

FINANCIAL SUMMARY

The Group's Net Income for the twelve-month period ended September 30, 2002 was \$8,117,934 (\$10,360,632 restated for the eleven-month period November 2000 to September 30, 2001). This result was achieved despite the negative impact of the continued slow down in the International and Local economies coupled with even lower low interest rates than three months ago.

The Group maintained its Net Interest income at more than \$20,000,000 and improvements were achieved in non-interest income, with Underwriting income and other fees encouragingly up and Banking Fees and Commissions up by approx. 16% over the same period last year. The increase in expenses of 12% was mainly due to an increase in the reserve for possible loan losses, which was deemed prudent under the current economic conditions. Increased license fees and the cost of the retrospective compliance exercise, imposed on all local financial organizations also hit our expenses.

Retained profits contributed to a 5% increase in the book value of our shares to \$ 1.82 and the dividend yield is up by 33%. Earnings per Share reduced to \$0.20 (2001: \$0.26), with Return on Equity moving to 11.07% (2001:14.77%) and Return on Assets to 1.41% (2001: 1.72%).

DIVIDEND

The Board of Directors has recommended a final dividend of \$0.06 (six cents) per share to shareholders of record as of 31 December 2002, or a total dividend of \$0.12 (2000: \$0.12) for the financial year. As was the case with the interim dividend, shareholders may use the dividend payment due to them in March to acquire additional shares. For details, please see the accompanying comment sheet

COMMENTARY

On November 22, 2002 Cayman National Trust Company Ltd (CNT) and Cayman National Securities Ltd (CNS), both wholly owned subsidiaries, entered into purchase agreements with Fiduciary Trust (Cayman) Ltd and Cayman Islands Securities Ltd respectively to acquire their client portfolios. The Group considers the business purchased to be an excellent fit with our existing CNT and CNS operations.

The Bank has expanded its delivery network to include Internet Banking to meet the needs of our customers. Internet Banking or "Cayman Global" went live on October 1, 2002 and we have been delighted with the rapid sign-up to his new service. Please log on at www.caymannational.com, to enjoy "the Better Way to Bank" from the comfort of your home or office. The Bank's delivery network now includes five branches, sixteen ATMs, Telephone Banking (Cayman In Touch), and Internet Banking (Cayman Global).

Cayman General Insurance has entered into a strategic alliance with Capital Life Insurance Company Ltd, a subsidiary of Barbados Mutual Life Insurance Society to acquire Capital Life's group health portfolio in the Cayman Islands at no purchase cost to the Group.

We are delighted to welcome Mr. Kevin Atkinson, President of International Financial Services to the Group. Kevin is an experienced International Banker and will have overall responsibility for our Trust, Securities and Private Banking operations. He spent many years with Lloyds Bank working throughout the world, including South America and more recently has worked with banks based in the Middle East, France, UK and Luxembourg. We are also delighted to welcome Mr. Ormond Williams, Executive Vice President, Cayman National Bank who joined the Group in December 2002. Mr. Williams has over 21 years of banking experience and has worked in various Caribbean islands as well as in the United Kingdom and Belize. Mr. Williams was previously head of Offshore Banking with First Caribbean International Bank in Barbados.

Although the International and Local economies remain subdued we are making the best of some exciting opportunities to enhance our future. In addition to the acquisitions and alliance mentioned above we are considering other potential opportunities to ensure we capitalize on the sound foundation our organisation enjoys.

CONSOLIDATED BALANCE SHEET**As at September 30, 2002**

Unaudited figures expressed in Cayman Islands dollars

Asset	Sept.-30 2002	Restated Sept.-30 2001
Cash and due from banks	201,787,048	236,210,973
Investments	44,828,672	46,040,455
Loans and overdrafts	290,144,050	281,609,868
Interest receivable	1,612,624	2,697,513
Accounts receivable	8,466,579	7,611,851
Customers' liabilities on acceptances	3,764,564	5,647,034
Fixed assets	23,741,702	22,638,600
Goodwill	1,205,452	1,230,309
Total Assets	CI\$ 575,550,691	603,686,603
Liabilities		
Depositors' accounts:		
Current	62,171,760	65,335,128
Savings	91,141,445	90,498,445
Fixed Deposits	320,514,531	355,857,181
	473,827,736	511,690,754
Interest Payable		
Accounts Payable & accrued expenses	510,079	1,824,363
Reserve for Unpaid Claims	20,514,377	10,490,281
Liability to third parties under letters of credit and guarantees	1,141,927	1,218,473
Dividends Payable	3,764,564	5,647,034
Minority Interest	2,423,340	2,415,985
Total Liabilities	CI\$ 54,160	245,408
Shareholders' Equity	502,236,183	533,532,298
Share capital		
Share premium		
General reserve	40,389,008	40,265,774
Retained earnings	3,563,348	3,302,610
Net unrealised appreciation on investments	12,411,626	12,411,626
	16,518,284	13,321,905
Equity adjustment from foreign currency translation	421,288	991,563
Treasury Stock		
Total Shareholders' Equity	10,954	(124,068)
	0	(15,105)
Total Liabilities and Shareholders' Equity	CI\$ 73,314,508	70,154,305
	US\$ (Equiv) 575,550,691	603,686,603
	690,660,829	724,423,924

CONSOLIDATED STATEMENT OF INCOME**For the period ending September 30, 2002**

Unaudited figures expressed in Cayman Islands dollars

Income	(12 Months) Sept. -30 2002	Restated (11 Months) Sept. -30 2001
Interest Income	26,193,085	36,515,485
Interest Expense	5,620,134	15,440,820
Net Interest Income	CI\$ 20,572,951	21,074,665
Other Income		
Foreign exchange fees and commissions		
Banking fees and commissions	3,125,410	2,879,533
Trust and Company Management fees	5,608,869	4,752,343
Brokerage commissions and fees	3,274,827	3,133,538
Underwriting income and other fees	1,647,166	1,954,074
Total Income	CI\$ 26,336,993	15,322,694
Expenses	36,865,916	35,326,847
Personnel		
Other operating expenses	15,805,179	14,276,124
Increase in reserve for loan losses	6,609,252	5,620,405
Premises	2,485,911	750,000
Depreciation	1,270,814	705,313
Amortization of Goodwill	2,348,699	3,466,665
	207,141	159,755
Total Expenses	CI\$ 28,726,996	24,978,262
Net Income (before Taxation & Minority Interest)	CI\$ 8,138,920	10,348,585
Minority Interest		
Taxation	(8,344)	23,583
Net Income (after Taxation & Minority Interest)	CI\$ (2,642)	(11,536)
Dividend Payable	CI\$ 8,117,934	10,360,632
Key Performance Ratios		
EARNINGS PER SHARE	\$0.20	\$0.26
PRICE EARNINGS RATIO	15.00	15.38
RETURN ON ASSETS	1.41%	1.72%
RETURN ON EQUITY	11.07%	14.77%
BOOK VALUE PER SHARE	\$1.82	\$1.74
DIVIDEND YIELD PER SHARE	4.00%	3.00%

All performance ratios are computed using 12 months trailing

CAYMAN NATIONAL CORPORATION LTD.

Directors:

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Deputy Chairman

Eric J Crutchley, MBE FCIB, *President & Chief Executive*

John C. Bierley, BA JD (USA)

Sherri Bodden-Cowan LL.B

Stuart J. Dack, ACIB, MBA

Clarence Flowers, Jr.

David J. McConney, BA (ECON), FICB

Norberg K. Thompson, OBE

Peter A. Tomkins, MBE

David W. Trimble, MA (Cantab)

THE GROUP

Holding Company

Subsidiaries

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4th Quarter Report 2001/2002

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2001/2002**

Benson O. Ebanks, Jr.
OBE, JP
Chairman

Eric J. Crutchley
MBE, FCIB
President & Chief Executive

**4th Quarter Report
2001/2002**