

**Butterfield Bank To Acquire Part of HSBC Cayman's Retail and Corporate Banking Business****Deal Value: Not Disclosed****Sandler O'Neill served as financial advisor to Butterfield Bank in the transaction.****About the Transaction:**

George Town, Grand Cayman—8 July 2014: Butterfield Bank (Cayman) Limited, a wholly owned subsidiary of The Bank of N.T. Butterfield & Son Limited ("Butterfield") today announced that it has reached an agreement to acquire parts of the corporate and retail banking business of HSBC Bank (Cayman) Limited ("HSBC").

The approximate value of assets being transferred from HSBC is US\$0.8 billion. The transfer is expected to be completed in the fourth quarter of 2014.

Brendan McDonagh, Butterfield's Chairman & Chief Executive Officer said, "Cayman is an important financial jurisdiction and a key domestic market for Butterfield. Over four decades, Butterfield has invested in the growth and development of the Bank in Cayman, and we are proud of our position as one of the largest community banks.

"We are committed to providing banking innovation and leadership in Cayman, and by welcoming customers of HSBC to the Butterfield family, we are continuing to strengthen our community banking market presence. This transaction strengthens our core business and market position in Cayman and is in keeping with our Group strategy of deploying capital to business development in core markets and businesses in which we have the scale and expertise to drive long-term growth."

Conor O'Dea, Butterfield Senior Executive Vice President and Managing Director in Cayman, said, "Butterfield is pleased to be in a position to accommodate HSBC's customers in Cayman, and we welcome them to the Bank. Our team is committed to ensuring that the transfer of business is seamless."

Butterfield first established a presence in the Cayman Islands in 1967 with the opening of a representative office. Over the last 47 years, the Bank has grown to become a leader in Caymanian financial services, offering a complete range of personal and business banking and wealth management services from three Banking Centre locations and its offices at Butterfield Place in George Town. The Bank provides robust online and mobile banking services and maintains a network of ATMs across Grand Cayman. As at 31 December 2013, Butterfield had Cayman-domiciled assets totaling more than US\$2.3 billion and employed 273 people locally. Butterfield was named Cayman's "Bank of the Year 2013" by The Banker magazine.

**Sandler O'Neill Contacts:**

Jon Doyle  
Senior Managing Principal  
(212) 466-7826

Emmett Daly  
Principal  
(212) 466-7955

Kyle Heroman  
Associate Director  
(212) 466-7728