

**EMBARGOED UNTIL released by either Ian Whan-Tong or Stuart Dack of Cayman National.**

March 9, 2016

**Cayman National Trust and Securities Companies  
Settle US Authorities' Investigations Relating to Activities with US Clients**

George Town, Cayman Islands: Cayman National Corporation Ltd. (CSX:CNC KY) announces that its subsidiaries, Cayman National Trust Co. Ltd. ("CNT") and Cayman National Securities Ltd. ("CNS") settled outstanding investigations by the United States Department of Justice regarding their actions involving some of its United States clients and their United States tax obligations.

As previously announced when CNC presented its unaudited financial accounts on December 17, 2015, today CNT and CNS each agreed to pay CI\$2.5 Million (for a total of CI\$5.0 Million or US\$6.0 Million) to the US Government. In addition, for the historical period ranging from 2001 to 2011, CNT and CNS pleaded guilty to one count of conspiracy relating to US income tax charges.

There is no period of monitoring or probation, and no requirement to close any line of business.

CNC, and its largest subsidiary, Cayman National Bank Ltd. ("CNB"), were also investigated by the Department of Justice. Based on its investigations, the DOJ confirmed that it declined to pursue a case against either CNC or CNB. No other subsidiary of CNC is implicated.

Mr. Stuart Dack, CNC's Chief Executive Officer, and Chairman of CNS and CNT, said, "We are pleased finally to reach a conclusion to this matter. Many financial institutions around the world, including others in the Caribbean, have been under investigation for their roles in US tax compliance matters. Upon learning of the investigation relating to CNS and CNT, we fully cooperated with the US authorities to the extent possible, including approaching the authorities before they approached us.

"The admitted conduct of CNS and CNT is generally a historic issue. We deeply regret that the conduct occurred, and the conduct does not continue today. We have policies, procedures, and staff now to ensure that this conduct, which assisted US tax payers in evading their own tax obligations, does not occur again.

“The financial penalties have already been taken into account into the most recent year’s financial statements. Resolving this matter fully and finally has been one of the most important challenges facing us in recent times.

“We now look forward to re-focusing on providing the best-in-class financial services from and within the Cayman Islands.”

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#### **About Cayman National**

Established in 1974, Cayman National Corporation Ltd. 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 and Trust Company (Isle of Man) Limited and Cayman National Fund Services (Isle of Man) Limited, and Cayman National (Dubai) Ltd.

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