

June 4, 2013

Bermuda National Limited
(“BNL”, the “Company” or the “Group”)

Financial Results for the six months ended March 31, 2013

For Immediate Release- (Hamilton, Bermuda) Bermuda National Limited, a Bermuda exempted financial services investment holding company, is pleased to announce its results for the quarter and six months ended March 31, 2013.

Highlights for the six months ended March 31, 2013:

- Announcement of the proposed acquisition of J O Hambro Investment Management Limited (“J O Hambro”), subject to regulatory approval;
- Consolidated net income of approximately \$3.1 million;
- Shareholders’ equity of approximately \$131.7 million;
- Continued positive operating performance from the Company’s major subsidiary, Bermuda Commercial Bank (“BCB” or the “Bank”) with the Bank reporting capital of \$112.1 million (September 30, 2012: \$104.8 million);
- BCB’s capital ratio in excess of 20% and a tier one ratio of 22%;
- The Company’s other investments continue to perform in line with expectations;
- Completion of the issue of bonus warrants to qualifying shareholders on a one for three basis with an exercise price of \$12.00 per share, to provide the Company with additional funding to be used to part fund the acquisition of J O Hambro; and
- Payment of an interim dividend to shareholders of \$0.12 per share.

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

“The Company’s principal subsidiary, BCB, continues to grow and it is pleasing to see an increased deposit base and the continued strong performance of its investment portfolio resulting in a significant increase in comprehensive income. The highlight in the second quarter was the announcement of the proposed acquisition of J O Hambro. We anticipate that this will be a significant acquisition for the Company and we hope will improve the returns to all shareholders”.

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Introduction

For the six months ended March 31, 2013, the Company recorded net income of approximately \$3.1 million on total assets of approximately \$637.5 million and shareholders' equity of approximately \$131.7 million. Year to date earnings per share totaled \$0.36.

The Company's performance in the second quarter continues to be driven by BCB which recorded net income in the quarter of \$0.7 million before accounting for unrealized gains from its investment portfolio which for the first half of the year amounted to \$5.2 million.

BNL's share of the losses incurred by Westhouse in the second quarter was \$0.4 million. This is a significant reduction in the size of the loss compared to the first quarter when the Company's share of losses incurred by Westhouse was \$1.2 million. The Company's other investments continue to perform in line with expectations.

Consistent with its stated strategy to make investments and acquisitions in the financial services sector, BNL was pleased to announce on March 28, 2013, the proposed acquisition of J O Hambro for a total cash consideration of GBP50 million. The acquisition still remains subject to UK regulatory approval and post completion, BNL will own 62.5% of J O Hambro's issued share capital with the balance owned by J O Hambro's management and staff. This proposed acquisition is a significant strategic step for BNL as it is acquiring a well known UK private wealth asset manager with a strong track record. It is anticipated that the proposed acquisition will provide a number of synergies across the Group. The Company will update shareholders once regulatory approval has been received.

A detailed set of financial statements for the quarter and six months ended March 31, 2013 are available on the Company's website and an analysis of each of the Company's investments is set out below.

Dividend Reinvestment Plan ("DRP")

The Company's Board approved on February 8, 2013 the adoption of a DRP for BNL. Shareholders will be sent a form of election and will be able to elect to receive shares in lieu of cash dividends. This will enable shareholders to benefit from increased ownership in the Company and the Company will be able to use the cash to make further investments thereby increasing the Company's value for all shareholders. The share price that will be used to calculate the number of shares to be issued to a shareholder electing to reinvest their dividend will be determined by the Company's Board when a dividend is declared. For this interim dividend the price will be \$12 per share, equivalent to the bonus warrant issue.

The detailed DRP is available on the Company's website at www.bermudanational.bm.

Interim Dividend

The Company's Board has resolved to pay an interim dividend payment of \$0.12 a share. The record date for the dividend will be June 11, 2013 and the payment date will be July 1, 2013.

Review of Investments

Bermuda Commercial Bank Limited ("BCB" or the "Bank")

The Bank recorded a profit of \$0.7 million and total income of \$5.0 million in the quarter ended March 31, 2013. Profit for the six months ended March 31, 2013 was \$5.1 million (2012: \$3.2 million) and total income was \$14.0 million (2012: \$10.2 million). Net interest income for the first half of the year was \$7.9 million (2012: \$7.7 million). Non-interest income totaled \$6.2 million for the six months ended March 31, 2013 (2012: \$2.5 million) following strong gains from the Bank's financial investments.

Interest Income

Interest income for the quarter was \$5.3 million compared to \$5.0 million in the preceding quarter resulting from increased interest on the Bank's financial investments portfolio.

Interest expense for the quarter decreased marginally to \$0.9 million. This decrease resulted from a slightly lower average interest rate on the Bank's term deposits.

Non-Interest Income

Total non-interest income was \$0.5 million for the quarter compared with \$2.1 million in the corresponding quarter in 2012. This decrease resulted from hedging timing differences and foreign exchange movements on the Bank's financial investments with underlying revenues showing a slight year on year improvement.

Fees and commissions increased slightly to \$0.9 million for the quarter following an increase in trust fees.

Gains from the sale of financial investments were \$2.3 million for the quarter (2012: \$3.1 million). As part of BCB's risk and liquidity management process, portfolio securities are sold from time to time resulting in gains and losses for the Bank. With the Bank's investment portfolio currently performing strongly, most sales during the quarter resulted in solid gains for the Bank. While welcome, these gains have inflated both the Bank's current and prior year quarterly revenues over normal expected levels.

The Bank incurred net exchange rate and derivative hedging costs of \$3.0 million mainly in relation to the hedging of its investment portfolio. This compared to a net cost of \$2.1 million in 2012. These costs, primarily foreign exchange and equity index derivatives, reduce the risk associated with foreign currency and market price fluctuations. The costs should be measured in the context of the Bank's increased investment interest income, the gains on sale of investments, and the improvement in its unrealised investment position. For the current quarter, these costs offset the strong realised gains recorded on the Bank's investment portfolio.

Expenses

Payroll costs for the quarter were \$2.4 million (2012: \$2.1 million). This increase resulted from an increased employee headcount following the broadening and strengthening of the Bank's employee base in response to an increase in customers and expanding business requirements.

General and administrative expenses increased to \$1.7 million (2012: \$1.5 million) due to increased costs associated with the operation of a larger and more diversified organisation. Investment advisory fees accounted for half this increase following the growth and strong performance of the Bank's investment portfolio, along with increased management and reporting requirements. Custody expenses, IT, and bank licence fees also increased over the prior year quarter.

Financial Position

All changes in financial position are made in reference to BCB's last audited financial statements as at September 30, 2012.

Assets

Total assets increased to \$631.3 million at March 31, 2013 from \$572.0 million at September 30, 2012.

Cash, money market funds and term deposits increased to \$263.4 million from \$226.9 million at September 30, 2012 following an increase in customer deposit balances.

Financial investments increased to \$270.1 million from \$256.8 million at September 30, 2012. This increase mainly resulted from improvements in the market valuations of the Bank's investment portfolio. The Bank's financial investment portfolio consists primarily of corporate debt securities and debt securities issued by banks, along with a smaller number of asset-backed securities. The Bank's portfolio includes a small number of investments in government debt, equities and investment funds. Within each category, securities are heavily diversified across industry, currency and jurisdiction. The Bank's strategy continues to encompass a low risk balance sheet with any future changes in the level of financial investments driven by the Bank's deposit base.

Loans and advances were \$43.0 million at March 31, 2013 up from \$34.2 million at year-end. The Bank is not active in the credit market, but has provided a small number of loan and overdraft facilities. The increase resulted from new overdraft facilities and increased drawdown of existing loan and overdraft facilities.

Other balance sheet assets remained at similar levels to September 2012.

Liabilities

Total customer deposit balances increased to \$510.3 million from \$457.5 million at September 30, 2012. This increase was driven by the operational activities of a small number of large customers and it is anticipated that balances will shortly revert to the previous year-end levels. Excluding these large transactional items, BCB's customer position as measured by its key customer performance metrics, customer numbers and customer concentration, remained at similar levels to the year end. Other balance sheet liabilities remained at similar levels to September 2012.

Capital

The Bank's capital position increased to \$112.1 million at March 31, 2013 from \$104.8 million at September 30, 2012. This improvement resulted primarily from unrealised mark to market gains on the Bank's financial investments portfolio as a result of yield compression in the fixed income market.

The Bank's regulatory capital ratio was 20.4% at March 31, 2013 and its tier one ratio was 22.0%. The Bank's total risk weighted assets were \$407.0 million. BCB maintained its extremely conservative 'risk asset' leverage ratio of less than 4:1 comparing very favourably to industry averages of more than 12:1. Risk assets include loans, mortgages and other investments and banks with a higher ratio of these risk assets to capital are more vulnerable to movements in valuation.

A detailed set of financial statements for BCB for the six months ended March 31, 2013 are available on the Bank's website at www.bcb.bm.

PRIVATE & COMMERCIAL FINANCE GROUP PLC (“PCFG”)

PCFG is a UK asset financing company, whose shares are quoted on the London Stock Exchange. PCFG was founded in 1993 and has grown by a combination of acquisitions and organic growth, providing car and asset finance to over 16,000 customers across the UK. Post the quarter end, BNL increased its stake in PCFG and it is now interested in 29.9% of PCFG’s issued share capital. As a result, the Group has a diluted economic interest in PCFG of approximately 74%, comprising an equity interest of 29.9% and PCFG convertible loan notes.

Post the quarter end, PCFG announced that its results for the year ended March 31, 2013 were in line with expectations. It is anticipated that PCFG’s full year results will be released shortly.

Following PCFG’s convertible loan note fund raising in November 2012 and the negotiation of a new three year loan facility with Barclays Bank, the company is well positioned to take advantage of the increasing business opportunities that are available. As at March 31, 2013 PCFG’s market capitalisation was approximately \$5.2 million and BNL’s investment in PCFG was valued at approximately \$1.0 million.

WESTHOUSE HOLDINGS PLC (“Westhouse”)

Westhouse is a private corporate and institutional stockbroking group located in London in which BNL has an equity interest of approximately 46%.

Trading conditions continue to be difficult for Westhouse. The number of IPOs and secondary capital raisings in the small and mid cap sector continue to be limited. In addition, Westhouse has a strong mining franchise and with the recent price fall in commodities, including gold, several corporate transactions have been postponed. However, BNL is pleased to report that Westhouse’s corporate transaction pipeline is stronger than it has been for some time and completion of some of these transactions should move the company closer to break even.

During the quarter, BNL’s share of Westhouse’s losses was \$0.4 million compared to a \$1.2 million loss in the quarter ended December 31, 2012. During the quarter BNL advanced to Westhouse approximately \$1.8 million for working capital purposes and an expansion of the Westhouse trading book.

ASCOT LLOYD HOLDINGS LIMITED (“Ascot Lloyd”)

Ascot Lloyd is a regulated independent financial adviser (“IFA”) located in the UK. BNL’s interest in Ascot Lloyd is through a £2 million convertible loan note facility. As at March 31, 2013, of the £2 million to be drawn down under the terms of the convertible loan note facility, £1.75 million was drawn down.

The UK IFA industry continues to be in the midst of considerable regulatory change which is creating a number of consolidation opportunities for Ascot Lloyd. Ascot Lloyd is looking to make further acquisitions in 2013 in order to grow its business.

For the year ended December 31, 2012, Ascot Lloyd reported unaudited gross income of £4.4 million (2011: £2.9 million) and EBITDA of £0.6 million.

SING INVESTMENTS & FINANCE LTD (“Sing Investments”)

Sing Investments is a finance company listed on the Singapore Stock Exchange with 40 years experience. Its products include fixed and saving deposits and the provision of loans and credit facilities to individuals and corporations. Against the global economic backdrop, low interest rate environment and the cooling of the Singapore economy, the company is continuing to adopt a cautious approach in relation to its loan portfolio.

In the quarter ended March 31, 2013, Sing Investments reported revenue of S\$11.7 million (2012: S\$10.9 million) and profit of S\$2.4 million (2012: S\$3.0 million). The weaker profit performance was due to continued compression of the interest margin. It reported total assets of S\$2.0 billion (December 31, 2012: S\$2.0 billion). Loans and advances grew by 3.7% in the quarter to S\$1.5 billion and deposits increased by 3.7% to S\$1.7 billion.

As at March 31, 2013, BNL held a 4.9% interest in Sing Investments which was valued at approximately US\$9.0 million.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(expressed in United States dollars - unaudited)

| Assets | MAR 31, 2013 |
|--------------------------------------|---------------------|
| Cash and term deposits | |
| Due on demand | \$ 11,039,022 |
| Term deposits | 252,356,463 |
| Total cash and term deposits | 263,395,485 |
| Derivative financial instruments | 4,039,949 |
| Interest receivable | 3,502,343 |
| Other assets | 600,832 |
| Investment securities | 285,300,013 |
| Loans and advances to customers | 43,033,791 |
| Investment in associates | 24,390,703 |
| Property and equipment | 3,373,792 |
| Goodwill and other intangible assets | 9,895,600 |
| Total assets | \$ 637,532,508 |
| Liabilities | |
| Deposits | |
| Demand deposits | \$ 241,422,119 |
| Term deposits | 255,389,051 |
| Total deposits | 496,811,170 |
| Interest payable | 3,010,982 |
| Customer drafts payable | 2,803,180 |
| Other liabilities | 3,197,019 |
| Total liabilities | \$ 505,822,351 |
| Equity | |
| Capital stock | \$ 872 |
| Share premium | 58,950,502 |
| Reserves | 13,891,015 |
| Retained Earnings | 58,867,768 |
| Total equity | 131,710,157 |
| Total liabilities and equity | \$ 637,532,508 |

CONSOLIDATED STATEMENT OF INCOME

(expressed in United States dollars - unaudited)

| Income | For the three months ended MAR 31, 2013 | For the six months ended MAR 31, 2013 |
|--|--|--|
| Interest income: | | |
| Cash and term deposits | \$ 80,825 | \$ 168,334 |
| Money market funds | 7,176 | 59,042 |
| Loans and advances to customers | 1,523,811 | 1,633,857 |
| Financial investments | 3,746,293 | 7,836,758 |
| Total interest income | 5,358,105 | 9,697,991 |
| Interest expense | (882,470) | (1,788,437) |
| Net interest income | 4,475,635 | 7,909,554 |
| Fees and commissions | 905,162 | 1,951,014 |
| Net exchange losses | (930,348) | (717,143) |
| Hedging of investment securities | (2,266,648) | (2,055,410) |
| Dividend income | 227,149 | 380,150 |
| Gain from sale of financial investments | 2,315,105 | 7,417,889 |
| Impairment losses on financial investments | - | (1,160,184) |
| Share of losses of associates | (325,873) | (1,443,831) |
| Other operating income | 20,758 | 41,477 |
| Total income | 4,420,940 | 12,323,516 |
| Expenses | | |
| Salaries and employee benefits | 2,362,027 | 5,224,802 |
| Depreciation | 84,685 | 164,542 |
| Amortisation | 120,983 | 253,058 |
| General and administrative expenses | 1,747,483 | 3,550,631 |
| Total expenses | 4,315,178 | 9,193,033 |
| Net income | \$ 105,762 | \$ 3,130,483 |

-ENDS-

Bermuda National Limited is a listed exempt financial services investment holding company with shareholders' funds of \$132 million. The Group's major asset is its 100% owned subsidiary, Bermuda Commercial Bank Limited, one of Bermuda's four licensed banks, which is focused on corporate and private wealth. The Group has recently announced the proposed acquisition of J O Hambro Investment Management Limited, a \$6.0 billion assets under management wealth manager, subject to regulatory approval, which will result in BNL owning a 62.5% equity stake. The Group's other main investments include an economic interest of 74% in the London Stock Exchange listed Private & Commercial Finance Group PLC, a UK asset financing company comprising a 29.9% equity interest and a convertible loan note and a 46% stake in Westhouse Holdings PLC, a corporate and institutional stockbroking group. BNL's shares are publicly traded and listed on the Bermuda Stock Exchange (Website: www.bsx.com Ticker: BNL.BH) and more details on the Company can be found at www.bermudanational.bm.