

Assupol's shares can now be traded

Insurer Assupol, formed in 1913, started trading its shares on the over-the-counter market on Friday (21 June) at a price of about R2.50 per share.



This follows the insurer's demutualisation in March, which saw it pay out R891.9m to about 228,000 policyholders who did not choose to be investors in the company. About 12,000 of its policyholders were converted into ordinary shareholders.

"We are very pleased that shareholders will now have a facility to sell their shares whenever they want to, while at the same time buyers will be able to accumulate shares," Assupol's chief executive Rudi Schmidt said on Thursday (20 June).

If Assupol's shareholding structure has not changed from the numbers given in February, these 12,000 policyholders should hold a stake of about 6.5% - as estimated by the company that month. In February, Assupol's major shareholders were Investec Private Equity, the International Finance Corporation, which has a 17% stake and empowerment partner Women's Development Businesses Investment Holdings, which holds 10%.

Equity Express, a provider of trading software and back-office administration in the over-the-counter market, said it was well positioned to facilitate the trading of Assupol shares when the company starts trading on the automated electronic platform.

Equity Express facilitates over-the-counter share trading of companies such as Sasol Inzalo; Phuthuma Nathi, a MultiChoice black economic empowerment vehicle, Thembeke Capital, a partner to PSG Group, LenMed Health, First Resorts and Hlumisa and Eyomhlaba, which are partners linked to African Bank Investments Limited.

"We encourage liquidity by giving shareholders access to the website and a call centre," Equity Express director Etienne Nel said.

"There is no restriction on the trading of the Assupol shares," he said. On the over-the-counter platform, some shares are restricted to black South African participants for reasons of black economic empowerment.

Assupol said that it intended to move its shares from over-the-counter trading to the JSE in due course.

Demutualisation takes place when a mutual company, an organisation which distributes profits to its clients or

policyholders, changes its structure and allows its shares to be traded publicly.

Source: Business Day via I-Net Bridge

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