

CAPITAL & RISK MANAGEMENT
PILLAR 3 DISCLOSURES
FOR THE QUARTER ENDED MARCH 31, 2026
BUTTERFIELD BANK (CAYMAN) LIMITED



Pillar 3

Template OV1: Overview of RWA

		a	b	c
		RWA		Minimum capital requirements
		March 31, 2026	December 31, 2025	March 31, 2026
1	Credit risk (excluding counterparty credit risk) (CCR)	671,685,091	658,290,196	100,752,764
2	Securitization exposures	350,035,506	349,880,337	52,505,326
3	Counterparty credit risk	1,321,999	872,070	198,300
4	Of which: current exposure method	1,321,999	872,070	198,300
5	Of which: standardized method	-	-	-
6	Market risk	598,919	701,616	89,838
7	Of which: Equity Risk (ER)	-	-	-
8	Operational risk	365,558,969	351,775,556	54,833,845
9	Of which: Basic Indicator Approach	-	-	-
10	Of which: Standardised Approach	365,558,969	351,775,556	54,833,845
11	Of which: Alternative Standardised	-	-	-
12	Total (1+2+3+6+8)	1,389,200,484	1,361,519,776	208,380,073

The increase in Credit risk (item 1) is primarily driven by higher claims on Corporates, higher claims secured by Residential Properties, higher Off Balance Sheet items, and higher Other Asset items, partially offset by lower claims on Banks and lower claims on the Retail Portfolio. The increase in Operational Risk (item 8), is driven by higher 2025 revenues replacing 2022 revenues in the three year average revenue calculation.

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

		March 31, 2026	December 31, 2025
1	Total consolidated assets as per published financial statements	4,311,125,179	4,425,113,412
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-	-
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-	-
4	Adjustments for temporary exemption of central bank reserves (if applicable)	-	-
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	(5,724,807)	(6,000,098)
6	Adjustments for regular way purchases and sales of financial assets subject to trade date accounting	-	-
7	Adjustments for eligible cash pooling transactions	-	-
8	Adjustments for derivative financial instruments	3,261,977	3,679,176
9	Adjustment for securities financing transactions (i.e. repurchase agreements and similar secured lending)	-	-
10	Adjustment for off balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	60,874,707	51,712,431
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	1,607,975	1,650,809
12	Other adjustments	-	-
13	Leverage ratio exposure measure	4,371,145,031	4,476,155,730

The decrease in consolidated assets (item 1) is primarily driven by a decrease in the cash & short term investment against an increase in loan volumes. The decreased cash & short term investment position is primarily driven by an increased dividends paid to the Parent and decreased customer deposit balances, against increased loan volumes during the quarter. The increase in off balance sheet items (item 10) is a result of increased commercial loan commitments net of drawdown during the quarter.

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Template LR2: Leverage ratio common disclosure

		a	b
		Mar 31, 2026	Dec 31, 2025
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	4,307,777,160	4,424,432,236
2	Gross up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(Specific and general provisions associated with <u>on balance sheet exposures</u> that are deducted from Basel III Tier 1 capital)	1,607,975	1,650,809
6	(Asset amounts deducted in determining Basel III Tier 1 capital and regulatory adjustments)	(5,724,807)	(6,000,098)
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 6)	4,303,660,328	4,420,082,947
Derivative exposures			
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	3,348,019	681,176
9	Add on amounts for potential future exposure associated with all derivatives transactions	3,261,977	3,679,176
10	(Exempted central counterparty (CCP) leg of client cleared trade exposures)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	Total derivative exposures (sum of lines 8 to 12)	6,609,995	4,360,352
Securities financing transaction exposures			
14	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	CCR exposure for SFT assets	-	-
17	Agent transaction exposures	-	-
18	Total securities financing transaction exposures (sum of lines 14 to 17)	-	-
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	219,371,653	199,489,031
20	(Adjustments for conversion to credit equivalent amounts)	(158,489,621)	(147,761,087)
21	(Specific and general provisions associated with off balance sheet exposures deducted in determining Tier 1 capital)	(7,324)	(15,512)
22	Off-balance sheet items (sum of lines 19 and 21)	60,874,707	51,712,431
Capital and total exposures			
23	Tier 1 capital	312,884,524	385,999,750
24	Total exposures (sum of lines 7, 13, 18 and 22)	4,371,145,031	4,476,155,730
Leverage ratio		7.16%	8.62%
25	Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)		
25a	Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)		
26	National minimum leverage ratio requirement	3%	3%
27	Applicable leverage buffers	4.16%	5.62%

The Leverage Ratio declined during the quarter following a 18.9% decline in Tier 1 Capital against decrease in Total Exposures of 2.4%. The decreased Tier 1 Capital position was primarily driven by increased dividends paid to the Parent during the quarter in order to rebalance the Bank's capital position after a number of years accumulating excess capital at the Cayman subsidiary level.

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LIQ1: Liquidity Coverage Ratio (LCR)

		Quarter Ended Mar 31, 2026	
		a	b
		TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		1,659,333,840
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers of which:	1,051,985,082	105,198,508
3	Stable deposits	-	-
4	Less stable deposits	1,051,985,082	105,198,508
5	Unsecured wholesale funding, of which:	2,705,038,124	1,091,723,092
6	Operational deposits (all counterparties) and deposits in networks of cooperative	844,046,078	211,011,519
7	Non-operational deposits (all counterparties)	1,860,992,046	880,711,572
8	Unsecured debt	-	-
9	Secured wholesale funding	-	-
10	Additional requirements, of which:	69,285,467	10,560,481
11	Outflows related to derivative exposures and other collateral requirements	-	-
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	69,285,467	10,560,481
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	152,735,809	20,015,717
16	TOTAL CASH OUTFLOWS	3,979,044,482	1,227,497,798
CASH INFLOWS			
17	Secured lending (e.g. reverse repos)	-	-
18	Inflows from fully performing exposures	498,641,692	448,528,695
19	Other cash inflows	6,863,763	6,828,283
20	TOTAL CASH INFLOWS	505,505,455	455,356,978
			TOTAL ADJUSTED VALUES
21	TOTAL HQLA		1,659,333,840
22	TOTAL NET CASH OUTFLOWS		772,140,819
23	LIQUIDITY COVERAGE RATIO (%)		215%

Columns a and b are calculated as simple average month-end balances for January 2026, February 2026 and March 2026.

Average LCR % increased over the quarter ended December 31, 2025 of 210% on an 8% increase in HQLA against a 6% increase in Net Cash Outflows.