



HANSARD
GLOBAL PLC

3 November 2022

**Hansard Global plc
Trading update for the quarter ended 30 September 2022**

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 2023 (Q1 FY 2023), being the period from 1 July 2022 to 30 September 2022.

Summary

- New business for the quarter ended 30 September 2022 was £24.8m in PVNBP ("Present Value of New Business Premiums") terms, in line with new business of £24.8m in the quarter ended 30 June 2022 and down from £31.4m in the quarter ended 30 September 2021;
- Assets under administration were £1.1 billion as at 30 September 2022, up £6.1m from that last reported as at 30 June 2022.

Graham Sheward, Group Chief Executive Officer, commented:

The overall environment has remained challenging for investment and long-term savings plans. However, we are making good progress developing new distribution opportunities.

In our largest region, Middle East and Africa, new business was up 2.8%. We are beginning to see some of the fruits of our investment in this region where we have recruited additional regional sales management. We are working closely with a number of new distribution partners on new customer segments and product initiatives.

New business in Latin America was up 17.6% as the improving trend in that region continued. Similar to the Middle East and Africa region, we are working on building business with new distribution partners to supplement our existing distribution.

The Rest of World region was down 59.6% due to a decline in single premium business and business acceptance restrictions arising out of the Russia-Ukraine conflict.

The 55.6% reduction in Far East business reflects a fluctuating smaller base of new business which experienced a spike in the prior year comparative. We have recently relocated a regional sales manager to our branch in Malaysia to drive business growth in this region.

Hansard Global plc

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In order to counteract this challenging environment, we have been expanding our distribution relationships, adding additional regional sales managers to our team and developing new product propositions across our product range. We expect to launch a new proposition in the Middle East on our new administration system in 2023 to assist growing our business in that market.

We also continue to make encouraging progress with various distribution opportunities for our Japanese proposition and remain optimistic for the significant potential in that jurisdiction.

Lastly, we were delighted to win four industry awards at the 2022 International Investment awards in October. These were in the areas of customer service and technology, where Hansard strives to differentiate itself. The awards won were for “Excellence in Fintech”, “Excellence in Client Service - Asia”, “Excellence in Client Service - Africa” and “Excellence in Client Service - Overall”.

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HANSARD GLOBAL PLC

TRADING UPDATE FOR THE QUARTER ENDED 30 SEPTEMBER 2022

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.

The external global environment and the ability for our IFA-distribution to sell long-term savings products continues to be challenging as economic confidence fluctuates.

In Present Value of New Business Premiums ("PVNBP") terms, new business for the quarter ended 30 September 2022 was in line with new business in the quarter ended 30 June 2022 of £24.8m and down from £31.4m (or 21.0%) in the quarter ended 30 September 2021.

In Annualised Premium Equivalent ("APE") terms, the decline from the quarter ended 30 September 2021 was 12.2%.

The PVNBP result was negatively impacted by our annual update of the applicable discount rate to be applied to future premium inflows. A higher discount rate as a result of the current tightening global interest rate environment resulted in a lower present value of future regular premiums. Without this change in assumption, PVNBP would have been £26.5m or 15.6% lower than the prior year comparative.

In addition, a significantly lower proportion of single premiums written has a greater impact to the PVNBP metric compared to the APE metric.

NEW BUSINESS FLOWS

New business flows on our key reported metrics were as follows:

Basis	Quarter ended 30 September		
	2022 £m	2021 £m	% change
Present Value of New Business Premiums	24.8	31.4	(21.0%)
Annualised Premium Equivalent	3.6	4.1	(12.2%)

Present Value of New Business Premiums ("PVNBP")

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

PVNBP by product type	Quarter ended 30 September		
	2022 £m	2021 £m	% change
Regular premium	17.1	18.9	(9.5%)
Single premium	7.7	12.5	(38.4%)
Total	24.8	31.4	(21.0%)

PVNBP by geographical area	Quarter ended 30 September		
	2022 £m	2021 £m	% change
Middle East and Africa	11.0	10.7	2.8%
Latin America	8.0	6.8	17.6%
Rest of World	3.8	9.4	(59.6%)
Far East	2.0	4.5	(55.6%)
Total	24.8	31.4	(21.0%)

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 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 the quarter ended 30 September 2022, AuA increased marginally by £6.1m to £1.1 billion. Lower single premium contributions and stock market declines were more than offset by positive US Dollar movements against Sterling during the period. The following analysis shows the components of the movement in AuA during the quarter:

	Quarter ended 30 September	
	2022 £m	2021 £m
Deposits to investment contracts – regular premiums	21.7	20.9
Deposits to investment contracts – single premiums	7.8	12.6
Withdrawals from contracts and charges	(39.2)	(41.5)
Effect of market and currency movements	15.8	3.2
Increase in period	6.1	(4.8)
Opening balance	1,092.3	1,224.2
Assets under Administration at 30 September	1,098.4	1,219.4

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

	Quarter ended 30 September	
	2022 £m	2021 £m
Hansard International	7.7	(3.0)
Hansard Europe	(1.6)	(1.8)
Increase/(decrease) in period	6.1	(4.8)

RESULTS FOR THE HALF-YEAR ENDING 31 DECEMBER 2022

New business results for the half year ending 31 December 2022 are expected to be announced on 26 January 2023. Trading results for the half year are expected to be announced on 9 March 2023.

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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