

CAPITAL & RISK MANAGEMENT
PILLAR 3 DISCLOSURES
FOR THE QUARTER ENDED SEPTEMBER 30, 2025
BUTTERFIELD BANK (CAYMAN) LIMITED



Pillar 3

Template OV1: Overview of RWA

		a	b	c
		RWA		Minimum capital requirements
		September 30, 2025	June 30, 2025	September 30, 2025
1	Credit risk (excluding counterparty credit risk) (CCR)	627,696,962	673,755,028	69,046,666
2	Securitization exposures	353,565,400	343,533,186	38,892,194
3	Counterparty credit risk	889,119	1,294,638	97,803
4	Of which: current exposure method	889,119	1,294,638	97,803
5	Of which: standardized method	-	-	-
6	Market risk	621,374	452,175	68,351
7	Of which: Equity Risk (ER)	-	-	-
8	Operational risk	351,775,556	351,775,556	38,695,311
9	Of which: Basic Indicator Approach	-	-	-
10	Of which: Standardised Approach	351,775,556	351,775,556	38,695,311
11	Of which: Alternative Standardised	-	-	-
12	Total (1+2+3+6+8)	1,334,548,412	1,370,810,583	146,800,325

The decrease in Credit risk (item 1) is primarily driven by lower claims on banks, lower claims secured by residential properties and lower Off Balance Sheet items, partially offset by higher claims on corporates. The increase in Securitization exposures (item 2), is primarily driven by increased investment within the Available For Sale investment portfolio during the quarter.

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

		September 30, 2025	June 30, 2025
1	Total consolidated assets as per published financial statements	4,143,816,698	4,409,304,211
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-	-
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-	-
4	Adjustments for temporary exemption of central bank reserves (if applicable)	-	-
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	(6,275,388)	(6,550,679)
6	Adjustments for regular way purchases and sales of financial assets subject to trade date accounting	-	-
7	Adjustments for eligible cash pooling transactions	-	-
8	Adjustments for derivative financial instruments	2,609,426	4,211,170
9	Adjustment for securities financing transactions (i.e. repurchase agreements and similar secured lending)	-	-
10	Adjustment for off balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	55,889,877	61,967,043
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	1,645,643	1,742,748
12	Other adjustments	-	-
13	Leverage ratio exposure measure	4,197,686,256	4,470,674,493

The decrease in consolidated assets is primarily driven by a decrease in the cash & short term investment and lower loan volumes, against an increase within the investment portfolio. In addition to the redeployment of cash & short term investment into the investment portfolio, the decreased cash & short term investment position is primarily driven by decreased customer deposit balances during the period.

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Template LR2: Leverage ratio common disclosure

		a	b
		Sep 30, 2025	Jun 30, 2025
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	4,141,980,527	4,407,042,191
2	Gross up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(Specific and general provisions associated with <u>on balance sheet exposures</u> that are deducted from Basel III Tier 1 capital)	1,645,643	1,742,748
6	(Asset amounts deducted in determining Basel III Tier 1 capital and regulatory adjustments)	(6,275,388)	(6,550,679)
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 6)	4,137,350,782	4,402,234,260
Derivative exposures			
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	1,836,171	2,262,020
9	Add on amounts for potential future exposure associated with all derivatives transactions	2,609,426	4,211,170
10	(Exempted central counterparty (CCP) leg of client cleared trade exposures)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	Total derivative exposures (sum of lines 8 to 12)	4,445,597	6,473,190
Securities financing transaction exposures			
14	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	CCR exposure for SFT assets	-	-
17	Agent transaction exposures	-	-
18	Total securities financing transaction exposures (sum of lines 14 to 17)	-	-
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	205,847,212	217,304,205
20	(Adjustments for conversion to credit equivalent amounts)	(149,944,318)	(155,317,692)
21	(Specific and general provisions associated with off balance sheet exposures deducted in determining Tier 1 capital)	(13,017)	(19,470)
22	Off-balance sheet items (sum of lines 19 and 21)	55,889,877	61,967,043
Capital and total exposures			
23	Tier 1 capital	402,075,775	403,825,017
24	Total exposures (sum of lines 7,13, 18 and 22)	4,197,686,256	4,470,674,493
Leverage ratio		9.58%	9.03%
25	Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)		
25a	Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)		
26	National minimum leverage ratio requirement	3%	3%
27	Applicable leverage buffers	6.58%	6.03%

The Leverage Ratio improved in the most recent quarter following a 6.11% decline in Total Exposures against an increase in Tier 1 Capital of 0.43%

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LIQ1: Liquidity Coverage Ratio (LCR)

		Quarter Ended September 30, 2025	
		a	b
		TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		1,506,565,384
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers of which:	1,032,312,420	103,231,242
3	Stable deposits	-	-
4	Less stable deposits	1,032,312,420	103,231,242
5	Unsecured wholesale funding, of which:	2,408,733,768	906,416,579
6	Operational deposits (all counterparties) and deposits in networks of cooperative	854,379,475	213,594,869
7	Non-operational deposits (all counterparties)	1,554,354,294	692,821,711
8	Unsecured debt	-	-
9	Secured wholesale funding	-	-
10	Additional requirements, of which:	60,501,363	9,437,669
11	Outflows related to derivative exposures and other collateral requirements	-	-
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	60,501,363	9,437,669
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	155,262,196	19,930,710
16	TOTAL CASH OUTFLOWS	3,656,809,747	1,039,016,200
CASH INFLOWS			
17	Secured lending (e.g. reverse repos)	-	-
18	Inflows from fully performing exposures	480,975,484	415,899,331
19	Other cash inflows	1,071,586	-
20	TOTAL CASH INFLOWS	482,047,070	415,899,331
			TOTAL ADJUSTED VALUES
21	TOTAL HQLA		1,506,565,384
22	TOTAL NET CASH OUTFLOWS		623,116,869
23	LIQUIDITY COVERAGE RATIO (%)		242%

Columns a and b are calculated as simple average month-end balances for July 2025, August 2025 and September 2025.

Average LCR % decreased over the quarter ended June 30, 2025 of 263% on a 1% decrease in HQLA against a 7% increase in Net Cash Outflows.