

August 15, 2017

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

**Financial Results for the nine months ended June 30, 2017**

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, 2017.

**Overview of the quarter ended June 30, 2017:**

- Net income of \$6.0 million for the quarter;
- Diluted net asset value (“NAV”) per share of \$17.63 as at June 30, 2017 (September 30, 2016: \$18.66); and
- Shareholders’ equity of \$268.6 million as at June 30, 2017 (September 30, 2016: \$230.4 million).

**Investment highlights for the quarter ended June 30, 2017:**

- Homeloans Limited (“Homeloans”) AuM increased to \$9.4bn and as part of its funding program completed a successful A\$1.0 billion RMBS Issue;
- Waverton Investment Management Limited (“Waverton”) AuM at June 30, 2017 of £5.2 billion;
- Bermuda Commercial Bank Limited (“BCB”) maintains a high capital ratio of 23.2% and a highly liquid balance sheet with 43% in cash and high quality liquid assets;
- PCF Group plc (“PCF”) new business originations were up 20% on the corresponding quarter last year and post the quarter end PCF received approval to accept deposits in the UK;
- Sale of all of Somers’ investments in Ascot Lloyd Holdings Limited (“Ascot Lloyd”); and
- Post the quarter end the Company repaid all of its debt and shareholders’ funds increased to \$343 million.

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

“The investee companies continue to perform strongly with excellent financial results in particular at Homeloans and Waverton. At the end of the quarter, the Company completed the profitable sale of its investment in Ascot Lloyd.

The Company’s results have benefitted from strong capital markets in 2017 and during the quarter ended June 30, 2017 both the Australian Dollar and Sterling increased in value against the US Dollar. This positively impacts the Company’s overall valuation given 60% of the investment portfolio is denominated in either AUD or GBP.

We were pleased to recently announce the Company’s bonus warrant issue, the proceeds of which combined with the proceeds from the sale of our Ascot Lloyd investment has enabled the Company to completely eliminate all of its debt post the quarter end. The Company’s balance sheet is strong and we therefore look forward to the rest of the year with cautious optimism.”

## **Summary of Somers' results for the nine months ended June 30, 2017**

### **Summary**

During the June quarter Somers recorded net income of \$6.0 million (2016: \$0.1 million). This reduced the year to date net loss to \$0.6 million (2016: net loss of \$1.7 million). The basic and diluted loss per share for the nine month period was \$0.05 and \$0.04 respectively (2016: basic and diluted loss per share of \$0.14). The Company's diluted net asset value per share was \$17.63 as at June 30, 2017 (September 2016: \$18.66).

Somers recorded a \$2.7 million gain on the Company's investment portfolio (2016: \$2.7 million) during the June quarter and this reduced year to date investment losses to \$1.4 million (2016: gains of \$0.6 million). Investment gains and losses result from changes in the valuations of the Company's investments and the quarterly gain was due to valuation increases at Stockdale and Waverton following earnings growth at both companies. These gains more than offset a 10% decrease in PCF's share price (26p to 23.5p) and a 3% reduction in BCB's book value.

The Company received dividend income of \$2.7 million during the quarter (2016: \$nil) with the majority being received from Homeloans and Waverton.

Net foreign exchange gains were \$1.6 million for the quarter with an additional \$1.5 million of exchange gains on Somers' investment in its non-USD investments. These gains brought the net year to date FX position into positive territory with a net FX gain of \$0.2 million for the nine months ended June 30, 2017. As at June 30, 2017 61% of Somers' investment portfolio is denominated in foreign currencies, and therefore currency fluctuations can have a material impact on the Company's profitability and NAV per share. The main driver of the third quarter currency gains was the 4.0% appreciation of Sterling against the US Dollar. These exchange movements were primarily unrealised.

Total assets were \$353.6 million at June 30, 2017 up slightly from \$346.9 million at September 30, 2016. The investment portfolio was \$327.1 million as at June 30, 2017 (September 30, 2016: \$332.0 million) with the reduction resulting from the sale of our holding in Ascot Lloyd. The proceeds from this sale which were received shortly after the quarter-end were included within loans and receivables at June 30, 2017. Following the sale of the investment in Ascot Lloyd, equity investments (\$323.1 million) accounted for 98.8% of the total investment portfolio. The remaining 1.2% (\$4.0 million) consisted of convertible loan note investments. Within investments, BCB at \$99.1 million, Homeloans at \$92.3 million and Waverton at \$76.5 million together represent 81.9% of total investments.

Included within other liabilities are the proceeds of \$33.1 million from the warrant exercise by UIL Limited ("UIL"). The Company issued 2,454,568 Somers shares to UIL shortly after the quarter-end.

Post the quarter end Somers issued 2,338,261 shares to Permanent Investments Limited ("PIL") following the conversion of the final \$41.1 million of its Convertible Loan Note ("CLN").

### **Borrowings**

Total borrowings were \$9.9 million at June 30, 2017 (September 30, 2016: \$26.5 million) of which \$9.5 million was bank debt. During the quarter all loans from UIL were repaid in full resulting in a substantial reduction in Somers' total borrowings.

### **Shareholders' Equity**

Shareholders' equity ended the period at \$268.6 million (September 30, 2016: \$230.4 million). During the quarter, PIL converted \$41.7 million of the CLN and were issued with 2.35 million Somers shares. This increased the number of issued shares to 14,660,608 as at June 30, 2017.

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

As at June 30, 2017 the Directors and Officers of the Company and their related interests had combined interests totalling 7,335,595 common shares out of 14,660,608 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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**ENDS-**

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\$9.4 billion assets under management and a 62.5% holding in Waverton Investment Management Limited, a UK wealth manager with £5.2 billion assets under management. The Group's other investments include a 22% 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 shareholders' funds of approximately \$343 million and no debt. 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).