



Additional information

For the year ended 31 March 2024

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Key performance indicators



Operating income¹ | By type and by driver

for the twelve months ended 31 March

R million	Retirement consulting		Healthcare consulting		Investments		Individual consulting		Multinational		Group Total		
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	
By type													
Consulting and advice fees	230	168	77	78	25	28	398	364	171	152	901	790	
Administration fees	757	656	3	3	-	-	23	5	129	120	912	784	
Commission	95	93	283	275	-	-	-	-	16	14	394	382	
Investment management fees	-	-	-	-	1 599	1 440	-	1	-	26	21	1 624	1 461
Technology services fees	73	61	-	-	-	-	-	-	-	-	73	61	
Total	1 155	978	363	356	1 625	1 468	420	369	342	307	3 905	3 478	
By driver													
Asset based	-	-	-	-	1 625	1 468	420	369	26	21	2 071	1 858	
Payroll expense	757	656	-	-	-	-	-	-	129	120	886	776	
Members	188	141	73	74	-	-	-	-	168	147	429	362	
Ad hoc fees	42	27	7	7	-	-	-	-	3	5	52	39	
Commission	95	93	283	275	-	-	-	-	16	14	394	382	
Technology services fees	73	61	-	-	-	-	-	-	-	-	73	61	
Total	1 155	978	363	356	1 625	1 468	420	369	342	307	3 905	3 478	

Key performance indicators

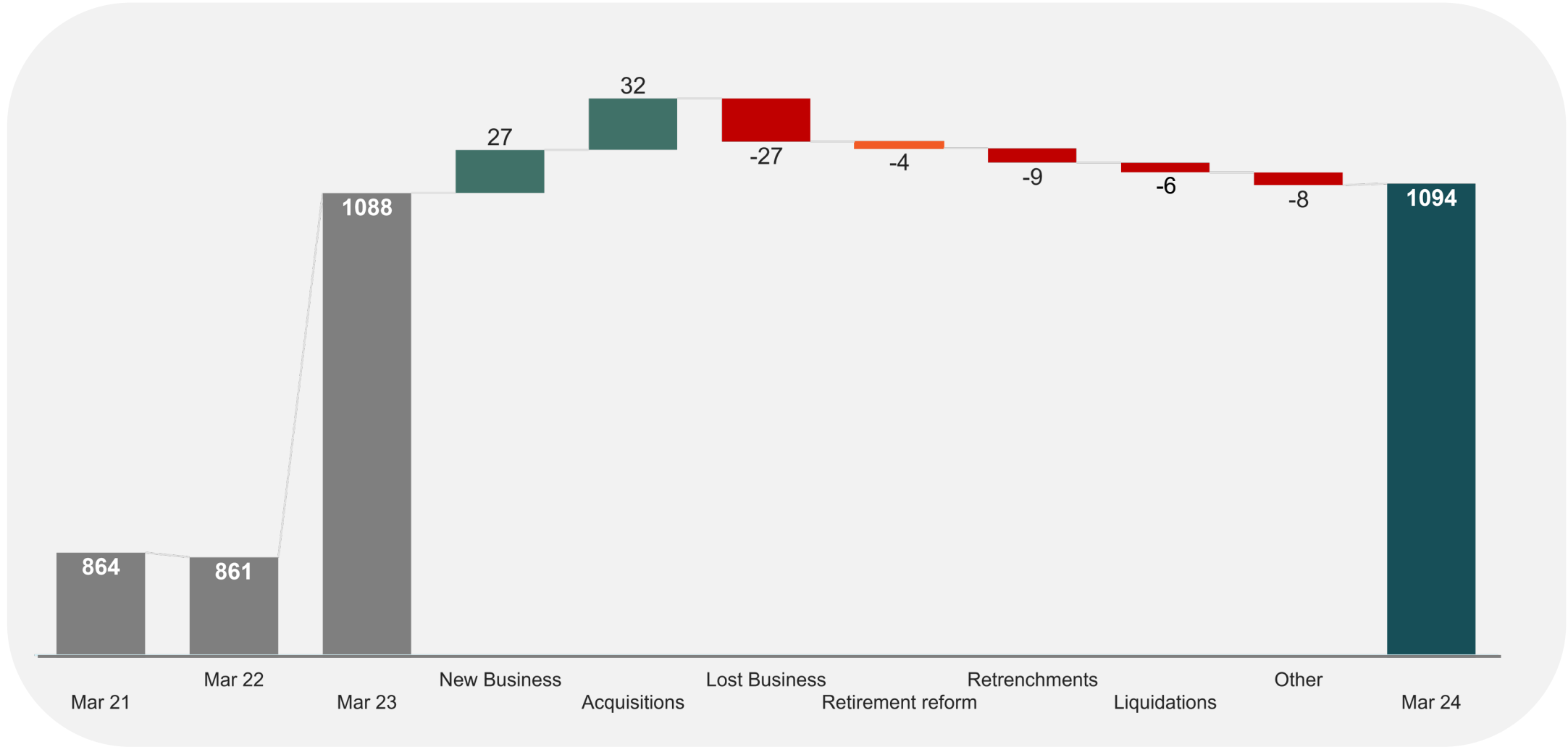
for the twelve months ended 31 March

	Unit	2020	2021	2022	2023	2024
Retirement consulting						
Number of umbrella fund corporate clients		1 689	1 668	1 714	1 824	1 870
Number of umbrella fund active members		372 794	345 641	345 420	397 399	410 677
Umbrella fund closing assets under management	R bn	75.8	96.3	108.0	116.0	133.9
Total number of active members (standalone and umbrella funds)		914 440	864 087	861 219	1 088 050	1 094 402
Healthcare consulting						
Number of healthcare corporate clients		532	530	538	514	508
Number of healthcare active member records		217 450	223 983	247 701	241 642	231 363
Investments						
Closing total assets	R bn	310.3	401.0	434.7	453.5	525.2
Institutional closing assets	R bn	248.5	325.7	353.6	369.7	428.8
Retail closing assets	R bn	61.9	75.2	81.1	83.8	96.4
Average total assets	R bn	344.2	362.2	423.2	435.6	479.1
Institutional average assets	R bn	277.6	292.2	344.3	355.3	387.5
Retail average assets	R bn	66.6	69.9	79.0	80.4	91.7
Institutional blended net margin – <i>on average assets</i>	bps	30.6	29.4	27.7	27.9	28.4
Individual consulting						
Number of FPC clients		56 939	55 341	56 273	57 905	60 497
Number of clients - advised & non-advised					21 822	26 716
Closing assets under advisement	R bn	66.7	79.6	86.5	90.1	98.6
AFRIS number of clients		163	177	206	228	240
AFRIS number of members		2 879	4 716	6 970	8 525	10 705
AFRIS closing total assets	R bn	5.9	10.2	14.4	18.1	23.9
Multinational consulting						
Number of multinational consulting clients		51	64	79	95	103
Closing assets under management (AF Investments Namibia)	R bn	3.2	4.3	4.35	4.8	5.0
Members under administration (Namibia and Botswana)		106 790	110 951	116 249	115 198	125 700



Active members | up 1% year on year

Movement in actual number of active members ('000)





Financial review

Explanation of adjustments to normalised

The group's segmental results are reflected to include the normalised results which is the basis upon which management manages the group and reflects the economic substance of the group's performance. The adjustments between the IFRS summary consolidated 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 nil profit for the year ended 31 March 2024 (2023: loss of R31 million) 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 which were recognised on a straight-line basis under the previous lease standard, IAS 17. In order to ensure comparability and to again reflect the true premises cost, adjustments amounting to R128 million (2023: R100 million) have been effected to profit before non-trading and capital items in addition to finance costs of R36 million (2023: R38 million). A further adjustment of R12 million was made relating to the gain on lease modification, resulting in a net adjustment of R104 million (2023: R142 million) to profit before tax.

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

In terms of IFRS, as presently constituted, any Alexander Forbes shares acquired by underlying asset managers (under a discretionary mandate) and held by the group's multi-manager investment subsidiary for policyholders (the shares) are required to be accounted for in Alexander Forbes's consolidated financial statements as treasury shares. As a result, any fair value gains or losses made on the 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 AF 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.

Normalised income statement

for the twelve months ended 31 March

R million	IFRS 2023	IFRS lease adj.	Amortisation of 2007 PE intangibles	Professional indemnity insurance cell-captive	Other*	Normalised 2023	% change	Normalised 2023
Operating income net of direct expenses	3 905	-	-	-	-	3 905	12	3 478
Other income	79	-	-	-	-	79	32	60
Operating expenses	(3 183)	(140)	-	-	-	(3 323)	13	(2 932)
Operating profit before non-trading and capital items	801	(140)	-	-	-	661	9	606
Non-trading and capital items	(114)	-	15	-	-	(99)	>100	(39)
Operating profit	687	(140)	15	-	-	562	(1)	567
Net investment income	189	36	-	-	(36)	189	47	129
Reported profit arising from accounting for policyholder investments as treasury shares	(1)	-	-	-	1	-	-	-
Profit before taxation	875	(104)	15	-	(35)	751	8	696
Income tax expense	(295)	28	(4)	-	36	(235)	16	(202)
Profit from continuing operations	580	(76)	11	-	1	516	4	494
Profit from discontinued operations	112	-	-	-	-	112	(30)	161
Profit for the period	692	(76)	11	-	1	628	(4)	655
Attributable to non-controlling interest	(20)	-	-	-	-	(20)	100	(10)
Profit attributable to owners of the company	672	(76)	11	-	1	608	(6)	645
Headline adjusting items	84	-	-	-	-	84	na	(116)
Headline profit attributable to owners of the company	756	(76)	11	-	1	692	31	529
Number number of shares								
Weighted average number of shares in issue (net of treasury shares)	1 230	-	-	-	-	1 230	-	1 232
Shares held by policyholders classified as treasury shares	1	-	-	-	-	1	-	1
Number of shares in issue	1 231	-	-	-	-	1 231	-	1 233
Earnings per share (cents)	54.7					49.4	(5)	52.3
Headline earnings per share (cents)	61.5					56.2	31	42.9

* Other consists of investment income and taxation payable on behalf of policyholders as well as the reported profit or loss arising from accounting for policyholder investment in treasury shares

Balance sheet reconciliation adjusting for policyholder balances

At 31 March

R million	2024 IFRS	Adj. linked investment policyholders	2024 Corporate	2023 Corporate
Assets under management	416 989	(416 989)	-	-
Property, equipment and computer software	840		840	597
Goodwill & intangible assets	1 705		1 705	1 689
Financial assets and associates	758		758	696
Deferred tax asset	119		119	159
Trade and other receivables	410		397	476
Cash & cash equivalents	2 791		2 791	2 743
Assets of disposal group classified as held for sale	49		49	-
Total assets	423 661	(416 989)	6 672	6 360
Liabilities under management	(416 993)	416 993	-	-
Borrowings	(372)		(372)	(227)
Employee benefits	(143)		(143)	(143)
Deferred tax liabilities	(120)	68	(52)	(40)
Lease liabilities	(339)		(339)	(336)
Provisions and deferred income	(185)		(185)	(216)
Trade and other payables	(862)	10	(852)	(843)
Liabilities of disposal groups classified as held for sale	(57)		(57)	-
Total liabilities	(419 071)	417 071	(2 000)	(1 805)
Total equity	(4 590)	(82)	(4 672)	(4 555)



Headline earnings and dividend per share

Final dividend of 30 cents per share and special dividend of 60 cps declared

	Mar 2024	Mar 2023	% change
Shares in issue (million)	1 327	1 327	-
Normalised weighted average number of shares in issue (million)	1 231	1 233	(0.2)
Headline earnings per share – continuing operations (cents)	52.9	45.5	16
Headline earnings per share – total operations (cents)	61.5	47.7	29
Normalised headline earnings per share – total operations (cents)	56.2	42.9	31
Interim dividend per share (cents)	20	15	33
Final dividend per share (cents)	30	27	11
Annual dividend per share (cents)	50	42	19
Special dividend per share (cents)	60	-	na

Analysis of cash balances

At 31 March

R million	Mar 2024	Mar 2023
	Total operations	Total operations
Cash and cash equivalents	2 791	2 819
Available financial assets	647	609
Cash and financial assets	3 438	3 428
Cash held on behalf of policyholders	-	(76)
Restricted cash ¹	(553)	(615)
Net current liabilities	(423)	(349)
Available cash before regulatory capital	2 462	2 388
Cash held for regulatory capital, liquidity and solvency requirements	(1 290)	(1 455)
Alexander Forbes group SCR	(1 097)	(1 428)
Cover ratio at 20%	(193)	(286)
Other assets backing regulatory capital		258
Available cash resources	1 172	933

1. Restricted cash includes emerging markets, asset manager fees, tax provisions and cell-captive insurance facilities.



Regulatory capital

R million	March 2024 ¹			March 2023 ²			% Change in Regulatory Surplus (%)
	Own Funds	Solvency Capital Requirement (SCR)	Regulatory Surplus	Own Funds	Solvency Capital Requirement (SCR)	Regulatory Surplus	
Holding company	551	-	551	360	188	172	>100
Regulated insurer	1 235	750	485	1 387	836	551	(12)
FAIS & 13B regulated entity	964	303	661	871	235	636	4
Other regulated financial entity	129	44	85	128	72	56	52
Unregulated entity	167	-	167	198	97	101	65
Total Group	3 046	1 097	1 949	2 944	1 428	1 516	29

1. Solo-plus formulae

2. SAM standard formulae

Alexander Forbes Group Holdings Limited

Tel: +27 11 269 0000

115 West Street, Sandown

P.O. Box 787240, Sandton, 2146, South Africa

www.alexforbes.com