

February 21, 2017

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

Financial Results for the quarter ended December 31, 2016

For Immediate Release- (Hamilton, Bermuda) Somers Limited, a financial services investment holding company, is pleased to announce its results for the quarter ended December 31, 2016.

Overview of the quarter ended December 31, 2016:

- Diluted net asset value (“NAV”) per share of \$17.81 as at December 31, 2016 (September 30, 2016: \$18.66);
- Shareholders’ equity of \$215.7 million as at December 31, 2016 (September 30, 2016: \$230.4 million);

Investment highlights for the quarter ended December 31, 2016:

- RESIMAC Limited completes merger with Homeloans Limited (“Homeloans”) with Somers now a 59% shareholder in Homeloans with Assets under Management (“AuM”) of A\$9.3 billion;
- Waverton AuM at December 31, 2016 of £5.1 billion (September 30, 2016: £5.0 billion);
- Bermuda Commercial Bank Limited (“BCB”) maintains a high capital ratio of 23.0% and a highly liquid balance sheet with 29% in cash and high quality liquid assets; and
- PCFG granted conditional approval by the UK Prudential Regulatory Authority for a deposit taking license in the UK.

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

“The last quarter has been characterised by continued US Dollar strength and this has negatively impacted our net asset value by 4.6% due to a significant percentage of our portfolio being denominated in non US dollar currencies. However, the underlying performance of our investee companies continues to be strong.

During the quarter, RESIMAC merged with the ASX listed Homeloans Limited and Somers is now a 59% shareholder in Homeloans. We look forward to working with the Homeloans management team and assisting them in driving the synergies that made the merger compelling. In December, PCFG received conditional approval for a deposit taking license in the UK and they anticipate being in a position to accept deposits in the second half of 2017. This is a key moment in their development and has the potential to be a step change for the business. Our other investee companies continue to benefit from strong equity markets and even allowing for the increased geo-political risk are well positioned for 2017. We therefore look forward to the rest of the financial year with cautious optimism.”

Summary of Somers' results for the quarter ended December 31, 2016

Introduction

During the quarter Somers recorded a net loss of \$10.7 million (2015: net income of \$0.1 million) due primarily to the continued weakness in Sterling which has negatively impacted the Company's net asset value by 4.4%. The basic and diluted loss per share was \$0.88 and \$0.63 respectively (2015: basic and diluted earnings per share of \$0.01). The Company's net asset value per share was \$17.81 as at December 31, 2016 (2015: \$17.58). The Company did not receive any distributions in the quarter compared to \$2.5 million in the same quarter last year

During the quarter there was a \$3.7 million loss on the Company's investment portfolio (2015: loss of \$1.2 million). Investment gains and losses result from changes in the valuations of the Company's investments. The loss was due to reductions in the value of Ascot Lloyd resulting from a reduction in the company's maintainable EBITDA and small valuation reductions at Waverton and BCB.

Net foreign exchange losses were \$6.6 million for the quarter with an additional \$3.6 million of exchange losses on Somers' investment in its foreign operations. As at December 31, 2016 59% of Somers' gross assets are denominated in foreign currencies, primarily Sterling and the Australian Dollar. Over the course of the quarter Sterling has declined by 5.0% versus the Dollar as the currency's weakness continued in the aftermath of the UK's decision to exit the European Union. These exchange losses were primarily unrealised.

Total assets decreased to \$327.7 million (September 30, 2016: \$346.9 million) due primarily to the currency movements outlined above. The investment portfolio was \$317.2 million as at December 31, 2016 (September 30, 2016: \$332.0 million) with equity investments (\$301.4 million) accounting for 95.0% of this total. The remaining 5.0% (\$15.8 million) consisted of convertible loan note investments. Within investments, BCB at \$104.4 million, Homeloans at \$86.0 million and Waverton at \$68.9 million together represent 81.7% of total investments. It is anticipated that this heavy concentration will continue to reduce as an increased but limited level of leverage and net positive cash flows from existing investments allow for new investment opportunities.

Borrowings

Total borrowings were \$22.4 million at December 31, 2016 (September 30, 2016: \$26.5 million). Of the total borrowings, \$8.2 million is bank debt and the balance is debt funding provided by UIL Limited, Somers largest shareholder, for investment purposes. During the quarter Somers repaid \$3.0 million of debt

Shareholders' Equity

Shareholders' equity ended the quarter at \$215.7 million (September 30, 2016: \$230.4 million). During the quarter Somers bought back a total of 3,149 shares at a cost per share of \$13.30 and the number of shares in issue as at December 31, 2016 was 12,101,937.

Somers' share price ended the period at \$13.75, a discount of 22.8% to the Company's diluted NAV per share.

Directors and Officers Interest in Somers' Share Capital

At December 31, 2016 the Directors and Officers of the Company and their related interests had combined interests totalling 4,885,511 common shares out of 12,101,937 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.

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Somers Limited is a listed financial services investment holding company whose major assets include its 100% owned subsidiary, Bermuda Commercial Bank Limited, one of Bermuda's four licensed banks, a 59% holding in Homeloans Limited, a leading non-bank Australian financial institution with A\$9.3 billion assets under management and a 62.5% holding in Waverton Investment Management Limited, a UK wealth manager with £5.1 billion assets under management. The Group's other investments include a 49% economic interest in Ascot Lloyd Holdings Limited, a UK independent financial adviser, a 23% interest in Merrion Capital Holdings Limited, an Irish financial services group, a 75% stake in Stockdale Securities Limited, a UK corporate and institutional stockbroking group and a 57% interest in West Hamilton Holdings Limited, a Bermuda property management and investment company. Somers has gross assets of approximately \$328 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.