



SBG SECURITIES CONFERENCE – DECEMBER 2016

Andrew A. Darfoor

Group Chief Executive Officer



ALEXANDER FORBES AT A GLANCE



Focus

Life insurance, pensions, consulting & asset management for **1.2 million customers** across **10 countries**



History

Our roots date back to 1931.
Proud and rich legacy



Employees

4 045 employees
(30 September 2016)



Earnings

Normalised profit for the period
R464 million
(2016 YTD)



AuA

Assets under Administration are
R462 billion
(30 September 2016)



Paid out

in claims and benefits:
R785 million in claims
R24.1 billion in benefit payments
(2016 YTD)

GROUP INVESTMENT CASE

- Market leader in retirements/employee benefits and multi-manager institutional businesses
- Significant upside potential from broadening retail and emerging market presence
- Predictable, recurring revenue stream (superior platform to leverage)
- High cash generation
- Capital “lite” balance sheet
- Strong dividend yield

5 PILLAR STRATEGY | Building a Pan-African Financial Services Leader

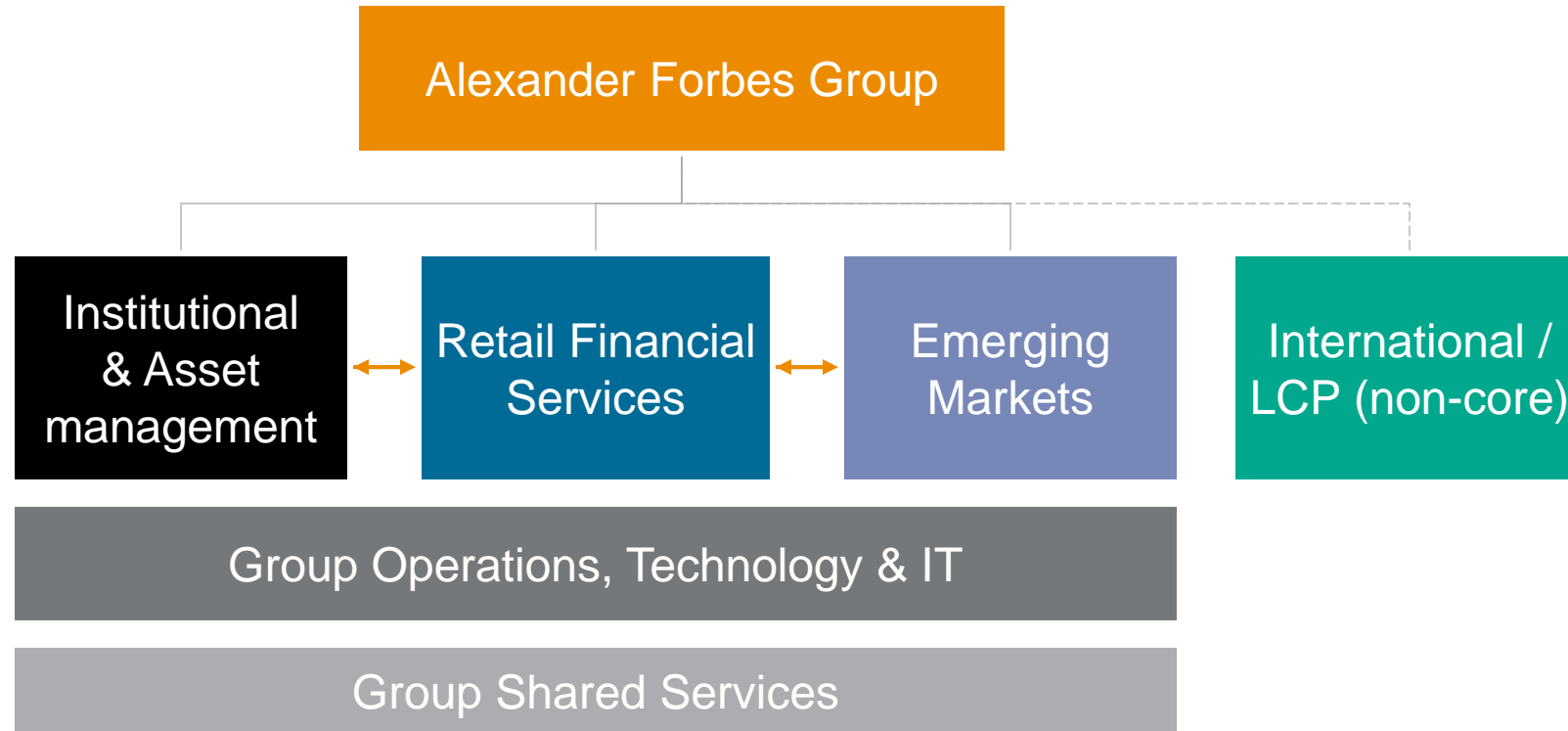
A strategy focused on **BUILDING** a **GLOBALLY DISTINCTIVE PAN-AFRICAN** financial services **LEADER** across five core pillars

“Securing our clients’ financial well-being by providing peace of mind”



STRUCTURE | Create a simpler, more focused organisational structure

5



Revised Group Structure

- **Three core** verticals supporting a “vertically integrated” customer proposition with increased collaboration
- **Two core** group functions to promote better efficiency, standardisation and cost optimisation
- **Non-core** International/LCP unit – managing for value

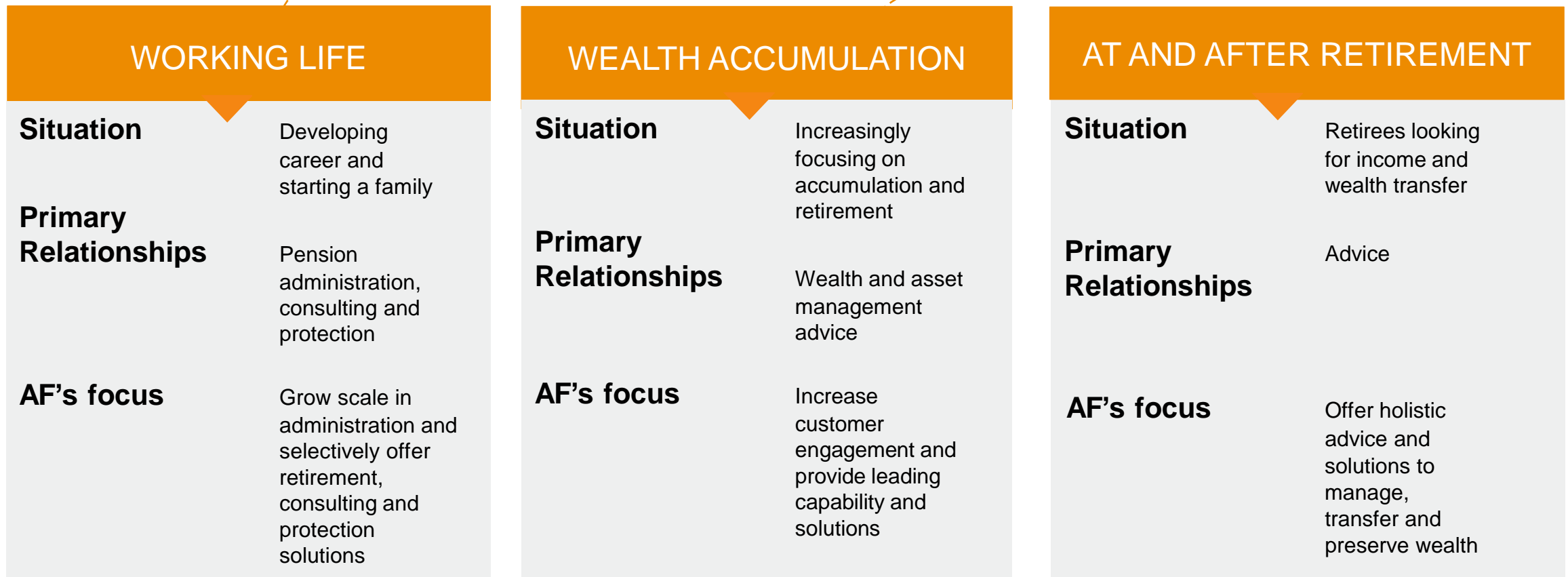
CLEARER GROUP VALUE PROPOSITION

Helping our clients achieve a lifetime of improved financial well-being and security

From employer relationship...

...through guidance and advice...

...to trusted provider of retail solutions ...



WE HAVE SIGNIFICANT OPPORTUNITIES TO IMPROVE

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STRENGTHS

- Very diverse and balanced portfolio of businesses including market leaders
- Powerful and well recognised brand
- Highly cash generative
- Strong capital base
- Strong employee skills

OPPORTUNITIES

- Reduce group expense base
- Simplify group structure
- Improve accountability throughout the organization
- Bring more focus to the business – client oriented outcomes
- Better positioned retail presence
- Growth in emerging markets

ADDRESSING KEY INVESTOR CONCERNS

1

**Addressing
margin
compression in
Institutional**

2

Expense levels

3

**Generating
top-line growth
across the Group**

PROGRESS ON GROUP FINANCIAL PLANNING FRAMEWORK

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Capital return, cash generation and expense savings on track

NEW COMMITMENT	2020 AMBITION	HALF-YEAR 2017 RESULTS
Sales growth	CAGR of 8-10%	>5%
Reduce operating expenses	R250 – 300 million	R75 million
RoE (normalised earnings on IFRS equity)	+ 15%	14%
Dividend cover ratio	1.5 times	1.5 times

Operating income

from continuing operations

R2 695 million

This is a **5%** growth when compared to the six months ended 30 September 2015

Profit from operations

before non-trading and capital items

R574 million

This is a **4%** improvement when compared to the six months ended 30 September 2015

Profit for the period

R416 million

This is a **4%** improvement when compared to the six months of ended 30 September 2015

Normalised profit for the period

R464 million

This is an **11%** improvement when compared to normalised profit after tax for the six months ended 30 September 2015

Headline earnings per share

27 cents per share

This is a **4%** increase when compared to the six months ended 30 September 2015

Normalised HEPS

30.8 cents per share

This is a **13%** increase when compared to normalised HEPS for the six months ended 30 September 2015

Interim Dividend declared

17 cents per share

This is a **13%** increase when compared to the six months ended 30 September 2015

Average AuA and AuM

of investment solutions increased to

R342 billion

This is a **5%** growth when compared to the six months ended 30 September 2015



Focus on the customer with a clear brand strategy and customer value proposition



Grow Retail and Emerging Market business lines, leveraging Institutional platform, plus open market



Address margin compression across Institutional & Asset Management business lines



Execute expense savings programmes



Maintain solid capital position and strong cash generation while returning capital to shareholders

QUESTIONS