable is included in Accrued interest and other assets on the consolidated balance sheets and is excluded from all loan amounts disclosed in this note.

Loans' Credit Quality

The four credit quality classifications set out in the following tables are defined below and describe the credit quality of the Bank's lending portfolio. These classifications each encompass a range of more granular internal credit rating grades. Loans' internal credit ratings are assigned by the Bank's customer relationship managers as well as members of the Bank's jurisdictional and Group Credit Committees. The borrowers' financial condition is documented at loan origination and maintained periodically thereafter at a frequency which can be up to monthly for certain loans. The loans' performing status, as well as current economic trends, are continuously monitored. The Bank's jurisdictional and Group Credit Committees meet on a monthly basis. The Bank also has a Group Provisions and Impairments Committee which is responsible for approving significant provisions and other impairment charges.

A **pass** loan shall mean a loan that is expected to be repaid as agreed. A loan is classified as pass where the Bank is not expected to face repayment difficulties because the present and projected cash flows are sufficient to repay the debt and the repayment schedule as established by the agreement is being followed. Loans in this category are reviewed by the Bank's management on at least an annual basis.

A **special mention** loan shall mean a loan under close monitoring by the Bank's management on at least a quarterly basis. Loans in this category are currently still performing, but are potentially weak and present an undue credit risk exposure, but not to the point of justifying a classification of substandard.

A **substandard** loan shall mean a loan whose evident unreliability makes repayment doubtful and there is a threat of loss to the Bank unless the unreliability is averted. Loans in this category are under close monitoring by the Bank's management on at least a quarterly basis.

A **non-accrual** loan shall mean either management is of the opinion full payment of principal or interest is in doubt or that the principal or interest is 90 days past due unless it is a residential mortgage loan which is well secured and collection efforts are reasonably expected to result in amounts due. Loans in this category are under close monitoring by the Bank's management on at least a quarterly basis.

The Bank of N.T. Butterfield & Son Limited
Notes to the Consolidated Financial Statements (unaudited) (continued)
(In thousands of US dollars, unless otherwise stated)

The amortized cost of loans by credit quality classification and allowance for expected credit losses by class of loans is as follows:

September 30, 2025	Pass	Special mention	Substandard	Non-accrual	Total amortized cost	Allowance for expected credit losses	Total net loans
Commercial loans							
Government	299,474	—	—	—	299,474	(265)	299,209
Commercial and industrial	196,683	902	681	17,147	215,413	(12,093)	203,320
Commercial overdrafts	66,420	706	—	207	67,333	(70)	67,263
Total commercial loans	562,577	1,608	681	17,354	582,220	(12,428)	569,792
Commercial real estate loans							
Commercial mortgage	492,992	355	2,116	2,976	498,439	(1,064)	497,375
Construction	71,196	—	—	—	71,196	—	71,196
Total commercial real estate loans	564,188	355	2,116	2,976	569,635	(1,064)	568,571
Consumer loans							
Automobile financing	19,143	—	4	139	19,286	(36)	19,250
Credit card	94,380	—	288	—	94,668	(2,255)	92,413
Overdrafts	33,656	—	—	20	33,676	(263)	33,413
Other consumer ¹	40,140	18	819	837	41,814	(899)	40,915
Total consumer loans	187,319	18	1,111	996	189,444	(3,453)	185,991
Residential mortgage loans	2,943,053	1,888	136,669	70,405	3,152,015	(8,724)	3,143,291
Total	4,257,137	3,869	140,577	91,731	4,493,314	(25,669)	4,467,645

¹ Other consumer loans' amortized cost includes \$9 million of cash and portfolio secured lending and \$26 million of lending secured by buildings in construction or other collateral.

December 31, 2024	Pass	Special mention	Substandard	Non-accrual	Total amortized cost	Allowance for expected credit losses	Total net loans
Commercial loans							
Government	266,303	—	—	—	266,303	(462)	265,841
Commercial and industrial	210,911	347	778	18,026	230,062	(11,147)	218,915
Commercial overdrafts	115,558	1,896	—	1	117,455	(75)	117,380
Total commercial loans	592,772	2,243	778	18,027	613,820	(11,684)	602,136
Commercial real estate loans							
Commercial mortgage	572,875	858	2,301	17,520	593,554	(3,267)	590,287
Construction	48,484	—	—	—	48,484	—	48,484
Total commercial real estate loans	621,359	858	2,301	17,520	642,038	(3,267)	638,771
Consumer loans							
Automobile financing	18,010	—	6	164	18,180	(34)	18,146
Credit card	90,433	—	244	—	90,677	(1,919)	88,758
Overdrafts	37,110	—	—	38	37,148	(378)	36,770
Other consumer ¹	45,180	—	832	733	46,745	(923)	45,822
Total consumer loans	190,733	—	1,082	935	192,750	(3,254)	189,496
Residential mortgage loans	2,849,805	23,619	137,093	40,175	3,050,692	(7,504)	3,043,188
Total	4,254,669	26,720	141,254	76,657	4,499,300	(25,709)	4,473,591

¹ Other consumer loans' amortized cost includes \$10 million of cash and portfolio secured lending and \$27 million of lending secured by buildings in construction or other collateral.

The Bank of N.T. Butterfield & Son Limited
Notes to the Consolidated Financial Statements (unaudited) (continued)
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Based on the most recent analysis performed, the amortized cost of loans by year of origination and credit quality classification is as follows:

September 30, 2025	Pass	Special mention	Substandard	Non-accrual	Total amortized cost
Loans by origination year					
2025	422,141	920	—	—	423,061
2024	484,213	—	252	129	484,594
2023	295,416	—	14,990	40	310,446
2022	748,344	1,451	5,227	40	755,062
2021	375,808	437	—	264	376,509
Prior	1,732,340	355	119,820	91,031	1,943,546
Overdrafts and credit cards	198,875	706	288	227	200,096
Total amortized cost	4,257,137	3,869	140,577	91,731	4,493,314

December 31, 2024	Pass	Special mention	Substandard	Non-accrual	Total amortized cost
Loans by origination year					
2024	497,053	—	267	—	497,320
2023	366,278	—	506	51	366,835
2022	759,398	888	750	4	761,040
2021	422,496	781	—	13	423,290
2020	270,060	451	32,733	7,503	310,747
Prior	1,690,525	22,704	106,754	69,047	1,889,030
Overdrafts and credit cards	248,859	1,896	244	39	251,038
Total amortized cost	4,254,669	26,720	141,254	76,657	4,499,300

Age Analysis of Past Due Loans (Including Non-Accrual Loans)

The following tables summarize the past due status of the loans. The aging of past due amounts are determined based on the contractual delinquency status of payments under the loan and this aging may be affected by the timing of the last business day at period end. Loans less than 30 days past due are included in current loans.

September 30, 2025	30 - 59 days	60 - 89 days	90 days or more	Total past due loans	Total current	Total amortized cost
Commercial loans						
Government	—	—	—	—	299,474	299,474
Commercial and industrial	—	—	17,147	17,147	198,266	215,413
Commercial overdrafts	—	—	207	207	67,126	67,333
Total commercial loans	—	—	17,354	17,354	564,866	582,220
Commercial real estate loans						
Commercial mortgage	332	—	2,976	3,308	495,131	498,439
Construction	—	—	—	—	71,196	71,196
Total commercial real estate loans	332	—	2,976	3,308	566,327	569,635
Consumer loans						
Automobile financing	119	29	134	282	19,004	19,286
Credit card	424	188	288	900	93,768	94,668
Overdrafts	—	—	20	20	33,656	33,676
Other consumer	58	38	678	774	41,040	41,814
Total consumer loans	601	255	1,120	1,976	187,468	189,444
Residential mortgage loans	24,590	9,304	104,620	138,514	3,013,501	3,152,015
Total amortized cost	25,523	9,559	126,070	161,152	4,332,162	4,493,314

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December 31, 2024	30 - 59 days	60 - 89 days	90 days or more	Total past due loans	Total current	Total amortized cost
Commercial loans						
Government	—	—	—	—	266,303	266,303
Commercial and industrial	217	—	17,227	17,444	212,618	230,062
Commercial overdrafts	—	—	1	1	117,454	117,455
Total commercial loans	217	—	17,228	17,445	596,375	613,820
Commercial real estate loans						
Commercial mortgage	346	—	17,520	17,866	575,688	593,554
Construction	—	—	—	—	48,484	48,484
Total commercial real estate loans	346	—	17,520	17,866	624,172	642,038
Consumer loans						
Automobile financing	83	35	153	271	17,909	18,180
Credit card	514	280	244	1,038	89,639	90,677
Overdrafts	—	—	38	38	37,110	37,148
Other consumer	739	31	733	1,503	45,242	46,745
Total consumer loans	1,336	346	1,168	2,850	189,900	192,750
Residential mortgage loans	17,520	5,797	106,965	130,282	2,920,410	3,050,692
Total amortized cost	19,419	6,143	142,881	168,443	4,330,857	4,499,300

Changes in Allowances For Credit Losses

Allowance for expected credit losses remained relatively flat during the nine months ended September 30, 2025. As disclosed in Note 2 of the December 31, 2024 Audited Consolidated Financial Statements, the Bank continuously collects and maintains attributes related to financial instruments within the scope of CECL, including current conditions, and reasonable and supportable assumptions about future economic conditions.

	Nine months ended September 30, 2025				
	Commercial	Commercial real estate	Consumer	Residential mortgage	Total
Balance at the beginning of period	11,684	3,267	3,254	7,504	25,709
Provision increase (decrease)	1,250	(2,119)	61	1,170	362
Recoveries of previous charge-offs	—	—	1,407	114	1,521
Charge-offs, by origination year					
2025	—	—	—	—	—
2024	—	—	(7)	—	(7)
2023	—	—	—	(30)	(30)
2022	—	—	(2)	—	(2)
2021	—	—	(15)	—	(15)
Prior	(504)	(84)	(23)	(93)	(704)
Overdrafts and credit cards	(17)	—	(1,232)	—	(1,249)
Other	15	—	10	59	84
Allowances for expected credit losses at end of period	12,428	1,064	3,453	8,724	25,669

The Bank of N.T. Butterfield & Son Limited
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(In thousands of US dollars, unless otherwise stated)

	Nine months ended September 30, 2024				
	Commercial	Commercial real estate	Consumer	Residential mortgage	Total
Balance at the beginning of period	11,248	1,441	3,096	9,974	25,759
Provision increase (decrease)	318	2,849	518	(2,267)	1,418
Recoveries of previous charge-offs	—	—	895	191	1,086
Charge-offs, by origination year					
2024	—	—	—	—	—
2023	—	—	(2)	—	(2)
2022	—	—	—	—	—
2021	—	(146)	—	—	(146)
2020	—	(146)	—	—	(146)
Prior	(261)	(27)	(101)	(531)	(920)
Overdrafts and credit cards	(5)	—	(1,278)	—	(1,283)
Other	1	—	5	19	25
Allowances for expected credit losses at end of period	11,301	3,971	3,133	7,386	25,791

Collateral-dependent loans

Management identified that the repayment of certain commercial and consumer mortgage loans is expected to be provided substantially through the operation or the sale of the collateral pledged to the Bank ("collateral-dependent loans"). The Bank believes that for the vast majority of loans identified as collateral-dependent, the sale of the collateral will be sufficient to fully reimburse the loan's carrying amount.

Non-Performing Loans

During the nine months ended September 30, 2025, no interest was recognized on non-accrual loans. No credit deteriorated loans were purchased during the period.

	September 30, 2025				December 31, 2024			
	Non-accrual loans with an allowance	Non-accrual loans without an allowance	Past due 90 days or more and accruing	Total non-performing loans	Non-accrual loans with an allowance	Non-accrual loans without an allowance	Past due 90 days or more and accruing	Total non-performing loans
Commercial loans								
Commercial and industrial	17,147	—	—	17,147	17,209	817	—	18,026
Commercial overdrafts	—	207	—	207	—	1	—	1
Total commercial loans	17,147	207	—	17,354	17,209	818	—	18,027
Commercial real estate loans								
Commercial mortgage	2,891	85	—	2,976	17,410	110	—	17,520
Total commercial real estate loans	2,891	85	—	2,976	17,410	110	—	17,520
Consumer loans								
Automobile financing	114	25	—	139	126	38	—	164
Credit card	—	—	288	288	—	—	244	244
Overdrafts	—	20	—	20	—	38	—	38
Other consumer	492	345	—	837	528	205	—	733
Total consumer loans	606	390	288	1,284	654	281	244	1,179
Residential mortgage loans	51,337	19,068	41,972	112,377	22,630	17,545	72,693	112,868
Total non-performing loans	71,981	19,750	42,260	133,991	57,903	18,754	72,937	149,594

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Loan Modifications Made to Borrowers Experiencing Financial Difficulty

The following table summarizes the amortized cost basis of loan modifications as at September 30, 2025 and September 30, 2024 made to borrowers experiencing financial difficulty during the nine-months ended September 30, 2025 and September 30, 2024.

	<u>Amortized cost basis</u>				In % of the class of loans	<u>Weighted average financial effects</u>		
	Term extension and interest rate reduction	Payments delay in # of months	Term extension	Interest rate reduction		Months of payment delay	Months of term extension	Interest rate reduction
September 30, 2025								
Residential mortgage loans	2,196	—	30,763	5,061	1.2 %	—	6	3.1 %

	<u>Amortized cost basis</u>				In % of the class of loans	<u>Weighted average financial effects</u>		
	Term extension and interest rate reduction	Payments delay in # of months	Term extension	Interest rate reduction		Months of payment delay	Months of term extension	Interest rate reduction
September 30, 2024								
Commercial mortgage	—	—	—	642	0.1 %	—	0	3.0 %
Other consumer	—	—	59	787	1.6 %	—	34	4.0 %
Residential mortgage loans	20,868	—	1,592	5,264	0.9 %	—	28	1.9 %

Age analysis and subsequent default of modified loans.

As at September 30, 2025 and September 30, 2024, all loans for which a concession was granted during the preceding 12 months are current, except for the following:

Residential mortgage loans:

- \$5.4 million (September 30, 2024: Nil) of residential mortgage loans for which a reduction in interest rate was granted are 30 to 59 days past due; and
- \$0.1 million (September 30, 2024: Nil) of residential mortgage loans for which a reduction in interest rate was granted had a payment default and are 90 days or more past due.

Note 7: Credit risk concentrations

Concentrations of credit risk in the lending and off-balance sheet credit-related arrangements portfolios arise when a number of customers are engaged in similar business activities, are in the same geographic region, or when they have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic conditions. The Bank regularly monitors various segments of its credit risk portfolio to assess potential concentrations of risks and to obtain collateral when deemed necessary. In the Bank's commercial portfolio, risk concentrations are evaluated primarily by industry and by geographic region of loan origination. In the consumer portfolio, concentrations are evaluated primarily by products. Credit exposures include loans, guarantees and acceptances, letters of credit and commitments for undrawn lines of credit. Unconditionally cancellable credit cards and overdraft lines of credit are excluded from the tables below.

The following table summarizes the credit exposure of the Bank by geographic region. The exposure amounts disclosed below do not include accrued interest and are gross of allowances for credit losses and gross of collateral held.

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Geographic region	September 30, 2025				December 31, 2024			
	Cash and cash equivalents, resell agreements and short-term investments	Loans	Off-balance sheet	Total credit exposure	Cash and cash equivalents, resell agreements and short-term investments	Loans	Off-balance sheet	Total credit exposure
Belgium	3,346	—	—	3,346	2,478	—	—	2,478
Bermuda	46,642	1,516,824	213,211	1,776,677	37,227	1,631,461	186,210	1,854,898
Canada	1,019,817	—	—	1,019,817	1,417,882	—	—	1,417,882
Cayman Islands	33,465	1,025,895	205,127	1,264,487	40,675	1,068,142	218,817	1,327,634
France	117,301	—	—	117,301	207,687	—	—	207,687
Germany	7,624	—	—	7,624	1,178	—	—	1,178
Guernsey	—	542,521	104,444	646,965	1	552,994	103,979	656,974
Ireland	10,600	—	—	10,600	8,672	—	—	8,672
Japan	133,512	—	—	133,512	121,862	—	—	121,862
Jersey	—	319,198	36,100	355,298	—	223,964	68,217	292,181
Mauritius	1,481	—	—	1,481	1,055	—	—	1,055
Norway	47,499	—	—	47,499	100,148	—	—	100,148
Switzerland	8,522	—	—	8,522	3,377	—	—	3,377
The Bahamas	89	3,022	—	3,111	184	3,791	—	3,975
United Kingdom	1,343,902	1,085,854	135,687	2,565,443	1,240,116	1,018,948	137,654	2,396,718
United States	712,603	—	—	712,603	599,264	—	—	599,264
Other	1,676	—	—	1,676	1,705	—	—	1,705
Total gross exposure	3,488,079	4,493,314	694,569	8,675,962	3,783,511	4,499,300	714,877	8,997,688

Note 8: Deposits

By Maturity

September 30, 2025	Demand		Total demand deposits	Term				Total term deposits	Total deposits
	Non-interest bearing	Interest bearing		Within 3 months	3 to 6 months	6 to 12 months	After 12 months		
Demand or less than \$100k ¹	2,581,924	6,191,334	8,773,258	53,547	20,184	21,618	10,066	105,415	8,878,673
Term - \$100k or more	N/A	N/A	—	2,983,109	462,147	359,441	37,597	3,842,294	3,842,294
Total deposits	2,581,924	6,191,334	8,773,258	3,036,656	482,331	381,059	47,663	3,947,709	12,720,967

December 31, 2024	Demand		Total demand deposits	Term				Total term deposits	Total deposits
	Non-interest bearing	Interest bearing		Within 3 months	3 to 6 months	6 to 12 months	After 12 months		
Demand or less than \$100k ¹	2,687,877	5,579,775	8,267,652	51,608	18,035	19,912	10,395	99,950	8,367,602
Term - \$100k or more	N/A	N/A	—	3,540,636	416,374	348,301	72,996	4,378,307	4,378,307
Total deposits	2,687,877	5,579,775	8,267,652	3,592,244	434,409	368,213	83,391	4,478,257	12,745,909

¹The weighted-average interest rate on interest-bearing demand deposits as at September 30, 2025 is 0.75% (December 31, 2024: 0.87%).

By Type and Segment

	September 30, 2025			December 31, 2024		
	Payable on demand	Payable on a fixed date	Total	Payable on demand	Payable on a fixed date	Total
Bermuda	3,889,335	900,675	4,790,010	3,535,770	1,245,294	4,781,064
Cayman	2,791,287	976,675	3,767,962	2,793,194	1,177,909	3,971,103
Channel Islands and the UK	2,092,636	2,070,359	4,162,995	1,938,688	2,055,054	3,993,742
Total deposits	8,773,258	3,947,709	12,720,967	8,267,652	4,478,257	12,745,909

Note 9: Employee benefit plans

The Bank maintains trustee pension plans including non-contributory defined benefit plans and a number of defined contribution plans, and provides post-retirement medical benefits to its qualifying retirees. The defined benefit provisions under the pension plans are generally based upon years of service and average salary during the relevant years of employment. The defined benefit and post-retirement medical plans are not open to new participants and are non-contributory and the funding required is provided by the Bank, based upon the advice of independent actuaries. The defined benefit pension plans are in the Bermuda, Guernsey and UK jurisdictions, and the defined benefit post-retirement medical plan is in Bermuda. The Bank has a residual obligation on top of its defined contribution plan in Mauritius.

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The Bank included an estimate of the 2025 Bank contribution and estimated benefit payments for the next ten years under the pension and post-retirement plans in its audited financial statements for the year ended December 31, 2024. During the nine months ended September 30, 2025, there have been no material revisions to these estimates.

Line item in the consolidated statements of operations		Three months ended		Nine months ended	
		September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Defined benefit pension expense (income)					
Interest cost	Non-service employee benefits expense	1,313	1,297	3,912	3,853
Expected return on plan assets	Non-service employee benefits expense	(1,700)	(1,576)	(5,028)	(4,683)
Amortization of net actuarial (gains) losses	Non-service employee benefits expense	586	591	1,756	1,769
Amortization of prior service (credit) cost	Non-service employee benefits expense	20	21	61	60
Total defined benefit pension expense (income)		219	333	701	999
Post-retirement medical benefit expense (income)					
Service cost	Salaries and other employee benefits	10	14	32	41
Interest cost	Non-service employee benefits expense	1,092	1,096	3,277	3,289
Amortization of net actuarial (gains) losses	Non-service employee benefits expense	131	131	393	393
Amortization of prior service (credit) cost	Non-service employee benefits expense	(151)	(578)	(452)	(1,734)
Total post-retirement medical benefit expense (income)		1,082	663	3,250	1,989

The components of defined benefit pension expense (income) and post-retirement benefit expense (income) other than the service cost component are included in the line item non-service employee benefits expense in the consolidated statements of income.

Note 10: Credit related arrangements, repurchase agreements and commitments

Commitments

The Bank enters into contractual commitments to extend credit, normally with fixed expiration dates or termination clauses, at specified rates and for specific purposes. Substantially all of the Bank's commitments to extend credit are contingent upon customers maintaining specific credit standards at the time of loan funding. Management assesses the credit risk associated with certain commitments to extend credit in determining the level of the allowance for expected credit losses.

The Bank has a facility with one of its custodians, whereby the Bank may offer up to \$200 million of standby letters of credit to its customers on a fully secured basis. Under the standard terms of the facility, the custodian has the right to set-off against securities held of 110% of the utilized facility. At September 30, 2025, \$136.8 million (December 31, 2024: \$138.4 million) of standby letters of credit were issued under this facility.

Outstanding unfunded commitments to extend credit	September 30, 2025	December 31, 2024
Commitments to extend credit	449,093	475,289
Documentary and commercial letters of credit	50	1,576
Total unfunded commitments to extend credit	449,143	476,865
Allowance for credit losses	(122)	(90)

Credit-Related Arrangements

Standby letters of credit and letters of guarantee are issued at the request of a Bank customer in order to secure the customer's payment or performance obligations to a third party. These guarantees represent an irrevocable obligation of the Bank to pay the third party beneficiary upon presentation of the guarantee and satisfaction of the documentary requirements stipulated therein, without investigation as to the validity of the beneficiary's claim against the customer. Generally, the term of the standby letters of credit does not exceed one year, while the term of the letters of guarantee does not exceed four years. The types and amounts of collateral security held by the Bank for these standby letters of credit and letters of guarantee are generally represented by deposits with the Bank or a charge over assets held in mutual funds.

The Bank considers the fees collected in connection with the issuance of standby letters of credit and letters of guarantee to be representative of the fair value of its obligation undertaken in issuing the guarantee. In accordance with applicable accounting standards related to guarantees, the Bank defers fees collected in connection with the issuance of standby letters of credit and letters of guarantee. The fees are then recognized in income proportionately over the life of the credit agreements. The following table presents the outstanding financial guarantees. Collateral is shown at estimated market value less selling cost. Where the collateral is cash, it is shown gross including accrued income.

Outstanding financial guarantees	September 30, 2025			December 31, 2024		
	Gross	Collateral	Net	Gross	Collateral	Net
Standby letters of credit	243,925	221,775	22,150	236,220	207,267	28,953
Letters of guarantee	1,501	1,465	36	1,792	1,756	36
Total	245,426	223,240	22,186	238,012	209,023	28,989

Repurchase agreements

The Bank utilizes repurchase agreements and resell agreements (reverse repurchase agreements) to manage liquidity. These agreements are carried at the amounts at which the securities will be subsequently sold or repurchased. The risks of these transactions include changes in the fair value of the securities posted or received as collateral and other credit related events. The Bank manages these risks by ensuring that the collateral involved is appropriate and by monitoring the value of the securities posted or received as collateral on a daily basis.

As at September 30, 2025, the Bank had 13 open positions (December 31, 2024: 15) in resell agreements with a remaining maturity of less than 365 days involving pools of mortgages issued by US federal agencies and Non-US government debt securities. The carrying value of these resell agreements is \$1.2 billion (December 31, 2024: \$1.2 billion) and are included in securities purchased under agreements to resell on the consolidated balance sheets. As at September 30, 2025, there were no positions (December 31, 2024: no positions) which were offset on the consolidated balance sheets to arrive at the carrying value, and there was no collateral amount which was available to offset against the future settlement amount.

As at September 30, 2025, the Bank had no open positions in a repurchase agreement. As at December 31, 2024, the Bank had one open position in a repurchase agreement with a remaining maturity of less than 30 days involving one Non-US government debt security, with the carrying value of the repurchase agreement being \$92.6 million.

Legal Proceedings

There are actions and legal proceedings pending against the Bank and its subsidiaries which arose in the normal course of its business. Management, after reviewing all actions and proceedings pending against or involving the Bank and its subsidiaries, considers that the resolution of these matters would in the aggregate not be material to the consolidated financial position of the Bank, except as noted in the following paragraph.

As publicly announced, in November 2013, the US Attorney's Office for the Southern District of New York applied for and secured the issuance of so-called John Doe Summonses to six US financial institutions with which the Bank had correspondent bank relationships in connection with a US cross border tax investigation. On August 3, 2021, the Bank announced it had reached a resolution with the United States Department of Justice concerning this inquiry. The resolution is in the form of a non-prosecution agreement with a three-year term which concluded in July 2024. The Bank paid \$5.6 million in respect of Forfeiture and Tax Restitution Amounts which is consistent with that previously provisioned for.

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Note 11: Leases

The Bank enters into operating lease agreements either as the lessee or the lessor, mostly for office and parking spaces as well as for small office equipment. The terms of the existing leases, including renewal options that are reasonably certain to be exercised, extend up to the year 2039. Certain lease payments will be adjusted during the related lease's term based on movements in the relevant consumer price index.

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Lease costs				
Operating lease costs	1,576	1,927	5,361	4,700
Short-term lease costs	421	341	1,028	2,181
Sublease income	—	(8)	—	(580)
Total net lease cost	1,997	2,260	6,389	6,301
Operating lease income	97	333	295	1,027
Other information for the period				
Right-of-use assets related to new operating lease liabilities	3,814	—	4,580	1,262
Operating cash flows from operating leases	1,280	1,619	4,254	5,467
Other information at end of period			September 30, 2025	December 31, 2024
Operating leases right-of-use assets (included in other assets on the balance sheets)			37,979	35,347
Operating lease liabilities (included in other liabilities on the balance sheets)			38,799	35,604
Weighted average remaining lease term for operating leases (in years)			11.69	11.87
Weighted average discount rate for operating leases			5.91 %	5.93 %

The following table summarizes the maturity analysis of the Bank's commitments for long-term leases as at December 31, 2024:

Year ending December 31	Operating Leases
2025	5,249
2026	4,910
2027	4,911
2028	4,909
2029	3,667
2030 & thereafter	16,746
Total commitments	40,392
Less: effect of discounting cash flows to their present value	(4,788)
Operating lease liabilities	35,604

Note 12: Segmented information

The Bank is managed by the Chairman & CEO, its Chief Operating Decision Maker ("CODM"), on a geographic basis. The Bank presents four reportable segments, three geographical and one other: Bermuda, Cayman, Channel Islands and the UK, and Other. The Other segment is composed of several non-reportable operating segments that have been aggregated in accordance with GAAP. The Bermuda, Cayman, and Channels Islands and UK segments has a managing director who reports to the Chairman & CEO. As its relates to the Other segment, each operating segment has a managing director that reports to the Group Head of Trust or Chief Operating Officer who ultimately reports to The Chairman & CEO. The Chairman & CEO and the segment managing director have final authority over resource allocation decisions and performance assessment.

The geographic segments reflect this management structure and the manner in which financial information is currently evaluated by the Chairman & CEO in assessing operating performance. Segment results are determined based on the Bank's management reporting system, which assigns balance sheet and statement of operations items to each of the geographic segments. The process is designed around the Bank's organizational and management structure and, accordingly, the results derived are not necessarily comparable with similar information published by other financial institutions. A description of each reportable segment and table of financial results is presented below.

Accounting policies of the reportable segments are the same as those described in Note 2 of the Bank's audited financial statements for the year ended December 31, 2024. Transactions between segments are accounted for on an accrual basis and are all eliminated upon consolidation. The Bank generally does not allocate assets, revenues and expenses among its business segments, with the exception of certain corporate overhead expenses and loan participation revenue and expenses. Loan participation revenue and expenses are allocated pro-rata based upon the percentage of the total loan funded by each jurisdiction participating in the loan. Other expenses are comprised of marketing, non-service employee benefits and other non-interest expenses.

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The **Bermuda** segment provides a comprehensive range of retail, commercial and private banking services. Retail services are offered to individuals and small to medium-sized businesses through three branch locations and through internet banking, mobile banking, automated teller machines and debit cards. Retail services include deposit services, consumer and mortgage lending, credit cards and personal insurance products. Commercial banking includes commercial lending and mortgages, cash management, payroll services, remote banking and letters of credit. Treasury services include money market and foreign exchange activities. Bermuda's wealth management offering consists of Butterfield Asset Management Limited, which provides investment management, advisory and brokerage services and Butterfield Trust (Bermuda) Limited, which provides trust, estate, company management and custody services. Bermuda is also the location of the Bank's head offices and accordingly, retains the unallocated corporate overhead expenses.

The **Cayman** segment provides a comprehensive range of retail, commercial and private banking services. Retail services are offered to individuals and small to medium-sized businesses through three branch locations and through internet banking, mobile banking, ATMs and debit cards. Retail services include deposit services, consumer and mortgage lending, credit cards and property/auto insurance. Commercial banking includes commercial lending and mortgages, cash management, payroll services, remote banking and letters of credit. Treasury services include money market and foreign exchange activities. Cayman's wealth management offering comprises investment management, advisory and brokerage services and Butterfield Trust (Cayman) Limited, which provides trust, estate and company management.

The **Channel Islands and the UK** segment includes the jurisdictions of Guernsey and Jersey (Channel Islands), and the UK. In the Channel Islands, a broad range of services are provided to individuals, private clients, trusts, financial institutions and funds including deposit services, mortgage lending, credit cards, private and corporate banking, treasury services, internet banking, wealth management and fiduciary services. The UK jurisdiction provides mortgage services for high-value residential properties.

The **Other** segment includes the jurisdictions of The Bahamas, Canada, Mauritius, Singapore and Switzerland. These operating segments individually and collectively do not meet the quantitative threshold for segmented reporting and are therefore aggregated as non-reportable operating segments.

Total Assets by Segment	September 30, 2025	December 31, 2024
Bermuda	5,360,986	5,438,279
Cayman	4,143,817	4,337,829
Channel Islands and the UK	4,615,771	4,526,623
Other	72,096	62,682
Total assets before inter-segment eliminations	14,192,670	14,365,413
Less: inter-segment eliminations	(106,315)	(134,017)
Total	14,086,355	14,231,396

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Three months ended September 30, 2025	Bermuda	Cayman	Channel Islands and the UK	Other	Total before eliminations	Inter-segment eliminations	Total
Interest income							
Interest income	54,160	38,635	46,573	36	139,404	—	139,404
Interest income - Inter-segment	—	760	—	—	760	(760)	—
Interest income Total	54,160	39,395	46,573	36	140,164	(760)	139,404
Interest expense							
Interest expense	9,295	9,328	28,060	—	46,683	—	46,683
Interest expense - Inter-segment	757	—	3	—	760	(760)	—
Interest expense Total	10,052	9,328	28,063	—	47,443	(760)	46,683
Net interest income							
Net interest income	44,865	29,307	18,513	36	92,721	—	92,721
Net interest income - Inter-segment	(757)	760	(3)	—	—	—	—
Net interest income Total	44,108	30,067	18,510	36	92,721	—	92,721
Non-interest income	26,034	19,072	10,825	11,746	67,677	(6,496)	61,181
Allowance for credit losses	(472)	51	(143)	—	(564)	—	(564)
Net revenue before gains and losses	69,670	49,190	29,192	11,782	159,834	(6,496)	153,338
Gains and losses	1	—	(62)	—	(61)	—	(61)
Total net revenue	69,671	49,190	29,130	11,782	159,773	(6,496)	153,277
Expenses							
Salaries and other employee benefits	20,844	6,898	11,562	7,300	46,604	—	46,604
Technology and communications	7,866	3,216	2,384	342	13,808	—	13,808
Non-income taxes	4,250	244	696	322	5,512	—	5,512
Professional and outside services	3,123	484	1,060	284	4,951	—	4,951
Property	2,270	726	1,494	659	5,149	—	5,149
Amortization of intangible assets	358	275	906	431	1,970	—	1,970
Depreciation	3,378	1,143	648	116	5,285	—	5,285
Income tax benefit (expense)	—	—	1,082	365	1,447	—	1,447
Other expenses	10,360	3,227	(517)	915	13,985	(6,496)	7,489
Expenses Total	52,449	16,213	19,315	10,734	98,711	(6,496)	92,215
Net income	17,222	32,977	9,815	1,048	61,062	—	61,062

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Three months ended September 30, 2024	Bermuda	Cayman	Channel Islands and the UK	Other	Total before eliminations	Inter-segment eliminations	Total
Interest income							
Interest income	55,518	39,742	54,651	63	149,974	—	149,974
Interest income - Inter-segment	1,965	1,165	139	—	3,269	(3,269)	—
Interest income Total	57,483	40,907	54,790	63	153,243	(3,269)	149,974
Interest expense							
Interest expense	13,218	12,635	36,068	—	61,921	—	61,921
Interest expense - Inter-segment	1,281	—	1,988	—	3,269	(3,269)	—
Interest expense Total	14,499	12,635	38,056	—	65,190	(3,269)	61,921
Net interest income							
Net interest income	42,300	27,107	18,583	63	88,053	—	88,053
Net interest income - Inter-segment	684	1,165	(1,849)	—	—	—	—
Net interest income Total	42,984	28,272	16,734	63	88,053	—	88,053
Non-interest income	23,145	16,581	11,345	10,756	61,827	(5,790)	56,037
Allowance for credit losses	(1,256)	(69)	9	—	(1,316)	—	(1,316)
Net revenue before gains and losses	64,873	44,784	28,088	10,819	148,564	(5,790)	142,774
Gains and losses	1	—	(53)	—	(52)	—	(52)
Total net revenue	64,874	44,784	28,035	10,819	148,512	(5,790)	142,722
Expenses							
Salaries and other employee benefits	18,651	6,833	11,606	6,613	43,703	—	43,703
Technology and communications	7,764	3,593	2,531	317	14,205	—	14,205
Non-income taxes	4,084	548	555	280	5,467	—	5,467
Professional and outside services	2,993	414	1,177	230	4,814	—	4,814
Property	2,168	745	2,088	631	5,632	—	5,632
Amortization of intangible assets	358	276	885	423	1,942	—	1,942
Depreciation	3,262	1,109	664	147	5,182	—	5,182
Income tax benefit (expense)	—	—	1,003	237	1,240	—	1,240
Other expenses	9,485	3,495	(157)	788	13,611	(5,790)	7,821
Expenses Total	48,765	17,013	20,352	9,666	95,796	(5,790)	90,006
Net income	16,109	27,771	7,683	1,153	52,716	—	52,716

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Nine months ended September 30, 2025	Bermuda	Cayman	Channel Islands and the UK	Other	Total before eliminations	Inter-segment eliminations	Total
Interest income							
Interest income	161,877	118,583	139,759	109	420,328	—	420,328
Interest income - Inter-segment	278	2,521	35	—	2,834	(2,834)	—
Interest income Total	162,155	121,104	139,794	109	423,162	(2,834)	420,328
Interest expense							
Interest expense	32,845	30,109	85,921	—	148,875	—	148,875
Interest expense - Inter-segment	2,543	—	291	—	2,834	(2,834)	—
Interest expense Total	35,388	30,109	86,212	—	151,709	(2,834)	148,875
Net interest income							
Net interest income	129,032	88,474	53,838	109	271,453	—	271,453
Net interest income - Inter-segment	(2,265)	2,521	(256)	—	—	—	—
Net interest income Total	126,767	90,995	53,582	109	271,453	—	271,453
Non-interest income	73,264	56,065	32,312	33,839	195,480	(18,850)	176,630
Allowance for credit losses	2,481	(106)	(2,769)	—	(394)	—	(394)
Net revenue before gains and losses	202,512	146,954	83,125	33,948	466,539	(18,850)	447,689
Gains and losses	24	—	9	—	33	—	33
Total net revenue	202,536	146,954	83,134	33,948	466,572	(18,850)	447,722
Expenses							
Salaries and other employee benefits	59,474	21,905	34,402	21,792	137,573	—	137,573
Technology and communications	23,672	10,223	6,758	1,037	41,690	—	41,690
Non-income taxes	13,557	1,236	1,938	1,124	17,855	—	17,855
Professional and outside services	9,862	1,456	3,474	755	15,547	—	15,547
Property	6,909	2,256	5,221	1,922	16,308	—	16,308
Amortization of intangible assets	1,072	826	2,673	1,273	5,844	—	5,844
Depreciation	10,233	3,367	2,084	370	16,054	—	16,054
Income tax benefit (expense)	—	—	2,944	890	3,834	—	3,834
Other expenses	31,208	10,409	(504)	2,603	43,716	(18,850)	24,866
Expenses Total	155,987	51,678	58,990	31,766	298,421	(18,850)	279,571
Net income	46,549	95,276	24,144	2,182	168,151	—	168,151

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Nine months ended September 30, 2024	Bermuda	Cayman	Channel Islands and the UK	Other	Total before eliminations	Inter-segment eliminations	Total
Interest income							
Interest income	166,633	120,931	152,518	185	440,267	—	440,267
Interest income - Inter-segment	6,112	4,224	1,050	—	11,386	(11,386)	—
Interest income Total	172,745	125,155	153,568	185	451,653	(11,386)	440,267
Interest expense							
Interest expense	40,498	35,325	101,877	—	177,700	—	177,700
Interest expense - Inter-segment	5,225	29	6,132	—	11,386	(11,386)	—
Interest expense Total	45,723	35,354	108,009	—	189,086	(11,386)	177,700
Net interest income							
Net interest income	126,135	85,606	50,641	185	262,567	—	262,567
Net interest income - Inter-segment	888	4,194	(5,082)	—	—	—	—
Net interest income Total	127,023	89,800	45,559	185	262,567	—	262,567
Non-interest income	67,877	50,454	33,440	31,638	183,409	(16,632)	166,777
Allowance for credit losses	(1,487)	136	(39)	—	(1,390)	—	(1,390)
Net revenue before gains and losses	193,413	140,390	78,960	31,823	444,586	(16,632)	427,954
Gains and losses	105	—	144	—	249	—	249
Total net revenue	193,518	140,390	79,104	31,823	444,835	(16,632)	428,203
Expenses							
Salaries and other employee benefits	56,408	20,274	34,141	19,508	130,331	—	130,331
Technology and communications	22,879	10,605	7,372	1,010	41,866	—	41,866
Non-income taxes	13,116	1,544	1,702	996	17,358	—	17,358
Professional and outside services	10,332	1,697	4,241	744	17,014	—	17,014
Property	6,819	2,155	6,133	1,854	16,961	—	16,961
Amortization of intangible assets	1,072	826	2,591	1,273	5,762	—	5,762
Depreciation	9,826	3,445	2,413	448	16,132	—	16,132
Income tax benefit (expense)	—	—	2,368	657	3,025	—	3,025
Other expenses	27,862	9,771	(263)	2,278	39,648	(16,632)	23,016
Expenses Total	148,314	50,317	60,698	28,768	288,097	(16,632)	271,465
Net income	45,204	90,073	18,406	3,055	156,738	—	156,738

Note 13: Derivative instruments and risk management

The Bank uses derivatives for risk management purposes and to meet the needs of its customers. The Bank's derivative contracts principally involve over-the-counter ("OTC") transactions that are negotiated privately between the Bank and the counterparty to the contract and include interest rate contracts and foreign exchange contracts.

The Bank may pursue opportunities to reduce its exposure to credit losses on derivatives by entering into International Swaps and Derivatives Associations ("ISDAs"). Depending on the nature of the derivative transaction, bilateral collateral arrangements may be used, as well. When the Bank is engaged in more than one outstanding derivative transaction with the same counterparty, and also has a legally enforceable master netting agreement with that counterparty, the net marked-to-market exposure represents the netting of the positive and negative exposures with that counterparty. When there is a net negative exposure, the Bank regards its credit exposure to the counterparty as being zero. The net marked-to-market position with a particular counterparty represents a reasonable measure of credit risk when there is a legally enforceable master netting agreement between the Bank and that counterparty.

Certain of these agreements contain credit risk-related contingent features in which the counterparty has the option to accelerate cash settlement of the Bank's net derivative liabilities with the counterparty in the event the Bank's credit rating falls below specified levels or the liabilities reach certain levels.

All derivative financial instruments, whether designated as hedges or not, are recorded on the consolidated balance sheets at fair value within other assets or other liabilities. These amounts include the effect of netting. The accounting for changes in the fair value of a derivative in the consolidated statements of operations depends on whether the contract has been designated as a hedge and qualifies for hedge accounting.

Notional Amounts

The notional amounts are not recorded as assets or liabilities on the consolidated balance sheets as they represent the face amount of the contract to which a rate or price is applied to determine the amount of cash flows to be exchanged. Notional amounts represent the volume of outstanding transactions and do not represent the potential gain or loss associated with market risk or credit risk of such instruments. Credit risk is limited to the positive fair value of the derivative instrument, which is significantly less than the notional amount.

Fair Value

Derivative instruments, in the absence of any compensating up-front cash payments, generally have no market value at inception. They obtain value, positive or negative, as relevant interest rates, exchange rates, equity or commodity prices or indices change. The potential for derivatives to increase or decrease in value as a result of the foregoing factors is generally referred to as market risk. Market risk is managed within clearly defined parameters as prescribed by senior management of the Bank. The fair value is defined as the profit or loss associated with replacing the derivative contracts at prevailing market prices.

Risk Management Derivatives

The Bank enters into interest derivative contracts as part of its overall interest rate risk management strategy to minimize significant unplanned fluctuations in earnings that are caused by interest rate volatility. The Bank's goal is to manage interest rate sensitivity by modifying the repricing or maturity characteristics of certain consolidated balance sheet assets and liabilities so that movements in interest rates do not adversely affect the net interest margin. Derivative instruments that are used as part of the Bank's risk management strategy include interest rate swap contracts that have indices related to the pricing of specific consolidated balance sheet assets and liabilities. Interest rate swaps generally involve the exchange of fixed and variable-rate interest payments between two parties, based on a common notional principal amount and maturity date. The Bank uses foreign currency derivative instruments to hedge its exposure to foreign currency risk. Certain hedging relationships are formally designated and qualify for hedge accounting as fair value or net investment hedges. Risk management derivatives comprise fair value hedges, net investment hedges and derivatives not formally designated as hedges as described below.

Fair value hedges include designated currency swaps that are used to minimize the Bank's exposure to variability in the fair value of AFS investments due to movements in foreign exchange rates. The effective portion of changes in the fair value of the hedged items attributable to foreign exchange rates is recognized in current year earnings consistent with the related change in fair value of the hedging instrument. For fair value hedges, hedging effectiveness of the hedged item and the hedging instrument are assessed and managed at inception and on an ongoing basis using a partial-term method.

Net investment hedges include designated currency swaps and qualifying non-derivative instruments and are used to minimize the Bank's exposure to variability in the foreign currency translation of net investments in foreign operations. The effective portion of changes in the fair value of the hedging instrument is recognized in Accumulated other comprehensive income (loss) ("AOCIL") consistent with the related translation gains and losses of the hedged net investment. For net investment hedges, all critical terms of the hedged item and the hedging instrument are matched at inception and on an ongoing basis to minimize the risk of hedge ineffectiveness.

For derivatives designated as net investment hedges, the Bank follows the method based on changes in spot exchange rates. Accordingly:

- The change in the fair value of the derivative instrument that is reported in AOCIL (i.e., the effective portion) is determined by the changes in spot exchange rates.
- The change in the fair value of the derivative instrument attributable to changes in the difference between the forward rate and spot rate are excluded from the measure of the hedge ineffectiveness and that difference is reported directly in the consolidated statements of operations under foreign exchange revenue.

Amounts recorded in AOCIL are reclassified to earnings only upon the sale or substantial liquidation of an investment in a foreign subsidiary.

For foreign-currency-denominated financial instruments that are designated as hedges of net investments in foreign operations, the translation gain or loss that is recorded in AOCIL is based on the spot exchange rate between the reporting currency of the Bank and the functional currency of the respective subsidiary. See Note 20: Accumulated other comprehensive income (loss) for details on the amount recognized into AOCIL during the current period from translation gain or loss.

Derivatives not formally designated as hedges are entered into to manage the foreign exchange risk of the Bank's exposure. Changes in the fair value of derivative instruments not formally designated as hedges are recognized in foreign exchange revenue.

Client service derivatives

The Bank enters into foreign exchange contracts primarily to meet the foreign exchange needs of its customers. Foreign exchange contracts are agreements to exchange specific amounts of currencies at a future date at a specified rate of exchange. Changes in the fair value of client services derivative instruments are recognized in foreign exchange revenue.

The following table shows the aggregate notional amounts of derivative contracts outstanding listed by type and respective gross positive or negative fair values and classified by those used for risk management (sub-classified as hedging and those that do not qualify for hedge accounting), client services and credit derivatives. Fair value of derivatives is

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recorded in the consolidated balance sheets in other assets and other liabilities. Gross positive fair values are recorded in other assets and gross negative fair values are recorded in other liabilities, subject to netting when master netting agreements are in place.

September 30, 2025	Derivative instrument	Number of contracts	Notional amounts	Gross positive fair value	Gross negative fair value	Net fair value
Risk management derivatives						
Net investment hedges	Currency swaps	3	121,419	65	(468)	(403)
Fair value hedges	Currency swaps	2	130,955	815	—	815
Derivatives not formally designated as hedging instruments	Currency swaps	65	1,273,777	10,989	(3,145)	7,844
Subtotal risk management derivatives			1,526,151	11,869	(3,613)	8,256
Client services derivatives						
	Spot and forward foreign exchange	120	207,154	916	(744)	172
Total derivative instruments			1,733,305	12,785	(4,357)	8,428
December 31, 2024	Derivative instrument	Number of contracts	Notional amounts	Gross positive fair value	Gross negative fair value	Net fair value
Risk management derivatives						
Net investment hedges	Currency swaps	1	23,235	986	—	986
Fair value hedges	Currency swaps	3	139,512	—	(4,496)	(4,496)
Derivatives not formally designated as hedging instruments	Currency swaps	54	2,008,630	44,038	(7,181)	36,857
Subtotal risk management derivatives			2,171,377	45,024	(11,677)	33,347
Client services derivatives						
	Spot and forward foreign exchange	145	217,490	1,681	(1,589)	92
Total derivative instruments			2,388,867	46,705	(13,266)	33,439

In addition to the above, as at September 30, 2025 foreign denominated deposits of £206.3 million (December 31, 2024: £277.1 million); SGD1.6 million (December 31, 2024: SGD1.5 million) and CHF0.4 million (December 31, 2024: CHF0.4 million) were designated as a hedge of foreign exchange risk associated with the net investment in foreign operations.

The Bank manages derivative exposure by monitoring the credit risk associated with each counterparty using counterparty specific credit risk limits, using master netting arrangements where appropriate and obtaining collateral. The Bank elected to offset in the consolidated balance sheets certain gross derivative assets and liabilities subject to netting agreements.

The Bank also elected not to offset certain derivative assets or liabilities and all collateral received or paid that the Bank or the counterparties could legally offset in the event of default. In the tables below, these positions are deducted from the net fair value presented in the consolidated balance sheets in order to present the net exposures. The collateral values presented in the following table are limited to the related net derivative asset or liability balance and, accordingly, do not include excess collateral received or paid.

	Gross fair value recognized	Less: offset applied under master netting agreements	Net fair value presented in the consolidated balance sheets	Less: positions not offset in the consolidated balance sheets		
September 30, 2025				Gross fair value of derivatives	Cash collateral received / paid	Net exposures
Derivative assets						
Spot and forward foreign exchange and currency swaps	12,785	(3,252)	9,533	—	—	9,533
Derivative liabilities						
Spot and forward foreign exchange and currency swaps	4,357	(3,252)	1,105	—	—	1,105
Net positive fair value			8,428			
	Gross fair value recognized	Less: offset applied under master netting agreements	Net fair value presented in the consolidated balance sheets	Less: positions not offset in the consolidated balance sheets		
December 31, 2024				Gross fair value of derivatives	Cash collateral received / paid	Net exposures
Derivative assets						
Spot and forward foreign exchange and currency swaps	46,705	(11,227)	35,478	—	(250)	35,228
Derivative liabilities						
Spot and forward foreign exchange and currency swaps	13,266	(11,227)	2,039	—	(682)	1,357
Net positive fair value			33,439			

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The following tables show the location and amount of gains (losses) recorded in either the consolidated statements of operations or consolidated statements of comprehensive income on derivative instruments outstanding.

Derivative instrument	Consolidated statements of operations line item	Three months ended		Nine months ended	
		September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Spot and forward foreign exchange	Foreign exchange revenue	79	83	80	72
Currency swaps, not designated as hedge	Foreign exchange revenue	30,350	(27,642)	(29,013)	(3,951)
Currency swaps - fair value hedges	Foreign exchange revenue	(4,223)	5,243	5,311	(231)
Total net gains (losses) recognized in net income		26,206	(22,316)	(23,622)	(4,110)

Derivative instrument	Consolidated statements of comprehensive income line item	Three months ended		Nine months ended	
		September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Currency swaps - net investment hedge	Unrealized net gains (losses) on translation of net investment in foreign operations	251	(6,442)	(1,389)	(6,251)
Total net gains (losses) recognized in comprehensive income		251	(6,442)	(1,389)	(6,251)

Note 14: Fair value measurements

The following table presents the financial assets and liabilities that are measured at fair value on a recurring basis. Management classifies these items based on the type of inputs used in their respective fair value determination as described in Note 2 of the Bank's audited financial statements for the year ended December 31, 2024.

Management reviews the price of each security monthly, comparing market values to expectations and to the prior month's price. Management's expectations are based upon knowledge of prevailing market conditions and developments relating to specific issuers and/or asset classes held in the investment portfolio. Where there are unusual or significant price movements, or where a certain asset class has performed out-of-line with expectations, the matter is reviewed by management.

Financial instruments in Level 1 include US and UK Government Treasury notes.

Financial instruments in Level 2 include government debt securities, mortgage-backed securities, other asset-backed securities, forward foreign exchange contracts and securities sold under agreements to repurchase.

There were no Level 3 investments as at September 30, 2025 and December 31, 2024.

There were no transfers between Level 1 and Level 2 or Level 2 and Level 3 during the nine months ended September 30, 2025 and the year ended December 31, 2024.

	September 30, 2025			December 31, 2024		
	Fair value		Total carrying amount / fair value	Fair value		Total carrying amount / fair value
	Level 1	Level 2		Level 1	Level 2	
Items that are recognized at fair value on a recurring basis:						
Available-for-sale investments						
US government and federal agencies	1,277,899	1,327,707	2,605,606	991,357	1,172,262	2,163,619
Non-US governments debt securities	—	—	—	93,468	—	93,468
Asset-backed securities - Student loans	—	—	—	—	40	40
Residential mortgage-backed securities	—	14,143	14,143	—	15,359	15,359
Total available-for-sale	1,277,899	1,341,850	2,619,749	1,084,825	1,187,661	2,272,486
Other assets - Derivatives	—	9,533	9,533	—	35,478	35,478
Financial liabilities						
Other liabilities - Derivatives	—	1,105	1,105	—	2,039	2,039

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Items Other Than Those Recognized at Fair Value on a Recurring Basis:

	Level	September 30, 2025			December 31, 2024		
		Carrying amount	Fair value	Appreciation / (depreciation)	Carrying amount	Fair value	Appreciation / (depreciation)
Financial assets							
Cash and cash equivalents	Level 1	1,501,368	1,501,368	—	1,998,112	1,998,112	—
Securities purchased under agreements to resell	Level 2	1,155,950	1,155,950	—	1,205,373	1,205,373	—
Short-term investments	Level 1	830,761	830,761	—	580,026	580,026	—
Investments held-to-maturity	Level 2	3,055,181	2,605,627	(449,554)	3,240,290	2,671,040	(569,250)
Loans, net of allowance for credit losses	Level 2	4,467,645	4,452,883	(14,762)	4,473,591	4,433,872	(39,719)
Financial liabilities							
Term deposits	Level 2	3,947,709	3,951,844	(4,135)	4,478,257	4,482,978	(4,721)
Securities sold under agreements to repurchase	Level 2	—	—	—	92,562	92,562	—
Long-term debt	Level 2	—	—	—	98,725	98,361	364

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Note 15: Interest rate risk

The following tables set out the assets, liabilities and shareholders' equity on the date of the earlier of contractual maturity, expected maturity or repricing date. Use of these tables to derive information about the Bank's interest rate risk position is limited by the fact that customers may choose to terminate their financial instruments at a date earlier than the contractual maturity or repricing date. Examples of this include fixed-rate mortgages, which are shown at contractual maturity but which may be subject to early prepayment, and certain term deposits, which are shown at contractual maturity but which may be withdrawn before their contractual maturity subject to prepayment penalties. Investments are shown based on remaining contractual maturities. The remaining contractual principal maturities for mortgage-backed securities (primarily US government agencies) do not consider prepayments. Remaining expected maturities will differ from contractual maturities because borrowers may have the right to prepay obligations before the underlying mortgages mature.

September 30, 2025		Earlier of contractual maturity or repricing date					
(in \$ millions)	Within 3 months	3 to 6 months	6 to 12 months	1 to 5 years	After 5 years	Non-interest bearing funds	Total
Assets							
Cash and cash equivalents	1,396	—	—	—	—	105	1,501
Securities purchased under agreements to resell	451	252	453	—	—	—	1,156
Short-term investments	363	323	145	—	—	—	831
Investments	1	82	372	933	4,287	—	5,675
Loans	2,466	202	211	1,252	270	67	4,468
Other assets	—	—	—	—	—	455	455
Total assets	4,677	859	1,181	2,185	4,557	627	14,086
Liabilities and shareholders' equity							
Shareholders' equity	—	—	—	—	—	1,106	1,106
Demand deposits	6,191	—	—	—	—	2,582	8,773
Term deposits	3,037	482	381	48	—	—	3,948
Other liabilities	—	—	—	—	—	259	259
Total liabilities and shareholders' equity	9,228	482	381	48	—	3,947	14,086
Interest rate sensitivity gap	(4,551)	377	800	2,137	4,557	(3,320)	—
Cumulative interest rate sensitivity gap	(4,551)	(4,174)	(3,374)	(1,237)	3,320	—	—
December 31, 2024							
		Earlier of contractual maturity or repricing date					
(in \$ millions)	Within 3 months	3 to 6 months	6 to 12 months	1 to 5 years	After 5 years	Non-interest bearing funds	Total
Assets							
Cash and cash equivalents	1,905	—	—	—	—	93	1,998
Securities purchased under agreements to resell	1,142	63	—	—	—	—	1,205
Short-term investments	505	75	—	—	—	—	580
Investments	93	6	22	1,097	4,294	—	5,512
Loans	2,398	104	229	1,407	283	53	4,474
Other assets	—	—	—	—	—	462	462
Total assets	6,043	248	251	2,504	4,577	608	14,231
Liabilities and shareholders' equity							
Shareholders' equity	—	—	—	—	—	1,021	1,021
Demand deposits	5,580	—	—	—	—	2,688	8,268
Term deposits	3,593	434	368	83	—	—	4,478
Securities sold under agreements to repurchase	93	—	—	—	—	—	93
Other liabilities	—	—	—	—	—	273	273
Long-term debt	—	98	—	—	—	—	98
Total liabilities and shareholders' equity	9,266	532	368	83	—	3,982	14,231
Interest rate sensitivity gap	(3,223)	(284)	(117)	2,421	4,577	(3,374)	—
Cumulative interest rate sensitivity gap	(3,223)	(3,507)	(3,624)	(1,203)	3,374	—	—

Note 16: Long-term debt

On June 11, 2020, the Bank issued US \$100 million of Subordinated Lower Tier II capital notes. The notes were issued at par and due on June 15, 2030. The issuance was by way of a registered offering with US institutional investors. The notes were listed on the BSX in the specialist debt securities category. The proceeds of the issue were used, among others, to repay the entire amount of the US \$45 million outstanding subordinated notes Series 2005-B which matured on July 2, 2020. The notes issued paid a fixed coupon of 5.25% until June 15, 2025 when they became redeemable in whole at the option of the Bank. The notes were priced at a spread of 4.43% over the 10-year US Treasury yield. The Bank incurred \$2.3 million of costs directly related to the issuance of these capital notes which were capitalized directly against the carrying value of these notes on the balance sheet and amortized over the life of the notes. These notes were redeemed at face value in June 2025 at which time, unamortized issuance costs were fully recognized in the Consolidated Statements of Operations as part of interest expense.

No interest was capitalized during the nine months ended September 30, 2025, and the year ended December 31, 2024.

Note 17: Earnings per share

Earnings per share have been calculated using the weighted average number of common shares outstanding during the period after deduction of the shares held as treasury stock. The dilutive effect of share-based compensation plans was calculated using the treasury stock method, whereby the proceeds received from the exercise of share-based awards are assumed to be used to repurchase outstanding shares, using the average market price of the Bank's shares for the period. Numbers of shares are expressed in thousands.

During the nine months ended September 30, 2025, the average number of outstanding awards of unvested common shares was 1.8 million (September 30, 2024: 1.6 million). Only awards for which the sum of 1) the expense that will be recognized in the future (i.e., the unrecognized expense) and 2) its exercise price, if any, was lower than the average market price of the Bank's common shares were considered dilutive and, therefore, included in the computation of diluted earnings per share.

An award's unrecognized expense is also considered to be the proceeds the employees would need to pay to purchase accelerated vesting of the awards. For the purposes of calculating dilution, such proceeds are assumed to be used by the Bank to buy back common shares at the average market price. The weighted-average number of outstanding awards, net of the assumed weighted-average number of common shares bought back, is included in the number of diluted participating shares.

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Net income	61,062	52,716	168,151	156,738
Basic Earnings Per Share				
Weighted average number of common shares issued	41,435	45,288	42,290	46,218
Weighted average number of common shares held as treasury stock	(619)	(619)	(619)	(619)
Weighted average number of common shares (in thousands)	40,816	44,669	41,671	45,599
Basic Earnings Per Share	1.50	1.18	4.04	3.44
Diluted Earnings Per Share				
Weighted average number of common shares	40,816	44,669	41,671	45,599
Net dilution impact related to awards of unvested common shares	1,128	888	1,066	743
Weighted average number of diluted common shares (in thousands)	41,944	45,557	42,737	46,342
Diluted Earnings Per Share	1.46	1.16	3.93	3.38

Note 18: Share-based payments

The common shares transferred to employees under all share-based payments are either taken from the Bank's common treasury shares or from newly issued shares. All share-based payments are settled by the ultimate parent company which, pursuant to Bermuda law, is not taxed on income. There are no income tax benefits in relation to the issue of such shares as a form of compensation.

In May 2020, the Board of Directors approved the 2020 Omnibus Plan (the "2020 Plan"). Under the 2020 Plan, 3.0 million shares are initially available for grant to employees in the form of stock options or unvested share awards. In February 2025, the Board of Directors approved the Amended and Restated 2020 Omnibus Share Incentive Plan with 5.0 million additional shares available for grant to employees in the form of stock options or unvested share awards. Both types of awards are detailed below.

Stock Option Awards

2020 Plans

Under the 2020 Plan, options can be awarded to Bank employees and executive management, based on predetermined vesting conditions that entitle the holder to purchase one common share at a subscription price no less than the price of the most recently traded common share when granted and have a maximum term of 10 years.

There were no stock options outstanding as at September 30, 2025 and December 31, 2024.

Share-Based Incentive Programs

Recipients of unvested share awards are entitled to the related common shares at no cost, at the time the award vests. Recipients of unvested shares may be entitled to receive additional unvested shares having a value equal to the cash dividends that would have been paid had the unvested shares been issued and vested. Such additional unvested shares granted as dividend equivalents are subject to the same vesting schedule and conditions as the underlying unvested shares.

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Unvested shares subject only to the time vesting condition generally vest upon retirement, death, disability or upon termination, by the Bank, of the holder's employment unless if in connection with the holder's misconduct. Unvested shares subject to both time vesting and performance vesting conditions remain outstanding and unvested upon retirement and will vest only if the performance conditions are met. Unvested shares can also vest in limited circumstances and if specifically approved by the Board, as stipulated in the holder's employment contract. In all other circumstances, unvested shares are generally forfeited when employment ends.

The grant date weighted average fair value (which equals the actual trading price prevailing on grant date) of unvested share awards granted in the nine months ended September 30, 2025 was \$37.50 per share (December 31, 2024: \$30.11 per share). The Bank expects to settle these awards by issuing new shares.

Employee Deferred Incentive Program

Under the Bank's EDIP, shares are awarded to Bank employees and executive management based on the time vesting condition, which states that the shares will vest equally over a three-year period from the effective grant date.

Employee Long-Term Incentive Share Program

Under the Bank's ELTIP, performance shares as well as time-vesting shares were awarded to employees and executive management. The performance shares will generally vest upon the achievement of certain performance targets in the three-year period from the effective grant date. The time-vesting shares will generally vest over the three-year period from the effective grant date.

Employee Share Purchase Plan

The Bank's ESPP was approved in July 2021 and registered in November 2021. The first offering period started in May 2022. Under the Bank's ESPP, eligible employees may elect to contribute up to 15% of their regular compensation toward the purchase of the Bank's shares at a 10% discount from market price on the closing date of each offering period. The ESPP specifies two consecutive six month offering periods per year. In the case of termination of employment or voluntary partial or full withdrawal from the plan, the related current offering period ESPP contributions are refunded to the employee and thus cannot be used to purchase shares under the ESPP. During the nine months ended September 30, 2025, 7,186 shares (December 31, 2024: 16,762 shares) were issued under the ESPP.

Changes in Outstanding ELTIP and EDIP awards (in thousands of shares transferable upon vesting)

	Nine months ended			
	September 30, 2025		September 30, 2024	
	EDIP	ELTIP	EDIP	ELTIP
Outstanding at beginning of period	628	1,151	665	915
Granted	130	348	98	558
Vested (fair value in 2025: \$22.1 million, 2024: \$14.2 million,)	(263)	(268)	(139)	(334)
Forfeitures (resignations, retirements, redundancies)	—	(2)	(3)	(2)
Outstanding at end of period	495	1,229	621	1,137

Share-based Compensation Cost Recognized in the Financial Statements

	Nine months ended	
	September 30, 2025	September 30, 2024
EDIP and ELTIP	16,275	15,285
ESPP	292	305
Share-based Compensation Cost Recognized in Net Income	16,567	15,590
Deduct: Fair value of awards withheld for employees' payroll tax purposes	(211)	(119)
Share-based Compensation Cost Recognized in Additional Paid-in Capital	16,356	15,471

Unrecognized Share-based Compensation Cost

	September 30, 2025		December 31, 2024	
	Unrecognized cost	Weighted average years over which it is expected to be recognized	Unrecognized cost	Weighted average years over which it is expected to be recognized
EDIP	8,080	1.68	8,829	1.88
ELTIP				
Time vesting shares	23	0.37	66	1.12
Performance vesting shares	18,315	1.80	15,877	1.79
Total unrecognized expense	26,418		24,772	

Note 19: Share repurchase programs

From time to time, the Bank may seek to repurchase and retire equity securities of the Bank, through cash purchase, privately negotiated transactions, or otherwise. Such transactions, if any, depend on prevailing market conditions, liquidity and capital requirements, contractual restrictions, and other factors.

Common Share Repurchase Program

On February 14, 2022, the Board approved a new common share repurchase program, authorizing the purchase of up to 2.0 million common shares through to February 28, 2023.

On February 13, 2023, the Board approved a new common share repurchase program, authorizing the purchase of up to 3.0 million common shares through to February 29, 2024.

On December 5, 2023, the Board approved a new common share repurchase program, authorizing the purchase of up to 3.5 million common shares through to December 31, 2024.

On July 22, 2024, the Board approved a new common share repurchase program, authorizing the purchase of up to 2.1 million common shares through to December 31, 2024.

On December 9, 2024, the Board approved a new common share repurchase program, authorizing the purchase of up to 2.7 million common shares through to December 31, 2025.

On July 28, 2025, the Board approved a new common share repurchase program, authorizing the purchase of up to 1.5 million common shares through to December 31, 2025.

In the nine months ended September 30, 2025, the Bank repurchased and retired 2,880,140 shares.

	Nine months ended September 30, 2025	Year ended December 31 2024	2023
Common share repurchases			
Acquired number of shares (to the nearest 1)	2,880,140	4,490,940	3,133,717
Average cost per common share	40.67	34.58	28.27
Total cost (in US dollars)	117,132,449	155,305,756	88,590,240

Note 20: Accumulated other comprehensive income (loss)

	Unrealized net gains (losses) on translation of net investment in foreign operations	Unrealized net gains (losses) on HTM investments	Unrealized net gains (losses) on AFS investments	Employee benefit plans adjustments			
Nine months ended September 30, 2025				Pension	Post- retirement healthcare	Subtotal - employee benefits plans	Total AOCIL
Balance at beginning of period	(26,191)	(73,919)	(162,275)	(49,282)	16,252	(33,030)	(295,415)
Other comprehensive income (loss), net of taxes	5,838	5,896	61,847	1,299	(59)	1,240	74,821
Balance at end of period	(20,353)	(68,023)	(100,428)	(47,983)	16,193	(31,790)	(220,594)

	Unrealized net gains (losses) on translation of net investment in foreign operations	Unrealized net gains (losses) on HTM investments	Unrealized net gains (losses) on AFS investments	Employee benefit plans adjustments			
Nine months ended September 30, 2024				Pension	Post- retirement healthcare	Subtotal - employee benefits plans	Total AOCIL
Balance at beginning of period	(25,478)	(82,067)	(162,910)	(51,563)	11,820	(39,743)	(310,198)
Other comprehensive income (loss), net of taxes	1,945	6,206	46,827	2,571	(1,341)	1,230	56,208
Balance at end of period	(23,533)	(75,861)	(116,083)	(48,992)	10,479	(38,513)	(253,990)

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Net Change of AOCIL Components		Three months ended		Nine months ended	
		September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Line item in the consolidated statements of operations, if any					
Net unrealized gains (losses) on translation of net investment in foreign operations adjustments					
Foreign currency translation adjustments	N/A	(8,533)	25,571	32,268	21,587
Gains (losses) on net investment hedge	N/A	8,111	(23,514)	(26,430)	(19,642)
Net change		(422)	2,057	5,838	1,945
Held-to-maturity investment adjustments					
Amortization of net gains (losses) to net income	Interest income on investments	2,137	2,007	5,896	6,206
Net change		2,137	2,007	5,896	6,206
Available-for-sale investment adjustments					
Gross unrealized gains (losses)	N/A	17,956	61,462	64,093	48,424
Foreign currency translation adjustments of related balances	N/A	529	(1,796)	(2,246)	(1,597)
Net change		18,485	59,666	61,847	46,827
Employee benefit plans adjustments					
Defined benefit pension plan					
Net actuarial gain (loss)	N/A	—	—	—	1,029
Amortization of net actuarial (gains) losses	Non-service employee benefits expense	586	591	1,756	1,769
Amortization of prior service (credit) cost	Non-service employee benefits expense	20	21	61	60
Foreign currency translation adjustments of related balances	N/A	150	(339)	(518)	(287)
Net change		756	273	1,299	2,571
Post-retirement healthcare plan					
Amortization of net actuarial (gains) losses	Non-service employee benefits expense	131	131	393	393
Amortization of prior service (credit) cost	Non-service employee benefits expense	(151)	(578)	(452)	(1,734)
Net change		(20)	(447)	(59)	(1,341)
Other comprehensive income (loss), net of taxes					
		20,936	63,556	74,821	56,208

Note 21: Capital structure

Authorized Capital

The par value of each issued common share and each authorized but unissued common share is BM\$0.01 and the authorized share capital of the Bank comprises 2,000,000,000 common shares of par value BM\$0.01 each, 6,000,000,000 non-voting ordinary shares of par value BM\$0.01 each, 110,200,001 preference shares of par value US\$0.01 each and 50,000,000 preference shares of par value £0.01 each.

Dividends Declared

During the nine months ended September 30, 2025, the Bank declared and paid cash dividends of \$1.38 (September 30, 2024: \$1.32) for each common share as of the related record dates. On October 28, 2025, the Board of Directors declared an interim dividend of \$0.50 per common share to be paid on November 25, 2025 to shareholders of record on November 11, 2025.

The Bank is required to comply with Section 54 of the Companies Act 1981 issued by the Government of Bermuda (the "Companies Act") each time a dividend is declared or paid by the Bank and also obtain a letter of no objection from the BMA pursuant to the Banks and Deposit Companies Act 1999 for any dividends declared. The Bank has complied with Section 54 and has obtained the BMA's letter of no objection for all dividends declared during the periods presented.

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Regulatory Capital

Effective January 1, 2025, the Bank has adopted the Basel Committee on Banking Supervision's revised standardized approach for credit risk framework as required by the BMA. Comparatives were prepared under the prior credit risk framework.

The Bank's regulatory capital is determined in accordance with current Basel guidelines as issued by the BMA. The Bank is fully compliant with all regulatory capital requirements to which it is subject, and it maintains capital ratios in excess of regulatory minimums as at September 30, 2025 and December 31, 2024. The following table sets forth the Bank's capital adequacy in accordance with the relevant Basel framework:

	September 30, 2025		December 31, 2024	
	Actual	Regulatory minimum	Actual	Regulatory minimum
Capital				
CET 1 capital	1,078,048	N/A	1,066,058	N/A
Tier 1 capital	1,078,048	N/A	1,066,058	N/A
Tier 2 capital	6,223	N/A	107,061	N/A
Total capital	1,084,271	N/A	1,173,119	N/A
Risk Weighted Assets	4,013,895	N/A	4,539,376	N/A
Leverage Ratio Exposure Measure	14,464,850	N/A	14,679,662	N/A
Capital Ratios (%)				
CET 1 capital	26.9 %	10.0 %	23.5 %	10.0 %
Tier 1 capital	26.9 %	11.5 %	23.5 %	11.5 %
Total capital	27.0 %	13.5 %	25.8 %	13.5 %
Leverage ratio	7.5 %	5.0 %	7.3 %	5.0 %

Note 22: Related party transactions

Financing Transactions

Certain directors and executives of the Bank, companies in which they are principal owners and/or members of the board, and trusts in which they are involved, have deposits with the Bank, have loans and/or are guarantors for loans with the Bank. Loans to directors were made in the ordinary course of business at normal credit terms, including interest rate and collateral requirements. Loans to executives may be eligible for preferential rates. All of these loans were considered performing loans as at September 30, 2025 and December 31, 2024. Loan balances with directors and executives of the Bank, companies in which they are principal owners and/or members of the board, and trusts in which they are involved were as follows:

Balance at December 31, 2023	19,735
Net loans issued (repaid) during the year	(1,081)
Effect of changes in the composition of related parties	983
Balance at December 31, 2024	19,637
Net loans issued (repaid) during period	(288)
Effect of changes in the composition of related parties	(15,163)
Balance at September 30, 2025	4,186

Consolidated balance sheets	September 30, 2025	December 31, 2024
Deposits	55,846	92,182

Consolidated statement of operations	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Interest and fees on loans	190	326	777	958
Total non-interest expense	81	33	295	149
Other non-interest income	43	58	196	182

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Certain affiliates of the Bank have loans and deposits with the Bank which were made and are maintained in the ordinary course of business on normal commercial terms. Balances with these parties were as follows:

Consolidated balance sheets	September 30, 2025	December 31, 2024
Loans	8,791	9,056
Deposits	402	811
Accrued interest and other liabilities	160	167

Consolidated statement of operations	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Interest and fees on loans	176	196	533	597
Total non-interest expense	987	329	1,426	1,148
Other non-interest income	63	61	188	184

Investments

As at September 30, 2025, several Butterfield mutual funds which are managed by a wholly owned subsidiary of the Bank, had loan balances and deposit balances held with the Bank. The Bank also earned asset management revenue and custody and other administration services revenue from funds managed by a wholly-owned subsidiary of the Bank and from directors and executives, companies in which they are principal owners and/or members of the board and trusts in which they are involved, as well as other income from other related parties.

Consolidated balance sheets	September 30, 2025	December 31, 2024
Deposits	15,056	9,441
Accrued interest and other assets	368	—

Consolidated statement of operations	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Asset management	3,080	2,846	8,853	8,103
Custody and other administration services	389	358	1,115	1,019
Other non-interest income	167	—	467	—

Note 23: Subsequent events

On October 28, 2025, the Board of Directors declared an interim dividend of \$0.50 per common share to be paid on November 25, 2025 to shareholders of record on November 11, 2025.