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**FOR IMMEDIATE RELEASE**

**Somers Limited reports record net income of \$203.1 million for the first half of the year**

Somers Limited (“Somers” or “the Company”, BSX: SOM.BH), a financial services investment holding company, today announces that following the record net income of \$190.1 million for the first quarter of the year, the Company is pleased to report net income of \$13.0 million for the quarter ended March 31, 2021.

Net Asset Value (“NAV”) per share at the end of March was \$28.69, while shareholders’ equity was \$625.0 million, an increase of 48.1% from the start of the financial year. Gearing remains modest at 12.8%.

**Overview of the quarter ended March 31, 2021:**

- Shareholders’ equity of \$625.0 million as at March 31, 2021 (September 30, 2020: \$422.1 million).
- Gearing reduced to 12.8% (September 30, 2020: 18.0%);
- Net income of \$13.0 million for the quarter (quarter ended March 31, 2020: loss of \$96.6 million);
- 14% increase in the interim dividend to \$0.24 per share (H1 2020: \$0.21); and
- NAV per share of \$28.69 as at March 31, 2021 (September 30, 2020: \$19.78).

**Investment highlights:**

- Resimac Group Limited (“Resimac”), Somers largest investment, announced an 88% increase in half year net profit after tax to A\$50.5 million and total AuM of A\$15.1 billion;
- Resimac announced the settlement during the quarter of a A\$1.5 billion Residential Mortgage Backed Security (“RMBS”) transaction, with the AAA tranche issued at 85bps above the Australian Bank Bill Swap rate, Resimac’s smallest interest rate margin since 2008;

- Waverton Investment Management Group Limited (“Waverton”) reported assets under influence for the quarter of £10.7 billion and post the quarter end announced, subject to regulatory approval, the acquisition of Cornerstone Asset Management with £500 million AuM;
- PCF Group plc (“PCF”) announced a total loan book at the end of February 2021 of £440 million and new business originations in the first five months of the year of £104 million;
- AK Jensen Group Limited (“AKJ”) reported AuM of \$704 million as at March 31, 2021 and during the quarter completed the acquisitions of RiskCap Ltd, FMG Malta Ltd and NexGen Management Ltd thereby strengthening their trading and infrastructure solutions for both traditional and digital asset fund managers; and
- Post the quarter end, Somers acquired a 15% shareholding in the Aura Group, a Singapore headquartered alternative investment and wealth management platform.

Commenting on the financial results, Peter Durhager, Chairman of Somers said:

“Somers’ investments continue to perform well against the Covid-19 backdrop and it is this strong performance which has enabled the Company to declare a 14% increase in the interim dividend to \$0.24 per share.

Somers’ net asset value per share has increased by 45.0% to \$28.69 in the first six months of the year and we were able to record a profit of \$203.1 million for the first half of the year. These results have been principally driven by the growth in the share price of our largest investment, Resimac, but were assisted by improved results from a number of our other investee companies.

The credit quality of the investee companies’ assets has improved and with the rollout of the Covid-19 vaccine and an improvement in global economic conditions, it is expected that the improved performance of these assets will continue. The Company is awaiting Bermuda regulatory and Government approvals for the sale of Bermuda Commercial Bank and hope to receive these in the current quarter.

We believe our investments are well positioned to withstand future volatility and we are cautiously optimistic for the remainder of the year.”

## **Summary of Somers' results for the quarter ended March 31, 2021**

### **Introduction**

Somers recorded net income of \$13.0 million (2020: loss of \$96.6 million) in the quarter and the earnings per share was \$0.60 (2020: loss per share of \$4.65). Somers' net asset value per share ended the quarter at \$28.69 (September 30, 2020: \$19.78).

During the quarter, Somers recorded a \$14.4 million gain on its investment portfolio (2020: loss of \$78.3 million). The majority of the Company's investments increased in value during the quarter although the gain was driven principally by an increase in the value of the company's holding of Waverton whose AuM and net income both improved over the quarter. The Company's largest investment Resimac also increased following a 0.9% increase in its share price during the quarter. In addition, there were valuation increases at AKJ, The Market Herald and Assetco which offset a reduction in PCF's share price.

Net foreign exchange losses were \$3.7 million for the quarter (2020: losses of \$27.7 million). As at March 31, 2021, 85.9% of Somers' investment portfolio was exposed to foreign currencies, primarily the Australian Dollar and Sterling. Over the course of the quarter, the Australian Dollar decreased in value versus the US Dollar by 1.5% while Sterling increased by 0.8%. These exchange losses were primarily unrealised.

Somers' total assets increased to \$727.5 million (September 30, 2020: \$508.6 million) due to the valuation uplift outlined above. The investment portfolio was \$719.9 million as at March 31, 2021 (September 30, 2020: \$500.9 million) with equity investments (\$711.1 million) accounting for almost 99% of this total, of which 74.6% are listed investments. Within investments, Resimac at \$417.6 million, Waverton at \$99.2 million, BCB at \$69.6 million, and PCF at \$44.6 million together represent 87.6% of total investments.

### **Borrowings**

Total borrowings were \$80.1 million at March 31, 2021 (September 30, 2020: \$76.0 million) with the level of gearing at 12.8% (September 30, 2020: 18.0%).

### **Shareholders' Equity**

Shareholders' equity increased to \$625.0 million as at March 31, 2021 (September 30, 2020: \$422.1 million). During the quarter Somers bought back 4,141 shares at an average price of \$16.47 and the number of shares in issue as at March 31, 2021 was 21,786,152.

**Dividend**

The Company's Board has resolved to pay an interim dividend of \$0.24 a share (2020: \$0.21). The record date for the dividend will be July 16, 2021 and the payment date will be July 26, 2021.

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

At March 31, 2021, the Directors and Officers of Somers and their related interests had combined interests totaling 108,489 common shares representing 0.50% of Somers' issued share capital. No rights to subscribe to shares or debt securities in Somers have been granted to, or exercised by, any Director or Officer of Somers during the March quarter.

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**About Somers Limited:**

Somers is a listed financial services investment holding company whose major assets include: a 62.3% holding in Resimac Group Limited, a leading non-bank Australian financial institution with over A\$15 billion assets under management; a 100% shareholding in Bermuda Commercial Bank Limited, one of Bermuda's four licensed banks, a direct and indirect 64.4% shareholding in UK specialist bank, PCF Group plc; and, a 62.3% holding in Waverton Investment Management Group Limited, a UK wealth manager with £10.7 billion assets under influence. Somers has shareholders' funds of approximately US\$625 million. Somers' shares are publicly traded and listed on the Bermuda Stock Exchange (Ticker: SOM.BH). More details on Somers can be found at [www.somers.limited](http://www.somers.limited)