

SUMMARY FINANCIAL STATEMENTS

for the period 22 September 2017 to 31 December 2018

Butterfield Bank (Jersey) Limited
(Formerly Butterfield (Jersey) Limited)

WHERE WE STAND



Butterfield

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DIRECTORS AND OFFICERS

DIRECTORS

Andrew Henton, *Chairman*
Richard Saunders, *Managing Director*
Noel McLaughlin
Richard Boléat
Mark Sumner

SECRETARY

Butterfield Bank (Guernsey) Limited

REGISTERED OFFICE

PO Box 250
St Paul's Gate
New Street
St Helier
Jersey
Channel Islands
JE4 5PU

The directors present the summary financial statements for Butterfield Bank (Jersey) Limited (the "Bank") for the period ended 31 December 2018. It is a summary of the information contained in the Bank's audited financial statements for the period ended 31 December 2018 (the "full annual financial statements"), as approved by the Board of Directors on 13 February 2019. Those financial statements have been audited and delivered to the Registrar of Companies in Jersey. The independent auditor's report was not qualified in any respect.

The principal activities of the Bank are banking and related financial services activities.

The information contained within these summary financial statements has been prepared in accordance with the requirements of the Banking Business (Jersey) Law 1991. Additional information to allow for a full understanding of the results of the Bank has been submitted to the Jersey Financial Services Commission, as required by the Banking Business (Jersey) Law 1991. In accordance with the Banking Business (General Provisions) (Amendment) (Jersey) Order 1994, the Bank has decided to adopt the summarised form of financial statements.

The summary financial statements are derived from the Bank's full annual financial statements and do not contain sufficient information to allow for a full understanding of the Bank's results and state of affairs.

Copies of the full financial statements are available to depositors on request from the registered office of the Bank.

The directors regard The Bank of N.T. Butterfield & Son Limited, which is incorporated in Bermuda, as the ultimate controlling party.

Copies of the financial statements of The Bank of N.T. Butterfield & Son Limited are publicly available.

A wholly-owned subsidiary of The Bank of N.T. Butterfield & Son Limited, Butterfield Bank (Jersey) Limited is regulated by the Jersey Financial Services Commission to conduct deposit-taking business under the Banking Business (Jersey) Law 1991 (as amended), and investment business, fund service business and money service business pursuant to the Financial Services (Jersey) Law 1998, (as amended). The Bank is registered under the Data Protection (Jersey) Law, 2018 and is registered with the Jersey Registrar of Companies for the purpose of the Companies (Jersey) Law 1991 (as amended). Registered office address: St Paul's Gate, New Street, St Helier, Jersey, JE4 5PU. Company registration number 124784. Butterfield Bank (Jersey) Limited is a participant in the Jersey Bank Depositors Compensation Scheme. The Scheme offers protection for eligible deposits of up to £50,000. The maximum total amount of compensation is capped at £100,000,000 in any 5 year period. Full details of the Scheme and banking groups covered are available on the States of Jersey website www.gov.je/dcs, or on request.

MANAGING DIRECTOR'S REPORT



These financial statements cover a 15 month period from the date which Butterfield (Jersey) Limited was incorporated on 22 September 2017. In 2018 Butterfield established an operation in Jersey, a new and strategically important jurisdiction for the

Group. This followed the announcement in February of the acquisition of Deutsche Bank International Limited's ("DBIL") banking and custody business in the Channel Islands through a Relationship Transfer Agreement ("RTA"). Butterfield Bank (Jersey) Limited ("the Bank") was established in May and has achieved a number of key milestones since this time. Regulated by the Jersey Financial Services Commission, the Bank is licensed to conduct deposit-taking business under the Banking Business (Jersey) Law 1991 (as amended), investment business, fund service business and money service business pursuant to the Financial Services (Jersey) Law 1998, (as amended). The Bank is the parent company of Butterfield (Jersey) Nominees Limited, which acts solely in a nominee capacity.

The Bank's first three staff members joined in May, with staff numbers rising to 42 by year-end. This increase in workforce across the period has been achieved through a mix of staff transferring from DBIL, as part of the acquisition, and external hires motivated by the opportunity to join Jersey's newest Bank.

The vast majority of clients and associated business transferred to the Bank in the fourth quarter of 2018. Transfers are considered to have proceeded smoothly, thus ensuring the best possible opportunity to begin creating long-term relationships with clients. Customer deposit volumes increased throughout the fourth quarter of 2018, with year-end deposit volumes totalling £252m. The Bank has also received interest from new clients looking to find out more about the services we can provide.

The establishment of the Bank in Jersey has led to further recognition of the Butterfield Group across the Channel Islands. The Bank has agreed a number of local sponsorships and events. The Butterfield Group is committed to supporting the local communities in which we operate and, as such, the Bank has partnered with Jersey Eisteddfod, Durrell Wildlife Conservation Trust, Jersey Reds Rugby Club and the Jersey Marine Conservation Society during the year and into 2019.

The Bank is strongly capitalised. The results reported reflect the start-up nature of the Jersey business and its associated costs. In 2019 the Bank's efforts will be focused not only on maintaining existing relationships, but also on looking to establish new long-term relationships.

On behalf of the Board of Directors, I would like to thank all of our personnel for their support, hard work and professionalism during our establishment, and we look forward to an exciting future for the Bank.

A handwritten signature in black ink, appearing to read 'RS', written over a light blue horizontal line.

Richard Saunders
Managing Director

13 February 2019

SUMMARY FINANCIAL STATEMENTS

for the period 22 September 2017 to 31 December 2018

	2018 £'000
Summary statement of comprehensive income	
Loss for the period after income tax	(2,128)
Total other comprehensive income/(loss)	-
Total loss for the period	(2,128)

Summary statement of financial position as at 31 December 2018

Assets

Loans and advances to banks - Group	
Loans and advances to banks – Other	282,755
Loans and advances to customers	7,122
Premises, equipment and computer software	269
Other assets	404
Intangible assets	521
Total assets	291,071

Liabilities

Customer deposits	251,691
Bank and Group deposits	1
Accrued interest payable	35
Other liabilities	1,472
Total liabilities	253,199

Shareholders' equity

Ordinary share capital	40,000
Retained earnings	(2,128)
Total shareholders' equity	37,872

Total liabilities and shareholders' equity	291,071
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The summary financial statements on pages 4 and 5 are extracts from the full financial statements, which were approved by the Board of Directors on 13 February 2019 and were signed on its behalf by:



Andrew Henton
Chairman



Richard Saunders
Managing Director

SUMMARY FINANCIAL STATEMENTS

for the period 22 September 2017 to 31 December 2018

NOTE 1: BASIS OF COMPLIANCE

The Bank's full annual financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP").

NOTE 2: CONTINGENT LIABILITIES AND COMMITMENTS

(a) Commitments under operating leases

Payments due for premises rented under long-term leases are:

Year	£'000
2019	486
2020	486
2021	486
2022	486
2023 and annually thereafter	1,294

(b) Credit related arrangements

The following table presents the credit related arrangements with contractual amounts representing credit risk:

	Gross £'000	Collateral £'000	2018 Net £'000
Commitments to extend credit	352	352	-
Total	352	352	-

Collateral is shown at estimated market value less selling costs, where cash is the collateral given, this is shown gross including interest income.

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 possible loan losses.

NOTE 3: ULTIMATE HOLDING COMPANY

Butterfield Bank (Jersey) Limited is a wholly owned subsidiary of The Bank of N. T. Butterfield & Son Limited, Hamilton, Bermuda. The directors regard The Bank of N. T. Butterfield & Son Limited as the ultimate controlling party. The country of incorporation of the ultimate controlling party is Bermuda.

PRINCIPAL OFFICES & SUBSIDIARIES

PRINCIPAL OFFICES & SUBSIDIARIES

This list does not include all companies in the Group.

The Bank of N.T. Butterfield & Son Limited
Group Parent Company, Community Banking,
Corporate Banking, Private Banking,
Credit and Treasury Services, Custody

Head Office

65 Front Street
Hamilton, HM 12
Bermuda
Tel: (441) 295 1111
Fax: (441) 292 4365
SWIFT: BNTB BM HM
Email: info@butterfieldgroup.com

Mailing Address

P.O. Box HM 195
Hamilton, HM AX
Bermuda

BERMUDA

Butterfield Asset Management Limited
Asset management

Head of Global Asset Management: Dwayne Outerbridge

65 Front Street
Hamilton, HM 12
Bermuda
Tel: (441) 299 3817
Fax: (441) 292 9947
Email: info@butterfieldgroup.com

Butterfield Securities (Bermuda) Limited

Brokerage Services

65 Front Street
Hamilton, HM 12
Bermuda
Tel: (441) 299 3972
Fax: (441) 292 9947
Email: info@butterfieldgroup.com

Butterfield Trust Company Limited
Butterfield Trust (Bermuda) Limited
Grosvenor Trust Company Limited
Trust and Fiduciary Services

Managing Director: John Richmond

Rosebank Centre
11 Bermudiana Road
Hamilton, HM 08
Bermuda
Tel: (441) 299 3980
Fax: (441) 292 1258
Email: info@butterfieldgroup.com

THE BAHAMAS

Butterfield Trust (Bahamas) Limited
Trust and Fiduciary Services

Managing Director: Craig Barley

Third Floor, Montague Sterling Centre
East Bay Street
P.O. Box N-3242
Nassau, N.P.
The Bahamas
Tel: (242) 393 8622
Fax: (242) 393 3772
Email: bahamas@butterfieldgroup.com

CAYMAN ISLANDS

Butterfield Bank (Cayman) Limited
Community Banking, Corporate Banking,
Private Banking, Asset Management,
Credit and Treasury Services, Custody

Managing Director: Michael McWatt

Butterfield Place
12 Albert Panton Street
P.O. Box 705
Grand Cayman KY1-1107
Cayman Islands
Tel: (345) 949 7055
Fax: (345) 949 7004
Email: cayman@butterfieldgroup.com

PRINCIPAL OFFICES & SUBSIDIARIES *(continued)*

Butterfield Trust (Cayman) Limited Trust and Fiduciary Services

Managing Director: Andrew Leggatt

68 Fort Street
P.O. Box 705
Grand Cayman KY1 – 1107
Cayman Islands
Tel: (345) 949 7055
Fax: (345) 949 7004
Email: trust.cayman@butterfieldgroup.com

GUERNSEY

Butterfield Bank (Guernsey) Limited
Private Client, Intermediary and Institutional Banking,
Credit and Treasury Services, Asset Management,
Custody

Managing Director: Richard Saunders

P.O. Box 25
Regency Court
Glategny Esplanade
St. Peter Port
Guernsey, GY1 3AP
Channel Islands
Tel: (44) 1481 711 521
Fax: (44) 1481 714 533
Email: guernsey@butterfieldgroup.com

Butterfield Trust (Guernsey) Limited
Trust and Fiduciary Services

Managing Director: Paul Hodgson

P.O. Box 25
Regency Court
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St. Peter Port,
Guernsey, GY1 3AP
Channel Islands
Tel: (44) 1481 711 521
Fax: (44) 1481 728 665
Email: guernsey@butterfieldgroup.com

JERSEY

Butterfield Bank (Jersey) Limited
Corporate and Intermediary Banking, Custody

Managing Director: Noel McLaughlin
(Effective 5 March 2019)

P.O. Box 250
St. Paul's Gate
New Street
St. Helier
Jersey, JE4 5PU
Channel Islands
Tel: (44) 1534 843 333
Fax: (44) 1534 843 334
Email: jersey@butterfieldgroup.com

SINGAPORE

Butterfield (Singapore) Pte. Ltd
Trust and Fiduciary Services

Regional Head, Asia: Brian Balleine

#14 02-04
6 Battery Road
Singapore 049909
Tel: 65 6916 3636
Fax: 65 6916 3637
Email: singapore@butterfieldgroup.com

SWITZERLAND

Butterfield Trust (Switzerland) Limited
Trust and Fiduciary Services

Managing Director: Jim Parker

Boulevard des Tranchées 16
1206 Geneva
Switzerland
Tel: (41) 22 839 0000
Fax: (41) 22 839 0099
Email: switzerland@butterfieldgroup.com

UNITED KINGDOM

Butterfield Mortgages Limited
UK Residential Property Lending

Chief Executive Officer: Alpa Bhakta

Sun Court
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London, EC3V 3NB
United Kingdom
Tel: (44) 20 3871 6900
Fax: (44) 20 3871 6901
Email: ukmortgages@butterfieldgroup.com



Butterfield

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