

Fourth Quarter Report



**CAYMAN
NATIONAL**

Consolidated Statement of Financial Position

As of 30 September 2014
(Unaudited Figures Expressed in Cayman Islands Dollars)

Assets	2014	2013
Cash and due from banks	\$183,795,553	\$219,489,792
Short term placements	229,753,510	242,621,888
Investments	55,429,131	19,064,587
Assets held for sale	-	1,532,885
Loans and overdrafts	604,750,657	554,543,552
Interest receivable	3,243,310	2,456,642
Accounts receivable	6,969,980	4,616,407
Fixed assets	19,221,691	20,296,123
Investment Property	8,390,000	9,415,000
Goodwill	2,849,929	2,874,014
Total Assets	\$1,114,403,761	\$1,076,910,890
Liabilities		
Customers' accounts		
Current	\$256,808,911	\$209,202,225
Savings	272,394,231	256,138,174
Fixed deposits	488,258,070	517,075,814
Total Deposits	\$1,017,461,212	\$982,416,213
Interest payable	618,272	1,110,518
Accounts payable and other liabilities	11,989,826	8,705,316
Deferred revenue	3,379,180	2,842,640
Total Liabilities	\$1,033,448,490	\$995,074,687
Equity Attributable to Owners of the Parent		
Share capital	\$42,350,731	42,350,731
Treasury stock	(6,323)	-
Share option reserve	148,739	122,342
Share premium	5,031,898	5,031,898
General reserve	7,486,050	7,486,050
Accumulated retained earnings	26,346,387	27,027,183
Net unrealised holding gain, investments available-for-sale	(68,541)	369,911
Equity adjustments from foreign currency translation	(333,670)	(551,912)
Total Shareholders' Equity	\$80,955,271	\$81,836,203
Non-Controlling Interest	-	-
Total Liabilities and Shareholders' Equity	\$1,114,403,761	\$1,076,910,890

Consolidated Statement of Comprehensive Income

For the 12 month period ending 30 September 2014
(Unaudited Figures Expressed in Cayman Islands Dollars)

Interest	2014	2013
Interest income	\$28,604,912	\$26,585,353
Interest expense	2,434,783	3,418,060
Net Interest Income	\$26,170,129	\$23,167,293
Other Income		
Banking fees and commissions	\$11,669,742	\$10,615,912
Trust and company management fees	6,010,669	7,511,006
Foreign exchange fees and commissions	6,252,246	5,789,024
Brokerage commissions and fees	1,524,632	1,724,389
Rental Income	488,103	220,421
Reversal of loan provision and change in fair value relating to investment property	-	1,146,176
Gain on sale of investment property	207,114	-
(Loss)/gain on sale of fixed assets	1,691	21,126
Total Income	\$52,324,326	\$50,195,347
Expenses		
Personnel	\$24,065,942	\$24,601,962
Other operating expenses	16,857,685	14,353,844
Increase in loan impairment provision	1,116,396	1,207,158
Premises	3,460,350	3,685,595
Depreciation	2,217,821	2,268,823
Change in fair value of investment property	1,025,000	-
Goodwill impairment charge	24,085	-
Total Expenses	\$48,767,279	\$46,117,382
Net Income before Taxation	\$3,557,047	\$4,077,965
Taxation	(3,110)	(25,726)
Net Income	\$3,553,937	\$4,052,239
Net Income Attributable to:		
Equity Holders of the Parent	\$3,553,937	\$4,052,239
Non-Controlling Interests	-	(555)
	\$3,553,937	\$4,052,239
Other Comprehensive Income		
Items that may subsequently be reclassified to net income:		
Change in unrealised appreciation	\$(438,452)	\$152,623
Net reclassification adjustment for realised net gains	-	-
Net (loss)/gain on available-for-sale investments	(438,452)	152,623
Items that will not be reclassified to net income:		
Foreign currency translation differences	\$218,242	\$(33,277)
*Total Other Comprehensive Income	\$(220,210)	\$119,346
Total Comprehensive Income for the Year	\$3,333,727	\$4,171,585
Earnings Per Share	\$0.08	\$0.10
Diluted Earnings Per Share	\$0.08	\$0.10

*There is no other comprehensive income attributable to Non-controlling interests.

Fourth Quarter Ending 30 September 2014

Cayman National Corporation Ltd. is pleased to announce its results for the financial year to 30 September 2014. Net Income Attributable to the Company was C\$ 3,553,937. This is marginally down on the result of C\$ 4,052,239 achieved last year.

Total income from our normal activities was up significantly on a year ago at C\$ 52,324,326, an increase of 4% but substantial costs relating to regulatory consultancy and legal fees which stem from new procedures and investigations such as FATCA and other similar initiatives increased other operating expenses by 9%. Most of these costs are considered to be one off expenses and although such costs are expected to continue into the first part of 2015 in the longer term we expect Net Income to move ahead nicely.

Our largest expense, being Personnel costs, were well contained with the 2014 figure slightly down on 2013. Our balance sheet remains strong with Total Assets remaining well above the C\$ 1 Billion mark at C\$ 1,114,403,761 and Shareholders Equity at over C\$ 80,000,000. Total deposits at the year-end were up by more than 3.5% on last year and also now exceed the C\$ 1 Billion mark.

In September 2014 we paid an Interim Dividend of 5 cents per share to our shareholders. The final dividend for the financial year just ended will be considered by shareholders at the AGM which is scheduled to be

held in March 2015. The Board of Directors will continue to recommend to shareholders that the company maintains a sensible flow of dividends to our shareholders.

Cayman National is now in its 41st year of operation and we are proud that the business remains strong with sound prospects. The business is an important part of the local economy employing over 300 staff with only 6 staff (2%) on work permits. This results from our focus on training and the internal progression of local staff. The majority of our staff have been with us for many years but are complemented by some new entrants that strengthen the team. We are grateful for the loyalty and commitment of our employees. We also take this opportunity to thank our customers and also our shareholders for their continued support.

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

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