

Media release

PPS RETURNS R1.7BN TO ITS MEMBERS AFTER STRONG 2011

30 March 2011: PPS, the specialist South African financial services provider to graduate professionals, highlighted the value of its mutual business model after announcing that its members as PPS Provider™ policyholders received R1.7 billion in allocations to their *Surplus Rebate Accounts (SRA)* in 2011.

“The R1.7 billion returned to our members is in addition to the R1.3 billion life, dread disease and disability claims that were also paid to members during the last year, equivalent to an average of R3.4 million being paid out to members every day,” says Mike Jackson, CEO at PPS.

PPS said operating profits increased 19% to R881.5 million in 2011, continuing the strong trend of the last few years, with growth in operating profit having risen on average 18% per annum over the last five years.

Jackson says the excellent results highlight the value of the mutual model. “Members who have stayed with PPS for many years have obtained a substantial financial interest in the company, over and above their benefits as policyholders, ensuring that as PPS grows, our members are able to share in our success.”

The total assets of PPS continued to show strong growth, increasing by 10% to R17.7 billion in 2011, with assets having grown on average 10% per annum over the last five years. The group also announced an 11% increase in gross premium revenue to over R2.0 billion for the first time.

Jackson added that PPS’ focus on growing its membership base continued to gain momentum with more than 12,000 new members joining PPS in 2011. “We have been very successful in recruiting new members and are confident that as our range of products continues to grow, this trend will continue during 2012.

“Our focus for the year ahead will be to attract new members but also to develop cross-selling opportunities to our existing members. From 2012, all members will benefit from a broadening of PPS’ ethos of mutuality with all core PPS Provider™ products now having a direct profit allocation to their SRAs. As a result, the more products the members have with PPS, the greater their share of profit allocations.”

PPS Investments, which provides investment products to PPS members recorded strong growth, with new flows of R1.6 billion and total assets under management increasing by 31% to R8.0 billion. This phenomenal result was achieved in only 5 years.

“Our medical scheme administration business, PMSA, also showed exceptional growth and now has approximately 81,500 principal members.”

“We are extremely pleased with the performance of PPS during the last year. These results demonstrate the strength of the mutual model and as the business continues to grow, our members benefit by sharing in the profits of the company.”

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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 Investments and Profmed Medical Scheme. Visit www.pps.co.za for more information.

PPS is an authorised financial services provider.