

# Interim Report 2014/2015

Interim Report for the Period to 31 March 2015



**CAYMAN  
NATIONAL**

The company's performance continues to improve with Net Income as at March 31, 2015 up by 27 percent over the same period last year. Overall we achieved Net Income of \$3,386,001 (2014: \$2,671,357) for the six months ended March 31, 2015 with Cayman National Bank once again leading the way with a 70% growth in Net Income for the period.

Total Income improved by 7% which was mainly boosted by a 16% increase in net interest. Whereas, Total Expenses increased by only 5%, mostly due to ongoing regulatory and compliance expenses; these increased costs were partly offset by a 1% decline in personnel expense and an 18% decline in premises costs.

The Group's balance sheet grew by 4% with a 9% increase in loans and overdrafts, which was funded by a 4% increase in total deposits. Total deposits remain well over the \$1Billion mark. Total shareholders' equity at \$83,783,971 (2014: \$82,405,524) yields a book value of \$1.98, a 3% improvement over last year.

The final dividend for CNC of \$0.05 per share of \$2,117,366 was approved at the March 2015 AGM. The dividend was paid April 2, 2015 to shareholders of record March 19, 2015. The dividend yield improved by 7% at 5.85% (2014: 5.46%).

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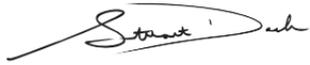
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The management of costs remains an important focus for us and we still expect the unusual regulatory and project costs that have impacted expenses in recent times to subside later this year.

As always we pass on our thanks and appreciation to our loyal shareholders, customers, and staff.



**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.



# Consolidated Statement of Financial Position

As of 31 March 2015

(Unaudited Figures Expressed in Cayman Islands Dollars)

<b>Assets</b>	<b>31 Mar 2015</b>	<b>31 Mar 2014</b>
Cash and due from banks	\$509,632,145	\$519,375,908
Investments	60,625,174	48,005,118
Loans and overdrafts	632,516,878	579,956,996
Interest Receivable	3,631,089	3,292,145
Accounts Receivable	9,018,272	13,353,661
Fixed Assets	19,176,694	19,674,863
Investment Property	8,390,000	9,415,000
Goodwill	2,849,929	2,874,014
<b>Total Assets</b>	<b>\$1,245,840,181</b>	<b>\$1,195,947,705</b>
<b>Liabilities</b>		
Depositors' accounts:		
Current	\$335,611,642	\$275,482,157
Savings	259,961,619	268,274,426
Fixed Deposits	544,952,627	553,148,090
	<b>\$1,140,525,888</b>	<b>\$1,096,904,673</b>
Interest Payable	679,856	1,144,146
Accounts Payable & accrued expenses	20,850,466	15,493,362
<b>Total Liabilities</b>	<b>\$1,162,056,210</b>	<b>\$1,113,542,181</b>
<b>Shareholders' Equity</b>		
Share capital	\$42,350,731	\$42,350,731
Treasury stock	(6,323)	(6,323)
Share premium	5,031,897	5,031,897
General reserve	7,486,050	7,486,050
Retained earnings	29,553,229	27,581,000
Net unrealised appreciation/(depreciation) on investments available-for-sale	155,629	107,441
Equity adjustment from foreign currency translation	(935,981)	(267,614)
Share option reserve	148,739	122,342
<b>Total Shareholders' Equity</b>	<b>\$83,783,971</b>	<b>\$82,405,524</b>
Non Controlling Interest	-	-
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$1,245,840,181</b>	<b>\$1,195,947,705</b>

# Consolidated Statement of Comprehensive Income

For the 6 month period ending 31 March 2015

(Unaudited Figures Expressed in Cayman Islands Dollars)

Income	31 Mar 2015	31 Mar 2014
Interest Income	\$15,206,105	\$13,557,414
Interest Expense	993,494	1,262,638
<b>Net Interest Income</b>	<b>\$14,212,611</b>	<b>\$12,294,776</b>
<b>Other Income</b>		
Foreign exchange fees and commissions	\$3,162,390	\$3,086,553
Banking fees and commissions	6,861,552	6,231,725
Trust and company management fees	2,840,035	3,534,135
Brokerage commissions and fees	688,310	772,305
Rental income	228,800	80,208
Gain on sale of investment property	-	207,550
Gain on sale of fixed asset	29,198	34,452
<b>Total Other Income</b>	<b>\$13,810,285</b>	<b>\$13,946,928</b>
<b>Total Income</b>	<b>\$28,022,896</b>	<b>\$26,241,704</b>
<b>Expenses</b>		
Increase in reserve for loan losses	\$600,000	\$700,000
Personnel	11,891,317	12,044,848
Other operating expenses	9,693,589	7,998,622
Premises	1,416,571	1,720,920
Depreciation	1,035,418	1,105,957
<b>Total Expenses</b>	<b>\$24,636,895</b>	<b>\$23,570,347</b>
<b>Net Income before Taxation</b>	<b>\$3,386,001</b>	<b>\$2,671,357</b>
Taxation	-	-
<b>Net Income</b>	<b>\$3,386,001</b>	<b>\$2,671,357</b>
Net Income Attributable to:		
<b>Equity Holders of the Parent (CNC)</b>	<b>\$3,386,001</b>	<b>\$2,671,357</b>
Non Controlling Interest	-	-
	<b>\$3,386,001</b>	<b>\$2,671,357</b>
<b>Other Comprehensive Income</b>		
Net realised impairment of available-for-sale investments	-	-
Change in unrealised appreciation	48,188	(198,712)
Net gain/(loss) on available-for-sale investments	48,188	(198,712)
Foreign currency translation differences	(668,367)	606,810
<b>Total Other Comprehensive Income/(Loss)</b>	<b>(620,179)</b>	<b>408,098</b>
<b>Total Comprehensive Income</b>	<b>\$2,765,822</b>	<b>\$3,079,455</b>

Key Performance Ratios	31 Mar 2015	31 Mar 2014
Earnings Per Share	0.10	0.12
Price Earnings Ratio	17.71	15.02
Return on Assets	0.33%	0.46%
Return on Equity	4.92%	6.23%
Book Value Per Share	\$1.98	\$1.95
Dividend Yield per share	5.85%	5.46%

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:**

Dr. The Hon. Truman M. Bodden, OBE, LLB (Hons), ACIB, JP, Chairman  
Stuart J. Dack, ACIB, MBA, President & Chief Executive  
Sherri Bodden-Cowan, MBE, LLB (Hons)  
Leonard N. Ebanks, OBE, CMH, JP  
Clarence Flowers, Jr.  
Bryan A. Hunter, B.Sc (Hons), LLB (Hons)  
Nigel Wardle, BA, CA

### **Group of Companies:**

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