

May 10, 2019

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

Financial Results for the six months ended March 31, 2019

For Immediate Release- (Hamilton, Bermuda) Somers Limited, a financial services investment holding company, is pleased to announce its results for the quarter and six months ended March 31, 2019.

Overview of the quarter ended March 31, 2019:

- Net asset value (“NAV”) per share of \$16.81 as at March 31, 2019 (September 30, 2018: \$18.15);
- Shareholders’ equity of \$343.1 million as at March 31, 2019 (September 30, 2018: \$364.1 million); and
- Interim dividend per share of \$0.21 (2018: \$0.21).

Investment highlights for the quarter ended March 31, 2019:

- Resimac Limited (“Resimac”) reports normalised profit after tax of A\$14.5 million for the six months ended December 31, 2018 and Assets under Management (“AuM”) of A\$12.8 billion;
- Waverton Investment Management Limited (“Waverton”) AuM at March 31, 2019 of £5.7 billion (September 30, 2018: £5.9 billion);
- PCF Group plc (“PCF”) completes £10 million capital raise to fund future growth;
- Somers agrees to sell Bermuda Commercial Bank Limited (“BCB”) subject to regulatory and Governmental approvals; and
- Post the quarter end Somers completes the sale of its investment in Stockdale Securities Limited (“Stockdale”) to Shore Capital Markets Limited.

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

“During the quarter we announced two significant corporate transactions being the sale of BCB and Stockdale. The sale of BCB is still awaiting regulatory and Governmental approval but it is pleasing that the sale of Stockdale completed post the quarter end.

Our investee companies continue to perform strongly with excellent financial results. In particular, both Resimac and PCF reported strong profitability and AuM growth and in addition, PCF recently completed a significant capital raise to fund its future growth. Valuations continue to be impacted by the strong US Dollar and global uncertainty around issues such as Brexit.

The Board of directors is pleased to recommend an interim dividend of \$0.21 per share, which is maintained from 2018. This reflects the positive performance of the underlying investee companies and the Company’s future prospects.”

Summary of Somers' results for the six months ended March 31, 2019

Introduction

During the March quarter, Somers recorded a net loss of \$3.6 million (2018: net income of \$18.5 million). The year to date net loss is \$20.4 million (2018: net income of \$34.0 million). The loss per share for the six month period was \$1.01 (2018: earnings per share of \$1.73). The Company's net asset value per share was \$16.81 as at March 31, 2019 (September 30, 2018: \$18.15).

During the quarter there was an \$8.6 million loss on the Company's investment portfolio (2018: gain of \$16.4 million). This increased the year to date investment losses to \$18.9 million (2018: gain of \$30.9 million). Investment gains and losses result from changes in the valuations of the Company's investments and the year to date loss was principally due to decreased valuations of the Company's holdings in Waverton, BCB and PCF.

Net foreign exchange gains were \$3.7 million for the quarter (six month year to date exchange losses were \$1.7 million). As at March 31, 2019, 73.5% of Somers' investment portfolio is denominated in foreign currencies, primarily Sterling and the Australian Dollar and the main driver of the Q2 currency gains was the 2.1% appreciation of Sterling versus the Dollar while the Australian Dollar appreciated by 0.8%. These exchange gains were primarily unrealised.

Total assets were \$404.2 million at March 31, 2019 (September 30, 2018: \$407.3 million). The investment portfolio was \$401.7 million as at March 31, 2019 (September 30, 2018: \$403.0 million) with equity investments (\$393.3 million) accounting for 97.9% of this total. Within investments, Resimac at \$132.8 million, BCB at \$84.0 million, Waverton at \$71.1 million and PCF at \$56.6 million together represent 85.8% of total investments.

Borrowings

Total bank borrowings were \$59.1 million at March 31, 2019 (September 30, 2018: \$41.5 million).

Shareholders' Equity

Shareholders' equity ended the period at \$343.1 million (September 30, 2018: \$364.1 million). Dividends paid in January 2019 amounted to \$5.8 million of which \$5.5 million were reinvested, under the dividend reinvestment plan, through the issuance of 357,666 shares, resulting in an increase in the number of issued shares to 20,415,183 as at March 31, 2019.

Somers' share price ended the period at \$15.50, a discount of 7.8% to the Company's NAV per share.

Dividend

The Company's Board has resolved to pay an interim dividend of \$0.21 a share (2018: \$0.21). The record date for the dividend will be July 17, 2019 and the payment date will be July 29, 2019.

Directors and Officers Interest in Somers' Share Capital

At March 31, 2019 the Directors and Officers of the Company and their related interests had combined interests totalling 142,810 common shares out of 20,415,183 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 ("Somers") is a listed financial services investment holding company whose major assets include: a 62.6% holding in Resimac Group Limited, a leading non-bank Australian financial institution with A\$12.8 billion in assets under management; 100% shareholding in Bermuda Commercial Bank Limited, one of Bermuda's four licensed banks, a 62.8% shareholding in UK specialist bank, PCF Group plc; and, a 62.5% holding in Waverton Investment Management Limited, a UK wealth manager with £5.7 billion assets under management. Somers has shareholders' funds of approximately US\$343 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

SOMERS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(expressed in United States dollars)

Assets	MAR 31, 2019	SEP 30, 2018*
Cash and cash equivalents	\$ 214,654	\$ 187,917
Other assets	449,564	2,422,995
Interest receivable	159,895	86,102
Loans and receivables	1,663,674	1,669,212
Financial investments	401,676,552	402,973,991
Total assets	404,164,339	407,340,217
Liabilities		
Interest payable	590,014	68,029
Other liabilities	1,349,489	1,624,095
Interest bearing loans and borrowings	59,082,142	41,537,945
Total liabilities	61,021,645	43,230,069
Net assets	\$ 343,142,694	\$ 364,110,148
Equity		
Capital stock	\$ 2,042	\$ 2,006
Contributed surplus	300,280,296	294,748,410
Accumulated other comprehensive loss	(14,213,213)	(13,946,457)
Retained earnings	57,073,569	83,306,189
Total equity	\$ 343,142,694	\$ 364,110,148

*Audited

SOMERS LIMITED

CONSOLIDATED STATEMENT OF INCOME

(expressed in United States dollars)

Income	For the three months ended		For the six months ended	
	MAR 31, 2019	MAR 31, 2018	MAR 31, 2019	MAR 31, 2018
Interest income	\$ 122,471	\$ 80,007	\$ 247,001	\$ 177,750
Interest expense	(700,197)	(92,062)	(1,276,058)	(163,093)
Net interest (expense) income	(577,726)	(12,055)	(1,029,057)	14,657
Dividend income	2,608,421	63,335	2,774,998	1,313,671
(Losses) gains on investments	(8,595,628)	16,439,086	(18,851,576)	30,923,721
Other income	-	24,381	-	24,381
Net foreign exchange (losses) gains	3,729,495	2,735,751	(1,744,093)	3,190,596
Total income	(2,835,438)	19,250,498	(18,849,728)	35,467,026
Expenses				
Investment management fees	431,100	300,000	929,818	673,096
Legal and professional fees	121,970	172,957	282,051	325,121
Audit and accounting fees	74,300	77,067	122,073	160,752
Directors' fees	42,500	16,250	87,500	32,500
General and administrative expenses	68,845	175,466	143,675	245,682
Total expenses	738,715	741,740	1,565,117	1,437,151
(Loss) income before tax	(3,574,153)	18,508,758	(20,414,845)	34,029,875
Income tax expense	(559)	(37,196)	(1,096)	(38,368)
Net (loss) income	\$ (3,574,712)	\$ 18,471,562	\$ (20,415,941)	\$ 33,991,507

SOMERS LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(expressed in United States dollars)

Income	For the three months ended		For the six months ended	
	MAR 31, 2019	MAR 31, 2018	MAR 31, 2019	MAR 31, 2018
Net (loss) income for the period	\$ (3,574,712)	\$ 18,471,562	\$ (20,415,941)	\$ 33,991,507
Other comprehensive (loss) income:				
Exchange differences on translation of foreign operations	37,309	4,887	(26,278)	24,880
Net loss on financial investments	25,561	-	(240,478)	-
Other comprehensive (loss) income	62,870	4,887	(266,756)	24,880
Total comprehensive (loss) income	\$ (3,511,842)	\$ 18,476,449	\$ (20,682,697)	\$ 34,016,387