



Liberty Holdings Limited  
Annual Results  
Presentation **2011**

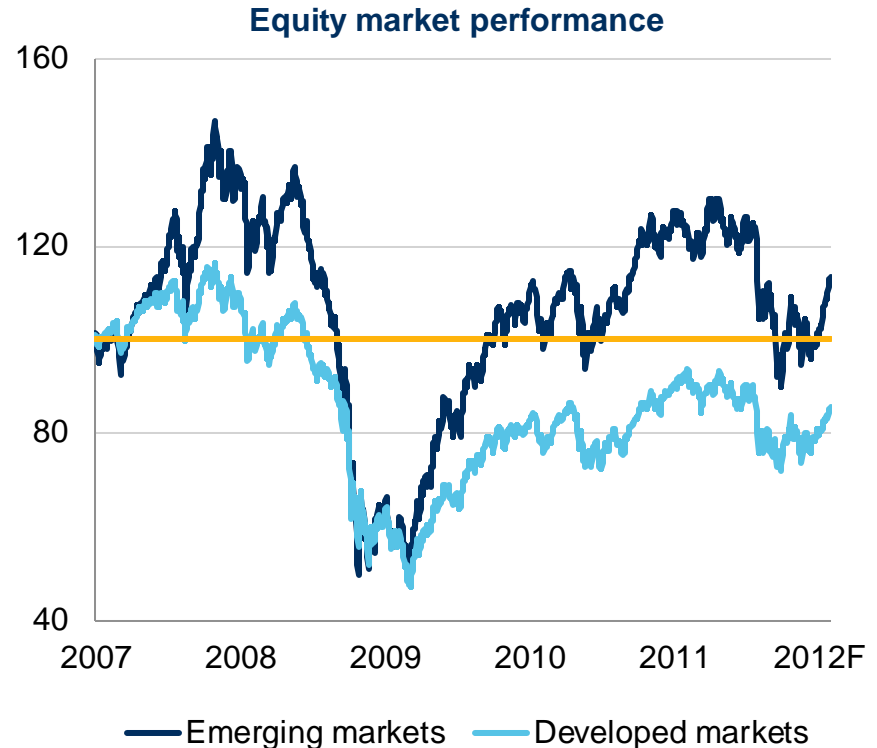
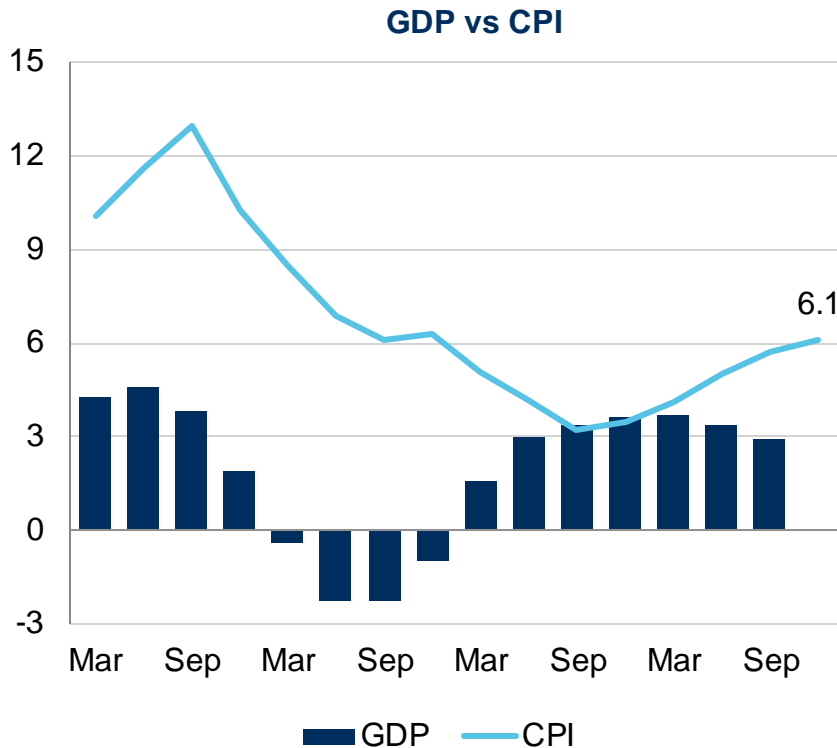
*for the year ended 31 December*



# Financial performance review

Casper Troskie

# Operating environment



- CPI breached the targeted range of 3-6%, mainly driven by increased food and petrol prices (excluding rising food and petrol prices, CPI remained well within the inflation target at 4.4%)
- Continued emerging market outperformance as Eurozone uncertainties heightened market volatility

## Group financial summary – full year

Rm ( <i>unless stated otherwise</i> )	Dec 11	Dec 10	% Δ
Adjusted core operating earnings	<b>2 636</b>	2 283	15
Embedded value of long-term insurance new business	<b>410</b>	261	57
Indexed long-term insurance new business	<b>5 152</b>	4 327	19
Long-term insurance customer cash flows	<b>4 230</b>	(287)	>100
Net cash (outflows)/inflows including money market	<b>(91)</b>	22 179	>100
Retail and institutional net cash inflows excluding money market	<b>13 598</b>	1 323	>100
Money market net cash (outflows)/inflows	<b>(13 689)</b>	20 856	>100
LGL CAR cover (times covered)	<b>2.89</b>	2.67	8
BEE normalised headline earnings	<b>2 663</b>	2 597	3
BEE normalised group equity value per share (R)	<b>100.15</b>	91.01	10
BEE normalised RoGEV (%)	<b>15.3</b>	13.4	14
BEE normalised RoE (%)	<b>19.6</b>	21.2	(7)

## Business unit BEE normalised headline earnings

Rm ( <i>unless stated otherwise</i> )	2H11	1H11	Dec 11	Dec 10	% Δ
Retail SA	664	650	<b>1 314</b>	899	46
Corporate	(11)	47	<b>36</b>	103	(65)
LibFin Investments	694	275	<b>969</b>	1 174	(17)
LibFin Markets	85	70	<b>155</b>	269	(42)
STANLIB	224	190	<b>414</b>	361	15
Liberty Properties	52	44	<b>96</b>	96	0
Liberty Africa	5	16	<b>21</b>	10	>100
Liberty Health	(55)	(10)	<b>(65)</b>	(43)	(51)
Frank	(29)	(18)	<b>(47)</b>	(44)	(7)
Centre	(146)	(84)	<b>(230)</b>	(228)	(1)
<b>BEE normalised headline earnings</b>	<b>1 483</b>	<b>1 180</b>	<b>2 663</b>	<b>2 597</b>	<b>3</b>
BEE normalised headline earnings per share (cents)			<b>930.8</b>	907.6	3

## Changes in key assumptions

- Risk discount rate decreased 12 bps 10.95% (Dec 10: 11.07%)
- Positive:
  - Persistency assumptions were adjusted to improved evidenced trends
  - An improved estimate of the illiquidity premium of annuity and guaranteed investment products
- Negative:
  - Expense basis was strengthened to provide for a portion of non recurring expenses, business as usual retention capacity and certain shareholder expenses (VIF)
  - Strengthening of certain annuitant mortality assumptions

Net positive IFRS earnings impact of assumption changes R292m

## Sources of BEE normalised group equity value profit

Rm ( <i>unless stated otherwise</i> )	Dec 11	Dec 10	% Δ
Value of long-term insurance new business	410	261	57
Expected return on SA covered business	1 640	1 619	1
Variiances/changes in operating assumptions	894	15	>100
Headline earnings of other businesses	419	380	10
<b>Operational equity value earnings</b>	<b>3 363</b>	<b>2 275</b>	<b>48</b>
Non headline loss of other businesses		(110)	100
Development costs	(61)	(72)	15
Investment return on net worth and investment variances	353	678	(48)
Changes in economic assumptions - SA covered business	(12)	331	(>100)
Increase in fair value adjustment on value of other businesses	145	183	(21)
Change in STC allowance	257	(32)	>100
Change in allowance for share options/rights	(64)	(30)	(>100)
<b>Group equity value earnings</b>	<b>3 981</b>	<b>3 223</b>	<b>24</b>
RoGEV - annualised return (%)	15.3	13.4	14

## Long-term insurance indexed new business<sup>1</sup>

Rm	Dec 11	Dec 10	% Δ
Retail SA	4 375	3 717	18
Corporate	638	542	18
Liberty Africa	111	68	63
Frank	28	n/a	
<b>Total</b>	<b>5 152</b>	<b>4 327</b>	<b>19</b>

1. Excludes natural increases  
n/a – not applicable



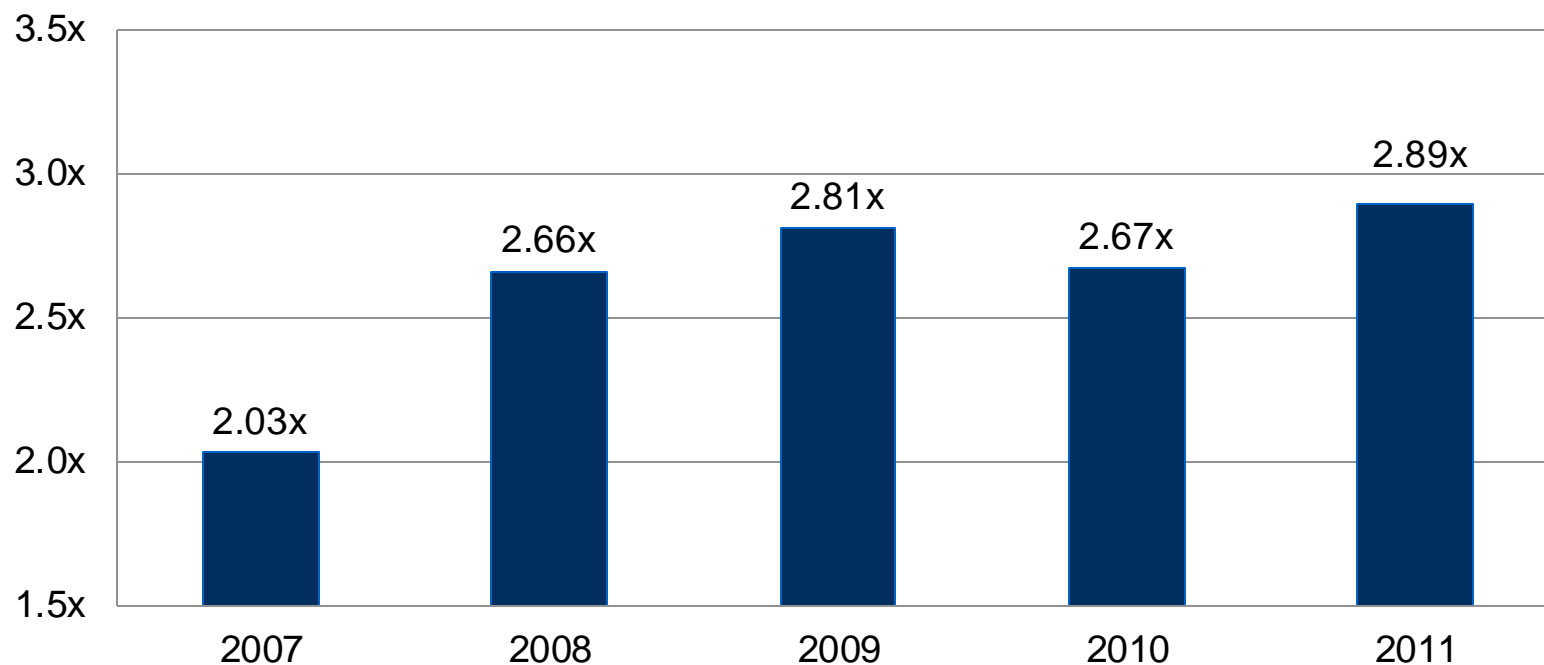
## Value of new business

Rm ( <i>unless stated otherwise</i> )	Dec 11	Dec 10	% Δ
Value of new business	<b>410</b>	261	57
Retail SA	<b>361</b>	229	58
Corporate	<b>18</b>	16	13
Liberty Africa	<b>29</b>	16	81
Frank	<b>2</b>	n/a	
New business margins (%)	<b>1.4</b>	1.2	17
Retail SA	<b>1.6</b>	1.3	23
Corporate	<b>0.3</b>	0.4	(25)
Liberty Africa	<b>9.0</b>	5.2	73
Frank	<b>2.6</b>	n/a	

## Assets under management

Rbn	Dec 11	Dec 10	% Δ
Assets under management	<b>455</b>	442	3
STANLIB	<b>341</b>	355	(4)
Liberty Africa	<b>39</b>	29	34
LibFin	<b>25</b>	10	>100
Liberty Properties	<b>27</b>	25	8
Externally managed	<b>23</b>	23	-
Asset management net cash flows <sup>1</sup>	-	22	(>100)
STANLIB	<b>(5)</b>	16	(>100)
Liberty Africa	<b>5</b>	6	(17)

## Liberty Group Limited CAR cover



LGL TCAR	3 510	3 020*	2 542*	2 532	2 406
LGL OCAR	4 102*	2 204	2 413	2 688*	2 495*

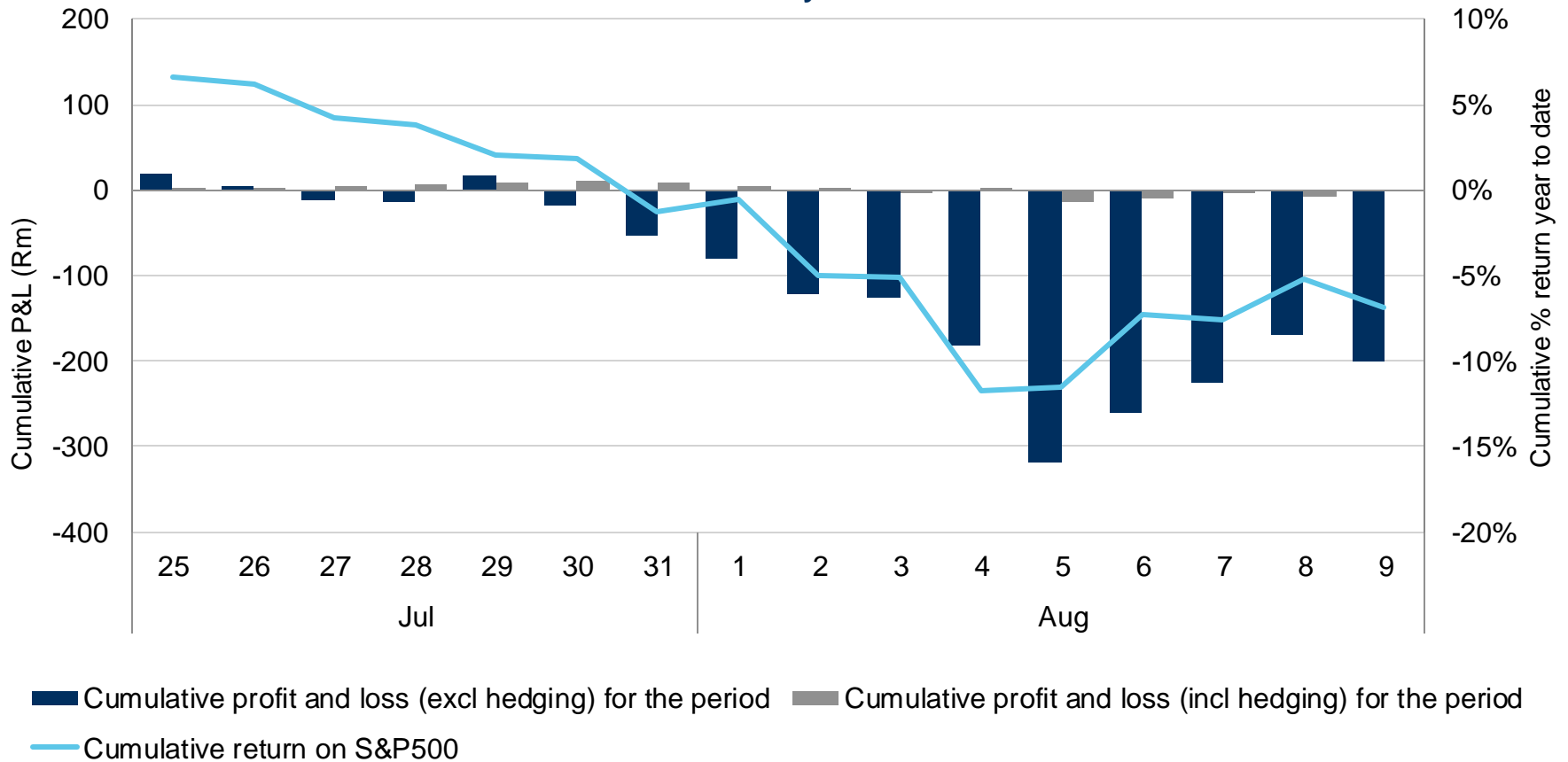
\* Applicable CAR

- It is the intention of the Board to pay a full year dividend in accordance with the Group's dividend policy
- A dividend of 77 cents, subject to STC, has been declared to pass available STC credits to shareholders
- A further dividend announcement will be made as soon as possible on or after 1 April 2012

## Retail SA Insurance – headline earnings

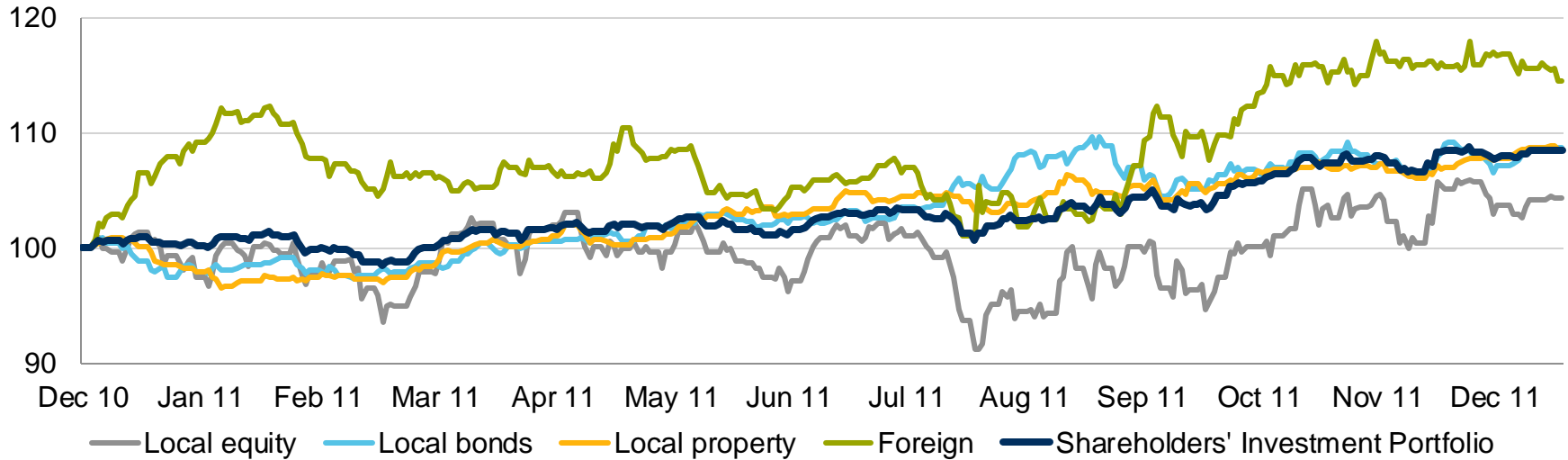
Rm	Dec 11	Dec 10	% Δ
Expected profit and premium escalations	2 016	1 915	5
Variances, modelling and assumption changes	587	(265)	>100
New business strain	(475)	(462)	(3)
Project, outperformance incentive and non CPP expenses	(328)	(250)	(31)
Other	(7)	172	(>100)
Taxation	(486)	(253)	(92)
<b>Earnings before Bancassurance</b>	<b>1 307</b>	<b>857</b>	<b>53</b>
Liberty share of credit life Bancassurance (net of all taxes)	96	94	2
Complex Bancassurance preference dividend including STC	(89)	(52)	(71)
<b>Headline earnings</b>	<b>1 314</b>	<b>899</b>	<b>46</b>

## Gross cumulative daily P&L



Reducing earnings volatility and capital requirements in turbulent markets

## Asset class performances in 2011



### Gross return (%)

Selection of indices	2007	2008	2009	2010	2011
SWIX	18.1	(21.7)	29.9	20.9	4.3
ALBI	4.2	17.0	(1.0)	15.0	8.8
STEFI	9.4	11.7	9.1	6.9	5.7
R/\$ exchange	3.5	(26.6)	(26.4)	11.6	22.0

Building a solid track record for reliable risk adjusted returns

## LibFin – headline earnings

Rm	2H11	1H11	<b>Dec 11</b>	Dec 10	% Δ
LibFin					
LibFin Investments	694	275	<b>969</b>	1 174	(17)
LibFin Markets	85	70	<b>155</b>	269	(42)
<b>Total</b>	<b>779</b>	<b>345</b>	<b>1 124</b>	<b>1 443</b>	<b>(22)</b>

The SIP delivered a return of 8.1% in line with benchmark



## LibFin – Shareholders' Investment Portfolio

Rm	Dec 11	%	Dec 10	%
Local equities	3 094	15	3 952	23
Local bonds	4 343	21	4 053	23
Local cash	5 472	27	3 445	20
Local preference shares	1 471	7	1 617	9
Local property	2 423	12	1 654	10
Foreign assets	3 623	18	2 606	15
<b>Total</b>	<b>20 426</b>	<b>100</b>	<b>17 327</b>	<b>100</b>
Assets backing capital	9 226	45	9 043	52
Assets backing life funds	7 397	36	4 457	26
90:10 exposure	3 803	19	3 827	22

## Corporate – headline earnings

Rm	Dec 11	Dec 10	% Δ
Gross contribution	794	789	1
Underwriting margin	344	357	(4)
Fee income	401	371	8
Pension businesses and other income	49	61	(20)
Expenses and other items	(647)	(577)	(12)
Amortisation of previously acquired business	(68)	(52)	(31)
Pre-tax operating profit	79	160	(51)
Taxation	17	(51)	>100
<b>Headline earnings (before fund termination projects)</b>	<b>96</b>	<b>109</b>	<b>(12)</b>
Fund termination projects	(60)	(6)	(>100)
<b>Headline earnings</b>	<b>36</b>	<b>103</b>	<b>(65)</b>

## STANLIB – headline earnings

Rm	Dec 11	Dec 10	% Δ
Net fee income	1 223	1 072	14
Base fees	1 162	1 068	9
Performance fees	61	(5)	>100
Operating expenses	(680)	(602)	(13)
Profit before investment income	543	470	16
Other income and preference dividends	37	27	37
Pre-tax profit	580	497	17
Taxation	(166)	(137)	(21)
Headline earnings	414	360	15
<b>Attributable to Liberty</b>	<b>414</b>	<b>361</b>	<b>15</b>
Headline earnings	414	360	15
Preference shares		1	

## Liberty Properties – headline earnings

Rm	Dec 11	Dec 10	% Δ
Gross profit	257	243	6
Property management	150	127	18
Asset and hotel management	43	39	10
Property development	64	77	(17)
Investment and other income	5	5	-
Operating expenses	(153)	(129)	(19)
Pre-tax operating profit	109	119	(8)
Taxation	(24)	(33)	27
Headline earnings	85	86	(1)
Fountainhead (net of taxation)	11	10	10
<b>Total headline earnings</b>	<b>96</b>	<b>96</b>	<b>-</b>

## Liberty Africa – headline earnings

Rm	Dec 11	Dec 10	% Δ
Headline earnings	45	28	61
<b>Attributable to Liberty</b>	<b>21</b>	<b>10</b>	<b>&gt;100</b>
Insurance operations	27	9	>100
Asset management	35	16	>100
Health	2	1	100
Head office expenses	(43)	(16)	(>100)

## Liberty Health – headline earnings

Rm	Dec 11	Dec 10	% Δ
Revenue	517	504	3
Operating expenses	(589)	(520)	(13)
EBITDA	(72)	(16)	(>100)
Amortisation and depreciation	(50)	(38)	(32)
Operating loss	(122)	(54)	(>100)
<b>Headline earnings attributable to Liberty</b>	<b>(65)</b>	<b>(43)</b>	<b>(51)</b>

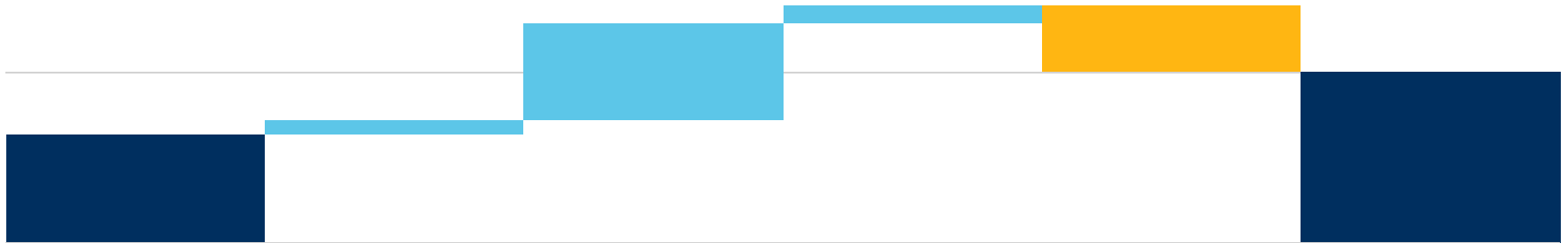
## Regulatory developments

- Liberty seeks positive and constructive engagement with regulators and policymakers, both directly and through participation in industry forums
- Liberty is well positioned to meet emerging SAM requirements
  - Capabilities based detailed gap analysis completed
  - Existing initiatives in data management and models very well advanced and aligned to new requirements
  - Investments in market and credit risk management capability (LibFin) provide an advantage
  - Economic capital models recalibrated and updated; comfortable with resulting capital position
  - Participated in SA Quantitative Impact Study (QIS) 1
- A regulatory programme office has been constituted to address Liberty's response to regulatory change (including PPI and TCF)

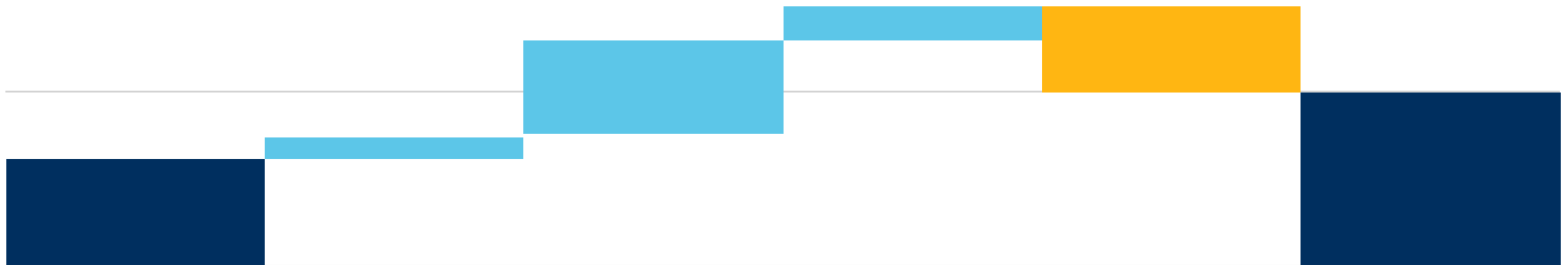
Under QIS 1 assessment Liberty meets Solvency Capital Requirement (SCR) – improved relative to the industry average

# Comparison of contribution of high level risk categories under QIS 1

## Industry



## Liberty



Market risk

Counterparty default risk

Life underwriting risks

Health underwriting risk

Diversification

Total BSCR

Liberty's overall risk landscape is slightly more diversified but very similar to average industry participants



# Financial performance dashboard

## Earnings

---

Operational earnings



Shareholders' Investment Portfolio



Insurance sales, new business strain



Assets under management



## Group equity value

---

Expected return  $\pm$  variances,  
assumption changes



Return on NAV, investment variances,  
economic assumption changes



Value of new business



Value of mature non-life subsidiaries



Growth operations





Retail SA  
Business review

Steven Braudo

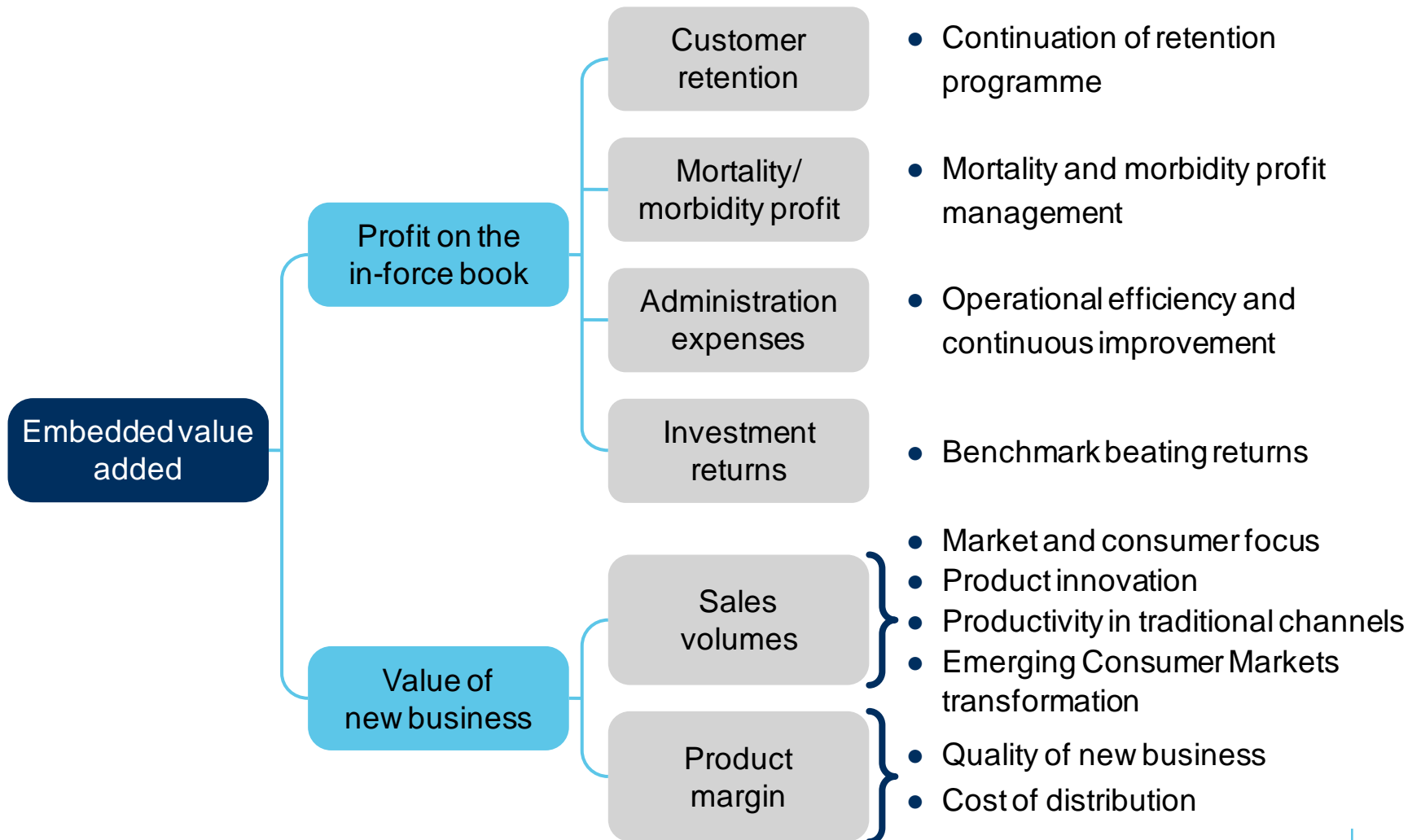
# Retail SA delivery on 2011 objectives

Investor value

Primary value drivers

Secondary drivers

Key objectives in 2011



## Objectives achieved

Retail SA

- Persistency objectives achieved, now embedded in business process
- Growth in productivity, volumes and margins with successful financial adviser value propositions implemented
- Innovative products aligned to market needs
- Delivered operational efficiencies with ongoing focus
- Consumer focused approach aligned within the business
- Emerging Consumer Markets (ECM) gaining traction
- Benchmark beating investment returns for policyholders

Focused on delivering objectives which added value

## Retail SA Insurance – key performance measures

Rm ( <i>unless stated otherwise</i> )	2H11	1H11	<b>Dec 11</b>	Dec 10	% Δ
Headline earnings	664	650	<b>1 314</b>	899	46
Net customer cash flows	3 359	1 408	<b>4 767</b>	990	>100
Gross sales	9 326	6 903	<b>16 229</b>	12 672	28
Indexed new business	2 399	1 976	<b>4 375</b>	3 717	18
Value of new business	227	134	<b>361</b>	229	58
New business margin (%)	1.6	1.5	<b>1.6</b>	1.3	23

Excellent performance despite difficult conditions

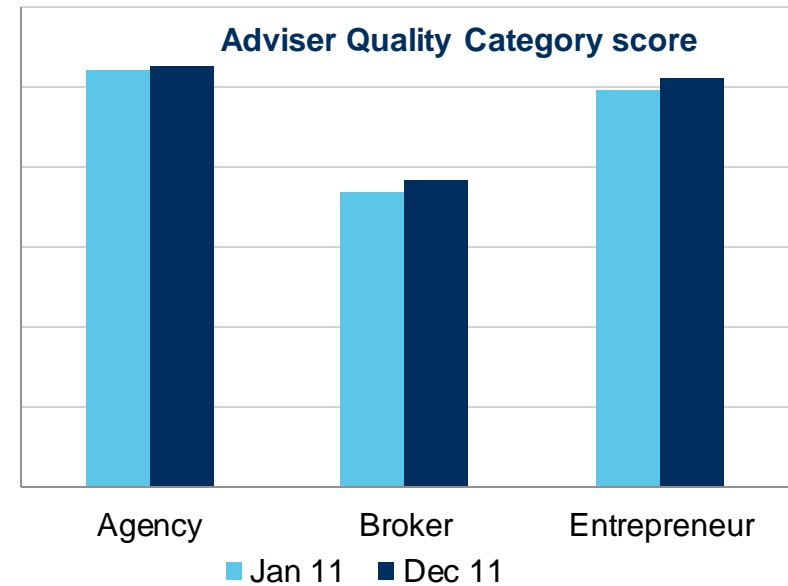
## Retail SA Distribution – new business

Rm – indexed premium	2H11	1H11	<b>Dec 11</b>	Dec 10	% Δ
Retail SA Insurance (excl ECM)	2 205	1 801	<b>4 006</b>	3 323	21
ECM	105	85	<b>190</b>	229	(17)
<b>Total Retail SA Insurance</b>	<b>2 310</b>	<b>1 886</b>	<b>4 196</b>	<b>3 552</b>	<b>18</b>
STANLIB 'on balance sheet' sales	89	90	<b>179</b>	165	8
<b>Total 'on balance sheet' sales</b>	<b>2 399</b>	<b>1 976</b>	<b>4 375</b>	<b>3 717</b>	<b>18</b>
STANLIB 'off balance sheet' sales	762	684	<b>1 446</b>	1 362	6
<b>Total Retail SA Distribution</b>	<b>3 161</b>	<b>2 660</b>	<b>5 821</b>	<b>5 079</b>	<b>15</b>

National marketing efforts contributing to excellent sales outcome

## Sales capacity and better quality new business

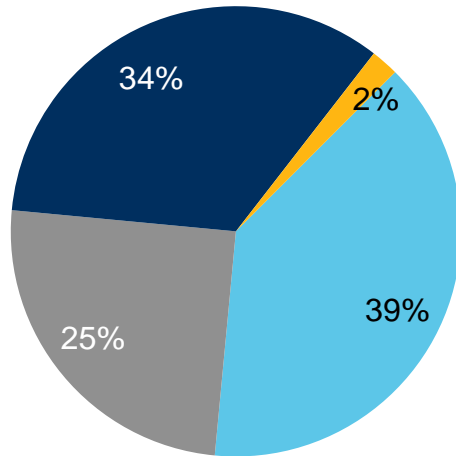
Adviser retention rates	Agency	
	Retention	Productivity
Tenure in months		
0 – 24		
24 – 36		
36 – 48		
>48		



- 2011 strategy anticipated a lower volume of better quality recruits in Agency – in place and delivering
- Retention across all tenures improved within Agency showing the effectiveness of the pre-contract training and on boarding. Productivity up in all tenures
- Average Adviser Quality Category score improved across all channels
- Implementation of Financial Adviser Value Proposition resulting in improved adviser retention rates and productivity

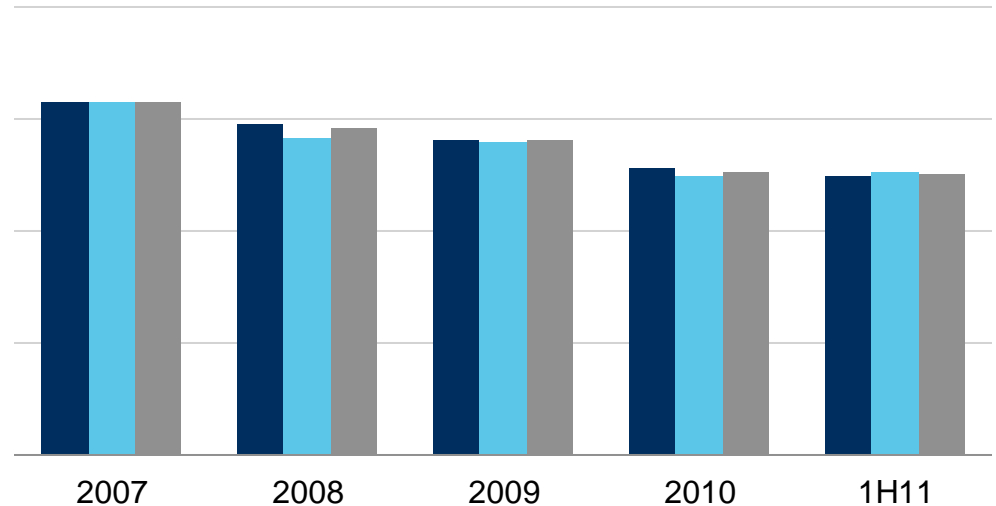
# Distribution and market share

Gross sales by channel



■ Broker ■ Bancassurance ■ Tied ■ Other

Large insurer recurring premium market share stats<sup>1</sup>



■ Recurring ■ Single ■ Indexed

- Largest writer of business in the retail affluent space
- Largest market share of new risk business by sum insured<sup>2</sup>
- Continued improvement and refinement of traditional distribution models
- Holistic market first web based financial planning tool launched and rolled out
- Winner of FIA 2011 Risk Product provider of the year award

1. ASISA stats

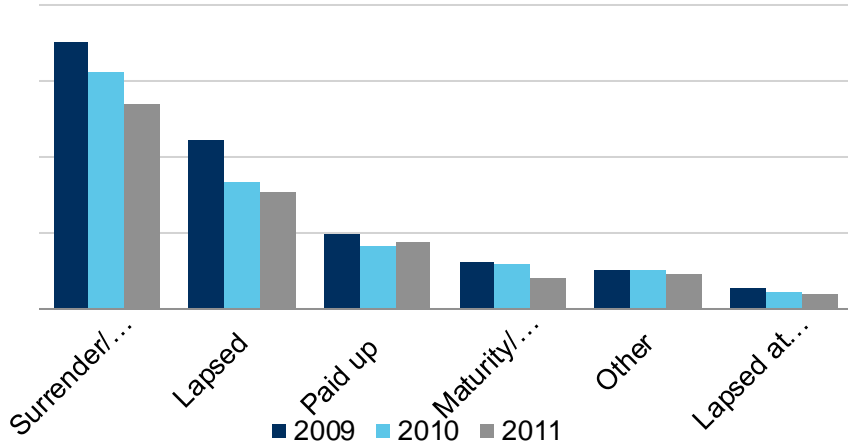
2. Swiss Re – Individual risk market new business volume survey 2010



# Customer management programme a success across the board

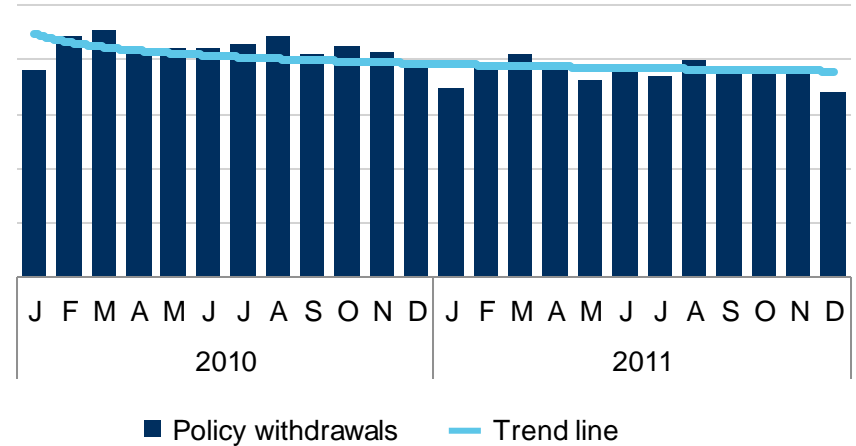
## Types of withdrawals

1



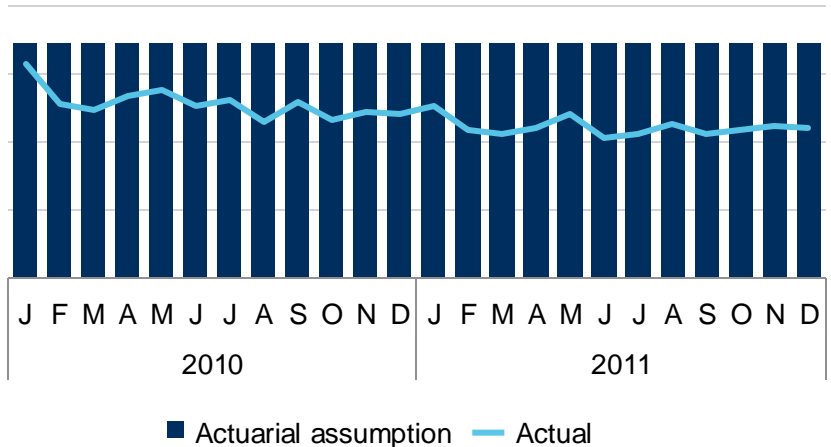
## Complex business withdrawals

2



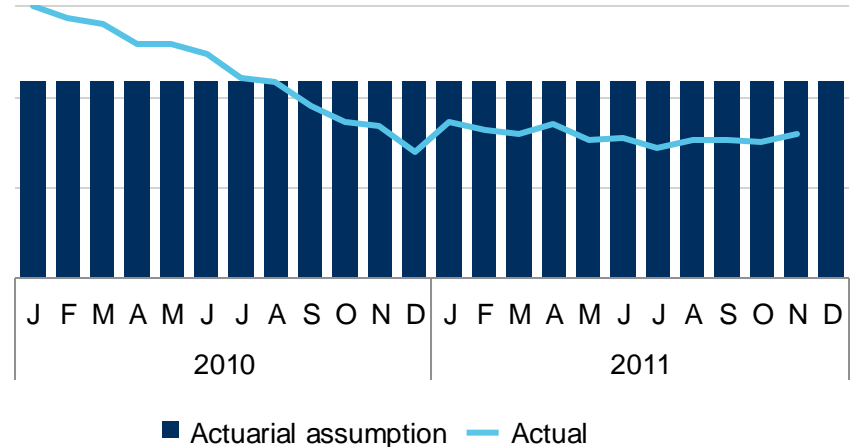
## Risk business lapse rates

3



## ECM first year lapse rates

4



## Investment performance

Absolute and relative returns on the risk profiled Excelsior portfolios\*

Portfolio name	1 year after fees	3 years after fees	5 years after fees	1 year ranking	3 year ranking	5 year ranking
Excelsior Conservative	6.6%	9.0%	8.8%	●	●	●
Excelsior Moderately Conservative	7.1%	11.3%	8.6%	●	●	●
Excelsior Moderate	6.9%	12.7%	8.4%	●	●	●
Excelsior Moderately Aggressive	6.7%	13.3%	7.7%	●	●	●
Excelsior Aggressive	6.3%	15.0%	7.3%	●	●	●

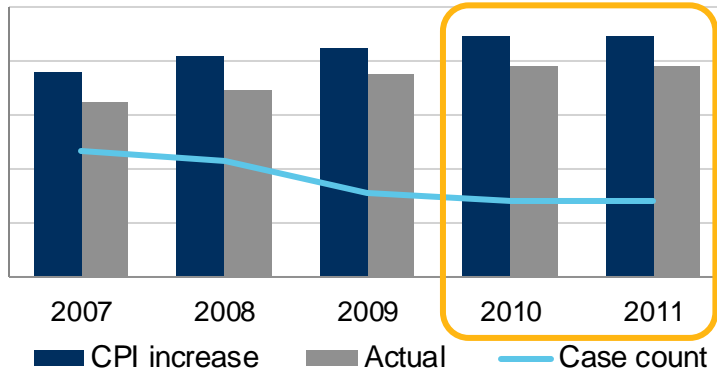
● First quartile

● Second quartile

\* Measured against the relevant ASISA retail unit trust categories

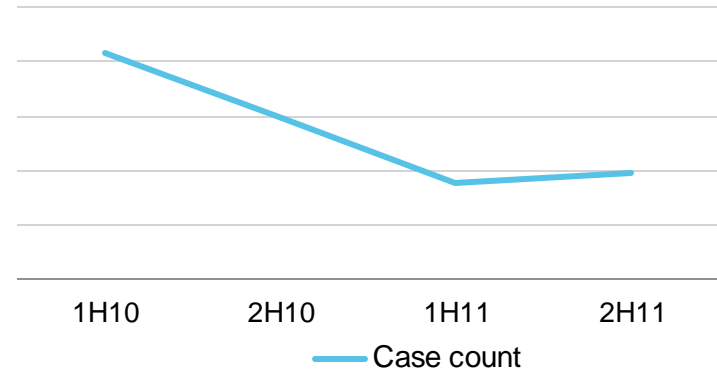
# Expenses and weighted case count

### Maintenance expenses

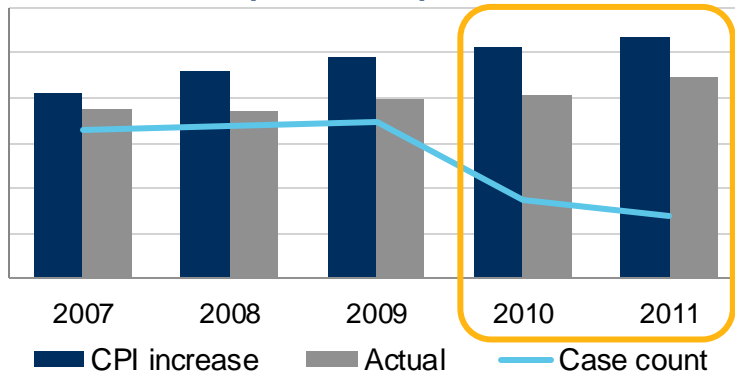


2006 used as a base

### Weighted case count of in-force

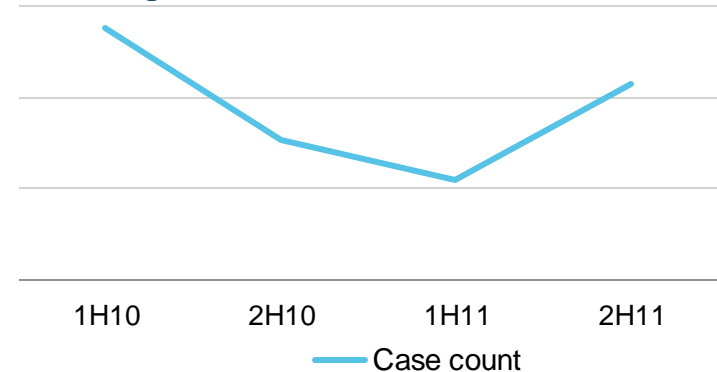


### Acquisition expenses



2006 used as a base

### Weighted case count of new business



Core maintenance and acquisition costs increased below inflation

## Emerging Consumer Markets (ECM)

### Sales capacity

- Liberty@Work headcount increased to 859
- ECM Direct call centre increased to 100

### Products

- Enhancements to features and re-pricing of the current funeral range
- Re-designed and launched new Investment and Accident plans
- Increased average premium size by 15%

### Operational efficiencies

- Significant improvement in VoNB and margins compared to 2010
- Continued improvement in premium collection rates, policy lapse rates and claims experience
- Strengthened management team

ECM business delivering to strategy and focus remains on sustainable, profitable growth

## Focus areas

Market and consumer

Sales and distribution

Customer management

Strategy execution

- Gaining market share via product innovation and performance excellence of the business
- Capacity, productivity and quality
- Customer is the centre of our thinking
- Service excellence with clear value propositions
- Underpinned by strategy execution and delivery across our Traditional and ECM businesses

Successful turnaround, business in a strong position with focus now on growth initiatives



# Business review

## Institutional and Asset Management

Thabo Dloti

## 2011 strategic objectives

STANLIB

Corporate

Liberty Properties

- Implement new operating model for transformation and stability of business
- Improve investment performance
- Simplify operating environment
- Establish a credible and leverageable platform
- Create a new age umbrella solution
- Establish a leading property brand in Africa distinguished by the ability to create value for investors in real estate

Focusing on getting the basics right

## Delivery on 2011 strategic objectives

STANLIB

- Operating model successfully implemented
- Team stability is achieved and remains a key focus
- Strengthened investment and executive teams
- Invested in new capabilities – unlisted credit and property
- Improved investment performance

Corporate

- Depth of expertise in executive team enhanced
- Launched innovative annuity products
- Improved new business sales and net client cash flows

Liberty Properties

- Double digit investment performance over 28 consecutive years
- Completed major developments in SA and other African countries; on time and within budget
- Continue building asset management capability

On track to transform these businesses for a competitive offering



## STANLIB – key performance measures

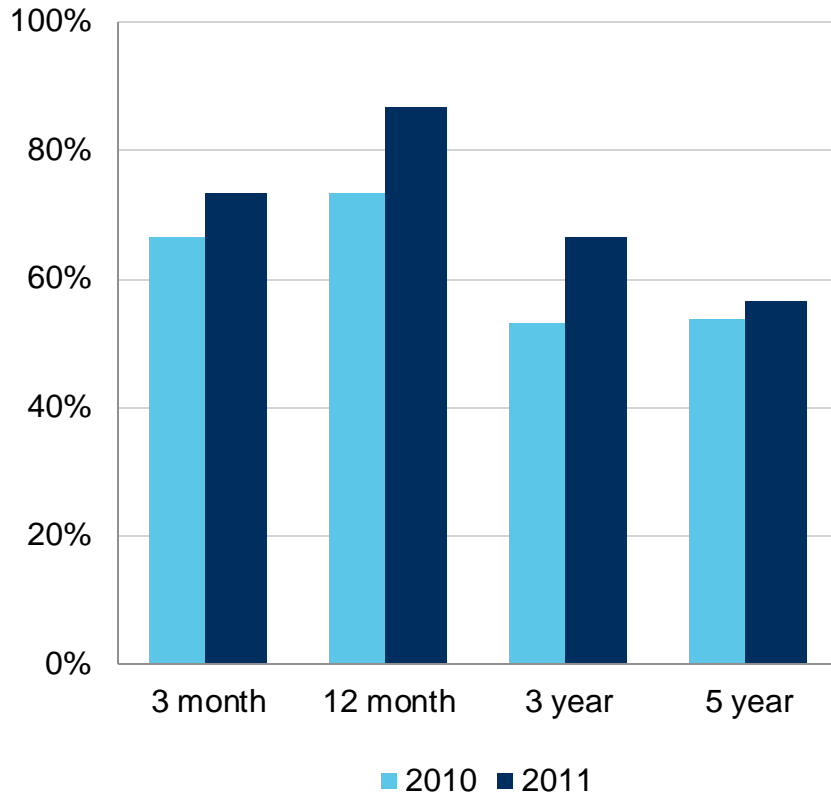
	2H11	1H11	Dec 11	Dec 10	% Δ
Headline earnings - Rm	224	190	<b>414</b>	361	15
Net external client cash flows Rbn ( <i>unless stated otherwise</i> )					
Retail excl. money market	5.8	4.2	<b>10.0</b>	5.9	69
Retail money market	1.7	(0.7)	<b>1.0</b>	4.8	(79)
Institutional excl. money market	0.3	(2.4)	<b>(2.1)</b>	(9.3)	(>100)
Institutional money market	(12.2)	(2.2)	<b>(14.4)</b>	14.3	(>100)
<b>Total net external client cash flows</b>	<b>(4.4)</b>	<b>(1.1)</b>	<b>(5.5)</b>	<b>15.7</b>	<b>(&gt;100)</b>
Average margin (%)			<b>0.33</b>	0.31	6

- Strong retail flows into higher margin products

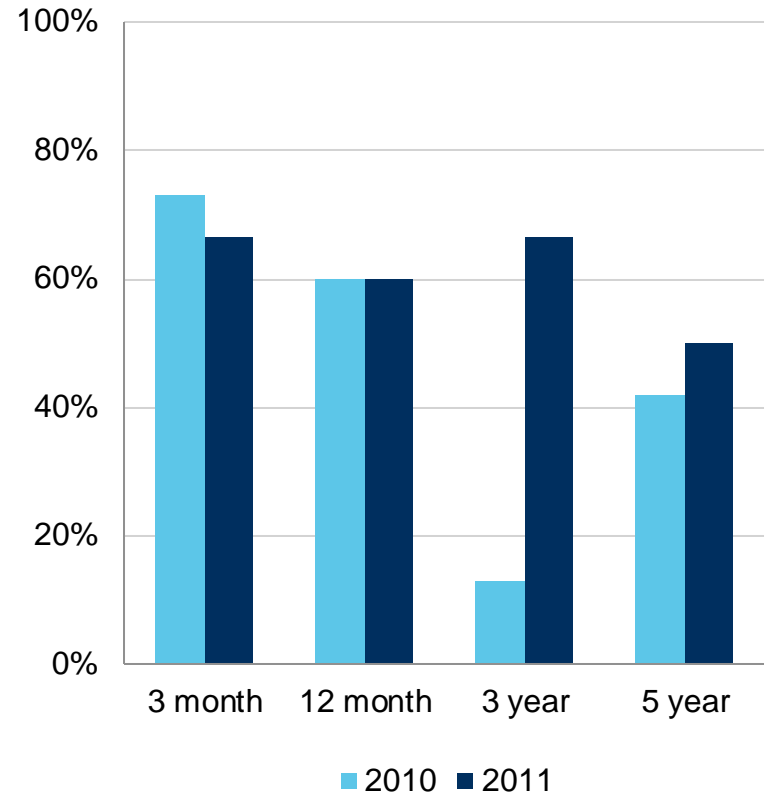
Strengthened existing capability to take market share and invested for growth

# STANLIB – investment performance

### Core Retail funds in first and second quartile



### Institutional funds in first and second quartile



Steady progress in investment performance – 6 Raging Bull awards

## Corporate – key performance measures

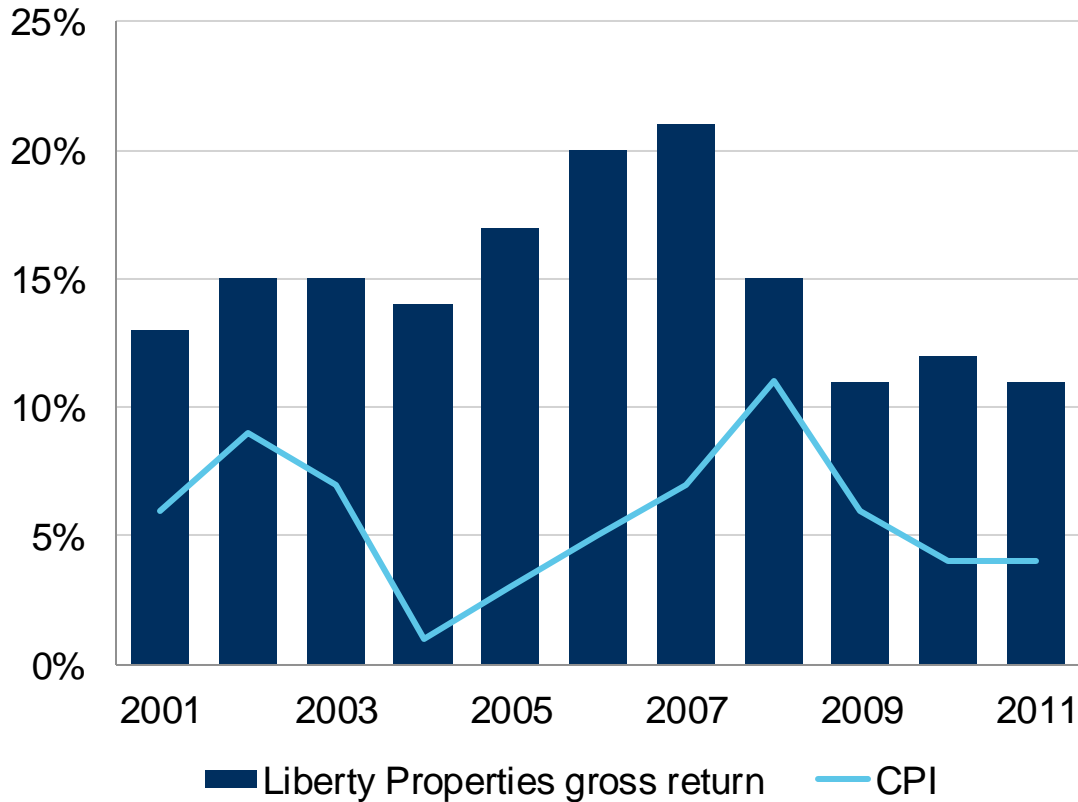
Rm ( <i>unless stated otherwise</i> )	2H11	1H11	<b>Dec 11</b>	Dec 10	% Δ
Headline earnings (before fund termination projects)	49	47	<b>96</b>	109	(12)
Net customer cash flows	(338)	(323)	<b>(661)</b>	(1 517)	56
Gross sales	942	644	<b>1 586</b>	1 488	7
Indexed new business	374	264	<b>638</b>	542	18
Value of new business	25	(7)	<b>18</b>	16	13
New business margin (%)	0.6	(0.3)	<b>0.3</b>	0.4	(25)

- Headline earnings down 12%
- Improved net customer cash flows due to retention initiatives in investment and umbrella business
- New business growth due to new products, improved client relationships and better service delivery
- Enhancements provided to existing clients, increased 18%
- Backlog project on track and delivery date brought forward by one year

## Optimising the administration business

# Liberty Properties

## LBPP vs annual average CPI



- Policyholder returns in excess of benchmark on a 5 year rolling basis
- Re-investment into the portfolio now returning positive yields
- Sandton City extension successfully launched in November 2011 – on time and within budget

Despite ...

- Sluggish economy resulting in increased pressure on rental agreements
- Input cost increases in excess of CPI contributing to cost pressure

Harvesting returns from investments made in the past two years

## Focus areas

STANLIB

- Align asset management operations across the continent
- Continue to entrench investment disciplines across franchises
- Strengthen and optimise unlisted capabilities

Corporate

- Drive administration efficiencies
- Launch and drive growth through new generation umbrella products
- Focus on new client segments for specialist capabilities; annuities and investment products

Liberty Properties

- Strengthen the development team
- Convert pipeline into developments
- Drive efficiencies in property management business

Leveraging investments made in core operations for growth



Growth  
Business review  
Mukesh Mittal

## 2011 strategic objectives

Liberty Africa

Liberty Health

Direct Financial  
Services

Bancassurance

- Grow existing businesses
- Bed down acquisitions and deliver on business case
- Finalise acquisitions and ownership structures including localisation
- Stabilise business after high growth in lives during 2010
- Achieve efficiencies
- Embed change in management team
- Frank to manage to model
- Launch affinity growth
- Implementation of the Bancassurance agreement covering SA and Africa

We have strengthened operations, building the foundation for growth

## Liberty Africa – key performance measures

Rm ( <i>unless stated otherwise</i> )	Dec 11	Dec 10	% Δ
Headline earnings – Liberty share	21	10	>100
Net value of new business written in period	29	16	81
New business margin (%)	9.0	5.2	73
Asset management			
Net customer cash flows	5 397	6 480	(17)
Assets under management	38 742	29 005	34
Insurance operations			
Long-term			
Indexed new business	111	68	63
Net customer cash flows	216	259	(17)
Short-term			
New business	133	n/a	
Claims loss ratio (%)	52.9	n/a	

- Good operational performance in all businesses
- Insurance businesses boosted by CfC included since 1 April 2011
- Higher overall AUM due to higher than anticipated positive asset inflows

Growth in business volumes on track despite local volatility in some markets



## Liberty Health – key performance measures 2011

Thousands ( <i>unless stated otherwise</i> )	Dec 11	Dec 10	% Δ
Risk lives – Africa	68	33	>100
Risk claims loss ratio – Africa (%)	114	114	-
Administration lives	498	528	(6)
South Africa	212	257	(18)
Africa	59	45	31
Africa subsidiaries/joint ventures	227	226	-
IT lives	1 107	1 085	2
South Africa	688	646	7
Africa	419	439	(5)

- Strong growth in risk lives in Africa
- Risk claims loss ratio above target but remedial actions in place
- Relationship with Medical Schemes improved
- Service offering strengthened
- Competitive administration platform resulted in customers returning from competitors

Cost containment and investment in key areas of the business progressed well

## Direct Financial Services

Frank – Rm ( <i>unless stated otherwise</i> )	Dec 11
Indexed new business	28
Value of new business	2
New business margin (%)	2.6

- Frank broadly performing well for first year of operations
- Strategy in place to address Not Taken Ups and grow sales
- Direct capability business concept has been proven within one year of launch
- Successful white label Standard Bank joint venture soft launch in 2011, now ready for further roll-out
- Strength of the platform capability is being recognised in the market by potential affinity partners

Direct platform is proving to be a key value creator

## Bancassurance – benefit to Liberty

SA Insurance - Rm	Dec 11	Dec 10	% Δ
Embedded value of in-force contracts – Liberty share	1 133	1 019	11
STANLIB – net service fee on AUM	357	333	7

### South Africa

- Good penetration of products into bank base
- Continuing improvement in the loss ratio
- Improved margins on main product lines

### Africa

- Strong growth in business
- Implementation roll-out of Bancassurance operational agreements

Bancassurance relationship represents a strategic competitive advantage

## Focus areas

Liberty Africa

Liberty Health

Direct Financial  
Services

Bancassurance

- Grow existing operations through corporate acquisition business model
- Leverage products and service models across geographies
- Leverage our distribution channels and IT capabilities to grow number of lives in SA
- Build distribution for low cost and effective health offerings in Africa
- Additional product lines and affinities to leverage direct capability
- Extract value from the Standard Bank white label project
- Further implementation roll-out of the new Bancassurance agreements in African geographies

Leverage current platforms to extract value and exploit opportunities for growth



# Conclusion

Bruce Hemphill

## Delivery on objectives

### Retail SA

- Persistency objectives achieved now embedded in business process
- Growth in productivity, volumes and margins with successful financial advisor value proposition
- Innovative products aligned to market needs

### LibFin

- Leading risk and balance sheet management through LibFin
- Reduced earnings volatility through improved asset liability management
- Continue building a solid track record for delivery of risk adjusted returns to policyholders and shareholders

### Institutional and asset management

- Successful implementation of the new operating model in STANLIB
- Significantly improved investment performance
- Corporate legacy issues fast tracked with new senior appointments
- Liberty Properties continue to deliver favourable returns to policyholders

### Growth

- Acquisitions bedded down – good operational performance
- Liberty Health – stabilise and drive growth in SA and manage MLR in Africa
- Direct capability gaining traction with affinities providing a competitive advantage
- Bancassurance showing significant growth

## Focus areas

### Retail SA

- Gain market share at the right margin
- Drive investment product growth
- Drive cost efficiencies

### LibFin

- Continue growing stable earnings from credit portfolios
- Continue building a solid track record for delivery of appropriate risk adjusted returns to policyholders and shareholders

### Institutional and asset management

- Drive improved investment performance
- Strengthen market position in commercial real estate projects in Africa
- Gear Corporate for institutional client offering

### Growth

- Ensure efficient, standardised products and processes in Africa underpinned by effective risk management process
- Strengthen distribution capability in Africa and improve health risk management
- Utilise direct platform for additional affinities
- Unlock value from Bancassurance agreement

## Closing comments

We will:

**Manage our businesses to model** and business case

**Rejuvenate** the business to realise full value

**Expand selectively** to establish a premium

We have a platform for growth and a team that delivers





Questions