

August 12, 2019

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

Financial Results for the nine months ended June 30, 2019

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, 2019.

Overview of the quarter ended June 30, 2019:

- Net asset value (“NAV”) per share of \$17.09 as at June 30, 2019 (September 30, 2018: \$18.15); and
- Shareholders’ equity of \$348.9 million as at June 30, 2019 (September 30, 2018: \$364.1 million).

Investment highlights for the quarter ended June 30, 2019:

- Resimac Group Limited (“Resimac”) updated the market with expectations that the normalized net profit after tax was likely to be between A\$30 million and A\$32 million for the year ended June 30, 2019 and Assets under Management (“AuM”) of over A\$13.0 billion;
- Waverton Investment Management Limited (“Waverton”) AuM at June 30, 2019 of £6.0 billion (September 30, 2018: £5.9 billion);
- PCF Group plc (“PCF”) reported an increase in profit before tax of 57% to £3.3 million and an increase in the loan portfolio of 54% to £276 million for the six months ended March 31, 2019; and
- Bermuda Commercial Bank Limited (“BCB”) retains strong capital ratio of 35% as at June 30, 2019.

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

“The investee companies continue to excel in an increasingly challenging economic environment. The strong financial performance and AuM growth at Resimac and the growth of PCF’s loan portfolio are two examples of businesses that continue to report excellent results and grow in their respective markets. The sale of BCB is still awaiting regulatory and Governmental approval but we are hopeful it will complete during the current quarter.”

Summary of Somers' results for the nine months ended June 30, 2019

Summary

During the June quarter Somers recorded a net profit of \$5.8 million (2018: net loss of \$16.2 million). This reduced the year to date net loss to \$14.6 million (2018: net income of \$17.8 million). The loss per share for the nine months was \$0.72 (2018: earnings per share of \$0.91). The Company's net asset value per share was \$17.09 as at June 30, 2019 (September 2018: \$18.15).

During the quarter there was a \$10.3 million gain on the Company's investment portfolio (2018: loss of \$8.8 million). This reduced the year to date investment losses to \$8.5 million (2018: gain of \$22.1 million). Investment gains and losses result from changes in the valuations of the Company's investments and the year to date losses were principally due to decreased valuations of the Company's holdings in Waverton and PCF partially offset by an increased valuation at Resimac.

As a result of the strong US Dollar, net foreign exchange losses were \$4.2 million for the quarter (nine month year to date foreign exchange losses were \$5.9 million). As at June 30, 2019, 74% of Somers' investment portfolio is denominated in foreign currencies, primarily Sterling and the Australian Dollar, and the main driver of the Q3 currency losses was the 2.5% depreciation of Sterling versus the Dollar while the Australian Dollar depreciated by 1.2%. These exchange losses were primarily unrealised.

Total assets were \$412.1 million at June 30, 2019 (September 30, 2018: \$407.3 million). The investment portfolio was \$406.4 million as at June 30, 2019 (September 30, 2018: \$403.0 million) with equity investments (\$397.0 million) accounting for 97.7% of this total. Within investments were Resimac at \$145.3 million, BCB at \$84.2 million, Waverton at \$74.8 million and PCF at \$51.8 million which together represent 91.1% of total investments.

Borrowings

Total borrowings were \$61.7 million as at June 30, 2019 (September 30, 2018: \$41.5 million).

Shareholders' Equity

Shareholders' equity ended the period at \$348.9 million (September 30, 2018: \$364.1 million). Somers' share price ended the period at \$15.30, a discount of 10.5% to the Company's NAV per share.

Directors and Officers Interest in Somers' Share Capital

At June 30, 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 Limited, a leading non-bank Australian financial institution with over A\$13.0 billion 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 £6.0 billion assets under management. Somers has shareholders’ funds of approximately US\$349 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