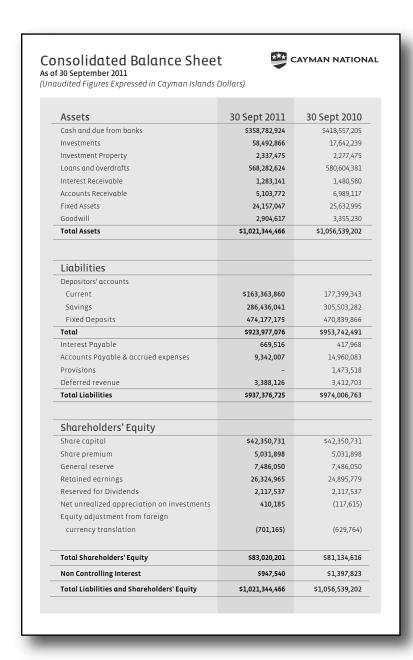
Fourth Quarter Report





h <mark>e year ended 30 September 2011</mark> udited Figures Expressed in Cayman Islands	Dollars)	
Income	20 Capt 2011	20 Copt 2010
Interest Income	30 Sept 2011	30 Sept 2010 \$27.016.290
Interest Income Interest Expense	\$28,319,183 2,854,094	2,201,221
Net Interest Income	\$25,465,089	\$24,815,069
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Other Income	CF (00 010	\$5,108,999
Foreign exchange fees and commissions Banking fees and commissions	\$5,400,919 9,445,070	8,382,157
Trust and company management fees	7,655,743	7,566,130
Brokerage commissions and fees	1,994,719	1,766,382
Realised (loss)/gains on available-for-sale secur		(30,387
Gain on sale of investment held to maturity	73,187	(30,307
Gain on disposal of fixed assets	5,186	
Income from repossessed collateral	60,000	
(Loss)/Income from financial instruments	33,300	
designated at-fair-value	_	(56,729
Gain on sale of investment available–for–sale	_	910,055
Gain on disposal of joint venture	_	761,382
Loss on disposal of equity investment	(27,171)	, 01,501
Impairment on investment available–for–sale	` ′ ′	(314.843
Impairment on investment held-to-maturity	(138,889)	(806,200
Total Other Income	\$24,468,764	\$23,286,946
Total Income	\$49,933,853	\$48,102,015
_	V-7,000,000	240,102,013
Expenses		
Personnel	\$24,341,675	\$24,321,620
Other operating expenses	12,424,714	11,488,388
(Decrease)/Increase in reserve for loan losses	1,454,920	35,322
Premises	3,687,582	3,633,149
Depreciation	2,690,579	2,732,987
Goodwill Impairment	450,613	689,820
Total Expenses	\$45,050,083	\$42,901,286
Net Income before Taxation	\$4,883,770	\$5,200,729
Taxation	(44,797)	(30,343
Net Income Net Income Attributable to:	\$4,838,973	\$5,170,386
Equity Holders of the Group	5,664,256	5,549,230
Non Controlling Interest	(825,283)	(378,844)
	4,838,973	5,170,386
Nick and I in the state of the		
Net realised gains (loss) on available-for-sale investments	138,889	(879,668)
Change in unrealised appreciation	390,277	104,394
	\$529,166	\$(775,274)
Equity adjustment from foreign currency translation Total other Comprehensive Income/(Loss)	(70,731) 458,435	(101,554) (876,828)
Total Comprehensive Income for the Year	\$5,297,408	\$4,293,558
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Key Performance Ratios	30 Sep 2011	30 Sep 201
Earnings Per Share	\$0.13	\$0.1
	17.12	17.4
Price Earnings Ratio Return on Assets	0.55%	0.569
	0.55% 6.90%	
Return on Equity		6.869
Book Value Per Share Dividend Yield per share	\$1.96 4.37%	\$1.93 4.379

Fourth Quarter Ending 30 September 2011

We are pleased to announce another set of satisfactory results for Cayman National with Net Income attributable to the company for the year ended 30 September 2011 of CI\$5,664,256. This result is similar to last year's position, but includes even better operational performance, given that last year included a one-time gain of CI\$910,055.

Despite a continuation of historically low interest rates (for three years now), we are pleased that our Total Income increased by 4% on a year ago and that our total Depositors' accounts have remained consistent at over CIS900,000,000.

With Shareholders' Equity up by 2% at CI\$83,020,201, our Balance Sheet remains strong.

Earlier in the year we were expecting an even stronger final result, but we felt it would be prudent to raise some additional loan provisions in the last quarter. With general economic conditions remaining subdued, we believe this is a sensible action; as the economy improves, we anticipate that we will recoup these reserves. The loan book remains under close scrutiny, and we do not anticipate any significant deterioration in our lending quality.

As shareholders are aware, the decision on the final dividend for the year ending 30 September 2011 is taken by members at the AGM scheduled to be held in March 2012. At this stage, the Board of

Directors has recommended that consideration be given to a final dividend of 5 cents per share to be paid to shareholders in March 2012 (in addition to the interim dividend of 5 cents per share already paid earlier this year). Based on our performance and budgets for next year, we feel that this level of dividend remains viable and provides shareholders with a sound return on their investment.

In our previous report, we have mentioned that steps have been taken to improve the viability of the new bank in the Turks and Caicos Islands, the International Banking Group (TCI) Ltd., in which we have an investment. We are now able to report that discussions are underway with other investors. If these negotiations proceed as anticipated, the potential of this new business will greatly improve in the short-term.

Despite very difficult and unpredictable economic conditions continuing in many parts of the world, we remain satisfied with our performance. Sound profitability and a strong Balance Sheet give us optimism for the future. Our continued success remains a reflection of our conscientious employees and the loyalty of our shareholders and clients, to whom we express our gratitude and appreciation.

Truman M. Bodden

Chairman of the Board of Directors Cayman National Corporation Ltd. Stuart J. Dack

President and Chief Executive Cayman National Corporation Ltd.