



BANKING | ASSET FINANCING | WEALTH MANAGEMENT

# Somers is a financial services investment company with strong assets and minimal leverage.

## OVERVIEW OF SOMERS LIMITED

- Somers Limited is a Bermuda Stock Exchange listed financial services investment holding company with interests primarily in Australia, Bermuda, and the UK
- Established in 2012 with Shareholders' Funds of approximately US\$364 million and minimal debt
- Somers is managed by ICM Limited, a Bermuda based global fund manager and corporate finance adviser which manages approximately US\$20 billion in funds, directly and indirectly, in a range of mandates
- Somers is a long term investor

## LONG TERM TOTAL SHAREHOLDER RETURN

- Somers' objective is to deliver superior shareholder total returns through either capital appreciation and/or income
- Aim to maximise value by holding a reasonably concentrated portfolio of investments
- Look to achieve synergistic benefits in terms of revenue and costs but do not look to merge investments
- Investments are in both listed and unlisted companies in a range of financial related sectors and markets
- Increased focus on fund and asset management businesses due to annuity style income and lower capital requirements

### SHAREHOLDERS' FUNDS

**US\$364**  
MILLION

### ASSETS UNDER MANAGEMENT

**US\$20**  
BILLION

### CONCENTRATED PORTFOLIO INTERESTS IN

- AUSTRALIA
- BERMUDA
- UNITED KINGDOM

## SELECTED INVESTMENTS



**62.2%**

**Non-bank Lender**

Australian and New Zealand mortgage securitisation business  
Loan portfolio in excess of A\$12.1 billion

- ASX listed residential mortgage lender and multi-channel distribution business specialising in prime and specialist lending in Australia and New Zealand
- Business formed by a merger of Homeloans Limited and RESIMAC Limited in October 2016
- Funding provided by a combination of warehouse facilities, term securitisations, wholesale funding partners and a corporate debt facility
- Market capitalisation of A\$240 million, AuM of A\$12.1 billion
- Strong financial results for the twelve months ended June 30, 2018:
  - Normalised profit after tax of A\$26.2 million;
  - Net interest income of A\$102.5 million (yoy increase of 25%)



**100.0%**

**Banking**

Licensed bank in Bermuda with total assets of US\$482.8 million  
Focus on commercial banking and private banking / wealth management

- Bermuda Commercial Bank was established in 1969 and is one of Bermuda's four licensed banks
- Focused on commercial banking and private banking/wealth management
- Banking solutions include private banking and wealth management, business banking, corporate administration, global custody and brokerage, estate planning and trust administration
- Total assets of US\$482.8 million
- Tier 1 ratio of 41.3%
- 100% owned by Somers since 2012



**62.5%**

**Wealth Management**

UK Private wealth management business  
Assets under management of £5.9 billion

- UK private wealth management business
- Acquired by Somers and management/employees from Credit Suisse in 2013
- Located in London with over 100 employees
- AuM of £5.9 billion – strong recent investment management performance



**65.1%**

**Banking**

A London Stock Exchange listed asset financing company  
Focus on retail savings products, consumer and business finance

- AIM listed bank based in the UK
- 65% owned by the Somers group (55% directly by Somers and 10% by BCB)
- Market capitalisation of £83 million
- Lending portfolio increased to £219 million (2017: £146 million)
- New business originations increased by 75% to £148 million, with 70% of the originations in prime credit grades
- Strong credit underwriting with low loan losses
- Strategy is focused on increasing portfolio to £350 million by 2020 and £750 million by 2022
- Retail deposits over £191 million (2017: £53 million)

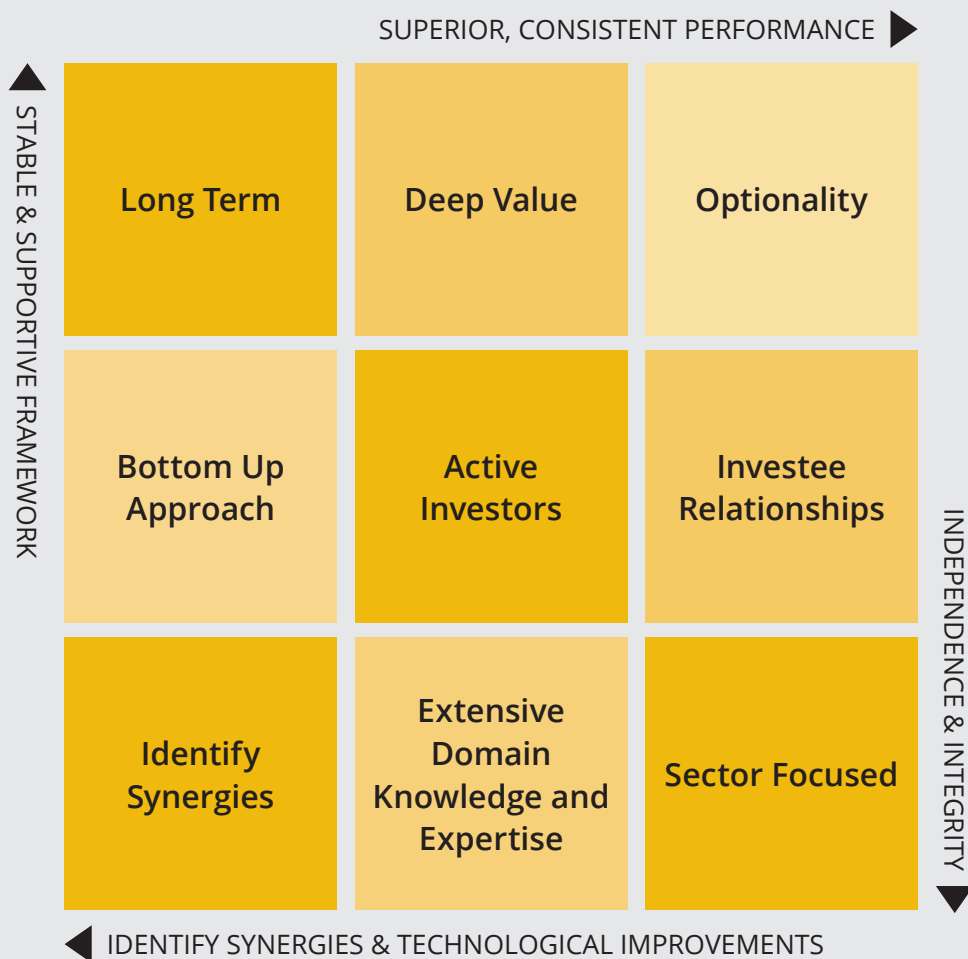
## MACRO TRENDS AFFECTING FINANCIAL SERVICES

	<b>DIGITISATION AND AUTOMATION</b>	<ul style="list-style-type: none"> <li>Increasing disruption by AI and automation</li> <li>Commoditisation of finance</li> <li>E-commerce and mobile push in an environment of demonitisation and smart phone penetration</li> </ul>
	<b>FINTECH</b>	<ul style="list-style-type: none"> <li>Focus on growth in new platforms for social, mobile, hyperlocal and predictive personalisation</li> <li>Multiple value chains continually being aggregated across the sector</li> <li>Evolution of payments, blockchain/distributed ledger and cryptocurrency to change the long term landscape</li> <li>Consumers demand cheaper, efficient service</li> </ul>
	<b>CYBERSECURITY</b>	<ul style="list-style-type: none"> <li>Cyber attacks require investment in protection from wide scale privacy and data breaches</li> <li>Reputational risk is key in an era of increased transparency demand, and decreased trust with companies</li> <li>Increase in cyber-crime penalties</li> <li>Concerns over voice, facial and biometric protocols</li> </ul>
	<b>MONETARY POLICY</b>	<ul style="list-style-type: none"> <li>Era of low interest rates, low inflation, record stock markets and asset valuations, and increased global government debt</li> <li>Trend to chase higher yielding assets thereby causing asset prices to increase and heightening risks</li> <li>Risk to global economy and market volatility, as central banks continue to remove quantitative easing and initiate interest rate rises</li> </ul>
	<b>REGULATORY AND COMPLIANCE</b>	<ul style="list-style-type: none"> <li>Post the 2008 crisis, increased global focus on regulation is shaping technology driven customer interaction</li> <li>Financial institutions are stronger post crisis, due to increased capital requirements</li> <li>Stronger regulation of established institutions is encouraging smaller, newer companies to compete and grow</li> </ul>

## PORTFOLIO

	Company	Description	Country	Fair Value (\$)	% of Total Investments
1	Resimac Group Limited	Non-bank lender	Australia	129,725,638	32.2%
2	Bermuda Commercial Bank Limited	Banking	Bermuda	94,877,714	23.5%
3	Waverton Investment Management Limited	Wealth management	UK	76,959,106	19.1%
4	PCF Group plc	Banking	UK	58,635,552	14.6%
5	West Hamilton Holdings Limited	Property management	Bermuda	15,896,256	3.9%
6	Stockdale Securities Limited	Stockbroking	UK	5,357,574	1.3%
7	MJH Group Holdings Limited	Legal services	Jersey	4,995,753	1.2%
8	AK Jensen Group Limited	Hedge fund platform	Bermuda	4,462,419	1.1%
	Significant investments			390,910,012	97.0%
	Other investments			12,063,979	3.0%
	<b>Total Investments</b>			<b>402,973,991</b>	<b>100.0%</b>

# We seek out and make compelling investments



The information presented on this document is solely for information purposes and is not intended to be, and should not be construed as an offer or recommendation to buy and sell investments. If you are in any doubt as to the appropriate course of action, we would recommend that you consult your own independent financial adviser, stockbroker, solicitor, accountant or other professional adviser.

Past performance is no guide to the future. The value of investments and the income from them may go down as well as up and investors may not get back the full amount they originally invested. The information presented has been obtained from sources believed to be reliable but no representation or warranty is given, or may be implied that they are accurate or complete.

All data shown is as at September 30, 2018 unless otherwise specified