



**FOR IMMEDIATE RELEASE**

August 14, 2012

Cayman National Corporation decided to become an investor in the International Banking Group (TCI) Ltd. (IBG) some years ago, at a time when economic conditions were far more favorable than they are now.

In the original business plan for IBG it was predicted that the new bank, which opened its doors in 2010, would be loss-making for the initial period of trading but various unique events have conspired against the success of the new bank. These included the world-wide economic crisis, the impact of the failure of TCI Bank and the uncertainty that the constitutional crisis in the Turks & Caicos Islands generated. As a result, and despite measures to reduce costs, IBG has found it difficult to develop new business and ongoing losses have far exceeded original expectations.

In the circumstances the directors of IBG believe that the responsible action is to undertake an orderly wind-down of the retail banking operation in the Turks & Caicos Islands and to ensure all the depositors of IBG are paid out in full. This process will now commence and customers of the bank in the Turks & Caicos Islands are being advised accordingly. We would also mention that for practical reasons it is preferable for IBG to continue to provide merchant service and credit card facilities.

We would emphasize that the closure of the bank in the Turks & Caicos Islands will not affect Cayman National's operations in the Cayman Islands or in any other of the jurisdictions in which it operates.

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## About Cayman National

Established in 1974, Cayman National Group comprises of banking, trust & company management, wealth management and insurance.

The Cayman National Group of Companies comprise: Cayman National Bank Ltd., Cayman National Fund Services Ltd., Cayman National Securities Ltd., Cayman National Trust Co. Ltd., Cayman National Bank and Trust Company (Isle of Man) Limited and Cayman National Fund Services (Isle of Man) Limited., Cayman National Bank Ltd. Oficiana de Representación (Panama) and Cayman National Dubai) Ltd.

Cayman National is a public company with its shares now being traded through the Cayman Stock Exchange.

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