



HANSARD  
GLOBAL PLC

10 May 2018

**Hansard Global plc**  
**Trading update for the period ended 31 March 2018**

Hansard Global plc ("Hansard" or "the Group"), the specialist long-term savings provider, issues its trading update for the quarter ended 31 March 2018 ("Q3 2018"). All figures refer to this period, except where indicated. Year to date figures refer to 1 July 2017 to 31 March 2018.

**Summary**

- Overall for the year to 31 March 2018, new business for Hansard International Limited ("Hansard International") of £109.8m in PVNBP ("Present Value of New Business Premiums") terms was broadly in line with the prior year period;
- New business for Q3 2018 was £32.8m, down from £38.9m in Q3 2017;
- New business improved during the quarter in the Middle East & Africa as we brought new distribution on-line and our strategic alliance in the UAE continues to grow;
- Challenges exist in the Far East where increased regulation has restricted certain distribution channels and caused overall regular premium business to decline;
- Single premium business continues to be strong, driven by offshore pensions business;
- Hansard Europe has received notification of new litigation associated with fund failures in Italy, adding £1.9m to the Group's contingent liabilities.

**Gordon Marr, Group Chief Executive Officer, commented:**

"While new business for the past quarter was adversely impacted by general regulatory developments in the Far East, we remain positive around the overall opportunity for growth within the business. In particular we are optimistic that our previously stated strategy to acquire new market licences will be delivered upon during this calendar year and for this to be the most significant catalyst for future growth."

**For further information:**

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**HANSARD GLOBAL plc**  
**TRADING UPDATE FOR THE PERIOD ENDED 31 MARCH 2018**

**OVERVIEW**

The Group continues to focus on the distribution of regular and single premium products in a range of jurisdictions around the world, achieving well diversified new business growth.

**NEW BUSINESS FLOWS**

New business flows for Hansard International for the quarter and the nine months ended 31 March are summarised as follows:

Basis	Three months ended 31 March			Nine months ended 31 March		
	2018 £m	2017 £m	% change	2018 £m	2017 £m	% change
Present Value of New Business Premiums	<b>32.8</b>	38.9	(15.7%)	<b>109.8</b>	113.8	(3.5%)
Annualised Premium Equivalent	<b>4.8</b>	5.8	(17.2%)	<b>16.9</b>	17.5	(3.4%)

**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 March			Nine months ended 31 March		
	2018 £m	2017 £m	% change	2018 £m	2017 £m	% change
Regular premium	<b>13.9</b>	20.3	(31.5%)	<b>51.8</b>	62.9	(17.6%)
Single premium	<b>18.9</b>	18.6	1.6%	<b>58.0</b>	50.9	13.9%
Total	<b>32.8</b>	38.9	(15.7%)	<b>109.8</b>	113.8	(3.5%)

PVNBP by geographical area	Three months ended 31 March			Nine months ended 31 March		
	2018 £m	2017 £m	% change	2018 £m	2017 £m	% change
Middle East and Africa	<b>12.7</b>	10.9	16.5%	<b>29.0</b>	34.9	(16.9%)
Rest of World	<b>9.6</b>	11.9	(19.3%)	<b>40.6</b>	38.1	6.6%
Latin America	<b>5.6</b>	5.7	(1.8%)	<b>19.6</b>	14.6	34.2%
Far East	<b>4.9</b>	10.4	(52.9%)	<b>20.6</b>	26.2	(21.4%)
Total	<b>32.8</b>	38.9	(15.7%)	<b>109.8</b>	113.8	(3.5%)

Our new business for the year-to-date remains within 3.5% of the equivalent prior year period (and 26% ahead of the 2016 comparative) as a number of positive factors have been offset by a number of challenges.

The reported sterling equivalent value of our US dollar premiums has been reduced during the period by the continued weakening of the US dollar against sterling which is now down 8% from the start of

the year. The US dollar is our most popular premium paying currency with over 60% of our business written in this currency.

The Middle East & Africa has grown as initiatives to replace distribution which exited the market last year have been implemented. We recently concluded three new key distribution agreements in the region and we expect to see additional growth through these channels.

We also remain enthusiastic about the opportunity with our strategic partner in the UAE. We continue to see quarter on quarter improvements in volumes with the relationship now providing a material contribution to new business in the region.

Latin America remains significantly improved year-to-date and we are actively pursuing new distribution to continue and expand our growth in this region.

We have exited certain distribution channels in the Far East where increased regulation has constrained the ability of our customers to invest in offshore financial products. This has had a significant impact to regular premiums in that region. The remaining parts of the Far East region, including our branch in Labuan, Malaysia, have shown positive growth.

Single premium business has continued to grow compared to prior periods as a result of previously indicated improvements to this product line and our focus on offshore pensions business.

#### **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 (including those withdrawn from Hansard Europe dac (“Hansard Europe”), which closed to new business in 2013), charges and the effect of investment market and currency movements. These factors ultimately affect the level of fund-based income earned by the Group.

During Q3 2018 AuA fell by £54m or 5% (£16m or 1.6% decline year to date), reflecting global stock market declines and the weakening of the US dollar against sterling. The US dollar on a year-to-date basis was down 8% from 30 June 2017.

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>31 March</b>		<b>31 March</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Deposits to investment contracts – regular premiums	<b>14.9</b>	19.6	<b>57.3</b>	61.8
Deposits to investment contracts – single premiums	<b>22.3</b>	17.6	<b>57.4</b>	48.5
Withdrawals from contracts and charges	<b>(45.4)</b>	(37.3)	<b>(143.2)</b>	(120.4)
Effect of market and currency movements	<b>(46.0)</b>	41.0	<b>12.1</b>	128.5
	<b>(54.2)</b>	40.9	<b>(16.4)</b>	118.4
Opening balance	<b>1,087.5</b>	1,001.0	<b>1,049.7</b>	923.5
<b>Assets under Administration at 31 March</b>	<b>1,033.3</b>	1,041.9	<b>1,033.3</b>	1,041.9

The movement in AuA is split as follows between Hansard International and Hansard Europe:

	Nine months ended 31 March	
	2018 £m	2017 £m
Hansard International	8.9	121.4
Hansard Europe	(25.3)	(3.0)
Increase / (decrease) in period	(16.4)	118.4

## LITIGATION AND POLICYHOLDER COMPLAINTS

The Group continues to carefully manage its litigation relating to the legacy operations of Hansard Europe. Hansard Europe was notified in April 2018 of a new Italian action being brought against it by a group of contract holders relating to illiquid funds which are shortly to be placed into liquidation. As with other similar litigation, our view remains that we are not responsible for the investment advice of independent financial advisors or for the subsequent investment management of those external funds. Based upon the most recent net asset values notified to us, the assessed exposure attaching to this new litigation totals £1.9m.

## RESULTS FOR THE YEAR ENDING 30 JUNE 2018

New business results for the full-year are scheduled to be announced on 26 July 2018. Trading results for the full-year are expected to be announced on 27 September 2018.

## OUTLOOK

We anticipate that our exit from certain distribution channels in the Far East will result in a lower overall total of new business for this financial year than we were projecting. We also expect that a lower mix of regular premium business will adversely impact on the overall margin for the year. In the medium term however, and in line with our stated strategy, we expect our pursuit of additional local licences will open up substantial growth opportunities in the region.

In the Middle East, where we are further progressed with our strategic re-positioning, we remain enthusiastic about the opportunity with our strategic partner in the UAE as we continue to see quarter on quarter improvements in new business with ample capacity for further growth.

We also expect to communicate and implement initiatives in the near future to further develop and grow our Latin American and Rest of World regions.

**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, in the case of Hansard International Limited, and Western Europe in the case of Hansard Europe dac, the Group's two life assurance companies. Hansard Europe dac 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.
- Following the closure of Hansard Europe dac to new business with effect from 30 June 2013, the Group continues to report new business performance of Hansard International Limited alone within this document. Reporting of Assets under Administration incorporates cash flows relating to insurance policies issued by both Hansard International Limited and Hansard Europe dac.

**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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