

CAPITAL MARKETS ANNOUNCEMENT

The Bank of N.T. Butterfield & Son Limited (NYSE: NTB; Hamilton, Bermuda) Closes \$348.9 Million Secondary Offering of Common Stock

Sandler O'Neill + Partners, L.P. served as Joint Book-Running Manager for this offering.

This transaction represents the 115th public offering or private placement of common stock for a bank or thrift since January 1, 2012 for which Sandler O'Neill acted as book-runner, co-manager or placement agent—more than any other investment bank during that period. These transactions have raised approximately \$20.5 billion for our clients.¹

About the Offering:

Hamilton, Bermuda and New York — The Bank of N.T. Butterfield & Son Limited ("Butterfield") (NYSE: NTB) (BSX: NTB.BH) today announced the closing of its previously announced registered secondary offering by certain selling shareholders, including affiliates of the Carlyle Group ("Carlyle"), of 10,989,163 of its voting ordinary shares ("Common Shares") at a price of \$31.75 per share. Butterfield did not receive any of the proceeds from the sale of the Common Shares.

The offering included 1,433,369 Common Shares sold pursuant to the underwriters' option to purchase additional shares, which was exercised in full prior to the closing. Following the closing of the offering, Carlyle no longer holds any Common Shares and the Investment Agreement between Butterfield and Carlyle has terminated.

This announcement is for informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell securities.

About the Company:

Butterfield is a specialist provider of international financial services. The Butterfield Group offers a full range of community banking services in Bermuda, and the Cayman Islands, encompassing retail and corporate banking and treasury activities. The Group variously provides private banking, asset management, investment advisory, residential property lending and personal trust services from its headquarters in Bermuda and subsidiary offices in The Bahamas, the Cayman Islands, Guernsey, Switzerland and the United Kingdom. Butterfield also provides services to corporate and institutional clients from offices in Bermuda, The Bahamas, the Cayman Islands and Guernsey, which include asset management and trust services. Butterfield is publicly traded on the New York Stock Exchange. Butterfield is also publicly traded in Bermuda, and its shares are listed on the Bermuda Stock Exchange.

(1) Source: SNL Financial

February 28, 2017

Common Stock

\$348.9 Million



Butterfield Bank

Joint Book-Running Manager

SANDLER O'NEILL + PARTNERS

Financial Highlights

(Dollars in millions)

Total Assets	\$11,104
Net Loans	\$3,570
Total Deposits	\$10,010
Total Equity	\$711
MRQ ROAA	1.28%
MRQ ROATCE	20.71%

Note: Financial data as of 12/31/16

Source: SNL Financial

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SANDLER O'NEILL + PARTNERS, L.P.

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