

Review of the year 2025

Including our Summary financial statement

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Welcome to our Review of the year

5 April 2024 to 31 March 2025

As a building society, we are owned by our members.

How has Nationwide performed this year? And what have we delivered for our members? In this review of the year, our Chairman, Kevin Parry, and our Group Chief Executive Officer, Debbie Crosbie, both provide their views.

Thank you for being a member.

What Nationwide has achieved this year

We continued to prioritise customer value and service, including through our Branch Promise¹ and enhancing our digital capability:

Record £2.8 billion in member value, including direct member rewards of £1 billion through the Nationwide Fairer Share Payment and The Big Nationwide Thank You, and £1.8 billion through member financial benefit

Nationwide remained first for customer satisfaction compared to our peer group, for the 13th year running, with a growing lead²

This has contributed towards record growth in mortgages and deposits:

Record net lending of £15.5 billion through Nationwide (with its subsidiary The Mortgage Works). We helped more first time buyers than any other bank or building society in the UK³
2024: £2.6 billion

Record deposit growth of £14.0 billion through our Nationwide savings and current accounts
2024: £6.2 billion

Our acquisition of Virgin Money on 1 October 2024 has further strengthened our business:

Gain on acquisition of £2.3 billion, as the fair value of net assets acquired was well in excess of the £2.8 billion acquisition price

Our acquisition led to a step-change in scale in our core markets of mortgages, savings, current accounts and credit cards. It also broadened our product range, through adding a business banking capability

Our significant underlying growth, together with our acquisition of Virgin Money, has led to a strong financial performance:

£1,852 million underlying profit before tax⁴
2024: £2,003 million

£2,302 million statutory profit before tax⁴
2024: £1,776 million

5.2% leverage ratio following our acquisition, above regulatory and internal targets
2024: 6.5%

1. Further information on our branch promise can be found on page 12.
2. © Ipsos 2025, Financial Research Survey (FRS), for the 12 months ended 31 March 2013 to the 12 months ended 31 March 2025. For more information, see footnote 7 on page 7.
3. Source based on the number of residential first time buyer mortgage completions in the UK by Banking Brand, between April 2024 to March 2025. Provided by CACI Mortgage Market database.
4. The majority of the difference between underlying and statutory profit before tax relates to the day one gain of £2.3 billion recognised on the acquisition of Virgin Money on 1 October 2024, the Nationwide Fairer Share Payment of £385 million distributed in June 2024, and recognition of The Big Nationwide Thank You one-off payment of £615 million. More information can be found on page 15.

A letter from Kevin Parry

Chairman



Dear fellow member,

This has been Nationwide's best ever year. We delivered our highest ever member value of £2.8 billion and acquired the Virgin Money business to become the UK's second largest lending and savings provider. This enabled us to reward 12 million members through The Big Nationwide Thank You, which was in addition to our second Nationwide Fairer Share Payment of £100 to 3.85 million eligible members.

Our acquisition of Virgin Money will enable us to bring the benefits of

mutuality to more people in the UK. This means we can provide further value to customers and members, through a wider range of products, propositions and services, including business banking, which we intend to offer to more customers across the Group over time. We have also gained a more comprehensive credit card offering through the acquisition.

Our Group financial position remains strong, reflecting our underlying performance and the positive impact of our acquisition of Virgin Money.

Our pre-tax profit of £2.3 billion enables us to continue to deliver meaningful financial value to our members, including through member financial benefit and our Nationwide Fairer Share Payment. I am pleased that we will make our third Nationwide Fairer Share Payment in June 2025 to eligible members.

We recognise the value of enabling customers to speak with our colleagues in branches, and so we have extended our Branch Promise to include Virgin Money branches.

I am also particularly pleased with the increased impact we now have in communities across the country through our charitable giving programmes and Fairer Futures strategy.

My fellow Board members and I valued hearing from, and engaging with, our members at our online Annual General Meeting (AGM) in July 2024. We also benefited from meeting with members and discussing a range of topics through our Closer to Customer focus groups and branch visits. The Board benefits greatly from the insight of our Member Voice panel, and we look forward to having further conversations with our members during the year ahead.

We are an inclusive organisation that values the diversity of the communities we serve. I am pleased that our diversity and inclusion activity was again recognised in the Financial Times' list of Europe's Diversity Leaders 2025⁵, where Nationwide ranked fifth out of 850 organisations.

Also, in the FTSE Women Leaders Report⁶, we ranked joint fifth for female representation on our Board of directors across 50 of the UK's largest private businesses.

As we integrate the Virgin Money business carefully over time, we will be able to increase further the impact we have in communities across the UK and the benefits we offer to members and customers. It means we can do even more to make banking fairer, more rewarding, and for the good of society.

I would like to thank my fellow directors and all our colleagues for their continued hard work and dedication to the Society. As a modern mutual, we are absolutely committed to putting our customers and members at the heart of everything we do. I look forward to making further progress on our strategy in the year ahead.



Kevin Parry
Chairman

5. The FT-Statista ranking of Europe's Diversity Leaders is based on independent surveys of more than 100,000 employees across Europe, on their perceptions of their organisation's diversity and inclusion practices. Employee surveys accounted for 70% of the final score, and three indicators accounted for 30% of the score (the share of women in management positions, the communications made in favour of diversity, and a diversity score calculated by data provider Denominator).

6. FTSE Women Leaders Review (February 2025).

A letter from Debbie Crosbie

Group Chief Executive Officer



Dear fellow member,

We have had an outstanding year. We returned a record £2.8 billion in value to our members, including £1 billion through the Nationwide Fairer Share Payment and The Big Nationwide Thank You. Our statutory profit before tax increased to over £2.3 billion, and we increased our lead over peers for customer satisfaction⁷.

We achieved our best ever organic growth in net mortgage lending and retail deposit balances and we increased our share of current accounts. More current account switches were made to Nationwide than to any other brand, and we are

now connected to one in three people in the UK.

We chose to prioritise competitive rates for members and invested in customer experience, remaining first among our peer group for customer satisfaction for the thirteenth year⁷.

I am especially pleased that we are now attracting more younger customers, particularly to our mortgages and current accounts. We became first choice for first time buyers in the UK⁸, and we attracted a record number of students, with over 1 in 4 new student account openings in the market⁹.

The Virgin Money business is now part of Nationwide and its performance was strong in the six months since our acquisition. Customer service improved and mortgage lending started to grow again.

We are investing to improve Virgin Money's customer service and systems so we can fully realise its potential in the years ahead, particularly from its strong credit card and business banking services.

We are making good progress on our plans to bring Virgin Money into Nationwide and I am pleased to say that our expenditure directly on

integration has been lower than we expected.

Branches remain incredibly important to our members, and we extended our Branch Promise to include Virgin Money branches. We are also investing in our digital services and added over 30 new features and functions across the Nationwide and Virgin Money personal banking apps.

We are improving customer experience by modernising savings and payment systems and automating processes. We are making good use of generative artificial intelligence, particularly to help our colleagues to deliver better experiences and outcomes for customers.

More people are aware of Nationwide thanks to the success of our new branding and advertising campaigns.

We are promoting our mutual difference, and our brand now ranks first among our peer group when consumers rate those that they have 'heard good things about'¹⁰. We are in a really strong position to attract and retain more customers in the future.

We are making a real difference in communities and committed more than £20 million to charitable causes. We launched Nationwide Fairer Futures, to help tackle some of the biggest issues in society today – people living with dementia, families living in poverty, and youth homelessness. The dementia clinics that we introduced in local branches last year have been incredibly well received. Recently, we also committed to funding important cancer research at The Royal Marsden.

We will continue to focus on our strengths and advantage as a modern mutual, to build broader and deeper relationships with our customers and invest to improve customer experience.

I wish to thank our colleagues across the Group for their outstanding contribution to a hugely successful year. I look forward to another exciting year ahead as we build on our strength as a larger and stronger Society and deliver our purpose: Banking – but fairer, more rewarding, and for the good of society.



Debbie Crosbie
Group Chief Executive Officer

7. Nationwide brand lead at March 2025: 7.5%pts, March 2024: 5.5%pts. © Ipsos 2025, Financial Research Survey (FRS), for the 12 months ended 31 March 2025 to 12 months ended 31 March 2024. Results based on a sample of around 47,000 adults (aged 16+). The survey contacts around 50,000 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 Barclays, Halifax, HSBC, Lloyds Bank, NatWest, Santander and TSB. Prior to April 2017, those in our peer group were Barclays, Halifax, HSBC, Lloyds Bank (Lloyds TSB prior to April 2015), NatWest and Santander.
8. Based on the number of residential first time buyer mortgage completions in the UK by banking brand, between April 2024 and March 2025. Provided by CACI Ltd Mortgage Market database.
9. Based on Curinos eBenchmarkers comparison of financial services providers and Nationwide analysis, April 2024 to February 2025.
10. Based on a study conducted by an international market research company commissioned by Nationwide. Based on non-customer responses for the 12 months ended March 2025. Financial brands included are Nationwide, Barclays, Chase, Co-operative Bank, First Direct, Halifax, HSBC, Lloyds, Monzo, NatWest, Santander, Starling Bank, TSB and Virgin Money.

As a modern mutual, we do things differently

Our purpose

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

We aim to improve banking for all, and make a positive difference for our members and customers, our communities and society as a whole.

We are owned by our members – our customers who have a Nationwide current account, mortgage or savings.

The combination of our size, mutual ownership and strong reputation puts us in a unique position in UK banking. It enables us to prioritise customer experience and value. It also means we can have a positive impact on wider society.

We focus on providing banking products and services for our customers, helping them with:



Managing everyday finances

More than 1 in 9¹¹ of the UK's current accounts are held with us.



Saving for the future

We are the UK's second¹² largest provider of retail deposits.



Owning a home

We are the UK's second¹² largest mortgage provider.

We also offer other retail products, including credit cards, personal loans and insurance. And we support landlords and those who rely on the private rented sector for their long-term housing needs through our buy to let business, The Mortgage Works, and through our Virgin Money business.

Our acquisition of Virgin Money has broadened our product range to include Virgin Money's business banking services, which we intend to offer to more customers across the Group over time. Our business customers are primarily small and medium-sized enterprises.

As a member-owned mutual, we do not have to use our profits to pay shareholders dividends. We balance our need to keep enough profit to remain financially strong, with sharing our success with our members through:

- **Delivering value and rewarding loyalty**
- **Brilliant and trusted service**
- **Products and services that meet customers' needs and expectations**

We also commit at least 1% of our profits¹³ each year to charitable activities.

11. CACI's Current Account and Savings Database, Stock (February 2025).

12. Based on internal analysis of company financial reports.

13. The 1% is calculated based on average pre-tax profits over the previous three years. For 2024/25, this covered the three years ended 4 April 2024 and therefore pre-dated our acquisition of Virgin Money, which completed on 1 October 2024.

Our acquisition of Virgin Money

Our acquisition of Virgin Money, which completed on 1 October 2024, has grown and diversified our business, and will enable us to deliver even greater value for our customers.

The acquisition brought a shareholder-owned bank into our mutual group. Future profits made by Virgin Money will now be retained for the benefit of members and customers across the Group.

The acquisition has also enabled us to grow our business significantly. We are now the UK's second largest provider of mortgages and retail deposits, with total assets of £368 billion. Combined, we hold approximately £1 in every £6 of mortgage balances and £1 in every £8 of retail deposits in the UK. We are now connected to one in three people in the UK.

Bringing the established business banking services of Virgin Money into the Group has broadened our product range, and means we can start to support small and medium-sized

businesses across the Group more quickly and efficiently than developing these services ourselves. Diversifying our product range will also make our income more resilient to interest rate volatility in normal economic times. This will help to protect the interest rates we offer our customers on savings and mortgages.

The reduced funding costs and broader financial benefits that come from our acquisition make us financially stronger, which means we can continue to invest in service excellence across the Group, through our branch network, digital platforms and contact centres, as well as in fraud prevention and our support for vulnerable customers. We are also able to provide additional member value, including through the continuation of our Nationwide Fairer Share Payment, which we will pay for the

third year running, plus our one-off payment - The Big Nationwide Thank You - to reward Nationwide members whose membership supported our financial strength and enabled the acquisition of Virgin Money.

We recorded a gain of £2.3 billion on completion of the acquisition, as the value of net assets acquired was well in excess of the £2.8 billion acquisition price. The gain on acquisition is expected to provide significant headroom to cover the costs associated with integration, investment in customer service and delivery of value across the Group.

We will ensure a careful and considered approach to integrating Virgin Money into the Group, that is aligned with the interests of our members and Virgin Money customers.

Our Blueprint for a modern mutual

Our strategy is centred around our purpose of **Banking – but fairer, more rewarding, and for the good of society**, with four main priorities:



Simply brilliant experience

We will deliver a personal and easy banking experience, from start to finish. We aim to combine a seamless mobile banking experience with modern branches that offer personalised service.

We have the largest single-brand branch network, supported by our Branch Promise. And we delivered new features and improvements to our banking app. Our customers could also get in touch through our telephones and 24/7 online Chat.

2024/25 performance against our key measure: Customer experience score

This is based on the feedback score that customers with a Nationwide product provide when they complete our survey after they interact with us in our branches, digitally or by telephone. Our score of 83.8%¹⁴ was above our target of 83.6%.

Customers were satisfied with the service across our channels, particularly from colleagues in our branches. Customers were also satisfied with our new banking app and the enhancements we made to it.



More rewarding relationships

We will build deeper, lifelong relationships with our customers that provide the best value in banking.

In 2024/25, we delivered value to members from better pricing and incentives than the market average. This included competitive propositions such as our Flex Regular Saver and Member Exclusive Bond. We also distributed our second Nationwide Fairer Share Payment to eligible members. In addition, following our acquisition, we announced The Big Nationwide Thank You, rewarding 12 million members.

We helped 120,000 (2023/24: 64,000) first time buyers into homes. We also saw more gains in current account switches to the Nationwide brand than seen by any other brand¹⁵.

2024/25 performance against our key measure: Engaged customers

We define engaged customers as those who have a Nationwide main current account, plus either a Nationwide savings or mortgage balance of at least £100.

We have 4.11 million engaged customers, ahead of our 3.94 million target for 2024/25.

14. Our customer experience score measure is based on 12 months ended 31 March 2025, and is calculated by weighting the aggregated scores across Nationwide channels, to reflect the way customers interact with us. Digital channels include our Nationwide mobile banking app, internet bank and webchat.

15. Pay.UK quarterly Current Account Switch Service data, 9 months to December 2024, gross and net gains, based on the latest available data.



Beacon for mutual good

We focus our impact on the issues that matter most to customers, businesses, and society, in a way that only we can. We will drive positive change and fairer practices in banking. And we will support charitable causes aligned with our purpose.

In 2024/25, we committed £20.6 million¹⁶ (2023/24: £15.5 million) to charitable activities. We also launched our Nationwide Fairer Futures social impact strategy (see page 17).

2024/25 performance against our key measure: Heard good things about Nationwide

This measure is based on responses to a monthly survey on whether people in the UK have heard good things about the Nationwide brand relative to its peers.

The Nationwide brand was ranked first among its banking peer group when rated by non-customers for which brands they had heard good things about¹⁷. This was above our target of at least third place.



Simplify, integrate and grow

We are unlocking our combined potential as a Group, and delivering more for customers, together.

We continued to modernise our payments systems, and simplify our processes to improve our customers' experience.

For example, we are simplifying and improving the homebuying experience for customers with a Nationwide mortgage, using automation of processes to enable faster mortgage offers.

We will continue to carefully integrate Virgin Money into the Group, ensuring our approach is aligned with our members' and customers' interests.

2024/25 performance against our key measure: Leverage ratio

Our Group leverage ratio is a measure of our financial strength, which underpins our ability to progress the delivery of our strategy.

Our Group leverage ratio of 5.2% was lower than the previous year, primarily as a result of our acquisition of Virgin Money. It continued to exceed regulatory requirements and was also above our 2024/25 minimum target of 4.5%, set at the start of the year.

16. This included £18.7 million as part of the 1% of pre-tax profits that we commit to good causes each year, as well as donations awarded by Virgin Money. Of the £18.7 million, £17.0 million was awarded as charitable donations and £1.7 million related to supporting activity and staff costs.

17. Based on a study conducted by an international market research company commissioned by Nationwide. Based on non-customer responses for the 12 months ended March 2025. Financial brands included are Nationwide, Barclays, Chase, Co-operative Bank, First Direct, Halifax, HSBC, Lloyds, Monzo, NatWest, Santander, Starling Bank, TSB and Virgin Money.

Service you can trust, every step of the way

Our mutual model means we exist to serve and benefit our members and customers. We provide our customers with great value products, choice in the way they bank with us, and leading levels of service.

We were there for our customers in a number of ways



Leading customer experience

The Nationwide brand remained first for customer satisfaction among our peer group¹⁸



Largest branch network

We have the largest single-brand branch network in the UK financial services sector, made up of 605 Nationwide branches.



New digital features

We improved the experience for customers who use our banking app.



Dedicated fraud team

We introduced a dedicated fraud telephony team to provide specialist, end-to-end support in times of need.

We aim to combine a seamless mobile banking experience with modern branches, where our colleagues provide personalised and trusted service.

Committed to our Branch Promise

We know that branches are important to our customers, some of whom rely on our branches or prefer face-to-face assistance. Our Branch Promise means that we promise to keep every one of our branches open until at least the start of 2028¹⁹. Virgin Money branches are also now covered by our Branch Promise. At the 2025 Moneyfactscompare.co.uk Consumer Awards, we won the Branch Network of the Year award, for the third year running.

Enhancing our banking app

Our mobile banking app makes it easy, quick and straight forward for our customers to manage their money. We are responding to customer feedback by adding new features and improvements. This included, for example, removing the need to use a card reader, adding Google Pay functionality and the ability to view statements, and enabling customers to lower the default £100 contactless payment limit on debit cards. We will continue to deliver new features that improve our customers' experience.

Protecting our customers from fraud

Our fraud defence systems and specialist fraud team continued to help prevent fraud. We introduced a dedicated fraud telephony team, to further improve the experience for customers who are impacted by fraud.

18. © Ipsos 2025, Financial Research Survey (FRS), for the 12 months ended 31 March 2013 to the 12 months ended 31 March 2025. For more information, see footnote 7 on page 7.

19. All our 605 Nationwide branches and 91 Virgin Money branches will remain open until at least 1 January 2028. Opening hours may vary. There may be exceptional circumstances outside of our control that mean we have to close a branch, but we will only do this if we do not have another workable option.

Helping people into homes

We support all our mortgage customers, and do all we can to help first time buyers into homes of their own.

We made buying a first home easier



Nationwide helped more first time buyers than any other bank or building society in the UK²⁰

Across the Group, we helped 120,000 first time buyers into a home of their own (2024: 64,000)²¹.



Helping Hand mortgage

We extended our Helping Hand mortgage to enable first time buyers to borrow up to six times their salary (previously 5.5 times) on 5 and 10-year fixed rate mortgages. This was up to 33% more than the maximum borrowing available on our other standard mortgage products.



Cashback

First time buyers received £500 cashback when they took out a Nationwide mortgage.

Supporting our customers who have a Nationwide mortgage

Our existing customers have access to rates that are at least as good as, or better than, those available to new customers remortgaging to us.

Over the year, we increased the maximum loan to value available for customers purchasing a new-build house, from 85% to 90%, and we increased our maximum loan sizes at higher loan to values, helping more people into homes, while ensuring we lend responsibly.

We are simplifying and improving the homebuying experiences for our customers, enabling faster mortgage offers for them through our automated income verification and valuation processes. We also reduced interview times for customers whilst still ensuring we offer appropriate products and deliver good outcomes.

Our online Mortgage Manager service made it easy for customers to manage their mortgages.

At the 2025 Moneyfactscompare.co.uk Consumer Awards, the Nationwide brand won High Street Mortgage Provider of the Year.

20. Source based on the number of residential first time buyer mortgage completions in the UK by Banking Brand, between April 2024 to March 2025. Provided by CACI Ltd Mortgage Market database.

21. Our definition of a first time buyer is set out in the Glossary for the Annual Report and Accounts, available at nationwide.co.uk

“ I’ve not moved far. I’ve bought the house next door to my mum’s. ”

Jade, member since 2019. She moved into her new home in March 2025.

We do all we can to help first time buyers into homes of their own. With a Nationwide Helping Hand mortgage, people were able to borrow up to 95% of the value of their home and up to six times their income.

“ I finally managed to get enough saved last year. Even the £100 Fairer Share Payment went towards my deposit. My broker recommended Nationwide because they agreed to lend me what I needed. And now I’ve got the keys to my new home, I’m also looking forward to receiving the £500 cashback that I get with my mortgage.

I’ve not moved far. I’ve bought the house next door to my mum’s! At least, I know I will get on with the neighbours. But it’s also so handy because mum has already offered to help with the cleaning, cooking and looking after my dog, Hugo. ”



Helping our customers make the most of their money

We aim to provide our customers with the best value in UK banking. We want to encourage good savings habits, so we can help our customers build greater financial security over the long term. We continued to provide competitive products and initiatives that delivered meaningful value to our customers.

We created value for our members

Over the year, we delivered £2,795 million (2024: £2,194 million) in value to our members. This included:

- Member financial benefit²² of £1,795 million (2024: £1,850 million) from better pricing and incentives than the market average. This was largely driven by our competitive savings rates.
- £385 million (2024: £344 million) shared through our Nationwide Fairer Share Payment to eligible members.
- £615 million through The Big Nationwide Thank You – a one-off payment of £50 to over 12 million of our members, to say thank you for their membership, which helped build the financial strength that enabled the successful purchase of Virgin Money.

Benefiting those who bank and save with us

We now hold more than one in nine (2024: one in ten) current accounts, following our acquisition of Virgin Money.

Across the market, there were more gains in current account switches to Nationwide than to any other brand²³. Our successful member-exclusive current account switcher incentive contributed towards this, offering cashback to those who switched to us²⁴.

We also offered savers a Flex Regular Saver that had an interest rate of 6.5%.

Helping young people with their banking journey

We launched a Children's Future Saver for children aged up to 17. Our FlexOne Saver helps 11- to 17-year-olds in building early savings habits, and offered an interest rate of 5%.

We also attracted a record 46,000 (2024: 17,900) students with our competitive FlexStudent account, and achieved a 27% share of new student current accounts opened across the market.

22. Further information on member financial benefit is included on page 49 of our Annual Report and Accounts 2025.

23. Pay.UK quarterly Current Account Switch Service data, 9 months to December 2024, gross and net gains, based on the latest available data.

24. To earn the cashback, customers must have completed a full switch to a Nationwide current account, from a current account held with another provider, using the Current Account Switch Service.

“Nationwide’s FlexStudent account just looked tastier”

Last year, we offered a student current account that gave £100 cashback, an interest-free overdraft and £120 worth of Just Eat vouchers for the year. The combination proved irresistible.



“I liked the £100 I got when I opened it. Spent that on clothes. I like the Just Eat Vouchers. They ensure I get at least one treat a month. And I like the fact that I can have an interest free overdraft.”

Mwaba – member since 2016



“It was better than the accounts that just offered a railcard because I was able to buy one with the £100 and get £30 back. And all my friends have Nationwide accounts so every month we get together to share our takeaways.”

Daisy – member since 2024



“I didn’t automatically choose Nationwide when I started looking for a student account. I first had a look online at what other providers had to offer. Nationwide’s FlexStudent account just looked tastier.”

Toby – member since 2019

Supporting good causes in your communities

We aim to make a meaningful difference to our communities, through contributing to good causes.

Our commitment to good causes

We committed more than £20 million to charitable activities. This included £18.7 million²⁵ (2024: £15.5 million) as part of the 1% of pre-tax profits²⁶ that we commit to good causes each year, as well as donations awarded by Virgin Money. This was primarily put towards our new social impact strategy. It also included our donation to the Nationwide Foundation.

Nationwide Fairer Futures - our new social impact strategy

In June 2024, we launched Nationwide Fairer Futures, to help tackle three of the biggest issues we see in society today – youth homelessness, families living in poverty, and people living with dementia.

We have partnered with charities Centrepont, Action for Children, and Dementia UK for the next three years to make a meaningful difference across our

communities. In April 2025, we added a fourth partnership as part of Nationwide Fairer Futures, with The Royal Marsden Cancer Charity.

We contributed to key fundraising campaigns of our charity partnerships. We have also now hosted 1,400 dementia clinics in more than 120 of our branches, offering free, specialist help and advice to those impacted by dementia.

Find out more at nationwide.co.uk/fairer-futures

Reducing our impact on the environment

We are committed to a net-zero future and supporting the UK in achieving its ambition to be net-zero by 2050.

We continue to source 100% renewable electricity, and have removed the use of gas from over 95% of our Nationwide

branches, replacing it with electrical solutions.

We continue to pilot our 0% interest green mortgage product²⁷ to help our customers make energy efficient home improvements.



We donated £4.7 million to the Nationwide Foundation²⁸, an independent charity.

The Foundation is working to tackle the housing shortage and increase the availability of decent, affordable homes for people in housing need. It does so by funding on-the-ground advocacy work, ground-breaking research and innovation in housing.

Across three programmes of work, the Foundation also convenes coalitions to campaign for change, engages with politicians and decision makers, and works to give people in housing need a voice.

25. The £18.7 million included £17.0 million of charitable donations and £1.7 million relating to supporting activity and staff costs.

26. The 1% is calculated based on average pre-tax profits over the previous three years. For 2024/25, this covered the three years ended 4 April 2024 and therefore pre-dated our acquisition of Virgin Money, which completed on 1 October 2024.

27. Our 0% interest Green Additional Borrowing pilot will enable up to 5,000 households with a Nationwide mortgage the opportunity to borrow £5,000 – £20,000 interest-free, up to a maximum of 90% loan to value across a two or five-year product term, to finance a range of retrofit home improvements.

28. You can find out more at nationwidefoundation.org.uk. The Nationwide Foundation's registered charity number is 1065552.

Financially strong for the long term

Our financial strength enables us to invest in service excellence and deliver member value.



Our acquisition of Virgin Money resulted in a gain of **£2.3 billion**, as the value of net assets acquired was well above the £2.8 billion acquisition price we paid.



Our underlying profit before tax was **£1,852 million**²⁹
(2024: £2,003 million)



Our statutory profit before tax was **£2,302 million**²⁹
(2024: £1,776 million)



Our leverage ratio was **5.2%**
(2024: 6.5%)



Our Common Equity Tier 1 (CET1) ratio was **19.1%**
(2024: 27.1%)

Our underlying profit before tax was £1,852 million and statutory profit before tax was £2,302 million²⁹. Our capital ratios were lower, primarily as a result of our acquisition of Virgin Money on 1 October 2024, but they remained comfortably above regulatory minimums.

Our acquisition of Virgin Money has grown and diversified our business. Future profits made by Virgin Money will now be retained for the benefit of members and customers across the Group, rather than paying dividends to external shareholders. This means we can continue to invest in service excellence and provide additional member and customer value.

Our financial strength has benefited our customers in a number of ways:

- **We delivered £2,795 million in value** to our members.
- **We invested in our branch network**
- **We invested in our systems and service, including:**
 - Launching a range of new features onto our banking app.
 - Upgrading our payment systems.

²⁹ The majority of the difference between underlying and statutory profit before tax relates to the day one gain of £2.3 billion recognised on the acquisition of Virgin Money on 1 October 2024, the Nationwide Fairer Share Payment of £385 million distributed in June 2024, and recognition of The Big Nationwide Thank You one-off payment of £615 million. More information can be found on page 15.

Summary financial statement

For the year ended 31 March 2025

This financial statement is a summary of information in the audited annual accounts, the Directors' report and Annual business statement, all of which will be available on our website at nationwide.co.uk from 16 June 2025. Copies will also be available to members and depositors free of charge at every office of Nationwide Building Society. The auditor's report in relation to the full financial statements was not qualified in any respect.

Change of accounting date

Following the acquisition of Virgin Money, the Society changed its accounting reference date to 31 March. The financial year ended 31 March 2025 covers the 361-day period from 5 April 2024 to 31 March 2025. The results of Virgin Money are included from 1 October 2024. The comparative figures for 2024 are as at 4 April 2024 and do not include Virgin Money results.

Summary directors' report

The Summary directors' report comprises the information set out on pages 3 to 13, 15, 17 and 18.

Approved by the board of directors on 28 May 2025 and signed on its behalf by:

K A H Parry, Chairman

D A Crosbie, Group Chief Executive Officer

M J Mathieson, Group Chief Financial Officer

Results for the year		
	2025 £m	2024 £m
Net interest income	4,992	4,450
Other income and charges	180	214
Gains from derivatives and hedge accounting	12	117
Gain on the acquisition of Virgin Money	2,300	-
Administrative expenses (note i)	(3,550)	(2,549)
Impairment losses and other provisions (note i)	(632)	(112)
Profit before member reward payments and taxation	3,302	2,120
Member reward payments (note ii)	(1,000)	(344)
Profit for the year before taxation	2,302	1,776
Taxation	36	(476)
Profit for the year	2,338	1,300

Reconciliation of statutory profit before taxation to underlying profit before taxation (note iii)		
	2025 £m	2024 £m
Statutory profit for the year before taxation	2,302	1,776
Gain on the acquisition of Virgin Money	(2,300)	-
Amortisation of acquisition fair value adjustments	39	-
Costs relating to the acquisition of Virgin Money (note iv)	367	-
Initial impairment provisions recognised following acquisition	456	-
Member reward payments (note ii)	1,000	344
Gains from derivatives and hedge accounting	(12)	(117)
Underlying profit for the year before taxation	1,852	2,003

Notes:

- Provisions for liabilities and charges have been reclassified from impairment losses and other provisions to administrative expenses. Comparatives have been restated for this change in presentation.
- Member reward payments represent discretionary payments to members of the Society which may be determined by the Board from time to time, depending on the financial strength of the Society.
- Certain items are excluded from underlying profit before taxation, to reflect management's view of the Group's underlying performance and to assist with like-for-like comparisons of performance across periods.
- Costs relating to the acquisition of Virgin Money comprise £36 million of transaction-related costs incurred by the Society, £56 million of amortisation relating to acquired intangible assets, and £275 million of one-off costs associated with the amended Trade Mark License Agreement between Virgin Money UK PLC and Virgin Enterprises Limited.

Financial position at the end of the year		
Assets	2025 £m	2024 £m
Liquid assets (note i)	59,956	52,681
Mortgages	275,575	204,146
Other lending (note ii)	25,314	9,294
Derivative financial instrument assets	4,742	6,290
Fixed and other assets (note i and iii)	2,290	(324)
Total assets (note i)	367,877	272,087
Members' interests, equity & liabilities		
Shares (member deposits)	207,428	193,366
Borrowings (note i)	131,829	55,667
Derivative financial instrument liabilities	1,547	1,451
Other liabilities (note i)	4,018	1,669
Subordinated liabilities (note i)	2,444	2,075
Subscribed capital	129	173
Core capital deferred shares	1,157	1,157
Other equity instruments	1,485	1,336
Reserves (note iv)	17,081	15,193
Non-controlling interests	759	-
Total members' interests, equity and liabilities (note i)	367,877	272,087

Notes:

- i. 2024 comparatives have been restated. More information is provided in the Annual Report and Accounts 2025.
- ii. Other lending includes consumer lending and business and commercial lending.
- iii. Fixed and other assets include negative hedge accounting adjustments which closely relate to other items within total assets.
- iv. Reserves include a general reserve of £17,086 million (2024: £15,119 million). The remainder relates to a cash flow hedge reserve, revaluation reserve and other reserves.

Summary of the key financial ratios required by the Building Societies Act		
	2025	2024
Gross capital as a percentage of shares and borrowings (note i): This ratio helps us measure how much capital we have to protect our members and other creditors against shocks.	6.8%	8.0%
Liquid assets as a percentage of shares and borrowings (note i): This ratio is a measure of our ability to meet normal cash demands, such as savings withdrawals or providing new mortgages.	17.6%	21.1%
Profit for the year as a percentage of mean total assets: This ratio measures the profit made in the year relative to the average amount of total assets.	0.72%	0.48%
Management expenses as a percentage of mean total assets (note i): This ratio is a way of measuring how efficient we are being.	1.10%	0.94%

We are required to disclose the above ratios under legislation originally drafted in 1986. Today, we use different measures for capital strength, liquidity, profitability and efficiency. These include our Common Equity Tier 1 (CET1) capital ratio, leverage ratio and underlying profit before tax. More information on these measures is shown on page 18.

Statement of the auditors to the members and depositors of Nationwide Building Society.

We have examined the Summary financial statement of Nationwide Building Society for the year ended 31 March 2025, which comprises the Results for the year, the Reconciliation of statutory profit before taxation to underlying profit before taxation, the Financial position at the end of the year, and the Summary of key financial ratios required by the Building Societies Act 1986, set out on pages 19 to 20, and the Summary report of the directors on remuneration on pages 22 to 27. Where reference is made to the 'year' ended 31 March 2025, this represents the 361-day period from 5 April 2024 to 31 March 2025.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Summary financial statement, in accordance with the Building Societies Act 1986, which includes information extracted from the Annual Report and Accounts and the auditable part of the Report of the directors on remuneration of Nationwide Building Society for the year ended 31 March 2025.

Our responsibility is to report to you our opinion on the consistency of the Summary financial statement with the Financial statements, the Directors' report, and the Report of the directors on remuneration, and its compliance with the relevant requirements of Section 76 of the Building Societies Act 1986 and the regulations made thereunder.

Basis of opinion

Our examination involved agreeing the balances disclosed in the Summary financial statement to the Annual Report and Accounts. Our audit report on the Society's Annual Report and Accounts and the auditable part of the Report of the directors on remuneration describes the basis of our opinion on those financial statements and the auditable part of that report.

Opinion

In our opinion the Summary financial statement is consistent with the Financial statements, the Directors' report and the Report of the directors on remuneration of Nationwide Building Society for the year ended 31 March 2025, and complies with the applicable requirements of Section 76 of the Building Societies Act 1986, and the regulations made thereunder.

Use of our report

This statement is made solely to the Society's members and depositors of Nationwide Building Society, as a body, in accordance with Section 76 of the Building Societies Act 1986. Our audit work has been undertaken so that we might state to the Society's members and depositors those matters we are required to state to them in an auditor's statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members and depositors as a body, for our audit work, for this statement, or for the opinions we have formed.

Ernst & Young LLP

**Ernst & Young LLP, Registered Auditors
London, 28 May 2025**

Summary report of the directors on remuneration



I am pleased to share a summary of the Remuneration Committee's report, including details of directors' pay for the year ended 31 March 2025, and a summary of the new directors' remuneration policy on which members will be asked to vote at the 2025 AGM. Further details are set out in the full Report of the directors on remuneration.

Remuneration arrangements across the Group

Following the acquisition of Virgin Money in October 2024, I would like to welcome our new colleagues into the Group. We now have over 25,000 colleagues driven by our shared purpose. We continue to build a supportive and inclusive environment for all colleagues and since the acquisition I have been pleased to observe positive colleague engagement scores across the Group.

We will remain focused on our approach to talent identification and development, supporting all colleagues to reach their potential.

In order to provide a level of consistency and stability for colleagues following the acquisition, there were no immediate changes to the broad approach to remuneration for any employees within the Group. This applied equally to the executive directors, whose remuneration arrangements remained as intended at the start of the year.

A pay package agreed with the Nationwide Group Staff Union (NGSU) for 2025/26 covers Nationwide sub-group employees, excluding the most senior population. Eligible colleagues will receive a salary increase of the greater of 3.6% of current salary or £1,000 (pro-rated for part time roles), effective from 1 July 2025, and the minimum salary will increase to £24,750. Separately, a pay package for Virgin Money colleagues was agreed in November 2024, under which 98.8% of colleagues in the Virgin Money sub-group received an average pay increase of 3.5% effective 1 January 2025.

Performance and pay outcomes for 2024/25

Annual Performance Pay (APP)

Nationwide sub-group employees continued to participate in the Annual Performance Pay (APP) plan during 2024/25. APP outcomes for 2024/25 were determined by reference to consistent performance measures and two individual performance ratings.

The 2024/25 APP awards for the executive directors were also assessed against the Executive Scorecard, which captures a wide range of financial and non-financial key performance indicators. Taking this and their individual performance into account, the Committee agreed APP outcomes of 94.9% for the Group Chief Executive Officer and 86.9% for the Group Chief Financial Officer.

Long-Term Performance Pay (LTPP)

The Committee approved the LTPP awards to be granted to the executive directors in 2025, based on a pre-grant assessment of performance delivered in 2024/25.

Director changes

As previously announced, Chris Rhodes stepped down from the Board and role of Chief Financial Officer on 6 September 2024 ahead of his appointment as Virgin Money Chief Executive Officer. We are pleased to welcome Muir Mathieson as our new Group Chief Financial Officer, appointed to the Board on 6 September 2024.

Our directors' remuneration policy

During the year, the Committee reviewed the directors' remuneration policy in the context of the significantly increased size and scope of the Group. The acquisition of Virgin Money has grown and diversified our business, with established business banking services broadening the Group's product range. We are now the UK's second largest provider of mortgages and retail deposits. Our increased scale brings additional operational complexity and demands of executive roles.

We must continue to ensure that our remuneration arrangements are appropriately positioned to recruit, motivate and retain executives of the calibre required to manage the enlarged Group, and to deliver an ambitious integration plan while maintaining leading customer service.

The Committee observed the recent notable shift in market practice around executive pay. A number of our UK banking peers have significantly increased variable pay opportunities within their directors'

remuneration policies, and we expect this trend to continue. This has materially increased the gap between Nationwide and the firms with which we compete for senior talent.

Therefore, the Committee carefully considered whether the current policy, as approved by members at the 2024 AGM, was sufficiently flexible to support our ambitions. Reflecting on the above, the Committee has updated the policy to increase the maximum APP opportunity that may be awarded from 100% to 150% of salary. The Committee believes that an increase to performance-based pay opportunity is appropriate as it will enhance the alignment between reward and the successful delivery of the Group's priorities.

The Committee has decided not to increase the maximum LTPP opportunity within the policy, which is currently set at 300% of salary. The Committee intends to keep LTPP grant levels under review over the course of the three-year policy to ensure they remain appropriate.

Looking ahead to 2025/26

The Committee approved a salary increase of 3% for the Group Chief Executive Officer, effective from 1 April 2025. No salary increase was applied for the Group Chief Financial Officer.

The Group Chief Executive Officer's maximum APP opportunity for 2025/26 will be 150%

of salary. The Group Chief Financial Officer's maximum APP opportunity remains at 100% of salary. Reflecting on performance during 2024/25, the Committee has determined to grant 2025 LTPP awards with a maximum opportunity of 300% of salary for the Group Chief Executive Officer and 100% of salary for the Group Chief Financial Officer.

The Committee will remain focused on overseeing the remuneration framework across the Group, ensuring it continues to align with our strategy and customers' interests. The Group's reward and benefits proposition will be kept under review to ensure we can continue to attract and retain the talent needed for the future.

With a view to longer term Board succession planning, I will remain on the Board, but I have begun working with Debbie Klein, who has been a member of the Committee for over a year, to support and develop her to succeed me as the Remuneration Committee Chair during 2025/26, subject to regulatory approval.

Member voting on remuneration

This year there will be advisory votes on both the directors' remuneration report and the directors' remuneration policy. On behalf of the Remuneration Committee, I would like to thank members for their continued support and encourage you to vote in favour of both resolutions.

Tracey Graham

Chair – Remuneration Committee

Our new directors' remuneration policy

The table below sets out a summary of the directors' remuneration policy which will be put forward to members at the 2025 AGM. The full policy is available at [nationwide.co.uk](https://www.nationwide.co.uk)

Element	Policy summary	Opportunity
Base salary	Salaries are normally reviewed on an annual basis with any changes effective from 1 April.	Salaries are set taking into account market data, skills, experience and performance.
Benefits	Benefits may include a car allowance, access to drivers and security, healthcare and insurance benefits.	Benefits are reviewed regularly to ensure they remain appropriate to role and location.
Pension	Executive directors may receive a cash allowance and/or contribution to a defined contribution scheme.	Pension allowances are aligned with the maximum pension benefit available to Nationwide sub-group colleagues.
Annual Performance Pay (APP) plan	APP awards reward the achievement of stretching targets for a single financial year. Performance measures and targets are set on an annual basis by the Committee.	The maximum opportunity for the executive directors is 150% of base salary.
Long-Term Performance Pay (LTPP) plan	LTPP awards incentivise sustainable long-term performance and alignment with customer interests. Awards only pay out where challenging performance measures are met, normally measured over a three-year period. Any payments will not start until after the end of this period and will be deferred in compliance with regulatory requirements.	LTPP awards may be granted up to a maximum value of 300% of base salary. For awards granted in 2025, the Group Chief Executive Officer and Group Chief Financial Officer are eligible for maximum opportunities of 300% and 100% of base salary, respectively. Maximum awards will only be paid where there has been outstanding performance.

Annual Performance Pay 2024/25

APP outcomes for 2024/25 for all eligible colleagues were determined by reference to consistent performance measures and two separate individual performance ratings reflecting both delivery and behaviours. Three gateways must also be passed before any payment is made under the plan. The gateways are based on measures of profit before tax, leverage ratio and conduct risk. These gateways were passed in 2024/25.

Executive directors' APP outcomes for 2024/25 were determined by the Committee as set out below:

Performance measure	Performance achieved in 2024/25 (note i)	Outcome / maximum achievable (% of salary)		
		D A Crosbie	M J Mathieson (note ii)	C S Rhodes (note iii)
Number of engaged customers	Maximum	12.5% / 12.5%	12.5% / 12.5%	12.5% / 12.5%
Customer experience score	Above target	8.9% / 12.5%	8.9% / 12.5%	8.9% / 12.5%
Total costs	Maximum	12.5% / 12.5%	12.5% / 12.5%	12.5% / 12.5%
Heard good things about	Maximum	12.5% / 12.5%	12.5% / 12.5%	12.5% / 12.5%
Executive Scorecard element		28.5% / 30%	28.5% / 30%	28.5% / 30%
Individual performance element		20% / 20%	12% / 20%	20% / 20%
The Committee carefully considered the outcomes for the executive directors to ensure they were a fair reflection of performance, taking account of a broad range of factors. Overall, the Committee was satisfied that the outcomes were fair and no discretionary adjustment was applied.		0%	0%	0%
Total performance pay achieved		94.9% / 100%	86.9% / 100%	94.9% / 100%

Notes:

- i. Further details of the Committee's assessment of the outcomes for each element are set out in the full Report of the directors on remuneration. In reviewing performance under the APP plan during 2024/25, the Committee assessed the performance against the four measures stated. The Committee must also be satisfied that there are no significant conduct, risk, reputational, financial, operational or other reasons why awards should not be made, taking into account input from the Board Risk and Audit committees.
- ii. M J Mathieson succeeded C S Rhodes as Group Chief Financial Officer and was appointed to the Board on 6 September 2024.
- iii. C S Rhodes stepped down as Chief Financial Officer and from the Board on 6 September 2024; details of his remuneration reflect the period of time he served on the Board.

These disclosures are included in compliance with the Building Societies Act 1986 and other mandatory reporting regulations, as well as the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), which Nationwide has voluntarily adopted to the extent deemed appropriate. The table below shows the total remuneration for each executive director who served during the period ended 31 March 2025.

Amounts of variable remuneration shown below consist of the awards under the APP plan. LTPP awards are subject to the achievement of performance conditions over three years from grant and, to the extent the performance measures are met, details will be included in the relevant directors' remuneration report. Any amounts delivered to the executive directors relating to the first LTPP awards granted in June 2023 will be disclosed within the Annual Report and Accounts 2026.

Single total figure of remuneration for each executive director						
(Audited)	D A Crosbie		M J Mathieson (note ii)		C S Rhodes (note iii)	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Salary	1,152	1,137	383	-	316	732
Pension allowance	184	182	61	-	51	117
Taxable benefits (note i)	44	47	52	-	45	105
Total fixed remuneration	1,380	1,366	496	-	412	954
Annual performance pay	1,111	1,044	338	-	311	636
Total variable remuneration	1,111	1,044	338	-	311	636
Total pay package	2,491	2,410	834	-	723	1,590

Notes:

- i. Taxable benefits include travel, accommodation and other business-related costs for directors, incurred in connection with the performance of their duties, including any tax due under HMRC regulations, as well as medical insurance, car allowance and security. These amounts are included as fixed remuneration for the calculation of the variable pay ratio in meeting our regulatory requirements.
- ii. M J Mathieson succeeded C S Rhodes as Group Chief Financial Officer and was appointed to the Board on 6 September 2024. The 2025 single figure relates to the period from 6 September 2024 to 31 March 2025.
- iii. C S Rhodes stepped down as Chief Financial Officer and from the Board on 6 September 2024; details of his remuneration reflect the period of time he served on the Board. The 2025 single figure relates to the period from 5 April 2024 to 6 September 2024.

CEO pay ratio reporting

The ratio of the Group Chief Executive Officer's total remuneration versus the total remuneration of the median employee for 2024/25 was 63:1 (2023/24: 64:1). Further details of the CEO pay ratio calculation are set out in the full Report of the directors on remuneration.

The total fees paid to each non-executive director who served during the period ended 31 March 2025 are shown below.

	Single total figure of remuneration for non-executive directors					
	2025			2024		
	Group fees	Taxable benefits (note i)	Total fees and taxable benefits	Group fees	Taxable benefits (note i)	Total fees and taxable benefits
(Audited)	£'000	£'000	£'000	£'000	£'000	£'000
K A H Parry (Chairman)	581	16	597	557	18	575
T Graham (Senior Independent Director) (note ii)	263	11	274	218	19	237
A Aithal (note iii)	78	7	85	-	-	-
D Bennett (note iv)	200	7	207	-	-	-
A Hitchcock	161	16	177	148	23	171
A M Keir	200	15	215	192	20	212
D Klein	121	2	123	119	2	121
S Orton	121	8	129	99	3	102
T Rajah	104	2	106	103	1	104
G Riley	161	26	187	150	30	180
P G Rivett	210	1	211	192	1	193
Total	2,200	111	2,311	1,778	117	1,895
Pension payments to past non-executive directors (note v)			197			218

Notes:

- i. Taxable benefits for non-executive directors relate to travel, accommodation and other business-related costs in connection with their duties and attendance at Board and committee meetings. Where these expenses are deemed taxable, the Group settles the tax on behalf of the non-executive directors and this is included in the amounts shown. Where a non-UK director is not UK domiciled their reimbursed cost of travel into and out of the UK is not a taxable benefit.
- ii. T Graham was appointed to the Virgin Money Board on 23 January 2025. Group fees for 2025 include £19,000 in connection with Virgin Money Board services in the period from 23 January 2025 to 31 March 2025.
- iii. A Aithal joined the Board on 1 October 2024.
- iv. D Bennett joined the Board on 13 November 2024. Group fees for 2025 include £165,000 in connection with Virgin Money Board services in the period from 13 November 2024 to 31 March 2025.
- v. Nationwide stopped granting pension rights to non-executive directors who joined the Board after January 1990.

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