

Alexander Forbes
Group Holdings Limited

Annual financial statements

for the year ended 31 March 2026

alexforbes
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Responsibility for financial statements

Declaration in terms of the Companies Act, 71 of 2008 and the Companies Amendment Act 16 of 2024 (read together as the Companies Act of South Africa)

The group and company financial statements (financial statements) have been prepared in accordance with IFRS Accounting Standards and have been supervised by the chief financial officer, Mr BP Bydawell CA(SA), CFA, in terms of sections 29 and 30 of the Companies Act. The financial statements have been audited in compliance with the applicable requirements of the Companies Act.



BP Bydawell

Chief financial officer (CFO)

Directors' responsibility statement for financial reporting

The Companies Act requires directors to ensure that the group and company maintain adequate accounting records and to be responsible for the content and integrity of the group and company annual financial statements of Alexander Forbes Group Holdings Limited (Alexforbes or the group) and the related financial information included in this report. It is their responsibility to ensure that the financial statements for each financial year fairly present the state of affairs of the group and company at the end of the financial year, and that the results of their operations and cash flows conform with IFRS Accounting Standards.

The accounting policies, supported by judgements, estimates and assumptions have been applied on a consistent and going concern basis. Any forecast financial information contained in this report has not been separately reviewed or reported on by the company's external auditor.

It is the responsibility of the independent auditor to report on the fair presentation of the financial statements. Their unmodified audit report appears on pages 11 to 15. The directors believe that all representations made to the independent auditor during their audit are valid and appropriate.

The directors are ultimately responsible for the internal controls of the group. To enable the directors to meet these responsibilities, management designs and implements standards and systems of internal control to provide reasonable, but not absolute assurance on the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability for group assets. Systems and controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

Based on the information and explanations provided by management and the internal and external auditors, the directors are of the opinion that the system of internal controls provides reasonable assurance that the financial records may be relied on for the preparation of the group and company annual financial statements in accordance with IFRS Accounting Standards. Nothing has come to the attention of the directors to indicate that any breakdown in the functioning of the internal controls, resulting in a material loss to the group, has occurred during the year and up to the date of this report.

The directors have a reasonable expectation that the group and company have adequate resources to continue operating for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the group and company annual financial statements.

Directors' approval of group and company annual financial statements

The group and company financial statements, as identified in the first paragraph in the directors' responsibility statement, were approved by the board of directors on 11 June 2026 and are signed on their behalf by:



D Dlamini
Chair



DJ de Villiers
Chief executive officer (CEO)

Declaration by CEO and CFO

Each of the directors, whose names are stated below, hereby confirm that:

- the annual financial statements set out on pages 16 to 107 fairly present in all material respects the financial position, financial performance and cash flows of Alexander Forbes Group Holdings Limited in terms of IFRS Accounting Standards;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to Alexander Forbes Group Holdings Limited and its consolidated subsidiaries has been provided to effectively prepare the financial statements of Alexander Forbes Group Holdings Limited;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, and we have fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the audit and risk committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving directors.



DJ de Villiers
CEO



BP Bydowell
CFO

Declaration by company secretary

I, Catharina Helena (Carina) Wessels, hereby confirm, in my capacity as chief governance, risk and compliance officer of Alexander Forbes Group Holdings Limited, that for the year ended 31 March 2026, the company has filed all required returns and notices in terms of the Companies Act, as amended, with the Companies and Intellectual Property Commission (CIPC) and that all such returns and notices are to the best of my knowledge and belief true, correct and up to date.



CH Wessels
Chief governance, risk and compliance officer (group company secretary)

Directors' report

The directors have pleasure in submitting their report for the financial year ended 31 March 2026.

Nature of business

Alexforbes is a diversified financial services company, headquartered in South Africa, providing a broad range of employee benefit solutions, retirement and healthcare consulting as well as investment and wealth management solutions to corporate clients and individual customers. The company is dedicated to delivering impactful services and solutions for our clients and members, underpinned by integrated advice.

Alexforbes is listed on the JSE. The group's principal geographic focus is South Africa (where it has been operating since 1935), which contributes 91% of total group revenue. The group also has business operations outside of South Africa comprising Namibia, Botswana, Channel Islands and Jersey as well as a representative office in Nigeria.

Directors' responsibilities

The responsibilities of the company's directors are detailed on page 2 of this document.

Financial statements and results

The financial results and financial position of the group are reflected from pages 32 to 36. The segmental analysis is included on pages 37 to 39.

Solvency assessment and going concern

Management, under the direction of the board, performed scenario testing for solvency and liquidity as part of its own risk and solvency assessment (ORSA) process and the group continues to remain solvent and liquid into the foreseeable future. In instances where subsidiaries are insolvent, the group can recapitalise the business operations and provide the requisite financial support. It is important to note that the stress testing and risk management procedures provided sufficient support for the going concern assumption under which the financial statements have been prepared. Refer to critical assumptions and judgements on pages 16 to 18 for more detail.

Dividends to shareholders

Interim

The directors approved an interim gross ordinary dividend of 24 cents per share (19.2 cents per share net of withholding tax) (2025: 22 cents per share) from income reserves. The dividend was paid on 12 January 2026 to shareholders registered on 6 January 2026.

Final

The directors have approved a final gross ordinary dividend of 33 cents per share (26.4 cents per share net of withholding tax) (2025: 33 cents per share). The source of such dividends will be from income reserves. The dividend will be payable on 20 July 2026 to shareholders registered on 17 July 2026.

The directors are of the opinion that the company will satisfy the solvency and liquidity requirements of sections 4 and 46 of the Companies Act following the distribution of the final dividend.

Share capital

The authorised and issued ordinary share capital of the group at 31 March 2026 is set out in note 19.2.

On 20 June 2025, the group issued a new listing of 10 996 918 ordinary shares. The share issue and allotment was concluded in terms of the Alexforbes long-term incentive plan 2019 scheme rules, which governs awards granted prior to 2022.

Share incentive schemes

Information relating to the equity-settled share incentive schemes is set out in note 19.

Directors and company secretary

The names of the directors and the company secretary at the date of this report are detailed on the inside back cover of this document.

Change in directorate

The following changes to the board were announced during the year:

- Mr P Dhamija resigned as non-executive director with effect from 24 April 2025.
- Ms AL Tedesco was appointed as a non-executive director of the company with effect from 24 April 2025.
- Ms R Nkadameng resigned as a non-executive director, member of the social, ethics and transformation committee and trustee of the Alexander Forbes Community Trust with effect from 11 August 2025.
- Mr TMZ Zuma was appointed as a non-executive director of the company with effect from 11 August 2025.

Preparation of financial statements

These audited annual financial statements were compiled under the supervision of Mr BP Bydowell CFO, CA(SA), CFA.

Corporate governance

The group has decided to early adopt the King V Report on Corporate Governance™ for South Africa, 2025 (King V)¹ and disclosure in accordance with the King V disclosure schedule for financial year 2026 will be available on the company's website no later than 31 July 2026.

¹ Copyright and trademarks are owned by the Institute of Directors South Africa NPC and all of its rights are reserved.

Audit and risk committee report

Nosipho Molope: Chair

The committee is pleased to present its report for the financial year ended 31 March 2026.

Purpose and role of the committee

The group audit and risk committee is an independent statutory committee in terms of section 94(2) of the Companies Act. Its primary responsibility is as audit and risk committee for Alexander Forbes Group Holdings Limited, but it also fulfils the role of a group committee as permitted by section 94(2)(a) of the Companies Act for all South African subsidiaries, including Alexander Forbes Investments Limited (AFIL) and Alexander Forbes Life Limited (AF Life).

Where bespoke committees have been established for non-South African subsidiaries, the committee still performs a group level oversight role.

In addition to audit and risk matters, the committee is responsible for:

- Group and regulatory capital, including the own risk and solvency assessment (ORSA)
- Overall compliance oversight (although certain aspects are managed by the social, ethics and transformation committee)
- Information technology governance

Terms of reference

The committee has adopted formal terms of reference, which include detailed reporting guidelines. The committee is satisfied that it has effectively discharged its responsibilities during the financial year ended 31 March 2026.

The committee's primary objective is to deliver on all its statutory duties and to assist the board with its responsibilities for:

- Management of enterprise wide risk
- Safeguarding of assets
- Solvency and liquidity
- Capital management, including the ORSA
- Information and technology governance
- Oversight over financial control and reporting
- Internal controls and corporate governance, particularly relating to legislative and regulatory compliance
- In collaboration with the social, ethics and transformation committee, oversight over fraud risk

The committee's roles and responsibilities include statutory and regulatory duties as per the Companies Act, the Prudential Standards, the Insurance Act 18 of 2017, JSE Listings Requirements and King V.

Composition and attendance

Current		Meeting attendance
CWN Molope (chair)	Independent non-executive director	5/5
AM Mazwai	Independent non-executive director	5/5
N Ketwa	Independent non-executive director	5/5
R Roux	Independent non-executive director	5/5

Note: Board members who attended meetings but are not committee members are not included here.

Standing invitees include the board chair and all non-committee member directors, CEO, CFO, chief audit executive/internal audit function, chief compliance and anti-money laundering officer, group head of enterprise risk management, chief governance, risk and compliance officer, business unit CFOs, head of group financial reporting, information technology representative, head of capital and independent external auditor. The independent head of actuarial function is an invitee for reporting purposes bi-annually.

The committee, however, debates matters without the permanent invitees present, when required.

The committee meets five times annually with two of those meetings arranged as bespoke risk-focused sessions. Two closed meetings (aligned with the approval of the interim and annual financial results) are held with the independent external auditor and heads of control functions where management is not present.

Financial statements and accounting practices

The committee reviewed the audited consolidated and separate annual financial statements of the group and company for the year ended 31 March 2026, particularly to ensure that disclosure is adequate and that fair presentation has been achieved. The committee recommended the approval of the audited consolidated group and company annual financial statements to the board of directors. The committee believes that these financial statements present a balanced view of the group's performance for the year under review and that they comply with IFRS Accounting Standards.

The committee followed similar approaches for the significant subsidiaries of the group.

Evaluation of the expertise and experience of the CFO and appropriateness of financial reporting procedures

The committee deliberated on the expertise and experience of the CFO, Bruce Bydawell, and is satisfied that he has the requisite expertise and experience to execute his designated functions. The committee has also considered and is satisfied of the appropriateness of the expertise, experience and adequacy of the resources of the finance function and the adequacy of financial reporting procedures in the preparation of financial statements.

Statutory duties

In the execution of its statutory duties, during the year under review, the committee:

- Confirmed the appointment of both Deloitte & Touche (Deloitte) as the independent external auditors and Mr Mark Holme as the registered auditor responsible for the audit.
- Satisfied itself with the independence of the external auditors.
- Agreed the terms of the engagement of and determined the fees payable to the independent external auditors.
- Ensured that the appointment of the independent external auditors and the registered auditor complied with the provisions of the Companies Act.
- Pre-approved the non-audit services provided by the independent external auditors in terms of a policy in this regard previously adopted by the committee.
- Noted that it had not received any complaints, either from within or outside the company, relating to the accounting practices, the independent and internal audits of the company or to the content or auditing of its financial statements or any related matter.
- Performed its other functions in accordance with its terms of reference.

Delivery against financial year 2026 objectives

In addition to delivery against the standard annual plans, the board and committee also set specific objectives for each year as reported on below.

Key objectives	Achievements and value created
In collaboration with the social, ethics and transformation committee gaining a deeper understanding of the evolving sustainability reporting landscape, in particular IFRS S1 and S2 on sustainability and climate disclosures	<p>The social, ethics and transformation committee led this objective, receiving regular feedback as to the development of the regulatory landscape to which the group contributed through its national sustainability reporting sentiment survey in collaboration with CIPC and the Department of Trade, Industry and Competition.</p> <p>Management completed an initial gap analysis against IFRS S1 and with a more comprehensive impact assessment to be completed by management prior to a formal recommendation being submitted to the committee.</p> <p>The group remains central to the sustainability reporting regulatory development discourse as discussed in the integrated annual report and the sustainability report. The committee and board will continue to carefully monitor developments and take appropriate steps to prepare in the ensuing year.</p>
Oversight of risk, compliance and the control environment through the change in the planned organisational structure	<p>The committee considered the risks associated with the change in operating model. It is comfortable with the benefits derived from the structural change to date.</p> <p>The committee started receiving more detailed disaggregated financial results enabling greater interrogation of business unit performance and risks.</p> <p>Despite the structural change, the overall risk profile remained within board-approved appetite and the compliance environment remained stable.</p>
Ongoing oversight over key finance transformation initiatives including automation, improved management information and continuous improvement	<p>The more granular business unit financial reporting, as referenced above, assisted the committee with greater oversight. In addition, other management reports were further optimised through ongoing continuous improvement interventions.</p> <p>The finance system transformation project was purposefully delayed to direct capital expenditure towards other operational system priorities and to spend sufficient time on selecting the most appropriate service provider. Following the selection of a service provider, the project, initially focused on an upgrade to end of life financial reporting systems, will progress in financial year 2027. Upgraded systems will lead to more efficient and controlled processes including automation and use of artificial intelligence (AI) where appropriate.</p>

External audit

The committee reappointed Deloitte as the group's independent external auditor for the year ended 31 March 2026 and has recommended the reappointment of Deloitte to shareholders at the next AGM. The committee also evaluated the performance and independence of the external auditor, as well as the audit partner, Mr Mark Holme.

The committee reviewed the external audit plan and approved the remuneration of the external auditor. In addition, a formal policy exists in respect of the provision of non-audit services by the external auditors and a formal procedure governs the process whereby the auditors are appointed to provide any non-audit services. Non-audit services rendered by Deloitte were 7% of the total audit fees. The committee is satisfied with the level and extent of non-audit services rendered during the year by Deloitte and that this did not impact on their independence.

Fees paid to the auditors are disclosed in note 3 of the group annual financial statements for the year ended 31 March 2026.

The committee has reviewed the information provided by the auditors as detailed in paragraph 5.7(h) of the JSE Listings Requirements.

Refer to the Independent auditor's report on pages 11 to 15 of the annual financial statements.

Key audit matters relevant to the consolidated financial statements

The key audit matters are those items of most significance as determined by Deloitte during the audit of the financial statements.

The key audit matters consist of:

- Level 3 financial assets held under multi-manager investment contracts.

The committee considered the evidence presented and the disclosure in the financial statements and concluded that the treatment of these matters was appropriate.

For further details, refer to the independent auditor's report on pages 11 to 15.

Internal audit

The committee is responsible for ensuring that the group's internal audit function is independent and has the necessary resources, standing and authority within the group to perform its duties. The committee is satisfied with the continued suitability of Ernst and Young (EY) as the outsourced partner for internal audit for the group.

The committee oversees cooperation between the internal and external auditors and serves as a link between the board of directors and these functions. The committee approved a revised internal audit charter during the year.

In addition to reporting to this committee, the internal audit function also reports to the relevant subsidiary audit and risk committees (where applicable) with responsibility for reviewing and providing assurance on the adequacy of the internal control environment across all of the group's operations.

The committee has assessed and is satisfied with the independence of EY and the internal audit function, and that they have provided assurance in line with recognised internal audit standards.

Financial reporting procedures

The committee has executed its responsibilities in terms of paragraph 5.7(h) of the JSE Listings Requirements. The committee has considered the financial reporting procedures in place, the assurance reports provided by both internal and external audit and the matters raised and discussed as part of the internal management reporting. The committee is satisfied that internal financial controls have been put in place to ensure that material information relating to Alexforbes and its consolidated subsidiaries has been provided to effectively prepare the financial statements.

Internal financial controls

The committee has had oversight of the internal control environment. Internal financial controls include all aspects of the business and the controls to ensure an effective operating environment.

Based on its oversight and monitoring of the group's system of internal financial controls throughout the year under review, and reports made by the combined assurance providers, including internal and external audit, the head of actuarial function, compliance and risk management on the results of their procedures, the committee is satisfied that the group's system of internal financial controls and arrangements for combined assurance are effective and forms a basis for the preparation of reliable financial statements.

The committee confirms that no deficiencies or control weaknesses resulted in material financial loss, fraud, corruption or error.

Combined Assurance

The committee is satisfied with the combined assurance approach, the collaboration between the various lines of defense and the overall effectiveness of combined assurance.

Going concern

The committee, with concurrence from Deloitte, has reviewed a documented assessment, including key assumptions prepared by management, of the going concern status of the company and group and has made a recommendation to the board in accordance with the assessment. The board's statement on the going concern status of the group, as supported by the committee, appears in the directors' responsibility for financial reporting section of the annual financial statements.

Key focus areas for financial year 2027

Key focus areas

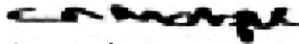
The committee will review and update its terms of reference together with relevant governance policies and processes to ensure full alignment with the King V principles and recommended practices.

To undertake a comprehensive assessment of IFRS S1 and S2 by expanding the initial gap analysis conducted in financial year 2026, with the objective of recommending for the potential voluntary adoption of these standards for consideration and decision by the committee.

The committee will consider the enhanced King V requirements in respect of data, information and technology, deep diving these topics and required remedial actions with a specific focus on the adoption of and risks associated with artificial intelligence.

In line with the focus on key finance transformation initiatives, the planned system replacement will resume in financial year 2027.

Oversight over the readiness assessment for the new IFRS 18 standard on the presentation and disclosure in financial statements, effective from 1 January 2027, which will impact how we present our primary statements, particularly the statement of profit or loss.



CWN Molope
Chair

Independent Auditor's Report

To the Shareholders of Alexander Forbes Group Holdings Limited Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Alexander Forbes Group Holdings Limited and its subsidiaries (the group and company) set out on pages 16 to 107, which comprise the consolidated and separate statement of financial position as at 31 March 2026; and the consolidated and separate statement of profit or loss and other comprehensive income; the consolidated and separate statement of changes in equity; and the consolidated and separate statement of cash flows for the year then ended; and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Alexander Forbes Group Holdings Limited and its subsidiaries as at 31 March 2026, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code), as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

We define materiality as the magnitude of misstatement in the consolidated and separate financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the nature and extent of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the consolidated and separate financial statements as a whole as follows:

	Financial statements - group	Financial statements - company
Overall materiality	R80.0 million (2025: R70.0 million)	R50.0 million (2025: R50.0 million)
How we determined it	We determined materiality to be R80.0 million, which represents 7.2% of the audited profit before tax from continuing operations (2025: 6.7%). Our determination was made with reference to supporting benchmarks and the history of audit outcomes.	We determined materiality to be R50.0 million, which represents 1.0% of audited total assets (2025: 1.0%). Our determination was made with reference to supporting benchmarks and the history of audit outcomes.
Rationale for benchmark applied	A key judgement in determining materiality is selecting the appropriate benchmark, based on our perception of the needs of users of the financial statements. We considered which benchmarks and key performance indicators have the greatest bearing on economic decisions made by users. We determined that profit before tax remained the key benchmark and it is commonly used for listed entities.	A key judgement in determining materiality is selecting the appropriate benchmark, based on our perception of the needs of users of the financial statements. We considered which benchmarks and key performance indicators have the greatest bearing on economic decisions made by users. We determined that total assets remained the key benchmark for the company and is of particular interest to users as it reflects the cost of investments made by the company in profit making enterprises.

Scope of our audit

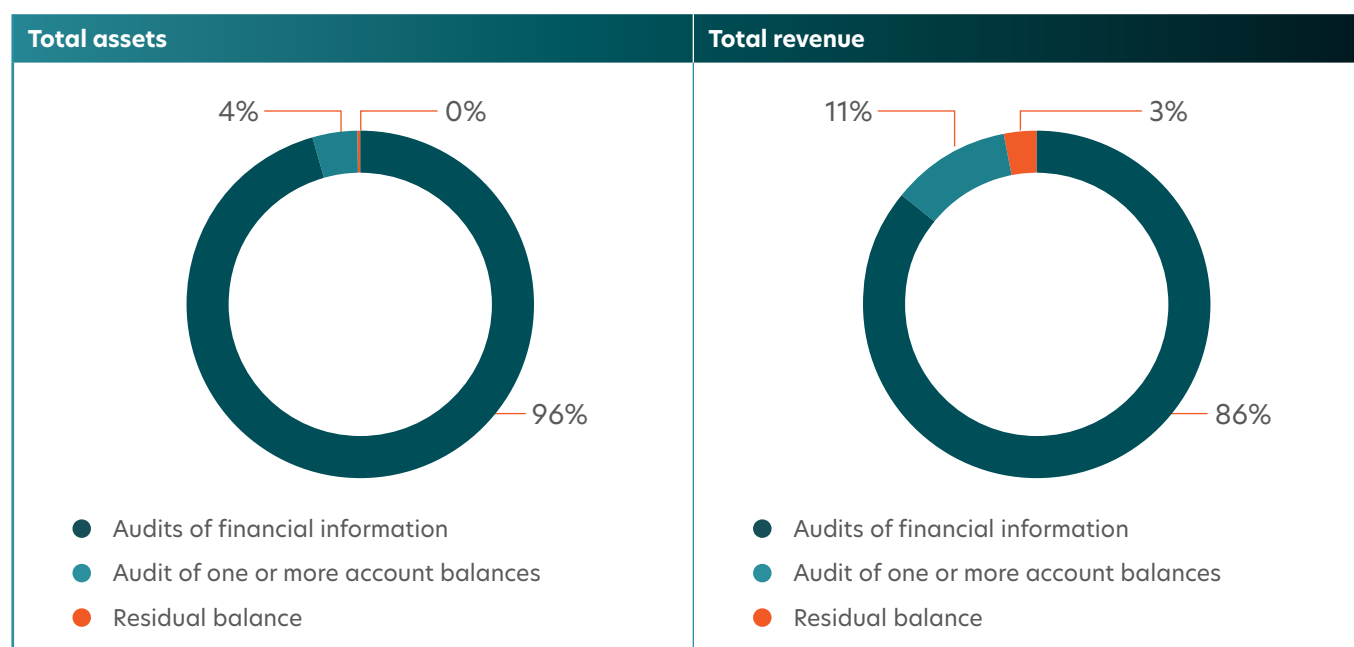
Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the structure and organisation of the Group, and assessing the risks of material misstatement at the Group level.

We selected components at which audit work in support of the group audit opinion needed to be performed in order to provide an appropriate basis for undertaking audit work to address the risks of material misstatement. Our selection was informed by taking into account the component's contribution to relevant classes of transactions, account balances or disclosures.

Based on our assessment, we performed work at 21 of the 81 components. The following audit scoping was applied:

- 7 components were scoped as "audits of component financial information"; and
- 14 components were scoped for audits of "one or more classes of transactions, account balances or disclosures".

These 21 components account for 99% of the Group's total assets and 97% of the Group's total revenue. Residual values were addressed by risk assessment procedures including considering whether a statutory audit has been performed and performing supplementary analytical procedures at a Group level.



Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

Key audit matter	How the matter was addressed in the audit
Audit of the Level-3 Financial assets held under multi-manager investment contracts	
<p>The audit of the "Financial assets held under multi-manager investment contracts" of R561 billion (2025: R463 billion) disclosed in Note 10, includes Level-3 funds invested into unlisted, private market portfolios with a fair value of R15.9 billion (2025: R14.4 billion). The audit of these funds was considered a key audit matter due to the fact that the fair value of the portfolio is several multiples of our materiality and valuations are typically performed by, or obtained by, the third parties that manage the investments. The value of the financial assets is directly linked to the value of the material financial liabilities held under multi-manager investment contracts.</p> <p>The private market investment portfolios often include a mix of financial instruments, such as equity in private companies, property and infrastructure assets and unlisted structured debt.</p> <p>The subjectivity inherent in the valuation of these relatively illiquid securities and debt instruments introduces a high risk of material misstatement in the statement of financial position.</p> <p>Level-3 valuations are subject to complexities in terms of <i>IFRS 13 Fair Value Measurement</i>, that instruments traded on an active public market, are not.</p> <p>Certain of the Level-3 investments are valued at dates prior to the Group's year-end and this needs to be considered by management in recording the fair value of the investments at year-end.</p> <p>Due to the significant value and nature of the balance, the level of audit effort expended, including the use of specialists, and the judgement involved in designing appropriate audit tests to confirm the valuations of these Level-3 investments, was determined to be a key audit matter.</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> • We understood and assessed management's system of internal controls, processes, oversight and methodologies to record and monitor the carrying values of the Level-3 investments. • We assessed the design and implementation of relevant controls over the recording and administration of the private market investments. • Where relevant, we confirmed percentage holdings and valuations to portfolio statements or unitholder statements. • Wherever available, we placed reliance on audited financial statements, asset manager statements or third-party reports, including checking for inconsistencies between these sources. We ensured that valuations in the audited financial statements had been performed in accordance with <i>IFRS 13 Fair Value Measurement</i>. • Where deemed appropriate, we engaged internal specialists to critically evaluate the reasonability of key valuation inputs, such as forecast operating cash flows, earnings multiples and costs of capital, and other critical assumptions. • For selected investments and on a judgemental basis, we engaged with fund managers and their auditors to understand significant movements. • We engaged our internal valuation specialists to perform an overall assessment of the private markets investment portfolio and the expected valuation changes at different points in time, based on changes in the external market with a focus on the period since latest valuation dates, where necessary. • We substantively audited material capital activity in the portfolios including material draw-downs and distributions during the period post-valuation, where relevant. • We evaluated the adequacy of disclosures related to these investments including their classification. <p>The scope and nature of procedures performed were sufficient and appropriate to address the key audit matter.</p>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Alexander Forbes Group Holdings Limited Annual Financial Statements for the year ended 31 March 2026", which includes the Directors' Report, the Audit and Risk Committee's Report and the Declaration by Company Secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group and company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and/or company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Annual financial statements | Independent auditor's report
For the year ended 31 March 2026

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and/or company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

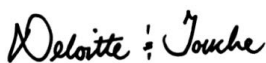
From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Audit Tenure

In terms of the IRBA Rule published in Government Gazette No. 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of Alexander Forbes Group Holdings Limited for 4 years.

Signed by:



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Deloitte & Touche Registered Auditors

Per: MH Holme CA(SA): RA
Partner

11 June 2026

5 Magwa Crescent
Waterfall City
Waterfall
Johannesburg 2090
South Africa

Accounting policies

Material accounting policies applied in the preparation of the group and company financial statements are set out below. These policies are consistent with those applied in the previous year unless otherwise stated.

Basis of preparation

The annual financial statements are prepared in accordance with the IFRS Accounting Standards as adopted by the International Accounting Standards Board, the JSE Listings Requirements, the South African Institute of Chartered Accountants' Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the South African Companies Act applicable to consolidated financial statements.

They have been prepared in accordance with the going concern principle under the historical cost basis, except for the following:

- Financial instruments (including derivative financial instruments) measured at fair value

The preparation of the group and company financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the group and company financial statements, are disclosed in the notes to these financial statements.

The group and company financial statements are presented in order of liquidity. The financial assets and liabilities held under multi-manager investment contracts are presented ahead of other categories due to the linked nature of these balances thereby enhancing the economic understanding of the financial statement to the user. Reference to the current maturities of these financial assets and financial liabilities are disclosed in the notes and in the analysis of the financial assets and liabilities.

These group and company financial statements are presented in South African rand, which is the company's functional currency and the group's presentation currency. All financial information presented in rands is rounded to the nearest million, except when otherwise indicated.

Critical assumptions and judgements

The group has continued to be vigilant and cognisant of the uncertainty in the operating environment. The impact of scenarios on our critical assumptions and judgements has been tested and as a result we remain confident regarding our resilience. The scenario testing in the current financial year for solvency and liquidity informed the assessment for the value in use of the cash-generating units (CGUs). Based on the scenarios we conclude that the goodwill balance is supported, and no impairment is required in the current financial year. Elements of the management actions under these scenarios were also used to inform and support the assessment of the deferred tax asset. In addition, the stress testing and risk management discussions provided sufficient support for the going concern assumption under which these financial statements have been prepared.

1.1 Solvency assessment

The group has a policy to assess the risks and solvency of the consolidated entity on an annual basis and, if needed, in times where significant events occur or material decisions are required. This own risk and solvency assessment (ORSA) process is in line with the prudential standards for insurance groups. The expected scenarios, management actions and results are discussed and approved by the board.

The ORSA process is updated annually or when required and our solvency position is evaluated by the board. Although the operating environment in South Africa has shown signs of improvement, it remains vulnerable to global geopolitical risks.

The group liquidity and solvency position at 31 March 2026 is strong with available cash of R860 million and a regulatory surplus of R1 191 million, 2.2 times above the solvency capital requirement. It is the group's policy to maintain a solvency capital ratio of at least 1.2 times.

1.2 Goodwill

An annual assessment of goodwill is performed in accordance with the requirements of IAS 36 *Impairment of Assets*. For purposes of impairment testing, goodwill is allocated to CGUs, which are identified using the group's operating model, and whose appropriateness is evaluated on an annual basis.

The evaluation of impairment is based on discounted cash flow models, making use of expected future cash flows and discount rates, the determination of which requires the exercise of judgement. The cash flow projections are based on financial budgets approved by the board for the forthcoming year and forecasts for a further four years, which are based on assumptions of the business, industry and economic growth. Cash flows beyond this period are extrapolated using terminal growth rates, which do not exceed the expected long-term economic growth rate. Each CGU's carrying value is tested against the recoverable amount as determined based on value-in-use calculations. Where the carrying value of the CGU exceeds the recoverable amount, a goodwill impairment is recognised.

The group performed sensitivity analyses on the inputs used in the impairment testing and in each scenario with the resulting conclusion that the remaining goodwill balance is supported, and no further impairment is required. Details of the assumptions used in this calculation are included in note 11.

1.3 Errors and omissions in the ordinary course of business

Owing to the nature of its activities the group is exposed to various actual and potential claims, lawsuits and other proceedings relating to alleged errors and omissions or non-compliance with laws and regulations in the conduct of its ordinary course of business. As with any business with similar operations to the group, the risk exists that new claims relating to past events and significant adverse developments in past claims could result in material changes to provisions made in respect of prior years. Refer to note 25.2.

1.4 Developed computer software

Costs that are directly associated with the production of identifiable and unique software products, which will be controlled by the group and generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. The directly associated costs may include employee costs and relevant associated overheads. All other costs associated with developing or maintaining computer software programs are recognised in profit or loss as incurred.

Expenditure which enhances and extends the benefits of computer software programs beyond their original specifications and lives is recognised as a capital improvement and added to the original cost of the software. Refer to note 14.

The quantification of economic benefits is based on the estimation of future cash flows and discount rates. These calculations use cash flow projections based on financial budgets approved by the board of directors for the forthcoming year and forecasts for a further four years, which are based on assumptions of the business, industry and economic growth. Cash flows beyond this period are extrapolated using terminal growth rates, which do not exceed the expected long-term economic growth rate.

Key assumptions used in the impairment review are consistent with the prior year, taking into account past experience and external sources of information. Refer to note 11.

1.5 Deferred tax assets

The deferred tax assets include amounts relating to subsidiary companies that have made assessed losses in prior years owing to the inability to fully recover operating costs from fellow subsidiaries.

The recognition of the deferred tax asset on the statement of financial position of the subsidiary is dependent on the expected profitability of that subsidiary, that is, deferred tax assets are recognised for tax losses carried forward only to the extent that realisation of the related tax benefit is probable, where on the basis of all available evidence, it is considered more likely than not that there will be suitable taxable profits against which the reversal of the deferred tax asset can be deducted.

Financial budgets of the subsidiaries were included in the group's financial budgets approved by the board for the forthcoming year and forecasts for a further four years, which are based on assumptions of the business, industry and economic growth. The judgement is applied with regard to the timing of the utilisation of the deferred tax assets. The assessed losses can be carried forward indefinitely to the extent the entities remain trading.

1.6 Fair value measurement of Level 3 financial assets and liabilities

The group holds a number of financial assets to support liabilities in respect of contracts with policyholders. These financial assets and financial liabilities are designated at fair value through profit or loss to reduce the accounting mismatch that would arise otherwise. Financial instruments are classified as Level 3 where valuation techniques used incorporate significant inputs that are not based on observable market data. The significant unobservable inputs used by the group include internally developed assumptions on the inputs that a market participant would use to price the instrument, including determining the appropriate risk-adjusted discount rates, interest rates and other macroeconomic indicators. Consequently, the determination of the fair value of financial instruments disclosed as Level 3 instruments requires greater judgement and introduces a higher level of estimation uncertainty. Refer to note 39.4.

1.7 Employment benefit obligations

The present value of the post-employment medical benefit obligations is determined on an actuarial basis using various assumptions. The assumptions used in determining the net cost (income) include the discount rate used to determine the present value of estimated future cash outflows expected to settle the obligations.

The group, in conjunction with a professional actuary, determines the appropriate discount rate at the end of each financial year. In determining the appropriate discount rate, the group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related post-employment medical benefit obligations. In countries like South Africa where there is no deep market for corporate bonds, the government bond rate is used.

The expected salary is based on inflation rates, adjusted for salary scales and country specific conditions. The inflation rate used is a rate within the government's monetary policy target for inflation and is calculated as the difference between the yields on portfolios of fixed interest government bonds and a portfolio of index-linked bonds of a similar term.

Other key assumptions for post-employment medical benefit obligations are based, in part, on current market conditions applied in the determination of these obligations. Additional information is disclosed in note 22.2. Any changes in these assumptions will impact the carrying amount of post-employment medical benefit obligations.

Consolidation

1. Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

All material intra-group transactions, balances and unrealised gains on intra-group transactions are eliminated. Unrealised losses are also eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the group. Losses applicable to the non-controlling interest in a subsidiary are allocated to the non-controlling interest even if doing so causes the non-controlling interest to have a deficit balance.

On the loss of control, the group derecognises the assets and liabilities of the subsidiary, and any non-controlling interests and components of equity related to the subsidiary. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. If the group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date the control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset, depending on the level of influence retained.

The company's separate financial statements account for subsidiaries at cost less any accumulated impairment losses.

2. Non-controlling interests

Non-controlling interests in the net assets of subsidiaries are separately identified and presented from the group's equity therein. Non-controlling interests are initially measured either at fair value or at the non-controlling

interests' proportionate share of the subsidiary's identifiable net assets at the acquisition date. This is not an accounting policy election and the group will apply the choice of measurement basis on an acquisition-by-acquisition basis.

Subsequently the non-controlling interests consist of the amount attributed to such interests at initial recognition plus the non-controlling interests' share of change in equity since the date of the combination.

Non-controlling interests are treated as equity participants of the subsidiary companies. The group treats all acquisitions and disposals of its non-controlling interests in subsidiary companies, which do not result in a loss of control, as an equity transaction. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the change in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the group.

3. Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual arrangements. The group establishes structured entities for business purposes. The group may or may not have any direct or indirect shareholdings in these entities.

4. Collective investment schemes

Collective investment schemes (or unit trusts) managed by the group are consolidated provided the group can demonstrate the following:

- Power to direct the relevant activities that impact the variable returns of the unit trust through its mandates and voting rights
- Exposure to the variable returns of the unit trust through its size of investment in the unit trust (for instance, investment by the group is greater than 20 per cent)
- Ability to use its power to impact the variable returns for its own benefit

The consolidated financial assets of the collective investment schemes attributable to unit holders are shown within financial assets held under multi-manager investment contracts in the group statement of financial position with a matching linked liability to the unitholders shown within financial liabilities held under multi-manager investment contracts.

Fair value adjustments to the financial assets and liabilities of collective investment schemes are recognised in profit or loss.

When the size of the investment in the unit trust falls below the 20 per cent threshold, it is accounted for as an investment and recorded at fair value through profit or loss.

Foreign currency

1. Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates, in other words its functional currency.

2. Foreign exchange gains and losses arising in entity accounts

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rates at that date. Foreign exchange gains and losses resulting from the translation of monetary assets and liabilities are recognised in profit or loss, except when deferred in other comprehensive income for qualifying cash flow hedges.

All foreign exchange gains and losses, including those that relate to borrowings and cash and cash equivalents, are presented in the income statement within investment income or finance costs respectively. Translation differences on monetary items, such as financial assets held at fair value through profit or loss (FVTPL), are reported as part of the fair value gain or loss on such instruments. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Translation differences on non-monetary financial assets and liabilities, such as equities held at FVTPL, are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as fair value through other comprehensive income, are included in other comprehensive income.

3. Foreign exchange gains and losses arising on consolidation

Items included in the financial statements of each of the group's entities are measured in the entity's functional currency. The results and financial positions of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency of the group are translated into South African rands as follows:

- All assets and liabilities of items in the statement of financial position are translated at the reporting date at the exchange rate at that date.

- All income and expenses in the income statement and statement of comprehensive income are translated at the average exchange rates for the relevant financial period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates in which case income and expenses are translated using the applicable exchange rates at the dates of the transactions).
- All resulting foreign exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign currency gains or losses on such item are considered to form part of the net investment in the foreign operation and are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity.

On the disposal of a foreign operation, (that is, a disposal of the group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation) all of the foreign exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In the case of a partial disposal that does not result in the group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated foreign exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the group's ownership interest in associates that do not result in the group losing significant influence) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as the foreign entity's assets and liabilities and are translated at the reporting date at the exchange rate at that date.

Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All day-to-day servicing of property and equipment is recognised in profit or loss as incurred.

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each part of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The expected useful lives applied are as follows:

Item of property and equipment	Period of depreciation
Leasehold property and improvements	Shorter of useful life or period of lease
Computer and network equipment	3 to 5 years
Office equipment	4 to 7 years
Motor vehicles	4 to 10 years
Furniture and fittings	4 to 10 years

Depreciation methods, residual values and useful lives are reviewed at each reporting date and adjusted if required. Gains and losses on disposals of property and equipment are determined by comparing proceeds from the disposal with the carrying amount of the relevant asset and are recognised in profit or loss.

Business combinations

The acquisitions of subsidiaries and other asset purchases which are assessed as meeting the definition of a business under IFRS 3 *Business Combinations* are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the group, liabilities incurred by the group to the former owners of the acquiree and the equity interest issued by the group in exchange for control of the acquiree. Acquisition costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair values at the acquisition date, except for the following:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition date fair value of any previous equity interest in the acquired entity (if any) over the fair value of the net identifiable assets acquired is recorded as goodwill.

Goodwill

Goodwill arises on the acquisition of subsidiaries and associates.

The group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred plus
- the amount of any non-controlling interest in the acquiree measured at fair value or at the proportionate share of the acquiree's identifiable net assets plus
- the fair value of the existing equity interest in the acquiree (if the business combination is achieved in stages) less
- the fair value of the net identifiable assets acquired and liabilities (including contingent liabilities) assumed

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Goodwill is measured at cost less accumulated impairment losses and is tested annually for impairment and whenever there is an indication of impairment.

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

1. Purchased and developed computer software

Purchased computer software, and the direct costs associated with the customisation and installation thereof, are capitalised and amortised over the useful life of the asset.

Purchased computer software licences are capitalised on the basis of the costs incurred to acquire and bring the specific software into use. These costs are amortised over the useful life of the asset. Costs may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency costs of developing software.

Costs that are directly associated with the production of identifiable and unique software products, which will be controlled by the group and generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. The directly associated costs include employee costs and an appropriate portion of relevant overheads of the system development team. All other costs associated with developing or maintaining computer software programs are recognised in profit or loss as incurred.

Expenditure, which enhances and extends the benefits of computer software programs beyond their original specifications and lives, is recognised as a capital improvement and added to the original cost of the software. Previously expensed costs are not subsequently capitalised.

Computer software development costs recognised as assets are amortised on a straight-line basis over their estimated useful lives of between three and 10 years.

2. Contractual customer relationships and trade names acquired as part of a business combination

Contractual customer relationships and trade names acquired as part of a business combination are recognised as intangible assets.

Customer relationships

Customer relationships acquired as part of a business combination are capitalised on acquisition at fair value and separately from goodwill. The initial recognition of the customer relationship is determined by estimating the net present value of future cash flows from the contracts in force at the date of acquisition. These customer relationships are amortised on a straight-line basis over the estimated lives of the acquired contracts of between three to ten years.

Customer relationships not acquired as part of a business combination are recognised as assets based on the purchase cost including costs directly attributable to the acquisition and are amortised over the estimated useful lives of between ten and twenty years. At each reporting date, the group reviews the carrying amounts to determine whether there is any indication that these assets have suffered an impairment loss.

Trade names

Trade names are initially recognised at fair value on the day of acquisition. The fair value is determined using the relief-from-royalty methodology. Trade names are amortised on a straight-line basis over the estimated useful life of the trade name limited to 20 years.

3. Trademarks and licences

No value is attributed to internally developed trademarks, patents and similar rights. Costs incurred on these items are recognised in profit or loss as incurred. Expenditure on the development and marketing of the group's brands is also recognised in profit or loss as incurred.

Financial instruments

The group applies IFRS 9 *Financial Instruments* to the recognition, classification and measurement, derecognition of financial instruments and the impairment of financial assets. The group continues to apply IAS 39 *Financial Instruments: Recognition and Measurement* for hedge accounting purposes.

Initial recognition

Financial instruments are recognised in the group's statement of financial position when the group becomes a party to the contractual provisions of the instrument. The group recognises (derecognises) financial assets on trade date, the date on which the group commits to purchase/(sell) the asset.

All financial instruments are measured initially at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability (other than financial assets and financial liabilities at fair value through profit or loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1. Financial assets

(i) Classification and measurement

The classification of financial assets is based on two criteria:

- the group's business model for managing the financial asset
- the contractual cash flow characteristics (whether the cash flows represent solely payments of principal and interest)

The business model assessment is performed at a portfolio level to reflect how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence, including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The group classifies its financial assets into the following measurement categories:

- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI)
- amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

A financial asset is measured at FVTPL if the group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the group's documented risk management or investment strategy. All classes of financial assets classified on the statement of financial position as financial assets held under multi-manager investment contracts are measured at FVTPL. The main classes of financial assets included under this category are preference shares, unit trusts and debt securities.

For investments in equity instruments that are not held for trading, this will depend on whether the group may make an irrevocable election at the time of initial recognition (on an instrument-by-instrument basis) to account for the equity investment at FVOCI.

The group reclassifies debt investments when and only when its business model for managing those assets changes.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. The group's debt instruments are held for collection of contractual cash flows, which represent solely payments of principal and interest, and debt instruments are classified in the amortised cost category. Interest income from these financial assets is included in investment income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in investment income together with foreign exchange gains and losses.

Equity instruments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as investment income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other investment income in the statement of profit or loss as applicable.

(ii) Derecognition and modification

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Where an existing financial asset is replaced by another with the same counterparty on substantially different terms, or the terms of an existing financial asset are substantially modified, such an exchange or modification is treated as a derecognition. If the terms are not substantially different, the renegotiation or modification does not result in derecognition of that financial asset and the group recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

(iii) Impairment of financial assets

The group assesses on a forward-looking basis the expected credit losses (ECLs) associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

General method

At each reporting date, the group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the

assessment, the group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of ECLs. To make that assessment, the group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, which is indicative of significant increases in credit risk since initial recognition. The group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Simplified method

For trade receivables and contract assets, the group applies the simplified approach in accordance with IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. See note 39.1 for further detail.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (in other words, the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the group expects to receive). ECLs are discounted at the original effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer
- a breach of contract such as a default or past due event
- the restructuring of a loan or advance by the group on terms that the group would not otherwise consider
- it is probable that the borrower will enter bankruptcy or other financial reorganisation
- the disappearance of an active market for a financial asset because of financial difficulties

The group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the group in full, without recourse by the group to actions such as realising security (if any is held).

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets and the amortised cost is presented on the face of the statement of financial position.

2. Financial liabilities

(i) Classification and measurement

The group classifies its financial liabilities in the following categories:

- financial liabilities at FVTPL
- financial liabilities measured subsequently at amortised cost

The classification depends on the purpose for which the financial liabilities were acquired. Management determines the classification of financial liabilities at initial recognition.

Financial liabilities at FVTPL

This category has two subcategories:

- financial liabilities held for trading
- those designated at FVTPL at inception

A financial liability is classified as held for trading if the linked financial asset associated with this liability is acquired principally for the purpose of selling in the short term or if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking. Derivative liabilities are also classified as held for trading unless they are designated as hedges at inception. All classes of financial liabilities classified on the statement of financial position as financial liabilities held under multi-manager investment contracts are designated at FVTPL.

A financial liability is designated as FVTPL where the group determines such a designation will eliminate an accounting mismatch because the related assets are carried at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with subsequent changes in fair value recognised in profit or loss.

Financial liabilities measured subsequently at amortised cost

Financial liabilities at amortised cost are non-derivative financial liabilities with fixed or determinable payments and fixed maturities.

Financial liabilities classified as financial liabilities measured subsequently at amortised cost comprise borrowings and trade and other payables. Subsequent to initial recognition these financial liabilities are measured at amortised cost and any difference between the proceeds, net of transaction costs and the redemption value, is recognised in profit or loss over the period of the borrowings, using the effective interest method.

(ii) Derecognition and modification

The group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. Derecognition of financial liabilities includes a situation of substantial modification of the terms and conditions of an existing financial liability, that is, a substantial modification of the terms of an existing financial liability, or a part of it, is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Other modifications are accounted for by adjusting the carrying amount of the financial liability to reflect actual and revised estimated cash flows. The entity recalculates the carrying amount by computing the present value of estimated future cash flows at the financial instrument's original effective interest rate. The adjustment is recognised in profit or loss as income or expense.

3. Securities lending

The group engages in securities lending activities whereby securities are lent to a third party for a fee. In exchange for the securities lent, the group receives collateral in the form of cash, listed equities or listed bonds in excess of the market value of securities lent. The counterparty has been appointed on a principal basis and lends the securities to other third-party borrowers. The counterparty is responsible for actively managing the collateral process daily with the borrowers and ensuring that additional collateral is posted where required. The group monitors the market value of the collateral against the market value of the securities on loan daily to ensure that the collateralisation of the loaned securities remains at a sufficiently protective level.

As part of the lending agreement, the group retains the contractual rights to cash flows from the transferred assets and therefore continues to recognise the securities lent out in their entirety in the statement of financial position. Securities lending fees received are included in fee and commission revenue.

Impairment of non-financial assets

1. Goodwill

For purposes of impairment testing, goodwill is allocated to cash-generating units (CGUs). These units are the lowest component of the business, which is expected to generate cash flows that are largely independent of any other business component. Each CGU represents a grouping of assets not larger than an operating segment as used for segmental reporting purposes in the group financial statements.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Impairment losses relating to goodwill are not reversed.

2. Other non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value of the asset less costs of disposal and value in use. Value in use is the present value of projected cash flows covering the remaining useful life of the asset. For the purposes of assessing for impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Cash and cash equivalents

Cash and cash equivalents include the following:

- cash on hand
- deposits held on call with banks
- demand deposits
- bank overdrafts
- other short-term highly liquid investments with original maturities of three months or less

Cash and cash equivalents backing financial liabilities held under multi-manager investment contracts and liabilities of insurance cell-captive contracts are included in the definition of cash and cash equivalents. However, given the restrictions involved in accessing this cash, it is separately identified on the statement of cash flows. Cash and cash equivalents are carried at amortised cost in the statement of financial position, except for money market investments which are carried at FVTPL. Cash flows arising from the operating, investing and financing activities of discontinued operations are recognised when they occur and presented separately in the statement of cash flows.

Contract assets

Trade and other receivables include contract work in progress in respect of unbilled consulting fees. Contract work in progress is assessed for impairment like normal trade receivables, refer to note 39.1.

Equity

1. Share capital

Ordinary shares and qualifying preference shares are classified as equity. Incremental costs directly attributable to the issue of equity are recognised as a deduction from equity, net of any tax effects.

2. Dividend distributions

Dividend distributions on ordinary shares are recognised as a reduction in equity in the period in which they are approved by the company's shareholders. Distributions declared after the reporting date are not recognised but are disclosed in the financial statements.

3. Treasury shares

Where any group company purchases the company's equity share capital (treasury shares) the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the company's owners until the shares are cancelled or reissued. Where such ordinary shares are subsequently

reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's owners.

4. Share-based payment reserve

Upon the vesting of any equity instruments granted by the group, the group transfers the related share-based payment reserve to accumulated profits or loss.

Investment contracts

The group issues investment contracts without fixed terms (unit linked). Investment contracts without fixed terms are financial liabilities whose fair value is dependent on the fair value of underlying financial assets, derivatives or investment property (unit linked) and are designated at inception as financial liabilities at FVTPL.

Amounts received under investment contracts are recorded as deposits under investment contract liabilities. Amounts paid under investment contracts are recorded as deductions from investment contract liabilities.

Valuation techniques are used to establish the fair value at inception and at each reporting date. The group's main valuation techniques incorporate all factors that market participants would consider and are based on observable market data. The fair value of a unit-linked financial liability is determined using the current unit values that reflect the fair values of the financial assets contained within the group's unitised investment funds linked to the financial liability, multiplied by the number of units attributed to the contract holder at the reporting date. If the investment contract is subject to a put or surrender option, the fair value of the financial liability is never less than the amount payable on surrender, discounted for the required notice period, where applicable.

Deferred acquisition costs

Incremental costs directly attributable to securing rights to receive fees for multi-manager investment services sold with investment contracts are capitalised as assets if they can be separately identified, measured reliably and it is probable that their value will be recovered. An incremental cost is one that would not have been incurred if the group had not secured the investment contract.

The deferred acquisition costs represent the group's contractual right to benefit from providing multi-manager investment services and are amortised on a straight-line basis over the period in which the group expects to recognise the related revenue, not exceeding five years.

The costs of securing the right to provide these services do not include transaction costs relating to the origination of the investment contract.

Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences:

- temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future
- taxable temporary differences arising on the initial recognition of goodwill

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities, and the company intends to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be settled simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary differences can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax relating to fair value remeasurements of available-for-sale assets, which are recognised in other comprehensive income are accumulated in equity and are subsequently reclassified into profit or loss together with the deferred gain or loss.

Employee benefits

1. Pension benefits

Group companies operate various pension schemes. The schemes are generally funded through trustee administered funds, determined by periodic actuarial calculations. The group has a defined contribution plan funded by payments from the relevant group companies, by employees or both.

A defined contribution plan is a post-employment benefit plan under which the group, employees or both pay fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to current or prior employee service. The group pays contributions to the plan on a mandatory, contractual or voluntary basis. The group has no further payment obligation once the contributions have been paid. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss when they are due entitlement.

2. Post-employment medical obligations

In terms of certain employment contracts, the group provides post-employment medical benefits to qualifying employees and retired personnel by subsidising a portion of their medical aid contributions.

The entitlement to these benefits is based upon employment prior to a certain date and is conditional on employees remaining in service up to retirement age. New employees are not entitled to this benefit. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans.

The liability recognised in the statement of financial position is the present value of the obligation at the reporting date less the fair value of plan assets. The present value is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. In countries like South Africa where there is no deep market for corporate bonds the government bond rate is used. This rate is the yield at the reporting date on government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity that approximate the terms of the group's obligation.

The calculation is performed annually by qualified actuaries using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the post-employment medical obligation and the fair value of plan assets. This cost is included in the employee benefit expense in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position.

Changes in the present value of the post-employment medical obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

When the calculation results in a benefit for the group, in other words plan assets exceed the defined benefit obligation, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. The group measures the economic benefits available to it in the form of refunds or reductions in future contributions at the maximum amount that is consistent with the terms and conditions of the plan and any statutory requirements in the jurisdiction of the plan in accordance with IFRIC 14. Past service costs are recognised immediately in profit or loss.

The group's current service costs of the post-employment medical are recognised in profit or loss in the current year.

3. Other long-term employee benefits

Other long-term employee benefit obligations relate to the deferred cash incentive scheme (DCIS) which is not expected to be settled wholly within 12 months after the reporting period. The DCIS is funded upfront through trustee-administered funds, with contributions made by the relevant employer companies into an administered trust. The group has no legal or constructive obligation to make further payments beyond the initial contribution paid upfront to the trust. Accordingly, the contributions are recognised as an employee benefit expense in profit or loss over the service period, on a straight-line basis. The liability recognised in the statement of financial position is the fair value of the obligation at the reporting date.

Remeasurement gains and losses arising from investment returns are recognised in the period in which they occur, in profit or loss.

4. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recognised in profit or loss as the related service is provided. A liability is recognised for the amount that is expected to be paid in the form of annual leave entitlements if the group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

5. Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Share-based payments

1. Equity-settled share-based payments

The Alexforbes group operates a number of equity-settled, share-based compensation plans under which the subsidiary entities receive services from employees as consideration for equity instruments (shares) of the ultimate holding company. The fair value of the employee services received in exchange for the grant of the shares is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the shares granted:

- Including any market performance conditions (for example, the entity's share price)

- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period)
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or hold shares for a specific period of time)

At the end of each reporting period, the group revises its estimates of the number of shares that are expected to vest, based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement with a corresponding adjustment to equity of the ultimate holding company.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

When the shares vest, in some circumstances, the ultimate holding company issues new shares to settle. In other circumstances, when shares vest, the company settles using shares of the company previously acquired from the market.

The equity-settled share-based compensation plan will come to an end in July 2028.

2. Cash-settled share-based payments

In the current year, the group introduced a cash-settled long-term incentive plan (LTIP) that replaces the equity settled LTIP. The value of these awards is linked to the equity value of the ultimate holding company. The cost of cash-settled transactions is initially measured at fair value on grant date and is recognised as an expense over the vesting period, with a corresponding liability.

At the end of each reporting period, the group revises its estimates of the number of awards that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision, if any, in profit or loss. Additionally, the liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognised as an employee benefit expense in profit or loss.

Provisions

Provisions are recognised when the group has a present legal or constructive obligation, as a result of past events, for which it is more likely than not that an outflow of resources will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects the current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where the group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. Provisions are reviewed at the end of each financial year and are adjusted to reflect current best estimates.

Leases

The group assesses whether a contract is, or contains, a lease, at inception of the contract. A contract is, or contains a lease, if it conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition the group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the group
- the group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use
- considering its rights within the defined scope of the contract the group has the right to direct the use of the identified asset throughout the period of use

The group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The group as a lessee

At lease commencement date, the group recognises a right-of-use asset and a lease liability on the balance sheet, except for leases of low-value assets such as office equipment and short-term leases of 12 months or less which are recognised as an expense on a straight-line basis over the lease term.

The lease liability is measured at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the lessee's incremental borrowing rate specific to the term, country and currency in which the lease payments are denominated. Generally, the group uses the incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed payments
- variable payments based on an index or rate initially measured using the index or rate at commencement
- amounts expected to be payable under a residual value guarantee
- payments arising from options reasonably certain to be exercised

The lease liability is subsequently measured at amortised cost using the effective interest rate method and is remeasured to reflect any reassessment or modification. The carrying amount of lease liability is remeasured if there is a modification, a change in the lease term or a change in the lease payments, using a revised discount rate at the effective date of the modification. Any gain or loss relating to the lease modification is recorded in profit and loss.

The right-of-use asset is measured at cost, comprising the initial measurement of the lease liability, adjusted for any lease payments made in advance of the lease commencement, plus initial direct costs incurred and an estimate of any costs to dismantle and remove or restore the underlying asset at the end of the lease, less any lease incentives received.

The right-of-use asset is subsequently depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

On the statement of financial position, right-of-use assets have been included in property and equipment and lease liabilities are presented as a separate line item. As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The group has used this practical expedient.

The group as a lessor

Leases for which the group is a lessor are classified as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

When the group is an intermediate lessor, it accounts for its interest in the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the group applies the exemption, it classifies the sublease as an operating lease.

Rental income received under operating leases is recognised on a straight-line basis over the lease term. Rental income is presented on the statement of profit or loss as part of other income.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.

Contingencies and commitments

Transactions are classified as contingencies when the group's obligations depend on uncertain future events not within its control. Items are classified as commitments when the group commits itself to future transactions with external parties.

Revenue from general operations

The group provides consulting, actuarial and administration related financial services to retirement funds and corporates. From these services, the group generates the following streams of revenue:

- commission fees for brokerage, administration, management and consultancy services
- net underwriting profit from the risk-taking activities of insurance operations
- interest revenue from financing operations

The above services are considered separate performance obligations, which may, however, be governed by a single legal contract for practical expedience. The practical expedient not to disclose information on contracts with a duration of one year or less has also been taken. Revenue recognition for each of the revenue streams is as follows:

1. Financial services

- **Consulting fees** – comprise fees earned for advisory services. Fees derived from consulting services are recognised over time as the customer receives benefits as services are performed. Consulting services provided by the group to a client are, in our view, a series of distinct services that are substantially the same and have the same pattern of transfer to each client. For instance, each increment of the group's services – for example, a day or month of consulting services – is distinct because the client can benefit from it on its own. In addition, each increment of service (a day or month) is separately identifiable from those preceding it and following it. Further, each consulting services contract with a client is a single performance obligation to provide consulting services to each client over the duration of the contract. As a result, revenue from consulting services to a fund will continue to be recognised or accrued and recorded on a monthly basis.
 - **Actuarial consulting fees** – comprise fees earned for actuarial reports and other ad hoc reports prepared for our clients. Actuarial consulting arrangements bear a fixed fee which is only payable on delivery of an actuarial report. The group does not have an enforceable right to payment for work completed to date. Fees derived from actuarial consulting services are recognised at a point in time as the customer receives benefit on delivery of the actuarial report.
 - **Administration fees** – comprise fees earned for the administration of retirement funds. Fees derived from administration services are recognised over time as each client receives benefits as services are performed.
- The fee income earned by the group is based on an agreed percentage and is payable to the group monthly in arrears. The monthly administration services provided by the group to a client are, in our view, a series of distinct services that are substantially the same and have the same pattern of transfer to the client. For instance, each increment of the group's services – for example, a month of administration services – is distinct because the client can benefit from it on its own. In addition, each increment of service (a month) is separately identifiable from those preceding it and following it. Further, each administration services contract with a customer is a single performance obligation to provide administration services to a client over the duration of the contract. As a result, revenue from administration services is recognised and recorded monthly.
- **Commission income** – comprises commissions earned for insurance and investment products. Commission income is derived from brokerage services and consulting services. The revenue relating to brokerage services is recognised on placement of a client. As the commission is recognised up front, management has assessed and concluded, based on history, that it is highly probable that there will not be a significant reversal of revenue. The consulting services portion is treated in the same way as described above under consulting fees.
 - **Healthcare commission income** – comprises fees relate to brokerage services by the company's personnel acting as brokers for insurers. In management's view, the monthly fees relate to a monthly service provided by the company to a client. These services in our view are a series of distinct services that are substantially the same and have the same pattern of transfer to the client. For instance, each increment of the company's services – for example, a day or month that the client remains with the insurer – is distinct because the insurer can benefit from it on its own. In addition, each increment of service (a day or month) is separately identifiable from those preceding it and following it. Further, each contract with a client is a single performance obligation to provide services to the client over the duration of the contract. As a result, monthly commission fees are recognised and recorded on a monthly basis. Payments made to healthcare clients are deducted from fees generated from those healthcare clients, thereby reducing the amount of revenue that would have been recognised.
 - **Fund annuity purchase fees** – comprise fees earned on fund annuity purchases. The group has identified a single performance obligation, which is satisfied at a point in time. Fees are recognised in income with reference to the value of the assets transferred.

2. Multi-manager investment – Alexander Forbes Investments Limited

- **Multi-manager investment fees** – comprise fees earned for the management or administration of retirement funds. Daily management or administration services provided by the group to a client are, in our view, a series of distinct services that are substantially the same and have the same pattern of transfer to the client. For instance, each increment of the group's services – for example, a day of investment management or administration services – is distinct because the client can benefit from it on its own. In addition, each increment of service (a day) is separately identifiable from those preceding it and following it. Further, each investment management or administration services contract with a customer is a single performance obligation to provide investment management or administration services to the customer over the duration of the contract. As a result, revenue from investment management or administration services is recognised daily and recorded monthly.
- **Transition management fees** – comprise fees earned for services provided in relation to the transfer of investment assets. The group has identified a single performance obligation, which is satisfied at a point in time. The group recognised transition management fees in income on transfer of investment assets by reference to the net asset value of the assets transferred.
- **Securities lending fees** – comprise fees earned from the securities lending programme wherein financial assets held under multi-manager investment contracts are lent out to third-party borrowers. Securities lending services provided by the group to counterparties are, in our view, a series of distinct services that are substantially the same and have the same pattern of transfer to each counterparty. For instance, each day or month of lending services is distinct because the borrower can benefit from it on its own. Fees from securities lending are recognised over time on a daily basis as services are rendered and recorded monthly.

3. Technology services

- **Technology services fees** – comprise fees earned from licensing of software, customised development and other ancillary fees such as hosting services, ongoing maintenance and training on the software. Each of these services delivered to customers are considered distinct services even though for practical expedience they may be governed by a single legal contract with the customer. Software licence revenue is recognised over time as the customer simultaneously receives and consumes the benefit of accessing the software. Revenue is recognised and recorded on a monthly basis. Revenue from customised development is recognised

over time as services are delivered. If contracts include the installation of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed and the customer has accepted the hardware. Other ancillary fees are recognised over time as the customer simultaneously receives and consumes the benefit of the service. Customers are typically invoiced monthly in accordance with their agreements.

Revenue recognition – insurance operations

- Management fees on insurance cell-captive contracts is calculated as a percentage of premiums received. Income is recognised on the effective commencement or renewal dates of the related insurance programme. A portion of the management fees is deferred to cover the expected future servicing costs, together with a reasonable profit thereon, and is recognised as a liability. The deferred income is recognised over the servicing period on a consistent basis, reflecting the pattern of servicing activities.

Future servicing costs, together with a reasonable profit thereon, is recognised as a liability. The deferred income is recognised over the servicing period on a consistent basis, reflecting the pattern of servicing activities.

Profit from operations before non-trading and capital items

The profit from operations before non-trading and capital items is made up of trading activities of the group. The trading activities are those revenues and expenses generated by the business operations of the group, which are regularly reported to the board of directors when making resource allocation decisions and assessing trading performance. Items of a non-recurring nature, which are not considered to be fundamental to the resource allocation and performance of business operations, are thus disclosed separately as non-trading and capital items. The separate disclosure of these items consequently achieves representative disclosure of activities normally regarded as trading in nature.

Non-trading and capital items

Non-trading activities relate to items such as the group's professional indemnity insurance cell, adjustments arising due to business combinations, non-recurring items linked to corporate finance activities, items related to historical client settlement, impairment losses and recoveries, and capital gains or losses on sale of non-current assets. Items of a non-trading nature do not form part of management's consideration of the trading performance or allocation of resources of the group.

Investment income

Investment income from passive investments comprises interest income on funds invested, dividend income and fair value gains on financial assets. Interest income is recognised on a time proportionate basis in profit or loss using the effective interest method. Dividend income earned on preference share investments held as money market investments is also recognised on a time proportionate basis using the effective interest method. All other dividend income is recognised when the right to receive payment is established, which is the ex-dividend date for equity securities.

Finance costs

Finance costs comprise interest expense on borrowings and on lease liabilities as well as fair value losses on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

Income tax

Income tax expense comprises current and deferred taxes on corporate profits and policyholder investment returns. Owing to the nature of indirect taxes, including non-recoverable value-added tax, stamp duty and skills development levies, these are included in operating expenses in profit or loss.

Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The income tax expense on policyholder investment returns is presented separately from the income tax expense relating to corporate profits on the income statement.

1. Current tax

The current income tax and capital gains tax charges are the expected taxes payable or receivable on the taxable income or loss for the year, using applicable tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of prior years. Current tax payable also includes any tax liability arising from the declaration of dividends.

2. Deferred tax

Deferred tax is recognised in respect of all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes as detailed in the relevant accounting policy note.

Segment reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components, whose operating results are reviewed regularly by the group's chief operating decision maker (the group executive committee, ultimately overseen by the board of directors) to make decisions about resources to be allocated to each segment and assess its performance, and for which discrete financial information is available.

Reportable segments are operating segments that either meet the thresholds and conditions set out in IFRS 8 or are considered by the group executive committee, having assessed economic characteristics, to be appropriately designated as reportable segments. Segment results that are reported to the key decision-makers include operating income net of direct expenses (net revenue) and profit from operations before non-trading and capital items (trading results) directly attributable to a segment. All transactions between business segments are conducted on an arm's length basis, with inter-segment revenue and costs being eliminated.

The direct operating expenses for the Group Centre unit, including enabling group services functions are allocated to reportable segments using various allocation methods specific to the actual costs.

When the group changes the structure of its internal organisation or its allocation methodology in a manner that causes the composition of its reportable segments to change, the corresponding information for earlier periods, including interim periods, is restated unless the information is not available and the cost to develop it would be excessive.

Discontinued operations

A discontinued operation is a component of the group's business that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of such a line of business or area of operations.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement and statement of other comprehensive income and statement of cash flows are represented as if the operation had been discontinued from the start of the comparative year.

Standards, amendments and interpretations effective in 2026

The amendments to standards effective in the current financial year do not have a significant impact on the current period or any prior period. The following new, but not yet effective, standard is material to the group. Apart from this, there are no other standards, amendments to standards and interpretations that are not yet effective that would be expected to have a material impact on the company on implementation.

Effective date	Standard/Interpretation	Nature and Impact
1 January 2027	IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	<ul style="list-style-type: none"> Replaces IAS 1 <i>Presentation of Financial Statements</i> Introduces newly defined 'operating profit' and 'profit or loss before financing and income tax' subtotals in the statement of profit or loss and income and expenses to be allocated between these new distinct business categories operating, investing and financing Requires disclosure of management-defined performance measures (as defined) New requirements for the location, aggregation and disaggregation of financial information

Group income statement

For the year ended 31 March 2026

Rm	Notes	2026	2025
Continuing operations			
Fee and commission revenue	1	6 277	5 651
Fee and commission expenses		(1 429)	(1 254)
Operating income net of direct expenses			
Other income	2	30	52
Operating expenses	3	(3 854)	(3 538)
Profit from operations before non-trading and capital items			
Non-trading and capital items	4	(45)	(39)
Operating profit			
Investment income	5	211	256
Finance costs	6	(84)	(88)
Reported profit arising from accounting for policyholder investments as treasury shares	10.3	1	–
Profit before taxation			
Income tax expense	7	(342)	(295)
Income tax expense relating to group profits		(315)	(268)
Income tax expense relating to policyholder investment returns		(27)	(27)
Profit for the year from continuing operations			
Discontinued operations			
Profit from discontinued operations (net of tax)	18.1	95	161
Profit for the year			
<i>Profit attributable to:</i>			
Owners of the company		841	883
Non-controlling interest	8	19	23
860			
906			
Basic earnings per share (cents)			
Continuing operations		58.9	57.9
Discontinued operations		7.5	12.9
Total operations			
	9	66.4	70.8
Diluted earnings per share (cents)			
Continuing operations		56.5	57.0
Discontinued operations		7.2	12.7
Total operations			
	9	63.7	69.7

Group statement of comprehensive income

For the year ended 31 March 2026

Rm	Notes	2026	2025
Profit for the year		860	906
<i>Other comprehensive income:</i>			
Other comprehensive income for the year that may be reclassified to profit or loss¹		(17)	1
Foreign currency translation differences - foreign operations		(17)	1
Other comprehensive income that will not be reclassified to profit or loss¹		5	11
Remeasurement of post-employment benefit obligations ²	22	5	11
Total comprehensive income for the year		848	918
<i>Total comprehensive income attributable to:</i>			
Owners of the company		829	895
Non-controlling interest		19	23
Total comprehensive income for the year		848	918

¹ Net of related taxes.

² The remeasurement of post-employment benefit obligations comprises R1 million (2025: R7 million) relating to the post-employment medical benefit and R4 million (2025: R4 million) arising from the remeasurement of the group's pension surplus following the section 14 transfer in financial year 2023.

Group statement of financial position

At 31 March 2026

Rm	Notes	2026	2025
Assets			
Financial assets held under multi-manager investment contracts	10	561 333	463 353
Goodwill	11	1 435	1 435
Intangible assets	12	237	255
Property and equipment	13	398	481
Purchased and developed computer software	14	415	345
Deferred tax assets	24	118	118
Financial assets	15	1 557	1 347
Tax assets	36	12	11
Trade and other receivables	16	304	558
Cash and cash equivalents	17	1 977	1 654
Total assets		567 786	469 557
Equity and liabilities			
Share capital		6 074	5 980
Treasury shares		(159)	(187)
Other reserves		(22)	172
Accumulated loss		(2 032)	(2 007)
Owners of the company	19	3 861	3 958
Non-controlling interest		60	52
Total equity		3 921	4 010
Financial liabilities held under multi-manager investment contracts	20	561 334	463 357
Borrowings	21	581	630
Employee benefits	22	204	144
Other financial liabilities	23	249	–
Deferred tax liabilities	24	112	119
Provisions	25	132	153
Lease liabilities	28	199	239
Trade and other payables	26	1 031	867
Tax liabilities	36	23	38
Total liabilities		563 865	465 547
Total equity and liabilities		567 786	469 557

Group statement of cash flows

For the year ended 31 March 2026

Rm	Notes	2026	2025
Cash flows from operating activities			
Cash generated from operations	30	1 472	1 230
Interest received	31	108	120
Interest paid	32	(82)	(86)
Net cash flows received from insurance and policyholder contracts	34	55	22
Net cash flows received from policyholder investment contracts	35	5 510	171
Taxation paid	36	(367)	(290)
Dividends paid		(871)	(1 440)
Dividend payments made to non-controlling interests		(18)	(19)
Cash flows received from the settlement of the ETV liability matter		245	–
Cash inflow from operating activities – discontinued operations		4	6
Net cash inflow/(outflow) from operating activities		6 056	(286)
Cash flows from investing activities			
Purchase of financial assets		(1 229)	(473)
Proceeds from disposal of financial assets		1 083	427
Payments for capital expenditure incurred on property, equipment and computer software		(215)	(167)
Purchase of customer relationships		(6)	(9)
Acquisition of subsidiary (net of cash acquired) ¹		(3)	(9)
Proceeds from sale of subsidiaries and businesses – discontinued operations	18	–	40
Net cash outflow from investing activities		(370)	(191)
Cash flows from financing activities			
Repayment of borrowings	21	(95)	(155)
Borrowings raised	21	47	411
Cumulative redeemable preferred ordinary shares issued	23	249	–
Payments of lease liabilities	28	(53)	(107)
Transactions with non-controlling interest		7	–
Purchase of shares in terms of share buyback and share incentive schemes	19	–	(168)
Net proceeds from sale of treasury shares held by policyholder investments		2	–
Net cash inflow/(outflow) from financing activities		157	(19)
Increase/(decrease) in cash and cash equivalents		5 843	(496)
Cash and cash equivalents at the beginning of the year		8 816	9 314
Effects of exchange rate changes on cash and cash equivalents		(8)	(2)
Cash and cash equivalents at the end of the year		14 651	8 816
<i>Analysed as follows:</i>			
Cash and cash equivalents of continuing operations	17	1 977	1 654
Cash held under multi-manager investment contracts²	10.2	12 674	7 162
		14 651	8 816

1 Acquisition of subsidiary (net of cash acquired) in the current year relates to the settlement of the deferred consideration relating to the acquisition of GQM Fund Administrators Proprietary Limited in the prior year.

2 This amount relates to cash and cash equivalents held for short-term commitments within the multi-manager investment portfolios.

Group statement of changes in equity

For the year ended 31 March 2026

Rm	Share capital	Treasury shares	Other reserves	Accumulated loss	Total equity holders' funds	Non-controlling interest	Total equity
At 31 March 2024	5 980	(268)	291	(1 461)	4 542	48	4 590
Total comprehensive income	–	–	1	894	895	23	918
Profit for the year	–	–	–	883	883	23	906
Other comprehensive income	–	–	1	11	12	–	12
Total transactions with owners of the company	–	81	(120)	(1 440)	(1 479)	(19)	(1 498)
Shares purchased in terms of share incentive schemes	–	(168)	–	–	(168)	–	(168)
Settlement of share incentive schemes	–	249	(249)	–	–	–	–
Dividends paid	–	–	–	(1 440)	(1 440)	(19)	(1 459)
Movement in share-based payment reserve	–	–	128	–	128	–	128
Movement in other reserves ¹	–	–	1	–	1	–	1
At 31 March 2025	5 980	(187)	172	(2 007)	3 958	52	4 010
Total comprehensive income	–	–	(17)	846	829	19	848
Profit for the year	–	–	–	841	841	19	860
Other comprehensive income	–	–	(17)	5	(12)	–	(12)
Total transactions with owners of the company	94	28	(177)	(871)	(926)	(11)	(937)
Share issue ²	94	(94)	–	–	–	–	–
Settlement of share incentive schemes ³	–	120	(120)	–	–	–	–
Movement of treasury shares in policyholder assets	–	2	–	–	2	–	2
Dividends paid	–	–	–	(871)	(871)	(18)	(889)
Movement in share-based payment reserve ⁴	–	–	(57)	–	(57)	–	(57)
Transactions with non-controlling interest ⁵	–	–	–	–	–	7	7
At 31 March 2026	6 074	(159)	(22)	(2 032)	3 861	60	3 921

¹ Movement in other reserves comprises a self-insurance reserve fund of one of the group's subsidiaries outside of South Africa.

² On 20 June 2025, the group issued a new listing of 10 996 918 ordinary shares. The share issue and allotment was concluded in terms of the Alexforbes LTIP 2019 scheme rules which governs awards granted prior to July 2022.

³ The group settled shares amounting to R40 million relating to the forfeitable share scheme. In addition, shares amounting to R79 million relating to the conditional share scheme were settled.

⁴ Movement in share-based payment reserve consists of share incentive scheme charges of R92 million, offset by a once-off adjustment of R149 million from the cash-settlement of the shares that vested in July 2025.

⁵ Transactions with non-controlling interest in the current year relate to a share issue that resulted in a 13.6% non-controlling interest in one of the group's subsidiaries outside of South Africa.

Group segmental income and profit analysis

For the year ended 31 March 2026

Rm	Corporate		Investments		Retail		Growth Markets		Group Central		Group total	
	2026	2025 ¹	2026	2025 ¹	2026	2025 ¹	2026	2025 ¹	2026	2025 ¹	2026	2025
Continuing operations												
Fee and commission revenue	2 020	1 908	2 514	2 151	1 111	957	579	562	53	73	6 277	5 651
Fee and commission expenses	(45)	(42)	(929)	(797)	(343)	(292)	(101)	(108)	(11)	(15)	(1 429)	(1 254)
Operating income net of direct expenses	1 975	1 866	1 585	1 354	768	665	478	454	42	58	4 848	4 397
Other income	16	22	–	–	–	–	–	–	14	30	30	52
Operating expenses ²	(1 924)	(1 817)	(837)	(753)	(633)	(567)	(385)	(366)	(72)	(105)	(3 851)	(3 608)
Normalised profit/(loss) from operations before non-trading and capital items	67	71	748	601	135	98	93	88	(16)	(17)	1 027	841
Normalised non-trading and capital items	(14)	1	–	–	–	–	(1)	(1)	(16)	(21)	(31)	(21)
Normalised operating profit/(loss)	53	72	748	601	135	98	92	87	(32)	(38)	996	820
Normalised investment income	46	53	95	98	10	11	7	2	26	65	184	229
Normalised finance cost	(18)	(21)	(11)	(8)	(7)	(5)	(4)	(4)	(24)	(25)	(64)	(63)
Normalised profit/(loss) before taxation	81	104	832	691	138	104	95	85	(30)	2	1 116	986
Normalised income tax expense	(24)	(28)	(242)	(183)	(40)	(28)	(28)	(23)	9	1	(325)	(261)
Normalised profit/(loss) for the year from continuing operations	57	76	590	508	98	76	67	62	(21)	3	791	725
Normalised profit from discontinued operations (net of tax)	–	–	–	–	–	–	–	–	95	161	95	161
Normalised profit for the year	57	76	590	508	98	76	67	62	74	164	886	886
Normalised adjustments	–	–	–	–	–	–	(1)	(2)	(25)	22	(26)	20
Accounting for property leases	–	–	–	–	–	–	(2)	(3)	(21)	48	(23)	45
Amortisation of intangible assets arising from the 2007 private equity transaction	–	–	–	–	–	–	–	–	(15)	(15)	(15)	(15)
Professional indemnity insurance cell-captive result	–	–	–	–	–	–	–	–	1	(3)	1	(3)
Reported profit arising from accounting for policyholder investments in treasury shares	–	–	–	–	–	–	–	–	1	–	1	–
Investment income on behalf of policyholders	–	–	27	27	–	–	–	–	–	–	27	27
Tax effects on adjustments	–	–	(27)	(27)	–	–	1	1	9	(8)	(17)	(34)
Profit for the year	57	76	590	508	98	76	66	60	49	186	860	906
Normalised basic earnings per share (cents)											68.4	69.1
Normalised headline earnings per share (cents)											69.0	69.1
Normalised weighted average number of shares in issue (millions)											1 267	1 249

¹ Restated. Refer to segmental note on page 38 to 39.

² Operating expenses comprise personnel costs of R2 511 million (2025: R2 350 million), technology costs of R609 million (2025: R519 million), and professional fees of R156 million (2025: R166 million). The majority of these costs are attributable to the Corporate segment, primarily relating to payroll and information technology-related expenditures.

The segmental information presented on the preceding pages reflects the operating structure under which management currently reports.

With effect from 1 July 2025, the group implemented a new operating model aimed at empowering individual business units to drive growth and entrepreneurship. The new structure clarifies ownership and accountability, supports enhanced performance and innovation, and aims to improve market competitiveness through a more focused operating approach, supported by increased automation and efficiency initiatives.

The change in the operating structure and reallocation of certain business lines has resulted in comparative figures being restated to reflect the following:

- The inclusion of a new segment, Growth Markets.
- Costs associated with the Solutions & Enablement platform that have been reallocated to each of the four operating segments.
- Disaggregation of the investment margin into all four business units. The allocation of the margin to the Corporate and Retail operating segments is based on the protection and growth of assets under management. This allocation is aligned with management's best estimate of industry norms. The investment margin in the Growth Markets segment is reflected net of fees for services provided by Alexander Forbes Investments.
- Operating expenses include costs allocated from Group Central in terms of the new cost allocation methodology.
- Direct operating expenses and operating expenses from recoveries are no longer disclosed separately.
- EBS International (previously included in the retirements business segment under the old structure) is now reported under Group Central as Other. This entity earns technology services fees. EBS International is considered immaterial and does not align with the principal operating segments under which management reports.

The restated comparatives have no impact on the group's previously reported financial results.

Under the new operating model, the group is segmented into the following distinct segments:

Corporate – provides retirement fund administrations and consulting services, umbrella fund solutions, actuarial consulting services and sustainability advice and solutions. In addition, this business unit includes health consulting, actuarial services and health management solutions as well as revenue earned from clients for group risk administration services.

Investments – multi-managed investment strategies tailored to institutional and retail clients through investment consulting and administration, portfolio construction, management of investments and ESG-integrated investment strategies.

Retail – offers vertically integrated retail advice and investment solutions, including financial planning, advice, retirement benefit counselling and member education.

Growth Markets – supports institutional and retail clients by providing retirement administration and consulting services, actuarial consulting, investment advisory and investment management services, and individual and wealth consulting services through our offices in Namibia, Botswana, Channel Islands and Jersey as well as a representative office in Nigeria. We also support multinational clients across Africa with tailored employee benefit solutions encompassing pension, life, health, actuarial, investments and benefits expertise.

In terms of IFRS 8 *Operating Segments*, support functions would generally not be operating segments as the revenues earned and expenses incurred are only incidental to the entity's business. These activities only arise to support the main business units. The Group Central business unit is therefore not a segment as defined, however financial information relating to this platform is regularly reviewed by management.

Group Central – includes the following enabling group services functions: technology, central finance, human capital and transformation, marketing, group legal, compliance and governance, internal audit, sustainability and strategy. These costs are allocated to the segmented business units above in our segmental reporting. Costs pertaining to EBS International, results of which are now included in Group Central, are not reallocated to the operating segments.

Cost allocation methodology

Each reportable segment includes the direct operating expenses relating to the segment. These are defined as those expenses that fully reside within and are controlled by the segment. The direct operating expenses of Group Central are allocated to reportable segments using various allocation methods specific to the actual costs.

Direct recoveries include:

- Technology costs directly attributable to the segments, including software licence fees, hardware and depreciation. Part of these costs has been allocated based on headcount. A portion of these costs has been allocated under operating expenses in each segment while the remainder has been recorded under controllable recoveries.
- Other shared services functions include human capital, finance, premises and facilities management, compliance, internal audit, legal, strategy and customer experience and finance. These costs are allocated based on the segmental contribution to gross revenue and headcount.

Normalised segmental results

The group's segmental results include normalised results, a non-IFRS measure, which is the basis upon which management manages the group and reflects the economic substance of the group's performance. Non-IFRS measures are not defined by IFRS Accounting standards, are not uniformly defined or used by all entities and may not be comparable with similarly labelled measures and disclosures provided by other entities.

The adjustments between the IFRS group income statement and the normalised results are as follows:

Amortisation of intangible assets arising from the 2007 private equity business combination

Non-trading and capital items include the ongoing accounting amortisation of these intangible assets. The capitalisation of these intangible assets, including goodwill, resulted from the required accounting treatment at the time of the private equity acquisition of the group in 2007. The amortisation will continue over the expected useful lives established at the time of the transaction. The accounting for amortisation has no impact on the cash flows of the group.

Professional indemnity insurance cell-captive results

The profits and losses of the facility are a result of the premiums paid, claims experienced and the changes made to the provision for expected future claims. The recorded profits and losses of the cell-captive facility should trend to zero over the longer term. The annual premiums paid for this insurance are included in the operating expenses of each segment. The group is required to consolidate the financial results of the cell-captive, reporting a profit of R1 million for the year ended 31 March 2026 (2025: R3 million loss), which is recorded in non-trading and capital items.

Accounting for property lease

IFRS 16 requires an on-balance sheet recognition and measurement model for lessees, which includes the recognition of right-of-use assets as well as lease liabilities resulting in depreciation and finance costs being recognised in the income statement. These costs replace rental expenses that were recognised on a straight-line basis under the previous IAS 17. The group previously isolated and removed the accounting impact, under IAS 17, for property leases from the normalised results to afford a better comparison and to reflect the true premises cost over the long term. In order to ensure comparability and to again reflect the true premises cost, adjustments amounting to R3 million (2025: R70 million) have been effected to profit before non-trading and capital items in addition to finance costs of R20 million (2025: R25 million), resulting in a net adjustment of R23 million (2025: R45 million) to profit before tax.

Reported profit or loss arising from accounting for policyholder investment in treasury shares

In terms of IFRS Accounting Standards, any Alexforbes shares acquired by underlying asset managers (under a discretionary mandate) and held by the group's multi-manager investment subsidiary for policyholders (the policyholder shares) are required to be accounted for in Alexforbes' consolidated financial statements as treasury shares. As a result, any fair value gains or losses made on the policyholder shares, which are economically matched to the policyholder liabilities, are recognised in the group's income statement.

Investment income and taxation payable on behalf of policyholders

The group's tax expense includes both deferred and income taxation payable on behalf of policyholders within the Alexander Forbes Investments insurance licensed entity. The recognition of the recovery of this tax expense is included in the group's investment income. The normalised results exclude the policyholder tax expense and the related investment income, which directly off-set this tax expense.

Notes to the group financial statements

For the year ended 31 March 2026

1. Fee and commission revenue

The group's operations and main revenue streams are those described in the accounting policies. The group's revenue is derived from contracts with customers involving the transfer of services at a point in time and over time. If the services rendered exceed the payment, a contract asset is recognised. If payments exceed the services rendered, a contract liability is recognised.

Disaggregation of revenue

Rm	Corporate		Investments		Retail		Growth Markets		Group Central		Group total	
	2026	2025 ¹	2026	2025 ¹	2026	2025 ¹	2026	2025 ¹	2026	2025 ¹	2026	2025 ¹
Revenue by type												
Consulting and advice fees	366	333	44	43	827	710	217	195	–	–	1 454	1 281
Administration fees	1 046	1 008	–	–	43	37	182	167	–	–	1 271	1 212
Commission	375	376	–	–	–	–	21	20	–	–	396	396
Investment management fees	233	191	2 470	2 108	241	210	159	180	–	–	3 103	2 689
Technology services fees	–	–	–	–	–	–	–	–	53	73	53	73
Total	2 020	1 908	2 514	2 151	1 111	957	579	562	53	73	6 277	5 651
Revenue by region												
South Africa	2 020	1 908	2 514	2 151	1 111	957	–	–	40	53	5 685	5 069
Namibia	–	–	–	–	–	–	168	150	1	6	169	156
Botswana	–	–	–	–	–	–	178	167	3	3	181	170
Jersey and Channel Islands	–	–	–	–	–	–	201	219	–	–	201	219
Other	–	–	–	–	–	–	32	26	9	11	41	37
Total	2 020	1 908	2 514	2 151	1 111	957	579	562	53	73	6 277	5 651
Timing of revenue recognition												
Products transferred at a point in time	186	194	–	–	85	61	2	4	–	–	273	259
Services transferred over time	1 834	1 714	2 514	2 151	1 026	896	577	558	53	73	6 004	5 392
Total	2 020	1 908	2 514	2 151	1 111	957	579	562	53	73	6 277	5 651

¹ The 2025 figures have been restated to reflect the change in the group's operating model. Refer to pages 38 to 39.

2. Other income

Rm	2026	2025
Sub-rental income ¹	–	13
Technology fees	–	1
Other fees ²	30	38
Total other income	30	52

¹ Sub-lease agreements with third parties were terminated in the prior year.

² Other fees mainly comprises interim support services charged on operations that have been disposed.

3. Operating expenses

Rm	Notes	2026	2025
Operating expenses classified by nature are as follows:			
Amortisation		(114)	(89)
Purchased and developed computer software	14	(88)	(65)
Intangible assets		(26)	(24)
IT maintenance and support		(490)	(418)
Depreciation	13	(144)	(141)
Right-of-use assets - buildings		(76)	(76)
Leasehold improvements		(26)	(21)
Computer equipment		(36)	(38)
Furniture fittings, office equipment and other assets		(6)	(6)
External auditor's remuneration		(30)	(29)
Audit service - fees for audit		(28)	(28)
Non-audit service		(2)	(1)
Professional fees		(124)	(140)
Regulatory and compliance		(46)	(42)
Insurance costs		(63)	(66)
Premises' operating costs		(39)	(52)
Gain on lease modification	28.1	-	17
Staff costs ¹		(2 561)	(2 350)
Salaries, wages and other benefits		(2 203)	(2 024)
Share-based payments - equity-settled		(92)	(128)
- cash-settled		(22)	-
Termination benefits		(11)	(21)
Retirement benefit contributions - defined contribution plans		(24)	(18)
Other staff costs		(209)	(159)
Travel and conference costs		(51)	(43)
Marketing and communications		(66)	(69)
Claims and bad debts		(25)	(20)
VAT apportionment		(63)	(58)
Other operating expenses		(38)	(38)
Total operating expenses²		(3 854)	(3 538)

1 Staff costs include executive directors' remuneration. Refer to note 37.2 for a detailed analysis.

2 Total operating expenses exclude non-trading and capital items that are disclosed in note 4.

4. Non-trading and capital items

Rm	2026	2025
Professional costs for corporate transactions	(10)	(6)
Remeasurement of put option liability ¹	(10)	(19)
Software impairments	(8)	–
Other	(3)	4
	(31)	(21)
Normalised non-trading and capital items		
Professional indemnity insurance cell-captive result	1	(3)
Amortisation of intangible assets arising from the 2007 private equity transaction	(15)	(15)
Total non-trading and capital items	(45)	(39)

¹ The remeasurement of the put option liability relates to the put options granted to minority interests shareholding arising from the acquisition of TSA in the prior year. Refer to note 26.1.

5. Investment income

Rm	2026	2025
Interest income	181	190
Investment and dividend income	3	5
Interest income – enhanced transfer values (ETV) ¹	–	34
	184	229
Multi-manager operations		
Investment returns linked to policyholder tax expense	27	27
Total investment income	211	256
<i>Investment income is derived from the following categories of financial assets:</i>		
Amortised cost	181	224
Financial assets at fair value through profit or loss	30	32
Total investment income	211	256

¹ Interest income earned on ETV in the prior year is from the successful litigation of phase one of the ETV liability matter. Refer to note 25.3.

6. Finance costs

Rm	2026	2025
Interest on lease liabilities	(20)	(25)
Interest on borrowings	(57)	(58)
Other interest ¹	(7)	(5)
Total finance costs	(84)	(88)

¹ Included in other interest is a remeasurement adjustment related to the deferred cash incentive scheme. Refer to note 22.4.2.

7. Income tax expense

Rm	2026	2025
South African income tax		
Current tax	(308)	(250)
Current year	(305)	(246)
Prior years	(3)	(4)
Deferred tax	12	–
Current year	11	(2)
Prior years	1	2
Foreign income tax	(15)	(11)
Current tax	(13)	(15)
Deferred tax	(2)	4
Foreign withholding tax	(4)	(7)
Income tax expense relating to corporate profits	(315)	(268)
Income tax expense on policyholder investment returns	(27)	(27)
Current tax – current year	(23)	(25)
Deferred tax – current year	(4)	(2)
Income tax expense	(342)	(295)
%	2026	2025
The standard South African income tax rate for companies is reconciled to the group's actual tax rate as follows:		
South African income tax rate for companies	27.0	27.0
<i>Adjusted for the effects of:</i>		
Foreign withholding tax	0.6	0.6
Policyholder tax	2.4	2.6
Unutilised tax losses (net of prior year assessment loss utilised) ¹	2.0	(2.1)
Exempt income	–	(0.8)
Disallowed expenses	(0.6)	1.5
Legal fees and professional costs for corporate transactions	0.2	0.2
Unrealised investment losses	(0.7)	(0.6)
Software and intangible assets written off	0.2	–
Sundry items ²	(0.3)	1.9
Difference in foreign tax rates from other tax jurisdictions	(1.5)	(0.6)
Controlled foreign company	0.9	–
Prior year under provision (net of prior year over provision)	0.1	0.2
Effective tax rate per income statement	30.9	28.4

¹ Unutilised tax losses represent the current year's tax losses incurred by underlying subsidiaries for which a deferred tax asset may not be recognised in terms of IAS 12 Income taxes. For the current year the value of unrecognised tax losses amounts to R22 million (2025: R29 million).

² Sundry items comprises of amortisation of intangible assets, disallowed capital allowances, non-deductible finance costs as well as employee expenses.

8. Profit attributable to non-controlling interest

The profit attributable to non-controlling interest largely comprise amounts due to parties that hold a non-controlling interest share in the emerging market subsidiaries domiciled in Botswana and Namibia; a non-controlling interest in TSA Administration Proprietary Limited, as well as in Alexforbes Paragon Impact Proprietary Limited (AF Paragon Impact), a non-wholly owned subsidiary incorporated in the current year.

AF Paragon Impact provides impact monitoring, reporting and grading solution, adds depth to our expanding sustainability advisory services to retirement funds and corporate clients.

Details of non-wholly owned subsidiaries are provided in note 41: Consolidated and unconsolidated entities.

Rm	2026	2025
Profit attributable to non-controlling interest	19	23

9. Earnings per share

9.1 Basic earnings per ordinary share

Basic earnings per share is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of ordinary shares in issue during the year.

9.2 Headline earnings per ordinary share

Headline earnings per share is calculated by excluding applicable non-trading and capital gains and losses from the profit attributable to ordinary shareholders and dividing the resultant headline earnings by the weighted average number of ordinary shares in issue during the year. Headline earnings is defined in Circular 1/2023 issued by the South African Institute of Chartered Accountants.

9.3 Diluted earnings per ordinary share

Diluted earnings per ordinary share is calculated by adjusting the profit attributable to equity holders for any changes in income or expense that would result from the conversion of dilutive potential ordinary shares and dividing the result by the weighted average number of ordinary shares increased by the weighted average number of additional ordinary shares that would have been outstanding, assuming the conversion of all dilutive potential shares.

9.4 Normalised earnings per share

Normalised earnings per share is calculated by dividing the normalised profit for the year attributable to owners of the company per the group segmental income and profit analysis by the weighted average number of shares in issue, adjusted for shares held by policyholders classified as treasury shares.

9.5 Number of shares

Millions	2026	2025
Weighted average number of shares	1 297	1 324
Weighted average shares held by policyholders classified as treasury shares	–	(1)
Weighted average treasury shares	(30)	(75)
Weighted average number of shares in issue (net of treasury shares)	1 267	1 248
Dilutive shares	53	19
Diluted weighted average number of shares	1 320	1 267
Actual number of shares in issue	1 300	1 289
Actual treasury shares	(25)	(34)
Share incentive schemes	(25)	(33)
Policyholder investment in treasury shares	–	(1)
Shares in issue net of treasury shares	1 275	1 255
Normalised number of shares		
Weighted average number of shares in issue	1 267	1 248
Shares held by policyholders classified as treasury shares	–	1
Normalised number of shares in issue	1 267	1 249

9. Earnings per share continued

9.6 Calculation of basic and headline earnings from total operations

Rm		2026	2025
Profit attributable to owners of the company		841	883
<i>Adjusting items:</i>			
Software impairments - continuing operations		8	-
Headline earnings for the year		849	883
Earnings per share from total operations¹			
Basic earnings per share	(cents)	66.4	70.8
Headline earnings per share	(cents)	67.0	70.8
Diluted basic earnings per share	(cents)	63.7	69.7
Diluted headline earnings per share	(cents)	64.3	69.7

¹ Amounts computed using unrounded numbers.

9.7 Calculation of normalised earnings from total operations

Rm		2026	2025
Normalised profit for the year per the group segmental income and profit analysis		886	886
Less: profit attributable to non-controlling interests		(19)	(23)
Normalised profit attributable to owners of the company		867	863
<i>Adjusting items:</i>			
Software impairments - continuing operations		8	-
Normalised headline earnings for the year		875	863
Normalised earnings per share¹			
Normalised basic earnings per share	(cents)	68.4	69.1
Normalised headline earnings per share	(cents)	69.0	69.1

¹ Amounts computed using unrounded numbers.

9. Earnings per share continued

9.8 Calculation of basic and headline earnings from continuing operations

Rm		2026	2025
Profit after tax from continuing operations		765	745
Less: profit attributable to non-controlling interests		(19)	(23)
Profit attributable to owners of the company		746	722
<i>Adjusting items:</i>			
Software impairments		8	–
Headline earnings from continuing operations		754	722
Earnings per share from continuing operations¹			
Basic earnings per share	(cents)	58.9	57.9
Headline earnings per share	(cents)	59.5	57.9
Diluted basic earnings per share	(cents)	56.5	57.0
Diluted headline earnings per share	(cents)	57.1	57.0

¹ Amounts computed using unrounded numbers.

9.9 Calculation of basic and headline earnings from discontinued operations

Rm		2026	2025
Profit after tax from discontinued operations		95	161
Headline earnings from discontinued operations		95	161
Earnings per share from discontinued operations¹			
Basic earnings per share	(cents)	7.5	12.9
Headline earnings per share	(cents)	7.5	12.9
Diluted basic earnings per share	(cents)	7.2	12.7
Diluted headline earnings per share	(cents)	7.2	12.7

¹ Amounts computed using unrounded numbers.

10. Financial assets held under multi-manager investment contracts

The policyholder assets held by the group's multi-manager investment subsidiaries, Alexander Forbes Investments in South Africa and Namibia, are recognised on the statement of financial position in terms of IFRS Accounting Standards. These assets are directly matched by linked obligations to policyholders.

10.1 Movement in multi-manager and unit trust investment contract assets

Rm	2026	2025
A reconciliation between financial assets held under multi-manager and unit trust investment contracts:		
Opening balance	463 353	417 169
Movement during the year ¹ :		
Premium inflow	91 570	73 012
Withdrawals	(78 564)	(78 773)
Investment returns after tax	88 034	54 606
Policyholder fees charged/investment portfolio expenses	(3 060)	(2 661)
Closing balance²	561 333	463 353
<i>1 This amount is economically offset by a corresponding movement in financial liabilities held under multi-manager investment contracts (refer to note 20).</i>		
<i>2 Included in this balance are 16 (2025: 13) funds that are consolidated when the group's interest in the funds increases above the 20% threshold (refer to the accounting policies for further detail).</i>		
10.2 Analysis of multi-manager and unit trust investment contract assets		
An analysis of the aggregate financial assets of multi-manager and unit trust investment contracts is set out below:		
Financial assets at fair value through profit or loss		
Equity securities – listed	164 139	137 329
– unlisted	30	17
Preference shares – listed	37	39
Collective investment schemes	219 787	188 899
Debt securities – listed	28 019	24 969
– government stock	47 851	42 197
Debentures – listed	1 112	2 239
Policy of insurance	65 463	39 498
Cash and deposits	4 332	2 026
Bonds and debentures	21 169	12 691
Equities	28 263	16 948
Unlisted equities	2 012	1 292
Other portfolio assets	9 687	6 541
Derivative financial instruments	(13)	9
Money market	15 663	16 642
Securities lending – equities	1 790	1 171
Securities lending – bonds	475	663
Unsettled trades	4 306	2 519
Cash and cash equivalents – cash	12 674	7 162
Total financial assets held under multi-manager investment contracts	561 333	463 353

Financial assets disclosure on maturity and currency is not provided as these multi-manager and unit trust investment contract assets are directly matched to linked obligations.

The group enters into securities lending arrangements whereby securities are lent to third parties in exchange for fees. These arrangements result in transfers of financial assets within the multi-manager portfolios. Refer to revenue from general operations under accounting policies.

10. Financial assets held under multi-manager investment contracts continued

10.3 Reconciliation of assets held under multi-manager investment contracts

As a result of the group being listed, investments by underlying asset managers in the Alexander Forbes Group Holdings' listed shares are recognised as treasury shares and all fair value adjustments recognised on these treasury shares are reversed, while the corresponding fair value adjustments on the financial liability continue to be recognised in the income statement. R1 million profit (2025: R nil) has been disclosed separately on the face of the income statement. This treatment also affects the number of shares in issue, the impact of which is disclosed in note 9.

Below is a reconciliation of the assets held under multi-manager investment contracts with the linked liabilities under such contracts:

Rm	2026	2025
Total financial assets held under multi-manager investment contracts	561 333	463 353
<i>Reversal of adjustments made:</i>		
Alexander Forbes shares held as policyholder assets and reclassified in the group statement of financial position as treasury shares	23	25
Financial effects of accounting for policyholder investments as treasury shares - prior year	(21)	(21)
- current year	(1)	-
Total financial liabilities held for policyholders under multi-manager investment contracts	561 334	463 357

11. Goodwill

Goodwill arises from the 2007 private equity transaction and from the acquisition of TSA Administration Proprietary Limited (TSA). The outcome of the annual impairment assessment in the current financial year is that the current goodwill balances are supported and sufficient headroom exists to maintain these balances under various stress scenarios.

Rm	2026	2025
Carrying value	1 435	1 435
Reconciliation of movement in carrying value		
Opening balance	1 435	1 435
Closing balance	1 435	1 435
Analysis of goodwill balances per CGU		
Investments	1 392	1 392
TSA	43	43
	1 435	1 435

Impairment review of goodwill

For purposes of impairment testing, goodwill is allocated to CGUs. Goodwill is evaluated for impairment on an annual basis and whenever there is an indication of impairment. The evaluation is based on the estimation of future cash flows and discount rates. The CGUs to which goodwill is allocated are tested against the recoverable amount based on value-in-use calculations.

These calculations use cash flow projections based on financial budgets approved by the board of directors for the forthcoming year and forecasts for a further four years, which are based on assumptions of the business, industry and economic growth.

Key assumptions used in the impairment review are consistent with past experience and external sources of information that informed the risk discount rate and terminal growth rates applied.

Key assumptions used include:

		South Africa	
%		2026	2025
Discount rates	(%)	12.4	12.7
Terminal growth rate	(%)	4.0	4.0
Average growth in operating income net of direct expenses	(%)	8–12	6–10
Forecast period (years)		5	5

Sensitivity analysis

Consideration of sensitivities to key assumptions can evolve from one financial year to the next. In the current year, a sensitivity analysis was performed on the CGUs, on each of the base case assumptions used for assessing goodwill, with other variables held constant. These include an increase of the discount rate by 2%, reduction of the terminal growth rate by 1%, and a reduction of the operating income net of direct expenses by 10%. In relation to the CGUs, the headroom is sufficient, and in all cases, there are no reasonably possible changes in key assumptions that may give rise to the carrying amount of goodwill exceeding the value in use.

The board has considered the headroom and concluded that there are no reasonably possible changes in key assumptions that may give rise to an additional write-off.

12. Intangible assets

Intangible assets comprise values attributed to customer relationships, customer contracts and market-related trade names. The intangible assets are non-current.

Rm	2026	2025
12.1 Carrying value		
Cost	616	593
Accumulated amortisation and impairment losses	(379)	(338)
Balance at 31 March	237	255
12.2 Analysis of intangible assets		
Customer relationships	217	220
Trade names	20	35
	237	255
12.3 Reconciliation of movement in carrying value		
Opening balance	255	270
<i>Movement during the year:</i>		
Additions	23	24
Separately acquired	23	7
Acquired through business combination	–	17
Amortisation charge	(41)	(39)
Closing balance	237	255

Separately acquired intangible assets in the current year relate to purchases of customer contracts in one of the group's Jersey based subsidiaries. There were no intangible assets acquired through a business combination in the current year.

13. Property and equipment

Rm	Right-of-use assets - buildings	Leasehold improvements	Computer equipment	Furniture and fittings, office equipment and other assets	Total
2026					
Carrying value					
Cost	916	161	214	56	1 347
Accumulated depreciation and impairments	(700)	(84)	(128)	(37)	(949)
Carrying value at 31 March 2026	216	77	86	19	398
Cost					
Balance at 1 April 2025	921	155	203	63	1 342
Additions to enhance existing operations ¹	14	15	31	2	62
Disposals	–	–	(2)	(5)	(7)
Derecognition ²	(19)	(9)	(18)	(4)	(50)
Balance at 31 March 2026	916	161	214	56	1 347
Accumulated depreciation and impairments					
Balance at 1 April 2025	(643)	(67)	(112)	(39)	(861)
Depreciation charge for the year	(76)	(26)	(36)	(6)	(144)
Disposals	–	–	2	4	6
Derecognition ²	19	9	18	4	50
Balance at 31 March 2026	(700)	(84)	(128)	(37)	(949)
2025					
Carrying value					
Cost	921	155	203	63	1 342
Accumulated depreciation and impairments	(643)	(67)	(112)	(39)	(861)
Carrying value at 31 March 2025	278	88	91	24	481
Cost					
Balance at 1 April 2024	982	146	217	64	1 409
Additions to enhance existing operations ¹	68	9	40	5	122
Additions as a result of business combination	1	–	–	–	1
Disposals	–	–	(7)	(3)	(10)
Derecognition ²	(130)	–	(47)	(3)	(180)
Balance at 31 March 2025	921	155	203	63	1 342
Accumulated depreciation and impairments					
Balance at 1 April 2024	(653)	(46)	(128)	(39)	(866)
Depreciation charge for the year	(76)	(21)	(38)	(6)	(141)
Disposals	–	–	7	3	10
Derecognition ²	86	–	47	3	136
Balance at 31 March 2025	(643)	(67)	(112)	(39)	(861)

1 Additions to the right-of-use assets in the current year follows the renewal of the group's Durban office lease, whereas the prior year was due to the renewal of the group's head office and Cape Town office leases, as well as the leasing of new office space in Botswana.

2 The group derecognised cost and related accumulated depreciation of fully depreciated computer equipment, office equipment and other assets no longer in use, which resulted in no impact to the group's income statement. In addition, the group had a lease modification relating to its Durban office lease which resulted in the partial derecognition of the lease liability and right-of-use asset in the current year. Fully depreciated right of use assets no longer in use were also derecognised.

14. Purchased and developed computer software

During the year under review software assets were tested for impairment as per IAS 36 *Impairment of Assets*.

Rm	In use	In development	Total
2026			
Carrying value			
Cost	716	86	802
Accumulated amortisation and impairment losses	(386)	(1)	(387)
Carrying value at 31 March 2026	330	85	415
Cost			
Balance at 1 April 2025	562	74	636
<i>Movement during the year:</i>			
Additions ¹	48	118	166
Transfers to in use	106	(106)	–
Balance at 31 March 2026	716	86	802
Accumulated amortisation and impairment losses			
Balance at 1 April 2025	(291)	–	(291)
<i>Movement during the year:</i>			
Amortisation for the year	(88)	–	(88)
Impairment charge through income statement	(7)	(1)	(8)
Balance at 31 March 2026	(386)	(1)	(387)
2025			
Carrying value			
Cost	562	74	636
Accumulated amortisation and impairment losses	(291)	–	(291)
Carrying value at 31 March 2025	271	74	345
Cost			
Balance at 1 April 2024	449	80	529
<i>Movement during the year:</i>			
Additions	4	109	113
Transfers to in use	115	(115)	–
Derecognition ²	(6)	–	(6)
Balance at 31 March 2025	562	74	636
Accumulated amortisation and impairment losses			
Balance at 1 April 2024	(232)	–	(232)
<i>Movement during the year:</i>			
Amortisation for the year	(65)	–	(65)
Derecognition ²	6	–	6
Balance at 31 March 2025	(291)	–	(291)

¹ Included in additions of software in use in the current year is the purchase of the Paragon Impact technology solution.

² In the prior year, the group derecognised cost and related accumulated amortisation of fully amortised assets no longer in use, which resulted in no impact to the group's income statement.

15. Financial assets

Rm	2026	2025
15.1 Total financial assets		
Non-current financial assets	27	26
Current financial assets	1 530	1 321
Total financial assets	1 557	1 347
15.2 Analysis of financial assets		
Financial assets at fair value through profit or loss	1 460	1 321
Money market instruments	5	5
Collective investment schemes	1 455	1 316
Financial assets at fair value through other comprehensive income – designated	13	13
ASISA investment	13	13
Financial assets at amortised cost	84	13
Other loans	14	13
Money market instruments	70	–
Total financial assets	1 557	1 347
15.3 Reconciliation of movements in financial assets		
Opening balance	1 347	1 226
<i>Movements for the year</i>		
Purchases	1 229	473
Withdrawals	(1 083)	(427)
Reinvested interest	76	75
Effects of exchange rate differences	(12)	–
Closing balance	1 557	1 347

16. Trade and other receivables

Rm	2026	2025
Financial assets		
Trade receivables ¹	195	192
Other receivables ²	20	67
Other receivables – enhanced transfer values (ETV) ³	–	186
Total financial assets	215	445
Non-financial assets		
Contract assets	35	39
Prepayments	54	74
Total trade and other receivables	304	558

¹ Included in trade receivables is a loss allowance of R19 million (2025: R13.4 million). Refer to note 39.1.2 for further detail.

² The decrease in other receivables in the current year reflects the receipt of the group's share of the surplus arising from the finalisation of the liquidation of the defined benefit pension fund following the section 14 transfer in financial year 2023.

³ In the prior year, the group recognised the reimbursement award following the successful litigation of phase one of the ETV liability matter, refer to note 25.3.

17. Cash and cash equivalents

Rm	2026	2025
Total cash and cash equivalents		
Cash and bank balances	1 330	1 136
Short-term deposits	647	518
Total cash and cash equivalents	1 977	1 654

Cash and bank balances and short-term deposits are held in subsidiary companies in compliance with solvency, regulatory capital and liquid asset requirements as required by the Financial Sector Conduct Authority and Prudential Authority. The total consolidated cash and cash equivalents include cash received and held to meet short-term commitments to settle policyholder liabilities as well as cash held within our cell-captive insurance facility. These cash balances are fully available for their earmarked use in these regulated subsidiary companies but are not available for distribution to the holding company. Cash available for distribution is R860 million as at 31 March 2026 (2025: R700 million).

Cash and cash equivalents held under multi-manager investment contracts are reflected in note 10. These investment balances are required by insurance legislation to be specifically held by the insurer. The cash is directly held to back the unit-linked policyholder liabilities and is presented separately on the statement of cash flows.

18. Assets and liabilities of disposal groups held for sale and discontinued operations

The results of operations of the discontinued entities are reported separately in the income statement.

Discontinued operations include the operating results of the group risk and retail life business operations (AF Life). Following the receipt of regulatory approval on 27 February 2025, the remaining insurance contract liabilities and reinsurance contract assets were transferred at the end of the 2025 financial year and the entity is no longer in operation. In addition, the group received approval from the regulator to relinquish its long term insurance licence effective 7 April 2026.

18.1 Net profit of business units discontinued

Rm	Notes	2026	2025
Insurance service result		–	9
Insurance service expenses ¹		–	8
Net expenses from reinsurance contracts		–	1
Other income		4	–
Operating expenses		(5)	(9)
Loss from operations before non-trading and capital items		(1)	–
Non-trading and capital items ²		93	152
Operating profit		92	152
Investment income		5	14
Profit before tax		97	166
Income tax expense		(2)	(5)
Total profit from discontinued operations		95	161
<i>Profit attributable to:</i>			
Owners of the company		95	161

1 The insurance service expense in the prior year pertains to the release of excess reserves in AF Life prior to the transfer of the reinsurance contract assets and insurance contract liabilities to Sanlam.

2 Non-trading and capital items in the current period consist of the reimbursement award from phase 2 of the ETV liability matter resulting from a mutual agreement while the prior year pertains to the successful litigation of phase one of the same matter. The cash settlement for these reimbursements was received in the current financial year. Refer to note 25.3.

18. Assets and liabilities of disposal groups held for sale and discontinued operations

continued

18.2 Disposal of subsidiaries and businesses, net of cash disposed

Rm	2026	2025
Deferred consideration received in cash ¹	–	40
Net cash inflow	–	40
Effect of disposal on the financial position of the group		
Total assets	–	49
Total liabilities	–	(49)
Net assets disposed of	–	–

¹ Deferred consideration received, in cash, in the prior year relates to the sale of the AFICA group in financial year 2023.

19. Equity holders' fund

Rm	Notes	2026	2025
19.1 Total equity holders' funds			
Share capital at no par value	19.2	6 074	5 980
Treasury shares	19.3	(159)	(187)
Other reserves		(22)	172
Share-based payment reserve	19.4	(116)	61
Foreign currency translation reserve		135	152
Other reserves		(41)	(41)
Accumulated loss		(2 032)	(2 007)
Closing balance		3 861	3 958

	2026		2025	
	Number of shares '000	Share capital Rm	Number of shares '000	Share capital Rm
19.2 Analysis of share capital				
Authorised				
Ordinary shares	2 500 000	–	2 500 000	–
Issued				
Ordinary shares	1 299 509	6 074	1 288 512	5 980
	1 299 509	6 074	1 288 512	5 980
Movement in share capital				
Opening balance	1 288 512	5 980	1 327 582	5 980
Share issue ¹	10 997	94	–	–
Treasury share cancellation ²	–	–	(39 070)	–
Closing balance	1 299 509	6 074	1 288 512	5 980

¹ On 20 June 2025, the group issued a new listing of 10 996 918 ordinary shares. The share issue and allotment was concluded in terms of the Alexforbes LTIP 2019 scheme rules, which governs awards granted prior to July 2022.

² In the prior year, the group repurchased and cancelled 39 070 700 shares (from the Isilulu Trust, the group's employee share ownership plan) with a repurchase price of one cent per share. The shares were withdrawn on the JSE on 24 February 2025.

19. Equity holders' fund continued

19.3 Treasury shares continued

Rm	2026	2025
19.3 Treasury shares		
Opening balance	(187)	(268)
<i>Movement during the year:</i>		
Net proceeds on disposal of treasury shares in policyholder assets	2	–
Share issue ¹	(94)	–
Settlement of share incentive schemes	120	249
Purchase of shares in terms of share schemes ²	–	(168)
Closing balance	(159)	(187)

1 On 20 June 2025, the group issued a new listing of 10 996 918 ordinary shares to settle obligations in terms of its share incentive scheme.

2 In the prior year, the group purchased shares to the value of R168 million for share incentive schemes. No shares were purchased in the current year.

19.4 Share-based payment reserve

Rm	2026	2025
Opening balance	61	182
Expensed to income statement	92	128
Settlement of share incentive schemes	(120)	(249)
Cash settlement of share incentive schemes ¹	(149)	–
Closing balance	(116)	61

1 The group's remuneration committee approved a once-off cash-settlement for the share awards that vested in July 2025.

The Alexforbes LTIP 2022 (LTIP 2022) is a non-dilutive share scheme that governs all LTIP awards granted from 2022 onwards. The LTIP 2022 has in-flight awards vesting annually up to and including July 2028. In terms of the LTIP 2022 rules, the group can settle the share incentive benefits due to scheme participants through the purchase of Alexforbes shares in the open market.

For practical reasons related to the liquidity of Alexforbes shares, the company obtained shareholder approval, by way of a general meeting that took place on 17 March 2026, that provides the company with the flexibility to potentially issue new shares to settle the obligation to employees for the remaining period of operation of the LTIP 2022. The maximum number of new shares that may be issued over the remaining life of the LTIP 2022 is 65 000 000 shares, representing a potential dilution of approximately 5% of the shares in issue, which may result in the dilution of earnings per share and headline earnings per share. These shares have been included in the calculation of diluted earnings per share for financial year 2026.

Due to the above referenced liquidity constraints, the group replaced the LTIP 2022 with a cash settled scheme from July 2025 onwards. Further details of the cash-settled scheme are disclosed in note 22.4.

19.4.1 Forfeitable share plan (FSP) awards

Forfeitable shares are awarded to participating employees subject to continued employment, with no performance conditions other than the individual entry performance condition to qualify for an allocation. These awards are aimed at retention, with forfeitable shares vesting in two equal tranches at the end of year three and year four, respectively. The employees participate in the economic benefits of the share awarded over the vesting period and are entitled to dividend distributions. Shares are forfeited if the employee ceases to be an employee of the group. The group has no legal or constructive obligation to repurchase or settle the award in cash. To hedge exposure to this award issued under the schemes, the group acquires shares in the market. The outstanding shares held on behalf of the employees under the Alexforbes LTIP 2022 are held in a subsidiary of the group and are reflected as treasury shares.

Movement in the number of outstanding shares:

'000	2026	2025
At 1 April	30 212	43 378
Granted	–	5 798
Forfeited	(924)	(1 248)
Vested	(12 585)	(17 716)
31 March	16 703	30 212

The shares previously under the Alexforbes LTIP 2019 (old scheme) were held in a FSP trust, which is consolidated. In the current year, the shares under the old scheme were fully vested or forfeited.

19. Equity holders' fund continued

19.4 Share-based payment reserve continued

19.4.1 FSP awards continued

Shares outstanding at the end of the year have the following vesting dates:

'000	Grant date fair value ¹	Vesting date	Total shares granted	Total shares outstanding	
				2026	2025
2021 tranche - FSP	R3.58	50% on 1 July 2025	21 543	–	7 602
2022 tranche - FSP	R4.44	50% on 1 July 2025	13 036	4 333	9 289
		50% on 1 July 2026			
2023 tranche - FSP	R5.14	50% on 1 July 2026	9 004	6 998	7 748
		50% on 1 July 2027			
2024 tranche - FSP	R6.27	50% on 1 July 2027	5 786	5 372	5 573
		50% on 1 July 2028			
			49 369	16 703	30 212

¹ The grant date fair value of the shares is determined based on the market price at the date of issue.

19.4.2 Conditional share plan (CSP) awards

Conditional share awards are allocated to participating employees subject to continued employment and satisfaction of certain performance conditions measured over a three-year and four-year performance period. The CSP awards are subject to a vesting period determined by the remuneration committee. The measurement period(s) over which the performance condition is calculated is aligned to the financial year of the group. Further, each participant will not have any shareholder or voting rights prior to the vesting date. However, participating employees may be entitled to dividend equivalents which can be paid in cash or in shares, at the discretion of the remuneration committee, on the applicable vesting dates.

The metrics and weighting of the performance measures are set out in the table below.

Metrics	Weighting		Vesting conditions
	2020 to 2022	2023 to 2024	
Normalised headline earnings per share growth	35%	50%	30% vests for threshold performance and 100% vests for target where: – threshold performance = nominal GDP – target performance \geq nominal GDP + 6%
Normalised return on equity	35%	50%	30% vests for threshold performance and 100% vests for target where: – threshold performance = risk-free rate ¹ + 2% – target performance \geq risk-free rate ¹ + 6%
Strategic initiatives ²	30%	0%	The scores for all initiatives will be added at the end of the vesting period and applied to the vesting shares as a percentage of the total possible score for the entire vesting period.

¹ The risk-free rate is measured on the basis determined by the remuneration committee from time to time.

² Strategic initiatives are assigned at the discretion of the remuneration committee.

19. Equity holders' fund continued

19.4 Share-based payment reserve continued

19.4.2 CSP awards continued

The following table sets out the vesting dates and measurement periods for CSP awards from 2021 to 2024. These shares vest in two tranches.

CSP tranche	Vesting date	Measurement period	Measurement
2021 tranche	Tranche two (50%) 1 July 2025	Tranche two: 1 April 2021 to 31 March 2025	The remuneration committee approved vesting of 98.4%.
2022 tranche	Tranche one (50%) 1 July 2025	Tranche one: 1 April 2022 to 31 March 2025	The remuneration committee approved vesting of 99.4%.
	Tranche two (50%) 1 July 2026	Tranche two: 1 April 2022 to 31 March 2026	The remuneration committee approved vesting of 99.4%.
2023 tranche	Tranche one (50%) 1 July 2026	Tranche one: 1 April 2022 to 31 March 2026	The remuneration committee approved vesting of 98.2%.
	Tranche two (50%) 1 July 2027	Tranche two: 1 April 2022 to 31 March 2027	Not yet applicable
2024 tranche	Tranche one (50%) 1 July 2027	Tranche one: 1 April 2022 to 31 March 2027	Not yet applicable
	Tranche two (50%) 1 July 2028	Tranche two: 1 April 2022 to 31 March 2028	

Movement in the number of shares outstanding is as follows:

'000	2026	2025
At 1 April	75 748	81 097
Granted	–	24 787
Retained/sold	(22 248)	(24 609)
Forfeited	(2 979)	(5 527)
31 March	50 521	75 748

Shares outstanding at the end of the year have the following vesting dates:

'000	Grant date fair value ¹	Vesting date	Total shares outstanding	
			2026	2025
2021 tranche two	R2.18	1 July 2025	–	11 196
2022 tranche one	R3.60	1 July 2025	–	10 714
2022 tranche two	R3.24	1 July 2026	10 099	10 714
2023 tranche one	R3.75	1 July 2026	10 496	11 397
2023 tranche two	R3.12	1 July 2027	10 496	11 397
2024 tranche one	R4.99	1 July 2027	9 715	10 165
2024 tranche two	R4.51	1 July 2028	9 715	10 165
			50 521	75 748

¹ The grant date fair value of the shares is determined based on the market price at the date of issue less the net present value of expected dividends over the vesting period.

19. Equity holders' fund continued

19.4 Share-based payment reserve continued

19.4.3 Outperformance conditional awards

In addition to the CSP and FSP awards and in terms of the Alexforbes LTIP 2022, the remuneration committee can also allocate outperformance awards to participating employees, subject to continued employment and satisfaction of certain performance conditions. As a further condition for participating employees in the outperformance award, employees will forgo one-third of their on target short-term and long-term incentive allocation. The remuneration committee allocated outperformance awards to the group CEO. These awards are subject to a vesting period determined by the remuneration committee. The remeasurement period(s) over which the performance condition is calculated is aligned to the financial year of the group. Furthermore, the participant will not have any shareholder or voting rights prior to the vesting date.

19.4.3.1 Outperformance conditional awards - performance criteria

The outperformance awards for 2022 are subject to continued employment and the satisfaction of certain performance conditions measured over a four-year, five-year and six-year performance period. One-third of the tranche will vest after four years, one-third of the tranche will vest after five years and the remaining one-third after six years. The metrics and weighting of the performance measures are set out in the table below.

Metrics	Weighting	Vesting conditions
Normalised headline earnings per share	1/3 weight	0% vests for threshold performance and 100% vests for target performance, linear vesting will be applied between the threshold and stretch levels where: – threshold performance = nominal GDP + 2% – target performance \geq nominal GDP + 8%
Normalised return on equity	1/3 weight	0% vests for threshold performance and 100% vests for target performance, linear vesting will be applied between the threshold and stretch levels where: – threshold performance = risk-free rate ¹ + 6% – target performance \geq risk-free rate ¹ + 10%
Total shareholder return	1/3 weight	0% vests for threshold performance and 100% vests for target performance, linear vesting will be applied between the threshold and stretch levels where: – threshold performance = risk-free rate ¹ + 6% – target performance \geq risk-free rate ¹ + 11%

¹ The risk-free rate is measured on the basis determined by the remuneration committee from time to time.

The measurement period(s) over which the performance condition is calculated is aligned to the financial year of the group and the vesting award date is 1 July. The following table sets out the measurement periods:

Award	Measurement period	Measurement
Outperformance CSP 2022	Tranche one: Year 4: 1 April 2021 – 31 March 2025	The remuneration committee approved vesting of 66.7%.
	Tranche two: Year 5: 1 April 2021 – 31 March 2026	The remuneration committee approved vesting of 66.7%.
	Tranche three: Year 6: 1 April 2021 – 31 March 2027	Not yet applicable

19.4.3.2 Outperformance conditional awards issued

Shares issued and outstanding at the end of the year have the following vesting dates.

'000	Grant date fair value	Vesting award date	Total shares granted	Total shares outstanding	
				2026	2025
Outperformance 2022 – CSP	R3.33	1/3 on 1 July 2025	17 347	11 565	17 347
	R2.97	1/3 on 1 July 2026			
	R2.65	1/3 on 1 July 2027			

20. Financial liabilities held under multi-manager investment contracts

Rm	2026	2025
20.1 Movement of liabilities under multi-manager and unit trust investment contracts		
Opening balance	463 357	417 173
<i>Movement during the year¹:</i>		
Premium inflows	91 367	73 012
Withdrawals	(78 567)	(78 774)
Investment return net of taxation	88 237	54 607
Policyholder fees charged/investment portfolio expenses	(3 060)	(2 661)
Closing balance	561 334	463 357
<i>1 This amount is economically offset by a corresponding movement in financial assets held under multi-manager investment contracts (refer to note 10) except to the extent of the effect of treasury shares.</i>		
20.2 Discounted maturity analysis of liabilities under multi-manager and unit trust investment contracts		
Open ended – payable on demand	561 334	463 357
These policyholder liabilities arise from multi-manager and unit trust investment contracts issued by the group's multi-manager investment subsidiaries in South Africa and Namibia. The policyholder liabilities are directly matched to the linked policyholder assets. These financial liabilities are designated at fair value through profit or loss.		
Financial liabilities linked to investment contracts	561 334	463 357

21. Borrowings

Rm	2026	2025
21.1 Analysis of borrowings		
Term loan facility – South Africa	395	349
General banking facility – South Africa	178	253
Term loan facility – Botswana	8	11
Senior debt facility – Namibia	–	17
Total	581	630
21.2 Reconciliation of movement in borrowings		
Opening balance	630	372
<i>Movements for the year:</i>		
Borrowings raised	47	411
Interest accrued	57	58
Interest paid	(58)	(56)
Capital repaid	(95)	(155)
Closing balance	581	630
21.3 Discounted maturity analysis of borrowings¹		
Due within one year	177	270

¹ The undiscounted cash flows for borrowings are disclosed in note 39.2.2.

Term loan facility – South Africa

In June 2022 Alexander Forbes Limited (AFL), a wholly owned subsidiary of the group, entered into a loan facility agreement with a South African bank to finance acquisitions. The total funding available under this facility is R600 million and may be drawn at any time, in whole or in part, during the availability period of five years. The holding company of AFL, Alexander Forbes Acquisition Proprietary Limited, has provided a guarantee to the bank for this facility.

The interest on the draw downs range from JIBAR plus 1.65% to JIBAR plus 1.74% compounded quarterly. The repayments over the term comprise interest only, whilst the principal is payable at maturity.

21. Borrowings continued

General banking facility - South Africa

In July 2024 AFL entered into a short-term uncommitted working capital facility agreement with a South African bank. The total funding available under this facility is R400 million and may be drawn at any time, in whole or in part, during the availability period of 12 months. The facility bears interest at JIBAR plus 1.42% compounded monthly. The repayment at the end of the term will comprise interest and principal.

Term loan facility - Botswana

In November 2023 Alexander Forbes Financial Services Botswana Proprietary Limited obtained a term loan facility of BWP10.15 million (R14 million) to finance the capital expenditure on the refurbishment of the Botswana head office. The facility is a secured five-year term loan and bears interest at the Botswana prime rate plus 1.25% per annum compounded quarterly. The facility is repayable in quarterly instalments consisting of interest and principal.

Senior debt facility - Namibia

In December 2020 Alexander Forbes Namibia Holdings Proprietary Limited obtained a senior debt facility of N\$28 million dollars to finance the capital expenditure on the refurbishment of the Namibia head office. This facility was settled in December 2025.

Financial covenants

There are financial covenants in favour of the lenders under the facilities that are assessed at each reporting date. For the term loan facility, the group is required to maintain an interest cover of more than 3.5 times and a senior debt net leverage ratio not greater than 2.75 times. The group's ratios did not breach the stipulated thresholds during the period and none of the financial covenants were in breach as at 31 March 2026.

22. Employee benefits

Rm	Notes	2026	2025
22.1 Total employee benefits			
Post-employment medical benefit obligation - South Africa	22.2	81	82
Provision for leave pay	22.3	73	62
Cash-settled long-term incentive plan (LTIP)	22.4	50	-
Total employee benefits		204	144

Substantially all employees are covered by defined contribution retirement fund arrangements in the major territories in which the group operates. The defined contribution funds in South Africa are governed by the Pension Funds Act.

22.2 Post-employment medical benefit obligation - South Africa

In South Africa, certain employees, who joined the group before 1 March 1997, are entitled to a post-retirement medical aid subsidy. At 31 March 2026, this applies to a total of 182 people (2025: 193) and comprises 19 active employees (2025: 21) and 163 pensioners (2025: 172). Employees who joined the group after 1 March 1997 are not eligible for post-retirement medical aid subsidies.

Certain employees employed before 1 March 2009 are eligible for a death-in-service subsidy. If a member eligible for a death-in-service subsidy dies in service, their dependants are eligible to receive a 50% subsidy of medical scheme contributions subject to the fixed rand amount as for the post-retirement subsidy.

The obligation is valued every year by actuaries using the projected unit credit method. The date of the last actuarial valuation was 31 March 2026. The post-retirement medical obligation is partly funded through a cell-captive insurance arrangement. The assets of the insurance cell totalled R57 million at 31 March 2026 (2025: R54 million).

The cell-captive insurance policy is consolidated in the group's results, and the related asset which backs this post-employment liability is reflected in financial assets.

The post-retirement medical aid subsidy paid to pensioners is subject to a maximum rand amount. This rand amount increases with inflation (CPI) each year. In order to compensate for the rand amount increase of the subsidy being different to medical aid inflation, the group established a hardship fund in 2004 to provide assistance to specifically identified pensioners in financial need.

22. Employee benefits continued

22.2 Post-employment medical benefit obligation - South Africa continued

Rm	2026	2025
<i>The latest actuarial valuation reflected the following:</i>		
Medical benefit obligation	70	71
Hardship fund liability	11	11
Recognised liability in the statement of financial position	81	82
<i>A reconciliation of the movement in the post-employment medical benefit obligation in South Africa is as follows:</i>		
Opening balance	71	76
Current service costs	1	1
Interest expense	7	8
Remeasurements ¹	(1)	(7)
Benefits paid	(8)	(7)
Closing balance	70	71
<i>The principal actuarial assumptions applied are as follows:</i>		
Discount rate (%)	9.6	11.2
Inflation (CPI) rate (%)	4.3	5.3
Retirement age (years)	62/65 yrs	62/65 yrs

¹ Remeasurements, gross of related taxes, relates mainly to changes in the real discount rate as well as higher than expected membership exits.

Mortality rates are assumed as follows:

- Pre-retirement: SA85-90 (Light) ultimate table.
- Post-retirement: PA(90) ultimate table rated down two years plus 1% improvement per annum (from a base year of 2006).

The sensitivity of the post-employment medical benefit obligation to changes in the principal actuarial assumptions above is as follows:

%	Change in assumption	Increase in obligation	Decrease in obligation
Discount rate	1.0	(8.6)	7.4
Inflation (CPI) rate	1.0	8.8	(7.6)

Rm	2026	2025
22.3 Provision for leave pay		
Opening balance	62	57
<i>Movement during the year:</i>		
Increase in provision	125	70
Decrease in provision	(114)	(65)
Closing balance	73	62

Effective 1 October 2024, the group revised its policy such that leave days are forfeited incrementally and no longer at the end of the next annual leave cycle. The timing of the use of the leave pay provision depends on employees' leave plans and resignations from employment during the year.

22. Employee benefits continued

22.4 Cash-settled long-term incentive plan

In the current year, the remuneration committee approved the 2025 Alexforbes cash-settled LTIP (the new scheme or LTIP 2024 or cash-settled LTIP). The cash-settled LTIP governs all awards from July 2025 onwards and replaces the LTIP 2022 (old scheme). For further information on the LTIP 2022 refer to note 19.

The cash-settled LTIP is made up of two components:

- The conditional performance incentive scheme (CPIS), aligned with the old scheme, but is now settled in cash. Participation in the CPIS is role specific with only those roles which have a direct influence on the long-term performance of the group and the associated performance measures of the CPIS being included.
- The deferred cash incentive scheme (DCIS), aligned with the retention principles of the old scheme. Those employees who were previously eligible to receive LTIP awards and who are key to operational performance and retention are granted awards under the DCIS.

22.4.1 CPIS

The CPIS has two components: forfeitable and conditional awards. Both components are similar to the old scheme, with staggered vesting in equal tranches in years three and four. The award value of a unit is linked to Alexforbes's equity value and is calculated using a formula based on a predetermined multiple of normalised HEPS.

The outstanding liability is remeasured at each reporting date with changes in fair value being recognised in profit and loss.

Reconciliation of the movement in CPIS

Rm	2026	2025
<i>Movement during the year:</i>		
Expense charged to the income statement	22	–
31 March	22	–

22.4.1.1 Forfeitable awards

Forfeitable awards are granted to participating employees subject to continued employment with no performance conditions other than the individual entry performance condition to qualify for an allocation. These awards are aimed at retention, with forfeitable units vesting in two equal tranches at the end of year three and year four.

Movement in the number of outstanding awards:

'000	2026	2025
Granted	3 122	–
31 March	3 122	–

Awards outstanding at the end of the year have the following vesting dates (certain employees, upon approval by the group remuneration committee may receive allocations outside the general tranches).

'000	Award value	Vesting date	Awards granted	Total awards outstanding	
				2026	2025
2025 tranche	R6.27	50% on 1 July 2028	3 122	1 561	–
		50% on 1 July 2029		1 561	–
				3 122	–

22. Employee benefits continued

22.4 Long-term incentive plan continued

22.4.1 CPIS continued

22.4.1.2 Conditional awards

Conditional awards are allocated to participating employees subject to continued employment and the satisfaction of certain performance conditions measured over a three-year and four-year performance period. The measurement period(s) over which the performance condition is calculated is aligned to the financial year of the group. Fifty per cent of the tranche will vest after three years and the remaining fifty per cent after four years.

The metrics and weighting of the performance measures are set out in the table below.

Metric, rationale and measurement	Conditional award	
	Group Centre	Business unit
	Weighting 100%	Weighting 70%
Normalised headline earnings per share growth	Vesting: 0% vests for threshold performance and 100% vests for target performance, where: <ul style="list-style-type: none"> • Threshold performance = nominal GDP growth • Target performance \geq nominal GDP growth + 6% Linear vesting applied between these points	
	Weighting 100%	Weighting 30%
Business unit operating income (including other income) growth	N/A	Vesting: 0% vests for threshold performance and 100% vests for target performance, where: <ul style="list-style-type: none"> • Specific business units targets applicable • Linear vesting applied between threshold and target points
Negative modifier		
Performance percentage reduced by 20% if the ROE declines below risk free rate ¹ + 6%		

¹ The risk-free rate is measured on the basis determined by the remuneration committee from time to time.

The following table sets out the vesting dates and measurement periods for conditional awards. These awards vest in two tranches:

Conditional awards	Vesting date	Measurement period	Measurement
2025 tranche	Tranche one (50%) 1 July 2028	Tranche one: 1 April 2025 to 31 March 2028	Not yet applicable
	Tranche two (50%) 1 July 2029	Tranche two: 1 April 2025 to 31 March 2029	

22. Employee benefits continued

22.4 Long-term incentive plan continued

22.4.1 CPIS continued

22.4.1.2 Conditional awards continued

Movement in the number of outstanding awards:

'000	2026	2025
Granted	12 492	–
31 March	12 492	–

Awards outstanding at the end of the year have the following vesting dates (certain employees, upon approval by the group remuneration committee may receive allocations outside the general tranches).

'000	Award value	Vesting date	Total awards granted	Total awards outstanding	
				2026	2025
2025 tranche	R6.27	50% on 1 July 2028	12 492	6 246	–
		50% on 1 July 2029		6 246	–
				12 492	–

22.4.2 Deferred cash incentive scheme (DCIS)

The DCIS is a retention award granted to eligible employees. Management outside of group and business executive management will be eligible to receive DCIS awards.

Deferred awards made under the DCIS are subject to the provisions of the Alexander Forbes Group Holdings Limited - Restricted Equity Plan 2025 (REP 2025) and REP Trust Deed.

Deferred awards are granted on a discretionary basis and are performance-based. The funds are paid to the REP Trust upfront, and the Trust then purchases units in a collective investment scheme (CIS) on behalf of participants. Investment income generated is reinvested to acquire additional CIS units.

The deferred awards are subject to a minimum investment period of two years from award date. This incentive will be forfeited in full and no portion of the award will be paid out on termination of employment.

REP 2025 is designed to maximise investment returns during the course of a participant's employment. As such, the participants carry the risks and/or rewards linked to the investment. The group has no legal or constructive obligation to make further payments beyond the initial contribution paid upfront to the trust.

The REP Trust is consolidated and the deferred investment is recognised as a financial asset in note 15.

	2026	2025
<i>Reconciliation of the movement in the liability</i>		
Current service costs	26	–
Remeasurements	2	–
Closing balance	28	–

23. Other financial liabilities

Rm	Notes	2026	2025
Financial liabilities			
Cumulative redeemable preferred ordinary shares	23.1	249	–
		249	–

23.1 Cumulative redeemable preferred ordinary shares

Cumulative redeemable preferred ordinary shares with a mandatory redemption feature are classified as financial liabilities and are measured at fair value through profit or loss.

The group executive committee members (executives) concluded an exchange agreement with ARC AF Holdings (RF) Proprietary Limited (ARC) for the transfer of 30 553 016 Alexforbes ordinary shares held in escrow within the MSR structure (MSR shares), representing 2.35% of the issued share capital of the group, in exchange for cumulative redeemable no-par-value preferred ordinary shares (Class A shares) in Alexforbes MSR Proprietary Limited (AF MSR), a wholly owned subsidiary of the group, with a total value of R249 million. The Class A shares carry the economic rights associated with the invested proceeds and are subject to tradability restrictions in accordance with a revised MSR policy.

Distributions to the Class A Share holders are discretionary. The Class A shares are mandatory redeemable, in cash, in March 2031, at an amount equal to the net asset value of AF MSR.

Refer to note 37.2 for further details.

24. Deferred taxation

Rm	2026	2025
24.1 Net deferred tax balance		
Deferred tax assets	118	118
Deferred tax liabilities	(112)	(119)
Net deferred tax assets/(liabilities)	6	(1)
24.2 Reconciliation of movement in the net deferred tax asset balance		
Opening balance	118	119
<i>Movement during the year:</i>		
Charged to income statement	–	(1)
Closing balance	118	118
24.3 Reconciliation of movement in the net deferred tax liability balance		
Opening balance	(119)	(120)
<i>Movement during the year:</i>		
Credit to income statement	7	6
Additions as a result of a business combinations	–	(5)
Closing balance	(112)	(119)
24.4 Analysis of deferred tax assets		
Post-employment benefit obligations	7	8
Deferred income	3	3
Calculated tax losses ¹	33	69
Provisions	94	75
Lease liabilities	–	(5)
Accelerated tax allowances	(19)	(34)
Other items	–	2
Total deferred tax assets	118	118
24.5 Analysis of deferred tax liabilities		
Policyholder assets	(75)	(71)
Accelerated tax allowances, provisions and other items	–	(3)
Deferred tax recognised in terms of IFRS 3 <i>Business Combinations</i>	(37)	(45)
Total deferred tax liabilities	(112)	(119)

¹ Assessed losses not recognised on the balance sheet amount to R656 million (2025: R666 million).

25. Provisions

Rm	Notes	2026	2025
Provisions for errors and omissions claims	25.2	80	73
Provisions for client settlements - enhanced transfer values (ETV)	25.3	16	38
Proposed client settlements	25.4	36	42
Total		132	153

25.1 Analysis and reconciliation of movement in provisions

Rm	Provisions for errors and omissions claims	Provision for client settlements - ETV	Proposed client settlements	Total
Balance at 31 March 2024	75	44	66	185
<i>Movement during the year:</i>				
Net increase/(decrease) in provision	23	(5)	1	19
Payments made	(25)	-	(25)	(50)
Foreign subsidiaries' exchange differences	-	(1)	-	(1)
Balance at 31 March 2025	73	38	42	153
<i>Movement during the year:</i>				
Net increase/(decrease) in provision	17	5	(1)	21
Payments made	(7)	(25)	(5)	(37)
Foreign subsidiaries' exchange differences	(3)	(2)	-	(5)
Balance at 31 March 2026	80	16	36	132

Uncertainties affecting the timing and amount of the settlement of provisions are discussed in the relevant note below.

25.2 Provision for errors and omissions claims

In the conduct of its ordinary course of business the group is exposed to various actual and potential claims, lawsuits and other proceedings relating to alleged errors and omissions, or non-compliance with laws and regulations.

The group's errors and omissions risk is insured in the London market (the market policy) with a limit of R2 billion for every claim or loss in the annual aggregate in excess of the aggregate deductible of R90 million. The market policy covers all subsidiary and associate companies.

Upon exhaustion of the aggregate deductible of R90 million a deductible of R1.2 million for each claim or loss will apply, but the ZAR equivalent of £30 000 will apply for every claimant in respect of investment and investment-related business activities regulated by the Financial Services Authority in the UK.

The aggregate deductible of R90 million is insured with a first-party cell-captive insurer, Artex Axcell PCC Limited (Artex policy), formerly known as Mannequin PCC Limited. The annual limit of the Artex policy is equal to the limit of the aggregate deductible of the market policy, i.e. R90 million. The Artex policy imposes a deductible of R1.5 million per claim for African operations or £100 000 for operations outside Africa.

25. Provisions continued

25.2 Provision for errors and omissions claims continued

From 1 April 2014 the Artex policy also covers non-wholly owned operations (NWOS). Except for Namibian operations (which have access to a R2 billion limit), NWOS have a limit of R125 million per claim and in aggregate. In the event of the exhaustion of the aggregate excess of R90 million, the market policy will drop down to cover NWOS to the full limit of R125 million respectively, less any amount paid for claims in respect of associates and NWOS. The Artex policy imposes a deductible of R0.4 million per claim in respect of NWOS.

The group has an equity investment in a cell in Artex Axcell PCC Limited, which entitles the group to the underwriting profits earned by this insurance cell. The group is required to maintain the insurance cell and ensure it is adequately capitalised. Additional capital is required to be paid in the event that underwriting losses are incurred by the insurance cell.

The assets, liabilities, income statement and cash flow effects attributable to the group's investment in the Artex cell are included in the consolidated financial statements of the group. The effect is to eliminate the premium payments to the cell-captive insurer on consolidation and to recognise the assets, liabilities, cash flows and net operating results of the insurance cell in the consolidated financial statements of the group. The insurance premiums charged to the various group operations continue to be allocated to the relevant businesses in determining the trading results of operations reflected in the segmental profit analysis.

Critical assumptions and judgements

Twice a year a committee of senior group managers conducts a detailed review of all outstanding claims. The merit of each claim is assessed and each claim is scored based on the probability (on a scale of 1 [unlikely] to 10 [extremely likely]) of being realised and the estimated cost to the group. A provision is raised for the product of the probability and the estimated cost. Judgement is exercised when assessing probability and potential cost based on past experience and any industry developments. Legal advice is sought where necessary and all calculations are submitted to the group insurance underwriters for their comment and review. Where the probability of a claim is assessed at 6 or more, an accrual is made for any excess payable.

25.3 Provision for client settlements - ETV

The ETV liability matter that has been disclosed in prior years relates to a legacy United Kingdom (UK) domiciled subsidiary, Alexander Forbes Consultants and Actuaries Limited (AFCA), which was sold in 2012 to Jardine Lloyd Thompson Group, now part of the Mercer Group, inclusive of certain warranties and a limitation of liability of GBP 18.5 million. The ETV liability arises from redress payments being ordered, to the industry as a whole, by the Financial Conduct Authority, the UK regulator for thematic errors in historical advice. The potential liability for redress payments arising from advice given by AFCA in the UK, to participants of ETV schemes between 2008 and 2011, is calculated using certain assumptions based on a sample of the total number of cases that may require redress.

The group received a reimbursement amounting to GBP 6.4 million (R152 million), which was recognised in the prior year. In addition, on 22 October 2025, the group received final settlement amounting to GBP 4 million (R93 million) from phase 2 of the ETV liability matter resulting from a mutual agreement, which has been recognised as income in non-trading and capital items in discontinued operations.

25.4 Provision for client settlements and other legal claims

The group voluntarily appointed independent legal advisers to conduct a full review of past and current business practices across all of the South African operations in 2006. Following this review the provision for proposed client settlements for historical business practices, including the practice referred to as 'bulking' (refer to note 29.2 for further details on 'bulking'), was made. Interest accrues on this provision at the prime lending rate less 4% up to the date of settlement payments.

To date the group has made substantial progress in relation to the client settlement process, with the vast majority of all retirement funds that received offers having accepted the settlement offer.

26. Trade and other payables

Rm	Notes	2026	2025
Financial liabilities			
Trade payables		183	169
Accrued expenses		194	170
Other payables		227	171
Put option liability	26.1	68	58
		672	568
Non-financial liabilities			
Employee-based accruals		359	299
		1 031	867

26.1 Put option liability

The group has written put options over the non-controlling interests' shares which grant the minorities an irrevocable right to sell 100% of their remaining interest in TSA Administration Proprietary Limited (TSA) to Alexander Forbes Financial Services Proprietary Limited, a subsidiary of the group. The first and second put options are exercisable 36 and 48 months from the effective date of the acquisition of TSA respectively.

The group recognises the value of the non-controlling interests' put options, being the present value of the estimated future purchase price, as a financial liability. The unwinding on the present value of the put option liability is recognised as an interest expense in profit or loss using the effective interest rate method. Changes to the estimated cash flows are treated as a remeasurement of the financial liability and a gain or loss on remeasurement is recognised in non-trading and capital items. The put option liability is remeasured at each reporting period.

27. Commitments

27.1 Capital commitments

Commitments are in respect of capital expenditure approved by directors and excludes lease commitments which are disclosed in note 28.

Rm	2026	2025
Contracted for	36	30
Not contracted for	147	127
	183	157

These commitments relate largely to software purchases and the funds to meet these commitments will be provided from internal cash resources generated by operations.

28. Leases

28.1 Leases as a lessee

The group leases properties for office space at various locations, the most material relating to the Sandton head office. The non-cancellable period of the leases varies in length from 2 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. For most leases, the group is permitted to enter into sub-lease arrangements subject to terms set out by the head lessor. Some of the office space in the leased properties had been sublet by the group in prior years.

Right-of-use assets related to lease properties are presented as property and equipment.

Lease liabilities

The following tables show the discounted lease liabilities included in the group statement of financial position:

Lease liabilities included in the statement of financial position at the end of the year

Rm	2026	2025
Opening balance	239	339
Interest amortised	20	25
Lease liability incurred	14	68
Repayment of lease liabilities	(73)	(132)
Lease modification	(1)	(61)
Closing balance	199	239
Current	53	50
Non-current	146	189

Amounts recognised in profit or loss

Rm	2026	2025
Depreciation expense on right-of-use assets	76	76
Interest expense on lease liabilities	20	25
Gain on lease modification	–	(17)
Income from subleasing right-of-use assets	–	(13)

29. Contingencies

29.1 Overview

In the conduct of its ordinary course of business the group is exposed to various actual and potential claims, lawsuits and other proceedings relating to alleged errors and omissions, or non-compliance with laws and regulations. The directors are satisfied, based on present information and the assessed probability of claims eventuating, that the group has adequate insurance programmes and provisions in place to meet such claims. However, like all businesses of this type, the risk exists that significant adverse developments in past claims, or a significant increase in the frequency or severity of future claims for errors and omissions, could have a material effect on the group's reported results. The structure of the group's professional indemnity insurance programme is explained in note 25.2 to these financial statements.

29.2 Client settlements arising from historical business practices - bulking

The bulking matter has been disclosed in detail in prior years. Reference can be made to previously published financial statements. As of the date of these financial statements most clients and past clients have accepted settlement offers and the necessary payments have been made.

29.3 Errors and omissions - warranty claim

In the 2025 financial year, the group became aware of a potential warranty claim relating to the product tax administration for a subsidiary that was disposed in prior years. The group has provided for the potential claim, including the notification to insurers and appropriate reserves being raised in our cell captive insurance layer. The matter remains subject to uncertainties outside the control of the group, and as such, the timing and amount of an outflow associated with this claim remains uncertain.

30. Cash generated from operations

Rm	2026	2025
Profit before taxation from continuing operations	1 107	1 040
<i>Items disclosed separately:</i>		
Net interest income	(127)	(168)
<i>Non-cash items:</i>		
Depreciation of property and equipment	144	141
Amortisation of intangible assets and software	129	104
Net movement in provisions	(16)	(31)
Non-cash movement in provisions	21	19
Payments made out of provisions	(37)	(50)
Gain on lease modification	–	(17)
Reported loss arising from accounting for policyholder investments in treasury shares	(1)	–
Movement in working capital (refer to note 33)	228	32
Impairment of software	8	–
Movement in share-based payment reserve	(57)	128
Other movements	57	1
	1 472	1 230

31. Interest received

Rm	2026	2025
Investment income per income statement	211	256
Less non-cash investment income from financial assets	(76)	(109)
Exclude policyholder-related interest	(27)	(27)
	108	120

32. Interest paid

Finance costs paid on property leases	(20)	(25)
Finance costs paid on term loan, general banking facility and other	(62)	(61)
	(82)	(86)

33. Movement in working capital

Trade and other receivables	104	(5)
Trade and other payables	124	37
	228	32

34. Operating cash flows relating to insurance and policyholder balances

Increase/(decrease) in policyholder working capital balances	28	(5)
Interest return relating to policyholder tax	27	27
	55	22

35. Cash flows from policyholder investment contracts

Premium inflows	91 570	73 012
Investments made net of disinvestments	(7 496)	5 932
Investment withdrawals	(78 564)	(78 773)
	5 510	171

36. Taxation paid

Taxation payable at the beginning of the year	(38)	(28)
Prepaid tax at the beginning of the year	11	13
Charge in income statement	(315)	(268)
Policyholder tax charge in income statement	(27)	(27)
Charge to income statement for operations discontinued and disposed of in the year included in discontinued operations	(2)	(5)
<i>Adjusted for:</i>		
Other non-cash movements	(7)	(2)
Prepaid taxation at the end of the year	(12)	(11)
Taxation payable at the end of the year	23	38
Tax paid	(367)	(290)

37. Related party disclosure

37.1 List of related party relationships

Major shareholders

The equity holders of the company are detailed in Annexure A.

ARC AF (RF) Holdings Proprietary Limited (ARC), a 98.86% subsidiary of ARC Financial Services Investments Proprietary Limited, holds a 49.88% interest.

New Veld LLC, a 99% subsidiary of Prudential Financial Inc., holds a 34.39% interest.

Subsidiaries and associates

Details of subsidiaries and associates, which are considered material to the group and in respect of which the group has a continuing interest, are provided in note 41: Consolidated and unconsolidated entities to these financial statements.

Post-employment benefit plans

Details of retirement benefit plans are provided in note 22: Employee benefits.

Directors

Details of the directors of the company are provided in the corporate information on page 108.

Prescribed officers

The group has defined the chief executive officer, chief financial officer and members of the group executive committee as prescribed officers of the group as defined by the Companies Act.

Key management personnel

Key management personnel are defined as the prescribed officers and the directors of Alexander Forbes Group Holdings Limited.

37.2 Summary of related party transactions

Transactions with shareholders

Non-executive director fees were paid to ARC of R1.2 million (2025: R1.32 million).

New Veld LLC has elected not to receive directors fees for the year.

Effective 20 March 2026, the group executive committee members (executives) concluded an exchange agreement with ARC for the transfer of 30 553 016 Alexforbes ordinary shares held in escrow within the MSR structure (MSR shares), representing 2.35% of the issued share capital of the group, in exchange for Class A shares in Alexforbes MSR Proprietary Limited (AF MSR), a wholly-owned subsidiary of Alexander Forbes Limited (the Exchange Agreement). The Class A shares are cumulative redeemable no-par-value preferred ordinary shares.

In order to give effect to the Exchange Agreement, ARC subscribed for Class A shares in AF MSR in terms of an agreement entered into between ARC and AF MSR. The subscription price for each Class A share is R8.15 per Class A share, and these Class A shares are only entitled to economic benefits from AF MSR and have limited voting rights (the ARC Subscription). The total cash consideration paid by ARC for the ARC Subscription is R249 million.

In terms of the Exchange Agreement, all MSR shares held on behalf of the executives were exchanged for the Class A shares on a one-for-one basis (the Exchange). The Class A shares held by the executives are subject to tradability restrictions in accordance with the revised MSR policy.

The cash proceeds received from the ARC Subscription are invested in an Alexander Forbes Investments unit trust portfolio. At the reporting date, the net proceeds are presented as part of the group's financial assets.

Transactions with subsidiaries

Details of dividends and fees received from subsidiary companies, where applicable, are provided in the company financial statements. The company has loans to and from its subsidiary companies, details of which are provided in the company financial statements. All transactions and balances with subsidiaries are eliminated on consolidation in line with the group's accounting policies.

Transactions with post-employment benefit plans

Current service costs amounting to R1 million (2025: R1 million) and benefits amounting to R8 million (2025: R7 million) were paid in relation to the post-employment medical obligation plan, as detailed in note 22: Employee benefits.

The retirement benefit plans of the group are compulsory funds and as such key management are participants in the fund. At 31 March 2026 the investments held through the retirement benefit plans by key management are R46.9 million (2025: R42.6 million).

37. Related party disclosure continued

37.2 Summary of related party transactions continued

Transactions with key management

The remuneration of executive directors and prescribed officers is determined and approved by the remuneration committee. The remuneration of non-executive directors, in the form of fees, is proposed by the remuneration committee and approved by shareholders at each annual general meeting.

The remuneration committee consists of non-executive directors. As a sub-committee of the board, the remuneration committee determines, agrees and develops the general policy on executive directors' as well as executive and senior management's remuneration. The objective is to ensure that such remuneration is fair, responsible and appropriate and that the conditions of employment and remuneration scales are market-related and at levels sufficient to attract, retain and motivate individuals of quality. The remuneration committee also ensures that executive remuneration is aligned to achieve the strategic objectives of the group and thus aligned to the interests of shareholders.

Effective 20 March 2026, the group executive committee members (executives) concluded an exchange agreement with ARC for the transfer of 30 553 016 Alexforbes ordinary shares held in escrow within the MSR structure (MSR shares) in exchange for Class A shares held in AF MSR. Refer to transactions with shareholders above for further details. The Class A shares are disclosed as other financial liabilities in note 23.

There are no management, consulting, technical or other fees, nor any commission, paid to directors other than what is disclosed below.

Executive directors' and prescribed officers' remuneration paid to current office holders during the current and prior years are detailed below. The bonus for the 2026 financial year reflects the amount accrued and approved by the remuneration committee for the year ended 31 March 2026 and paid in June 2026.

Executive directors and prescribed officers (R'000)	Salary	Benefits and allowance	Retirement fund contributions	Bonus	LTIPs received	Dividends received ¹	Total
2026							
DJ de Villiers ²	6 925	545	730	13 000	23 901	496	45 597
BP Bydawell	3 777	174	651	6 750	5 083	341	16 776
CH Wessels	3 043	133	523	2 500	2 914	210	9 323
B Tladi	2 826	138	644	4 750	2 548	188	11 094
TJ Muthige	3 160	128	397	3 500	3 014	163	10 362
VR Maharaj	2 722	391	448	4 250	2 071	207	10 089
Total for the year	22 453	1 509	3 393	34 750	39 531	1 605	103 241
2025							
DJ de Villiers	6 638	255	702	10 000	10 034	2 006	29 635
BP Bydawell	3 796	156	624	5 500	6 248	1 300	17 624
CH Wessels	2 871	122	484	3 300	3 011	740	10 528
B Tladi	2 594	117	592	3 900	2 568	634	10 405
TJ Muthige	3 030	113	381	3 100	1 903	753	9 280
VR Maharaj	2 610	408	430	3 500	4 481	572	12 001
A Leepile ³	2 235	11 914	454	–	475	432	15 510
JG Anderson ⁴	3 303	129	353	–	2 724	710	7 219
LJ Kukard ⁵	2 611	112	429	3 000	2 237	553	8 942
Total for the year	29 688	13 326	4 449	32 300	33 681	7 700	121 144

¹ Dividends received include only the outstanding FSP shares. Dividends received in relation to shares previously held in the MSR escrow are excluded.

² DJ de Villiers's value of LTIPs received includes a portion of the outperformance award that vested in July 2025.

³ A Leepile (former CEO; Alexander Forbes Investments) resigned as prescribed officer on 30 November 2024. Included in the amount for benefits and allowance is R11.6 million paid in respect of termination benefits.

⁴ JG Anderson (Executive: Solutions & Enablement) resigned as prescribed officer on 1 May 2025 and consequently forfeited his annual bonus.

⁵ L Kukard ceased to be a prescribed officer on 1 July 2025, resulting from the change in the operating model that was effective on the same date. Ms Kukard remains employed by the group.

37. Related party disclosure continued

37.2 Summary of related party transactions continued

Transactions with key management continued

Long-term incentive plan (LTIP)

The Alexforbes LTIP 2022 applies to executive directors, executive management and senior management. The aim of the LTIP is to align the interests of executives and senior managers with those of shareholders and link reward to performance and value creation over the longer term. These awards are made on a sliding scale and set by reference to individual salaries, grade and performance as well as the company's retention requirements and market benchmarks. All LTIP awards granted from 2022 to 2024 are governed in terms of Alexforbes LTIP 2022, refer to note 20 for further details.

In the current year, the remuneration committee approved a new cash-settled LTIP for awards from July 2025 onward. Refer to note 22.4 for further details.

Number of LTIP awards at 31 March 2026 ('000)	Year	2025 tranche	2024 tranche	2023 tranche	2022 tranche	2021 tranche
Conditional awards						
DJ de Villiers	2026	716	809	925	534	–
	2025	–	809	925	1 069	1 233
BP Bydawell	2026	544	558	638	366	–
	2025	–	558	638	732	743
CH Wessels	2026	358	333	381	240	–
	2025	–	333	381	480	367
B Tladi	2026	372	299	342	215	–
	2025	–	299	342	430	289
TJ Muthige	2026	358	320	366	270	–
	2025	–	320	366	540	357
VR Maharaj	2026	358	349	399	208	–
	2025	–	349	399	417	168
JG Anderson ¹	2026	–	–	–	–	–
	2025	–	343	392	493	310
LJ Kukard ¹	2026	–	–	–	–	–
	2025	–	285	326	367	234
Forfeitable awards						
DJ de Villiers	2026	179	202	308	229	–
	2025	–	202	308	458	823
BP Bydawell	2026	136	140	213	156	–
	2025	–	140	213	313	495
CH Wessels	2026	89	83	127	103	–
	2025	–	83	127	206	245
B Tladi	2026	93	75	114	92	–
	2025	–	75	114	184	193
TJ Muthige	2026	89	80	122	116	–
	2025	–	80	122	232	239
VR Maharaj	2026	89	87	133	90	–
	2025	–	87	133	179	112
JG Anderson ¹	2026	–	–	–	–	–
	2025	–	86	131	211	207
LJ Kukard ¹	2026	–	–	–	–	–
	2025	–	71	109	157	157
Outperformance conditional awards						
DJ de Villiers ²	2026	–	–	–	11 565	–
	2025	–	–	–	17 347	–

¹ JG Anderson resigned as prescribed officer on 1 May 2025 and LJ Kukard ceased to be a prescribed officer with effect from 1 July 2025, resulting from the change in the operating model that was effective on the same date. Ms Kukard remains employed by the group.

² DJ de Villiers received 17 346 939 outperformance conditional awards on 2 June 2022, with a grant date fair value of R4.17 and will forgo one third of his annual short-term and long-term incentives for the years 2022 to 2026. Refer to note 19.4.3.

37. Related party disclosure continued

37.2 Summary of related party transactions continued

Directors' interests in Alexforbes securities

The direct and indirect beneficial interests of the directors and prescribed officers and their associates (as such term is defined in the Listing Requirements) in the issued ordinary share capital of the company are set out below.

('000)	2026				2025			
	Direct	Indirect ¹	Total number of shares held	Total % of shares held ²	Direct	Indirect ¹	Total number of shares held	Total % of shares held ²
Executive directors and prescribed officers								
DJ de Villiers ³	86	739	825	0.06	86	10 713	10 799	0.84
BP Bydawell ³	92	509	601	0.05	92	5 165	5 257	0.41
CH Wessels	–	313	313	0.02	28	3 051	3 079	0.24
B Tladi	174	281	455	0.03	174	1 820	1 994	0.15
TJ Muthige	–	318	318	0.02	–	1 302	1 302	0.10
VR Maharaj	4	310	314	0.02	4	2 185	2 189	0.17
JG Anderson ⁴	–	–	–	–	–	1 660	1 660	0.13
LJ Kukard ⁵	–	–	–	–	–	1 207	1 207	0.09
Total	356	2 470	2 826	0.22	384	27 103	27 487	2.13
Non-executive directors								
R Roux	215	–	215	0.02	215	–	215	0.02
AM Mazwai	1	–	1	–	1	–	1	–
Total	572	2 470	3 042	0.24	600	27 103	27 703	2.15

1 Indirect beneficial interest held through the FSP Trust – this forms part of the awards allocated under the LTIP as well as shares held in escrow in terms of the MSR policy. The prior year includes shares held in escrow in terms of the MSR policy (MSR shares). On 20 March 2026, the executive directors and prescribed officers transferred their MSR shares to ARC in exchange for the Class A shares held in Alexforbes MSR Proprietary Limited. Refer to transactions with shareholders on note 37.2.

2 Includes direct and indirect beneficial interest as a percentage of actual number of issued Ordinary shares.

3 Executive directors.

4 JG Anderson resigned as prescribed officer on 1 May 2025. Mr Anderson holds 1 008 616 Alexforbes shares as at 31 March 2026.

5 LJ Kukard ceased to be a prescribed officer with effect from 1 July 2025, resulting from the change in the operating model that was effective on the same date. Ms Kukard holds 1 361 255 Alexforbes shares as at 31 March 2026.

Directors' dealings in Alexforbes securities

No directors dealt in Alexforbes ordinary shares between 31 March 2026 and the date of this report.

Former directors' interests

No directors who have resigned in the last 12 months from the date of this report hold any direct or indirect beneficial interests in the company's shares.

Other transactions with key management

Members of key management have personal investments in Alexander Forbes Investments through the Alexander Forbes Retirement Funds. These transactions are all concluded at market rates on an arm's length basis. In addition, the executive directors and prescribed officers collectively hold 30 553 016 Class A shares in Alexforbes MSR. Refer to note 37.2 – transactions with shareholders and transactions with key management, for further details.

37. Related party disclosure continued

37.2 Summary of related party transactions continued

Non-executive directors' fees and remuneration

Non-executive directors, including independent non-executive directors, are paid fees by the company and other companies within the group and consists of a combination of standard fees plus additional fees for committee or subcommittee membership.

Independent non-executive directors (R'000)	2026	2025
D (Kuseni) Dlamini (chair)	2 248	2 006
AM Mazwai	1 618	1 588
N Ketwa	1 188	1 138
CWN Molope	1 161	1 092
R Roux	1 341	930
RM Head	–	1 478
T Dloti	–	730
	7 556	8 962

Non-executive director fees were paid to ARC of R1.2 million (2025: R1.32 million).

New Veld LLC has elected not to receive directors fees for the year.

38. Insurance risks

38.1 Overview

The group issues contracts which are classified as investment contracts. These contracts transfer market risk with no significant insurance risk. Market risk is defined as the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of process or rates or credit index or other variable. The group's multi-manager investment subsidiaries operate under long-term life insurance licences and they too are authorised and regulated by the PA and FSCA in South Africa, and the FCA in the United Kingdom.

These licences are issued for the multi-manager to issue linked-only investment policies and thus these businesses do not assume any insurance risk. For accounting purposes the contracts issued to policyholders are classified as investment contracts. The assets arising from these investment contracts are directly matched by linked obligations to the policyholders and the assets and linked obligations are separately reflected in the group statement of financial position as financial assets held under multi-manager investment contracts and financial liabilities held under multi-manager investment contracts respectively.

39. Financial risk

Introduction

The group's activities expose it to various financial risks arising from its financial assets and liabilities. Financial risks comprise credit risk, liquidity risk and market risk. These risks are defined below.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation timeously as contracted, thereby causing the group to incur a financial loss.

Liquidity risk

Liquidity risk is the risk that the group will not be able to meet commitments associated with financial liabilities as they fall due and payable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate, principally as a result of changes in market conditions. These market conditions include interest rates, foreign currency exchange rates and other price conditions.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate owing to changes in market interest rates.

39. Financial risk continued

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate in rands owing to changes in foreign exchange rates.

The financial risks relating to the group's activities are best analysed according to the various operations of the group.

These are:

- (i) multi-manager investment operations through the Alexander Forbes Investments subsidiary companies; and
- (ii) general operations, including consulting operations; employee benefit consulting, administration and management operations.

Nature of financial assets and liabilities

The nature of financial assets and liabilities of each operation is described below.

(i) Multi-manager investment operations

The financial assets held under multi-manager investment operations are policyholders' assets directly matched by linked obligations to policyholders. Both the assets and the liabilities are classified at fair value through profit or loss and are carried at fair value. No assets held under multi-manager investment operations have been pledged as collateral.

(ii) General operations

The financial assets and liabilities arising from general operations result from corporate and employee benefits, group risk, investments, wealth and investments, retail insurance, administration only, emerging markets and corporate, and comprise financial assets at fair value through profit or loss and financial assets carried at amortised cost.

The following table reflects the financial assets and financial liabilities of the group, including their respective IFRS 9 classification:

Rm	Notes	2026	2025
Assets			
Financial assets held under multi-manager investment contracts			
Fair value through profit or loss	10	548 659	456 191
Cash and cash equivalents	10	12 674	7 162
General operations			
Financial assets			
Fair value through profit or loss	15	1 460	1 321
Fair value through other comprehensive income	15	13	13
At amortised cost	15	84	13
Trade and other receivables			
At amortised cost	16	215	445
Cash and cash equivalents			
At amortised cost	17	1 977	1 654
Total financial assets		565 082	466 799
Liabilities			
Financial liabilities held under multi-manager investment contracts			
Fair value through profit or loss - designated	20	561 334	463 357
General operations			
Borrowings - financial liabilities held at amortised cost	21	581	630
Other financial liabilities - held at fair value through profit or loss	23	249	-
Trade and other payables - financial liabilities held at amortised cost	26	672	568
Lease liabilities - financial liabilities held at amortised cost	28	199	239
Total financial liabilities		563 035	464 794

For financial assets and financial liabilities not measured at fair value, the amortised cost value approximates the fair value due to the short-term nature of the instrument.

39. Financial risk continued

39.1 Credit risk

39.1.1 Objectives, policies and process to manage credit risk

(i) Multi-manager investment operations

All asset managers are governed by strict investment mandates, specifically set out by the group to meet the investment objectives of the respective policyholder portfolios and, where appropriate, specific minimum investment grading ratings. In addition, investment mandates are subject to restrictions imposed by Regulation 28 to the Pension Funds Act, 24 of 1956.

(ii) General operations

Financial assets

The financial assets designated as fair value through profit or loss are actively managed by multiple investment managers and placed with high credit-rated financial institutions. Industry specialists as well as the group's panel of investment managers are invited to the quarterly meetings.

Trade and other receivables

Trade and other receivables are managed through ongoing review and are impaired if objective evidence is established that the group will not collect all amounts due according to the original terms of the receivable. The group has policies in place to ensure that services are provided to customers with an appropriate credit history.

Cash and cash equivalents

The group has policies that limit the amount of credit exposure to any one financial institution, including the requirements by the Long-term Insurance Acts for minimum levels of asset spreading that are applicable to the insurance subsidiary companies. There have been no significant changes in the way in which credit risk is managed since the prior year.

39.1.2 Exposure to credit risk

(i) Multi-manager investment operations

There is no direct significant credit risk to the group on these assets as they are directly matched to policyholders' liabilities. Therefore, any credit risk in respect of policyholder assets is carried by the policyholder and not the group.

Analysis of financial assets held under multi-manager investment contracts

Institution where held	Financial assets	
	Rm	%
2026		
Between AAA to A ⁻¹	649	0.12
Between BBB and B ⁻¹	99 616	17.74
Remainder includes equity securities and other assets with no specific credit risk rating	461 068	82.14
	561 333	100
2025		
Between Aaa and A3 ¹	563	0.12
Between Baa1 and B3 ¹	85 654	18.49
Remainder includes equity securities and other assets with no specific credit risk rating	377 136	81.39
	463 353	100

¹ The group transitioned to ratings per S&P Global credit ratings agency. The prior year ratings were in terms of Moody's.

39. Financial risk continued

39.1 Credit risk continued

39.1.2 Exposure to credit risk continued

Analysis of financial assets

Rm	2026	2025
Financial assets at fair value through profit or loss		
Money market instruments	5	5
Collective investment schemes	1 455	1 316
Financial assets at amortised cost		
Other loans	14	13
Money market instruments	70	–
Financial assets at fair value through other comprehensive income – designated		
ASISA investment	13	13
	1 557	1 347

Trade and other receivables

The carrying amounts of these receivables reflected on the statement of financial position approximate their fair value at reporting date and represent the group's maximum exposure to credit risk in relation to these assets. At reporting date the group did not consider there to be a significant concentration of credit risk to trade and other receivables which had not been adequately provided for.

Top 20 clients

The group's top 20 clients' overall revenue represents approximately 11% (2025:13%) of operating income net of direct expenses and the total of this amount is aged within three months.

Impairment of financial assets

The group has three types of financial assets that are subject to the expected credit loss model:

- trade receivables
- other receivables
- long-term loans

In addition to the above, the group includes contract assets in their assessment of expected credit losses.

Trade receivables and contract assets

The group applies the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables (which include lease receivables) and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. In addition, the group has considered the current operating environment, including macroeconomic factors, and has concluded that the expected loss rates applied are appropriate.

39. Financial risk continued

39.1 Credit risk continued

39.1.2 Exposure to credit risk continued

Trade receivables and contract assets

Maximum exposure and age analysis of financial assets

Rm	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 360 days past due	Total
31 March 2026						
Expected loss rate	0.5%	3.6%	11.1%	35.3%	100.0%	7.7%
Gross carrying amount - trade receivables	149	28	9	17	10	213
Contract assets	35	-	-	-	-	35
Loss allowance	(1)	(1)	(1)	(6)	(10)	(19)
Total	183	27	8	11	-	229
31 March 2025						
Expected loss rate	1.0%	3.8%	14.3%	50.0%	100.0%	5.3%
Gross carrying amount - trade receivables	159	26	7	8	5	205
Contract assets	39	-	-	-	-	39
Loss allowance	(2)	(1)	(1)	(4)	(5)	(13)
Total	196	25	6	4	-	231

Trade receivables are reflected net of a loss allowance of R19 million (2025: R13.4 million). The majority of the trade receivables fall within less than 90 days. The increase in expected credit losses in the current year is a result of debtors less than 360 days past due that have been fully provided for.

Trade receivables and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the group and a failure to make contractual payments for a period of greater than 120 days past due.

Loss allowances on trade receivables and contract assets are presented on a net basis within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Cash and cash equivalents

Cash and cash equivalent balances and transactions are limited to high credit-quality institutions. At reporting date, the group did not consider there to be a significant concentration of credit risk to cash and cash equivalent balances. The financial institutions used in the current and prior financial year had rating profiles of between BBB and B-, as determined by external credit ratings agency S&P Global.

During the current year, there have been no changes to the fair values of the financial assets of general operations presented above due to changes in the credit risk associated with these assets.

39. Financial risk continued

39.2 Liquidity risk

39.2.1 Objectives, policies and process to manage liquidity risk

(i) Multi-manager investment operations

The multi-manager investment operations are conducted through long-term insurance subsidiary companies that issue insurance contracts to policyholders. These long-term insurance companies are registered financial institutions and are required to hold minimum solvency policyholder exposure to the group's liquidity risk. The regulator of insurance companies, the FSCA in South Africa, regularly reviews compliance with these minimum capital requirements. Management monitors compliance with these minimum capital requirements.

In addition, liquidity risk arising from unexpected lapses and withdrawals is limited through policy terms and conditions that restrict claims to the value and timing at which the assets are realised. The maturity analysis of these policyholders' liabilities is detailed in the notes to these financial statements, namely financial liabilities held under multi-manager investment contracts and these liabilities are mostly open-ended as per note 20.2.

(ii) General operations

Liquidity risk management implies maintaining sufficient cash and ensuring the availability of funding through an adequate amount of cash resources and credit facilities. Monitoring of budgeted and projected cash flows supports the fact that the group will generate sufficient cash flows from operations to limit the impact of liquidity risk. The group has prescribed authority mandates and borrowing limits.

The group sets limits on the minimum proportion of maturing funds available to meet claims arising from long-term insurance contracts and unexpected levels of demands. Similarly the majority of the assets held to match insurance contracts are in money market instruments which are highly liquid. Net cash flows are monitored closely to ensure claim payments under long-term insurance contracts can be made when requested. Long-term insurance subsidiaries are registered financial institutions and are required to hold minimum capital and reduce policyholder exposure to the group's liquidity risk. The regulatory authority in South Africa regularly reviews compliance with these minimum capital requirements. Management monitors compliance with these minimum capital requirements. Assets linked to investments are realisable at short notice.

The group is highly cash generative; a significant portion of revenue is collected within seven days of the month in which the revenue is recognised. This collection is inherent in the pension fund administrative revenue process. As a result the group is well positioned to engage in shorter-term funding matched to the cash flows in order to ensure maximum efficiency in its funding rates.

39.2.2 Exposure to liquidity risk

(i) Multi-manager investment operations

Liquidity risk arises from unexpected lapses and withdrawals by policyholders. In such cases, the group is able to transfer ownership of the underlying assets within the policy to the policyholder in order to extinguish its liability.

(ii) General operations

A term loan facility with a South African bank is in place to finance the group's acquisitions. The total funding available is R600 million, and to date R395 million has been drawn down. The interest on the draw downs range from JIBAR plus 1.65% to JIBAR plus 1.74% compounded quarterly. The repayments over the term of the loan will comprise interest only, while the principal is payable at maturity.

A general banking facility of R400 million, with a South African bank, is in place to finance the group's working capital requirements. The facility bears interest at JIBAR plus 1.42% compounded monthly, and is repayable at the end of the availability period of 12 months.

A term loan facility of 10.15 million Botswanan pulas is in place to finance the capital expenditure on the refurbishment of the Botswana head office. The facility bears interest at the Botswana prime rate plus 1.25% margin per annum compounded quarterly, and is repayable over five years in 20 equal instalments of principal plus interest payable quarterly.

Refer to note 21 for further details on the debt facilities.

39. Financial risk continued

39.2 Liquidity risk continued

39.2.2 Exposure to liquidity risk continued

Liquidity analysis of assets and liabilities

Rm	Contractual cash flows (undiscounted)				Undated/ linked	Total
	0 - 1 year	1 - 3 years	3 - 5 years	>5 years		
2026						
Assets						
Financial assets held under multi-manager investment contracts	–	–	–	–	561 333	561 333
Financial assets	70	–	–	14	1 460	1 544
Trade and other receivables	215	–	–	–	–	215
Cash and cash equivalents	1 977	–	–	–	–	1 977
ASISA investment	–	–	–	–	13	13
Total financial assets	2 262	–	–	14	562 806	565 082
Liabilities						
Financial liabilities held under multi-manager investment contracts ¹	–	–	–	–	561 334	561 334
Borrowings	224	388	48	–	–	660
Other financial liabilities	–	–	249	–	–	249
Lease liabilities	67	117	34	18	–	236
Trade and other payables	631	41	–	–	–	672
Total financial liabilities	922	546	331	18	561 334	563 151
2025						
Assets						
Financial assets held under multi-manager investment contracts	–	–	–	–	463 353	463 353
Financial assets	–	–	–	–	1 334	1 334
Trade and other receivables	445	–	–	–	–	445
Cash and cash equivalents	1 654	–	–	–	–	1 654
ASISA investment	–	–	–	–	13	13
Total financial assets	2 099	–	–	–	464 700	466 799
Liabilities						
Financial liabilities held under multi-manager investment contract ¹	–	–	–	–	463 357	463 357
Borrowings	295	382	16	–	–	694
Lease liabilities	70	131	62	32	–	295
Trade and other payables	510	24	34	–	–	568
Total financial liabilities	875	537	112	32	463 357	464 914

¹ Although these financial liabilities are payable on demand, they can be settled in cash or by delivery of the underlying assets.

39. Financial risk continued

39.3 Market risk

(i) Multi-manager investment operations

The group has established an investment committee which, in conjunction with the board of directors of the multi-manager investment subsidiary companies, is responsible for setting investment strategies for the various investment portfolios and monitoring compliance therewith.

Alexander Forbes Investments employs a multi-manager investment approach, focusing on reducing risk through optimal layer diversifications. The structure of investment portfolios is based on the contracts entered into and the risk profile selected by the client. Within these parameters, investments are managed with the aim of delivering enhanced returns, while limiting risk to acceptable levels, within the framework of statutory requirements. Although Alexander Forbes Investments does not make use of derivatives directly, the underlying managers may do so within strict mandate controls to achieve a particular portfolio's investment objective in the most effective manner or to smooth or protect portfolio returns.

(ii) General operations

Interest rate risk

The group does not hedge against the interest rate exposure of fee income derived by the group and the board has accepted that changes in interest rates can result in volatility in the group's earnings. An increase or decrease in interest rates impacts the value of debt securities included in assets from multi-manager investment contracts.

The group's debt structure comprises a term loan facility which bears interest at JIBAR plus margins ranging from 1.65% to 1.74%, compounded quarterly, as well as a general banking facility bearing interest at JIBAR plus 1.42%, compounded monthly and payable in arrears. In addition, the group holds a term loan facility in Botswana which bears interest at the Botswana prime rate plus 1.25% compounded quarterly and is payable quarterly in arrears. Refer to note 21 for further details on these facilities.

Currency risk

The group does not hedge against its currency exposure to earnings and the board has accepted that changes in exchange rates can result in volatility in the group's earnings when reported in rands.

39.3.1 Objectives, policies and processes to manage market risk

(ii) General operations

Other price risk

The group monitors the risk associated with the fee income attributable to the equity assets under management in the multi-manager investment operations. The exposure to equity markets is monitored and specific advice is taken on the economic outlook with regard to this fee income.

There have been no significant changes in the way in which market risk is managed since the prior year.

39.3.2 Exposure to market risk

(i) Multi-manager investment operations

Policyholders' liabilities are linked to investments in equity securities, preference shares, debt securities, collective investment schemes, mutual funds, cash and other assets. These are valued at ruling market values and are therefore susceptible to daily market fluctuations.

There is no direct significant market risk, either by interest rate, currency or other price risk, to the group on financial assets held in respect of multi-manager investment contracts as the effect of any changes in these market risks is directly attributable to policyholder assets and policyholder assets are directly matched by policyholder liabilities. There are assets held within the policyholder assets which are exposed to currency risk arising from various currency exposures primarily with respect to sterling, euro and the US dollar, but these are matched by policyholder liabilities.

Fee income earned by the group on assets from multi-manager investment operations is based on assets which are exposed to fluctuations in interest rates, foreign currencies and equity prices. The group does not hedge against the interest rate and currency exposures and the board has accepted that changes in interest and exchange rates can result in volatility in the group's earnings.

39. Financial risk continued

39.3 Market risk continued

39.3.2 Exposure to market risk continued

(ii) General operations

Interest rate risk

The group's income and operating cash flows are substantially independent of changes in market interest rates, except for interest costs on provisions for client settlements which are sensitive to short-term interest rates. This impact is offset by the effect of short-term interest rate movements on interest earned on cash balances.

In addition, interest rates on borrowings under the term loan facility and the general banking facility bear interest at JIBAR, plus applicable margins ranging from 1.42% to 1.74%, as well as a facility in Botswana bearing interest at the Botswana prime rate plus 1.25%. A 1% increase/decrease in JIBAR results in a pre-tax interest charge/saving of R4.1 million on the facilities, whereas a 1% increase/decrease in the Botswana prime rate results in a pre-tax interest charge/saving of BWP71 120 on the secured facility. Refer to note 21.

As previously described, fee income derived by the group on assets from multi-manager investment contracts will be impacted by any changes in value of such assets arising from fluctuations in interest rates.

In addition, a portion of fee income earned in the retail business in the financial services operations in South Africa is impacted by changes in interest rates as this income is linked to assets managed by this business.

Currency risk

The group operates primarily in South Africa and has certain operations in other countries. Approximately 10% (2025: 8%) of the group's operating income net of direct expenses is derived from its operations outside South Africa.

In the current year the most significant foreign currency has been the GBP. The GBP transactions and balances have been translated using the exchange rates below. Other less material foreign transactions and balances have been translated to rands using appropriate weighted average rates and closing rates respectively.

Rm		2026	2025
Weighted average rate	(ZAR: GBP)	22.9	23.4
Closing rate	(ZAR: GBP)	22.5	23.8

Fee income derived by the group on assets from multi-manager investment operations will also be impacted by any changes in value of such assets arising from fluctuations in foreign currency exchange rates.

In addition, a portion of fee income earned in the retail business in the financial services operations in South Africa is impacted by changes in foreign currencies as this income is linked to assets managed by this business.

Except for earnings, the group companies are required to hedge their foreign exchange risk exposure using forward contracts transacted with group treasury.

The group's exposure to foreign currency risk at the end of the reporting period expressed was as follows:

million	2026 GBP	2025 GBP
Cash and cash equivalents	3.1	3.0

Amounts recognised in profit or loss and other comprehensive income

During the year the following foreign exchange-related amounts were recognised in profit or loss and other comprehensive income:

Rm	2026	2025
Net gains recognised in other comprehensive income		
Foreign currency translation differences of foreign operations ¹	(17)	1

¹ Relates to currency translation risk.

39. Financial risk continued

39.3 Market risk continued

39.3.2 Exposure to market risk continued

Sensitivity

The group is primarily exposed to changes in GBP exchange rates. The sensitivity of other comprehensive income to changes in the exchange rates arises mainly from GBP-denominated financial instruments:

Rm	2026	2025
ZAR:GBP exchange rate - increase 10% ¹	24.8	26.2
ZAR:GBP exchange rate - decrease 10% ¹	20.3	21.4

¹ If all other variables remain constant.

Concentration risk

The group is not materially exposed to concentration risk in terms of its clients, products, industry exposure or outsourced providers. While the majority of the group's corporate asset exposure is well diversified, the group chooses to maintain the majority of its corporate bank accounts with one of the major banks in South Africa for reasons related to operational efficiency.

Other price risk

As detailed on the previous page, fee income derived by the group on assets from multi-manager investment operations will be impacted by any changes in the value of such assets arising from fluctuations in equity markets. In addition, a portion of fee income earned in the retail business in the financial services operations in South Africa is impacted by changes in equity markets as this income is linked to assets managed by this business.

Furthermore, the group has a securities lending arrangement with a third party that results in a transfer of financial assets. As part of the lending agreement, the group retains the ability to use the transferred assets and therefore continues to recognise the securities lent out in their entirety in the statement of financial position. The securities lending arrangement is secured using either cash or listed equities as collateral assets which are held by the securities lending agent and therefore not recognised in the group's statement of financial position. At 31 March 2026, the fair value of the financial assets accepted as collateral was R2 629 million and comprised entirely of listed equities.

Securities lending

Rm	Fair value through profit of loss
2026	
Carrying amount of financial assets lent	2 265
Fair value of financial assets lent	2 265
Fair value of collateral assets held by securities lending agent - listed equities	2 629
Net exposure	-
2025	
Carrying amount of financial assets lent	1 834
Fair value of financial assets lent	1 834
Fair value of collateral assets held by securities lending agent - listed equities	2 161
Net exposure	-

The assets transferred and not derecognised are securities lent out under the securities lending agreement and fair valued at R2 265 million (2025: R1 834). Collateral assets fair valued at R2 629 million are held by the securities lending agent as security for the term of the underlying securities lending agreement, and therefore the group has no exposure in relation to these transactions.

39. Financial risk continued

39.4 Fair value hierarchy

39.4.1 Valuation methods and assumptions for valuation techniques

The group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements as required by IFRS 13 *Fair Value Measurements*. The fair value hierarchy has the following levels:

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly
- Level 3 are inputs for valuation that are not based on observable market data (that is, inputs are unobservable)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' also requires significant judgement. The group considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Level 1

Fair value measurements classified as Level 1 include exchange-traded prices of fixed income instruments, equity securities, listed debt securities, government stock and derivative contracts. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions.

Level 2

Level 2 financial instruments primarily include unlisted derivatives and unlisted corporate debt securities. As market quotes generally are not readily available or accessible for these securities, their fair value measures are determined using relevant information generated by market transactions involving comparable securities. They are often based on model pricing techniques that effectively discount prospective cash flows to present value using appropriate sector-adjusted discount rates commensurate with the security's duration, also taking into consideration issuer-specific credit quality and liquidity. These valuation methodologies have been studied and evaluated by the group and the resulting prices determined to be representative of exit values.

Observable inputs generally used to measure the fair value of securities classified as Level 2 include benchmark yields, reported secondary trades, broker-dealer quotes, issuer spreads, benchmark securities, bids, offers and reference data. Additional observable inputs are used when available and as may be appropriate.

Level 3

Assets and liabilities are classified as Level 3 where the valuation incorporates significant inputs that are not based on observable market data. Level 3 investments include unlisted equity securities and collective investment schemes which have significant unobservable inputs due to infrequent trading or whose traded prices are not considered liquid enough to justify Level 2 observation. The group applies various due diligence procedures, as considered appropriate, to validate these non-binding broker quotes for reasonableness, based on its understanding of the markets, including use of internally developed assumptions about inputs a market participant would use to price the security.

The group issues a significant number of investment contracts that are designated at fair value through profit or loss. These investment contracts are not quoted in active markets and their fair values are determined by using valuation techniques. Such techniques (for example, pricing models) are validated and periodically reviewed by qualified personnel independent of the area that created them. All models are validated before they are used and calibrated to ensure that outputs reflect actual experience and comparable market prices. A variety of factors are considered in the group's valuation techniques, including time value, credit risk (both own and counterparty), embedded derivatives (such as unit-linking features), volatility factors (including contract holder behaviour), servicing costs and activity in similar instruments. Since significant inputs are based on unobservable inputs, these investment contracts are classified as Level 3 instruments in the fair value hierarchy.

At 31 March 2026 investments classified at Level 3 comprise approximately 3% (2025: 3%) of total financial assets measured at fair value.

39. Financial risk continued

39.4 Fair value hierarchy continued

39.4.1 Valuation methods and assumptions for valuation techniques continued

The following table presents significant inputs to show the sensitivity of Level 3 measurements and assumptions used to determine the fair value of the financial assets:

Instrument	Valuation technique	Significant inputs
Suspended listed equities	Peer valuation multiples	Last exchange traded price and liquidity discounts
Community property company assets	Discounted cash flow model	Capitalisation rates and discount rates
Infrastructure and development assets	Equity Distribution discount model, cost, mark to market, price-earnings multiple and liquidation value	Equity Interest rates and exchange-traded prices
	Debt Discounted cash flow model	Debt Interest rates fixed and floating

The group's overall profit or loss is not sensitive to the inputs of the models applied to derive fair value as the majority of these Level 3 investments relate to policyholders under multi-manager contracts.

39.4.2 Financial assets and liabilities at fair value

Financial assets measured at fair value according to the fair value hierarchy

Rm	Fair value levels			Total fair value
	Level 1	Level 2	Level 3	
2026				
Financial assets held under multi-manager investment contracts				
Equity securities - listed	164 138	–	–	164 138
Equity securities - unlisted	–	–	30	30
Preference shares - listed	37	–	–	37
Collective investment schemes	188 493	24 358	6 937	219 788
Debt securities - listed	28 019	–	–	28 019
Debt securities - government stock	46 585	1 266	–	47 851
Debentures - listed	1 112	–	–	1 112
Policy of insurance	–	56 486	8 977	65 463
Derivative financial instruments	(13)	–	–	(13)
Securities lending - equities	1 790	–	–	1 790
Securities lending - bonds	475	–	–	475
Unsettled trades	–	4 306	–	4 306
Money market instruments	112	15 551	–	15 663
Total financial assets measured at fair value	430 748	101 967	15 944	548 659
General operations				
<i>Financial assets:</i>				
Money market instruments	–	5	–	5
Collective investment schemes	–	1 455	–	1 455
ASISA investment	–	–	13	13
Total financial assets measured at fair value	430 748	103 427	15 957	550 132
Expressed as a percentage (%)	78%	19%	3%	100%
Cash held under multi-manager investment contracts	–	12 674	–	12 674
	430 748	116 101	15 957	562 806

39. Financial risk continued

39.4 Fair value hierarchy continued

39.4.2 Financial assets and liabilities at fair value continued

Rm	Fair value levels			Total fair value
	Level 1	Level 2	Level 3	
2025				
Financial assets held under multi-manager investment contracts				
Equity securities – listed	137 329	–	–	137 329
Equity securities – unlisted	–	–	17	17
Preference shares – listed	39	–	–	39
Collective investment schemes	162 880	19 686	6 333	188 899
Debt securities – listed	24 969	–	–	24 969
Debt securities – government stock	41 131	1 066	–	42 197
Debentures – listed	2 239	–	–	2 239
Policy of insurance	–	31 478	8 020	39 498
Derivative financial instruments	1	8	–	9
Securities lending – equities	1 171	–	–	1 171
Securities lending – bonds	663	–	–	663
Unsettled trades	–	2 519	–	2 519
Money market instruments – listed	–	16 642	–	16 642
Total financial assets measured at fair value	370 422	71 399	14 370	456 191
General operations				
<i>Financial assets:</i>				
Money market instruments	–	5	–	5
Collective investment schemes	–	1 316	–	1 316
ASISA investment	–	–	13	13
Total financial assets measured at fair value	370 422	72 720	14 383	457 525
Expressed as a percentage (%)	81%	16%	3%	100%
Cash held under multi-manager investment contracts	–	7 162	–	7 162
	370 422	79 882	14 383	464 687

Financial liabilities measured at fair value according to the fair value hierarchy

Rm	Fair value levels			Total fair value
	Level 1	Level 2	Level 3	
2026				
Financial liabilities measured at fair value				
Financial liabilities held under multi-manager investment contracts	–	561 334	–	561 334
Cumulative redeemable preferred ordinary shares	–	–	249	249
Total financial liabilities measured at fair value	–	561 334	249	561 583
2025				
Financial liabilities measured at fair value				
Financial liabilities held under multi-manager investment contracts	–	463 357	–	463 357
Total financial liabilities measured at fair value	–	463 357	–	463 357

39. Financial risk continued

39.4 Fair value hierarchy continued

39.4.2 Financial assets and liabilities at fair value continued

Transfers between Levels 1 and 2

The financial assets held under multi-manager investment contracts are economically matched to the policyholder liabilities. Movements in financial assets associated with multi-manager investment contracts are directed by clients. These movements are a result of investments and withdrawals made. There were no transfers between Levels 1 and 2 during the year as a result of a change in valuation methodology.

39.4.3 Changes in Level 3 instruments

Summary of changes in group Level 3 instruments

Rm	Financial assets under multi-manager assets
Financial assets	
Opening balance at 1 April 2025	14 370
Total gains recognised in profit or loss	1 275
Purchases	2 044
Disposals	(1 745)
Closing balance at 31 March 2026	15 944
Opening balance at 1 April 2024	12 139
Total gains recognised in profit or loss	1 191
Purchases	1 860
Disposals	(820)
Closing balance at 31 March 2025	14 370

Level 3 financial assets and liabilities comprise mainly policyholder assets and liabilities. Financial assets and financial liabilities in this level are insignificant in relation to total financial assets and financial liabilities respectively. The financial assets and liabilities of multi-manager investment contracts are linked and all movements in these assets will be met with a converse movement in the liabilities associated. Any fair value gains and losses resulting from policyholder financial assets and financial liabilities have no impact on profit or loss. There was no change in the valuation methodology of Level 3 assets during the year under review.

40. Risk and capital management

40.1 Capital management

40.1.1 Capital management strategy

Alexforbes employs a disciplined capital management framework to maximise shareholder value through a process of planning, allocating and managing capital throughout the group. Capital planning is conducted with the aim of ensuring that the return on investment is higher than the cost of capital, as well as to balance the objectives of achieving stated growth, risk and return expectations in line with the interests of the shareholders. The group aims to ensure a capital structure that enables these aims and delivers on its focus of being a capital-light business.

The group maintains a capital buffer in line with its board-approved risk appetite, indicating the amount of excess assets above liabilities on a statutory basis. Alexander Forbes Group Holdings manages these capital buffers for the group and for its regulated entities.

While the group takes particular care in ensuring the capital adequacy of its regulated entities, both at solo and group level, the group targets shareholder return through:

- optimising its regulatory capital requirements
- dividend declarations in line with its dividend policy
- share repurchase initiatives
- investment into business
- inorganic growth through mergers and acquisitions

The group manages its capital planning through its board-approved capital management policy.

40.1.2 Available capital resources

The group's available capital and quality thereof is determined on the South African Solvency Assessment and Management framework (SAM) basis in alignment to its tiering requirements. The group's capital supply (also known as Own Funds) is almost entirely funded by ordinary share capital offering the highest quality of capital to the group. The group Own Funds are allocated to various tiers detailed below, of which Tier 3 consists of largely net deferred tax assets and the admissible portion of intangible assets.

Tier 1	Tier 2	Tier 3	Eligibility adjustment	Adjustment to own funds for pro rata interest	Eligible Own Funds to meet the SCR
1 976	–	222	–	(36)	2 162

The group does not have any qualifying Tier 2 debt at the reporting date.

40.1.3 Capital adequacy and solvency

Under the Insurance Act, 2017, which came into effect on 1 July 2018, the Prudential Authority prescribed methodology for South African insurers to assess its solvency. The Insurance Act replaced the previous statutory bases for measuring solvency under the Long-Term and Short-term Insurance acts. The Insurance Act also prescribes the basis for insurers of calculating available capital and the solvency capital requirements for solo insurers as well as designated insurance groups.

Available capital is the amount by which the value of the assets exceeds the value of liabilities, both measured on a prescribed prudential basis. The group ensures that available capital is of suitable quality and is accessible when required. The capital buffer is the amount by which available capital exceeds the regulatory capital requirement for the group. The capital buffer is managed to support risk target levels, strategic initiative requirements and the dividend policy of the group. The group's dividend policy takes cognisance of capital requirements at a group level and the required buffers. Similarly, all dividends sourced from regulated entities are only approved where they do not compromise capital adequacy at each legal entity level.

Entities regulated under regulations other than the Insurance Act in South Africa and/or in foreign jurisdictions are similarly monitored for ongoing compliance under their respective regulatory requirements. At this stage Alexander Forbes Group Holdings Limited has not been formally designated as the controlling company of an insurance group. It is expected that following the sale of Alexander Forbes Life, the group will be regulated with a focus on its linked insurance business, Alexander Forbes Investments. Guidance from the Prudential Authority is awaited on the appropriate level of regulation and oversight for the group.

40. Risk and capital management continued

40.1 Capital management continued

40.1.3 Capital adequacy and solvency continued

Solo supervision

The solo insurance entity solvency on a prudential basis is shown below (31 March 2025 included for comparative purposes):

Regulated entity	31 March 2026			31 March 2025		
	Own Funds	SCR	Cover ratio	Own Funds	SCR	Cover ratio
Alexander Forbes Investments Limited	625	513	1.22	618	505	1.22

All solo entities remain solvent as at 31 March 2026 and maintain buffers in line with their respective risk appetites.

Group supervision

While the group has not been formally designated as an insurance group under the new Insurance Act, the group manages solvency at group level. The group applies the principles as set out under the Prudential Standards for the group for its various entities to derive the group's regulatory solvency and surplus. The following methodology is applied for various regulated and non-regulated entities:

Capital classification

Insurance entities

Entity type

- South African regulated insurance (long-term)
- Non-South African regulated insurance (non-equivalent jurisdictions)

Other regulated entities

- Non-South African regulated financial entity
- Non-South African regulated financial insurance (equivalent jurisdiction)

13B and FAIS licensed entities

- South African regulated financial entities
- Non-regulated entities

Unregulated entities

- Holding companies

The group maintains a regulatory surplus of R1 191 million and SCR cover ratio (Own Funds/SCR) of 2.2 as at 31 March 2026, compared to R1 348 million and 2.3 respectively as at 31 March 2025.

Other regulatory bases

Artex Axcell PPC Limited is an insurance cell-captive company registered in Guernsey and regulated under the Guernsey Financial Services Commission. The Prescribed Capital Requirement held by Artex Axcell PCC Limited in respect of the insurance cell at reporting date was R13.4 million (2025: R12.4 million) and cover ratio of 6.7 times (2025: 11.6 times).

40.2 Enterprise-wide risk management (EWRM)

Sound risk management is an important enabler of our strategic intent, enhancing our ability to perform against our stated objectives. For us, risk management is about protecting our ability to create value and ensuring we preserve that value for our stakeholders. Our group risk strategy and EWRM framework, in coordination with our group capital management policy (and supporting policies and tools), informs our disciplined, structured approach and processes towards strengthening the link between strategy, risk, capital and return in our aim to remain sustainable and a responsible corporate citizen. These primary governing documents continue to be reviewed and updated in order to ensure that they are compliant with the Governance and Operational Standards for Insurers as issued by the Prudential Authority under the Solvency Assessment and Management regulatory regime, are business-relevant and practical in application and assessment to the group, and work effectively and efficiently in meeting their objectives.

40.2.1 Role of EWRM

The role of risk management is to help the group evaluate, monitor, oversee and manage risks across the organisation; to support overall confidence in organisational processes, systems and reporting; and to meet group objectives more reliably. In other words, risk management aims to help stakeholders take risks more intelligently; and make agile, informed, risk-based decisions towards improving business performance, building organisational resilience and growing stakeholder value. The group's risk management system extends across all entities under the enterprise's control.

40. Risk and capital management continued

40.2 EWRM continued

40.2.1 Role of EWRM continued

The EWRM system comprises the risk strategy, framework, relevant policies, and related procedures and tools for assessing, monitoring, reporting and mitigating material risks to:

- ensure that sufficient risk mitigation is in place to reduce exposures to acceptable levels
- ensure that the various insurers can meet their obligations to policyholders
- provide stakeholders with the material information needed to make decisions and to meet group objectives
- meet regulatory and contractual requirements, as well as evidence good fiduciary conduct

The group's EWRM system is not currently at the desired level of maturity and, as such, improvements to drive risk maturity are currently under way.

It is also a group board requirement that management implement a system of internal controls to provide reasonable assurance from a control perspective that the group is being operated consistent with group-wide strategies, policies and procedures, which are attaining their intended outcomes. In this respect, the group internal control policy has been updated and re-approved and the internal control programme (including management self-assessments of the internal control environment) has commenced – that said, the group is still not at its desired levels of internal control maturity and this remains a key priority for the organisation.

The group also has in place a comprehensive group insurance programme to mitigate against claims that may arise in the course of trade.

40.2.2 Board committee structure

The board committee structure is designed to assist the board of the company in performing its duties and responsibilities, including those for risk, governance and control. Although the board delegates certain functions to these committees, it retains ultimate responsibility for their activities.

Committee	Role of the committee
Group nominations committee	The nominations committee makes recommendations to the board on the appointment of new executive, non-executive and independent directors, including making recommendations on the composition of boards in the group generally and on the balance between executive, non-executive and independent directors appointed to the boards.
Group remuneration committee	The role of the remuneration committee is to assist the board to ensure that: <ul style="list-style-type: none"> • the company has a remuneration policy and philosophy that is aligned with its long-term business strategy, its business objectives, its risk appetite and values • the remuneration policy and philosophy is appropriately applied throughout the company and its subsidiaries • the company remunerates directors and members of the group executive committees fairly and responsibly • the disclosure of remuneration is accurate, complete and transparent
Group mergers and acquisitions committee	The objective of the committee is to review and, if appropriate, recommend acquisitions and disposals to the board.
Group audit and risk committee	The group audit and risk committee's primary objective is to assist the board with its responsibilities for the management of risk; safeguarding of assets; oversight over financial control; and reporting on the state of internal controls, shareholder reporting and corporate governance, particularly relating to legislative and regulatory compliance. The committee also monitors and oversees the capital management of the group so as to assist the board in discharging its fiduciary duty to clients, investors, creditors and to the regulator. The audit committee's roles and responsibilities include statutory and regulatory duties as per the Companies Act and according to the King V.
Group social, ethics and transformation committee	This committee fulfils the functions assigned to it under the Companies Act Regulations, as well as other functions that the board assigns to it, including the fulfilment of the key objectives of transformation and strategies aligned therewith, as well as overseeing and monitoring activities in relation to social and economic development, good corporate citizenship, corporate social responsibility, ethical behaviour and managing environmental impact; consumer relations, and labour and employment development.

Each board committee is governed by formal written terms of reference that are reviewed annually and, at a minimum, effectively delegate certain of the board's responsibilities. The full terms of reference for each committee are available on our website.

40. Risk and capital management continued

40.2 EWRM continued

40.2.3 Risk appetite

Definition

Alexforbes's risk appetite - the amount of risk we are willing to accept in pursuit of our objectives - defines the parameters within which we can operate. Our risk appetite stipulates the aggregate levels and types of risk our firm is willing to take within its risk capacity. Our risk appetite therefore serves as a valuable reference point for important business decisions. The group seeks strategic risk and recognises that this may result in losses. The group does not seek strategic risk in excess of the stated tolerances.

Risk appetite statements and measures

Our risk appetite is defined by measures for the most significant types of risk that the group confronts as a consequence of its trade. There is clarity on the risks that the organisation actively seeks, avoids or accepts as well as on the balance between risk and reward. The definitions allow us to flag material deviations and identify and mitigate emerging risks timeously. We also have flexibility in setting tolerance levels as circumstances and objectives change. Each risk appetite statement has a set of key metrics that are monitored against set thresholds on a quarterly basis. Additionally, qualitative principles regarding our appetite and expected risk behaviour have been set for each of the risk statements. In the regulatory risk space, we have made progress in implementing a risk appetite framework for market conduct and financial crime.

Risk type	Risk appetite statements and measures
Business risk	<p>The group seeks strategic risk and is willing to accept reasonable losses in pursuit of higher returns. We do not seek strategic risk in excess of our risk-bearing capacity.</p> <p><i>Key risk indicators:</i></p> <ul style="list-style-type: none"> • Normalised return on equity over a five-year period • Growth in revenue • Earnings at risk (deviation from budget) • Cost-to-income ratio
Operational risk	<p>The group has limited appetite for the failure of people, processes, systems and for the impact of external events. The impacts of operational risk span across the business and will be managed by implementation of the appropriate controls. The group has zero appetite for reputational risk.</p> <p><i>Key risk indicators:</i></p> <ul style="list-style-type: none"> • Staff turnover • System downtime (occurrences on key systems) • Errors and omissions • Process failures (number of erroneous transactions) • Internal fraud • External fraud • Customer complaints
Regulatory risk	<p>We will avoid situations arising in non-compliance with laws, regulatory requirements and codes of conduct applicable to the industries within which we operate that will result in our business model, objectives, reputation and financial soundness being compromised. The group will specifically focus on minimising its market conduct, financial crime and privacy risks.</p> <p><i>Key risk indicators:</i></p> <ul style="list-style-type: none"> • Group solvency capital requirement • Market conduct • Financial crime

Discussion on credit risk, market risk and liquidity risk can be found under note 39: Financial risk. Further, a discussion on insurance-related risks can be found under note 38.

40.2.4 EWRM processes

Our EWRM processes are continual and comprise the following ongoing phases: risk identification, measurement, prioritisation, treatment and monitoring. Established risk categories consider what the organisation wants to include in its discussion of risk and how they are defined. Risk categorisation assists in grouping risks in a structured risk management process that then allows the group to address different risk categories more intelligently. This includes the building of strategies to avoid or minimise impact. Risk category examples include business, market, credit, liquidity, operational, underwriting, etc.

40. Risk and capital management continued

40.2 EWRM continued

40.2.5 Risk taxonomy

In this section we highlight how the group exercises oversight and manages each Level 1 risk category.

Operational risk

Operational risk is the risk of loss owing to factors such as inadequate systems, management failure, inadequate internal controls, fraud or human error. The group mitigates these risks through a sound risk management framework, systems of internal controls, internal audit and compliance functions, and other measures such as backup procedures, contingency planning and insurance.

Managing and mitigating operational risk

Operational risks are managed through the business processes by business unit management, and maintained within limits deemed appropriate for the business. Line management are the primary assurance providers on operational risk with second-line defence consisting of a group operational risk oversight capability and third-line defence comprising assurance by internal and external audit.

Operational risks are typically mitigated through the implementation of appropriate controls. The group's common risk language is set out in the group-wide risk taxonomy, including the various operational risk sub-types. Formal processes have been established to facilitate the identification of operational risk which is inherent within all key processes in the group, across all geographical areas. The business is making progress in establishing risk assessments for key processes with key risks and associated controls. These risks and controls, once identified, will be classified, evaluated and periodically monitored. Where specified tolerance levels are breached, remedial actions are implemented, tracked and reported on.

Internal and external audit evaluate the assessment of key operational controls cyclically and provide formal opinions on the management of key controls. These opinions are expressed in formal reports to the relevant executive and board committees. Operational risk events are also reported and managed by business areas. Management is working towards ensuring that appropriate key indicators are monitored across the group to ensure trends are identified and acted upon in good time. Periodic assessments are also conducted by risk specialists to obtain a group view by sub-risk types. Remedial actions are implemented, tracked and reported on to various risk committees and subcommittees of the board. Results of regular stress testing and scenario analyses are reported to senior management, control functions and the board.

Business risk

Business risk relates to the potential revenue shortfall compared to the cost base due to strategic and/or reputational reasons. From an economic capital perspective, business risk capital requirements are calculated as the potential loss arising over a one-year time frame, within a certain level of confidence, as implied by the group's chosen target rating. The group's ability to generate revenue is impacted by, among others, the external macroeconomic environment, its chosen strategy and its reputation in the markets in which it operates.

Managing and mitigating business risk

Business risks are managed during the strategic and financial planning processes where the board and executive management continuously predict the likely changes to the macroeconomic and socio-political environment, together with the industry outlook and the impact it will have on returns to shareholders.

The following actions are undertaken consistently to mitigate against business risk:

- The key response is the wider group strategy to diversify its source of revenue
- Investment performance controls to reduce risk of underperformance include:
 - Clearly defined and implemented investment philosophy and process
 - Investment committee in place to oversee investment decision-making process
 - Well-resourced and experienced investment team with succession planning in place
- Controls to reduce possible loss of new and existing business include:
 - Treating customers fairly initiatives
 - Strong new business team
 - Development of new products
 - Running plausible scenario analysis

Strategic risk

Strategic risk is a component of business risk and is the current and prospective impact on earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes. This risk is a function of the compatibility of an organisation's strategic goals, the business strategies developed to achieve those goals, the resources deployed against these goals and the quality of implementation. The resources needed to carry out business strategies are tangible and intangible. They include communication channels, operating systems, delivery networks, and managerial capacities and capabilities. The organisation's internal characteristics must be evaluated against the impact of economic, technological, competitive, regulatory and other environmental changes.

40. Risk and capital management continued

40.1 EWRM continued

40.2.5 Risk taxonomy continued

Managing and mitigating strategic risk

The management team in the various businesses, the group executive committee and board continue to monitor these risks and seek to respond appropriately and manage them against predetermined strategic outcomes. A strategic risk profile is determined, monitored and reported upon at business unit level.

Continuous assessments are conducted by the group executive committee and board on the group strategy to assess how well it is tracking against plan. Strategic risks deemed to be outside the predetermined limits are either mitigated or escalated to the board for consideration. The implementation of mitigating actions is informed by an early warning system consisting of key risk indicators which are used to understand the levels at which concern is raised to ensure management actions are implemented in a timely manner.

Legal and regulatory risk

The group is exposed to various actual and potential claims, lawsuits and other proceedings relating to alleged errors and omissions, or non-compliance with laws and regulations, in the conduct of its ordinary course of business. The directors are satisfied, based on present information and the assessed probability of claims eventually, that the group has adequate insurance programmes and provisions in place to meet such claims. However, like all businesses of our type, the risk exists that significant adverse developments in past claims, or a significant increase in the frequency of severity of future claims for errors and omissions, could have a material effect on the group's reported results. Details of the structure of the group's errors and omissions insurance programme are provided in note 25.2 to these financial statements.

40.2.6 Own risk and solvency assessment (ORSA)

The ORSA process is an ongoing internal process whereby the group assesses the adequacy of its enterprise risk management framework and the capital it is required to hold for its risks to remain solvent under normal and severe stress scenarios.

Alexander Forbes Group Holdings Limited completes a consolidated annual group ORSA report in accordance with the Governance and Operational Standards for Insurers as issued by the Prudential Authority under the governance standards of the Insurance Act. The insurance licensed entity, Alexander Forbes Investments Limited, is included within this ORSA. Where the need for an out-of-cycle assessment arises, the group conducts the process across all entities in alignment to its ORSA policy.

We define our strategy over the business planning period through a rigorous budgeting process. The results form the basis of the ORSA analysis of future projected solvency. These solvency results then undergo stress testing to determine the robustness of the business and its various contributing entities, and to determine the maturity of its risk management practices. The ORSA process and risk management responsibilities are then monitored and embedded through the ongoing and recurring EWRM processes.

The ORSA process continues to mature every year in the group and will continue to deliver value through enhanced embedment. This maturity is assessed each year together with actions identified to enhance the ORSA in the following year. This process enables enhancement of our ORSA each year and the ability to better assess risk, solvency and capital.

40.2.7 EWRM outlook

Looking forward, we will continue to evolve our approach to determining appropriate risk and reward to allow for enhanced decision-making. The focus will be on strengthening and embedding risk management as well as operational resilience further into the first line, paying particular attention to the changing external and internal business environment, the evolving regulatory environment and growing regulatory expectations and placing focus on both quantitative and qualitative aspects of risk, governance and control. In doing so we will also look to continuously improve our risk monitoring tools, and grow and deepen the frequency and quality of reporting to the various governance structures within the group.

41. Consolidated and unconsolidated entities

41.1 Consolidated entities

Material subsidiaries in which the group has a financial interest

Material subsidiaries in which the group has a financial interest all have a 31 March year-end date.

Entity	Nature of business	Economic interest	
		2026 %	2025 %
1. Holding companies above the operational Alexander Forbes Limited group			
Alexander Forbes Acquisition Proprietary Limited	Holding company	100	100
Alexander Forbes International Limited	Ultimate holding company for international group	100	100
2. Holding companies within the Alexander Forbes Limited group			
Alexander Forbes Limited	Holding company	100	100
Alexander Forbes Emerging Markets Proprietary Limited	Holding company for African operations	100	100
3. Operational companies within the Alexander Forbes Limited group			
Alexander Forbes Financial Planning Consultants Proprietary Limited	Financial planning	100	100
Alexander Forbes Financial Services Proprietary Limited	Provision of financial services	100	100
Alexander Forbes Group Services Proprietary Limited	Administration and support services	100	100
Alexander Forbes Health Proprietary Limited	Healthcare, wellness and related consulting, broking and actuarial services	100	100
Alexander Forbes Fiduciary Services Limited	Provision of wills and fiduciary services	100	100
GF Wealth Management Proprietary Limited	Provision of financial services	100	100
Alexander Forbes Life Limited	Long-term insurer	100	100
Alexander Forbes Investments Limited	Multi-manager investment	100	100
Alexander Forbes Investments Administration Services Proprietary Limited	Investment administrative services provider	100	100
Alexander Forbes Investments Unit Trusts Limited	Unit trust management	100	100
EBS International Proprietary Limited	Administration platforms and technology services	100	100
Megatech Systems Proprietary Limited	Information technology services	100	100
Global ASP Proprietary Limited	Financial and information technology services	100	100
Employee Benefit Solutions Africa Proprietary Limited	Employee benefits administration	100	100
Disaster Recovery South Africa Proprietary Limited	Computer activities and data recovery	100	100
Global ASP Asset Management Solutions Proprietary Limited	Pension fund administration and wealth planning services	100	100
TSA Administration Proprietary Limited	Group risk insurance administration services	60	60
Alexforbes Invest Proprietary Limited	Investment administration platform and wealth planning services	100	100
GQM Fund Administrators Proprietary Limited	Retirement fund administration services	100	100
Alexforbes MSR Proprietary Limited	Special purpose vehicle	100	–

41. Consolidated and unconsolidated entities continued

41.1 Consolidated entities continued

Entity	Nature of business	Economic interest	
		2026 %	2025 %
4. Rest of Africa			
Alexander Forbes Financial Services (Botswana) Proprietary Limited	Financial services (Botswana)	67	67
Alexander Forbes Asset Consultants Proprietary Limited	Financial services (Botswana)	74	74
Alexander Forbes Solutions Botswana Proprietary Limited	Financial services (Botswana)	100	100
Alexander Forbes Investments Namibia Limited	Multi-manager investment (Namibia)	75	75
Alexander Forbes Consulting Actuaries Nigeria Limited	Financial services (Nigeria)	100	100
Alexforbes K Limited	Special purpose vehicle	100	–
5. United Kingdom/Europe			
Alexander Forbes Channel Islands Limited	Financial services	100	100
Alexander Forbes Investment Jersey Limited	Multi-manager investment	100	100
Alexforbes Paragon Impact	ESG and technology services	86	–

41.2 Unconsolidated structured entities

While the group consolidates certain structured entities other structured entities are not consolidated owing to the group not having an exposure to variability in returns and the power to govern the activities that affect this exposure.

The unconsolidated structured entities in which the group has an interest are:

- Certain collective investment schemes of which the group is the fund manager and has an investment
- The Alexander Forbes Community Trust

Unconsolidated collective investment schemes

The group manages 4 collective investment schemes (2025: 4) as fund manager which are not consolidated. It also invests certain policyholder assets with these trusts. The value of these investments at 31 March 2026 is R342 million (2025: R396 million) representing 3.06% (2025: 3.76%) of the total assets in the schemes included in financial assets of multi-manager investment contracts on the statement of financial position. The group provides no financial assistance to the schemes nor is there any contractual obligation to provide assistance to the schemes.

42. Subsidiaries with material non-controlling interest

42.1 Subsidiaries with material non-controlling interest

The group consolidates certain entities with material subsidiaries and equity accounts associates. The summarised financial information of these entities is disclosed below.

The information represents 100% of the entity's results and has not been adjusted for the non-controlling interest share. Intercompany transactions and balances have not been eliminated. Profit allocated to non-controlling interests during the current financial year was R19 million.

Alexander Forbes Investment Solutions Namibia Limited

Rm	2026	2025
Balance sheet information		
Total assets	8 983	7 792
Total liabilities	(8 935)	(7 757)
Total net assets	47	35
Summarised income statement		
Operating income net of direct expenses	30	34
Total comprehensive income for the year	21	15
Summarised cash flows		
Cash from operating activities	13	6
Cash from investing activities	(33)	–
Cash from financing activities	–	(5)
Net (decrease)/increase in cash and cash equivalents	(20)	1
Cash and cash equivalents at beginning of the year	33	32
Cash and cash equivalents at year-end	13	33

42. Subsidiaries with material non-controlling interest ^{continued}

42.1 Subsidiaries with material non-controlling interest ^{continued}

TSA Administration Proprietary Limited

Rm	2026	2025
Balance sheet information		
Total assets	112	84
Total liabilities	(84)	(60)
Total net assets	28	24
Summarised income statement		
Operating income net of direct expenses	89	80
Profit before tax	32	26
Tax expense	(9)	(7)
Total comprehensive income for the year	23	19
Summarised cash flows		
Cash from operating activities	28	41
Cash from investing activities	(3)	(5)
Net increase in cash and cash equivalents	25	36
Cash and cash equivalents at beginning of the year	71	35
Cash and cash equivalents at year-end	96	71

Dividends paid to non-controlling interests in the current year amounted to R6.9 million (2025: R8 million).



Alexander Forbes
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Company annual financial statements

for the year ended 31 March 2026

Company statement of comprehensive income

For the year ended 31 March 2026

Rm	Notes	2026	2025
Dividend revenue	1	834	1 392
Operating expenses		(3)	(4)
Operating profit before non-trading and capital items		831	1 388
Non-trading and capital items		(1)	(1)
Operating profit		830	1 387
Investment income	2	4	6
Profit before taxation		834	1 393
Income tax expense	7	(1)	(2)
Profit for the year		833	1 391
Total comprehensive income for the year		833	1 391

Company statement of financial position

At 31 March 2026

Rm	Notes	2026	2025
Assets			
Investment in subsidiary	3	4 823	4 823
Receivables from group companies	8.1	15	7
Financial assets	4	5	–
Trade and other receivables		3	4
Cash and cash equivalents		223	131
Total assets		5 069	4 965
Equity and liabilities			
Share capital	5	6 074	5 980
Non-distributable reserves	5.3	(129)	75
Accumulated loss		(876)	(1 091)
Total equity		5 069	4 964
Liabilities			
Trade and other payables		–	1
Total liabilities		–	1
Total equity and liabilities		5 069	4 965

Company statement of cash flows

For the year ended 31 March 2026

Rm	Notes	2026	2025
Cash flows from operating activities			
Cash generated from operations	6	830	1 312
Interest received	2	1	5
Dividends paid		(871)	(1 456)
Tax paid	7	(1)	(2)
Net cash outflow from operating activities		(41)	(141)
Cash flows from investing activities			
Purchase of financial assets	4	(128)	(35)
Proceeds from disposal of financial assets	4	123	37
Net cash (outflow)/inflow from investing activities		(5)	2
Cash flows from financing activities			
Cash flows received from group companies	8.1	138	227
Cash flows paid to group companies	8.1	–	(10)
Purchase of shares for share incentive schemes		–	(103)
Net cash inflow from financing activities		138	114
Increase/(decrease) in cash and cash equivalents		92	(25)
Cash and cash equivalents at the beginning of the period		131	156
Cash and cash equivalents at the end of the period		223	131

Company statement of changes in equity

For the year ended 31 March 2026

Rm	Share capital	Non-distributable reserves	Accumulated loss	Total equity
At 31 March 2024	5 980	225	(1 201)	5 004
Dividends paid	–	–	(1 456)	(1 456)
Movement in share-based payment reserve	–	128	–	128
Settlement of share incentive schemes	–	(278)	175	(103)
Total comprehensive income for the year	–	–	1 391	1 391
At 31 March 2025	5 980	75	(1 091)	4 964
Share issue ¹	94	–	–	94
Dividends paid	–	–	(871)	(871)
Settlement of share incentive schemes	–	(147)	253	106
Movement in share-based payment reserve ²	–	(57)	–	(57)
Total comprehensive income for the year	–	–	833	833
At 31 March 2026	6 074	(129)	(876)	5 069

¹ On 20 June 2025, the company issued a new listing of 10 996 918 ordinary shares. The share issue and allotment was concluded in terms of the Alexforbes LTIP 2019 scheme rules which govern awards granted prior to July 2022.

² Included in the movement in share-based payment reserve is a once-off adjustment of R149 million from the cash-settlement of the shares that vested in July 2025.

Notes to the company financial statements

For the year ended 31 March 2026

1. Dividend revenue

Rm	2026	2025
Dividends in specie from subsidiary	–	71
Dividend from subsidiary	834	1 321
	834	1 392

2. Investment income

Rm	2026	2025
Interest income	4	6
Cash	1	5
Non-cash ¹	3	1

¹ Non-cash interest is earned on collective investment schemes and is used to reinvest in additional financial assets.

3. Investment in subsidiary

Rm	2026	2025
Carrying value	4 823	4 823

The investment in subsidiary of the company comprises of a 100% interest in Alexander Forbes Acquisition Proprietary Limited.

4. Financial assets

Rm	2026	2025
Current financial assets	5	–
4.1 Analysis of financial assets		
Financial assets at fair value through profit or loss		
Opening balance	–	2
Purchases ¹	128	35
Disposals	(123)	(37)
Closing balance	5	–

¹ The company regularly invests in collective investment schemes to generate enhanced returns on excess cash. Included in purchases is reinvested interest amounting to R3 million (2025: R1 million).

5. Share capital

Rm	2026	2025
Share capital at no par value	6 074	5 980

	2026		2025	
	Number of shares '000	Share capital at no par value Rm	Number of shares '000	Share capital at no par value Rm
5.1 Share capital				
Authorised				
Ordinary shares at no par value	2 500 000	–	2 500 000	–
Issued				
Ordinary shares at no par value	1 299 509	6 074	1 288 512	5 980
	1 299 509	6 074	1 288 512	5 980
5.2 Movement in share capital				
Opening balance	1 288 512	5 980	1 327 582	5 980
Share issue ¹	10 997	94	–	–
Treasury share cancellation ²	–	–	(39 070)	–
Closing balance	1 299 509	6 074	1 288 512	5 980

1 On 20 June 2025, the company issued a new listing of 10 996 918 ordinary shares to settle obligations to participants in terms of the Alexforbes LTIP 2019 scheme rules.

2 In the prior year the company repurchased and cancelled 39 070 700 shares (from the Isilulu Trust, the group's employee share ownership plan) with a repurchase price of one cent per share. The shares were withdrawn on the JSE on 24 February 2025.

5.3 Non-distributable reserve

Rm	2026	2025
Movement in non-distributable reserves		
Opening balance	75	225
Charged to group entities	92	128
Settlement of share incentive schemes	(147)	(278)
Cash settlement of share incentive schemes ¹	(149)	–
Closing balance	(129)	75

1 The group's remuneration committee approved a once-off cash-settlement for the shares that vested in July 2025.

6. Cash generated from operations

Rm	2026	2025
Profit before taxation	834	1 393
<i>Items disclosed separately:</i>		
Investment income	(4)	(6)
<i>Movement in working capital balances:</i>		
Payables and receivables	–	(4)
<i>Other non-cash movements</i>		
Dividends in specie	–	(71)
	830	1 312

7. Income tax expense

Rm	2026	2025
Charge in income statement	(1)	(2)
Net tax paid	(1)	(2)

8. Related party disclosure

List of related party relationships

Major shareholders

The owners of the company are detailed in Annexure A.

ARC AF (RF) Holdings Proprietary Limited (ARC), a 98.86% subsidiary of ARC Financial Services Investments Proprietary Limited, holds a 49.88% interest.

New Veld LLC, a 99% subsidiary of Prudential Financial Inc., holds a 34.39% interest.

Refer to note 37.1 in the group financial statements.

Subsidiaries

The company has a 100% interest in Alexander Forbes Acquisition Proprietary Limited.

Consolidated structured entities

The company consolidates certain structured entities due to having an exposure to variability in returns and the power to govern the activities that affect this exposure.

The consolidated structured entities in which the company has an interest are:

- Alexander Forbes Forfeitable Share Plan Trust; and
- Alexander Forbes Deferred Cash Incentive Scheme Trust

Key management personnel

Details of key management personnel are included in note 37.2 of the group financial statements.

8.1 Summary of related party transactions

Transactions between related parties comprise non-interest-bearing loans and are repayable on demand.

Transactions with subsidiaries

Rm	2026	2025
Loans to group companies		
Opening balance	7	35
<i>Cash movements</i>		
Movement in share-based payment reserve	(137)	(129)
Cash inflow from group companies ¹	(1)	(98)
<i>Non-cash movements</i>		
Advances to group companies ²	2	–
Share-based payment expense raised	92	128
Other expenses	52	–
Dividend in specie	–	71
Closing balance	15	7

Rm	2026	2025
Loans from group companies		
Opening balance	–	(10)
<i>Cash movements</i>		
Cash paid to group companies ²	–	10
Closing balance	–	–

¹ The cash received from and paid to group companies is in relation to transfers of excess cash, financial assistance and settlements between the company and subsidiaries to optimise cash flow and liquidity.

² Advances to group companies relate to expenses charged to subsidiaries.

Transactions between related parties comprise non-interest-bearing loans.

Annexure

Annexure A - shareholding information

Analysis of the shareholding at 31 March 2026

	2026	
	Analysis of shareholders	Number of shares as a % of total
Beneficial shareholders holding 5% or more of the company's listed ordinary share capital		
ARC AF (RF) Holdings Proprietary Limited (ARC)	648 257 718	49.88
New Veld LLC	446 847 621	34.39
	1 095 105 339	84.27
Investment management interests above 3% of the company's listed ordinary share capital		
Public Investment Corporation Limited	47 977 190	3.69
	47 977 190	3.69

Shareholding spread at 31 March 2026

Size of holding	Number of shareholders	% of total	Number of shares	% of total
1 - 1 000	24 285	95.20	997 368	0.08
1 001 - 10 000	785	3.08	2 744 542	0.21
10 001 - 100 000	295	1.16	10 091 389	0.78
100 001 - 1 000 000	108	0.42	30 678 319	2.36
1 000 001 +	36	0.14	1 254 996 754	96.57
	25 509	100	1 299 508 372	100

Shareholder type at 31 March 2026

	Shareholders and percentage of issued share capital		
	Number of shareholders	Number of shares	% of total
Public	25 495	172 955 882	13.31
Non-public	14	1 126 552 490	86.69
ARC Financial Services Investments Proprietary Limited	3	648 257 718	49.88
New Veld LLC	1	446 847 621	34.39
Alexander Forbes Share Schemes	2	26 423 913	2.03
Directors and prescribed officers	7	572 112	0.04
Alexander Forbes Community Trust	1	4 451 126	0.34
Total	25 509	1 299 508 372	100

Annual financial statements | Annexure A – shareholding information
Analysis of the shareholding at 31 March 2026

	2025	
	Analysis of shareholders	Number of shares as a % of total
Beneficial shareholders holding 5% or more of the company's listed ordinary share capital		
ARC Financial Services Investments Proprietary Limited (ARC)	590 576 662	45.83
New Veld LLC	446 847 621	34.68
	1 037 424 283	80.51
Investment management interests above 3% of the company's listed ordinary share capital		
Visio Capital Management Proprietary Limited	59 357 227	4.61
Public Investment Corporation Limited	58 051 955	4.51
	117 409 182	9.12

Shareholding spread at 31 March 2025

Size of holding	Number of shareholders	% of total	Number of shares	% of total
1 - 1 000	23 379	95.50	942 852	0.07
1 001 - 10 000	720	2.94	2 540 699	0.20
10 001 - 100 000	256	1.05	8 661 435	0.67
100 001 - 1 000 000	97	0.40	28 170 749	2.19
1 000 001 +	28	0.11	1 248 195 719	96.87
	24 480	100	1 288 511 454	100

Shareholder type at 31 March 2025

	Shareholders and percentage of issued share capital		
	Number of shareholders	Number of shares	% of total
Public	24 469	192 929 248	14.97
Non-public	11	1 095 582 206	85.03
ARC Financial Services Investments Proprietary Limited	1	590 576 662	45.83
New Veld LLC	1	446 847 621	34.68
Alexander Forbes Share Schemes ¹	2	53 322 190	4.14
Executive directors and prescribed officers	6	384 607	0.03
Alexander Forbes Community Trust	1	4 451 126	0.35
Total	24 480	1 288 511 454	100

¹ Includes shares in MSR.

Corporate information



Alexander Forbes Group Holdings Limited

Registration number: 2006/025226/06
 Tax reference number: 9404/921/15/8
 JSE share code: AFH
 ISIN: ZAE000191516
 (Incorporated in the Republic of South Africa)

Independent directors

Kuseni Dlamini (chair), Ndumi Ketwa, Andile Mazwai, Nosipho Molope, Robert Roux

Non-executive directors

Marinda Dippenaar, Gary Herbert, Amy Tedesco, Trurman Zuma

Executive directors

Dawie de Villiers (chief executive officer)
 Bruce Bydawell (chief financial officer)

Chief governance, risk and compliance officer (group company secretary)

Carina Wessels

Investor relations

Zakira Amra

Registered office

Alexforbes, 115 West Street, Sandown, 2196

Transfer secretaries

JSE Investor Services Proprietary Limited, One Exchange Square, 2 Gwen Lane, Sandown, Sandton, 2196
 PO Box 4844, Johannesburg, 2000

Sponsor

Rand Merchant Bank (a division of FirstRand Bank Limited)
 1 Merchant Place, corner of Fredman Drive and Rivonia Road, Sandton, 2196

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Forward-looking statements

This report contains certain unaudited forward-looking statements and targets. These, by their nature, involve risk and uncertainty as they relate to future events and may be influenced by factors outside the group's control. There are various factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. We cannot guarantee that any forward-looking statements will materialise and accordingly readers are cautioned not to place undue reliance on any forward-looking statements. Alexforbes disclaims any intention and assumes no responsibility or obligation to update or revise any forward-looking statements, even if new information becomes available as a result of future events or for any other reason, other than as is required by the JSE Listings Requirements.