

Six year review

for the year ended 31 December 2019

	2019	2018	2017	2016	2015	2014
Earnings performance						
Normalised headline earnings (Rm)	3 205	2 256	2 719	2 527	4 128	3 968
Normalised headline earnings per share (cents)	1 174,2	817,9	982,1	904,5	1 464,5	1 403,3
Normalised return on IFRS equity (%)	14,0	10,1	12,3	11,4	19,5	20,4
Solvency						
IFRS shareholders' funds (Rm)	24 068	23 003	22 444	21 676	21 739	19 487
CAR requirement Liberty Group Limited (Rm) ⁽¹⁾		5 343	5 378	5 253	5 145	4 534
CAR ratio Liberty Group Limited (times covered) ⁽¹⁾		2,67	2,92	2,95	3,03	3,07
Solvency capital requirement Liberty Group Limited (Rm) ⁽¹⁾	16 746	17 400				
Solvency capital ratio Liberty Group Limited (time covered) ⁽¹⁾	1,99	1,87				
Group equity value metrics						
Normalised group equity value (Rm)	40 907	38 684	39 368	41 221	41 635	40 024
Normalised group equity value per share (Rand)	147,82	138,64	140,31	145,86	145,96	139,85
Normalised group equity value profits (Rm)	4 418	1 488	441	2 087	4 120	6 031
Normalised return on group equity value (%)	11,5	3,8	1,1	5,1	10,5	16,9
Total Group net value of new business (Rm)	407	371	233	483	729	941
Total Group margin (%)	1,0	0,9	0,5	1,1	1,8	2,1
Sustainability metrics (non-financial)						
Group employees	9 184	9 321	9 727	9 792	10 442	10 563
Salaried	5 695	5 762	6 096	6 139	6 403	6 617
Commission remunerated	3 489	3 559	3 631	3 653	4 039	3 946
dti scorecard	97,75	97,30	95,43	92,00	91,08	92,40
Corporate social investment spend (South Africa) (Rm)	47	46	41	37	43	45
Taxes collected on behalf of SA government (Rm)	5 767	6 837	5 383	5 682	5 739	4 790
CO ₂ emissions (tonnes) ⁽²⁾	76 397	49 528	43 899	53 077	49 949	57 046
Customer complaint volumes (elevated to group level) ⁽³⁾	7 095	6 437	3 726	3 467	3 358	3 340
Share statistics						
Share price (Rand)						
Closing	110,65	110,00	124,43	111,00	115,18	122,69
High	125,32	140,00	128,99	147,50	174,98	137,33
Low	96,80	100,01	97,63	102,59	105,37	110,60
Total number of shares in issue at 31 December (millions)	286	286	286	286	286	257
Normalised weighted average number of shares in issue (millions)	273	276	277	279	282	283
Distribution per ordinary share declared (cents)	712	691	691	691	691	634
Distribution as a percentage of opening equity value (%)	5,1	4,9	4,7	4,7	4,9	5
Market capitalisation (Rm)	31 668	31 482	35 612	31 768	32 965	35 114
JSE all share index	57 084	52 737	59 505	50 654	50 694	49 771
Life insurance index	40 240	43 284	43 992	35 701	48 365	39 078

⁽¹⁾ Solvency capital requirement cover (effective from July 2018) is the excess of assets over liabilities required by an insurer to ensure that its assets remain larger than its liabilities with a 99.5% level of certainty over a one year time horizon, with assets and liabilities valued in accordance with the Insurance Act, 2017. This replaces the capital adequacy requirements cover that was reported previously under the old regime.

⁽²⁾ During 2019, we improved our carbon footprint data completeness and reallocated retail centres' common areas to scope two emissions, which has resulted in the increase in emissions from 2018 to 2019. The increase is not due to an increase in operational emissions, but is rather due to the improved scope and boundary.

⁽³⁾ The total number of complaints for 2019 and 2018 are not comparable to prior period as a result of disparate legacy reporting systems that resulted in the exclusion of certain business units within Liberty.

Six year review for the year ended 31 December 2019 continued

	2019	2018	2017	2016	2015	2014
Long-term Insurance						
Long-term insurance new business (Rm)⁽⁴⁾						
Recurring premiums	5 800	5 721	5 668	5 465	5 250	5 169
SA Retail	4 380	4 298	4 312	4 356	4 288	4 281
Liberty Corporate	1 011	1 077	1 089	765	669	676
Liberty Africa insurance	409	346	267	344	293	212
Single premiums	23 236	23 297	23 498	24 266	22 654	26 194
SA Retail	21 775	21 962	22 583	22 830	21 334	20 935
Liberty Corporate	1 126	1 151	816	771	1 214	5 192
Liberty Africa insurance	335	184	99	665	106	67
Insurance: Indexed new business (Rm)⁽⁵⁾	8 125	7 991	8 018	7 892	7 515	7 789
Cash flows (Rm)						
Net premium income from insurance contracts and inflows from investment contracts	56 219	55 075	54 140	55 039	52 671	54 416
Net claims and policyholders benefits	(56 361)	(53 074)	(52 506)	(53 920)	(47 269)	(44 546)
Net customer cash flows (Rm)	(142)	2 001	1 634	1 119	5 402	9 870
SA Retail	197	2 065	2 846	1 948	6 288	5 921
Liberty Corporate	(1 030)	(449)	(1 536)	(751)	(891)	3 438
Liberty Africa Insurance	691	385	324	483	395	437
STANLIB Multi-Manager	0	0	0	(561)	(390)	74
Death and disability claims paid (Rm)	10 473	9 562	8 685	8 482	8 252	7 579
Annuity claims paid (Rm)	7 843	7 207	6 698	6 288	5 977	5 018
Retail SA maintenance costs per policy (rand)						
Complex products ⁽⁶⁾	744	715	636	596	559	481
Short-term Insurance						
Cash flows (Rm)						
Net Premiums	1 551	1 347	1 297	1 484	1 249	1 037
Net Claims	(971)	(943)	(886)	(994)	(771)	(612)
Net cash flows	580	404	411	490	478	425
Liberty Health	212	158	140	176	224	223
Liberty Africa insurance	368	246	271	314	254	202
Risk net claims loss ratio (%)	63	70	68	67	62	59
Liberty Health	77	80	82	81	71	68
Liberty Africa insurance	41	54	48	44	46	41
Asset management						
Net cash flows (Rm)	12 813	7 763	4 458	6 083	9 288	(6 112)
STANLIB - South Africa	15 190	16 149	4 731	2 801	5 694	(5 142)
STANLIB - Africa ⁽⁷⁾	(2 347)	(8 564)	(480)	2 963	2 760	(2 179)
GateWay LISP	(30)	178	207	319	834	1 209
Assets under management (Rbn)	738	718	720	676	668	633
STANLIB - South Africa	568	529	556	535	529	510
STANLIB - Africa	28	51	53	51	50	41
LibFin/other internal managers	80	82	75	67	62	54
Externally managed	62	56	36	23	27	28
Cost to income ratio (%)						
STANLIB - South Africa	66,2	73,7	79,1	64,4	56,2	54,7

⁽⁴⁾ Excluding annual contribution increases.

⁽⁵⁾ 2018 adjusted for change in classification in Liberty Corporate from recurring to single premiums for additional investment voluntary contributions. 2014 to 2017 have not been adjusted.

⁽⁶⁾ Simple products are weighted either 25% or 50% of a complex product. 2018 restated after allowing for the impact of moving expenses from Liberty Holdings Limited to Liberty Group Limited as a result of a change to the operating model effective 1 January 2019.

⁽⁷⁾ Represent the flows up to the date of the sale of the applicable asset management operations or transfer of mandates.