

Strategic Report

Extract from the Annual Report and Accounts 2026, pages 3 to 39.

Strategic report

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

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The Strategic report has been approved by the board of directors and signed on its behalf by:

Dame Debbie Crosbie DBE
20 May 2026

What Nationwide has achieved this year

Delivered significant value for members and leading service:

Delivered £1.8 billion in member value, including £0.4 billion in Nationwide Fairer Share payments, and £1.4 billion through member financial benefit

Our Nationwide brand remained first for customer satisfaction compared to our peer group for the 14th year running¹

Extended our Branch Promise to 2030² and further improved our digital capability

Recognised as the best bank in the UK in Forbes' ranking of the World's Best Banks 2026

First for growth in mortgages and retail deposits in the UK, together with strong credit card and business deposit growth:

Market-leading³ mortgage net lending of £10.3 billion
2025: £15.9 billion

Market-leading³ retail deposit growth of £10.1 billion
2025: £67.3 billion⁴

UK's most switched-to current account provider

Credit card balances grew to £8.1 billion
2025: £7.8 billion

Total number of business current accounts grew by 11%, and business deposit balances increased by 8%

Excellent financial performance:

£2,026 million underlying profit before tax⁵
2025: £1,852 million

£1,490 million statutory profit before tax⁵
2025: £2,302 million

5.3% leverage ratio and 19.1% CET1 ratio, both above regulatory requirements
2025: 5.2% and 19.1%

Had a positive impact in communities:

Committed £21.8 million to charitable activities
2025: £18.7 million

Helped 200,000 people through our Fairer Futures social impact strategy since its launch in June 2024

¹ © Ipsos 2026, Financial Research Survey (FRS), for the 12 months ended 31 March 2013 to the 12 months ended 31 March 2026. For more information, see footnote 15 on page 8.

² All our 605 Nationwide branches and 91 Virgin Money branches will remain open until at least 1 January 2030. Opening hours may vary. More information can be found on nationwide.co.uk/about-us/branch-promise/

³ Peer group includes Barclays, HSBC UK, Lloyds Banking Group, NatWest Group and Santander UK. Peer group for personal current account balances excludes HSBC UK due to data not being available.

⁴ The 2025 comparator included £52.8 billion of acquired Virgin Money balances

⁵ The majority of the difference between underlying and statutory profit before tax relates to the Nationwide Fairer Share payment of £0.4 billion distributed in June 2025. There were a number of significant one-off items that impacted statutory profit before tax in 2024/25, including the £2.3 billion gain on the acquisition of Virgin Money on 1 October 2024. More information can be found on page 33.

We are a modern mutual banking provider

The combination of our scale, mutual model and strong reputation puts us in a unique position in UK financial services. It enables us to prioritise customer experience and value, whilst having a positive impact on society.

Our purpose

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

Our business

As a mutual, the value we create is used to benefit our members as owners – who are customers with a personal current account, savings or mortgage with us. Certain business accounts also qualify for membership. We do not have to use our profits to pay dividends to shareholders, enabling us to grow our business, and balance:

- **Sharing our success with our members**

Through Nationwide Fairer Share payments, our leading service and products which, on average, are better-priced than the market average.

- **With our need to keep sufficient profit**

To remain financially strong.

We also commit at least 1% of our pre-tax profits each year to fund charitable activities in communities across the UK.

We provide banking products and services to our customers, helping them with:



- **Managing everyday finances**

More than one in nine⁶ of the UK's current accounts are held with us.



- **Saving for the future**

We are the UK's largest⁷ retail deposit taker.



- **Owning a home**

We are the UK's second⁷ largest residential mortgage provider, which includes helping first time buyers into homes. We also provide buy to let mortgages to landlords, primarily through The Mortgage Works.



- **Business banking and borrowing**

For small to medium-sized enterprises and larger businesses, as well as registered social landlords.



- **Other borrowing needs**

Through credit cards and personal loans.

In total, over 60% of our funding comes from our customers, and over 85% of our lending is secured on residential property.

Our strategy

We have four strategic drivers that help us to achieve our purpose. They are:

- **Simply brilliant experience**
- **More rewarding relationships**
- **Beacon for mutual good**
- **Simplify, integrate and grow**

For more information on how we have delivered against our strategic drivers, see pages 8 to 11.

⁶ CACI's Current Account and Savings Database, Stock (February 2026).

⁷ Based on internal analysis of company financial reports.

A letter from

Kevin Parry OBE

Chairman



As I reflect on my tenure on Nationwide's Board, I am proud of the phenomenal progress the Society has made on behalf of our members.

Over the last decade, we have grown our membership from 15 million to 19 million, our annual member value from £0.4 billion to £1.8 billion and our annual contribution to charitable activities from £4 million to over £21 million.

This year, we once again demonstrated the value of mutuality with our third Fairer Share payment. The £0.4 billion distributed to members this year brought the total to over £1.7 billion given in member rewards since 2023. I am pleased to confirm that we will make our fourth Fairer Share payment to eligible members in June 2026. I am particularly delighted when entire families bank with us and each family member is eligible to receive a Fairer Share payment.

Sharing our profits with our members has become even more important in the current challenging economic climate, and we remain committed to supporting our members through times of uncertainty.

It is at times like these that our comprehensive engagement with members comes into its own. All members of the Nationwide Board are also members of the Society. We all value feedback from fellow members to ensure that our decision-making considers a wide range of views that are representative of the breadth of our member base.

This year, the Board held regular Closer to Customer focus groups to hear directly from our customers, and received updates from our online research community, Member Voice, and our customer experience surveys. The Board directors and I also appreciated hearing comments directly from members in branches and at the AGM in July 2025, where we responded to their questions. That AGM had the highest member attendance in over a decade, and our online format has reversed many years of declining attendance.

From all of this engagement, we gained a clear understanding of how important our branches and banking apps are to customers. In response, we extended our Branch Promise while always improving the digital experience for our customers.

I am pleased that we continue to make a positive impact in our communities. We committed over £21 million to charitable activities, primarily through our four Fairer Futures charity partnerships. With our partners, we have helped over 200,000 people since June 2024. Our dementia clinics saw strong demand, and we have now booked 6,000 clinics run by specialist nurses in around 250 branches. It has also been heartening to see our colleagues actively taking part in charitable activities, helping to raise funds and awareness for youth homelessness, family poverty, dementia care, cancer research, and mental health.

We simplified our governance this year, with the move to have the same Board members across our Nationwide, Virgin Money and Clydesdale Bank Boards, making our decision making more streamlined.

The Governance report on page 41 sets out the key changes to the Board during the year, including the new Group Governance Framework.

It has been a privilege to serve as your Chairman for the past four years. I will step down as Chairman following the AGM, and I will hand over the role to Mike Rogers, subject to his election at the AGM. The Society is well positioned following the acquisition of Virgin Money and the transfer of the vast majority of its business to Nationwide. I will leave the Society in good hands, confident in the knowledge that it is now one of the UK's leading financial services firms and the country's standout mutual business.

This will be my last AGM as your Chairman, and I would like to thank members for their support of the Board over the past four years. As a member, I look forward to the continued success of Nationwide in serving you with dedication to value and service.

A handwritten signature in black ink that reads "Kevin Parry". The signature is written in a cursive style with a horizontal line underneath the name.

Kevin Parry OBE
Chairman

Reflections on 2025/26 from

Dame Debbie Crosbie DBE

Group Chief Executive Officer



We have had another excellent year. Our members shared in our success as we delivered £1.8 billion in value to them, through Nationwide Fairer Share payments and from better pricing than the market average.

We continued to prioritise customer experience and value. Once again, Nationwide's customer satisfaction lead over peers increased further compared to last year⁸. Our investment in Virgin Money's customer channels has also resulted in improved service and satisfaction levels.

We provide customers with choice in how they bank with us. We extended our Branch Promise until 2030 and further improved our banking apps, making it easy for customers to bank with us across our channels. Our personal current account openings increased across all customer channels, with over one million accounts opened, and we were responsible for over 50% of all branch-based product openings in the UK⁹.

We also remain focused on strengthening our systems and culture with innovative technology, to make sure our customers can trust us to look after their banking needs safely.

We were number one for growth in mortgages, retail deposits and personal current accounts¹⁰. We achieved our best ever growth in business current accounts

through the Virgin Money brand, and introduced these products to Nationwide customers for the first time. We were also delighted that Virgin Money was named Best Credit Card Provider by Your Money for the second year running.

We attracted even more young customers and welcomed a record number of students, gaining over 40% of all student current account openings across the market¹¹. We also helped 88,000 first time buyers into homes.

These accomplishments led to another strong financial performance, with underlying profit before tax of £2.0 billion and statutory profit before tax of £1.5 billion¹². We achieved all of our key performance indicator targets for 2025/26, as reported on page 12.

We became a funding partner of the Invest in Women Taskforce, committing £25 million. This will help businesses led by women or mixed-gender teams to scale and succeed in line with our pursuit of a fairer, more inclusive financial system that supports economic growth.

This year, Nationwide was recognised as the best bank in the UK in Forbes' ranking of the World's Best Banks 2026. We also secured Gold in the Retail Banking Sector in Britain's Most Admired Companies 2025¹³, reinforcing

our position as one of the UK's most trusted and respected organisations.

Since year end, in April 2026, we completed the legal transfer of the majority of Virgin Money's business to Nationwide, with eligible Virgin Money account holders becoming members of the Society¹⁴. This was a significant milestone towards our integration of the two businesses. It positions us well for future activity to bring together our systems and processes safely and efficiently, whilst remaining focused on managing risks and serving the needs of all our customers.

I would like to thank our colleagues for their commitment and contribution to making this another highly successful year. We will continue to build momentum, invest in customer experience, and demonstrate the positive impact we make for customers, communities and businesses, as we deliver on our purpose: Banking – but fairer, more rewarding, and for the good of society.

Dame Debbie Crosbie DBE
Group Chief Executive Officer

⁸ © Ipsos 2026, Financial Research Survey (FRS), for the 12 months ended 31 March 2013 to the 12 months ended 31 March 2026. For more information, see footnote 15 on page 8.

⁹ Based on internal data sources and Curinos eBenchmarks multi-channel analysis, April 2025 to February 2026. Includes sales of retail banking products including current accounts, savings, credit cards, unsecured loans and home insurance. Peer group includes Bank of Scotland, Barclays, First Direct, Halifax, HSBC, Lloyds, Metro Bank, NatWest, RBS, Santander and TSB.

¹⁰ Peer group includes Barclays, HSBC UK, Lloyds Banking Group, NatWest Group and Santander UK. Peer group for personal current account balances excludes HSBC UK due to data not being available.


¹¹ Based on Curinos eBenchmarks comparison of financial services providers and Nationwide analysis, April 2025 to February 2026.

¹² The majority of the difference between underlying and statutory profit before tax relates to the Nationwide Fairer Share payment of £0.4 billion distributed in June 2025. More information can be found on page 33.

¹³ Provided by Echo Research.

¹⁴ Further information on Virgin Money customers joining Nationwide as members is available at virginmoney.com/nationwide-membership/

Simply brilliant experience

 Delivering 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 and trusted support.

We provide customers with great value products, choice in the way they bank with us, and service excellence.

We delivered leading levels of service through our Nationwide brand, remaining number one for customer satisfaction among our peer group for the 14th year running¹⁵.

Our Nationwide brand also remained first for branch service in the Competition and Markets Authority's (CMA) Personal Banking Service Quality Survey in both Great Britain and Northern Ireland. Virgin Money improved to seventh in Great Britain, its highest branch service score in four years¹⁶. In the Business Banking Service Quality Survey, Virgin Money improved to third place for branch service in Great Britain¹⁷.

Investing in our mobile banking apps

There were more than 2.6 billion log-ins to our banking apps last year, an increase of 9%.

We further improved our banking apps, giving customers greater control and a simpler, more secure banking experience. We improved personalisation, enabled customers calling Nationwide to identify themselves using the banking app, and added a new digital hub

with tools to support customers, including a Better Off Indicator to help customers understand what government benefits they might be eligible for. Our apps increasingly mirror our in-branch experience, providing everyday banking services as well as non-banking services such as charitable giving.

We will continue to add features and functionality to our apps that improve our customers' experience.

Extending our Branch Promise

Branches remain important to our customers, and so we extended our Branch Promise – to keep every one of our branches open until at least the start of 2030¹⁸. Nationwide has the UK's largest single-brand branch network, and won Branch Network of the Year at the 2026 Moneyfactscompare.co.uk Awards for the fourth year running. Last year, we invested over £23 million in upgrading around 120 branches across the Group.

Over 50% of all branch sales of retail banking products in the UK were through a Nationwide or Virgin Money branch¹⁹. Around a third of our current accounts and a fifth of our savings accounts were opened in one of our branches last year.

Providing customers with a channel of choice

As well as using our banking apps and branches, customers can reach us through our telephone and internet banking channels and online chats. Our investment in Virgin Money's customer channels has resulted in improved answer rates and wait times across its call centre and online chat channels.

Our business customers also benefitted from improvements to our new online chat platform, which now provides 24/7 availability through our virtual assistant, and the ability to connect with our colleagues seven days a week.

Protecting customers from fraud and scams

We protected customers across the Group from £225 million of fraud this year, including through Nationwide's Scam Checker Service, used by more than 900,000 people. We also launched Call Checker in our app, so customers can identify that their calls with Nationwide are genuine. Our dedicated Nationwide fraud telephony team assisted customers who were impacted by fraud. We continued to build awareness of scams, through scam warnings in our apps, online education and fraud awareness campaigns.

¹⁵ Nationwide brand lead as at March 2026: 8.0%pts, March 2025: 7.5%pts, March 2024: 5.5%pts, all are significantly larger (based on a 95% confidence level) than the next best peer since March 2013. © Ipsos 2026, Financial Research Survey (FRS), for the 12 months ended 31 March 2013 to the 12 months ended 31 March 2026. The survey contacts 50,000 adults in Great Britain. Interviews were face to face, by phone and online, weighted to the profile of the population. The results are based on a sample of around 13,000 Nationwide customers and around 65,000 peer group customers with a main current account, mortgage or savings, and reflect the percentage of extremely and very satisfied customers minus any dissatisfied customers. The peer group consists of Barclays, Halifax, HSBC, Lloyds Bank, NatWest, Santander and TSB. Prior to April 2017, Lloyds and TSB were combined as Lloyds TSB.

¹⁶ According to an independent phone survey of 17,051 customers (aged 16+) of the 17 largest personal current account providers in Great Britain, and 6,018 customers (aged 16+) of the 12 largest personal current account providers in Northern Ireland, between January 2025 and December 2025, run by Ipsos. Learn more at [Ipsos.com/personal-banking-service-quality](https://www.ipsos.com/personal-banking-service-quality).

¹⁷ According to an independent survey carried out between January 2025 and December 2025, run by BVA BDRC (now part of Ipsos). Based on a sample of 20,450 SME customers with business current accounts across 17 business current account providers. Learn more at [Ipsos.com/en-uk/business-banking-service-quality-great-britain](https://www.ipsos.com/en-uk/business-banking-service-quality-great-britain)

¹⁸ All our 605 Nationwide branches and 91 Virgin Money branches will remain open until at least 1 January 2030. Opening hours may vary. More information can be found on [nationwide.co.uk/about-us/branch-promise/](https://www.nationwide.co.uk/about-us/branch-promise/)

¹⁹ Based on internal data sources and Curinos eBenchmarkers multi-channel analysis, April 2025 to February 2026. Includes sales of retail banking products including current accounts, savings, credit cards, unsecured loans and home insurance. Peer group includes Bank of Scotland, Barclays, First Direct, Halifax, HSBC, Lloyds, Metro Bank, NatWest, RBS, Santander, and TSB.

More rewarding relationships

 **Building deeper, broader, more lifelong relationships** with our customers that provide the best value in banking.

We delivered £1.8 billion (2025: £2.8 billion) in value to our members. This included member financial benefit of £1.4 billion (2025: £1.8 billion) from better pricing and incentives than the market average, primarily relating to our member deposits where rates were, on average, 28% higher than the market average. It also included £0.4 billion (2025: £0.4 billion) in Fairer Share payments distributed to eligible members in June 2025. The prior year included the one-off Big Nationwide Thank You member payment of £0.6 billion²⁰. The overall lower member value compared to last year also reflected the lower interest rate environment which reduced the gap between our higher average rates compared to the market.

We aim to deepen relationships through the valuable products we offer.

Supporting our customers' banking needs

We provide more than one in nine (2025: one in nine)²¹ current accounts and there were more net gains in current accounts to the Nationwide group than to the rest of the market combined²². This was supported by the success of our current account switcher incentive²³. Nationwide won Current Account Switching Provider of the Year at the 2026 Moneyfactscompare.co.uk Awards.

We attracted a record 90,000 (2025: 46,000) students with our competitive FlexStudent account, gaining a 43% (2025: 27%) share of new student current accounts opened across the market²⁴.

We also achieved market-leading²⁵ growth in retail customer deposits of £10.1 billion and maintained our market share of balances at 12.2% (2025: 12.2%) despite a competitive market backdrop. We offered attractive rates on savings products, including our Flex Regular Saver and Member Exclusive Bond.

Helping people into homes

Our share of total mortgage balances increased to 16.3% (2025: 16.2%), with market-leading²⁵ net lending of £10.3 billion (2025: £15.9 billion). Our Nationwide brand had the best retention rate of our peer group for customers at deal maturity²⁶.

We helped secure a regulatory change that enabled us to increase our proportion of high loan-to-income lending in a responsible way. We continue to prioritise high loan-to-income lending to first time buyers, and used this change to reduce the minimum income thresholds on our Helping Hand mortgages. Across our Nationwide-branded mortgages, we increased loan-to-value maximums for new build houses and flats, and relaunched interest-only mortgages with a wider range of repayment strategies for customers who meet eligibility criteria.

In total across the Group, we helped 88,000 (2025: 120,000) first time buyers into a home of their own.

There was a 140% increase in loans to those borrowing at or above 5.5x income, mostly through Helping Hand mortgages.

Our Nationwide brand is the only Which? Recommended Provider for mortgages.

We are the UK's largest buy to let lender, with a 19.3% (2025: 19.8%) share of total buy to let balances.

Supporting businesses' banking needs

Business deposit balances grew to £22.8 billion (2025: £21.1 billion), one of the strongest growth rates in the market. Business customers benefitted from £6.9 million in cashback through their business current accounts and credit cards. We also introduced Nationwide customers to Virgin Money business current accounts. Business lending balances decreased slightly to £14.9 billion (2025: £15.1 billion) in an increasingly competitive market. We aim to grow our business lending balances, and will do so in a sustainable way.

We delivered £1.3 billion (2025: £0.8 billion) of lending to social housing, which included new lending and the refinancing of existing facilities.

Assisting with customers' borrowing requirements

Consumer lending balances (personal loans, credit cards and current account overdraft balances) increased to £11.6 billion (2025: £11.1 billion), primarily in credit cards. We now have a 10.3% (2025: 10.7%) share of the UK's credit card market, and Virgin Money won Best Credit Card Provider at the YourMoney.com Personal Finance Awards 2026. We also grew new personal loan lending by 32% compared to the previous year.

²⁰ The Big Nationwide Thank You one-off payment rewarded Nationwide members whose membership supported our financial strength and enabled the acquisition of Virgin Money. More information can be found on page 35.

²¹ CACI's Current Account and Savings Database, Stock (February 2026 and February 2025).

²² Pay.UK quarterly Current Account Switch Service data, nine months to December 2025, gross and net gains across the Nationwide group, based on the latest available data.


²³ Our Nationwide current account switcher incentive enabled customers to earn cashback, provided they completed a full switch to a Nationwide current account, using the Current Account Switch Service.

²⁴ Based on Curinos eBenchmarks comparison of financial services providers and Nationwide analysis, April 2025 to February 2026.

²⁵ Peer group includes Barclays, HSBC UK, Lloyds Banking Group, NatWest Group and Santander UK. Peer group for personal current account balances excludes HSBC UK due to data not being available.

²⁶ Based on Curinos eBenchmarks comparison of lenders and Nationwide analysis of maturing assets between May 2025 and July 2025, based on latest available data. Residential mortgages, percentage not redeeming, based on status three months post-maturity.

Beacon for mutual good

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

In 2025/26, we committed £21.8 million²⁷ (2025: £18.7 million) to charitable activities as part of the 1% of pre-tax profits that we commit to good causes each year. This primarily contributed towards our Nationwide Fairer Futures social impact strategy. It also included commitments to the Nationwide and Virgin Money Foundations, and the internal costs of managing our social impact activity.

Our Nationwide Fairer Futures social impact strategy

Through Fairer Futures, we are helping to tackle four of the biggest issues we see in society today – youth homelessness, families living in poverty, the challenges faced by those living with dementia, and those impacted by cancer. We have partnered with four charities: Centrepoin, Action for Children, Dementia UK and The Royal Marsden Cancer Charity, to help us make a meaningful difference.

Together with our charity partners, we have supported over 200,000 people since the launch of Fairer Futures in June 2024. This includes:

- Providing 4,700 young people experiencing homelessness with a safe space to rebuild their lives. Our funding enables Centrepoin to create and improve homes for young people to live independently, and to provide deposits to help them move from supported accommodation into the private rented sector.
- Helping 140,000 children and parents experiencing poverty and financial hardship. Our funding for Action for Children provided families with emergency funds for food, bills, clothing and other essentials, and we

funded Family Clubs in around 50 locations across the UK, providing families with help and advice.

- Supporting 55,000 people living with dementia and their carers. We are funding 30 Dementia UK Admiral Nurses, and have booked over 6,000 dementia clinics in around 250 of our branches, offering free, specialist support and advice to those impacted by dementia. This year, we also launched dementia training to our customer-facing colleagues.

In addition, our partnership with The Royal Marsden Cancer Charity is funding over 30 specialist research staff who work on around 120 clinical trials that aim to achieve breakthroughs in cancer treatment.

Our Fairer Futures activity is complemented by additional charitable activity delivered by our branches to support local causes in communities across the UK.

The Nationwide and Virgin Money Foundations

As part of our £21.8 million commitment, we donated £2.7 million to the Nationwide Foundation and £1.6 million to the Virgin Money Foundation, both of which are independent charities.

The Nationwide Foundation works to tackle the housing shortage. It funds on-the-ground advocacy work, groundbreaking research and innovation in housing, and convenes coalitions to campaign for change.

The Virgin Money Foundation supports positive lasting change in local communities. It currently funds local charities and schools to tackle digital poverty, and trains Virgin Money colleagues to volunteer as digital champions

with local organisations, to assist people in becoming more digitally confident.

More information can be found on their websites²⁸.

Financial and digital inclusion

We aim to remove the barriers that exclude people from accessing financial products and services. As well as activities supported by the Virgin Money Foundation, we provided digital lessons to more than 7,000 attendees, and distributed more than 3,000 free, data-loaded mobile SIM cards through our Virgin Money branches, enabling internet access for those impacted by data poverty.

We also assisted over 215,000 children in building financial confidence, through Money Lessons and our Make £5 Grow programme.

In addition, we became a funding partner to the Invest in Women Taskforce, committing to invest £25 million over a number of years, to support a more inclusive financial system, through helping female, and mixed gender-led businesses to secure the funding they need to grow and develop their businesses.

Supporting better mental health

This year, our colleagues raised over £400,000 for mental health charities Mind and SAMH, twice our ambition of £200,000.

Our climate-related ambitions

We are committed to a net-zero future and supporting the UK in achieving its ambition to be net zero by 2050. More information can be found in our Climate-related Financial Disclosures 2026²⁹.

²⁷ Our charitable commitment of at least 1% of pre-tax profits is based on average profits over the previous three years. Our commitment of £21.8 million included £12.3 million of charitable donations, £2.9 million to deliver charitable and community activity, and £2.3 million relating to operational costs to support such activity. It also included donations of £2.7 million to the Nationwide Foundation and £1.6 million to the Virgin Money Foundation.

²⁸ nationwidefoundation.org.uk and virginmoneyfoundation.org.uk

²⁹ nationwide.co.uk/investor-relations/#responsible-business

Simplify, integrate and grow

 Unlocking our combined potential as a Group, and **delivering more for customers, together.**

Our financial strength enables us to progress our strategy. Our financial performance in 2025/26 was strong; we delivered underlying profit before tax of £2,026 million (2025: £1,852 million) and statutory profit before tax of £1,490 million³⁰ (2025: £2,302 million). There were a number of significant one-off items that impacted statutory profit before tax in 2024/25, including the £2.3 billion gain on the acquisition of Virgin Money on 1 October 2024. More information can be found on page 33. Our leverage ratio and Common Equity Tier 1 (CET1) ratio were 5.3% (2025: 5.2%) and 19.1% (2025: 19.1%) respectively.

Modernising our systems and strengthening operational resilience

Our new systems and technology are transforming our business into a simpler, faster and more resilient organisation, that delivers more for customers through better experiences and outcomes, while future-proofing us for the long term.

Nationwide now operates a modern core banking platform, making us among the most modern, large-scale organisations in UK financial services. This year, we completed our multi-year migration of 18 million Nationwide-branded savings accounts from a legacy system onto our new, advanced platform.

We are also providing a more seamless payments experience for Nationwide customers, having implemented the UK's first dual-cloud payments system. All Faster Payments with Nationwide now run across two cloud platforms, reducing reliance on a single platform and ensuring we can provide a faster, more resilient and uninterrupted payments service for our customers.

Our modern banking platforms strengthen our digital

capabilities and are enabling us to deliver digital innovation quicker than ever before, to provide even better customer experiences. For example, we became the first UK lender to allow mortgage deeds to be signed electronically using a Qualified Electronic Signature, helping to speed up Nationwide's home buying process. We significantly reduced the time taken to process bereavements, and reformed our buy to let application process, approximately halving the application-to-offer period.

In addition, we upgraded the customer-facing system used by our Nationwide colleagues, helping us to serve customers more seamlessly across channels and delivering faster resolutions and better customer outcomes.

We continued to invest in making our business even safer and stronger, and Nationwide became the first organisation globally to adopt the Microsoft Sentinel data lake security platform. This further enhances the security of our systems and keeps our customers safer, by enabling us to more efficiently manage artificial intelligence (AI)-driven security threats across Nationwide.

Our technology transformation is allowing us to accelerate our AI capabilities in a responsible way, for the benefit of customers and colleagues. We already have an increasing number of AI-enabled processes live across the Group, including its use in fraud detection, supporting customer communications, quality assurance, banking app personalisation, Chatbot capability and creating real-time actionable insights that improve service, including reducing call wait times. We rolled out Microsoft Copilot to benefit colleagues, so we can work efficiently and improve our service for customers. Our modern foundations are also enabling us to accelerate AI adoption, for example in

automating workflow and implementing more automated, agentic AI solutions.

Progressing our integration plans

Following our acquisition of Virgin Money on 1 October 2024, last year we completed our strategic review of the Virgin Money business. We subsequently took steps to simplify the business, including moving to a single Group leadership and governance structure, and the sale of Virgin Money's investments and pensions subsidiary.

We completed the legal transfer of the majority of Virgin Money's business to Nationwide on 2 April 2026. This included the legal transfer of approximately 6.8 million customers.

As a result, Virgin Money customers with a personal current account, savings or mortgage became members of Nationwide on this date³¹. Eligible members will now qualify for member-exclusive products, and from 2027 they will qualify for the Fairer Share payment.

Our employees are now all employed by Nationwide Building Society, with a shared purpose and strategy, and a single set of HR policies, making how we run our business as a whole more consistent.

The completion of the transfer is allowing us to progress the integration of Virgin Money's systems and processes more safely and efficiently than would otherwise have been the case. We are preparing to commence customer migration to the Nationwide brand and aim to materially complete this between 2028 and 2029. This will further support our ambition to grow the combined Group over the coming years.

³⁰ The majority of the difference between underlying and statutory profit before tax relates to the Nationwide Fairer Share payment of £0.4 billion distributed in June 2025. More information can be found on page 33.

³¹ Further information on Virgin Money customers joining Nationwide as members is available at virginmoney.com/nationwide-membership/

Measuring our 2025/26 performance

Our key performance indicators are linked to each of our four strategic drivers and help us to track the effective delivery of our strategy. For 2025/26, the leverage ratio is reported on a Group basis, whilst all other measures are reported in relation to the Nationwide brand and products only. In 2026/27, we will update our key performance indicators, as appropriate, to more closely align with our Group strategic objectives as integration progresses.

Simply brilliant experience

Customer experience score

2026	89.9
2026 Target	89.2
2025	89.2
2024	89.0

Our customer experience score of 89.9 was above our target of 89.2³².

Customers were particularly satisfied with both the service received from colleagues in Nationwide's branches, and their experiences of using our mobile banking app. Enhancements made to our banking app through the year further supported their banking experience (see page 8).

More rewarding relationships

Engaged customers (millions)

2026	4.40
2026 Target	4.31
2025	4.11
2024	3.85

We had 4.40 million engaged customers³³, which was above our 4.31 million target for 2025/26.

Growth was underpinned by the strength of our competitive products and propositions, including our current account switching incentive and Flex Regular Saver, as well as our ISA products and competitive FlexStudent account.

Beacon for mutual good

Heard good things about (ranked position)

2026	1st
2026 Target	2nd
2025	1st
2024	1st

Nationwide ranked first among its peer group when rated by non-customers as to which brands they had 'heard good things about'³⁴. This was above our target of at least second place. We achieved our highest-ever lead among peers.

This was a reflection of our broader reputation and the positive impact we are making for customers, communities and society (see page 10). Our advertising campaigns and signature brand propositions such as our Fairer Share payments and Branch Promise have had a positive impact.

Simplify, integrate and grow

Leverage ratio (%)

2026	5.3%
2026 Regulatory requirement	4.3%
2025	5.2%
2024	6.5%

Our leverage ratio increased to 5.3% and remains above regulatory requirements.

Our leverage ratio demonstrates our financial strength and ability to withstand economic shocks. Our financial strength helps us to progress the delivery of our strategy. More information on the leverage ratio can be found on page 39.

³² Our customer experience score measure is based on the satisfaction score customers of Nationwide-branded products provided when they completed our survey after they interacted with us. The calculation weights the aggregated scores across channels (branches, telephone and digital channels (banking app, internet bank and webchat)) to reflect the way customers interact with us. The score is based on the 12 months ended 31 March 2026. Our customer experience score was revised to an index methodology for the 12 months ended 31 March 2026. Scores for prior years have been restated to allow for direct comparison.

³³ The engaged customers measure reflects the depth of active banking relationships with us, by reference to the number of customers who have a Nationwide-branded main personal current account, plus either at least £100 in Nationwide-branded personal savings, or a Nationwide-branded residential mortgage of at least £100.

³⁴ Based on a study conducted by an international market research company commissioned by Nationwide, which asks consumers: "Which of the brands have you heard good things about?". Respondents are asked to rate the Nationwide brand and its peer brands from a list. Performance is based on non-customer responses for the 12 months ended March 2026. Financial brands included are Nationwide, Barclays, Chase, Co-operative Bank, First Direct, Halifax, HSBC, Lloyds, Monzo, NatWest, Santander, Starling Bank, TSB and Virgin Money.

A focus on our colleagues

Delivering a consistent experience for colleagues

Last year, we developed a Group purpose, strategy and set of behaviours that all colleagues could unite behind, putting customers at the heart of everything we do. We are investing in our people and unlocking our combined potential in delivering against our Blueprint for a Modern Mutual.

On 2 April 2026, alongside the legal transfer of the majority of Virgin Money's business to Nationwide, all Virgin Money colleagues became employed by Nationwide – a significant cultural milestone which strengthens our collective identity.

We have already started to create a consistent colleague experience across the Group in consultation with our unions, including aligning our approach to performance management, variable pay, and terms and conditions. We also introduced a new reward and grading framework, all of which became effective from April 2026. These will be important steps in attracting and retaining our purpose-driven, high-performing talent. We will further build on this progress.

Investing in our people

Over 1,000 Nationwide people managers and senior leaders have completed our award-winning leadership programmes, which focus on building inclusive, high-performing teams and developing future-ready skills. From February 2026, we extended these programmes to include Virgin Money colleagues.

One of our programmes, the People Manager Programme, received the Princess Royal Training Award and the highest benchmark of City & Guilds ILM Assured status, testament to our investment in development programmes.

Developing our inclusive culture

We are committed to creating an inclusive culture where everyone can thrive and have fair access to opportunities. We also want our workforce to reflect better the diversity of our society. Having a diverse range of perspectives, skills and experiences helps us understand better our customers' needs and challenge assumptions, so we can design products that work for more people and deliver leading levels of service.

Over the year, we further embedded inclusive practices and initiatives into our colleague processes and experiences, including recruitment, onboarding, and performance and talent frameworks, and simplified our workplace adjustments process to better support colleagues to perform in their roles.

We continued to create access to opportunities through early careers, building a diverse pipeline for the future by expanding our internships, scholarships, and skills development programmes. Around 240 colleagues joined our early career programmes over the year, forming our largest ever intake.

Our policy is to ensure fair access to training, career development, and progression for all colleagues. We actively support disabled colleagues and colleagues with long-term conditions through workplace adjustments and inclusive policies, helping everyone to perform at their best. This includes making adjustments, wherever possible, or exploring suitable alternative roles to best support colleagues who become disabled during their employment with us. As part of our inclusive hiring practices, we provide prospective colleagues with access to adjustments and personalised support. We are recognised as a Disability Confident Leader by the Government's Department for Work and Pensions.

We work closely with our employee network groups to learn from lived experiences, build a supportive community and strengthen inclusion and belonging. We design our workplaces with accessibility in mind and continually listen to feedback to help make improvements in line with our ambition to be a truly inclusive employer.

Listening to our colleagues

In our latest colleague pulse survey³⁵, around 21,700 (81%) colleagues shared their thoughts and experiences on what it is like to work at Nationwide. Our Colleague Index, a measure of colleague sentiment, remains strong at 83%, outperforming the financial services benchmark by 8%. In our annual colleague culture survey³⁶, which takes a deeper look at how connected colleagues are to our purpose, 93% of colleagues were positive about Nationwide delivering good outcomes for customers, 7% higher than the benchmark for other financial services organisations.

35 Results reflect Colleague Pulse Survey in January 2026.

36 Results reflect Colleague Culture Survey in September 2025.

Our diversity measures

Our Board is committed to progressing our inclusion and diversity approach, and our senior leaders are also accountable for driving our inclusive culture.

In the coming year, we will set out a single Group inclusion and diversity strategy, unifying our shared commitment to creating a clear, consistent approach to building a fair and inclusive organisation. More information will be available in our Environmental, Social and Governance (ESG) Disclosures, to be published in July 2026. Our ESG Disclosures will also share progress against our Mutual Good Commitment diversity measures (more information on our Mutual Good Commitments can be found on page 21).

We also report on a set of statutory diversity metrics. These are shown in the table opposite and reflect the diversity of employees directly employed by the Group, based on headcount and not full-time equivalent (FTE) numbers.

Across these metrics, we have seen an increase in the proportion of ethnically diverse and disabled colleagues, while the representation of female colleagues has decreased when compared to 2025 data. We continue to implement a range of strategic actions to foster an inclusive culture and support diverse representation across our business.

Our latest gender and ethnicity pay gaps report can be found on our website³⁷.

	All employees	Senior managers (note i)
2026		
Gender (note ii)	58.6% 15,742 females	37.5% 51 females
Ethnicity (note iii, iv)	14.7%	6.6%
Disability (note iv, v)	9.1%	
2025		
Gender (note ii)	59.1% 15,460 females	41.9% 75 females
Ethnicity (note iii, iv)	13.6%	5.6%
Disability (note iv, v)	8.3%	

Notes

- i. Senior manager figures reflect the Companies Act definition of an employee who has responsibility for planning, directing or controlling the activities of an entity or a strategically important part of it, which includes our Executive Committees and their executive direct reports.
- ii. Gender – Figures reflect female representation. Gender is as recorded in our HR systems.
- iii. Ethnicity – Figures reflect Black, Asian, mixed and other. Excluded from the calculation are white majority and minority.
- iv. The percentage of colleagues meeting this diverse characteristic is based on their voluntary self-declaration recorded in our HR systems, which states that they consider themselves to belong to this characteristic.
- v. Disability – Figures reflect those identifying as disabled or as having a long-term health condition.

Section 172(1) statement

Section 172(1), Companies Act 2006

Pages 15 to 20 set out our Section 172(1) statement for the purposes of the Companies Act 2006, describing how the directors have regard to:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of our employees;
- (c) the need to foster the Group's business relationships with its suppliers, customers and others;
- (d) the impact of the Group's operations on the community and the environment;
- (e) the desirability of the Group maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly between the Group's members.

How does section 172(1) apply to the Board?

The Board is the ultimate decision-making authority of the Group. Our directors are subject to the requirements of the Companies Act in respect of Group entities, including Virgin Money UK PLC and Clydesdale Bank PLC, which are limited companies incorporated under the Companies Act. Although Nationwide, as a building society, is not subject to the Companies Act, the Board has always sought to apply its requirements to Group-wide matters where appropriate.

Who are our key stakeholders?

The Group's key stakeholder groups are its members and customers, colleagues, communities, regulators and policymakers, investors and ratings agencies, and suppliers.

Why does the Board consider stakeholders important?

The Board recognises the importance of listening to and engaging with our stakeholders to enhance its understanding of their views and interests. This supports the Board's discussions and decision making, and ensures that the business is operated in a balanced and responsible way. More information on the Board's engagement with stakeholders can be found on pages 16 to 18.

How are the impacts of key stakeholders considered in the boardroom?

The Board considers the need to uphold the highest standards of business conduct and carefully assesses how each of its decisions may affect the Group's key stakeholders – from our members and customers to our employees, wider communities and the environment. The importance of recognising and responding to the needs of our stakeholders at Board level is reflected in the terms of reference of the Board and its committees (available at [nationwide.co.uk](https://www.nationwide.co.uk)).

The Board's breadth of experience and diversity of backgrounds ensures that a wide range of stakeholder perspectives are considered. Board and committee meeting agendas are structured to encompass a comprehensive span of topics and stakeholder interests, while papers clearly outline how each matter under

consideration may impact stakeholders directly or indirectly. This enables well-informed decisions that reflect what our stakeholders value, as well as the standards that they expect from Nationwide.

Senior management supports the Board by assessing stakeholder implications in proposals and by providing the Board with details of stakeholder interactions.

What are principal decisions of the Board?

Principal Board decisions are those that carry significant strategic weight, shape the Group's operations or hold considerable importance for our key stakeholders.

Pages 19 to 20 set out how our directors approached two of the year's principal Board decisions, describing them in the context of the Group's strategy and highlighting which stakeholders were considered. This illustrates how each decision was made, and how it supports the long-term interests of the Group and its stakeholders.

For more information on:

- Board engagement with stakeholders, see pages 16 to 18.
- Principal decisions our Board have made and how stakeholders were considered and impacted, see pages 19 to 20.

How the Board engaged with stakeholders

Members and customers

Why the Board engages

As a mutual, we are here for our members and customers. Our customers include retail banking customers as well as our buy to let customers and business banking customers. The Board engages with members and customers to understand their needs, experiences and expectations, to assess whether good outcomes are being delivered, and to inform decisions on strategy, investment priorities and service delivery across the Group.

How the Board engaged

Board members engaged with customers through Closer to Customer focus groups, hearing directly from them on their priorities, experiences and challenges across a range of topics, to help inform future decision making. These included focus groups on supporting vulnerability, micro-businesses, and the differing needs of UK consumers across different regions. Board members also visited branches to strengthen their understanding of customer views and needs, and hear first-hand the important role our branches play in customers' lives.

The Board continued to review customer service and satisfaction data across the Group. In addition, the Board received an annual report on the embedding of the FCA's Consumer Duty to ensure good customer outcomes continued to be delivered.

Outcome of engagement and impact on Board decisions

The insights gathered through these engagements have helped guide strategic discussions, including on delivering excellent customer experience and better outcomes for customers. The Board endorsed the extension of the Branch Promise to 2030.

More information on how we support our members and customers more broadly can be found on pages 8 to 11.

Colleagues

Why the Board engages

Our colleagues are at the heart of serving our customers and delivering our strategy. The Board is committed to building a high-performing, customer-first, inclusive culture, where colleagues thrive and develop rewarding careers. The Board engages with colleagues to understand their views and experiences of working for Nationwide and where we can push for better.

How the Board engaged

The Board received regular updates on culture through the year, to ensure a strong understanding, particularly as the Group moves towards greater integration. This included updates on colleague sentiment and results of Group colleague surveys.

The Board also held townhall events and visited colleagues in Nationwide branches, to hear about the issues that matter to them. The Board also received updates from Tamara Rajah, the appointed non-executive director for Employee Voice.

Outcome of engagement and impact on Board decisions

The insights gathered through these engagements informed Board discussions on culture and integration. It also helped to make improvements that supported our colleagues and progressed the overall delivery of our strategy. The Board will continue to sponsor and monitor progress in all areas of our culture and integration in the coming year.

More information on how we support our colleagues can be found on page 13.

Communities

Why the Board engages

As a mutual, we aim to make a positive difference to communities and society as a whole. The Board engages with communities to understand where Nationwide can make the greatest positive impact, to oversee delivery of its social impact priorities, and to ensure that community investment supports Nationwide's purpose and long-term value creation.

How the Board engaged

Over the year, the Board received an annual update on our Fairer Futures social impact strategy. The Board met with chief executive officers and representatives of our four Fairer Futures charity partners: Centrepunt, Action for Children, Dementia UK and The Royal Marsden Cancer Charity, to build a deeper understanding of the issues they address and challenges they face. Board members also met with employees of Dementia UK and The Royal Marsden Cancer Charity, and with individuals the charities are supporting, to see first-hand the work being delivered and the impact that our funding is making. These visits to all charity partners will continue in the year ahead.

Outcome of engagement and impact on Board decisions

Engagement with our charity partners informed the Board's oversight of our Fairer Futures social impact strategy, including the focus, scale and effectiveness of Nationwide's community investment. These insights supported the Board's assessment of how Nationwide can best contribute to positive social outcomes, in line with its mutual purpose.

More information on how we have supported positive change in our communities can be found on page 10.

Regulators and policymakers

Why the Board engages

We aim for the highest possible standards of regulatory compliance to protect and enhance the integrity of the UK financial system and ensure good outcomes for our customers. Effective engagement with regulators and policymakers is important, as it enables us to understand and engage on regulatory priorities and developments, provide appropriate and constructive input, and influence them on behalf of Nationwide and our customers.

How the Board engaged

Board members attended regular meetings with regulators, including to provide insight and discuss Board oversight of the integration of Virgin Money and the Part VII legal transfer of the majority of Virgin Money's business to Nationwide. Regulators also attended Board meetings to present on key topics, supporting open and constructive engagement and a shared understanding of priorities. The Board received regular updates on the broader regulatory and political engagement, including on how developments in the UK regulatory and political environment might impact our business. This included updates on our involvement in securing a regulatory change to support more first time buyers, alongside engagement on growing the mutual and cooperative sector, secondary legislation to modernise the Building Societies Act and Cash ISA reform. It also included updates on business banking, tax matters and our engagement with HMRC, tackling fraud, and supporting greater financial and digital inclusion. The Board was also informed about local MP visits held at around 150 of our branches.

Outcome of engagement and impact on Board decisions

Engagement with regulators and policymakers informed the Board's oversight of regulatory activities and helped shape the Board's consideration of strategic priorities. The Board continues to oversee regulatory engagement to ensure strong relationships, effective compliance and alignment with Nationwide's mutual purpose and long-term strategy.

Investors and rating agencies

Why the Board engages

Wholesale funding investors support us in meeting funding and capital requirements. They are interested in a wide range of topics, including our financial performance, strategic direction and sustainability practices, which we cover within our external Group disclosures and through direct engagement as part of our investor relations programme. We also seek to maintain our strong credit and ESG ratings, to aid investors' understanding of our financial strength and sustainability approach.

How the Board engaged

On behalf of the Board, the Group Chief Executive Officer and Group Chief Financial Officer engage directly with investors following our financial results announcements. These engagements provide opportunities to discuss Nationwide's performance, strategic priorities, funding and capital position, and approach to sustainability.

Outcome of engagement and impact on Board decisions

Feedback from investors and rating agencies informs the Board's understanding of market perceptions of Nationwide's strategy, performance and risk profile. This insight helps to inform our approach to external messaging and our approach to engagement.

Suppliers

Why the Board engages

The Board recognises the important role suppliers play in the management of our business and the key services they deliver to our members and customers.

How the Board engaged

The Board sets the Group's third party risk appetite, which is articulated within our third party risk policy. This policy governs end-to-end supply chain processes, including controls and the monitoring of supplier performance, to ensure that, at all times, our business is operating in accordance with Board risk appetite and regulatory expectations.

The Board Risk Committee, under delegated authority from the Board, received its annual third party management update, as well as additional updates through the year on operational resilience in the supply chain, including scenario planning against a range of risks. The Board also received regular updates on key strategic programmes, which included supplier dependencies and deliverables. Some of our suppliers provided dedicated training sessions to the Board on topics within their subject matter expertise, such as artificial intelligence.

Outcome of engagement and impact on Board decisions

Insights from supply chain updates supported Board consideration of operational resilience and strategic delivery, while supplier 'teach in' sessions also supported strategic discussions.

Board decisions

Executing the Part VII transfer of the business from Clydesdale Bank PLC to Nationwide Building Society

What was the background?

On 1 October 2024, the Society completed its acquisition of Virgin Money. Following discussions with management, the Board agreed that transferring substantially all of the assets and liabilities from Virgin Money's main operating subsidiary, Clydesdale Bank PLC (Clydesdale), to the Society would be the safest and most efficient way to support the future integration of the two businesses. This transfer would be completed by way of a banking business transfer scheme (Scheme) under Part VII of the Financial Services and Markets Act 2000 (Part VII transfer), which is a legal mechanism effected by way of court order.

What was the Board's role?

In March 2025, the Board approved the initial strategic plan for the transfer, with day-to-day decisions relating to the integration delegated to executive management. In addition, the Board approved key items required to effect the transfer, including the Society's membership eligibility criteria and documents submitted to the High Court. The Board oversaw the execution of the Part VII transfer up to the date that the transfer took effect on 2 April 2026 (Scheme Effective Date), receiving progress updates at key milestones and challenging management's readiness. This included consideration of the Group's liquidity and capital position following the Part VII transfer. The Board monitored risks arising from the Part VII transfer, supported by assurance from the Group's Risk and Internal Audit functions, ensuring that appropriate mitigations were in place.

How did the directors apply the principles of section 172 and consider stakeholders?

The Board balanced the Group's strategic objectives against regulatory requirements and the need to treat the Group's stakeholders fairly, particularly our members and customers. The impact of the Part VII transfer on the Group's stakeholders was therefore at the forefront of all Board discussions. Throughout this process, the Board monitored feedback received from stakeholders, including any objections to the transfer and complaints raised by the Group's members and customers.

The Board reviewed feedback from the FCA and PRA on the planned Part VII transfer, which played a central role in informing and shaping the approach.

Particular focus was given to the impact on customers who would transfer to the Society on the Scheme Effective Date. The Board considered the implications for transferring customers' contractual rights and servicing arrangements. The Board ensured appropriate support mechanisms were in place, such as dedicated helplines and proactive outreach for vulnerable customers.

The Board also considered the impact that the transfer would have on the Financial Services Compensation Scheme (FSCS) deposit protection limits for customers holding deposits with both Nationwide and Virgin Money.

The Board scrutinised and shaped the Society's membership eligibility criteria for transferring customers. After reflecting on a number of challenges raised by

the Board, particularly in relation to business banking customers, management presented a revised proposal which, after due consideration, the Board approved.

Supplier and third-party impacts were considered, with updates provided to the Board on contract novation processes. The Board also considered implications for the Group's debt investors.

What were the actions and outcomes?

On 23 February 2026, the High Court sanctioned the Scheme, and the Part VII transfer of the majority of Clydesdale's business to the Society took effect on 2 April 2026. The only substantial business remaining within Clydesdale is its banknote issuance business.

Which stakeholders were considered?

-  **Members and customers**
-  **Colleagues**
-  **Regulators and government**
-  **Investors and rating agencies**
-  **Suppliers**
-  **Communities**

Approval of the expansion of Nationwide's higher loan-to-income lending

What was the background?

Nationwide had been exploring ways to further support first time buyers. Earlier Board discussions highlighted that the regulatory cap on high loan-to-income (LTI) mortgage lending limited Nationwide's ability to help higher numbers of creditworthy first time buyers.

In July 2025, the PRA announced a review of its high LTI lending limit and temporarily allowed firms to disapply the existing 15% cap on high LTI mortgage lending. This created an opportunity for the Board to reassess Nationwide's approach and consider whether expanding its high LTI lending capacity would support more first time buyers through our Helping Hand proposition and increase access to the UK housing market.

What was the Board's role?

Following the PRA's announcement, the Group's Chief Risk Officer and Director of Mortgages presented a proposal to the Board in July 2025, to increase Nationwide's Board Risk Appetite limits for new high LTI mortgage lending. The Board considered the proposal and was guided by recommendations made by the Group Executive Risk Committee.

How did the directors apply the principles of section 172 and consider stakeholders?

The Board considered stakeholders who may be affected directly or indirectly by the proposed increase in high LTI mortgage lending, weighing affordability and responsible lending standards against the benefits of enabling greater access to homeownership for our members and customers.

Risks considered by the Board included potential impacts for both Nationwide and its members in relation to default and possession rates.

Management presented a real-life customer case study to the Board, to show the practical implications of our lending policy, focusing particularly on key workers and first time buyers facing barriers in accessing homeownership due to income and deposit constraints.

The Board also considered the impacts on Nationwide's existing borrowers, whose loan affordability could be impacted by shifts in our lending thresholds and criteria.

Consideration was given to the Group's members and customers more generally, whose collective interest lies in the continued financial soundness and robust risk management of the Group.

The potential impacts on colleagues were also factored into the Board's decision making, particularly our risk management and underwriting teams who are responsible for implementing and monitoring new lending policies.

The Board also had regard to the interests of our regulators, whose responsible lending and affordability frameworks set the parameters of the Board's risk appetite and compliance obligations. Potential impacts on wider communities and the UK housing market, both of which could be affected by the availability of mortgage finance and broader access to homeownership, were also considered.

What were the actions and outcomes?

Following Board approval, an application was made to the PRA to increase Nationwide's high LTI lending capacity.

In July 2025, the eligibility criteria for Nationwide's Helping Hand proposition, including our minimum income thresholds, were amended, supporting more first time buyers in accessing the UK housing market.

In January 2026, Nationwide announced a further extension of its high LTI proposition to support a wider range of borrowers, including home movers and existing members seeking to remortgage.

Which stakeholders were considered?

-  **Members and customers**
-  **Colleagues**
-  **Regulators and government**
-  **Communities**

Our Mutual Good Commitments

Aligned with our mutual purpose, we are committed to doing business in a way that positively impacts our customers, colleagues, communities and society as a whole. Our environmental, social and governance (ESG) ambitions are embedded within our strategy and articulated through a set of five Mutual Good Commitments. These are focused in areas where we believe we can make the most significant, positive impacts and are shown below. More information on these, and the targets that underpin them, can be found in our ESG Disclosures 2026, to be published in July 2026.

The strategic drivers that our Mutual Good Commitments sit within

 **Simply brilliant experience**  **More rewarding relationships**  **Beacon for mutual good**

Our Mutual Good Commitments

<p>1. We will offer customers a choice in how they bank with us, and support their financial resilience.</p>	<p>2. We will help more people into safe and secure homes, both our customers who have relationships with us and more broadly.</p>	<p>3. We will make a positive difference for our customers, communities and society as a whole.</p>	<p>4. We aim to build a more sustainable world by supporting progress towards a greener society.</p>	<p>5. We will enhance our performance by better reflecting the diversity of our society.</p>
<p>We seek to support our customers in building their financial resilience and recognise the financial security this can bring them in the longer-term.</p> <p>We support them in developing good savings habits and helping them become more financially confident in managing their money.</p> <p>We are committed to supporting financial inclusion and the financial wellbeing of all our customers, including those in vulnerable circumstances, and we have a range of initiatives in place to achieve this.</p>	<p>As the second largest mortgage provider in the UK, we are uniquely placed to drive positive change and help people into safe and secure homes.</p> <p>We help all our mortgage customers, but provide targeted support to:</p> <ul style="list-style-type: none"> • Help first time buyers into homes • Enable quality homes for those who rent • Enable the provision of affordable housing through our lending to the social housing sector. 	<p>We commit at least 1% of pre-tax profits each year to charitable activities.</p> <p>We also aim to drive positive change through leveraging our scale, influence and mutual values.</p>	<p>We are committed to a net-zero future. We aim to:</p> <ul style="list-style-type: none"> • Support the UK in achieving its ambition to be net zero by 2050. • Deliver against our purpose-led climate change strategy. 	<p>We are dedicated to building an inclusive modern mutual, that better reflects the diversity of the communities that we serve and represent, and enables our colleagues to thrive and reach their full potential.</p>

Non-financial and sustainability information statement

This statement provides an overview of topics and related reporting references as required by Sections 414CA and 414CB of the Companies Act 2006. Although, as a building society, we are not required to follow the Act, we aim to apply its requirements where appropriate. Non-financial and sustainability (environmental, social and governance) information is integrated across the Strategic report (as cross-referenced in the table below to avoid duplication) and within other publications, also listed below.

Reporting requirements	Section of Annual Report and Accounts	Page
Business model	We are a modern mutual banking provider	5
Key performance indicators	Measuring our 2025/26 performance	12
Governance	Governance	40
Stakeholders	Section 172(1) statement	15
Social matters	Our Mutual Good Commitments	21
Key risks and their management	Risk overview	26
Colleagues	Our policies ensure consistent governance in respect of our colleagues, environmental matters, human rights, economic crime and anti-corruption. Our key policies and statements of intent are set out on our Responsible Business webpages at nationwide.co.uk . For Virgin Money, these can be found on our ESG hub at virginmoneyukplc.com .	
Environmental matters		
Human rights		
Economic crime and anti-corruption		For more information on how we support our colleagues more generally, see page 13.

For further information on non-financial and sustainability matters, please see our separate reporting on nationwide.co.uk:

- ESG Disclosures
- Climate-related Financial Disclosures
- Principles for Responsible Banking report
- Modern slavery statement
- Responsible business webpages (for information on our ESG policies and statements)

Climate-related financial disclosure

Our full Climate-related Financial Disclosures 2026 can be found at [nationwide.co.uk](https://www.nationwide.co.uk)

Climate consciousness is core to our strategy and aligns to our mutual purpose of **Banking – but fairer, more rewarding and for the good of society**. This compels us to take meaningful action by limiting the environmental impact of our business operations, helping customers to decarbonise their homes and businesses, and managing better the impacts of a more unpredictable climate. Climate change continues to present a risk to Nationwide and its customers, so managing the risk from climate change, and aiming to build a more sustainable world by supporting progress towards a greener society, is core to being a responsible business.

Nationwide produces its disclosures in line with the Task Force on Climate-related Financial Disclosures' (TCFD's) recommendations¹. Nationwide's Climate-related Financial Disclosures 2026 are published alongside its financial results on [nationwide.co.uk](https://www.nationwide.co.uk) as a standalone document. This enables the Nationwide Group to provide comprehensive climate-related disclosures, in an easily accessible format, for all interested stakeholders. The table below outlines how we have aligned to the four categories of the TCFD recommendations (Strategy, Risk management, Governance, and Metrics and targets) and recommended disclosures. This is aligned with the Financial Conduct Authority's Listing Rules 6.6.6R(8). Across these categories are 11 sub-category headings which we have used to present our activities for this year. We provide relevant information in relation to section 414CB of the Companies Act where deemed appropriate across our separate Climate-related Financial Disclosures 2026 and within the summary tables below. Page number references have been provided to indicate where additional detail can be found in our full Climate-related Financial Disclosures 2026.

Strategy – the actual and potential impacts of climate-related risks and opportunities on us, our strategy, and financial planning	
The climate-related risks and opportunities we have identified over the short, medium, and long term	Disclosure reference
<ul style="list-style-type: none"> Climate-related physical and transition risks are managed through our Group Risk Management Framework (GRMF) over short, medium, and long term time horizons, and we continue to identify climate-related opportunities across our business. We published a research paper² on the impact that Energy Performance Certificates (EPCs) have on UK house prices. Our analysis suggests that buy to let borrowers place greater value on higher energy efficient properties than owner-occupiers. We also enhanced our Sustainable Business Coach proposition to better support business customers in understanding their approach to climate risk, and we launched Rapid, a farmland carbon measurement tool. 	Pages 5-6, 11, 16
The impact of climate-related risks and opportunities on our businesses, strategy, and financial planning	Disclosure reference
<ul style="list-style-type: none"> We consider climate-related impacts, risks and opportunities and continue to embed climate change into our strategic and financial planning processes. Climate-related physical and transition risks are considered in our creditworthiness assessments of our mortgages and business lending portfolios. 	Pages 11-12, 16-17
The resilience of our strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Disclosure reference
<ul style="list-style-type: none"> Our scenario analysis activity, including assessment of a 2°C or lower scenario, supports our understanding of the impacts of climate change on our residential mortgages, registered social landlords, and business lending portfolios. As part of our Internal Capital Adequacy Assessment Process (ICAAP), and in line with regulatory guidance, we assessed our business lending portfolio under two 25-year climate scenarios representing physical and transition risks. 	Pages 12-13

¹ Nationwide follows the TCFD's Annex: Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (October 2021).

² [The Mortgage Works Private Rental Energy Performance Report.](#)

Our full Climate-related Financial Disclosures 2026 can be found at [nationwide.co.uk](https://www.nationwide.co.uk)

Risk management – our processes for identifying, assessing and managing climate-related risks	
Our processes for identifying and assessing climate-related risks	Disclosure reference
<ul style="list-style-type: none"> We extended our process for identifying and assessing potential inbound and outbound impacts of climate-related risks across short, medium, and long term time horizons. 	Pages 11, 16-19
Our processes for managing climate-related risks	Disclosure reference
<ul style="list-style-type: none"> We reviewed our climate change risk management capabilities in the context of the PRA's Supervisory Statement 5/25 (SS5/25), and identified opportunities to further enhance our approach to managing climate-related risks. 	Page 14
How our processes for identifying, assessing, and managing climate-related risks are integrated into our overall risk management	Disclosure reference
<ul style="list-style-type: none"> Climate is considered as a cause to our principal risks. We continue to identify, assess and manage climate-related risks in our GRMF and we updated our Climate and Nature Risk Standard to reflect this approach. 	Pages 14-19
Governance – the organisation's governance around climate-related risks and opportunities	
The Board's oversight of climate-related risks and opportunities	Disclosure reference
<ul style="list-style-type: none"> Our climate change governance model provides clear oversight and management of climate-related issues. Our Board has ultimate accountability for all climate-related matters and sets strategic direction for our climate change ambitions. Our Board-level committees engaged on climate-related matters, including Audit Committee reviewing and endorsing our Climate-related Financial Disclosures 2026, and Board Risk Committee reviewing how we have considered climate change within the ICAAP. 	Pages 20-21
Describe management's role in assessing and managing climate-related risks and opportunities	Disclosure reference
<ul style="list-style-type: none"> Climate-related Senior Managers Regime (SMR) accountabilities sit with our Group CEO. This year, our executive management and operational-level committees engaged regularly on climate change, including discussing the regulatory and policy landscape (such as the requirements under SS5/25). 	Pages 20-21
Metrics and targets – disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	
The metrics used by us to assess climate-related risks and opportunities in line with our strategy and risk management process	Disclosure reference
<ul style="list-style-type: none"> Our climate change management information (MI) continues to be discussed in our executive management-level and operational-level committees, to support better decision making. This year, we incorporated further metrics, such as waste and water usage data, into our MI dashboard. We also continue to monitor climate-related physical and transition risk metrics, including the flood risk exposure and EPC composition, of our mortgage book. 	Pages 21, 31-34
Our scope 1, 2, and 3 greenhouse gas (GHG) emissions and targets, and the related risks	Disclosure reference
<ul style="list-style-type: none"> We continue to disclose our scope 1, 2, and 3 emissions in line with the Government's Streamlined Energy and Carbon Reporting regulatory requirements. Our emissions data continues to help track progress towards our intermediate (by 2030) science-based targets and Transition Plan. 	Pages 29-30
The targets used by us to manage climate-related risks and opportunities, and performance against these targets	Disclosure reference
<ul style="list-style-type: none"> Our Mutual Good Commitment – we aim to build a more sustainable world by supporting progress towards a greener society – is supported by our scope 1, 2, and 3 intermediate (by 2030) science-based targets. We continue to track ahead of our scope 1 and 2 intermediate (by 2030) science-based targets. We continue to remove gas from our branch network and data centres, and source 100% renewable electricity. Our downstream scope 3 intermediate (by 2030) target for mortgages is not achievable, and our business lending targets face similar challenges. These arise from insufficient decarbonisation progress across sectors and continued reliance on Government policy intervention. 	Pages 22-27

Our carbon emissions data

We voluntarily report on our scope 1, 2, and 3 emissions, associated with our targets, in line with the Streamlined Energy and Carbon Reporting requirements. Data for 2025/26 is as at 31 December 2025. More information on our emissions (including reporting dates for current, prior and baseline year, and any restatements), methodology used, energy efficiency action taken, and progress towards our intermediate (by 2030) science-based emissions targets, can be found in our Climate-related Financial Disclosures 2026, and Basis of Reporting 2026. We appointed Ernst and Young LLP (EY) to provide limited independent assurance over selected KPIs within our scope 1, 2, and 3 carbon emissions disclosures for the year ended 31 March 2026. Assured metrics and KPIs are indicated throughout. The assurance engagement was planned and performed in accordance with the International Standard for Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and International Standard on Assurance Engagements 3410 (ISAE 3410). A limited assurance report was issued and is available on our website. This report includes details of the scope, respective responsibilities, work performed, limitations and conclusion.

Scope 1 and 2 emissions in tonnes of carbon dioxide per year (tCO ₂ e/y) ³	2025/26	2024/25	(Baseline) 2021/22
Scope 1 – energy and travel ^{EY}	2,763	3,128	5,673
Scope 2 – electricity ^{EY}	14,353	18,165	21,098
Total gross scope 1 and 2 emissions	17,116	21,293	26,771
Absolute carbon outturn	2,763	3,128	5,673
Total carbon dioxide in tonnes per full time employee (FTE)	0.10	0.15	0.28
Total energy usage – electricity and gas (MWh)	95,536	103,839	131,159
Scope 3 upstream emissions (tCO ₂ e/y) ⁴	2025/26	2024/25	(Baseline) 2021/22
Total upstream scope 3 carbon dioxide emissions (categories 1, 2, and 4) ^{EY}	266,000	275,500	345,500
Scope 3 downstream emissions (tCO ₂ e/y)	2025/26	2024/25	(Baseline) 2021/22
Mortgages LTV weighted carbon emissions ⁵ ^{EY}	3,035,000	3,158,000	3,411,000
Mortgages LTV weighted carbon intensity ⁵ (kgCO ₂ e/m ² /y)	17.67	17.99	18.57
Registered social landlord LTV weighted carbon emissions ⁵ ^{EY}	203,000	204,000	346,000
Registered social landlord LTV weighted carbon intensity ⁵ (kgCO ₂ e/m ² /y)	21.93	21.51	22.36
Shipping LTV weighted carbon emissions ⁵ ^{EY}	31,000	38,000	53,000
Shipping economic LTV weighted carbon intensity ⁵ (tCO ₂ e/y/£m lent)	279	280	378
Oil and gas LTV weighted carbon emissions ⁵ ^{EY}	4,100	5,900	4,100
Oil and gas economic LTV weighted carbon intensity ⁵ (tCO ₂ e/y/£m lent)	34	43	53
Commercial real estate LTV weighted carbon emissions	19,000	23,000	96,000
Commercial real estate LTV weighted carbon intensity (kgCO ₂ e/m ² /y)	25.03	23.87	46.39

3 Prior year and baseline figures for scope 1 and 2 emissions are presented for comparative purposes. Please refer to our 2025 Climate-Related Financial Disclosures for details of the applicable 12-month reporting period in which emissions were calculated.

4 Prior year and baseline figures for upstream scope 3 emissions have been restated (to align to current year methodology), and are presented for comparative purposes. Please refer to our 2025 Climate-Related Financial Disclosures for details of the applicable 12-month reporting period in which emissions were calculated.

5 Prior year and baseline scope 3 financed emissions for shipping and oil and gas have been restated due to methodology changes and the application of Comprehensive Environmental Data Archive (CEDA) emissions factors in line with Partnership for Carbon Accounting Financials (PCAF) guidance. Prior year and baseline scope 3 financed emissions for mortgages have been restated due to alignment of emissions at Group level. Prior year scope 3 financed emissions for registered social landlords have been restated due to ongoing review of our calculation methodology.

^{EY} 2025/26 values are subject to independent limited assurance by EY. Further information is available in our [Climate-related Financial Disclosures: Basis of Reporting 2026](#), and in [EY's limited assurance report 2026](#). Please refer to the report for full details of scope.

Risk overview

The Board recognises that effective risk management is essential to the Group's ongoing strength and the delivery of its strategic objectives. We adopt a prudent approach to risk management, keeping our customers' money safe and secure. We ensure that the risks we take in support of our strategy are understood and managed through a consistent approach.

Risks are managed appropriately across the Group, with no material deficiencies. The Group maintains a strong financial position and remains comfortably above regulatory and internal minima for all key measures of capital and liquidity.

How risk is managed across the Group

The Group operates a Group Risk Management Framework (GRMF), ensuring that risks are managed consistently and effectively. The framework defines how risks are managed and sets out the risk management responsibilities of colleagues within an industry-standard three lines of defence model. This ensures that all risks are appropriately identified, assessed, managed, monitored, and reported. This is supplemented by a governance framework which supports the Board in ensuring risks are managed consistently, with appropriate escalation routes in place.

The Board sets the Group's risk appetite, defining the acceptable levels of risk to take in pursuit of its objectives. The Board and management receive regular risk profile reporting, including key risk metrics, to monitor the position relative to the Group's risk appetite. We also continuously review risks to which the Group is exposed and strengthen both the framework and the controls we rely upon to mitigate these risks. Further information on how risk is managed across the Group can be found in the Managing risk section of the Risk report on page 94.

Independent oversight and challenge of risk management practices is provided by the risk function, led by the Group Chief Risk Officer. The Group Internal Audit function provides assurance of the effectiveness of the control environment to the Board.

Principal risks and uncertainties

The Board is responsible for ensuring appropriate management of the principal risks to which the Group is exposed. These risks encompass all the different types of risk which are relevant to the Group's business and the achievement of its strategic objectives. Further information on these risks can be found in the Risk report as indicated below.

Principal risk	Key developments	Further detail
Credit risk – The risk of loss as a result of a customer or counterparty failing to meet their financial obligations.	The Group's credit risk remained stable throughout the period with key credit indicators proving resilient during a period where lending balances increased and the UK economy remained subdued. Impairment provisions rose modestly to £1,335 million (2025: £1,288 million). The provisions held reflect affordability and valuation risks, with continued close monitoring of emerging customer stress.	Page 98
Liquidity and funding risk – Liquidity risk is the risk that the Group is unable to meet its liabilities as they fall due and maintain member and other stakeholder confidence. Funding risk is the risk that the Group is unable to maintain diverse funding sources in wholesale and retail markets and manage retail funding risk that can arise from excessive concentrations of higher risk deposits.	The Group's liquidity and funding position remains strong, with a Liquidity Coverage Ratio of 169% (2025: 174%) and a Net Stable Funding Ratio of 143% (2025: 147%).	Page 140

Principal risk	Key developments	Further detail
Capital risk – The risk that the Group fails to maintain sufficient capital to absorb losses throughout a full economic cycle and sufficient to maintain the confidence of current and prospective investors, members, the Board, and regulators.	The Group's capital resources remained comfortably above both regulatory and internal minima throughout the year. At 31 March 2026 the Group's Common Equity Tier 1 (CET1) ratio was 19.1% (2025: 19.1%) and the Group's leverage ratio was 5.3% (2025: 5.2%).	Page 154
Market risk – The risk that the net value of, or net income arising from, the Group's assets and liabilities is impacted as a result of market price or rate changes. The Group does not have a trading book; therefore, market risk only arises in the banking book.	Market risk continues to be managed prudently, resulting in a low level of exposure to interest rate risk.	Page 160
Pension risk – The risk that the value of the pension scheme assets will be insufficient to meet the estimated liabilities, creating a pension deficit.	The Group's pension schemes remain well funded, and no employer deficit contributions were required or scheduled for the year.	Page 166
Business risk – The risk that volumes decline, margins shrink, or losses increase relative to the cost or capital base, affecting the sustainability of the business and the ability to deliver the strategy due to external (macroeconomic, geopolitical, industry, regulatory, technological, or other external events) or internal factors (including the development and execution of the strategy).	The Group's strategy appropriately reflects and mitigates the risks in the external environment. The Group continues to focus on efficiency, simplicity, and attractive customer offerings to maintain sustainable and compelling propositions in all its core target markets.	Page 168
Operational and conduct risk – The risk of impacts resulting from inadequate or failed internal processes, conduct and compliance management, people and systems, or from external events. Significant operational and conduct risks include technology risk, security risk (including cyber), data risk, economic crime risk and regulatory risk.	The Group has continued to invest in and mature its operational and conduct risk management throughout the year. Significant progress has been made to align and enhance economic crime, cyber defence, conduct and technology risk management processes and capabilities across the Group.	Page 169
Model risk – The risk of adverse consequences from model errors or the inappropriate use of modelled outputs to inform business decisions. Model outputs may be affected by the quality of data inputs, suitability of methodology, or the integrity of implementation. This could lead to adverse consequences including financial loss, poor business decision-making, detrimental impact on customers, or damage to the Group's reputation.	The Group has strengthened management of model risk, including establishing a single Board-approved risk appetite and policy and forming the Group Model Risk Committee. The Group also continued to develop its governance and risk frameworks for the responsible use of artificial intelligence (AI) within risk appetite.	Page 172

Top and emerging risks

Top and emerging risks are specific risks which have the potential to materially impact the Group's financial results and delivery of its strategic objectives and often impact across several principal risks. The most significant of these are described below, together with a summary of actions we are taking to reduce the risk, and the principal risks which are most likely to be impacted.

Risk	How we mitigate this risk	Related principal risks
<p>Macroeconomic and geopolitical environment ↗ The Group is inherently exposed to fluctuations in UK and global economic conditions. The geopolitical environment remains volatile, with ongoing global conflicts and a range of global tensions exacerbating the uncertainty in the economic environment, leading to slower growth.</p>	<ul style="list-style-type: none"> • We maintain strong capital and liquidity levels in excess of regulatory minima. We conduct internal and regulatory stress tests to ensure we remain resilient under a range of severe but plausible scenarios and economic outcomes. • We continuously review our credit and provisioning policies, ensuring they remain appropriate for the prevailing economic conditions. We also provide support to customers in financial difficulty. • We only have exposures to highly rated banking counterparties; these consist primarily of fully collateralised derivatives and covered bonds for liquidity management. • Our retail lending is restricted to the UK and we actively control our credit exposures to mitigate the risks arising from geopolitical events. Our business lending is primarily to UK-domiciled corporate clients, some of which are owned by international companies and funds. 	<ul style="list-style-type: none"> • Credit risk • Capital risk • Liquidity and funding risk • Business risk
<p>Technology and resilience → The technology environment is becoming more complex and is evolving rapidly, while supply-chain concentration increases our dependence on a small number of providers. At the same time, rising expectations for service availability amplify the potential impact of outages and system failures, including those caused by third-party disruption.</p>	<ul style="list-style-type: none"> • We continue to test our ability to recover from technology disruption in severe but plausible scenarios to provide resilience assurance and to identify areas for potential resilience enhancement. • The Group devotes significant resource to third-party risk management and runs a programme of stressed-exit and contingency plan testing for our most critical third-party arrangements. 	<ul style="list-style-type: none"> • Operational and conduct risk
<p>Cyber → Cyber attacks are constantly evolving, becoming more sophisticated and seeking new potential weaknesses. Given ongoing geopolitical tension, the threat of external parties exploiting cyber security vulnerabilities to gain access to data, systems, or assets, to disrupt services, or to otherwise affect the Group, our staff, and our customers, remains a key focus.</p>	<ul style="list-style-type: none"> • We continuously monitor the cyber threat level and work with partners across the industry and in law enforcement. • We continue to invest in and enhance our cyber capabilities to ensure our cyber defences remain appropriate. 	<ul style="list-style-type: none"> • Operational and conduct risk
<p>Integration risk ↘ Following the acquisition of Virgin Money, the focus is now on integrating the activities of the Virgin Money business into Nationwide; resulting in significant process and technology changes. This increases the Group's exposure to a range of risks including conduct risks, technological risks, change execution risk, people risk, reputational risks and strategy execution risk.</p>	<ul style="list-style-type: none"> • We successfully completed the Part VII legal transfer of Clydesdale Bank's main trading activities into Nationwide and an Integration Management Office is in place to oversee the delivery of a conservative integration strategy. • Risk assessments have been completed on the major in-flight integration activities. Mitigating actions and plans are being progressed to manage the identified risks. The evolving integration landscape will be continually monitored and tracked with support from the second line Risk Oversight function. 	<ul style="list-style-type: none"> • Operational and conduct risk
<p>Climate change → The Group is exposed to both physical risks arising from climate change (such as damage to UK housing stock and commercial property) and transitional risks (such as lower economic growth and government policy impacts on property values) as the country moves towards net-zero emissions. These threats continue to evolve as government policy develops, green technologies mature and as climate change risks crystallise.</p>	<ul style="list-style-type: none"> • We invest in sustainable business practices and proactively review lending criteria to limit the impact our activities, including business lending, have on climate change and to mitigate potential credit risk. • We continue to develop our processes to reflect potential changes in macroeconomic conditions and the housing market as we transition to a low-carbon economy, and we have completed stress testing for climate change. 	<ul style="list-style-type: none"> • Credit risk • Operational and conduct risk • Business risk • Liquidity and funding risk
<p>Emergent technologies → The emergence of viable artificial intelligence (AI), as well as the continued development of quantum computing and crypto-currency technologies, creates new risks and opportunities as they are adopted internally, across the industry and potentially by malicious organisations or individuals.</p>	<ul style="list-style-type: none"> • We only use AI for specific activities which are subject to robust control and oversight, including human intervention where required. • We continually develop and refine our control framework for advanced and emerging technologies. We monitor the external environment for developments in industry best practice, and for potential impacts on businesses we lend to. 	<ul style="list-style-type: none"> • Operational and conduct risk • Model risk

Key (change in underlying risk to the Group in the year)

↗ Increased level of risk → Stable level of risk ↘ Decreased level of risk

Viability statement

The directors have an obligation to confirm that they believe that the Group will be able to continue in operation and to meet its liabilities as they fall due. This viability statement considers the Group's current financial and strategic position which, together with the potential impact of its principal risks, is used to present the directors' assessment of the Group's prospects over an appropriate period.

Assessment of viability

In addition to taking a 12-month view of whether the Group remains a going concern, the directors have considered the viability of the Group over a three-year period. The three-year period is within the timeframe of the Group's profitability projections and stress tests, which are typically considered across a five-year horizon, providing a reasonable expectation of continued operations and the ability to meet liabilities as they fall due. While it is always difficult to predict the future path of the UK or the wider global economy with precision, the three-year period strikes an appropriate balance between assessing likely outcomes using the information currently available and recognising the increased uncertainty over a longer period.

In making their assessment, the directors have reviewed the strategic plan and the strength of the Group's current financial position, together with the potential impact of key risks as part of stress testing activity. This assessment includes consideration of the principal risks and top and emerging risks outlined in the Risk overview on pages 26 to 28.

Consideration of key risks

The Board is responsible for identifying and assessing the risks to which the Group is exposed. The principal risks are explored within the annual financial planning and stress testing framework to support the Board's understanding of how exposure to these risks evolves over time. This is further enhanced, where appropriate, through the layering of top and emerging risks to deepen understanding of how they could interact with principal risks. Top and emerging risks that have the potential to materially impact the Group's financial results and are considered more relevant to Nationwide's strategy include:

- **Macroeconomic and geopolitical environment** – The Group's performance is exposed to fluctuations in economic conditions and the UK housing market. The global economic outlook remains volatile, with ongoing global conflicts and a range of global tensions exacerbating the uncertainty in the economic environment. We maintain strong capital and liquidity levels in excess of regulatory minima, and we regularly undertake internal and regulatory stress tests to ensure our financial resources are sufficient under a range of severe but plausible scenarios.
- **Technology and resilience** – We continue to test our ability to recover from technology disruption in severe but plausible scenarios to provide resilience assurance and to identify areas for potential resilience enhancement. The Group devotes significant resource to third-party risk management, with a programme of stressed-exit and contingency plan testing run for our most critical third-party arrangements.
- **Cyber** – We continuously monitor the cyber threat level and continue to invest in and enhance our cyber capabilities to ensure our cyber defences remain appropriate. Stress testing has been undertaken to assess our capacity to withstand the potential financial implications of a cyber attack.
- **Integration risk** – The risk of adverse impacts arising directly from integration activity following the Virgin Money acquisition is managed by the Integration Management Office, which oversees the delivery of a conservative integration strategy. Risk assessments have been completed on the major in-flight integration activities, with mitigating actions and plans being progressed to manage the identified risks. The evolving integration landscape will be continually monitored and tracked.
- **Climate change** – We invest in sustainable business practices and proactively review lending criteria to limit the impact our activities have on climate change and mitigate potential credit risk. We continue to consider the potential impact on the macroeconomic and trading environment as we transition to a low carbon economy.

- Emergent technologies – We only use AI for specific activities which are subject to robust control and oversight, including human intervention where required. We continually develop and refine our control framework for advanced and emerging technologies. We monitor the external environment for developments in industry best practice and for potential impacts on businesses we lend to.

Planning and stress testing activity during 2025/26

The directors' assessment of viability over a three-year period is undertaken at a Group level. This has been performed using a base case macroeconomic scenario alongside a range of plausible stressed macroeconomic scenarios. The prioritisation of risks to explore within stress testing activities uses a well-established process, which is informed by a range of internal and external risk assessments and the engagement of subject matter experts. The Group Stress Testing Committee, chaired by the Group Chief Financial Officer, is responsible for reviewing the prioritisation of risks and approving the scenarios used for stress testing activities.

The scenarios explored across the Group during 2025/26 include:

- A range of macroeconomic scenarios, including sensitivities to changes in Bank rate, alongside severe but plausible stress scenarios exploring the UK entering into a major recession and housing market activity falling to record lows. The output of these scenarios demonstrates that the Group remains resilient to a range of macroeconomic scenarios.
- Internally generated stress scenarios, which have assessed the Group's capacity to withstand the liquidity and capital implications of significant operational incidents, such as a ransomware attack which could drive substantial and sudden retail deposit outflows, in the context of both a benign and severe macroeconomic stress scenario. The scenarios demonstrate the Group remains resilient to severe market-wide and idiosyncratic scenarios, supported by robust management action capacity.
- The point at which the Group's current business model would become unviable, explored through the Group's reverse stress testing. This represents one of the most severe stress scenarios, assessing whether the layering of extreme but plausible emerging and principal risks under a severe macroeconomic stress scenario could result in business model failure. The output concluded that mitigating actions are already in place.
- Climate change scenarios; the Group continues to develop its approach and associated capabilities required to undertake climate change stress test exercises. The Group's exposure to climate-related risk has been assessed, validating that the nature and materiality of its exposure is fundamentally unchanged since a quantitative assessment was last undertaken. Scenario expansion activities are ongoing to enable the completion of the 2026 Climate Change Stress Test which will assess resilience to more severe synchronous physical and transition risk peaks than previously modelled, further expanding our understanding of climate change risk exposure.

A selection of the macroeconomic scenarios has been used for expected credit loss modelling during 2025/26; further detail can be found in note 10 to the financial statements.

Conclusion on viability

The directors have assessed the Group's current financial strength and the impact of the scenarios described above on the Group's key financial metrics over the three-year assessment period.

The Group's financial strength is demonstrated through its strong capital ratios (CET1 ratio of 19.1% and leverage ratio of 5.3% at 31 March 2026) and liquidity position (12-month average LCR for the year ended 31 March 2026 of 169%).

In our base case macroeconomic scenario, key financial performance metrics are projected to remain comfortably above Board Risk Appetite and regulatory buffers. In addition, internal and regulatory stress testing activity demonstrates how the Group can withstand severe macroeconomic stresses, including those linked to heightened inflation and changes to the expected path of Bank rate.

The directors have a reasonable expectation that the Group will be able to continue its operations, and to meet its liabilities as they fall due, over the three-year assessment period.

Financial review

Muir Mathieson, Group Chief Financial Officer, Nationwide Building Society, said:

“We delivered another strong result with £2.0 billion underlying profit, market-leading growth in mortgages, retail deposits and personal current accounts, and sustained momentum in business current accounts and consumer lending. We continued to deliver material value to our members, with £0.4 billion of Fairer Share payments, £1.4 billion in member financial benefit, and leading service with a genuine choice of channel. We maintain a highly robust balance sheet, with a peer-leading CET1 ratio, delivering best-in-class CET1 performance in the Bank of England’s latest stress test.”



Muir
Mathieson

Group financial highlights

The year ended 31 March 2026 represents the period from 1 April 2025 to 31 March 2026 and includes a full year of Virgin Money results. The comparative period represents the 361-day period from 5 April 2024 to 31 March 2025 and includes six months of Virgin Money results from 1 October 2024, the date of acquisition.

Strong financial performance, supported by scale and diversification

- Underlying profit before tax increased to £2,026 million (2025: £1,852 million).
- Statutory profit before tax was £1,490 million (2025: £2,302 million), after taking account of the Nationwide Fairer Share payment. The prior year included a one-off gain and other impacts of the acquisition of Virgin Money on 1 October 2024.
- Total underlying income increased to £6,378 million (2025: £5,211 million), benefitting from a full year of a larger and more diversified balance sheet.
- Underlying net interest margin increased to 1.61% (2025: 1.55%) reflecting the benefits of a more diversified customer proposition and increased structural hedge income. These factors more than offset the continued compression of mortgage and retail deposit margins in a competitive market.
- Underlying administrative expenses were £4,021 million (2025: £3,183 million). The increase primarily reflected the full year costs of running a larger business, as well as integration-related expenditure of £127 million.
- Excluding the costs related to acquisition and integration activity, like-for-like¹ cost growth continued to be below inflation, as a result of sustained productivity improvements.
- Underlying credit impairment charges increased to £331 million (2025: £176 million), reflecting a full year of a larger, more diversified balance sheet, with the cost of risk increasing slightly to 11 basis points (2025: 7 basis points). Arrears rates remained low and stable across our lending portfolios.

Market-leading trading performance

- Market-leading mortgage net lending of £10.3 billion (2025: £15.9 billion), supported by strong customer retention and enhanced propositions, including for first-time buyers.
- Consumer lending balances increased to £11.6 billion (2025: £11.1 billion), primarily driven by growth in credit card balances to £8.1 billion (2025: £7.8 billion). Personal loans gross lending was 32% higher year-on-year, with balances increasing to £3.1 billion (2025: £3.0 billion).
- Business lending balances decreased to £14.9 billion (2025: £15.1 billion) in an increasingly competitive market. We maintained focus on supporting the registered social landlord sector, with social housing lending balances increasing to £4.9 billion (2025: £4.7 billion).
- Market-leading retail deposit balance growth of £10.1 billion, to £270.8 billion (2025: £260.7 billion), was supported by further growth in ISAs and very strong attraction, retention and primacy in personal current accounts.
- Over one million new current accounts opened in the year taking our market share of personal current account balances to 10.9%² (2025: 10.7%).
- Continued strong momentum in business deposits, which increased to £22.8 billion (2025: £21.1 billion) and included 56,000 (2025: 24,000) new business current accounts, a record year for new accounts under the Virgin Money brand.

Underlying profit before tax:

£2,026m

(2025: £1,852m)

Statutory profit before tax:

£1,490m

(2025: £2,302m)

Underlying net interest margin:

1.61%

(2025: 1.55%)

¹ Like-for-like costs compare the Group’s costs on a consistent basis. It reflects a full 12 months of Group costs in both periods, with Virgin Money costs annualised in 2024/25 following acquisition on 1 October 2024. The prior period is also adjusted for the shorter accounting period of 361 days.

² CACI’s Current Account and Savings Database, Stock Credit Balances (February 2026 latest available data and March 2025).

Continued to deliver value to our members, including our third Fairer Share payment

- Delivered total member value of £1.8 billion (2025: £2.8 billion). The prior year included the one-off Big Nationwide Thank You member payment of £0.6 billion.
- Member financial benefit decreased to £1.4 billion (2025: £1.8 billion) due to a narrowing of our mortgage and deposit customer rate differentials to the market in a lower Bank of England interest rate environment. Our average member deposit rates were 58 basis points (2025: 72 basis points) higher than the market average over the year.
- Fairer Share payment was £0.4 billion (2025: £0.4 billion).

Robust and low-risk balance sheet, supported by strong levels of liquidity and capital

- The average Liquidity Coverage Ratio over the 12 months ended 31 March 2026 remained significantly above regulatory requirements at 169% (2025: 174%), underpinned by well-diversified sources of funding, including our large retail deposit base.
- Peer-leading CET1 ratio of 19.1% (2025: 19.1%) and a leverage ratio of 5.3% (2025: 5.2%).
- In December 2025 the Bank of England published the results of its Bank Capital Stress Test exercise, projecting Nationwide's CET1 low point at 14.5%, significantly above both regulatory requirements and the peer group average low point of 10.7%, demonstrating the resilience of our balance sheet.

Member value

£1.8bn
(2025: £2.8bn)

CET1 ratio:

19.1%
(2025: 19.1%)

Leverage ratio:

5.3%
(2025: 5.2%)

The results are prepared in accordance with International Financial Reporting Standards (IFRSs) as set out in note 1 to the financial statements. Alternative performance measures are used throughout the Financial review. Definitions of these measures can be found in our Glossary at nationwide.co.uk

Income statement

Underlying results are shown below, together with a reconciliation to the statutory results. Underlying results exclude certain items, detailed in the notes to the table below, which management do not consider to be representative of underlying business performance.

Reconciliation of underlying to statutory results						
	2026			2025		
	Underlying basis	Adjustments	Statutory basis	Underlying basis	Adjustments	Statutory basis
	£m	£m	£m	£m	£m	£m
Net interest income (note i)	6,110	(34)	6,076	5,031	(39)	4,992
Net other income (note ii)	268	35	303	180	12	192
Gain on the acquisition of Virgin Money	-	-	-	-	2,300	2,300
Total income	6,378	1	6,379	5,211	2,273	7,484
Administrative expenses (note iii)	(4,021)	(138)	(4,159)	(3,183)	(367)	(3,550)
Impairment charge on loans and advances to customers (note iv)	(331)	-	(331)	(176)	(456)	(632)
Profit before member reward payments and tax	2,026	(137)	1,889	1,852	1,450	3,302
Member reward payments (note v)	-	(399)	(399)	-	(1,000)	(1,000)
Profit before tax	2,026	(536)	1,490	1,852	450	2,302
Tax (charge)/credit			(387)			36
Profit after tax			1,103			2,338

Notes:

- Underlying net interest income excludes the unwind of fair value adjustments which were recognised on the acquisition of Virgin Money.
- Underlying net other income excludes gains or losses from derivatives and hedge accounting.
- Underlying administrative expenses exclude certain costs relating to the acquisition of Virgin Money. These comprise £113 million (2025: £56 million) of amortisation relating to acquired intangible assets and £25 million (2025: £275 million) of one-off costs (and related VAT) associated with the amended Trademark License Agreement between Virgin Money UK PLC and Virgin Enterprises Limited. In addition, prior period underlying administrative expenses exclude £36 million of transaction-related costs incurred by the Society in relation to the acquisition.
- Excluded from the underlying impairment charge for 2025 are the one-off impacts of recognising IFRS 9 provisions on acquisition of Virgin Money. This included the initial recognition of the 12-month expected loss for all acquired loans, the impact of the first application of staging criteria, and the alignment of key elements of the impairment provision methodology.
- 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. This includes the Nationwide Fairer Share payment of £0.4 billion (2025: £0.4 billion). In 2025, this also included a one-off amount of £0.6 billion for The Big Nationwide Thank You.

Return on assets was 0.29% (2025: 0.72%), calculated as profit after tax divided by mean total assets. Mean total assets increased to £375 billion (2025: £324 billion), reflecting a larger balance sheet following Virgin Money acquisition.

Total income and net interest margin

Net interest margin	2026						2025 (note i)					
	Underlying basis		Adjustments		Statutory basis		Underlying basis		Adjustments		Statutory basis	
	£m	%	£m	%	£m	%	£m	%	£m	%	£m	%
Net interest income	6,110		(34)		6,076		5,031		(39)		4,992	
Average total assets (note ii)	378,986				378,986		327,130				327,130	
Net interest margin		1.61				1.60		1.55				1.54

Notes:

- For 2025, net interest income was adjusted to account for a shorter 361-day period from 5 April 2024 to 31 March 2025.
- Average total assets is a weighted average of monthly closing balances during the year.

Underlying net interest income increased by £1,079 million to £6,110 million (2025: £5,031 million), reflecting the Group's larger and more diversified balance sheet, which benefitted from continued growth in mortgage and consumer lending balances. The net interest margin increased to 1.61% (2025: 1.55%) supported by a stronger contribution from consumer lending and business banking coupled with increased income from the Group's structural hedges, which more than offset a reduction in mortgage and deposit margins.

Underlying net other income increased by £88 million to £268 million (2025: £180 million), driven by a higher contribution from business and credit card products.

Member financial benefit

As a mutual, we seek to maintain our financial strength whilst providing value to our members through pricing, products and service. Through member financial benefit, we measure the additional financial value for members from the competitive mortgage, savings and banking products that we offer compared to the market average. Our members included those customers with a Nationwide-branded current account, savings or mortgage, and did not include customers of Virgin Money or The Mortgage Works. Member financial benefit is calculated by comparing, in aggregate, Nationwide's average interest rates and incentives to the market, predominantly using market data provided by the Bank of England and CACI, alongside internal calculations. The value for individual members will depend on their circumstances and product choices. Further information on the components of member financial benefit is set out below.

Interest rate differential

We measure how our average interest rates across our member balances in total compare against the market over the year.

For our two largest member segments, mortgages and retail deposits, we compare the average member interest rate for these portfolios against Bank of England and CACI industry data. A market benchmark based upon the data from CACI and internal Nationwide calculations is used for mortgages, and a Bank of England benchmark is used for retail deposits, both adjusted to exclude Nationwide balances. The differentials derived in this way are then applied to member balances for mortgages and deposits.

For consumer lending, a similar comparison is made. We calculate an interest rate differential based on available market data from the Bank of England and CACI and apply this to the total interest-bearing balances of credit cards and personal loans.

Member incentives and fees

Our member financial benefit measure also includes amounts in relation to incentives and fees that Nationwide offers to members. The calculation includes annual amounts for the following:

- Mortgages: the differential on incentives for members compared to the market.
- FlexPlus current account: the difference between the FlexPlus monthly account fee and the market average monthly account fee for comparable products.

For the year ended 31 March 2026 we delivered member financial benefit of £1.4 billion (2025: £1.8 billion). This reflected the combined impact of market conditions, including lower Bank rate on retail deposit differentials, and a reduced differential on mortgages due to our sustained higher proportion of first time buyer lending versus the market.

Member reward payments

As part of our ongoing commitment to reward our members the Board announced the third Nationwide Fairer Share payment, paying £0.4 billion (2025: £0.4 billion) in June 2025 to eligible members who had a qualifying current account plus either qualifying savings or a qualifying mortgage as at 31 March 2025. Prior year total member reward payments of £1.0 billion also included the one-off Big Nationwide Thank You payment of £0.6 billion. These payments are in addition to delivering £1.4 billion (2025: £1.8 billion) of member financial benefit outlined above.

Gain on the acquisition of Virgin Money

In the period ended 31 March 2025, we recorded a gain of £2.3 billion on completion of the acquisition, as the fair value of the identifiable net assets acquired was greater than the total consideration paid of £2.8 billion. This is excluded from underlying results.

Administrative expenses

Underlying administrative expenses increased by £838 million to £4,021 million (2025: £3,183 million) reflecting the annual costs of the larger Group and higher integration-related costs. Integration costs in the year totalled £127 million (2025: £36 million) and primarily related to preparing to move customer accounts and services onto a single set of IT systems and the Part VII transfer. Excluding the costs related to acquisition and integration activity, costs remained well controlled, with like-for-like³ cost growth remaining below inflation.

Impairment charge on loans and advances to customers

Impairment charge (note i)	2026		2025		
	Total – underlying and statutory basis	Total – underlying basis	Acquisition and other adjustments	Total – statutory basis	
	£m	£m	£m	£m	
Residential lending	8	12	21	33	
Consumer lending	269	138	376	514	
Retail lending	277	150	397	547	
Business lending	54	26	59	85	
Impairment charge	331	176	456	632	

Note:

i. Impairment charge represents the net amount recognised in the income statement, rather than amounts written off during the year.

The net impairment charge decreased to £331 million (2025: £632 million). This reduction principally reflects the non-recurrence of acquisition-related impairment charges of £456 million recognised in 2025. Excluding these non-recurring items, the underlying impairment charge increased to £331 million (2025: £176 million), resulting in a cost of risk of 11 basis points (2025: 7 basis points). The increase in the charge mainly reflects the inclusion of a full year of Virgin Money impairments, compared with six months in 2025. Lending arrears have remained broadly stable, with mortgage arrears remaining significantly below the market average.

More information regarding key assumptions and the forward-looking economic information used in impairment calculations is included in note 10 to the financial statements.

Taxation

The main rate of UK corporation tax remained at 25%, the annual banking surcharge allowance remained at £100 million, and the banking surcharge rate remained at 3%. The Group tax charge for the year of £387 million (2025: £36 million credit) represents an effective tax rate of 26.0% (2025: (1.6)%) which is higher than the statutory UK corporation tax rate of 25% (2025: 25%) due to the banking surcharge of £35 million (2025: £6 million). The effective tax rate for the prior period was low primarily due to the accounting gain which arose upon acquisition of Virgin Money. As this gain was recognised only on consolidation, it was not taxable in any of the individual entities of the Group. Further information on taxation is provided in note 11 to the financial statements.

³ Like-for-like costs compare the Group's costs on a consistent basis. It reflects a full 12 months of Group costs in both periods, with Virgin Money costs annualised in 2024/25 following acquisition on 1 October 2024. The prior period is also adjusted for the shorter accounting period of 361 days.

Balance sheet

Total assets and total equity and liabilities increased to £382.3 billion at 31 March 2026 (2025: £367.9 billion).

Assets	2026		2025	
	£m	%	£m	%
Cash and balances at central banks	38,411		29,483	
Residential mortgages (note i)	286,330	91	275,926	91
Consumer lending	11,578	4	11,107	4
Business lending	14,910	5	15,144	5
	312,818	100	302,177	100
Impairment provisions	(1,335)		(1,288)	
Loans and advances to customers	311,483		300,889	
Other financial assets	28,883		33,178	
Other non-financial assets	3,551		4,327	
Total assets	382,328		367,877	

12-month average
Liquidity Coverage Ratio
(note ii):
169%
(2025: 174%)

Asset quality	%	%
Residential mortgages (note i):		
Proportion of residential mortgage accounts more than 3 months in arrears	0.39	0.43
Average indexed loan to value (by value)	58	56
Consumer lending:		
Proportion of customer balances with amounts past due more than 3 months (excluding charged off balances)	1.10	1.11

Notes:

- Residential mortgages include owner-occupied, buy to let and legacy lending.
- This represents a simple average of the Liquidity Coverage Ratio (LCR) for the last 12 month ends. The LCR ensures that sufficient high-quality liquid assets are held to survive a short-term severe but plausible liquidity stress.

Cash and balances at central banks

Cash and balances held at central banks increased by £8.9 billion to £38.4 billion (2025: £29.5 billion). The change in cash levels reflects movements in the underlying balance sheet as well as the active management of the mix between cash and investment assets held for liquidity purposes.

Residential mortgages

Residential mortgage balances grew to £286.3 billion (2025: £275.9 billion), increasing our market share to 16.3% (2025: 16.2%).

Total mortgage gross lending in the year increased to £45.8 billion (2025: £44.7 billion), with a market share of gross lending of 15.6% (2025: 16.3%).

Total mortgage net lending was lower than the prior period at £10.3 billion (2025: £15.9 billion). The prior year saw high market volumes in March 2025 ahead of Stamp Duty changes implemented on 1 April 2025. However, our current year net lending was market leading, supported by strong retention volumes, enhanced propositions and our continued support for first time buyers.

Total impairment provision balances on residential mortgage lending remained stable at £352 million (2025: £351 million). Arrears continued to be low and stable, reflecting the quality of our lending, with cases more than three months in arrears representing 0.39% (2025: 0.43%) of the total portfolio.

Consumer lending

Total consumer lending balances increased to £11.6 billion (2025: £11.1 billion). This comprises credit card balances of £8.1 billion (2025: £7.8 billion), personal loans balances of £3.1 billion (2025: £3.0 billion), and current account overdraft balances of £0.4 billion (2025: £0.3 billion). The £0.3 billion increase in credit card balances was driven by new customers and continued strong activity from existing customers. However, given the strong market growth, our credit card market share decreased to 10.3% (2025: 10.7%). Personal loan gross lending totalled £2.2 billion (2025: £1.6 billion), representing the strongest level of lending in six years. This performance was driven by strong demand for Nationwide-branded loans, supported by a competitive proposition that was further enhanced during the year.

Total impairment provision balances on consumer lending remained stable at £829 million (2025: £824 million). Excluding charged off accounts, balances more than three months in arrears represent 1.10% (2025: 1.11%) of the total portfolio.

Business lending

Business lending balances decreased to £14.9 billion (2025: £15.1 billion), reflecting a competitive market. We maintained our support for registered social landlords through the year, with social housing lending balances increasing to £4.9 billion (2025: £4.7 billion).

Total impairment provision balances on business lending increased to £154 million (2025: £113 million), driven by additional provisions for portfolio risks, as well as increased provisions for impaired loans.

Other financial assets

Other financial assets decreased to £28.9 billion (2025: £33.2 billion). These comprise investment assets held mainly for liquidity purposes of £25.9 billion (2025: £28.7 billion), loans and advances to banks and similar institutions of £1.8 billion (2025: £1.8 billion), derivatives with positive fair values of £3.3 billion (2025: £4.7 billion) and fair value adjustments for portfolio hedged risk of £(2.1) billion (2025: £(2.0) billion). Derivatives largely comprise interest rate and foreign exchange contracts which economically hedge financial risks inherent in our lending and funding activities.

Liquidity Coverage Ratio

The average Liquidity Coverage Ratio over the 12 months ended 31 March 2026 remained significantly ahead of regulatory requirements, at 169% (12 months ended 31 March 2025: 174%). Further details are included in the Liquidity and funding risk section of the Risk report.

Members' interests, equity and liabilities		
	2026	2025
	£m	£m
Member deposits	217,052	207,428
Non-member retail deposits	53,771	53,312
Non-member business deposits	22,761	21,087
Debt securities in issue	54,821	51,109
Other financial liabilities	9,736	10,468
Other liabilities	2,898	3,991
Total liabilities	361,039	347,395
Members' interests and equity	21,085	19,723
Non-controlling interests	204	759
Total equity and liabilities	382,328	367,877

Funding limit⁴**37.5%**

(2025: 37.2%)

Member and non-member retail deposits

Against a competitive deposit market backdrop, member deposits balances grew by £9.6 billion to £217.1 billion (2025: £207.4 billion), which was supported by a strong ISA season, the success of our Member Exclusive Bond, and market-leading attraction of personal current account switchers.

Non-member retail deposits remained stable at £53.8 billion (2025: £53.3 billion). The market share of total retail deposit balances remained at 12.2% (2025: 12.2%).

Personal current account credit balances increased by £1.7 billion to £44.4 billion (2025: £42.7 billion), taking the Group's market share of personal current account balances to 10.9%⁵ (2025: 10.7%), as we outperformed the broader market.

Non-member business deposits

Non-member business deposits increased by £1.7 billion to £22.8 billion (2025: £21.1 billion), as balances benefitted from growth in business current accounts and savings. During the year, 56,000 (2025: 24,000) new business current accounts were opened, which was a record year for new accounts under the Virgin Money brand.

Debt securities in issue and other financial liabilities

Debt securities in issue increased to £54.8 billion (2025: £51.1 billion). This relates to wholesale funding but excludes subordinated debt which is included within other financial liabilities. Nationwide's position against the Building Societies Act Funding Limit of 50% remained stable at 37.5% (2025: 37.2%).

Members' interests and equity

Members' interests and equity increased to £21.1 billion (2025: £19.7 billion), with growth largely driven by retained profits.

Non-controlling interests

The Group has a non-controlling interest, represented by Virgin Money UK PLC's AT1 equity instruments, which reduced to £204 million (2025: £759 million), as a portion of the instruments were redeemed during the year.

⁴ The funding limit measures the proportion of funding from sources other than member deposits, against the statutory limit of 50%.

⁵ CACI's Current Account and Savings Database, Stock Credit Balances (February 2026 latest available data and March 2025).

Capital structure

The Group's capital position remains strong, with both the Common Equity Tier 1 (CET1) ratio and leverage ratio comfortably above regulatory capital requirements of 12.3% and 4.3% respectively. The CET1 ratio remained at 19.1% and the leverage ratio increased to 5.3% (2025: 5.2%). The capital disclosures included in this report are in line with the PRA Rulebook and the UK Capital Requirements Regulation and Directive (UK CRR and UK CRD V).

Capital structure		
	2026	2025
	£m	£m
Capital resources		
CET1 capital	16,684	15,611
Tier 1 capital	18,862	17,732
Total regulatory capital	20,783	19,489
Capital requirements		
Risk weighted assets (RWAs)	87,437	81,871
Leverage exposure	353,504	344,018
Capital ratios	%	%
CET1 ratio	19.1	19.1
Leverage ratio	5.3	5.2

The CET1 ratio remained at 19.1% following an increase in CET1 capital of £1.1 billion, offset by an increase in RWAs of £5.6 billion. The CET1 capital resources increase was driven by statutory profit after tax. The RWA increase was predominantly driven by an increase in retail mortgages RWAs. This increase reflected both growth in lending balances and a one-off £3.0 billion increase in the temporary model adjustment applied to Virgin Money's existing Internal Ratings Based (IRB) mortgage models, following regulatory feedback as part of the revised model approval process.

Over time, the Group intends to align modelling approaches across its IRB portfolios. Excluding the one-off temporary model adjustment uplift, the CET1 ratio would have increased, with retained earnings sufficient to support the organic increase in RWAs. Further details on the temporary model adjustment and RWAs are provided in the Capital risk section of the Risk report.

The leverage ratio increased to 5.3% (2025: 5.2%), with Tier 1 capital resources increasing by £1.1 billion as a result of the CET1 capital movements referenced above. This was partially offset by an increase in leverage exposure of £9.5 billion, predominantly due to increased residential mortgage balances. Leverage requirements continue to be the Group's binding Tier 1 capital constraint, as the combination of minimum and regulatory buffer requirements are in excess of the risk-based equivalent.

Further details of the capital position and future regulatory developments are described in the Capital risk section of the Risk report.

