# CAPITAL & RISK MANAGEMENT
# PILLAR 3 DISCLOSURES
# FOR THE QUARTER ENDED SEPTEMBER 30, 2026
# BUTTERFIELD BANK (CAYMAN) LIMITED

BUTTERFIELD

# Pillar 3

## Template OV1: Overview of RWA

| | | a | b | c |
|---|---|---|---|---|
| | | RWA | | Minimum capital requirements |
| | | September 30, 2026 | June 30, 2026 | September 30, 2026 |
| 1 | **Credit risk (excluding counterparty credit risk) (CCR)** | **684,259,327** | **658,968,679** | **102,638,899** |
| 2 | **Securitization exposures** | **327,303,917** | **340,284,312** | **49,095,588** |
| 3 | **Counterparty credit risk** | **984,430** | **1,847,537** | **147,665** |
| 4 | Of which: current exposure method | 984,430 | 1,847,537 | 147,665 |
| 5 | Of which: standardized method | - | - | - |
| 6 | **Market risk** | **818,207** | **654,109** | **122,731** |
| 7 | Of which: Equity Risk (ER) | - | - | - |
| 8 | **Operational risk** | **333,308,603** | **365,558,969** | **49,996,290** |
| 9 | Of which: Basic Indicator Approach | - | - | - |
| 10 | Of which: Standardised Approach | 333,308,603 | 365,558,969 | 49,996,290 |
| 11 | Of which: Alternative Standardised | - | - | - |
| 12 | **Total (1+2+3+6+8)** | **1,346,674,485** | **1,367,313,606** | **202,001,173** |

The increase in Credit risk (item 1) is primarily driven by higher claims on Banks and higher claims on Corporates, partially offset by lower claims secured by Residential Properties, lower Off Balance Sheet items and lower Other Asset items. The decrease in Securitization exposures (item 2) is driven by an increased allocation in Ginnie Mae positions. The decrease in Operational Risk (item 8), is driven by a revised revenue allocation by business line.

# Pillar 3

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

| | | September 30, 2026 | June 30, 2026 |
|---|---|---|---|
| 1 | Total consolidated assets as per published financial statements | 4,114,940,772 | 4,101,690,265 |
| 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 | (5,174,227) | (5,449,517) |
| 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 | 1,956,182 | 2,920,586 |
| 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) | 64,723,303 | 68,226,588 |
| 11 | Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital | 1,405,119 | 1,411,810 |
| 12 | Other adjustments | - | - |
| **13** | **Leverage ratio exposure measure** | **4,177,851,150** | **4,168,799,732** |

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

# Pillar 3

## Template LR2: Leverage ratio common disclosure

| | | a | b |
|---|---|---|---|
| | | **September 30, 2026** | **June 30, 2026** |
| | **On-balance sheet exposures** | | |
| 1 | On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral) | 4,111,974,803 | 4,095,373,168 |
| 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 on balance sheet exposures that are deducted from Basel III Tier 1 capital) | 1,405,119 | 1,411,810 |
| 6 | (Asset amounts deducted in determining Basel III Tier 1 capital and regulatory adjustments) | (5,174,227) | (5,449,517) |
| **7** | **Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 6)** | **4,108,205,695** | **4,091,335,461** |
| | **Derivative exposures** | | |
| 8 | Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting) | 2,965,969 | 6,317,097 |
| 9 | Add on amounts for potential future exposure associated with all derivatives transactions | 1,956,182 | 2,920,586 |
| 10 | (Exempted central counterparty (CCP) leg of client cleared trade exposures) | - | - |
| 11 | Adjusted effective notional amount of written credit derivatives | - | - |
| 12 | (Adjusted effective notional offsets and add-on deductions for written credit derivatives) | - | - |
| **13** | **Total derivative exposures (sum of lines 8 to 12)** | **4,922,151** | **9,237,683** |
| | **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 | 225,949,501 | 235,270,377 |
| 20 | (Adjustments for conversion to credit equivalent amounts) | (161,219,829) | (167,043,569) |
| 21 | (Specific and general provisions associated with off balance sheet exposures deducted in determining Tier 1 capital) | (6,369) | (220) |
| **22** | **Off-balance sheet items (sum of lines 19 and 21)** | 64,723,303 | 68,226,588 |
| | **Capital and total exposures** | | |
| **23** | **Tier 1 capital** | **317,956,910** | **315,577,168** |
| **24** | **Total exposures (sum of lines 7,13, 18 and 22)** | **4,177,851,150** | **4,168,799,732** |
| | **Leverage ratio** | **7.61%** | **7.57%** |
| 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** | **4.61%** | **4.57%** |

The Leverage Ratio increased during the quarter following a 0.8% increase in Tier 1 Capital against an increase in Total Exposures of 0.2%.

# Pillar 3

## LIQ1: Liquidity Coverage Ratio (LCR)

| | | Quarter Ended September 30, 2026 | |
|---|---|---|---|
| | | a | b |
| | | TOTAL UNWEIGHTED VALUE (average) | TOTAL WEIGHTED VALUE (average) |
| **HIGH-QUALITY LIQUID ASSETS** | | | |
| **1** | **Total high-quality liquid assets (HQLA)** | | **1,431,666,884** |
| **CASH OUTFLOWS** | | | |
| **2** | **Retail deposits and deposits from small business customers of which:** | **1,069,656,170** | **106,965,617** |
| 3 | *Stable deposits* | - | - |
| 4 | *Less stable deposits* | 1,069,656,170 | 106,965,617 |
| **5** | **Unsecured wholesale funding, of which:** | **2,499,936,582** | **948,553,767** |
| 6 | *Operational deposits (all counterparties) and deposits in networks of cooperative banks* | 845,627,742 | 211,406,936 |
| 7 | *Non-operational deposits (all counterparties)* | 1,654,308,840 | 737,146,831 |
| 8 | *Unsecured debt* | - | - |
| **9** | **Secured wholesale funding** | **-** | **-** |
| **10** | **Additional requirements, of which:** | **81,712,682** | **11,578,952** |
| 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* | 81,712,682 | 11,578,952 |
| 14 | Other contractual funding obligations | - | - |
| **15** | **Other contingent funding obligations** | **147,924,392** | **15,175,744** |
| **16** | **TOTAL CASH OUTFLOWS** | **3,799,229,826** | **1,082,274,081** |
| **CASH INFLOWS** | | | |
| 17 | Secured lending (e.g. reverse repos) | - | - |
| 18 | Inflows from fully performing exposures | 506,123,918 | 441,424,679 |
| 19 | Other cash inflows | 96,770 | 96,770 |
| 20 | **TOTAL CASH INFLOWS** | **506,220,688** | **441,521,449** |
| | | | **TOTAL ADJUSTED VALUES** |
| **21** | **TOTAL HQLA** | | **1,431,666,884** |
| **22** | **TOTAL NET CASH OUTFLOWS** | | **640,752,632** |
| **23** | **LIQUIDITY COVERAGE RATIO (%)** | | **223%** |

Columns a and b are calculated as simple average month-end balances for July 2026, August 2026 and September 2026.
Average LCR % increased over the quarter ended September, 2025 at 223% on an 4% decrease in HQLA against a 12% decrease in Net Cash Outflows.