

2 October 2018

**Statement by the Board of Directors of Cayman National Corporation Ltd. in relation to the  
Partial Offer by Republic Bank Trinidad and Tobago (Barbados) Limited**

George Town, Cayman Islands: This notice is provided solely to correct a typographical error in the seventh bullet point of the "Recommendation of the Board of Directors" section of the 1 October 2018 notice provided to the Exchange. The correct version of the notice appears below:

This statement is made by the Board of Directors (the "Board") of Cayman National Corporation Ltd. (CSX:CNC) KY ("Cayman National" or "Offeree") pursuant to Rule 14e-2 under the U.S. Securities Exchange Act of 1934, as amended. The Board intends to publish its Directors' Circular in accordance with Rule 22 of the Cayman Islands Stock Exchange Code on Takeovers and Mergers and Rules Governing Substantial Acquisitions of Shares on or before 5 October 2018 (the "Directors' Circular").

**Background to the Partial Offer**

On 6 August 2018, Cayman National announced that it had received an unsolicited proposal from Republic Bank Trinidad and Tobago (Barbados) Limited ("Offeror") 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. The initial proposal contemplated an indicative price range of between US\$6.00 to US\$6.75 in cash per share.

On 12 September 2018, Cayman National announced that it had received a revised proposal from the Offeror at an offer price of US\$6.25 cash per share (the "Partial Offer"). The other terms and conditions of the earlier proposal received from the Offeror remained unchanged.

On 14 September 2018, the Offeror published its Partial Offer Circular. The Partial Offer Circular setting out the terms and conditions of the Partial Offer has been posted to the Cayman National website, [www.caymannational.com](http://www.caymannational.com).

On 18 September 2018, Cayman National announced that it entered into an Implementation Agreement with the Offeror and its parent, Republic Financial Holdings Limited, as Guarantor, in connection with the Partial Offer.

**Recommendation of the Board of Directors**

The Board believes that the Partial Offer is a good opportunity for Cayman National shareholders to realise the value of their investment in Cayman National. After careful consideration, in consultation with its advisors, of the terms and conditions of the Partial Offer and having regard to the Fairness Opinion (as defined below) and in the absence of a superior proposal, the Board recommends that shareholders **ACCEPT** the Partial Offer. In making the decision, the Board carefully considered a number of matters, including the following:

- The cash offer price of US\$6.25 per share represents a premium to the levels at which Cayman National shares were trading prior to the announcement of the Offeror's initial proposal, and is higher than the price at which the shares have traded for at least 10 years prior to the announcement of such proposal.
- The Partial Offer provides shareholders with the certainty of cash for any of the shares that are tendered.
- The price of Cayman National shares may trade lower following conclusion of the Partial Offer.

- Following conclusion of the Partial Offer, the Offeror may be able to pass a special resolution approving a statutory merger which may result in the compulsory acquisition of shares held by minority shareholders.
- The Offeror has made several positive commitments in relation to the ongoing management and operation of Cayman National and its subsidiaries.
- Cayman National may benefit from being part of a larger group of companies.
- Cayman National appointed Deloitte as the Independent Financial Advisor to prepare a fairness opinion in relation to the Partial Offer (the "Fairness Opinion"). The Independent Financial Advisor's opinion as of September 28, 2018, is the Partial Offer is fair, from a financial point of view, to Cayman National shareholders. The Fairness Opinion will be provided with and attached to the Directors' Circular.
- As of the date of this announcement, no superior proposal has emerged.
- There may be adverse consequences associated with not accepting the Partial Offer.

The Board will publish its Directors' Circular on or before 5 October 2018, in response to the Offeror's Partial Offer Circular. The Directors' Circular is an important document that will contain more information and detail about the Offeror, the terms of the Partial Offer and the Board's recommendation. Shareholders should read all of the Directors' Circular, which will be posted on the Cayman National website, [www.caymannational.com](http://www.caymannational.com).

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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:**

Certain statements in this statement may constitute forward-looking statements or forward-looking information (forward-looking statements). These statements can be identified by expressions of belief, expectation or intention, as well as those statements that are not historical fact. In some cases, forward-looking statements can be identified by the use of terms such as "may", "will", "should", "project", "expect", "believe", "plan", "scheduled", "intend", "estimate", "forecast", "predict", "potential", "continue", "anticipate" or other similar expressions concerning matters that are not historical facts. Forward-looking statements may relate to management's future outlook and anticipated events or results, and may include statements or information regarding the future plans or prospects of Cayman National. These statements are based on certain factors and assumptions, including with respect to foreign exchange rates, expected growth, results of operations, performance, business prospects and opportunities, valuation and effective tax rates. While Cayman National considers these factors and assumptions to be reasonable based on information currently available, they may prove to be incorrect and there can be no assurance that such developments can be completed as anticipated or at all. Several factors could cause actual results to differ materially from those expressed in the forward-looking statements, including, but not limited to: actions taken by Cayman National; actions taken by Cayman National shareholders in respect of the Partial Offer and the possible effect of the Partial Offer on Cayman National's business.

Forward-looking statements are given only as at the date of this statement. You should not place undue importance on forward-looking statements and should not rely upon this information as of any

other date. Cayman National disclaims any obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

**Responsibility for document:**

The Directors accept responsibility for the information contained in this document and, to the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and, where appropriate, does not omit anything likely to affect the import of such information.

**About Cayman National:**

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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