

May 9, 2018

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

**Financial Results for the six months ended March 31, 2018**

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, 2018.

**Overview of the six months ended March 31, 2018:**

- Net asset value ("NAV") per share of \$19.91 as at March 31, 2018 (September 30, 2017: \$18.55);
- Shareholders' equity of \$394.8 million as at March 31, 2018 (September 30, 2017: \$361.2 million); and
- Interim dividend per share of \$0.21 (2017: \$0.20).

**Investment highlights for the six months ended March 31, 2018:**

- Homeloans Limited ("Homeloans") reports normalised profit after tax of A\$12.9 million for the six months ended December 31, 2017 and Assets under Management ("AuM") of A\$11.1 billion;
- Waverton Investment Management Limited ("Waverton") AuM at March 31, 2018 of £5.3 billion (September 30, 2017: £5.2 billion);
- Bermuda Commercial Bank Limited ("BCB") reports a profit of \$0.8 million and a capital ratio of 23.3%;
- PCF Group plc ("PCF") announces retail deposits of £100 million; and
- Post the quarter end Somers agreed to sell its investment, subject to regulatory approval, in Merrion Capital Limited to Cantor Fitzgerald Securities.

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

"The investee companies continue to perform strongly with excellent financial results. In particular, AuM growth at Homeloans and strong deposit and loan growth at PCF has been pleasing. Whilst markets are currently more volatile, our investments continue to produce strong operating earnings. The Company's valuations have also been positively impacted by an increase in the value of Sterling in the quarter which more than compensated for the slight fall in the value of the Australian Dollar. Post the quarter end we agreed to sell our investment in Merrion Capital and it is anticipated that this transaction will complete later in 2018.

The Board of directors is pleased to recommend an interim dividend of \$0.21 per share, an increase on last year's \$0.20 interim dividend. 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, 2018**

### **Introduction**

During the March quarter, Somers recorded net income of \$18.5 million (2017: net income of \$4.1 million). The year to date net income is \$34.0 million (2017: net loss of \$6.6 million). The earnings per share for the six month period was \$1.73 (2017: basic and diluted loss per share of \$0.54 and \$0.38 respectively). The Company's net asset value per share was \$19.91 as at March 31, 2018 (September 2017: \$18.55).

During the quarter there was a \$16.4 million gain on the Company's investment portfolio (2017: loss of \$0.4 million). This increased the year to date investment gains to \$30.9 million (2017: loss of \$4.1 million). Investment gains and losses result from changes in the valuations of the Company's investments and the year to date gain was principally due to an increased valuation of the Company's holding in Homeloans due to a stronger financial performance.

Net foreign exchange gains were \$2.7 million for the quarter (six month year to date exchange gains were \$3.2 million). As at March 31, 2018, 67% 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 3.9% appreciation of Sterling versus the Dollar while the Australian Dollar depreciated by 1.6%. These exchange gains were primarily unrealised. With the level of FX hedging continuing to increase we anticipate that the impact of FX movements will reduce over time.

Total assets were \$401.9 million at March 31, 2018 (September 30, 2017: \$368.1 million). The investment portfolio was \$394.8 million as at March 31, 2018 (September 30, 2017: \$361.0 million) with equity investments (\$390.6 million) accounting for 98.9% of this total. Within investments, Homeloans at \$138.2 million, BCB at \$101.8 million and Waverton at \$91.2 million together represent 83.9% of total investments.

### **Borrowings**

Total borrowings were \$4.5 million at March 31, 2018 (September 30, 2017: \$4.5 million).

### **Shareholders' Equity**

Shareholders' equity ended the period at \$394.8 million (September 30, 2017: \$361.2 million). Dividends paid in January 2018 amounted to \$5.5 million of which \$5.2 million were reinvested, under the dividend reinvestment plan, through the issuance of 370,284 shares, resulting in an increase in the number of issued shares to 19,829,543 as at March 31, 2018.

Somers' share price ended the period at \$14.25, a discount of 28.4% to the Company's NAV per share.

### **Dividend**

The Company's Board has resolved to pay an interim dividend of \$0.21 a share (2017: \$0.20). The record date for the dividend will be July 18, 2018 and the payment date will be July 31, 2018.

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

At March 31, 2018 the Directors and Officers of the Company and their related interests had combined interests totalling 9,866,677 common shares out of 19,829,543 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.



**Media Contacts:**

Alasdair Younie  
Director  
Somers Limited  
Tel: 441-299-2897  
Email: [ay@icm.bm](mailto:ay@icm.bm)

**ENDS-**

Somers Limited ("Somers") is a listed financial services investment holding company whose major assets include: a 61.8% holding in Homeloans Limited, a leading non-bank Australian financial institution with A\$11.1 billion assets under management; 100% shareholding in Bermuda Commercial Bank Limited, one of Bermuda's four licensed banks; a 65.7% shareholding in UK specialist bank, PCF Group plc; and, a 62.5% holding in Waverton Investment Management Limited, a UK wealth manager with £5.3 billion assets under management. Somers has shareholders' funds of approximately US\$395 million and minimal debt. 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](http://www.somers.limited)

# SOMERS LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(expressed in United States dollars)

<b>Assets</b>	<b>MAR 31, 2018</b>	<b>SEP 30, 2017*</b>
Cash and cash equivalents	\$ 376,498	\$ 2,581,893
Other assets	178,474	1,640,641
Interest receivable	88,447	212,052
Loans and receivables	6,509,110	2,737,472
Financial investments	394,767,557	360,969,899
<b>Total assets</b>	<b>401,920,086</b>	<b>368,141,957</b>
<b>Liabilities</b>		
Other liabilities	2,659,216	2,398,242
Interest bearing loans and borrowings	4,500,000	4,500,000
<b>Total liabilities</b>	<b>7,159,216</b>	<b>6,898,242</b>
<b>Net assets</b>	<b>\$ 394,760,870</b>	<b>\$ 361,243,715</b>
<b>Equity</b>		
Capital stock	\$ 1,983	\$ 1,948
Contributed surplus	291,015,701	286,063,186
Accumulated other comprehensive loss	(13,533,192)	(13,558,072)
Retained earnings	117,276,378	88,736,653
<b>Total equity</b>	<b>\$ 394,760,870</b>	<b>\$ 361,243,715</b>

\*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, 2018	MAR 31, 2017	MAR 31, 2018	MAR 31, 2017
Interest income	\$ 80,007	\$ 296,113	\$ 177,750	\$ 615,315
Interest expense	(92,062)	(347,954)	(163,093)	(680,782)
Net interest (expense) income	(12,055)	(51,841)	14,657	(65,467)
Dividend income	63,335	-	1,313,671	-
Gains on investments	16,439,086	(373,236)	30,923,721	(4,051,380)
Other income	24,381	-	24,381	-
Net foreign exchange gains (losses)	2,735,751	5,519,127	3,190,596	(1,064,190)
Total income	19,250,498	5,094,050	35,467,026	(5,181,037)
	89,815,457	89,815,457		
<b>Expenses</b>				
Investment management fees	300,000	558,626	673,096	688,626
Legal and professional fees	172,957	139,010	325,121	234,061
Audit and accounting fees	77,067	121,553	160,752	186,718
Directors' fees	16,250	16,250	32,500	32,500
General and administrative expenses	175,466	102,462	245,682	164,542
Total expenses	741,740	937,901	1,437,151	1,306,447
Income before tax	18,508,758	4,156,149	34,029,875	(6,487,484)
Income tax expense	(37,196)	(40,412)	(38,368)	(82,968)
Net income (loss)	\$ 18,471,562	\$ 4,115,737	\$ 33,991,507	\$ (6,570,452)

**SOMERS LIMITED****CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(expressed in United States dollars)

<b>Income</b>	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>MAR 31, 2018</b>	<b>MAR 31, 2017</b>	<b>MAR 31, 2018</b>	<b>MAR 31, 2017</b>
Net income (loss) for the period	\$ 18,471,562	\$ 4,115,737	\$ 33,991,507	\$ (6,570,452)
Other comprehensive income (loss):				
Exchange differences on translation of foreign operations	4,887	1,191,028	24,880	(2,414,979)
Net gain (loss) on financial investments	-	7,409	-	(340,780)
Other comprehensive income (loss)	4,887	1,198,437	24,880	(2,755,759)
Total comprehensive income (loss)	\$ 18,476,449	\$ 5,314,174	\$ 34,016,387	\$ (9,326,211)