

Financial Highlights, by BUTTERFIELD.

Third Quarter 2020



Headquartered in Hamilton, Bermuda, Butterfield offers a range of community banking and bespoke financial services from eight leading international financial centres, supported by service centres in Canada and Mauritius. Butterfield serves international clients from Bermuda, the Cayman Islands, Guernsey and Jersey, where our principal banking operations are located, and The Bahamas, Switzerland, Singapore and the United Kingdom, where we offer specialised financial services. Banking services comprise deposit, cash management and lending solutions for individual, business and institutional clients. Wealth management services are composed of trust, private banking, asset management and custody. In Bermuda, the Cayman Islands, Guernsey and Jersey, we offer both banking and wealth management. In The Bahamas, Singapore and Switzerland, we offer select wealth management services. In the UK, we offer residential property lending. Butterfield is publicly traded on the New York Stock Exchange (symbol: NTB) and the Bermuda Stock Exchange (symbol: NTB.BH).

Our Strategy

Butterfield is pursuing a strategy to promote long-term growth while maintaining strong capital and liquidity. A central tenet of that strategy is to build upon our relationship-based business approach by delivering exceptional client services.

Financial Highlights of Results

(With comparisons to the quarter-ended 30 September 2019)

**Net income of \$30.5 million,
down \$11.9 million**

**Core net income of \$36.5 million,
down \$12.4 million**

**Net interest income of \$ 75.3 million,
down \$11.0 million**

**Non-interest income of \$46.9 million,
up \$0.2 million**

Recent Developments

During the third quarter of 2020, the Bank performed well as it focused on managing its credit exposures and reducing costs to help offset the revenue impact from lower volumes and interest rates due to the pandemic. The Bank has enhanced its risk management and compliance capabilities through executive and board appointments and restructuring, whilst decreasing the expense base through a cost reduction programme, which included voluntary separation and redundancy initiatives.

In recognition of the challenges created by the health crisis, the Bank offered payment relief to qualifying mortgage clients in Bermuda and Cayman for up to six months. These programmes have come to an end, but the Bank will continue to provide clients with individual assistance going forward. The Bank is closely monitoring its loan book and proactively communicating with clients to assess their capacity to resume normal payments. The Bank's proven business model is expected to continue to produce first quartile absolute and risk-adjusted returns throughout the pandemic and broader interest rate cycle.

During the quarter, the Bank completed the integration of the ABN AMRO Channel Islands business acquired in 2019. The Board declared a quarterly dividend of \$0.44 per common share to be paid on 30 November 2020 to shareholders of record on 12 November 2020. The Bank also repurchased 0.7 million common shares under its current 3.5 million common share repurchase plan authorisation.

Key Financial Ratios	Q3 2020	Q3 2019
• Return on average common equity	12.3%	17.8%
• Core return on average tangible common equity ¹	16.2%	22.5%
• Return on average assets	0.9%	1.2%
• Core efficiency ratio ¹	68.0%	62.1%

¹Please refer to the "Reconciliation of Non-GAAP Financial Measures" in our published Third Quarter 2020 Results.

Capital Ratios (as at)	30 Sept 2020	31 Dec 2019
• Common Equity Tier 1	16.6%	17.3%
• Total capital ratio	20.8%	19.4%

Credit Ratings

KBRA
Short-Term K1
Long-Term Senior A+

MOODY'S
Short-Term P2
Long-Term Senior A3

S&P
Short-Term A2
Long-Term Senior BBB+

Certain of the statements made in this release are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, assumptions estimates, intentions, and future performance, and involve known and unknown risks, uncertainties and other factors, which may be beyond our control, and which may cause the actual results, performance, capital, ownership or achievements of Butterfield to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements due to a variety of factors, including the impact of the COVID-19 pandemic, the scope and duration of the pandemic, actions taken by governmental authorities in response to the pandemic, worldwide economic conditions and fluctuations of interest rates, a decline in Bermuda's sovereign credit rating, the successful completion and integration of acquisitions or the realisation of the anticipated benefits of such acquisitions in the expected time-frames or at all, success in business retention and obtaining new business and other factors. Forward-looking statements can be identified by words such as "anticipate," "assume," "believe," "estimate," "expect," "indicate," "intend," "may," "plan," "point to," "predict," "project," "seek," "target," "potential," "will," "would," "could," "should," "continue," "contemplate" and other similar expressions, although not all forward-looking statements contain these identifying words. All statements other than statements of historical fact are statements that could be forward-looking statements. All forward-looking statements in this disclosure are expressly qualified in their entirety by this cautionary notice, including, without limitation, those risks and uncertainties described in our SEC reports and filings. Such reports are available upon request from Butterfield, or from the Securities and Exchange Commission ("SEC"), including through the SEC's website at <https://www.sec.gov>. Any forward-looking statements made by Butterfield are current views as at the date they are made. Except as otherwise required by law, Butterfield assumes no obligation and does not undertake to review, update, revise or correct any of the forward-looking statements included in this disclosure, whether as a result of new information, future events or other developments. You are cautioned not to place undue reliance on the forward-looking statements made by Butterfield in this disclosure. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, and should only be viewed as historical data. Butterfield is publicly traded on the New York Stock Exchange. Butterfield's share price on the New York Stock Exchange is available on *Bloomberg Financial Markets* (symbol: NTB). Butterfield is also publicly traded in Bermuda, and its shares are listed on the Bermuda Stock Exchange. Butterfield's share price in Bermuda is published daily in *The Royal Gazette* (www.royalgazette.com) and is also available on *Bloomberg Financial Markets* (symbol: NTB.BH) and the Bermuda Stock Exchange website (www.bsx.com). Further details on the Butterfield Group can be obtained from our website at: www.butterfieldgroup.com. The Bank of N.T. Butterfield & Son Limited is licenced to conduct banking business by the Bermuda Monetary Authority 165 Front Street, Hamilton, Bermuda.