

PPS total profits last 10 years - R21 billion. 100% allocated to members

23 April 2015: PPS, the financial services company focused exclusively on graduate professionals, has announced that its total cumulative profit-share allocation to members* reached R21.6 billion over the last ten years.

PPS, which is the largest financial services company in South Africa that operates under a mutual model and therefore allocates all its profits to its members rather than external shareholders, confirmed that its total profit-share allocation to PPS members for the 2014 financial year was R3.1 billion.

Mike Jackson, CEO of PPS, says members have benefited hugely from sharing all the profits of the company, making it by far the largest and most successful mutual company in South Africa. “PPS has shared its entire profit of more than R21bn with its members over the last ten years. This is a unique benefit for our members, who are also our policyholders. It is clear that PPS is, and continues to be, the best place for professionals.”

The group’s total own assets increased by 12% during the period to R27 billion**. Members’ insurance premiums increased by 13% to R3 billion and new investment contributions from members increased by 32% to over R3 billion.

In addition to the profits that were shared, gross benefits (including life, dread disease and disability claims) paid to members during the 12 months rose 16% to close to R2 billion, meaning PPS paid out almost R5 million every day in claims to members.

In another first, PPS announced that it has also closed out on its Broad-Based Black Economic Empowerment deal, with more than 20 000 black professionals expected to receive a special allocation of R38 million in total for the first time.

“Our members clearly have a unique value proposition by belonging to PPS, as they qualify for a lump sum pay-out of all the accumulated profits upon retirement. In 2014, the total number of members who are now millionaires, due purely to the money allocated to their Profit-Share Accounts, totalled 2370,” adds Jackson.

Since the onset of the financial crisis global mutual and cooperative insurers have grown their premium income by 28% between 2007 and 2013, whilst the total insurance market only increased by 11% during the same period.

According to Shaun Tarbuck, CEO at the International Cooperative and Mutual Insurance Federation (ICMIF), greater levels of trust and customer satisfaction associated with mutual and cooperative insurers has given them a competitive advantage against shareholder-owned insurers. “Our analytical research says that the mutual and cooperative sector has been the fastest-growing part of the global insurance industry since 2007. We are at the cutting edge of the insurance industry - and certainly the recent growth in market share of the sector suggests that the public is beginning to recognise this as well.”

“We are extremely pleased with the performance of PPS during the last year. These results demonstrate the benefits of belonging to a mutual financial services company. As the PPS business continues to grow, our members* will also benefit by receiving all of the profits of the company,” concludes Jackson.

** PPS members with qualifying products*

*** Excluding unit trusts held by third parties*

-Ends-

Additional information:

PPS boasts in excess of 200,000 members who enjoy access to a comprehensive suite of financial and healthcare products that are specifically tailored to meet the needs of graduate professionals.

PPS is the largest South African company of its kind that still embraces an ethos of mutuality, which means that it exists solely for the benefit of its members. Thus, members who are policyholders can exclusively share in the profits of PPS Insurance and those who have PPS Investments products can also share in the profits of PPS Investments.

PPS membership provides access to the following tried, tested and trusted products and services: PPS Insurance, PPS Short-Term Insurance, PPS Beneficiaries Trust, PPS Investments and Profmed Medical Scheme. Visit www.pps.co.za for more information.

PPS is an authorised financial services provider.