

National Bank of Greece issues €500m Subordinated Tier II bonds with a yield of 5,875%

National Bank of Greece successfully completed the placement of €500 million Subordinated Tier II bonds in the international capital markets with a yield of 5.875%. The bond matures in 11,25 years and is callable in 6,25 years.

The issuance is part of the Bank's strategy to optimize its capital structure and increase its Minimum Required Eligible Liabilities (MREL), which is a supervisory requirement for all banks.

The transaction attracted interest in excess of €1,8 billion from more than 140 investors and was oversubscribed 3,6 times. On the back of strong investor interest, the final yield was set at 5,875%. The final yield corresponds to a spread of c. 315bps over the corresponding mid swap rate which is the tightest Greek Tier 2 in terms of spread.

More than 80% of the bond was allocated to foreign institutional investors. In terms of investor type, more than 70% was allocated to Asset Managers, Insurance and Pension Funds.

The success of the undertaking, reflecting diversified demand by a broader investor base than in the recent past, is tangible confirmation of the confidence that NBG enjoys and the positive prospects of the Greek economy which have been underpinned by the recent rating upgrades to Investment Grade.

Commerzbank, Goldman Sachs Bank Europe SE, IMI-Intesa Sanpaolo, J.P. Morgan, Morgan Stanley and Natixis acted as joint bookrunners of the issue.

Allen & Overy and Karatza & Partners acted as legal advisers to NBG.