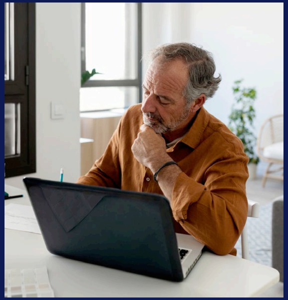
Annual Results Presentation

For the 12 months ended 4 April 2023



Nationwide Building Society

The Society's performance highlights

No. 1
for customer satisfaction
among our peer group
for the 11th year running[1]

£100 million
invested in cost of living support and supermarket shopping cashback[2]

£9.6 million
committed to charitable activities
2022: £7.1 million

Committed to a net-zero carbon future
by setting science-based targets

1 in 5 current account switchers came to us[3]
2022: 1 in 5

Helped 1 in 7 first time buyers
into a home of their own
2022: 1 in 7

Branch Promise
to remain in every town or city
we are in today until at least 2024

We continue to look after almost
£1 in every £10
saved in the UK[4]

£1,055 million
member financial benefit,
from offers and better pricing
than the market average
2022: £325 million

£2,233 million
underlying profit
2022: £1,604 million

£2,229 million
statutory profit
2022: £1,597 million

6.0%
leverage ratio
2022: 5.4%

Nationwide
Building Society

[1] © Ipsos 2023, Financial Research Survey (FRS) measure (full definition on slide 30) [2] Includes money invested in our 5% cashback offer on debit card expenditure in supermarkets and convenience stores from February until April 2023 (up to £10 per month), our colleagues' cost of living payments, our cost of living customer helpline and our financial health checks in branches. [3] Pay.UK monthly CASS data. 12 months to March 2023: 19.2%; 12 months to March 2022: 18.3%. [4] Market share of household deposit balances, based on Bank of England data, as at 31 March 2023: 9.6% (2022: 9.4%)

Our difference is our mutual ownership model

Nationwide holds a unique position in UK financial services. As the largest building society, we can deliver the value, service and mutual good to our customers and members that others cannot.

OUR PURPOSE

As a modern mutual, we make a positive difference for our members and customers, our communities and society as a whole.

Banking – but *fairer*, more *rewarding*, and for the good of *society*.

OUR STRATEGY

We have four strategic drivers. We focus our time and money on them, so that we can fulfil our purpose:

- **More *rewarding* relationships**
- **Simply *brilliant* service**
- **Continuous *improvement***
- **Beacon for *mutual good***

OUR MEMBERS

We have launched our biggest statement yet about how we use our financial strength to benefit our members

Launching 'Nationwide Fairer Share' payment returning £340m directly to members

And the Nationwide Fairer Share bond

Financials

Net interest income growth led to an increase in profit

£ million	FY 2021/22	FY 2022/23
Net interest income	3,562	4,498
Net other income	305	175
Total income	3,867	4,673
Costs	(2,234)	(2,323)
Loan impairments	27	(126)
Provisions for liabilities and charges	(56)	9
Underlying profit	1,604	2,233
Gains from derivatives and hedge accounting	(7)	(4)
Statutory profit	1,597	2,229

- Net interest income increased by £936m supported by the benefit arising from increases in base rate.
- Net other income reduced by £130m, predominantly due to value returned to members through the current account supermarket cashback scheme and higher travel insurance product costs.
- Costs increased by £89m, driven by higher inflation, decisions taken to support colleagues and customers in the economic environment and targeted investment in controls and resilience.
- The net loan impairment charge of £126m reflects a stable credit performance amidst continued economic uncertainty.

Key ratios (%)	FY 2021/22	FY 2022/23
Net interest margin	1.26	1.57
Underlying cost income ratio	57.8	49.7
Cost of Risk[1] (bps)	(1)	6

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

We maintain a low risk, strongly capitalised balance sheet

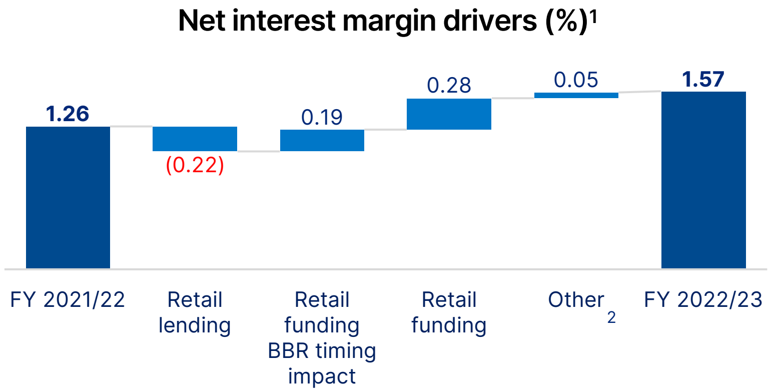
£ billion	04 Apr 22	04 Apr 23	%
Residential mortgages	197.9	201.4	74
Retail unsecured	4.1	3.9	1
Public sector[1]	5.5	5.1	2
Commercial real estate	0.6	0.4	0
Total lending[2]	**208.1**	**210.8**	**77**
Liquidity[3]	58.8	56.1	21
Other assets	5.5	5.0	2
Assets	**272.4**	**271.9**	**100**
Retail deposits[4]	178.0	187.1	69
Wholesale funding	67.3	57.9	21
Other liabilities	3.0	3.1	1
Capital & reserves[5]	24.1	23.8	9
Liabilities	**272.4**	**271.9**	**100**

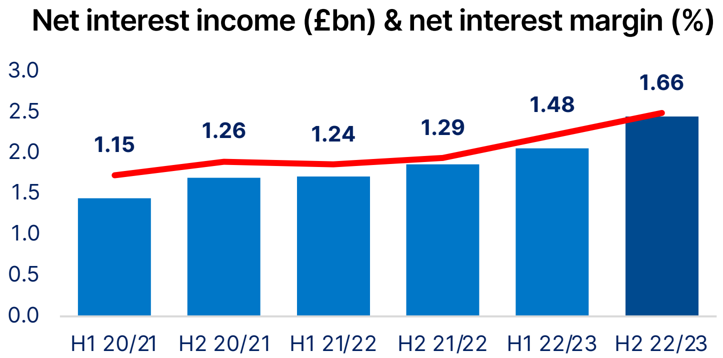
- Balance sheet growth from mortgage lending was offset by reduced liquidity balances as a result of decreases in wholesale funding including early repayment of £4.5bn TFSME.
- Low risk balance sheet: 98% of total lending secured on low risk residential property.
- The public sector portfolio compromises lending to UK registered social landlords and the legacy Private Finance Initiative. The CRE portfolio of £0.4bn is closed to new business.
- Capital position remains strong with a leverage ratio of 6.0% and CET1 ratio of 26.5% respectively.

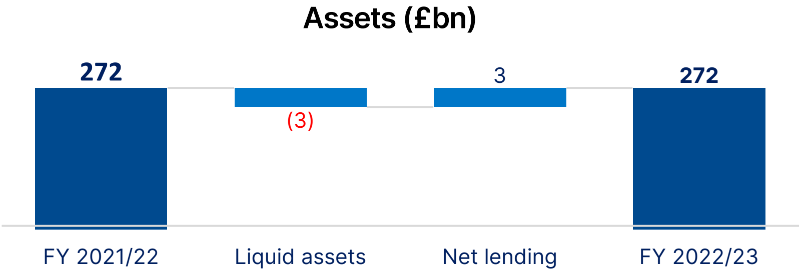
Key ratios (%)	04 Apr 22	04 Apr 23
Liquidity coverage ratio (12m avg.)	183	180
CET1 ratio	24.1	26.5
Leverage ratio	5.4	6.0

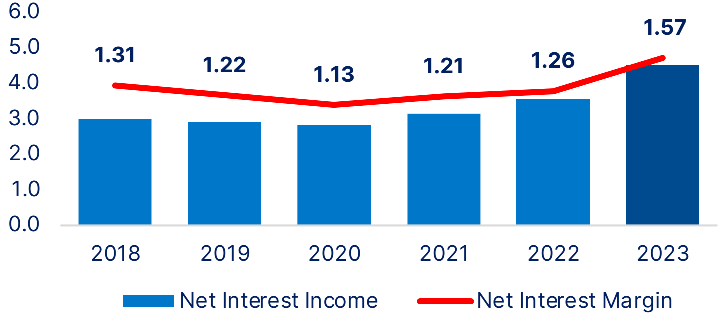
[1] Public sector compromises of lending to UK registered social landlords and Private Finance Initiative. [2] Lending balances are shown net of provisions. [3] Liquidity & investment portfolio (reference slide 14 for further detail). [4] Shares (member deposits). [5] Total members' interests, subordinated liabilities and subscribed capital.

Net interest income supported by robust trading volumes









[1] Retail funding includes the impact from structurally hedged current account balances. [2] Other includes the impact from structurally hedged reserve balances

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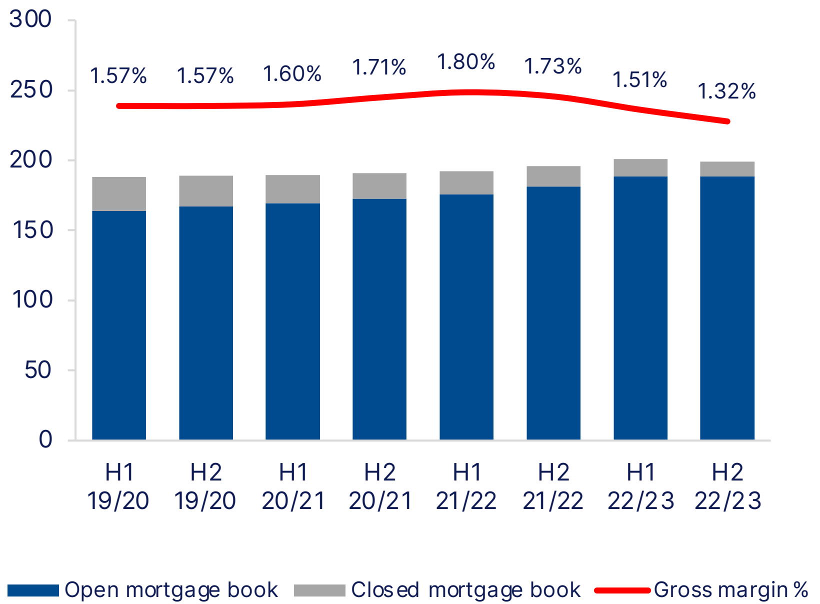
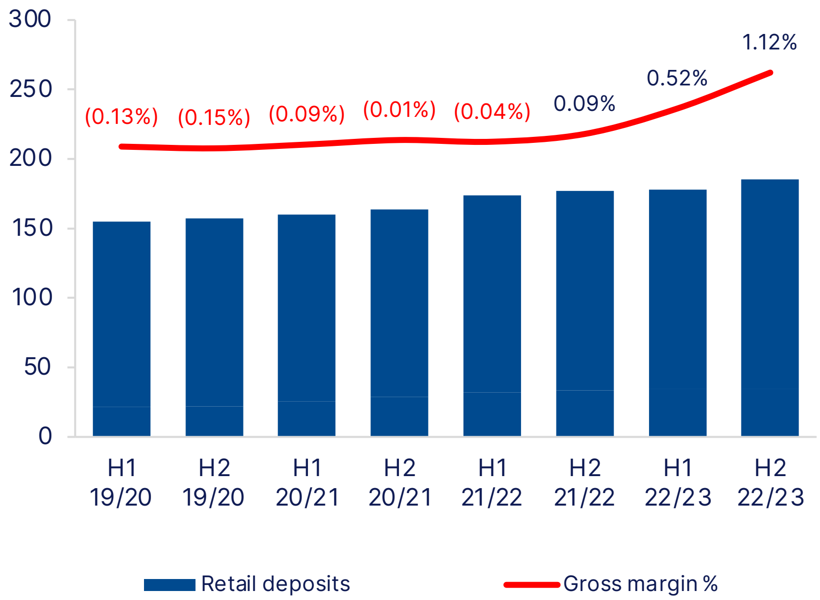
Mortgage market competition persists; base rate rises support deposit margins

Residential mortgage book[1]
Average balances (£bn) & gross margin (%)



Retail deposit book[2]
Average balances (£bn) & gross margin (%)



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[1] The closed book represents those portfolios which are now closed to new business. [2] Retail funding margin includes the impact from structurally hedged current account balances.

Costs increase due to the inflationary environment and targeted investment spend

£ million	FY 2021/22	FY 2022/23	YoY change
Business as usual	1,376	1,485	109 ↑
Investment & depreciation	711	727	16 ↑
Costs excluding restructuring	2,087	2,212	125 ↑
Restructuring [1]	131	113	(18) ↓
Costs including restructuring	2,218	2,325	107 ↑
Historic fraud losses	16	(2)	(18) ↓
Total costs	**2,234**	**2,323**	**89** ↑

- Total costs were 4% higher. Costs excluding restructuring were £125m (6%) higher, predominantly reflecting:
  - decisions taken to support members and colleagues in the current economic environment of £40m, of which we do not expect £25m to be repeated;
  - higher inflation of £25m; and
  - an increased focus on controls and resilience of £42m.
- Restructuring spend relates to the review of our administration property estate and staff costs.
- We saw a residual adjustment related to historic fraud cases in the period, following a comprehensive review last year.

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

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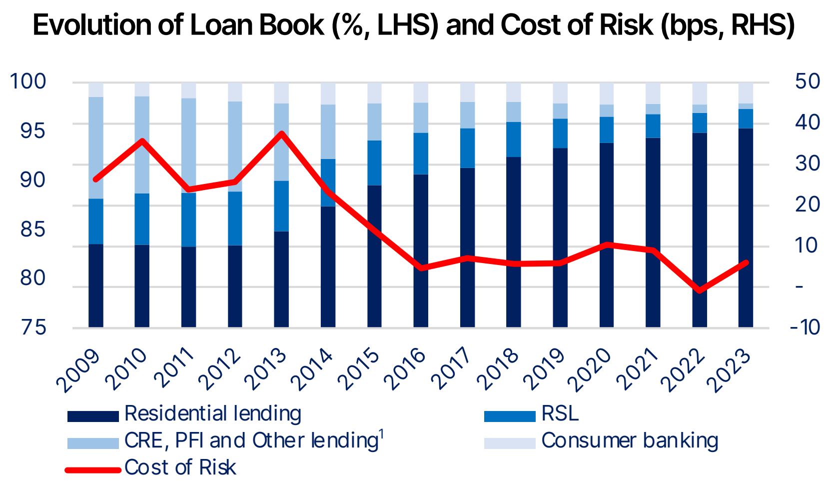
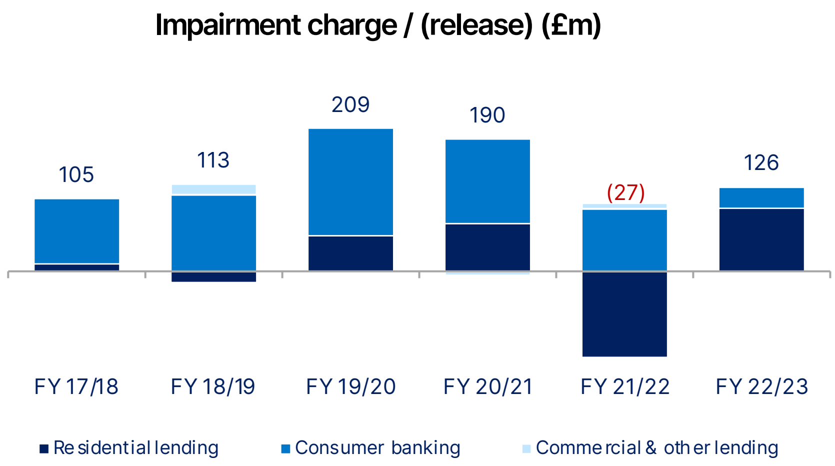
Stable credit performance amidst continued economic uncertainty





- The Cost of Risk (CoR) has increased to 6bps, reflecting the greater economic uncertainty and affordability challenges presented by higher inflation and interest rates, though is broadly in line with the pre-pandemic period.
- Included within the provision charge is a model adjustment of £199m, which comprises a probability of default uplift for the continued economic uncertainty impacting borrower affordability (£177m) and a loss given default uplift relating to valuations for cladding risk (£22m).

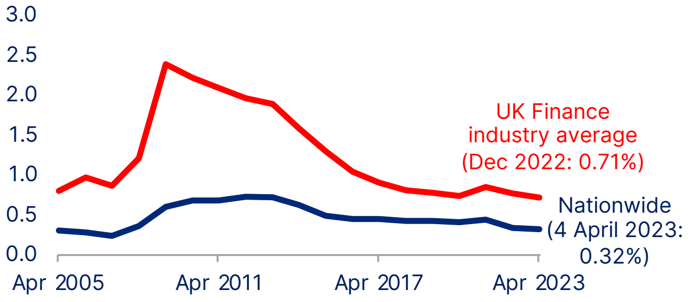
[1] Other lending includes micro hedge balances.

Strong asset quality sustained over the period

Retail lending	Residential		Unsecured	
	04 Apr 22	04 Apr 23	04 Apr 22	04 Apr 23
Total balances (£m)	198,120	201,662	4,638	4,408
Provision balances (£m)	187	280	529	469
3m+ arrears[1] (%)	0.34	0.32	1.13	1.21
3m+ arrears industry average[2] (%)	0.77	0.71		
Total negative equity balances (£m)	89	181		
Negative equity (£m)	10	13		
Forbearance (£m)	1,303	1,158		

Average LTV (%, by value)		04 Apr 22	04 Apr 23
New business	All lending	70	69
	Prime	71	70
	BTL	67	66
Loan stock	All lending	52	55
	Prime	51	54
	BTL & legacy	54	56

Mortgage accounts in 3m+ arrears (%)



- Residential arrears rates remain low and continue to outperform the industry average. Forbearance levels have reduced over the period, primarily as a result of a decrease in interest-only concessions.
- The average indexed LTV of total loan stock has increased to 55% driven by recent house price declines (2022: 52%).
- There has been a rise in arrears rates on the unsecured portfolio, though they remain below pre-pandemic levels[3].

[1] Residential: Proportion of residential mortgage accounts more than 3 months in arrears. Unsecured: percentage of balances, excl. charge offs. [2] Source: UK Finance. [3] 3m+ arrears (%) for the unsecured portfolio was 1.32% as at 31 Dec 2019

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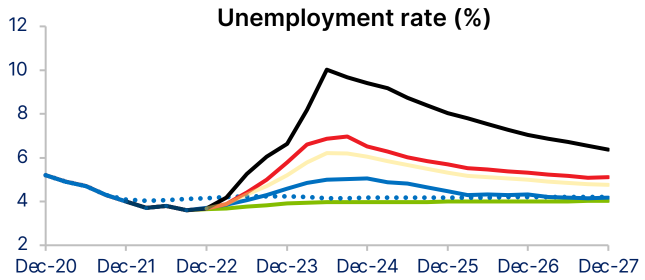
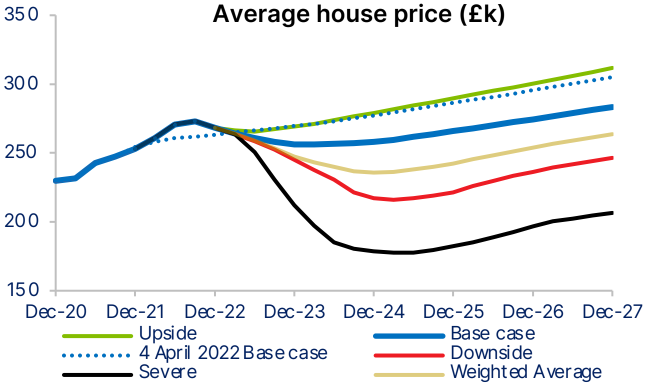
The economic environment has deteriorated, with the outlook uncertain

Scenario & weighting	Variable (%)	2023	2024	2025	5-year average[1]	Peak[2]	Trough[2]
Upside 10% (4 April 2022: 20%)	GDP growth	1.3	2.0	1.8	1.7	8.6	0.2
	Base rate	4.0	3.0	3.0	3.3	4.25	3.0
	HPI growth	0.4	3.7	3.8	3.1	16.2	(1.0)
	Unemployment rate	3.9	4.0	4.0	3.9	4.0	3.7
	CPI inflation	1.2	1.8	2.0	2.3	8.5	1.2
Base case 45% (4 April 2022: 40%)	GDP growth	(1.1)	1.2	1.8	1.4	7.0	(1.1)
	Base rate	4.3	3.8	2.8	3.1	4.3	2.0
	HPI growth	(4.5)	0.7	3.0	1.1	5.6	(4.5)
	Unemployment rate	4.6	5.0	4.5	4.5	5.0	3.9
	CPI inflation	4.0	2.0	2.0	2.9	9.0	2.0
Downside 30% (4 April 2022: 25%)	GDP growth	(2.9)	0.8	2.4	0.9	4.7	(3.2)
	Base rate	5.0	0.5	0.1	1.5	5.0	0.1
	HPI growth	(8.6)	(11.4)	2.0	(1.7)	(1.7)	(19.5)
	Unemployment rate	5.8	6.5	5.7	5.6	7.0	3.9
	CPI inflation	5.0	1.5	0.5	3.0	13.0	0.3
Severe downside 15% (4 April 2022: 15%)	GDP growth	(5.2)	2.2	3.0	0.7	3.7	(5.7)
	Base rate	7.0	3.0	2.5	3.5	7.0	2.5
	HPI growth	(21.0)	(15.8)	2.2	(5.1)	(1.7)	(33.8)
	Unemployment rate	6.6	9.4	8.0	7.5	10.0	4.2
	CPI inflation	14.0	3.5	2.0	5.3	16.0	2.0
Probability weighted-average (4 April 2023)	HPI growth	(7.7)	(5.1)	2.7			
	Unemployment rate	5.2	6.0	5.3			
	CPI inflation	5.5	2.1	1.6			
Probability weighted-average (4 April 2022)	*HPI growth*	*(4.5)*	*(1.0)*	*4.0*			
	Unemployment rate	*5.4*	*4.7*	*4.5*			
	CPI inflation	*1.3*	*1.1*	*1.3*			





- Our base case scenario assumes a small rise in unemployment and a reduction in house prices in 2023. The weighting of the two downside scenarios has increased to 45%, reflecting the uncertain outlook, which both assume a significant deterioration in the labour market and material house price declines.
- Increasing the probability of the severe economic downside by 5% (and reducing the downside by 5%) would increase provisions by £31m.

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

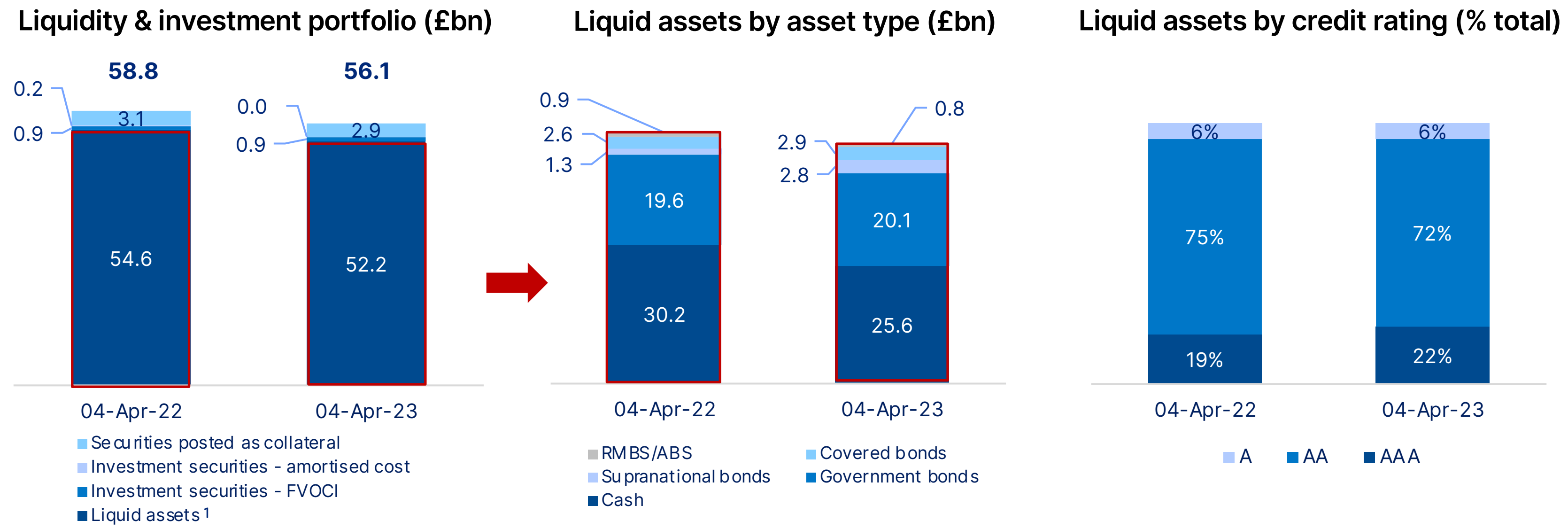
IFRS 9 staging and provisioning by portfolio

	Prime mortgages[1]						Buy-to-let & legacy mortgages						Unsecured					
	04 Apr 22			04 Apr 23			04 Apr 22			04 Apr 23			04 Apr 22			04 Apr 23		
	Balance (£m)	Share of book (%)	Provision coverage (%)	Balance (£m)	Share of book (%)	Provision coverage (%)	Balance (£m)	Share of book (%)	Provision coverage (%)	Balance (£m)	Share of book (%)	Provision coverage (%)	Balance (£m)	Share of book (%)	Provision coverage (%)	Balance (£m)	Share of book (%)	Provision coverage (%)
Stage 1	146,786	95	<0.01	138,670	88	0.01	33,462	77	0.05	26,211	60	0.05	2,646	57	1.0	2,383	54	1.0
Stage 2	6,782	4	0.6	18,200	12	0.3	9,667	22	0.7	17,345	39	0.8	1,720	37	15.2	1,745	40	12.1
of which: >30 dpd	*190*			255			*105*			176			*14*			*17*		
of which: PD uplifts[2]	*4,505*			*11,498*			*73*			*5,110*			*700*			*585*		
Stage 3 and POCI	795	1	3.3	641	<1	4.0	564	1	6.0	548	1	7.3	272	6	89.3	280	6	83.3
of which: >90 dpd or in possession	*335*			355			*261*			245			*50*			*51*		
of which: charged off accounts	*n.a.*			*n.a.*			*n.a.*			*n.a.*			*207*			*185*		
Total	**154,363**		**0.05**	**157,511**		**0.05**	**43,693**		**0.26**	**44,104**		**0.44**	**4,638**		**11.4**	**4,408**		**10.6**
Memo: Stage 3 coverage exc. charged off accounts (%)			*n.a.*			*n.a.*			*n.a.*			*n.a.*			*75*			*59*

[1] This table excludes Fair Value through Profit or Loss (FVTPL) balances which totalled £47m as at 4 April 2023 (4 April 2022: £64m); [2] balances allocated to stage 2 that have been driven by increasing the probability of default to reflect management's judgements

Nationwide Building Society

Analysis of liquidity and investment portfolio

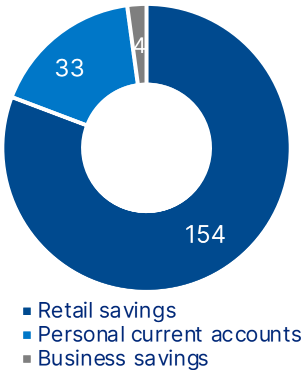


- The £52bn of liquid assets had a mark-to-market (MtM) including hedges of £0.1bn at the year-end. All securities in this portfolio:
  - are either floating rate or, if fixed rate, fully swapped to floating rate receipts at purchase for the duration of the holding;
  - have a credit rating of at least single ‘A’; and
  - are available-for-sale such that MtM is accounted through other comprehensive income.
- £40m of investment securities are held at amortised cost, which are RMBS and expected to have paid down fully by December 2024.

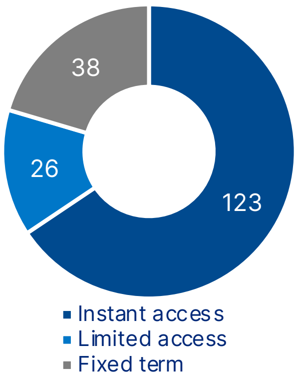
[1] Liquid assets reflect balance sheet value, including net assets encumbered for repo and LCH of £3.4bn and excluding £0.9bn of RMBS which is not eligible for LCR but could be monetised through sale or repo

Breakdown of deposits and liquidity balances

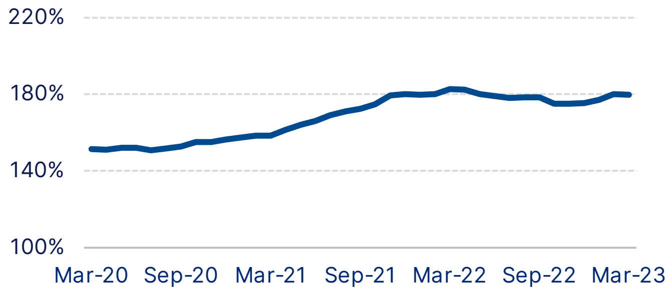
Deposits by product type (£bn)



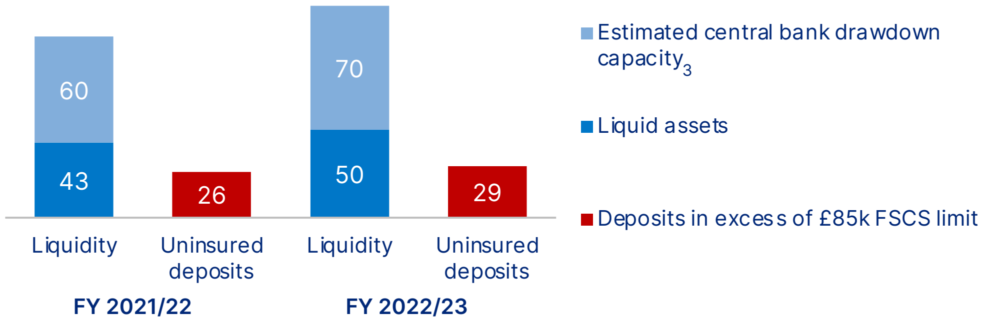
Retail deposits[1] by access (£bn)



LCR Pillar 1 % - 12m rolling average [2]



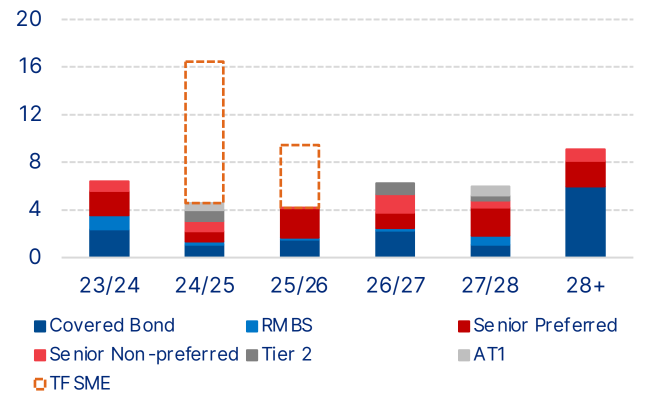
Liquidity resources (£bn)

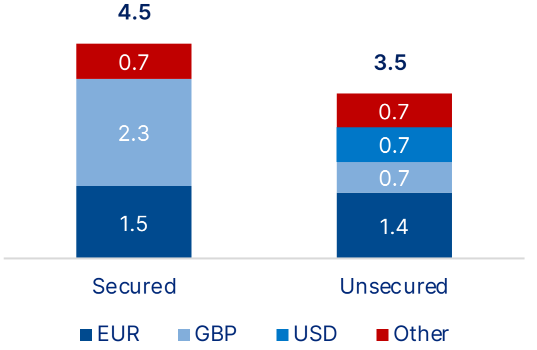


- £29bn of deposits are in excess of the £85k FSCS limit, which is equivalent to 15% of overall deposit balances.
- The 12 month average LCR was 180%. Our internal assessment of liquidity explicitly considers characteristics of Nationwide's deposit book, including the level of uninsured balances and other factors that we expect to impact behaviour in a stress (e.g. online/mobile app activity), and is our binding constraint.
- Nationwide retains an estimated £70bn of drawdown capacity from central bank contingent liquidity facilities[3], much of which could be utilised same day.

[1] Retail savings and personal current accounts, excluding business savings; [2] Data points represent 12 month simple average of LCR; [3] Nationwide has assumed a haircut of 25% on assets

Our liquidity and wholesale funding position supports our financial strength





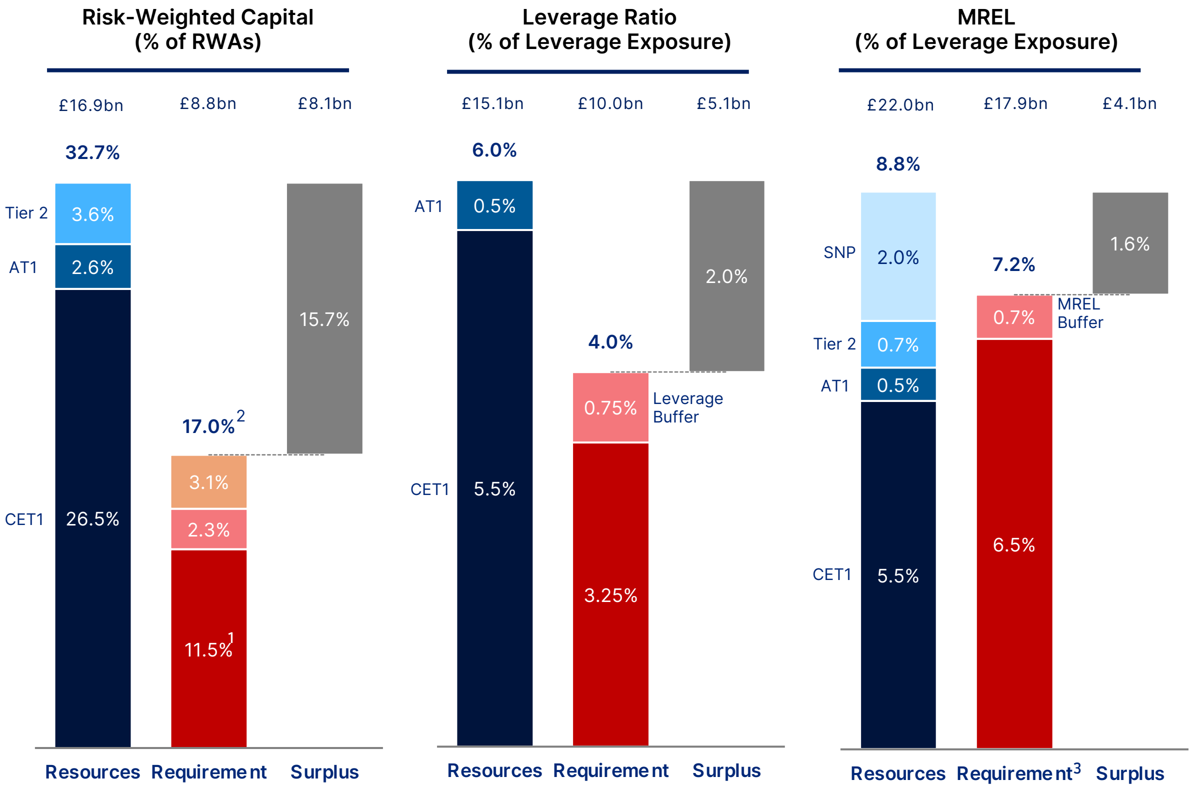
Credit ratings

Credit ratings agency	Senior preferred	Short term	Senior non-preferred	Outlook
S&P[2]	A+	A-1	BBB+	Stable
Moody's[3]	A1	P-1	A3	Stable
Fitch[4]	A+	F1	A	Stable

- As TFSME drawings are repaid, we will reduce our LCR to c. 135-145%, in line with pre-pandemic levels.
- In Q4 2022/23 we repaid £4.5bn of TFSME ahead of contractual maturity, leaving £17.2bn of drawings outstanding.
- We issued £8bn sterling equivalent in a range of currencies in the financial year, including an inaugural public trade in Australian dollars.
- Currently it is our intention to maintain at least one benchmark outstanding in each instrument across the liability structure and we expect to issue c. £6-8bn equivalent in 2023/24 subject to mortgage and deposit volumes.

[1] Maturities are based on the assumption all calls are exercised at the first available call date. This is not an indication of future redemption and should not be interpreted in that way. [2] S&P Global Ratings – Update: Nationwide Building Society 20 January 2023. [3] Moody's Investors Service – Credit Opinion 6 March 2023. [4] Fitch Ratings – Ratings Report 19 January 2023

We meet current and expected regulatory capital requirements



Leverage ratio 6.0% | **CET1 ratio 26.5%** | **Surplus to MDA 15.0%**

- Capital surpluses ensure we maintain buffers above minimum regulatory capital requirements[4] across risk based, leverage and MREL frameworks.
- The PRA has consulted on Basel 3.1 and our interpretation of the draft rules suggests our CET1 ratio would reduce to a low-to-mid 20% range on a pro-forma, end-point basis. Our leverage requirements are expected to remain our binding Tier 1 capital constraint in the medium term.
- We continue to optimise our capital resources, successfully repurchasing £100m of CCDS in the year.
- We have also announced the 'Nationwide Fairer Share' payment to return £340m of value directly to eligible members. Any future payments through Nationwide Fairer Share will remain discretionary, subject to the Society's ongoing satisfactory financial performance and Board approval. Payments through Nationwide Fairer Share will only be considered after any payment of capital distributions, including those for CCDS and AT1.

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[1] CET1 requirement includes 7.0% TCR (4.5% Pillar 1 & 2.5% Pillar 2A) and 4.5% Capital Buffers [2] Total requirement includes 12.5% TCR (8% Pillar 1 & 4.5% Pillar 2A) and 4.5% Capital Buffers
[3] Includes external MREL for 2023 as published here [4] The FPC has announced that the UK CCyB will increase to 2% from 5 July 2023 (currently 1%)

Questions

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Appendix

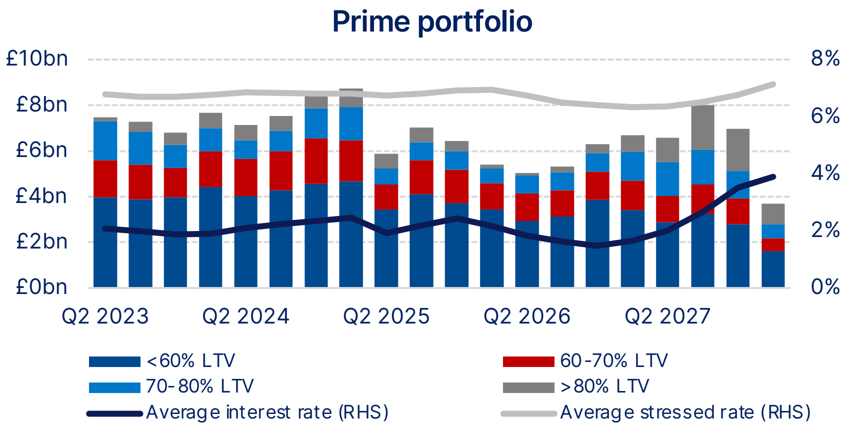
Progress against our key performance indicators

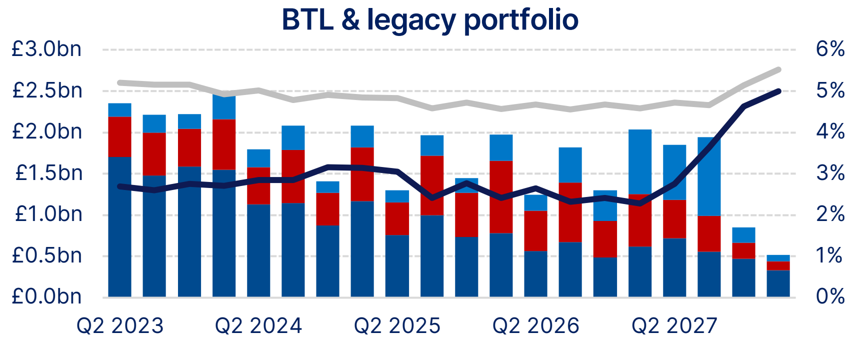
Key performance indicators	Measure	2022/23 target	2022/23 performance
Outstanding service	Core products satisfaction	FRS: 1st + 4.0%pts in our peer group	1st + 3.8%pts[1]
	Customer satisfaction	UKCSI: 5th	Joint 28th [2]
Value for members	Member financial benefit[3]	At least £400m p.a.	£1,055m
	Committed members[3]	3.75m	3.68m
Financial strength	Leverage ratio	> 4.5%	6.0%

[1] © Ipsos 2023, Financial Research Survey (FRS) measure (full definition on slide 30). [2] Institute of Customer Service UK Customer Satisfaction Index (UKCSI) as at January 2023. Our ranking is below target, but our score of 82.6 is 4.9pts ahead of the all sector average. [3] Definitions on slide 30.

Nationwide Building Society

Mortgage portfolio refinancing profile





- 22% of fixed rate mortgage balances[1] in the prime and BTL portfolios contractually mature in the next 12 months[2]; 44% contractually mature in the next 24 months[2].
- Within the prime portfolio, members are currently facing into higher pay rates at the maturity of existing deals, although the vast majority will refinance at lower LTVs.
- Stressed interest rates at the point of mortgage origination have historically averaged over 6% for upcoming maturities on the prime portfolio.
- c. £4bn of BTL balances have refinanced since 30th September with their average interest coverage ratio (ICR) reducing from c.450% to c. 280%. The average ICR for BTL borrowers due to refinance over the next 12 months is c. 520%.

[1] Balance-weighted; [2] From 31 March 2023

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LTV distribution of residential mortgages

Loan book balances (by value) – 4 April 2023

LTV band	Prime £bn	Prime % of total	BTL & legacy £bn	BTL & legacy % of total	Total £bn	Total % of total
<50%	63.1	41	13.7	32	76.8	37
50-60%	26.7	17	11.2	25	37.9	19
60-70%	29.9	19	11.6	26	41.5	21
70-80%	22.8	14	6.9	16	29.7	15
80-90%	11.2	7	0.5	1	11.7	6
90-100%	3.8	2	0.1	0	3.9	2
>100%	0.1	0	0.1	0	0.2	0
Indexed LTV	54%		56%		55%	
Indexed LTV (4 April 2022)	51%		54%		52%	

New business[1] (by value) – 2022/23

LTV band	Prime £bn	Prime % of total	BTL £bn	BTL % of total	Total £bn	Total % of total
0-60%	7.5	28	1.4	25	8.9	28
60-75%	7.4	27	4.0	73	11.4	35
75-80%	3.0	11	0.1	2	3.1	9
80-85%	4.4	16	-	-	4.4	13
85-90%	3.8	14	-	-	3.8	12
90-95%	1.0	4	-	-	1.0	3
Over 95%	-	-	-	-	-	-
Average LTV	70%		66%		69%	
Average LTV (2021/22)	71%		67%		70%	

[1] New business excludes further advances and product switches.

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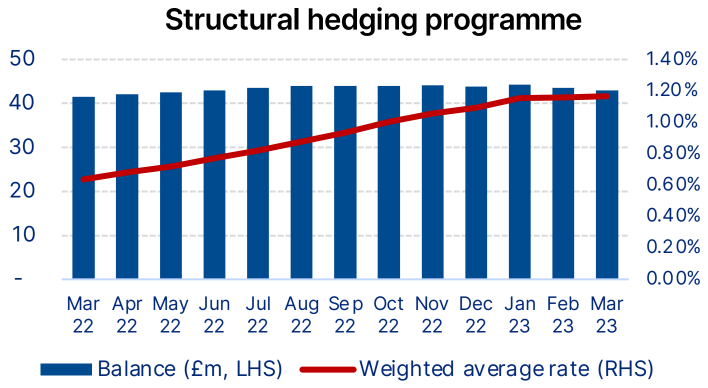
Structural hedge and NII/EVE sensitivity analysis

Structural hedge

- We undertake structural hedging of our CCDS, reserves and stable[1] personal current account balances to smooth income volatility from short-term changes in interest rates.
- The total hedging of c. £43bn has a weighted average duration of 2.5 years and we follow a programmatical approach where 1/60th of balances mature and are reinvested at prevailing rates each month.
- The average fixed rate of the hedge at 4 April 2023 was 1.17% (4 April 2022: 0.64%).



- **Net interest income (NII) sensitivity:** an instantaneous parallel downward shift in prevailing interest rates of 100bps would decrease net interest income by £32m, reflecting the hedged nature of the balance sheet. This analysis assumes a static balance sheet and 100% pass-through on all managed rate products (unless a 0% floor is reached).
- 1bp of margin widening on managed rate deposits equates to c. £12m of NII sensitivity.

- **Economic value of equity (EVE) sensitivity:** EVE measures the change in the value of assets and liabilities, excluding equity, arising from a change in interest rates. Nationwide's most severe sensitivity is the parallel shock up[2], which reduces EVE by 5.5% as a percentage of Tier 1 capital. This is within the regulatory 15% threshold.
- Removing the impact of reserves structural hedging, which is in place to reduce income volatility, the EVE sensitivity falls to 0.3%.

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

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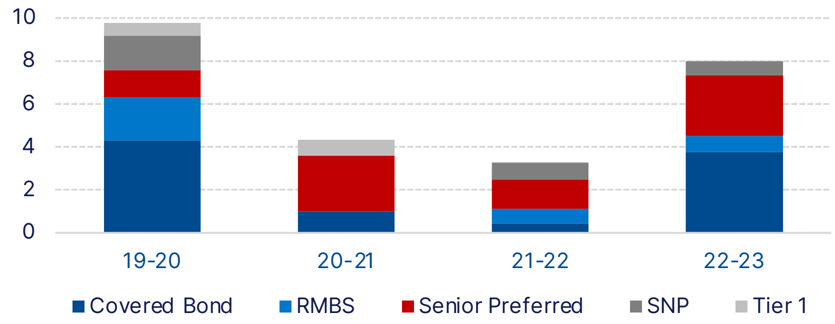
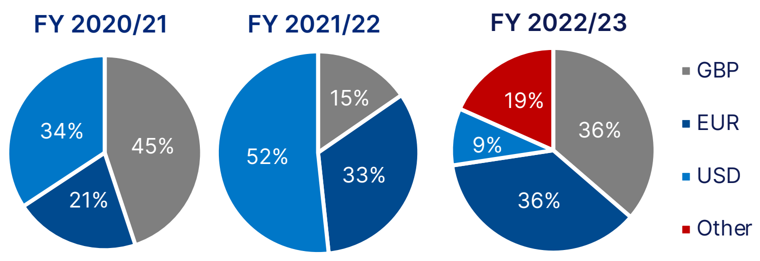
We remain active in core wholesale term funding markets

Wholesale Issuance by product [1, 2] (£bn)



Wholesale Issuance by currency [1]



2022/23 Public Wholesale Issuance by trade

	Instrument	Tenor	Currency	Notional (CCY)	Date
Unsecured	Senior Preferred	5yr	EUR	900m	April 2022
	Senior Preferred	5yr	USD	850m	July 2022
	Senior Preferred	6yr	CHF	365m	August 2022
	Senior Preferred	7yr	EUR	750m	August 2022
	Senior Non-Preferred	5NC4	GBP	650m	November 2022
	Senior Preferred	5yr	AUD	450m	March 2023

	Instrument	Tenor	Currency	Notional (CCY)	Date
Secured	Covered Bond	15yr	EUR	500m	May 2022
	Covered Bond	4yr	GBP	1,500m	July 2022
	Covered Bond	3.5yr/7yr	CHF	360m	July 2022
	RMBS	4yr WAL	GBP	750m	December 2022
	Covered Bond	3yr/7yr	CHF	485m	January 2023
	Covered Bond	5yr	EUR	1,000m	March 2023

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[1] All figures are sterling equivalent. [2] Excludes TFSME. Tier 1 comprises of AT1 and CCDS.

Nationwide is a responsible business

Beacon for *mutual good*

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

Our Mutual Good Commitments

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

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

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

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

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

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

Our Branch Promise: Every town and city which has a branch today will still have one until at least 2024.

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

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

Reducing our environmental impact

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

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

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

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

We have disclosed our emissions and science-based targets

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

156,000 (c.5%)

42% absolute emissions reduction target | partial levels of control

Scope 1 & 2 emissions

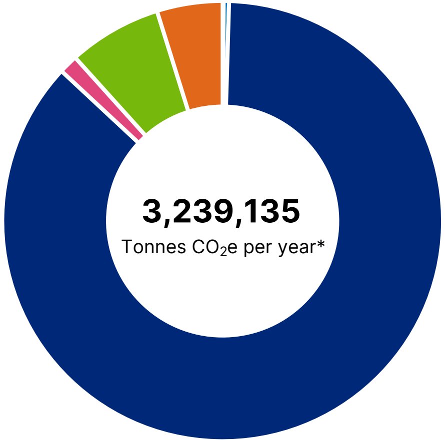
2,361 & **12,774†** (c.0.5%)

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

Scope 3 registered social landlord emissions

222,000 (c.7%)

45% emissions intensity reduction target | very limited control



Scope 3 commercial real estate emissions

45,000 (c.1%)

46% emissions intensity reduction target | very limited control

Scope 3 mortgage emissions

2,801,000 (c.87%)

44% emissions intensity reduction target | very limited control

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

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

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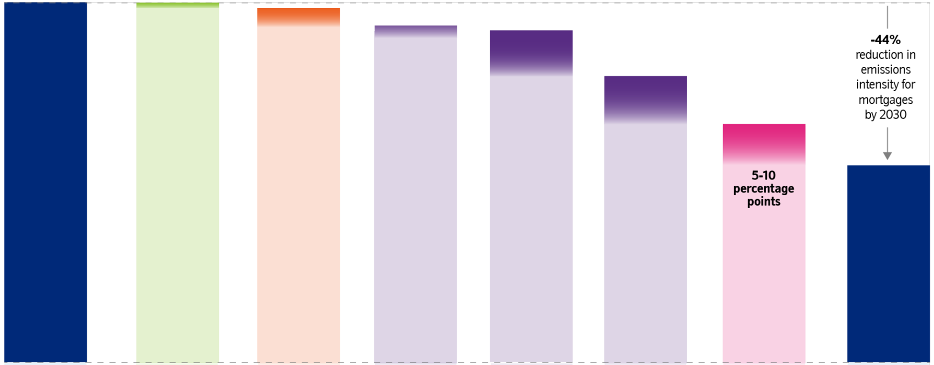
Approach for reducing Scope 3 mortgage emissions

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



2021 emissions	Green propositions	New builds and portfolio evolution	Retrofitting	Heat and Buildings Strategy	Energy grid decarbonisation	Additional actions needed*	2030 target
Control indicator	Full control	Partial control	Very limited control	Very limited control	Very limited control	Very limited control	
Impact indicator	Low impact	Medium impact	Medium impact	High impact	High impact	High impact	

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

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

- Providing and developing green products, including the recently announced 0% green additional borrowing product
- Offering sustainability-linked lending to our social landlords
- Coordinating the Green Homes Action Group: a cross-sector lobby group championing pro-retrofit policy-making
- Commissioning retrofit-focussed research with leading consultancy, Element Energy
- Working with industry groups and leading experts to promote best practice and regulatory change

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

We have continued to drive improvements in our ESG ratings

ESG Assessment	Score	Year-on-year trend	Scale	Relative performance	Date stamp
MSCI ESG Rating [1]	AAA	↑	AAA to CCC	MSCI ESG RATINGS AAA (CCC B BB BBB A AA AAA)	December 2022
MORNINGSTAR SUSTAINALYTICS Risk Rating [2]	10.2, 'low risk'	↑	0 to 100 negligible to severe	SUSTAINALYTICS ESG REGIONAL TOP RATED 2023; SUSTAINALYTICS ESG INDUSTRY TOP RATED 2023	November 2022
Moody's Analytics ESG Assessment[3]	57	→	0 to 100 weak to advanced	Industry average: 45	January 2022
ISS ESG ESG Rating[4]	C+, Prime	→	A+ to D-	Top 10%	February 2022
CDP Climate Change Disclosure	A-	↑	A to D-	Financial services average: B-	December 2022
S&P Global S&P CSA	54	↑	0 to 100	Top 5%	May 2023

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Glossary

Measure	Definition
Net satisfaction in core products	© Ipsos 2023, Financial Research Survey (FRS), for the 12 months ending 31 March 2013 to 12 months ending 31 March 2023. Results based on a sample of around 47,000 adults (aged 16+). The survey contacts around 51,000 adults (aged 16+) a year in total across Great Britain. Interviews were face to face, over the phone and online, taking into account (and weighted to) the overall profile of the adult population. The results reflect the percentage of extremely satisfied and very satisfied customers minus the percentage of customers who were extremely or very or fairly dissatisfied across those customers with a main current account, mortgage or savings. Those in our peer group are providers with more than 3.3% of the main current account market as of April 2022 – Barclays, Halifax, HSBC, Lloyds Bank, NatWest, Santander and TSB. Prior to April 2017, those in our peer group were providers with more than 6% of the main current account market – Barclays, Halifax, HSBC, Lloyds Bank (Lloyds TSB prior to April 2015), NatWest and Santander.
Member financial benefit	Member financial benefit is quantified as our interest rate differential plus incentives and lower fees.
Committed members	Committed members have their main personal current account with us, or a mortgage of at least £5,000, or at least £1,000 in savings accounts, plus at least one other product.

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