

Chairman's review

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JACKO MAREE – Chairman



The year in review

In my chairman's review a year ago, I wrote that I was confident that initiatives to address our immediate challenges and a refreshed strategy would guide us to success.

I am pleased to report that management's efforts have started to bear fruit. Normalised operating earnings improved significantly, and the value of new business was well up on the previous year. STANLIB's investment performance showed encouraging early signs of progress, and group net external client cash flows were much stronger. Further detail is set out in the group chief executive's review which follows.

The board closely monitored and challenged the progress made by the management team in addressing the challenges identified and the achievement of the goals articulated at the beginning of the year. Our clients remain our key priority, with our advisers helping them to plan for the future and to manage the uncertainty and risks they face. The organisational redesign exercise has created a much sharper focus on the core SA Retail business, thereby facilitating much improved service to both our clients and financial advisers.

Our strategy must constantly respond to changing client, industry, and market dynamics. The structures established towards the end of 2017 will continue to focus on the prioritised actions required to adapt and grow our business sustainably.

Liberty's capital position remains strong under the new prudential regulatory regime. Regulatory and policy changes affect both our short-term performance and longer-term strategy. Accordingly the board places great importance on constructive and effective relationships with the regulators and policymakers who supervise our business and markets.

The board believes that, under the strong leadership of David Munro and a re-invigorated executive team, Liberty is now in a much stronger position to grow and regain its rightful position in the market.

Board developments

We were pleased to appoint Yuresh Maharaj to the board as financial director on 12 February 2018. We also welcomed Simon Ridley and Howard Walker to the board on 1 September 2018 and Thembisa Skweyiya on 15 December 2018. The appointment of these directors brings a wealth of experience and knowledge of financial services to the board.

Appreciation

We demanded exceptional commitment from our employees and advisers in 2018. I would like to express my gratitude to them for their hard work and dedication during a difficult year of transition and change. Through all the actions they take in meeting and exceeding our clients' expectations, they are the key to Liberty's future success.

To my fellow directors who serve Liberty with the highest levels of diligence and enthusiasm, I extend my sincere appreciation.

I would finally like to thank our investors for their continued support. I am confident that we are on track to sustainably grow shareholder value over the medium to longer term.

JH Maree
Chairman

22 March 2019