

**FINANCIAL REPORT FOR THE THREE MONTHS ENDED MARCH 31, 2026**

THE BANK OF N.T. BUTTERFIELD & SON LIMITED



**INDEX TO FINANCIAL STATEMENTS**

<b>Unaudited Consolidated Financial Statements</b>	<b>Page</b>
Consolidated Balance Sheets (unaudited) as of March 31, 2026 and December 31, 2025 .....	2
Consolidated Statements of Operations (unaudited) for the Three Months Ended March 31, 2026 and 2025 .....	3
Consolidated Statements of Comprehensive Income (unaudited) for the Three Months Ended March 31, 2026 and 2025 .....	4
Consolidated Statements of Changes in Shareholders' Equity (unaudited) for the Three Months Ended March 31, 2026 and 2025 .....	5
Consolidated Statements of Cash Flows (unaudited) for the Three Months Ended March 31, 2026 and 2025 .....	6
Notes to the Consolidated Financial Statements (unaudited) .....	7

**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

March 31, 2026      December 31, 2025

<b>Assets</b>	March 31, 2026	December 31, 2025
Cash and demand deposits with banks - Non-interest bearing	120,175	105,440
Demand deposits with banks - Interest bearing	178,487	171,201
Cash equivalents - Interest bearing	1,643,226	1,432,295
Cash and cash equivalents	1,941,888	1,708,936
Securities purchased under agreements to resell	1,017,737	1,096,238
Short-term investments	912,430	756,543
Investment in securities		
Available-for-sale at fair value (amortized cost: \$2,836,355 (2025: \$2,785,608))	2,736,645	2,696,253
Held-to-maturity (fair value: \$2,506,590 (2025: \$2,566,470))	2,939,086	2,992,052
Total investment in securities	5,675,731	5,688,305
Loans		
Loans	4,420,327	4,407,787
Allowance for credit losses	(26,276)	(25,376)
Loans, net of allowance for credit losses	4,394,051	4,382,411
Premises, equipment and computer software, net	161,495	158,504
Goodwill	24,989	25,385
Other intangible assets, net	58,935	61,412
Equity method investments	6,753	6,755
Accrued interest and other assets	230,749	210,405
<b>Total assets</b>	<b>14,424,758</b>	<b>14,094,894</b>
<b>Liabilities</b>		
Deposits		
Non-interest bearing	2,636,446	2,701,145
Interest bearing	10,245,521	9,996,923
Total deposits	12,881,967	12,698,068
Securities sold under agreements to repurchase	132,300	—
Employee benefit plans	84,266	84,466
Accrued interest and other liabilities	190,134	170,509
Total other liabilities	406,700	254,975
<b>Total liabilities</b>	<b>13,288,667</b>	<b>12,953,043</b>
<b>Commitments, contingencies and guarantees (Note 10)</b>		
<b>Shareholders' equity</b>		
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: 39,610,581 (2025: 39,948,264)	396	399
Additional paid-in capital	838,761	851,223
Retained earnings	512,219	494,384
Accumulated other comprehensive income (loss)	(215,285)	(204,155)
<b>Total shareholders' equity</b>	<b>1,136,091</b>	<b>1,141,851</b>
<b>Total liabilities and shareholders' equity</b>	<b>14,424,758</b>	<b>14,094,894</b>

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	
	March 31, 2026	March 31, 2025
<b>Non-interest income</b>		
Asset management	10,440	9,549
Banking	16,285	15,076
Foreign exchange revenue	14,569	13,680
Trust	16,662	15,628
Custody and other administration services	3,702	3,509
Other non-interest income	986	988
<b>Total non-interest income</b>	<b>62,644</b>	<b>58,430</b>
<b>Interest income</b>		
Interest and fees on loans	63,397	69,435
Investments (none of the investment securities are intrinsically tax-exempt)		
Available-for-sale	22,349	17,763
Held-to-maturity	16,823	18,307
Cash and cash equivalents, securities purchased under agreements to resell and short-term investments	30,110	34,507
<b>Total interest income</b>	<b>132,679</b>	<b>140,012</b>
<b>Interest expense</b>		
Deposits	39,330	49,136
Long-term debt	—	1,371
Securities sold under agreements to repurchase	65	178
<b>Total interest expense</b>	<b>39,395</b>	<b>50,685</b>
<b>Net interest income before provision for credit losses</b>	<b>93,284</b>	<b>89,327</b>
Provision for credit (losses) recoveries	(1,448)	379
<b>Net interest income after provision for credit losses</b>	<b>91,836</b>	<b>89,706</b>
Net other gains (losses)	4	25
<b>Total other gains (losses)</b>	<b>4</b>	<b>25</b>
<b>Total net revenue</b>	<b>154,484</b>	<b>148,161</b>
<b>Non-interest expense</b>		
Salaries and other employee benefits	45,034	45,528
Technology and communications	15,416	16,009
Professional and outside services	5,533	5,444
Property	7,670	8,721
Indirect taxes	6,948	6,494
Non-service employee benefits expense	1,049	1,337
Marketing	1,753	1,775
Amortization of intangible assets	1,981	1,897
Other expenses	5,125	6,013
<b>Total non-interest expense</b>	<b>90,509</b>	<b>93,218</b>
<b>Net income before income taxes</b>	<b>63,975</b>	<b>54,943</b>
Income tax benefit (expense)	(1,352)	(1,179)
<b>Net income</b>	<b>62,623</b>	<b>53,764</b>
<b>Earnings per common share</b>		
Basic earnings per share	1.57	1.26
Diluted earnings per share	1.53	1.23

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	
	March 31, 2026	March 31, 2025
<b>Net income</b>	62,623	53,764
<b>Other comprehensive income (loss), net of taxes</b>		
Unrealized net gains (losses) on translation of net investment in foreign operations	(3,216)	3,931
Net changes on investments transferred to held-to-maturity	1,805	1,777
Unrealized net gains (losses) on available-for-sale investments	(10,375)	31,911
Employee benefit plans adjustments	656	361
<b>Other comprehensive income (loss), net of taxes</b>	<b>(11,130)</b>	<b>37,980</b>
<b>Total comprehensive income (loss)</b>	<b>51,493</b>	<b>91,744</b>

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			
	March 31, 2026		March 31, 2025	
	Number of shares	In thousands of US dollars	Number of shares	In thousands of US dollars
<b>Common share capital issued and outstanding</b>				
Balance at beginning of period	39,948,264	399	43,537,979	435
Retirement of shares	(827,327)	(8)	(1,094,727)	(11)
Issuance of common shares	489,644	5	376,839	4
<b>Balance at end of period</b>	<b>39,610,581</b>	<b>396</b>	<b>42,820,091</b>	<b>428</b>
<b>Additional paid-in capital</b>				
Balance at beginning of period		851,223		916,394
Share-based compensation		5,155		5,341
Share-based settlements		18		40
Retirement of shares		(17,629)		(23,042)
Issuance of common shares, net of underwriting discounts and commissions		(6)		(4)
<b>Balance at end of period</b>		<b>838,761</b>		<b>898,729</b>
<b>Retained earnings</b>				
Balance at beginning of period		494,384		422,461
Net Income for the period		62,623		53,764
Common share cash dividends declared and paid, \$0.50 per share (2025: \$0.44 per share)		(19,991)		(18,769)
Retirement of shares		(24,797)		(17,857)
<b>Balance at end of period</b>		<b>512,219</b>		<b>439,599</b>
<b>Treasury common shares</b>				
Balance at beginning of period	—	—	619,212	(23,063)
Purchase of treasury common shares	827,327	(42,434)	1,094,727	(41,358)
Retirement of shares	(827,327)	42,434	(1,094,727)	40,910
<b>Balance at end of period</b>	<b>—</b>	<b>—</b>	<b>619,212</b>	<b>(23,511)</b>
<b>Accumulated other comprehensive income (loss)</b>				
Balance at beginning of period		(204,155)		(295,415)
Other comprehensive income (loss), net of taxes		(11,130)		37,980
<b>Balance at end of period</b>		<b>(215,285)</b>		<b>(257,435)</b>
<b>Total shareholders' equity</b>		<b>1,136,091</b>		<b>1,057,810</b>

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)

Three months ended

March 31, 2026      March 31, 2025

	March 31, 2026	March 31, 2025
<b>Cash flows from operating activities</b>		
Net income	62,623	53,764
<b>Adjustments to reconcile net income to operating cash flows</b>		
Depreciation, accretion and amortization	13,558	12,569
Provision for credit losses (recoveries)	1,448	(379)
Share-based payments and settlements	5,173	5,381
(Increase) decrease in carrying value of equity method investments	(13)	(80)
Dividends received from equity method investments	15	30
<b>Changes in operating assets and liabilities</b>		
(Increase) decrease in accrued interest receivable and other assets	(21,200)	19,360
Increase (decrease) in employee benefit plans, accrued interest payable and other liabilities	(2,696)	(27,825)
<b>Cash provided by (used in) operating activities</b>	<b>58,908</b>	<b>62,820</b>
<b>Cash flows from investing activities</b>		
(Increase) decrease in securities purchased under agreements to resell having original maturities of 3 months or less	(22,296)	322,979
Securities purchased under agreements to resell having original maturities of more than 3 months: purchases	(398,805)	(249,695)
Securities purchased under agreements to resell having original maturities of more than 3 months: proceeds from maturities	481,925	419,578
Short-term investments other than restricted cash: proceeds from maturities and sales	313,675	409,615
Short-term investments other than restricted cash: purchases	(471,191)	(593,864)
Available-for-sale investments: proceeds from maturities and pay downs	138,398	137,355
Available-for-sale investments: purchases	(189,713)	(97,155)
Held-to-maturity investments: proceeds from maturities and pay downs	53,550	56,450
Net (increase) decrease in loans	(46,974)	12,675
Additions to premises, equipment and computer software	(8,596)	(7,402)
<b>Cash provided by (used in) investing activities</b>	<b>(150,027)</b>	<b>410,536</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in deposits	257,303	(241,478)
Net increase (decrease) in securities sold under agreements to repurchase having original maturities of 3 months or less	132,748	(90,032)
Common shares repurchased	(42,434)	(41,358)
Cash dividends paid on common shares	(19,991)	(18,769)
<b>Cash provided by (used in) financing activities</b>	<b>327,626</b>	<b>(391,637)</b>
Net effect of exchange rates on cash, cash equivalents and restricted cash	(10,374)	15,846
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>226,133</b>	<b>97,565</b>
<b>Cash, cash equivalents and restricted cash: beginning of period</b>	<b>1,776,683</b>	<b>2,088,542</b>
<b>Cash, cash equivalents and restricted cash: end of period</b>	<b>2,002,816</b>	<b>2,186,107</b>
<b>Components of cash, cash equivalents and restricted cash at end of period</b>		
Cash and cash equivalents	1,941,888	2,097,344
Restricted cash included in short-term investments on the consolidated balance sheets	60,928	88,763
<b>Total cash, cash equivalents and restricted cash at end of period</b>	<b>2,002,816</b>	<b>2,186,107</b>
<b>Supplemental disclosure of non-cash items</b>		
Initial recognition of right-of-use assets and operating lease liabilities	—	766

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, 2025.

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. Certain prior year figures have been reclassified to agree to current period presentation.

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 and intangibles
- Employee benefit plans

**New Accounting Pronouncements**

There were no accounting developments issued during the three months ended March 31, 2026 or accounting standards pending adoption which impacted the Bank.

**Note 3: Cash and cash equivalents**

	March 31, 2026	December 31, 2025
<b>Non-interest bearing</b>		
Cash and demand deposits with banks	120,175	105,440
<b>Interest bearing</b>		
Demand deposits with banks	178,487	171,201
Cash equivalents	1,643,226	1,432,295
<b>Sub-total - Interest bearing</b>	<b>1,821,713</b>	<b>1,603,496</b>
<b>Total cash and cash equivalents</b>	<b>1,941,888</b>	<b>1,708,936</b>

**Note 4: Short-term investments**

	March 31, 2026	December 31, 2025
<b>Unrestricted</b>		
Maturing within three months	319,114	321,566
Maturing between three to six months	229,191	223,239
Maturing between six to twelve months	303,197	143,991
<b>Total unrestricted short-term investments</b>	<b>851,502</b>	<b>688,796</b>
<b>Affected by drawing restrictions related to minimum reserve and derivative margin requirements</b>		
Interest earning demand and term deposits	60,928	67,747
<b>Total restricted short-term investments</b>	<b>60,928</b>	<b>67,747</b>
<b>Total short-term investments</b>	<b>912,430</b>	<b>756,543</b>

**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.

	March 31, 2026				December 31, 2025			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
<b>Available-for-sale</b>								
US government and federal agencies	2,822,113	5,862	(104,518)	2,723,457	2,770,749	12,549	(100,827)	2,682,471
Residential mortgage-backed securities	14,242	—	(1,054)	13,188	14,859	—	(1,077)	13,782
<b>Total available-for-sale</b>	<b>2,836,355</b>	<b>5,862</b>	<b>(105,572)</b>	<b>2,736,645</b>	<b>2,785,608</b>	<b>12,549</b>	<b>(101,904)</b>	<b>2,696,253</b>
<b>Held-to-maturity<sup>1</sup></b>								
US government and federal agencies	2,939,086	428	(432,924)	2,506,590	2,992,052	857	(426,439)	2,566,470
<b>Total held-to-maturity</b>	<b>2,939,086</b>	<b>428</b>	<b>(432,924)</b>	<b>2,506,590</b>	<b>2,992,052</b>	<b>857</b>	<b>(426,439)</b>	<b>2,566,470</b>

<sup>1</sup>For the three months ended March 31, 2026 and March 31, 2025, 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 March 31, 2026, comprising 176 securities representing 71% of the AFS portfolios' carrying value (December 31, 2025: 156 and 52.1%), represent credit losses. Total gross unrealized AFS losses were 5.4% of the fair value of the affected securities (December 31, 2025: 7.3%).

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 March 31, 2026, were comprised of 218 securities representing 98.8% of the HTM portfolios' carrying value (December 31, 2025: 218 and 98.8%). Total gross unrealized HTM losses were 17.5% of the fair value of affected securities (December 31, 2025: 16.9%).

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 US prime securities (December 31, 2025: 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 41.7% - 51.7%, 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		Total fair value	Total gross unrealized losses
	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses		
<b>March 31, 2026</b>						
<b>Available-for-sale securities with unrealized losses</b>						
US government and federal agencies	792,818	(5,051)	1,136,893	(99,467)	1,929,711	(104,518)
Residential mortgage-backed securities	—	—	13,188	(1,054)	13,188	(1,054)
<b>Total available-for-sale securities with unrealized losses</b>	<b>792,818</b>	<b>(5,051)</b>	<b>1,150,081</b>	<b>(100,521)</b>	<b>1,942,899</b>	<b>(105,572)</b>
<b>Held-to-maturity securities with unrealized losses</b>						
US government and federal agencies	1,401	(21)	2,470,736	(432,903)	2,472,137	(432,924)

	Less than 12 months		12 months or more		Total fair value	Total gross unrealized losses
	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses		
<b>December 31, 2025</b>						
<b>Available-for-sale securities with unrealized losses</b>						
US government and federal agencies	94,588	(120)	1,296,411	(100,707)	1,390,999	(100,827)
Residential mortgage-backed securities	—	—	13,782	(1,077)	13,782	(1,077)
<b>Total available-for-sale securities with unrealized losses</b>	<b>94,588</b>	<b>(120)</b>	<b>1,310,193</b>	<b>(101,784)</b>	<b>1,404,781</b>	<b>(101,904)</b>
<b>Held-to-maturity securities with unrealized losses</b>						
US government and federal agencies	—	—	2,530,638	(426,439)	2,530,638	(426,439)

#### 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					Carrying amount
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years	No specific or single maturity	
<b>March 31, 2026</b>						
<b>Available-for-sale</b>						
US government and federal agencies	490,576	866,387	—	—	1,366,494	2,723,457
Residential mortgage-backed securities	—	—	—	—	13,188	13,188
<b>Total available-for-sale</b>	<b>490,576</b>	<b>866,387</b>	<b>—</b>	<b>—</b>	<b>1,379,682</b>	<b>2,736,645</b>
<b>Held-to-maturity</b>						
US government and federal agencies	—	—	—	—	2,939,086	2,939,086

#### 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.

	March 31, 2026		December 31, 2025	
	Amortized cost	Fair value	Amortized cost	Fair value
<b>Pledged investments - secured customer deposit product</b>				
Available-for-sale	18,148	17,168	19,184	18,331
Held-to-maturity	99,088	88,625	96,811	87,154

The Bank also pledges certain 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 discloses 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 March 31, 2026 is 5.76% (December 31, 2025: 5.81%). The interest receivable on total loans as at March 31, 2026 is \$10.5 million (December 31, 2025: \$11.1 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 Group Credit Committee is also responsible for approving the allowance for expected credit losses 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:

March 31, 2026	Pass	Special mention	Substandard	Non-accrual	Total amortized cost	Allowance for expected credit losses	Total net loans
<b>Commercial loans</b>							
Government	293,745	—	—	—	293,745	(233)	293,512
Commercial and industrial	155,078	—	652	17,121	172,851	(14,284)	158,567
Commercial overdrafts	56,485	—	—	380	56,865	(90)	56,775
<b>Total commercial loans</b>	<b>505,308</b>	<b>—</b>	<b>652</b>	<b>17,501</b>	<b>523,461</b>	<b>(14,607)</b>	<b>508,854</b>
<b>Commercial real estate loans</b>							
Commercial mortgage	482,211	4,449	1,993	3,405	492,058	(1,027)	491,031
Construction	84,250	—	—	—	84,250	—	84,250
<b>Total commercial real estate loans</b>	<b>566,461</b>	<b>4,449</b>	<b>1,993</b>	<b>3,405</b>	<b>576,308</b>	<b>(1,027)</b>	<b>575,281</b>
<b>Consumer loans</b>							
Automobile financing	19,346	—	2	127	19,475	(48)	19,427
Credit card	95,592	—	639	—	96,231	(2,130)	94,101
Overdrafts	32,306	—	33	8	32,347	(329)	32,018
Other consumer <sup>1</sup>	44,183	—	805	785	45,773	(836)	44,937
<b>Total consumer loans</b>	<b>191,427</b>	<b>—</b>	<b>1,479</b>	<b>920</b>	<b>193,826</b>	<b>(3,343)</b>	<b>190,483</b>
<b>Residential mortgage loans</b>	<b>2,892,796</b>	<b>6,399</b>	<b>159,212</b>	<b>68,325</b>	<b>3,126,732</b>	<b>(7,299)</b>	<b>3,119,433</b>
<b>Total</b>	<b>4,155,992</b>	<b>10,848</b>	<b>163,336</b>	<b>90,151</b>	<b>4,420,327</b>	<b>(26,276)</b>	<b>4,394,051</b>

<sup>1</sup> Other consumer loans' amortized cost includes \$6 million of cash and portfolio secured lending and \$31 million of lending secured by buildings in construction or other collateral.

December 31, 2025	Pass	Special mention	Substandard	Non-accrual	Total amortized cost	Allowance for expected credit losses	Total net loans
<b>Commercial loans</b>							
Government	276,815	—	—	—	276,815	(257)	276,558
Commercial and industrial	176,753	—	667	17,130	194,550	(12,030)	182,520
Commercial overdrafts	62,819	610	105	195	63,729	(70)	63,659
<b>Total commercial loans</b>	<b>516,387</b>	<b>610</b>	<b>772</b>	<b>17,325</b>	<b>535,094</b>	<b>(12,357)</b>	<b>522,737</b>
<b>Commercial real estate loans</b>							
Commercial mortgage	481,978	184	2,062	3,434	487,658	(1,098)	486,560
Construction	77,573	—	—	—	77,573	—	77,573
<b>Total commercial real estate loans</b>	<b>559,551</b>	<b>184</b>	<b>2,062</b>	<b>3,434</b>	<b>565,231</b>	<b>(1,098)</b>	<b>564,133</b>
<b>Consumer loans</b>							
Automobile financing	18,993	—	3	174	19,170	(27)	19,143
Credit card	98,398	—	680	—	99,078	(2,184)	96,894
Overdrafts	35,022	—	32	5	35,059	(350)	34,709
Other consumer <sup>1</sup>	40,605	—	812	829	42,246	(854)	41,392
<b>Total consumer loans</b>	<b>193,018</b>	<b>—</b>	<b>1,527</b>	<b>1,008</b>	<b>195,553</b>	<b>(3,415)</b>	<b>192,138</b>
<b>Residential mortgage loans</b>	<b>2,916,341</b>	<b>3,769</b>	<b>122,239</b>	<b>69,560</b>	<b>3,111,909</b>	<b>(8,506)</b>	<b>3,103,403</b>
<b>Total</b>	<b>4,185,297</b>	<b>4,563</b>	<b>126,600</b>	<b>91,327</b>	<b>4,407,787</b>	<b>(25,376)</b>	<b>4,382,411</b>

<sup>1</sup> Other consumer loans' amortized cost includes \$6 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)**  
*(In thousands of US dollars, unless otherwise stated)*

Based on the most recent analysis performed, the amortized cost of loans by year of origination and credit quality classification is as follows:

March 31, 2026	Pass	Special mention	Substandard	Non-accrual	Total amortized cost
<b>Loans by origination year</b>					
2026	169,027	2,367	—	—	171,394
2025	509,999	—	13,185	—	523,184
2024	435,758	—	22,413	125	458,296
2023	269,567	—	1,015	34	270,616
2022	701,003	782	7,675	44	709,504
Prior	1,882,522	7,699	118,376	89,560	2,098,157
<b>Overdrafts and credit cards</b>	<b>188,116</b>	<b>—</b>	<b>672</b>	<b>388</b>	<b>189,176</b>
<b>Total amortized cost</b>	<b>4,155,992</b>	<b>10,848</b>	<b>163,336</b>	<b>90,151</b>	<b>4,420,327</b>

December 31, 2025	Pass	Special mention	Substandard	Non-accrual	Total amortized cost
<b>Loans by origination year</b>					
2025	514,608	—	—	—	514,608
2024	470,244	—	247	181	470,672
2023	283,923	—	1,039	54	285,016
2022	722,368	805	6,250	25	729,448
2021	350,808	—	—	257	351,065
Prior	1,643,350	3,148	118,246	90,610	1,855,354
<b>Overdrafts and credit cards</b>	<b>199,996</b>	<b>610</b>	<b>818</b>	<b>200</b>	<b>201,624</b>
<b>Total amortized cost</b>	<b>4,185,297</b>	<b>4,563</b>	<b>126,600</b>	<b>91,327</b>	<b>4,407,787</b>

**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.

March 31, 2026	30 - 59 days	60 - 89 days	90 days or more	Total past due loans	Total current	Total amortized cost
<b>Commercial loans</b>						
Government	—	—	—	—	293,745	293,745
Commercial and industrial	—	—	17,121	17,121	155,730	172,851
Commercial overdrafts	—	—	380	380	56,485	56,865
<b>Total commercial loans</b>	<b>—</b>	<b>—</b>	<b>17,501</b>	<b>17,501</b>	<b>505,960</b>	<b>523,461</b>
<b>Commercial real estate loans</b>						
Commercial mortgage	323	—	2,970	3,293	488,765	492,058
Construction	—	—	—	—	84,250	84,250
<b>Total commercial real estate loans</b>	<b>323</b>	<b>—</b>	<b>2,970</b>	<b>3,293</b>	<b>573,015</b>	<b>576,308</b>
<b>Consumer loans</b>						
Automobile financing	181	—	127	308	19,167	19,475
Credit card	655	424	476	1,555	94,676	96,231
Overdrafts	—	—	41	41	32,306	32,347
Other consumer	44	16	660	720	45,053	45,773
<b>Total consumer loans</b>	<b>880</b>	<b>440</b>	<b>1,304</b>	<b>2,624</b>	<b>191,202</b>	<b>193,826</b>
<b>Residential mortgage loans</b>	<b>30,496</b>	<b>3,075</b>	<b>146,730</b>	<b>180,301</b>	<b>2,946,431</b>	<b>3,126,732</b>
<b>Total amortized cost</b>	<b>31,699</b>	<b>3,515</b>	<b>168,505</b>	<b>203,719</b>	<b>4,216,608</b>	<b>4,420,327</b>

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

December 31, 2025	30 - 59 days	60 - 89 days	90 days or more	Total past due loans	Total current	Total amortized cost
<b>Commercial loans</b>						
Government	—	—	—	—	276,815	276,815
Commercial and industrial	—	—	17,130	17,130	177,420	194,550
Commercial overdrafts	—	—	300	300	63,429	63,729
<b>Total commercial loans</b>	—	—	17,430	17,430	517,664	535,094
<b>Commercial real estate loans</b>						
Commercial mortgage	328	174	3,434	3,936	483,722	487,658
Construction	—	—	—	—	77,573	77,573
<b>Total commercial real estate loans</b>	328	174	3,434	3,936	561,295	565,231
<b>Consumer loans</b>						
Automobile financing	99	14	160	273	18,897	19,170
Credit card	596	515	466	1,577	97,501	99,078
Overdrafts	—	—	37	37	35,022	35,059
Other consumer	270	17	675	962	41,284	42,246
<b>Total consumer loans</b>	965	546	1,338	2,849	192,704	195,553
<b>Residential mortgage loans</b>	13,863	33,158	90,727	137,748	2,974,161	3,111,909
<b>Total amortized cost</b>	15,156	33,878	112,929	161,963	4,245,824	4,407,787

**Changes in Allowances For Credit Losses**

Allowance for expected credit losses increased during the three months ended March 31, 2026 compared to December 31, 2025 due to a legacy Bermuda commercial facility and partially offset by the release of a provision on a residential mortgage facility in the Channel Islands and UK segment. As disclosed in Note 2 of the December 31, 2025 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.

	Three months ended March 31, 2026				
	Commercial	Commercial real estate	Consumer	Residential mortgage	Total
Balance at the beginning of period	12,357	1,098	3,415	8,506	25,376
Provision increase (decrease)	2,346	(71)	380	(1,223)	1,432
Recoveries of previous charge-offs	—	—	322	42	364
Charge-offs, by origination year					
2026	—	—	—	—	—
2025	—	—	—	—	—
2024	—	—	(52)	—	(52)
2023	—	—	(17)	—	(17)
2022	—	—	—	—	—
Prior	(83)	—	(3)	—	(86)
Overdrafts and credit cards	(2)	—	(697)	—	(699)
Other	(11)	—	(5)	(26)	(42)
<b>Allowances for expected credit losses at end of period</b>	<b>14,607</b>	<b>1,027</b>	<b>3,343</b>	<b>7,299</b>	<b>26,276</b>

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

	Three months ended March 31, 2025				Total
	Commercial	Commercial real estate	Consumer	Residential mortgage	
Balance at the beginning of period	11,684	3,267	3,254	7,504	25,709
Provision increase (decrease)	774	(2,136)	(59)	1,017	(404)
Recoveries of previous charge-offs	—	—	652	41	693
Charge-offs, by origination year					
2025	—	—	—	—	—
2024	—	—	—	—	—
2023	—	—	—	(30)	(30)
2022	—	—	—	—	—
2021	—	—	—	—	—
Prior	(250)	(34)	(13)	(86)	(383)
Overdrafts and credit cards	(7)	—	(376)	—	(383)
Other	11	—	5	46	62
<b>Allowances for expected credit losses at end of period</b>	<b>12,212</b>	<b>1,097</b>	<b>3,463</b>	<b>8,492</b>	<b>25,264</b>

**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 three months ended March 31, 2026, no interest was recognized on non-accrual loans. No credit deteriorated loans were purchased during the period.

	March 31, 2026				December 31, 2025			
	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
<b>Commercial loans</b>								
Commercial and industrial	17,121	—	—	17,121	17,130	—	—	17,130
Commercial overdrafts	380	—	—	380	195	—	105	300
<b>Total commercial loans</b>	<b>17,501</b>	<b>—</b>	<b>—</b>	<b>17,501</b>	<b>17,325</b>	<b>—</b>	<b>105</b>	<b>17,430</b>
<b>Commercial real estate loans</b>								
Commercial mortgage	1,850	1,555	—	3,405	2,891	543	—	3,434
<b>Total commercial real estate loans</b>	<b>1,850</b>	<b>1,555</b>	<b>—</b>	<b>3,405</b>	<b>2,891</b>	<b>543</b>	<b>—</b>	<b>3,434</b>
<b>Consumer loans</b>								
Automobile financing	—	127	—	127	99	75	—	174
Credit cards	—	—	476	476	—	—	466	466
Overdrafts	8	—	33	41	5	—	32	37
Other consumer	456	329	—	785	494	335	—	829
<b>Total consumer loans</b>	<b>464</b>	<b>456</b>	<b>509</b>	<b>1,429</b>	<b>598</b>	<b>410</b>	<b>498</b>	<b>1,506</b>
<b>Residential mortgage loans</b>	<b>47,010</b>	<b>21,315</b>	<b>84,753</b>	<b>153,078</b>	<b>49,357</b>	<b>20,203</b>	<b>27,418</b>	<b>96,978</b>
<b>Total non-performing loans</b>	<b>66,825</b>	<b>23,326</b>	<b>85,262</b>	<b>175,413</b>	<b>70,171</b>	<b>21,156</b>	<b>28,021</b>	<b>119,348</b>

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

**Loan Modifications Made to Borrowers Experiencing Financial Difficulty**

The following table summarizes the amortized cost basis of loan modifications as at March 31, 2026 and March 31, 2025 made to borrowers experiencing financial difficulty during the three-months ended March 31, 2026 and March 31, 2025.

	Amortized cost basis				In % of the class of loans	Weighted average financial effects		
	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
March 31, 2026								
Residential mortgage loans	668	—	4,764	951	0.2 %	0	13	3.4 %

	Amortized cost basis				In % of the class of loans	Weighted average financial effects		
	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
March 31, 2025								
Residential mortgage loans	1,223	—	419	1,230	0.1 %	0	34	2.7 %

**Age analysis and subsequent default of modified loans.**

As at March 31, 2026 and March 31, 2025, all loans for which a concession was granted during the preceding 12 months are current, except for the following:

Residential mortgage loans:

- \$0.8 million (March 31, 2025: \$1.2 million) of residential mortgage loans for which a term extension and reduction in interest rate was granted are 30 to 59 days past due;
- Nil (March 31, 2025: \$0.2 million) of residential mortgages loans for which a term extension was granted are 60 to 89 days past due; and
- \$25.7 million (March 31, 2025: \$0.2 million) of residential mortgage loans for which a term extension and reduction in interest rate was granted 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.

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

Geographic region	March 31, 2026				December 31, 2025			
	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	4,068	—	—	4,068	3,568	—	—	3,568
Bermuda	45,930	1,440,555	305,559	1,792,044	41,849	1,471,971	317,243	1,831,063
Canada	1,119,314	—	—	1,119,314	1,276,109	—	—	1,276,109
Cayman Islands	38,315	1,052,073	218,652	1,309,040	37,633	1,029,012	198,769	1,265,414
France	115,451	—	—	115,451	117,550	—	—	117,550
Germany	22,129	—	—	22,129	6,121	—	—	6,121
Guernsey	1	533,584	111,334	644,919	1	541,110	99,753	640,864
Ireland	10,699	—	—	10,699	26,027	—	—	26,027
Japan	151,354	—	—	151,354	102,407	—	—	102,407
Jersey	—	355,496	35,580	391,076	—	306,190	65,666	371,856
Mauritius	870	—	—	870	686	—	—	686
Norway	10,099	—	—	10,099	90,585	—	—	90,585
Singapore	1,129	—	—	1,129	—	—	—	—
Switzerland	9,369	—	—	9,369	9,642	—	—	9,642
The Bahamas	54	2,750	—	2,804	186	2,895	—	3,081
United Kingdom	1,566,683	1,035,869	130,662	2,733,214	1,357,142	1,056,609	143,314	2,557,065
United States	775,458	—	—	775,458	490,782	—	—	490,782
Other	1,132	—	—	1,132	1,429	—	—	1,429
<b>Total gross exposure</b>	<b>3,872,055</b>	<b>4,420,327</b>	<b>801,787</b>	<b>9,094,169</b>	<b>3,561,717</b>	<b>4,407,787</b>	<b>824,745</b>	<b>8,794,249</b>

**Note 8: Deposits**

	March 31, 2026	December 31, 2025
Non-interest bearing demand deposits	2,636,446	2,701,145
Interest bearing demand deposits	6,440,210	6,055,342
Interest bearing term deposits	3,805,311	3,941,581
<b>Total deposits</b>	<b>12,881,967</b>	<b>12,698,068</b>

	March 31, 2026
As of March 31, 2026, the remaining maturities of interest-bearing term deposits in each of the 12-month periods ending March 31 were as follows:	
2027	3,745,544
2028	23,506
2029	22,920
2030	8,370
2031	4,971
<b>Total term deposits</b>	<b>3,805,311</b>

\*The weighted-average interest rate on interest-bearing demand deposits as at March 31, 2026 is 0.67% (December 31, 2025: 0.74%).  
Uninsured term deposits totaled \$3.7 billion as at March 31, 2026 (December 31, 2025: \$3.9 billion)

By Type and Segment	March 31, 2026			December 31, 2025		
	Payable on demand	Payable on a fixed date	Total	Payable on demand	Payable on a fixed date	Total
Bermuda	3,613,028	1,001,658	4,614,686	3,529,577	951,658	4,481,235
Cayman	3,101,537	923,999	4,025,536	2,980,600	1,085,168	4,065,768
Channel Islands and the UK	2,362,091	1,879,654	4,241,745	2,246,310	1,904,755	4,151,065
<b>Total deposits</b>	<b>9,076,656</b>	<b>3,805,311</b>	<b>12,881,967</b>	<b>8,756,487</b>	<b>3,941,581</b>	<b>12,698,068</b>

**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 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.

The Bank included an estimate of the 2026 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, 2025. During the three months ended March 31, 2026, there have been no material revisions to these estimates.

Line item in the consolidated statements of operations	Three months ended	
	March 31, 2026	March 31, 2025
<b>Defined benefit pension expense (income)</b>		
Interest cost	1,213	1,281
Expected return on plan assets	(1,674)	(1,619)
Amortization of net actuarial (gains) losses	509	583
Amortization of prior service (credit) cost	21	20
<b>Total defined benefit pension expense (income)</b>	<b>69</b>	<b>265</b>
<b>Post-retirement medical benefit expense (income)</b>		
Service cost	3	11
Interest cost	1,009	1,092
Amortization of net actuarial (gains) losses	(160)	131
Amortization of prior service (credit) cost	131	(151)
<b>Total post-retirement medical benefit expense (income)</b>	<b>983</b>	<b>1,083</b>

**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 March 31, 2026, \$121.3 million (December 31, 2025: \$125.0 million) of standby letters of credit were issued under this facility.

Outstanding unfunded commitments to extend credit	March 31, 2026	December 31, 2025
Commitments to extend credit	560,332	577,370
Documentary and commercial letters of credit	554	859
<b>Total unfunded commitments to extend credit</b>	<b>560,886</b>	<b>578,229</b>
Allowance for credit losses	(148)	(131)

**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.

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

Outstanding financial guarantees	March 31, 2026			December 31, 2025		
	Gross	Collateral	Net	Gross	Collateral	Net
Standby letters of credit	239,839	217,689	22,150	245,398	223,245	22,153
Letters of guarantee	1,062	1,026	36	1,118	1,081	37
<b>Total</b>	<b>240,901</b>	<b>218,715</b>	<b>22,186</b>	<b>246,516</b>	<b>224,326</b>	<b>22,190</b>

**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 March 31, 2026, the Bank had 14 open positions (December 31, 2025: 13) 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 \$1.0 billion (December 31, 2025: \$1.1 billion) and are included in securities purchased under agreements to resell on the consolidated balance sheets.

As at March 31, 2026, the Bank had one open position (December 31, 2025: nil) 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 \$132.3 million (December 31, 2025: nil).

**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.

**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	
	March 31, 2026	March 31, 2025
<b>Lease costs</b>		
Operating lease costs	1,523	1,841
Short-term lease costs	370	295
<b>Total net lease cost</b>	<b>1,893</b>	<b>2,136</b>
<b>Operating lease income</b>	<b>401</b>	<b>106</b>
<b>Other information for the period</b>		
Right-of-use assets related to new operating lease liabilities	—	766
Operating cash flows from operating leases	1,287	1,445
<b>Other information at end of period</b>	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Operating leases right-of-use assets (included in other assets on the balance sheets)	37,977	38,079
Operating lease liabilities (included in other liabilities on the balance sheets)	38,586	38,725
Weighted average remaining lease term for operating leases (in years)	11.42	11.53
Weighted average discount rate for operating leases	5.89 %	5.90 %

**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 following table summarizes the maturity analysis of the Bank's commitments for long-term leases as at December 31, 2025:

Year ending December 31	Operating Leases
2026	5,248
2027	5,408
2028	5,332
2029	4,691
2030	4,195
2031 & thereafter	17,106
<b>Total commitments</b>	<b>41,980</b>
Less: effect of discounting cash flows to their present value	(3,394)
<b>Operating lease liabilities</b>	<b>38,586</b>

**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 Channel Islands and UK segments have a managing director who reports to the Chairman & CEO. Within 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, 2025. 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.

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	March 31, 2026	December 31, 2025
Bermuda	5,366,655	5,111,127
Cayman	4,311,125	4,425,113
Channel Islands and the UK	4,780,581	4,599,096
Other	73,139	70,731
<b>Total assets before inter-segment eliminations</b>	<b>14,531,500</b>	<b>14,206,067</b>
Less: inter-segment eliminations	(106,742)	(111,173)
<b>Total</b>	<b>14,424,758</b>	<b>14,094,894</b>

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

Three months ended March 31, 2026	Bermuda	Cayman	Channel Islands and the UK	Other	Total before eliminations	Inter-segment eliminations	Total
<b>Interest income</b>							
Interest income	50,626	37,939	44,084	30	132,679	—	132,679
Interest income - Inter-segment	—	685	—	—	685	(685)	—
<b>Interest income Total</b>	<b>50,626</b>	<b>38,624</b>	<b>44,084</b>	<b>30</b>	<b>133,364</b>	<b>(685)</b>	<b>132,679</b>
<b>Interest expense</b>							
Interest expense	7,864	7,375	24,156	—	39,395	—	39,395
Interest expense - Inter-segment	685	—	—	—	685	(685)	—
<b>Interest expense Total</b>	<b>8,549</b>	<b>7,375</b>	<b>24,156</b>	<b>—</b>	<b>40,080</b>	<b>(685)</b>	<b>39,395</b>
<b>Net interest income</b>							
Net interest income	42,762	30,564	19,928	30	93,284	—	93,284
Net interest income - Inter-segment	(685)	685	—	—	—	—	—
<b>Net interest income Total</b>	<b>42,077</b>	<b>31,249</b>	<b>19,928</b>	<b>30</b>	<b>93,284</b>	<b>—</b>	<b>93,284</b>
<b>Non-interest income</b>	<b>26,099</b>	<b>19,510</b>	<b>11,284</b>	<b>12,748</b>	<b>69,641</b>	<b>(6,997)</b>	<b>62,644</b>
<b>Allowance for credit losses</b>	<b>(2,092)</b>	<b>(26)</b>	<b>670</b>	<b>—</b>	<b>(1,448)</b>	<b>—</b>	<b>(1,448)</b>
<b>Net revenue before gains and losses</b>	<b>66,084</b>	<b>50,733</b>	<b>31,882</b>	<b>12,778</b>	<b>161,477</b>	<b>(6,997)</b>	<b>154,480</b>
<b>Gains and losses</b>	<b>—</b>	<b>—</b>	<b>4</b>	<b>—</b>	<b>4</b>	<b>—</b>	<b>4</b>
<b>Total net revenue</b>	<b>66,084</b>	<b>50,733</b>	<b>31,886</b>	<b>12,778</b>	<b>161,481</b>	<b>(6,997)</b>	<b>154,484</b>
<b>Expenses</b>							
Salaries and other employee benefits	18,530	6,781	12,102	7,621	45,034	—	45,034
Technology and communications	7,619	3,026	2,349	368	13,362	—	13,362
Non-income taxes	5,205	484	754	505	6,948	—	6,948
Professional and outside services	3,709	520	1,002	302	5,533	—	5,533
Property	1,684	687	1,469	666	4,506	—	4,506
Amortization of intangible assets	358	275	911	437	1,981	—	1,981
Depreciation	3,350	1,097	657	115	5,219	—	5,219
Income tax benefit (expense)	—	—	1,006	346	1,352	—	1,352
Other expenses	10,807	3,749	(776)	1,143	14,923	(6,997)	7,926
<b>Expenses Total</b>	<b>51,262</b>	<b>16,619</b>	<b>19,474</b>	<b>11,503</b>	<b>98,858</b>	<b>(6,997)</b>	<b>91,861</b>
<b>Net income</b>	<b>14,822</b>	<b>34,114</b>	<b>12,412</b>	<b>1,275</b>	<b>62,623</b>	<b>—</b>	<b>62,623</b>

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

Three months ended March 31, 2025	Bermuda	Cayman	Channel Islands and the UK	Other	Total before eliminations	Inter-segment eliminations	Total
<b>Interest income</b>							
Interest income	54,188	39,826	45,959	39	140,012	—	140,012
Interest income - Inter-segment	277	966	33	—	1,276	(1,276)	—
<b>Interest income Total</b>	<b>54,465</b>	<b>40,792</b>	<b>45,992</b>	<b>39</b>	<b>141,288</b>	<b>(1,276)</b>	<b>140,012</b>
<b>Interest expense</b>							
Interest expense	11,802	10,301	28,582	—	50,685	—	50,685
Interest expense - Inter-segment	997	—	279	—	1,276	(1,276)	—
<b>Interest expense Total</b>	<b>12,799</b>	<b>10,301</b>	<b>28,861</b>	<b>—</b>	<b>51,961</b>	<b>(1,276)</b>	<b>50,685</b>
<b>Net interest income</b>							
Net interest income	42,386	29,525	17,377	39	89,327	—	89,327
Net interest income - Inter-segment	(720)	966	(246)	—	—	—	—
<b>Net interest income Total</b>	<b>41,666</b>	<b>30,491</b>	<b>17,131</b>	<b>39</b>	<b>89,327</b>	<b>—</b>	<b>89,327</b>
Non-interest income	22,960	19,605	11,030	10,841	64,436	(6,006)	58,430
Allowance for credit losses	2,877	(120)	(2,378)	—	379	—	379
Net revenue before gains and losses	67,503	49,976	25,783	10,880	154,142	(6,006)	148,136
Gains and losses	22	—	3	—	25	—	25
<b>Total net revenue</b>	<b>67,525</b>	<b>49,976</b>	<b>25,786</b>	<b>10,880</b>	<b>154,167</b>	<b>(6,006)</b>	<b>148,161</b>
<b>Expenses</b>							
Salaries and other employee benefits	19,193	7,901	11,450	6,984	45,528	—	45,528
Technology and communications	7,931	3,473	2,111	328	13,843	—	13,843
Non-income taxes	4,868	575	610	441	6,494	—	6,494
Professional and outside services	3,562	473	1,205	204	5,444	—	5,444
Property	2,345	788	1,801	620	5,554	—	5,554
Amortization of intangible assets	358	275	854	410	1,897	—	1,897
Depreciation	3,422	1,075	712	124	5,333	—	5,333
Income tax benefit (expense)	—	—	930	249	1,179	—	1,179
Other expenses	10,028	3,595	677	831	15,131	(6,006)	9,125
<b>Expenses Total</b>	<b>51,707</b>	<b>18,155</b>	<b>20,350</b>	<b>10,191</b>	<b>100,403</b>	<b>(6,006)</b>	<b>94,397</b>
<b>Net income</b>	<b>15,818</b>	<b>31,821</b>	<b>5,436</b>	<b>689</b>	<b>53,764</b>	<b>—</b>	<b>53,764</b>

### 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") agreements. 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 19: 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

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

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.

March 31, 2026	Derivative instrument	Number of contracts	Notional amounts	Gross positive fair value	Gross negative fair value	Net fair value
<b>Risk management derivatives</b>						
	Net investment hedges	2	57,126	481	—	481
	Fair value hedges	2	125,619	—	(1,266)	(1,266)
	Derivatives not formally designated as hedging instruments	74	1,578,252	17,444	(4,411)	13,033
	<b>Subtotal risk management derivatives</b>		<b>1,760,997</b>	<b>17,925</b>	<b>(5,677)</b>	<b>12,248</b>
	<b>Client services derivatives</b>	106	158,722	955	(728)	227
	<b>Total derivative instruments</b>		<b>1,919,719</b>	<b>18,880</b>	<b>(6,405)</b>	<b>12,475</b>
<hr/>						
December 31, 2025	Derivative instrument	Number of contracts	Notional amounts	Gross positive fair value	Gross negative fair value	Net fair value
<b>Risk management derivatives</b>						
	Net investment hedges	3	124,435	—	(923)	(923)
	Fair value hedges	2	127,685	339	(157)	182
	Derivatives not formally designated as hedging instruments	59	1,434,912	4,891	(8,551)	(3,660)
	<b>Subtotal risk management derivatives</b>		<b>1,687,032</b>	<b>5,230</b>	<b>(9,631)</b>	<b>(4,401)</b>
	<b>Client services derivatives</b>	70	189,594	984	(786)	198
	<b>Total derivative instruments</b>		<b>1,876,626</b>	<b>6,214</b>	<b>(10,417)</b>	<b>(4,203)</b>

The nominal amount of derivatives designated as fair value hedging instruments equals the amortized cost of the AFS securities that are designated as being hedged for changes in foreign exchange rates.

In addition to the above, as at March 31, 2026 foreign denominated deposits of £219.7 million (December 31, 2025: £211.2 million); Nil (December 31, 2025: SGD0.1 million) and Nil (December 31, 2025: 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.

March 31, 2026	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		Net exposures
				Gross fair value of derivatives	Cash collateral received / paid	
<b>Derivative assets</b>						
	18,880	(5,506)	13,374	—	(312)	13,062
<b>Derivative liabilities</b>						
	6,405	(5,506)	899	—	(332)	567
	<b>Net positive fair value</b>					<b>12,475</b>
<hr/>						
December 31, 2025	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		Net exposures
				Gross fair value of derivatives	Cash collateral received / paid	
<b>Derivative assets</b>						
	6,214	(5,150)	1,064	—	(326)	738
<b>Derivative liabilities</b>						
	10,417	(5,150)	5,267	—	(3,356)	1,911
	<b>Net negative fair value</b>					<b>(4,203)</b>

**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 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	
		March 31, 2026	March 31, 2025
Spot and forward foreign exchange	Foreign exchange revenue	30	1
Currency swaps, not designated as hedge	Foreign exchange revenue	16,694	(33,559)
Currency swaps - fair value hedges	Foreign exchange revenue	(1,449)	6,703
Total net gains (losses) recognized in net income		15,275	(26,855)

Derivative instrument	Consolidated statements of comprehensive income line item	Three months ended	
		March 31, 2026	March 31, 2025
Currency swaps - net investment hedge	Unrealized net gains (losses) on translation of net investment in foreign operations	1,403	(233)
Total net gains (losses) recognized in comprehensive income		1,403	(233)

**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, 2025.

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 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 March 31, 2026 and December 31, 2025.

There were no transfers between Level 1 and Level 2 or Level 2 and Level 3 during the three months ended March 31, 2026 and the year ended December 31, 2025.

	March 31, 2026		Total carrying amount / fair value	December 31, 2025		Total carrying amount / fair value
	Fair value			Fair value		
	Level 1	Level 2		Level 1	Level 2	
<b>Items that are recognized at fair value on a recurring basis:</b>						
<b>Available-for-sale investments</b>						
US government and federal agencies	1,356,964	1,366,493	2,723,457	1,342,083	1,340,388	2,682,471
Residential mortgage-backed securities	—	13,188	13,188	—	13,782	13,782
<b>Total available-for-sale</b>	<b>1,356,964</b>	<b>1,379,681</b>	<b>2,736,645</b>	<b>1,342,083</b>	<b>1,354,170</b>	<b>2,696,253</b>
Other assets - Derivatives	—	13,374	13,374	—	1,064	1,064
<b>Financial liabilities</b>						
Other liabilities - Derivatives	—	899	899	—	5,267	5,267

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

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

	Level	March 31, 2026			December 31, 2025		
		Carrying amount	Fair value	Appreciation / (depreciation)	Carrying amount	Fair value	Appreciation / (depreciation)
<b>Financial assets</b>							
Cash and cash equivalents	Level 1	1,941,888	1,941,888	—	1,708,936	1,708,936	—
Securities purchased under agreements to resell	Level 2	1,017,737	1,017,737	—	1,096,238	1,096,238	—
Short-term investments	Level 1	912,430	912,430	—	756,543	756,543	—
Investments held-to-maturity	Level 2	2,939,086	2,506,590	(432,496)	2,992,052	2,566,470	(425,582)
Loans, net of allowance for credit losses	Level 2	4,394,051	4,377,456	(16,595)	4,382,411	4,367,439	(14,972)
<b>Financial liabilities</b>							
Term deposits	Level 2	3,805,311	3,808,393	(3,082)	3,941,581	3,944,728	(3,147)
Securities sold under agreements to repurchase	Level 2	132,300	132,300	—	—	—	—

**Note 15: 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 the expense.

No interest was capitalized during the three months ended March 31, 2026, and the year ended December 31, 2025.

**Note 16: 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 three months ended March 31, 2026, the average number of outstanding awards of unvested common shares was 1.7 million (March 31, 2025: 1.8 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	
	March 31, 2026	March 31, 2025
Net income	62,623	53,764
<b>Basic Earnings Per Share</b>		
Weighted average number of common shares issued	39,782	43,170
Weighted average number of common shares held as treasury stock	—	(619)
<b>Weighted average number of common shares (in thousands)</b>	<b>39,782</b>	<b>42,551</b>
<b>Basic Earnings Per Share</b>	<b>1.57</b>	<b>1.26</b>
<b>Diluted Earnings Per Share</b>		
Weighted average number of common shares	39,782	42,551
Net dilution impact related to awards of unvested common shares	1,099	1,041
<b>Weighted average number of diluted common shares (in thousands)</b>	<b>40,881</b>	<b>43,592</b>
<b>Diluted Earnings Per Share</b>	<b>1.53</b>	<b>1.23</b>

**Note 17: 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**

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 March 31, 2026 and December 31, 2025.

**Unvested Share Awards**

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.

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 three months ended March 31, 2026 was \$52.54 per share (December 31, 2025: \$37.50 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 three months ended March 31, 2026, nil shares (December 31, 2025: 13,022 shares) were issued under the ESPP.

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

	Three months ended			
	March 31, 2026		March 31, 2025	
	EDIP	ELTIP	EDIP	ELTIP
Outstanding at beginning of period	500	1,236	628	1,151
Granted	434	221	117	319
Vested (fair value in 2026: \$26.2 million, 2025: \$15.3 million)	(119)	(376)	(112)	(268)
<b>Outstanding at end of period</b>	<b>815</b>	<b>1,081</b>	<b>633</b>	<b>1,202</b>

**Share-based Compensation Cost Recognized in the Financial Statements**

	Three months ended	
	March 31, 2026	March 31, 2025
EDIP and ELTIP	5,458	5,488
<b>Share-based Compensation Cost Recognized in Net Income</b>	<b>5,458</b>	<b>5,488</b>
Deduct: Fair value of awards withheld for employees' payroll tax purposes	(303)	(147)
<b>Share-based Compensation Cost Recognized in Additional Paid-in Capital</b>	<b>5,155</b>	<b>5,341</b>

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

**Unrecognized Share-based Compensation Cost**

	March 31, 2026		December 31, 2025	
	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
<b>EDIP</b>	27,454	4.95	6,573	1.52
<b>ELTIP</b>				
Time vesting shares	—	0.00	8	0.12
Performance vesting shares	22,868	2.12	15,053	1.65
<b>Total unrecognized expense</b>	<b>50,322</b>		<b>21,634</b>	

**Note 18: 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 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.

On December 8, 2025, the Board approved a new common share repurchase program, authorizing the purchase of up to 3.0 million common shares through to December 31, 2026.

The table below presents information about common stock repurchases:

	Three months ended	
	March 31, 2026	March 31, 2025
<b>Common share repurchases</b>		
Acquired number of shares (to the nearest 1)	827,327	1,094,727
Average cost per common share	51.29	37.78
<b>Total cost (in US dollars)</b>	<b>42,433,574</b>	<b>41,357,779</b>

**Note 19: 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			Total AOCIL
				Pension	Post-retirement healthcare	Subtotal - employee benefits plans	
Three months ended March 31, 2026							
<b>Balance at beginning of period</b>	(19,772)	(66,024)	(88,287)	(47,117)	17,045	(30,072)	(204,155)
Other comprehensive income (loss), net of taxes	(3,216)	1,805	(10,375)	685	(29)	656	(11,130)
<b>Balance at end of period</b>	<b>(22,988)</b>	<b>(64,219)</b>	<b>(98,662)</b>	<b>(46,432)</b>	<b>17,016</b>	<b>(29,416)</b>	<b>(215,285)</b>

	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			Total AOCIL
				Pension	Post-retirement healthcare	Subtotal - employee benefits plans	
Three months ended March 31, 2025							
<b>Balance at beginning of period</b>	(26,191)	(73,919)	(162,275)	(49,282)	16,252	(33,030)	(295,415)
Other comprehensive income (loss), net of taxes	3,931	1,777	31,911	381	(20)	361	37,980
<b>Balance at end of period</b>	<b>(22,260)</b>	<b>(72,142)</b>	<b>(130,364)</b>	<b>(48,901)</b>	<b>16,232</b>	<b>(32,669)</b>	<b>(257,435)</b>

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

**Net Change of AOCIL Components**

	Line item in the consolidated statements of operations, if any	Three months ended	
		March 31, 2026	March 31, 2025
<b>Net unrealized gains (losses) on translation of net investment in foreign operations adjustments</b>			
Foreign currency translation adjustments	N/A	(9,761)	15,095
Gains (losses) on net investment hedge	N/A	6,545	(11,164)
<b>Net change</b>		<b>(3,216)</b>	<b>3,931</b>
<b>Held-to-maturity investment adjustments</b>			
Amortization of net gains (losses) to net income	Interest income on investments	1,805	1,777
<b>Net change</b>		<b>1,805</b>	<b>1,777</b>
<b>Available-for-sale investment adjustments</b>			
Gross unrealized gains (losses)	N/A	(10,741)	32,849
Foreign currency translation adjustments of related balances	N/A	366	(938)
<b>Net change</b>		<b>(10,375)</b>	<b>31,911</b>
<b>Employee benefit plans adjustments</b>			
<b>Defined benefit pension plan</b>			
Amortization of net actuarial (gains) losses	Non-service employee benefits expense	509	583
Amortization of prior service (credit) cost	Non-service employee benefits expense	21	—
Change in deferred taxes	N/A	—	20
Foreign currency translation adjustments of related balances	N/A	155	(222)
<b>Net change</b>		<b>685</b>	<b>381</b>
<b>Post-retirement healthcare plan</b>			
Amortization of net actuarial (gains) losses	Non-service employee benefits expense	(160)	131
Amortization of prior service (credit) cost	Non-service employee benefits expense	131	(151)
<b>Net change</b>		<b>(29)</b>	<b>(20)</b>
<b>Other comprehensive income (loss), net of taxes</b>		<b>(11,130)</b>	<b>37,980</b>

**Note 20: 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 three months ended March 31, 2026, the Bank declared and paid cash dividends of \$0.50 (March 31, 2025: \$0.44) for each common share as of the related record dates.

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.

**Regulatory Capital**

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

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 March 31, 2026 and December 31, 2025. The following table sets forth the Bank's capital adequacy in accordance with the relevant Basel framework:

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

	March 31, 2026		December 31, 2025	
	Actual	Regulatory minimum	Actual	Regulatory minimum
<b>Capital</b>				
CET 1 capital	1,109,498	N/A	1,102,302	N/A
Tier 1 capital	1,109,498	N/A	1,102,302	N/A
Tier 2 capital	5,809	N/A	6,189	N/A
Total capital	1,115,306	N/A	1,108,492	N/A
<b>Risk Weighted Assets</b>	4,139,354	N/A	3,991,389	N/A
<b>Leverage Ratio Exposure Measure</b>	14,859,286	N/A	14,520,704	N/A
<b>Capital Ratios (%)</b>				
CET 1 capital	26.8 %	10.0 %	27.6 %	10.0 %
Tier 1 capital	26.8 %	11.5 %	27.6 %	11.5 %
Total capital	26.9 %	13.5 %	27.8 %	13.5 %
Leverage ratio	7.5 %	5.0 %	7.6 %	5.0 %

**Note 21: Business combinations**

**Rawlinson & Hunter Guernsey Limited Acquisition**

On February 19, 2026, the Bank announced that it has entered into an agreement to acquire all the outstanding shares of Rawlinson & Hunter Limited ("R&H"), the independently owned Guernsey member firm of the Rawlinson & Hunter International Network. The acquisition will further expand the Bank's Channel Islands presence and strengthen its trust and fiduciary offering with the addition of approximately \$9.0 billion of Assets Under Administration.

The transaction closed on April 15, 2026, and management is in the process of allocating the purchase price to the various assets acquired and liabilities assumed (including intangible assets and goodwill which are expected to receive the major part of the allocated purchase price).

**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 March 31, 2026 and December 31, 2025. 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:

<b>Balance at December 31, 2024</b>	19,637
Net loans issued (repaid) during the year	(256)
Effect of changes in the composition of related parties	(15,163)
<b>Balance at December 31, 2025</b>	4,218
Net loans issued (repaid) during period	(124)
<b>Balance at March 31, 2026</b>	4,094

<b>Consolidated balance sheets</b>	March 31, 2026	December 31, 2025
Deposits	74,031	92,182

<b>Consolidated statements of operations</b>	Three months ended	
	March 31, 2026	March 31, 2025
Interest and fees on loans	41	308
Total non-interest expense	86	24
Other non-interest income	75	92

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

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:

<b>Consolidated balance sheets</b>	<b>March 31, 2026</b>	December 31, 2025
Loans	8,582	8,884
Deposits	300	545
Accrued interest and other liabilities	226	175

<b>Consolidated statements of operations</b>	Three months ended	
	<b>March 31, 2026</b>	March 31, 2025
Interest and fees on loans	168	179
Total non-interest expense	482	211
Other non-interest income	64	63

**Investments**

As at March 31, 2026, 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.

<b>Consolidated balance sheets</b>	<b>March 31, 2026</b>	December 31, 2025
Loans	1,999	—
Deposits	16,171	9,365
Accrued interest and other assets	450	461

<b>Consolidated statements of operations</b>	Three months ended	
	<b>March 31, 2026</b>	March 31, 2025
Asset management	3,389	2,736
Custody and other administration services	410	351
Other non-interest income	167	—
Interest and fees on loans	444	—

**Note 23: Subsequent events**

On April 28, 2026, the Board of Directors declared an interim dividend of \$0.50 per common share to be paid on May 27, 2026 to shareholders of record on May 13, 2026.