NATIONWIDE BUILDING SOCIETY

ANNUAL GENERAL MEETING 2026

Wednesday, 15 July 2026

Chairman: Mr Kevin Parry OBE

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KEVIN PARRY OBE: Welcome to Nationwide's 2026 Annual General Meeting. Thank you very much for attending.

My name is Kevin Parry, Chairman of the Nationwide Board, and I am the Chair of today's meeting.

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

The online format means that members can join virtually without the time and the expense of travelling to a central venue. Since we moved to an online format, the attendance at our AGM has been significantly higher, reversing a year-on-year decline since 2011.

You will be able to ask a question by text, as well as appearing on video. We don't exclude any questions unless someone is trying to dominate to the exclusion of other members' questions. We may group questions into topics or filter out duplicates, but we only do this because this means we can get through as wide a range of topics as possible in the time available. I hope you agree that this is a sensible approach.

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

This year, one item of business relates to the election of a member-nominated candidate to the Society's Board. The process for being nominated is set out in the Society's Rules, and the candidate this year, Mr James Sherwin-Smith, received a valid nomination from 256 qualified members, above the minimum level of 250 set in the rules.

It is my intention to answer questions about the election process all at once a bit later in the meeting but well before the voting period. My aim is that that session should take place at around 11.30.

The candidate has also been offered the opportunity to address members directly by video and I will take that at around the same time.

Our online platform for the meeting and voting has proven to be very robust, but if we do lose our ability to broadcast and we're unable to restore it within 20 minutes, an adjournment notice will appear on your screen and a message will be posted on our website.

All directors are present at the meeting this morning. My Board colleagues, Guy Bainbridge, Alan Keir, Debbie Klein, Sally Orton, Tamara Rajah, Gillian Riley, Phil Rivett and Mike Rogers are all online. If elected as a director later in the meeting, Mike Rogers will also become the new Nationwide Chair when I step down after the conclusion of this AGM. We have a short film to introduce you to Mike, which we will show at the end of this meeting.

We also have some directors in the studio with me today and I will briefly introduce them.

Firstly, Dame Debbie Crosbie, our Group Chief Executive.

Debbie is joined by Muir Mathieson, the Group Chief Financial Officer.

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

Shortly, we will invite you to ask questions and then to 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 the year's highlights to life and show how Nationwide members help shape our products and our services.

Video played, the transcript of which follows:

KEVIN PARRY OBE: This year has shown once again the strength of Nationwide's mutual model. We are owned by our members, that gives us a different perspective. We can focus on long-term strength, while sharing more of the value we create with our members, who save, borrow or bank with us. This year, we did that through competitive mortgage and savings rates, member-exclusive products and Nationwide Fairer Share payments for those who use us for their main banking. That has only been possible because Nationwide remains financially strong, well managed and focused on the long term. Last year, we saw strong growth across our core markets, continued to lead our peer group in customer satisfaction, and strengthened the Society even more as we integrate Virgin Money.

In this short film, Debbie and I will take you through the highlights of the year before we continue the AGM and answer your questions.

I'll start with our financial performance because it underpins the value we provide to members and the impact we make more widely. Underlying profit before tax last year was £2 billion, up 9% on last year, and we maintained strong capital and liquidity positions. We were number one for growth in mortgages, retail deposits and personal current accounts - evidence of the trust more people are placing in Nationwide.

Today, Nationwide has more than £380 billion in assets, that is more than the rest of the United Kingdom building society sector combined. Our financial results were boosted by the acquisition of Virgin Money and we are now making steady progress to integrate it into Nationwide. In April, we completed the legal transfer of most of its business to Nationwide. We achieved all of this - the growth in lending, deposits and current accounts, and the progress of integrating Virgin Money - while remaining first for customer satisfaction in our peer group. That combination of financial strength, growth and trust in service is what enables us to share value with members and support them through uncertain times.

Many families continue to face uncertainty from higher costs caused by oil supply shortages and an uncertain path for interest rates. However, there are reasons for confidence as well. Household debt to income is at its lowest level for two decades, and both the housing market and savings levels have been resilient. But uncertainty reinforces the need to stay close to our members and customers to understand what they are experiencing and to make sure their priorities remain central to our strategy and decision making, that is why member engagement is so important. Every Board Director is a Nationwide member, but we also want to hear directly from members more widely, which we do through focus groups, our online research community, surveys, branch visits, the Annual General Meeting and by considering the insight we get from complaints. That feedback gives the Board a clearer understanding of what matters most to our broad range of members.

We will now hear more about how member feedback has shaped the decision making over the past year in this short film.

(Video played)

I hope you found that interesting. Perhaps you were one of the members who provided us with your feedback, if so, thank you, and thank you also to all of those who took part in our Member Voice Panel.

Debbie will now talk about how your priorities are reflected in the way we serve customers every day.

DEBBIE CROSBIE DBE: As Kevin said, what's vital to how we run the Society is listening to members. It helps us focus on what matters most - great service, great value, and accessible support when it's needed most.

We remain first for customer satisfaction in our peer group and, together with Virgin Money, we now have the largest branch network in the country and they're also the busiest. Branch visits increased by 11%, and over half of all of the product sales through any financial services branch in the UK last year were made through a Nationwide or Virgin Money branch. We promise to keep all our branches open until at least 2030.

At the same time, we are improving digital services so customers can manage their money more simply and securely. Logins to our mobile app increased by 9%, and 88% of student account applications were opened digitally. This year we captured 43% of the new student current account market.

We also strengthened how we protect customers, preventing more than £225 million of fraud last year, and continuing to focus on services that provide reassurance and support. This progress has been recognised externally. Nationwide was named the best bank in the UK Forbes World's Best Bank ranking and achieved gold in the retail banking sector in Britain's Most Admired Companies.

Service is one way we deliver for our members and customers, value is another. Over the past year, we returned 1.8 billion in value to members, including through better pricing, incentives, our fourth Fairer Share payment and a 5% member-exclusive bond. This is one of the clearest ways our mutual model makes a difference. When the Society performs well, we can share more of that value with members.

Last year, more people than ever chose Nationwide. More than one million people opened a Nationwide personal current account and we remained the UK's most switched to current account provider by some margin.

Mortgages remain central to Nationwide. Over the past year, we had the strongest performance across the UK banking sector thanks to competitive pricing and a focus on supporting first-time buyers. We also made the process of getting a mortgage faster and slicker by investing on our online application process and made it easier for customers with our self-service Mortgage Manager.

Virgin Money also delivered its strongest ever growth in business current accounts, including introducing those products to Nationwide customers for the very first time. The integration of Virgin Money also gives us a stronger platform for the future, including planned launch of Nationwide-branded business banking in 2027.

KEVIN PARRY OBE: Our impact extends beyond the products and services we provide. Last year we contributed £21.8 million to charitable activities in line with our commitment to contribute at least 1% of pre-tax profits each year. Through our Fairer Futures programme we work with CentrePoint, Action for Children, Dementia UK and The Royal Marsden Cancer Charity to deliver practical support where it is most needed. Since launch, this work has supported more than 200,000 people. We have also widened our social impact through our Money Lessons and Make £5 Grow programmes, reaching over 215,000 school children with financial education.

In partnership with Visa, we are also installing defibrillators and Bleed Control Kits across all Nationwide branches and, soon, Virgin Money branches as well. This will give communities access to potentially lifesaving equipment when it is needed most.

DEBBIE CROSBIE DBE: Our charitable contributions also include the time colleagues give through volunteering and fundraising in their communities. They also include funding for our charitable foundations. The Nationwide Foundation invests in projects, partnerships and people to support good housing. The Virgin Money Foundation funds projects in some of the most deprived communities in the north-east of England and in Glasgow. In the year ahead, we will build on this momentum and continue to deliver our purpose - banking but fairer, more rewarding, and for the good of society.

KEVIN PARRY OBE: This was my final year on the Board of Nationwide and I will step down as Chairman after the Annual General Meeting. It's been a privilege to serve the Society and its members for over ten years.

During my time on the Board, Nationwide has grown in scale, confidence and impact. Membership has increased by a third to close to 20 million, and total member value is now more than four times higher. That progress has been felt by members in practical ways, through better value, stronger service, the largest branch network in the UK, and support for communities across the country.

With the acquisition of Virgin Money, we have taken mutuality into new territory, creating the UK's largest mutual full-service banking provider and giving Nationwide a broader and stronger platform for the future. That shows mutuality is not old fashioned or niche, it is modern, practical and relevant to the future.

I would like to thank members for their continued support of the Board, and colleagues for everything they do for our members and customers. As a long-standing member myself, I look forward to seeing Nationwide flourish and to cheering it on as it continues to deliver value, maintain its focus on service, and stay true to the mutual principles that make it so distinctive in the United Kingdom.

In this review, we have highlighted some of the key developments over the past year. We look forward to discussing these and many more with you during the Annual General Meeting.

(End of video)

KEVIN PARRY OBE: I hope that film was helpful and provided insight into what your Society achieved last year and the ways we engage 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 available for download on our voting site.

The Notice of Meeting was sent to members on 8 June 2026 onwards and includes 14 items of formal business for your consideration today. A brief explanation of each of these is included in the Notice of the AGM. In summary:

- item 1 covers our Annual Report and Accounts for the year ended 31 March 2026;

- item 2 is to approve our Directors' Remuneration Report for the year ended 31 March 2026;

- item 3 relates to the re-appointment of our auditor;

- items 4 to 13 cover the election and re-election of your Society Directors; and

- item 14 covers the election of a member-nominated candidate to the Board.

I intend to put these matters to the 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 no later than quarter to one/twelve forty-five this afternoon, depending on the number of questions asked.

So questions have been coming in and the first one that is on my screen is from Mr Hicks, and I think, Debbie, I'm going to ask you to reply to this, if you would:

> "Many more towns have been left void of a bank or building society as competitors continue with their branch closure plans. Will we ever see Nationwide opening new branches in these voids, showing its commitment to provide face-to-face banking in the community?"

Debbie.

DEBBIE CROSBIE DBE: Thank you. So, Mr Hicks, we agree how important face-to-face banking is. We're actually doing some work at the moment looking at where all our branches are, where the Virgin Money branches are, and thinking carefully about are there any spots where it would make sense for us to open new branches. It's work that we think is going to take us some time, but, without making any specific commitments, I can say that it's currently under review and there may be a few locations that we identify the need for a new branch and we will update our members as soon as we've made that decision.

KEVIN PARRY OBE: Well, Mr Hicks, you heard that here first, so thank you for that question.

The next question is from Mr Sullivan:

> "There is a new web page for internet banking. Was this a member-requested redevelopment or was there a reason from inside Nationwide IT that caused the redevelopment? In either case, can you provide the analysis that made this a 'go' decision?"

So, Debbie, I think that is also for you, if you wouldn't mind.

DEBBIE CROSBIE DBE: Yes. So, Mr Sullivan, we got a lot of feedback from members who said that the format didn't feel modern and there were some difficulties with navigation, and based on that feedback, that's why we started the redevelopment. So it was mainly member requested and you can see that we covered that in our film.

One of the things that we learned from this is, even when the screens are easier to navigate, a lot of people find the change difficult, so what we have been doing is providing the ability to use the new system or toggle back to the old.

There are also a number of areas of very helpful feedback where we're doing some more redevelopment before we completely switch off the old system, so if you've any further feedback, we'd gratefully receive it. We are some way away from completing that - I think it's going to be around August/September before the development is finished - but what you can expect is more changes, more modern look and feel, and, hopefully, an easier way to navigate using the system.

KEVIN PARRY OBE: Thank you.

The next question is concerning Virgin Money and it's from Mr Arnold who asks:

> "Why was Virgin Money acquired?",

and secondly asks,

> "Was it strategically planned or an opportunistic move?"

So a lot of consideration went into whether to acquire Virgin Money, and I'm going to answer the second question first: it was strategically planned. We had been looking at Virgin Money for a number of years before we decided that it was appropriate to bid for it, but the reasons for bidding for it are probably the most important.

First of all, Virgin has a heritage in building societies and has a large mortgage book that allows us to get efficiency gains and provide more mortgages to the British public, so it was highly complementary from that side of matters, but also, just as importantly, it diversified some of the offerings. I can't tell you how many member engagement sessions I have been in where I've been asked by our members, "Why can't I do business banking with Nationwide?", and we didn't have the systems to do it but we did want to meet that need, particularly for those members who've got smaller businesses, owner-managed very often, that would benefit from being better served, and we felt this was a great way forward. It also had other things that were important to us: it had current account businesses, it had credit card offerings, etc. So, it was to broaden the business of Nationwide, and, more than that, by having different businesses, we also diversify the risks of different businesses, so it reduced the strategic risk of Nationwide.

So our view was it was an incredibly good fit with Nationwide, and I'd be happy - or Muir or Debbie, I'm sure, later on - to talk about how it has gone subsequently, and I wouldn't be at all surprised one or two people might have questions on that but they're not on the screen in front of me at the moment, so I'll take them as and when they come.

So I hope, Mr Arnold, that gives you an overview as to why we acquired Virgin Money.

So I've now got a request to speak from Mrs Waller who's got a question on AGM governance, so I will let Mrs Waller, if you wouldn't mind, pose that to everybody that is on this call.

MRS WALLER: Good morning.

KEVIN PARRY OBE: Good morning.

MRS WALLER: My question is about Board accountability.

KEVIN PARRY OBE: Yes.

MRS WALLER: What mechanisms exist for members to influence Board decisions between AGMs?

KEVIN PARRY OBE: Thank you. So I'm going to give you an answer in two parts, if I may. So, first of all, there is the legal position and then I'll come on to say a bit more.

So the rules of the Nationwide (it's actually rule 27) talk about the responsibilities for making decisions and they are clear that the conduct of the affairs are the responsibility and are under the direction, control and management of the Board, so the decisions that we take must be taken through that mechanism. However, I will also say that there are lots of ways that we seek to understand what is important to members and we do it in a number of ways. We're actually going to show a video on that a bit later, so I won't say now what is in the video, but there are considerable ways that we stretch, reach out to seek our members' views. But it remains the case that the law is very clear, our rules are very clear, the decisions must be taken by the Board itself.

MRS WALLER: Okay. Does the Board believe those mechanisms are sufficient for an organisation which has now more than 9 million members?

KEVIN PARRY OBE: A good deal more than 9 million members actually, so it's … We do, but it is of course incredibly complicated when you have actually something more like 19 million members. So, you know, think that's about a third of the adult population of this country are engaging with Nationwide and there's some technicalities that some are customers, not members. But broadly, if you think of around 20 million people, you can see how big it is. So there's a lot of work goes on in terms of surveying, there's a lot of work goes on in terms of engagement groups, and we also review things like any complaints we get, that kind of thing.

So we'll come to it later, but we do believe we're doing a lot, and, you know, we're also looking at what else, but probably we do more engagement than, I would suggest, just about any other company in this country.

MRS WALLER: Thank you.

KEVIN PARRY OBE: Thank you.

The next question is also on governance and this one is from Mr Saltial, who asks:

> "Is the AGM held in a hybrid form or online only?"

The answer is it's held online only. We've been doing this for now a number of years. I think we're in our fifth year of doing it in an online format. What we find is that it's allowed many, many more people to engage with us than when we do it in a mixed format. It is also fairer to everybody because, whether you live in the north of Scotland or in Central London, you have the same access to this meeting. When we did it in a hybrid form or, indeed, when we did it in an in-person form, people had to get to the venue and we found, increasingly, a smaller number of people would get to it. There was also no time in the day that was convenient for the whole country. Because of travel, there was the cost of getting there. And I think, also, technology has come along so much, particularly in the post-Covid era, where people are very used to using Teams and using Zoom and other online ways of communication. So we find that online is better than having some people in the room and some people online, and I think the attendances reflects that that is successful. So I hope that clarifies that for Mr Saltial.

And Mr Waters asks:

> "How many people have we got online?"

This might be a minute or two out of date because the numbers do come up on my screen, but at the moment we've got 424 people online which, as it happens, is the highest attendance in the last ten years, and here we have a graph. *(Slide shown)* So it doesn't have this year on it because, as they say, this one was prepared earlier, but you can see how the trendline - that's the black line - has increased since 2021, which was a low point, 2022 it increased, and the trend continues. And in the light of what I've just said in terms of how many people are online this year, that trendline is going to continue when that graph is updated for 2026.

The next question is from Mr Bacon:

> "Could you make it easier for clubs, charities and parish town councils to bank with you as they are very interested in banking with mutuals?"

And you won't be surprised to know I'm delighted to hear that they're interested in banking with mutuals, and for the specifics there, I'm going to pass over to Debbie to give useful information on where we're going on that.

DEBBIE CROSBIE DBE: So thank you, Mr Bacon. You can have a club's/charity's account currently with Virgin Money and we're able to help you do that through our website. It's something that when we relaunch business banking through the Nationwide brand, we will consider that in the future. But, at the moment, those types of accounts are available through Virgin Money, and very happy to help you navigate the website. Someone can give you a call if you found that difficult.

KEVIN PARRY OBE: Thank you, Debbie.

And I've got a question from Miss Francis and she asks:

> "Could Nationwide recommend or link up with platforms for ethical investment that covers areas of investment not on the Nationwide online banking site?"

We don't provide investments anymore. We used to provide them in Nationwide, used to provide them in Virgin. It's a hugely regulated and difficult space to operate in and we have withdrawn from that. There are specialist firms that do that. I don't think, even though I understand where you're coming from, Miss Francis, it would be a good idea for us to link up with any particular site and recommend one over another. So that would not be in our current thinking, but thank you for your question.

There is a two-part question from Miss Macmillan. The first part is:

> "Is Nationwide in danger of losing its mutual ethos with its merger with Virgin Money?"

Also, she asks - she just comments actually but I will take it as a question - the "Obscenely large benefits paid to the CEO".

So absolutely everybody on the Nationwide Board - and I have to say probably just about all of our staff too - really do believe in the benefits of mutuality. Everything we do is for the benefit of our members, we do not have external shareholders in the way that PLCs do, and we give a lot of benefits because of the privilege of being a mutual.

So what's happening with Virgin Money is that that was not a mutual and it's been transferred into Nationwide, so that the members, the customers, customers I should say that were Virgin Money, will become members of Nationwide and that took place at the beginning of April this year. So actually what is happening is we're bringing more members into being able to have, more people into being able to have, the benefits of mutuality. So I would say actually quite the reverse to the danger of losing the mutual ethos, we are very, very keen to expand that ethos, and I would say that applies not just to Nationwide but I would take the same view with many other mutuals, whether they're other building societies, whether they're co-ops, whether they're partnerships, etc, and I, in particular, have done quite a lot of lobbying and working with other mutuals to take them forward for the future. So you can rest assured, Miss Macmillan, that the commitment is very sincere and significant.

Now, your second question is different and you comment on "Obscenely large benefits paid to the CEO". It's not technically a question, but let me ... I understand where you're coming from, so let me ask Tracey Graham to talk about remuneration, if you wouldn't mind, and you can infer the question in amongst that I'm sure, Tracey.

TRACEY GRAHAM: Yes; and thank you, Miss Macmillan, for your question.

I would start off by saying that it's important that Nationwide pays **all** of its colleagues **fairly** and in line with market practice. We pay our people appropriately and that's why we're able to attract and retain people who believe in delivering outstanding customer service, member value, and it also ensures that we have people that are able to run a business of the size and scale, complexity of Nationwide, and do so safely. And when we make payments to our executives, they've already been agreed with our members by way of our policies, which is voted on by the members at each AGM.

Can I just follow up and say that the Society's performance has been exceptional this year and we've seen that in the comments that have been made by Debbie and by Kevin. And just as a reminder, Nationwide is now connected to more than one in three people in the UK. We have returned more value to members than at any time in our history. Our customer satisfaction lead has more than doubled compared to our peers and we now have the largest branch network in the country. And I'm also pleased to say - and we did touch on this earlier - that we've become the best brand for customer service in the UK, beating all other sectors and businesses.

This exceptional performance has been recognised by the Remuneration Committee when we determined the pay of our executive directors, and the pay of the CEO this year has increased because it includes, for the first time, an award that has been linked to the long-term performance of the Society. And I think, if we take all of this into account - the exceptional performance, the success of the Society - I think we've got the balance of judgement right on how we pay our executive directors.

KEVIN PARRY OBE: Thank you very much.

The next question is a more technical banking question from Mr Galton who says he has a regular standing order on a fixed date each month, but if the date falls on a weekend or bank holiday, it changes to the next working day. He contrasts that with a single payment that can be made at a weekend or bank holiday, so could the same be done for standing orders he asks, and in particular comments, "Is that a leftover from the pre-24/7 banking days period?" So, Debbie.

DEBBIE CROSBIE DBE: Yes. So I'm afraid, Mr Galton, the scheme that runs standing orders and direct debits is still run centrally and it does follow non-processing holiday days, which means we don't process on bank holidays or at the weekend. There are moves in the industry to modernise that system and, of course, Nationwide will participate in the modernisation of that scheme. So right now, I'm afraid, that's the way it works if it's a regular payment that's been set up in that way.

KEVIN PARRY OBE: So it's a different system that banks have to use but maybe that will change in the future. But I can fully understand the sentiment you have, Mr Galton, of, "Wouldn't it be easier if it could just fall on the right day?"

I've got a question from Mr Firman and, again, I'm going to put this to Debbie. It says:

> "Can ringing by telephone be made much easier to get through to a person?"

And he's got a second question:

> "What is the view about biometric cards?"

DEBBIE CROSBIE DBE: Yes. So, first of all - this is really topical - we're doing some work at the moment to make sure that customers who have previously indicated their preference to **always** speak initially to a person, we route them as fast as possible to the most appropriate person. So it's very much feedback that we've received from our members and we're working on this right now. We're running some pilots and you should expect that some changes will be made to our IVR processes to make sure that customers who just want to get through to a person as quickly as possible, do so. We are very pleased with the satisfaction levels in telephone banking at the moment but, as you rightly point out, we can always do more.

Biometric cards. Security is absolutely at the forefront of all we do and with many new advances in technology we're always looking for the best ways to keep our customers safe. Biometric technology does work very well at the moment but there are certain circumstances where, unfortunately, you know, as everything is these days, you have to be super careful in what you do. So, at the moment, the security that we have, we're very happy with, but, you know, any new developments that come through on biometric cards, we will be participating, but at the moment we don't use biometric cards.

KEVIN PARRY OBE: Mr Firman, thank you. Again, a very pertinent question, thank you.

The next question is from Mr McCabe, who is going to put it to us directly online. So I'm not going to steal your thunder, Mr McCabe, and hand over to you.

MR McCABE: Good morning. These are questions - I've got three parts - but really it relates to IT issues and my experience or difficult experience with these, and perhaps one of the non-executives or yourself might kind of answer, take the lead in the answering of the question.

Firstly is the move to paperless statements. I do not want to go to paperless statements. I went into the system a few months ago and clicked the button to make sure I received paper statements. About a month ago, I got an email saying I had been switched off without my permission. I telephoned Nationwide and I was absolutely assured that I received an email in error and I will be switched back onto paper statements. About a week or so go, this happened again, and I just don't know whether the Board Members are aware that some way or another somebody in the organisation is actually forcing this to happen.

The second issue relates to the new design of the new online system. Previously if you wanted to get a tax certificate - and some people do need certificates for HMRC returns - if you went into the account section, on the bottom left-hand side was interest certificates, etc. Now I would actually ask the non-execs could you find it, because it's taken me a huge amount of time to find it, it is not easy.

The third issue is that when you do a search online and sometimes when you do a verbal search by telephone, you get the most quirky response. When I asked for an interest certificate online, what I got was paper commercial certificates, which is designed for, you know, major commercial organisations. It's as if whoever is designing the IT system has no real clue as to what happens for real-life customers. I mean, my suggestion, having done a bit of IT work over the years, it's as if somebody needs to ask the question, "How can we make it simpler for people who've no IT skills?" Most of the work you've done has made things worse and I'm really unhappy. The fact that the error keeps recurring on paperless statements is absolutely unacceptable, and if you want to find a tax certificate, it was easy to do it previously, now you've made it more difficult, and if, when you do an online search, you came up with commercial paper, you really have a huge problem.

KEVIN PARRY OBE: Thank you. So three questions, as you say, mainly IT related. You asked if one of the non-execs would talk about paperless and being switched off. I'll make a general comment, then I will pass over to Debbie. As a generality, we don't answer specific customers' questions but I think I'll take yours as general comments that we can answer.

So I think as far as paper goes, there is a drive to issue less paper for a number of reasons - it's greener obviously, it saves money, and in many parts of the country the postal system, may I say, is perhaps not what it once was - so there is that drive. However, it is absolutely our desire that you can keep paper statements if that is your wish. It will sometimes I think be the case that things are turned off but they can be turned back on very easily is my understanding, but I'm going to pass over to Debbie who will be more on top of that than I am.

DEBBIE CROSBIE DBE: Yes. So look - thank you for the question - we have had a lot of feedback from members who have complained that we're sending paperless statements, so we have gone through an exercise to default people but give them the option to switch back. If that hasn't worked in your case, we're very sorry. We'll look into that option for you and find out what happened. But I can assure you that if you want to receive paperless statements, you can do that very easily by indicating your preference online in the app, in branch or on the telephone.

The question on tax certificates, again we're in the process of developing that. We received a lot of feedback that it's not as easy to navigate. It's one of the areas that we are redeveloping and we are testing that with customers at the moment, so I can assure you for next year your online tax certificate process will be a lot easier. But thank you again for the feedback, we're working on it.

KEVIN PARRY OBE: And just to clarify at the beginning there, Debbie talked about lots of requests for paperless statements, in fact the request was we don't send …

DEBBIE CROSBIE DBE: Apologies, but don't … Yes, exactly right.

KEVIN PARRY OBE: So apologies if that confused …

DEBBIE CROSBIE DBE: There's a number of customers complain about sending paper out when they believe it's not good for the environment, etc. It was actually one of the biggest points of feedback we got this year. But absolutely accept that your choice is what we aim to deliver again, so in your case we'll make sure that we note your preference.

KEVIN PARRY OBE: And your third question …

MR McCABE: Can I just ask you …?

KEVIN PARRY OBE: Sorry, go ahead.

MR McCABE: Yes. So the third question is actually very important. If you try to do something online like ask for a tax certificate, you should **not** be getting commercial paper as a response.

DEBBIE CROSBIE DBE: Yes. So I agree with that and we can look into what happened on that occasion. Our online chat satisfaction is actually normally pretty good, so we'll have a look at specifically what happened.

MR McCABE: I mean, I have written to Nationwide but I did feel that these were general issues affecting other customers, so I'm grateful that you will take this on board and thank you for your time.

DEBBIE CROSBIE DBE: Yes, and look, the feedback is very welcome and we'll look specifically at some of the calls and find out if there's more we can do in that space to make it better.

KEVIN PARRY OBE: Yes. So thank you for that, they're appreciated, and we will definitely follow through. Thank you very much.

MR McCABE: Thank you very much.

KEVIN PARRY OBE: Right. So the next one is definitely, I think, going to be for the Chief Exec because it concerns Scottish banknotes. The question is from Mr Hartley:

> "Could the Board please explain the strategic reasons for keeping Scottish banknotes issuing capability through Clydesdale Bank? Is this something that the Society is planning to retain over the long term?"

So, Debbie, Scottish banknotes.

DEBBIE CROSBIE DBE: Yes. So, first of all, there are only three issuers of Scottish notes in Scotland and Clydesdale Bank has been one of them. It's a very important part of the Scottish economy. I think what's really important to explain to members is, as much as it's important to the economy, it also earns income for Nationwide. Last year it earned over £18 million of income. So not only is it good for the economy, it's good for our customers, it also earns income, so the plan would be to continue providing Scottish banknotes. It's very popular in Scotland and a very important part of the service that we provide under the Clydesdale Bank regime.

KEVIN PARRY OBE: Thank you. The next question is from Mr Spence. He says, effectively, that he's got an amount - I'm not going to say how much - in another bank that pays 5% interest with compounded interest and is in an ISA with instant access. Why is there not the same product available from Nationwide?

So I'm going to again pass over to Debbie, who will doubtless touch on instant access versus fixed-term and the product that we have.

DEBBIE CROSBIE DBE: Yes. So, as ever, we are very keen to continue to expand our product range, and instant access ISAs is something that we are in the process of thinking about developing. At the moment, we have fixed-rate ISAs and we also have triple-access ISAs. The interest rates that we provide, we make them as competitive as possible, and we will **always** do the best to deliver the best value we can to members in our savings rates.

KEVIN PARRY OBE: Thank you.

Now, Tracey, we've got some more questions on remuneration, so I'm going to revert to you - this is probably not surprising following the general question that you had earlier on - and it's from Mr Blackburn and he says:

> "How does the Board justify huge increases in salary and bonuses?",

and,

> "What message does this send to members and the public?"

So the justification and the message, if you wouldn't mind.

TRACEY GRAHAM: Yes; and is it a request to speak?

KEVIN PARRY OBE: Oh, I do beg your pardon. Would you like to pose it in your own words, please? Mr Blackburn.

MR BLACKBURN: Yes. Yes, I can. Can you hear me okay?

KEVIN PARRY OBE: Yes.

TRACEY GRAHAM: Thank you, yes.

MR BLACKBURN: Good. Yes. So my question is directed mainly to Debbie Crosbie, but obviously to the wider Board: how can you and your Board possibly justify the huge increases in salary and bonuses that you have awarded yourselves in the last twelve months? What kind of message do you think this greed sends to the members and the wider public? And, more importantly, when are you going to give the money back?

TRACEY GRAHAM: So I will take that question, and thank you, Mr Blackburn, for that question.

As I said earlier, the pay of our CEO is based on meeting stretching performance targets and is based on the success of the Society, and in the case this year - this is the first year that there has been a payment in relation to the long-term performance of the Society - that has been exceptional. I would say also that if we look at any appropriate benchmark for the CEO, the CEO of Nationwide is paid less than her sector peers. It's simply not true to say that our CEO is paid the same as the top banks.

It was mentioned earlier - and I think I'll use the example again - if you were to combine all of the balance sheets of all of the building societies together, Nationwide would still be much bigger of all the other building societies combined.

So we do use a number of different data points in terms of how we benchmark our pay, we are not making payments at the same scale as the larger banks, but as I said at the outset, we need to pay remuneration to **all** of our colleagues that is of the right - that is fair for them and is in line with market practice.

And I think what I would also add is that all of the policies which we use to approve and consider remuneration has been approved by members, so it's the members of the Society as a whole that have approved the policies under which the Committee pays our executive directors, and that is based solely on performance, and at the last AGM, 95% of members approved the remuneration policy.

Thank you.

KEVIN PARRY OBE: Thank you. I'm sorry I tried to *précis* your question, you put it much better, so thank you for that question.

MR BLACKBURN: Do I have any comeback?

KEVIN PARRY OBE: Yes, of course. Do go ahead.

MR BLACKBURN: Yes, just a couple of points there then. It's very interesting to get justification for executive pay by somebody who is being paid by the executive, I'm not sure that the integrity is fully represented there. It would have been nice to have Debbie Crosbie to answer that question.

And in response to your members' approval, I'm afraid that whole process was rather "managed", if you don't mind me saying so. The outcome was clear in advance and, I'm afraid, we knew where you were going with it and you got the answer that you wanted. I think the usual phrase is, "Two wolves and a sheep deciding what to have for lunch does not make democracy".

KEVIN PARRY OBE: Let me just comment on remuneration and determining the policy. So the Board, and in particular the Remuneration Committee, takes advice, it looks at competitive situations, and it draws up a policy that is put to our members typically every three years to be voted on. There is nothing different from anywhere else in terms of members vote on that just as they would in a PLC, and that was last approved I think two years ago - would that be right? - and I think next year will be a third year as well. So the … I don't think I probably share your view that it is in any way incorrect, and the whole point is that remuneration for the executive is determined by independent non-executives of which Tracey chairs that particular Committee, that is normal in British corporate governance.

MR BLACKBURN: Two wrongs don't make a right, I'm afraid.

KEVIN PARRY OBE: You're obviously entitled to your different view and that's why I'm pleased we've heard from you directly, but thank you very much.

Let me move on. A completely different question, this is from Mrs Bridgeford, and she says:

> "The growth of Nationwide is exciting to see. Can Nationwide continue to expand the impact we have on the whole of society through our commitments to chosen charities and more widely?"

So this is a subject that we all spend a lot of time talking about, we think we are doing something quite different to many places, but I'm going to ask Debbie to just talk a bit more about that to you and elaborate.

DEBBIE CROSBIE DBE: So, thank you. I mean, I think one of the best parts of what Nationwide does is its broader impact in society. So we have four charities that we're working with at the moment and, as I outlined in the video, we also fund the Nationwide Foundation and the Virgin Money Foundation.

To date, we've impacted over 200,000 people, and I think a great example is the defibrillators that we're installing, and the bleed kits would be another example of the impact that we're having. But we're always looking to do more, and the relationships that we have are mature, our colleagues volunteer and they make an excellent contribution as well, but you can expect to see more. And I'm quite excited about some of the new propositions that our Fairer Futures partners have brought to us this year, they come to our Board and they present a range of initiatives every year. We're very proud of the ongoing charity commitments that we have and we'll be sharing more next year with you in the exciting new developments that we'll be announcing.

KEVIN PARRY OBE: Thank you very much.

Now, just a little bit in terms of timing, I mentioned earlier that we would look to bring questions about the member-nominated director at about 11.30, but as you've just posed that question, Mrs Bridgeford, we do have a video on the social impact. So I think it would actually be good to play that first and then we'll come, round about 11.30, to the member-nominated section; that would just keep the, if you like, link with your particular question, Mrs Bridgeford. So if it is possible, could we play the video on social impact, please.

(Video played)

I hope you found that interesting. I can also say that, as a result of the votes cast online for this year's AGM, the charities mentioned in that video will benefit from a total donation of £479,000. So thank you, everybody that's voted, for your engagement, and you've helped those charities. Thank you very much indeed.

Now, it is 11.30 and we will go to James Sherwin-Smith. I do note, Mr Sherwin-Smith, that you've got a QR code behind you. Just for the ... I should say to all members, that has not been security checked by Nationwide and our advice always with QR codes that have not been security checked is we do not advise you to use them, but you do have it up there, Mr Sherwin-Smith.

MR SHERWIN-SMITH: I do. Thank you, Mr Chairman.

KEVIN PARRY OBE: So I'm going to hand over to you.

MR SHERWIN-SMITH: Thank you for inviting me to address the meeting today. I would also like to thank every member who is voting in this year's election, attending today's AGM, and those submitting and asking questions.

I have, indeed, made a copy of this address available on my website via the website at the top of this page and the QR code for the benefit of those that are hard of hearing or would like to review it at a later stage.

What I'd like to say is, whatever the outcome of today's vote - because I'm still in the dark - your participation matters. Nationwide is one of Britain's greatest mutual institutions. Its strength is measured not only by its financial performance but by the willingness of its members to take an active interest in how it is governed. For that reason, I hope both the turnout in this election and participation in future AGMs marks the beginning of a long-term reversal of the gradual decline in member engagement we have seen over the past two decades. Thirty years ago, Nationwide had three member-nominated directors serving on the Board, today there are none and there hasn't been one since 2002.

My decision to stand in this election was not about simply seeking a Board seat, it was about asking a much broader question: how healthy is member democracy at Britain's second largest lender and the biggest building society in the world? Are members given sufficient opportunity to shape the future of the Society they own? Do our governance arrangements encourage meaningful participation and do they meet the standards we should expect of one of the UK's largest financial institutions? Those are questions that extend well beyond today, this AGM, this election.

Over the past year, my campaign has generated conversations with thousands of members. It has prompted coverage across local, national, international and financial press. It has generated concern from parliamentarians across both Houses and across party lines. Most importantly, it has demonstrated that members care deeply about how their Society is governed. That, in itself, is encouraging, but throughout this campaign I've also raised concerns about aspects of this election, including the operation of the "quick vote" mechanism, the way that my candidacy was presented on the ballot and in the AGM materials, and the overall treatment of the Society's first member-nominated candidate for more than 20 years.

Whatever members think about my candidacy and the Board's negative reaction to it, I hope there is broad agreement these issues deserve careful reflection ahead of any future Board elections. Strong governance is not about avoiding challenge, it is about embracing transparency, encouraging participation and continually improving. Healthy challenge should be a strength of a mutual organisation, not a weakness.

I do not yet know the outcome of this election but whatever that outcome may be, I hope that my campaign will have achieved something important. I hope more members will attend future AGMs, I hope more members will ask questions of the Board and the Society they own as illustrated by the questions asked so far today, and I hope more members will take the time to review the AGM materials before voting, and I hope more members will vote. We're currently at a stage where I think on a total member basis, fewer than 4% vote, on an eligible member basis it's less than 8%. I don't think that's good enough and I hope more members will consider putting themselves forward as a member-nominated candidate, as I have done this year, in the years to come.

A healthy democracy depends on people being willing to participate and there are three ways in which I hope members will continue to offer their support after today's AGM.

First, I hope members will continue to engage with the Society, they read the material published by Nationwide, they ask questions, they vote thoughtfully, and they encourage others to do the same. Instead of promoting a quick vote, I echo a comment made in the House of Lords last week, the Board should be promoting a slow vote instead. Member democracy and governance should not be confined to one day each year.

Second, if you've ever considered standing as a member-nominated candidate yourself, I'd encourage you to do so. If my experience can help others navigate that process more easily, I'd be delighted to share what I have learnt. No member, in my mind, should feel that standing for election is beyond their reach.

Third, I hope members will support continued discussion about how governance at Nationwide can evolve. Over the coming months, I will be publishing proposals aimed at strengthening member rights and encouraging greater participation, including potential changes that could be made under the Society's own rules, as well as wider reforms across the building society sector and through changes to legislation. I hope many of you will take part in that conversation.

Finally, I want to thank everyone who has supported this campaign. Thank you to the members who nominated me, thank you to those who donated, thank you to those who volunteered, and thank you to the current and former Nationwide staff members who have shared their insights with me in confidence. Thank you to the journalists who have reported on these issues, thank you to the parliamentarians who took an active interest in the concerns underway, and, above all, thank you to the many members who simply took the time to engage.

Whether or not I've been elected today, you've already helped achieve something significant. Together we brought member democracy into the national conversation. As I said before, 30 years ago Nationwide had three independent member-nominated directors on its board directly representing our interests as members, challenging boardroom thinking and helping shape the Society for decades to come. Whatever today's results, I hope we do not have to wait another 20 years before we again see member-nominated candidates on the ballot and we don't have to wait another 30 years to have more than one member-nominated director on the board. Member democracy is not about one candidate, it's not about one election and it's not about one AGM, it's about ensuring that the Society's owners, **its members**, continue to play a meaningful role in shaping its future.

Thank you for the opportunity to speak.

KEVIN PARRY OBE: Well, thank you for your comments, and what I will now do is take questions from members. There are two that are similar, so there is a comment and a question from Mr Lacraft and a couple of questions from Mrs Roskabiak. So Mr Lacraft says:

> "The Board strongly supports Nationwide's mutual status. The Board is, however, strongly against the election of even one member of a board nominated by members rather than, as usual, by the Board. How can the Board justify these contradictory positions?"

And the other two-part question from Mr Roskabiak, which overlaps with that question:

> "What are the reasons for rejecting a member representative on your Board?",

and,

> "How would a member representative on your Board inhibit the Society?",

the second bit is a slightly different question.

So, first of all, let me just say all directors of Nationwide are members of Nationwide, so we have a total representative position on the Board because everybody is a member. We do not have a position that we would automatically reject somebody standing for election to the Board who is properly nominated, our rules are very clear that that is allowed for, and the way that process works is that you can put yourself forward with 250 nominations and that allows it to be considered.

Putting it forward though is not enough. We are regulated, authorised by the PRA, regulated by the PRA and the FCA, and we have got a duty to all of our members to make sure that the very complex business of Nationwide works efficiently and properly for each of our depositors and each of those who have borrowed from us and each of those who have current accounts with us, etc. That is complex and it does, therefore, require significant skills, and the duty of the Board is to make sure that those on the Board do have that skill. It is both a regulatory requirement and a common-sense requirement in the interests of those who trust us with their money.

So the particular situation here has to be judged on the individual being put forward, there is no general view that we wouldn't take somebody. And the question that Mr Roskabiak asks is, "What are the reasons for rejecting the member?", and this was set out in the letter that was sent to every member, and we assessed Mr Sherwin-Smith very carefully. He met with an international firm of headhunters, those who assess directors, and he also had a number of interviews with me, with the Deputy Chairman, with the Senior Independent Director, and also with the CFO. All of those interviews were pulled together and we reached an assessment, and the assessment that was reached was that he does not have the experience of representing a broad and diverse membership base or any form of large-scale member advocacy, so the experience for that was not visible to us; he does not have any relevant or practical experience of board-level governance or decision making at a building society or a mutual or any large regulated financial services firm of the scale and complexity of Nationwide; and, thirdly, that he would not contribute effectively to Board considerations, challenge or oversight on strategy, and the important operational matters and risk management that is required in a firm of Nationwide's scale and complexity.

So what I would say is anybody put forward will be assessed in a similar way and it will be an individual decision. There is no blanket yes or blanket no, it is an individual decision.

So if I move to that second part of Mr Roskabiak's question, "How would a member representative on your Board inhibit the Society?", I wouldn't say it would automatically inhibit the Society because, if they get that far, I would expect them to be adding to the Society. So I hope that addresses that question.

And there's another comment and a question here from Mr Thornton:

> "Whilst I'll be voting against article 14 today [that's resolution 14 today], I agree in principle with a member being elected to the Board to increase diversity and bring more of a member voice to the Board. Given that the levels of skills and expertise required to sit on the Board are very high, how possible is it that this will actually happen? Would asking members of our charity partners' boards to sit on the Board during their partnership be a solution?"

Well, that's an interesting last comment.

So it's really difficult to answer the first question. Could somebody be found with those skills? The answer I think to that would be yes, because we do, obviously, appoint new directors from time to time who pass that, so I think it is possible.

The charity partners, they are obviously experts in running their charity. We have high Board engagement with our charity partners. Only in the last four weeks or so, each of the chief execs of the charities that we support has attended a Board meeting and we spent a lot of time hearing about their developments, what we're doing together and how we help them. So we get engagement from that perspective, not having assessed them, but I think their skill sets and our skill sets are probably different and that's why the partnerships are so important. But it's an interesting observation, Mr Thornton.

The question next up is from Mr Laker:

> "How would the member representative feed back to members?"

I think that is a very good question. We pay an awful lot of attention and we give account of our members' views and you've seen some videos already on that. How it would be done differently with 20-odd million members I think is very hard to see, short of creating an enormous cost base and time commitment that would not be in the interest of our members, I suggest.

So those are there. Let me just make the final point. At the end of the day, the vote is yours. The vote is yours in resolution 14 today and members have that final say. So if you think that the Board's recommendation is appropriate, you will probably vote against, if you think the position of Mr Sherwin-Smith is appropriate, you will probably be supporting him, but we will see that later in the meeting.

I've now got a question from Mr Debenham and he has said:

> "How is it for the first time ever in Nationwide we now witness a disgusting breach in fair election law? It now deems fit for the present Board to recommend on the ballot paper itself who members should vote for and who they should not vote against, and because of that disgusting breach, surely all voting initiatives in annual elections must be cancelled and deferred forthwith."

Well, there is no breach of election law, we are absolutely complying with the law and with our own rules, so that is totally rejected, I'm afraid, Mr Debenham. And in terms of recommendations, it is absolutely normal for boards to recommend how people vote on resolutions, whether it be for or against, nothing is different this year versus other years, and I would suggest that just about every company in Britain, that is the process that's followed, so I'm afraid that is not a fair comment at all. And as to whether things should be cancelled or deferred forthwith, that is not going to happen because we are in complete compliance.

Now, I don't have, at the moment, any other questions on this from anybody, so I think we will move on. So, Mr Sherwin-Smith, thank you for your address and we will have the voting at the end where the members, as I say, will have the decision as to whether or not you are elected.

So moving to other matters, I've got a question from Mr Gault:

"Is Nationwide leading on savings interest or purely on board and chief executive remuneration?"

So I'm going to ask the Chief Executive to answer just the first part of that question and I'm going to ask KEVIN PARRY OBE of the Remuneration Committee to answer the second part of that question. So, Debbie, you say a bit about savings rates.

DEBBIE CROSBIE DBE: Yes. So I think we've got a chart. *(Slide shown)* We pay very close attention to the savings rates that we offer our members and, obviously, we have to take care and make sure that we pay the best rates that are affordable on a long-term basis to keep the Society safe, but we're proud to say that the Society rates are consistently above the market average and we will continue to do the **very** best job we can to make sure that they're as competitive as possible. Obviously, on the chart you can see that is the average Nationwide saving rates compared to market, and we're also showing you what's happened with the Bank of England base rate, so we'll do our very best.

KEVIN PARRY OBE: So I'm going to the second part of the question which I'm going to ask Tracey to comment on, but just for the avoidance of doubt, Tracey does not determine her own remuneration or, indeed, that of the non-executive directors, excluding me, and so … But I think you can probably embrace the second part of that question, Tracey, even if it isn't your responsibility.

MS GRAHAM: Yes, indeed, I can. I do actually have a chart - I don't know if we're going to be able to bring that up but I think it might be helpful *(slide shown)* - and this is a chart that looks at CEO pay and maximum opportunity at Nationwide, and it just really confirms, as I've said earlier, that on any benchmark looking at CEO pay, the CEO's pay at Nationwide is lower than that of her banking peers. I just felt that was just helpful to have that to share with you.

I do accept, as I've said before, that members have strong views on remuneration, but I would also add that in terms of determining pay we do look at external data points and we do believe that we pay appropriately in line with the market and fairly for **all** our employees and that is very important. I'll say it again: for **all** our employees.

KEVIN PARRY OBE: Thank you. And, Muir, perhaps you could say something about savings as that is part of your day job.

MUIR MATHIESON: Yes. Thank you very much, Kevin.

Just to build on Debbie's comments about savings rates, just a couple of other important points to make. Clearly, one of our responsibilities is to make sure that we're striking the right balance across both our depositing members and our borrowing members, so we will try to provide the best rates possible to both our savers and our borrowers as sustainably as we can and that does need to strike the right balance. So we can't promise to be the best price in all of our products and all of our segments all of the time.

As the chart that Debbie just showed evidences, we are, on average, significantly better than the rest of the market. The last financial year we were 28% higher on our savings rates versus the average of the rest of the market. And I'm also really pleased to say that we were number one for growth in retail savings last year, so we were the number one choice out of all of the providers of retail savings in the UK last year, **and** number one for growth in mortgages last year. And that tells us that the combination of offering different channels of choice, whether you want to speak to us in person in branch or on the telephone or online, the exceptional service that Nationwide provides, we're number one for customer service, as Tracey already said, across all sectors in the UK, **and** good value, good price on those products, meant that we were the number one choice on both sides of our balance sheet over the last financial year.

And earlier, one other member did raise the question that they were able to achieve a higher rate from one other provider, that will be the case sometimes. As I say, we can't sustainably be the best price all of the time, we need to strike the right balance. I would just say that usually the providers of those higher rates, it's usually for a bonus period. I'm aware, I think, of the 5% rate that's out there at the moment from another provider, it's only for a temporary handful of months, so please do check, when you're taking those products, the exact terms and conditions and how long you'll be receiving that rate for. And, of course, if it's an online-only provider, there's no access to branch, often very difficult to speak to a person on the phone as well. So we try to strike our best balance on our rates across the balance sheet and we're delighted that we were number one choice on both lending and deposits over the last year.

KEVIN PARRY OBE: I think you did have a slide on our rates versus the market. I don't know if it's possible for that to be put up on screen because it just brings it out.

MUIR MATHIESON: Yes.

DEBBIE CROSBIE DBE: We've shown it.

KEVIN PARRY OBE: If you can just talk to it in the context of your comments.

MUIR MATHIESON: Yes, the slide that Debbie talked to just a moment ago, I'm very happy to bring that back up.

KEVIN PARRY OBE: Yes, just talk to it.

MUIR MATHIESON: *(Slide shown)* As Debbie said, I think this illustrates the point really well. You can see the dark-blue line in the middle, that is the rates that Nationwide have paid, and you can see that difference between us and the average of the rest of the market, which is the light-blue line at the bottom. Now, of course, as the Bank of England has reduced its rates, we, in line with the rest of the market and in the attempt to strike that proper balance across both sides of the balance sheet, have had to reduce some rates, but overall we're still paying a significant additional amount, and, of course, you can access Nationwide in person in branch or on the telephone, as I say, in a way that you can't with others. And, again, just my one word of diligence and caution when taking products that appear to be market-leading rates, do check for how long you are receiving that rate, it's quite often a bonus period.

KEVIN PARRY OBE: Thanks. I'm sorry if that was labouring, but I just thought that graph really brought out the comments you addressed.

So we've got a question now from Mr McLean on branches, interesting question here:

> "Instead of being committed to keeping branches open [I think he's referring to our commitment to keep them open], can you inform us of the criteria for having branches in their locations and the hours that they are open?",

so bit of a deeper question than just having them open. Debbie.

DEBBIE CROSBIE DBE: Yes. So, thank you. Obviously, we review demand, we review how busy the branches are. Most of our branches are open either five or six days a week. We have a small number of branches who are open three days and some four days. We review that very regularly and recently we've increased the opening hours of a number of our branches that were previously open three days to four, but we very much do that on the demand that's in the area because we are committed to keeping every branch open. I think that's exactly what we're doing.

KEVIN PARRY OBE: Thank you very much.

So there's a request to speak from Mr Ambowa and he's got a question on product accessibility and inclusivity. So, Mr Ambowa - I hope I've pronounced your name correctly - are we able to get him on …?

DEBBIE CROSBIE DBE: No.

KEVIN PARRY OBE: I think he's gone, so we … Well, let me ask the question for him. The gist of the question was how Nationwide deals with a disabled child and young people who can't manage their accounts independently, and, Debbie, would you like to address that?

DEBBIE CROSBIE DBE: Yes. So we've got a range of products and we also have a Future Saver account which is for all children and can be run by the parents, and we also have current accounts available for young people from age eleven onwards and there's a range of choices in there, depending on what the child is able to do. We can offer cash cards or Visa cards, there are various different ways to manage the account online. And, obviously, if there's a number of difficulties with the individual running the account, we can also do that through a trust account or through a power of attorney, if that's also appropriate. But we keep that range under review and, you know, we welcome any further feedback on expanding those services.

KEVIN PARRY OBE: Thank you very much.

So we've got another request to speak - I hope on this occasion the speaker is there - and it's Mr Lindsay who's got a question on Fairer Share. Good, I'm glad to see you're there. Mr Lindsay.

MR LINDSAY: Thank you very much. And before going to my question, could I just say how glad I am, as a member resident in Scotland, to hear that Clydesdale banknotes will continue to be issued, very good news.

We started by saying that Nationwide is a mutual and owned by its members, and I think that's an important principle to all of us. My question is about the language used in promoting the Fairer Share payments. I was troubled to see that the wording used by the Society this year in announcing the payments was to say, "**We're** delighted to let you know that **we** are giving **you** another Fairer Share payment". This isn't actually the case, is it? The Fairer Share scheme is a way in which members agree on a way to share the profits of a mutual society. It shouldn't be expressed as a gift from one part of the Society to another. Later in the same email came the words, "Fairer Share is one of the ways **we** reward **you** for choosing us for your everyday banking". Again, this suggests to me that management doesn't really "get" the fact that we're all in this together but somehow they think they're in an elevated position from which they can reward customers.

I think this is an inaccurate and patronising way of describing the Fairer Share scheme and I wonder if I could ask that in future years it could be abandoned and language more fitting to a mutual organisation could be used instead.

KEVIN PARRY OBE: Well, thank you for those comments and we will definitely take those on board.

DEBBIE CROSBIE DBE: Yes.

KEVIN PARRY OBE: I think there might be a risk that the language did get too colloquial and it could be a bit more polished, so let us take that away.

More generally though, let me ask Debbie to talk about the different financial ways that we have used that word "reward" - maybe you don't like that word, I understand that - different ways that people benefit from being a mutual with different products that they have with us.

DEBBIE CROSBIE DBE: Yes.

KEVIN PARRY OBE: Would you like to just talk to that a bit more generally, because I think it's useful background?

DEBBIE CROSBIE DBE: Yes. So look - and thank you for the comments, that type of feedback is really helpful - we do test the language that we use, but I think your insight is really useful and we'll certainly take that back.

So there is a range of ways that we reward members. First and foremost, it's through service and commitment to keeping that choice of service available for all our members, whether that's branch, whether that's telephony, whether it's online. We're constantly investing in new services based on member feedback and demand.

Muir has already covered extensively the commitment that we have to always delivering the best rates that are available, both for mortgage customers, our borrowing customers and our saving customers, and, in particular, for those customers who choose only to save with us and not bank with us, we are very committed every year to issue a member-exclusive bond. This year our member-exclusive bond was at a rate of 5%, and if you invested the £10,000, if you compare the rate that members would receive in comparison to open market available rates of 4%, that would be equivalent to another £100 of interest in the twelve-month period or £125 over the term of the product.

And then last but not least, very importantly, the Fairer Share payments are about rewarding people who have everyday banking relationships with us, and what's really important about that is - because they wouldn't normally receive an interest rate benefit, although we do encourage everybody to have as broad a relationship as possible - they do provide a very important source of funding, and because of the amount of people who bank with us on a current account basis, that essentially means our cost of funding is reduced, which means that we can deliver better rates to customers who have relationships with us either in borrowing or saving.

So, thank you.

KEVIN PARRY OBE: Thank you. Mr Lindsay, do you want to come back on anything or shall I move on?

MR LINDSAY: Just to say that I'm glad that the language will be reviewed and I'd like to see language more suitable to a mutual being used in the future.

KEVIN PARRY OBE: Well, thank you very much for your contribution.

MR LINDSAY: Thank you.

KEVIN PARRY OBE: There's two related questions, I'm going to just not identify who they're from because they've got some personal information in there, but there's one from a Mr B and he says, he asks:

> "Why is Fairer Share payment utterly unfair?"

His wife and he pulled life savings out "because we did not qualify". So I think Debbie has already addressed that, as to how interest rates provide a benefit to those who've got savings, so I'm not going to particularly put that to you, but I hope, Mr B, that has addressed your question.

And another one from Mr S, who similarly I think I shouldn't say who he is. He's had a savings account for more than 19 years. Last year, he received a Fairer Share payment but this year he has not received a Fairer Share payment because his account is not eligible. Why is his account no longer eligible? It's impossible in this forum to go into a detailed answer of your particular circumstances, but I'm going to just ask Muir to comment on it. The final bit is, "What has changed from last year?" So, Muir, what has changed from last year as a generality?

MUIR MATHIESON: Yes. In general, the criteria for Fairer Share payments has not changed over the last few years, so it remains the same criteria. Clearly, the Board needs to make a determination at the end of each financial year whether any payment such as the Fairer Share is affordable, have the financials been sufficient to support that. We're delighted that four years running now we've been very confident to make that decision and make that payment. But the criteria for usage of current accounts and the criteria that says you must hold also one product, at least £100 also in a savings account or a mortgage borrowing, that criteria has not changed.

So I'm, obviously, unable to comment on your individual circumstances. We can pick up after the meeting, which I think would be more appropriate. But if you were using your Nationwide current account in the same way that you have been using it before - it does need to be your main current account, the one that you would use for your day-to-day banking - and you have that one other product holding, then you should have the same eligibility as prior years.

KEVIN PARRY OBE: There are a number of very, very similar questions on this, at least six others, from the likes of Mrs Gibson, Mr Trevithick, Mr Spence, Mr Kaufman, I won't go on, and they're all really around the same topic of Fairer Share and who gets it and, in particular, how does it relate to savings. I think we've probably laboured that point now and I hope that's clearer to everybody, but if it isn't, Muir has offered to provide personal feedback to people.

I've got a slightly ... Well, I've got a different topic now and the question is from Mr Mellor who is visually impaired. He's a registered blind customer - and he's happy that we say that - who wants the same service as everyone else. When he's been served in branch, we send him a text so he can rate the service. He can't read the text and, therefore, can't provide his feedback. He doesn't have a problem with the branch, his problem is with the decision makers who are not making responsible adjustments to allow him the opportunity to provide feedback. He wants us to get the service right so he can feed back into the system like everyone else. When we ask for customer experience surveys, please can we make this accessible for visually-impaired people. And I'd just like to say thank you to Mr Mellor because he did send this question in advance and it has flagged an important issue, and I think it might be fair to say, Debbie, we're slightly embarrassed we haven't addressed this previously, so maybe you can talk to it.

DEBBIE CROSBIE DBE: Yes. So, Mr Mellor, thank you, I think it's a great point. The feedback that is provided to us is super important and we're really keen to make it as inclusive as possible, so we're working hard to find out the best way to receive feedback and we'll be in touch with you. But thank you for raising the issue, I think it's very important that we do some work on this, as we're doing, and we'll be in touch.

KEVIN PARRY OBE: So we are determined to find a better way, so thank you. Thank you for drawing that to our attention.

Right. I've got some more questions going back to governance. There's a number that we've already answered, which was around the member-nominated director, so we think the questions of Mr Kaufman, Mr Blackwell, Mr Horner, Mr Catchpole and Mr Waters were already answered earlier, but there is one that's slightly different which is from Mr Banks:

> "Please explain how the votes are counted for the member nomination, James Sherwin-Smith. How many votes would he need to achieve to be elected?",

and,

> "Is this vote count affected by or related to votes cast for the existing directors?"

So very sensible question, Mr Banks. So the member nominations have to be signed and they're passed to the Company Secretary, who has counted the votes and, indeed, double-checked them, but Mr Sherwin-Smith did pass the 250 test, so therefore he went forward to the ballot paper. And is that in any way affected by votes cast for the existing directors? No, they're independent votes. So the votes that you cast, everybody casted for Mr Sherwin-Smith, are unrelated to the votes that are cast for the other directors.

How many does he need to be elected? He needs 51% of those voting, of properly cast votes, so - well, 51, over 50%, to be precise, of those voting, and then if that were to be the case, then he would be elected. The voting takes place at the end of this meeting and I'll come back later on to explain where we will put the voting result up later on.

So I hope, Mr Banks, that clarifies any misunderstanding there.

And there's another question from Mr Spence, who has been quite prolific I think, so he's got:

> "May I suggest a shadow board of members offering opinions only."

Now, we do have something very, very similar to that, so, Debbie, would you like to say a bit about that?

DEBBIE CROSBIE DBE: Yes. So we have something called the Member Voice Panel, which we've found incredibly useful, and the reason why the Member Voice Panel is very important is we work hard to make sure that it represents the members that we have. So we work hard to make sure that all the demographics are considered, it's very well represented both in terms of age, regionality, people's requirements. And we communicate very regularly with them and we have face-to-face sessions, we have online sessions, and we've a number of different ways of engaging with them, and we found it very, very useful, but, you know, we're always open for new suggestions as to how we can engage even more, so thank you.

KEVIN PARRY OBE: So, yes, the substance of that suggestion, thank you very much indeed.

I've got Mr Doogan who is going to, I think, come up on screen - yes, that's worked too - and you've got a question, Mr Doogan, about Virgin Money's performance, subsidiaries and the lack of internal control. So, Muir, this will be coming to you as CFO. Mr Doogan.

MR DOOGAN: Mr Chairman, thank you very much.

The Society acquired Virgin Money because of its involvement in consumer and business lending and its substantial loan book of owner-occupied mortgages. However, extrapolating from details in note 14 to the accounts, it appears that instead of growing these balances, Virgin Money's actually shrank by about 1.1 billion during the year. For this performance, the Virgin Money Chief Executive Officer received about £3.8 million, of which 2.6 million was bonuses. Is this just another case of payment for failure?

Then going on to the situation about other subsidiaries, the Board of the Society are exempting more and more subsidiaries from audit and yet do not appear to increase internal checks to these companies. Examples, NBS Ventures Limited, in 2022, 2023 and 2024 accounts, the largest investment is incorrectly named. How can a valuation be prepared if the directors do not know which company they are invested in? In the 2024 accounts, the named second largest investment, SAP Fioneer UK Limited, yet Companies House records this as a wholly-owned subsidiary of a German company. And then going on to another example, NBS CoSec Limited is shown in the accounts as dormant and yet it has nine directors. It is listed as company secretary for 34 Group companies, yet it files incorrect confirmation statements; for example, for The Mortgage Works (UK) PLC it originally filed that the Portman Building Society was a shareholder, yet it ceased to be a shareholder in 2007. It also showed issued share capital was three times what it actually is. So just what form of internal control is actually exercised?

KEVIN PARRY OBE: Well, thank you for those questions. I'm not sure whether the detailed questions, Muir is going to have the answers to hand, but maybe he'll have some of them. But the more - the important upfront question about is there a failure at Virgin Money, Muir, would you like to talk to that?

MUIR MATHIESON: Yes. No, very happy to do so, and thanks, Mr Doogan.

So, first of all, to say that we absolutely deem the acquisition of Virgin Money and the performance of the broader Group, including Virgin Money, since the acquisition, as wholly successful and in fact beyond our original expectations.

So just to take a step back, when Nationwide acquired Virgin Money, not only was there that very substantial gain on the acquisition because the business was bought at a discount to its fair value - £2.3 billion of gain, £1.8 billion going immediately to the capital reserves for our members - since then the profitability of the combined Group has been really, really strong. As Kevin said in the upfront video, our profits are up 9% year on year, and over time, as we bring the businesses together, members should expect to see greater economies of scale as we move things to one set of IT systems, for example. And so, looking forward, the financial strength of the Group and the financial performances is nothing but stronger.

Most of the lines of business of Virgin Money I would say are doing exceptionally well, but we are always very disciplined, especially in our lending, and I hope members on this call today will be reassured to hear that we're very, very thoughtful around making sure that the lending that we are doing is properly underwritten and that the membership is being rewarded for the credit risk that we are taking in that lending.

So the single most noteworthy item that Mr Doogan refers to in terms of balances going backwards not forwards for the financial period was in business lending where, due to a very competitive market last year, we consciously chose to not compete because we did not think that some of the rates at which the business lending was occurring within the market was being adequately rewarded for the credit risk. I'm pleased to say that that trend has now reversed and that we are moving forward in business lending. I would say on business deposits and on all of the other lines, we've been very, very pleased with the performance moving forward.

We will, of course, as a combined Group, always choose how we optimise our performance across the different lines and across the different brands such as we have them now and so members shouldn't be surprised to see at times it will be Nationwide that is growing more quickly than the Virgin Money brand whilst we still have it for the short period ahead. So that's … So I would not take it in any way, shape or form that, because there was some discipline around our lending in business lending last year, that there's any sense of failure whatsoever; in fact, the financial situation and the progress on bringing the businesses together is ahead of what we had planned.

If I may just say something, Kevin, on internal control as well. In Nationwide we pride ourselves on upholding very high standards of internal control. We have controls over the financials and all of our accounting systems and accounting and reporting, and we also independently test those controls each and every year to make sure that they are operating. Now, very occasionally of course mistakes can be made and when a mistake does occur, then we are always very, very transparent and quick to rectify the mistake and make sure that that is fixed on a going forward basis and that any lessons are learned.

As Kevin says, I'm not completely *au fait* with all of the issues that you raised there, Mr Doogan, but we will follow up on all of them and contact you after the meeting if we think that there's any further context that we can provide or to get a bit more detail from some of the points that you've raised.

But I would like to reassure members that we do ourselves have the highest standard of controls over our financial numbers, the reviews, the checks, and certainly when we have benchmarked those controls against all of the other similar providers in the UK and globally, we always benchmark very, very strongly on those.

Thank you.

KEVIN PARRY OBE: So, Mr Doogan …

MR DOOGAN: On the *(inaudible)*.

KEVIN PARRY OBE: Yes, come back and then I'll …

MR DOOGAN: You say that errors occur, which I accept from time to time they do occur, but as it happened on the largest investment in the years 2022, 2023 and 2024, it would seem that errors aren't being eliminated, they are being repeated.

KEVIN PARRY OBE: I think all I can suggest is, as Muir has agreed, that he will come back to you when he's been able to look at the detail of that. So, Muir, I would have thought a telephone conversation between the two of you would be a good thing after you've had a chance to look into them.

MUIR MATHIESON: Yes, very, very happy to do that.

KEVIN PARRY OBE: Is that fair, Mr Doogan?

MR DOOGAN: Yes. Thank you very much.

KEVIN PARRY OBE: Thank you for your questions.

The next question is from Mr Lee and he has asked why members were not given a vote on the acquisition of Virgin Money. I will answer that question directly, I will also note that it did come up last year, but let me just, as a reminder or if you weren't online last year and didn't hear the answer, let me repeat it.

So from a legal perspective, there was no requirement for there to be a member vote on the acquisition of Virgin Money and that is no different actually than it would have been in a PLC, listed company, there wouldn't have been a vote there either.

We're operating under the Building Society Act and our own rules, but we also have to follow the Takeover Code and the Takeover Panel's guidance at any particular time and they were very clear with us that the offer to acquire Virgin Money could not be made conditional on a voluntary basis to members, so it wasn't a possible thing to do. Nevertheless, we did regularly carry out surveys of members to get their views and it was actually a very small number or very small percentage of people that thought they wanted to vote on this. There were a number of people who made quite a lot of comments and some of the press picked up on it, but it was a very small minority view. And as I said earlier in the meeting, it is the case that the Society's rules are very clear that the business and the conduct of the Society's affairs are the responsibility of the Board, under its direction, control and management, and so that remains the case then, every bit as much as it does now.

So I hope that clarifies to Mr Lee why there was no vote on the acquisition of Virgin Money.

There's another question from Mr Newell on mutuality and he has asked:

> "Does Nationwide have safeguards in place to preserve its mutuality?"

So I'll repeat what I said last year: the whole Board is absolutely committed to Nationwide remaining a building society and, hence, retaining its mutual status. There are though some safeguards in place to stop demutualisation and the so-called "carpetbagging" that took place I think back in the '90s now, where a lot of building societies stopped being building societies and distributed, I think typically at that time, about £100 to members. And when people become members of Nationwide, they do sign away that any benefit that might come from demutualisation would go to charity, to the Nationwide Foundation, rather than benefitting any individual member.

So we do have protections in place. We believe really strongly that mutuality benefits members and it distinguishes Nationwide from our main banking competitors who are, of course, PLCs.

So, Mr Newell, reading between the lines of your question, I think you were looking for safeguards and they are, indeed, in place.

I've got a question now from Miss Brinn who's got a question about member democracy and engagement. Miss Brinn, I can see you. Assuming you can hear me, can you please ask your question?

MISS BRINN: Hello, yes. Thank you very much. Is that working?

KEVIN PARRY OBE: It is working well.

MISS BRINN: Marvellous. Hello, everyone. Thank you.

I'd like to first start by commending Nationwide for a great product range, a really helpful website and a brilliant app.

Nationwide emphasises the importance of being a membership organisation but in my opinion, as a Nationwide member and also as a personal investor who has attended some excellent in-person AGMs, Nationwide's virtual-only AGM format and the quick vote mechanism are, in combination, inconsistent with a member organisation that should see its members not merely as customers but as capable of contributing to the good governance of Nationwide. I would therefore like to ask the Board: what specific steps will the Board take before next year's AGM to strengthen member democracy and member engagement specifically on governance issues?

And also, following the statement by James Sherwin-Smith, I'd like to ask a follow-up question: would the Board support an independent review of this year's election process, including the operation of the quick vote and the presentation of member-nominated candidates, so that members can have confidence that future elections are demonstrably fair?

Thank you very much.

KEVIN PARRY OBE: Thank you very much for your question.

So the question around strengthening member democracy and member engagement, the word "democracy" has been flying around a lot in the last few weeks in articles by Mr James Sherwin-Smith and picked up by one or two journalists. We of course do have one member, one vote. There are resolutions that are put forward by the Board and a resolution this year has been put forward by a member who's not on the Board and the members will decide how that goes.

We've already outlined what engagement takes place with members and that can obviously embrace any matter they want to do. I am reluctant to say more will be done. The cost of more, unless it makes a serious incremental difference, will I think seriously outweigh any benefit, if there is to be any benefit. You know, we will be talking many millions of pounds and I don't know if that's a good use of members' money.

However, after each AGM, the Board obviously reviews the comments that have been made and I am sure - I won't be on the Board by then - but I think the Board will undoubtedly do the same going forward, and if they do think anything can be done to strengthen it, then I'm sure they would be inclined to do that.

As to an independent review, I'm afraid we have to follow the law, we have to follow our rules, and I don't think there would be any benefit from that, and there will then no doubt be a debate as to who's the right person to do it and who's independent, who's not independent.

So I understand the question but ... I don't want to just say no for the sake of it, but I'm very conscious the costs of these exercises can be disproportionate, and it, frankly, does take an awful lot of senior management time when I want to make sure that they've got maximum availability to be running our business.

So you're probably not entirely happy with that answer, Miss Brinn, but I hope you can see my perspective.

MISS BRINN: I can, but just to make a follow-up point. So I have my savings with Nationwide, I have my pension with Nest, and Nest, earlier this year, conducted a member democracy process - it was actually over four days - of in-person meetings with members and they gained some very valuable insights from that process. Nationwide and Nest are of a comparable size. Nest clearly felt it was worthwhile doing, they're a pension provider, Nationwide is a membership organisation that emphasises the importance of its membership, and it would be really good if there were some additional mechanisms for more in-person engagement, particularly on governance issues, because I think everything else you do brilliantly but I think that's a potential concern at the moment.

Thank you.

KEVIN PARRY OBE: Okay. Well, I understand, and I've actually spoken to the chairman of Nest about that exercise, so I'm aware of it. What we'll take away is to make sure that we do cover the governance in some of the questions that we put to our panel and see if we can pick it up that way. So I think we can probably use the mechanisms we've got, but we will put some governance issues to the panel. Do you want to come in, Debbie?

DEBBIE CROSBIE DBE: Yes, I just want to add … So, look, I think we will go back round this with our Member Voice Panel. What I can tell you is that, when we previously asked members what they're interested in commenting on, there are very few members that express interest in governance matters, they overwhelmingly are interested in value, services, and we got lots of great suggestions about things that we can do differently in terms of how we serve our customers and drive value. But very happy to go back through the … And we do - I will just emphasise - a number of engagements face to face. So we're very happy to take that away and ask the questions again of our members as to what they would like to engage upon.

KEVIN PARRY OBE: Thank you. So quick vote, again there's a few comments have come up on this. There's a question from Miss Andrews who has, I think, broadly pulled together the issue. So she says:

> "Why has the quick vote option not been dropped? It unfairly skews the vote and doesn't encourage members to give enough consideration to who they are voting for. There is not enough transparency about this option and it should be made very clear what members are voting for by taking this option."

So I'm sure most people know that, but let me just recap. Quick vote gives the option - and it is an option - for members to vote in line with the Directors' recommendations in respect of each resolution, so if you support the Directors' resolution *(sic)*, it saves you time. But what happens is, if you take that option, it then has a second screen that comes up and shows how those votes have been cast, so you can be in no doubt what is being voted for and what is being voted against, and if you think you've incorrectly decided to go down that route or, indeed, want to change your mind, you can go back and you can vote on each individual resolution. We believe that that goes further than quick votes go in some other places and we think it is a good thing to do.

The suggestion that members are not clear what they are voting for by taking this option, we struggle with. "Are you voting for or against?" is not a difficult question, everybody is very aware of how votes happen, whether it's in this or any other context, and it is our view that our members do understand what they're voting for. And I think it would be very much a moot point, even if you did it individually, whether people might accidentally vote the other way, I think that would be also very unproven. So we don't find that argument in any way compelling. It is an easy way of voting in line with the recommendations of the Directors, if that is what you want to do, but the final say is yours.

Moving to a question from Miss Wilkes. She said:

> "Are you planning on continuing your successful Any Bank advertising campaign as, I'm sure you'll agree, the adverts bring joy to our screens?"

I have to say, even as the chairman, I find them quite funny, but … Debbie.

DEBBIE CROSBIE DBE: We've no plans to change that at the moment, everything's always kept under review, but you can expect the adverts to continue certainly for the next year.

KEVIN PARRY OBE: So it's half past twelve. We've had over 520 members join us today, that's a tremendous outcome, thank you very much for that. We've managed to get through most of the topics that have interested members today, thank you for each of those engagements. As I mentioned earlier on, we did have a lot of questions duplicated by members, so we've answered them as best we can in a general sense, and if any have slipped through, we'll answer them directly in the coming days to the person who has posed them, but we've done our best to not ask the same question over and over again. If anything comes in late in this meeting and we haven't managed to answer, we'll similarly look to come back to you individually.

So having said that we've had a really good range of questions, I am conscious of time, 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.

While members cast their votes, we will now show some short films. Voting will close after these films in roughly seven minutes' time.

(Videos played)

That concludes the formal business of the meeting and voting is now closed.

The final results of the poll will be published on our website and via the market as soon as possible once they are available. Thank you very much to everybody that has voted.

(Slide shown) In the interests of transparency, we are now showing on screen the proxy votes that have been allocated to me. For those members who gave discretion to vote as I see fit, I have used that discretion to support the Board's recommendations and voted "For" items 1 to 13 and "Against" item 14. The number of members who have withheld their vote was also shown.

As you can see from these indicative results, Mike Rogers has been elected and will become the Chair of Nationwide once this AGM closes. We recorded a short video with Mike to introduce him to members, which we can see now.

Video played, the transcript of which follows:

MIKE ROGERS: My background was in banking. I spent 20 years with Barclays and then I went off to be the Chief Exec of an insurance company, a mutual insurance company, LV, so had experience of running a big mutual before as well. Then I went into non-executive life and I've chaired a number of companies, including an insurance company, Aegon in the UK, and then recently I've been Chair of Admiral, the UK's leading car insurance company, and also Chair of Experian, which is a big international data and credit-checking company.

So, yes, very much looking forward to joining Nationwide, bringing some of that experience, hopefully helping, you know, Debbie and the team and the Board, and taking the business to the next level.

I think clearly, as a mutual, you have a financial advantage in that you are not paying dividends to shareholders, so you have the ability, as long as you're competing and you're efficient, to recycle that profit into better services for customers and for members, and that should give you a competitive advantage in the marketplace and also to be able to reward your members like we've been doing with the Fairer Share payment, so that's a big advantage. But I think there's also kind of a society and a purpose advantage in the sense that we have a very clear purpose of how we can help our customers and our members to thrive, help our communities to thrive. The things that we're doing with like the Fairer Futures programme, dementia clinics in branches, I think these are just great examples of how you can bring that purpose-driven business model to life.

We've got a fantastic platform. Over recent years the business has done a really great job of becoming a broader player in UK personal financial services, building on the strong legacy that we obviously have in mortgages and savings, and extending that into current accounts, where we're now opening I think more current accounts than anybody else in the last year, getting into credit cards, loans, so really trying to meet more customer needs than we've done in the past, which is great. And then, of course, with the Virgin Money acquisition, that gives us the opportunity to try and bring some of that Nationwide advantage into what I think is a fairly underserved section of the market in the UK in business lending and business banking.

I have quite a lot of experience. My first, sort of, ten years probably in banking, were in the business, small and medium-sized business sector, so I have a, kind of, passion for that area, helping businesses to thrive, because you have to remember that a huge number of our members work for these sort of businesses. So if we can help them to do better, that can help our members and customers to do better as well, so I think that's a big, important purpose that we can have.

How can we bring the mutual advantage to bear? I think it should be the same approach that we take with the personal customer base, which is to say how can we reinvest our mutual advantage or mutual financial advantage that we have into the kind of services, the kind of products, the kind of pricing, that small businesses are perhaps not getting delivered by the competitors at the moment? So I think that's clearly, you know, the key area that we want to try and focus on. And then also just thinking about how do we bring the mutual purpose to bear into the business banking sector, and I think again that links back to helping communities to thrive by having successful businesses, helping our customers and members by them having successful employers, and helping the economy to grow, which benefits us all.

I think it's really important and I think the more we can listen to how our members are feeling about things - I've already sat in one Board meeting where we actually heard from the Member Voice Panel, we saw them in action - that's always really insightful because, if you're not careful, you can become a bit remote from our customers day to day and our members. So really keen to encourage that and to think about, as I say, how we can continue to develop and extend that as the business grows.

(End of video)

TRACEY GRAHAM: On behalf of the Board, I would like to welcome Mike and to express our thanks to Kevin for his outstanding service and leadership of the Board.

Kevin has been instrumental in transforming the strategic direction of the Society and in delivering record member value and leading customer service that we've heard so much about today. I would also like to thank him for the work he has done to advance the mutual sector. We all wish him the very best for the future.

KEVIN PARRY OBE: Tracey, thank you very much for those generous comments, and I'd just like to express my thanks to all the people who work at Nationwide who I know are so committed to service to our members and, as a member, I look forward to continuing to receive that in the future.

So, as you can see from that video, Mike Rogers brings a wealth of experience and insight into Nationwide, and I am confident that under his leadership the Society will continue to thrive and provide the choice and benefits that our members care so much about.

Thank you to everybody online today for your interest you've shown by attending and for your questions. I now declare the meeting closed.

(Video played)
