



HANSARD
GLOBAL PLC

4 November 2021

Hansard Global plc
Trading update for the quarter ended 30 September 2021

Hansard Global plc ("Hansard" or "the Group"), the specialist long-term savings provider, issues its trading update for the first quarter of its financial year ended 30 June 2022 (Q1 2022), being the period from 1 July 2021 to 30 September 2021.

Summary

- New business for the quarter ended 30 September 2021 was £31.4m in PVNBP ("Present Value of New Business Premiums") terms, 8.2% lower than Q1 of the prior financial year;
- Assets under administration were £1.22 billion as at 30 September 2021, unchanged from 30 June 2021;
- Covid-19 restrictions in Japan are gradually improving with our chosen distribution partner engaging positively around replanning their backlog of product launch activities.

Graham Sheward, Group Chief Executive Officer, commented:

"While the first quarter of our financial year typically sees a seasonal decline due to the summer holiday period, this year the impact was greater as distributors and clients took the opportunity to take extended summer breaks as global travel restrictions eased. As a result, the first quarter of our 2022 financial year saw lower levels of new business. However, we are working hard to reinvigorate sales levels for Q2 which traditionally sees volumes increase.

The operating environment in Japan is gradually improving as Covid-19 restrictions are relaxed, although it may still be a while before we return to more normalised conditions. Notwithstanding this, we are working hard to agree a detailed timeline to launch with our first distribution partner and continue to expect this initiative to deliver positive new business growth for Hansard.

I was delighted to accept industry awards recently from International Investment on behalf of my colleagues for technology and customer service excellence. These are key areas in which Hansard seeks to maintain its competitive advantage and are important to our future success."

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HANSARD GLOBAL plc

NEW BUSINESS RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2021

OVERVIEW

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

In Present Value of New Business Premiums ("PVNBP") terms, levels of new business in Q1 2022 were 8.2% lower than Q1 2021.

NEW BUSINESS FLOWS

New business flows for Q1 2022 on our key metrics were as follows:

Basis	Quarter ended 30 September		
	2021 £m	2020 £m	% change
Present Value of New Business Premiums	31.4	34.2	(8.2%)
Annualised Premium Equivalent	4.1	5.0	(18.0%)

Present Value of New Business Premiums ("PVNBP")

New business flows for Q1 2022 on the basis of PVNBP are analysed in the following two tables as follows:

PVNBP by product type	Quarter ended 30 September		
	2021 £m	2020 £m	% change
Regular premium	18.9	23.1	(18.2%)
Single premium	12.5	11.1	12.6%
Total	31.4	34.2	(8.2%)

PVNBP by geographical area	Quarter ended 30 September		
	2021 £m	2020 £m	% change
Middle East and Africa	10.7	13.9	(23.0%)
Rest of World	9.4	10.5	(10.5%)
Latin America	6.8	7.4	(8.1%)
Far East	4.5	2.4	87.5%
Total	31.4	34.2	(8.2%)

While Q1 typically sees a seasonal decline compared to other quarters due to the summer holiday period, this appeared to be more pronounced this year as both distributors and clients took the opportunity to take extended summer breaks as global travel restrictions eased for the first time in over a year.

We also saw a trend away from the long-term financial commitment of regular premium savings contracts towards alternative assets.

As a result, regular premium new business fell 18.2% from Q1 2020. Single premiums were more popular due to their greater flexibility, growing 12.6% from Q1 2020.

In our largest region, Middle East and Africa, new business was down 23.0%. We experienced lower regular premium volumes with average case size for both regular and single premiums also being lower. Of all our regions, the Middle East & Africa was most affected by distributors taking extended breaks as travel restrictions eased.

The Rest of World region was down 10.5% where we also experienced lower regular premium volumes and lower average case size for both regular and single premiums. Many of the key countries within this region experienced quite severe Covid-19 effects which was the major contributing factor to the reduction in sales.

New business in Latin America was down 8.1%. This was driven by smaller average case sizes although it was encouraging to see higher numbers of cases being written, pointing towards an improving environment as Covid-19 restrictions gradually relax.

The large increase in new business of 87.5% in the Far East region came off a low base in Q1 2021 and is more reflective of business levels written in the latter part of FY 2021.

A wide-ranging sales improvement plan is being implemented across all regions in Q2 to drive up new business volumes during what is usually a strong quarter.

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”), which closed to new business in 2013.

During Q1 2022, AuA decreased marginally by £4.8m to remain at £1.22 billion. Global investment markets were relatively flat, with withdrawals £8.0m higher than premiums received. The following analysis shows the components of the movement in AuA during the quarter:

	Quarter ended 30 September	
	2021	2020
	£m	£m
Deposits to investment contracts – regular premiums	20.9	22.5
Deposits to investment contracts – single premiums	12.6	11.1
Withdrawals from contracts and charges	(41.5)	(38.3)
Effect of market and currency movements	3.2	23.8
Increase in period	(4.8)	19.1
Opening balance	1,224.2	1,080.5
Assets under Administration at 30 September	1,219.4	1,099.6

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

	Quarter ended 30 September	
	2021	2020
	£m	£m
Hansard International	(3.0)	21.7
Hansard Europe	(1.8)	(2.6)
(Decrease)/increase in period	(4.8)	19.1

AWARDS

We were delighted to win industry awards during the period at the 2021 International Investment awards for “Excellence in Fintech” and “Excellence in Client Service - Asia”. These are two areas in which Hansard strives to differentiate itself and we believe are more important than ever during the challenges of the Covid-19 environment.

RESULTS FOR THE HALF-YEAR ENDING 31 DECEMBER 2021

New business results for the half year ending 31 December 2021 are expected to be announced on 27 January 2022. Trading results for the half year are expected to be announced on 3 March 2022.

OUTLOOK

The external global environment and the ability for our IFA-distribution to grow new business continues to be challenging as Covid-19 related restrictions and economic confidence fluctuates.

We expect the launch of our Japanese proposition with our first distribution partner to deliver positive new business growth following its launch.

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 contract 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 often 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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