nationwide

Nationwide Building Society Interim Results

For the period ended 30 September 2026

Contents

	Page
Results highlights	3
Group Chief Executive Officer review	4
Performance summary	6
Financial review	7
Risk report	15
Condensed consolidated interim financial statements	45
Notes to the condensed consolidated interim financial statements	51
Responsibility statement	71
Independent review report to Nationwide Building Society	72
Other information	74
Forward-looking statements	74
Contacts	75

Comparative information

Unless otherwise stated, the income statement analysis compares the six months ended 30 September 2026 with the six months ended 30 September 2025. Balance sheet analysis compares the position at 30 September 2026 with the position at 31 March 2026.

Alternative performance measures

The Group uses a number of alternative performance measures in presenting business and financial performance. These include underlying profit before tax, underlying income (comprising underlying net interest income and underlying net other income), underlying administrative expenses, net interest margin and cost of risk. These alternative performance measures are presented within the Financial review on pages 7 to 14.

Forward-looking statements

This document contains forward-looking statements. Further information is set out on page 74.

Results highlights

Nationwide remains number one for growth in mortgages, savings and personal current accounts[1]

- Market-leading mortgage net lending and retail deposit balance growth.
- Record H1 for personal current account openings, and Nationwide remained first choice for switchers[2].
- Opened 46% of new student accounts across the market.
- Number one in the UK for customer satisfaction[3].
- Delivered £1.4bn in member value, including a fourth Fairer Share payment of £440m.
- Underlying profit before tax increased by 23%.

Dame Debbie Crosbie DBE, Group Chief Executive Officer, Nationwide Building Society, said:

"Once again, we've delivered market-leading growth in mortgages and retail deposits. We've opened more Nationwide personal current accounts than ever before, including almost half of all new student accounts, and we've been recognised as number one in the UK for customer satisfaction. That shows the strength of our mutual model: giving people choice, good value and service they can rely on."

For footnotes, see page 5.

Group Chief Executive Officer review

Business and trading highlights for the period ended 30 September 2026

Market-leading growth in mortgages and deposits, with growing momentum in business banking

- Market-leading[1] mortgage net lending of £7.7bn (H1 2025/26: £4.7bn). Market share of balances increased to 16.4% (31 March 2026: 16.3%).
- Market-leading[1] growth in retail deposit balances of £8.2bn to £279.0bn, over a quarter of market growth, increasing market share to 12.4% (31 March 2026: 12.2%).
- Business deposit balances increased to a record £24.0bn (31 March 2026: £22.8bn) and business lending balances grew by £0.3bn to £15.2bn.
- Our best ever H1 for new personal current account openings. Market share of balances increased to 11.2%[4] (31 March 2026: 10.9%).
- The Nationwide brand was first for net gains in current account switchers for the eighth consecutive quarter[5].
- Achieved a 46% (H1 2025/26: 46%) share of student current account openings[6], with a record of over 87,000 accounts opened.

Strong financial performance, supported by a robust, low-risk balance sheet

- Underlying profit before tax increased by 23% to £1,202m (H1 2025/26: £977m)[7].
- Statutory profit before tax of £673m (H1 2025/26: £486m), after the Fairer Share payment.
- Total underlying income increased by 7% to £3,315m (H1 2025/26: £3,112m). Underlying net interest margin increased to 1.62% (H1 2025/26: 1.58%).
- Underlying costs decreased to £1,910m (H1 2025/26: £1,989m) despite a planned increase in integration spend.
- Asset quality remained robust, with low and stable arrears rates. Cost of risk increased slightly but remains low at 13 basis points (H1 2025/26: 10 basis points).
- Peer-leading CET1 ratio of 18.8% (31 March 2026: 19.1%), and leverage ratio of 5.4% (31 March 2026: 5.3%).

Integration progressing at pace, whilst maintaining cost discipline

- Commenced customer migrations from Virgin Money to Nationwide-branded products, and piloting co-servicing of Nationwide customers in selected Virgin Money branches.
- On track to launch Nationwide-branded business banking in the first half of 2027, initially focusing on the needs of the UK's sole traders and microbusinesses.
- Customers are benefitting from modernised Nationwide core banking and data platforms, with greater resilience and capability.
- The cost decrease in the period demonstrates that our investment and innovation is leading to improvements in efficiency and productivity.

Number one for customer satisfaction in the UK and delivered £1.4bn in member value

- First for customer satisfaction across all industry sectors in the UK, as recognised in the UK Customer Satisfaction Index[3].
- Delivered £1.4bn (H1 2025/26: £1.2bn) in member value, including £440m (H1 2025/26: £409m) through our fourth Fairer Share payment.
- Became the UK's largest branch network[8]. Recorded over 17m (H1 2025/26: 17m) visits, with 30% of our personal current account openings made in branch.
- Virgin Money named Best Service from a Business Bank and Best Business Current Account Provider at the Business Moneyfacts Awards 2026.

Providing practical support for customers, communities and society

- Helped over 43,000 first time buyers into homes, including through our Helping Hand mortgage.
- Increased our total lending commitment to the social housing sector to over £7.7bn (31 March 2026: £7.4bn)[9], supporting those in more vulnerable housing situations.
- Commenced installation of public-access defibrillators and bleed control kits across all our branches, with over 320 branches completed so far.
- Booked more than 8,700 free dementia clinics in over 250 of our branches since launch in September 2024.
- Helped identify more than £30m of additional annual unclaimed support for 4,000 households through our free Better Off Indicator service.
- Became the sole banking partner of Female Founders Rise, which helps under-represented entrepreneurs build stronger, more profitable businesses.

For footnotes, see page 5.

Group Chief Executive Officer review (continued)

Outlook

Nationwide remains well placed to support customers through economic uncertainty

- Elevated energy prices have led to higher inflation and market interest rates, and the longer-term impact on economic growth will depend on the duration of the disruption.
- However, the UK economy has demonstrated resilience, supported by relatively stable household and business finances.
- The credit quality of our lending portfolios and our capital position remain strong, despite some of our markets slowing modestly.
- Our financial strength will enable us to continue to support our customers well into the future.

Dame Debbie Crosbie DBE, Group Chief Executive Officer

[1] Based on reported peer disclosures, which may be rounded. Peer group for mortgage and retail deposit (comprising retail saving and personal current account) balances includes Barclays, HSBC UK, Lloyds Banking Group, NatWest Group and Santander UK. Santander UK balance growth excludes balances gained through its acquisition of TSB. Peer group for personal current account balances excludes HSBC UK due to data not being available.
[2] Pay.UK Current Account Switch Service net gains data, 6 months to June 2026, based on the latest available data.
[3] Institute of Customer Service UK Customer Satisfaction Index (UKCSI) as at July 2026, based on the latest available data for 277 organisations and organisation types in 13 sectors.
[4] CACI's Current Account and Savings Database, stock credit balances (August 2026, based on the latest available data).
[5] Pay.UK quarterly Current Account Switch Service net gains data, 24 months to June 2026, based on the latest available data.
[6] Based on Curinos eBenchmarkers comparison of financial services providers and Nationwide analysis, April 2026 to September 2026.
[7] More information on the difference between underlying and statutory profit before tax can be found on page 8.
[8] In June 2026, Nationwide became the UK's largest branch network on a banking group basis. Prior to this, Nationwide had the UK's largest branch network on a single-brand basis.
[9] Includes drawn lending and committed undrawn facilities to registered social landlords.

Performance summary

Financial performance	Half year to 30 September 2026		Half year to 30 September 2025	
	£m	%	£m	%
Underlying profit before tax (note i)	**1,202**		977	
Statutory profit before tax	**673**		486	
Underlying net interest margin		**1.62**		1.58
Total underlying income	**3,315**		3,112	
Underlying administrative expenses	**1,910**		1,989	
Cost of risk		**0.13**		0.10
Member reward payments	**440**		409	
Member financial benefit	**975**		780	

Balance sheet	30 September 2026		31 March 2026	
	£bn	%	£bn	%
Total assets	**390.1**		382.3	
Loans and advances to customers	**320.0**		311.5	
Mortgages – gross balances/*market share*	**294.1**	***16.4***	286.3	*16.3*
Consumer lending – gross balances	**12.1**		11.6	
Business lending – gross balances	**15.2**		14.9	
Total liabilities	**368.1**		361.0	
Retail deposits balance/*market share*	**279.0**	***12.4***	270.8	*12.2*
Business deposits balance/*market share*	**24.0**	***2.5***	22.8	*2.4*

Trading performance	Half year to 30 September 2026		Half year to 30 September 2025	
	£bn	%	£bn	%
Residential mortgages				
Gross lending/*market share*	**26.0**	***15.9***	22.2	*15.7*
Net lending	**7.7**		4.7	
Consumer lending				
Personal loans gross lending	**1.1**		1.1	
Credit card balance movement	**0.4**		0.2	
Business lending balance movement	**0.3**		(0.2)	
Deposit balance movement				
Retail deposits balance movement	**8.2**		5.3	
Business deposits balance movement	**1.2**		0.9	

Asset quality	30 September 2026	31 March 2026
	%	%
Residential mortgages		
Proportion of accounts more than 3 months in arrears	**0.40**	0.39
Average indexed loan to value (by value)	**59**	58
Average loan to value of new lending (by value)	**73**	72
Consumer lending		
Proportion of balances more than 3 months in arrears (excluding charged off balances)	**1.06**	1.10

Key ratios	30 September 2026	31 March 2026
	%	%
CET1 ratio	**18.8**	19.1
Leverage ratio	**5.4**	5.3
Liquidity Coverage Ratio	**180**	169
Funding limit (note ii)	**21.7**	37.5

Further details on the information presented in this Performance summary are included in the Financial review on pages 7 to 14 and the Risk report on pages 15 to 44.

Notes:
i. A reconciliation of underlying to statutory profit before tax is included in the Financial review on page 8.
ii. The funding limit measures the proportion of funding from sources other than member deposits, against the statutory limit of 50%.

Financial review

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

"We once again delivered strong growth while maintaining our financial strength and cost discipline. Underlying profit before tax increased by 23%, while we delivered £1.4 billion of value to our members. Asset quality remains robust and our capital position is strong, with a peer-leading CET1 ratio."

Group financial highlights

Strong financial performance

- Underlying profit before tax increased by 23% to £1,202 million (H1 2025/26: £977 million) driven by higher income and lower costs, partly offset by higher impairment charges.
- Statutory profit before tax increased by 38% to £673 million (H1 2025/26: £486 million).
- Total underlying income increased to £3,315 million (H1 2025/26: £3,112 million) due to strong balance sheet growth and higher market interest rates, which more than offset the continued compression of mortgage and retail deposit margins. Underlying net interest margin was 1.62% (H1 2025/26: 1.58%).
- Underlying administrative expenses reduced to £1,910 million (H1 2025/26: £1,989 million), reflecting lower legal and regulatory costs, and the benefits of bringing operations together into a single group. This was partly offset by a planned increase in integration-related expenditure to £78 million (H1 2025/26: £43 million).
- Credit impairment charges increased to £203 million (H1 2025/26: £146 million), reflecting lending growth, updated economic scenarios and the non-repeat of a £26 million credit card model-related release in the prior period. Cost of risk was 13 basis points (H1 2025/26: 10 basis points), with arrears rates remaining low and stable across our lending portfolios.

Delivered £1.4 billion total member value, including a fourth Fairer Share payment

- We paid a fourth Fairer Share payment of £0.4 billion (H1 2025/26: £0.4 billion).
- Member financial benefit increased to £1.0 billion (H1 2025/26: £0.8 billion), reflecting the inclusion of members with Virgin Money products.
- Our average member deposit rates were 64 basis points (H1 2025/26: 66 basis points) higher than the market average over the period.

Strong trading momentum across all customer portfolios

- Market-leading mortgage net lending of £7.7 billion (H1 2025/26: £4.7 billion) was supported by strong customer retention, a broadened proposition, and targeted support for first time buyers. Gross lending was £26.0 billion (H1 2025/26: £22.2 billion).
- Business lending balances increased to £15.2 billion (31 March 2026: £14.9 billion), supported by a growing market and higher new lending across our core sectors.
- Consumer lending balances increased to £12.1 billion (31 March 2026: £11.6 billion), primarily driven by growth in credit card balances.
- Retail deposit balance growth of £8.2 billion to £279.0 billion (31 March 2026: £270.8 billion) was once again supported by a strong ISA season and continued attraction, retention and primacy in personal current accounts. Our market share of personal current account balances increased to 11.2%[1] (31 March 2026: 10.9%).
- Business deposit balances increased to a record £24.0 billion (31 March 2026: £22.8 billion). This included over 25,000 (H1 2025/26: 26,000) new business current accounts.

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

- The average Liquidity Coverage Ratio over the 12 months ended 30 September 2026 remained significantly above regulatory requirements at 180% (12 months ended 31 March 2026: 169%), underpinned by well-diversified sources of funding.
- We maintained a peer-leading CET1 ratio of 18.8% (31 March 2026: 19.1%) and a leverage ratio of 5.4% (31 March 2026: 5.3%).

Underlying profit before tax: **£1,202m** (H1 2025/26: £977m)
Statutory profit before tax: **£673m** (H1 2025/26: £486m)
Underlying net interest margin: **1.62%** (H1 2025/26: 1.58%)
Member value: **£1.4bn** (H1 2025/26: £1.2bn)
CET1 ratio: **18.8%** (31 March 2026: 19.1%)
Leverage ratio: **5.4%** (31 March 2026: 5.3%)

[1] CACI's Current Account and Savings Database, stock credit balances (August 2026 based on the latest available data).

Financial review (continued)

The results are prepared in accordance with UK-adopted international accounting standards as set out in note 2 to the condensed consolidated interim financial statements. Alternative performance measures are used throughout the Financial review. Definitions of these measures can be found in our Glossary for the Annual Report and Accounts 2026 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						
	Half year to 30 September 2026			Half year to 30 September 2025		
	Underlying basis	**Adjustments**	**Statutory basis**	Underlying basis	Adjustments	Statutory basis
	£m	**£m**	**£m**	£m	£m	£m
Net interest income (note i)	**3,153**	**(6)**	**3,147**	2,967	(21)	2,946
Net other income (note ii)	**162**	**(27)**	**135**	145	20	165
Total income	**3,315**	**(33)**	**3,282**	3,112	(1)	3,111
Administrative expenses (note iii)	**(1,910)**	**(56)**	**(1,966)**	(1,989)	(81)	(2,070)
Impairment charge on loans and advances to customers	**(203)**	**-**	**(203)**	(146)	-	(146)
Profit before member reward payments and tax	**1,202**	**(89)**	**1,113**	977	(82)	895
Member reward payments (note iv)	**-**	**(440)**	**(440)**	-	(409)	(409)
Profit before tax	**1,202**	**(529)**	**673**	977	(491)	486
Tax charge			**(160)**			(111)
Profit after tax			**513**			375

Notes:

i. Underlying net interest income excludes the unwind of fair value adjustments which were recognised on the acquisition of Virgin Money on 1 October 2024.

ii. Underlying net other income excludes gains or losses from derivatives and hedge accounting.

iii. Underlying administrative expenses exclude certain costs relating to the acquisition of Virgin Money. For the half year to 30 September 2026 these comprise £56 million (H1 2025/26: £56 million) of amortisation relating to acquired intangible assets. In addition, the prior period excluded £25 million of one-off costs associated with the amended Trademark License Agreement between Virgin Money UK PLC and Virgin Enterprises Limited.

iv. 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.

Financial review (continued)

Total income and net interest margin

Net interest margin	Half year to 30 September 2026						Half year to 30 September 2025					
	Underlying basis		Adjustments		Statutory basis		Underlying basis		Adjustments		Statutory basis	
	£m	%	£m	%	£m	%	£m	%	£m	%	£m	%
Net interest income	**3,153**		**(6)**		**3,147**		2,967		(21)		2,946	
Average total assets (note i)	**388,409**				**388,409**		374,506				374,506	
Net interest margin (note ii)		**1.62**				**1.62**		1.58				1.57

Notes:
i. Average total assets is a weighted average of monthly closing balances during the period.
ii. Net interest margin is calculated using annualised net interest income.

Underlying net interest income increased by £186 million to £3,153 million (H1 2025/26: £2,967 million), with an underlying net interest margin of 1.62% (H1 2025/26: 1.58%). This reflects strong balance sheet growth and the benefits accruing from higher market interest rates through increased structural hedge income, which more than offset compression in mortgage and savings margins due to greater competition.

Underlying net other income increased by £17 million to £162 million (H1 2025/26: £145 million), primarily due to gains realised on the sale of assets to manage the liquidity portfolio.

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.

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. More information on how we calculate member financial benefit can be found in our Annual Report and Accounts 2026.

For the half year to 30 September 2026, we delivered member financial benefit of £1.0 billion (H1 2025/26: £0.8 billion). The increase compared to the prior period reflects the inclusion of customers with Virgin Money products who became members following the Part VII transfer on 2 April 2026.

Member reward payments

As part of our ongoing commitment to reward our members, a fourth Nationwide Fairer Share payment of £440 million (H1 2025/26: £409 million) was made in June 2026 to eligible members who had a Nationwide-branded eligible current account plus either qualifying savings or a qualifying mortgage as at 31 March 2026. This member payment was in addition to delivering the £1.0 billion (H1 2025/26: £0.8 billion) of member financial benefit outlined above.

Administrative expenses

Underlying administrative expenses decreased by £79 million to £1,910 million (H1 2025/26: £1,989 million), driven by lower legal and regulatory costs, and the benefits of bringing Nationwide and Virgin Money operations together into a single group. Integration-related costs in the period increased, as expected, to £78 million (H1 2025/26: £43 million) as we commenced the migration of customer accounts and services onto a single set of platforms.

Financial review (continued)

Impairment charge on loans and advances to customers

Impairment charge (note i)		
	Half year to 30 September 2026	Half year to 30 September 2025
	£m	£m
Residential lending	**4**	-
Consumer lending	**173**	123
Retail lending	**177**	123
Business lending	**26**	23
Impairment charge	**203**	146

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

The impairment charge increased to £203 million (H1 2025/26: £146 million), resulting in a cost of risk[2] of 13 basis points (H1 2025/26: 10 basis points). This reflects the impact of lending growth and updates to economic scenarios. The prior period included a £26 million provision release following the redevelopment of the credit card provision model. Lending arrears have remained broadly stable, with mortgage arrears continuing to be significantly below the market average.

More information regarding key assumptions and the forward-looking economic information used in impairment calculations is included in note 7 to the condensed consolidated interim financial statements.

Taxation

The Group tax charge for the period of £160 million (H1 2025/26: £111 million) represents an effective tax rate of 23.8% (H1 2025/26: 22.8%) which is lower than the UK corporation tax rate of 25% (H1 2025/26: 25%). The effective tax rate is lower primarily due to amounts relating to Additional Tier 1 instruments that are recognised in equity rather than through the income statement. Throughout the period, 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 3.0%.

On 28 October 2026, the Government announced that the banking surcharge would increase from a rate of 3% to 6% for a period of 15 months from 1 January 2027 to 31 March 2028. Further information is included in note 8 to the condensed consolidated interim financial statements.

[2] Cost of risk is a measure of credit impairment expressed in basis points, calculated as the annualised impairment charge for the period divided by average gross lending balances across the period of £316,662 million (H1 2025/26: £303,952 million).

Financial review (continued)

Balance sheet

Total assets and total equity and liabilities increased to £390.1 billion at 30 September 2026 (31 March 2026: £382.3 billion).

Assets				
	30 September 2026		31 March 2026	
	£m	***%***	£m	*%*
Residential mortgages	**294,114**	***91***	286,330	*91*
Consumer lending	**12,092**	***4***	11,578	*4*
Business lending	**15,206**	***5***	14,910	*5*
	321,412	***100***	312,818	*100*
Impairment provisions	**(1,363)**		(1,335)	
Loans and advances to customers	**320,049**		311,483	
Cash and balances at central banks	**35,627**		38,411	
Other financial assets	**30,793**		28,883	
Other non-financial assets	**3,618**		3,551	
Total assets	**390,087**		382,328	

Asset quality	**%**		%	
Residential mortgages:				
Proportion of accounts more than 3 months in arrears	**0.40**		0.39	
Average indexed loan to value (weighted by value)	**59**		58	
Consumer lending:				
Proportion of customer balances with amounts past due more than 3 months (excluding charged off balances)	**1.06**		1.10	

12-month average Liquidity Coverage Ratio (note i):

180%

(31 March 2026: 169%)

Note:

i. 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.

Residential mortgages

Residential mortgage balances grew to £294.1 billion (31 March 2026: £286.3 billion), increasing our market share to 16.4% (31 March 2026: 16.3%).

Total mortgage gross lending in the period increased to £26.0 billion (H1 2025/26: £22.2 billion), with a market share of gross lending of 15.9% (H1 2025/26: 15.7%).

Overall mortgage net lending was market-leading during the half year, at £7.7 billion (H1 2025/26: £4.7 billion), supported by strong retention, broadened propositions and our continued support for first time buyers.

Total impairment provision balances for residential mortgage lending remained stable at £351 million (31 March 2026: £352 million). Arrears continued to be low and stable, reflecting the quality of our lending, with cases more than three months in arrears representing 0.40% (31 March 2026: 0.39%) of the total portfolio.

Financial review (continued)

Consumer lending

Total consumer lending balances increased to £12.1 billion (31 March 2026: £11.6 billion). This comprises credit card balances of £8.5 billion (31 March 2026: £8.1 billion), personal loan balances of £3.2 billion (31 March 2026: £3.1 billion), and current account overdraft balances of £0.4 billion (31 March 2026: £0.4 billion). The £0.4 billion increase in credit card balances was driven by both new customers and continued strong activity from existing customers. Given strong overall market growth, our credit card market share decreased to 10.1% (31 March 2026: 10.3%). Personal loan gross lending remained stable at £1.1 billion (H1 2025/26: £1.1 billion).

Total impairment provision balances for consumer lending increased to £856 million (31 March 2026: £829 million). Excluding charged off accounts, balances more than three months in arrears represent 1.06% (31 March 2026: 1.10%) of the total portfolio.

Business lending

Business lending balances increased to £15.2 billion (31 March 2026: £14.9 billion), supported by a larger market and growth in both asset finance lending and in the registered social landlords portfolio.

Total impairment provision balances for business lending remained stable at £156 million (31 March 2026: £154 million).

Cash and balances at central banks

Cash and balances held at central banks decreased by £2.8 billion to £35.6 billion (31 March 2026: £38.4 billion). The change in cash levels reflects movements in the balance sheet as well as the active management of the mix between cash and investment assets held for liquidity purposes.

Other financial assets

Other financial assets increased to £30.8 billion (31 March 2026: £28.9 billion). These comprise investment assets held mainly for liquidity purposes of £28.2 billion (31 March 2026: £25.9 billion), loans and advances to banks and similar institutions of £2.3 billion (31 March 2026: £1.8 billion), derivatives with positive fair values of £2.8 billion (31 March 2026: £3.3 billion) and fair value adjustments for portfolio hedged risk of £(2.5) billion (31 March 2026: £(2.1) 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 30 September 2026 remained significantly ahead of regulatory requirements, at 180% (12 months ended 31 March 2026: 169%). Further details are included in the Liquidity and funding risk section of the Risk report.

Financial review (continued)

Members' interests, equity and liabilities		
	30 September 2026	31 March 2026
	£m	£m
Member retail deposits	**278,973**	217,016
Non-member retail deposits	**-**	53,771
Total retail deposits	**278,973**	270,787
Member business deposits	**299**	36
Non-member business deposits	**23,660**	22,761
Total business deposits	**23,959**	22,797
Debt securities in issue	**55,127**	54,821
Other financial liabilities	**7,290**	9,736
Other liabilities	**2,735**	2,898
Total liabilities	**368,084**	361,039
Members' interests and equity	**21,799**	21,085
Non-controlling interests	**204**	204
Total equity and liabilities	**390,087**	382,328

Funding limit[3]
21.7%
(31 March 2026: 37.5%)

Retail deposits

Following the completion of the Part VII transfer in April 2026, customers with eligible Virgin Money products became Nationwide members, resulting in their retail deposits being reported as member rather than non-member retail deposits.

Total retail deposit balances increased to £279.0 billion (31 March 2026: £270.8 billion), supported by a strong ISA season, the success of our Member Exclusive Bond and continued strong momentum in personal current account switching to Nationwide, in a competitive deposit market. The market share of total retail deposit balances increased to 12.4% (31 March 2026: 12.2%).

Personal current account credit balances, which form part of total retail deposits, increased by £0.7 billion to £45.1 billion (31 March 2026: £44.4 billion). Balance growth outperformed the broader market, increasing the Group's market share of personal current account balances to 11.2%[4] (31 March 2026: 10.9%).

Business deposits

Total business deposit balances increased by £1.2 billion to a record £24.0 billion (31 March 2026: £22.8 billion), reflecting growth in both business current account and savings balances. During the period, over 25,000 (H1 2025/26: 26,000) new business current accounts were opened.

Debt securities in issue and other financial liabilities

Debt securities in issue increased to £55.1 billion (31 March 2026: £54.8 billion). This relates to wholesale funding but excludes subordinated debt, which is included within other financial liabilities.

Other financial liabilities decreased to £7.3 billion (31 March 2026: £9.7 billion), primarily due to lower short-term treasury balances.

Nationwide's position against the Building Societies Act Funding Limit[3] at 30 September 2026 was 21.7% (31 March 2026: 37.5%). The reduction reflected eligible Virgin Money customers becoming members of the Society following the Part VII transfer in April 2026.

Members' interests and equity

Members' interests and equity increased to £21.8 billion (31 March 2026: £21.1 billion), largely driven by the profit for the period.

[3] The funding limit measures the proportion of funding, as defined in the Building Societies Act, from sources other than member deposits, against the statutory limit of 50%.
[4] CACI's Current Account and Savings Database, stock credit balances (August 2026 based on the latest available data).

Capital structure

The Group's capital position remains strong, with a Common Equity Tier 1 (CET1) ratio of 18.8% and a leverage ratio of 5.4%, comfortably above regulatory capital requirements of 12.3% and 4.3% respectively. The capital disclosures included in this report are prepared in accordance with the Prudential Regulation Authority (PRA) Rulebook and the UK Capital Requirements Regulation and Directive (UK CRR and UK CRD V).

Capital structure		
	30 September 2026	31 March 2026
	£m	£m
Capital resources		
CET1 capital	**17,220**	16,684
Tier 1 capital	**19,607**	18,862
Total regulatory capital	**21,832**	20,783
Capital requirements		
Risk weighted assets (RWAs)	**91,696**	87,437
Leverage exposure	**363,517**	353,504
Capital ratios	**%**	%
CET1 ratio	**18.8**	19.1
Leverage ratio	**5.4**	5.3

The CET1 ratio decreased to 18.8% (31 March 2026: 19.1%), as the increase in CET1 capital of £0.5 billion was more than offset by an increase in RWAs of £4.3 billion. The increase in CET1 capital resources was driven by statutory profit after tax. The increase in RWAs was driven by a £2.9 billion increase in retail mortgage RWAs, which predominantly reflected growth in balances. Other RWAs increased by £1.4 billion primarily due to growth in business lending and retail unsecured lending balances.

The leverage ratio increased to 5.4% (31 March 2026: 5.3%), with Tier 1 capital resources increasing by £0.7 billion due to the increase in CET1 capital described above, and a £0.2 billion increase in Additional Tier 1 resources in the period. This was partially offset by an increase in leverage exposure of £10.0 billion, predominantly due to growth in residential mortgage, business lending and retail unsecured lending balances, together with an increase in treasury investments. Leverage requirements continue to be the Group's binding Tier 1 capital constraint, as the combination of minimum and regulatory buffer requirements is in excess of the risk-based equivalent.

In August 2026, Nationwide successfully completed the re-sale of 793,651 core capital deferred shares (CCDS) previously repurchased, and held as treasury shares, under its open market repurchase facility. The transaction generated proceeds of approximately £100 million. At 30 September 2026, Nationwide held 639,504 CCDS on its balance sheet, equivalent to £78 million, and the total number of CCDS in issue remains unchanged.

The Part VII transfer in April 2026 had no material impact on the Group's capital position.

Further detail on the capital position and future regulatory developments, including the impact of Basel 3.1, is provided in the Capital risk section of the Risk report.

Risk report

Contents

	Page
Introduction	16
Top and emerging risks	16
Principal risks and uncertainties	16
Credit risk	
Overview	17
Residential mortgages	20
Consumer lending	27
Business lending	31
Treasury assets	35
Liquidity and funding risk	36
Capital risk	40
Market risk	44

Risk report (continued)

Introduction

Effective risk management helps to ensure that we keep customers' money safe and secure. This is critical to delivering our purpose: *Banking – but fairer, more rewarding, and for the good of society.* The Group adopts a prudent approach to risk management, taking only those risks which support our strategy and managing them rigorously through a consistent approach. This report outlines developments during the period in relation to the risks to which the Group is exposed, and how those risks are managed.

Top and emerging risks

Top and emerging risks are managed in accordance with the process outlined in the Risk overview section of the Annual Report and Accounts 2026 and remain broadly unchanged from those reported at 31 March 2026. The external environment continues to present the most significant threats to the delivery of the Group's strategy. Key developments since 31 March 2026 relate to the macroeconomic and geopolitical environment and emergent technologies and cyber risk, as described below.

Macroeconomic and geopolitical environment

The external environment remains uncertain despite a broadly stable UK economic outlook. Geopolitical tensions continue to create the potential for disruption to global supply chains, renewed inflationary pressures and increased market volatility, which could adversely affect economic conditions and customer finances.

Emergent technologies and cyber risk

The rapid development and adoption of artificial intelligence (AI) continues to shape the external risk environment, creating new opportunities while increasing the potential scale and sophistication of cyber-security threats, including AI-enabled fraud and other malicious activity. Nationwide continues to monitor the evolving threat landscape to ensure that potential risks, including cyber, operational resilience and economic crime, are appropriately managed. At the same time, the Group continues to strengthen its controls, oversight and risk management frameworks to support the safe and scalable deployment of AI, including generative and agent-based solutions. This supports the realisation of potential benefits while maintaining a prudent approach to emerging technology risks.

Principal risks and uncertainties

The Board is responsible for overseeing the 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.

The principal risk categories and their definitions remain unchanged from those set out in the Annual Report and Accounts 2026 and are as follows:

- Credit risk
- Liquidity and funding risk
- Capital risk
- Market risk
- Pension risk
- Business risk
- Operational and conduct risk
- Model risk

Where there have been material developments in these principal risks during the period, information is included in the relevant sections of this report.

Risk report (continued)

Credit risk – Overview

Credit risk is the risk of loss as a result of a customer or counterparty failing to meet their financial obligations. Credit risk encompasses:

- borrower/counterparty risk – the risk of loss arising from a borrower or counterparty failing to pay, or becoming increasingly likely not to pay the interest or principal on a loan, or on a financial product, or for a service, on time;
- security/collateral risk – the risk of loss arising from deteriorating security/collateral quality;
- concentration risk – the risk of loss arising from insufficient diversification of region, sector, counterparties or other significant factor; and
- refinance risk – the risk of loss arising when a repayment of a loan or other financial product occurs later than originally anticipated.

The Group manages credit risk for the following portfolios:

Portfolio	Definition
Residential mortgages	Loans secured on residential property
Consumer lending	Unsecured lending comprising credit cards, personal loans and current account overdrafts
Business lending	Lending to non-retail customers, including registered social landlords
Treasury	Treasury liquidity, derivatives and investment portfolios

Further detail regarding the scope of Nationwide's credit risks and how they are managed, together with information on the calculation of impairment provisions based on expected credit losses (ECLs), is included within the Annual Report and Accounts 2026.

Developments in the period

The UK economy remained subdued during the period, with economic activity constrained by ongoing cost pressures and geopolitical uncertainty. Bank rate remained unchanged at 3.75%; however, some borrowers continued to transition from fixed-rate mortgages originated in a low interest rate environment to higher prevailing rates on maturity. The housing market also remained relatively subdued during the period, with annual house price growth of 0.8% in the year to September 2026.

Residential mortgage balances have increased in the period to £294.1 billion (31 March 2026: £286.3 billion), reflecting strong retention, broadened propositions and the Group's continued support for first time buyers. Consumer lending balances have increased to £12.1 billion (31 March 2026: £11.6 billion) primarily due to growth in the credit card portfolio. Business lending increased to £15.2 billion (31 March 2026: £14.9 billion), primarily driven by growth in asset finance lending and the registered social landlords portfolio.

Residential mortgage arrears have remained at low levels during the period and well below the industry average. Consumer lending arrears have remained broadly stable.

Provisions have increased to £1,363 million (31 March 2026: £1,335 million) and include modelled adjustments for affordability considerations, persistent credit card debt, property valuation risks and business lending portfolio risks, totalling £167 million (31 March 2026: £170 million). This includes adjustments for credit risk arising from customer affordability pressures and exposure to interest rate shocks, primarily within the residential mortgage portfolio. The impairment charge of £203 million (H1 2025/26: £146 million) is equivalent to an annualised cost of risk of 13 basis points (H1 2025/26: 10 basis points). This increase reflects the impact of lending growth and updates to economic scenarios. The prior period included a £26 million provision release following the redevelopment of the credit card provision model.

Outlook

In the base case scenario, the Group anticipates modest growth in the UK economy, with unemployment peaking at 5.5% in 2027 before falling from 2028 onwards. Bank rate increased to 4.0% in November 2026 and is expected to increase further to 4.25% during 2027, reflecting monetary tightening in the near term, before reducing to 3.5% from 2029 onwards. Inflation is projected to rise to 3.5% before returning to the Bank of England's 2% target by the end of 2027. House price growth is expected to be 1.5% in 2026, reflecting subdued housing market activity and ongoing economic uncertainty. Thereafter, house price growth is expected to increase gradually, reaching 3.2% per annum from 2029 onwards.

Risk report (continued)

Credit risk – Overview (continued)

Higher unemployment and interest rates are expected to increase affordability pressures on borrowers across all lending portfolios. However, borrowers have remained resilient to date, with credit performance broadly stable. Businesses also continue to face cost pressures, reflecting the cumulative impact of inflation and higher financing costs. These pressures are expected to persist in the near term.

The Group continues to monitor geopolitical and economic uncertainties and assess their potential impact on borrowers and credit risk across its lending portfolios. Portfolio credit performance is expected to remain resilient, supported by strong underlying asset quality. Where necessary, the Group will continue to take appropriate action to support borrowers experiencing financial difficulty.

Maximum exposure to credit risk

Credit risk largely arises from loans and advances to customers, which account for 83% (31 March 2026: 83%) of the Group's credit risk exposure. Within this, the exposure relates primarily to residential mortgages, which account for 91% (31 March 2026: 91%) of loans and advances to customers and comprise high-quality assets with historically low occurrences of arrears and repossessions.

In addition to loans and advances to customers, the Group is exposed to credit risk on all other financial asset classes. For all financial assets recognised on the balance sheet, the maximum exposure to credit risk represents the balance sheet carrying value after allowance for impairment, plus off-balance sheet commitments. For off-balance sheet commitments, the maximum exposure is the maximum amount that the Group would have to pay if the commitments were to be called upon. For loan commitments and other credit-related commitments that are irrevocable over the life of the respective facilities, the maximum exposure is the full amount of the committed facilities.

Maximum exposure to credit risk						
30 September 2026	**Gross balances**	**Impairment provisions**	**Carrying value**	**Commitments (note i)**	**Maximum credit risk exposure**	**% of total credit risk exposure**
(Reviewed)	**£m**	**£m**	**£m**	**£m**	**£m**	**%**
Amortised cost loans and advances to customers:						
Residential mortgages	**294,083**	**(351)**	**293,732**	**18,625**	**312,357**	**75**
Consumer lending	**12,092**	**(856)**	**11,236**	**75**	**11,311**	**3**
Business lending	**15,021**	**(156)**	**14,865**	**5,911**	**20,776**	**5**
	321,196	**(1,363)**	**319,833**	**24,611**	**344,444**	**83**
Fair value through profit or loss (FVTPL) loans and advances to customers:						
Residential mortgages	**31**	**-**	**31**	**-**	**31**	**-**
Business lending	**34**	**-**	**34**	**-**	**34**	**-**
	65	**-**	**65**	**-**	**65**	**-**
Other financial assets:						
Cash and balances at central banks	**35,627**	**-**	**35,627**	**-**	**35,627**	**9**
Loans and advances to banks and similar institutions	**2,259**	**-**	**2,259**	**-**	**2,259**	**-**
Debt investment securities	**28,173**	**-**	**28,173**	**25**	**28,198**	**7**
Derivative financial instruments	**2,805**	**-**	**2,805**	**-**	**2,805**	**1**
	68,864	**-**	**68,864**	**25**	**68,889**	**17**
Total	**390,125**	**(1,363)**	**388,762**	**24,636**	**413,398**	**100**

Risk report (continued)

Credit risk – Overview (continued)

Maximum exposure to credit risk						
31 March 2026	Gross Balances (note ii)	Impairment provisions	Carrying value	Commitments (note i)	Maximum credit risk exposure	% of total credit risk exposure
(Reviewed)	£m	£m	£m	£m	£m	%
Amortised cost loans and advances to customers:						
Residential mortgages	286,298	(352)	285,946	15,603	301,549	75
Consumer lending	11,578	(829)	10,749	73	10,822	3
Business lending	14,668	(154)	14,514	5,361	19,875	5
	312,544	(1,335)	311,209	21,037	332,246	83
Fair value through profit or loss (FVTPL) loans and advances to customers:						
Residential mortgages	32	-	32	-	32	-
Business lending	38	-	38	-	38	-
	70	-	70	-	70	-
Other financial assets:						
Cash and balances at central banks	38,411	-	38,411	-	38,411	10
Loans and advances to banks and similar institutions	1,758	-	1,758	-	1,758	-
Debt investment securities	25,828	-	25,828	25	25,853	6
Derivative financial instruments	3,341	-	3,341	-	3,341	1
	69,338	-	69,338	25	69,363	17
Total	381,952	(1,335)	380,617	21,062	401,679	100

Notes:

i. In addition to the amounts shown above, the Group has revocable commitments of £30,331 million (31 March 2026: £25,966 million) primarily in respect of credit card and overdraft facilities. These commitments represent agreements to lend in the future, subject to certain considerations. Such commitments are cancellable by the Group, subject to notice requirements, and given their nature are not expected to be drawn down to the full level of exposure.

ii. The table previously included the fair value adjustments for portfolio and micro hedged risk and equity investments; these have been removed as they are not subject to credit risk.

Commitments

Irrevocable undrawn commitments to lend are within the scope of provision requirements. The commitments in the table above consist of overpayment reserves and separately identifiable irrevocable commitments for the pipeline of residential mortgages, personal loans, business lending and investment securities. These commitments are not recognised on the balance sheet; the associated provision of £3.2 million (31 March 2026: £3.8 million) is included within provisions for liabilities and charges. The majority of the off-balance sheet commitments are in stage 1, with a provision equal to a 12-month ECL.

Revocable commitments relating to overdrafts and credit cards are included in the calculation of impairment provisions, with the allowance for future drawdowns included in the estimate of the exposure at default.

Risk report (continued)

Credit risk – Residential mortgages

Summary

The Group's residential mortgages comprise owner-occupied, buy to let and legacy loans. Legacy mortgages are smaller owner-occupied portfolios in run-off.

Residential mortgage gross balances		
	30 September 2026	31 March 2026
(Reviewed)	**£m**	£m
Owner-occupied	**232,106**	224,856
Buy to let and legacy	**61,977**	61,442
Amortised cost loans and advances to customers	**294,083**	286,298
FVTPL loans and advances to customers	**31**	32
Total residential mortgages	**294,114**	286,330

The increase in gross balances in the period reflects strong retention, broadened propositions and the Group's continued support for first time buyers.

Impairment charge/(release) and write-offs for the period		
(Reviewed)	**Half year to 30 September 2026**	Half year to 30 September 2025
Impairment charge/(release)	**£m**	£m
Owner-occupied	**9**	11
Buy to let and legacy	**(5)**	(11)
Total	**4**	-
Gross write-offs	**9**	11

Impairment charges for the period were minimal at £4 million (H1 2025/26: £nil). Residential mortgage arrears have remained at low levels during the period, with the arrears rate increasing slightly to 0.40% (31 March 2026: 0.39%).

Risk report (continued)

Credit risk – Residential mortgages (continued)

Residential mortgages staging analysis

The table below shows the Group's residential mortgage lending balances carried at amortised cost, the stage allocation of the loans, impairment provisions and the resulting provision coverage ratios.

Residential mortgages staging analysis								
30 September 2026	**Stage 1**	**Stage 2 total**	**Stage 2 Up to date**	**Stage 2 1 to 30 DPD (note i)**	**Stage 2 >30 DPD (note i)**	**Stage 3**	**POCI (note ii)**	**Total**
(Reviewed)	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Gross balances								
Owner-occupied	**220,554**	**10,242**	**8,765**	**965**	**512**	**1,026**	**284**	**232,106**
Buy to let and legacy	**42,107**	**19,170**	**18,574**	**381**	**215**	**552**	**148**	**61,977**
Total	**262,661**	**29,412**	**27,339**	**1,346**	**727**	**1,578**	**432**	**294,083**
Provisions								
Owner-occupied	**14**	**68**	**46**	**9**	**13**	**53**	**2**	**137**
Buy to let and legacy	**9**	**143**	**113**	**17**	**13**	**60**	**2**	**214**
Total	**23**	**211**	**159**	**26**	**26**	**113**	**4**	**351**
Provisions as a % of total balance	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**
Owner-occupied	**0.01**	**0.67**	**0.53**	**0.98**	**2.47**	**5.15**	**-**	**0.06**
Buy to let and legacy	**0.02**	**0.75**	**0.61**	**4.36**	**6.08**	**10.85**	**-**	**0.35**
Total	**0.01**	**0.72**	**0.58**	**1.93**	**3.54**	**7.14**	**-**	**0.12**

Risk report (continued)

Credit risk – Residential mortgages (continued)

Residential mortgages staging analysis								
31 March 2026	Stage 1	Stage 2 total	Stage 2 Up to date	Stage 2 1 to 30 DPD (note i)	Stage 2 >30 DPD (note i)	Stage 3	POCI (note ii)	Total
(Reviewed)	£m	£m	£m	£m	£m	£m	£m	£m
Gross balances								
Owner-occupied	210,272	13,313	11,866	918	529	960	311	224,856
Buy to let and legacy	35,987	24,771	24,201	334	236	523	161	61,442
Total	246,259	38,084	36,067	1,252	765	1,483	472	286,298
Provisions								
Owner-occupied	13	63	45	7	11	51	2	129
Buy to let and legacy	33	134	106	14	14	53	3	223
Total	46	197	151	21	25	104	5	352
Provisions as a % of total balance	%	%	%	%	%	%	%	%
Owner-occupied	0.01	0.47	0.38	0.82	2.05	5.33	-	0.06
Buy to let and legacy	0.09	0.54	0.44	4.08	6.04	10.07	-	0.36
Total	0.02	0.52	0.42	1.69	3.28	7.00	-	0.12

Notes:

i. Days past due (DPD) is a measure of arrears status.

ii. Purchased or originated credit-impaired (POCI) loans are those which were recognised on the balance sheet when the Derbyshire Building Society was acquired in 2008 and Virgin Money was acquired in 2024. The POCI balance of £432 million (31 March 2026: £472 million) is presented net of lifetime ECL of £15 million (31 March 2026: £16 million). The provision coverage for POCI loans is not presented in the table due to the gross balance being reported net of the lifetime ECL at the point of acquisition. The POCI provision represents the movement in lifetime ECL since acquisition.

Total balances have increased due to growth in the owner-occupied portfolio, resulting in an increase in stage 1 balances.

Stage 2 balances reduced to £29.4 billion (31 March 2026: £38.1 billion), largely due to model refinements implemented during the period, rather than an improvement in underlying credit conditions. Only 2% (31 March 2026: 2%) of stage 2 balances are in arrears by 30 days or more, with the majority of balances in stage 2 due to an increase in the probability of default (PD) since origination. Total stage 2 balances include £5.6 billion (31 March 2026: £8.7 billion) of loans where the PD has been uplifted to recognise the increased risk of default due to borrower affordability pressures. The reduction in these balances primarily reflects the impact of the model refinements, rather than a change in the underlying affordability assumptions. The Annual Report and Accounts 2026 sets out the main criteria used to determine whether a significant increase in credit risk has occurred since origination. There have been no changes to the criteria during the period.

Stage 3 and POCI balances make up 0.7% (31 March 2026: 0.7%) of total balances. Stage 3 balances increased modestly to £1,578 million (31 March 2026: £1,483 million), primarily reflecting newly impaired loans during the period. This increase has been partially offset by a reduction in POCI balances to £432 million (31 March 2026: £472 million), as loans impaired at acquisition continue to redeem or be written off. Of the total stage 3 and POCI balances, £1,251 million (31 March 2026: £1,204 million) is in respect of loans which are more than 90 days past due, with the remainder being impaired due to other indicators of unlikeliness to pay such as certain types of forbearance.

Residential mortgage provisions are broadly stable at £351 million (31 March 2026: £352 million) and include modelled adjustments of £83 million (31 March 2026: £84 million) to reflect the increased risk of default due to borrower affordability pressures and an adjustment for property valuation risks associated with flats. The model refinements noted above resulted in a reallocation of provisions during the period, predominantly between stages 1 and 2. Further information on provisions is included in note 7 to the condensed consolidated interim financial statements.

Risk report (continued)

Credit risk – Residential mortgages (continued)

The table below summarises the movements in, and stage allocation of, the residential mortgages held at amortised cost, including the impact of ECL impairment provisions. The movements within the table compare the position at 30 September 2026 to that at the start of the reporting period.

Reconciliation of net movements in residential mortgage balances and impairment provisions

	Non-credit impaired				Credit impaired (note i)		Total	
	Subject to 12-month ECL		Subject to lifetime ECL		Subject to lifetime ECL			
	Stage 1		Stage 2		Stage 3 and POCI			
	Gross balances	Provisions	Gross balances	Provisions	Gross balances	Provisions	Gross balances	Provisions
(Reviewed)	£m	£m	£m	£m	£m	£m	£m	£m
At 31 March 2026	246,259	46	38,084	197	1,955	109	286,298	352
Stage transfers:								
Transfers from stage 1 to stage 2	**(9,185)**	**(11)**	**9,185**	**11**	**-**	**-**	**-**	**-**
Transfers to stage 3	**(120)**	**-**	**(391)**	**(9)**	**511**	**9**	**-**	**-**
Transfers from stage 2 to stage 1	**16,533**	**51**	**(16,533)**	**(51)**	**-**	**-**	**-**	**-**
Transfers from stage 3	**42**	**1**	**170**	**7**	**(212)**	**(8)**	**-**	**-**
Net remeasurement of ECL arising from transfer of stage	**-**	**(47)**	**-**	**42**	**-**	**13**	**-**	**8**
Net movement arising from transfer of stage	**7,270**	**(6)**	**(7,569)**	**-**	**299**	**14**	**-**	**8**
Change in exposure in the period (note ii)	**9,132**	**-**	**(1,103)**	**1**	**(209)**	**(18)**	**7,820**	**(17)**
Changes in risk parameters in relation to credit quality	**-**	**(17)**	**-**	**13**	**-**	**21**	**-**	**17**
Other items impacting the income statement (note iii)	**-**	**-**	**-**	**-**	**-**	**(4)**	**-**	**(4)**
Income statement charge for the period								**4**
Assets written off (note iii)	**-**	**-**	**-**	**-**	**(35)**	**(8)**	**(35)**	**(8)**
Other adjustments (note iv)	**-**	**-**	**-**	**-**	**-**	**3**	**-**	**3**
At 30 September 2026	**262,661**	**23**	**29,412**	**211**	**2,010**	**117**	**294,083**	**351**

Notes:

i. Gross balances of credit impaired loans include £432 million (31 March 2026: £472 million) of POCI loans, which are presented net of lifetime ECL at acquisition of £15 million (31 March 2026: £16 million).
ii. The change in exposure in the period includes new assets originated, redemptions and further lending and repayments during the period.
iii. The movement in provisions for 'assets written off' is presented net of post-write off recoveries of £1 million. The income statement impact of these recoveries is included within 'other items impacting the income statement'.
iv. Other adjustments include the release of provisions related to POCI balances which have redeemed during the period.

Further information on movements in gross loans and advances to customers and impairment provisions, including the methodology applied in preparing the table, is included in note 9 to the condensed consolidated interim financial statements.

Risk report (continued)

Credit risk – Residential mortgages (continued)

Credit quality

The residential mortgage portfolio comprises many small loans which are broadly homogenous, have low volatility of credit risk outcomes and are geographically diversified. The table below shows the gross balances and provisions for residential mortgages held at amortised cost, by PD range.

Residential mortgage gross balances and provisions by PD									
30 September 2026	**Gross balances**				**Provisions**				**Provision coverage**
(Reviewed)	**Stage 1**	**Stage 2**	**Stage 3 and POCI (note i)**	**Total**	**Stage 1**	**Stage 2**	**Stage 3 and POCI (note i)**	**Total**	
12-month IFRS 9 PD range	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**%**
0.00 to < 0.15%	**202,611**	**4,933**	**40**	**207,584**	**7**	**9**	**-**	**16**	**0.01**
0.15 to < 0.25%	**26,349**	**2,129**	**20**	**28,498**	**4**	**7**	**-**	**11**	**0.04**
0.25 to < 0.50%	**20,360**	**4,231**	**24**	**24,615**	**5**	**16**	**-**	**21**	**0.08**
0.50 to < 0.75%	**6,308**	**2,298**	**16**	**8,622**	**2**	**10**	**-**	**12**	**0.14**
0.75 to < 2.50%	**6,725**	**6,508**	**65**	**13,298**	**4**	**31**	**-**	**35**	**0.26**
2.50 to < 10.00%	**290**	**5,416**	**82**	**5,788**	**1**	**47**	**-**	**48**	**0.82**
10.00 to < 100%	**18**	**3,897**	**222**	**4,137**	**-**	**91**	**7**	**98**	**2.38**
100% (default)	**-**	**-**	**1,541**	**1,541**	**-**	**-**	**110**	**110**	**7.25**
Total	**262,661**	**29,412**	**2,010**	**294,083**	**23**	**211**	**117**	**351**	**0.12**

Residential mortgages gross balances and provisions by PD									
31 March 2026	Gross balances				Provisions				Provision coverage
	Stage 1	Stage 2	Stage 3 and POCI (note i)	Total	Stage 1	Stage 2	Stage 3 and POCI (note i)	Total	
12-month IFRS 9 PD range	£m	£m	£m	£m	£m	£m	£m	£m	%
0.00 to < 0.15%	186,634	4,073	39	190,746	6	5	-	11	0.01
0.15 to < 0.25%	24,008	2,337	16	26,361	3	5	-	8	0.03
0.25 to < 0.50%	22,400	6,506	20	28,926	11	16	-	27	0.09
0.50 to < 0.75%	6,477	3,422	14	9,913	5	10	-	15	0.15
0.75 to < 2.50%	5,877	11,109	58	17,044	6	34	-	40	0.23
2.50 to < 10.00%	505	6,034	76	6,615	1	36	-	37	0.56
10.00 to < 100%	358	4,603	235	5,196	14	91	6	111	2.14
100% (default)	-	-	1,497	1,497	-	-	103	103	6.85
Total	246,259	38,084	1,955	286,298	46	197	109	352	0.12

Note:
i. Includes POCI loan balances of £432 million (31 March 2026: £472 million). The POCI provision represents the movement in lifetime ECL since acquisition.

At 30 September 2026, 96% (31 March 2026: 95%) of the portfolio had a 12-month IFRS 9 PD of less than 2.5%, reflecting the high quality of the residential mortgage portfolio.

Risk report (continued)

Credit risk – Residential mortgages (continued)

Residential mortgage portfolio analysis

The table below shows key residential mortgage credit risk metrics and includes both amortised cost and FVTPL balances.

Residential mortgage portfolio analysis						
	30 September 2026			31 March 2026		
	Owner-occupied	**Buy to let and legacy**	**Total**	Owner-occupied	Buy to let and legacy	Total
Gross balances (£m)	**232,137**	**61,977**	**294,114**	224,888	61,442	286,330
Arrears						
Number of cases more than 3 months in arrears as % of total book	**0.39%**	**0.42%**	**0.40%**	0.38%	0.43%	0.39%
Forbearance						
Gross balances (£m)	**1,037**	**371**	**1,408**	1,030	382	1,412
LTV						
Stock average LTV	**59%**	**58%**	**59%**	58%	57%	58%
(Reviewed)						
Balances by LTV ratio (£m):						
Up to 50%	**78,483**	**16,907**	**95,390**	79,094	18,126	97,220
50% to 60%	**35,090**	**13,809**	**48,899**	35,445	14,647	50,092
60% to 70%	**34,830**	**15,895**	**50,725**	35,255	15,772	51,027
70% to 80%	**34,981**	**13,717**	**48,698**	32,313	11,853	44,166
80% to 90%	**40,114**	**1,426**	**41,540**	34,558	887	35,445
90% to 100%	**8,609**	**136**	**8,745**	8,190	81	8,271
Over 100%	**30**	**87**	**117**	33	76	109
Total	**232,137**	**61,977**	**294,114**	224,888	61,442	286,330

Risk report (continued)

Credit risk – Residential mortgages (continued)

Arrears

Residential mortgage arrears have remained at low levels during the period, with the arrears rate increasing slightly to 0.40% (31 March 2026: 0.39%). Arrears remain well below the UK industry average of 0.73% (31 March 2026: 0.77%). The buy to let and legacy portfolio arrears rate has reduced to 0.42% (31 March 2026: 0.43%). Within this portfolio, the performance of the open buy to let book originated under the The Mortgage Works (UK) PLC brand remains strong, with an arrears rate of 0.22% (31 March 2026: 0.20%).

Forbearance

The Group is committed to supporting borrowers facing financial difficulty by working with them to find a solution through proactive arrears management and forbearance. The main types of forbearance include interest or payment arrangements, where the borrower is granted a concession which varies from contractual terms and repayments during a time of financial difficulty.

Gross balances subject to forbearance remained broadly stable at £1,408 million (31 March 2026: £1,412 million), which represents 0.5% (31 March 2026: 0.5%) of total gross balances.

LTV

Loan to value (LTV) is calculated by weighting the borrower level LTV by the individual loan balance to arrive at an average LTV. This approach is considered to be the most appropriate method for reflecting the exposure risk. The stock average LTV is calculated using the latest indexed valuation.

The average LTV of new business originated in the period, excluding further advances, has increased slightly to 73% (H1 2025/26: 72%). The impact of new lending on the stock average LTV was only partially offset by house price growth and capital repayments during the period, resulting in an increase in both the stock average LTV to 59% (31 March 2026: 58%) and the proportion of balances in the greater than 70% LTV bands.

Geographical distribution

During the period, the geographical distribution of residential mortgages across the UK has remained broadly stable. Lending in the Greater London and South East regions continues to represent 46% (31 March 2026: 46%) of total residential mortgage balances.

Risk report (continued)

Credit risk – Consumer lending

Summary

The consumer lending portfolio comprises balances on unsecured retail banking products: credit cards, personal loans and overdrawn current accounts.

Consumer lending gross balances		
	30 September 2026	31 March 2026
(Reviewed)	**£m**	£m
Credit cards	**8,474**	8,107
Personal loans	**3,243**	3,101
Overdrawn current accounts	**375**	370
Total consumer lending	**12,092**	11,578

The increase in gross balances in the period is primarily within the credit card portfolio. All consumer lending loans are classified and measured at amortised cost.

Impairment charge and write-offs for the period		
(Reviewed)	**Half year to 30 September 2026**	Half year to 30 September 2025
Impairment charge	**£m**	£m
Credit cards	**122**	91
Personal loans	**31**	18
Overdrawn current accounts	**20**	14
Total	**173**	123
Gross write-offs		
Credit cards	**138**	121
Personal loans	**23**	28
Overdrawn current accounts	**12**	9
Total	**173**	158

The impairment charge for the period includes a £27 million increase in balance sheet provisions, driven by portfolio growth and updates to economic scenarios. The prior period included a one-off £26 million provision release following a redevelopment of the credit card provision model.

Arrears levels have remained low during the period. Excluding charged off accounts, balances more than 3 months in arrears are broadly stable at 1.06% (31 March 2026: 1.10%) of the portfolio.

Risk report (continued)

Credit risk – Consumer lending (continued)

The table below shows consumer lending balances by stage, with the corresponding impairment provisions and resulting provision coverage ratios.

Consumer lending staging analysis										
	30 September 2026					31 March 2026				
	Stage 1	**Stage 2**	**Stage 3**	**POCI (note i)**	**Total**	Stage 1	Stage 2	Stage 3	POCI (note i)	Total
(Reviewed)	**£m**	**£m**	**£m**	**£m**	**£m**	£m	£m	£m	£m	£m
Gross balances										
Credit cards	**6,488**	**1,732**	**250**	**4**	**8,474**	6,291	1,563	244	9	8,107
Personal loans	**2,188**	**916**	**139**	**-**	**3,243**	2,346	620	135	-	3,101
Overdrawn current accounts	**193**	**126**	**56**	**-**	**375**	199	120	51	-	370
Total	**8,869**	**2,774**	**445**	**4**	**12,092**	8,836	2,303	430	9	11,578
Provisions										
Credit cards	**132**	**296**	**152**	**(11)**	**569**	126	295	151	(11)	561
Personal loans	**19**	**61**	**123**	**-**	**203**	18	53	120	-	191
Overdrawn current accounts	**5**	**29**	**50**	**-**	**84**	5	26	46	-	77
Total	**156**	**386**	**325**	**(11)**	**856**	149	374	317	(11)	829
Provisions as a % of total balance	**%**	**%**	**%**	**%**	**%**	%	%	%	%	%
Credit cards	**2.04**	**17.07**	**60.78**	**-**	**6.72**	2.01	18.84	61.96	-	6.92
Personal loans	**0.85**	**6.73**	**88.19**	**-**	**6.25**	0.78	8.64	88.67	-	6.17
Overdrawn current accounts	**2.57**	**22.97**	**91.11**	**-**	**22.46**	2.37	21.71	91.17	-	20.86
Total	**1.76**	**13.93**	**73.13**	**-**	**7.08**	1.69	16.24	73.82	-	7.17

Note:

i. POCI loans are those which were credit impaired on acquisition and were recognised on the balance sheet when Virgin Money was acquired in 2024. The POCI balance of £4 million (31 March 2026: £9 million) is presented net of lifetime ECL of £15 million (31 March 2026: £17 million). The provision coverage for POCI loans is not presented in the table due to the gross balance being reported net of the lifetime ECL at the point of acquisition. The POCI provision represents the movement in lifetime ECL since acquisition.

Total balances have increased due to growth in both credit cards and personal loans portfolios.

Stage 2 balances have increased to £2,774 million (31 March 2026: £2,303 million), largely reflecting a refinement to the modelling of the severe downside scenario and the resulting impact on stage allocation. This includes £690 million (31 March 2026: £664 million) of loans where the PD has been uplifted to reflect an increased allowance for affordability risk and credit card persistent debt. 2% (31 March 2026: 2%) of stage 2 balances are in arrears by 30 days or more, with the majority of balances in stage 2 due to an increase in PD since origination. The Annual Report and Accounts 2026 sets out the main criteria used to determine whether a significant increase in credit risk has occurred since origination. There have been no changes to the criteria during the period.

Stage 3 and POCI balances make up 3.7% (31 March 2026: 3.8%) of total balances. The stage 3 gross balances and provisions include charged off balances. These are accounts which are closed to future transactions and may be held on the balance sheet for a period of up to 36 months, whilst recovery activities take place. The charged off balances are £192 million (31 March 2026: £187 million), and provisions held against these balances are £182 million (31 March 2026: £181 million).

Consumer lending provisions have increased to £856 million (31 March 2026: £829 million) largely due to portfolio growth and updates to economic scenarios. The modelled adjustment for ongoing affordability risks and credit card persistent debt has been maintained at £58 million (31 March 2026: £60 million). Excluding charged off balances and related provisions, total provisions amount to 5.7% (31 March 2026: 5.7%) of total gross balances.

Risk report (continued)

Credit risk – Consumer lending (continued)

The table below summarises the movements in, and stage allocation of, the consumer lending balances held at amortised cost, including the impact of ECL impairment provisions. The movements within the table compare the position at 30 September 2026 to that at the start of the reporting period.

Reconciliation of net movements in consumer lending balances and impairment provisions

	Non-credit impaired				Credit impaired (note i)		Total	
	Subject to 12-month ECL		Subject to lifetime ECL		Subject to lifetime ECL			
	Stage 1		Stage 2		Stage 3 and POCI			
	Gross balances	Provisions	Gross balances	Provisions	Gross balances	Provisions	Gross balances	Provisions
(Reviewed)	£m	£m	£m	£m	£m	£m	£m	£m
At 31 March 2026	8,836	149	2,303	374	439	306	11,578	829
Stage transfers:								
Transfers from stage 1 to stage 2	**(1,149)**	**(23)**	**1,149**	**23**	**-**	**-**	**-**	**-**
Transfers to stage 3	**(57)**	**(1)**	**(147)**	**(51)**	**204**	**52**	**-**	**-**
Transfers from stage 2 to stage 1	**621**	**91**	**(621)**	**(91)**	**-**	**-**	**-**	**-**
Transfers from stage 3	**4**	**1**	**17**	**3**	**(21)**	**(4)**	**-**	**-**
Net remeasurement of ECL arising from transfer of stage	**-**	**(87)**	**-**	**135**	**-**	**73**	**-**	**121**
Net movement arising from transfer of stage	**(581)**	**(19)**	**398**	**19**	**183**	**121**	**-**	**121**
Change in exposure in the period (note ii)	**614**	**31**	**73**	**6**	**-**	**6**	**687**	**43**
Changes in risk parameters in relation to credit quality	**-**	**(5)**	**-**	**(13)**	**-**	**53**	**-**	**35**
Other items impacting the income statement (note iii)	**-**	**-**	**-**	**-**	**-**	**(26)**	**-**	**(26)**
Income statement charge for the period								**173**
Assets written off (note iii)	**-**	**-**	**-**	**-**	**(173)**	**(144)**	**(173)**	**(144)**
Other adjustments (note iv)	**-**	**-**	**-**	**-**	**-**	**(2)**	**-**	**(2)**
At 30 September 2026	**8,869**	**156**	**2,774**	**386**	**449**	**314**	**12,092**	**856**

Notes:

i. Gross balances of credit impaired loans include £4 million (31 March 2026: £9 million) of POCI loans, which are presented net of lifetime ECL at acquisition of £15 million (31 March 2026: £17 million).
ii. The change in exposure in the period includes new assets originated, redemptions and further lending and repayments during the period.
iii. The movement in provisions for 'assets written off' is presented net of post-write off recoveries of £29 million. The income statement impact of these recoveries is included within 'other items impacting the income statement'.
iv. Other adjustments include the release of provisions related to POCI balances which have redeemed during the period.

Further information on movements in total gross loans and advances to customers and impairment provisions, including the methodology applied in preparing the table, is included in note 9 to the condensed consolidated interim financial statements.

Risk report (continued)

Credit risk – Consumer lending (continued)

Credit quality

The table below shows gross balances and provisions for consumer lending balances held at amortised cost by PD range.

Consumer lending gross balances and provisions by PD									
30 September 2026	**Gross balances**				**Provisions**				**Provision coverage**
(Reviewed)	**Stage 1**	**Stage 2**	**Stage 3 and POCI (note i)**	**Total**	**Stage 1**	**Stage 2**	**Stage 3 and POCI (note i)**	**Total**	
12-month IFRS 9 PD range	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**%**
0.00 to < 0.15%	**1,077**	**47**	**-**	**1,124**	**3**	**2**	**-**	**5**	**0.41**
0.15 to < 0.25%	**652**	**37**	**-**	**689**	**2**	**1**	**-**	**3**	**0.51**
0.25 to < 0.50%	**1,206**	**192**	**-**	**1,398**	**12**	**5**	**-**	**17**	**1.17**
0.50 to < 0.75%	**907**	**130**	**-**	**1,037**	**18**	**4**	**(1)**	**21**	**2.00**
0.75 to < 2.50%	**3,267**	**565**	**5**	**3,837**	**52**	**32**	**(4)**	**80**	**2.10**
2.50 to < 10.00%	**1,705**	**1,011**	**6**	**2,722**	**61**	**116**	**(3)**	**174**	**6.37**
10.00 to < 20.00%	**43**	**446**	**2**	**491**	**4**	**88**	**(1)**	**91**	**18.79**
20.00 to < 100%	**12**	**346**	**5**	**363**	**4**	**138**	**1**	**143**	**39.24**
100% (default)	**-**	**-**	**431**	**431**	**-**	**-**	**322**	**322**	**74.88**
Total	**8,869**	**2,774**	**449**	**12,092**	**156**	**386**	**314**	**856**	**7.08**

Consumer lending gross balances and provisions by PD									
31 March 2026	Gross balances				Provisions				Provision coverage
(Reviewed)	Stage 1	Stage 2	Stage 3 and POCI (note i)	Total	Stage 1	Stage 2	Stage 3 and POCI (note i)	Total	
12-month IFRS 9 PD range	£m	£m	£m	£m	£m	£m	£m	£m	%
0.00 to < 0.15%	991	26	-	1,017	2	2	-	4	0.38
0.15 to < 0.25%	612	23	-	635	2	1	-	3	0.48
0.25 to < 0.50%	1,125	97	-	1,222	9	4	-	13	1.01
0.50 to < 0.75%	887	88	-	975	17	4	-	21	2.00
0.75 to < 2.50%	3,271	421	5	3,697	48	29	(3)	74	1.99
2.50 to < 10.00%	1,884	874	8	2,766	62	106	(3)	165	5.97
10.00 to < 20.00%	52	438	3	493	5	90	(1)	94	19.13
20.00 to < 100%	14	336	6	356	4	138	1	143	40.52
100% (default)	-	-	417	417	-	-	312	312	75.20
Total	8,836	2,303	439	11,578	149	374	306	829	7.17

Note:
i. Includes POCI loan balances of £4 million (31 March 2026: £9 million). The POCI provision represents the movement in lifetime ECL since acquisition.

The credit quality of the consumer lending portfolio has remained strong; 89% (31 March 2026: 89%) of the portfolio has a 12-month IFRS 9 PD of less than 10%.

Forbearance

The Group is committed to supporting borrowers facing financial difficulty by working with them to find a solution through proactive arrears management and forbearance. The main types of forbearance offered are interest payment concessions, which reduce monthly payments and may be offered to customers with a credit card, personal loan or overdraft. Gross balances subject to forbearance have increased to £240 million (31 March 2026: £209 million), which represents 2.0% (31 March 2026: 1.8%) of total gross balances. The movement was primarily due to a refinement of the forbearance population to include certain credit card accounts where arrears have been re-aged following a repayment arrangement.

Risk report (continued)

Credit risk – Business lending

Business lending comprises lending to non-retail customers, including loans to registered social landlords. Lending is primarily to UK-domiciled corporate clients, some of which are owned by international companies and funds.

Business lending gross balances		
	30 September 2026	31 March 2026
(Reviewed)	**£m**	£m
Business lending (excl. registered social landlords)	**9,769**	9,563
Registered social landlords	**5,252**	5,105
Business lending balances at amortised cost	**15,021**	14,668
Fair value adjustment for micro hedged risk	**151**	204
Business lending balances – FVTPL	**34**	38
Total	**15,206**	14,910

Gross balances have increased during the period, primarily driven by growth in asset finance lending and the registered social landlords portfolio. Registered social landlords is the largest sector exposure and supports the Group's strategic purpose by helping improve access to affordable housing. The remainder of the business lending portfolio is diversified across a range of sectors, the largest being agriculture, business services and health, with the sector composition remaining broadly unchanged in the period.

Impairment charge and write-offs for the period		
	Half year to 30 September 2026	Half year to 30 September 2025
(Reviewed)	**£m**	£m
Total impairment charge	**26**	23
Total gross write-offs	**31**	8

Impairment charges are broadly in line with those of the prior period, with higher gross write-offs attributed to a small number of exposures.

Risk report (continued)

Credit risk – Business lending (continued)

The table below shows the business lending balances carried at amortised cost, the stage allocation of the loans, impairment provisions and resulting provision coverage ratios.

Business lending staging analysis										
	30 September 2026					31 March 2026				
	Stage 1	**Stage 2**	**Stage 3**	**POCI (note i)**	**Total**	Stage 1	Stage 2	Stage 3	POCI (note i)	Total
(Reviewed)	**£m**	**£m**	**£m**	**£m**	**£m**	£m	£m	£m	£m	£m
Gross balances										
Business lending (excl. registered social landlords)	**7,307**	**1,956**	**222**	**284**	**9,769**	7,214	1,818	220	311	9,563
Registered social landlords	**5,110**	**142**	**-**	**-**	**5,252**	4,931	174	-	-	5,105
Total	**12,417**	**2,098**	**222**	**284**	**15,021**	12,145	1,992	220	311	14,668
Provisions										
Business lending (excl. registered social landlords)	**30**	**71**	**52**	**2**	**155**	28	66	50	9	153
Registered social landlords	**1**	**-**	**-**	**-**	**1**	1	-	-	-	1
Total	**31**	**71**	**52**	**2**	**156**	29	66	50	9	154
Provisions as a % of total balance	**%**	**%**	**%**	**%**	**%**	%	%	%	%	%
Business lending (excl. registered social landlords)	**0.39**	**3.64**	**23.53**	**-**	**1.58**	0.39	3.62	22.81	-	1.60
Registered social landlords	**0.01**	**0.08**	**-**	**-**	**0.02**	0.02	0.09	-	-	0.02
Total	**0.24**	**3.40**	**23.53**	**-**	**1.04**	0.24	3.32	22.81	-	1.05

Note:

i. POCI loans are those which were credit impaired on acquisition and were recognised on the balance sheet when Virgin Money was acquired in 2024. The POCI balance of £284 million (31 March 2026: £311 million) is presented net of lifetime ECL of £22 million (31 March 2026: £31 million). The provision coverage for POCI loans is not presented in the table due to the gross balance being reported net of the lifetime ECL at the point of acquisition. The POCI provision represents the movement in lifetime ECL since acquisition.

Total gross balances have increased to £15.0 billion (31 March 2026: £14.7 billion) during the period.

Stage 2 balances have increased to £2,098 million (31 March 2026: £1,992 million), of which 0.1% (31 March 2026: 0.2%) are in arrears by 30 days or more. The Annual Report and Accounts 2026 sets out the main criteria used to determine whether a significant increase in credit risk has occurred since origination. There have been no changes to the criteria during the period.

Stage 3 and POCI balances represent 3.4% (31 March 2026: 3.6%) of total balances. Stage 3 balances have remained largely unchanged at £222 million (31 March 2026: £220 million), and POCI balances have reduced to £284 million (31 March 2026: £311 million) as loans impaired at acquisition continue to redeem or be written off.

Business lending provisions are broadly stable at £156 million (31 March 2026: £154 million) and include modelled adjustments of £26 million (31 March 2026: £26 million) to reflect concentration risks and additional risks associated with the leveraged lending portfolio. Further information is included in note 7 to the condensed consolidated interim financial statements.

Risk report (continued)

Credit risk – Business lending (continued)

The table below summarises the movements in, and stage allocation of, the business lending balances held at amortised cost, including the impact of ECL impairment provisions. The movements within the table compare the position at 30 September 2026 to that at the start of the reporting period.

Reconciliation of net movements in business lending balances and impairment provisions								
	Non-credit impaired				Credit impaired (note i)		Total	
	Subject to 12-month ECL		Subject to lifetime ECL		Subject to lifetime ECL			
	Stage 1		Stage 2		Stage 3 and POCI			
	Gross balances	Provisions	Gross balances	Provisions	Gross balances	Provisions	Gross balances	Provisions
(Reviewed)	£m	£m	£m	£m	£m	£m	£m	£m
At 31 March 2026	12,145	29	1,992	66	531	59	14,668	154
Stage transfers:								
Transfers from stage 1 to stage 2	**(402)**	**(1)**	**402**	**1**	**-**	**-**	**-**	**-**
Transfers to stage 3	**(4)**	**-**	**(63)**	**(9)**	**67**	**9**	**-**	**-**
Transfers from stage 2 to stage 1	**124**	**6**	**(124)**	**(6)**	**-**	**-**	**-**	**-**
Transfers from stage 3	**15**	**-**	**5**	**1**	**(20)**	**(1)**	**-**	**-**
Net remeasurement of ECL arising from transfer of stage	**-**	**(9)**	**-**	**5**	**-**	**14**	**-**	**10**
Net movement arising from transfer of stage	**(267)**	**(4)**	**220**	**(8)**	**47**	**22**	**-**	**10**
Change in exposure in the period (note ii)	**539**	**7**	**(114)**	**16**	**(41)**	**(3)**	**384**	**20**
Changes in risk parameters in relation to credit quality	**-**	**(1)**	**-**	**(3)**	**-**	**7**	**-**	**3**
Other items impacting the income statement (note iii)	**-**	**-**	**-**	**-**	**-**	**(7)**	**-**	**(7)**
Income statement charge for the period								**26**
Assets written off (note iii)	**-**	**-**	**-**	**-**	**(31)**	**(30)**	**(31)**	**(30)**
Other adjustments (note iv)	**-**	**-**	**-**	**-**	**-**	**6**	**-**	**6**
At 30 September 2026	**12,417**	**31**	**2,098**	**71**	**506**	**54**	**15,021**	**156**

Notes:
i. Gross balances of credit impaired loans include £284 million (31 March 2026: £311 million) of POCI loans, which are presented net of lifetime ECL at acquisition of £22 million (31 March 2026: £31 million).
ii. The change in exposure in the period includes new assets originated, redemptions and further lending and repayments during the period.
iii. The movement in provisions for 'assets written off' is presented net of post-write off recoveries of £1 million. The income statement impact of these recoveries is included within 'other items impacting the income statement'.
iv. Other adjustments include the release of provisions related to POCI balances which have redeemed during the period.

Further information on movements in gross loans and advances to customers and impairment provisions, including the methodology applied in preparing the table, is included in note 9 to the condensed consolidated interim financial statements.

Risk report (continued)

Credit risk – Business lending (continued)

Credit quality

The table below shows gross balances and provisions for business lending balances held at amortised cost by PD range.

Business lending gross balances and provisions by PD									
30 September 2026	**Gross balances**				**Provisions**				**Provision coverage**
(Reviewed)	**Stage 1**	**Stage 2**	**Stage 3 and POCI (note i)**	**Total**	**Stage 1**	**Stage 2**	**Stage 3 and POCI (note i)**	**Total**	
12-month IFRS 9 PD range	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**%**
0.00 to < 0.15%	**5,280**	**153**	**-**	**5,433**	**1**	**-**	**-**	**1**	**0.02**
0.15 to < 0.25%	**429**	**1**	**-**	**430**	**-**	**-**	**-**	**-**	**0.08**
0.25 to < 0.50%	**836**	**6**	**-**	**842**	**1**	**-**	**-**	**1**	**0.10**
0.50 to < 0.75%	**958**	**21**	**-**	**979**	**2**	**-**	**-**	**2**	**0.18**
0.75 to < 2.50%	**2,723**	**502**	**-**	**3,225**	**7**	**5**	**-**	**12**	**0.36**
2.50 to < 10.00%	**2,187**	**1,246**	**7**	**3,440**	**20**	**49**	**(1)**	**68**	**1.97**
10.00 to < 100%	**4**	**169**	**21**	**194**	**-**	**17**	**(4)**	**13**	**6.54**
100% (default)	**-**	**-**	**478**	**478**	**-**	**-**	**59**	**59**	**12.40**
Total	**12,417**	**2,098**	**506**	**15,021**	**31**	**71**	**54**	**156**	**1.04**

Business lending gross balances and provisions by PD									
31 March 2026	Gross balances				Provisions				Provision coverage
(Reviewed)	Stage 1	Stage 2	Stage 3 and POCI (note i)	Total	Stage 1	Stage 2	Stage 3 and POCI (note i)	Total	
12-month IFRS 9 PD range	£m	£m	£m	£m	£m	£m	£m	£m	%
0.00 to < 0.15%	5,270	186	-	5,456	1	1	-	2	0.02
0.15 to < 0.25%	427	5	-	432	-	-	-	-	0.06
0.25 to < 0.50%	953	36	-	989	1	-	-	1	0.08
0.50 to < 0.75%	971	14	-	985	2	-	-	2	0.22
0.75 to < 2.50%	2,926	592	1	3,519	9	7	-	16	0.46
2.50 to < 10.00%	1,595	968	7	2,570	16	40	(1)	55	2.14
10.00 to < 100%	3	191	29	223	-	18	(4)	14	6.69
100% (default)	-	-	494	494	-	-	64	64	12.79
Total	12,145	1,992	531	14,668	29	66	59	154	1.05

Note:
i. Includes POCI loan balances of £284 million (31 March 2026: £311 million). The POCI provision represents the movement in lifetime ECL since acquisition.

The registered social landlord portfolio exposure is low risk and weighted towards the lowest PD banding range. The remaining business lending exposures are predominantly within the 0.75% to 10.00% range and account for the majority of provisions held against performing loans.

Forbearance

The Group is committed to supporting borrowers facing financial difficulty by working with them to find a solution through proactive arrears management and forbearance. The main types of forbearance are associated with covenants and deferrals of interest or capital repayments. Gross balances subject to forbearance have decreased to £501 million (31 March 2026: £536 million) and represent 3.3% (31 March 2026: 3.6%) of total gross balances.

Risk report (continued)

Credit risk – Treasury assets

Summary

The treasury portfolio is held primarily for liquidity management and, in the case of derivatives, for market risk management. As at 30 September 2026, treasury assets represented 17.7% (31 March 2026: 18.2%) of total assets. Treasury asset balances are set out below. Further details on the treasury portfolio are included within the Risk report in the Annual Report and Accounts 2026.

Treasury asset balances			
		30 September 2026	31 March 2026
(Reviewed)	**Classification**	**£m**	£m
Cash and balances at central banks	Amortised cost	**35,627**	38,411
Loans and advances to banks and similar institutions	Amortised cost	**2,259**	1,758
Investment securities (note i)	FVOCI	**28,246**	25,899
Investment securities (note i)	FVTPL	**6**	6
Liquidity and investment portfolio		**66,138**	66,074
Derivative instruments (note ii)	FVTPL	**2,805**	3,341
Treasury assets		**68,943**	69,415

Notes:
i. Investment securities at FVOCI include £77 million (31 March 2026: £75 million) and investment securities at FVTPL include £6 million (31 March 2026: £6 million) which relate to investments not included within the Group's liquidity portfolio. These investments primarily relate to investments in Fintech companies which are held for strategic purposes.
ii. Derivatives are classified as assets where their fair value is positive and liabilities where their fair value is negative.

Cash levels are maintained above risk appetite thresholds, with the timing of wholesale issuance and overall liquidity composition both being factors in the absolute value of balances held. Investment activity remains focused on high-quality liquid assets, which include assets eligible for central bank operations. Derivatives are used to economically hedge financial risks inherent in core lending and funding activities and are not used for trading or speculative purposes.

Treasury credit risk

Credit risk exposure within the treasury portfolio predominantly arises from the government and supranational bonds held to meet liquidity requirements. In addition, counterparty credit risk arises from the use of derivatives to reduce exposure to market risks; these are only transacted with highly-rated institutions and are collateralised using standard documentation. Standardised derivatives are cleared through a central clearing counterparty (CCP).

There were no impairment losses for the period ended 30 September 2026 (H1 2025/26: £nil). All treasury assets within the Group's liquidity portfolio are classified as stage 1 according to the requirements of IFRS 9, reflecting the strong and stable credit quality of the Group's treasury assets.

Liquidity and investment portfolio

The Group's liquidity and investment portfolio of £66.1 billion (31 March 2026: £66.1 billion) comprises liquid assets and other securities. There were no significant developments in the portfolio composition in the period.

Derivative financial instruments

Derivatives are used for market risk management, and not for trading or speculative purposes, although the application of accounting rules can create volatility in the income statement in an individual financial year. The fair value of derivative assets at 30 September 2026 was £2.8 billion (31 March 2026: £3.3 billion) and the fair value of derivative liabilities was £1.3 billion (31 March 2026: £1.2 billion).

Derivatives are transacted under market-standard legal agreements that grant the legal right of set-off and allow the netting of positions and exchange of collateral between counterparties to reduce counterparty credit risk exposure. There was no significant change in the exposure for derivative contracts after netting benefits and collateral in the period.

Risk report (continued)

Liquidity and funding risk

Summary

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.

Liquidity and funding risks are managed within a comprehensive risk framework which includes policies, strategy, limit setting and monitoring, stress testing and robust governance controls. This framework ensures that the Group maintains stable and diverse funding sources and sufficient holdings of high-quality liquid assets such that there is no significant risk that liabilities cannot be met as they fall due. Further details on the management of liquidity and funding risk are included within the Risk report in the Annual Report and Accounts 2026.

The Group's Liquidity Coverage Ratio (LCR), which averaged 180% over the 12 months ended 30 September 2026 (31 March 2026: 169%) demonstrates that sufficient high-quality liquid assets are held to survive a short-term severe but plausible liquidity stress. The Group continues to manage liquidity against internal risk appetite, which is more prudent than regulatory requirements.

The position against the longer-term funding metric, the Net Stable Funding Ratio (NSFR), is also monitored. The Group's average NSFR for the four quarters ended 30 September 2026 was 147% (31 March 2026: 143%), well in excess of the 100% minimum regulatory requirement.

Liquidity risk

Liquid assets

The table below sets out the sterling equivalent carrying value of the Group's liquid asset buffer, by asset class. The liquid asset buffer includes off-balance sheet liquidity, such as securities received through reverse repo agreements, and excludes securities encumbered through repo agreements and for other purposes. Changes in the size and composition of the liquid asset buffer reflect movements in the underlying balance sheet and active management of the mix between cash and investment assets.

LCR eligible assets						
	30 September 2026			31 March 2026		
	Level 1	**Level 2**	**Total**	Level 1	Level 2	Total
	£bn	**£bn**	**£bn**	£bn	£bn	£bn
Cash and balances at central banks	**32.7**	**-**	**32.7**	35.1	-	35.1
Government and supranational bonds (note i)	**21.2**	**0.8**	**22.0**	18.2	1.1	19.3
Covered bonds	**1.5**	**1.6**	**3.1**	1.7	1.6	3.3
RMBS and ABS	**-**	**1.4**	**1.4**	-	1.0	1.0
Total LCR eligible assets	**55.4**	**3.8**	**59.2**	55.0	3.7	58.7

Note:
i. Government bonds include regional governments, government guaranteed, agency and government sponsored bonds. Supranational bonds are issued by multilateral development banks and international organisations.

The weighted value of the Group's liquid asset buffer averaged £57.9 billion over the 12 months ended 30 September 2026 (31 March 2026: £55.7 billion). Further details can be found in the Group's Interim Pillar 3 Disclosures 2026/27 at **nationwide.co.uk**

Risk report (continued)

Liquidity and funding risk (continued)

Funding risk

Funding profile

Nationwide is funded predominantly by member deposits, as set out below.

Funding profile					
Assets	**30 September 2026**	31 March 2026	**Members' interests, equity and liabilities**	**30 September 2026**	31 March 2026
(note i)	**£bn**	£bn		**£bn**	£bn
Residential mortgages	**293.8**	286.0	Retail deposits (note ii)	**279.0**	270.8
Treasury assets (including liquidity portfolio)	**66.1**	66.1	Business deposits	**24.0**	22.8
Business lending	**15.0**	14.8	Wholesale funding (note iii)	**58.9**	60.4
Consumer lending	**11.2**	10.7	Other liabilities	**4.0**	4.0
Other assets	**4.0**	4.7	Capital and reserves (note iv)	**24.2**	24.3
Total	**390.1**	382.3	**Total**	**390.1**	382.3

Notes:
i. Figures are stated net of impairment provisions where applicable.
ii. Excludes deposits from SMEs.
iii. Includes debt securities in issue, deposits from banks and other treasury deposits.
iv. Includes all subordinated liabilities and subscribed capital.

At 30 September 2026, the Group's loan to deposit ratio, which represents loans and advances to customers divided by customer deposits, was 105.5% (31 March 2026: 106.0%).

Nationwide's position against the Building Societies Act Funding Limit (which limits the proportion of funding that can come from sources other than Nationwide member deposits to a maximum of 50%) at 30 September 2026 was 21.7% (31 March 2026: 37.5%). The reduction reflected eligible Virgin Money customers becoming members of the Society following the Part VII transfer on 2 April 2026.

Wholesale funding

The wholesale funding portfolio comprises a range of secured and unsecured instruments to ensure that a stable and diversified funding base is maintained across a range of instruments, currencies, maturities, and investor types. Part of the Group's wholesale funding strategy is to remain active in core markets and currencies. A funding risk limit framework ensures that a prudent funding mix and maturity concentration profile is maintained and limits the level of encumbrance to maintain sufficient contingent funding capacity in the event of a stress.

Wholesale funding decreased by £1.5 billion to £58.9 billion during the period, as maturities exceeded new issuances. Drawings from the Bank of England's Term Funding Scheme with additional incentives for SMEs (TFSME) were £0.9 billion at 30 September 2026 and were repaid in full in November 2026.

Risk report (continued)

Liquidity and funding risk (continued)

The table below sets out the Group's residual maturity of wholesale funding, on a contractual maturity basis. At 30 September 2026, cash, government bonds and supranational bonds included in the liquid asset buffer represented 367% (31 March 2026: 342%) of wholesale funding maturing in less than one year, assuming no rollovers.

Wholesale funding – residual maturity

30 September 2026	**Not more than one month**	**Over one month but not more than three months**	**Over three months but not more than six months**	**Over six months but not more than one year**	**Subtotal less than one year**	**Over one year but not more than two years**	**Over two years**	**Total**
	£bn	**£bn**	**£bn**	**£bn**	**£bn**	**£bn**	**£bn**	**£bn**
Repos	**0.2**	**0.5**	**-**	**-**	**0.7**	**-**	**-**	**0.7**
Deposits	**1.9**	**-**	**0.1**	**-**	**2.0**	**-**	**-**	**2.0**
Certificates of deposit	**0.9**	**0.3**	**0.1**	**-**	**1.3**	**-**	**-**	**1.3**
Commercial paper	**0.2**	**0.9**	**0.1**	**-**	**1.2**	**-**	**-**	**1.2**
Covered bonds	**0.2**	**1.2**	**1.2**	**0.9**	**3.5**	**3.7**	**15.5**	**22.7**
Securitisations	**0.1**	**0.1**	**0.4**	**0.7**	**1.3**	**2.4**	**1.3**	**5.0**
Senior preferred	**0.8**	**1.1**	**-**	**2.0**	**3.9**	**2.5**	**5.4**	**11.8**
Senior non-preferred	**0.1**	**0.1**	**0.2**	**-**	**0.4**	**7.7**	**6.8**	**14.9**
TFSME	**-**	**0.6**	**-**	**-**	**0.6**	**-**	**0.3**	**0.9**
Other (note i)	**-**	**-**	**-**	**-**	**-**	**(0.1)**	**(1.5)**	**(1.6)**
Total of wholesale funding	**4.4**	**4.8**	**2.1**	**3.6**	**14.9**	**16.2**	**27.8**	**58.9**
Of which secured	**0.5**	**2.4**	**1.6**	**1.6**	**6.1**	**6.1**	**16.2**	**28.4**
Of which unsecured	**3.9**	**2.4**	**0.5**	**2.0**	**8.8**	**10.1**	**11.6**	**30.5**
% of total	**7.5**	**8.1**	**3.6**	**6.1**	**25.3**	**27.5**	**47.2**	**100.0**

Wholesale funding – residual maturity

31 March 2026	Not more than one month	Over one month but not more than three months	Over three months but not more than six months	Over six months but not more than one year	Subtotal less than one year	Over one year but not more than two years	Over two years	Total
	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
Repos	1.1	1.0	-	-	2.1	-	-	2.1
Deposits	2.6	-	-	-	2.6	-	-	2.6
Certificates of deposit	0.7	0.3	-	-	1.0	-	-	1.0
Commercial paper	-	0.7	-	-	0.7	-	-	0.7
Covered bonds	1.5	0.8	0.7	2.4	5.4	2.5	15.9	23.8
Securitisations	0.1	0.1	0.2	0.5	0.9	1.9	2.2	5.0
Senior preferred	-	0.3	0.2	1.9	2.4	2.7	6.7	11.8
Senior non-preferred	-	-	0.1	0.1	0.2	3.6	9.6	13.4
TFSME	-	-	-	0.6	0.6	-	0.3	0.9
Other (note i)	-	-	-	-	-	-	(0.9)	(0.9)
Total of wholesale funding	6.0	3.2	1.2	5.5	15.9	10.7	33.8	60.4
Of which secured	2.7	1.9	0.9	3.5	9.0	4.4	17.8	31.2
Of which unsecured	3.3	1.3	0.3	2.0	6.9	6.3	16.0	29.2
% of total	9.9	5.3	2.0	9.1	26.3	17.7	56.0	100.0

Note:
i. The figure shown for Other consists of fair value adjustments to debt securities in issue for micro hedged risks.

Risk report (continued)

Liquidity and funding risk (continued)

Asset encumbrance

Encumbrance arises where assets are pledged as collateral against secured funding and other obligations and therefore cannot be used for other purposes. The majority of asset encumbrance arises from the use of residential mortgage pools to collateralise the covered bond and securitisation programmes. Further information is included in the Annual Report and Accounts 2026.

Certain unencumbered assets are readily available to secure funding or meet collateral requirements. These include cash and securities held in the liquid asset buffer and residential mortgages eligible for use in existing secured funding programmes or at the central bank. Other unencumbered assets, such as other residential mortgages, consumer lending and business lending, are capable of being encumbered with a degree of further management action. Assets which do not fall into either of these categories are classified as not being capable of being encumbered.

At 30 September 2026, the Group had £51.6 billion (31 March 2026: £64.0 billion) of externally encumbered assets with counterparties other than central banks. In addition, £88.6 billion (31 March 2026: £94.7 billion) of prepositioned and encumbered assets were held at central banks and £115.2 billion (31 March 2026: £129.8 billion) of assets were readily available for encumbrance.

Credit ratings

Nationwide's credit ratings were affirmed with unchanged stable outlooks by Fitch in October 2026, S&P Global in October 2026 and Moody's in March 2026. Further details can be found at **nationwide.co.uk**

Risk report (continued)

Capital risk

Capital risk is 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. Capital is held to protect customers, cover inherent risks, provide a buffer for stress events and support the business strategy. In assessing the adequacy of capital resources, risk appetite is considered in the context of the material risks to which the Group is exposed and the appropriate strategies required to manage those risks.

Capital position

The capital disclosures included in this report are prepared in accordance with the Prudential Regulation Authority (PRA) Rulebook and the UK Capital Requirements Regulation and Directive (UK CRR and UK CRD V). The disclosures are on a consolidated Group basis, including all subsidiary entities, unless otherwise stated.

Capital ratios and requirements		
	30 September 2026	31 March 2026
Capital ratios	**%**	%
Common Equity Tier 1 (CET1) ratio	**18.8**	19.1
Tier 1 ratio	**21.4**	21.6
Total regulatory capital ratio	**23.8**	23.8
Leverage ratio	**5.4**	5.3
Capital requirements	**£m**	£m
Risk weighted assets (RWAs)	**91,696**	87,437
Leverage exposure	**363,517**	353,504

Risk-based capital ratios remain in excess of regulatory requirements with the CET1 ratio at 18.8%, above the Group's CET1 capital requirement of 12.3%. The CET1 capital requirement includes a 6.8% minimum Pillar 1 and Pillar 2A requirement and combined buffer requirements of 5.5% of RWAs.

The CET1 ratio decreased to 18.8% (31 March 2026: 19.1%), as the increase in CET1 capital of £0.5 billion was more than offset by an increase in RWAs of £4.3 billion. The increase in CET1 capital resources was driven by statutory profit after tax. The increase in RWAs was driven by a £2.9 billion increase in retail mortgage RWAs, which predominantly reflected growth in balances. Other RWAs increased by £1.4 billion primarily due to growth in business lending and retail unsecured lending balances.

The PRA Rulebook requires firms to calculate a leverage ratio, which is non-risk-based, to supplement risk-based capital requirements. The Group's leverage ratio increased to 5.4% (31 March 2026: 5.3%), with Tier 1 capital resources increasing by £0.7 billion due to the increase in CET1 capital described above, and a £0.2 billion increase in Additional Tier 1 resources in the period. This was partially offset by an increase in leverage exposure of £10.0 billion, predominantly due to growth in residential mortgage, business lending and retail unsecured lending balances, together with an increase in treasury investments.

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

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

Further details on the leverage exposure can be found in the Group's Interim Pillar 3 Disclosures 2026-27 at **nationwide.co.uk**

The Part VII transfer in April 2026 had no material impact on the Group's capital position.

Risk report (continued)

Capital risk (continued)

The table below shows how components of members' interests, equity and liabilities contribute to total regulatory capital and does not include non-qualifying instruments.

Total regulatory capital		
	30 September 2026	31 March 2026
(Reviewed)	**£m**	£m
General reserve	**18,054**	17,746
Core capital deferred shares (CCDS) (note i)	**1,337**	1,334
Revaluation reserve	**35**	35
Fair value through other comprehensive income (FVOCI) reserve	**(10)**	(26)
Cash flow hedge and other hedging reserves	**74**	(5)
Regulatory adjustments and deductions:		
Cash flow hedge and other hedging reserves (note ii)	**(74)**	5
Direct holdings of CET1 instruments (note i)	**(78)**	(177)
Foreseeable distributions (note iii)	**(81)**	(82)
Prudent valuation adjustment (note iv)	**(71)**	(86)
Own credit and debit valuation adjustments (note v)	**(3)**	(3)
Intangible assets (note vi)	**(967)**	(1,024)
Goodwill (note vi)	**(12)**	(12)
Defined benefit pension fund asset (note vi)	**(497)**	(537)
Excess of regulatory expected losses over impairment provisions (note vii)	**(285)**	(273)
Deferred tax assets that rely on future profitability and do not arise from temporary differences (note viii)	**(202)**	(211)
Total regulatory adjustments and deductions	**(2,270)**	(2,400)
CET1 capital	**17,220**	16,684
Other equity instruments – Additional Tier 1	**2,387**	2,178
Tier 1 capital	**19,607**	18,862
Subordinated debt (note ix)	**2,147**	1,873
Excess of impairment provisions over regulatory expected losses (note vii)	**78**	48
Tier 2 capital	**2,225**	1,921
Total regulatory capital	**21,832**	20,783

Notes:

i. The CCDS amount does not include the deductions for the Group's repurchase exercises completed in 2023. These are presented separately as a regulatory adjustment in accordance with Article 42 of the Own Funds and Eligible Liabilities (CRR) Part of the PRA Rulebook.

ii. Fair value reserves relating to gains or losses on cash flow hedges of financial instruments that are not measured at fair value are not included in own funds, in accordance with Article 33(1)(a) of the Own Funds and Eligible Liabilities (CRR) Part of the PRA Rulebook.

iii. Foreseeable distributions in respect of CCDS and AT1 securities are deducted from CET1 capital in accordance with Article 26(2)(b) of the Own Funds and Eligible Liabilities (CRR) Part of the PRA Rulebook.

iv. A prudent valuation adjustment (PVA) is applied in respect of instruments measured at fair value in accordance with Article 34 of the Own Funds and Eligible Liabilities (CRR) Part of the PRA Rulebook.

v. Own credit and debit valuation adjustments are applied to remove balance sheet gains or losses on liabilities measured at fair value and derivatives that result from changes in own credit standing and risk, in accordance with Article 33(1)(b) and (c) of the Own Funds and Eligible Liabilities (CRR) Part of the PRA Rulebook.

vi. Intangible, goodwill and defined benefit pension fund assets are deducted from capital resources after netting associated deferred tax liabilities.

vii. Where capital expected losses exceed accounting provisions, the excess balance is removed from CET1 capital, gross of tax. In contrast, where provisions exceed capital expected losses, the excess amount is added to Tier 2 capital, gross of tax. This calculation is not performed for equity exposures, in accordance with Article 159 of the Credit Risk: Internal Ratings-Based Approach (CRR) Part of the PRA Rulebook. The expected loss amounts for equity exposures are deducted from CET1 capital.

viii. Deferred tax assets that rely on future profitability, excluding those arising from temporary differences, are deducted from CET1 capital, net of eligible associated deferred tax liabilities, in accordance with Articles 36(1)(c) and 38 of the Own Funds and Eligible Liabilities (CRR) Part of the PRA Rulebook.

ix. Subordinated debt includes fair value adjustments relating to changes in market interest rates, adjustments for unamortised premiums and discounts that are included in the condensed consolidated balance sheet, and any amortisation of the capital value of Tier 2 instruments required by regulatory rules for instruments with fewer than five years to maturity.

Risk report (continued)

Capital risk (continued)

As part of the Bank Recovery and Resolution Directive, the Bank of England, in its capacity as the UK resolution authority, has published its policy for setting the minimum requirement for own funds and eligible liabilities (MREL). The Group is required to hold twice the minimum capital requirements (equating to 6.5% of leverage exposure), plus the applicable capital requirement buffers as set out in PRA SS16/16 'The MREL buffers and Threshold Conditions'. This results in a total loss-absorbing requirement of 7.67%.

At 30 September 2026, total MREL resources were 9.8% (31 March 2026: 9.7%) of leverage exposure, in excess of the requirement of 7.67% described above.

Risk weighted assets

The table below shows the breakdown of RWAs by risk type and business activity. Market risk has been set to zero as permitted by the UK CRR, as the exposure is below the threshold of 2% of own funds at a Group level.

Risk weighted assets				
	30 September 2026		31 March 2026	
	Risk weighted assets	**Minimum capital requirements**	Risk weighted assets	Minimum capital requirements
	£m	**£m**	£m	£m
Retail mortgages	**54,178**	**4,334**	51,266	4,101
Retail unsecured lending	**11,029**	**882**	10,336	827
Business lending	**11,747**	**940**	11,203	896
Treasury	**1,276**	**102**	1,248	100
Other (note i)	**2,684**	**215**	2,623	210
Total credit risk (excluding counterparty credit risk)	**80,914**	**6,473**	76,676	6,134
Counterparty credit risk (note ii)	**522**	**42**	515	41
Credit valuation adjustment	**419**	**34**	405	33
Operational risk	**9,841**	**787**	9,841	787
Total	**91,696**	**7,336**	87,437	6,995

Notes:
i. Other relates to equity, fixed, intangible, deferred tax and other assets.
ii. Counterparty credit risk relates to derivative financial instruments, securities financing transactions (repurchase agreements) and exposures to central counterparties.

Total RWAs increased by £4.3 billion. This was predominantly driven by a £2.9 billion increase in retail mortgage RWAs, reflecting growth in lending balances and a £0.8 billion uplift following an IRB model update that increased risk weights applied to off-balance sheet mortgage commitments. RWAs associated with mortgage commitments are expected to reduce as the associated Credit Conversion Factor (CCF) decreases to 50% under Basel 3.1 rules effective from 1 January 2027; this is expected to more than offset the increase recognised in the six-month period ended 30 September 2026. RWAs across the remaining categories increased by £1.4 billion, primarily due to growth in business lending and retail unsecured lending balances.

More detailed analysis of RWAs is included in the Group's Interim Pillar 3 Disclosures 2026-27 at **nationwide.co.uk**

Risk report (continued)

Capital risk (continued)

Capital management actions

Nationwide continues to utilise core capital deferred shares (CCDS) to manage its CET1 position prudently and flexibly over time. In August 2026, Nationwide successfully completed the re-sale of 793,651 CCDS previously repurchased, and held as treasury shares, under its open market repurchase facility. The transaction generated proceeds of approximately £100 million. At 30 September 2026, Nationwide held 639,504 CCDS on its balance sheet, equivalent to £78 million, and the total number of CCDS in issue remains unchanged.

Nationwide also retains a 12-month general prior permission (GPP) from the PRA to repurchase CCDS up to the equivalent of 2% of CET1 capital resources, equal to £344 million at 30 September 2026. This provides capacity to undertake further repurchases where considered appropriate, although this does not mean that further repurchases will necessarily follow. The GPP will expire in January 2027 and Nationwide has applied for renewal.

In September 2026, Nationwide issued £750 million of AT1 securities and repurchased £543 million of existing AT1 securities, contributing to a net increase in AT1 capital of £209 million in the period.

Basel 3.1

As reported in the Annual Report and Accounts 2026, on 20 January 2026 the PRA published final Basel 3.1 rules, effective in the UK from 1 January 2027. The final rules include a phased introduction of the RWA standardised output floor until it is fully implemented in 2030.

The day one impact of Basel 3.1 on the Group's CET1 ratio is expected to be positive, with a small increase anticipated following a low single-digit billion-pound reduction in RWAs, based on the Group's current interpretation of the final rules. This is primarily due to the impact of changes to prescribed IRB model calculations. RWAs calculated under the Basel 3.1 standardised output floor are expected to exceed internally modelled RWAs towards the end of the implementation period. The exact impact of Basel 3.1 on the Group's position, and the point at which the output floor becomes the binding constraint, will be influenced by the Group's application of the final rules and the evolution of the balance sheet.

Tier 1 leverage requirements are expected to remain higher than the Tier 1 standardised output floor risk-based requirements. However, this could change as the Group's balance sheet evolves or if the Financial Policy Committee's proposed reforms to the leverage framework, announced in July 2026, are implemented. In September 2026, the Committee agreed to proceed with these proposals and the Bank of England expects to consult on them in early 2027.

Risk report (continued)

Market risk

Summary

Market risk is the risk that the net value of, or net income arising from, the Group's assets and liabilities is impacted by changes in market prices or rates, specifically interest or currency rates. The Group has limited appetite for market risk and does not have a trading book. Market risk is closely monitored and managed to ensure that the level of risk remains within appetite. Market risks are not taken unless they are essential to core business activities and they provide stability of earnings, minimise costs or enable operational efficiency.

Developments in the period

Effective risk management has ensured that the Group's market risk exposures have remained insulated from changes in the global economy, during a period where the conflict in the Middle East generated volatility and threatened economic growth during the reporting period.

The Group's market risk exposure was also protected from developments in the UK economy. During the period, 12-month Consumer Price Inflation rose by 20 basis points, Bank rate remained unchanged at 3.75% and sterling Sonia swap rates experienced significant volatility, with two-year and five-year swap rates increasing by more than 40 basis points. The Group's approach to interest rate risk management has led to limited exposure to the volatility seen in sterling Sonia swap rates, which underpin retail product pricing.

UK government borrowing costs also increased during the period, with the ten-year gilt yield rising by 46 basis points. The increase reflected a combination of persistent inflation concerns, higher energy prices, fiscal borrowing requirements and changes in market expectations for future Bank of England rate decisions. Active liquid asset portfolio management, which features portfolio rebalancing and effective risk hedging, ensured that the Group's exposure to price volatility, credit spread risk and inflation risk remained within risk appetite. Foreign exchange movements, which saw sterling strengthen against both the dollar and euro, had an immaterial impact on earnings as foreign currency exposures are hedged.

While the near-term outlook remains uncertain, market risk will continue to be closely managed by the Group to ensure that it remains within established risk appetite. Further information on market risk appetite, risk management, structural interest rate risk and reporting measures is included within the Risk report in the Annual Report and Accounts 2026.

Net Interest Income (NII) sensitivity

The sensitivities presented below measure the extent to which the Group's pre-tax earnings are exposed to changes in interest rates over a one-year period, based on instantaneous parallel rises and falls in interest rates, with the shifts applied to the prevailing interest rates at the reporting date.

The sensitivities are prepared on a static balance sheet basis, with all assets and liabilities maturing within the year replaced with like-for-like products, and changes in interest rates being passed through to variable rate retail products, unless a floor close to 0% is reached when rates fall. No management actions are included in the sensitivities.

The purpose of these sensitivities is to assess the Group's exposure to interest rate risk and therefore the sensitivities should not be considered as a guide to future earnings performance. Actual future earnings will be influenced by the extent to which changes in interest rates are passed through to product pricing, the timing of maturing assets and liabilities and changes to the balance sheet mix. In practice, earnings changes from actual interest rate movements will also differ from those shown below because interest rate changes may not be passed through in full to those assets and liabilities that do not have a contractual link to Bank rate.

Potential favourable/(adverse) impact on annual pre-tax future earnings		
(Reviewed)	**30 September 2026 £m**	31 March 2026 £m
+100 basis points shift	**165**	131
+25 basis points shift	**43**	38
-25 basis points shift	**(64)**	(80)
-100 basis points shift	**(276)**	(333)

During the six-month period, the Group's adverse NII sensitivities to falling interest rates have decreased. The sensitivities reflect that product margins are held static and include the impact of balance sheet hedging and take-up risk in the mortgage pipeline. The NII sensitivities remain low in absolute terms and reflect the Group's prudent management of interest rate risk.

Condensed consolidated interim financial statements

Contents

	Page
Condensed consolidated income statement	46
Condensed consolidated statement of comprehensive income	47
Condensed consolidated balance sheet	48
Condensed consolidated statement of movements in members' interests and equity	49
Condensed consolidated cash flow statement	50
Notes to the condensed consolidated interim financial statements	51

Condensed consolidated income statement

(Unaudited)

	Notes	**Half year to 30 September 2026**	Half year to 30 September 2025
		£m	£m
Interest receivable and similar income	3	**8,530**	8,671
Interest expense and similar charges	4	**(5,383)**	(5,725)
Net interest income		**3,147**	2,946
Fee and commission income		**349**	344
Fee and commission expense		**(225)**	(213)
Other operating income		**38**	14
(Losses)/gains from derivatives and hedge accounting	5	**(27)**	20
Total income		**3,282**	3,111
Administrative expenses	6	**(1,966)**	(2,070)
Impairment charge on loans and advances to customers	7	**(203)**	(146)
Profit before member reward payments and tax		**1,113**	895
Member reward payments		**(440)**	(409)
Profit before tax		**673**	486
Taxation	8	**(160)**	(111)
Profit after tax		**513**	375
Profit attributable to non-controlling interests		**10**	35
Profit attributable to members		**503**	340

The notes on pages 51 to 70 form part of these condensed consolidated interim financial statements.

Condensed consolidated statement of comprehensive income

(Unaudited)

	Note	Half year to 30 September 2026 £m	Half year to 30 September 2025 £m
Profit after tax		**513**	375
Other comprehensive expense items that will not be reclassified to the income statement			
Retirement benefit obligations:			
Remeasurement of net retirement benefit asset	13	**(71)**	(150)
Taxation		**18**	37
		(53)	(113)
Fair value through other comprehensive income reserve:			
Revaluation losses on equity instruments at fair value through other comprehensive income		**(1)**	-
Taxation		**-**	-
		(1)	-
		(54)	(113)
Other comprehensive income/(expense) items that may subsequently be reclassified to the income statement			
Cash flow hedge reserve:			
Hedging net gains/(losses) arising during the period		**100**	(44)
Amount transferred to income statement		**8**	13
Taxation		**(29)**	8
		79	(23)
Other hedging reserve:			
Hedging net gains arising during the period		**1**	27
Amount transferred to income statement		**(1)**	(4)
Taxation		**-**	(6)
		-	17
Fair value through other comprehensive income reserve:			
Revaluation gains/(losses) on debt instruments at fair value through other comprehensive income		**46**	(13)
Amount transferred to income statement		**(22)**	(1)
Taxation		**(7)**	4
		17	(10)
		96	(16)
Other comprehensive income/(expense)		**42**	(129)
Total comprehensive income		**555**	246
Attributable to:			
Non-controlling interests		**10**	35
Members' interests		**545**	211
Total comprehensive income		**555**	246

The notes on pages 51 to 70 form part of these condensed consolidated interim financial statements.

Condensed consolidated balance sheet

(Unaudited)

	Notes	30 September 2026 £m	31 March 2026 £m
Assets			
Cash and balances with central banks		**35,627**	38,411
Loans and advances to banks and similar institutions		**2,259**	1,758
Investment securities		**28,252**	25,905
Derivative financial instruments		**2,805**	3,341
Fair value adjustment for portfolio hedged risk		**(2,523)**	(2,121)
Loans and advances to customers	9	**320,049**	311,483
Intangible assets		**1,184**	1,265
Property, plant and equipment		**736**	759
Accrued income and prepaid expenses		**364**	364
Deferred tax assets		**274**	301
Current tax assets		**3**	-
Other assets		**395**	146
Retirement benefit asset	13	**662**	716
Total assets		**390,087**	382,328
Liabilities			
Shares		**279,272**	217,052
Deposits from banks and similar institutions		**3,512**	5,453
Other deposits		**24,005**	76,766
Fair value adjustment for portfolio hedged risk		**(93)**	(106)
Debt securities in issue		**55,127**	54,821
Derivative financial instruments		**1,334**	1,178
Other liabilities		**2,098**	1,983
Provisions for liabilities and charges		**77**	78
Accruals and deferred income		**361**	552
Subordinated liabilities		**2,147**	2,931
Subscribed capital		**45**	46
Deferred tax liabilities		**199**	217
Current tax liabilities		**-**	68
Total liabilities		**368,084**	361,039
Members' interests and equity			
Core capital deferred shares		**1,259**	1,157
Other equity instruments		**2,387**	2,178
General reserve		**18,054**	17,746
Revaluation reserve		**35**	35
Cash flow hedge reserve		**121**	42
Other hedging reserve		**(47)**	(47)
Fair value through other comprehensive income reserve		**(10)**	(26)
Total members' interests and equity		**21,799**	21,085
Non-controlling interests		**204**	204
Total equity and liabilities		**390,087**	382,328

The notes on pages 51 to 70 form part of these condensed consolidated interim financial statements.

Condensed consolidated statement of movements in members' interests and equity

(Unaudited)

For the period ended 30 September 2026	Core capital deferred shares	Other equity instruments	General reserve	Revaluation reserve	Cash flow hedge reserve	Other hedging reserve	FVOCI reserve	Total members' interests	Non-controlling interests	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
At 1 April 2026	1,157	2,178	17,746	35	42	(47)	(26)	21,085	204	21,289
Profit for the period	-	-	**503**	-	-	-	-	**503**	**10**	**513**
Net remeasurements of retirement benefit obligations	-	-	**(53)**	-	-	-	-	**(53)**	-	**(53)**
Net movement in cash flow hedge reserve	-	-	-	-	**79**	-	-	**79**	-	**79**
Net movement in FVOCI reserve	-	-	-	-	-	-	**16**	**16**	-	**16**
Total comprehensive income	-	-	**450**	-	**79**	-	**16**	**545**	**10**	**555**
Issuance of Additional Tier 1 Capital	-	**746**	-	-	-	-	-	**746**	-	**746**
Redemption of Additional Tier 1 Capital	-	**(537)**	**(9)**	-	-	-	-	**(546)**	-	**(546)**
Sale of treasury shares	**102**	-	-	-	-	-	-	**102**	-	**102**
Distribution to the holders of core capital deferred shares	-	-	**(47)**	-	-	-	-	**(47)**	-	**(47)**
Distribution to the holders of Additional Tier 1 capital	-	-	**(86)**	-	-	-	-	**(86)**	-	**(86)**
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	**(10)**	**(10)**
At 30 September 2026	**1,259**	**2,387**	**18,054**	**35**	**121**	**(47)**	**(10)**	**21,799**	**204**	**22,003**

For the period ended 30 September 2025	Core capital deferred shares	Other equity instruments	General reserve	Revaluation reserve	Cash flow hedge reserve	Other hedging reserve	FVOCI reserve	Total members' interests	Non-controlling interests	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
At 1 April 2025	1,157	1,485	17,086	35	132	(53)	(119)	19,723	759	20,482
Profit for the period	-	-	340	-	-	-	-	340	35	375
Net remeasurements of retirement benefit obligations	-	-	(113)	-	-	-	-	(113)	-	(113)
Net movement in cash flow hedge reserve	-	-	-	-	(23)	-	-	(23)	-	(23)
Net movement in other hedging reserve	-	-	-	-	-	17	-	17	-	17
Net movement in FVOCI reserve	-	-	-	-	-	-	(10)	(10)	-	(10)
Total comprehensive income	-	-	227	-	(23)	17	(10)	211	35	246
Issuance of Additional Tier 1 capital	-	693	-	-	-	-	-	693	-	693
Distribution to the holders of core capital deferred shares	-	-	(47)	-	-	-	-	(47)	-	(47)
Distribution to the holders of Additional Tier 1 capital	-	-	(50)	-	-	-	-	(50)	-	(50)
Redemption of non-controlling interests	-	-	(7)	-	-	-	-	(7)	(555)	(562)
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	(35)	(35)
At 30 September 2025	1,157	2,178	17,209	35	109	(36)	(129)	20,523	204	20,727

The notes on pages 51 to 70 form part of these condensed consolidated interim financial statements.

Condensed consolidated cash flow statement

(Unaudited)

	Half year to 30 September 2026	Half year to 30 September 2025
	£m	£m
Cash flows (used in)/generated from operating activities		
Profit before tax	**673**	486
Adjustments for:		
Non-cash items included in profit before tax	**827**	816
Changes in operating assets and liabilities	**(2,005)**	3,366
Taxation	**(235)**	(35)
Net cash flows (used in)/generated from operating activities	**(740)**	4,633
Cash flows (used in)/generated from investing activities		
Purchase of investment securities	**(13,757)**	(4,485)
Sale and maturity of investment securities	**10,851**	5,161
Purchase of property, plant and equipment	**(51)**	(44)
Sale of property, plant and equipment	**1**	1
Purchase of intangible assets	**(168)**	(163)
Net cash flows (used in)/generated from investing activities	**(3,124)**	470
Cash flows (used in)/generated from financing activities		
Distributions paid to the holders of core capital deferred shares	**(47)**	(47)
Proceeds from sale of treasury shares	**102**	-
Issuance of Additional Tier 1 capital	**750**	693
Redemption of Additional Tier 1 capital	**(545)**	-
Distributions paid to the holders of Additional Tier 1 capital	**(86)**	(50)
Redemption of non-controlling interests	**-**	(562)
Distributions paid to non-controlling interests	**(10)**	(35)
Issuance of financing liabilities	**2,379**	2,051
Redemption of financing liabilities	**(1,702)**	(1,410)
Interest paid on financing liabilities	**(421)**	(425)
Repayment of lease liabilities	**(20)**	(23)
Net cash flows generated from financing activities	**400**	192
Effect of exchange rate changes on cash and cash equivalents	**16**	(3)
Net (decrease)/increase in cash and cash equivalents	**(3,448)**	5,292
Cash and cash equivalents at start of period	**36,878**	28,525
Cash and cash equivalents at end of period	**33,430**	33,817

The notes on pages 51 to 70 form part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

1. General information and reporting period

Nationwide Building Society (the Society) and its subsidiaries (together, the Group) provide financial services to retail and business customers within the United Kingdom.

Nationwide is a building society incorporated and domiciled in the United Kingdom. The address of its registered office is Nationwide Building Society, Nationwide House, Pipers Way, Swindon, SN38 1NW.

On 2 April 2026, the majority of the banking business of Clydesdale Bank PLC transferred to the Society under Part VII of the Financial Services and Markets Act 2000 (FSMA) (Part VII Transfer). In addition, the Society and Clydesdale Bank PLC entered into separate legal agreements to effect the transfer of certain other balances (Other Transfers) where not covered by the Part VII Transfer. These agreements had effective dates of 2 and 3 April 2026. As the Part VII Transfer and Other Transfers represent a hive-up of business from a subsidiary to its parent, there are no impacts to the total assets, liabilities, members' interests and equity or results of the Group. There were no other material changes in the composition of the Group in the half year to 30 September 2026.

These condensed consolidated interim financial statements have been prepared as at 30 September 2026 and show the financial performance for the period from, and including, 1 April 2026 to this date. These condensed consolidated interim financial statements, which have been reviewed and not audited, were approved for issue on 18 November 2026.

Elements of the Risk report (marked as 'reviewed') form an integral part of these condensed consolidated interim financial statements.

2. Basis of preparation

The condensed consolidated interim financial statements of the Group for the half year ended 30 September 2026 have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and UK-adopted International Accounting Standard (IAS) 34 Interim Financial Reporting. The condensed consolidated interim financial statements should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2026, which were prepared in accordance with the requirements of the Building Societies Act 1986 and with those parts of the Building Societies (Accounts and Related Provisions) Regulations 1998 (as amended) that are applicable, and UK-adopted international accounting standards.

Terminology used in these condensed consolidated interim financial statements is consistent with that used in the Annual Report and Accounts 2026. Copies of the Annual Report and Accounts 2026 and Glossary are available on the Group's website at **nationwide.co.uk**

Accounting policies

The accounting policies adopted by the Group in the preparation of these condensed consolidated interim financial statements are consistent with those disclosed in the Annual Report and Accounts 2026. The Group adopted 'Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7' with effect from 1 April 2026. The amendments provide clarification as to the derecognition criteria for financial liabilities when using an electronic payment system. The amendments also provide guidance on the classification of financial assets that contain contractual terms that change the timing or amount of contractual cash flows. These amendments have not had a significant impact for the Group.

Judgements in applying accounting policies and critical accounting estimates

Judgements have to be made in applying the Group's accounting policies, which affect the amounts recognised in these condensed consolidated interim financial statements. In addition, estimates and assumptions are made that could affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates.

Details of the significant judgements and estimates which are relevant to the Group, including any changes from those disclosed in the Annual Report and Accounts 2026, are disclosed in the relevant notes as follows:

- Impairment charge and provisions on loans and advances to customers (note 7);
- Deferred taxation (note 8); and
- Retirement benefit obligations (note 13).

Going concern

The Group's business activities and financial position, the factors likely to affect its future development and performance, its objectives and policies in managing the financial risks to which it is exposed, and its capital, funding and liquidity positions are set out in the Financial review and the Risk report.

The directors have assessed the Group's ability to continue as a going concern, with reference to current and anticipated market conditions, as well as the impact of climate-related matters. The directors confirm they are satisfied that the Group has adequate resources to continue in business for a period of not less than 12 months from the date of approval of these condensed consolidated interim financial statements and that it is therefore appropriate to adopt the going concern basis.

Notes to the condensed consolidated interim financial statements (continued)

3. Interest receivable and similar income

	Half year to 30 September 2026	Half year to 30 September 2025
	£m	£m
On financial assets measured at amortised cost:		
Residential mortgages	**5,900**	5,495
Other loans (note i)	**1,020**	1,030
Other liquid assets, including reserves at central banks	**627**	671
On investment securities measured at FVOCI	**411**	387
Net income on financial instruments hedging assets in a qualifying hedge accounting relationship	**554**	1,063
Total interest receivable and similar income calculated using the effective interest rate method	**8,512**	8,646
Interest on net defined benefit pension surplus (note 13)	**22**	26
Other interest and similar income (note ii)	**(4)**	(1)
Total	**8,530**	8,671

Notes:
i. Includes interest on finance lease receivables of £33 million (H1 2025/26: £31 million).
ii. Includes interest on financial instruments hedging assets that are not in a qualifying hedge accounting relationship.

4. Interest expense and similar charges

	Half year to 30 September 2026	Half year to 30 September 2025
	£m	£m
On shares held by members	**3,595**	2,928
On non-member retail deposits	**9**	779
On subscribed capital	**2**	4
On other deposits and other borrowings:		
Subordinated liabilities	**65**	64
Deposits from banks and similar institutions and other deposits (note i)	**394**	474
Debt securities in issue	**1,045**	1,042
Net expense on financial instruments hedging liabilities	**273**	434
Total	**5,383**	5,725

Note:
i. Includes non-member business deposits.

Notes to the condensed consolidated interim financial statements (continued)

5. Losses/gains from derivatives and hedge accounting

As part of its risk management strategy, the Group uses derivatives to economically hedge financial assets and liabilities. Hedge accounting is employed by the Group to minimise the accounting volatility associated with the change in fair value of derivative financial instruments. The Group only uses derivatives for the hedging of risks; however, income statement volatility can still arise due to hedge accounting ineffectiveness or because hedge accounting is either not applied or is not currently achievable. In addition, the overall impact of derivatives will remain volatile from period to period as new derivative transactions replace those which mature to ensure that interest rate and other market risks are continually managed.

	Half year to 30 September 2026	Half year to 30 September 2025
	£m	£m
(Losses)/gains from fair value hedge accounting (note i)	**(23)**	44
Losses from cash flow hedge accounting	**(1)**	(18)
Fair value gains/(losses) from other derivatives (note ii)	**1**	(6)
Losses on foreign exchange retranslation (note iii)	**(4)**	-
Total	**(27)**	20

Notes:
i. Includes gains or losses from portfolio hedges of interest rate risk arising from amortisation of existing balance sheet amounts and hedge ineffectiveness.
ii. Gains or losses arise from derivatives used for economic hedging purposes which are not currently in a hedge accounting relationship, including derivatives economically hedging fixed-rate mortgages not yet on the balance sheet, and valuation adjustments applied at a portfolio level which are not allocated to individual hedge accounting relationships.
iii. Gains or losses arise from the retranslation of foreign currency monetary items not subject to effective hedge accounting.

Notes to the condensed consolidated interim financial statements (continued)

6. Administrative expenses

	Half year to 30 September 2026	Half year to 30 September 2025
	£m	£m
Staff costs:		
Wages and salaries	**554**	531
Bonuses	**71**	64
Social security costs	**91**	83
Pension costs	**145**	130
Other staff costs (note i)	**5**	22
	866	830
Depreciation, amortisation and impairment	**307**	339
Other administrative expenses	**793**	901
Total	**1,966**	2,070

Note:
i. Other staff costs are net of credits of £61 million (H1 2025/26: £59 million) for capitalised permanent, contract and temporary staff costs.

7. Impairment charge and provisions on loans and advances to customers

The tables below set out the impairment charge for the period and the closing provision balances which are deducted from the relevant asset values in the balance sheet.

Impairment charge/(release)

	Half year to 30 September 2026	Half year to 30 September 2025
	£m	£m
Owner-occupied mortgages	**9**	11
Buy to let and legacy residential mortgages	**(5)**	(11)
Consumer lending	**173**	123
Business lending	**26**	23
Total	**203**	146

Notes to the condensed consolidated interim financial statements (continued)

7. Impairment charge and provisions on loans and advances to customers (continued)

Impairment provisions		
	30 September 2026	31 March 2026
	£m	£m
Owner-occupied mortgages	**137**	129
Buy to let and legacy residential mortgages	**214**	223
Consumer lending	**856**	829
Business lending	**156**	154
Total	**1,363**	1,335

Critical accounting estimates and judgements

Impairment is measured as the impact of credit risk on the present value of management's estimate of future cash flows. In determining the required level of impairment provisions, outputs from statistical models are used, and judgements incorporated to determine the probability of default (PD), the exposure at default (EAD), and the loss given default (LGD) for each loan. Provisions represent a probability-weighted average of these calculations under multiple economic scenarios. Adjustments are made in modelling provisions, applying further judgements to take into account model limitations, or to deal with instances where insufficient data exists to fully reflect credit risks in the models.

The most significant areas of judgement are:
- The approach to identifying significant increases in credit risk; and
- The approach to identifying credit impaired loans.

The most significant areas of estimation uncertainty are:
- The use of forward-looking economic information using multiple economic scenarios; and
- The additional judgements made in modelling expected credit losses (ECL) – these currently include PD uplifts relating to both affordability risks and risks associated with credit card persistent debt, LGD uplifts for property valuation risks and business lending portfolio risks.

Identifying significant increases in credit risk (stage 2)

Loans are allocated to stage 1 or stage 2 according to whether there has been a significant increase in credit risk. Judgement has been used to select both quantitative and qualitative criteria which are used to determine whether a significant increase in credit risk has taken place. These criteria are detailed within the Credit risk section of the Annual Report and Accounts 2026. The primary quantitative indicators are the outputs of internal credit risk assessments. While different approaches are used within each portfolio, the intention is to combine current and historical data relating to the exposure with forward-looking economic information to determine the PD at each reporting date. For residential mortgages and consumer lending, the main indicators of a significant increase in credit risk are either of the following:

Nationwide portfolios:
- The residual lifetime PD exceeds a benchmark determined by reference to the maximum credit risk that would have been accepted at origination; or
- The residual lifetime PD is at least 75 basis points more than, and at least double, the residual lifetime PD calculated at origination.

Former Virgin Money portfolios:
- The residual lifetime PD exceeds a threshold which varies by portfolio and is based on the lifetime PD curves calculated at origination. The PD threshold curves were recalculated at acquisition to reset the origination point to 1 October 2024, being the date when the Virgin Money business was acquired by the Group.

Notes to the condensed consolidated interim financial statements (continued)

7. Impairment charge and provisions on loans and advances to customers (continued)

Critical accounting estimates and judgements (continued)

Identifying credit impaired loans (stage 3)

The identification of credit impaired loans is an important judgement within the staging approach. A loan is credit impaired if it has an arrears status of more than 90 days past due, is considered to be in default, or it is considered unlikely that the borrower will repay the outstanding balance in full, without recourse to actions such as realising security.

Use of forward-looking economic information

Management exercises judgement in estimating future economic conditions which are incorporated into provisions through modelling of multiple scenarios. The economic scenarios are reviewed and updated on a quarterly basis. The provision recognised is the probability-weighted sum of the provisions calculated under a range of economic scenarios. The scenarios and associated probability weights are derived using external data and statistical methodologies, together with management judgement. The Group continues to model four economic scenarios, which together encompass an appropriate range of potential economic outcomes. The base case scenario is aligned to the Group's financial planning process. The upside and downside scenarios are reasonably likely favourable and adverse alternatives to the base case, and the severe downside scenario is aligned with the Group's internal stress testing.

The probability weightings applied to the scenarios were unchanged over the period and are shown in the table below.

Scenario probability weighting				
	Upside scenario	Base case scenario	Downside scenario	Severe downside scenario
	%	%	%	%
30 September 2026	**10**	**45**	**30**	**15**
31 March 2026	10	45	30	15

Notes to the condensed consolidated interim financial statements (continued)

7. Impairment charge and provisions on loans and advances to customers (continued)

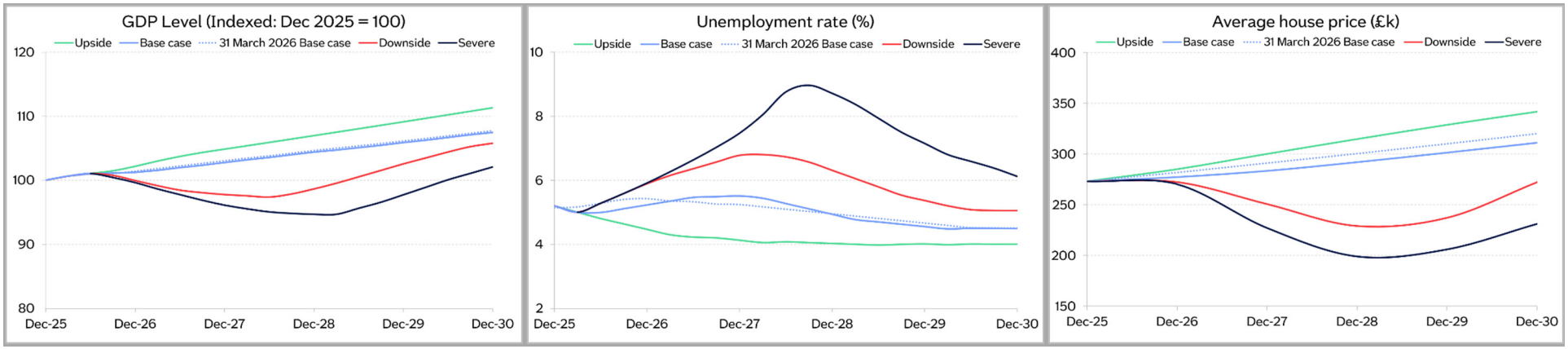
Critical accounting estimates and judgements (continued)

In the base case scenario, gross domestic product (GDP) is expected to grow modestly, by 1.2% in 2026 and 1.5% in 2027. In this scenario, unemployment is forecast to rise to 5.2% in 2026 and 5.5% in 2027. In the downside scenario, the GDP forecast reflects a significant UK recession, with peak unemployment increasing to 6.8%, whilst the severe downside scenario assumes a severe and longer-lasting economic downturn, with unemployment peaking at 9.0%.

The house price forecasts used within the provision calculations cover a wide range of outcomes. House prices are expected to increase in the base case scenario by an average of 2.7% per year over the next five years. The downside scenario assumes significant falls in 2027 and 2028, driven by a deterioration in economic conditions, whilst the severe downside scenario includes a fall in house prices of 27.8% from the end of 2025 to the low point in early 2029.

The base case scenario assumes monetary tightening in the near term, with Bank rate expected to increase to 4.25% during 2027 before reducing to 3.5% from 2029 onwards. Inflation in this scenario is projected to rise to 3.5% before returning to the Bank of England's 2% target by the end of 2027. In the downside scenario, the recession results in Bank rate remaining at low levels from 2027 onwards, in order to stimulate economic demand. By contrast, the severe downside scenario assumes a sustained period of high inflation, requiring Bank rate to increase to 8.5%.

The graphs below show the historical and forecast GDP level, unemployment rate and average house price for the Group's current economic scenarios, as well as the previous base case economic scenario.



Notes to the condensed consolidated interim financial statements (continued)

7. Impairment charge and provisions on loans and advances to customers (continued)

Critical accounting estimates and judgements (continued)

The tables below provide a summary of the values of the key UK economic variables used within the economic scenarios over the first five years of the scenario.

Economic variables									
	Rate/annual growth rate at December 2025-2030						5-year average (note ii)	Dec-25 to peak (note iii)	Dec-25 to trough (note iii)
	Actual (note i)	Forecast							
30 September 2026	2025 %	2026 %	2027 %	2028 %	2029 %	2030 %	%	%	%
GDP growth									
Upside scenario	0.9	2.2	2.6	2.0	2.0	2.0	2.2	11.3	0.6
Base case scenario	0.9	1.2	1.5	1.6	1.4	1.5	1.5	7.5	0.6
Downside scenario	0.9	(0.1)	(2.2)	0.9	4.0	3.1	1.1	5.8	(2.6)
Severe downside scenario	0.9	(0.4)	(3.6)	(1.5)	3.2	4.5	0.4	2.1	(5.3)
Probability weighted	0.9	0.7	(0.2)	0.9	2.5	2.5			
Unemployment									
Upside scenario	5.2	4.5	4.1	4.0	4.0	4.0	4.2	5.0	4.0
Base case scenario	5.2	5.2	5.5	4.9	4.6	4.5	5.0	5.5	4.5
Downside scenario	5.2	5.9	6.8	6.3	5.4	5.1	5.9	6.8	5.0
Severe downside scenario	5.2	5.9	7.5	8.7	7.1	6.1	7.0	9.0	5.0
Probability weighted	5.2	5.5	6.0	5.8	5.1	4.9			
HPI growth									
Upside scenario	1.7	4.4	5.3	4.9	4.5	4.0	4.6	25.2	0.7
Base case scenario	1.7	1.5	2.2	3.0	3.2	3.2	2.7	14.0	0.7
Downside scenario	1.7	(0.3)	(8.0)	(8.6)	3.5	14.8	(0.1)	2.1	(16.9)
Severe downside scenario	1.7	(1.0)	(16.0)	(12.4)	3.5	12.2	(3.3)	2.1	(27.8)
Probability weighted	1.7	0.9	(3.3)	(2.6)	3.5	8.1			
Bank rate									
Upside scenario	3.8	4.0	4.3	4.5	4.5	4.5	4.3	4.5	3.8
Base case scenario	3.8	4.0	4.3	3.8	3.5	3.5	3.8	4.3	3.5
Downside scenario	3.8	4.3	2.0	0.5	0.5	0.5	1.9	4.8	0.5
Severe downside scenario	3.8	4.0	7.0	5.0	4.5	3.8	5.1	8.5	3.8
Probability weighted	3.8	4.1	4.0	3.0	2.9	2.7			
Consumer price inflation (CPI)									
Upside scenario	3.3	2.5	2.0	2.0	2.0	2.0	2.1	3.3	1.7
Base case scenario	3.3	3.3	2.0	1.8	2.0	2.0	2.3	3.5	1.7
Downside scenario	3.3	3.5	2.2	0.5	1.0	1.7	2.0	6.0	0.4
Severe downside scenario	3.3	5.3	8.0	2.2	2.0	2.0	3.8	8.0	2.0
Probability weighted	3.3	3.6	3.0	1.5	1.7	1.9			

Notes to the condensed consolidated interim financial statements (continued)

7. Impairment charge and provisions on loans and advances to customers (continued)

Critical accounting estimates and judgements (continued)

Economic variables

	Rate/annual growth rate at December 2025-2030						5-year average (note ii)	Dec-25 to peak (note iii)	Dec-25 to trough (note iii)
	Actual (note i)	Forecast							
31 March 2026	2025 %	2026 %	2027 %	2028 %	2029 %	2030 %	%	%	%
GDP growth									
Upside scenario	0.9	2.3	2.2	2.0	2.0	2.0	2.1	11.0	0.5
Base case scenario	0.9	1.4	1.6	1.6	1.4	1.5	1.5	7.7	0.4
Downside scenario	0.9	(0.9)	(1.2)	3.3	2.4	1.9	1.1	5.6	(2.3)
Severe downside scenario	0.9	(1.0)	(3.2)	(0.6)	4.5	3.2	0.6	2.8	(5.0)
Probability weighted	0.9	0.4	0.1	1.8	2.2	1.9			
Unemployment									
Upside scenario	5.2	4.5	4.1	4.0	4.0	4.0	4.2	5.0	4.0
Base case scenario	5.2	5.4	5.2	5.0	4.7	4.5	5.0	5.4	4.5
Downside scenario	5.2	6.1	6.2	5.6	5.1	5.0	5.6	6.3	5.0
Severe downside scenario	5.2	6.5	8.6	7.8	6.3	5.6	6.9	8.8	5.5
Probability weighted	5.2	5.7	5.9	5.5	5.0	4.8			
HPI growth									
Upside scenario	1.7	5.4	5.1	4.7	4.4	4.0	4.7	25.8	1.4
Base case scenario	1.7	3.2	3.2	3.2	3.2	3.2	3.2	17.3	0.7
Downside scenario	1.7	(1.5)	(8.0)	(8.6)	3.5	14.8	(0.3)	0.8	(18.1)
Severe downside scenario	1.7	(8.9)	(16.8)	(5.9)	10.9	10.6	(2.6)	(0.8)	(28.7)
Probability weighted	1.7	0.2	(2.9)	(1.5)	4.6	7.9			
Bank rate									
Upside scenario	3.8	4.0	4.5	4.5	4.5	4.5	4.3	4.5	3.8
Base case scenario	3.8	3.8	3.3	3.3	3.3	3.3	3.4	3.8	3.3
Downside scenario	3.8	2.0	0.5	0.5	0.5	0.5	1.0	3.8	0.5
Severe downside scenario	3.8	4.0	7.5	5.0	4.3	3.8	5.0	8.5	3.8
Probability weighted	3.8	3.3	3.2	2.8	2.7	2.6			
Consumer price inflation (CPI)									
Upside scenario	3.3	2.0	2.0	2.0	2.0	2.0	2.1	2.6	2.0
Base case scenario	3.3	4.0	2.0	1.8	2.0	2.0	2.4	4.0	1.7
Downside scenario	3.3	0.5	0.3	1.0	1.8	2.0	1.2	2.4	0.2
Severe downside scenario	3.3	6.0	7.0	2.0	2.0	2.0	3.8	8.0	2.0
Probability weighted	3.3	3.1	2.2	1.6	1.9	2.0			

Notes:
i. The 2025 actual GDP data as presented in the Annual Report and Accounts 2026 has been updated to reflect the most recent published economic data.
ii. The average rates for GDP and HPI are based on the cumulative annual growth rate over the forecast period. Average unemployment and CPI is calculated using a simple average using quarterly points.
iii. GDP growth and HPI growth are shown as the largest cumulative growth/fall over the forecast period. The unemployment rate and CPI are shown as the highest/lowest rate over the forecast period.

Notes to the condensed consolidated interim financial statements (continued)

7. Impairment charge and provisions on loans and advances to customers (continued)

Critical accounting estimates and judgements (continued)

To give an indication of the sensitivity of provisions to different economic scenarios, the table below shows the expected credit loss (ECL) and proportion of balances in stage 2 if 100% weighting is applied to each scenario:

Expected credit losses under 100% weighted scenarios						Proportion of balances in stage 2 under 100% weighted scenarios					
	Upside scenario	Base case scenario	Downside scenario	Severe downside scenario	Reported provisions	Upside scenario	Base case scenario	Downside scenario	Severe downside scenario	Reported stage 2	Reported stage 3 and POCI (note i)
30 September 2026	**£m**	**£m**	**£m**	**£m**	**£m**	**%**	**%**	**%**	**%**	**%**	**%**
Residential mortgages	**235**	**245**	**308**	**1,024**	**351**	**8.8**	**8.4**	**7.4**	**27.0**	**10.0**	**0.7**
Consumer lending – credit cards	**468**	**492**	**525**	**1,066**	**569**	**17.0**	**17.3**	**17.5**	**40.0**	**20.4**	**3.0**
Consumer lending – personal loans and overdrafts	**259**	**267**	**281**	**382**	**287**	**23.8**	**24.3**	**24.0**	**49.3**	**28.8**	**5.4**
Business lending	**130**	**142**	**176**	**310**	**156**	**9.0**	**10.3**	**17.1**	**38.7**	**14.0**	**3.4**
Total	**1,092**	**1,146**	**1,290**	**2,782**	**1,363**						
31 March 2026	£m	£m	£m	£m	£m	%	%	%	%	%	%
Residential mortgages	235	232	282	963	352	12.5	11.4	9.4	30.4	13.3	0.7
Consumer lending – credit cards	474	494	503	1,074	561	17.1	17.4	17.1	36.4	19.3	3.1
Consumer lending – personal loans and overdrafts	247	253	259	357	268	20.6	20.8	19.8	27.0	21.3	5.4
Business lending	134	142	173	300	154	9.7	10.2	17.0	37.1	13.6	3.6
Total	1,090	1,121	1,217	2,694	1,335						

Note:
i. The allocation of loans to stage 3 is not sensitive to economic scenarios. The reported stage 3 proportion is the same as it would be in any of the 100% weighted scenarios.

Reported ECL represents 119% (31 March 2026: 119%) of the base case scenario ECL, primarily due to the impact of increased losses in the severe downside scenario. The increased ECLs in both the downside and severe downside scenarios are primarily the result of increased unemployment rates combined with material house price falls. The lower Bank rate forecast in the downside scenario is the main driver of lower stage 2 proportions for residential mortgages and consumer lending (personal loans and overdrafts) compared with the base case scenario.

The ECL for each scenario multiplied by the scenario probability will not reconcile to the reported provision. Whilst the stage allocation of loans varies in each individual scenario, each loan is allocated to a single stage in the reported provision calculation; this is based on a weighted average PD which takes into account the economic scenarios. A probability weighted 12-month or lifetime ECL (which takes into account the economic scenarios) is then calculated based on the stage allocation.

The table below shows the sensitivity of provisions at 30 September 2026 to changes to the probability weightings applied to the economic scenarios:

Sensitivity to key forward-looking assumptions	
	Increase in provision
	£m
10% increase in the probability of the downside scenario (reducing the upside by a corresponding 10%)	**20**
5% increase in the probability of the severe downside scenario (reducing the downside by a corresponding 5%)	**75**

Notes to the condensed consolidated interim financial statements (continued)

7. Impairment charge and provisions on loans and advances to customers (continued)

Critical accounting estimates and judgements (continued)

The table below shows key adjustments made in modelling provisions in relation to the significant areas of estimation uncertainty, with further details on each provided below.

Significant adjustments made in modelling provisions

	30 September 2026					31 March 2026				
		Consumer lending					Consumer lending			
	Residential mortgages	Credit cards	Personal loans and overdrafts	Business lending	Total	Residential mortgages	Credit cards	Personal loans and overdrafts	Business lending	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
PD uplift for affordability risks	**57**	**33**	**9**	**-**	**99**	63	32	8	-	103
PD uplift for credit card persistent debt	**-**	**16**	**-**	**-**	**16**	-	20	-	-	20
LGD uplift for property valuation risks	**26**	**-**	**-**	**-**	**26**	21	-	-	-	21
Business lending portfolio risks	**-**	**-**	**-**	**26**	**26**	-	-	-	26	26
Total	**83**	**49**	**9**	**26**	**167**	84	52	8	26	170
Of which:										
Stage 1	**7**	**1**	**1**	**7**	**16**	14	1	1	6	22
Stage 2	**64**	**48**	**8**	**19**	**139**	62	51	7	20	140
Stage 3	**12**	**-**	**-**	**-**	**12**	8	-	-	-	8

PD uplift for affordability risks

At 30 September 2026, the PD uplift adjustment for affordability risks increased provisions by £99 million (31 March 2026: £103 million). The adjustment reflects ongoing affordability pressures faced by borrowers, primarily within the residential mortgage portfolio. This includes the impact of higher mortgage interest rates on borrowers who have already switched to higher rates or who are expected to do so over the next two years. The PD uplift resulted in approximately £5.6 billion (31 March 2026: £8.7 billion) of residential mortgages and £462 million (31 March 2026: £410 million) of consumer lending balances moving from stage 1 to stage 2.

PD uplift for credit card persistent debt

A borrower is defined as being in persistent debt if they have been paying more in interest, fees and charges than they are paying to reduce their outstanding balance for at least three years. Nationwide provides support to these borrowers, including the offer of forbearance, to help reduce the level of their credit card debt. To reflect an increase in risk since origination, accounts are moved to stage 2 if they are approaching, or have reached persistent debt status, and therefore receive a lifetime ECL. This adjustment increases provisions by £16 million (31 March 2026: £20 million) and results in £228 million (31 March 2026: £254 million) of additional credit card balances being reported in stage 2.

LGD uplift for property valuation risks

An adjustment is made to account for property valuation risks associated with flats. This adjustment remains in place due to insufficient evidence of recovery in values for this sector of the market, increasing provisions by £26 million (31 March 2026: £21 million).

Notes to the condensed consolidated interim financial statements (continued)

7. Impairment charge and provisions on loans and advances to customers (continued)

Critical accounting estimates and judgements (continued)

Business lending portfolio risks

Adjustments to modelled provisions are recognised where appropriate to reflect risks within the business lending portfolio which are not fully captured by models. Although the provision models capture general economic uncertainty through the use of multiple economic scenarios, losses could also exceed modelled estimates as a result of concentration risks within the portfolio. An adjustment to increase provisions by £13 million (31 March 2026: £13 million) has been estimated with reference to historic variation in the frequency and value of large individual losses across the portfolio. In addition, a £13 million (31 March 2026: £13 million) adjustment continues to be recognised for the leveraged lending portfolio, reflecting the potential for loss given default to exceed modelled estimates, due in part to the limited volume of historical defaults available for model calibration.

Notes to the condensed consolidated interim financial statements (continued)

8. Taxation

The actual tax charge differs from the theoretical amount that would arise using the standard rate of corporation tax in the UK as follows:

Reconciliation of tax charge		
	Half year to 30 September 2026	Half year to 30 September 2025
	£m	£m
Profit before tax:	**673**	486
Tax calculated at a rate of 25%	**168**	121
Adjustments in respect of prior period	**(2)**	1
Tax credit on distributions to the holders of Additional Tier 1 capital	**(20)**	(21)
Loss on redemption of Additional Tier 1 capital non-controlling interests	**-**	(12)
Banking surcharge	**11**	3
Deferred tax assets (recognised)/derecognised	**(1)**	1
Expenses not deductible for tax purposes	**5**	16
Effect of deferred tax provided at different tax rates	**(1)**	2
Tax charge	**160**	111

Throughout the period, 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%.

On 28 October 2026, the Government announced that the banking surcharge would increase from a rate of 3% to 6% for a period of 15 months from 1 January 2027 to 31 March 2028. This will result in an increase to current tax, with a combined statutory tax rate on banking profits in excess of £100 million of 31% applying for the impacted period, compared to the 28% combined rate currently in effect. The increase was substantively enacted on 3 November 2026 and therefore its impact is not reflected in the Group's tax position at 30 September 2026. This change will also impact on the measurement of the Group's deferred tax balances in future periods. If this change had been substantively enacted at 30 September 2026 the impact on the deferred tax balances would not have been material.

Critical accounting estimates and judgements

The Group has recognised deferred tax assets of £203 million (31 March 2026: £212 million) in respect of trading tax losses, based on expected future taxable profits. Deferred tax assets of £59 million (31 March 2026: £60 million), representing tax at 25% on £234 million of trading tax losses, have not been recognised as they are not forecast to be used in the foreseeable future.

The Group has assessed the likelihood of recovery of the recognised deferred tax assets in respect of trading tax losses at 30 September 2026 and considers it probable that sufficient future taxable profits will be available over its planning horizon against which the underlying deductible temporary differences can be utilised. Deferred tax assets in respect of these tax losses are recognised to the extent that they are expected to be utilised within six years of the balance sheet date. An increase or decrease of one year to the forecast period would increase or decrease the recognised deferred tax asset in respect of losses by £39 million. An increase or decrease of 10% to forecast Group taxable profits would increase or decrease the deferred tax asset recognised in respect of tax losses by £19 million. All tax assets arising will be used within the UK.

For other deferred tax assets recognised on the balance sheet, the Group considers that there will be sufficient future trading profits, in excess of profits arising from the reversal of existing taxable temporary differences, to utilise the deferred tax assets.

Notes to the condensed consolidated interim financial statements (continued)

9. Loans and advances to customers

	30 September 2026						31 March 2026					
	Loans held at amortised cost				Loans held at FVTPL	Total	Loans held at amortised cost				Loans held at FVTPL	Total
	Gross	Provisions	Other (note i)	Total			Gross	Provisions	Other (note i)	Total		
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Owner-occupied mortgages	232,106	(137)	-	231,969	31	232,000	224,856	(129)	-	224,727	32	224,759
Buy to let and legacy residential mortgages	61,977	(214)	-	61,763	-	61,763	61,442	(223)	-	61,219	-	61,219
Consumer lending	12,092	(856)	-	11,236	-	11,236	11,578	(829)	-	10,749	-	10,749
Business lending	15,021	(156)	151	15,016	34	15,050	14,668	(154)	204	14,718	38	14,756
Total	321,196	(1,363)	151	319,984	65	320,049	312,544	(1,335)	204	311,413	70	311,483

Note:

i. 'Other' represents a fair value adjustment for micro hedged risk for business loans that were previously hedged on an individual basis. The hedge accounting relationships have been discontinued and the balances are being amortised over the remaining life of the loans.

The tables below summarise the movements in, and stage allocation of, gross loans and advances to customers held at amortised cost, including the impact of impairment provisions and excluding the fair value adjustment for micro hedged risk. Additional tables summarising the movements for the Group's residential mortgages, consumer lending and business lending are presented in the Credit risk section of the Risk report.

Reconciliation of net movements in balances and impairment provisions

	Non-credit impaired				Credit impaired (note i)			
	Subject to 12-month ECL		Subject to lifetime ECL		Subject to lifetime ECL		Total	
	Stage 1		Stage 2		Stage 3 and POCI			
	Gross balances	Provisions	Gross balances	Provisions	Gross balances	Provisions	Gross balances	Provisions
	£m	£m	£m	£m	£m	£m	£m	£m
At 1 April 2026	267,240	224	42,379	637	2,925	474	312,544	1,335
Stage transfers:								
Transfers from stage 1 to stage 2	(10,736)	(35)	10,736	35	-	-	-	-
Transfers to stage 3	(181)	(1)	(601)	(69)	782	70	-	-
Transfers from stage 2 to stage 1	17,278	148	(17,278)	(148)	-	-	-	-
Transfers from stage 3	61	2	192	11	(253)	(13)	-	-
Net remeasurement of ECL arising from transfer of stage (note ii)	-	(143)	-	182	-	100	-	139
Net movement arising from transfer of stage	6,422	(29)	(6,951)	11	529	157	-	139
Change in exposure in the period (note iii)	10,285	38	(1,144)	23	(250)	(15)	8,891	46
Changes in risk parameters in relation to credit quality (note iv)	-	(23)	-	(3)	-	81	-	55
Other items impacting the income statement (note v)	-	-	-	-	-	(37)	-	(37)
Income statement charge for the period								203
Assets written off (note v)	-	-	-	-	(239)	(182)	(239)	(182)
Other adjustments (note vi)	-	-	-	-	-	7	-	7
At 30 September 2026	283,947	210	34,284	668	2,965	485	321,196	1,363

Notes to the condensed consolidated interim financial statements (continued)

9. Loans and advances to customers (continued)

Reconciliation of net movements in balances and impairment provisions								
	Non-credit impaired				Credit impaired (note i)		Total	
	Subject to 12-month ECL		Subject to lifetime ECL		Subject to lifetime ECL			
	Stage 1		Stage 2		Stage 3 and POCI			
	Gross balances	Provisions	Gross balances	Provisions	Gross balances	Provisions	Gross balances	Provisions
	£m	£m	£m	£m	£m	£m	£m	£m
At 1 April 2025	257,751	205	41,092	633	2,972	450	301,815	1,288
Stage transfers:								
Transfers from stage 1 to stage 2	(12,918)	(23)	12,918	23	-	-	-	-
Transfers to stage 3	(203)	(3)	(511)	(66)	714	69	-	-
Transfers from stage 2 to stage 1	11,172	167	(11,172)	(167)	-	-	-	-
Transfers from stage 3	26	2	202	11	(228)	(13)	-	-
Net remeasurement of ECL arising from transfer of stage (note ii)	-	(160)	-	181	-	74	-	95
Net movement arising from transfer of stage	(1,923)	(17)	1,437	(18)	486	130	-	95
Change in exposure in the period (note iii)	6,368	48	(1,000)	28	(241)	(5)	5,127	71
Changes in risk parameters in relation to credit quality (note iv)	-	7	-	(48)	-	71	-	30
Other items impacting the income statement (note v)	-	-	-	-	-	(50)	-	(50)
Income statement charge for the period								146
Assets written off (note v)	-	-	-	-	(196)	(136)	(196)	(136)
Other adjustments (note vi)	-	-	-	-	-	9	-	9
At 30 September 2025	262,196	243	41,529	595	3,021	469	306,746	1,307

Notes:

i. Gross balances of credit impaired loans include £720 million (31 March 2026: £792 million) of purchased or originated credit impaired (POCI) loans which are presented net of lifetime ECL of £52 million (31 March 2026: £64 million). These loans were recognised on the balance sheet when Derbyshire Building Society was acquired in 2008, and Virgin Money was acquired in 2024.

ii. The remeasurement of provisions arising from a change in stage is reported within the stage to which the assets are transferred.

iii. This comprises new assets originated, redemptions, and further lending and capital repayments made where the asset is not derecognised. The gross balances value is calculated as the closing balance for the period less the opening balance for the period. The provisions value is calculated as the change in EAD multiplied by opening provision coverage for the period. For any asset that is derecognised in the period, the value disclosed is the provision at the start of the period.

iv. This comprises changes in risk parameters, and changes to modelling inputs and methodology. The provision movement for the change in risk parameters is calculated for assets that do not move stage in the period.

v. The movement in provisions for 'assets written off' is presented net of post-write off recoveries of £31 million (H1 2025/26: £41 million). The income statement impact of these recoveries is included within 'other items impacting the income statement'.

vi. Other adjustments include the release of provisions related to POCI balances which have redeemed during the period.

Notes to the condensed consolidated interim financial statements (continued)

10. Fair value hierarchy of financial assets and liabilities held at fair value

IFRS 13 requires an entity to classify assets and liabilities held at fair value, and those not measured at fair value but for which the fair value is disclosed, according to a hierarchy that reflects the significance of observable market inputs in calculating those fair values. The three levels of the fair value hierarchy are defined in note 1 of the Annual Report and Accounts 2026.

Details of those financial assets and liabilities not measured at fair value are included in note 11.

The table below shows the Group's financial assets and liabilities that are held at fair value by fair value hierarchy, balance sheet classification and product type.

	30 September 2026				31 March 2026			
	Fair values based on				Fair values based on			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Financial assets								
Government, government guaranteed and supranational investment securities	**23,452**	**-**	**-**	**23,452**	21,268	-	-	21,268
Other debt investment securities	**3,216**	**1,501**	**4**	**4,721**	3,326	1,230	4	4,560
Investments in equity shares	**-**	**-**	**79**	**79**	-	-	77	77
Total investment securities	**26,668**	**1,501**	**83**	**28,252**	24,594	1,230	81	25,905
Interest rate swaps	**-**	**1,577**	**-**	**1,577**	-	1,787	-	1,787
Cross currency interest rate swaps	**-**	**1,064**	**-**	**1,064**	-	1,373	-	1,373
Foreign exchange swaps	**-**	**22**	**-**	**22**	-	22	-	22
Inflation swaps	**-**	**136**	**-**	**136**	-	141	-	141
Other derivatives	**-**	**6**	**-**	**6**	-	18	-	18
Total derivative financial instruments	**-**	**2,805**	**-**	**2,805**	-	3,341	-	3,341
Loans and advances to customers	**-**	**34**	**31**	**65**	-	36	34	70
Total financial assets	**26,668**	**4,340**	**114**	**31,122**	24,594	4,607	115	29,316
Financial liabilities								
Interest rate swaps	**-**	**394**	**-**	**394**	-	354	-	354
Cross currency interest rate swaps	**-**	**840**	**-**	**840**	-	702	-	702
Foreign exchange swaps	**-**	**9**	**-**	**9**	-	10	-	10
Inflation swaps	**-**	**81**	**-**	**81**	-	103	-	103
Other derivatives	**-**	**10**	**-**	**10**	-	9	-	9
Total derivative financial instruments	**-**	**1,334**	**-**	**1,334**	-	1,178	-	1,178
Total financial liabilities	**-**	**1,334**	**-**	**1,334**	-	1,178	-	1,178

Level 1 and Level 2 portfolios

The Level 1 portfolio comprises government and other highly-rated securities for which traded prices are readily available. Asset valuations for Level 2 investment securities are sourced from consensus pricing or other observable market prices. None of the Level 2 investment securities are valued from models. Level 2 derivative assets and liabilities are valued using observable market data for all significant valuation inputs.

Transfers between fair value hierarchies

Instruments move between fair value hierarchies primarily due to increases or decreases in market activity or changes to the significance of unobservable inputs to valuation. Transfers are recognised at the date of the event or change in circumstances which caused the transfer. There were no transfers between the Level 1 and Level 2 portfolios during the current or prior period.

Notes to the condensed consolidated interim financial statements (continued)

10. Fair value hierarchy of financial assets and liabilities held at fair value (continued)

Level 3 portfolio

During the period, the main constituents of the Group's Level 3 portfolio were:

- certain loans and advances to customers, including a closed portfolio of residential mortgages; and
- certain investment securities, including investments made in Fintech companies.

The table below sets out movements in the Level 3 portfolio, including transfers in and out of Level 3.

Movements in Level 3 portfolio						
	Half year to 30 September 2026		Half year to 30 September 2025			
	Investment securities (note i)	**Loans and advances to customers**	Investment securities	Loans and advances to customers	Derivative financial assets	Derivative financial liabilities
	£m	**£m**	£m	£m	£m	£m
At 1 April	81	34	65	38	47	(27)
Gains/(losses) recognised in the income statement, within:						
Net interest income	**-**	**-**	-	1	4	-
Gains/(losses) from derivatives and hedge accounting (note ii)	**-**	**-**	1	-	(13)	(7)
Other operating income/(expense)	**1**	**(1)**	-	(1)	-	3
Losses recognised in other comprehensive income, within:						
Fair value through other comprehensive income reserve (note iii)	**(1)**	**-**	-	-	-	-
Additions	**2**	**-**	14	-	-	-
Disposals	**-**	**-**	-	-	-	(3)
Settlements/repayments	**-**	**(2)**	-	(3)	(26)	(39)
Transfers out of Level 3 portfolio (note iv)	**-**	**-**	-	-	(12)	73
At 30 September	**83**	**31**	80	35	-	-
Unrealised gains/(losses) recognised in the income statement attributable to assets and liabilities held at the end of the period	**1**	**(1)**	-	(1)	(14)	(7)

Notes:
i. Includes £77 million (31 March 2026: £75 million) of equity investments which have been designated at FVOCI as the investments are being held for long-term strategic purposes. There were no transfers from the FVOCI reserve to the general reserve in respect of equity investments designated at FVOCI during the current or comparative period.
ii. Includes foreign exchange revaluation gains/(losses).
iii. The £1 million loss (H1 2025/26: £nil) recognised within the FVOCI reserve during the period is attributable to equity investments held at the end of the reporting period.
iv. The proportional impact of seasonality on the value of USD-denominated inflation swaps reduced during the period ended 30 September 2025, resulting in these instruments no longer being categorised within Level 3 of the fair value hierarchy.

The sensitivity of Level 3 fair values to reasonable alternative assumptions would not result in a material impact to the income statement or other comprehensive income.

Notes to the condensed consolidated interim financial statements (continued)

11. Fair value of financial assets and liabilities measured at amortised cost

Valuation methodologies employed in calculating the fair value of financial assets and liabilities measured at amortised cost are consistent with those disclosed in the Annual Report and Accounts 2026.

The table below summarises the carrying value and fair value of financial assets and liabilities measured at amortised cost on the Group's balance sheet.

Fair value of financial assets and liabilities (note i)				
	30 September 2026		31 March 2026	
	Carrying value	**Fair value**	Carrying value	Fair value
	£m	**£m**	£m	£m
Financial assets				
Loans and advances to banks and similar institutions	**2,259**	**2,259**	1,758	1,758
Loans and advances to customers:				
Residential mortgages	**293,732**	**288,627**	285,946	282,080
Consumer lending	**11,236**	**11,513**	10,749	11,093
Business lending	**15,016**	**14,586**	14,718	14,396
Total	**322,243**	**316,985**	313,171	309,327
Financial liabilities				
Shares	**279,272**	**278,855**	217,052	216,789
Deposits from banks and similar institutions	**3,512**	**3,512**	5,453	5,453
Other deposits	**24,005**	**24,002**	76,766	76,702
Debt securities in issue	**55,127**	**55,421**	54,821	55,137
Subordinated liabilities	**2,147**	**2,178**	2,931	2,959
Subscribed capital	**45**	**46**	46	47
Total	**364,108**	**364,014**	357,069	357,087

Note:

i. Excludes cash and other financial assets and liabilities such as accruals, trade receivables, trade payables, and settlement balances which are short-term in nature and for which fair value approximates carrying value.

12. Contingent liabilities

During the ordinary course of business, the Group may be subject to complaints, disputes and threatened or actual legal proceedings brought by or on behalf of current or former employees, customers, investors or other third parties. The Group may also be subject to legal and regulatory reviews, challenges, investigations and enforcement actions which may result in, among other things, actions being taken by governmental, tax and regulatory authorities, increased costs being incurred in relation to remediation of systems and controls, or fines. Any such material cases are periodically reassessed, with the assistance of external professional advisers where appropriate, to determine the likelihood of incurring a liability and any ability to recover any losses in future periods.

There are no current complaints, disputes, threatened or actual legal proceedings, regulatory or other matters, the resolution of which are expected to have a material adverse impact on the Group’s financial position. However, in light of the uncertainties involved in such matters there can be no assurance that the outcome of a particular matter or matters may not ultimately be material to the Group’s results.

Notes to the condensed consolidated interim financial statements (continued)

13. Retirement benefit obligations

The Group operates four defined contribution pension schemes and has funding obligations to several defined benefit pension arrangements, the most significant of which are the Nationwide Pension Fund (NPF) and the Yorkshire and Clydesdale Bank Pension Scheme (YCBPS). Further details are set out in note 30 of the Annual Report and Accounts 2026.

Further information on the Group's defined benefit pension schemes is set out below:

Defined benefit pension schemes

Retirement benefit assets and liabilities		
	30 September 2026	31 March 2026
	£m	£m
Fair value of fund assets	**6,309**	6,626
Present value of funded obligations	**(5,647)**	(5,910)
Retirement benefit asset	**662**	716

Changes in the present value of the retirement benefit asset are as follows:

Movements in retirement benefit asset		
	Half year to 30 September 2026	Half year to 30 September 2025
	£m	£m
At 1 April	716	892
Interest on net defined benefit asset	**22**	26
Return on assets less than discount rate (note i)	**(353)**	(206)
Contributions by employer	**-**	7
Administrative expenses	**(5)**	(5)
Actuarial gains on defined benefit obligations (note i)	**282**	56
At 30 September	**662**	770

Note:
i. The net impact of these line items is recognised in other comprehensive income.

Return on assets less than the discount rate of £353 million (H1 2025/26: £206 million) is primarily driven by decreases in the value of liability matching assets due to increases in long-term government bond yields in the period. The £282 million (H1 2025/26: £56 million) actuarial gains on defined benefit obligations are primarily driven by an increase in the discount rate.

Notes to the condensed consolidated interim financial statements (continued)

13. Retirement benefit obligations (continued)

Defined benefit pension schemes (continued)

As the NPF is closed to future accrual, there have been no current service costs, past service costs, or employer contributions made in respect of future benefit accrual during the current period. The YCBPS has eight active members in the scheme which gives rise to employer contributions and service costs made in respect of future benefit accrual. During the period, Nationwide Building Society replaced Clydesdale Bank PLC as principal employer of the YCBPS.

The 31 March 2025 NPF Triennial Valuation and the 30 September 2025 YCBPS Triennial Valuation have been completed and indicated funding surpluses for both schemes. Consequently, recovery plans requiring employer deficit contributions were not needed. Employer deficit contributions of less than £1 million were made in the current and prior period in respect of the Group's defined benefit scheme in its Nationwide (Isle of Man) Limited subsidiary and there are no deficit contributions scheduled in the period ending 31 March 2027 or future years under the Schedule of Contributions.

The Group's retirement benefit obligations also include £2 million (31 March 2026: £2 million) in respect of unfunded legacy defined benefit arrangements and £2 million (31 March 2026: £2 million) in respect of post-retirement medical benefits. These obligations are included within other liabilities on the balance sheet.

Critical accounting estimates and judgements

The key assumptions used to calculate the defined benefit obligation, and which represent significant sources of estimation uncertainty, are the discount rate, inflation assumptions and mortality assumptions. Mortality assumptions are unchanged from those disclosed in the Annual Report and Accounts 2026. Financial assumptions are shown below:

Financial assumptions		
	30 September 2026	31 March 2026
	%	%
Discount rate	**6.60**	6.15
Future pension increases (maximum 5%)	**3.05**	3.05
Retail price index (RPI) inflation	**3.20**	3.20
Consumer price index (CPI) inflation	**2.70**	2.70

14. Related party transactions

There were no related party transactions during the period ended 30 September 2026 which were significant to the Group's financial position or performance. Details of the Group's related party transactions for the year ended 31 March 2026 can be found in note 35 of the Annual Report and Accounts 2026.

Responsibility statement

The directors listed below (being all the directors of Nationwide Building Society) confirm that, to the best of their knowledge:

- The condensed consolidated interim financial statements have been prepared in accordance with UK-adopted IAS 34 Interim Financial Reporting.
- The Interim Results include a fair review of the information required by Disclosure Guidance and Transparency Rules 4.2.7R and 4.2.8R, namely:
  - An indication of important events that have occurred in the period and their impact on the condensed consolidated interim financial statements, and a description of the principal risks and uncertainties for the remaining period of the financial year.
  - Material related party transactions in the period and any material changes in the related party transactions described in the Annual Report and Accounts 2026.

Signed on behalf of the Board by

Muir Mathieson
Group Chief Financial Officer

18 November 2026

Board of directors

Chair
Mike Rogers

Executive directors
Dame Debbie Crosbie DBE
Muir Mathieson

Non-executive directors
Tracey Graham (Senior Independent Director)
Guy Bainbridge
Debbie Klein
Simon McNamara
Sally Orton
Tamara Rajah MBE
Gillian Riley
Phil Rivett

Independent review report to Nationwide Building Society

Conclusion

We have been engaged by Nationwide Building Society (the Society) to review the condensed consolidated interim financial statements of the Society and its subsidiaries (together, the Group) in the Interim Results for the six months ended 30 September 2026, which comprise the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of movements in members' interests and equity, the condensed consolidated cash flow statement, the explanatory notes and the Risk report disclosures marked as 'reviewed' from pages 15 to 44 (together, the condensed consolidated interim financial statements). We have read the other information contained in the Interim Results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated interim financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements in the Interim Results for the six months ended 30 September 2026 are not prepared, in all material respects, in accordance with United Kingdom (UK) adopted International Accounting Standard 34 (IAS 34) and the Disclosure Guidance and Transparency Rules (DTR) of the United Kingdom Financial Conduct Authority (FCA).

Basis for conclusion

We conducted our review in accordance with the International Standard on Review Engagements 2410 (UK) Review of Interim Financial Information Performed by the Independent Auditor of the Entity (ISRE UK) issued by the Financial Reporting Council (FRC). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards. The condensed consolidated interim financial statements included in this Interim Results report have been prepared in accordance with UK-adopted IAS 34 and the DTR of the FCA.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with the ISRE; however, future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the Interim Results in accordance with UK-adopted IAS 34 and the DTR of the FCA.

In preparing the Interim Results, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the Interim Results, we are responsible for expressing to the Society a conclusion on the condensed consolidated interim financial statements in the Interim Results. Our conclusion, including our conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report.

Independent review report to Nationwide Building Society (continued)

Use of our report

This report is made solely to the Society in accordance with guidance contained in ISRE 2410 (UK) Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the FRC. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP
London
18 November 2026

Other information

The Interim Results are unaudited and do not constitute statutory accounts within the meaning of the Building Societies Act 1986.

The financial information for the year ended 31 March 2026 has been extracted from the Annual Report and Accounts 2026. The Annual Report and Accounts 2026 has been filed with the Financial Conduct Authority and the Prudential Regulation Authority. The independent auditor's report on the Annual Report and Accounts 2026 was unqualified.

Nationwide continued to adopt the UK Finance Code for Financial Reporting Disclosure (the Code) in its Annual Report and Accounts 2026. The Code sets out five disclosure principles together with supporting guidance. These principles have been applied, as appropriate, in the context of the Interim Results.

A copy of the Interim Results can be found on the Group's website **nationwide.co.uk** (Results and accounts section). The directors are responsible for the maintenance and integrity of financial information on the Group's website. Information published on the internet is accessible in many countries with different legal requirements. Legislation in the United Kingdom (UK) governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Forward-looking statements

This document contains certain forward-looking statements which include assumptions, expectations, valuations, targets, estimates and/or forecasts about the Group, its business and the environment in which it operates. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the Group's control. These events and circumstances include, amongst other things, UK domestic and global economic and business conditions, market-related risks such as fluctuations in interest rates and exchange rates, inflation/deflation, the impact of competition, changes in customer preferences, risks concerning borrower credit quality, delays in implementing proposals, the timing, impact and other uncertainties of future acquisitions or other combinations involving the Group, risks relating to sustainability and climate change, the policies and actions of regulatory authorities, the impact of tax or other legislation and regulations, changes in accounting standards, legal or regulatory proceedings, investigations or enforcement action, financial crime and sanctions, operational disruption or failures, risks arising from technology, cyber and information security, including risks associated with artificial intelligence, developments in the UK's relationship with the EU, Eurozone instability, the Russia-Ukraine war, the conflict in the Middle East, changes in global trade policies or tariffs, and any UK or global cost of living crisis or recession.

Although the Group believes that these forward-looking statements are reasonable, it gives no assurance that they will prove to be accurate. No forward-looking statement is a guarantee of future performance. The economic outlook remains uncertain and, as a result, the Group's actual future financial condition, business performance and results may differ materially from the plans, goals and expectations expressed or implied in these statements. No member of the Group, nor their respective directors, employees, agents, advisers or affiliates, gives any representation, warranty or assurance that any such plans, goals and expectations will be realised or that actual results will not be materially lower than those anticipated. Consequently, readers should not place reliance on these forward-looking statements. These statements reflect the position only as at the date of this document.

The information in this document is subject to change and no undertaking or commitment to update such information, whether as a result of new information, future events or otherwise, is given.

The information, statements and opinions contained in this document (including any other document which forms a constituent part) are not intended to, and do not, constitute, represent or form part of any offer, invitation or solicitation of any offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction. No securities are being offered to the public by means of this document.

Certain industry, market and competitive position data contained in this document comes from official or third-party sources. There is no guarantee of the accuracy or completeness of such data. While the Group reasonably believes that each of these publications, studies and surveys has been prepared by a reputable source, no member of the Group or their respective directors, officers, employees, agents, advisers or affiliates has independently verified the data. In addition, certain industry, market and competitive position data contained in this document comes from the Group's own internal research and estimates based on the knowledge and experience of the Group's management in the markets in which the Group operates. While the Group reasonably believes that such research and estimates are reasonable and reliable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness, and are subject to change. Accordingly, undue reliance should not be placed on any of the industry, market or competitive position data contained in this document.

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