



HANSARD
GLOBAL PLC

24 January 2019

Hansard Global plc
New business results for the six months ended 31 December 2018

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 2018, the first half of its 2019 financial year ("H1 2019"). The three months ended 31 December 2018 are referred to as "Q2 2019" throughout this document.

Summary

- New business for Hansard International Limited ("Hansard International") for Q2 2019 was £41.5m in PVNBP ("Present Value of New Business Premiums") terms. This represents an increase of 8% on Q2 2018 and 27% on Q1 2019;
- New business for H1 2019 was £74.1m, 4% lower than H1 2018;
- Our locally licensed venture in the UAE has delivered impressive growth. Together with broader growth across the Middle East & Africa region, new business in Q2 2019 more than doubled compared to Q2 2018;
- New business in the Far East continues to be lower than last year as we seek to re-position our business in that region towards locally licensed opportunities;
- Assets under administration were £975.5 million at 31 December 2018, a decrease of £67m (6%) over the quarter as investment markets fell significantly across the globe;
- New subsidiary in the Bahamas launched as planned on 1 January 2019.

Gordon Marr, Group Chief Executive Officer, commented:

"It was pleasing to see our licenced business in the UAE producing significant growth and new business levels. This has helped us recover from our first quarter position and we look forward to continuing this momentum over the remainder of the year."

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HANSARD GLOBAL plc
NEW BUSINESS RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

OVERVIEW

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

In Present Value of New Business Premiums ("PVNBP") terms, new business for Q2 2019 recovered significantly from the dip experienced in Q1 2019 and was 7.8% higher than Q2 2018. The primary driver of this growth came from our strategic relationship in the UAE where new business more than doubled from Q2 2018 to Q2 2019. New business for the six months to 31 December 2018 was £74.1m, 3.8% down on H1 2018.

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		
	2018 £m	2017 £m	% change	2018 £m	2017 £m	% change
Present Value of New Business Premiums	41.5	38.5	7.8%	74.1	77.0	(3.8%)
Annualised Premium Equivalent	6.8	6.0	13.3%	11.8	12.1	(2.5%)

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		
	2018 £m	2017 £m	% change	2018 £m	2017 £m	% change
Regular premium	21.8	18.6	17.2%	37.4	37.9	(1.3%)
Single premium	19.7	19.9	(1.0%)	36.7	39.1	(6.1%)
Total	41.5	38.5	7.8%	74.1	77.0	(3.8%)

PVNBP by geographical area	Three months ended 31 December			Six months ended 31 December		
	2018 £m	2017 £m	% change	2018 £m	2017 £m	% change
Middle East and Africa	15.8	7.8	102.6%	24.7	16.3	51.5%
Rest of World	13.9	17.4	(20.1%)	26.1	31.0	(15.8%)
Latin America	6.1	6.3	(3.2%)	13.1	14.0	(6.4%)
Far East	5.7	7.0	(18.6%)	10.2	15.7	(35.0%)
Total	41.5	38.5	7.8%	74.1	77.0	(3.8%)

The highlight in new business for the period has been the growth of our strategic relationship in the UAE (part of our Middle East & Africa region). In PVNBP terms, new business in Q2 2019 has more than doubled compared to Q2 2018 and more than tripled in terms of numbers of policies sold. Our UAE business is exclusively regular premium and has therefore been the driving force behind the 17% increase in regular premium business in Q2 2019 compared to Q2 2018.

The Rest of World region sold slightly more policies in Q2 2019 compared to Q2 2018, but at a lower average value as lump sum single premiums can fluctuate period to period.

While Latin America is down modestly in Q2 2019 from Q2 2018, levels of new business continue to represent significant growth from the position two years ago. We have invested in an additional account executive for the region to help drive the next stage of its growth.

As communicated in our Q1 2019 results, new business in our Far East region is down while we re-position towards locally licensed business in a similar manner to that successfully implemented in the Middle East.

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.

The value of AuA is underpinned by a steady flow of regular contributions from new and existing contract holders around the world. Net withdrawals are typically experienced in Hansard Europe, which closed to new business in 2013.

During Q2 2019, AuA fell approximately 6% to £975.5 million as investment markets suffered declines globally.

	Three months ended 31 December		Six months ended 31 December	
	2018 £m	2017 £m	2018 £m	2017 £m
Deposits to investment contracts – regular premiums	20.1	21.5	39.7	42.5
Deposits to investment contracts – single premiums	19.9	17.8	37.0	35.1
Withdrawals from contracts and charges	(36.3)	(45.0)	(77.7)	(97.8)
Effect of market and currency movements	(71.0)	42.7	(59.5)	58.0
	(67.3)	37.0	(60.5)	37.8
Opening balance	1,042.8	1,050.5	1,036.0	1,049.7
Assets under Administration at 31 December	975.5	1,087.5	975.5	1,087.5

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

	Six months ended 31 December	
	2018	2017
	£m	£m
Hansard International	(47.8)	48.7
Hansard Europe	(12.7)	(10.9)
Increase / (decrease) in period	(60.5)	37.8

RESULTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

Trading results for the half-year are expected to be announced on 7 March 2019.

OUTLOOK

We continue to pursue opportunities for growth in line with our previously stated strategic objectives. Our new subsidiary in the Bahamas launched on schedule on 1 January 2019. We are in the process of transitioning a number of existing and new brokers to this channel with positive feedback received to date. We expect this channel to produce incremental new business in the latter part of this financial year and beyond. We plan to share further detail on this and other strategic opportunities and progress when we release our half-year financial results on 7 March 2019.

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 scaleable.
- 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 Designated Activity Company, the Group's two life assurance companies. Hansard Europe Designated Activity Company 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 Designated Activity Company 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 Designated Activity Company.

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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