

Mergence eyes black-owned hospital group

PHAKAMISA NDZAMELA

Finance Writer

FINANCIAL services company Mergence wants to launch a large black-owned hospital group and is arranging funding to build a 200-400 bed private hospital in the next 18 months.

The move forms part of its ambitions to take on established, large players such as Mediclinic, Netcare and Life Healthcare.

Mergence, which is 11 years old this year, wants to grow its assets under management to R30bn in the next three years and is considering the possibility of listing the company on the JSE in the medium term.

In its asset management division Mergence has R18bn in assets under management. Mer-

gence also created JSE-listed Dipula Income Fund, which has a R5bn property portfolio. Mergence operates a specialised derivative company, which has executed derivative trades valued at more than R150bn since 2004, and a health company with a hospital bias.

“There is going to be a lot of focus on the health side of the business. We have a number of joint ventures with licence holders. The goal is to establish ourselves in the hospital space, grow our portfolio and compete with the bigger monopolies,” said Mergence Africa Holdings MD Masimo-a-badimo Magerman.

“It’s about time a black hospital group did take them (big hospital companies) on.... From a group perspective, our efforts

are directed towards listing a black hospital group in the next five years,” Mr Magerman said.


Mergence Africa Holdings executive director and the CEO of the Dipula Income Fund, Izak Petersen, said the health business had been set up to benefit from the real-estate skills within the group.

“We are in the funding stage

right now. As soon as the funding is completed we will put the bricks and mortar. We are looking at a 200-400 bed hospital in the next 18 months,” he said.

On the property side Mr Petersen said the plan was to double the portfolio size to about R10bn in the next three to five years. Mr Magerman, who has worked as a financial data analyst on Wall Street in New York, said the ambition was to build a diversified franchise that could compete with PSG.

Mr Magerman and Mr Petersen decided to start Mergence after meeting at an Association of Black Securities and Investment event in 2004. Their goal was to build a highly regarded black financial services group. ndzamelap@bdfm.co.za

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