

CIBC to Sell Shareholding in Butterfield via Share Buy-Back**Carlyle supports transaction by purchasing 23 million Butterfield shares****Sandler O'Neill served as financial advisor to The Bank of N.T. Butterfield & Son Limited in this transaction**

Hamilton, Bermuda—April 27, 2015: The Bank of N.T. Butterfield & Son Limited (“Butterfield”) today announced that it has reached an agreement with Canadian Imperial Bank of Commerce (“CIBC”) to repurchase for cancellation the majority of CIBC’s shareholding in Butterfield.

CIBC was part of the group of institutional investors that injected \$550 million of new capital into Butterfield in March 2010. CIBC currently owns approximately 19% of Butterfield’s issued and outstanding common equity comprising 103,434,232 common shares. On or prior to 30 April 2015, Butterfield will repurchase for cancellation 80,000,000 shares held by CIBC for \$1.50 per share, for a total of \$120 million. The remaining CIBC shareholding in Butterfield (representing 23,434,232 shares) will be taken up by Carlyle Global Financial Services, L.P. (“Carlyle”) at \$1.50 per share.

The significant participation of Carlyle, which currently owns approximately 19.5% of Butterfield’s common equity, will see CIBC fully divest itself of its ownership in Butterfield, whilst allowing Butterfield to maintain a strong capital position that exceeds regulatory requirements to pursue continued business growth, both organically and through acquisitions.

Butterfield’s repurchase and cancellation of 80,000,000 shares will result in a 14.7% reduction in the number of participating Butterfield common shares outstanding, which will have the effect of increasing all other shareholders’ proportional ownership positions in Butterfield. While the transaction is expected to be approximately 5% dilutive to the Bank’s tangible book value per share, the earn-back period is anticipated to be less than 2.5 years; relatively fast by industry standards.

Brendan McDonagh, Butterfield’s Chairman & Chief Executive Officer said, “Our focus over the last five years has been on rebuilding value for shareholders through investment in our core businesses, accretive acquisitions, and carefully managing expenses and risks. We have been successful in that regard and, as is reinforced by the release today of our first quarter 2015 financial results, this has returned the Bank to a level of sustainable profitability that has contributed to a very strong and improving capital position. In executing this transaction, we will use a portion of Butterfield’s excess capital to fund the repurchase and cancellation of shares, and enhance the ownership positions and growth potential of our continuing shareholders.”

Mr. McDonagh added, “I would like to take this opportunity to thank CIBC for the confidence they showed in Butterfield with their participation in the 2010 recapitalisation, for their continued support during the last five years, and for the contributions of their representatives on the Butterfield Board. CIBC will no longer have Board representation and Shawn Beber will step down from the Board at tomorrow’s Annual General Meeting.”

Shawn Beber, CIBC’s Senior Vice President, Strategy and Corporate Development, speaking on behalf of the Canadian bank, said, “We congratulate Butterfield’s management team on the progress they have made in restoring value to the Butterfield franchise. We saw this as a strategic investment five years ago, and we are pleased that we are now able to monetise that investment for our shareholders.”

Olivier Sarkozy, Managing Director and Head of Carlyle’s Global Financial Services Group, and a member of Butterfield’s Board of Directors since 2012, said, “We are grateful for the partnership with CIBC, without which Butterfield’s recapitalisation and subsequent progress would not have been possible. We firmly believe Butterfield’s future is as full of opportunity as the past five years have been, and our participation in the transaction being announced today is a validation of that belief.”

Mr. Sarkozy added “We are delighted to be able to continue to support Butterfield and its continuing investors in this important next phase in the Bank’s development. We very much look forward to the opportunity to work with Brendan and his management team as Butterfield continues to reap the rewards of its well-executed strategy to reward shareholders through prudent expansion and capital deployment initiatives.”

CIBC and the other investors who funded Butterfield’s recapitalisation purchased Butterfield shares for \$1.21 in March 2010.

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