

The Bank of N.T. Butterfield & Son Limited (NTB:BH) announces agreement to sell its wholly-owned Barbados subsidiary, Butterfield Bank (Barbados) Limited, to Trinidad and Tobago-based First Citizens Bank

Deal Value: Approximately \$45.0 million

Sandler O'Neill served as financial advisor to The Bank of N.T. Butterfield & Son Limited in this transaction. This transaction is Sandler O'Neill's 66th bank or thrift transaction since January 1, 2010.

The Bank of N.T. Butterfield & Son Limited ("Butterfield") today announced that it has reached an agreement to sell its wholly-owned Barbados subsidiary, Butterfield Bank (Barbados) Limited, to Trinidad and Tobago-based First Citizens Bank Limited ("First Citizens"). Pending regulatory approval, the sale is expected to be completed during the third quarter of 2012 with gross proceeds, subject to normal adjustments, of US\$ 45 million.

Butterfield Bank (Barbados) Limited provides retail, premium and business banking and lending services, merchant services, and credit and debit card services in Barbados. It employs 114 staff at its main office in Carlisle House in central Bridgetown and five additional Banking Centres across the island. The bank had assets of B\$ 617 million (US\$ 308 million) and customer deposits of B\$ 540 million (US\$ 270 million) at 31 December 2011.

Butterfield Bank (Barbados) Limited was established in 2003 upon the acquisition by Butterfield of the Barbados assets of the Mutual Bank of the Caribbean, Inc.; at the time a subsidiary of The Barbados Mutual Life Assurance Society.

First Citizens' acquisition of Butterfield Bank (Barbados) Limited represents the first acquisitive expansion of its full service banking business outside of its home market of Trinidad and Tobago. The company currently offers investment services in Barbados (as well as St. Vincent and St. Lucia) through its First Citizens Investment Services subsidiary. First Citizens has assets of almost US\$ 5 billion and equity of over US\$800 million, providing a strong platform for the Barbados bank.

Bradford Kopp, Butterfield's President & Chief Executive Officer, said, "Since entering the Barbados market in 2003, Butterfield has made good progress in improving and expanding our banking services on the island, and we have built a loyal customer base. This divestiture, the gain on which will be finalised on closing, is consistent with our strategy to simplify our operating model and focus our resources and capital on a smaller number of businesses where we have scale and competitive advantage." Mr. Kopp continued, "In First Citizens, Butterfield has found the ideal buyer for our Barbados operations: a full service bank with a strong reputation for service and innovation, which has a well-established, complementary business on the island. Our employees, customers and premises in Barbados are a good fit with First Citizens' business model, and we are confident that all stakeholders will benefit from this transaction."

Larry Howai, the Group Chief Executive Officer at First Citizens said "This transaction confirms that First Citizens is well on course in terms of its strategic direction, particularly as it relates to acquisitions and regional expansion. This is certainly a 'win win' situation for both organisations and what is most rewarding is the fact that the customer wins. I must emphasise that our commitment to put customers first has been replicated in Barbados through our Investment Company and will be extended to more communities thanks to Butterfield Bank (Barbados)"

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