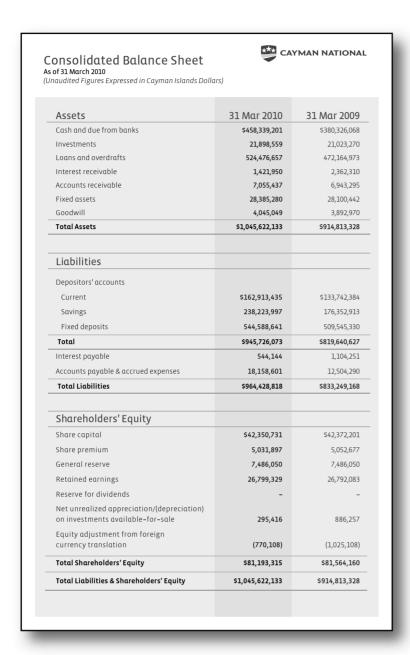
Second Quarter Report





onsolidated Statement of Income CATMAN NATION.			
naudited Figures Expressed in Cayman Islands Dollc	ırs)		
Income	31 Mar 2010	31 Mar 2009	
Interest Income	\$12,649,791	\$15,424,848	
Interest Expense	1,144,285	4,405,857	
Net Interest Income	\$11,505,506	\$11,018,991	
Other Income			
Foreign exchange fees and commissions	\$2,573,901	\$2,806,647	
Banking fees and commissions	4,335,787	4,221,672	
Trust and company management fees	3,612,190	3,364,774	
Brokerage commissions and fees	1,234,598	1,348,772	
Realised gains on available-for-sale investment	910,055		
Loss on Financial Instruments recognised at fair value	(56,729)	(483,349)	
Total Other Income	\$12,609,802	\$11,258,516	
Total Income	\$24,115,308	\$22,277,507	
Total Intellig	,		
Expenses			
Personnel	\$12,087,684	\$11,717,139	
Other operating expenses	5,724,620	5,110,770	
Premises	1,752,934	1,517,456	
Depreciation	1,332,367	1,758,061	
Goodwill impairment charges	-	161,260	
Total Expenses	\$20,897,605	\$20,264,686	
Net Income before Taxation	\$3,217,703	\$2,012,821	
Taxation Net Income	\$3,217,703	\$2,012,821	
Key Performance Ratios	31 Mar 2010	31 Mar 2009	
Earnings Per Share	\$0.13	\$0.0	
Price Earnings Ratio	21.15	41.0	
Return on Assets	1.04%	0.279	
Return on Equity Book Value per Share	8.09% \$1.92	3,069 \$1.9	
Dividend Yield per Share	3.64%	6.109	
Dividend frere per strate	510		

Second Quarter Ending 31 March 2010

We are pleased to report Net Income for Cayman National of CI\$3,217,703 for the first six months of this financial year to 31 March 2010. This result is 60% up on the figure of CI\$2,012,821 achieved for the same period last year.

As mentioned in our previous reports our business is now well positioned through cost containment to perform favourably in the climate of low interest rates that still prevails. Global economic conditions remain challenging and we continue to pursue our policy of conservative investments and balance pressures of the last two years.

We remain pleased with the growth in our Balance Sheet with Cayman National's Total Assets now exceeding CI\$1 billion for the first time in its history. Total Deposits are up 15% on a year ago at CI\$945,726,073. This is particularly creditable in the low interest environment and it is a good measure of the confidence that our depositors have in our organisation.

The increase in deposits has enabled us to expand the loan book. We do so on a very prudent basis. Despite the economic conditions, the performance of our loan book remains consistent with previous years - we remain very vigilant in this area.

The continued strength of the Group and its consistent profitability has enabled the Board of Directors to consider an interim dividend of 5 cents per share. With the interim dividend due for payment later in the year to shareholders of record as at 30 June 2010, the final decision on the interim dividend will be made when the Board has reviewed the third quarter results. The Board aims sheet management which has enabled us to remain $\,\,\,\,$ to ensure a sensible return for shareholders, and robust despite the unprecedented world economic providing profitability remains on budget, the 5 cents dividend is our objective.

> During the last few months we have been focusing on the project to open a new bank in Turks and Caicos Islands. As mentioned in the Annual Report,

the new bank branded under the name International Banking Group (IBG) is to occupy new premises in Providenciales. Cayman National is expecting its stake to be approximately 60%, which is a major investment for us. This new full service bank is expected to present much needed competition for the two other main banks in Provo, and we expect that the involvement of Cayman National in the project will attract a good customer

IBG will open its doors in the next few weeks and shares in this new venture are available to the public through the IBG offices in Provo or Cayman National Securities Ltd.

We again thank our loyal shareholders, customers and employees for their support, and look forward to the future growth opportunities ahead.



Stuart J. Dack President and Chief Executive Cayman National Corporation Ltd.



Truman M. Bodden Chairman of the Board of Directors Cayman National Corporation Ltd.