

February 20, 2019

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

Financial Results for the quarter ended December 31, 2018

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, 2018.

Overview of the quarter ended December 31, 2018:

- Net asset value (“NAV”) per share of \$17.30 as at December 31, 2018 (September 30, 2018: \$18.15); and
- Shareholders’ equity of \$346.9 million as at December 31, 2018 (September 30, 2018: \$364.1 million).

Investment highlights for the quarter ended December 31, 2018:

- Waverton Investment Management Limited (“Waverton”) AuM at December 31, 2018 of £5.4 billion (September 30, 2018: £5.9 billion); and
- PCF Group plc (“PCF”) completed the acquisition of Azure Limited.

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

“The first quarter of the year was characterised by negative stock market movements which adversely impacted a number of our investments and their resultant valuations. This coupled with continued weakness in a number of currencies against the US Dollar led to a decrease in the Company’s net asset value. Stock markets have rebounded in 2019 and despite increased volatility in the markets we believe our investments are well placed.

Post the quarter end we announced that Somers had agreed to sell its investment in BCB subject to regulatory and Governmental approvals. We intend to update shareholders on the use of the proceeds once the transaction has completed. Somers has also agreed to sell its investment in Stockdale Securities which is also conditional on UK regulatory approvals. Upon completion these sales will give the Company increased capital and flexibility moving forward.”

Summary of Somers' results for the quarter ended December 31, 2018

Introduction

Somers recorded a loss of \$16.8 million (2017: profit of \$15.5 million) during the quarter due primarily to valuation decreases at a number of our investments and continued weakness in both the Australian Dollar and Sterling against the US Dollar. Quarterly loss per share was \$0.84 (2017: earnings per share of \$0.80). The Company's net asset value per share ended the quarter at \$17.30 (September 30, 2018: \$18.15).

During the quarter there was a \$10.3 million valuation loss on the Company's investment portfolio (2017: gain of \$14.5 million). The loss was principally due to decreases in the value of BCB, PCF and Waverton which were driven by negative stock market movements during the quarter. Offsetting these decreases was an increase in the valuation of Resimac.

The Company received dividend income of \$0.2 million from West Hamilton (2017: \$1.3 million).

Net foreign exchange losses were \$5.5 million for the quarter. As at December 31, 2018, 72% of Somers' investment portfolio is denominated in foreign currencies, primarily Sterling and the Australian Dollar and none of the investments are currently hedged. Over the course of the quarter Sterling depreciated by 2.2% while the Australian Dollar depreciated by 2.5% versus the Dollar. These exchange losses were all unrealised.

Total assets decreased to \$395.7 million (September 30, 2018 \$407.3 million) due primarily to the valuation and currency movements outlined above. The investment portfolio was \$392.9 million as at December 31, 2018 (September 30, 2018: \$403.0 million) with equity investments accounting for almost 98% of this total. Within investments, Resimac at \$132.3 million, BCB at \$83.1 million, Waverton at \$73.0 million and PCF at \$52.8 million together represent 86.9% of total investments.

Borrowings

Total borrowings were \$47.2 million at December 31, 2018 (September 30, 2018: \$41.5 million).

Shareholders' Equity

Shareholders' equity ended the quarter at \$346.9 million (September 30, 2018: \$364.1 million). During the quarter Somers bought back a total of 744 shares at an average cost per share of \$16.00 and the number of shares in issue as at December 31, 2018 was 20,057,517.

Somers' share price ended the period at \$15.50, a discount of 10.4% to the Company's NAV per share.

Directors and Officers Interest in Somers' Share Capital

At December 31, 2018 the Directors and Officers of the Company and their related interests had combined interests totalling 9,997,070 common shares out of 20,057,517 common shares in issue on that date. No rights to subscribe to shares or debt securities in the Company was granted to, or exercised by, any Director or Officer of the Company during the quarter.



Media Contacts:

Alasdair Younie
Director
ICM Limited
Tel: 441-299-2897
Email: ay@icm.bm

-ENDS-

Somers Limited ("Somers") is a listed financial services investment holding company whose major assets include: a 62.2% holding in Resimac Group Limited, a leading non-bank Australian financial institution with A\$12.1 billion in assets under management, a 65.1% shareholding in UK specialist bank, PCF Group plc, a 62.5% holding in Waverton Investment Management Limited, a UK wealth manager with £5.4 billion assets under management and 100% shareholding in Bermuda Commercial Bank Limited, one of Bermuda's four licensed banks. Somers has shareholders' funds of approximately US\$347 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