

Six year review

for the year ended 31 December 2018

	2018	2017	2016	2015	2014	2013
Earnings performance						
Normalised headline earnings (Rm)	2 256	2 719	2 527	4 128	3 968	4 076
Normalised headline earnings per share (cents)	817,9	982,1	904,5	1464,5	1403,3	1 439,6
Normalised return on IFRS equity (%)	10,1	12,3	11,4	19,5	20,4	23,3
Solvency						
IFRS shareholders' funds (Rm)	23 003	22 444	21 676	21 739	19 487	17 654
CAR requirement Liberty Group Limited (Rm)	5 343	5 378	5 253	5 145	4 534	4 564
CAR ratio Liberty Group Limited (times covered)	2.67	2.92	2.95	3.03	3.07	2.56
Solvency capital requirement Liberty Group Limited (Rm) ¹	17 400					
Solvency capital ratio Liberty Group Limited (time covered) ¹	1.87					
Group equity value metrics						
Normalised group equity value (Rm)	38 684	39 368	41 221	41 635	40 024	36 067
Normalised group equity value per share (Rand)	138,64	140,31	145,86	145,96	139,85	126,08
Normalised group equity value profits (Rm)	1 488	441	2 087	4 120	6 031	5 281
Normalised return on group equity value (%)	3,8	1,1	5,1	10,5	16,9	16,1
Total Group net value of new business (Rm)	371	233	483	729	941	839
Total Group margin (%)	0,9	0,5	1,1	1,8	2,1	2,2
Sustainability metrics (non-financial)						
Group employees	9 321	9 727	9 792	10 442	10 563	10 098
Salaried	5 762	6 096	6 139	6 403	6 617	6 587
Commission remunerated	3 559	3 631	3 653	4 039	3 946	3 511
dti scorecard	97.30	95.43	92.00	91.08	92.40	89.07
Corporate social investment spend (South Africa) (Rm)	46	41	37	43	45	45
Taxes collected on behalf of SA government (Rm)	6 837	5 383	5 682	5 739	4 790	5 553
CO ₂ emissions (tonnes) ²	49 528	43 899	53 077	49 949	57 046	46 781
Customer complaint volumes (elevated to group level) ³	6 437	3 726	3 467	3 358	3 340	3 181
Share statistics						
Share price (Rand)						
Closing	110,00	124,43	111,00	115,18	122,69	121,60
High	140,00	128,99	147,50	174,98	137,33	139,65
Low	100,01	97,63	102,59	105,37	110,60	108,43
Total number of shares in issue at 31 December (millions)	286	286	286	286	257	286
Normalised weighted average number of shares in issue (millions)	276	277	279	282	283	283
Distribution per ordinary share declared (cents)	691	691	691	691	634	581
Distribution as a percentage of opening equity value (%)	4,9	4,7	4,7	4,9	5,0	5,0
Market capitalisation (Rm)	31 482	35 612	31 768	32 965	35 114	34 802
JSE all share index	52 737	59 505	50 654	50 694	49 771	46 256
Life insurance index	43 284	43 992	35 701	48 365	39 078	32 300

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 2014 value adjusted to include waste emissions.

³ The total number of complaints for 2018 is 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 2018 continued

	2018	2017	2016	2015	2014	2013
Long-term Insurance						
Long-term insurance new business (Rm)⁴						
Recurring premiums	5 721	5 668	5 465	5 250	5 169	4 907
SA Retail	4 298	4 312	4 356	4 288	4 281	4 177
Liberty Corporate	1 077	1 089	765	669	676	575
Liberty Africa insurance	346	267	344	293	212	155
Single premiums	23 297	23 498	24 266	22 654	26 194	20 414
SA Retail	21 962	22 583	22 830	21 334	20 935	18 237
Liberty Corporate	1 151	816	771	1 214	5 192	2 144
Liberty Africa insurance	184	99	665	106	67	33
Insurance: Indexed new business (Rm)	8 051	8 018	7 892	7 515	7 789	6 947
Cash flows (Rm)						
Net premium income from insurance contracts and inflows from investment contracts	55 075	54 140	55 039	52 671	54 416	46 915
Net claims and policyholders benefits	(53 074)	(52 506)	(53 920)	(47 269)	(44 546)	(40 599)
Net customer cash flows (Rm)	2 001	1 634	1 119	5 402	9 870	6 316
SA Retail	2 065	2 846	1 948	6 288	5 921	6 111
Liberty Corporate	(449)	(1 536)	(751)	(891)	3 438	(83)
Liberty Africa Insurance	385	324	483	395	437	325
STANLIB Multi-Manager	0	0	(561)	(390)	74	(37)
Death and disability claims paid (Rm)	9 562	8 685	8 482	8 252	7 579	6 738
Annuity claims paid (Rm)	7 207	6 698	6 288	5 977	5 018	4 480
Retail SA maintenance costs per policy (rand)						
Complex products ⁵	671	636	596	559	481	457
Short-term Insurance						
Cash flows (Rm)						
Net Premiums	1 347	1 297	1 484	1 249	1 037	930
Net Claims	(943)	(886)	(994)	(771)	(612)	(559)
Net cash flows	404	411	490	478	425	371
Liberty Health	158	140	176	224	223	202
Liberty Africa insurance	246	271	314	254	202	169
Risk net claims loss ratio (%)	70	68	67	62	59	60
Liberty Health	80	82	81	71	68	68
Liberty Africa insurance	54	48	44	46	41	42
Asset management						
Net cash flows (Rm)	7 763	4 458	6 083	9 288	(6 112)	16 169
STANLIB - South Africa	16 149	4 731	2 801	5 694	(5 142)	21 662
STANLIB - Africa	(8 564)	(480)	2 963	2 760	(2 179)	(5 937)
GateWay LISP	178	207	319	834	1 209	444
Assets under management (Rbn)	718	720	676	668	633	611
STANLIB - South Africa	549	556	535	529	510	507
STANLIB - Africa	51	53	51	50	41	38
LibFin/other internal managers	82	75	67	62	54	41
Externally managed	36	36	23	27	28	25
Cost to income ratio (%)						
STANLIB - South Africa	72,4	79,1	64,4	56,2	54,7	54,2

⁴ Excluding annual contribution increases.

⁵ Simple products are weighted either 25% or 50% of a complex product.