

MMI Group Limited raises R1.25 billion from the South African debt capital markets

Published: Aug 7, 2015 8:00:00 AM South Africa Standard Time

MMI Group Limited (a registered long-term insurance company and fully-owned subsidiary of MMI Holdings Limited), which has a registered R5 billion subordinated note programme with the JSE Stock Exchange, issued two bonds yesterday (6 August 2015) totalling R1.25 billion.

The 7-year fixed rate R980 million bond was issued at 2.73% over the government benchmark bond being the R2023 and the 10-year fixed rate R270 million bond was issued at 3.05% over the government benchmark bond being the R186.

The issuance was just under 1.8 times subscribed, which resulted in MMI achieving pricing which is, for the 7-year bond, below the upper end, and for the 10-year bond, at the lower end of the price guidance that had been put out to the market by the arrangers of the issuance, Rand Merchant Bank, a division of FirstRand Bank Limited.

MMI Holdings Limited group CEO, Nicolaas Kruger, says "We are very pleased with the success of this issuance, given the continued

difficult conditions in South African capital markets. The significant interest in the two bonds demonstrates investors' confidence in the financial strength and stability of MMI".

MMI Group Limited will be redeeming R1.0 billion of subordinated debt issued in April 2006, in line with the original timeline and intention during September 2015.