



**CAYMAN NATIONAL**

A Subsidiary of  Republic Financial Holdings Limited

**This is an important document and requires your immediate attention. You should read all of the document. If you are in doubt as to what you should do, you should consult your stockbroker, investment advisor, lawyer, accountant, tax advisor or other professional advisor.**

**CAYMAN NATIONAL CORPORATION LTD.**

**DIRECTORS' CIRCULAR**

**PURSUANT TO THE**

**OFFER CIRCULAR DATED 30 MAY 2025**

**ISSUED BY**

**REPUBLIC FINANCIAL HOLDINGS LIMITED**

**THROUGH ITS WHOLLY-OWNED SUBSIDIARY**

**REPUBLIC BANK TRINIDAD AND TOBAGO (BARBADOS) LIMITED**

**20 June 2025**

20 June 2025

**CAYMAN NATIONAL CORPORATION LTD.**

**DIRECTORS' CIRCULAR**

**IN RELATION TO THE OFFER CIRCULAR DATED 30 MAY 2025 ISSUED BY REPUBLIC  
FINANCIAL HOLDINGS LIMITED THROUGH ITS WHOLLY-OWNED SUBSIDIARY  
REPUBLIC BANK TRINIDAD AND TOBAGO (BARBADOS) LIMITED (OFFEROR)**

**TO ACQUIRE UP TO 10,596,483 ORDINARY SHARES OF  
CAYMAN NATIONAL CORPORATION LTD. (CAYMAN NATIONAL)**

**FOR**

**US\$7.75 CASH PER SHARE (OFFER)**

**IMPORTANT NOTICES TO SHAREHOLDERS**

**NATURE OF THIS DOCUMENT**

1. This Directors' Circular is dated 20 June 2025 and is given by Cayman National in accordance with Rule 22 of the Cayman Islands Stock Exchange Code on Takeovers and Mergers and Rules Governing Substantial Acquisitions of Shares (the **Cayman Islands Takeovers Code**) in response to the Offeror's Offer Circular dated 30 May 2025.
2. This is an important document and requires your immediate attention. You should read all of the document. If you are in doubt as to what you should do, you should consult your stockbroker, investment advisor, lawyer, accountant, tax advisor or other professional advisor.

**FORWARD LOOKING STATEMENTS**

3. Certain statements in this Directors' Circular 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 Offer and the possible effect of the Offer on Cayman National's business.
4. Forward-looking statements are given only as at the date of this Directors' Circular. 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.

#### **NO ACCOUNT OF PERSONAL CIRCUMSTANCES**

5. Notwithstanding the views of your Affiliated Directors as set out in the Offer Circular and your Non-Affiliated Directors as set out in this Directors' Circular, you should carefully consider the Offer and reach your own decision as to whether to accept or reject the Offer. If you are uncertain about how to respond to the Offer, you should consult with your investment advisor, stockbroker, lawyer, accountant, tax advisor or other professional advisor. There is no legal obligation for you to accept the Offer and sell your Shares to the Offeror.

#### **SHAREHOLDERS OUTSIDE THE CAYMAN ISLANDS**

6. The Offer referred to herein is made for the securities of a Cayman Islands company and is subject to Cayman Islands disclosure requirements which may be different from the country of your domicile. Accordingly, if your domicile is not in the Cayman Islands, it may be difficult for you to enforce your rights and any claims you may have arising under the securities laws of your domicile. The Offeror is incorporated in Barbados. Cayman National is incorporated under the laws of the Cayman Islands and a majority of its Directors and Officers is also resident of the Cayman Islands. You may not be able to sue a foreign company or its directors or officers in a foreign court for violations of the securities laws of your domicile and it may also be difficult to compel a foreign company to subject itself to the judgment of a foreign court.
7. This document does not constitute an offer for securities for sale in any jurisdiction where it is not permitted. No offer to acquire securities or to exchange securities for other securities has been made, or will be made, directly or indirectly, in or into, or by the use of the mail of, or by any means or instrumentality of interstate or foreign commerce or any facilities of a national securities exchange of any country in which such offer may not be made.
8. Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved the Offer, passed upon the merits or fairness of the Offer or passed comment upon the adequacy or completeness of this document. Any representation to the contrary is a criminal offence in the United States.

#### **NOTICE REGARDING OFFEROR'S INFORMATION**

9. Information contained in this Directors' Circular regarding the Offeror and Republic Financial Holdings Limited (RFHL) is based, and the Non-Affiliated Directors have relied, without independent verification, upon the information contained in the Offer Circular, the information provided to Cayman National by the Offeror and RFHL or that is otherwise publicly available. Neither Cayman National nor any of its Non-Affiliated Directors or Officers assumes any responsibility for the accuracy or completeness of such information or for any failure by the Offeror or RFHL to disclose events or facts that may have occurred or may affect the significance or accuracy of any such information. If any of the information obtained from the Offeror and RFHL, or provided in the Offer Circular, or is otherwise publicly available, is inaccurate or incomplete, this may affect the information included in this Directors' Circular.

#### **RESPONSIBILITY FOR DOCUMENT**

10. Except as set forth in paragraph 9 above, the Non-Affiliated 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.

11. As permitted by Rule 20.3(b) of the Cayman Islands Takeovers Code, each of Directors Nigel Baptiste and Richard Sammy are excluded from the statement above given their affiliation with the Offeror and conflict of interest.

**CAYMAN NATIONAL  
DIRECTORS' CIRCULAR  
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## SECTION 1

### SUMMARY OF THE OFFER

This Directors' Circular is given by Cayman National and relates to the unsolicited Offer by the Offeror to acquire a minimum of 13,035 and up to 10,596,483 Shares of Cayman National at a price of US\$7.75 cash per Share, on the terms and conditions set forth in the Offer Circular (the **Offer**).

The Offer is described in the Offer Circular that was posted by the Offeror on the Cayman Islands Stock Exchange (**CSX**) on 30 May 2025. According to the Offer Circular, the Offer shall expire at 5.00pm (Cayman Islands Time) on 29 July 2025, unless extended by the Offeror in accordance with the terms of the Offer (the **Expiry Date**).

The information herein relating to the Offeror, RFHL and the Offer has been derived from the Offer Circular. The Non-Affiliated Directors do not assume any responsibility for the accuracy or completeness of such information or the contents of the Offer Circular.

Please refer to the Offer Circular for complete details of the terms and conditions of the Offer.

The Board would also like to take this opportunity to thank Shareholders for their continued support of Cayman National.

## SECTION 2

### KEY DATES

An indicative timetable showing certain key dates is set forth below. Subject to the Cayman Islands Takeovers Code and other legal requirements, Cayman National and the Offeror 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.

	Date	Event / Action item
1.	30 May 2025	Offeror posts the Offer Circular on the CSX
2.	30 May 2025	Offer commences
3.	20 June 2025	Board of Directors of Cayman National posts the Directors' Circular pursuant to the Cayman Islands Takeovers Code
4.	29 July 2025	Offer expires (unless extended)

## SECTION 3

### YOUR CHOICES IN RELATION TO THE OFFER

The Non-Affiliated Directors encourage you to consider your personal risk profile, investment strategy, tax position and financial circumstances before making any decision in relation to your Cayman National Shares. You should read this Directors' Circular in full, including the Independent Financial Advisor's Fairness Opinion attached as Schedule A to this Directors' Circular.

As a Shareholder, you have the following choices available to you in relation to the Offer:

#### **3.1 You may choose to accept the Offer in respect of all of your Shares. You may also choose to retain some of your Shares.**

If you wish to accept the Offer in respect of some or all of your Shares, it is important that you fully complete the Form of Acceptance in accordance with the instructions printed on it and return the completed Form of Acceptance as soon as possible and, in any event, so as to be received by no later than the Expiry Date. In order for your acceptance to be valid, you must also provide any further information requested by Cayman National Securities Ltd. in order to effect a cash payment to you and register the transfer of your Shares.

Details of the cash payment that you will receive if you accept the Offer are set out in the Offer Circular. You will only receive that cash payment if the conditions of the Offer are all either satisfied or waived. The Offer is subject to a minimum acceptance condition and other specified conditions as set out in Section 4.5 of this Directors' Circular.

See the Section titled "Acceptance of the Offer" of the Offer Circular and the Acceptance Form provided to you by the Offeror for instructions on how to accept the Offer. You may be able to withdraw your acceptance prior to the Expiry Date in certain circumstances. These circumstances are set out in Section 7 of this Directors' Circular.

Again, the Non-Affiliated Directors encourage you to consider your personal risk profile, investment strategy, tax position and financial circumstances before making any decision in relation to your Shares.

#### **3.2 You may choose to take no action and reject the Offer**

If you do not wish to accept any part of the Offer, you should take no action. Simply disregard the documents sent to you by the Offeror in relation to the Offer.

During the offer period, you may still sell your Shares on the CSX for the market price, provided you have not accepted the Offer in respect of those Shares. If you do so, you will lose the ability to accept the Offer or any other proposal that may emerge, you may receive more or less for your Cayman National Shares than the offer price of US\$7.75 cash per Share, and you may incur a brokerage charge.

You should note that:

- If you choose not to accept the Offer, you will not receive any payment from the Offeror.
- If the Offer completes, and you continue to hold Cayman National Shares, you will be exposed to the risks associated with being a minority shareholder of a potentially delisted company. These risks are explained in Section 6 of this Directors' Circular.

## **SECTION 4**

### **BACKGROUND TO THE OFFER**

#### **4.1 Background to the Offer**

On 21 May 2025, Cayman National announced that the trading of Shares of Cayman National would be temporarily suspended, at the request of Cayman National, pending the release of an announcement by Cayman National.

On 22 May 2025, Cayman National announced that it had received notice on 21 May 2025 from RFHL, through RBTBTL, of a firm intention to make an offer to acquire up to 10,596,483 Shares of Cayman National, being all of the issued and outstanding Shares of Cayman National that RBTBTL does not already own, by way of a cash offer to Cayman National Shareholders pursuant to the Cayman Islands Takeovers Code.

On 30 May 2025, RBTBTL posted the Offer Circular and Form of Acceptance on the CSX. These documents are also posted to Cayman National's website at <https://www.caymannational.com/republic-offers-to-buy-remaining-cayman-national-shares>.

On 6 June 2025, RBTBTL announced that the Offer was unconditional as to acceptances and that the only outstanding condition to which the Offer remained subject was the approval, at an extraordinary general meeting of Cayman National, of a resolution of Shareholders holding at least 75% of Shares of Cayman National authorising the delisting of Cayman National from the CSX conditional upon, and effective immediately following, the closing of the Offer. The Non-Affiliated Directors expect that RBTBTL will seek to requisition an extraordinary general meeting of Cayman National in order to satisfy this condition. As at the date of this Directors' Circular, the Non-Affiliated Directors have not received any such requisition.

#### **4.2 Background to the Offeror**

Offeror was incorporated in Barbados on 23 February 1999 and primarily conducts investment and investment management services pursuant to the International Financial Services Act, CAP. 325 of the Laws of Barbados. Offeror's registered office is located at Republic Bank (Barbados) Limited, Independence Square, Bridgetown, Barbados. Offeror is a wholly owned subsidiary of RFHL.

RFHL is a publicly quoted financial holding company on the Trinidad and Tobago Stock Exchange, is licensed under the Financial Institutions Act, Chap 79:09 of the Laws of Trinidad and Tobago and has over US\$18.6 billion of total assets as of the date of the Offer Circular. RFHL, along with its operating subsidiaries, provide a complete range of commercial banking, insurance and other 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 and insurance services through its wholly owned subsidiary Republic Life Insurance Limited. Through subsidiaries and associated companies, RFHL has operations domiciled in Anguilla, Barbados, the British Virgin Islands, the Cayman Islands, Dominica, Ghana, Grenada, Guyana, Isle of Man, St. Lucia, St. Kitts and Nevis, St. Maarten, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago.

#### **4.3 Offeror's Intentions**

The Non-Affiliated Directors understand from the Offer Circular that, save for the delisting of Cayman National from the CSX, the Offeror has no immediate plans to make any changes to the business or operations of Cayman National once the Offer closes.



The Offeror stated in the Offer Circular that:

- a) it retains the flexibility at any time to consider any options in relation to Cayman National which the Offeror may regard to be in the interest of Cayman National as part of a wider corporate group;
- b) it will withdraw the listing of Cayman National from the CSX immediately following closing of the Offer;
- c) it intends to continue the business of Cayman National and maintain the composition of the Board of Cayman National upon closing of the Offer; and
- d) the Board shall continue to be comprised of a majority of Caymanians at all times.

#### **4.4 Financing the Offer**

The Offeror stated in the Offer Circular that the cash consideration payable by the Offeror under the terms of the Offer will be financed by RFHL as the Offeror's sole shareholder.

In accordance with Rule 2.7(b) of the Cayman Islands Takeovers Code, Ernst & Young, being the external auditor of the Offeror and RFHL, provided confirmation by letter to the Board dated 5 May 2025 that sufficient financial resources are available to RFHL to satisfy the total consideration payable by Offeror to Cayman National Shareholders pursuant to the terms of the Offer.

#### **4.5 Conditions of the Offer**

The Offer is stated to be subject to the following conditions:

- a) valid acceptances of the Offer being received (and not withdrawn) by no later than 5:00 p.m. (Cayman Islands time) on the Expiry Date, being 29 July 2025 or as that date may be extended from time to time to enable the conditions to the Offer to be satisfied or waived in respect of at least 13,035 Cayman National Shares;
- b) the appointment of the appointment of RFHL as proxy to vote at least 13,035 Cayman National Shares in favour of the Delisting Resolution (as defined below) at the general meeting of Cayman National (including any adjournment thereof) at which the Delisting Resolution is voted upon; and
- c) the passing of a resolution by Cayman National Shareholders who, together, hold not less than 75% of Cayman National Shares at the general meeting of Cayman National to approve, conditional upon, and effective immediately following, closing of the Offer, the delisting of Cayman National from the CSX on terms that the delisting shall take effect immediately following closing of the Offer (the **Delisting Resolution**).

As noted above, on 6 June 2025, RBTTBL announced that the Offer was unconditional as to acceptances and that the only outstanding condition to which the Offer remained subject was the passing of the Delisting Resolution. The Non-Affiliated Directors expect that RBTTBL will seek to requisition an extraordinary general meeting of Cayman National in order to satisfy this condition. As at the date of this Directors' Circular, the Non-Affiliated Directors have not received any such requisition.

The Offer is not stated to be subject to the receipt of any Regulatory Approvals. The Non-Affiliated Directors and Cayman National itself are relying on the legal analysis of the Offeror and its external advisors in that regard, and note there may be a risk of regulatory action under the relevant legislation if this analysis is incorrect.

## SECTION 5

### NON-AFFILIATED DIRECTORS' RECOMMENDATION AND REASONS

The Offeror owns 74.98% of Cayman National Shares and is affiliated with each of Directors Nigel Baptiste and Richard Sammy (each other Director on the Board, the **Non-Affiliated Directors**). Accordingly, each of Directors Nigel Baptiste and Richard Sammy (the **Affiliated Directors**) have a conflict of interest in relation to the Offer. In recognition of this conflict, a special board committee comprising all Non-Affiliated Directors was established to evaluate the Offer. The Offer Circular sets out the views of the Affiliated Directors on the Offer. The Directors' Circular sets out the views of the Non-Affiliated Directors on the Offer.

To assist the Non-Affiliated Directors in forming their views on the Offer, Cayman National appointed KPMG as the Independent Financial Advisor to prepare a fairness opinion in relation to the Offer (the **Fairness Opinion**). The Independent Financial Advisor's opinion is that as of 20 June 2025, the Offer is **inadequate** from a financial point of view to Cayman National Shareholders.

The Independent Financial Advisor's Fairness Opinion is attached as Schedule A to this Directors' Circular. The Independent Financial Advisor's Fairness Opinion does not constitute a Valuation of Assets as described in Rule 26 of the Cayman Islands Takeovers Code and no such Valuation of Assets has been obtained in connection with the Offer.

Cayman National also retained the Legal Advisor to provide legal advice in relation to the Offer. As part of its deliberations, the Non-Affiliated Directors considered, among other things, Cayman National's prospects, the Fairness Opinion from its Independent Financial Advisor and the advice from its Legal Advisor before determining its response to the Offer.

The Non-Affiliated Directors recognise that the Offer presents Shareholders with a trade-off between two competing objectives – the uncertain prospect of achieving greater value in the long term and the opportunity to realise immediate value in the short term. After careful consideration, in consultation with its Legal Advisor and Independent Financial Advisor, of the terms and conditions of the Offer and having regard to the Fairness Opinion and for the reasons described in more detail below, depending on the individual circumstances and choice for each Shareholder, the recommendation of the Non-Affiliated Directors is as follows:

- **ACCEPT** the Offer, in the absence of a superior proposal, if you are likely to want to sell your Cayman National Shares at a guaranteed price in the foreseeable future notwithstanding the opinion of the Independent Financial Advisor that the Offer is inadequate from a financial point of view to Cayman National Shareholders;

**OR**

- **REJECT** the Offer by doing nothing if you wish to continue to hold your Cayman National Shares and wish to receive potential future benefits, but are also prepared to accept the risks and uncertainties that may be associated with being a minority shareholder of a potentially delisted company.

Section 5 of this Directors' Circular outlines the reasons for the Non-Affiliated Directors' recommendation. Consequently, and notwithstanding the recommendation of the Non-Affiliated Directors, Shareholders should consider the Offer carefully and reach their own decision as to whether to accept or reject the Offer. Shareholders who are uncertain about how to respond to the Offer should consult with their investment advisor, stockbroker, lawyer, accountant, tax advisor or other professional advisor.

Shareholders accepting the Offer should complete the required documents carefully and should refer to the Offer Circular for further instructions. A copy of the Offer Circular is available on Cayman National's website at <https://www.caymannational.com/republic-offers-to-buy-remaining-cayman-national-shares>.

The following is a summary of certain reasons why Shareholders may wish to **ACCEPT** the Offer, in the absence of a superior proposal. This summary is not intended to be exhaustive and Shareholders may have other reasons to accept the Offer.

**5.1 You are being offered the certainty of cash for all or some of your Shares**

The Offer provides certainty of cash for all or some of your Shares. If you accept the Offer, and the Offer becomes unconditional in all respects, you will obtain the certainty of receiving a cash payment of US\$7.75 per Share for your tendered Shares.

Should you reject the Offer and remain a holder of Cayman National Shares, or accept only in respect of some of your Shares and remain a holder of Cayman National Shares, the amount which you will be able to realise for your Shares which were the subject of the Offer will necessarily be uncertain, and subject to, among other things, the performance of Cayman National and its subsidiaries, the inherent risks associated with the banking industry, and the fluctuations of market conditions.

**5.2 The market for Cayman National Shares is likely to be less liquid following expiry of the Offer**

The Offer provides a liquidity event. If the Offer becomes unconditional in all respects, the Offeror has stated that it intends to delist Cayman National from the CSX following conclusion of the Offer. As a result, the level of liquidity is likely to further reduce, making it more difficult to sell your Shares in future.

**5.3 The Offeror may have the ability to acquire compulsorily Cayman National Shares subject to certain conditions**

While the Offeror has not stated that compulsory acquisition of Cayman National Shares is its intention if the relevant acceptance threshold is reached, the possibility remains that the Offeror may be able to compulsorily acquire Shares held by Shareholders who do not accept the Offer, subject to certain conditions. Shareholders should seek independent legal advice in connection with the rights available to them should the relevant acceptance threshold be reached and the Offeror seek to compulsorily acquire the remaining issued Cayman National Shares.

**5.4 No superior proposal has emerged**

There is the potential for a proposal that is superior to the Offer to emerge, whether as a competing proposal from a third party or a revised proposal from the Offeror. As of the date of issue of this Directors' Circular, however, no such superior proposal has emerged.

If a superior proposal is received prior to the Expiry Date, this will be announced to Shareholders and the CSX, and the Non-Affiliated Directors will carefully consider the proposal and advise Shareholders of its recommendation.

**5.5 No tax payable pursuant to the Land Holding Companies Share Transfer Tax Act (Revised) of the Cayman Islands (Share Transfer Tax Act)**

As an entity listed on a recognised stock exchange, transfers of Cayman National Shares currently enjoy the benefit of an exemption to the tax which would otherwise be payable in connection with transfers of Shares pursuant to the Share Transfer Tax Act by virtue of Cayman National being a land holding corporation for purposes of that legislation. If the Offer becomes unconditional in all respects, this exemption will no longer apply following the delisting of

Cayman National and future transfers of Shares will be taxable in accordance with the Share Transfer Tax Act.<sup>1</sup>

Shareholders should consult with their individual financial and tax advisors as to the possible impact of the Share Transfer Tax Act should the exemption no longer apply and you wish to sell your Cayman National Shares.

#### **5.6 Temporary relief from transfer restrictions in senior staff share purchase programme**

Directors and certain employees of Cayman National are eligible for a matching share purchase programme in respect of Cayman National Shares (the **SSPS**). The terms and conditions of the SSPS provide that, if a participating director/employee sells Cayman National Shares purchased pursuant to the SSPS within a certain period, that director/employee will be obliged to repay certain of those proceeds to Cayman National (the **Repayment Obligation**). The Board has determined to provide relief from the Repayment Obligation for any employee participating in the SSPS who wishes to accept the Offer in respect of some or all Cayman National Shares purchased pursuant to the SSPS. This relief applies only with respect to the sale of shares to the Offeror as part of the Offer and, following the Expiry Period, any participating employee/director wishing to sell some or all Cayman National Shares purchased pursuant to the SSPS must comply with the Repayment Obligation and all other terms and conditions of the SSPS, until further notice. The Board intends to replace the SSPS and will advise on further details in due course.

#### **5.7 No brokerage payable**

If you accept the Offer, you will not incur any brokerage charges or other transaction costs in selling your Shares pursuant to the Offer which may otherwise be incurred if you choose to sell your Shares on the CSX during the Offer period.

The following is a summary of certain reasons why Shareholders may wish to **REJECT** the Offer. This summary is not intended to be exhaustive and Shareholders may have other reasons to reject the Offer.

#### **5.8 Opinion of Independent Financial Advisor**

The Independent Financial Advisor, KPMG, has opined that as of 20 June 2025, the Offer is **inadequate** from a financial point of view to Cayman National Shareholders. The Independent Financial Advisor's Fairness Opinion is attached at Schedule A to this Directors' Circular. The Independent Financial Advisor's Fairness Opinion does not constitute a Valuation of Assets as described in Rule 26 of the Cayman Islands Takeovers Code and no such Valuation of Assets has been obtained in connection with the Offer.

The Board of Directors recommends that you read the Independent Financial Advisor's Fairness Opinion carefully and in its entirety.

#### **5.9 The Offer values Cayman National Shares at a discount to trading prices prior to April 2025**

While the Offer price offers certainty, it is arguably not compelling. Between the period June 2023 to June 2025, the trading price has ranged from a low of US\$4.75 to a high of US\$9.95.

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<sup>1</sup> The amount of tax payable varies on, among other things, the value of the real property held by Cayman National, the number of Shares issued and outstanding, and the rate of tax. As an indication only, the tax payable may be approximately CI\$0.05 to CI\$0.07 per Share, plus possible brokerage or transaction fees. It is likely the tax and fees will be paid by a purchaser of Cayman National Shares.

The trading volume and price history of Cayman National Shares is available online at the CSX website.

**5.10 You may wish to remain a Cayman National Shareholder and participate in potential future growth**

Accepting the Offer in respect of all of your shares will result in you no longer being a Cayman National Shareholder. Consequently, you will no longer be entitled to directly participate in the potential future growth of Cayman National or exercise your rights as a Cayman National Shareholder (including rights with respect to voting and dividends). You may wish to remain a Cayman National Shareholder if, following consideration of your individual circumstances, you believe that remaining a Shareholder will benefit you financially in any potential future growth of Cayman National. The Board also recognizes that many Shareholders have a strong emotional commitment to Cayman National.

**5.11 You may believe there is additional earning potential through dividends payable on your Cayman National Shares**

Historical dividend yields have provided substantial value to Cayman National Shareholders. For example, in respect of the most recent financial year (ending 30 September 2024), Cayman National declared and paid a dividend of CI\$0.60 (US\$0.72 equivalent) per share. Assuming a share price of US\$7.75, the dividend yield would be 9.3%, noting the present policy of Cayman National Bank Ltd. of paying out only 50% of profit by dividend. While there is no guarantee of future dividend policy, you may believe that continuing to hold Cayman National Shares may present additional earning potential.

**5.12 You may believe a superior proposal from a third party may emerge**

While the Non-Affiliated Directors believe this is unlikely, Shareholders may consider that a competing proposal from a third party may emerge at any time in the future.

The foregoing summary of the information and factors considered by the Non-Affiliated Directors is not intended to be exhaustive of the factors considered by the Non-Affiliated Directors in reaching its conclusion and making its recommendation, but includes the material information, factors and analysis considered by the Non-Affiliated Directors as part of that process. Shareholders, however, should consider the Offer carefully and make their own decision as to acceptance or rejection of the Offer.

## **SECTION 6**

### **CERTAIN RISKS AND OTHER MATTERS TO CONSIDER IN DECIDING WHETHER OR NOT TO ACCEPT THE OFFER**

#### **6.1 General risks associated with holding Cayman National Shares**

In considering this Directors' Circular and the Offer, Cayman National Shareholders should be aware that there are a number of risks which may affect the future operating and financial performance of Cayman National and the value of Cayman National Shares. Many of these risks are relevant to Cayman National Shareholders today, and will be relevant to Cayman National Shareholders who remain as Shareholders following the completion of the Offer.

Many of these risks are outside the control of Cayman National and the Board of Directors. There can be no certainty that Cayman National will achieve its stated objectives or that any forward-looking statements will eventuate.

Additional risks and uncertainties not currently known to Cayman National may have a material adverse effect on Cayman National's business and the information set out below does not purport to be, nor should it be construed as representing, an exhaustive list of the risks that may affect Cayman National.

As with any listed company in the banking and financial services industries, the future prospects and performance of Cayman National and the value of Cayman National Shares are affected by a wide variety of factors, including:

- a) general economic conditions including economic performance, fiscal policy, employment levels, inflation rates, exchange rates, currency availability or restrictions, and commodity prices;
- b) fluctuations in interest rates;
- c) fluctuations in the local and global market for listed shares;
- d) changes to government policy, legislation, or regulation;
- e) availability of suitable correspondent banking and brokerage relationships;
- f) the nature of markets in which Cayman National operates and global initiatives impacting those markets;
- g) general and operational business risks, including money laundering and terrorist financing risks and cybersecurity risks;
- h) increased regulatory and disclosure requirements culminating in increased compliance costs; and
- i) natural disasters (including hurricanes or earthquakes), global hostilities, tensions and acts of terrorism.

These factors may result in fluctuations to the market price of Cayman National Shares that are not explained by the underlying operations and activities of Cayman National.

#### **6.2 The Offeror's capacity to exert greater influence over Cayman National's business**

Shareholders should note that, even before the Offer was announced, the Offeror had the capacity to exert significant influence over the manner in which Cayman National's business is conducted. If the Offer is completed the Offeror has stated that, while it has no immediate plans to make any changes to the business or operations of Cayman National once the Offer closes, it retains the flexibility at any time to consider any options in relation to Cayman National which

the Offeror may regard to be in the interest of Cayman National as part of a wider corporate group.

**6.3 You may disagree with your Non-Affiliated Directors' recommendation or the Independent Financial Advisor's conclusion**

In the Non-Affiliated Directors forming their recommendation and in the Independent Financial Advisor's opinion that as of 20 June 2025, the Offer is **inadequate** from a financial point of view to Cayman National Shareholders, the Non-Affiliated Directors and Independent Financial Advisor are making judgments based on future events which are not predictable with certainty and which may prove to be incorrect (either positively or negatively).

You may not agree with the Non-Affiliated Directors' recommendation or the Independent Financial Advisor's opinion, and you are not obliged to follow their recommendation.

**6.4 Other considerations**

The risk factors and considerations set forth above are non-exhaustive. In determining whether or not to accept the Offer, your Non-Affiliated Directors encourage you to:

- read the whole of this Directors' Circular and the Offer Circular;
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances;
- consider the choices available to you as outlined in this Directors' Circular; and
- obtain independent financial, legal, taxation or other professional advice before making a decision as to whether or not to accept the Offer.

## SECTION 7

### ANSWERS TO FREQUENTLY ASKED QUESTIONS

	QUESTION	ANSWER
1.	What is the Offer Circular?	The Offer Circular is the document setting out the terms of the Offer issued by the Offeror on 30 May 2025 to purchase Shares of Cayman National. It is available on Cayman National's website at <a href="https://www.caymannational.com/republic-offers-to-buy-remaining-cayman-national-shares">https://www.caymannational.com/republic-offers-to-buy-remaining-cayman-national-shares</a> .
2.	What is the Directors' Circular?	This Cayman National Directors' Circular has been prepared by Cayman National and provides Cayman National's response to the Offer, including the recommendation of your Non-Affiliated Directors and the Independent Financial Advisor's Fairness Opinion.
3.	What is the Offeror offering for my Cayman National Shares?	The Offeror is offering US\$7.75 in cash for every Share that you hold.
4.	What are your Non-Affiliated Directors recommending?	<p>Your Non-Affiliated Directors recognise that that the Offer presents Shareholders with a trade-off between two competing objectives – the uncertain prospect of achieving greater value in the long term and the opportunity to realise immediate value in the short term. Accordingly, the recommendation of the Non-Affiliated Directors is as follows:</p> <ul style="list-style-type: none"> <li>• <b>ACCEPT</b> the Offer, in the absence of a superior proposal, if you are likely to want to sell your Cayman National Shares at a guaranteed price in the foreseeable future notwithstanding the opinion of the Independent Financial Advisor that the Offer is inadequate from a financial point of view to Cayman National Shareholders;</li> </ul> <p><b>OR</b></p> <ul style="list-style-type: none"> <li>• <b>REJECT</b> the Offer by doing nothing if you wish to continue to hold your Cayman National Shares and wish to receive potential future benefits, but are also prepared to accept the risks and uncertainties that may be associated with being a minority shareholder of a potentially delisted company.</li> </ul> <p>The reasons for this recommendation are set out in Section 5 of this Directors' Circular.</p> <p>If there is a change in your Non-Affiliated Directors' recommendation or there are any material developments in</p>



		relation to the Offer, your Non-Affiliated Directors will make the appropriate supplementary disclosure.
5.	What do the Cayman National Directors intend to do with their Cayman National Shares?	The intentions of the Directors are set out in Section 8.1 of this Directors' Circular.
6.	What does the Independent Financial Advisor say?	<p>The Independent Financial Advisor's opinion is that as of 20 June 2025, the Offer is <b>inadequate</b> from a financial point of view to Cayman National Shareholders.</p> <p>The Independent Financial Advisor's Fairness Opinion is attached as Schedule A to this Directors' Circular.</p>
7.	What choice do I have in the response to the Offer?	<p>As a Shareholder you have three available choices:</p> <ol style="list-style-type: none"> <li>1. Accept the Offer in respect of all of your Shares;</li> <li>2. Accept the Offer in respect of some of your Shares;</li> <li>or</li> <li>3. Take no action and reject the Offer.</li> </ol>
8.	How do I accept the Offer?	Details of how to accept the Offer are set out in the Offer Circular and accompanying Form of Acceptance. Your acceptance must be validly received before the Expiry Date.
9.	When does the Offer close?	<p>The Offer shall expire at 5.00pm (Cayman Islands Time) on 29 July 2025, unless extended by the Offeror to enable the conditions to the Offer to be satisfied or waived. Your Non-Affiliated Directors will keep you informed if there are any material developments in relation to the Offer. Shareholders are also encouraged to monitor Cayman National's website at</p> <p><a href="https://www.caymannational.com/republic-offers-to-buy-remaining-cayman-national-shares">https://www.caymannational.com/republic-offers-to-buy-remaining-cayman-national-shares</a>.</p>
10.	If I accept the Offer now, can I withdraw my acceptance?	<p>You may only withdraw your acceptance of the Offer if you notify the Offeror in writing by:</p> <ol style="list-style-type: none"> <li>(i) email to Offers@rfhl.com, or</li> <li>(ii) by post to Cayman National Securities Ltd. (Attn: CNS Receiving Agent), 2nd Floor, Suite 6201, 62 Forum Lane, Camana Bay, PO Box 30239, Grand Cayman KY1-1201, Cayman Islands</li> </ol> <p>in each case, clearly stating the registered name of the holder of the Shares, the total number of your Shares in respect of which you have accepted the Offer, and your intention to withdraw acceptance.</p> <p>The email or letter must be from the registered Shareholder, and must be received prior to the Expiry Date.</p> <p>If you validly withdraw your acceptance prior to the Expiry Date, you will continue to hold your Cayman National</p>

		Shares and you will not receive any payment from the Offeror.
11.	If I choose to accept the Offer, when will I receive my consideration?	<p>If you accept the Offer, settlement will be effected by payment initiated within seven calendar days of the Offer becoming unconditional in all respects.</p> <p>The Offer Circular describes in more detail the payment of consideration and when the Offer will become unconditional.</p>
12.	What are the tax implications of accepting the Offer?	<p>The Section titled "Important Information – Taxation" of the Offer Circular notes that the receipt of cash pursuant to the Offer by Shareholders may be a taxable transaction under the laws of jurisdictions other than the Cayman Islands.</p> <p>You should not rely on the Offer Circular or this Directors' Circular as advice on your own tax affairs as they do not take into account the particular circumstances of any Shareholder. You should therefore seek your own professional financial and taxation advice before making a decision as to whether or not to accept the Offer in respect of your Shares.</p>
13.	Can I accept the Offer in respect of some or all shares I hold pursuant to the SSPS (Senior Share Purchase Scheme)?	Yes. The Board has determined that the Repayment Obligation pursuant to the terms and conditions of the SSPS will not apply in respect of sales of Cayman National Shares held pursuant to the SSPS to the Offeror as part of the Offer.
14.	If I reject the Offer but the Offeror obtains more than 13,035 Shares, where do I stand?	<p>If you reject the Offer but a minimum of 13,035 Shares are obtained by the Offeror and the Offer becomes unconditional in all respects, you will continue to remain a minority shareholder of Cayman National and be subject to the risks of being a minority shareholder in a delisted company.</p> <p>Cayman National Securities Ltd., a wholly owned subsidiary of Cayman National, acted as broker for sale and purchase of Cayman National Shares and reported those transactions on the CSX. Cayman National Securities Ltd. may continue to provide these brokerage services following closing of the Offer for a fee. While there is likely to be reduced liquidity for your Shares, you may still be able to sell your Shares privately even if the Offer becomes unconditional in all respects and Cayman National is delisted. There is no guarantee of the price you may receive should you wish to sell your Shares in this manner or if the Offeror may impose additional restrictions on the sale and purchase of Shares.</p>
15.	What happens if the offer price is raised?	If the Offeror raises the offer price, the Offeror will be required to extend the Expiry Date in accordance with the

		<p>relevant provisions of the Cayman Islands Takeovers Code.</p> <p>If you had already accepted the Offer and the Offeror subsequently raises the offer price, you will be entitled to the increased offer price automatically if the Offer is or becomes unconditional.</p> <p>Your Non-Affiliated Directors will carefully consider any revised Offer and advise you accordingly.</p>
16.	Can I sell my Cayman National Shares on the CSX during the offer period?	Yes, you may sell your Cayman National Shares, provided you have not accepted the Offer for those Shares (or, if you have accepted the Offer, provided you have validly withdrawn that acceptance). You should be aware that the market price of Cayman National Shares may rise or fall during the offer period.
17.	What are the conditions of the Offer?	The Offer is subject to a number of conditions. See Section 4.5 of this Directors' Circular for further details.
18.	What happens if the conditions of the Offer are not satisfied or waived?	<p>If the conditions are not satisfied or waived before the Expiry Date (as may be extended from time to time), the Offer will lapse, and you will not get paid (even if you had accepted the Offer in respect of your Shares). You will continue to hold your Shares as before.</p> <p>On 6 June 2025, RBTTBL announced that the Offer was unconditional as to acceptances and that the only outstanding condition to which the Offer remained subject was the passing of the Delisting Resolution. This may change if Shareholders validly withdraw their acceptances prior to the Expiry Date.</p>
19.	What are the consequences of accepting the Offer now?	<p>If you accept the Offer now in respect of some or all of your Shares, then unless withdrawal rights are available at the applicable time and you validly exercise those rights, you will not be able to sell those Shares or deal with them in any other manner if the Offer becomes unconditional in all respects.</p> <p>If you accept the Offer and the Offeror subsequently raises its offer price, you will receive the higher price.</p>
20.	What if there is a competing proposal?	If another competing proposal is received prior to the end of the Offer Period, this will be announced to Shareholders and to the CSX and the Non-Affiliated Directors will carefully consider the proposal and advise Shareholders of their recommendation.
21.	Is there likely to be a competing or superior proposal from any other party?	As at the date of this Directors' Circular, the Non-Affiliated Directors are unaware of any competing or superior proposal.

22.	Can I accept the Offer for only some of my Shares?	<p>Cayman National Shareholders may accept the Offer in respect of any number or proportion of their Shares or none at all.</p> <p>Refer to the Section titled "Acceptance of the Offer" of the Offer Circular for further information.</p>
23.	How do I reject the Offer?	<p>To reject the Offer, you do not need to do anything. Simply disregard the documents sent to you by the Offeror in relation to the Offer.</p>
24.	Can I be forced to sell my Cayman National Shares under the Offer?	<p>No. You do not have to accept the Offer. However, see also Section 5.3.</p>
25.	Who should I contact if I have questions?	<p>You can email <a href="mailto:Offerquestions@rhl.com">Offerquestions@rhl.com</a>.</p>

## SECTION 8

### OTHER MATERIAL INFORMATION

#### 8.1 Directors' ownership of Cayman National Shares and intentions with respect to the Offer

In accordance with Rule 22.3(a)(ii) of the Cayman Islands Takeovers Code, the following table sets out the holdings of relevant Cayman National Shares in which the Directors are directly or indirectly interested. In accordance with Rule 22.3(a)(v) of the Cayman Islands, the table also indicates how each of the Directors intend, in respect of their own beneficial holdings of Shares, to act with respect to the Offer in the absence of a superior proposal.

Each of the Directors is subject to a minimum holding requirement of 999 Cayman National Shares pursuant to the terms of the Articles of Association of Cayman National for so long as he or she remains a Director (**Minimum Holding Requirement**).

Name	Number of Shares Directly Held	Number of Shares Indirectly Held	Intention
Nigel Baptiste	1,130	As disclosed in the Offer Circular by virtue of holding shares in RFHL	In compliance with the Minimum Holding Requirement, accept the Offer in respect of 131 Shares
Richard Sammy	1,130	As disclosed in the Offer Circular by virtue of holding shares in RFHL	In compliance with the Minimum Holding Requirement, accept the Offer in respect of 131 Shares
Sheri Bodden-Cowan	27,218	-	In compliance with the Minimum Holding Requirement, accept the Offer in respect of 26,219 Shares
Clarence Flowers Jr.	766,857	415,453	Reject the Offer
Bryan A. Hunter	30,879	283,595	Reject the Offer
Nigel Wardle	38,545	-	Partially accept the Offer in respect of 18,000 shares
Colin Hanson	21,527	-	Reject the Offer
Janet Hislop	17,579	227,953	Partially accept the Offer in respect of 12,764 Shares

No Director has dealt for value with respect to the above-mentioned Cayman National Shares in his or her name during the period beginning six months prior to 30 May 2025 and ending on 19 June 2025.

## **8.2 Directors' service contracts**

None of the of the Directors have service contracts with Cayman National or any of its subsidiaries in respect of their directorship. For completeness, Director Janet Hislop has a contract with each of Cayman National and Cayman National Bank Ltd in respect of her employment only.

## **8.3 No holdings of shares, securities dealings or special arrangements**

Cayman National does not currently hold any shares in the Offeror. Directors Nigel Baptiste and Richard Sammy are both directly and indirectly interested in the holdings of shares in the Offeror by virtue of shares held by each of them in RFHL, Mr. Baptiste being the Group President and Chief Executive Officer of RFHL, and Mr. Sammy being a Group Vice President of RFHL. As disclosed in the Offer Circular, Mr. Baptiste holds 28,947 shares of RFHL and Mr. Sammy holds 4,081 shares of RFHL.

No person is acting in concert with Cayman National in connection with the Offer.

No Shares of Cayman National are owned by any of its subsidiaries, nor is any person acting in concert with any such subsidiary in connection with the Offer.

Cayman National Securities Ltd., a wholly owned subsidiary of Cayman National, entered into a Receiving and Payments Administration Agreement with the Offeror, pursuant to which Cayman National Securities Ltd. will, acting solely upon instruction from the Offeror, assist the Offeror with facilitating payments to be made to accepting Shareholders following completion of the Offer.

Other than the Receiving and Payments Administration Agreement (as described above), no agreement, arrangement or understanding (including any compensation arrangement) exists between the Offeror and Cayman National. No agreement, arrangement or understanding (including any compensation arrangement) exists between the Offeror and Cayman National, nor is any person acting in concert with either of them (other than Directors Nigel Baptiste and Richard Sammy), in respect of the Shares the subject of the Offer.

## **8.4 Consent of the Independent Financial Advisor**

To: The Offer Committee of Board of Directors of Cayman National

The Fairness Opinion has been provided for the use of the Offer Committee of the Board of CNC and for inclusion in the Directors' Circular to be sent to the Shareholders in connection with the Offer, provided such documents are provided to the Independent Financial Advisor and the disclosure therein relating to the Independent Financial Advisor and the Fairness Opinion are approved by the Independent Financial Advisor, acting reasonably.

We hereby consent to the inclusion of the Fairness Opinion dated 20 June 2025 in the Directors' Circular and to the references to the Fairness Opinion in the Directors' Circular, and such consent has not been withdrawn as of the date of publication of the Directors' Circular.

Signed: //KPMG (Bahamas) Ltd.//

## **8.5 Emoluments of the Board of Directors**

Rule 21.4 of the Cayman Islands Takeovers Code required the Offer Circular to contain a statement confirming whether and in what manner the emoluments of the Board of Directors will be affected by the Offer or by any other associated transaction. This statement was omitted from the Offer Circular.

The Offeror has since advised that the emoluments of the Board of Directors will be unaffected by the Offer or by any other associated transaction. The CSX has requested that the Directors' Circular include this statement on behalf of the Offeror.

## **8.6 Memorandum and Articles of Association of Cayman National and Audited Financial Statements**

The memorandum and articles of Cayman National are available to Shareholders by email or for inspection during business hours prior to the Expiry Date of the Offer at Suite 6201, 62 Forum Lane, Camana Bay with prior written notice by email to [cnc.shares@caymannnational.com](mailto:cnc.shares@caymannnational.com).

The audited financial statements of Cayman National for the last three completed financial years are available online at <https://www.caymannational.com/about/investor-relations>.

## SECTION 9

### DEFINITIONS AND INTERPRETATION

*In this Directors' Circular unless otherwise specified or the subject matter or context is inconsistent therewith, the following terms shall have the meanings set out below. Words importing the singular include the plural and vice versa and words importing any gender include all genders.*

**"\$"** or **"US\$"** means United States Dollars.

**"Board of Directors"** or **"Board"** means the board of directors of Cayman National.

**"Business Day"** means any day (other than a Saturday, Sunday or public holiday) on which banks in the Cayman Islands, Trinidad and Tobago or New York are open for normal business.

**"Cayman National"** means Cayman National Corporation Ltd., an ordinary company incorporated and validly existing under the laws of the Cayman Islands.

**"CIMA"** means the Cayman Islands Monetary Authority.

**"CSX"** means the Cayman Islands Stock Exchange.

**"Directors"** mean directors of Cayman National.

**"Directors' Circular"** means this document.

**"Expiry Date"** means at 5.00 p.m. (Cayman Islands Time) on 29 July 2025, unless extended by Offeror to enable the conditions to the Offer to be satisfied or waived.

**"Fairness Opinion"** means the fairness opinion of the Independent Financial Advisor attached as Schedule A to this Directors' Circular.

**"Form of Acceptance"** means the Form of Acceptance relating to, and accompanying, the Offer Circular.

**"Government Authority"** means any government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world, and includes the CSX and any regulatory organisation established under statute or any stock exchange and CIMA.

**"Independent Financial Advisor"** means the financial advisory firm of KPMG (Bahamas) Ltd.

**"Legal Advisor"** means the law firm of Ogier (Cayman) LLP.

**"Offer"** means the cash offer being made by Offeror pursuant to the terms of the Offer Circular.

**"Offeror"** means Republic Bank Trinidad and Tobago (Barbados) Limited, a company incorporated and validly existing under the laws of Barbados.

**"Offer Circular"** means the Offer Circular and accompanying documents issued by the Offeror on 30 May 2025 to purchase Shares of Cayman National.

**"Officers"** mean, in relation to a company, senior management and include a manager or secretary.

**"Regulatory Approvals"** means all sanctions, rulings, consents, orders, exemptions, permits and other approvals of any Government Authority that may be required to complete the Offer.



"**RFHL**" means Republic Financial Holdings Limited.

"**Shareholders**" mean the registered holders of Shares of Cayman National from time to time.

"**Shares**" or "**Cayman National Shares**" mean the ordinary shares in the capital of Cayman National.

## SCHEDULE A



### **KPMG (Bahamas) Ltd.**

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Offer Committee of the Board of Directors  
Cayman National Corporation Ltd.  
200 Elgin Avenue  
Peter A. Tomkins Building  
P.O. Box 1097, Grand Cayman KY1-1102  
Cayman Islands

20 June 2025

**Fairness Opinion with respect to offer received from Republic Financial Holdings Limited, through its wholly owned subsidiary, Republic Bank Trinidad and Tobago (Barbados) Limited, to acquire shares in Cayman National Corporation Ltd.**

To the Members of the Offer Committee:

### **Introduction**

KPMG (Bahamas) Ltd. ("KPMG" or "we") understand that Cayman National Corporation Ltd. ("CNC" or the "Company") has received an unsolicited cash offer from Republic Financial Holdings Limited ("RFHL"), through its wholly owned subsidiary, Republic Bank Trinidad and Tobago (Barbados) Limited ("RBTBTL" or the "Offeror"), to acquire between 13,035 and 10,596,483 of the Company's issued ordinary shares (the "Shares") by way of a tender offer to CNC's minority shareholders (the "Offerees") for a cash consideration of US\$7.75 for each Offeree share (the "Consideration") (collectively, the "Offer"). The proposed shares to be acquired through the Offer represent between 0.03% to 25.02% of CNC's entire issued ordinary share capital. RFHL currently holds 31,754,248 of CNC's shares, representing 74.98% of the issued ordinary share capital.

KPMG has been engaged by the Offer Committee of the Board of Directors of CNC, acting on its own behalf and on behalf of the full Board of Directors of CNC (respectively, the "Offer Committee" and the "Board") to provide an opinion on the fairness of the Consideration to be received by the Offerees from a financial point of view (the "Fairness Opinion"). KPMG understands that the Fairness Opinion will be disclosed in the Directors' Circular (as defined below) and that the Fairness Opinion will be for the use of the Offer Committee, and will be one factor, among others, that the Offer Committee will consider in determining whether to recommend acceptance of the Offer.

This Fairness Opinion is provided pursuant to the Engagement Letter (as defined below). In that regard, pursuant to the Engagement Agreement, and at the request of the Offer Committee, KPMG verbally delivered our preliminary opinion to the Offer Committee on 16 June 2025. This Fairness Opinion provides the same opinion, in writing, as of the date hereof (the “Opinion Date”).

All dollar amounts mentioned herein are expressed in United States dollars unless otherwise stated.

### **Engagement of KPMG**

The Offer Committee engaged KPMG to prepare an opinion as to the fairness of the Consideration, from a financial perspective, to the Offerees. KPMG was formally engaged via an engagement letter dated 4 June 2025 (the “Engagement Letter”) to provide the Fairness Opinion. The terms of the Engagement Letter provide that KPMG is to be paid a fixed fee for the Fairness Opinion and will be reimbursed for its out-of-pocket expenses. No part of KPMG's fee is contingent upon the conclusions reached in this Fairness Opinion. KPMG has not been asked to opine on the fairness of the Consideration to any other party or from any perspective other than a financial point of view. KPMG did not act as a financial advisor to CNC concerning any aspect of the Offer, aside from preparing this Fairness Opinion, and did not participate in the negotiation of the Offer.

The Fairness Opinion is solely for the use and benefit of the Offer Committee and represents only one factor amongst others that the Offer Committee will likely consider in forming its opinion with respect to the Offer.

We understand that the Offer Committee may refer to or include this Fairness Opinion as an appendix to a Directors’ Circular that will be communicated to all shareholders of CNC, the Cayman Islands Stock Exchange (“CSX”), and its legal advisors. Any recipient of the Fairness Opinion acknowledges restrictions in its use and circulation.

Our Fairness Opinion is not and must not be considered a recommendation as to whether or not any Offeree should accept the Offer.

### **Independence and Credentials**

KPMG is a member firm of the KPMG global network, one of the world’s largest providers of professional services. KPMG’s valuation professionals have significant experience in valuing a wide range of businesses and business interests for various purposes, including mergers and acquisitions, regulatory compliance, and fairness opinions, amongst others. KPMG, locally, regionally, and globally, has provided fairness

opinions to various public and private company Boards and/or Committees. The Fairness Opinion expressed herein is the opinion of KPMG as a firm.

The engagement team believes that it is independent of CNC, its shareholders, and the Offeror, and we have acted independently and objectively in preparing this Fairness Opinion. The principal preparer and other staff involved in the preparation of the Fairness Opinion are all independent from CNC and the Offeror. Neither KPMG nor any of its affiliates are an insider, associate, or affiliate of CNC or the Offeror. KPMG and its affiliates are not auditors of CNC, RFHL, or RB TTL.

KPMG has not advised the Offeror in connection with the Offer. KPMG's fees for this engagement are not contingent upon its findings, and KPMG does not have any financial interest in the completion of the Offer. While RFHL and/or its affiliates may be prior clients of other KPMG member firms, the advisory services provided in those engagements were not related in any way to the Offer. We do not believe that any prior, current, or future delivery of professional services to any of the parties involved in the Offer impacts KPMG's ability to act independently and impartially in providing the Fairness Opinion.

### **Scope of Review**

In connection with preparing and rendering the Fairness Opinion, KPMG has reviewed, and where deemed appropriate, relied upon, or undertaken, among other things, the following:

- The Offer Circular issued by RFHL and the Offeror for shares in CNC dated 30 May 2025;
- Audited annual financial statements of CNC and its subsidiaries and related management discussion and analysis for the fiscal years ended 30 September 2021, 2022, 2023, and 2024;
- Unaudited financial statements of CNC and its subsidiaries for the fiscal quarter ended 31 March 2025;
- Various internal financial information and other data relating to the business and financial prospects of CNC and its subsidiaries, including financial forecasts, prepared by management of CNC ("Management");
- Discussions with the following members of Management of CNC concerning the performance and the financial forecasts including the current and future prospects of CNC:

- (a) Chief Executive Officer, CNC and President, Cayman National Bank Ltd.;
  - (b) Group Legal Counsel, CNC;
  - (c) Chief Financial Officer, CNC;
  - (d) Financial Controller, Cayman National Bank Ltd.;
  - (e) VP - Financial Controller, Cayman National Bank Ltd.; and,
  - (f) Senior Legal Counsel. CNC.
- Publicly-available historical business and financial information relating to CNC, including public filings of CNC, and historical market prices and trading volumes of CNC common shares considered relevant;
  - Publicly-available information, including stock market data and financial information, relating to selected companies comparable to CNC considered relevant;
  - General industry and economic information obtained from other sources considered reliable and appropriate by KPMG in the circumstance; and,
  - Such other information and analyses as we considered relevant and appropriate in the circumstance.

KPMG's procedures consisted primarily of inquiry, review, analysis, and discussion of this information. KPMG has not, to the best of our knowledge, been denied access to any information that was made available to the Offeror by CNC. KPMG's analysis was limited to information that CNC had access to, discussions with Management, and publicly available information. KPMG has not audited or otherwise verified the information provided.

### **Assumptions and Limitations**

The Fairness Opinion is subject to the following assumptions, limitations, restrictions, and qualifications, any changes to which could have a significant impact on the Fairness Opinion:

- The Fairness Opinion has been provided for the use of the Offer Committee of the Board of CNC and for inclusion in the Directors' Circular and any Disclosure Document (as defined below) to be sent to the Shareholders in connection with the Offer, provided such documents are provided to KPMG and the disclosure therein relating to KPMG and the Fairness Opinion are approved by KPMG, acting reasonably. The Fairness Opinion may not be used or relied upon by any other parties without the express prior written consent of KPMG. KPMG will assume no responsibility for losses incurred by CNC, its directors, Shareholders, or any other parties as a result of the circulation, publication, reproduction, or use of this letter contrary to the provisions of this paragraph.

- The Fairness Opinion does not constitute a recommendation for CNC or the Offerees to support or reject the Offer and is limited to the fairness of the Consideration to be received by the Offerees, pursuant to the Offer, from a financial point of view, not addressing the strategic or legal merits of the Offer. The Fairness Opinion does not address the relative merits of the Offer as compared to any other transactions involving the Company or the prospects or likelihood or any alternative transaction or any other possible transaction involving the Company, its assets or its securities. Nothing contained herein is to be construed as a legal interpretation, and opinion on any contract or document, or a recommendation to accept or reject the Offer.
- KPMG has conducted such analyses as it considered necessary in the circumstances to reach a conclusion regarding the fairness of the offer from a financial perspective. The Fairness Opinion is not, nor should it be construed as, advice as to the price at which the Shares of CNC may trade at any future date.
- KPMG was not engaged to review any legal, tax or accounting aspects of the Offer and has relied upon, without any independent verification or investigation, the assessment by the Company and its legal, tax, regulatory and accounting advisors with respect to legal, tax, regulatory and accounting matters.
- KPMG has relied upon the completeness, accuracy and fair presentation of all the financial and other information, data, advice, opinions and representations obtained by it from public sources or provided to it or adopted by or on behalf of the Company and its directors, officers, advisors or otherwise (collectively, the "Information") and KPMG has assumed that this Information did not omit to state any material fact or any fact necessary to be stated to make that Information not misleading. The Fairness Opinion is conditional upon the completeness, accuracy and fair presentation of such Information including as to the absence of any undisclosed material fact or change. Subject to the exercise of professional judgment and except as expressly described herein, KPMG has not attempted to independently verify or investigate the completeness, accuracy, or fair presentation of any of the Information.
- With respect to financial and operating forecasts, projections, financial models, estimates and/or budgets provided to KPMG and used in the analyses supporting the Fairness Opinion, KPMG has noted that projecting future results of any company is inherently subject to uncertainty. KPMG has assumed that such forecasts, projections, financial models, estimates and/or budgets were reasonably prepared consistent with industry practice on a basis reflecting the best currently available assumptions, estimates and judgments of management of the Company as to the future financial performance of the Company and are (or were at the time and continue to be) reasonable in the circumstances. In rendering the Fairness Opinion,

KPMG expresses no view as to the reasonableness of such forecasts, projections, financial models, estimates and/or budgets or the assumptions on which they are based.

- Management of CNC have made certain representations to KPMG in a representation letter with the intention that KPMG may rely thereon in connection with the preparation of the Fairness Opinion, including that:
  - (a) Subject to paragraph (b) below, the Information provided by, or on behalf, of the Company or any of its subsidiaries or its advisors to KPMG for the purpose of preparing the Fairness Opinion was, at the date such information was provided to KPMG, and is now, complete, true and correct in all material respects, and did not and does not contain any untrue statement of a material fact in respect of the Company and its subsidiaries or the Offer and did not and does not omit to state a material fact in respect of the Company, its subsidiaries, or the Offer necessary to make the Information not misleading in light of the circumstances under which it was made or provided (except to the extent that any such Information has been superseded by Information subsequently delivered to KPMG);
  - (b) With respect to any portions of the Information that constitute budgets, strategic plans, financial forecasts, projections, models or estimates, such portions of the Information (i) were prepared using the probable courses of actions to be taken or events reasonably expected to occur during the period covered thereby; (ii) were prepared using the assumptions identified therein, which in the reasonable belief of the management of the Company are (or were at the time of preparation and continue to be) reasonable in the circumstances; (iii) were reasonably prepared on a basis reflecting the best currently available estimates and judgments of Management as to matters covered thereby at the time thereof; (iv) reasonably present the views of Management of the financial prospects and forecasted performance of the Company and its subsidiaries, and are consistent with historical operating experience of the Company and its subsidiaries; and (v) are not, in the reasonable belief of Management, misleading in any material respect in light of the assumptions used or in light of any developments since the time of their preparation and with reference to the circumstances in which such budgets, strategic plans, financial forecasts, projections, models and/or estimates were provided to KPMG;
  - (c) Since the dates on which the Information was provided to KPMG, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its subsidiaries and there is no new material fact which is of a nature as to render any portion of the Information or any part thereof

untrue or misleading in any material respect or which would have or which would reasonably be expected to have a material effect on the Fairness Opinion;

- (d) Since the dates on which the Information was provided to KPMG by the Company, no material transaction has been entered into by the Company or any of its subsidiaries and neither the Company nor any of its subsidiaries has any material plans to enter into a material transaction, except for transactions that have been disclosed to KPMG or generally disclosed, and Management is not aware of any circumstances or developments not disclosed in the Disclosure Documents (as defined below), including, without limitation, legal proceedings or government orders, decrees, laws or regulations, that could reasonably be expected to have a material effect on the assets, liabilities, financial condition, prospects, or affairs of the Company and its subsidiaries;
  - (e) Except as disclosed to KPMG, neither the Company nor any of its subsidiaries has any material contingent liabilities and there are no actions, suits, proceedings or inquiries pending or, to such officers' knowledge, threatened against or affecting the Company or its affiliates, at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau, agency, or instrumentality which in any way materially affect the Company and its affiliates or the value of any of its securities;
  - (f) The contents of any and all documents prepared by the Company in connection with the Offer for filings with regulatory authorities or delivery or communication to shareholders of the Company (collectively, the "Disclosure Documents") have been, are, and will be true, complete and correct in all material respects and have not and will not contain any misrepresentation and the Disclosure Documents have complied, comply, and will comply with all requirements under applicable laws in all material respects;
  - (g) Each of the signatories does not have any knowledge of any material facts not contained in or referred to in the Information provided to KPMG by the Company which could reasonably be expected to affect the Fairness Opinion, including the assumptions used, the scope of the review undertaken, or the conclusions reached; and,
  - (h) The Company has complied in all material respects with terms and conditions of the Engagement Letter.
- The Fairness Opinion is rendered as of the Opinion Date on the basis of securities markets, economic and general business and financial conditions prevailing on that date and the condition and prospects, financial and otherwise, of the Company as



they were reflected in the Information (as defined below) and as they have been represented to KPMG in discussions with Management. It must be recognized that fair market value, and hence fairness from a financial point of view, changes from time to time, not only as a result of internal factors, but also because of external factors such as changes in the economy, competition and changes in consumer or investor preferences. KPMG disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Fairness Opinion which may come or be brought to KPMG's attention after the Opinion Date. Without limiting the foregoing, in the event there is any material change in any fact or matter affecting the Fairness Opinion after the Opinion Date, KPMG reserves the right to change, modify or withdraw the Fairness Opinion, but does not assume any obligation to do so.

- In the analyses and in preparing the Fairness Opinion, KPMG has made numerous assumptions with respect to expected industry performance, general business and economic conditions and other matters, many of which are beyond the control of KPMG or any party involved in the Offer.
- KPMG has not solicited interest in the Shares (or net assets) of the Company in the marketplace to determine whether additional potential purchasers, for their own reasons, might perceive a value different from that considered in arriving at its Fairness Opinion.
- KPMG believes that the Fairness Opinion must be considered and reviewed as a whole and that selecting portions of the analyses or factors considered by KPMG, without considering all the analyses and factors together, could create a misleading view of the process underlying the Fairness Opinion. The preparation of a fairness opinion is complex and is not necessarily amenable to partial analysis or summary description. Any attempt to do so may lead to undue emphasis on any particular factor or analysis. The Fairness Opinion should be read in its entirety.

### **Approach to Financial Fairness**

In connection with the Fairness Opinion, KPMG has performed a variety of financial and comparative analyses, including those described below. The summary below is not intended to be a complete description of the factors considered or financial analyses performed by KPMG, nor does the order of analyses described represent relative importance or weight given to those analyses by KPMG. Instead, KPMG has made qualitative judgments based on its experience in rendering such opinions and on circumstances and information as a whole.

In its analysis, KPMG considered industry performance, general business, economic, market, political, and financial conditions, as well as other matters, many of which are beyond the control of CNC. No company, transaction, or business used in KPMG's analyses as a comparison is identical to the Company or the Offer, and evaluating the results of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the sale of the Company, public trading of CNC, or other values of the companies, business segments, or transactions being analyzed. The estimates contained in KPMG's analyses, and the ranges of valuations resulting from any particular analysis, are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favourable than those suggested by the analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, KPMG's analyses and estimates are inherently subject to substantial uncertainty, and the Fairness Opinion is conditional upon the correctness of all of the assumptions indicated herein. This Fairness Opinion should be read in its entirety.

The assessment of fairness from a financial point of view must be determined in the context of the Offer. KPMG has based the Fairness Opinion on methods and techniques that KPMG considered appropriate in the circumstances:

- **Valuation analysis of the Shares** performed in line with generally accepted valuation standards based on the following methodologies:
  - (a) **Income-based analysis:** This specifically considers a discounted cash flow ("DCF") approach and associated sensitivity analysis. The DCF analysis is used to determine the value of a company through the net present value of its future cash flows. It requires certain assumptions regarding, among other things, the projected free cash flows for each year of the projection period, as well as appropriate discount rates and terminal value calculations. When a company is expected to operate beyond the specified cash flow projection period, these subsequent projected results are accounted for by deriving a terminal value, which is calculated by capitalizing certain values as at the end of the forecast period, utilizing certain terminal cash flow methodologies, and then discounting such terminal value at an appropriate discount rate to calculate its net present value. As a basis for determining the Company's projected free cash flows for the DCF analysis, KPMG reviewed Management's projections for the fiscal years ending 30 September 2025 through 30 September 2030. KPMG's DCF analysis of CNC involved discounting to a present value, the projected free cash flows, including a terminal value, utilizing an appropriate range for the cost of equity ("CoE") as the discount rate. The CoE was based on the Capital Asset Pricing Model. KPMG believes that the CoE range utilized reflects the risks

inherent in CNC's business based on current market conditions, the competitive environment, and the risk associated with Management's business plan and cash flow projections.

- (b) **Market analyses:** This specifically considers the trading multiples of guideline public companies and the implied multiples of precedent guideline transactions for similar companies. KPMG analyzed observable market metrics, specifically the earnings, book value, and tangible book value multiples of certain comparable public companies and precedent transactions in the banking industry, and assessed them in relation to CNC in order to establish a range of price to earnings, price to book value, and price to tangible book value multiples for CNC. In performing this analysis, KPMG analyzed: (i) historical and projected financial information of CNC, as provided by Management; and (ii) certain publicly available financial information, which included financial data for CNC and selected public companies and precedent transactions.
- **Other Factors and Analyses** which KPMG has judged, based on its experience in rendering such opinions, to be relevant.

### **Fairness Opinion**

Based upon and subject to the foregoing and such other matters as KPMG considered relevant, KPMG is of the opinion that, as of the Opinion Date, the Consideration under the Offer is inadequate from a financial point of view to the Offerees.

Yours sincerely,

*KPMG (Bahamas) Ltd.*

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