

Absa to sell off its insurance business

Absa, which is part of the listed Barclays Africa group, is streamlining its wealth, investment management and insurance unit, and has reached an agreement to sell a component of the unit to financial services firm PSG Konsult.



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The proposed sale of Absa Insurance and Financial Advisors' insurance business line for an undisclosed amount, follows an earlier agreement to sell employee benefits provider Absa Consultants and Actuaries to insurer Sanlam.

Wealth, investment management and insurance distribution MD Bongiwe Gangeni said that the two transactions were not related.

"The market has become increasingly competitive with heightened regulations and ongoing technological advancements," Gangeni said.

Absa's wealth, investment management and insurance website makes no reference to insurance, only to wealth and investment products.

The deal with PSG Konsult, if it clears regulatory and other hurdles, will result in PSG Konsult absorbing 102 advisers, along with more than 32,000 customers.

Dan Hugo, PSG Konsult's CE of distribution, said his firm would have 330 short-term advisers after the transaction. Together with PSG Wealth's 520 advisers, this would bring the total number in its network to 850 " making it the largest independent advisory network.

Source: *Business Day*

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