

AVBOB BUILDS

ON SOLID GROWTH PERFORMANCE DESPITE TOUGH TRADING CONDITIONS

FRIK RADEMAN AVBOB CEO & CARL VAN DER RIET AVBOB DEPUTY CEO



The **AVBOB** Group, Africa's largest Mutual Assurance Society, has continued to build on its solid growth performance in the 2018/19 financial year despite tough economic trading conditions. The results announcement was made by **AVBOB** CEO Frik Rademan during **AVBOB**'s Annual General Meeting held on 13 November 2019.

"Although the poor performance of the investment markets impacted on our results for the year, **AVBOB** performed well in a stagnant economy with premium income growing by 14.4% to R4.2 billion. Our mutual status continues to set us apart and enables us to create policyholder and member value. Our profit before transfer to policyholders' liabilities decreased from R2.1 billion to R1.6 billion for the year. Aligned with our mutual status, most of this profit was used to improve policyholder benefits – over the past 12 years, the surplus allocated to the improvement of policyholder benefits was more than R11 billion," Rademan said.

These allocations include special bonuses, free funeral benefits* provided by **AVBOB** Funeral Service and policy benefit improvements. The introduction of an **AVBOB Reward Account**, in celebration of the Group's centenary year in August 2018, provided members with benefits that they have access to on the anniversary of their policy after they reach the age of 65, subject to the policy being in force for at least ten years, or on death, if earlier.

Chairman of the Board, Professor Piet Delpont, said the past financial year had become synonymous with negative events like continued load-shedding, low employment figures, rising prices, service delivery protests and very low growth in the economy.

Focus on improved operational efficiencies, higher productivity and lower costs

"And at this stage, 2019 does not seem to be more positive with an even bigger economic slowdown and indications of a technical recession. This puts enormous pressure on us to maintain organic growth momentum. This is done through continued focus on improving operational efficiency, boosting productivity and lowering costs with new technology and talent transformation. Products and services are also customised to meet evolving demands of the emerging digital economy and, with it, a new breed of clients," Delpont added.

CSI initiatives bring hope to communities across SA

Rademan said in delivering on **AVBOB**'s brand promise, they continued to invest in communities across South Africa through various CSI initiatives. One of their major focus areas has been education and includes the Society's continued investment in the future of young South Africans through the donation of fully functional container libraries to previously disadvantaged schools in all nine provinces of the country. "We delivered our 53rd fully-stocked container library in the year under review and are well on our way to fulfilling our promise of 60 libraries."

He added saying the successful annual **AVBOB** Poetry Competition, launched in August 2017 in all 11 official languages, continues to grow by leaps and bounds

and has given ordinary South Africans a way to articulate the spectrum of emotions they experience during events, including birth, death, loss and love. The growth in the number of poets and submitted poems continues to exceed expectations.

Good performance sealed with plenty of accolades

AVBOB's commitment to transformation and remaining relevant to the changing landscape it operates in was further solidified through the accolades it received in several areas:

- The Society retained its certification as a Top Employer for the third year in a row;
- **AVBOB** was voted the winner of the Funeral Cover category in the 2019/20 Ask Africa Kasi Star Brands Survey for the fourth year in a row in the Township Brands Survey;
- The **AVBOB** Poetry Project continues to be recognised throughout the market and, as such, the Group received a bronze Prism award in the Sponsorship category for the Poetry Project; and
- The Society's corporate branding partner, **BRAND et al.**, also received several awards relating to the **AVBOB** Poetry Project.

Tribute to CEO for many years of loyal service to the Group

Delpont expressed his sincere gratitude to Rademan who is retiring at the end of November after diligently serving the organisation for 37 years. "Frik, as your term as CEO comes to a close, we would like to take this opportunity to thank you for your hard work and 110% commitment and devotion in building and growing **AVBOB** to what it is today."

"And to the incoming CEO, Carl van der Riet, we sincerely welcome you and trust that you will take **AVBOB** to even greater heights."

AVBOB is part of the South African family

In his closing remarks, Rademan said that **AVBOB**'s corporate reputation, which positions it as a caring family, has been built over time and that it is the Society's unique approach to relationships that allows it to deliver sustained value to all its family members.

"In the past 101 years, the **AVBOB** brand has become more than just a funeral service provider. It has become a household name, a part of the South African family. We are committed to finding innovative ways of expressing our brand promise 'We're here for you'."

Cumulative performance over the past eight years ended 30 June 2019:

- Premium income increased by 221.9% to R4.2 billion
- Net new insurance business grew by 188.1%
- The number of policyholders increased by 75.7% from 1.2 million to 2.1 million
- Funeral units grew by 44.6%
- Total assets tripled to R18.7 billion

*Terms and conditions apply. Free funeral benefits only apply if **AVBOB** Funeral Service conducts the funeral. **AVBOB** is an authorised financial services provider. **AVBOB** is a level 2 B-BBEE contributor. FSP 20656. www.AVBOB.co.za



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