

NATIONWIDE BUILDING SOCIETY

ANNUAL GENERAL MEETING 2025

Virtual hearing

on

Friday, 25 July 2025

Chairman: Mr Kevin Parry OBE

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THE CHAIRMAN: Welcome to Nationwide's 2025 Annual General Meeting. Thank you for taking the time to attend.

My name is Kevin Parry and I'm the Chairman of Nationwide and I'm chairing today's meeting.

The Society Secretary, Jason Wright, has confirmed that we now have more than enough attendees to make the meeting quorate, so I now declare the meeting open.

Since we moved to an online format, the attendance at our AGM has been very significantly higher, reversing a year-on-year decline since 2011. The format means that members from across the United Kingdom can join from the comfort of their homes or workplace without the time and the expense of travelling to a central venue. And for those members without online access, we are providing support to join online and take part in their local branches.

You will also be able to ask questions by text, as well as appearing on video.

We don't edit or exclude any questions unless someone is trying to dominate to the exclusion of other members' questions. We may group them into topics or filter out duplicates but only because this means that we can get through more questions from more members across a wider range of topics than was ever possible in meetings where everyone had to attend in person. I hope that you will agree that this is a sensible approach.

In our experience, the online format is fairer, more equitable, and improves participation in the Annual General Meeting and engagement with the Society more generally.

Our online platform for the meeting and the voting has proven to be very robust, but if we do lose our ability to broadcast and we were unable to restore it within say 20 minutes, we will let you know by means of an adjournment notice that will appear on your screen and a message will be posted on our website.

All directors are present at the meeting this morning, except for David Bennett who has a meeting with the regulator.

My Board colleagues are Anand Aithal, Albert Hitchcock, Alan Keir, Debbie Klein, Sally Orton, Tamara Rajah, Gillian Riley and Phil Rivett. They're all online.

We also have some directors in the studio with me today, I'll briefly introduce them.

Firstly, Dame Debbie Crosbie, our Group Chief Executive.

Debbie is joined by Muir Mathieson, the Group Chief Finance Officer. Muir has been with Nationwide since 2010 and has served as Chief Financial Officer since September 2024, which is also when he joined the Board.

And, finally, I would like to welcome Tracey Graham. Tracey is our Remuneration Committee Chair and Senior Independent Director.

Shortly, we will get into the formal business part of the meeting where you can ask questions and vote on the items of formal business included in the Notice of Meeting. At that point I will explain how that part of the meeting will run, but in the meantime Debbie and I have taken the opportunity to record a brief review to bring some of this year's highlights to life, as well as how we have engaged with members.

Video played, the transcript of which follows:

THE CHAIRMAN: This has been an outstanding year for the Nationwide Group.

MS CROSBIE: We've delivered record growth and record member value, and we've increased our lead for customer satisfaction.

THE CHAIRMAN: This year we also started to integrate Virgin Money into the Nationwide business and I'm pleased to say that that's going very well.

MS CROSBIE: Not only has it already contributed to the financial strength of Nationwide Group but soon we will start extending some Virgin Money products and services to our members.

THE CHAIRMAN: Over the next few minutes, Debbie and I will cover some of the highlights from last year and how we have engaged with you and delivered value for our members. But first let me start by talking about the economic conditions that we've been operating in and our financial performance.

While the economic outlook remains uncertain, UK households and the businesses that Virgin Money support have tended to be reasonably well insulated from the global uncertainty. The underlying pace of UK economic activity is still subdued and when it does improve it is only likely to be gradual. That means that labour market conditions should be quite solid. There will be some resilience in earnings and interest rates should continue to be relatively low to support both the housing markets and some growth in deposits.

Even though the economic environment was relatively flat, your Society's financial performance has been outstanding. Our financial results this year included the first six months of our ownership of Virgin Money. We've achieved record growth in mortgages and deposits. We've returned our highest ever member value and we increased our lead on customer satisfaction to its highest point in eight years.

Having a strong and stable financial foundation is more important to Nationwide than pure profits and last year we benefited from the diversity of funding from our acquisition of Virgin Money, particularly business bank deposits. This allowed us to prioritise value for our members rather than higher profits. We chose to return £2.8 billion in value to members. This included giving £1 billion directly to you, our members, through the Fairer Share Payment and The Big Nationwide Thank You, and £1.8 billion through better rates and incentives. Deposit rates were 30% higher than the market average.

I'm also pleased to report that we recorded a £2.3 billion gain on our acquisition of Virgin Money because we bought the business at such a good price. Virgin Money has performed strongly since acquisition, with a return to growth in mortgage lending and an increase in business lending. The number of business current accounts has grown by 5% since acquisition, and we plan to pilot referrals for Nationwide customers to Virgin Money's digital business current account shortly.

The acquisition of Virgin Money was a major milestone last year. We took this step after carefully considering the long-term interest of the Society and its members. We have canvassed your views on the Virgin Money acquisition for over a year now and more than 200,000 of you have been surveyed. For those aware of the acquisition, sentiment in favour of the deal is now at its highest level at 97%. We assessed these views from our ongoing Customer Experience Tracker survey which provides us with feedback from over half a million of our customers each year. That is just one of the ways that we consider and act on member views. At Board meetings we regularly review insights from complaints to consider what we can learn from them and we listen directly to members in focus panels. Directors also spend time in our branches talking directly with our members and customers. Last year we also refreshed our Member Voice panel; that's a panel of over 6,500 members who we consult to help shape the priorities of the Society and to make sure that we deliver for you. Here to tell you a bit more about that are some of our members and two of our non-executive directors.

Video played, the transcript of which follows:

A MEMBER: It's nice to be able to feel appreciated. It's just being listened to.

MS KLEIN: As a Board, we really want to put members at the heart of everything we do and that we're constantly listening to members and getting insights from members.

A MEMBER: They are the one building society who wants to know my opinion and wants to know what is going on in my life.

MS RAJAH: Hearing from all these different groups of customers does bring a really rounded perspective to how our customers feel about Nationwide and also what's really important to them.

A MEMBER: I think Member Voice makes you feel as if it's an organisation that really values its customers and values its customers' views and comments.

MS JONES: Member Voice is our research listening panel that we have for Nationwide members. We have over six-and-a-half thousand members on Member Voice. We ran 59 activities on it last year and we've had over 27,000 responses from members, so it's a great way of members being able to tell us what is working well for them and for us to be able to adapt and shape propositions off the back of their feedback.

MS RAJAH: The panel was a classic example of how diverse Nationwide's member base is. There was so many different perspectives, inputs and so on. That huge spectrum of opinions and insight was very valuable.

A MEMBER: You're not alone and you can see commonality between you. Your views are listened to and it's definitely worth it.

MS KLEIN: And that can help us shape not only our products but also our priorities overall, making sure that we're achieving our objective of extending the benefits of mutuality to as many members and bringing them what matters to them in their lives. App usage has been going up and we knew that we wanted that to be as good as possible. It wasn't as good as we wanted it to be, so we were constantly getting feedback from members on how we should do that.

A MEMBER: Part of the Member Voice focus groups, somebody mentioned the fact that they would like it to be more compact and it looks much better now.

A MEMBER: I'm so glad it's happened, we've moved away from the card reader machine, because it's a faff having to carry it around all of the time.

A MEMBER: It was really cumbersome - you had to put your card in, generate a code - and we continually fed back on that, and I think, you know, obviously, there were changes that were made.

MS KLEIN: So now when members join, provided they complete the biometric process, they don't have to use a card reader. They can use it, we are all about choice and giving members choice, but they don't have to use a card reader, and that's really reduced some friction in the customer journey as well.

A MEMBER: I now can use biometric data, either face on my phone or thumb on my iPad, and that's so much better.

MS RAJAH: The beauty of Nationwide is focusing on delivering really well for customers and members today but also thinking about what they need in the future as well. Product development, the technology that's coming through, the way that service needs to evolve, all of those are areas where the Member Voice is crucial. I think it's really important that in the year ahead we keep up with the huge amount of input that we've had from members and that, as a Board, we will continue being as close to our customers as we can.

MS KLEIN: The purpose of Nationwide is banking, but fairer, more rewarding, and for the good of society, and we have to stay true to that.

(End of video)

THE CHAIRMAN: That was just a short summary of the excellent work the Member Voice panel does and the ways that the Board gets a good representation of the views

of all members. We're very grateful to many thousands of members who contribute their time and insights to the panel. We'll show a bit more of that film towards the end of the meeting, along with details of how you can get involved to help shape your Society.

MS CROSBIE: As Kevin said, this has been an outstanding year for Nationwide. We were first for customer satisfaction among our peer group for the thirteenth year running and increased our lead.

More people chose to switch their current account to Nationwide than any other brand and we are now attracting more young people, which is very important for the long-term success and strength of the Society. Last year, one in four new student accounts were opened with Nationwide, which was a record for us.

We also reached an all-time high for mortgage lending and retained eight out of ten of our customers when it was time for them to renew their mortgage. That is the highest retention rate across all of the UK banking sector. Our service for mortgage customers is now market leading. For many, we have reduced the length of time taken to apply for a mortgage down to just 20 minutes and increased the way that people can manage their mortgage online. Last year we also became first choice for first-time buyers. We helped 120,000 people into a home of their own - that's almost double the year before and more than any other lender in the UK.

As Nationwide, we stand apart from other high street lenders and online banks because we offer our customers real choice in the way they engage with us. The number of people using our mobile banking app is up more than 10% to 7 million people, and we've introduced 30 new digital features and improvements to both the Virgin Money and Nationwide banking apps. A big improvement for Nationwide customers was the introduction of biometric authentication so that people no longer need to use the card reader for many tasks if they don't want to.

We know many of you enjoy the convenience of our online chat facilities and also enjoy talking to our colleagues on the telephone. However, the biggest difference between us and the rest of the high street banks is our Branch Promise. Not only are we committed to keeping branches open, but we're investing to make them even better. Last year we refurbished over 100 of our branches from as far north as Cupar in Scotland to Shanklin in the Isle of Wight and Omagh in Northern Ireland. We also turned our branches in Liverpool, Chester and Exeter into flagship branches.

With over 600 branches across our network, we understand the important role face-to-face banking plays in local communities. Hundreds of colleagues support residents and neighbours in their everyday lives, and when we acquired Virgin Money last October, we immediately extended our Branch Promise to its branches. Our branches are great for our customers and for communities, but they also make commercial sense. Almost 6 million of you visited a Nationwide branch last year, that's an increase of 4%, and more than 30% of new current accounts and over 40% of ISAs were opened in a branch. Our branches are helping local town centres to stay strong and a focal point for many communities.

Last year we launched our partnership with Dementia UK as part of Nationwide Fairer Futures. Since then, dementia specialist Admiral Nurses have held 1,400 clinics in 120 of our branches. Here's Kevin with some more information on ways that Nationwide uses the power of its mutual model to benefit society.

THE CHAIRMAN: Nationwide is the largest building society in the world and we are one of the most important mutuals in the UK. In line with our commitment to give 1% of pre-tax profits to good causes, last year that amounted to £20 million. We refreshed and relaunched Money Lessons in February and since then over 100,000 children have taken part to the delight of both pupils and teachers.

Last year we launched our Fairer Futures strategy in partnership with CentrePoint, Action for Children and Dementia UK. Since then, we have helped more than 1,600 homeless young people into a safe space to rebuild their lives. With Action for Children, nearly 37,000 children and families living in poverty or financial hardship have received vital funding, and over 29,000 people living with dementia, and their carers, were supported by specialist Admiral Nurses.

I'm delighted to say that we've added a new partner, The Royal Marsden Cancer Charity, to our Fairer Future strategy, and your Society is now funding world-leading research to help improve the lives of cancer patients in the UK and around the world.

We've also continued the rollout of the National Databank programme to provide free data-loaded mobile SIM cards to those impacted by data poverty.

Later in the Annual General Meeting we'll hear more about the difference that your support has made to our charity partners and the contribution that you will be making today just by voting.

Debbie and I are proud to lead Nationwide and to work with its members for the good of society.

MS CROSBIE: We are now the second largest provider of mortgages and savings in the UK and have a relationship with one in three UK households.

THE CHAIRMAN: That is an immense responsibility and one that we don't take lightly. All of the directors and senior managers have to demonstrate their in-depth knowledge of banking and our business so as to ensure that we run the building society safely for the benefit of members.

MS CROSBIE: It's also an incredible opportunity to make banking fairer, more rewarding, and for the good of society.

THE CHAIRMAN: In this introduction we can only capture some of Nationwide's many highlights this year. We look forward to discussing many more with you during the Annual General Meeting.

(End of video)

THE CHAIRMAN: I hope that film was helpful and provided insight into what your Society achieved last year and the ways that we engaged with members.

Before we take your questions, which we will answer before you are invited to vote, we will run through the formal business of the meeting.

The Notice is on a separate leaflet from your voting form and was included in your voting pack and is available for download on our voting site.

The Notice of Meeting was sent to members on 16 June 2025 and includes 18 items of formal business for your consideration today. A brief explanation of each of these is included in the Notice of the AGM, but in summary:

- Resolution 1 covers our Annual Report and Accounts for the year ended 31 March 2025;
- Resolution 2 is to approve our Directors' Remuneration Report for the year ended 31 March 2025;
- Resolution 3 is to approve our Directors' Remuneration Policy;
- Resolution 4 relates to the re-appointment of our auditor;
- Items 5 to 17 cover the election and re-election of all of our directors; and
- Special Resolution 18 is to approve an amendment to the Society's Rules.

I intend to put these matters to vote on a poll. This will enable the votes of all voting members, including those voting by proxy, to be included in the count by our independent scrutineers, Civica Election Services. Once verified, the formal declaration of the results will be published following the meeting.

Before voting, I would now like to invite members to ask any questions they have on the business of today's meeting. I anticipate that the meeting will end at about one o'clock this afternoon, dependent on the number of questions asked.

Just before then, we will show you a special preview of the new Nationwide TV and online ad, which I hope you will enjoy.

You can ask questions by clicking on the Q&A tab at the top of your screen. Just type in your questions and they will be relayed to me, or you can request to speak on video to the Board live by clicking the Q&A tab and then click "Request to speak". Once you've submitted a request to speak, a member of our team will provide you with a link to ask your question when it is your turn. When you ask your question, please could you let us know your name and be concise so that as many members as possible can take part. If we do get lots of questions on the same subject, we'll do our best to combine them. This will give us time to cover as wide a range of topics as possible in the time we have available. Please could I also ask you to keep your questions to matters relating to the Society rather than to your own individual circumstances. This is not because they are not important to us but rather because they can be dealt with

more effectively by using one of our normal customer channels, such as through our branches or call centres.

Now, I can already see lots of questions coming through, so let me take the first question. And the first question, very quick off the mark, comes from Mrs Gibson and Mrs Gibson asks a question really pertinent to the last twelve months, so thank you for that Mrs Gibson, and she says:

“What benefits and new services will members get from Virgin Money acquisition and how is the integration going?”

So I think that’s, undoubtedly, a question for the Chief Executive. Debbie.

MS CROSBIE: Thank you, Mrs Gibson. As Kevin said, a great question. So I’m pleased to say that we’ve done a lot of planning and a lot of consideration about the way that we’ll approach the integration and that’s going very, very well. We’ll be presenting our plan for the full integration to our Board in October and of course we’ll be delighted to update members on how we’re going to attack that over the coming weeks and months. But the most - thing that we’re really excited about is not only the financial strength that the acquisition has given us, which will in time allow us to increase member benefit and make sure that we are well positioned to do things like Fairer Share Payments in the future, we’re also very excited about the introduction of new services.

First off the mark, as Kevin covered in the video, is that we’re about to start piloting the referral of Nationwide customers through our website to be able to access the business banking digital facilities that Virgin Money offer. That’s something that a lot of Nationwide customers for many years have been very interested in. In addition to that, there’s a number of other facilities that Virgin Money provide; for example, a wider range in their credit card that over time we will also be able to introduce to Nationwide customers. So we’ll be delighted to share the plans as they emerge, but first off the mark is definitely the introduction of business banking. Thank you.

THE CHAIRMAN: Thank you. I think I’ll keep with the theme of products and take a question from Ms Ifill, and she says:

“I want to create strong money values with my ten-year-old daughter. I want to give her confidence with spending too. Will there be a package, like some banks and building societies are doing, to safely offer this? My daughter is ten and I’m considering getting a NatWest account to be able to get a free Rooster Card subscription. I don’t want to have to switch away from Nationwide.”

So, Debbie, I’m coming to you again, I think.

MS CROSBIE: Thank you. There’s nothing more important than financial education for our youngsters and we are very passionate about that. We’ve introduced a new current account for children, it’s introduced from age eleven so we’re nearly there, and I’m really ... I hope that you’ll be able to bring in your daughter to open one of those accounts very soon in one of our local branches - very happy to point you to the

most local branch for you - and that current account gives you the ability to help your daughter learn and manage money. It also encourages savings, so not just a current account, there's another savings account which is attached to that which has got a very attractive interest rate for our children. And, very importantly, if your daughter banks with us with her current account and saves with us, I'm delighted to say that she'll be entitled to the Fairer Share Payment if she meets the eligibility criteria. So, hopefully, that will be a really great way of teaching her that managing money well can be very rewarding. So, hopefully, we look forward to welcoming her as a customer to Nationwide very soon.

THE CHAIRMAN: So just a reminder, you can ask questions or you can request to speak. I'm going to take one more question where it has come in in written form and then I'm going to take one that is live. So the next question is from Mr Foscett, he says:

"I do not agree with the Fairer Share scheme as it is biased. As an investor with considerable funds and a holder of the FlexPlus account, I'm committed to Nationwide, so I consider a reasonable bonus justified. However, I hear members with dormant accounts of a few pounds are getting £100."

So the rules about getting that, maybe again, Debbie, you could just run through those.

MS CROSBIE: Yes. So thank you for the question, Mr Foscett. This is very important and I want to reassure you that we've spent a great deal of time thinking very carefully about making the eligibility criteria as fair and as inclusive as possible, and, also, it's very, very important that that scheme does encourage people to have their main banking relationship with Nationwide because that's fundamental to the success of the Society and we believe we're a very attractive alternative to the high street banks. So what I can reassure you is dormant account holders who have a current account do not qualify for Fairer Share. There are a number of transaction requirements that you have to meet for the three months prior to 31 March every year and you also have to have £100 in either a savings account or £100 balance in your mortgage account. The eligibility criteria has been designed to avoid exactly what you're concerned about, which is rewarding people who have dormant accounts. So I'm delighted that I'm sure you qualify for the Fairer Share account and I do hope that you continue to bank with us in the future.

THE CHAIRMAN: Thank you for clarifying that.

So I'm going to go to a live question and it's from James Sherwin-Smith. Mr Sherwin-Smith, your question, please.

MR SHERWIN-SMITH: Good day, everyone, and thank you for taking my question, which is in two parts.

Despite submitting 600 paper nomination forms from fellow members to stand for election to the Nationwide Board, I'm not on the ballot today as the Society deemed the majority of members' nominations invalid without specifying why. My supporters are naturally concerned about this and want to know why their individual

nominations were not accepted before nominating me again this year. Can Nationwide please be more transparent with members?

Further, members would also like to be able to submit nominations online, which for some is both more convenient and secure. The Society has thus far refused this request. Why does Nationwide require paper forms collated by the nominee instead of supporting online nominations direct from members, given it supports online banking, online account opening and other online governance activities, such as electronic voting and an online AGM?

THE CHAIRMAN: Thank you. So two questions in there, so let me take those. So the first question was around the number of forms submitted and whether they were validly submitted and, hence, qualified for potentially putting you forward as a director. The total number of forms submitted, we had set out to you previously how they needed to be put together and I know you acknowledged that, so that was clear beforehand. We have to comply with the law and with our own rules, and a lot of the law and the rules is around to make sure that there is no fraud involved in such matters.

So the biggest reason by some margin why the forms were not - did not reach the required number was that they didn't contain a signature. We put it forward to you that they could be a wet signature or it could be an electronic copy, photocopy, etc, of the signature, but we had to have a way of verifying that these were genuinely valid forms and there was a huge shortage in that respect.

Other matters though, some people submitted more than one form, it's one member, one vote. Others had not been members for long enough, you need to be a member for two years.

So we have no latitude as to whether the rules are complied with or not, they're set out in our rules, the law is the law, and there was a very significant deficit in the forms submitted. So I hope that clears that up.

The second matter was around electronic forms. We did say that we would accept emails as long as we could see a signature that was valid, so I'm a bit confused by that comment.

MR SHERWIN-SMITH: I disagree, with respect, Chairman. Your Society Secretary was quite clear these had to be paper forms submitted as documents physically to your offices. So if it is possible for members to deliver nominations electronically via email and with a signature that does resemble what the Society has on file, then that's definitely an improvement for this year. But it does seem strange to me that when it suits the Society, things can be done online, but when it's a question of member governance, it seems to be quite a lot harder and you require things to be done on paper. But thank you for clarifying that, I will let my supporters know that they can submit via email this year.

THE CHAIRMAN: Good. Thank you very much.

So let me go back now to another question that comes from Mr Stanborough and he says:

“Can the Board explain why the Reward Saver account continues to rely on postal-only statements, despite the security risks and member dissatisfaction that this causes, particularly in the light of Nationwide’s stated commitment to digital inclusion and data protection under GDPR?”

So, again, let me come to the Chief Executive.

MS CROSBIE: So, thank you again, Mr Stanborough, for the question, and we completely agree that all things related to data security is of utmost importance to us. We’re working very hard to create what we call an online hub where we’ll be able to produce all electronic forms of statements for most of our accounts and that’s in process. So, on that particular account, what we can assure you is, if you don’t want to receive paper statements, we will stop sending you them. Please do let us know. You can either access the relevant information by going into a branch, but, hopefully, in the future we will be able to provide all of these statements electronically and that’s not too far away. So if you’ve got a very specific question on your account, if you please drop me a note, we’ll clarify the time frame for electronic statements for you.

THE CHAIRMAN: Thank you. I’ve now got a statement, a question, from Ms Andrews. Ms Andrews says the first thing we state on the welcome page that is sent out is that:

“Nationwide is owned by its members who can vote to have their say. Apparently, this is not the case as any vote is not binding. This is extremely disappointing.”

Ms Andrews, that’s actually not quite right. Most of the votes are, indeed, binding, but certain votes are not, and this comes down to the law of building societies. I think what you’re referring to is votes on the remuneration policy and whether that is binding on the Board or whether it’s an advisory vote. It is an advisory vote under the Building Societies Act and there’s a difference there between that and the Companies Act that we’re not subject to. Now, that having been said, I think it is most unlikely that we wouldn’t take enormous note of a vote if it was not supportive. It isn’t, indeed, the case that that’s happened this year, but if it were to be that case, we would obviously look at that extremely closely. So it might be just a little bit of nuance here but, obviously, once again, we need to comply with the law as it applies to building societies.

The next question is from Mr MacLaine and he says:

“Is it fair or reasonable only questions of a maximum of 500 characters are accepted? Will the Chairperson now share any other obstructions the Board has imposed on the owners? The Building Societies Act’s amendment was to include by virtual means, not only to exclude in person.”

I’m not sure I quite understand that.

“Such exclusion without legal reason allows the Chairperson complete control of the narrative as we have experienced in recent years. Can you tell me of any other mutual where the employees deny owners AGM access in person?”

Well, for the avoidance of doubt, as you have just seen, Mr MacLaine, you do get access in person, and I could perhaps ask you, if you wish to say something in person to us, please follow the procedure that I mentioned earlier. So go to the Q&A section and tick the - or press the button that says “Request to speak”, and you can check that out. So your questions in written form, as a practical matter, might be limited, but you’re welcome to come on screen now and ask a question.

I think I’ll now move to a few questions on remuneration that have been coming through and I’ll ask the Chair of the Remuneration Committee to answer them. The first is from Mr Gibson and it is, indeed, directed to the Chair of the RemCo, and it says:

“Please can you explain the difference between the annual bonus conditions and the long-term bonus conditions?”

So let me go to Tracey Graham.

MS GRAHAM: Yes. Thank you for your questions that I can see are coming through.

I’m grateful to have the opportunity to talk you through how we construct the remuneration policy and particularly how we balance the needs of members and the performance of the Society to ensure that we are paying our leaders appropriately.

The three important objectives that we have are to attract, retain, and then recruit, the right leaders for the Society. We are in a competitive marketplace. The people that we want to work for the Society are in demand. Even people that are attracted to work for a building society which is the largest in the world, will expect to join us and be paid the market rate for the job that they undertake. Few of us would choose to move jobs to actually earn a lower salary.

Interestingly, over the last three years, when we look at the senior leaders at Nationwide, the first level and the second level in the organisation, all of those appointments have come from banks, we have not appointed individuals from building societies. So it is a matter that we are competing for talent with the banks and that is the marketplace that we operate in.

When we recruit senior leaders to Nationwide, we need to offer them a standard package that is in place for financial services, which would be a good salary, a bonus, and a long-term incentive.

This takes me to the policy that we are proposing today and, in particular, the pay for the Chief Executive. We have set the package on looking at independent data but it is a matter of judgement. We do want to attract and retain the very best leaders and have these people lead the Society. I believe that we have done that. We pay more than most building societies, but then again we are larger - we are five times larger

than Coventry. We are more complex and we are more important to the UK economy than other building societies.

We saw in the video that we are now the second largest mortgage lender and savings provider in the UK, yet we pay less than compared to the high street banks. Our CEO's remuneration package is 25% less than the package at Lloyd's and 30% less than the package at NatWest. If we look at comparable businesses in the FTSE 100 - and Nationwide would be a very big business in the FTSE 100 - again we would see that the Nationwide CEO's pay is in the lower half of the FTSE 100.

The policy that we are proposing today does make a change, but even after this change the CEO pay is still lower than that of her peers.

I would also like to just say - and it's the question that has come through - we have an annual bonus that we pay to the Chief Executive based on annual targets, some of that is deferred and paid in future years. We also pay a long-term incentive and that long-term incentive is over three years, subject to stretching financial targets and other objectives that we will set. Any long-term incentive is deferred for a period of up to seven years, so is not immediately payable and can be clawed back in the event of an issue.

We have seen the earlier video and the progress that has been made. We have a CEO that is delivering market-leading performance, who has helped transform Nationwide on nearly every measure that we've looked at this morning, and is widely recognised as one of the country's most impactful bankers.

Taking all of this into account, I believe we've got the balance right and that our judgements on remuneration take this into account, and I hope that members would be supportive of this.

THE CHAIRMAN: Thank you, Tracey, for that full response. I am now going to just press you on one or two things on behalf of two members. So, Mr Fisher and Ms Andrews have pushed forward a little bit further, and Mr Fisher says:

“Does the CEO see both the irony and the hypocrisy of the size of her bonus, an amount in one year that most people would struggle to spend in a lifetime, and the heavy promotion in the advertising campaign of mutuality compared to greedy bankers feeding on profits? No doubt the answer will be couched in terms of comparison to the marketplace for CEOs of banks, only to confirm that she is, indeed, one of them.”

Ms Andrews says:

“No one needs to earn more than £1 million in salary and certainly not £7 million.”

Now, I know that you've addressed that in your first response but there's obviously some strong views on that from Mr Fisher and Ms Andrews. Would you mind just maybe addressing those two points one more time?

MS GRAHAM: Yes, indeed, and thank you. So when we consider the CEO's pay and the pay of all of the senior leaders at the Society, we take into account a number of different data points, and we must recognise, as I said earlier, that we do operate in a competitive market. We are looking for individuals to join the Society that will be approved by the regulator, have experience of banking, and we clearly are competing for that talent in the banking marketplace.

We do not pay at the same level of the banks. We find and use our judgement to land at a place where we believe we can attract the very best talent and retain them in the organisation, and I think that members appreciate we do really need to have the most experienced individuals that come and join us.

I appreciate these are large numbers but we are using our judgement to find a balance to pay our senior leaders not at the level of the banks but more than what we see most of the other building societies because that's what we need to pay to attract them and retain them in the Society.

THE CHAIRMAN: Thank you very much. So I hope that addresses the question, whether you like the answer or not. I think the final point I would make is just how important it is that we have the right skill sets running Nationwide. We've got enormous responsibility to 20 million plus people in this country and getting the right skill sets - and they are relatively rare skill sets - at the very senior level is essential to the security of the deposits that we run for all of you.

Let me now though move on. There's a question from Dr Standon who I think is going to join us live. *(Pause)* We've got a slight technical question. I will come back to you, Dr Standon, if we can find you.

Let me go to one from Mr Castle and he says:

"Could you please reconsider running the AGM as a hybrid meeting so members can attend in person if they wish, in a city like it used to be, not at Swindon headquarters? Coventry Building Society had about 150 members attending their AGM in person this year. Nationwide ought to do better if it allowed attendance in person, not online only."

So I'm pleased to be able to say that we had the highest attendance today than we've had in the last ten years, and I think there is a slide that's being rapidly put together that shows the history of the attendance. *(Slide shown)* The light blue on the left as you look at it, those numbers were when we had in-person meetings. Now, clearly, the last few years were affected by Covid, where there were restrictions in attendance. But if you go back to 2017 - 2018, the attendance was round about - either side of 150 people. The attendance that we've got since we've gone online - and we do allow people, obviously, as you have heard already, to talk online, assuming we can sort out our technical problems with Mr(sic) Standon - you can speak directly to us today. So we think it gives the best of both worlds. It's really difficult, if we were to hold it in one place, wherever we chose would probably not be convenient to a lot of people, whereas today we've got currently 370 people online. So we think this gives the best of both worlds. You can talk to us directly or you can type a question in and it is relayed to me. So the hybrid meetings are in some ways, I think, the most difficult of

the lot because you have some people in the room, some people online, you get questions repeated that really just wastes everybody's time. We think this is the best and modern solution and is encouraged, I think, quite widely in today's world, using the technology that we are grateful to have available to us.

Now, somebody is going to tell me if we can get to Dr Standon. No, we still can't. I don't know if we've lost you, Mr(*sic*) Standon. You might want to see if you can get back to us.

Let me go to a question from Mr Brown:

“How are members being consulted and involved in the Virgin integration implementation project?”,

and let me go to Debbie again.

MS CROSBIE: Thank you. Great question, Mr Brown. What I'd say is, you've heard a lot of the work that we do through our Member Voice panel, and in the coming years we'll be doing a number of sessions on our Member Voice panel to get feedback and to get helpful suggestions. And one of the things that we're most thoughtful about is, as we progress through the integration, we want to make that customer experience as slick, as easy, and as customer-friendly, as possible. So the integration plan will be very - well, will be customer and member led. So we'll have a whole series of activities running through next year to do that. If you haven't signed up, you're able to do that through our online ... and I think actually we have a link at the end of this online AGM. So, please, I'd encourage you to do so. We're always desperate to hear what people think about our customer processes. So, you know, we're really excited about that project and looking forward to engaging with you in it.

THE CHAIRMAN: Mr Castle has got another question, somewhat similarly on Virgin Money, and it says:

“If the Virgin Money brand name is to be phased out by 2030, will Virgin Money become a mutual as part of Nationwide?”,

and,

“When will Virgin Money lose its banking licence?”

Debbie.

MS CROSBIE: So that's again a great question, and Virgin Money is already in our company structure as a mutual. It retains its own banking licence at the moment and that's purely because it's important that, as we go through the integration, we make sure that we've catered for all of the regulatory requirements.

Now, for those of you who are not aware, Virgin Money actually has a note-issuing business under the brand Clydesdale Bank and we will be continuing that. For customers in Scotland, that note-issuing business is very, very important. So we will

be continuing to hold a banking licence only for the purpose of enabling us to continue with the note-issuing business.

All aspects of Virgin Money are run today under the mutual principles and mutual governance model. We will be making sure that ... There's a legal process that we're going to be undertaking next year to make sure that all the customers safely transition into the mutual and our legal entity, so we'll be communicating with customers extensively next year to explain that process. But please watch out for the communications, but you can be reassured, yes, we are absolutely a mutual and will remain so.

THE CHAIRMAN: Thank you very much. Now, I'm told that Dr Standon dropped off the line, it isn't a technical problem. Dr Standon, it might well be that we answered the question you were going to ask and you've taken the pragmatic view to drop off, but if you've still got a question, we'd welcome you dialling back in, please.

We've got a comment from Ms James and then a question. First of all, Ms James says:

“Thank you so very much for using captioning and also a signer in your sensitive approach to disability and ensuring inclusivity.”

Well, Ms James, thank you very much for saying that.

Let's just take an opportunity to play a short video to share a bit more about how we support customers in vulnerable circumstances. We were going to play this a bit later but as the question's come up, I think this would be very timely, if that can be achieved, please.

Video played, the transcript of which follows:

THE NARRATOR: At any given moment, one in two people in the UK may be experiencing a vulnerable circumstance. These can be temporary or permanent, and sometimes it comes and goes. It can be caused by a life event, like divorce or losing a job, or from your health, like anxiety or cancer. There are many circumstances that can make life challenging.

At Nationwide we take time to understand the customer's unique circumstances and needs. We want to provide meaningful support to customers in the moments that matter. Across our branches we've launched Speak Easy cards to support customers with verbal communication difficulties. Our colleagues receive training, guides and tools so they can have better conversations and respond in ways that meet a customer's needs with care, and our Safe Spaces provide support to those facing domestic abuse. Online, Signly translates our website into British Sign Language. Our easy-read guides explain important aspects of banking simply and with illustrations, and enhancements to our mobile banking app mean customers can share their support needs online and add gambling blocks.

The world around us is changing rapidly. Life is evolving and people's needs are too. So we're not stopping there, we're using our purpose, reputation and presence to make an impact across the industry. We're promoting safer spending for people with learning disabilities across our industry. Every product, every experience and every interaction is an opportunity to make banking fairer, more rewarding, and for the good of society.

(End of video)

THE CHAIRMAN: So I think that was a timely video, but there's another question from Ms James which is also a really important question actually, and she says:

“Do you offer free help for customers who execute lasting powers of attorney and keep a copy at the local branch once registered with the Court of Protection?”

Just before I ask Debbie to answer that, if you've got more questions, please do submit them online whilst this one is being answered. Debbie.

MS CROSBIE: Thank you, Kevin, and thank you, Ms James. As you say, a very important subject. What I can tell you is that we have a specialist support team who are very skilled in all matters to do with power of attorney so we would be delighted to offer you assistance. We can offer assistance in person in branch, but normally, particularly with lasting power of attorney, some of these matters can get rather complex, so, if appropriate, what the branch person will be able to do is hand you in to our specialist support service.

We record all power of attorney information, we keep it on the system, so that, if you come into the branch to access service or you telephone us or you are speaking to any member of Nationwide, we would be aware of the arrangements of your power of attorney. So please be reassured that if you go through that process, we can make sure that everybody's always able to assist you. Thank you.

THE CHAIRMAN: Thank you. There's a clarification question from Mr Purcell which I hope I can deal with. He asks in terms of the candidates on the form to be elected to the Board today, is there a limit or can they all be elected? They can, indeed, all be elected. So I hope that clarifies that. Thank you.

So is there any other question coming up? *(Pause)* There are two questions that have now appeared. It's one about branches:

“My local Nationwide branch in Wantage has changed from full-time opening to part-time opening hours. This causes me inconvenience. This causes me both personal ... This is in respect of both personal and business matters. The branch also serves a large number of local customers. I want my local branch restored to full-time opening hours”,

and that's from Mr Selhy.

And a related question from Ms Powell:

“There are banking hubs opening. Are Nationwide opening in those hubs to improve accessibility for all customers?”

So this is access to branches, and, Debbie, maybe you could address that one, please.

MS CROSBIE: So thank you again for the question. As you know, branch banking is fundamental to our proposition, and there is about 140 of our branches don't open five days a week, they don't open full-time hours, and we've carefully looked at the busyness of those branches and we regularly review it. So, very recently, for example, we've opened some of our branches that were only open three days, we've moved them to four days, and there's also some examples of branches that were opened four days which we've now moved to five days. So what we do is, we're very dynamic and we make sure that those branches are open to the hours that we think best meets the needs of the communities that they operate in, and that's very important because part of our drive is to make sure that when we're spending our members' money we do it very thoughtfully with an eye to make sure that we deliver the best but the most efficient service.

Now, I'm not aware of which branch is your local one, I'm very - oh, it's Wantage? - very happy to make sure that we look at the opening hours of Wantage and just decide whether or not there is demand for that to be opened again more hours. So we'll take that and we'll have a look at that, but I can reassure you that we do this very regularly. And you must understand that it's really important that we don't have branches sitting open at times where there just isn't the demand there, and that's part of the whole branch strategy of making sure we're there for customers when they need us. So thank you for that question.

When it comes to banking hubs, Nationwide does not participate in the banking hubs and the reason for that being is because we do have over 600 branches in Nationwide and we've now inherited 91 branches from our Virgin Money acquisition. So we would prefer to offer full services. The challenge that we see with banking hubs is the services are very limited and on most occasions there is only a person there maybe one day a week, so we didn't think it was good use of our members' money to offer that service. We always keep it under review, and again, if we get feedback from our members it's something that they'd like us to reconsider, of course we will do that. But right now we're much more interested in investing in our branch estate, making sure it's open as often as we think customers demand, and enhancing the services that we deliver through our branch estate.

THE CHAIRMAN: It's interesting. The anecdotes that I get when I visit branches that are not opening full-time is that, actually, members get used to the opening hours, so there might be a little bit of time to get used to it. But it is, in our view, much better to keep the branch open, even if it isn't busy five days a week, so that there is access to branches, because we do really believe in that. So I understand the position that is stated but I hope it will settle down for you.

There's a question from Ms Perry and she says:

“Why do you give bonuses to the minority of members with bank accounts rather than increase interest rates for loyal savers? Your interest rates are uncompetitive. Why don’t you ask members which they prefer?”

I’m going to ask Muir Mathieson, the CFO, to address that question.

MR MATHIESON: Yes. Thank you very much, Ms Perry, for that question. First of all, I would like to say that we are pleased that for some particular products and in some particular segments we are able to offer market-leading rates on our savings. For example, today on our regular savings account, the Flex Reg Saver, you can get a competitive rate of 6.5%, and you’ll be - you may have seen our recently-launched Member Exclusive Bond where for a period we offered an 18-month bond at a market-leading rate of 5%, and the children’s account which Debbie mentioned earlier in her member question around children’s savings, our FlexOne Saver for children, also pays a very competitive 5%. So we do have some accounts in some segments where we can be very, very competitive.

As you touch on, however, we cannot be the best price in every savings account at all times, I’m afraid that would be unsustainable for us financially. Yet we do, on average, pay more than the average of the rest of the market. So as you heard earlier in the video, on average, over the last twelve months or the last reporting period, we paid an interest rate that was 30% higher than the average of the rest of the market - that information is taken from Bank of England published data and so is independently verifiable - and we’re very pleased to be a good rate across savings accounts and better than the rest of the market, much better than the rest of the market on average, over the longer term.

I would also say that last year our deposits grew by £14 billion, which is the most that our retail deposits on our savings have ever grown within one year. So what that tells me is that we were very competitive on our savings products last year because we had greater growth and more members bringing their savings to us than we ever have done before, so I’m pleased that we did have that benefit as well.

When we first decided to pay the Fairer Share Payment to our current account members three years ago, we did that after long and careful consideration. As I say, we have very competitive savings rates, we also have very competitive mortgage rates, and have been growing our savings and mortgages faster than any other bank and building society in the UK, so we’re very content with those.

Where we really wanted to focus for the benefit of our members and consumers in the UK was on growing our current account base such that we could have a share of the current account market that is similar to our share of mortgages and savings, and the current account was where it was least obvious to us that we were rewarding members who have a current account as much as we were rewarding savings members and mortgages members. So we very carefully thought about which of those current account members should get that reward. You have to be, as Debbie said earlier, an active current account user, so it has to be your primary current account with payments going in and out, and you also have to have one other product with Nationwide, either a savings account or a mortgage account, with a balance of at least £100, so you are having a broad relationship with Nationwide.

Now, we very much welcome the question - and we have had this question before - what about those other members who may be mortgage members or savings members who don't have that current account, maybe don't want to have that current account? And that is why, at the same time that we paid the £100 Fairer Share Payment this year, we also announced, as I mentioned, the 18-month top-of-market fixed-rate bond, our member-exclusive bond for those members who were maybe just savers and would prefer to get a market-leading rate in just a savings product; and we also introduced a member-exclusive switch payment such that, if you switched your current account to Nationwide, you would also get a one-off reward payment there, so hopefully enabling those members who don't have a current account to potentially bring their banking business to us as well. Thank you.

THE CHAIRMAN: Thank you very much. Now, in a minute, I'm going to take another live question, but before I do so I'm going to take part of a question that's come in from Mrs Johnson. The reason I'm not taking a whole question, Mrs Johnson, is it includes some personal information and for banking confidentiality I'm not going to, obviously, broadcast that. But the general question I think can be answered and I'm going to ask the Chief Executive to talk to this, which is what do we do to test the system of the accuracy of accounts?

MS CROSBIE: So, Mrs Johnson, we do extensive work to test our systems, not just when we implement changes but on an ongoing basis. I know that you've expressed concern over a particular issue that relates to some matters of your relationship. I'm very happy to deal with those offline, we'll have a look at what happened there. But I can assure you that we take testing of all of our systems, particularly our customer data systems, very seriously. We've made significant improvements over the last number of years. So I'm not quite sure what happened in this case but very happy to have a look at that for you.

THE CHAIRMAN: Thank you very much. So I've got a question from Mr Doogan and I think this is coming to us live.

MR DOOGAN: Good afternoon, Mr Chairman.

THE CHAIRMAN: Good afternoon.

MR DOOGAN: In the yearly Annual Report, the Board stresses that, before the accounts are approved by the directors, they're scrutinised and challenged. The auditors also set a materiality level, giving the impression that they will discover any error above that amount. However, for 2023 and 2024 the Board and the auditors both failed to identify errors and confirmed the Annual Accounts gave a true and fair view of the income and expenditure of the Society.

After I raised a query last year how the income declared from all the subsidiaries was less than from one of them, they decided to investigate. In the notes to this year's accounts, it's been explained that in 2024 there was an error of £316 million caused by expenditure being deducted from income. This was nearly six times the auditor's materiality level of £55 million for that year. So why is the Board recommending the re-appointment of Ernst & Young LLP as auditors of the Society?

THE CHAIRMAN: Thank you very much for that question. I'm going to bring in the Chairman of the Audit Committee, who I think we have online too, so Phil should be coming up ... Here he is. So I'm going to let the Chairman of the Audit Committee address your excellent question. Thank you.

MR RIVETT: Well, thank you, Mr Doogan, it was indeed an excellent question, and we were very grateful last year when you identified the issue that you did identify. As you note, it was an offsetting amount. We were all disappointed that we didn't spot it and that you did, but on the other hand we were very grateful for you doing so. As you also note, this is related to the materiality that our auditors work too, so I think they were also disappointed. But we have reviewed the quality of the work they do and the quality of the team that they have assigned to Nationwide and, therefore, that is why we are recommending to members that they should re-appoint Ernst & Young as our auditors, because we are very satisfied with the quality of the work they do and the challenge that they provide to management on accounting judgements and issues. But, yes, it was an unfortunate thing and we are very grateful for the fact that you managed to identify it.

MR DOOGAN: *(No audio)* ... auditing, you should always check, if there is a deduction from an income account, that it is actually a repayment of income and not an expense that has been posted there. So I cannot understand how something which exceeded the £55 million has been allowed to get through.

THE CHAIRMAN: Phil, do you want to just address that point as well?

MR RIVETT: *(No audio)* ... I can't add anything to what I've already said. We were all disappointed that that was the case, but we were all very grateful for the fact that you managed to identify it.

THE CHAIRMAN: Okay. Thank you very much. I think it's a very pertinent question, but, Phil, thank you for addressing that.

So I'm going to move on to ... Do you want to add something, Muir?

MR MATHIESON: Yes, please.

THE CHAIRMAN: Yes, do.

MR MATHIESON: Yes. Can I just echo Phil's comments, Mr Doogan? Thank you very much for raising this challenge. I did just want to clarify, less so for yourself, Mr Doogan, who understands these matters well, but for all of the other members online, that our bottom-line profits, the ultimate profitability of the Society was unaffected. What Mr Doogan had spotted and what he is referring to here are particular subsets or line items within our income and expenditure statements, and within some of those items a profit and a loss or an income and an expense had been netted down within those line items, so showing a lower amount in two of the line items. I did just want to clarify there was no error of £300 million to our overall level of profitability, overall levels of profitability were correct. There was this netting

down which upon that further investigation was shown to have not been appropriate. We should not have netted down those two line items.

For those who are interested, if you look at Note 1 to our Annual Report and Accounts, we give full details there, and in fact have gone back to make a prior year restatement, as is often the case when such things are found at businesses and banks and building societies, so you can see the full prior year restatement as well. I just wanted to add those points too. Thank you, Mr Doogan.

THE CHAIRMAN: Thank you both for the answers. So, yes, it was a matter of netting down, the bottom line was unaffected, so it was a matter of the gross numbers on the lines. But the point that was identified by Mr Doogan was welcome. Thank you.

I've got a couple of questions on savings. Again, once again, I'm going to only read part of the questions because they go into personal information, but the substance of both questions are good ones. So they're from Mrs Allen and Miss Griss, and the substance of the questions:

“Why does Nationwide no longer send out any confirmation paperwork by post for deposits made to savings accounts?”

And a similar angle is:

“Why is there no option to get a cash ISA statement via the app or the website?”

So I'm going to go to the Chief Executive and see if she can address those general points, if you wouldn't mind keeping it general.

MS CROSBIE: Yes. So I'll just start with the first question that's been raised by Mrs Allen. So we got a lot of feedback that customers did want to see confirmation of their ISA opening. Previously what used to happen is we used to send a certificate. We've taken that feedback and what we now do is, when you open your ISA and you deposit the money in there, we send you a welcome letter which is a confirmation not just of the new account and sort code but also of the amount of money that you've put in that. If you've not received that, Mrs Allen, we're very happy to have a look at that, but I can confirm that we are doing that in the normal course of business now.

The second question about the availability of statements electronically and online, as I alluded to earlier, we're doing a lot of work to make sure that all statements will be available online and will be able to be accessed by a hub. Most of them are now available. If your particular accounts aren't, I'm very happy to look at the time frame that they'll be made available over. In the meantime, we can, obviously, post statements to you or make them available to you in branch. Thank you again for the feedback.

THE CHAIRMAN: Thank you. I'll come to another live question in a minute, but before we go there, there's an overwhelmingly important matter raised by Mrs Gibson and she says:

“What can Nationwide and others do to prevent fraud and stop scams? It’s an epidemic and doesn’t seem to be getting better.”

I think “an epidemic” probably is not much of an exaggeration, it is probably the most prevalent crime in this country. Debbie, what are we doing?

MS CROSBIE: Yes. So, I mean, I just want to echo your concerns. I mean, we are very concerned about fraud and we do a huge amount, and we have a Scam Checker Service which, you know, we’ve helped 1.5 million customers to date avoid scams. So what I’d say to you is, if you are concerned in any way about the validity of a call, a request for a payment, please call our Scam Checker Service or call our normal line and we can help you with that.

We are investing a lot of money in systems to detect suspicious activity on accounts, to look for patterns where people are behaving in a way that they wouldn’t normally, and, you know, there are occasions where we block payments for that and I know for some of our customers that is frustrating. But what I would tell you is it’s very important to us that we do our utmost in all circumstances to prevent as much fraud as possible.

I would also say the biggest advice or the best advice that’s given is, if you are in any way unsure and if anyone is on the telephone pressurising you into making a payment, please put the phone down, give yourself five minutes, ten minutes, and call us. Do not ever feel pressured into making payments in a hurry or in a circumstance where you don’t know enough about the individual you’re paying.

We’ve made some progress this year. I’m delighted to say that, overall, fraud is slightly down, but it is absolutely a battle that’s ongoing and I can reassure you we’re doing everything we can to help customers in any way, both educate themselves and look at new ways of detecting any fraud that occurs for our customers.

THE CHAIRMAN: Thank you. I’m going to, I’m pleased to say, go back to Dr Standon who was actually trying to speak to us probably half an hour ago but a glitch appeared. So I’m very pleased and relieved to see you now on the screen, Dr Standon. Thank you for joining us. I know your question is about remuneration and we addressed a lot earlier on, but I’m very happy to jump back to that. So thank you for joining us. Over to you.

DR STANDON: Thank you for that. So my question is, well, Nationwide has done really lots of good things for members in line with its status as a mutual, and it’s commendable that you followed through on the principles behind mutuality by not prioritising profit in the business as you were telling us in the report earlier in the meeting, and it’s commendable that you’ve done this because you say that you believe people are more important than money - I would hope that we all believe that. But, unfortunately, it seems to me that there is a mismatch because your remuneration policy and your explanation for it, including in this meeting, suggests that, unfortunately, your executive team are primarily motivated by money. I would hope very much that there is more to these individuals than that. But your emphasis on market rates in your explanation suggests that members of the executive team might

leave unless they have the opportunity to be paid millions more than they were last year. That would be such a disappointment, but if they do leave purely because of the money, then is it not the case that they were not in line with Nationwide's principles in the first place?

THE CHAIRMAN: Well, thank you for that. It's a sophisticated point you're making. I'll pass over to Tracey in a minute, but let me just say - obviously I know the executive team very well - I don't think that money is the primary motivation and it's not the case that they have themselves asked for more money. It is a case of how we are, I think, fair to the executives, and we look at a number of factors that Tracey mentioned earlier on to be fair to them. It is, therefore, a difficult topic, but for the avoidance of doubt, I have no - I'm very confident in saying this is not about personal greed, this is about equity with people that do similar jobs elsewhere. But let me pass over to Tracey who has responsibility for this, but I just wanted to make that as a, kind of, personal comment.

MS GRAHAM: Yes, thank you for the question, Dr Standon, a really good question. I think perhaps the first point that I will say is that no individual is involved in determining their own remuneration. So none of the executive directors or senior leaders in the business sit on or are part of the discussions at the Remuneration Committee, which is a number of independent non-executive directors that actually form that committee. So they don't have a voice there, they shouldn't have a voice there, they are not determining their own pay.

We can see from the data that we've provided you that today our senior leaders could make the choice to go to another bank that do pay more than we pay at Nationwide. That is a fact. I've talked to you about the fact that, if we look at Lloyds Bank, the CEO package there is some 25% greater than that of Nationwide.

I have never had any pressure or any request from any member of the executive or senior leadership team about their pay. What we do as a committee is stand back, we look at all of the market data - and, clearly, that is banks and building societies - we look at the performance of the Society. We've heard earlier about the very, very strong financial performance of the Society. Much of this remuneration is only paid in the event that targets are met that are stretching in nature.

I think your point is very valid. I would be extremely disappointed that the senior leaders that we have - and some are the best in the industry - choose to walk away. That would be a decision for them. Our decision as a committee is to provide fair pay for the job they do in the competitive market that we operate in, recognising we do not pay at the level of the banks. We are managing that fine matter of judgement as to where we set pay.

But very much appreciate your question and thank you.

DR STANDON: I need to come back to the point that was made earlier that nobody needs a million pounds to live, it's ... Executive pay is a wider issue than at the Nationwide but one would expect the Nationwide to set an example to others. And, yes, you're paying 25% less than other big banks, but still to have the option - to

already be paid £4 million and have the option for another three if you do very well, as has happened this year on the stretching targets, it's kind of an obscenity actually.

MS GRAHAM: And I would say again thank you for your valid thoughts and for sharing them with us. Our job is to ensure that we have the very best leaders here at Nationwide, and we do operate in a competitive marketplace and that is what we need to pay them for us to believe that we are paying them equally or fairly, not as much as the banks certainly, but we believe that they are performing and paid appropriately. We'd be delighted if the very stretching performance targets that we have set over this period of time are met. And, again, just to reinforce the point, that these payments are long-term in nature, they are three-year schemes. When they vest, they vest over a seven-year period. If there's any issues within the seven-year period, we would have the opportunity to claw back those payments. So individuals have to earn them and then wait a period of time before they receive these sums. But I very much acknowledge your question and thank you.

THE CHAIRMAN: I think what I probably will conclude is there clearly can be different points of view on this or there are different angles of looking at it and it isn't as though we don't understand both points of view.

With that, let me move on, and I've got another online question - I think we can do these back to back - so Mr Nason who's got a question for us I believe. Yes, there we are. Thank you.

MR NASON: Hello. Thank you for taking my question. I want to know what the Board is going to do to help me regain trust in them. The reason for asking is I wasn't trusted as a member over the Virgin Money decision, and given that overwhelmingly your votes at say this AGM are usually overwhelmingly in favour of what the Board recommends, it shouldn't have had trouble passing it unless there is something in there which you don't want members to see and are hoping we don't find out. You know, I'm wondering is there actually really some financial bonus in there for individuals, not necessarily the Board, but somebody benefiting. There's obviously something hidden - well, not obvious, but it seems to me there's something hidden in there which, if it had gone to a meeting, members would have found out about, and if I'm not trusted, usually the people who don't trust me are people I shouldn't trust.

THE CHAIRMAN: Well, thank you. I can reassure you there was nothing hidden away in there. There's a number of facets to this and you're not the first person to have asked that question, albeit that we did do a lot of polling behind the scenes and the vast majority of our members weren't interested in having a vote, but nevertheless, you know, it's a sensible question that you pose.

So the law was such that this was a decision for the Board and not for the members, and there was a practical matter, if we were to have given that, there would have been a very significant cost in terms of the documentation that would need to have been sent out. We're talking, you know, double-digit millions in terms of costs of doing that and you can just easily rationalise that just in terms of the wodge of paper and the postage stamps, if you like, quite apart from the preparation.

But actually there's another reason as well which is, if you make an offer for a company, you can only back out of it if the law allows there to be a procedure that requires - requires as opposed to an option - for members to vote and that wasn't the case, and therefore we were also bound by the City code and complying with rules around how it was conducted. So it really wasn't an option for the Board to give that to you, but, nevertheless, we did poll members to see, you know, broadly are they in favour of it, and overwhelmingly was in favour.

So I'm sorry it's bit of a technical reason, but it was not about not trusting people, it was about making sure that we complied with rules, regulations and laws that we needed to. So I hope that clarifies it, and it isn't a case of anything hidden away.

MR NASON: Well, you say that, and I suppose it is how are you going to regain my trust, which you haven't quite answered. But it's the first time I've heard it mentioned - and maybe I've missed something - but it's the first time I've heard it mentioned that had you put it to members and say members had voted against it, you wouldn't have been able to pull out because of legislation. All I ever heard before was the legislation didn't require you to put it to members. Now is the first time, as I've said, I've heard it, maybe I've missed something.

THE CHAIRMAN: Well, I'm pleased to have clarified it for you. I hope that does clarify it for you.

MR NASON: *(No audio)* ... going to do to try and regain my trust then?

THE CHAIRMAN: Well, I hope with that, you will see everything we do, and, you know, we try so hard to be a company, a building society, operating at the highest ethical standards. I think, it's a matter for you, but I hope over time you will see everything that we do do.

MR NASON: Okay. Thank you very much anyway. Thank you.

THE CHAIRMAN: Thank you for asking the questions.

MR NASON: Bye.

THE CHAIRMAN: The next question comes from Ms James and she says:

“Is it possible to ensure that, due to IT poverty of some members and also due to the lack of IT coverage in certain geographical regions – e.g. Wales and the Highlands of Scotland where it is not possible to get access to a mobile network - that Nationwide retain its online options to use a landline instead of defaulting to mobile phone, please? It causes a lot of problems with the communications online and using your facilities. Perhaps you can do an audit of all your communications with customers.”

So, remoteness of a mobile signal, a familiar country problem.

MS CROSBIE: Yes, that is a ... We understand that is a challenge. We still do offer the facility to use the landline and I'm not aware that we've ever discussed any plans

not to do that. It is increasingly challenging with, not only banking, but I do understand people who want to access online services that don't have access to good broadband. It's something that I can assure you we do point out at every opportunity how important it is to invest in the infrastructure to enable customers to do that. If you've got a very particular issue, we're happy to have a look at your circumstances and see if there is anything more that we can do to make communicating with Nationwide easier.

THE CHAIRMAN: I think everybody looks forward to better mobile signals, and sometimes it's quite disappointing, the signals you get in the centre of towns as well.

MS CROSBIE: Yes.

THE CHAIRMAN: Let me go back to member engagement, it's a little bit related I think to maybe the live question that we just had, and the question is:

“At the beginning of the AGM you gave us an initial taste of the Member Voice operation and even at this point it is clear the bias is towards tech. How do you engage the members who are not included in these panels as they do not have access online or tech which comes with its own costs? Unless interaction with all equal members of the Society is in place, you'll be shaping policy for all members on the opinions of less than half of them.”

So that, I think, is from Mrs Heron, that question.

MS CROSBIE: Yes. So, again, Mrs Heron, thank you for the question. So, first and foremost, we do a lot of work which is engaging with our customers face to face in branches. So you will see under the Member Voice panel we had 59 activities. Whilst some of them are of course surveying people online and asking questions online, there are also situations where we invite people in person to come and see us. Now, again, if that's not possible, we survey 10,000 customers every month and we do that through a range of different ways. Some of it is absolutely online but we also talk to a number of our colleagues who come into branch about the experience and we also survey people who call us on the telephone. Very importantly, we also very much focus on our complaints, so what has gone wrong for our customers, what can we learn from the complaints experience, and that's not just online complaints, I can assure you that complaints occur from face-to-face interactions, telephony interactions or online. So we're doing our very best to interact as broadly as we can, because we do understand that face-to-face banking and face-to-face experiences are very, very important.

If you would like to offer any feedback and you've been unable to do that, I'd encourage you to either write to me or write to our customer services operations and we will arrange to receive that feedback in a way that's convenient to you. We welcome all feedback, and very important that we are very thoughtful about all of the ages of individuals and the way they interact with us, and, you know, customer choice and allowing people to choose how they interact with us is fundamental, I believe, to the increase that we've seen in customer satisfaction this year. So, again, thank you for your feedback.

THE CHAIRMAN: Thank you. There's a question in from Mr Gibson which concerns our work with dementia. We've got a video that talks about the impact that we're having on communities through our Fairer Futures strategy. So what I think we'll do is try and play that video first and then come to Mr Gibson's question that's specifically about dementia nurses. So could we play that video, please?

Video played, the transcript of which follows:

THE NARRATOR: Each year, Nationwide gives 1% of its pre-tax profits to good causes. We focus our impact on the issues that matter most to our members. We know life can deal people an unfair hand at any time. Last year, 118,000 young people faced homelessness in the UK, 4.5 million children are living in poverty, and one in two people are affected by dementia in their lifetime.

At last year's Annual General Meeting we set out how Nationwide Fairer Futures strategy tackles the biggest issues we see in society today - youth homelessness, families living in poverty, the challenges faced by people living with dementia - and together we have made an impact. In just one year, over 65,000 individuals have been supported on their journey to have a fairer future. CentrePoint have supported homeless young people to find stability and a fresh start through new affordable housing and vital rent support. Families being forced to choose between heating their homes and feeding their children have received vital family fund grants from Action for Children. People living with dementia and their families have received specialist support through Dementia UK Admiral Nurse clinics in our branches, and most recently our new partnership with The Royal Marsden Cancer Charity is funding research to help improve the lives of cancer patients.

Member votes at the Annual General Meeting last year resulted in £500,000 going to our Fairer Future partners, and by voting this year, members again helped to create even more fairer futures for people across the UK.

(End of video)

THE CHAIRMAN: I hope you found that video helpful. But now let's come to the precise question that Mr Gibson asked and he says:

"I noticed that you mentioned about dementia nurses in branches during your Fairer Futures film earlier. Please could you give some more information on that and how to book an appointment."

I think, Debbie, you know how to do that.

MS CROSBIE: Yes. Thank you, Mr Gibson. So we work very closely with Dementia UK and we decide where to hold the clinics quite some time in advance, Mr Gibson, and what we will do is, we will publish where those clinics will be and you can either call your branch or you can do it through our website. Now, what I'd say is, if you're interested in finding out when the next clinic is due to occur in your local area, if you please come in to the main customer service line, we're happy to

have a look and get you the right information about when and where the most relevant clinics will be for you.

THE CHAIRMAN: And we get very good feedback on those clinics, so I hope, if you wish to book an appointment, you do take the opportunity.

There's a quick question from Mr Cross who asks:

“Are board and committee meetings held in the boardroom or online?”,

and,

“Are all directors UK based?”

So the board meetings are held in the boardroom but we do have some directors who will, from time to time, be online. The majority of us are around the London area and, hence, we tend to come together, but we do have some director - one director in particular who's not UK based and she will sometimes come in online and sometimes be there in person, so it's a somewhat flexible approach.

There's a couple of questions on Quick Votes. Mrs Mason says:

“In the opinion of very many people, the Quick Vote system of voting has been discredited in another large member organisation. Please explain why, as a mutual organisation, you've decided to use this controversial system.”

And the one from Mr Fisher - I think he's had quite a few questions now:

“Do the directors feel unsafe without the protection of the infamous Quick Vote? An honest answer, please.”

So the Quick Vote is used by many organisations to allow members to quickly vote in line with directors' recommendations. The feedback we get is actually people find it immensely convenient, so I'm not sure what “very many” or, indeed, what the basis of that is. I'm aware of a small number of people who do dislike it. We do it for convenience for our members.

And there's a question which I'm very pleased to answer from Mr Coates who says:

“Is it the ambition of the leaders to turn Nationwide Building Society into a bank?”

Definitively no.

And I've now got another question that I think is going to be online, and Miss Ross would like to ask a question about diversity in our leadership. Miss Ross.

MISS ROSS: Thank you, Chair. It's great that our Society is very diverse and we have a really diverse membership. I'm just wondering what efforts, if any, are being

made to make that reflective in our leadership, including the Board, and if that is an important factor for you. Thank you.

THE CHAIRMAN: Thank you. So we do believe that the organisation is stronger by being representative of society at large and a lot of emphasis is put on that. It is reviewed regularly in both the Nominations Committee and in the Board itself. In terms of the wider organisation though, let me ask the Chief Executive to talk to all of the different things that we do.

MS CROSBIE: Yes. Thank you, Miss Ross. Diversity and inclusion in our leadership is very important, so we do a number of things. We've got a range of talent programmes where we encourage people from a very diverse range of backgrounds to come forward; we've got a scholarship programme which is targeted at people from lower social economic groups; we also run a black interns programme; and we have various other initiatives for the younger talent. But when it comes to senior leadership, we also have very specific training around thinking about diversity inclusion and how managers lead and make people feel comfortable and included. And we also pay attention very closely to our recruitment pipeline. We look for people to have a very good balance of gender, ethnicity, all types of characteristics. Disability is the other one that we're very thoughtful about. So there's a whole range of activities, and within the system of Nationwide's recruitment, retention and talent development programme, it is fundamental.

We've also done a number of testing actually about looking at, where people are from different backgrounds, how do they feel about some of the policies, procedures, and the way that we do things, and we've done a lot of testing on, for example, our communication style, does that help people feel more comfortable?

So it is very fundamental to what we do and we're always looking for new ideas. So thank you for the question, it is very important to us.

MISS ROSS: Thank you. That was - you know, it's great to hear everything that you're currently doing and all the initiatives that are taking place in the Society to increase diversity. I'm thinking more about, at this moment now, on the Board level and whether you think there will be some increase in the diversity on the Board in the next, you know, few years.

THE CHAIRMAN: Well, let me take that. So there's obviously different forms of diversity as I'm sure you're very, very well aware of, and we've got diversity on ethnic background, we've got diversity obviously on gender, but there's also around cognitive diversity, there's also about social background, so we look at all of those. Will it increase? I suspect inevitably it will increase over time and it is something that we embrace as a Board. So it is at the forefront. Enormous progress has been made over the last two to three to four years, but it's not a subject that I think goes away, and thank you for your, you know, expression of interest in that to us. Thank you.

MISS ROSS: Thank you.

THE CHAIRMAN: There's a question from Mr Fuller and he says:

“Fairly regular outages and incidents suggest that Nationwide’s tech stack is becoming obsolete. How confident is the Board that technology is fit for purpose and fit for the future, particularly given the strain of taking on Virgin Money?”

Now, Debbie, you happen to be a technologist by background so I think, undoubtedly, this one falls to you.

MS CROSBIE: Yes. So, thank you, Mr Fuller, it’s a very important question. I mean, first of all on outages, we monitor very carefully, and I can confirm actually that our service performance this year in comparison to our peer groups, actually we’re performing quite well. Any outage is one too many and we work very, very hard to minimise any customer disruption.

Over the last three years in particular, we’ve done a lot of work to think about the future technology stack and we’ve got a very extensive renewal programme. We’ve made very good progress on that actually and that’s one of the reasons that we felt very confident about taking on the Virgin Money acquisition, where the timing was very helpful to us because we are nearing the completion of quite an extensive renewal programme, not just in our internal strategy but also in our core banking platform. You know, we have got ... We’re very proud actually of the progress that we made. So I’m very confident that we’re well positioned for the Virgin Money acquisition. We take very seriously the risk of disruption and we work through a very considered risk assessment process before we make any changes. Now, inevitably, when human beings are involved, there are always challenges, but I can assure you that we feel well positioned. We’re not complacent, we’re investing significant sums of money to make sure we’re fit for the future, and we feel very confident that our plan for integration with the Virgin Money systems is well thought through and well managed.

THE CHAIRMAN: Thank you. I’ve got two questions coming from Mr Mellor. Mr Mellor is actually one of our members who is using the facilities of a branch today, he’s actually in Walsall, and he is concerned about the rise of AI and is asking us, the Board, what is the position of Nationwide and whether it’s being used to cut costs and reduce our - cut jobs and reduce costs, does AI do that?

And then different question, I’ll take them both:

“Are the Board and CEO aware of the new service provided for visually impaired people by the Royal National Institute of Blind People (RNIB)? Why were the changes made and what research was undertaken ahead of the launch?”

So two different questions, Debbie, but would you like to take those?

MS CROSBIE: Yes. So thank you for both questions, Mr Mellor, and I hope our branch staff are looking after you well.

First of all on AI. We understand that AI presents opportunities but also many risks, and we have set up a committee which governs our use of AI, not just in terms of the

implementation but also the ethics around AI. At the moment we're piloting the use of AI to help us do things more efficiently. The pilots are small and you will be aware with any technology there's always a lot of discussion and hype about the impact that they make, and normally the actual uptake is slower and we have found that to be the case, so it's not being used extensively at the moment. But on behalf of our members, it's really important that we make sure that we're paying attention to anything that can help the Society perform better and more efficiently. So, of course, as that develops, we'll be carefully watching. The way that we think about AI is it can help us copilot tasks quicker - not autopilot, so we won't be wholesale replacing anything at the moment, we're some way off of that. But, you know, watch this space, and you can be reassured that there's a lot of work going on to risk-assess any decisions that are made and we make those visible to the Board.

On the second question about the changes that we've made to the services that we provide our visually-impaired customers, the previous system that we had, whilst it worked well, was manual and what that meant was, when we were dispatching information, it would take us a lot longer. We worked very closely with very well-recognised charities in that area and asked for their advice and help as to what would be the most efficient and effective way of helping our customers with visual impairments and we believe that the changes we've made should enhance the service.

Now, I understand, Mr Mellor, that you've got personal experience of that, and if there's anything else that you think you would like to offer us in terms of feedback or help in improving that service, we would be delighted to receive any further feedback. But I can reassure you we believe we enhanced the service and that was absolutely the intention to do so.

We also are doing a lot of work on our online services to make them more accessible; for example, our mobile banking app will be implementing dark mode in the coming months to make sure that our customers receive a better service.

But let me just reiterate, Mr Mellor, if there's anything else that we need to be aware of or you think you can offer us in terms of helpful suggestions, feedback on the services we provide you, we'd be very happy to receive them.

THE CHAIRMAN: Thank you. Now, I've got ... That question came from a branch and I've got a question on branches, and I think it might be useful if we actually just put up quickly on the screen the branch network we've got whilst we answer, I think straightforwardly, the question from Miss St John Parker, who says:

“How many branches are you going to close the next 12, 24 and 42 months as you drive to become an online banking organisation?”

Debbie, the Branch Promise.

MS CROSBIE: Yes. So we've made a Branch Promise to close no branch - and that's in both Nationwide and Virgin - until 2028. We don't plan to ... We have no plans to close any branches after '28, we just want to make sure that we constantly review that promise to make sure that it still works for our customers, but I see no reason why we would make any changes.

What's very important to us is delivering customer choice. We provide online services and we want them to be excellent for our customers, but we also are fully committed to our branch services. Forty per cent of our cash ISAs this year have been opened in branch, a third of our new current accounts were opened in branch, and we're the last branch in town in over 100 cities now. So you can be reassured that there is no plan to make us an online organisation. We think it's a core point of differentiation and actually it's a great way of bringing the mutual model to life. So you can be reassured that we're fully committed to branch services.

THE CHAIRMAN: And all of our member feedback reinforces that that's what you want too, so we are delighted to be committed to the branches.

Now, I've got just a couple of questions which are perfect timing before we go into the formal business of the meeting. So there's one from Dr Tessema:

"Thank you for offering members the £50 reward. However, I missed out on the £100 bonus, despite having held a fixed-term savings account with you for up to three years which I believe contributed more significantly to your business, unlike spending via my card doesn't generate the same value for your organisation."

Muir, could you address the point around particularly savers, if you would.

MR MATHIESON: Yes. Thank you very much, Dr Tessema, for your question, and as ... I'm very pleased to hear, first of all, that you got the £50 member reward which did go to 12 million of our members and was very much underpinned and enabled by our acquisition of Virgin Money and the additional strength that gave to Nationwide. And with regard to the Fairer Share Payment, you are absolutely right that savings and deposits are incredibly important to Nationwide. Without deposits we are unable to undertake any lending and so your deposits to us are invaluable, I can completely agree with that.

As I mentioned earlier on in the meeting, last year we took in more deposits than we ever have done before in an annual period and we had, at times, very competitive rates, and at times always competitive rates, and at times market-leading rates on many of our savings products, which resulted in that record growth into our deposits. So our assessment is that we do reward our members.

We understand though your point - and another member made earlier on this call - that if you do not have that current account and one other product, you do not get the £100, which is why, at the same time that we announced the Fairer Share Payment, we also offered that market-leading member-exclusive bond which, had you invested in that, the differential between the rate you were getting on that, 5% for 18 months, and the next closest bond in the market, would have more than made up the £100 differential if you were able to invest the requisite amount. And also, by bringing your current account business to us, we would have paid you that reward as well with a member-exclusive switch. So, hopefully, those options you'll see are there to also help you bring more of your business to Nationwide and ensure that we're also rewarding savers.

THE CHAIRMAN: Thank you very much.

And the final question is from Mr Montague and he says that he notices that Nationwide is now lending for mortgages on a multiple of six times salary, is this sensible? And maybe, Debbie, you will just explain why we're doing it and whether it is sensible.

MS CROSBIE: Yes. So thank you for the question. One of the most important things to Nationwide is to support first-time buyers and getting people on the housing ladder. We are really passionate about making sure. Now, what I'd say to you about the six times offer is it's very specific and it has a lot of very carefully thought through credit criteria which mean that we don't just look at affordability, we look at a whole range of credit metrics to make sure that we would never lend to people where the affordability wasn't appropriate.

The first thing I'd say is this product is performing incredibly well and in fact the arrears that we have experienced in this product are not only very low in comparison to the rest of the market, they are actually 50% less than the rest of our first-time buyer portfolio. So what I would say to you is that this product isn't for everyone. It is very important for young people to get on the housing ladder and we're trying to do everything we responsibly can. But you can be reassured that the additional checks and balances from a credit point of view that we've put in place make sure that this is a sensible product, in fact a product I can tell you has changed some people's lives, given the feedback that we've had for how important this has been. But be reassured we're thinking very carefully about who qualifies for this product and in what circumstances.

THE CHAIRMAN: Thank you. It is absolutely the history of building societies that we help people get their first home, and the product of offering a multiple of six times salary, carefully selected, I think is absolutely core to the values of Nationwide.

I'm going to end, I'm afraid, with a bit of praise that's come in from Ms James, and she says:

"Just to say, I'm enjoying my first AGM with Nationwide and the openness of the format and access to the Board, and especially the professionalism of addressing difficult issues and painful questions posed. It seems the emotional IQ of the Board is quite high, which is appreciated. However ---",

here's the sting in the tail, she says,

"--- albeit perhaps you should use different media trainers for the Board so they don't all keep saying "good question" as their first response."

We'll do a count-up afterwards.

"Thank you for the AGM and the IT support and access given, really appreciated."

So to that I'm going to say thank you very much for a very kind comment. Thank you. Thank you very much.

Now, time has caught up with us. This is your meeting and we've had a really good range of questions asked, I hope we've answered them sensibly to you. We've covered all of the topics that have been asked today, so I'm now going to proceed to the formal part of the meeting.

So I now declare the voting open and that the voting on each of the items of business in the Notice of the Meeting will be taken on a poll. Members who have not already voted and are eligible to vote and wish to do so today, please select "Voting" on the screen and click on "Show" to vote on each resolution.

For those members who gave me discretion to vote as I see fit, I've used that discretion to support the Board's recommendations and voted "For" each item of business.

While members cast their votes, we will now show more of that film on our Member Voice panel. At the end of that, we will show where you can get more information or request to join the panel. Voting will close after this film.

Video played, the transcript of which follows:

A MEMBER: It's nice to be able to feel appreciated. It's just being listened to.

MS KLEIN: As a Board, we really want to put members at the heart of everything we do and that we're constantly listening to members and getting insights from members.

A MEMBER: They are the one building society who wants to know my opinion and wants to know what is going on in my life.

MS RAJAH: Hearing from all these different groups of customers does bring a really rounded perspective to how our customers feel about Nationwide and also what's really important to them.

A MEMBER: I think Member Voice makes you feel as if it's an organisation that really values its customers and values its customers' views and comments.

MS JONES: Member Voice is our research listening panel that we have for Nationwide members. We have over six-and-a-half thousand members on Member Voice. We ran 59 activities on it last year and we've had over 27,000 responses from members, so it's a great way of members being able to tell us what is working well for them and for us to be able to adapt and shape propositions off the back of their feedback.

MS RAJAH: The panel was a classic example of how diverse Nationwide's member base is. There was so many different perspectives, inputs and so on. That huge spectrum of opinions and insights, very valuable.

A MEMBER: You're not alone and you can see commonality between you. Your views are listened to. It's definitely worth it.

MS KLEIN: And that can help us shape not only our products but also our priorities overall, making sure that we're achieving our objective of extending the benefits of mutuality to as many members and bringing them what matters to them in their lives. A great example of that would be when we introduced the Fairer Share Payment, which obviously is hugely popular with our members.

A MEMBER: Fairer Share was such a huge and appreciated incentive. It was near payday and you're on your last, sort of, budget, so it was well received.

A MEMBER: And they seem to be quite frequent at the moment. I got an email a few days ago saying that I was going to get money paid into my account.

A MEMBER: Having a little bit extra is quite a nice surprise and you can go and treat yourself.

A MEMBER: It's just a joy actually. It's a big family bonanza because my whole family are members. We're, kind of, all really excited, you know?

MS KLEIN: And as a result of feedback from our members, we introduced our member-only savings bond which has also been enormously popular.

MS JONES: We know that 90% of our members value having human support and we also know that 40% of them would still choose to use branch even if that service was available through another channel as well.

A MEMBER: I do enjoy having the opportunity to still use the branch in Malvern, or wherever I am where there is one, and I hope that they stay open as long as possible.

A STAFF MEMBER: Our Branch Promise runs to 2028 and the commitment there is that we won't close branches. Being in the communities where our customers are is critical, is what our members and customers tell us they want, and we see as very important.

A MEMBER: Yes, and the website allows us to do most of our banking needs. There's no need for me to go into a branch unless I've got something like a cheque to put in. I think the last time I went in the branch was just to get a bit of a financial check-up. If I hadn't had that face-to-face, one-to-one scenario, I wouldn't have known about the other products that were available or the ones that suited me best.

A STAFF MEMBER: In a world which is becoming more digital, then developing mobile app internet banking is critical, but we also recognise the

importance of colleagues and being able to access colleagues both where our customers are, but also on the telephone.

MS KLEIN: App usage has been going up and we knew that we wanted that to be as good as possible. It wasn't as good as we wanted it to be, so we were constantly getting feedback from members on how we should do that.

A MEMBER: Part of the Member Voice focus groups, somebody mentioned the fact that they would like it to be more compact, and it looks much better now.

A MEMBER: I'm so glad it's happened, we've moved away from the card reader machine, because it's a faff having to carry it around all of the time.

A MEMBER: It was really cumbersome - you had to put your card in, generate a code - and we continually fed back on that, and I think, you know, obviously there were changes that were made.

MS KLEIN: So now when members join, provided they complete the biometric process, they don't have to use a card reader. They can use it, we are all about choice and giving members choice, but they don't have to use the card reader, and that's really reduced some friction in the customer journey as well.

A MEMBER: I now can use biometric data, either face on my phone or thumb on my iPad, and that's so much better.

MS RAJAH: The beauty of Nationwide is focusing on delivering really well for customers and members today but also thinking about what they need in the future as well. Product development, the technology that's coming through, the way that service needs to evolve, all of those are areas where the Member Voice is crucial.

A STAFF MEMBER: Our members really feel a strong sense of emotional attachment to the passbook, but with the need to modernise our systems, we needed to move our savings products onto a new system, so we had to come up with a solution which replicated the needs of the passbook in a way which fitted with the new technology, leaning heavily into the Member Voice panel. We ended up with what we now call the Savings Wallet, which looks like this, and, essentially, that is a new version of the passbook, a passbook for the 21st century if you like. This one was an early prototype. Customers told us that actually, when they used this, the mini statements could fall out or it could potentially fall open. It also didn't have a means of writing down what account it was. So the final one has got an elastic closure that holds the wallet together, and then it's also got a bit on the back where you can write down what product it is to make sure, if you've got several different savings accounts with us, you can always find the right one.

MS RAJAH: I think it's really important that in the year ahead we keep up with the huge amount of input that we've had from members and that, as a Board, we will continue being as close to our customers as we can.

MS KLEIN: The purpose of Nationwide is banking, but fairer, more rewarding, and for the good of society, and we have to stay true to that.

(End of video)

THE CHAIRMAN: Well, thank you to the 400 members that have joined the AGM today. I think it's about 40% up on last year, so a very high attendance, and we appreciate your interest in Nationwide.

We've now concluded the formal business of the meeting and voting is now closed.

The results of the poll voting will be published on our website as soon as possible once they are available.

In the interests of transparency, showing on the screen is the number of proxy votes that have been cast by members not attending the meeting today. For those members who gave me discretion to vote as I see fit, I've used that discretion to support the Board's recommendations and voted "For" each item of business. The number of members who have withheld their vote is also shown.

Thank you once again to everybody for the interest you've shown and for attending today and, of course, for your questions. The meeting is now brought to a close. We can though, however, give you a preview of the next advertisement which will air from September. I hope you enjoy it. Thank you very much indeed. The meeting is closed.

(Video played)
