

Liberty Holdings Limited
Registration number 1968/002095/06
Incorporated in the Republic of South Africa
Share code: LBH
ISIN code: ZAE0000127148
("Liberty Holdings" or "the Group")
LIBERTY HOLDINGS LIMITED

OPERATIONAL UPDATE FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2019

The operational improvements delivered in 2018 through the focus on key strategic priorities have continued to benefit the business in the first quarter of 2019, notwithstanding the challenging socio-economic environment in South Africa. An update on progress will be provided during the 2019 half year results announcement.

The SA Retail new business volumes remained under pressure, while the Liberty Corporate and Liberty Africa Insurance businesses have seen an improvement in new business inflows. Intense focus on addressing the mix of new business volumes and margin across all business lines is continuing, together with strict discipline in managing the expense base.

Improved STANLIB South Africa investment performance has continued to support increased external third party client cash inflows.

Favourable financial market conditions during the period contributed positively to returns from the shareholder investment portfolio.

The Group remains well capitalised. The Solvency Capital Requirement cover of Liberty Group Limited, the Group's main long-term insurance licence, remained at a level similar to 31 December 2018, at the upper end of the target range of 1.5 to 2.0 times at 31 March 2019.

South African Insurance Operations

SA Retail

Indexed new business sales of R1 517 million were 1% above the three months to 31 March 2018 (the comparative period). Recurring premium new business sales were 4% above the comparative period, with a decrease in single premium new business.

Net customer cash outflows of R252 million were below the comparative period inflows of R514 million due to lower single premium new business.

Liberty Corporate

Liberty Corporate indexed new business of R209 million was 22% above the first quarter of 2018, with recurring premiums new business up 23% due to group risk business sales. Single premium new business was up 12% on the comparative period. Net cash outflows reduced to R173 million compared to R278 million in the comparative period due mainly to increased single premium umbrella sales and lower umbrella scheme member withdrawals.

South African Asset Management

STANLIB South Africa

In the STANLIB South Africa business, assets under management amounted to R576 billion compared to R549 billion at 31 December 2018. Net external third party client cash inflows increased to R7.8 billion from R2.5 billion in the comparative period, supported by increased flows from retail and institutional clients. Non-money market net cash inflows grew to R3.7 billion from R1.5 billion in

the comparative period and money market net cash inflows increased to R4.1 billion from R1.0 billion. Intragroup cash inflows for the period amounted to R2.6 billion.

Africa regions

Liberty Africa Insurance

Indexed new business increased to R101 million from R62 million in the comparative period, reflecting new business growth with a shift in mix towards more recurring premium business.

STANLIB Africa

Assets under management in the STANLIB Africa business amounted to R51 billion, unchanged from 31 December 2018, with net external third party client cash outflows of R0.8 billion, reflecting a reduction compared to outflows of R6.6 billion in the first quarter of 2018. The comparative period included the loss of a large mandate in the Southern African region.

Conclusion

We expect the South African economic environment to remain subdued for most of 2019, however we remain confident that our focus is on the right areas of the business to create value for all stakeholders.

This operational update for the three month period ended 31 March 2019 has not been audited or reviewed by the Group's auditors.

Queries:

Investor Relations
Sharon Steyn 011 408 3063
www.libertyholdings.co.za

17 May 2019

Sponsor
Merrill Lynch South Africa (Pty) Limited