Nationwide Building Society Pillar 3 Disclosures

Q1 2026-27 | 30 June 2026

nationwide

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Contacts

Media queries: Sara Batchelor

T: +44 (0)7785 344 137

E: Sara.Batchelor@nationwide.co.uk

Investor queries: Vikas Sidhu

T: +44 (0)7738 273 287

E: Vikas.Sidhu@nationwide.co.uk

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1 Introduction

1.1 Background

Nationwide's Pillar 3 disclosure Q1 2026-27 provides an update on the Group's capital and liquidity position for the period ended 30 June 2026. The information has been prepared in accordance with the UK Prudential Regulation Authority (PRA) Rulebook with Annex conventions aligned to the 'Disclosure' part of the Rulebook.

1.2 Scope, Consolidation and Reporting

Nationwide's structure

Nationwide Building Society is regulated by the PRA and Financial Conduct Authority (FCA) as recognised on the Bank of England's website and the Financial Services Register hosted on the FCA website. The PRA Rulebook and the UK Capital Requirements Regulation and Directive (UK CRR and UK CRD V) apply to Nationwide Building Society and its subsidiary undertakings (the 'Group').

All information in the disclosure relates to the 'Group' which is defined as Nationwide Building Society and all consolidated subsidiaries.

On 23 February 2026, at a hearing in the High Court of Justice, London, the Court sanctioned a scheme for the transfer of the majority of the banking business of Clydesdale Bank PLC to the Society under Part VII of the Financial Services and Markets Act 2000 (FSMA) (Part VII Transfer). The scheme effective date was 2 April 2026. The disclosures reflect this transfer; however, there were no impacts to the total assets, liabilities, members' interests and equity or results of the Group.

Basis and frequency of disclosure

The purpose of this disclosure is to provide information in relation to regulatory capital and liquidity requirements. The disclosures and basis of measurement are in accordance with the rules laid out in the PRA Rulebook (CRR).

Unless otherwise stated, all figures and narrative are at 30 June 2026, with comparative figures to the previous financial year-end of 31 March 2026, where relevant. Full Pillar 3 disclosures are published annually, and concurrently with the Annual Report and Accounts, in accordance with regulatory guidelines. Pillar 3 summary disclosures are published quarterly, with more extensive disclosures published semi-annually.

2 Executive summary

2.1 Summary of key metrics

The Group's capital position remains strong, with the Common Equity Tier 1 (CET1) ratio of 18.6% and leverage ratio of 5.2% comfortably above regulatory capital requirements of 12.3% and 4.3% respectively. The CET1 capital requirement includes a 6.8% minimum Pillar 1 and Pillar 2A requirement and combined buffer requirements of 5.5% of risk weighted assets (RWAs).

The CET1 ratio decreased to 18.6% (31 March 2026: 19.1%), primarily due to increased RWAs of £2.9 billion. CET1 capital resources increased by £0.1 billion, with underlying profit largely offset by the Nationwide Fairer Share Payment 2026. The increase in total RWAs was predominantly driven by growth in lending balances, and included a £0.8 billion uplift following an Internal Ratings Based (IRB) model update impacting risk weights applied to off-balance sheet mortgage commitments. RWAs associated with the mortgage commitments are expected to reduce as the associated Credit Conversion Factor (CCF) decreases to 50% under Basel 3.1 rules in-force from 1 January 2027, which will more than offset the increase recognised in the period.

Further detail on regulatory capital ratios, resources and risk weighted assets is included in Annex I (Key Metrics) and Annex XXI (IRB approach).

The PRA Rulebook requires firms to calculate a leverage ratio, which is non-risk-based, to supplement risk-based capital requirements. The Group's leverage ratio reduced to 5.2% (31 March 2026: 5.3%) with Tier 1 capital resources increasing by £0.1 billion as a result of the CET1 capital movements referenced above. This was partially offset by an increase in leverage exposure of £7.7 billion, predominantly due to increased residential mortgage balances and treasury investments.

The leverage ratio remains in excess of the Group's leverage capital requirement of 4.3%, which comprises a minimum Tier 1 capital requirement of 3.25% and buffer requirements of 1.05%. The buffer requirements include a 0.7% UK countercyclical leverage ratio buffer and a 0.35% additional leverage ratio buffer.

Leverage requirements continue to be the Group's binding Tier 1 capital measure, as the combination of minimum and regulatory buffer requirements are in excess of the risk-based equivalent. The risk of excessive leverage is managed through regular monitoring and reporting of leverage, which forms part of risk appetite.

As part of the Bank Recovery and Resolution Directive, the Bank of England, in its capacity as the UK resolution authority, has published its policy for setting the Minimum Requirement for own funds and Eligible Liabilities (MREL). In line with the latest Bank of England External MREL publication, the Group is required to hold twice the minimum capital requirements (equating to 6.5% of leverage exposure), plus the applicable capital requirement buffers, which amount to 1.05% of leverage exposure. This equals a total loss-absorbing requirement of 7.55%.

At 30 June 2026, total MREL resources remained at 9.7% of leverage exposure, in excess of the loss-absorbing requirement of 7.55% (31 March 2026: 7.55%) described above.

The Group's Liquidity Coverage Ratio (LCR), which ensures sufficient high-quality liquid assets are held to survive a short-term severe but plausible liquidity stress, averaged 174% over the 12 months ended 30 June 2026 (31 March 2026: 169%). The Group's average Net Stable Funding Ratio (NSFR), which assesses the stability of funding relative to the liquidity of assets, was 145% for the four quarters ended 30 June 2026 (31 March 2026: 143%), which is in excess of the 100% minimum requirement. The Group continues to manage its liquidity in line with internal risk appetite which is more prudent than regulatory requirements.

2.2 Basel 3.1

On 20 January 2026, the PRA published final Basel 3.1 rules, effective in the UK from 1 January 2027. The final rules include a phased introduction of the RWA standardised output floor until fully implemented by 2030. The day one impact of Basel 3.1 on the Group's CET1 ratio is expected to be positive, with a small increase in the CET1 ratio anticipated, based on the Group's current interpretation of the final rules. This is primarily due to the impact of changes to prescribed IRB model calculations. RWAs calculated under the Basel 3.1 standardised output floor are expected to exceed internally modelled RWAs towards the end of the implementation period. The exact impact of Basel 3.1 on the Group position, and the point where the output floor becomes the binding constraint, will be influenced by the Group's interpretation of the final rules and the evolution of the balance sheet. However, the Tier 1 leverage requirements are expected to remain higher than the Tier 1 standardised output floor risk-based requirements.

3 Annex I | Key metrics and overview of risk-weighted exposure amounts

3.1 UK KM1 - Key metrics template

UK KM1 - Key metrics template							
KM1 ref	LR 2 ref		a	b	c	d	e
£m			**30 Jun 26**	31 Mar 26	31 Dec 25	30 Sep 25	30 Jun 25
		Available own funds (amounts)					
1		Common Equity Tier 1 (CET1) capital	**16,766**	16,684	16,397	15,927	15,657
2		Tier 1 capital	**18,945**	18,862	18,576	18,297	18,028
3		Total capital	**21,248**	20,783	20,795	20,141	20,300
		Risk-weighted exposure amounts					
4		Total risk-weighted exposure amount	**90,308**	87,437	86,701	86,786	83,232
		Capital ratios (as a percentage of risk-weighted exposure amount)					
5		Common Equity Tier 1 ratio (%)	**18.6**	19.1	18.9	18.4	18.8
6		Tier 1 ratio (%)	**21.0**	21.6	21.4	21.1	21.7
7		Total capital ratio (%)	**23.5**	23.8	24.0	23.2	24.4
		Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)					
UK 7a		Additional CET1 SREP requirements (%)	**2.3**	2.3	2.3	2.3	2.7
UK 7b		Additional AT1 SREP requirements (%)	**0.7**	0.7	0.7	0.7	0.9
UK 7c		Additional T2 SREP requirements (%)	**1.0**	1.0	1.0	1.0	1.2
UK 7d		Total SREP own funds requirements (%)	**12.0**	12.0	12.0	12.0	12.7
		Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
8		Capital conservation buffer (%)	**2.5**	2.5	2.5	2.5	2.5
UK 8a		Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	**–**	–	–	–	–
9		Institution specific countercyclical capital buffer (%)	**2.0**	2.0	2.0	2.0	2.0
UK 9a		Systemic risk buffer (%)	**–**	–	–	–	–
10		Global Systemically Important Institution buffer (%)	**–**	–	–	–	–
UK 10a		Other Systemically Important Institution buffer	**1.0**	1.0	1.0	1.0	1.0
11		Combined buffer requirement (%)	**5.5**	5.5	5.5	5.5	5.5
UK 11a		Overall capital requirements (%)	**17.5**	17.5	17.5	17.5	18.2
12		CET1 available after meeting the total SREP own funds requirements (%)	**11.5**	11.8	12.0	11.2	11.6
		Leverage ratio					
13		Total exposure measure excluding claims on central banks	**361,149**	353,504	354,541	350,117	349,199
14	25	Leverage ratio excluding claims on central banks (%)	**5.2**	5.3	5.2	5.2	5.2
		Additional leverage ratio disclosure requirements					
14a	UK 25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	**5.2**	5.3	5.2	5.2	5.2
14b	UK 25c	Leverage ratio including claims on central banks (%)	**4.8**	4.9	4.8	4.8	4.7
	UK-32	Average total exposure measure excluding claims on central banks	**368,223**	362,434	356,448	352,936	351,277
14c	UK 34	Average leverage ratio excluding claims on central banks (%)	**5.1**	5.2	5.1	5.2	5.1
14d	UK 33	Average leverage ratio including claims on central banks (%)	**4.8**	4.8	4.7	4.8	4.7
	UK 27	Leverage ratio buffer (%)	**1.05**	1.05	1.05	1.05	1.05
	UK 27a	Of which: O-SII additional leverage buffer (%)	**0.35**	0.35	0.35	0.35	0.35
14e	UK 27b	Of which: Countercyclical leverage ratio buffer (%)	**0.70**	0.70	0.70	0.70	0.70
		Liquidity Coverage Ratio[1]					
15		Total high-quality liquid assets (HQLA) (Weighted value -average)	**56,978**	55,726	55,100	55,727	54,925
UK 16a		Cash outflows - Total weighted value	**35,238**	35,611	35,654	36,637	35,555
UK 16b		Cash inflows - Total weighted value	**2,411**	2,473	2,339	2,387	2,324
16		Total net cash outflows (adjusted value)	**32,827**	33,138	33,315	34,250	33,231
17		Liquidity coverage ratio (%)	**174**	169	166	163	166
		Net Stable Funding Ratio[1]					
18		Total available stable funding	**338,409**	334,976	331,076	327,017	304,902
19		Total required stable funding	**233,090**	233,594	231,636	228,550	211,823
20		NSFR ratio (%)	**145**	143	143	143	144

Note:
[1] The Liquidity Coverage and Net Stable Funding Ratios are calculated as a simple average of twelve month and four quarter end observations respectively.

3.2 UK KM2 - Key metrics template – MREL

UK KM2 - Key metrics template - MREL (at resolution group level)

£m		a	b	c	d	e
		30 Jun 26	31 Mar 26	31 Dec 25	30 Sep 25	30 Jun 25
1	Total own funds and eligible liabilities available	**35,020**	34,432	32,340	31,528	31,370
2	Total risk weighted assets	**90,308**	87,437	86,701	86,786	83,232
3	Total own funds and eligible liabilities available as a percentage of total risk weighted assets (%)	**38.8**	39.4	37.3	36.3	37.7
4	UK leverage exposure ratio measure	**361,149**	353,504	354,541	350,117	349,199
5	Total own funds and eligible liabilities available as a percentage of UK leverage exposure ratio measure (%)	**9.7**	9.7	9.1	9.0	9.0

3.3 UK OV1 - Overview of risk weighted exposure amounts[1]

UK OV1 – Overview of risk weighted exposure amounts

		a	b	c
		Risk weighted exposure amounts (RWEAs)		**Total own funds requirements**
£m		**30 Jun 26**	31 Mar 26	**30 Jun 26**
1	**Credit risk (excluding CCR)**	**79,311**	76,530	**6,345**
2	Of which the standardised approach	**10,551**	10,670	**844**
3	Of which the foundation IRB (FIRB) approach	**11,869**	11,222	**950**
4	Of which slotting approach	**1,017**	1,059	**81**
UK 4a	Of which equities under the simple risk weighted approach	**288**	281	**23**
5	Of which the advanced IRB (AIRB) approach	**55,586**	53,298	**4,447**
6	**Counterparty credit risk - CCR**	**997**	920	**80**
7	Of which the standardised approach	**384**	352	**31**
8	Of which internal model method (IMM)	**–**	–	**–**
UK 8a	Of which exposures to a CCP	**174**	162	**14**
UK 8b	Of which credit valuation adjustment - CVA	**436**	405	**35**
9	Of which other CCR	**3**	1	**–**
15	**Settlement risk**	**–**	–	**–**
16	**Securitisation exposures in the non-trading book (after the cap)**	**159**	146	**13**
17	Of which SEC-IRBA approach	**–**	–	**–**
18	Of which SEC-ERBA (including IAA)	**159**	146	**13**
19	Of which SEC-SA approach	**–**	–	**–**
UK 19a	Of which 1250%/ deduction	**–**	–	**–**
20	**Position, foreign exchange and commodities risks (Market risk)[2]**	**–**	–	**–**
21	Of which the standardised approach	**–**	–	**–**
22	Of which IMA	**–**	–	**–**
UK 22a	**Large exposures**	**–**	–	**–**
23	**Operational risk**	**9,841**	9,841	**787**
UK 23a	Of which basic indicator approach	**–**	–	**–**
UK 23b	Of which standardised approach	**9,841**	9,841	**787**
UK 23c	Of which advanced measurement approach	**–**	–	**–**
24	**Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)**	**809**	845	**65**
29	**Total**	**90,308**	87,437	**7,225**

Notes:
[1] Specific rows of this table have not been presented as they are not applicable in the UK.
[2] The Group's Pillar 1 capital requirement for market risk is currently zero (as Nationwide does not have a trading book and FX exposures are below the threshold of 2% of total own funds capital requirements).

4 Annex XIII | Liquidity requirements

4.1 UK LIQB – Qualitative information on LCR, which complements template UK LIQ1

(a) Main drivers of LCR results

The Group's LCR is driven by a combination of the size of the liquid asset buffer, modelled stressed retail net outflows, wholesale funding requirements from upcoming maturities and collateral outflows that could arise in a stress. As Nationwide is predominantly retail funded, retail deposit outflows continue to be the largest contributor to net outflows in the LCR.

(b) Explanations on the changes in the LCR over time

The 12-month average Group LCR has increased to 174% (31 March 2026: 169%), primarily driven by an increase in high quality liquid assets, and a decrease in total net outflows. Higher liquid asset balances reflect net retail deposit inflows, and an increase in long term wholesale funding. Lower net outflow requirements are primarily driven by reduced wholesale funding requirements, partially offset by an increase in mortgage pipeline outflow requirements.

(c) Explanations on the actual concentration of funding sources

The Group is predominantly retail deposit funded and also has a wholesale funding platform which comprises a range of secured and unsecured instruments to support a stable and diversified funding profile across a range of instruments, currencies, maturities and investor types.

(d) High-level description of the composition of the institution's liquidity buffer

The Group's liquid assets, which predominantly comprise reserves held at central banks and highly rated debt securities issued or guaranteed by a restricted range of governments, central banks and supranationals, are held and managed by its Treasury function. The assets held in the liquid asset buffer are primarily sterling, US dollar and Euro.

(e) Derivative exposures and potential collateral calls

The Group only uses derivatives to manage and mitigate exposures to market risks, and not for trading or speculative purposes. The LCR net cash outflows related to derivative transactions primarily reflect the risk of potential additional collateral outflows due to adverse market rate changes. Credit ratings downgrades by external credit rating agencies could also lead to collateral outflows which are considered when determining LCR outflows.

(f) Currency mismatch in the LCR

Liquid assets are primarily denominated in sterling, US dollar or Euro, with the currency mix of the liquid asset buffer being subject to internal risk limits and policy requirements. This ensures that no undue level of currency mismatch arises between the currency composition of the liquid asset buffer and currency profile of stressed outflows in the LCR.

(g) Other items in the LCR calculation that are not captured in the LCR disclosure template

There are no other relevant items.

4.2 UK LIQ1 – Quantitative information of LCR

UK LIQ1 - Quantitative information of LCR		a	b	c	d	e	f	g	h
£m		Total unweighted value (average)				Total weighted value (average)			
UK 1a	Quarter ending on (DD Month YYY)	**30 Jun 26**	31 Mar 26	31 Dec 25	30 Sep 25	**30 Jun 26**	31 Mar 26	31 Dec 25	30 Sep 25
UK 1b	Number of data points used in the calculation of averages	**12**	12	12	12	**12**	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	**Total high-quality liquid assets (HQLA)**					**56,978**	55,726	55,100	55,727
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	**277,139**	273,874	271,317	268,351	**16,473**	16,434	16,528	16,505
3	*Stable deposits*	**199,082**	192,694	185,426	179,833	**9,954**	9,635	9,271	8,992
4	*Less stable deposits*	**51,727**	54,392	58,298	60,087	**6,489**	6,776	7,233	7,487
5	Unsecured wholesale funding	**12,491**	13,220	13,046	13,683	**7,484**	8,086	8,091	8,887
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	**1,805**	1,794	1,777	1,771	**608**	607	606	604
7	*Non-operational deposits (all counterparties)*	**8,082**	8,460	8,194	7,952	**4,272**	4,513	4,410	4,323
8	*Unsecured debt*	**2,604**	2,966	3,075	3,960	**2,604**	2,966	3,075	3,960
9	Secured wholesale funding					**57**	58	59	25
10	Additional requirements	**12,699**	12,933	13,125	13,204	**6,141**	6,244	6,295	6,415
11	*Outflows related to derivative exposures and other collateral requirements*	**5,712**	5,995	6,218	6,336	**5,147**	5,289	5,435	5,601
12	*Outflows related to loss of funding on debt products*	**392**	335	204	142	**392**	335	204	142
13	*Credit and liquidity facilities*	**6,595**	6,603	6,703	6,726	**602**	620	656	672
14	Other contractual funding obligations	**483**	400	333	326	**176**	101	34	32
15	Other contingent funding obligations	**40,647**	39,609	38,994	38,905	**4,907**	4,688	4,647	4,773
16	**TOTAL CASH OUTFLOWS**					**35,238**	35,611	35,654	36,637
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	**3,619**	3,321	3,046	3,015	**30**	32	44	70
18	Inflows from fully performing exposures	**2,640**	2,660	2,570	2,589	**2,135**	2,160	2,092	2,109
19	Other cash inflows	**246**	281	203	208	**246**	281	203	208
UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					**–**	–	–	–
UK-19b	(Excess inflows from a related specialised credit institution)					**–**	–	–	–
20	**TOTAL CASH INFLOWS**	**6,505**	6,262	5,819	5,812	**2,411**	2,473	2,339	2,387
UK-20a	*Fully exempt inflows*	**–**	–	–	–	**–**	–	–	–
UK-20b	*Inflows subject to 90% cap*	**–**	–	–	–	**–**	–	–	–
UK-20c	*Inflows subject to 75% cap*	**6,505**	6,262	5,819	5,812	**2,411**	2,473	2,339	2,387
TOTAL ADJUSTED VALUE									
UK-21	LIQUIDITY BUFFER					**56,978**	55,726	55,100	55,727
22	TOTAL NET CASH OUTFLOWS					**32,827**	33,138	33,315	34,250
23	**LIQUIDITY COVERAGE RATIO**					**174**	169	166	163

5 Annex XXI | IRB approach to credit risk

5.1 UK CR8 - RWEA flow statements of credit risk exposures under the IRB approach[1]

UK CR8 – RWEA flow statements of credit risk exposures under the IRB approach		
		a
£m		Risk weighted exposure amount
1	**Risk weighted exposure amount at 31 March 2026**	**65,860**
2	Asset size (+/-)	**1,695**
3	Asset quality (+/-)	**411**
4	Model updates (+/-)	**794**
5	Methodology and policy (+/-)	**–**
6	Acquisitions and disposals (+/-)	**–**
7	Foreign exchange movements (+/-)	**–**
8	Other (+/-)	**–**
9	**Risk weighted exposure amount at 30 June 2026**	**68,760**

Note:
[1] Foreign exchange movements have not been calculated as non-GBP exposures are not material.

RWAs in relation to loans risk weighted under the IRB approach increased in the period by £2.9 billion, primarily due to asset size movements driven by an increase in residential mortgage balances. There was also an increase in risk weights applied to off-balance sheet mortgage commitments following an IRB model update (row 4).

Nationwide Building Society Head Office: Nationwide House, Pipers Way, Swindon, Wiltshire SN38 1NW.
nationwide.co.uk