nationwide

Interim Results Presentation

For the six months ended 30 September 2023

Interim performance highlights

£1,262 million
underlying profit

H1 2022/23: £980 million

£989 million
statutory profit

H1 2022/23: £969 million

27.4%
CET1 ratio

4 April 2023: 26.5%

6.4%
leverage ratio

4 April 2023: 6.0%

£885 million
member financial benefit, from better pricing and incentives than the market average

H1 2022/23: £320 million

£344 million
distributed to our members through the
Nationwide Fairer Share

Branch Promise extended
to remain in every town or city we are in today until at least 2026

1st
for customer satisfaction
among our peer group for over 11 years, with a current lead of 5.2%pts[1]

March 2023: lead of 3.8%pts

Helped over
31,000
first time buyers
into a home of their own
H1 2022/23: over 40,000[2]

Current account market share
10.4%[3]

4 April 2023: 10.4%

Deposit market share
9.6%
With £4.2 billion balance growth
4 April 2023: 9.6%

Continue to commit
1% of pre-tax profits to good causes[4]

[1] © Ipsos 2023, Financial Research Survey (FRS), for the 12 months ending 31 March 2013 to 12 months ending 30 September 2023. Results based on a sample of around 47,000 adults (aged 16+). The survey contacts around 51,000 adults (aged 16+) a year in total across Great Britain. Interviews were face to face, over the phone and online, taking into account (and weighted to) the overall profile of the adult population. The results reflect the percentage of extremely satisfied and very satisfied customers minus the percentage of customers who were extremely or very or fairly dissatisfied across those customers with a main current account, mortgage or savings. Those in our peer group are providers with more than 3.2% of the main current account market as of April 2023 – Barclays, Halifax, HSBC, Lloyds Bank, NatWest, Santander and TSB. Prior to April 2017, those in our peer group were providers with more than 6% of the main current account market – Barclays, Halifax, HSBC, Lloyds Bank (Lloyds TSB prior to April 2015), NatWest and Santander; [2] Comparative restated to be consistent with the current period and that reported at 2023 year-end; [3] CACI's Current Account and Savings Database, Stock (Aug 2023 and Feb 2023); [4] 1% is calculated based on average pre-tax profits over the previous three years

Driving value through customers' channel of choice

Value creation from branch network is increasing

23% of savings accounts opened in branches in first half of the year

c. 65% of branch customers also digitally active

Leveraging multi-skilled branch colleagues with capability to support back-office activity

Multi-channel users are our most engaged customers

Hold more products, 15% more balances on average, and 80% more likely to be engaged than single channel customers

94% of channel visits are through mobile

Vast majority of our payments across all users are digital

Delivering digital change and service innovation

Engagement growing with mobile app usage at new records showing an increasing reach

Mortgage Manager, our self-serve digital platform, driving market-leading c. 60% of our total switcher volume

Flagship new mobile app to be launched in 2024

Financial update

Chris Rhodes, Chief Finance Officer

Net interest income growth led to an increase in underlying profit

£million	H1 23/24	H1 22/23	% change
Net interest income	2,337	2,055	14%
Net other income	112	135	(17%)
Total income	2,449	2,190	12%
Costs	(1,115)	(1,083)	3%
Loan impairments	(54)	(108)	(50%)
Provisions for liabilities and charges	(18)	(19)	(5%)
Underlying profit	**1,262**	**980**	**29%**
Fairer Share Payment	(344)	-	-
Gains from derivatives and hedge accounting	71	(11)	-
Statutory profit	**989**	**969**	**2%**

- Net interest income increased by £282m supported by the benefit arising from increases in base rate partly offset by a decline in mortgage net interest income.
- Net other income reduced by £23m, predominantly due to value returned to members through the current account supermarket cashback scheme in April.
- Costs increased by £32m, with inflationary increases mitigated by efficiencies within strategic investment and the non-repeat of restructuring spend during the prior year.
- The net loan impairment charge of £54m reflects broadly stable expected credit loss provisions amidst continued economic uncertainty.

Key ratios (%)	H1 23/24	H1 22/23
Net interest margin	1.66	1.48
Underlying cost income ratio	45.5	49.5
Cost of Risk[1] (bps)	3	5

[1]Cost of Risk = impairments charged to income statement / average loans to customers.

We maintain a low risk, strongly capitalised balance sheet

£billlion	30 Sep 23	04 Apr 23	% change
Residential mortgages	202.0	201.4	0.3%
Retail unsecured	3.9	3.9	-
Public sector[1]	5.2	5.1	2.0%
Commercial real estate[2]	0.3	0.4	(25.0%)
Liquidity[3]	58.1	56.1	3.6%
Other assets	5.0	5.0	-
Assets	**274.5**	**271.9**	**1.0%**
Retail deposits[4]	191.3	187.1	2.2%
Wholesale funding	56.2	57.9	(2.9%)
Other liabilities	3.2	3.1	3.2%
Capital & reserves[5]	23.8	23.8	-
Liabilities	**274.5**	**271.9**	**1.0%**

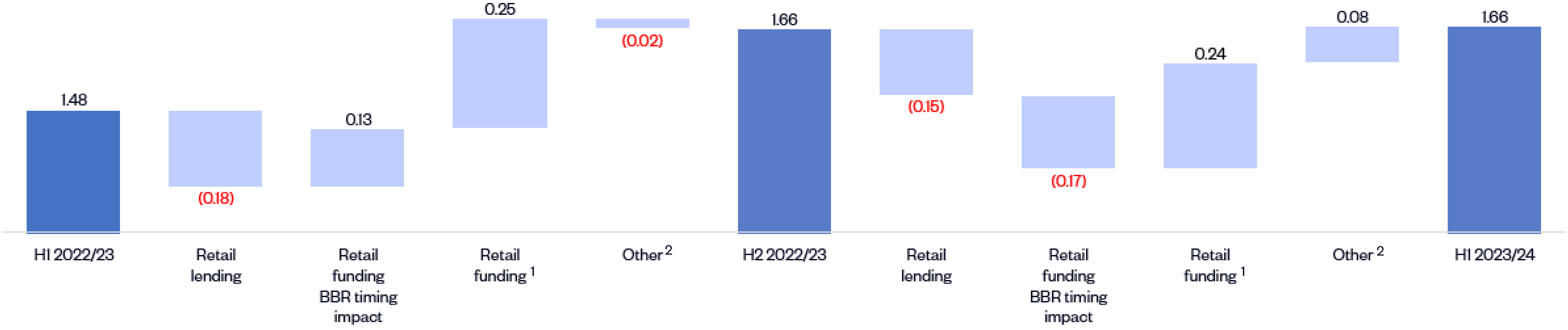
- Residential mortgage growth of £0.6bn as we maintained our market share of balances in a competitive environment.
- Retail deposit balances have increased by £4.2bn due to growth in savings balances, supported by competitive fixed rate products and increased levels of accrued interest from higher average savings rates.
- 97% of total lending secured on low-risk residential property.
- Capital position remains strong with a leverage ratio of 6.4% and CET1 ratio of 27.4% respectively.

Key ratios (%)	30 Sep 23	04 Apr 23
Liquidity coverage ratio (12m avg.)	191	180
CET1 ratio	27.4	26.5
Leverage ratio	6.4	6.0

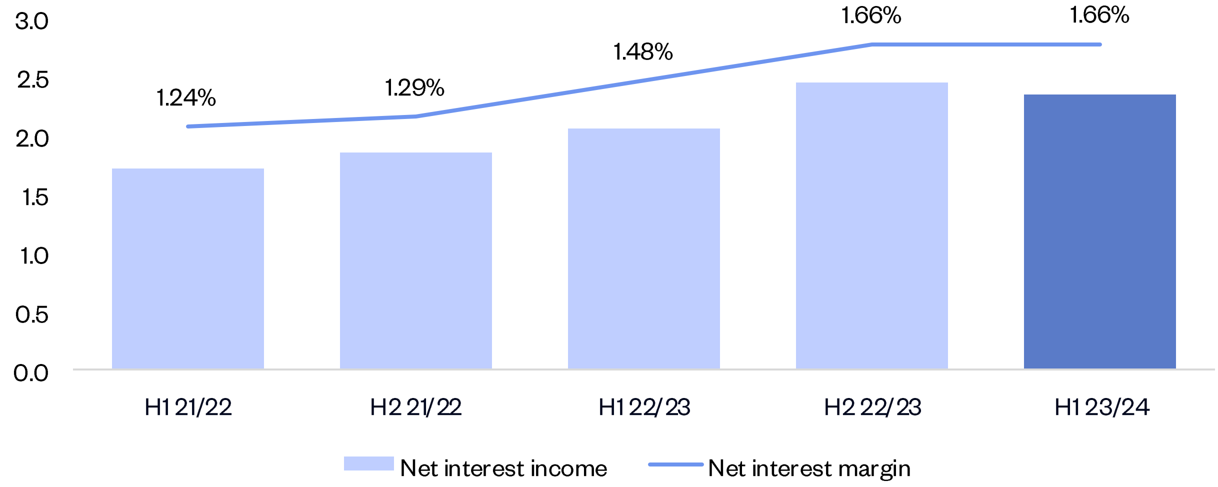
[1]Public sector compromises of lending to UK registered social landlords and legacy Private Finance Initiative. [2] The CRE portfolio of £0.3bn is closed to new business. [3] Liquidity & investment portfolio [4] Shares (member deposits). [5] Total members' interests, subordinated liabilities and subscribed capital.

Net interest margin supported by deposit margins partially offset by mortgage pressures

Net interest margin movements, H1 22/23 through to H1 23/24, %



Net interest income, £bn & net interest margin, %

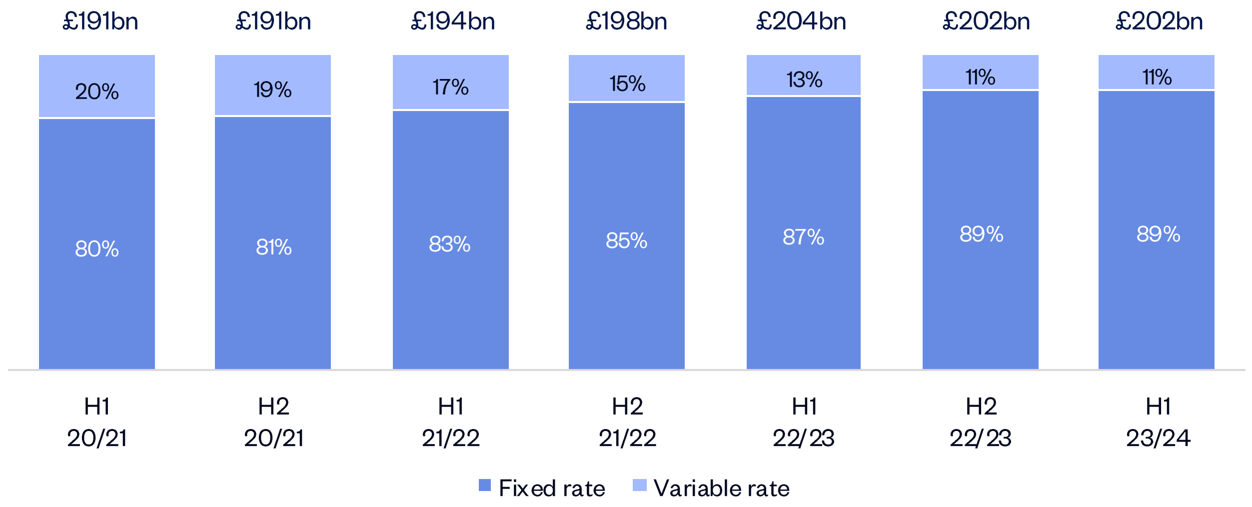


- Net interest margin increased to 1.66% compared to 1.48% in the first half of last year mainly due to retail deposit margins, reflecting the timing and level of pass through of interest rate changes.
- Compared to the second half of last year, NIM in H1 2023/24 was unchanged, partly due to fewer base rate changes and timing of pass-through.

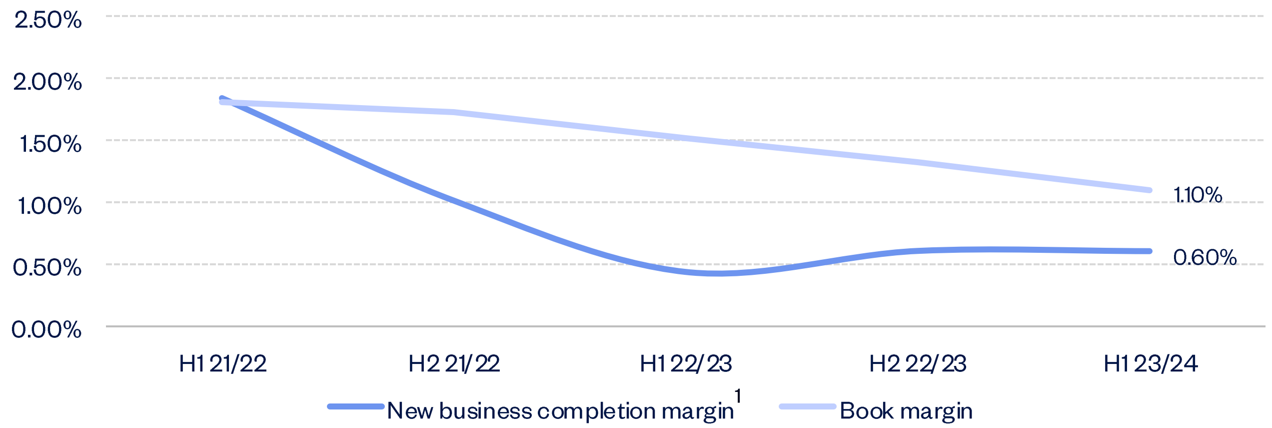
[1] Includes the impact from structurally hedged current account balances. [2] Includes the impact from structurally hedged reserve balances and the Current Account Switching Incentive

Retail mortgages performance

Mortgage balances by product type, £bn



Mortgage gross margin trend, %

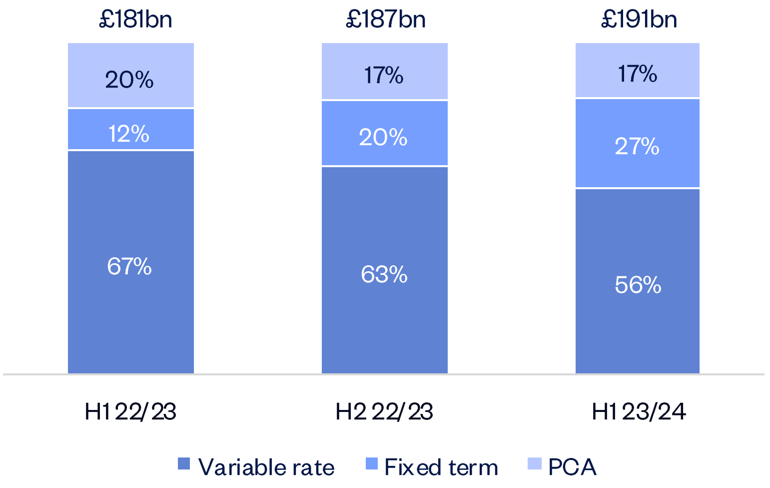


- Retail mortgage balances were £202bn at the end of the period, reflecting a slowdown in housing market activity. Market share was maintained at 12.2%.
- Net lending has been supported by our continued focus on retention through highly competitive products for existing customers.
- Competition remains strong in a subdued market, with new business margins[1] averaging around 60bps over the past six months.

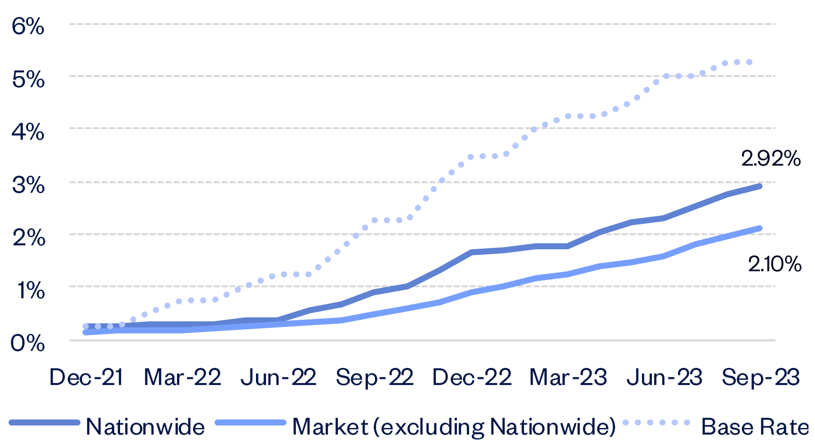
[1] Excludes switcher business

Retail deposits performance

Retail deposit mix, %

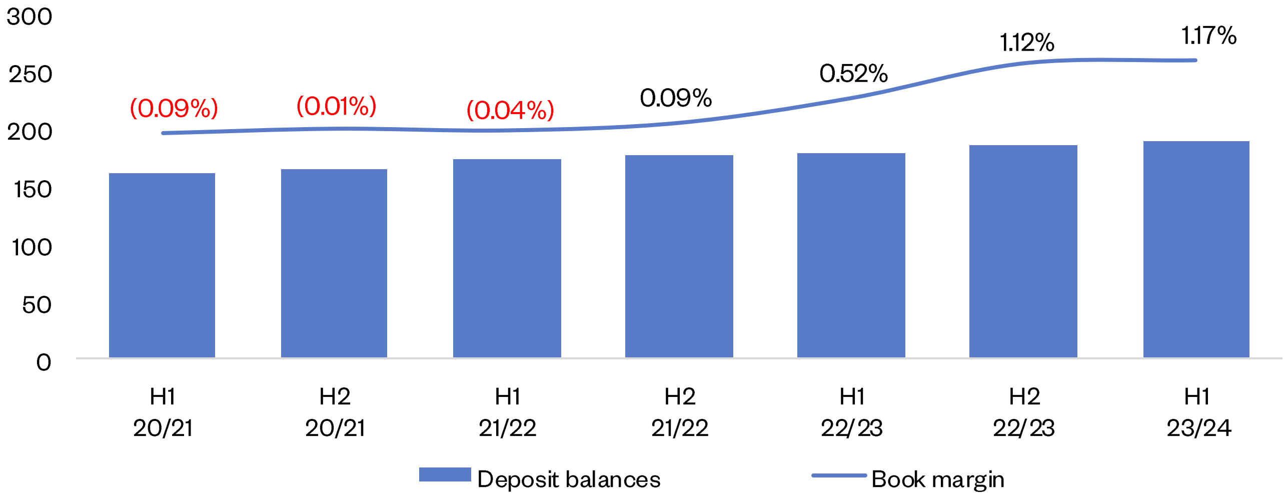


Average deposit rates (annualised), %



Source: Nationwide, Bank of England

Average deposit balances, £bn & gross margin trend, %



- Retail deposit balances increased by £4.2bn in the period, supported by competitive pricing and increased levels of accrued interest from higher average savings rates.
- The mix of deposits continues to evolve in a competitive market. We have observed continued churn of balances out of non-interest-bearing current accounts into rate-paying products, in particular fixed rates.
- Since the start of the interest rate hiking cycle in December 2021, Nationwide's average pay rate across all deposits has tracked above the market average.

Cost increases mitigated despite the inflationary backdrop

£million	H1 23/24	H1 22/23	YoY change	
Business as usual	748	691	57	↑
Investment & depreciation	369	362	7	↑
Costs excluding restructuring	1,117	1,053	64	↑
Restructuring[1]	(2)	29	(31)	↓
Costs including restructuring	1,115	1,082	33	↑
Historic fraud losses	-	1	(1)	↓
Total costs	**1,115**	**1,083**	**32**	↑

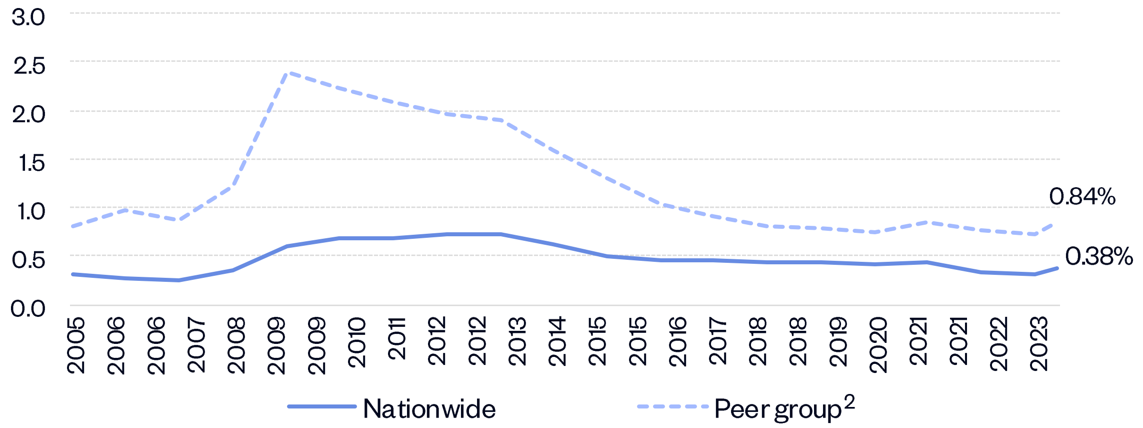
- Total costs were 3% higher compared to H1 2022/23.
- Costs excluding restructuring were £64m (6%) higher, as inflationary increases within BAU operating costs were mitigated by efficiencies in investment spending.
- Employee costs increased by 17%, partly due to the decision to bring forward the annual employee pay review to support colleagues in the current economic environment.
- There was a small release in restructuring spend following one-off costs incurred in the prior year.

[1] Includes colleague severance costs, asset impairments and write-offs and charges resulting from reviews of useful economic lives.

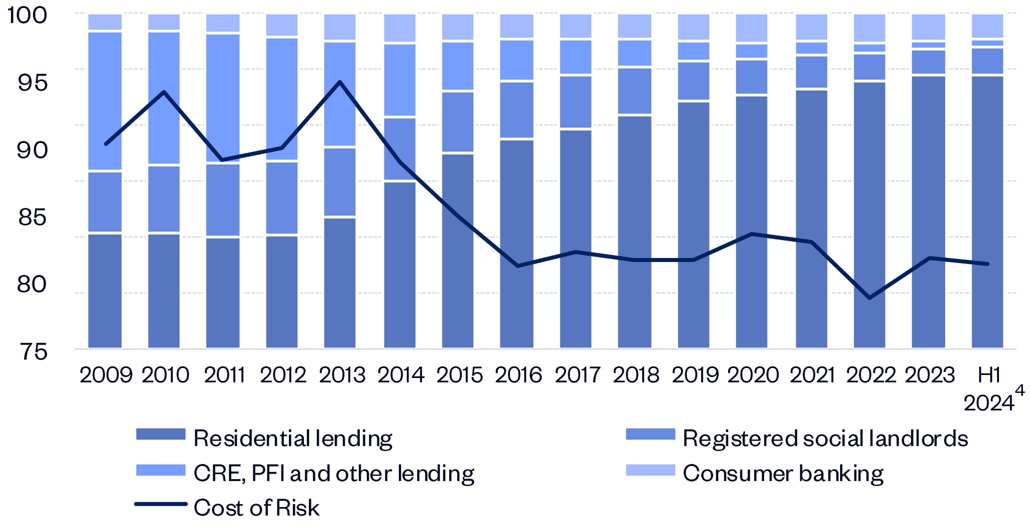
Stable credit performance amidst continued economic uncertainty

Retail lending	Residential		Unsecured	
	30 Sep 23	04 Apr 23	30 Sep 23	04 Apr 23
Total balances (£m)	202,275	201,662	4,317	4,408
Provision balances (£m)	305	280	450	469
3m+ arrears[1] (%)	0.38	0.32	1.14	1.21
3m+ arrears industry average[2] (%)	0.84	0.72		
Total negative equity balances (£m)	90	181		
Negative equity (£m)	10	13		
Forbearance[3] (£m)	1,072	1,158		

Mortgage accounts in 3m+ arrears, %



Evolution of Loan Book (%, LHS) and Cost of Risk (bps, RHS)

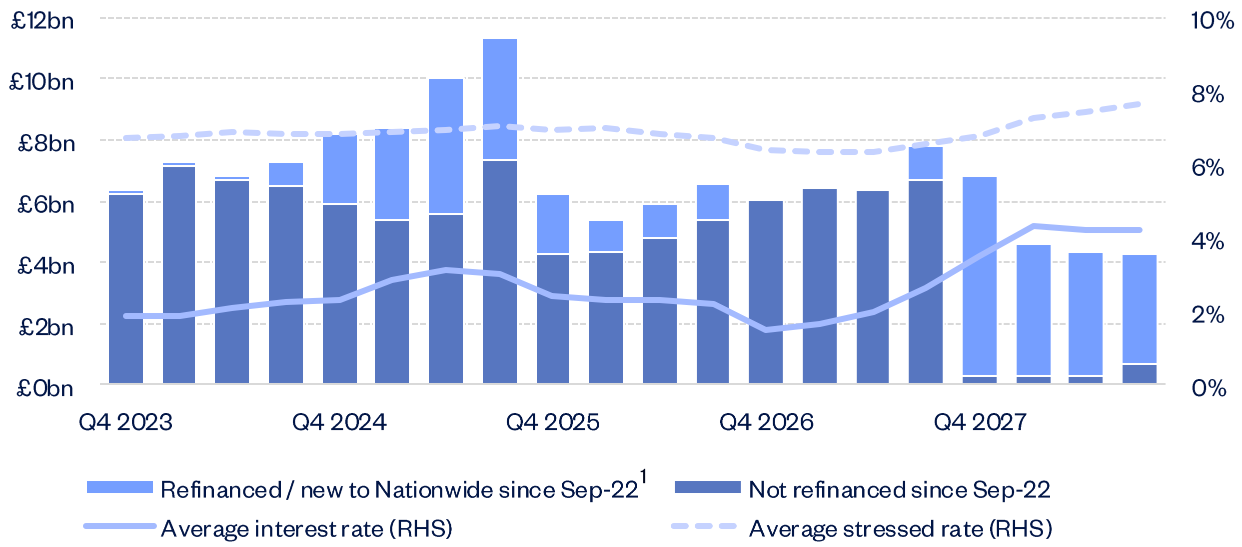


- The Cost of Risk (CoR) is 3bps (annualised 5bps), which is in line with the pre-pandemic period.
- Residential arrears rates increased but remain low and continue to outperform the industry average.
- Forbearance reduced over the period, in part due to interest only concessions being available under the Mortgage Charter.
- The average indexed LTV of total loan stock was unchanged at 55%.
- Unsecured 3m+ arrears rates fell in the period.

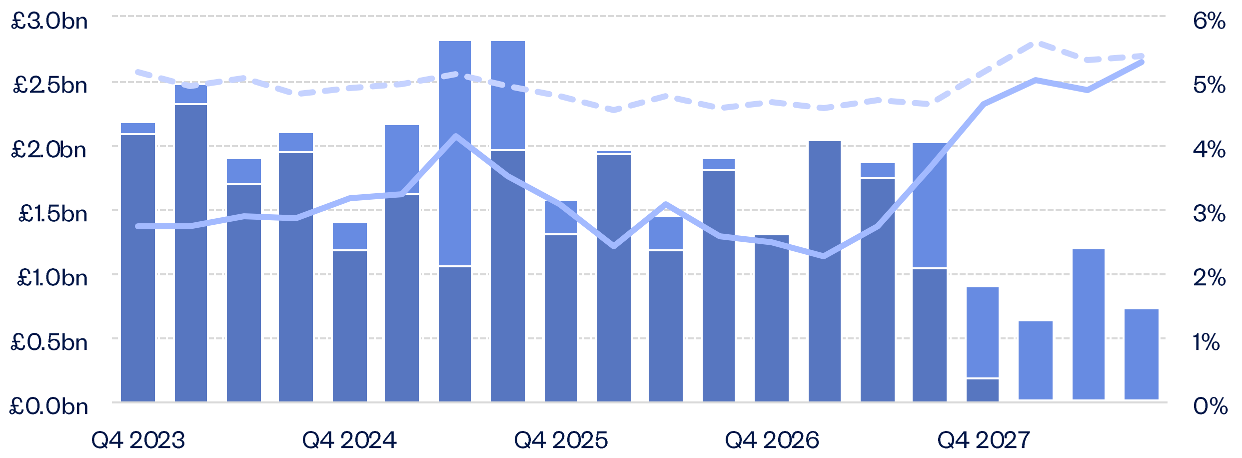
[1] Residential: Proportion of residential mortgage accounts more than 3 months in arrears. Unsecured: percentage of balances, excl. charge offs. [2] Source: UK Finance [3] Excludes concessions granted under the Mortgage Charter introduced in July 2023 [4] Annualised CoR

Mortgage portfolio refinancing profile

Fixed rate maturities, owner-occupied portfolio, £bn



Fixed rate maturities, buy-to-let and legacy portfolios, £bn (key as above)

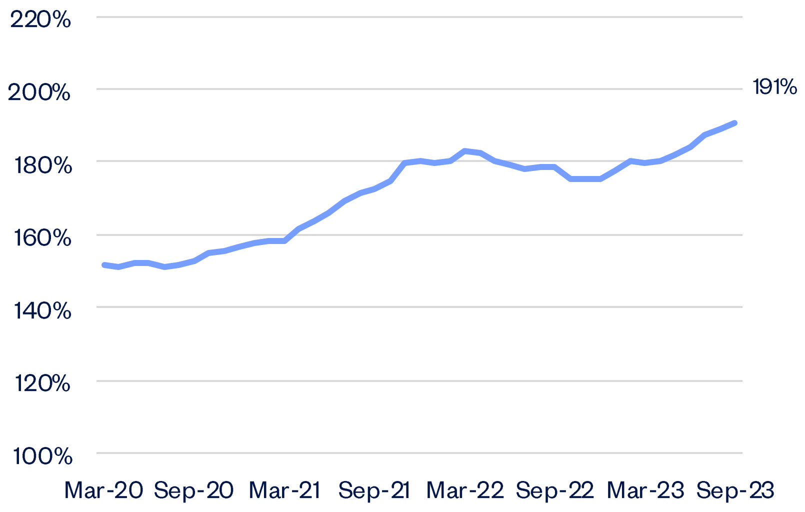


[1]Note that this may include some balances on product rates reserved prior to Sep-22 that completed after Sep-22

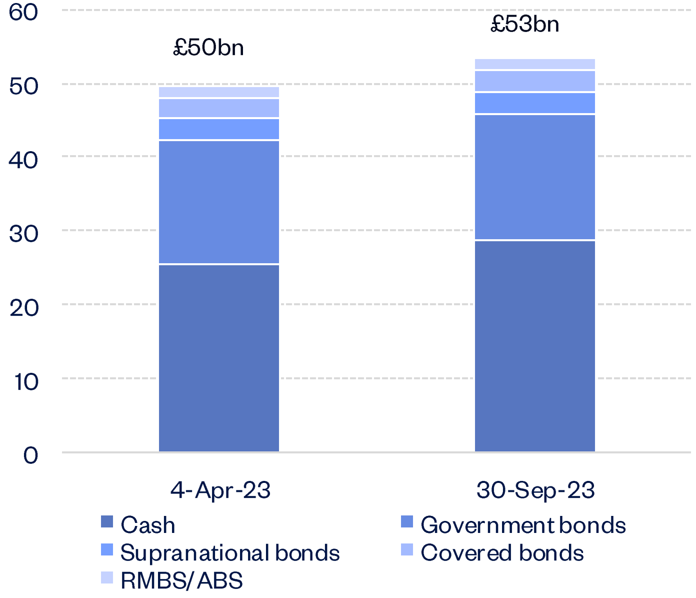
- Whilst existing borrowers are facing into higher pay rates at the maturity of existing deals, over a quarter of the fixed rate book is either new lending or has refinanced since September 2022 (when market rates first increased substantially).
- Approximately 20% of fixed rate mortgage balances in the owner occupied and BTL portfolios contractually mature in the next 12 months.
- Stressed interest rates at the point of mortgage origination have historically averaged over 6% on the owner-occupied portfolio.
- Early-stage arrears performance on mortgages that have expired since September 2022 is below that reported across the total book.
- The average interest coverage ratio (ICR) for the BTL book is 413% (4 April 2023: 436%). Less than 3% of the book that is due to refinance onto a higher rate in the next 24 months has an ICR below 200%.

Liquidity analysis

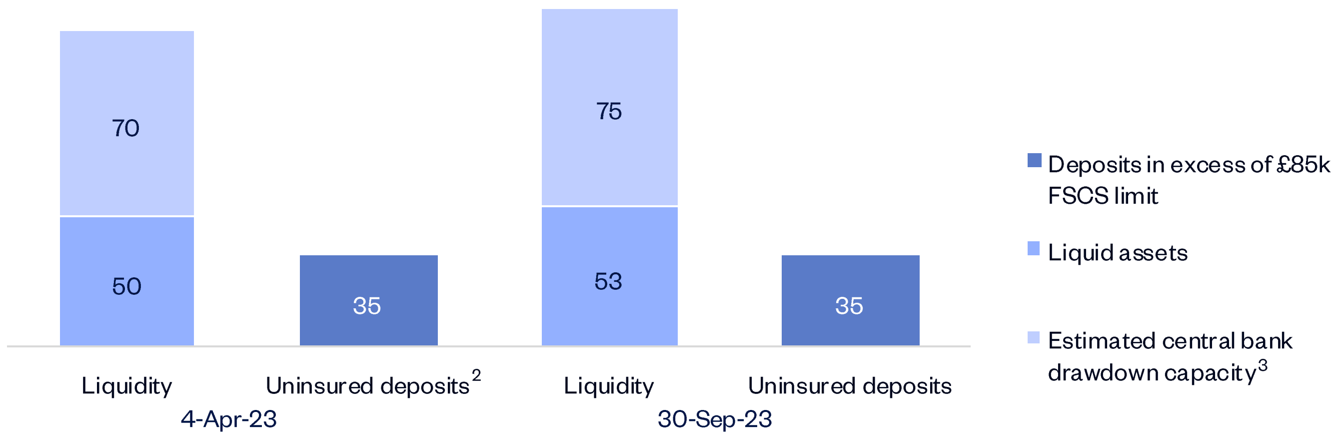
LCR Pillar 1 %, 12m rolling average[1]



Liquid assets, £bn



Total liquidity resources, £bn

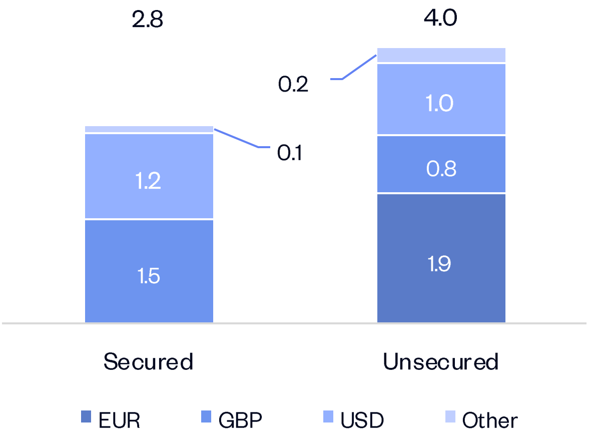


- The 12-month average LCR was 191% (4 April 2023: 180%). Our internal assessment of liquidity explicitly considers characteristics of Nationwide's deposit book, including the level of uninsured balances and other factors that we expect to impact behaviour in a stress (e.g. online/mobile app activity), and is our binding constraint.
- On balance-sheet liquidity totalled £53bn, significantly above the £35bn of uninsured deposits (those that exceed the £85k FSCS limit).
- In addition, Nationwide retains an estimated £75bn of drawdown capacity from central bank contingent liquidity facilities[3], much of which could be utilised same day.
- The four-quarter average NSFR was 149% (4 April 2023: 147%), well above the 100% minimum requirement.

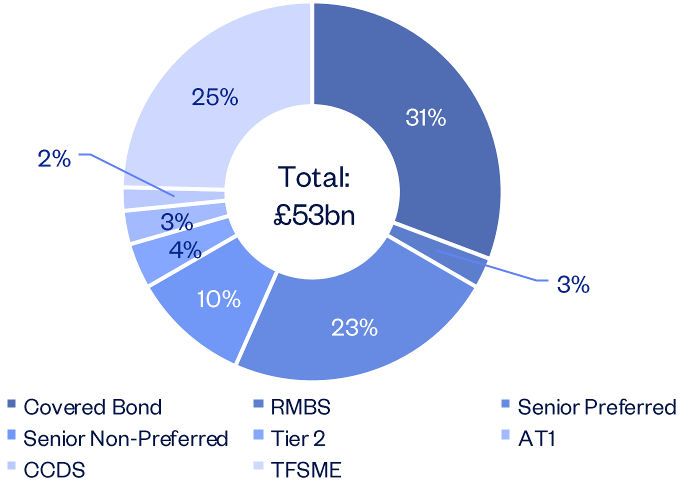
[1] Data points represent 12-month simple average of LCR; [2] comparative restated to reflect improved data quality; [3] Nationwide has assumed a haircut of 25% on assets

Robust wholesale funding position supported by strong credit ratings

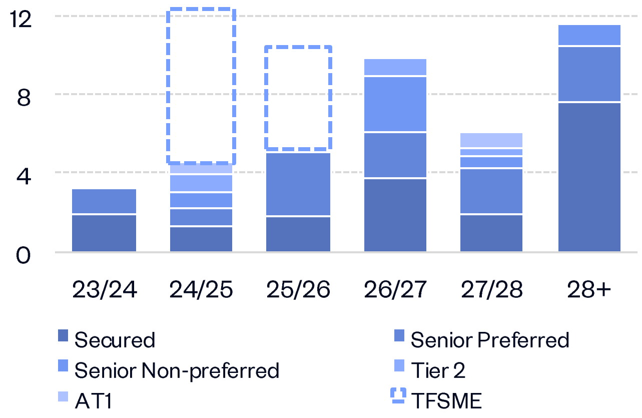
Wholesale funding issuance, £bn: FY to date[1]



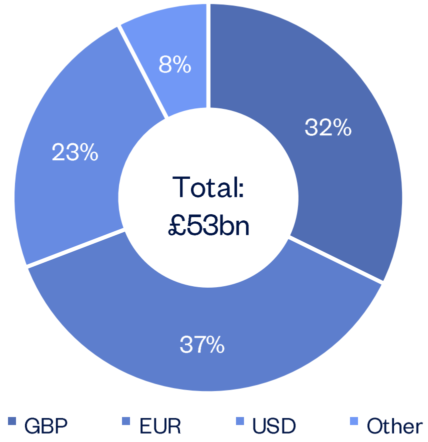
Wholesale funding portfolio by instrument[1], %



Wholesale funding maturities[1,2], £bn



Wholesale funding portfolio by currency[1], %

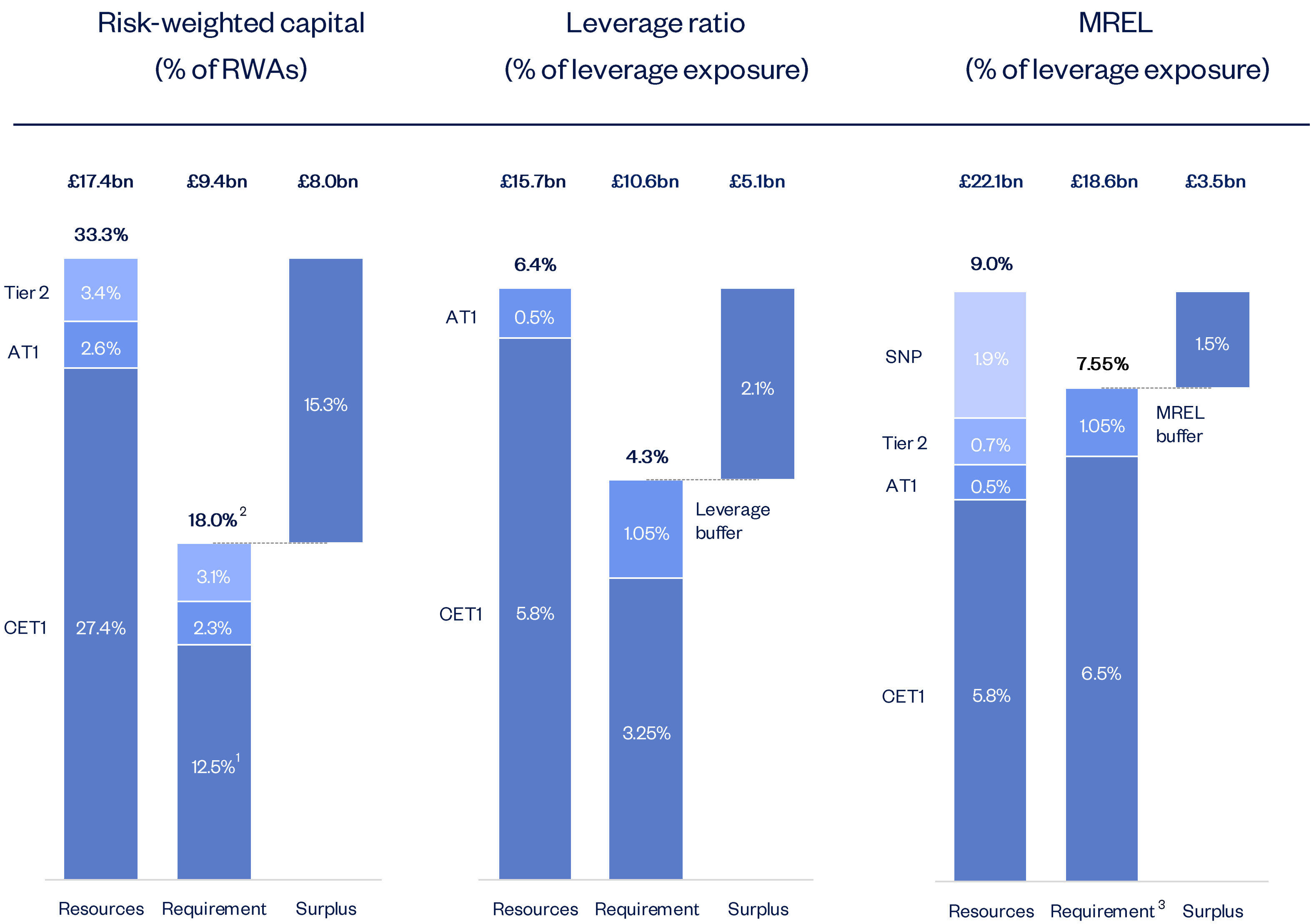


- We have repaid £8.6bn of TFSME ahead of contractual maturity, leaving £13.1bn of drawings outstanding.
- If all outstanding TFSME drawings had been fully repaid at 30 September 2023, our LCR would have been c.140%.
- We have issued c. 6.8bn sterling equivalent in a range of currencies in the financial year to date[1].
- We intend to maintain at least one benchmark outstanding in each instrument type across the liability structure.
- We currently expect to have issued c. 6-8bn sterling equivalent by financial year end 2023/24 subject to lending and deposit volumes.

Credit ratings agency	Senior preferred	Short term	Senior non-preferred	Outlook
S&P	A+	A-1	BBB+	Stable
Moody's	A1	P-1	A3	Stable
Fitch	A+	F1	A	Stable

[1] Includes external issuance in October & November 2023 and is based on notional swapped equivalent in GBP; [2] Maturities assume all calls are exercised at the first available date. This is not an indication of future redemption and should not be interpreted in that way.

We meet current and expected regulatory capital requirements



- Capital surpluses ensure we maintain buffers above minimum regulatory capital requirements across risk based, leverage and MREL frameworks.
- The PRA has consulted on Basel 3.1 and our interpretation of the draft rules suggests our CET1 ratio would reduce to a low-to-mid 20% range on a pro-forma, end-point basis. Our leverage requirements are expected to remain our binding Tier 1 capital constraint in the medium term.
- We continue to optimise our capital resources, successfully repurchasing c. £175m of CCDS in 2023.

Key metrics	
CET1 ratio	27.4%
Leverage ratio	6.4%
Surplus to CET1 MDA	14.9%

[1] CET1 requirement includes 7.0% TCR (4.5% Pillar 1 & 2.5% Pillar 2A) and 5.5% Capital Buffers [2] Total requirement includes 12.5% TCR (8% Pillar 1 & 4.5% Pillar 2A) and 5.5% Capital Buffers [3] Includes external MREL for 2023 as published here but including the updated UK countercyclical buffer

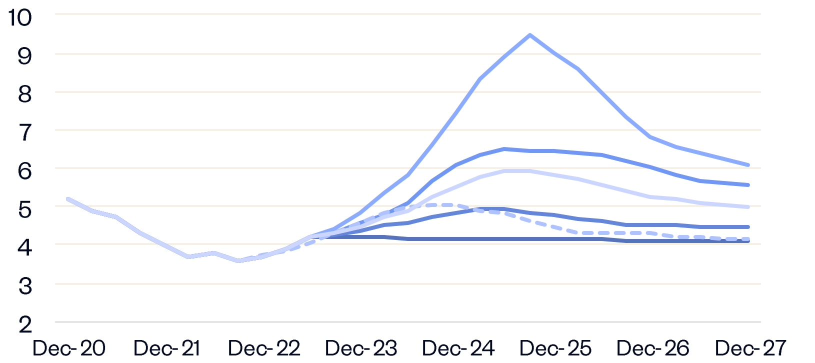
nationwide

Appendix

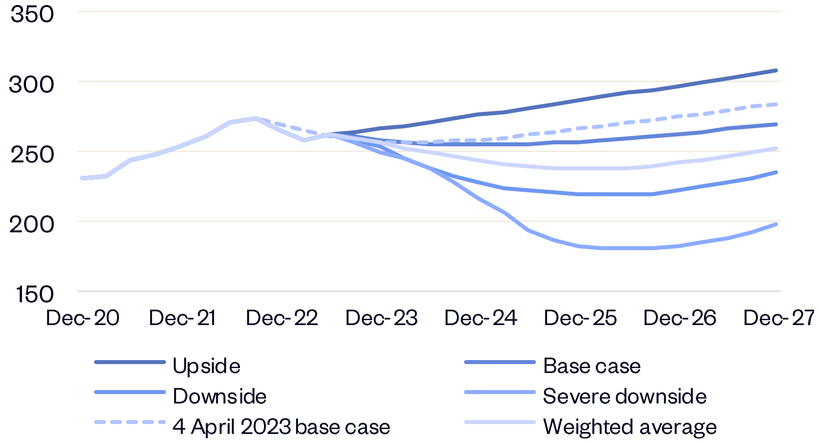
Multiple economic scenarios

Scenario & weighting	Variable (%)	2023	2024	2025	5-year average[1]	Peak[2]	Trough[2]
Upside 10% (4 April 2023: 10%)	GDP growth	1.0	1.6	1.6	1.5	7.6	0.1
	Base rate	5.3	4.0	4.0	4.3	5.3	4.0
	HPI growth	(0.7)	3.7	3.8	2.8	15.1	(2.7)
	Unemployment rate	4.2	4.2	4.1	4.1	4.2	3.9
	CPI inflation	3.5	1.7	2.0	2.9	10.1	1.4
Base case 45% (4 April 2023: 45%)	GDP growth	0.7	0.8	1.0	1.1	5.4	0.1
	Base rate	5.8	5.8	4.8	4.7	5.8	3.0
	HPI growth	(3.7)	(1.0)	0.6	0.1	1.0	(5.5)
	Unemployment rate	4.4	4.8	4.7	4.6	4.9	3.9
	CPI inflation	5.3	1.8	1.7	3.2	10.1	1.6
Downside 30% (4 April 2023: 30%)	GDP growth	0.4	(1.4)	(1.7)	0.6	3.1	(2.6)
	Base rate	6.0	4.0	1.5	3.0	6.5	1.0
	HPI growth	(5.6)	(10.1)	(3.5)	(2.6)	(1.2)	(19.1)
	Unemployment rate	4.6	6.1	6.4	5.6	6.5	3.9
	CPI inflation	5.0	1.5	0.3	2.5	10.1	0.3
Severe downside 15% (4 April 2023: 15%)	GDP growth	(0.3)	(4.4)	0.2	0.7	3.7	(5.7)
	Base rate	6.5	7.0	5.0	5.4	7.5	3.8
	HPI growth	(6.7)	(13.3)	(16.0)	(5.9)	(1.2)	(33.3)
	Unemployment rate	4.8	7.5	9.0	6.7	9.4	3.9
	CPI inflation	9.0	7.8	3.0	5.4	10.1	2.0
Probability weighted: (30 September 2023)	HPI growth	(4.4)	(5.1)	(2.8)			
	Unemployment rate	4.5	5.5	5.8			
	CPI inflation	5.6	2.6	1.5			
Probability weighted: (4 April 2023)	HPI growth	(7.7)	(5.1)	2.7			
	Unemployment rate	5.2	6.0	5.3			
	CPI inflation	5.5	2.1	1.6			

Unemployment rate, %



Average house price, £000s



- Our base case scenario assumes a small rise in unemployment and a modest reduction in house prices through 2023. The weighted average of all scenarios represents a fall in house prices of 10% from September 2023 to early 2026.
- The two downside scenarios together remain weighted at 45%; increasing the severe downside probability by 5% (and decreasing the downside by 5%) would increase provisions by £32m.

[1] GDP & HPI is based on the cumulative annual growth rate over the forecast period. Base rate, unemployment & CPI are calculated as a simple average using quarterly points. [2] GDP growth & HPI are shown as the largest cumulative growth/fall from 31 Dec 2022 over the next 5 year forecast period. Base rate, unemployment and CPI are shown as the highest/lowest rate over the forecast period from 31 Dec 2022.

IFRS 9 staging and provisioning by portfolio

	Owner-occupied mortgages[1]				But-to-let & legacy mortgages				Unsecured			
	30 Sep 23		04 Apr 23		30 Sep 23		04 Apr 23		30 Sep 23		04 Apr 23	
	Balance (£m)	Provision coverage (%)	Balance (£m)	Provision coverage (%)	Balance (£m)	Provision coverage (%)	Balance (£m)	Provision coverage (%)	Balance (£m)	Provision coverage[3] (%)	Balance (£m)	Provision coverage[3] (%)
Stage 1	139,007	0.01	138,670	0.01	22,495	0.06	26,211	0.05	2,282	0.9	2,383	1.0
Stage 2	18,729	0.3	18,200	0.3	20,711	0.7	17,345	0.8	1,759	11.1	1,745	12.1
of which: > 30 dpd	*296*		*255*		*185*		*176*		*19*		*17*	
of which: > PD uplifts[2]	*11,309*		*11,498*		*5,973*		*5,110*		*502*		*585*	
Stage 3 and POCI	663	4.1	641	4.0	629	8.7	548	7.3	276	84.9	280	83.3
of which: > 90 dpd or in possession	*415*		*355*		*319*		*245*		*47*		*51*	
of which: > charged off accounts	*n.a.*		*n.a.*		*n.a.*		*n.a.*		*187*		*185*	
Total	158,399	0.06	157,511	0.05	43,835	0.47	44,104	0.44	4,317	10.4	4,408	10.6

[1] This table excludes Fair Value through Profit or Loss (FVTPL) balances which totalled £41m as at 30 September 2023 (4 April 2023: £47m); [2] Balances allocated to stage 2 that have been driven by increasing the probability of default to reflect management's judgements
[3] Stage 3 coverage excluding charged off accounts was 59% (4 April 2023: 59%)

LTV distribution of residential mortgage portfolios

Loan book balances (by value): 30 September 2023						
LTV band	Owner-occupied		BTL & legacy		Total	
	£bn	% total	£bn	% total	£bn	% total
<50%	62.8	40	14.7	34	77.5	38
50-60%	26.7	17	11.8	27	38.5	19
60-70%	29.9	19	11.2	26	41.1	20
70-80%	21.8	14	5.7	13	27.5	14
80-90%	12.9	8	0.2	0	13.1	6
90-100%	4.3	3	0.1	0	4.4	2
>100%	0.0	0	0.1	0	0.1	0
Indexed LTV	55%		55%		55%	
Indexed LTV (4 April 2023)	54%		56%		55%	

New business[1] (by value): H1 2023/24						
LTV band	Owner-occupied		BTL & legacy		Total	
	£bn	% total	£bn	% total	£bn	% total
0-60%	2.4	23	0.6	38	3.0	26
60-75%	2.5	24	1.0	62	3.5	29
75-80%	1.1	11	-	-	1.1	9
80-85%	1.7	17	-	-	1.7	14
85-90%	2.0	19	-	-	2.0	17
90-95%	0.6	6	-	-	0.6	5
>95%	-	-	-	-	-	-
Average LTV	72%		62%		71%	
Average LTV (H1 2022/23)	70%		67%		69%	

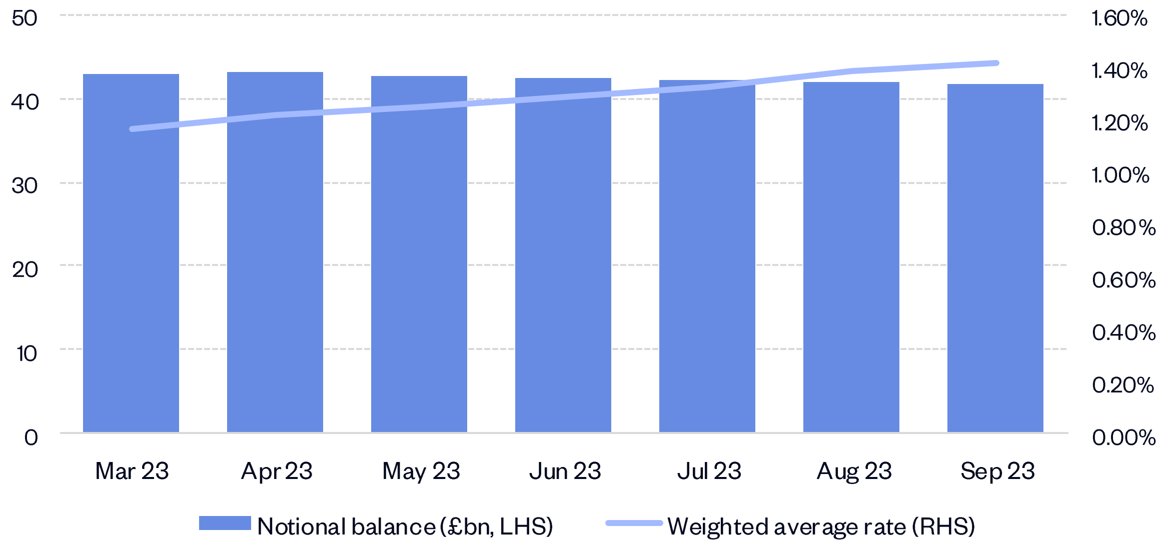
[1]New business excludes further advances and product switches

Structural hedge and NII/EVE sensitivity analysis

Structural hedge

- We undertake structural hedging of our CCDS, reserves and stable[1] personal current account balances to smooth income volatility from short-term changes in interest rates.
- The total hedging of c. £42bn has a weighted average duration of 2.5 years and we follow a programmatic approach where 1/60th of balances mature and are reinvested at prevailing rates each month. Changes in the underlying balances are also reflected in the size of hedging each month.
- The average fixed rate of the hedge as at 30 September 2023 was 1.42% (4 April 2023:1.17%).

Structural hedging programme



Net interest income (NII) sensitivity

- An instantaneous parallel downward shift in prevailing interest rates of 100bps would decrease annual net interest income by £37m, reflecting the hedged nature of the balance sheet. This analysis assumes a static balance sheet and 100% pass-through on all managed rate products (unless a 0% floor is reached).
- 1bp of margin widening or compression on managed rate deposits equates to c. £11m of NII sensitivity.

Economic value of equity (EVE) sensitivity

- Measures the change in the value of assets and liabilities, excluding equity, arising from a change in interest rates. Nationwide's most severe sensitivity is the parallel shock up[2], which reduces EVE by 6.1% as a percentage of Tier 1 capital. This is within the regulatory 15% threshold.
- Removing the impact of reserves structural hedging, which is in place to reduce income volatility, the EVE sensitivity falls to 0.9%.

[1] Based on behaviour analysis; [2] Equivalent to 250bp in GBP; 200bps in USD/EUR

We remain active in core wholesale term funding markets

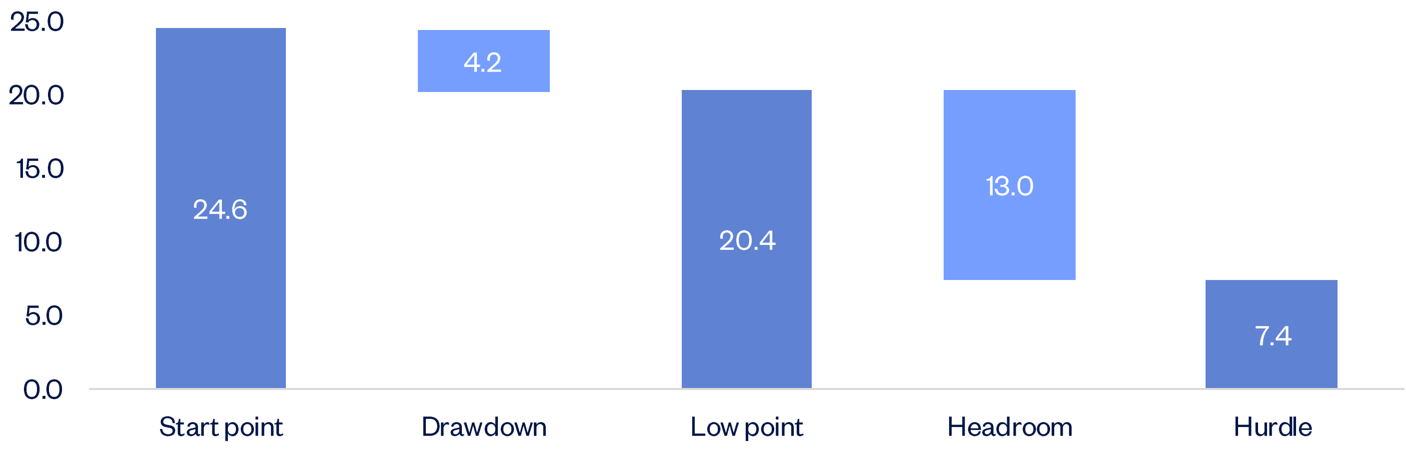
Public wholesale issuance by trade, financial year to date[1]

Instrument	Tenor	Currency	Notional (CCY)	Trade date
Senior preferred	2yr	EUR	500m	May 2023
Covered bond	5yr	GBP	750m	June 2023
Senior non-preferred	4NC3	CHF	175m	August 2023
Senior preferred	5yr	GBP	700m	August 2023
Senior non-preferred	4NC3	USD	1,250m	October 2023
Covered bond	7yr	GBP	750m	October 2023
Senior preferred	3yr	EUR	1,250m	October 2023
Covered bond	3yr	USD	1,500m	November 2023

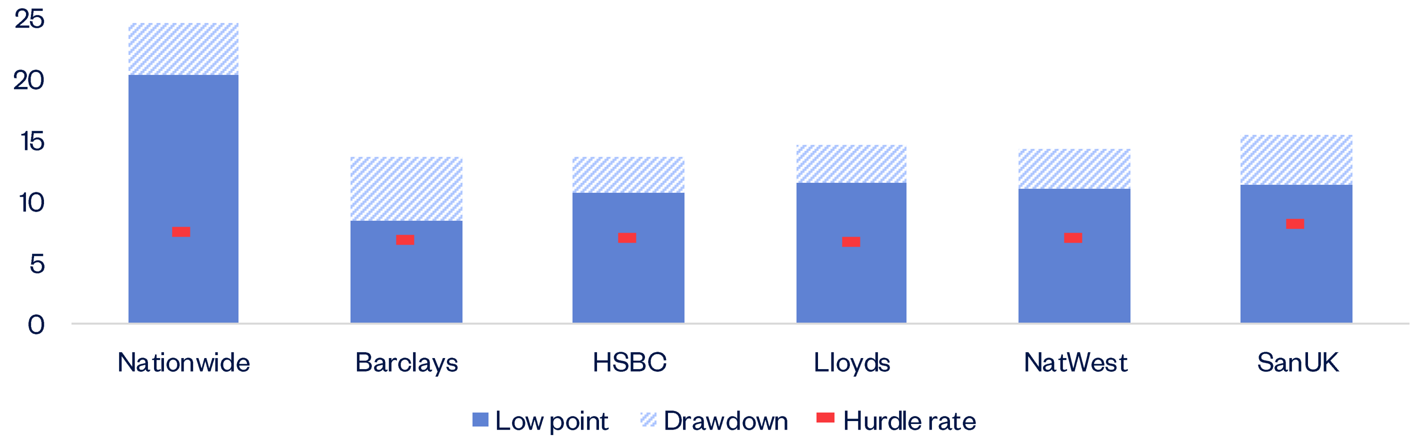
[1] Includes external issuance in October and November 2023

Nationwide continues to perform strongly in Bank of England stress test

CET1 drawdown and low-point post management actions, %



CET1 drawdown and low-point, Nationwide vs peer group, %



- As a D-SIB, Nationwide is subject to the Bank of England's stress testing regime.
- The 2022/23 Annual Cyclical Scenario (ACS) assumes a significant economic downturn; the unemployment rate rising to 8.5%; and a peak to trough decline in house prices of 31%.
- In line with previous stress test exercises, Nationwide performed strongly relative to the peer group.
- Nationwide's CET1 low-point through the stress scenario was 20.4%, after accounting for strategic management actions, which was significantly above the hurdle rate of 7.4%.
- The leverage ratio low point was 5.6% against a 3.6% hurdle rate.

Responsible Business

ESG ratings remain strong

MSCI

ESG Rating

AAA

Leader

Rated December 2022

ESG Assessment	Score	Scale	Date stamp
Moody's Analytics ESG Assessment	62	0 to 100	July 2023
ISS ESG Rating	C+, Prime	A+ to D-	September 2023
CDP Climate Change Disclosure	A-	A to D-	December 2022
S&P ESG Score	54	0 to 100	May 2023

We're also rated by Morningstar Sustainalytics, our ESG Risk Rating can be found at: https://www.sustainalytics.com/esg-rating

Nationwide is a responsible business

Beacon for mutual good

Having a meaningful impact on customers, communities and society, by being bigger and doing better

Our Mutual Good Commitments

Our Mutual Good Commitments demonstrate the progress we have made for our customers, communities and wider society. They are to:

- Help to achieve safe and secure homes for all
- Protect our customers' financial wellbeing
- Support progress towards a greener society
- Champion thriving communities
- Reflect the diversity of our society

By 2025, we will help 250,000 people to buy their first home[1]

By 2025, we will have provided £1 billion of new lending to support the social housing sector[2]

We will ensure 100% of our new buy to let lending on rental properties continues to meet the Decent Homes Standard

By 2025, we will protect 750,000 customers with our Scam Checker Service[2]

Our Branch Promise: Every town and city which has a branch today will still have one until at least 2026

We will commit at least 1% of our pre-tax profits to charitable activities each year

By 2028, our people will reflect the wider society that we represent. This includes seven measures that span across gender, ethnicity, disability and sexual orientation

Reducing our environmental impact

We will aim to reduce our scope 3 emissions for our mortgages, other secured lending activity, and our supply chain, by taking steps to reduce those emissions within our control and encouraging our customers, borrowers and suppliers to do the same, in line with our 2030 scope 3 science-based target*

We will aim to reduce our scope 1 emissions that we control across our own business operations, in line with our 2030 scope 1 science-based target, and remain carbon neutral for these emissions

We will aim to continue to source 100% renewable electricity for our own operations, in line with our 2030 scope 2 science-based target

[1] Baseline November 2020; [2] Baseline March 2022. * We consider it highly unlikely at present, that our measures for scope 3 investments emissions can be achieved under current government policies in connection with the UK's housing stock. Emissions associated with our residential mortgage lending account for the majority (more than 80%) of our total scope 3 emissions and we have very limited control over practical measures to reduce the emissions from properties which are owned by our borrowers.

We have disclosed our emissions and science-based targets

Upstream scope 3 emissions (categories 1, 2 & 4)

156,000 (c.5%)

42% absolute emissions reduction target | **partial levels of control**

Scope 1 & 2 emissions

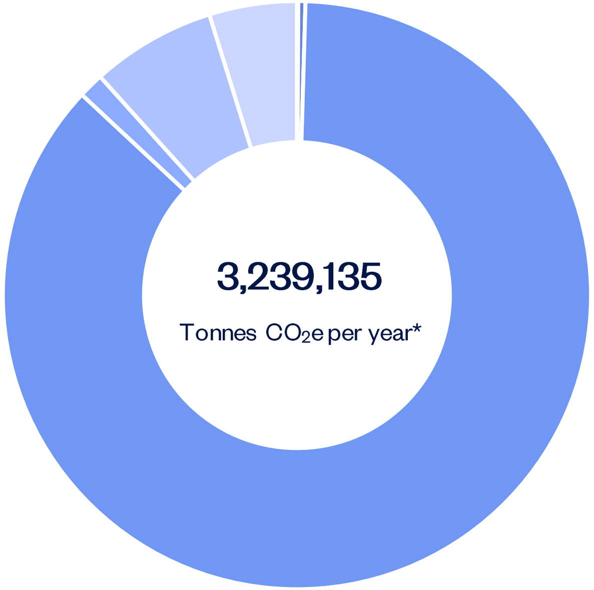
2,361 & 12,774[†] (c.0.5%)

42% absolute emissions reduction target for Scope 1; continue to source 100% renewable electricity for scope 2 | **full control**

Scope 3 registered social landlord emissions

222,000 (c.7%)

45% emissions intensity reduction target | **very limited control**



Scope 3 commercial real estate emissions

45,000 (c.1%)

46% emissions intensity reduction target | **very limited control**

Scope 3 mortgage emissions

2,801,000 (c.87%)

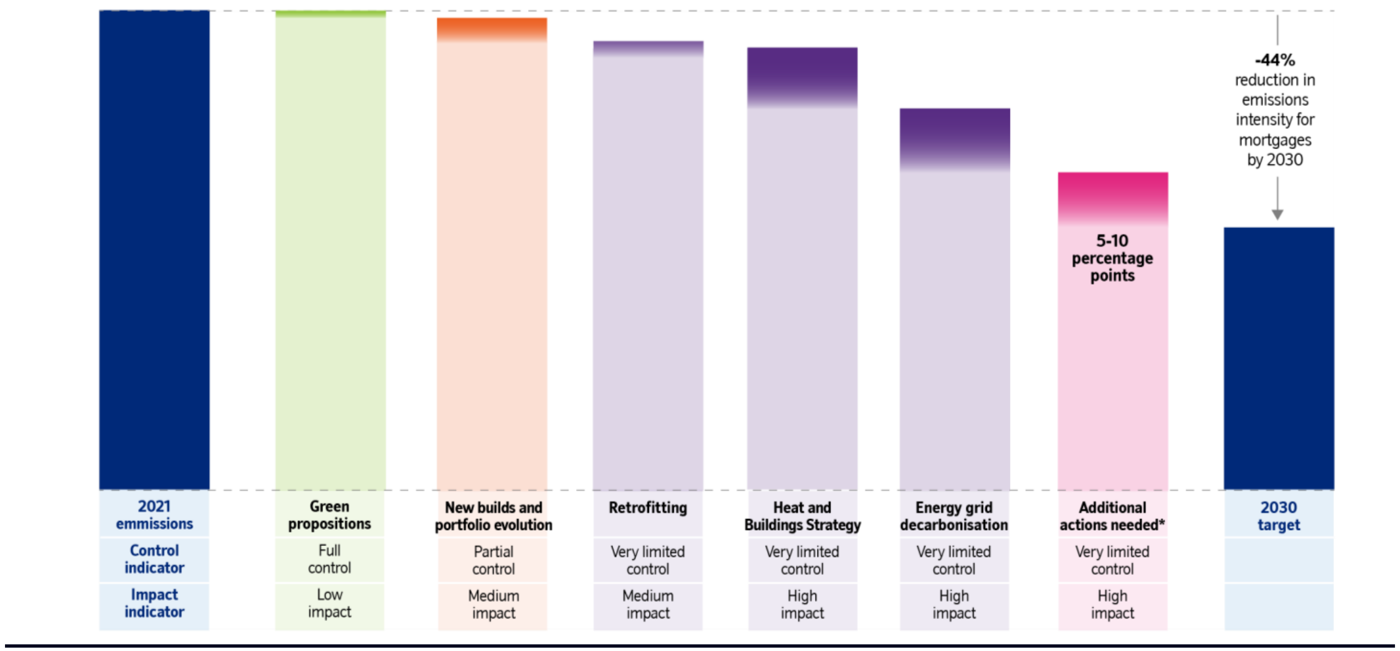
44% emissions intensity reduction target | **very limited control**

- Nationwide aims to help build a more sustainable world by supporting the UK Government's ambition to achieve net-zero by 2050.
- Over the past years we have been sustainably reducing our carbon footprint, achieving carbon neutrality for our business operations in 2020, and we are committed to reducing this further to meet the Paris Agreement.
- In December 2022, Nationwide published its highly challenging intermediate (by 2030) science-based targets. This disclosure covers the sectors applicable to our business model, across scopes 1, 2 and 3. Achieving our emissions and emissions intensity reduction targets will require both member, cross-industry, and government action (see footnote on previous page).

[†]Nationwide is carbon neutral for its scope 1 and 2 emissions. Scope 1 emissions are offset through verified offset projects. Scope 2 emissions use 100% renewable electricity through a PPA carbon reduction agreement and green tariff electricity. All targets set to 2030.
*Emissions as disclosed in Nationwide's FY 2022/23 climate-related financial disclosures.

Approach for reducing Scope 3 mortgage emissions

Modelled impact of key carbon reducing activities on our scope 3 mortgage emissions †



c. 80% of emissions are attributable to our residential mortgage lending. Reducing these emissions requires changes to policy and consumer behaviour.

We are taking action to contribute to and influence these changes:

- Providing and developing green products, including our 0% Green Additional Borrowing Mortgage launched in June 2023
- Offering sustainability-linked lending to our social landlords
- Coordinating the Green Homes Action Group: a cross-sector lobby group championing pro-retrofit policy-making
- Commissioning retrofit-focused research with leading consultancy, Element Energy
- Working with industry groups and leading experts to promote best practice and regulatory change

† This analysis is based on an impact assessment of announced government policy - all boxes are indicative and actuals may vary. Further details can be found in our document Intermediate Net-Zero Ambitions 2022: Basis of Preparation *Additional government-led policy actions will be needed to reduce mortgage emissions intensity, across UK homes, in line with a 1.5°C pathway

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