

August 8, 2018

**Somers Limited**  
(“Somers”, the “Company” or the “Group”)

**Financial Results for the nine months ended June 30, 2018**

For Immediate Release- (Hamilton, Bermuda) Somers Limited, a financial services investment holding company, is pleased to announce its results for the quarter and nine months ended June 30, 2018.

**Overview of the quarter ended June 30, 2018:**

- Net asset value (“NAV”) per share of \$19.09 as at June 30, 2018 (September 30, 2017: \$18.55); and
- Shareholders’ equity of \$378.3 million as at June 30, 2018 (September 30, 2017: \$361.2 million).

**Investment highlights for the quarter ended June 30, 2018:**

- Somers increases its direct investment in PCF Group plc (“PCF”) to 56% following the acquisition of 94.5 million shares from Bermuda Commercial Bank Limited (“BCB”);
- Following the sale of its PCF shares, BCB reports a high capital ratio of 40.3%;
- PCF reports profit before tax up 20% to £2.1 million for the six months ended March 31, 2018 (2017: £1.7 million);
- Homeloans Limited (“Homeloans”) to report its annual results shortly with strong book growth and ongoing solid settlement flows in their half year anticipated to result in increased Assets under Management (“AuM”); and
- Waverton Investment Management Limited (“Waverton”) AuM at June 30, 2018 of £5.6 billion.

Commenting on the financial results, Warren McLeland, Chairman of Somers said:

“The investee companies are performing strongly with excellent financial results reported by Homeloans, Waverton and PCF in their most recent announcements. Despite more volatile market conditions driven by quantitative tightening in the US, our investee company operating results continue to be positive. The valuation of a number of our larger investments were however adversely impacted during the quarter by foreign exchange movements with both Sterling and the Australian Dollar weakening against the US Dollar.

During the quarter the Company acquired 94.5 million shares in PCF from BCB. The holding in PCF is now more suited to Somers. We are still awaiting confirmation of approval from the Central Bank of Ireland (“CBI”) on the sale of Merrion Capital Holdings Limited but we anticipate that the CBI will respond during the current quarter.”

## **Summary of Somers' results for the nine months ended June 30, 2018**

### **Summary**

Profits for the nine months ended June 30, 2018 were \$17.8 million (2017: loss of \$0.6 million). During the June quarter Somers recorded a net loss of \$16.2 million (2017: profit of \$6.0 million) and earnings per share for the nine months were \$0.91 (2017: basic and diluted loss per share of \$0.05 and \$0.04 respectively). The Company's net asset value per share was \$19.09 as at June 30, 2018 (September 2017: \$18.55).

During the quarter there was an \$8.8 million loss on the Company's investment portfolio (2017: gain of \$2.7 million). This reduced the year to date investment gain to \$22.1 million (2017: loss of \$1.4 million). Investment gains and losses result from changes in the valuations of the Company's investments and the year to date gain was principally due to increased valuations of the Company's holdings in Homeloans and PCF due to strong financial performances at these entities.

Net foreign exchange losses were \$9.5 million for the quarter (nine month year to date foreign exchange losses were \$6.4 million). As at June 30, 2018, 70% of Somers' investment portfolio is denominated in foreign currencies, primarily Sterling and the Australian Dollar and the main driver of the Q3 currency losses was the 5.9% depreciation of Sterling versus the Dollar while the Australian Dollar depreciated by 3.6%. These exchange gains were primarily unrealised. With the level of FX hedging continuing to increase we anticipate that the impact of FX movements will reduce over time.

Total assets were \$424.0 million at June 30, 2018 (September 30, 2017: \$368.1 million). The investment portfolio was \$418.7 million as at June 30, 2018 (September 30, 2017: \$361.0 million) with equity investments (\$414.8 million) accounting for 99.0% of this total. Within investments, Homeloans at \$134.9 million, BCB at \$97.3 million, Waverton at \$82.7 million and PCF at \$56.3 million together represent 88.7% of total investments.

### **Borrowings**

During the quarter the Company entered into a £25 million (\$33.0 million) loan facility to part fund the acquisition of PCF shares from BCB. Somers' total borrowings therefore increased to \$43.3 million at June 30, 2018 (September 30, 2017: \$4.5 million).

### **Shareholders' Equity**

Shareholders' equity ended the period at \$378.3 million (September 30, 2017: \$361.2 million). Somers' share price ended the period at \$16.25, a discount of 14.9% to the Company's NAV per share.

### **Directors and Officers Interest in Somers' Share Capital**

At June 30, 2018 the Directors and Officers of the Company and their related interests had combined interests totalling 9,869,377 common shares out of 19,818,843 common shares in issue on that date. No rights to subscribe to shares or debt securities in the Company have been granted to, or exercised by, any Director or Officer of the Company during the quarter.



**Media Contacts:**

Alasdair Younie  
Director  
Somers Limited  
Tel: 441-299-2897  
Email: [ay@icm.bm](mailto:ay@icm.bm)

**ENDS-**

Somers Limited (“Somers”) is a listed financial services investment holding company whose major assets include: a 62.3% holding in Homeloans Limited, a leading non-bank Australian financial institution with A\$11.1 billion assets under management; 100% shareholding in Bermuda Commercial Bank Limited, one of Bermuda’s four licensed banks, a 65.7% shareholding in UK specialist bank, PCF Group plc; and, a 62.5% holding in Waverton Investment Management Limited, a UK wealth manager with £5.6 billion assets under management. Somers has shareholders’ funds of approximately US\$378 million. Somers’ shares are publicly traded and listed on the Bermuda Stock Exchange (Ticker: SOM.BH). More details on the Company can be found at [www.somers.limited](http://www.somers.limited)

# SOMERS LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(expressed in United States dollars)

<b>Assets</b>	<b>JUN 30, 2018</b>	<b>SEP 30, 2017*</b>
Cash and cash equivalents	\$ 811,191	\$ 2,581,893
Other assets	1,633,579	1,640,641
Interest receivable	113,577	212,052
Loans and receivables	2,691,285	2,737,472
Financial investments	418,747,358	360,969,899
<b>Total assets</b>	<b>423,996,990</b>	<b>368,141,957</b>
<b>Liabilities</b>		
Interest payable	54,262	-
Other liabilities	2,376,283	2,398,242
Interest bearing loans and borrowings	43,226,585	4,500,000
<b>Total liabilities</b>	<b>45,657,130</b>	<b>6,898,242</b>
<b>Net assets</b>	<b>\$ 378,339,860</b>	<b>\$ 361,243,715</b>
<b>Equity</b>		
Capital stock	\$ 1,982	\$ 1,948
Contributed surplus	290,857,892	286,063,186
Accumulated other comprehensive loss	(13,588,369)	(13,558,072)
Retained earnings	101,068,355	88,736,653
<b>Total equity</b>	<b>\$ 378,339,860</b>	<b>\$ 361,243,715</b>

\*Audited

# SOMERS LIMITED

## CONSOLIDATED STATEMENT OF INCOME

(expressed in United States dollars)

Income	For the three months ended		For the nine months ended	
	JUN 30, 2018	JUN 30, 2017	JUN 30, 2018	JUN 30, 2017
Interest income	\$ 87,579	\$ 332,517	\$ 265,329	\$ 947,832
Interest expense	(299,990)	(562,471)	(463,083)	(1,243,253)
Net interest (expense) income	(212,411)	(229,954)	(197,754)	(295,421)
Dividend income	3,203,353	2,740,484	4,517,024	2,740,484
(Losses) gains on investments	(8,781,297)	2,655,953	22,142,424	(1,395,427)
Other income	-	-	24,381	-
Net foreign exchange (losses) gains	(9,544,449)	1,589,216	(6,353,853)	525,026
Total income	(15,334,804)	6,755,699	20,132,222	1,574,662
<b>Expenses</b>				
Investment management fees	408,500	250,000	1,081,596	938,626
Legal and professional fees	97,988	122,624	423,109	356,685
Audit and accounting fees	46,250	79,229	207,002	265,947
Directors' fees	16,250	16,250	48,750	48,750
General and administrative expenses	301,978	284,821	547,660	449,363
Total expenses	870,966	752,924	2,308,117	2,059,371
(Loss) income before tax	(16,205,770)	6,002,775	17,824,105	(484,709)
Income tax expense	(2,253)	(46,624)	(40,621)	(129,592)
Net (loss) income	\$ (16,208,023)	\$ 5,956,151	\$ 17,783,484	\$ (614,301)

**SOMERS LIMITED****CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(expressed in United States dollars)

<b>Income</b>	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>JUN 30, 2018</b>	<b>JUN 30, 2017</b>	<b>JUN 30, 2018</b>	<b>JUN 30, 2017</b>
Net (loss) income for the period	\$ (16,208,023)	\$ 5,956,151	\$ 17,783,484	\$ (614,301)
Other comprehensive (loss) income:				
Exchange differences on translation of foreign operations	(55,177)	1,452,691	(30,297)	(962,288)
Net loss on financial investments	-	-	-	(340,780)
Other comprehensive (loss) income	(55,177)	1,452,691	(30,297)	(1,303,068)
Total comprehensive (loss) income	\$ (16,263,200)	\$ 7,408,842	\$ 17,753,187	\$ (1,917,369)