



HANSARD
GLOBAL PLC

28 January 2021

Hansard Global plc
New business results for the six months ended 31 December 2020

Hansard Global plc ("Hansard" or "the Group"), the specialist long-term savings provider, issues its new business results for the six months ended 31 December 2020 ("H1 2021"). The three months ended 31 December 2020 are referred to as "Q2 2021" throughout this document.

Summary

- Business remains resilient and well-diversified in the face of the continued challenges of Covid-19;
- New business for the Group for Q2 2021 was £42.1m in PVNBP ("Present Value of New Business Premiums") terms, compared to £44.3m in Q2 2020 (down 5.0%) and £34.2m in Q1 2021 (up 23.1%);
- New business for H1 2021 was £76.3m compared to £80.1m in H1 2020 (down 4.7%);
- Assets under administration were £1.167 billion at 31 December 2020 compared to £1.100 billion at 30 September 2020 (up 6.1%);
- Launch of our Japanese proposition remains on target for Spring 2021.

Gordon Marr, Group Chief Executive Officer, commented:

"Our new business performance during the six-month period is broadly unchanged, as it continues to be affected by the global pandemic. However, while sales activity remains challenging, we continue to deploy and utilise our technology and customer service strengths to assist our brokers and clients wherever possible.

We continue to invest for the future through the on-going development of our Japanese proposition and the upgrade of our systems environment. While Covid-19 presents challenges to the implementation of these projects, the launch of our Japanese proposition with our first distribution partner remains on track for Spring 2021."

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HANSARD GLOBAL plc
NEW BUSINESS RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

OVERVIEW

The Group continues to focus on the distribution of regular and single premium products in a range of jurisdictions around the world.

New business for the quarter and financial year-to-date continued to be impacted by the challenges of Covid-19 restrictions around the world. In Present Value of New Business Premiums ("PVNBP") terms, new business for Q2 2021 was 5.0% lower than Q2 2020 and H1 2021 was 4.7% lower than H1 2020.

New business measured under the Annualised Premium Equivalent ("APE") basis declined by a larger amount than PVNBP, being down 19.2% for the quarter and 14.8% for the half-year. During H1 2021, regular premium policies had a longer average contract term and discount rates declined in line with economic conditions as compared to H1 2020. These factors benefited the H1 2021 PVNBP figures but not the APE figures (which simply measures the annualised premium of each regular premium policy).

NEW BUSINESS FLOWS

New business flows for Hansard International for the quarter and the half-year are summarised as follows:

Basis	Three months ended 31 December			Six months ended 31 December		
	2020	2019	%	2020	2019	%
	£m	£m	change	£m	£m	change
Present Value of New Business Premiums	42.1	44.3	(5.0%)	76.3	80.1	(4.7%)
Annualised Premium Equivalent	5.9	7.3	(19.2%)	10.9	12.8	(14.8%)

Present Value of New Business Premiums ("PVNBP")

New business flows for Hansard International on the basis of PVNBP are broken down as follows:

PVNBP by product type	Three months ended 31 December			Six months ended 31 December		
	2020	2019	%	2020	2019	%
	£m	£m	change	£m	£m	change
Regular premium	26.5	29.0	(8.6%)	49.6	51.6	(3.9%)
Single premium	15.6	15.3	2.0%	26.7	28.5	(6.3%)
Total	42.1	44.3	(5.0%)	76.3	80.1	(4.7%)

PVNBP by geographical area	Three months ended 31 December			Six months ended 31 December		
	2020 £m	2019 £m	% change	2020 £m	2019 £m	% change
Middle East & Africa	14.7	15.5	(5.2%)	28.6	30.8	(7.1%)
Rest of World	13.8	14.5	(4.8%)	24.3	24.1	0.8%
Latin America	11.1	11.0	0.9%	18.5	19.7	(6.1%)
Far East	2.5	3.3	(24.2%)	4.9	5.5	(10.9%)
Total	42.1	44.3	(5.0%)	76.3	80.1	(4.7%)

Our largest region, Middle East and Africa fell 5.2% in Q2 2021 and 7.1% in H1 2021 but held up well in light of a number of challenges in the region. These included Covid-19 restrictions and brokers adapting to regulatory changes in the UAE which came into force in October 2020.

The Rest of World region was marginally up for the half year. Q2 2021 was down 4.8% compared to a strong Q2 2020.

Despite Latin America being hit hard by Covid-19 and experiencing a challenging Q1, new business in Q2 was positive and marginally ahead of Q2 2020. We continue to see strong potential in this region as the Covid-19 environment improves.

New business in the Far East region was down 24.2% from a low base as Covid-19 restrictions reduced sales activity. However, there are signs of some recovery in the new business pipeline. As outlined in previous reports, our main strategic focus in the Far East is to develop and bring our new Japanese proposition to market and we continue to target our launch for Spring 2021.

ASSETS UNDER ADMINISTRATION (“AUA”)

The composition and value of AuA is based upon the assets selected by or on behalf of contract holders to meet their savings and investment needs. Reflecting the wide geographical spread of the Group’s customer base, the majority of premium contributions and of AuA are designated in currencies other than sterling. Over 60% of Group AuA are denominated in US dollars.

The total of such assets is affected by the level of new premium contributions received from new and existing policy contracts, the amount of assets withdrawn by contract holders, charges and the effect of investment market and currency movements. These factors ultimately affect the level of fund-based income earned by the Group. Net withdrawals are typically experienced in Hansard Europe dac (“Hansard Europe”) as it closed to new business in 2013.

AuA increased £67.4m (6.1%) to £1.167 billion during the three months ended 31 December 2020, reflecting positive global stock markets offset by a weaker US dollar versus sterling. For the six months ended 31 December 2020, AuA were up £86.5m (8.0%).

The following analysis shows the components of the movement in AuA during the quarter:

	Three months ended 31 December		Six months ended 31 December	
	2020 £m	2019 £m	2020 £m	2019 £m
Deposits to investment contracts – regular premiums	19.8	20.7	42.3	42.0
Deposits to investment contracts – single premiums	15.6	16.5	26.7	29.6
Withdrawals from contracts and charges	(39.9)	(39.1)	(78.2)	(77.9)
Effect of market and currency movements	71.9	(5.1)	95.7	12.0
Increase / (decrease) in period	67.4	(7.0)	86.5	5.7
Opening balance	1,099.6	1,092.4	1,080.5	1,079.7
Assets under Administration at 31 December	1,167.0	1,085.4	1,167.0	1,085.4

The movement in AuA is split as follows between Hansard International (incorporating business reinsured from Hansard Worldwide) and Hansard Europe:

	Six months ended 31 December	
	2020 £m	2019 £m
Hansard International	87.7	12.0
Hansard Europe	(1.2)	(6.3)
Increase / (decrease) in period	86.5	5.7

RESULTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Trading results for the half-year are expected to be announced on 4 March 2021.

OUTLOOK

Our expectation is that the external global environment will remain challenging throughout the remainder of our financial year. Regional lockdowns and travel restrictions can be expected to continue until vaccination programmes are largely complete. While we are confident our new business will continue to be resilient in the face of these challenges, we expect it will continue to lag behind the levels achieved last year.

We continue to invest for the future through the on-going development of our Japanese proposition and the upgrade of our systems environment. While Covid-19 presents challenges to these projects, the launch of our Japanese proposition with our first distribution partner continues to be on track for Spring 2021.

Notes to editors:

- Hansard Global plc is the holding company of the Hansard Group of companies. The Company was listed on the London Stock Exchange in December 2006. The Group is a specialist long-term savings provider, based in the Isle of Man.
- The Group offers a range of flexible and tax-efficient investment products within a life assurance policy wrapper, designed to appeal to affluent, international investors.
- The Group utilises a controlled cost distribution model via a network of independent financial advisors and the retail operations of certain financial institutions who provide access to their clients in more than 170 countries. The Group's distribution model is supported by Hansard OnLine, a multi-language internet platform, and is scalable.
- The principal geographic markets in which the Group currently services contract holders and financial advisors are the Middle East & Africa, the Far East and Latin America. These markets are served by Hansard International Limited and Hansard Worldwide Limited.
- Hansard Europe dac previously operated in Western Europe but closed to new business with effect from 30 June 2013.
- The Group's objective is to grow by attracting new business and positioning itself to adapt rapidly to market trends and conditions. The scalability and flexibility of the Group's operations allow it to enter or develop new geographic markets and exploit growth opportunities within existing markets without the need for significant further investment.

Forward-looking statements:

This announcement may contain certain forward-looking statements with respect to certain of Hansard Global plc's plans and its current goals and expectations relating to future financial condition, performance and results. By their nature forward-looking statements involve risk and uncertainties because they relate to future events and circumstances which are beyond Hansard Global plc's control. As a result, Hansard Global plc's actual future condition, performance and results may differ materially from the plans, goals and expectations set out in Hansard Global plc's forward-looking statements. Hansard Global plc does not undertake to update forward-looking statements contained in this announcement or any other forward-looking statement it may make. No statement in this announcement is intended to be a profit forecast or be relied upon as a guide for future performance.

This announcement contains inside information which is disclosed in accordance with the Market Abuse Regime.

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