



Alexander Forbes Group Holdings Limited

Notice of annual general meeting and financial results
for the year ended 31 March 2016

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the tenth annual general meeting of shareholders of the company will be held in the Table Mountain Board Room, 7th floor, Alexander Forbes, 115 West Street, Sandown, Johannesburg on Friday, 26 August 2016 at 08:30, to consider and, if deemed fit, to pass the following ordinary and special resolutions with or without modification:

Record dates

The record date in terms of section 59 of the Companies Act, 71 of 2008 (Companies Act) for shareholders recorded on the securities register of the company to receive this notice of annual general meeting (the notice record date) is Friday, 24 June 2016.

The record date for shareholders to be recorded as such on the shareholders' register of the company in order to be able to attend, participate in and vote at the annual general meeting (the voting record date) is Friday, 19 August 2016. Therefore, the last day to trade in the company's shares on the JSE Limited (JSE) in order to be recorded in the company's share register on the voting record date is Tuesday, 16 August 2016.

To present the audited annual financial statements, directors' report, audit committee report and social and ethics committee report

The audited annual financial statements of the company and its subsidiaries (the group) (AFS), directors' report, the audit committee report and the social and ethics committee report form part of the company's integrated annual report for the year ended 31 March 2016 (the integrated annual report) which can be viewed on the company's website at www.alexanderforbes.co.za. A shareholder who wishes to receive a printed copy of the integrated annual report should contact the company secretary. A copy of the complete integrated annual report will be available at the annual general meeting.

In terms of section 61(8)(a) and Regulation 43(5)(c) of the Companies Act, the company must present the audited financial statements, audit committee report, the directors' report and the social and ethics committee report at the annual general meeting. The directors' report and audit committee report are set out in the AFS. The social and ethics committee report is included in the full governance report that can be found in the online version of the integrated annual report.

Copies of the annual financial statements for the preceding financial year are available on the company's website at www.alexanderforbes.co.za or on request from the company secretary.

Ordinary resolutions numbered 1.1 to 1.4 – Re-election of directors

To re-elect, by way of separate resolutions, the following directors of the company:

Ordinary resolution 1.1 – Dr D Konar (independent non-executive director)

"Resolved that Dr D Konar be and is hereby elected a director of the company."

Ordinary resolution 1.2 – Mr DJ Anderson (non-executive director)

"Resolved that Mr DJ Anderson be and is hereby elected a director of the company."

Ordinary resolution 1.3 – Mr MS Moloko (chairman)

"Resolved that Mr MS Moloko be and is hereby elected a director of the company."

Ordinary resolution 1.4 – Ms BJ Memela (independent director)

"Resolved that Ms BJ Memela be and is hereby elected a director of the company."

Dr D Konar, Mr DJ Anderson and Mr MS Moloko retire by rotation at the annual general meeting in terms of clause 7.1.6 of the company's memorandum of incorporation. The retiring directors are eligible and offer themselves for re-election.

Ms BJ Memela was appointed by the board during the year and, in terms of clause 7.2.2.1 of the company's memorandum of incorporation, she is required to retire at the annual general meeting and, being eligible, stands for re-election.

The biographies of Dr D Konar, Mr DJ Anderson, Mr MS Moloko and Ms BJ Memela appear at the end of this notice.

The nominations committee and board recommend the candidates for favourable consideration by members at the annual general meeting.

Resolution approval threshold

Each of ordinary resolutions 1.1 to 1.4 will be considered by way of a separate vote and, for these resolutions to be approved by shareholders, they must be supported by at least 50% of the voting rights plus one vote to be cast on each resolution.

NOTICE OF ANNUAL GENERAL MEETING (continued)

Ordinary resolutions numbered 2.1 to 2.3 – Appointment of audit committee members

To elect, by way of separate resolutions, the following Independent non-executive directors, as members of the audit committee of the company:

Ordinary resolution 2.1 – Dr D Konar (chairman)

“Resolved that Dr D Konar be and is hereby elected as a member and chairman of the audit committee of the company, subject to his re-election as a director in resolution 1.1 above.”

Ordinary resolution 2.2 – Mr RM Kgosana

“Resolved that Mr RM Kgosana be and is hereby elected as a member of the audit committee of the company.”

Ordinary resolution 2.3 – Mr MD Collier

“Resolved that Mr MD Collier be and is hereby elected as a member of the audit committee of the company.”

Biographies of Dr D Konar, Mr MD Collier and Mr RM Kgosana appear at the end of this notice.

Resolution approval threshold

Each of ordinary resolutions 2.1 to 2.3 will be considered by way of a separate vote and, for these resolutions to be approved by shareholders, they must be supported by at least 50% of the voting rights plus one vote to be cast on each resolution.

Ordinary resolution number 3 – appointment of auditors

“Resolved that PricewaterhouseCoopers Inc. is hereby reappointed as the auditor of the company for the ensuing financial year until the date of the next annual general meeting.”

The audit committee of the company recommends that PricewaterhouseCoopers Inc. be reappointed as external auditors for the ensuing year.

Resolution approval threshold

For ordinary resolution number 3 above to be approved by shareholders, it must be supported by at least 50% of the voting rights plus one vote to be cast on the resolution.

Ordinary resolution number 4 – endorsement of remuneration policy

For shareholders to endorse, through a non-binding advisory vote, the company's remuneration policy, which is included in the remuneration report in the integrated annual report.

Non-binding advisory vote

“Resolved that the remuneration policy of the company, as set out in the remuneration report in the integrated annual report, be and is hereby endorsed through a non-binding advisory vote as recommended in terms of the King Code on Governance for South Africa 2009.”

Resolution approval threshold

As this is not a matter that is required to be resolved or approved by shareholders, no minimum voting threshold is required. Nevertheless, for record purposes, the minimum percentage of voting rights that is required in favour of this non-binding advisory vote is 50% of the voting rights plus one vote cast.

Special resolution number 1 – non-executive directors' fees

“Resolved that the maximum annual fees payable to non-executive directors, in their capacity as directors, be as reflected below with immediate effect until the next annual general meeting of the company.”

The remuneration committee draws shareholders' attention to the fact that all proposed fees reflect a 0% increase over the prior year and are aligned with the increase approach applied to senior management for the current period.

NOTICE OF ANNUAL GENERAL MEETING (continued)

Independent and non-executive fees

1.1 Independent and non-executive

	Main board	Subsidiary boards	Audit committee group	Audit committee subsidiary	Remco and Nomco	Social, ethics and trans-formation committee	Other board (incl. ad hoc) sub-committees
Chairman	–	274 110	479 686	274 110	205 576	102 797	205 576
Member	479 686	137 054	205 576	137 054	102 797	54 827	102 797

1.2 AFH board chairman: R1 773 450

The chairman's fee is a fixed amount in respect of all his directorships, committee memberships and meeting attendances for all structures in the group.

Reason for and effect of special resolution number 1

The reason for, and effect of, special resolution number 1 referred to above, is to approve the annual remuneration of the non-executive directors so as to pay them for their services as directors only. The fees reflected above amount to a 0% increase on the previous year.

Resolution approval threshold

For special resolution number 1 to be approved by shareholders it must be supported by at least 75% (seventy-five per cent) of the voting rights cast on the resolution.

Special resolution number 2 – section 45 intergroup loans

To resolve that the company be authorised to provide direct or indirect financial assistance as contemplated in section 45 of the Companies Act.

“Resolved that in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, the board of the company may from time to time authorise the company to provide any direct or indirect financial assistance, as defined in section 45(1) of the Companies Act, to any related or inter-related company or corporation as contemplated in section 45(2) of the Companies Act, for such amounts and on such terms and conditions as the board of the company may determine, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the company.”

Reasons for and effect of special resolution number 2

The reasons for special resolution number 2 are that the company is a listed holding company

with a number of subsidiary companies which together comprise the Alexander Forbes group of companies. Alexander Forbes Group Holdings Limited's operations are conducted by subsidiaries in its group and not by the company itself. From time to time, Alexander Forbes may be required to provide financial assistance to its subsidiary companies including related and inter-related companies in the form of operational loan funding, credit guarantees and general financial assistance as contemplated in section 45 of the Companies Act. In terms of the Companies Act, companies are required to obtain the approval of their shareholders by way of special resolution in order to provide financial assistance to subsidiaries and the company therefore seeks approval that the board of the company be authorised to provide financial assistance to any related or inter-related company as contemplated in section 45(2) of the Companies Act. This means that the Company may grant loans and/or guarantee debts of its subsidiaries in the normal course of business in accordance with its memorandum of incorporation and the provisions of the Companies Act. This authority would be granted until the next annual general meeting.

Compliance with section 45(3)(b) of the Companies Act

The directors undertake that, in accordance with section 45(3)(b) of the Companies Act, the board will not adopt a resolution to authorise such financial assistance, unless the board is satisfied that (i) immediately after providing such financial assistance, the company will satisfy the solvency and liquidity test as referred to in section 4(1) of the Companies Act, and that (ii) the terms under which such financial assistance is to be given are fair and reasonable to the company as referred to in section 45(3)(b)(ii) of the Companies Act.

Resolution approval threshold

For special resolution number 2 above to be approved by shareholders, it must be supported

NOTICE OF ANNUAL GENERAL MEETING (continued)

by at least 75% of the voting rights cast on the resolution.

Ordinary resolution number 5 – authorisation of directors

“Resolved that any director of the company or the company secretary be and is hereby authorised to sign all such documentation and to do all such things as may be necessary for or incidental to the implementation of ordinary resolutions numbered 1 to 4 and special resolutions numbered 1 and 2 as are adopted by the shareholders.”

Resolution approval threshold

For ordinary resolution number 5 above to be approved by shareholders, it must be supported by at least 50% of the voting rights plus one vote cast on the resolution.

Report of the social and ethics committee

The social and ethics committee report, which is included in the full governance report that can be found in the online version of the integrated annual report, will be tabled and reviewed pursuant to Regulation 43(5)(c) of the Companies Regulations, 2011.

Voting and proxies

Shareholders are advised that, in terms of section 63(1) of the Companies Act, 71 of 2008, before any person may attend or participate in a shareholders' meeting, that person must present reasonably satisfactory identification. Such forms of identification include valid identity documents, driver's licences and passports.

Shareholders registered as such on Friday, 19 August 2016 (voting record date) will be entitled to attend and vote at this annual general meeting. Accordingly, the last date to trade in order to be able to participate and vote at the annual general meeting is Tuesday, 16 August 2016. The record date for shareholders to be entitled to receive notice of this meeting is Friday, 24 June 2016. Each shareholder entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies (none of whom need be a shareholder of the company) to attend, speak and, on a poll, to vote in the shareholder's stead.

On a show of hands, every holder of ordinary shares in the case of ordinary resolutions

numbered 1 to 5 and special resolutions numbered 1 and 2, who is present in person or represented by proxy, or, in the case of a company, the representative appointed in terms of section 63 of the Companies Act, shall have one vote. On a poll, the holders of ordinary shares present in person or represented by proxy will each be entitled to one vote for every share held.

The form of proxy for the annual general meeting, which sets out the relevant instructions for its completion, is attached hereto for the convenience of any certificated shareholder and “own name” registered dematerialised shareholder who cannot attend the annual general meeting but who wishes to be represented thereat. Additional forms may be obtained on request from the transfer secretaries of the company or from the company's registered office.

Shareholders who have dematerialised their shares through a central securities depository participant (CSDP) or broker, other than “own name” registered dematerialised shareholders, who wish to attend the annual general meeting, must request their CSDP or broker to issue them with a letter of representation, or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement/mandate entered into between them and the CSDP or broker.

In order to be effective, duly completed forms of proxy must be received at the office of the transfer secretaries of the company, whose details appear below, by not later than 08:30 on Wednesday, 24 August 2016. Any forms of proxy not lodged by this time must be handed to the chairman of the annual general meeting immediately prior to the annual general meeting.

Please note that a proxy may delegate his/her authority to act on a shareholder's behalf to another person, subject to the restrictions set out in the attached form of proxy as stipulated in section 58(3)(b) of the Companies Act.

Unless revoked before then, a signed proxy form shall remain valid at any adjournment or postponement of the annual general meeting and the proxy so appointed shall be entitled to vote, as indicated on the proxy form, on any resolution (including any resolution which is amended).

CSDPs, brokers or their nominees, as the case may be, recorded in the company's subregister as

NOTICE OF ANNUAL GENERAL MEETING (continued)

holders of dematerialised shares held on behalf of an investor/beneficial owner in terms of Strate, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares in the company, may vote by either appointing a duly authorised representative to attend and vote at the annual general meeting or by completing the attached form of proxy in accordance with the instructions thereon, returning it to the company's transfer secretaries by not later than 08:30 on Wednesday, 24 August 2016, provided that, should a CSDP, broker or their nominee return such form of proxy to the company's transfer secretaries less than 48 hours before the annual general meeting, they will also be required to furnish a copy of such form of proxy to the chairman of the annual general meeting or his nominee before the appointed proxy exercises any shareholder rights at the annual general meeting (or any postponement or adjournment of the annual general meeting).

Electronic participation

Shareholders wishing to participate electronically at the annual general meeting are required to deliver written notice to the company secretary, with a copy to the transfer secretaries, at the applicable addresses as set out in this notice, by no later than 08:30 on Wednesday, 24 August 2016, stating that they wish to participate via electronic communication at the annual general meeting (the electronic notice). Any reference to "shareholder" in this paragraph includes a reference to that shareholder's proxy.

Note that shareholders will merely be able to participate, but not vote, via electronic communication. In order for the electronic notice to be valid it must contain:

- (a) if the shareholder is an individual, a certified copy of his/her identity document and/or passport;
- (b) if the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution and the relevant resolution must set out who from the relevant entity is authorised to represent the relevant entity at the annual general meeting via electronic communication;

- (c) in the case of (a) and (b) above the shareholder should indicate that their shareholding has been voted and the manner in which it has been cast, so as to provide the company with comfort that they have understood that their participation is not in order to vote; and
- (d) a valid e-mail address and telephone number of the participant.

By no later than 48 hours prior to the time of the annual general meeting, the company shall use its reasonable endeavours to communicate with each shareholder who has delivered a valid electronic notice, by notifying such shareholder at its contact address and/or number of the relevant details through which the shareholder can participate via electronic communication.

The company reserves the right not to provide for electronic participation at the annual general meeting in the event that it proves not practical to do so. The costs of accessing any means of electronic participation provided by the company will be borne by the company so accessing the electronic participation.

By order of the board



JE Salvado
Company secretary

24 June 2016

Registered Office

Alexander Forbes
115 West Street
Sandown
Sandton

Transfer secretaries

Computershare Investor Services
Proprietary Limited
Ground Floor, 70 Marshall Street,
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

BIOGRAPHIES OF DIRECTORS AND AUDIT COMMITTEE MEMBERS REFERENCED IN ORDINARY RESOLUTIONS NUMBERED 1 AND 2

Deenadayalen Konar

Appointed: 1 February 2008

Qualifications: BCom, PG Dip in Acc, CA(SA), MAS (Illinois, USA), Cert in Tax Law, D.Com, CRMA

Committee responsibilities: Chairman of the audit committee

Dr Konar is a chartered accountant and was previously executive director of the Independent Development Trust where he was, amongst other activities, responsible for internal audit and the investments portfolios. Prior to that, he was professor and head of the department of accountancy at the University of Durban-Westville. He also lectured to graduate students at various South African universities.

He is member of the King Committee on Corporate Governance, the Corporate Governance Forum, the SA Institute of Directors and the USA National Association of Corporate Directors (NACD).

Dr Konar is also an independent non-executive director of Sappi, Lonmin plc, Steinhoff International Holdings, and chairman of EXXARO Resources. He is the past chair of the Ministerial Panel for the Review of Accountants and Auditors in South Africa, leading to the publication of the Auditing Profession Act, 2005, part co-chair of the Independent Oversight Panel of the World Bank (2009 – 2010) and the past chairman and member of the external audit committee of the International Monetary Fund in Washington (2004 – 2007), as well as a member of the 2010 Safeguards Panel of the IMF, and a past ad hoc panel member of the Ethics Panel of the United Nations Ethics Committee.

David John Anderson

Appointed: 10 October 2014

Qualifications: Dip All, Dip SM, FASFA, FAIM, ANZIIF (fellow) CIP, AAMI CPM, MAICD

Committee responsibilities: Member of the social, ethics and transformation committee; member of the group capital oversight committee

Mr Anderson is a senior partner and president of Mercer's Growth Markets Region with responsibility for colleagues and operations in 35 cities and 23 countries delivering services to clients and customers in 81 countries across Asia, the Middle East, Turkey, Africa and Latin America.

Mr Anderson has qualifications in marketing, insurance, superannuation, management and more than 25 years' experience working in the financial services industry in Australia, New Zealand, the South Pacific, Asia and recently Africa, the Middle East and Latin America.

He is a certified insurance professional, a certified practising marketer and a member of the Australian Institute of Company Directors. He is a Fellow of each of the Association of Superannuation Funds of Australia, the Australian Institute of Management, the Australian and New Zealand Institute of Insurance and Finance and an associate of the Australian Marketing Institute.

Mr Anderson's career experience includes advising national and multinational companies and foreign governments on investment and retirement savings matters and leading professional teams and businesses in life insurance and financial services.

Matthews Sello Moloko

Appointed: 3 December 2007

Qualifications: BSc (Hons), PGCE, AMP (Wharton)

Committee responsibilities: Chairman of the social, ethics and transformation committee; member of the remuneration committee

Mr Moloko is the executive chairman, founder and a shareholder of Thesele Group, a diversified investment holding company.

Mr Moloko began his career in the employee benefits industry in 1989. He later joined the investment management industry as an analyst at Brait Asset Managers and became Deputy CEO in April 1997. In 1999 he joined Old Mutual Asset Managers (OMAM) as a senior portfolio manager, and subsequently became executive director in charge of OMAM's portfolio management and risk management activities in 2001. In 2003, he took over the reigns as CEO of OMAM, a post he left

BIOGRAPHIES OF DIRECTORS AND AUDIT COMMITTEE MEMBERS REFERENCED IN ORDINARY RESOLUTIONS NUMBERED 1 AND 2 (continued)

at the end of 2004 to pursue his own business interests. During his tenure at Old Mutual, he served on various boards of the Old Mutual companies both locally and globally.

He holds a BSc Honours degree in Mathematics and a Post Graduate Certificate in Education from the University of Leicester. He also completed the Advanced Management Program (AMP) at The Wharton School at the University of Pennsylvania. He serves on the Nelson Mandela Foundation where he chairs the investment committee and serves on several other boards as an independent non-executive director including Stor-Age Property REIT Limited. Sello has received recognition for his achievements in financial services from the Black Business Executive Circle and Association of Black Securities & Investment Professionals (ABSIP).

Busisiwe Jacqueline “Totsie” Memela-Khambula

Appointed: 1 July 2015

Qualifications: BA (Social Science), Masters in Public Administration

Committee responsibilities: Member of the social, ethics and transformation committee; member of the remuneration and nominations committees

Ms Memela is a development activist and passionate mentor of young leaders and was appointed group CEO of WDB Trust in January 2016. WDB Trust is a public benefit organisation which mobilises resources to promote its premier women’s development programme. Ms Memela previously served as CEO at Eduloan, an organisation focusing on enabling access to the gap market for financial solutions for over five years.

Ms Memela is also the non-executive chairman of Memela Pratt and Associates and member of council at the University of Johannesburg.

She previously served in a range of community organisations, some of which include: International Partnerships for Microbicides (IPM) as a director; vice chairperson for the World University Services (Zimbabwe) – a bursary funding organisation for refugees; commissioner at the Strauss Commission

– a Presidential Commission of Inquiry into rural financial services; committee member for the Standing Committee for the Revision of the Bank Act; and task team member of the Rural Finance Programmes under the Department of Agriculture.

Ms Memela joined Nedcor in 1993 as community liaison manager and became branch manager in 1994. She was appointed regional manager at People’s Bank (within the Nedcor Group). In 1998 she served as executive director: operations at the Land and Agricultural Bank of South Africa (Landbank), where she also served as managing director (MD) for 18 months. She joined the First Rand Group in September 2001 where she served as an executive in Special Projects and later as CEO: Customer Service FNB Home Loans.

She was MD of the Post Bank from 2006 to 2010 and became CEO of Eduloan in October 2010 where she fulfilled her passion for providing access to education finance solutions, and improving the lives of the urban and rural poor. She holds a BA degree in Social Science from the University of Swaziland and a Master’s degree in Public Administration from the University of Zimbabwe. She has completed a range of executive training programmes at Wits Business School, the University of Johannesburg, the Graduate School of Management and Urban Policy in New York and Wits/Harvard Business Schools.

Mark Derrick Collier

Appointed: 1 August 2011

Qualifications: HND/BA Business Studies, Dip M, M Inst

Committee responsibilities: Lead independent director; chairman of the remuneration and nominations committees; member of the audit committee

Mark Collier is a business leader with an extensive international track record in developing and building winning financial services businesses as a corporate executive, non-executive director, senior adviser and as an entrepreneur.

Mark’s global career covers a wide range of geographies and has covered a wide range

BIOGRAPHIES OF DIRECTORS AND AUDIT COMMITTEE MEMBERS REFERENCED IN ORDINARY RESOLUTIONS NUMBERED 1 AND 2 (continued)

of financial services areas including fund management, wealth management, retail and institutional securities trading, pensions, private capital and retail banking, holding a range of senior management positions in leading global companies.

In Europe during the 1990s at Fidelity International he was a board director of Fidelity Investments Services Limited and chief executive of Fidelity Portfolio Services Limited. In the USA at Fidelity Investments he was president of Fidelity Investments Advisor Group before joining Charles Schwab & Co. Inc. As a senior vice president at Schwab he held a number of senior posts both in the USA and internationally sitting on the boards of all its international businesses as well as being managing director of Schwab International Inc. and president, Charles Schwab Europe.

Today Mark is a non-executive director with companies in Africa and holds advisory board positions with companies in Brazil and Asia. He is also a senior adviser to a leading emerging markets private equity firm and as an entrepreneur is a founder of an early stage financial technology start-up based in London and Asia.

Rabojjane Moses Kgosana

Appointed: 21 April 2015

Qualifications: BCompt, BCompt (Hons), CA(SA)

Committee responsibilities: Member of the audit committee, the group capital oversight committee and the social, ethics & transformation committee

Mr Rabojjane Moses Kgosana serves as executive chairman of Peduco Properties Investments Proprietary Limited. Mr Kgosana has over 34 years of experience in internal and external audit,

financial management and administration, as well as business and management consultancy. He has extensive industry credentials based on experience in various industries, including financial institutions, industrial, telecommunications, mining, technology and consumer markets.

Prior to 2015, Mr Kgosana served as the chief executive and senior partner of KPMG Southern Africa. He served as the chairman of the Policy Board and executive director of Consumer Markets for KPMG South Africa. Prior to retiring from KPMG in 2015, Mr Kgosana served as the chairman of KPMG Africa and as a member of the KPMG International board as lead director. He has been an independent director of Alexander Forbes Group Holdings Limited since 21 April 2015 and an independent non-executive director at Famous Brands Limited, since 22 May 2015. Since 1 September 2015 he has been a non-executive director of Massmart Holdings Limited as well as an independent non-executive director of Imperial Holdings Limited. He was appointed non-executive director, Transaction Capital Limited in March 2016.

Mr Kgosana was a founding member of KMMT Chartered Accountants, which merged with KPMG in 2002 and served as a member of KPMG Global Board & Council and KPMG Europe Middle East Africa (EMA) Board.

He was the president of the Association for the Advancement of Black Accountants of Southern Africa, the chairman of the Accounting Practices Board, a member of The Board of the South African Institute of Chartered Accountants and a member of the Standards Advisory Council of the International Accounting Standards Board. He is a chartered accountant (SA) by profession.

Alexander Forbes Group Holdings Limited
("the Company")
(Incorporated in the Republic of South Africa)
Registration No. 2006/025226/06

For use by the ordinary shareholders in respect of the annual general meeting of shareholders of the company, to be held in the Table Mountain Board Room, 7th Floor, Alexander Forbes, 115 West Street, Sandown, Johannesburg on Friday, 26 August 2016 at 08:30.

Each shareholder is entitled to appoint one or more proxies (none of whom needs to be a shareholder of the company) to attend, speak and, on a poll, vote in place of that shareholder at the annual general meeting.

I/We _____

of (address) _____

being the holder/holders of _____ ordinary shares in the share capital of the company, do hereby appoint (see note 1):

1. _____ or failing him/her,
2. _____ or failing him/her,
3. the chairman of the special general meeting,

as my/our proxy to vote for me/us on my/our behalf at the annual general meeting which will be held at 08:30 on Friday, 26 August 2016 for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat, at each adjournment thereof and to vote on the resolutions in respect of the ordinary shares registered in my/our name/s in accordance with the following instructions (see note 2):

	Number of votes (one vote per share)		
	In favour	Against	Abstain
Ordinary resolutions numbered 1.1 to 1.4 – Re-election of directors			
1.1 Dr D Konar			
1.2 Mr DJ Anderson			
1.3 Mr MS Moloko			
1.4 Ms BJ Memela			
Ordinary resolutions numbered 2.1 to 2.3 – Appointment of audit committee members			
2.1 Dr D Konar			
2.2 Mr MD Collier			
2.3 Mr RM Kgosana			
Ordinary resolution number 3 – Reappointment of auditors			
Ordinary resolution number 4 – Endorsement of remuneration policy			
Special resolution number 1 – Non-executive directors' fees			
Special resolution number 2 – Section 45 intergroup loans			
Ordinary resolution number 5 – Authorisation of directors			

Signed at _____ on _____ 2016.

Signature _____

Assisted by me (where applicable) _____

Please read the notes on the reverse side.

NOTES

Instructions on signing and lodging the annual general meeting proxy form

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting "the chairman of the annual general meeting", but any such deletion must be initialled by the shareholder. The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of ordinary shares than you own in the company, insert the number of ordinary shares in respect of which you desire to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all shareholder's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or by the proxy, but the total of votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by the proxy.
3. Forms of proxy must be received at the office of the company secretary or the transfer secretaries by not later than 08:30 on Wednesday, 24 August 2016.
4. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company or waived by the chairman of the annual general meeting.
6. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
7. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of the company.
8. The chairman of the annual general meeting may reject or accept a form of proxy which is completed and/or received other than in accordance with these notes if he is satisfied as to the manner in which the shareholder wishes to vote.



Alexander Forbes Group Holdings Limited

Abridged annual financial statements
for the year ended 31 March 2016

SUMMARY CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2016

Rm	Notes	2016	2015
Continuing operations			
Fee and commission income	3	5 839	5 268
Net income from insurance operations	4	540	498
Direct expenses attributable to fee and commission income		(1 003)	(915)
Operating income net of direct expenses		5 376	4 851
Operating expenses		(4 166)	(3 714)
Profit from operations before non-trading and capital items		1 210	1 137
Non-trading and capital items	5	(137)	(355)
Operating profit		1 073	782
Investment income	6	294	226
Finance costs	7	(71)	(119)
Reported profit/(loss) arising from accounting for policyholder investments in treasury shares	13	59	(26)
Share of profit of associates (net of income tax)		4	3
Profit before taxation		1 359	866
Income tax expense	8	(468)	(361)
Profit for the year from continuing operations		891	505
Discontinued operations			
Loss on discontinued operations (net of income tax)	9	(17)	(145)
Profit for the year		874	360
<i>Attributable to:</i>			
Equity holders		729	253
Non-controlling interest holders		145	107
		874	360
Basic earnings per share (cents)	10	56.9	20.5
Headline earnings per share (cents)	10	58.1	31.9
Diluted earnings per share (cents)	10	56.4	20.2
Weighted average number of shares in issue (millions)	10	1 282	1 237

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2016

Rm	2016	2015
Profit for the year	874	360
Foreign currency translation differences of foreign operations	198	26
Foreign currency translation reserve of disposed operations recycled to profit or loss	2	–
Release of available-for-sale reserves	(5)	–
Other comprehensive income for the year (net of income tax) that will be reclassified to profit or loss	195	26
Remeasurement of post-employment benefit obligations	–	(4)
Other comprehensive loss for the year (net of income tax) that will not be reclassified to profit or loss	–	(4)
Total comprehensive income for the year	1 069	382
<i>Total comprehensive income attributable to:</i>		
Equity holders	903	272
Non-controlling interest holders	166	110
Total comprehensive income for the year	1 069	382

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2016

Rm	Notes	2016	2015
ASSETS			
Financial assets held under multi-manager investment contracts	13	276 258	262 004
Financial assets of insurance and cell-captive contracts		253	358
Property and equipment		355	331
Purchased and developed computer software		139	84
Goodwill		3 995	3 899
Intangible assets		681	764
Investment in associates		8	9
Deferred tax assets		157	149
Financial assets		489	419
Insurance receivables		981	820
Trade and other receivables		933	782
Cash and cash equivalents		4 877	4 350
Assets of disposal groups classified as held for sale	9	131	178
Total assets		289 257	274 147
EQUITY AND LIABILITIES			
Equity holders' funds		5 901	5 350
Non-controlling interest		255	190
Total equity		6 156	5 540
Financial liabilities held under multi-manager investment contracts	13	276 382	262 172
Liabilities of insurance and cell-captive contracts		253	358
Borrowings		705	1 000
Employee benefits		166	177
Deferred tax liabilities		322	323
Provisions		352	317
Finance lease liability		80	86
Operating lease liability		266	207
Deferred income		34	25
Insurance payables		2 878	2 536
Trade and other payables		1 620	1 334
Liabilities of disposal groups classified as held for sale	9	43	72
Total liabilities		283 101	268 607
Total equity and liabilities		289 257	274 147
Total equity per above		6 156	5 540
Weighted average number of ordinary shares in issue (millions)		1 282	1 237
Net asset value per ordinary share (cents)		480	448

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2016

Rm	2016	2015
Cash flows from operating activities		
Cash generated from operations	1 313	1 043
Net interest received/(paid)	22	(15)
Taxation paid*	(500)	(524)
Dividends paid	(352)	–
Operating cash flows from continuing operations	483	504
Net cash flows received from insurance and policyholder contracts	568	274
Net cash flows received from/(paid to) policyholder investment contracts	5 561	(2 901)
Cash flows from operating activities – discontinued operations	(9)	3
Net cash inflow/(outflow) from operating activities	6 603	(2 120)
Cash flows from investing activities		
Net cash (outflows)/inflows on financial assets	(54)	29
Payments for capital expenditure (net of proceeds on disposal)	(182)	(109)
Dividends received from associate	5	–
Cash flows from investing activities – discontinued operations	(2)	(2)
Net cash outflow from investing activities	(233)	(82)
Cash flows from financing activities		
Proceeds from the issue of shares	–	316
Payments for the redemption of B preference shares	–	(178)
Payments for purchase of treasury shares	–	(24)
Repayment of borrowings	(299)	(250)
Payments to non-controlling interests	(101)	(130)
Net cash outflow from financing activities	(400)	(266)
Net increase/(decrease) in cash and cash equivalents	5 970	(2 468)
Cash and cash equivalents at the beginning of the year	9 674	12 129
Foreign subsidiaries' translation adjustment	104	13
Cash and cash equivalents at the end of the year	15 748	9 674
<i>Analysed as follows:</i>		
Cash and cash equivalents of continuing operations	4 877	4 350
Cash held under multi-manager investment and insurance contracts	10 820	5 297
Cash held under cell-captive insurance contracts	38	–
Cash and cash equivalents of disposal groups held for sale	13	27
	15 748	9 674

* Taxation paid includes tax paid on behalf of policyholders.

SUMMARY GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2016

Rm	Share capital	Treasury shares	Other reserves	Accumulated loss	Total equity holders' funds	Non-controlling interest	Total equity
At 31 March 2014	5 819	(405)	102	(889)	4 627	210	4 837
Total comprehensive income	–	–	23	249	272	110	382
Profit for the year	–	–	–	253	253	107	360
Other comprehensive income	–	–	23	(4)	19	3	22
Issue of shares	373	–	–	–	373	–	373
Movement in treasury shares	–	239	–	–	239	35	274
Movement in share-based payment reserve	–	–	17	–	17	–	17
Redemption of B preference shares	–	–	(178)	–	(178)	–	(178)
Other movements in non-controlling interest*	–	–	–	–	–	(165)	(165)
At 31 March 2015	6 192	(166)	(36)	(640)	5 350	190	5 540
Total comprehensive income	–	–	174	729	903	166	1 069
Profit for the year	–	–	–	729	729	145	874
Other comprehensive income	–	–	174	–	174	21	195
Movement of treasury shares	–	(15)	–	–	(15)	–	(15)
Issue of shares**	–	–	–	–	–	–	–
Dividends paid	–	–	–	(352)	(352)	–	(352)
Movement in share-based payment reserve	–	–	19	–	19	–	19
Other movements in non-controlling interest*	–	–	–	(4)	(4)	(101)	(105)
At 31 March 2016	6 192	(181)	157	(267)	5 901	255	6 156

* These amounts include distributions made to non-controlling interest holders as well as changes to acquisitions and disposals of equity held by non-controlling interest holders. The movement in accumulated loss during the current year relates to the disposal of 20% of the direct shareholding in Alexander Forbes Financial Services (East Africa) Proprietary Limited.

** During the year the company issued 39 million shares to the Employee Share Option Plan for 1 cent per share.

GROUP SEGMENTAL INCOME AND PROFIT ANALYSIS

For the year ended 31 March 2016

Rm	Operating income net of direct expenses			Profit from operations before non-trading and capital items		
	2016	%	2015	2016	%	2015
Africa						
SA Financial Services	1 934	4	1 852	399	3	386
Investment Solutions	759	(6)	806	358	(12)	407
AF Insurance	451	11	407	123	17	105
AfriNet (Africa excluding South Africa)	346	19	291	74	23	60
Accounting for the property lease	–		–	(30)	(25)	(40)
Total Africa continuing operations (Rm)	3 490	4	3 356	924	1	918
International Financial Services (GBPm)	90.6	8	84.2	13.7	11	12.3
International Financial Services (Rm)	1 886	26	1 495	286	31	219
Total group continuing operations	5 376	11	4 851	1 210	6	1 137

During the year the group reorganised the operational key decision makers into newly formed clusters aligned with the group's strategy. The above segmental view reflects the reporting segments consistent with the prior year. The reporting segments aligned to the new clusters are presented in the directors report. From 1 April 2016 the group will provide segmental reporting on the new cluster segments only.

Rm	Depreciation and amortisation			Assets		
	2016	%	2015	2016	%	2015
Africa						
SA Financial Services	16		13	75 768		69 655
Investment Solutions	9		4	276 357		262 269
AF Insurance	4		4	749		618
AfriNet	5		3	4 331		3 962
Total Africa (Rm)	34	42	24	357 205	6	336 504
International Financial Services (GBPm)	1.0		0.9	77.6		75.1
International Financial Services (Rm)	20	25	16	1 646	22	1 343
Unallocated						
Corporate Services	56		46	924		1 038
Discontinued operations	11		1	145		178
Goodwill	–		–	3 995		3 899
Consolidation elimination*	–		–	(74 658)		(68 815)
Total group	121	39	87	289 257	6	274 147

* This amount relates mainly to assets invested by group companies with Investment Solutions.

SUMMARY NOTES

For the year ended 31 March 2016

1. Basis of preparation

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. The accounting policies applied in the preparation of the consolidated annual financial statements from which the summary consolidated financial statements have been derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

This summarised report is extracted from audited information, but is not itself audited. The annual financial statements were audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The audit report does not necessarily report on all of the information contained in this report. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the information that has been audited, they should obtain a copy of the auditor's report together with the accompanying audited consolidated annual financial statements, both of which are available for inspection at the company's registered office.

These summary consolidated financial statements were compiled under the supervision of Deon Viljoen, CA(SA), the group chief financial officer. The directors take full responsibility for the preparation of this report and that the financial information has been correctly extracted from the underlying annual financial statements.

	2016	2015
2. Exchange rates		
The income statements and statement of financial position of foreign subsidiaries have been translated to rands as follows:		
Weighted average R:GBP rate	20.8	17.8
Closing R:GBP rate	21.2	17.9
3. Fee and commission income		
Brokerage fees and commission income	43	26
Fee income from consulting and administration services	4 042	3 525
Revenue from investment management activities	1 713	1 670
Other income	41	47
Fee and commission income	5 839	5 268

SUMMARY NOTES (continued)

For the year ended 31 March 2016

Rm	2016	2015
4. Net income from insurance operations		
Insurance premiums earned	2 123	1 909
Less: amounts ceded to reinsurers	(1 258)	(1 114)
Investment income from insurance operations	32	11
Less: insurance claims and withdrawals	(1 507)	(1 326)
Plus: insurance claims and benefits covered through reinsurance contracts	1 150	1 018
Net income from insurance operations	540	498
5. Non-trading and capital items		
<i>Non-trading:</i>		
Professional indemnity insurance cell-captive result	(9)	(23)
Amortisation of intangible assets arising from business combination	(124)	(131)
Corporate transaction, listing and historic incentive costs	–	(207)
Other non-trading items	(4)	6
Total non-trading and capital items	(137)	(355)
6. Investment income		
<i>General operations</i>		
Interest income	77	89
Investment and dividend income	23	31
Foreign exchange (losses)/gains on intergroup loans	(3)	3
	97	123
<i>Multi-manager operations</i>		
Investment income linked to policyholder tax expense	197	103
Total investment income	294	226
7. Finance costs		
<i>Finance costs derived from financial liabilities classified and carried at amortised costs:</i>		
Interest on borrowings	(57)	(102)
Other interest costs	(14)	(17)
Total finance costs	(71)	(119)

SUMMARY NOTES (continued)

For the year ended 31 March 2016

Rm	2016	2015
8. Income tax expense		
South African income tax		
Current tax	(248)	(280)
Current year	(248)	(266)
Prior year	–	(14)
Deferred tax	39	77
Current year	32	71
Prior year	7	6
Foreign income tax		
Current tax	(52)	(48)
Current year	(54)	(45)
Prior year	2	(3)
Deferred tax	(4)	(2)
Current year	(4)	(1)
Prior year	–	(5)
Change in rate	–	4
Foreign withholding tax	(6)	(5)
Tax attributable to policyholders	(197)	(103)
Current tax – current year	(176)	(139)
Deferred tax – current year	(21)	36
Total tax expense	(468)	(361)

SUMMARY NOTES (continued)

For the year ended 31 March 2016

9. Discontinued operations

In line with the requirements of IFRS 5, businesses that have been disposed or are considered discontinued are disclosed separately with comparative information for the consolidated income statement being restated. Assets and liabilities held at the end of the year in respect of discontinued, where the disposal process is ongoing, have been reclassified as assets and liabilities of disposal groups held for sale.

Rm	2016	2015
Assets and liabilities of disposal group classified as held for sale		
Long-term assets	3	24
Deferred tax asset	–	6
Financial assets	–	1
Trade and other receivables	8	21
Other current assets	107	99
Cash and cash equivalents	13	27
Total assets	131	178
Deferred tax liability	30	29
Provisions	6	18
Trade and other payables	7	25
Total liabilities	43	72
Summary income statement from discontinued operations		
Operating income	118	103
Operating expenses	(113)	(134)
Operating profit/(loss) before non-trading and capital items	5	(31)
Finance costs	–	(1)
Non-trading and capital items	(20)	(105)
Share of loss from associates	–	(2)
Loss before tax	(15)	(139)
Income tax expense	(3)	9
Net loss for the year	(18)	(130)
Loss on disposals	1	(15)
Loss from discontinued operations	(17)	(145)

SUMMARY NOTES (continued)

For the year ended 31 March 2016

10. Earnings per share

10.1 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.

10.2 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 2/2015 issued by the South African Institute of Chartered Accountants.

10.3 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 ordinary shares.

Millions	2016	2015
10.4 Number of shares		
Weighted average number of shares	1 334	1 286
Weighted average shares held by policyholders classified as treasury shares	(17)	(15)
Weighted average treasury shares	(35)	(34)
Weighted average number of shares	1 282	1 237
Dilutive shares (conditional and forfeitable share plan)	10	14
	1 292	1 251
Actual number of shares	1 341	1 302
Actual treasury shares	(61)	(20)
Actual number of shares in issue	1 280	1 282

SUMMARY NOTES (continued)

For the year ended 31 March 2016

Rm	2016	2015
10. Earnings per share (continued)		
10.5 Calculation of headline earnings and diluted headline earnings		
Profit attributable to equity holders (IAS 33 earnings)	729	253
Adjusting items		
Loss on sale of subsidiary	2	23
Impairment losses and other capital items	13	118
Headline earnings for the year	744	394
Basic earnings per share (cents)	56.9	20.5
Headline earnings per share (cents)	58.1	31.9
10.6 Dilutive earnings per share		
Diluted basic earnings per share (cents)	56.4	20.2
Diluted headline earnings per share (cents)	57.6	31.5

The group implemented certain share schemes during the listing process that may result in dilution on both earnings per share and headline earnings per share at the future date of vesting. The dilutive effect is largely conditional on performance during the year for each award. The above dilutive effect is calculated based on the performance of the company for the current year in relation to the performance criteria.

Rm	2016	2015
11. Capital expenditure for the year	183	110
12. Operating lease commitments		
Due within one year	235	211
Thereafter	2 230	2 177
Total operating lease commitments	2 465	2 388

Capital expenditure and commitments will be funded from internal cash resources.

SUMMARY NOTES (continued)

For the year ended 31 March 2016

13. Financial assets and liabilities held under multi-manager investment contracts

The policyholder assets held by the group's multi-manager investment subsidiary, Investment Solutions, in South Africa and Namibia are recognised on-balance sheet in terms of IFRS. These assets are directly matched by linked obligations to policyholders.

As a result of the group being listed the investments by underlying asset managers in the listed shares of the group are recognised as treasury shares and all fair value adjustments recognised on these treasury shares are reversed, while the corresponding fair value of the liability continues to be recognised in the income statement. The resultant profit for the year of R59 million has been disclosed separately on the face of the statement of comprehensive income. This treatment also impacts the number of shares in issue, the impact of which is disclosed in note 10.

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

Rm	2016	2015
Total assets held under multi-manager investment contracts (per statement of financial position)	276 258	262 004
<i>Reversal of adjustments made under IFRS:</i>		
Alexander Forbes shares held as policyholder assets and reclassified in the group statement of financial position as treasury shares	157	142
Financial effects of accounting for policyholder investments as treasury shares – prior years	26	–
Financial effects of accounting for policyholder investments as treasury shares – current year	(59)	26
Total financial liabilities held for policyholders under multi-manager investment contracts	276 382	262 172

14. Financial risk management and financial instruments

14.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements and this disclosure should be read in conjunction with the group's annual financial statements as at 31 March 2016.

There have been no material changes in the risk management or in any risk management policies since the year-end.

14.2 Liquidity risk

Compared to the 31 March 2015 year-end, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

SUMMARY NOTES (continued)

For the year ended 31 March 2016

14. Financial risk management and financial instruments (continued)

14.3 Fair value hierarchy

The group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The table below analyses financial instruments carried at fair value, by valuation method.

Rm	Level 1	Level 2	Level 3	Total
2016				
Financial assets measured at fair value				
Financial assets held under multi-manager investment contracts	195 150	79 515	1 593	276 258
Financial assets of insurance and cell-captive contracts	142	111	–	253
General operations	–	394	–	394
Total financial assets measured at fair value	195 292	80 020	1 593	276 905
Financial liabilities measured at fair value				
Financial liabilities held under multi-manager investment contracts	–	276 382	–	276 382
Financial liabilities of insurance and cell-captive contracts	–	253	–	253
Total financial liabilities measured at fair value	–	276 635	–	276 635

SUMMARY NOTES (continued)

For the year ended 31 March 2016

14. Financial risk management and financial instruments (continued)

14.3 Fair value hierarchy (continued)

Rm	Level 1	Level 2	Level 3	Total
2015				
Financial assets measured at fair value				
Financial assets held under multi-manager investment contracts	186 586	73 902	1 516	262 004
Financial assets of insurance and cell-captive contracts	115	67	176	358
General operations	–	125	–	125
Total financial assets measured at fair value	186 701	74 094	1 692	262 487
Financial liabilities measured at fair value				
Financial liabilities held under multi-manager investment contracts	–	262 172	–	262 172
Financial liabilities of insurance and cell-captive contracts	–	182	176	358
Total financial liabilities measured at fair value	–	262 354	176	262 530

Transfers between Levels 1 and 2

Movements in financial assets associated with multi-manager investment contracts and cell-captive insurance 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 which were as a result of a change in valuation methodology.

Level 3 reconciliation

Level 3 financial assets and liabilities comprise mainly policyholder and cell-owner assets and liabilities. Financial assets and financial liabilities in this level are insignificant in relation to total financial assets and financial liabilities respectively. In addition, the movements in Level 3 financial assets are directly linked to the movements in the linked investment liability. Any fair value gains and losses resulting from policyholder or cell-owner 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.

SUMMARY NOTES (continued)

For the year ended 31 March 2016

14. Financial risk management and financial instruments (continued)

14.3 Fair value hierarchy (continued)

Sensitivity analysis for level 3 financial assets

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	Exchange trade price	Last exchange traded price
Community property company assets	Discounted cash flow model	Capitalisation rates and discounts 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.

14.4 Valuation methods and assumptions for valuation techniques

There were no changes in the valuation methods and assumptions for valuation techniques since 31 March 2015. A detailed description of the valuation methods and assumptions for valuation techniques is available in our annual financial statements for the year ended 31 March 2016.

14.5 Fair value of financial assets and financial liabilities measured at amortised cost

The fair value of the following financial assets and liabilities measured at amortised cost approximate their carrying amount:

- Trade and other receivables
- Insurance receivables
- Cash and cash equivalents
- Trade and other payables
- Insurance payables
- Borrowings

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

MD Collier, D Konar, RM Kgosana, HP Meyer, BJ Memela

Non-executive directors

DJ Anderson, WS O'Regan

Executive directors

MS Moloko (chairman), DM Viljoen (group chief financial officer and interim group chief executive)

Company secretary

JE Salvado

Investor relations

MK Dippenaar

Registered office

Alexander Forbes, 115 West Street, Sandown, 2196

Transfer secretaries

Computershare Investor Services Proprietary Limited
Ground Floor, 70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107

Sponsor

Rand Merchant Bank (A division of FirstRand Bank Limited)
1 Merchant Place, corner Fredman Drive and Rivonia Road, Sandton, 2196

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Alexander Forbes Group Holdings Limited

(the company)

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**Certain subsidiaries of the company are
licensed financial services providers**