

Interim Report 2018/2019

Interim Report for the Period to 31 March 2019



**CAYMAN
NATIONAL**

Cayman National Corporation Ltd. is pleased to announce Net Income of C\$13,267,535 for the six month period to 31 March 2019. This performance represents an increase of 27% on the same period a year ago.

Total Income was up by 17% on a year ago at C\$43,404,350 with expenses up by 13% at C\$29,683,686.

The interest rate increases seen last year have continued to enhance our income and we continue to control expense closely so that we expect the trend in figures to be maintained.

Total Deposits reduced by 11% on a year ago, mainly due to expenditure by a couple of major depositors. Yet, despite this reduction, the balance sheet remains very robust with Total Assets remaining about C\$1.5 billion. Shareholders' Equity increased by 21% to C\$131,070,737 as a result of retained earnings.

As shareholders are aware, the offer from the Republic Group to acquire a majority stake in Cayman National was completed in March, and Republic now holds 74.9% of our shares. Following this transaction, we are now benefitting from the attributes of being part of a larger group whilst still retaining our local identities in the Cayman Islands, the Isle of Man and Dubai.


The market price for our shares has settled down since the offer from Republic closed, and recent trades have been recorded at around US\$5.00. We are pleased to report reasonable activity in the market at this level following the Annual General Meeting at which our shareholders voted to approve a final dividend of 6 cents per share, taking the total dividend payment for last year to 12 cents per share.

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With a sound set of results at the half-year, we are pleased with our performance and we will continue to work hard to maintain a solid performance.

As always we are grateful to our staff for their continued commitment to our success. We continue to thank and appreciate our customers, clients and shareholders for their support, confidence and loyalty.



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



Directors' Shares

As of 31 March 2019

Directors held 1,158,862 of the Corporation shares as at 31 March 2019 of which 21,784 were beneficially owned and 1,137,078 were non-beneficially owned.

Board of Directors	31 Mar 2019		%	%
	Directly Held*	Indirectly Held**		
Sherri Bodden-Cowan	5,666		0.013	
Bryan Hunter	2,015		0.005	
Nigel Wardle	1,000		0.002	
Clarence Flowers	7,585	1,137,078	0.018	2.685
Stuart Dack	3,518		0.008	
Nigel Baptiste	1,000		0.002	
Roopnarine Oumade Singh	1,000		0.002	
Total	21,784	1,137,078	0.05	2.685

*Legal and beneficial rights.

**Held by another entity, legally with non-beneficial rights.

Consolidated Statement of Financial Position

As of 31 March 2019

(Unaudited Figures Expressed in Cayman Islands Dollars)

Assets	31 Mar 2019	31 Mar 2018
Cash and Due from Banks	\$387,751,960	\$390,479,287
Short Term Placements (Over 3 Months)	184,390,895	284,638,226
Investments	137,457,075	182,852,159
Loans and Overdrafts	741,606,811	725,426,861
Interest Receivable	7,813,406	5,825,342
Accounts Receivable	20,699,705	9,174,650
Investment Property	60,000	1,982,664
Fixed Assets	17,930,227	18,461,982
Intangibles	5,469,381	4,829,399
Goodwill	-	467,956
Total Assets	\$1,503,179,460	\$1,624,138,526
Liabilities		
Depositors' Accounts:		
Current	\$412,679,643	\$440,450,231
Savings	322,791,436	355,472,302
Fixed Deposits	598,224,756	696,642,198
	\$1,333,695,835	\$1,492,564,731
Interest Payable	2,871,106	2,088,471
Accounts Payable and Accrued Expenses	35,541,782	20,925,438
Total Liabilities	\$1,372,108,723	\$1,515,578,640
Shareholders' Equity		
Share Capital	\$42,347,311	\$42,350,731
Treasury Stock	-	(1,231)
Share Premium	5,035,318	5,031,898
General Reserve	7,486,050	7,486,050
Retained Earnings	77,941,871	54,941,789
Net Unrealised Appreciation on Investments	53,527	(452,558)
Equity Adjustment from Foreign Currency Translation	(1,793,340)	(796,793)
Total Shareholders' Equity	\$131,070,737	\$108,559,886
Total Liabilities and Shareholders' Equity	\$1,503,179,460	\$1,624,138,526

Consolidated Statement of Comprehensive Income

For the 6 month period ending 31 March 2019

(Unaudited Figures Expressed in Cayman Islands Dollars)

Income	31 Mar 2019	31 Mar 2018
Interest Income	\$30,331,461	\$24,514,977
Interest Expense	4,554,812	2,675,650
Net Interest Income	\$25,776,649	\$21,839,327
Other Income		
Foreign Exchange Fees and Commissions	\$4,032,212	\$3,833,369
Banking Fees and Commissions	3,023,293	2,783,276
Credit Card Fees and Commissions	6,495,941	5,966,606
Trust and Company Management Fees	1,567,920	1,699,510
Brokerage Commissions and Fees	2,474,788	927,674
Rental Income	-	69,311
Gain on Sale of Fixed Assets	33,547	40,293
Total Other Income	\$17,627,701	\$15,320,039
Total Income	\$43,404,350	\$37,159,366
Expenses		
Personnel	\$13,981,956	\$12,864,894
Other Operating Expenses	6,657,302	5,332,499
Credit Card Costs	4,438,029	3,569,197
Premises	1,446,660	1,435,708
Depreciation	1,295,863	1,140,992
Increase in Loan Impairment Provision	1,650,000	1,899,750
Amortisation of Goodwill	213,876	-
Total Expenses	\$29,683,686	\$26,243,040
Net Income from Continuing Operations	13,720,664	10,916,326
Net Loss from Discontinued Operations	(453,129)	(463,849)
Net Income	\$13,267,535	\$10,452,477
Other Comprehensive Income		
Net Gain/(Loss) on Available for Sale Investments	\$506,085	\$(927,619)
Foreign Currency Translation Differences	(996,547)	1,153,188
Total Other Comprehensive (Loss)/Income	\$(490,462)	\$225,569
Total Comprehensive Income	\$12,777,073	\$10,678,046
Key Performance Ratios		
Earnings Per Share	0.59	0.45
Price Earnings Ratio	4.91	5.70
Return on Assets	1.61%	1.27%
Return on Equity	20.98%	18.58%
Book Value Per Share	\$3.10	\$2.56
Dividend Yield Per Share	3.77%	3.93%

Some performance ratios are computed using 12 month trailing earnings and average asset balances.



Cayman National Corporation Ltd.

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Board of Directors:

Stuart J. Dack, ACIB, MBA, President & Chief Executive
Sherri Bodden-Cowan, MBE, LLB (Hons)
Clarence Flowers, Jr.
Bryan A. Hunter, B.Sc (Hons), LLB (Hons)
Nigel Wardle, BA, CA
Nigel M. Baptiste, BSc (Econ) (Hons), MSc (Econ), ACIB
Roopnarine Oumade Singh, B SC., M.Sc., MBA

Group of Companies:

Cayman National Bank Ltd.
Cayman National Fund Services Ltd.
Cayman National Securities Ltd.
Cayman National Bank (Isle of Man) Limited
Cayman National Trust Company (Isle of Man) Limited
Cayman National (Dubai) Ltd.