



HANSARD
GLOBAL PLC

27 January 2022

Hansard Global plc
New business results for the six months ended 31 December 2021

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 2021 ("H1 2022"). The three months ended 31 December 2021 are referred to as "Q2 2022" throughout this document.

Summary

- New business for the Group for Q2 2022 was £33.5m in PVNBP ("Present Value of New Business Premiums") terms (Q2 2021: £42.1m, Q1 2022: £31.4m);
- New business for H1 2022 was £64.9m (H1 2021: £76.3m);
- Assets under administration were £1.23 billion at 31 December 2021 (30 June 2021: £1.22 billion);
- We continue to make good progress towards the successful launch of Hansard's new product with our chosen distribution partner in Japan, against the background of current pandemic restrictions in that country.

Graham Sheward, Group Chief Executive Officer, commented:

"Covid-19 continues to provide a challenging backdrop for our business and in particular for launching our new product in Japan, where new States of Emergency have been declared in several regions recently. We continue to work with our prospective distribution partner towards a suitable launch date in a positive and engaged manner.

We are also taking a number of actions to improve new business levels both with respect to our traditional business and by progressing opportunities to deploy new products more widely in Japan and in other suitable territories around the world."

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

New business for the quarter and financial year-to-date continued to be impacted by the challenges of Covid-19 restrictions around the world and a hesitancy by clients to commit to long-term savings products. In Present Value of New Business Premiums ("PVNBP") terms, new business for Q2 2022 was 20.4% lower than Q2 2021 and H1 2022 was 14.9% lower than H1 2021.

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		
	2021 £m	2020 £m	% change	2021 £m	2020 £m	% change
Present Value of New Business Premiums	33.5	42.1	(20.4%)	64.9	76.3	(14.9%)
Annualised Premium Equivalent	4.7	5.9	(20.3%)	8.8	10.9	(19.3%)

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		
	2021 £m	2020 £m	% change	2021 £m	2020 £m	% change
Regular premium	21.7	26.5	(18.1%)	40.6	49.6	(18.1%)
Single premium	11.8	15.6	(24.4%)	24.3	26.7	(9.0%)
Total	33.5	42.1	(20.4%)	64.9	76.3	(14.9%)

PVNBP by geographical area	Three months ended 31 December			Six months ended 31 December		
	2021 £m	2020 £m	% change	2021 £m	2020 £m	% change
Middle East & Africa	11.9	14.7	(19.0%)	22.6	28.6	(21.0%)
Rest of World	11.2	13.8	(18.8%)	20.6	24.3	(15.2%)
Latin America	7.6	11.1	(31.5%)	14.4	18.5	(22.2%)
Far East	2.8	2.5	12.0%	7.3	4.9	49.0%
Total	33.5	42.1	(20.4%)	64.9	76.3	(14.9%)

While Q2 2022 saw an increase in new business of 6.7% from Q1 2022, the overall environment remained challenging for investment and long-term savings plans, with new business down 20.4% from Q2 2021. Regular premium new business fell 18.1%, with single premiums falling 24.4%.

The general experience across each region saw a reduction both in the number of cases sold and in the quantity of high-value cases sold. New business in Latin America was additionally impacted by a tightening of our business acceptance criteria in parts of the region to better control the quality of new business submissions.

The exception to the above was our Far East region which continued to show recovery from a low base in 2021. As outlined in previous reports, our main strategic focus in the Far East is to bring our new Japanese proposition to market.

In light of the above experience, a number of actions are being taken to improve new business levels, including a product campaign initiated with a number of key brokers in December, the approval of a number of new brokers to add to our distribution coverage, re-commencement of international travel to a number of our key brokers by our relationship managers and further leveraging of fin-tech and automation initiatives.

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 £11.4m to £1.23 billion during the three months ended 31 December 2021, reflecting positive global stock markets. For the six months ended 31 December 2021, AuA increased £6.6m.

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

	Three months ended 31 December		Six months ended 31 December	
	2021	2020	2021	2020
	£m	£m	£m	£m
Deposits to investment contracts – regular premiums	22.4	19.8	43.3	42.3
Deposits to investment contracts – single premiums	12.0	15.6	24.6	26.7
Withdrawals from contracts and charges	(42.2)	(39.9)	(83.7)	(78.2)
Effect of market and currency movements	19.2	71.9	22.4	95.7
Increase / (decrease) in period	11.4	67.4	6.6	86.5
Opening balance	1,219.4	1,099.6	1,224.2	1,080.5
Assets under Administration at 31 December	1,230.8	1,167.0	1,230.8	1,167.0

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	
	2021	2020
	£m	£m
Hansard International	11.7	87.7
Hansard Europe	(5.1)	(1.2)
Increase / (decrease) in period	6.6	86.5

RESULTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

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 Independent Financial Advisor (“IFA”) distribution network to grow new long-term savings business continues to be challenging as Covid-19 related restrictions and economic confidence fluctuate. We therefore expect IFA sales for FY 2022 to be lower than FY 2021 but note that will not have a material impact to our profit under International Financial Reporting Standards (“IFRS”). This is because initial income and origination costs are deferred at point of sale and recognised over the lifetime of contracts sold.

We remain confident that our Japanese product will successfully launch when the environment improves in Japan and that it will produce long-term business growth for the Group.

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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