



February 25, 2015

Somers Limited
("Somers", the "Company" or the "Group")

Financial Results for the three months ended December 31, 2014

For Immediate Release- (Hamilton, Bermuda) Somers Limited, a financial services investment holding company, is pleased to announce its results for the quarter ended December 31, 2014.

Company Highlights for the three months ended December 31, 2014:

- Diluted net asset value ("NAV") per share of \$18.80 as at December 31, 2014 (September 30, 2014: \$18.96);
- The share price of Somers' shares increased 3.6% to \$14.25, a 24.2% discount to the unaudited December NAV;
- Consolidated net income of \$1.2 million for the quarter (December 31, 2013: \$8.7 million);
- Diluted earnings per share of \$0.11 (December 31, 2013: \$0.81); and
- Shareholders' equity increased by 0.7% to \$216.6 million as at December 31, 2014 (September 30, 2014: \$215.1 million).

Investment Highlights for the three months ended December 31, 2014:

- BCB Tier 1 ratio of 25.2%;
- Waverton Investment Management Limited ("Waverton") reported pre-tax income of £2.2 million;
- Waverton reported Assets under Management ("AuM") as at December 31, 2014 of \$8.4 billion (£5.4 billion); and

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

"Somers recorded a profit of \$1.2 million for the quarter with dividend income and net valuation gains from the investment portfolio offsetting negative currency movements. This profit along with capital received from the exercise of warrants by Utilico Investments Limited in October 2014 resulted in a 0.7% increase in total shareholders' equity.

There was little transactional activity during the December quarter as the Company's capital is currently fully invested. We did however repay all our outstanding loans during the quarter leaving the company 100% unleveraged as at December 31, 2014. We remain comfortable with our current portfolio composition and this allows us to look forward to the remainder of the year with a cautious degree of confidence."



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Summary of Somers' results for the three months ended December 31, 2014

Introduction

During the year ended September 30, 2014, Somers adopted the accounting standard, IFRS 10. The Company's December 2013 results have been restated in compliance with the new accounting guidance and all references in this announcement to prior year figures use the restated comparatives.

For the three months ended December 31, 2014, the Company recorded net income of \$1.2 million (December 31, 2013: \$8.7 million). The Company's diluted net asset value per share decreased by 0.8% to \$18.80 from \$18.96 at September 30, 2014 as the gains in the underlying portfolio were offset by unrealised currency movements as Sterling declined by nearly 4% versus the US Dollar. In addition, during the quarter, 240,746 warrants were exercised. This exercise raised \$3.5 million which more than offset the negative currency movements for the quarter resulting in a net 0.7% increase in shareholder's equity to \$216.6 million.

The Company received distributions of \$1.6 million during the quarter from BCB compared to \$2.5 million a year ago while gains on investments were \$1.4 million for the quarter compared to \$5.9 million one year ago. These gains are driven by changes in the valuations of the Company's investments. During the quarter, gains in Waverton's valuation, driven by improved earnings, were partially offset by a reduction in BCB's valuation resulting from unrealised mark to market movements in its investment portfolio. The remaining investment valuations were largely unchanged over the quarter.

REVIEW OF INVESTMENTS

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

The Bank recorded a profit of \$1.0 million for the three months ended December 31, 2014 (December 31, 2013: \$4.3 million). Total revenue for the quarter was \$6.1 million (December 31, 2013: \$9.7 million).

Net interest income for the quarter was \$3.1 million (December 31, 2013: \$4.8 million) and net non-interest income amounted to \$3.0 million (December 31, 2013: \$4.9 million). Gains from the sale of financial investments for the three months were \$2.8 million compared to gains of \$4.6 million a year ago. Total assets as at December 31, 2014, were \$523.3 million (September 30, 2014: \$592.6 million). Total customer deposit balances were \$414.0 million (September 30, 2014: \$471.3 million) with this decrease driven by the operational activities of a small number of large customers.

The Bank's capital position decreased to \$104.9 million as at December 31, 2014, from \$113.4 million at September 30, 2014 with this change resulting primarily from unrealised mark to market movements on the Bank's financial investments portfolio. The Bank's regulatory capital ratio was 23.53% up from 23.18% at September 30, 2014 while the tier one ratio was 25.21% (September 30, 2014: 25.03%). The Bank's total risk weighted assets were \$376.4 million as at December 31, 2014 (September 30, 2014: \$381.4 million).



Over the course of the last twelve months the Bank has substantially improved its capital ratios and as at December 31, 2014, it has significant liquidity with 38% of its balance sheet in cash and cash equivalents. This structure creates a solid base for the Bank as it moves into 2015.

Waverton Investment Management Limited ("Waverton")

Waverton had Assets under Management ("AUM") of £5.4 billion as at December 31, 2014 (September 30, 2014: £5.2 billion). In the first quarter of the year, Waverton's AuM continued to benefit from the strong performance of equity markets at the end of 2014. For the three months ended December 31, 2014, Waverton earned revenue of £8.5 million, EBITDA of £3.0 million and recorded profit before tax of £2.2 million.

Somers continues to value its investment in Waverton on peer comparisons using an EV/EBITDA valuation methodology. The continued strong EBITDA performance in the first quarter of the year resulted in an increase in the value of Somers' investment in Waverton to £46.3 million from £41.1 million at September 30, 2014.

At December 31, 2014 Waverton represented 33% of Somers' investment portfolio and its performance continues to have a material impact on Somers' overall performance. However, we anticipate that Waverton may face certain headwinds in the coming months due to increased regulatory costs, increased volatility in the global equity markets, a General Election in the UK in May 2015 and potential tightening of US interest rates. How these factors play out is likely to have an impact on the performance of the capital markets in 2015 and will impact Waverton's 2015 AuM levels with a direct correlation to the firm's profitability, EBITDA and valuation.

Private & Commercial Finance Group plc ("PCFG")

During the December quarter, PCFG announced their results for the six months ended September 30, 2014. PCFG reported an increase in profit before tax of 69% to £0.9 million and a return on average assets of 1.8% (2013: 1.2%). PCFG's short term aim is to generate a return on average assets of 2.0% in 2015. Diluted earnings per share increased by 50% to 0.6p and net assets increased to £11.1 million, with diluted net assets per share of 12.3p. The total portfolio had grown to £94 million (2013: £86 million) and as at September 30, 2014, PCFG had headroom on its debt facilities of £11.8 million, which has increased by a further £8 million since the period end.

PCFG continues to focus on its application for a deposit taking license in the UK. The company is currently selecting suitable IT systems and completing the regulatory business plan, and whilst this project is approximately three months behind plan due to moving to new premises, progress continues to be made and we would anticipate the company making a positive update along with the year end results.

Somers' equity investment in PCFG is marked to market and as at December 31, 2014, was valued at £1.9 million. Somers investment in the convertible loan notes as at December 31, 2014 was valued at £7.6 million.

Westhouse Holdings plc ("Westhouse")

Somers is interested in 84.6% of the issued share capital of Westhouse, a London based corporate and institutional stockbroking firm. Westhouse's trading performance continues to show improvement. For the quarter, Westhouse reported revenue of £2.5 million, an operating profit of £0.2 million and a profit before tax of £0.1 million (before one-off costs). As at December 31, 2014, shareholders' funds were £1.7 million. This is the third consecutive quarter that Westhouse has been profitable at an operating level.

In the quarter, Mark Brown was appointed as Executive Chairman to Westhouse. He comes with a proven track record in both small and large investment banks. He was Chief Executive of ABN's UK equities business and more recently, led the



successful turnarounds of Arbuthnot Securities and Collins Stewart Hawkpoint. Previously he was the Global Head of Research for ABN AMRO and HSBC.

Ascot Lloyd Holdings Limited ("Ascot Lloyd")

Ascot Lloyd is an independent financial adviser ("IFA"), regulated by the Financial Conduct Authority with a number of offices across the UK. Ascot Lloyd provides a financial planning service for personal and corporate clients incorporating the use of protection products, investment products, pension planning and tax planning.

Somers is interested in 6% convertible loan notes. Upon conversion of the convertible loan notes, Somers would be interested in approximately 32.5% of Ascot Lloyd's diluted issued share capital. In addition, Somers has made a loan to Ascot Lloyd of £1.2 million of which £0.95 million is drawn down.

Ascot Lloyd continues to integrate the acquisition of assets from IFG plc in September 2014. There are a number of areas which Ascot Lloyd is focusing on but the indications are that the acquisition will be positive and there continue to be other opportunities that they are evaluating.

Merrion Capital Holdings Limited ("Merrion")

Merrion was established in 1999 as an independent financial services firm providing stockbroking, corporate finance advisory and fund management services to a mainly domestic Irish client base.

As at December 31, 2014, Merrion Investment Management had approximately €861 million assets under management and Merrion's private client business manages approximately €603 million of private client funds across 3,000 accounts, mainly on an advisory and execution only basis.

While Merrion is a recent investment, we are pleased with its performance to date and believe that there are a number of opportunities for Merrion to grow its existing products. In addition, we believe that the interaction between Merrion and some of Somers' other investments will prove positive and lead to a number of other opportunities for Merrion and Somers' other investments.

Other Investments

Post the quarter end, West Hamilton Holdings Limited commenced its residential development, comprising 9 apartments. It is anticipated that this development will take approximately 16 months to complete. There has been significant interest in the development and we anticipate that it will prove to be a profitable venture for the company.

-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 and a 62.5% holding in Waverton Investment Management Limited, a UK wealth manager with over £5.4 billion assets under management. The Group's other investments include an approximate 68% economic interest in the London Stock Exchange listed Private & Commercial Finance Group PLC, a UK asset financing company, an 84.6% stake in Westhouse Holdings PLC, a corporate and institutional stockbroking group, a 30% economic interest in Ascot Lloyd Holdings Limited, a UK independent financial adviser and a 21% economic interest in Merrion Capital Holdings Limited, an Irish financial services group. Somers has shareholders' equity of \$217 million. Somers' shares are publicly traded and listed on the Bermuda Stock Exchange (Ticker: SOM.BH) and more details on the Company can be found at www.somers.bm.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(expressed in United States dollars - unaudited)

Assets	DEC 31, 2014	SEP 30, 2014*
Cash and cash equivalents	\$ 542,933	\$ 216,418
Other assets	220,263	205,165
Interest receivable	311,660	86,003
Loans and receivables	1,480,385	4,787,759
Financial investments	218,988,008	218,284,392
Total assets	221,543,249	223,579,737
Liabilities		
Interest payable	-	25,890
Other liabilities	4,958,557	4,943,241
Interest bearing loans and borrowings	-	3,500,000
Total liabilities	4,958,557	8,469,131
Net assets	\$ 216,584,692	\$ 215,110,606
Equity		
Capital stock	\$ 1,154	\$ 1,130
Contributed surplus	159,137,874	155,685,600
Treasury shares	(308,180)	(143,580)
Accumulated other comprehensive income	(2,564,815)	457,791
Retained earnings	60,318,659	59,109,665
Total equity	\$ 216,584,692	\$ 215,110,606

*Audited

CONSOLIDATED STATEMENT OF INCOME

(expressed in United States dollars - unaudited)

For the three months ended

Income	DEC 31, 2014	Restated DEC 31, 2013
Interest income	\$ 168,958	\$ 594,824
Interest expense	(44,525)	(176,094)
Net interest income	124,433	418,730
Dividend income	1,600,000	2,500,000
Gains on investments	1,398,722	5,873,578
Other income	-	-
Net exchange (losses) gains	(1,458,118)	785,256
Total income	1,665,037	9,577,564
Expenses		
Investment management fees	94,459	548,836
Legal and professional fees	163,614	95,031
Audit and accounting fees	58,732	123,000
Directors' fees	19,250	13,250
General and administrative expenses	119,988	140,310
Total expenses	456,043	920,427
Income before tax	1,208,994	8,657,137
Income tax expense	-	-
Net income	\$ 1,208,994	\$ 8,657,137