

17 September 2018

Update in respect of Revised Partial Offer for Cayman National Corporation Ltd. (Cayman National) by Republic Bank Trinidad and Tobago (Barbados) Limited (RBTTBL)

- The Board of Cayman National has entered into an Implementation Agreement and Side Letter Agreement in respect of the revised proposal from RBTTBL (a wholly-owned subsidiary of Republic Financial Holdings Limited (**RFHL**)) to acquire a minimum of 51% and up to 74.99% of the issued shares of Cayman National by way of a tender offer to Cayman National shareholders at US\$6.25 per Cayman National share (**Partial Offer**)
- An Offer Circular prepared by RBTTBL containing further information on the Partial Offer has been posted on the Cayman Islands Stock Exchange today and will be mailed to Cayman National shareholders shortly
- A Notice of Extraordinary General Meeting, Explanatory Note and Proxy Form has been posted on the Cayman National website and will be mailed to Cayman National shareholders together with the Offer Circular
- The Directors' Circular prepared by the Board of Cayman National containing their view on the Partial Offer will be posted on the Cayman Islands Stock Exchange on or about 28 September 2018 and will be mailed to Cayman National shareholders shortly thereafter

George Town, Cayman Islands: The Board of Cayman National (CSX:CNC) KY refers to (i) its announcement of 6 August 2018 in relation to the receipt of an unsolicited proposal from RBTTBL to acquire a minimum of 51% and up to 74.99% of the ordinary shares of Cayman National by way of a tender offer to Cayman National shareholders, and (ii) its announcement of 12 September 2018 in relation to the receipt of a revised proposal from RBTTBL at an offer price of US\$6.25 per Cayman National share.

Entry into Implementation Agreement and Side Letter Agreement

The Board of Cayman National has entered into an Implementation Agreement with RBTTBL and RFHL, as guarantor of RBTTBL's obligations, in respect of the Partial Offer. The Implementation Agreement contains customary representations, warranties, covenants, protection mechanisms, termination rights and mutual break fees for a transaction of this nature.

The Board of Cayman National has concurrently entered into a Side Letter Agreement with RFHL, pursuant to which RFHL has made various commitments as to its intentions if RBTTBL were to become a majority shareholder of Cayman National as a result of the Partial Offer. Among other things, and subject to certain conditions, RFHL has committed to maintain: (i) a banking presence in all three of the Cayman Islands, (ii) the name and branding of Cayman National and its Cayman Islands subsidiaries, (iii) a majority of the workforce and management of Cayman National and its Cayman Islands subsidiaries, (iv) a primary listing on the Cayman Islands Stock Exchange, (v) all operational subsidiaries of CNC in existence, (vi) a dividend policy that protects minority shareholders, (vii) transparent and reasonable management fees, (viii) timely local decision-making for credit decisions, and (ix) regulatory capital in Cayman Islands dollars, within the Cayman Islands. The Board of Cayman National has relied on the commitments of RFHL in the Side Letter Agreement to enter into the Implementation Agreement.

Offer Details

Pursuant to the terms of the Partial Offer, each Cayman National shareholder will be offered US\$6.25 per Cayman National share. The Partial Offer commences today and expires on 22 October 2018 (as such date may be extended from time to time). The Partial Offer is for up to 74.99% of the issued shares of Cayman National, subject to a proportional reduction mechanism that shall apply equally to all shareholders accepting the Partial Offer if valid acceptances are received for more than 74.99%.

The consummation of the Partial Offer is subject to certain conditions including, without limitation, a 51% minimum acceptance level, receipt of necessary government and regulatory approvals, and shareholder approval at the Extraordinary General Meeting to amend the Articles of Association of Cayman National in order to permit the acquisition by RBTTBL of the tendered shares.

Full details of the Partial Offer, including how to accept the Partial Offer, conditions and other relevant provisions are contained in the Offer Circular prepared by RBTTBL, a copy of which has been posted on the Cayman Islands Stock Exchange by RBTTBL today and will be mailed to shareholders shortly.

Notice of Extraordinary General Meeting

The Board of Cayman National gives notice of an Extraordinary General Meeting to be held at Grand Cayman Marriott Beach Resort at 4:00pm on 9 October 2018. Copies of the Notice and Agenda of Extraordinary General Meeting, Explanatory Note and Proxy Form have been posted on the Cayman National website and will be mailed to shareholders together with the Offer Circular.

The Extraordinary General Meeting is a distinctly separate meeting to approve an amendment to the Articles of Association of Cayman National in order to permit the acquisition by RBTTBL of the tendered shares. In order to accept or reject, in whole or in part, the Partial Offer, each shareholder will be requested to complete and submit the Form of Acceptance which accompanies the Offer Circular.

Indicative Timetable

An indicative timetable showing certain key dates is set forth below. Subject to the Cayman Islands Stock Exchange Code on Takeovers and Mergers and Rules Governing Substantial Acquisitions of Shares (**Cayman Islands Takeovers Code**) and other legal requirements, Cayman National and RBTTBL reserve the right to vary the key dates and events, and there is no guarantee that one or more key dates or events will take place at any given time.

Key Date	Event
14 September 2018	RBTTBL posts the Offer Circular
14 September 2018	Partial Offer commences
On or about 28 September 2018	Board of Directors of Cayman National to post brief statement to shareholders pursuant to US tender offer rules
On or about 5 October 2018	Board of Directors of Cayman National to post the Directors' Circular pursuant to the Cayman Islands Takeovers Code
9 October 2018	Extraordinary General Meeting of Cayman National
No earlier than 22 October 2018	Partial Offer expires

Next Steps

The Board of Cayman National will post a brief statement on the Partial Offer pursuant to US tender offer rules on or about 28 September 2018, and a Directors' Circular pursuant to the Cayman Islands Takeovers Code on or about 5 October 2018. These documents will contain the Board's views on the Partial Offer, and Cayman National shareholders are advised to carefully consider these documents.

Deloitte is acting as independent financial advisor, and has been asked by Cayman National to opine on whether the Partial Offer is fair and reasonable. The substance of Deloitte's valuation report will be included in the Directors' Circular.

Cayman National shareholders should consult their stockbroker, accountant, tax, financial or other professional adviser for advice in respect of the Partial Offer.

Cayman National will keep shareholders fully informed of any further material developments and further announcements will be made as appropriate.

Funding

Ernst & Young, being the external auditor of RBTTBL and Republic Financial Holdings Limited (**RFHL**), provided confirmation to the Board of Cayman National on 13 September 2018 that sufficient financial resources are available to RFHL to satisfy the total consideration payable by RBTTBL upon full acceptance of the Partial Offer.

General Information

This announcement has been made pursuant to the Cayman Islands Takeovers Code, and with the consent of RBTTBL.

Ogier is acting as legal advisor to Cayman National in connection with the Partial Offer.

Walkers is acting as legal advisor to RBTTBL in connection with the Partial Offer.

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IMPORTANT NOTICES:

THIS ANNOUNCEMENT IS NOT INTENDED TO, AND DOES NOT, CONSTITUTE OR FORM PART OF ANY OFFER, INVITATION OR THE SOLICITATION OF AN OFFER TO PURCHASE, OTHERWISE ACQUIRE, SUBSCRIBE FOR, SELL OR OTHERWISE DISPOSE OF, ANY SHARES WHETHER PURSUANT TO THIS ANNOUNCEMENT OR OTHERWISE. THIS ANNOUNCEMENT IS NOT A PROSPECTUS OR PROSPECTUS EQUIVALENT DOCUMENT. CAYMAN NATIONAL SHAREHOLDERS SHOULD NOT MAKE ANY INVESTMENT DECISION IN RELATION TO THE PARTIAL OFFER EXCEPT ON THE BASIS OF THE FORMAL DOCUMENTATION ONCE IT HAS BEEN DISTRIBUTED.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION.

Forward looking statements:

This announcement may contain certain "forward looking statements". The forward looking statements contained in this announcement include statements relating to RBTTBL's proposal to the Board of Cayman National, and other statements other than historical facts. Forward looking statements often use words such as "believe", "expect", "estimate", "intend", "anticipate" and words of a similar meaning. Shareholders should not place undue reliance on these forward-looking statements, which reflect the current views of Cayman National, are subject to risks and uncertainties about Cayman National and are dependent on many factors, some of which are outside of Cayman National's control. There are important factors, risks and uncertainties that could cause actual outcomes and results to be materially different, including that there can be no certainty that the approach in respect of the proposed transaction described in this announcement will result in a formal offer, nor as to the terms on which any such offer may be made. Except as required by law, Cayman National undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

About Cayman National:

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Established in 1974, Cayman National is the largest financial services company based in the Cayman Islands, providing banking, trust and company management, fund administration, and wealth management services to clients locally and around the world, from the Cayman Islands, and the Isle of Man, with an office also in Dubai. Cayman National is publicly traded on the Cayman Islands Stock Exchange.

Cayman National comprises: Cayman National Bank Ltd., Cayman National Fund Services Ltd., Cayman National Securities Ltd., Cayman National Trust Co. Ltd., Cayman National Bank (Isle of Man) Limited, Cayman National Trust Company (Isle of Man) Limited and Cayman National (Dubai) Ltd.

About RBTTBL:

Established on 23 February 1999, RBTTBL is a licensed offshore international financial business operating pursuant to the International Financial Services Act, CAP. 325 of the Laws of Barbados which primarily conducts investment and investment management services. RBTTBL's registered office is located at Republic Bank (Barbados) Limited, Independence Square, Bridgetown, Barbados. RBTTBL is a wholly-owned subsidiary of Republic Financial Holdings Limited. RBTTBL currently has wholly-owned subsidiary in the Cayman Islands, Republic Bank (Cayman Limited).

About Republic Bank (Cayman) Limited:

Republic Bank (Cayman) Limited was established on 13 January 1992 and currently holds a Trust License and an Unrestricted Class B Banking License under the Banks and Trust Companies Law of the Cayman Islands, as amended. Republic Bank (Cayman) Limited also holds a Mutual Funds License and is a registered Excluded Person for purposes of the Securities Investment Business Law of the Cayman Islands (SIBL-EP).

About RFHL:

RFHL is a publicly quoted financial holding company listed on the Trinidad and Tobago Stock Exchange, licensed under the Financial Institutions Act, Chap 79:09 of the Laws of Trinidad and Tobago and has over US\$10 billion of total assets. RFHL, along with its seventeen (17) subsidiaries and three (3) associated companies, provides a complete range of commercial banking and related services. These include investment banking, mortgage financing, securities trading and related activities, trustee services, credit card operations, foreign exchange and trade finance services as well as deposit taking and lending operations. Through its subsidiaries and associated companies, RFHL has operations domiciled in Barbados, Ghana, Suriname, Grenada, Guyana and St. Lucia in addition to Trinidad and Tobago.

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