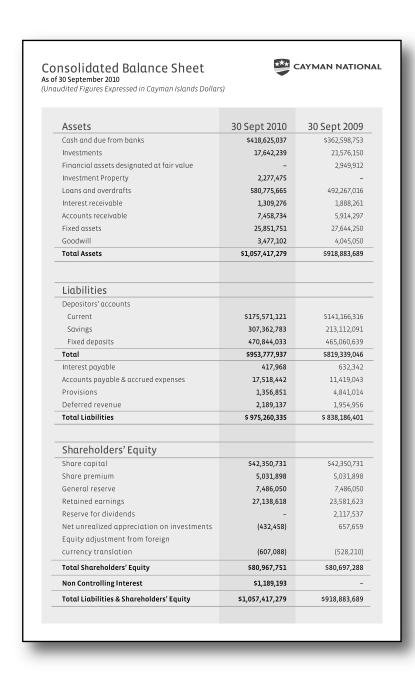
## Fourth Quarter Report





the 12 month period ending 30 September 2010 Budited Figures Expressed in Cayman Islands Dollars,	1	
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Income	30 Sept 2010	30 Sept 2009
Interest Income	\$27,089,061	\$29,350,06
Interest Expense	2,153,600	6,393,98
Net Interest Income	\$24,935,461	\$22,956,07
Other Income		
Foreign exchange fees and commissions	\$5,108,999	\$5,378,52
Banking fees and commissions	7,879,597	7,503,20
Trust and company management fees	7,837,959	6,750,36
Brokerage commissions and fees	1,765,553	2,591,53
Realized (loss)/gains on available for sale securities	(30,387)	70,59
Gain on disposal of fixed assets	-	2,185,22
(Loss)/Income from financial instruments		-,,
designated at fair value	(56,729)	(501,946
Gain on sale of investment available-for-sale	910,055	446,20
Gain on disposal of equity interest in Subsidiary	761,382	
Total Other Income	\$24,176,429	\$24,423,70
Total Income	\$49,111,890	\$47,379,77
Expenses		
Personnel	\$24,118,519	\$23,317,39
Other operating expenses	11,744,513	13,648,03
(Decrease)/Increase in reserve for loan losses	25,009	(67,879
Premises	3,634,336	3,314,32
Depreciation	2,732,837	2,853,34
Goodwill impairment charges	567,948	9,17
Impairment on investment held-to-maturity	806,200	200,00
Total Expenses  Net Income before Taxation	\$43,629,362	\$43,274,40
Taxation	\$5,482,528	\$4,105,37 99
Net Income	\$5,482,528	\$4,106,36
	75,402,520	34,100,30
Net Income Attributable to: Equity Holders of the Company	5,941,854	4,106,36
Non Controlling Interest	(459,326)	7-17-1
ŭ	5,482,528	4,106,36
Key Performance Ratios	30 Jun 2010	30 Jun 200
•		
Earnings Per Share	\$0.13	\$0.:
Price Earnings Ratio	17.69	21.
Return on Assets	0.55%	0.44
Return on Equity	6.78%	4.99
Book Value per Share	\$1.91	\$1.
Dividend Yield per Share	4.37%	6.25

## Fourth Quarter Ending 30 September 2010

We are pleased to report that Cayman National has had another successful year, with the Group's profit up by 34% on the last financial year, at CI\$5,482,528 for the year to 30 September 2010.

Total Income is up by 4% on the previous year and expenses have been well contained, being up by less than 1% over the previous year.

We are also pleased that our Balance Sheet has remained strong with Total Assets up by 15% and Total Deposits up by 16%.

These results are very sound at a time when economic turmoil remains a feature in many jurisdictions in the world and interest rates remain at historically low levels. As mentioned in our reports before, the structure of our business is geared to very conservative investments, mainly in "cash" instruments, which results in diminished profitability during periods of low interest rates. We remain firm on our investment strategy which has served us well, and our business is now well-positioned to remain profitable during these times with the expectation that profitability will follow rates upwards when they inevitably climb in the future. As we have also indicated before, we are pleased that despite the difficult trading conditions of the past two years or so, we have not had to resort to the fund raising measures that so many in our industry have had to pursue. This leaves us in good shape to benefit as and when economic conditions in our region improve.

In addition to our deposit book, which continues to perform well, we are also very satisfied with the performance of our loan book. Our lending remains under regular and critical scrutiny. Our cautious approach to lending in the past means that we are again able to report that we have not seen any adverse trend in the condition of the lending

Our full Annual Report will be circulated to shareholders ahead of the next Annual General Meeting but we know that shareholders welcome this initial report. As always our full report will set out greater details, including the Board's recommendation as to the final dividend to be paid to shareholders. We continue to strive to maintain a sensible dividend stream that is not only affordable to the company, but also provides shareholders with a sensible return for their investment.

Overall, we remain confident that our ongoing satisfactory performance will continue and with our new financial year now underway, our budgets and planning predict another year of solid performance. Our continued success remains a tribute to the loyal support of our shareholders, clients and staff, to whom we again extend our thanks and appreciation.

Stuart J. Dack

President and Chief Executive Cayman National Corporation Ltd. Trum Bollen Truman M. Bodden

Chairman of the Board of Directors Cayman National Corporation Ltd.