

August 26, 2020

**FOR IMMEDIATE RELEASE**

**Somers Limited reports quarterly net income of \$39.7 million**

Somers Limited ("Somers" or "the Company", BSX: SOM.BH), a financial services investment holding company, today announces net income of \$39.7 million for the quarter ended June 30, 2020, NAV per share of \$17.61, an increase of 12.0% over the quarter, and shareholders' equity of \$371.0 million.

**Overview of the third quarter ended June 30, 2020:**

- Net income of \$39.7 million for the quarter (2019: \$5.8 million) bringing net income for the three quarters to \$17.7 million;
- Net asset value ("NAV") per share of \$17.61 as at June 30, 2020 (September 30, 2019: \$17.10);
- Total annual return over three quarters of 6.4% (including dividends); and
- Shareholders' equity of \$371.0 million as at June 30, 2020 (September 30, 2019: \$353.6 million).

**Investment highlights:**

- Resimac Group Limited ("Resimac"), remains Somers' largest investment with a value of \$218.3 million and for the year ended June 30, 2020 reported normalised Profit after Tax of A\$55.7 million (an increase of 79% compared to the prior year), AuM of A\$14.9 billion, a net interest margin of 1.90% and a 20% increase in their final dividend.
- During the quarter Resimac settled a prime A\$500 million residential mortgage backed securitization ("RMBS") and in July settled a A\$1.0 billion non-conforming RMBS;
- Waverton Investment Management Group Limited ("Waverton") reported an increase in its assets under influence for the quarter of £1.1 billion to £9.2 billion; and
- PCF Group plc reported an increase in their loan book of 18% to £401 million for the six months ended March 31, 2020 and a net interest margin of 6.8%.

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

“The value of the Company’s investments rebounded markedly in the third quarter as global markets reacted to unprecedented central bank and government stimulus and it is pleasing to highlight that our NAV is back above this year’s opening NAV and more importantly that we were able to report net income of \$39.7 million for the quarter. Our investee companies continue to deal positively with the fallout from Covid-19 and the majority of the companies’ employees are now working from home.

Whilst the resilience in our investee companies’ business models has been pleasing, we are conscious that the recovery is likely to be prolonged and this may well have an impact on some of our investments as global furlough schemes wind down and the full impact of Covid-19 is felt by these relevant economies. However, we are confident that our investments are, in the long run, well placed to create additional value.

On August 4, 2020 we announced that following the receipt of multiple offers we had terminated the agreement to sell BCB. The Company continues to work towards delivering a transaction which will benefit all of Somers and BCB’s stakeholders and we look forward to updating Somers’ shareholders in due course.”

## **Summary of Somers’ results for the quarter ended June 30, 2020**

### **Introduction**

Somers recorded net income of \$39.7 million (2019: \$5.8 million) in the quarter and the earnings per share was \$1.88 (2019: \$0.29). Somers’ net asset value per share ended the quarter at \$17.61 (September 30, 2019: \$17.10).

During the quarter, Somers recorded a \$21.4 million gain on its investment portfolio (2019: \$10.3 million). The gain was due to an increase in the value of PCF as its share price recovered and an increase in the valuation of Waverton as the company reported improved maintainable earnings following its recent impressive investment performance. Partially offsetting this was a valuation decrease at West Hamilton resulting from the impact on commercial property from Covid-19. Somers valued its holding in Resimac at A\$1.242 per share as at June 30, 2020 and this was similar to its March 31, 2020 Resimac share valuation of A\$1.245 resulting in a modest movement for the quarter. Somers also maintained its valuation of its holding in BCB at a similar value to last quarter.

Net foreign exchange gains were \$19.0 million for the quarter (2019: loss of \$4.2 million). As at June 30, 2020 78% of Somers' investment portfolio was exposed to foreign currencies, primarily Sterling and the Australian Dollar. Over the course of the quarter, the Australian Dollar increased in value versus the US Dollar by 12.5% while Sterling was relatively flat. These exchange gains were all unrealised.

Somers' total assets increased to \$446.6 million (September 30, 2019: \$423.1 million) due to the valuation and currency movements outlined above. The investment portfolio was \$441.7 million as at June 30, 2020 (September 30, 2019: \$410.3 million) with equity investments (\$436.0 million) accounting for 98.7% of this total. The remaining portfolio investments, amounting to 1.3% (\$5.7 million) consisted of loans and other financial investments. Within investments, Resimac at \$218.3 million, BCB at \$70.0 million, Waverton at \$66.2 million, and PCF at \$32.1 million together represent 87.5% of total investments.

Post the quarter end, the Company announced that it had terminated the agreement to sell Bermuda Commercial Bank ('BCB') following the receipt of multiple unsolicited offers which the Board of Somers determined were superior to the first offer. Discussions continue with these parties and the Company is working towards a positive conclusion and will update shareholders as soon as possible.

### **Borrowings**

Total borrowings were \$73.2 million at June 30, 2020 (September 30, 2019: \$67.9 million).

### **Shareholders' Equity**

Shareholders' equity increased to \$371.0 million as at June 30, 2020 (September 30, 2019: \$353.6 million). Somers did not buy back any shares during the June quarter and the number of shares in issue as at June 30, 2020 was 21,065,144.

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

At June 30, 2020, the Directors and Officers of Somers and their related interests had combined interests totaling 155,367 common shares representing 0.7% of Somers' issued share capital. No rights to subscribe to shares or debt securities in Somers have been granted to, or exercised by, any Director or Officer of Somers during the June quarter.

### **Media Contact:**

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

**ENDS -**

---

#### About Somers Limited:

Somers is a listed financial services investment holding company whose major assets include: a 62.5% holding in Resimac Group Limited, a leading non-bank Australian financial institution with almost A\$15 billion assets under management; 100% shareholding in Bermuda Commercial Bank Limited, one of Bermuda's four licensed banks, a direct and indirect 63.0% shareholding in UK specialist bank, PCF Group plc; and, a 62.5% holding in Waverton Investment Management Group Limited, a UK wealth manager with £9.2 billion assets under influence. Somers has shareholders' funds of approximately US\$371 million. Somers' shares are publicly traded and listed on the Bermuda Stock Exchange (Ticker: SOM.BH). More details on Somers can be found at [www.somers.limited](http://www.somers.limited)