

A very similar bond which has rallied 30bp less than the BBVA is the Nationwide (UK Building Society) 6.875% perpetual which currently yields 6.4% and is likely to be called in 5 years time. It has a tier1 capital trigger of 7% and current tier1 capital ratio is 13% which is fair margin.

The Nationwide one I'm suggesting today is rated Fitch/S&P BB+, its parent is Fitch/S&P rated single-A. The BBVA bond we tried to buy earlier is rated Fitch BB-, its parent is S&P rated BBB-

I suggest scaling £2mm at 6.5% and £2mm at 6.75%. Transaction cost is 6bp from mid.

Yield to call of Nationwide 6.875% perpetual ISIN XS1043181269
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Tazia for any execution, Q&A to me.

Best,
Nav

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