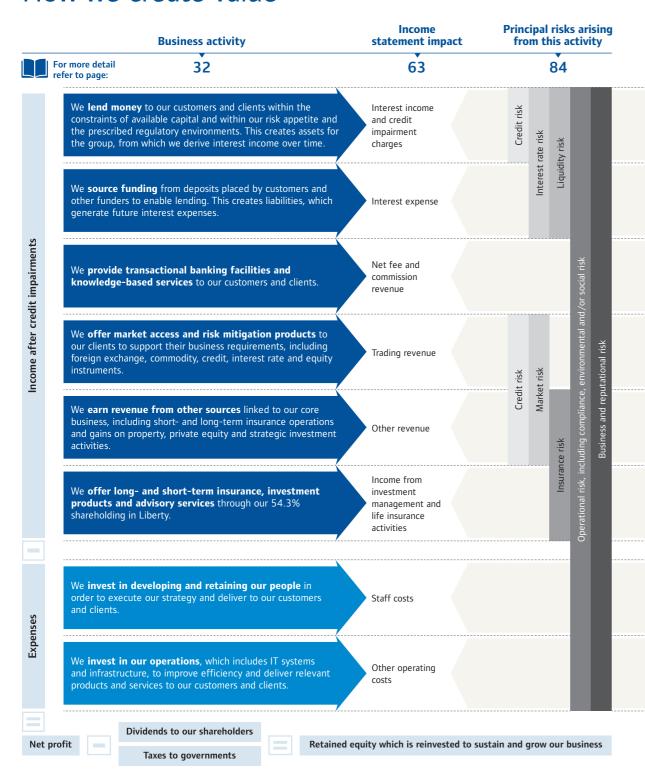
## How we create value



## Linking our profitability to socially beneficial outcomes

Lending enables our individual customers to create wealth by acquiring assets which either grow in value over time or which support their ability to generate income. For our small- and medium-sized enterprise (SME) clients, lending enables them to manage working capital constraints and cash flow, which supports their commercial sustainability and their role in driving employment and economic growth in Africa. For corporate clients, lending supports the continuity and growth of their businesses, contributing to job creation, sustainable supply of goods and services and the corporate tax base. We employ responsible lending practices and have mechanisms in place to assist distressed customers and clients, and we apply global best practice in mitigating social and environmental risks in projects that we finance.

Customer deposits earn interest at rates depending on the type of savings or investment product and the size of the deposit placed which mitigates against the erosion of capital due to inflation. We participate in equity and debt capital markets to source funding, which contributes to the continued functioning of the broader financial system. Our capital and liquidity management framework ensures that we are able to meet our funding requirements and payment obligations under both normal and stressed conditions, protect our depositors' funds and reduce systemic risk in the domestic banking system.

We facilitate the movement of money, enabling customers and clients to access their funds in a manner most convenient to them, by enabling electronic forms of payment and providing cash management services. Our knowledge-based services, which include corporate advisory and loan structuring services, allow our customers and clients to benefit from our experience and track record on the continent. We also facilitate payments to national revenue collection agencies via self-service electronic channels in a number of African countries, and offer banking services to multinational companies and donor agencies operating on the continent.

Providing customers and clients with market access, for example through listings on equity exchanges to raise capital, enables them to grow their businesses, positively impacting on employment and the tax base. We market local equities to an international equity investor base, which creates a conduit for investment into Africa. To help our clients weather market fluctuations and volatilities, we offer risk mitigation products which enable financial protection and diversification through risk transfer. These risks are inherent in trading activities and can be more pronounced when operating in developing markets such as Africa. Supporting trading activities on the continent provides African countries with greater opportunities to monetise their resources and diversify their economies.

By **investing in activities** other than in the ordinary course of normal business operations, such as property, private equity and strategic investment activities, we **invest in non-core opportunities that support the economy** and create additional value.

Through short- and long-term insurance, investment products and advisory services we help our customers build and protect their wealth. Liberty also offers medical aid, life assurance and retirement products which assist individuals to remain productive members of society and protect themselves and their dependants against loss of income due to illness or at retirement. As an asset and portfolio manager, we are also an active participant in the private equity, property and other strategic investment markets.

We are a significant employer in many of the countries in which we operate. We aim to hire locally whenever possible as we believe that employees who reflect the diversity of communities within which we operate enables us to better meet the needs of our customers and clients. Through our training and development programmes we enhance the level of financial services and related skills in Africa. The employment multiplier effect means that for each job that we create we sustain, directly and indirectly, a number of other jobs in the local economy. As active consumers and taxpayers, our employees make a significant contribution to their local economies.

Our ongoing investment in our business ensures that we remain competitive and sustainable, and thus able to continue to make a positive contribution to our host countries. Our substantial investments in transforming our core banking platforms position us to serve our customers and clients more effectively and to innovate, strengthening our competitive position. We are a significant procurer of goods and services in the markets in which we operate, given the scale of our operations. In South Africa, we focus on increasing our procurement spend with black suppliers and in the rest of Africa we aim to procure locally wherever possible. Our suppliers in turn create and sustain employment and form part of the corporate tax base in the countries in which they operate.



For specific examples of how our business activities contribute to broader value creation, see Realising the Africa opportunity on **page 12**, and for more information on our socioeconomic impact, see **page 18**.