

This announcement contains inside information.

CARIBBEAN INVESTMENT HOLDINGS LIMITED - HALF-YEAR REPORT AND DIVIDEND DECLARATION

Belize City, Belize, December 23, 2019 -- Caribbean Investment Holdings Limited (London – AIM: CIHL; Bermuda – CIHL) (the “Company” or “CIHL”)

HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019

Highlights:

- net income before non-recurring items for the six months of US\$5.1m (2018 – net income of US\$6.8m)
- net income per ordinary share from continuing operations for the six months of US\$0.12 (2018 – net income per share of US\$0.07)
- interest income for the six months decreased by US\$0.3m due to reduced loan principal balances, offset by a US\$0.4m decrease in interest costs for the six months
- while prior year results included a credit for allowance for impairment of loans for the six months, the current year results reflect a charge of US\$0.5 million contributing to the comparative decrease in net income before non-recurring items
- interim dividend declared of US\$0.07 per share

Financial Summary:

Caribbean Investment Holdings Limited

Financial Information

Consolidated statements of comprehensive income (unaudited)

US dollars in millions except per share data

Six months ended 30 September	2019	2018
Financial Services		
Interest income	16.0	16.3
Interest expense	(2.5)	(2.9)
Net interest income	13.5	13.4
(Charge) credit of allowances for impairment of loans to customers	(0.5)	1.3
Net interest income after allowance for impairment of loans	13.0	14.7
Non-interest income	4.0	5.4
Non-interest expense	(8.8)	(9.9)
Operating income - Financial Services	8.2	10.2
Corporate		
Corporate income	0.5	0.5
Corporate expenses	(1.6)	(2.0)
Operating loss - Corporate	(1.1)	(1.5)
Net income before tax and non recurring items	7.1	8.7
Taxation	(2.0)	(1.9)

Net income before non recurring items and before other comprehensive income	5.1	6.8
Non recurring item **	7.2	-
Net income before other comprehensive income	12.3	6.8
Other comprehensive income:	-	-
Net gain on financial assets at FVOCI	-	-
Total comprehensive income	12.3	6.8
Income earnings per ordinary share (basic and diluted)	\$ 0.12	\$ 0.07

** On 01 August 2019, 6,999,997 in share options expired; the non recurring item reflects the reversal of the related liability.

Caribbean Investment Holdings Limited

Consolidated statements of changes in shareholders' equity (unaudited)

US dollars in millions

	Share capital \$m	Additional paid in capital \$m	Treasury shares \$m	Statutory reserve \$m	Retained earnings \$m	Total \$m
At 01 April 2018 (restated opening balance under IFRS 9)	0.5	52.8	(21.7)	7.0	40.7	79.3
Accumulated other comprehensive loss	-	-	-	-	0.1	0.1
Net income	-	-	-	-	10.7	10.7
At 31 March 2019	0.5	52.8	(21.7)	7.0	51.5	90.1
Accumulated other comprehensive loss	-	-	-	-	-	-
Net income	-	-	-	-	12.3	12.3
At 30 September 2019	0.5	52.8	(21.7)	7.0	63.8	102.4

Caribbean Investment Holdings Limited

Consolidated balance sheets (unaudited)

US dollars in millions

At 30 September	2019	2018
Assets		
Financial Services		
Cash and cash equivalents	10.4	10.1
Balances with the Central Bank of Belize	45.6	47.5
Due from banks (net of allowances)	41.8	21.6
Investment securities	137.4	134.5
Loans to customers (net of allowances)	238.7	240.3
Property, plant and equipment	18.6	19.7
Due from Government of Belize (net of allowance)	40.4	42.7
Other assets	6.4	5.1
Total Financial Services assets	539.3	521.5

Corporate

Cash, cash equivalents, and due from banks	1.0	0.6
Other current assets	0.4	0.2
Total assets	540.7	522.3

Liabilities and shareholders' equity**Financial Services**

Customer accounts	429.5	424.2
Other liabilities	7.8	7.9
Total Financial Services liabilities	437.3	432.1

Corporate

Current liabilities	1.0	7.9
Total liabilities	438.3	440.0

Shareholders' equity:

Share capital (ordinary shares of no par value - 2019 (103,264,000) and 2018 (103,264,000))	0.5	0.5
Additional paid-in capital	52.8	52.8
Treasury shares	(21.7)	(21.7)
Retained earnings	70.8	50.7
Total shareholders' equity	102.4	82.3
Total liabilities and shareholders' equity	540.7	522.3

Caribbean Investment Holdings Limited

Consolidated statements of cash flows (unaudited)

US dollars in millions

Six months ended 30 September	2019	2018
Cash flows from operating activities		
Net income	12.3	6.8
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1.2	1.0
Allowance for impairment on loans to customers	0.5	(1.3)
Changes in assets and liabilities:		
Decrease in Government of Belize Receivable	0.8	4.0
Decrease in other and current assets	0.2	1.3
(Decrease) in other and current liabilities	(7.7)	(4.2)
Net cash provided by operating activities	7.3	7.6
Cash flows from investing activities		
Purchase of property, plant and equipment (net of disposals)	(0.4)	(0.5)
Increase in investment securities	(4.5)	(39.4)
Decrease in loans (net of charge-offs) to customers	(2.3)	(1.2)
Net cash utilized by investing activities	(7.2)	(41.1)

Cash flows from financing activities		
(Decrease) in deposits	(0.9)	(10.8)
Unrealized losses on securities	-	-
Net cash utilized by financing activities	(0.9)	(10.8)
Net change in cash, cash equivalents and due from banks	(0.8)	(44.3)
Cash, cash equivalents and due from banks at beginning of year	99.6	124.1
Cash, cash equivalents and due from banks at end of year	98.8	79.8
Cash and cash equivalents - financial services	10.4	10.1
Balances with Central Bank of Belize - financial services	45.6	47.5
Due from banks (net of allowances) - financial services	41.8	21.6
Cash, cash equivalents and due from banks - corporate	1.0	0.6
	98.8	79.8

INTERIM DIVIDEND

Given the improved financial performance of the business, supported by the turnaround in the performance of The Belize Bank Limited, the Board has approved an interim dividend of US\$ 0.07 per share, being a total interim distribution of US\$7 million. The Board expects that it will continue to make further distributions to shareholders through dividends from time to time, as may be appropriate considering the Company's financial position.

For ordinary shareholders who, as of the Record Date, are individuals and have a registered address in Belize on the Company's Register of Members, the dividend shall be paid in Belize dollars, converted at a rate of US\$ 1.00 to BZ\$ 2.00, and shall be settled on the BZD Payment Date.

For all other shareholders as of the Record Date, the dividend shall be paid in pounds sterling, converted at the rate of US\$1.00 to GBP 0.77, and shall be settled on the GBP Payment Date.

Interim Dividend Payment Timetable:

- Ex-dividend date: 2 January 2020
- Record Date: 3 January 2020
- BZD Payment Date (for shareholders receiving the dividend in Belize dollars): January 24, 2020
- GBP Payment Date (for all other shareholders): January 24, 2020

For further information contact:

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Note: This and other press releases are available at the Company's website: <http://www.cihltd.co>.

Background Information

Caribbean Investment Holdings Limited (CIHL) is a parent holding company with no independent business operations or assets other than its investments in its subsidiaries, intercompany balances and holdings of cash and cash equivalents. CIHL's businesses are conducted through its subsidiaries. The Belize Bank Limited (BBL) is incorporated and based in Belize and focuses on the provision of financial services and lending to domestic clients. Belize Bank International Limited is incorporated and based in Belize and focuses on the provision of financial services and lending to international clients. CIHL also owns an international corporate services business based in Belize, which operates as Belize Corporate Services Limited. Within Belize, BBL is one of the largest, full service commercial and retail banking operation with a head office in Belize City and eleven branches extended into each of the six districts of Belize. The principal operations of BBL are commercial lending, consumer lending, deposit taking and related banking activities.

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