



NATIONWIDE BUILDING SOCIETY

(incorporated in England and Wales under the UK Building Societies Act 1986, as amended)

This document (the "**Registration Document**", which expression shall include this document and all documents incorporated by reference herein) constitutes a registration document in compliance with the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook of the FCA Handbook (the "**PRM**") made in accordance with the Public Offers and Admissions to Trading Regulations 2024 (the "**POATRs**", and, together with the PRM, the "**UK Prospectus Regime**"). It has been prepared in connection with debt or derivative securities ("**Securities**") of Nationwide Building Society ("**Nationwide**", the "**Issuer**" or the "**Society**") which may be admitted to trading on the London Stock Exchange plc's (the "**London Stock Exchange**") main market. The London Stock Exchange's main market is a UK regulated market for the purposes of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") ("**UK MiFIR**"). When combined with a securities note, which contains information on the Securities and has been approved by the UK Financial Conduct Authority (the "**FCA**"), the combination will form a prospectus in relation to the Securities for the purposes of the UK Prospectus Regime.

This Registration Document has been prepared as a registration document issued in compliance with the UK Prospectus Regime for the purpose of providing information with regard to the Issuer of debt or derivative securities during the period of twelve months after the date hereof. This Registration Document has been approved by the FCA. The FCA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the rules in the PRM. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Registration Document.

This Registration Document (as supplemented from time to time) is valid for a period of twelve months from the date of approval.

As at the date of this Registration Document: (i) long-term senior obligations of the Issuer are rated "A+" by S&P Global Ratings UK Ltd ("**S&P**"), "A1" by Moody's Investors Service Ltd. ("**Moody's**") and "AA-" by Fitch Ratings Limited ("**Fitch**"); and (ii) short-term senior obligations of the Issuer are rated "A-1" by S&P, "P-1" by Moody's and "F1+" by Fitch. Each of S&P, Moody's and Fitch is established in the UK and registered under Regulation (EU) No. 1060/2009 as it forms part of the domestic law of the UK by virtue of the EUWA (the "**UK CRA Regulation**"). None of Moody's, S&P or Fitch is established in the European Economic Area (the "**EEA**") and they have not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). Accordingly, the ratings issued by Moody's, S&P and Fitch have been endorsed by Moody's Deutschland GmbH, S&P Global Ratings Europe Limited and Fitch Ratings Ireland Limited respectively in accordance with the CRA Regulation and have not been withdrawn. Each of Moody's Deutschland GmbH, S&P Global Ratings Europe Limited and Fitch Ratings Ireland Limited is established in the EEA and registered under the CRA Regulation. As such each of Moody's Deutschland GmbH, S&P

Global Ratings Europe Limited and Fitch Ratings Ireland Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.

Information on how to use this Registration Document is set out on page i.

Certain risk factors relating to the Issuer are set out in "*Risk Factors*" which commences on page 10.

HOW TO USE THIS REGISTRATION DOCUMENT

Unless stated otherwise, all references in this Registration Document to the "**Issuer**" or the "**Society**" refer to Nationwide Building Society, all references to "**Group**" refer to Nationwide Building Society and its subsidiary undertakings, all references to "**Nationwide**" refer to the Society or the Group, as applicable in the context.

This Registration Document provides information about the Issuer and incorporates by reference (as per the section entitled "*Documents Incorporated by Reference*" below): (i) the audited consolidated financial statements as of and for the year ended 31 March 2026 and the auditors' report thereon in the Society's annual report for the year ended 31 March 2026, (ii) the audited consolidated financial statements as of and for the period ended 31 March 2025 and the auditors' report thereon in the Society's annual report for the period ended 31 March 2025 and (iii) the audited consolidated financial statements as of and for the year ended 4 April 2024 and the auditors' report thereon in the Society's annual report for the year ended 4 April 2024. The sections of the 2026 annual report and financial statements include the latest publicly available financial information relating to the Issuer and its subsidiary undertakings and other information in relation to the Group, which is relevant to investors. This Registration Document (including such information incorporated by reference) contains information necessary for investors to make an informed assessment of the Issuer. Investors must read this Registration Document together with the sections of the documents incorporated by reference herein. Where further information is provided in the sections of the documents incorporated by reference herein on matters covered by this Registration Document, this is highlighted in this Registration Document.

This Registration Document is split up into a number of sections, each of which is briefly described below:

The **Risk Factors** provides details of the principal risks relating to Nationwide that may affect the Issuer's ability to fulfil its obligations under its Securities.

The **Documents Incorporated by Reference** provides details of the documents incorporated by reference which form part of this Registration Document and which are publicly available.

The **Important Notices** sets out important information about the Issuer's responsibility for this Registration Document and provides information about its authorised use.

The **Description of Business** provides information about Nationwide, including on its history and development, the legislation under which it operates, its principal activities and markets, its organisational structure, trends affecting the Issuer, its credit ratings and its management.

The **General Information** provides additional, general disclosure in relation to the Issuer.

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IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Registration Document. To the best of the knowledge of the Issuer, the information contained in this Registration Document is in accordance with the facts and this Registration Document does not omit anything likely to affect the import of such information.

This Registration Document is to be read and construed with any supplements hereto and all documents incorporated by reference into it.

This Registration Document may be combined with a securities note approved by the FCA to form a prospectus or may be incorporated by reference into a base prospectus approved by the FCA, for the purposes of the UK Prospectus Regime. The requirement to publish a prospectus under the PRM only applies to Securities which are to be admitted to trading on a regulated market in the United Kingdom, other than in circumstances where an exemption is available under PRM 1.3 and/or PRM 1.4 of the PRM. References in this Registration Document to "**Exempt Securities**" are to Securities for which no prospectus is required to be published under the rules in PRM. If this Registration Document forms a constituent part of a base prospectus or is otherwise incorporated by reference in whole or in part into another offering circular or similar document (however called), which provides for the issue of Securities which are Exempt Securities, the FCA has neither approved nor reviewed information contained in this Registration Document in connection with any such Exempt Securities. Information contained in any such base prospectus or other offering circular or similar document regarding Exempt Securities will not form part of a prospectus or base prospectus for the purposes of the UK Prospectus Regime and the FCA has not approved, verified or reviewed information contained in this Registration Document in connection with the offering and sale of Exempt Securities.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Registration Document, including any documents incorporated by reference herein, and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, or any trustee or any dealer appointed in relation to any issue of Securities by the Issuer.

This Registration Document, including any documents incorporated by reference herein should not be considered as a recommendation by the Issuer, any trustee or any dealer appointed in relation to any issue of Securities by the Issuer that any recipient of this Registration Document, including any document incorporated by reference herein, should purchase any Securities issued by the Issuer. Each investor contemplating subscribing for or purchasing Securities issued by the Issuer should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. No part of this Registration Document, including any documents incorporated by reference herein, constitutes an offer or invitation by or on behalf of the Issuer, any trustee or any dealer appointed in relation to any issue of Securities by the Issuer or any of them to any person to subscribe for or to purchase any of the Securities issued by the Issuer.

None of the delivery of this Registration Document or any documents incorporated by reference herein or any prospectus or base prospectus prepared by the Issuer in relation to which this Registration Document is incorporated by reference and forms a constituent part (a "**Prospectus**") or any applicable Final Terms or Pricing Supplement or the offering, sale or delivery of any Securities shall, in any circumstances, create any implication that there has

been no change in the affairs of the Issuer since the date hereof, or that the information contained in this Registration Document including any documents incorporated by reference herein is correct at any time subsequent to the date hereof or that any other written information delivered in connection herewith or therewith is correct as of any time subsequent to the date indicated in such document. Any dealer or trustee appointed in relation to any issue of Securities by the Issuer expressly does not undertake to review the financial condition or affairs of the Issuer or its subsidiary undertakings during the life of such Securities.

The distribution of this Registration Document, including any document incorporated by reference herein, and the offer or sale of Securities issued by the Issuer may be restricted by law in certain jurisdictions. Persons into whose possession this Registration Document or any document incorporated by reference herein or any Securities issued by the Issuer come must inform themselves about, and observe, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Securities issued by the Issuer and on the distribution of this Registration Document, including any document incorporated by reference herein, see the applicable description of arrangements relating to subscription and sale of the relevant Securities in the relevant Prospectus or the applicable Final Terms. In this Registration Document and in relation to any Securities issued by the Issuer, references to the "**relevant dealers**" are to whichever of the dealers enters into an agreement for the issue of such Securities issued by the Issuer as described in the applicable description of arrangements relating to subscription and sale of the relevant Securities in the relevant Prospectus and references to the "**applicable Final Terms**" are to the Final Terms or Pricing Supplement relating to such Securities.

PRESENTATION OF FINANCIAL INFORMATION

The financial information included in this Registration Document as of and for the year ended 31 March 2026, the period ended 31 March 2025 and the year ended 4 April 2024 has been extracted from Nationwide's audited consolidated financial statements prepared in accordance with UK adopted International Accounting Standards ("**IFRS**") and the requirements of the Building Societies Act 1986.

The consolidated financial statements as of and for the year ended 31 March 2026, the period ended 31 March 2025 and the year ended 4 April 2024 have been audited by Ernst & Young LLP, independent auditors, as stated in their reports incorporated by reference herein.

Unless otherwise indicated, all references in this Registration Document to "**pounds sterling**," "**sterling**" and "**£**" are to the lawful currency of the United Kingdom, all references to "**U.S. dollars**," "**dollars**," "**USD**" and "**\$**" are to the lawful currency of the United States, all references to "**Canadian dollars**" or "**C\$**" are to the lawful currency of Canada and all references to "**euro**," "**EUR**" or "**€**" are to the single currency of the participating Member States of the European and Monetary Union of the Treaty Establishing the European Community, as amended from time to time.

Alternative performance measures and other non-IFRS financial information

Alternative performance measures

This Registration Document includes certain financial information which has not been prepared in accordance with IFRS and which also constitutes Alternative Performance Measures ("**APMs**") as defined in the European Securities and Markets Authority Guidelines on Alternative Performance Measures. Certain APMs are discussed below in "*Selected Statistical Information*". None of this financial information is subject to any audit or review by independent auditors.

APMs are not a measure of financial performance under IFRS and should not be considered in isolation or as a substitute for operating profit, cash flow from operating activities or other financial measures of Nationwide's results of operations or liquidity computed in accordance with IFRS. Other companies, including those in the financial services industry, may calculate the APMs presented differently from Nationwide. As all companies do not calculate these APMs in the same manner, Nationwide's presentation of the APMs may not be comparable to other similarly titled APMs presented by other companies.

Total underlying income

Certain sections of this Registration Document discuss total underlying income, which is not a measure of financial performance under IFRS and which is an APM. In determining total underlying income, Nationwide takes the sum of net interest income and net other income. Accordingly, the purpose of disclosing total underlying income is to present Nationwide's view of its underlying performance with like for like comparisons of performance across each financial year.

Underlying profit before tax

Certain sections of this Registration Document discuss underlying profit before tax, which is not a measure of financial performance under IFRS and which is an APM. In determining underlying profit before tax, Nationwide adjusts reported profit before tax for certain items

which it regards as subject to one-off volatility or as otherwise not being reflective of its ongoing business activities. These items include member reward payments, gain on acquisition of Virgin Money UK PLC ("**Virgin Money**") and losses or gains from derivatives and hedge accounting (which are respectively added to or deducted from reported underlying profit before tax). Accordingly, the purpose of disclosing underlying profit before tax is to present Nationwide's view of its underlying performance with like for like comparisons of performance across each financial year.

The following tables set out the reconciliation of reported profit before tax to underlying profit before tax for the year ended 31 March 2026, for the period ended 31 March 2025 and for the year ended 4 April 2024.

	For the year ended 31 March 2026	For the period ended 31 March 2025	For the year ended 4 April 2024 ⁽¹⁾
		(£ million)	
Underlying and statutory results			
Net interest income ⁽²⁾	6,110	5,031	4,450
Net other income ⁽³⁾	268	180	214
Total underlying income	6,378	5,211	4,664
Underlying administrative expenses ⁽⁴⁾	(4,021)	(3,183)	(2,549)
Impairment charge on loans and advances to customers ⁽⁵⁾	(331)	(176)	(112)
Underlying profit before tax	2,026	1,852	2,003
Gains from derivatives and hedge accounting	35	12	117
Gain on the acquisition of Virgin Money	—	2,300	—
Other acquisition related adjustments ⁽²⁾⁽⁴⁾	(172)	(862)	—
Member reward payments ⁽⁶⁾	(399)	(1,000)	(344)
Statutory profit before tax	1,490	2,302	1,776
Taxation	(387)	36	(476)
Profit after tax	1,103	2,338	1,300

Notes:

- ⁽¹⁾ Comparative financial information for the year ended 4 April 2024 was restated in the 2025 Financial Statements, to present provisions for liabilities and charges within administrative expenses. See Note 1 to the 2025 Financial Statements.
- ⁽²⁾ Underlying net interest income excludes the unwind of fair value adjustments which were recognised on the acquisition of Virgin Money.
- ⁽³⁾ Underlying net other income excludes gains or losses from derivatives and hedge accounting.
- ⁽⁴⁾ Underlying administrative expenses exclude certain costs relating to the acquisition of Virgin Money. These comprise £113 million (2025: £56 million) of amortisation relating to acquired intangible assets and £25 million (2025: £275 million) of one-off costs (and related VAT) associated with the amended Trademark License Agreement between Virgin Money UK PLC and Virgin Enterprises Limited. In addition, prior period underlying administrative expenses exclude £36 million of transaction-related costs incurred by the Society in relation to the acquisition.
- ⁽⁵⁾ Excluded from the underlying impairment charge for 2025 are the one-off impacts of recognising IFRS 9 provisions on acquisition of Virgin Money. This included the initial recognition of the 12-month expected loss for all acquired loans, the impact of the first application of staging criteria, and the alignment of key elements of the impairment provision methodology.
- ⁽⁶⁾ Member reward payments represent discretionary payments to members of the Society which may be determined by the Board from time to time, depending on the financial strength of the Society. This includes the Nationwide Fairer Share payment of £0.4 billion (2025: £0.4 billion). In 2025, this also included a one-off amount of £0.6 billion for The Big Nationwide Thank You.

Profit before tax on a reported basis and underlying basis are set out below. Certain aspects of Nationwide's results are presented to reflect management's view of the underlying results and to provide a clearer representation of its performance.

For the year ended 31 March 2026				
	Underlying profit	Gain from derivatives and hedge accounting ⁽¹⁾	Acquisition and other adjustments ⁽²⁾	Statutory profit
Net interest income	6,110	—	(34)	6,076
Other income ⁽³⁾	268	—	—	268
Movements on derivatives and hedge accounting ⁽¹⁾	—	35	—	35
Total income	6,378	35	(34)	6,379
Administrative expenses	(4,021)	—	(138)	(4,159)
Pre-provision underlying profit	2,357	35	(172)	2,220
Impairment charge on loans and advances to customers	(331)	—	—	(331)
	2,026	35	(172)	1,889
Profit before member reward payments and tax				

Notes:

- (1) Although Nationwide only uses derivatives to manage risks, their impact can be volatile. This volatility is largely due to accounting rules that do not fully reflect the economic reality of Nationwide's approach to hedging financial risks.
- (2) Consists of unwind of fair value adjustments as well as certain costs relating to the acquisition of Virgin Money.
- (3) Other income materially consists of fee and commission income and expense and other operating income/expense.

For the period ended 31 March 2025				
	Underlying profit	Gain from derivatives and hedge accounting ⁽¹⁾	Acquisition and other adjustments ⁽²⁾	Statutory profit
Net interest income	5,031	—	(39)	4,992
Other income	180	—	—	180
Movements on derivatives and hedge accounting ⁽³⁾	—	12	—	12
Gain on the acquisition of Virgin Money	—	—	2,300	2,300
Total income	5,211	12	2,261	7,484
Administrative expenses	(3,183)	—	(367)	(3,550)
Pre-provision underlying profit	2,028	12	1,894	3,934
Impairment charge on loans and advances to customers	(176)	—	(456)	(632)
	1,852	12	1,438	3,302
Profit before member reward payments and tax				

Notes:

- (1) Although Nationwide only uses derivatives to manage risks, their impact can be volatile. This volatility is largely due to accounting rules that do not fully reflect the economic reality of Nationwide's approach to hedging financial risks.
- (2) Consists of gain on acquisition and unwind of fair value adjustments as well as certain costs relating to the acquisition of Virgin Money.
- (3) Other income materially consists of fee and commission income and expense and other operating income/expense.

For the year ended 4 April 2024			
	Underlying profit	Gain from derivatives and hedge accounting ⁽¹⁾	Statutory profit
Net interest income	4,450	—	4,450
Other income	214	—	214
Movements on derivatives and hedge accounting ⁽²⁾	—	117	117
Total income	4,664	117	4,781
Administrative expenses ⁽³⁾	(2,549)	—	(2,549)
Pre-provision underlying profit	2,115	117	2,232
Impairment charge on loans and advances to customers	(112)	—	(112)
Profit before member reward payments and tax	2,003	117	2,120

Notes:

- (1) Although Nationwide only uses derivatives to manage risks, their impact can be volatile. This volatility is largely due to accounting rules that do not fully reflect the economic reality of Nationwide's approach to hedging financial risks.
- (2) Other income materially consists of fee and commission income and expense and other operating income/expense.

⁽³⁾ Comparative financial information for the year ended 4 April 2024 was restated in the 2025 Financial Statements, to present provisions for liabilities and charges within administrative expenses. See Note 1 to the 2025 Financial Statements.

Net interest margin

In determining net interest margin, Nationwide divides its net interest income for each financial year (as shown in its consolidated annual financial statements) by its weighted average total assets. Weighted average total assets are calculated by taking the average of closing monthly total assets over the financial year. Nationwide believes that net interest margin is an important supplemental measure of its operating performance and that it may be used by securities analysts, investors and other interested parties in the evaluation of its performance in comparison with other building societies and financial institutions.

The following table sets out the calculation of Nationwide's net interest margin on a statutory basis for the year ended 31 March 2026, the period ended 31 March 2025 and the year ended 4 April 2024.

	For the year ended 31 March 2026	For the period ended 31 March 2025	For the year ended 4 April 2024
	<i>(£ million, except percentages)</i>		
Net interest income.....	6,076	4,992	4,450
Weighted average total assets	378,986	327,130	285,128
Net interest margin	1.60%	1.54%	1.56%

Other APMs

The other APMs included in this Registration Document are certain ratios set out in "*Selected Consolidated Financial and Operating Information*". Each ratio that constitutes an APM is identified as such in that section. These ratios have been included in this Registration Document because Nationwide considers them to be important supplemental measures of its operating performance and financial position and believe that they may be used by securities analysts, investors and other interested parties in the evaluation of its performance in comparison with other building societies and financial institutions.

Other non-IFRS financial information

Capital and leverage ratios

This Registration Document includes references to capital and leverage ratios applied under the UK prudential regulation regime (the "**UK Prudential Framework**") for banks and building societies, which derives in large part from the EU prudential framework set out under the Capital Requirements Directive (2013/36/EU) as amended ("**CRD**") and, the EU Capital Requirements Regulation (575/2013) as amended ("**CRR**", and together with the CRD, "**CRD IV**"), which implement the Basel III reforms developed in response to the global financial crisis in the European Union. The Society's prudential regulator is the Prudential Regulation Authority (the "**PRA**").

The CRD IV framework, as applicable in the EU as at the end of the transition period (31 December 2020) relating to the UK's exit from the EU, has broadly been reflected in the United Kingdom, with CRR and related EU regulations (which had direct binding effect in the United Kingdom until expiration of the transition period) being retained and subsequently assimilated as domestic UK law, with certain exceptions and adjustments, primarily through

the European Union (Withdrawal) Act 2018, as amended, and ancillary legislation (the CRR as so assimilated into domestic UK law and as amended, "**UK CRR**", and the CRD IV framework as it applies in the UK, "**UK CRD IV**").

These capital and leverage ratios measure Nationwide's capital adequacy and financial strength, respectively. The capital ratios comprise:

- the Common Equity Tier 1 capital ratio ("**CET1 ratio**"), which expresses Common Equity Tier 1 ("**CET1**") capital as a percentage of risk weighted assets ("**RWAs**"). CET1 capital is considered the highest quality form of capital defined in the UK CRR and comprises accumulated reserves and qualifying instruments after regulatory deductions. RWAs represent the value of assets as adjusted in accordance with the UK CRR to reflect the degree of risk that they represent;
- the tier 1 capital ratio, which expresses total tier 1 capital as a percentage of RWAs. Tier 1 capital comprises CET1 capital and additional tier 1 ("**AT1**") capital instruments (which are instruments meeting defined criteria under the UK CRR, including that they convert to CET1 or their principal is written down on the occurrence of a trigger event); and
- the total capital ratio, which expresses total regulatory capital (which is capital defined under applicable regulations less required adjustments and deductions) as a percentage of RWAs.

Each of these capital ratios has been reported in this Registration Document on an end point basis under the UK Prudential Framework.

The leverage ratios measure tier 1 capital as a proportion of exposures on a non-risk weighted basis and comprise:

- the UK CRR leverage ratio (which measures exposures as the sum of (i) on-balance sheet exposures, adjusted for derivatives and securities financing exposures, and (ii) off-balance sheet items); and
- the UK leverage ratio (which is calculated in this Registration Document as at 4 April 2024, as at 31 March 2025 and as at 31 March 2026 on the basis of measurement announced by the PRA in October 2017, which is the same as that used in the UK CRR leverage ratio save that the exposure measure excludes eligible central bank reserves).

Although the capital and leverage ratios and measures included in this Registration Document are not IFRS measures, Nationwide believes that they are important to understanding the background of, and rationale for, the offer as well as its capital and leverage position.

None of the capital and leverage ratios and measures included in this Registration Document are APMs.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents have previously been published or are published simultaneously with this Registration Document and shall be deemed to be incorporated in, and form part of, this Registration Document:

1. Nationwide's audited consolidated financial statements as of and for the year ended 31 March 2026 and the independent auditors' report thereon (contained on pages 174 to 274 (inclusive) of its annual report for the year ended 31 March 2026) (<https://www.nationwide.co.uk/-/assets/nationwidecouk/documents/about/how-we-are-run/results-and-accounts/2025-2026/annual-report-and-accounts-2026.pdf>) (the "**2026 Financial Statements**");
2. Nationwide's audited consolidated financial statements as of and for the period ended 31 March 2025 and the independent auditors' report thereon (contained on pages 205 to 312 (inclusive) of its annual report for the period ended 31 March 2025) (<https://www.nationwide.co.uk/-/assets/nationwidecouk/documents/about/how-we-are-run/results-and-accounts/2024-2025/annual-report-and-accounts-2025.pdf>) (the "**2025 Financial Statements**");
3. Nationwide's audited consolidated financial statements as of and for the year ended 4 April 2024 and the independent auditors' report thereon (contained on pages 220 to 315 (inclusive) of its annual report for the year ended 4 April 2024) (<https://www.nationwide.co.uk/-/assets/nationwidecouk/documents/about/how-we-are-run/results-and-accounts/2023-2024/annual-report-and-accounts-2024.pdf>) (the "**2024 Financial Statements**");
4. the "Risk report" section contained on pages 94 to 172 (inclusive) of Nationwide's annual report for the year ended 31 March 2026 (<https://www.nationwide.co.uk/-/assets/nationwidecouk/documents/about/how-we-are-run/results-and-accounts/2025-2026/annual-report-and-accounts-2026.pdf>); and
5. the glossary for Nationwide's annual report for the year ended 31 March 2026 (<https://www.nationwide.co.uk/-/assets/nationwidecouk/documents/about/how-we-are-run/results-and-accounts/2025-2026/glossary-2026.pdf>).

The tables below set out the relevant page references in (i) the 2026 Financial Statements; (ii) the 2025 Financial Statements; and (iii) the 2024 Financial Statements:

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Nationwide will, at its registered office, make available for inspection during normal business hours and free of charge, upon oral or written request, a copy of this Registration Document including any document incorporated by reference in this Registration Document. Written or oral requests for inspection of such documents should be directed to Nationwide's registered office. Additionally, this Registration Document will be available for viewing at <https://www.nationwide.co.uk/investor-relations/gmt-n-terms-of-access/gmt-n-programme/>, <https://www.nationwide.co.uk/investor-relations/covered-bond-terms-of-access/covered-bond-programme/> and <https://www.nationwide.co.uk/investor-relations/emt-n-terms-of-access/emt-n-programme/> all the documents incorporated by reference herein will be available for viewing at <https://www.nationwide.co.uk/investor-relations/>.

For the avoidance of doubt, unless specifically incorporated by reference into this Registration Document, any websites referred to in this Registration Document or any information appearing on such websites and pages do not form part of this Registration Document and have not been scrutinised or approved by the FCA. Any information incorporated by reference in the above documents does not form part of this Registration Document and, to the extent that only certain parts of the above documents are specified to be incorporated by reference hereunder, the non-incorporated parts of such documents are either not relevant for investors or are covered elsewhere in this Registration Document.

RISK FACTORS

Nationwide believes that the following factors may affect its ability to fulfil its obligations under any Securities.

In purchasing any Securities, investors will assume the risk that Nationwide may become insolvent or otherwise be unable to make all payments due in respect of the Securities. There is a wide range of factors which individually or together could result in Nationwide becoming unable to make all payments due in respect of the Securities. The following is a description of the principal risks associated with Nationwide's business as of the date of this Registration Document; however, it does not represent that the risks set out in the statements below are exhaustive. A description of the principal risks associated with any Securities, and any market for Securities generally, will be set out in the securities note or base prospectus prepared in connection with the relevant Securities.

This section of this Registration Document is divided into four main sections—"Economic and Financial Risks", "Regulatory Risks", "Business and Operational Risks" and "Risks related to the Virgin Money Acquisition."

1. Economic and Financial Risks

(a) The UK economy

Nationwide's business and prospects are largely driven by the UK mortgage, savings and personal current account markets and the level of interest rates, which in turn are driven by the UK economy, the outlook for which is inherently uncertain. Consequently, Nationwide is subject to inherent risks arising from general economic and geopolitical conditions in the UK but also indirect risks arising from volatility in global financial markets in the Eurozone and elsewhere.

Nationwide offers a range of banking and financial products and services to UK retail customers with its business activities concentrated in the UK retail deposit and residential mortgage markets. Under current building society legislation, Nationwide's ability to diversify its business is limited. Accordingly, a decline in the UK economy or the predominantly retail markets in which Nationwide operates could have a material adverse impact on its financial performance and business operations.

Domestic and international conditions are subject to fluctuations which can adversely affect Nationwide's operating performance, financial conditions and/or prospects, through a wide range of potential channels, including but not limited to; changes in unemployment levels, rates of inflation, level of interest rates, consumer confidence, the state of the UK housing market (including house prices), counterparty risk and the availability and cost of credit in wholesale and retail markets.

Such fluctuations can occur as a result of different types of shocks, which in recent years have included increased geopolitical tensions and conflict (particularly in the Middle East and Ukraine). Furthermore, potential sources of future shocks are many and varied and often difficult to foresee in advance.

Economic conditions may also be affected by long-term structural changes such as demographic shifts and/or climate change, as well as by changes to government or regulatory policies domestically or globally. The latter may include significant changes to monetary, fiscal or macro-prudential policies which could have a negative impact on Nationwide's markets or wider economic conditions. Political uncertainty and/or significant changes to government policy could also affect Nationwide's markets and/or wider economic prospects. For example, the UK's exit from the European Union is likely to have implications for the UK's trading relationships and wider economic performance for many years to come. These fluctuations, future shocks and long-term structural changes may have an adverse impact on Nationwide's operating performance, financial conditions and/or prospects.

Although market conditions have generally improved following the UK Government's (the "**Government**") "mini-Budget" announcement in late September 2022, market turbulence could re-emerge as the scope for policy change is large and the political backdrop remains uncertain. The UK has a large current account deficit which is funded by attracting capital inflows, leaving the UK vulnerable to shifts in public sentiment. Investors may continue to attach risk premia to UK assets as a result of ongoing uncertainty. Market volatility, driven by the macro-economic environment, also has the potential to affect the cost and availability of wholesale funding for UK-based institutions. For example, the United States government has enacted and proposed to enact significant new trade tariffs, while conflict in the Middle East may lead to higher inflation. Such volatility may negatively affect the economies of certain countries, such as the UK, that are highly reliant upon exports and net energy importers. While a prudent approach continues to be taken in managing Nationwide's liquidity and funding position, continued volatility may have an adverse impact on its financial performance and business operations.

There is also an increased risk that the UK's sovereign credit rating may be downgraded by rating agencies, which could increase funding costs for lenders. If market interest rates remain elevated, economic activity is likely to be adversely impacted. As well as restraining demand, higher interest rates could damage the supply side of the economy. If demand and supply sides of the economy both deteriorate, inflation may not decline very much or very quickly, which may also mean that interest rates stay higher for longer and could have an adverse impact on Nationwide's financial performance and business operations.

(b) **Credit Risk**

The prevailing level of interest rates and the provision or withdrawal of other accommodative monetary and fiscal policies, which are impacted by factors outside of Nationwide's control, including the fiscal and monetary policies of governments and central banks, as well as UK and international political and economic conditions, affect its results of operations, financial condition and return on capital. The Bank of England has had to tighten monetary policy in response to high inflation and a tight labour market. The Bank of England base rate of interest ("**Bank Rate**") has been at 3.75% since March 2022, a

decrease of 75 basis points from 4.50% in February 2025, but an increase of 365 basis points since December 2021. The recent conflict in the Middle East has impacted energy and food prices and is likely to result in higher inflation in the UK in the near term. Therefore, there remains considerable uncertainty about the timing and extent of any further interest rate cuts, as well as with regard to any estimates of what the neutral rate of interest may be.

The relatively long period of stimulus measures in the UK and elsewhere has increased uncertainty over the impact of its reduction, which could lead to generally weaker than expected growth, or even contracting gross domestic product, reduced business confidence, higher levels of unemployment or under-employment, adverse changes to levels of inflation, potentially higher interest rates and falling property prices in the markets in which Nationwide operates, and consequently to an increase in delinquency rates and default rates among its customers. Moreover, higher prevailing interest rates would affect Nationwide's cost of funding with depositors and creditors, which could adversely affect its profitability, to the extent its margins decline.

The personal financial services sector in the UK remains vulnerable to increases in unemployment, rising interest rates and/or falling house prices. Between 2009 and 2022, both variable and fixed interest rates were at relatively low levels. In 2023, UK interest rates increased sharply as the Bank of England tightened monetary policy in response to elevated inflation, resulting in materially higher borrowing costs for households. Although rates began to ease from late 2024, interest rates have remained above pre-2022 levels.

Changes in the Bank Rate affect interest rates payable on a significant portion of Nationwide's outstanding mortgage loan products over time. Rising interest rates would put pressure on borrowers whose loans are subject to a variable rate of interest, or who following a fixed rate period can only re-mortgage at a higher rate of interest. Such borrowers may experience financial stress in repaying at increased rates in the future, which ultimately may result in higher delinquency rates and losses in the future. Increased unemployment or underemployment could also lead to impacted borrowers being unable to service their loan repayments in a timely fashion, which would result in higher levels of arrears, thus increasing Nationwide's impairment charges in respect of these portfolios. These events, alone or in combination, may contribute to higher delinquency rates and losses.

The value of the properties in Nationwide's mortgage portfolio is also influenced by UK house prices, and a significant portion of its revenue is derived from interest and fees paid on its mortgage portfolio. A decline in house prices in the UK could lead to a reduction in the recovery value of real estate assets held as collateral in the event of a customer default, and could lead to higher impairment provisions, which could reduce Nationwide's capital and its ability to engage in lending and other income-generating activities. A significant increase in house prices over a short period of time could also have a negative impact on Nationwide's business by reducing the affordability of homes for buyers, which could lead to a reduction in demand for new mortgages. Sustained volatility in house prices could also discourage

potential homebuyers from committing to a purchase, thereby limiting Nationwide's ability to grow the residential mortgage portfolio.

In addition, Nationwide also has a significant portfolio of buy-to-let ("**BTL**") mortgages. The BTL market in the UK is predominantly dependent upon yields from rental income to support mortgage interest payments and capital gains from capital appreciation. Falling or flat rental rates and decreasing capital values, whether coupled with higher mortgage interest rates or not, could reduce the potential returns from BTL properties. In recent periods, the UK Government has enacted and announced measures that increase the tax and compliance burden on landlords, including for example, new digital reporting obligations, higher income tax rates on rental profits, tighter capital gains tax, an increased Stamp Duty surcharge and the Renters' Rights Act, which may adversely affect net rental yields, cash flows and investor demand. Furthermore, if the Government passes additional legislation that increases tax burdens or imposes further compliance or regulatory requirements, or requires costly upgrades to BTL properties, such as legislation that would increase Minimum Energy Efficiency Standards for BTL properties, it could reduce potential returns on certain BTL property investments and negatively impact borrowers' ability or willingness to service their mortgages.

The Government's intervention into the housing market through buyer assistance schemes, changes to stamp duty thresholds, enforced or recommended payment holidays or other concessions or allowances on mortgage payments, or indirectly through measures that provide liquidity to the banking sector (as was the case with Funding for Lending Scheme ("**FLS**"), Term Funding Scheme ("**TFS**") and Term Funding Scheme with additional incentives for Small and Medium-sized Enterprises ("**TFSME**"), may also contribute to volatility in house prices. This could occur, for example, as a result of the extension of funding scheme to the banking sector, which would maintain excess funding liquidity in the mortgage market which has supported a low mortgage interest rate environment, and which could lead to inflation in house prices.

A reduction in UK house prices, or other deterioration in economic conditions, may also have an adverse impact on Nationwide's CET1 ratio. The results of the concurrent stress testing undertaken by the Bank of England, available on the Bank of England's website, illustrate the impact that certain economic scenarios are projected to have on Nationwide's capital position.

(c) ***Liquidity and Funding***

Retail depositors with the Society are a significant source of funding for Nationwide and, under current legislation, a minimum of 50.0% of the Group's aggregate shares and borrowings (calculated in accordance with the UK Building Societies Act 1986, as amended (the "**UK Building Societies Act**")) is required to be in the form of deposits which Nationwide accepts from members of the public and which are classified as "shares" in its balance sheet as they confer member status on the depositors. Retail deposits classified as shares totalled £217 billion as at 31 March 2026, £207 billion as at 31 March 2025 and £193 billion as at 4 April 2024, equal to 62.5%, 62.8%

and 77.4%, respectively, of Nationwide's total shares and borrowings (for the purposes of the UK Building Societies Act) at each such date.

The ongoing availability of retail deposit funding is dependent on a variety of factors outside Nationwide's control, such as:

- general economic conditions and market volatility;
- the general level of retail deposits in the economy;
- the confidence of retail depositors in the economy in general and in Nationwide in particular;
- contagion impact due to concerns about the financial conditions of other UK banks;
- the impact of technology and 'Open Banking' as further discussed in "*—Competition*" below
- the risk that significant portions of the UK savings and private current accounts market move to stablecoins or digital currencies such as the Bank of England's proposed Central Bank Digital Currency, as further discussed in "*—Competition*";
- the financial services industry specifically; and
- the availability and extent of deposit guarantees, such as under the FSCS.

The maintenance and growth of Nationwide's lending activities depends in large part on the availability of retail deposit funding on appropriate terms. Increases in the cost of such funding could have a negative impact on Nationwide's margins and profit. These or other factors could lead to a reduction in Nationwide's ability to access retail deposit funding on appropriate terms in the future.

Like all major financial institutions, Nationwide is also dependent on the short- and long-term wholesale funding markets for liquidity. Though Nationwide's dependence on wholesale funding is less than other financial institutions, due to the requirements of current building society legislation, its business is subject to risks concerning liquidity, which are inherent in financial institutions' operations. If access to liquidity is constrained for a prolonged period of time, this could affect Nationwide's profitability.

Under exceptional circumstances, Nationwide's ability to fund its financial obligations could be negatively impacted if it is unable to access funding on commercially practicable terms, or at all. Nationwide expects to have sufficient liquidity to meet its funding requirements in a market-wide stress scenario. However, under extreme and unforeseen circumstances a prolonged and severe restriction on its access to liquidity (including as a result of the withdrawal of government and central bank funding and liquidity support, or a change in the structure, term or cost of any such funding or

liquidity support) could increase its cost of funding, resulting in a material adverse effect on its profitability or results of operations.

Further, such circumstances could affect Nationwide's ability to meet its financial obligations as they fall due, meet its regulatory minimum liquidity requirements, or fulfil its commitments to lend. These risks could be exacerbated by many enterprise-specific factors, including an over-reliance on a particular source of funding, changes in credit ratings, or market-wide phenomena such as market dislocation and major disasters. There is also a risk that the funding structure employed by Nationwide may prove to be inefficient, giving rise to a level of funding cost that is not sustainable in the long term for it to grow its business or even maintain it at current levels. Nationwide's ability to access retail and wholesale funding sources on satisfactory economic terms is subject to a variety of factors outside of its control, such as general market conditions, regulatory requirements and loss of confidence in the UK banking system.

The Government has in recent years provided significant support to UK financial institutions. The continuation and extension of Government schemes designed to support lending may increase or perpetuate competition in the retail lending market, resulting in sustained or intensifying downward pricing pressures and consequent reductions in net interest margins. Nationwide also expects to face continued competition in the retail lending market driven by certain ring-fenced banks as they deploy surplus liquidity in lending markets.

Nationwide expects to face continuing competition for funding, particularly retail funding on which it is reliant, in the future. Deposit market competition is being driven by smaller lenders with largely non-mortgage loan books whose high asset yields enable them to offer attractive deposit rates. These potential pressures could be exacerbated over time once the sector seeks to replace the funding it obtains from the Bank of England funding schemes. This competition could further increase, impacting Nationwide's funding costs and adversely affecting its financial position.

In addition to the factors mentioned above, if sentiment towards banks, building societies and/or other financial institutions operating in the United Kingdom, including Nationwide, were to deteriorate, or if its ratings and/or the ratings of the sector were to be adversely affected, this may have a material adverse impact on the liquidity and funding of all UK financial services institutions, including us. Such a loss of sentiment could also potentially occur as a result of a downgrade to the UK's sovereign rating or loss of confidence in the creditworthiness of the Government more generally. Any declines in those aspects of Nationwide's business identified by the rating agencies as significant could adversely affect the rating agencies' perception of its credit and cause them to take negative ratings actions. Any downgrade in Nationwide's credit ratings could adversely affect its liquidity and competitive position, particularly through cash outflows to meet collateral requirements on existing contracts; undermine confidence in its business; increase its borrowing costs; limit its access to the capital markets; or lead to a loss of customers and counterparties willing to trade with us.

Any downgrades may also create new obligations or requirements for Nationwide under existing contracts with its counterparties. For example, the amount of additional collateral the Group would need to provide in the event of a one notch and two notch downgrade by external credit rating agencies would be £0.4 billion (31 March 2025: £0.6) and £1.4 billion (31 March 2025: £1.0 billion) respectively (subject to management actions that could be taken to reduce the impact of the downgrades). For further information see the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—External Credit Ratings.*"

(d) **Competition**

Nationwide operates in an intensely competitive UK personal financial services market. Nationwide competes mainly with other providers of personal finance services, including banks, building societies and insurance companies. In addition, recent technological advances have allowed new competitors to emerge both from within the traditional financial services arena and from outside it, and continued advances in technology may lead to further new entrants from the fintech sector.

For example, both financial institutions and their non-banking competitors face the risk that payments processing and other banking services could be significantly disrupted by technologies, such as private sector 'stablecoins' and other digital currencies, that require no intermediation. New technologies could require Nationwide to spend more to adapt its products, propositions and infrastructure to ensure it remains competitive and can continue to attract and retain new and existing members, respectively. Moreover, Nationwide will need to ensure its brand remains relevant and attractive to its customers in light of both existing and emerging competition.

Each of the main personal financial services markets in which Nationwide operates is mature and relatively slow growing, which intensifies pressure for firms to take market share from competitors if they are to expand. See "*Competition*" below. As a consequence, there is a risk that this will create downward pressure on prices, negatively impacting Nationwide's ability to deliver its strategic income targets and its financial performance. Competition may also intensify in response to consumer demand, further technological changes, brand relevance and the impact of consolidation among Nationwide's competitors.

Nationwide is subject to regulation and possible enforcement action by the Competition and Markets Authority (the "**CMA**"). The CMA is central to the enforcement of competition law in the UK, including the Competition Act 1998 (the "**Competition Act**"). The CMA is responsible for the enforcement of infringement of both any prohibited activity under Chapter I or Chapter II of the Competition Act (where civil penalties are imposed on undertakings) and criminal offences committed by individuals under the Enterprise Act 2002 (the so called "**cartel offenses**").

Certain sectoral regulators have concurrent powers to those of the CMA for those undertakings operating within their respective sectors. The Financial

Conduct Authority is the sectoral regulator for the financial markets industry and Payment Services Regulator is the sectoral regulator for the payment systems industry. They have the same enforcement powers as the CMA under the Competition Act.

Nationwide continues to experience heightened competition across its products, with new entrants looking to compete primarily via digital channels, including well established financial services companies, seeking to gain a share of the current account market. Additionally, the rise of digital banking is changing customer expectations of the availability of banking services. As digital changes make transactions easier and more convenient, Nationwide expects customers to transact more frequently, and in many different ways. The COVID-19 pandemic further accelerated the digital transformation, and Nationwide invested in building greater capacity and resilience into Nationwide's payments platform, systems and controls. Upgrading systems comes with some risk, and Nationwide experienced some payments outages linked to the upgrades. Nationwide may not be able to manage service provision ahead of rising customer expectations or may have competitors who are more successful in meeting demand for digital banking services, both of which may negatively impact Nationwide's brand relevance.

In addition, if Nationwide's customer service levels were perceived by the market to be materially below those of competitor UK financial institutions, Nationwide could lose existing and potential new business. If Nationwide is not successful in retaining and strengthening customer relationships, Nationwide may lose market share, incur losses on some or all of its activities or fail to attract new deposits or retain existing deposits, which could have a material adverse effect on Nationwide's business, financial condition or results of operations.

(e) ***Financial Performance***

Nationwide seeks to maintain a secure and dependable business for its members through, among other things, generating a level of profit sufficient to meet regulatory capital and future business investment requirements and focusing on how it spends members' money through driving a culture of efficiency.

As a member-owned mutual organisation, Nationwide aims to make the right level of profit to maintain its financial strength and invest for the future, and Nationwide balances these longer-term priorities with delivering value to its members through better rates, incentives, and through its product and service propositions. In recent years, Nationwide's financial planning and stress testing has focused on parameters that have allowed Nationwide to calibrate future performance with a view to achieving the right balance between distributing value to members, investing in the business and maintaining financial strength, including a target profitability range that would enable sustainable capital strength.

Costs are targeted to remain below cumulative inflation which requires cost efficiencies to be delivered, some of which are already committed and the

remainder are supported by a number of planned strategic initiatives. However, there can be no assurance such targeted cost savings can be achieved. Any failure by Nationwide to make sufficient profits to maintain its financial strength and invest for the future and/or to achieve its targeted efficiencies could adversely impact Nationwide's capital ratios and the results of operations.

(f) ***Climate change***

The risks associated with climate change are coming under an increasing focus, both in the UK and internationally, from governments, regulators, and large sections of society. These risks include, but are not limited to: physical risks, arising from climate and weather-related events of increasing severity and/or frequency; transition risks resulting from the process of adjustment towards a lower carbon economy; nature risks amplifying the physical and transition risks associated with climate change; and liability and compliance risks arising from experiencing litigation or reputational damage as a result of sustainability issues.

Physical risks from climate change arise from a number of factors and relate to specific weather events and longer-term shifts in the climate. Physical risks from climate change also impact Nationwide specifically, including the flood exposure within Nationwide mortgage and business book which could lead to a decline in the value of the associated properties. In addition, Nationwide premises and resilience may also suffer physical damage due to weather events leading to increased costs or lost income for us.

The move towards a low-carbon economy will also create transition risks, due to potential significant and rapid developments in the expectations of policymakers, regulators, and society resulting in policy, regulatory, and technological changes which could impact Nationwide directly, as well as have a more indirect impact due to macroeconomic effects on the UK and the EU's energy import dependency, investment costs, energy costs, industrial competitiveness, GDP and employment. These risks may cause the impairment of asset values and impact defaults among retail and business customers (including through the ability of customers to repay their mortgages and other debt, as well as the impact on the value of the underlying property), which could result in deterioration of currently profitable business.

Nationwide considers the impacts from climate change and nature as causes to its principal risks, managed through its Group Risk Management Framework ("**GRMF**"). This supports appropriate identification, monitoring, management and reporting across all principal risk categories, along with full traceability. Nature risks have been assessed, using the Task Force on Nature-related Financial Disclosures ("**TNFD**")'s Locate, Evaluate, Assess and Prepare ("**LEAP**") approach, to understand the potential nature-related risks associated with material locations for Nationwide's business operations and supply chain, and not on its lending portfolios.

If Nationwide does not adequately embed the management of the risks associated with climate change identified above into its risk frameworks to appropriately measure, manage and disclose the various financial and operational risks it faces as a result of climate change, or fails to adapt its strategy and business model to the changing regulatory requirements and market expectations on a timely basis, this could have an adverse impact on its operations, financial condition and prospects. Furthermore, inadequate climate risk disclosure could result in the loss of its investor base as it may not be perceived to be a green investment. Implications of inadequately managing or disclosing climate-related risk or evidencing progress in line with expectations could also result in potential reputational damage, member attrition or loss of investor confidence.

Governments and regulators may introduce increasingly stringent rules and policies designed to achieve targeted outcomes, which could increase compliance costs for Nationwide, drive asset impairments and result in regulatory fines or other action if it is unable to implement adequate reforms sufficiently quickly. How it assesses and responds to these developments and challenges could increase its costs of business, and a failure to identify and adapt Nationwide's business to meet new rules or evolving expectations, or any perception that it is underperforming relative to its competitors, could result in reputational damage and/or the risk of legal claims.

Nationwide is committed to a net-zero future; to achieve an overall balance between greenhouse gas (GHG) emissions produced and taken out of the atmosphere. It is Nationwide's aspiration to support the UK in achieving its ambition to be net-zero by 2050. This aspiration is embedded into its strategy and mutual purpose, supported by its Mutual Good Commitment – *Nationwide aims to build a more sustainable world by supporting progress towards a greener society*. Nationwide aims to take meaningful action by limiting the environmental impact of its business operations, helping customers to green their homes and businesses, and better manage the impacts of a more unpredictable climate. Nationwide has set highly ambitious intermediate (by 2030) science-based emissions targets, across scope 1, 2, and 3 emissions, and in December 2023, it published its inaugural Intermediate (by 2030) net-zero-aligned Transition Plan, detailing the actions and potential actions needed for it to progress towards its targets.

Nationwide continues to face significant challenges meeting its intermediate (by 2030) science-based targets for its mortgages and business lending portfolios. Nationwide welcomes progress from the UK government on policies including the Warm Homes Plan, Minimum Energy Efficiency Standards (MEES) and other sustainable regulation policy (including UK Sustainability Reporting Standards) over the past year. Nationwide has played an active role in advising government on the topic of home energy efficiency and responding to consultations on sustainability reporting. However, despite development in government-led climate policy, the Climate Change Committee's (CCC's) Seventh Carbon Budget states that the UK requires 'urgent action' to reach net-zero, including action from UK government and the wider public. The uptake of a number of retrofitting measures across both

business and retail, such as heat pump installations for UK residential properties, low-carbon solutions, and industrial electrification across business sectors, is low and needs to increase substantially by the end of the decade. As a lender, these are factors outside of Nationwide's control. The outcomes of the CCC's report, and action by government, customers and cross-industry to date, continue to indicate that, even if current government policies are delivered in full, the UK is not going to achieve the emissions reductions required to align with net-zero and the highly ambitious targets of the Science Based Targets initiative.

Nationwide has previously stated that its intermediate (by 2030) science-based target for mortgages will not be achieved, and it faces similar challenges in achieving its intermediate (by 2030) science-based targets for its business lending portfolios (which, at present, are considered to be highly unlikely to be achieved). In both cases, Nationwide has very limited influence over practical measures to reduce emissions from its borrowers, and no control over the development of much-needed government policy required to support these sectors transition to net-zero. Nationwide has previously stated that it was keeping its targets under active review. Consequently, due to the challenges outlined above, Nationwide will be revising its approach to its targets in its future Transition Plan. Nationwide will engage with relevant external stakeholders as part of the development process, as appropriate.

(g) ***Financial Reporting***

The preparation of the Group's financial statements in accordance with IFRS involves management making judgements and estimates when applying those accounting policies that affect the reported amounts of assets, liabilities, income and expense. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Actual results may differ from those on which management's estimates are based.

Nationwide has identified certain accounting policies in the notes to the audited consolidated financial statements for the year ended 31 March 2026 incorporated by reference in this Registration Document involving a higher degree of judgement or areas involving significant sources of estimation uncertainty made by management in applying the Group's accounting policies. These policies include those covering deferred taxation (see Note 11 to the 2026 Financial Statements), impairment provisions on loans and advances to customers (see Note 14 to the 2026 Financial Statements) and retirement benefit obligations (see Note 30 to the 2026 Financial Statements).

A variety of factors could affect the ultimate value that is obtained either when earning income, recognizing an expense, recovering an asset or reducing a liability. Nationwide has established detailed policies and control procedures that are intended to ensure that these judgments (and the associated assumptions and estimates) are well controlled and applied consistently. In addition, the policies and procedures are intended to ensure that the process for changing methodologies occurs in an appropriate manner. Because of the uncertainty surrounding its judgments and the

estimates pertaining to these matters, Nationwide cannot guarantee that it will not be required to make changes in accounting estimates or restate prior period financial statements in the future and any such changes or restatements could be material in nature.

From time to time, the International Accounting Standards Board (the "**IASB**") proposes changes to IFRS, as adopted for use within the UK. These standards govern the preparation of Nationwide's financial statements. These changes could materially impact how it records and reports its financial condition and results of operations. In some cases, Nationwide could be required to apply a new or revised standard retroactively, resulting in restating prior period financial statements.

The IASB may make other changes to financial accounting and reporting standards that govern the preparation of Nationwide's financial statements, which it may adopt prior to the date on which such changes become mandatory if it determined to be appropriate, or which it may be required to adopt. Any such change in Nationwide's accounting policies or accounting standards could materially affect its reported financial condition and results of operations.

(h) **Market risk**

Market risk is the risk that the net value of, or net income arising from, Nationwide's assets and liabilities is impacted as a result of changes in market prices or rates, including interest rates or foreign exchange rates.

Changes in interest rate levels, yield curves and spreads may affect the interest rate margin realised between lending and borrowing costs. Changes in currency rates, particularly in the sterling-dollar and sterling-euro exchange rates, affect the value of assets and liabilities denominated in foreign currencies and may affect income from assets and liabilities denominated in foreign currency.

The performance of financial markets may cause changes in the value of Nationwide's investment and liquidity portfolios. Although it has implemented risk management methods designed to mitigate and control market risks to which it is exposed and its exposures are constantly measured and monitored, there can be no assurance that these risk management methods will be effective, particularly in unusual or extreme market conditions. It is difficult to predict with accuracy changes in economic or market conditions and to anticipate the effects that such changes could have on its financial performance and business operations. Unanticipated market risks could have a material adverse effect on Nationwide's financial performance or results of operations.

(i) **Pension Risk**

Pension risk is defined as the risk that the value of the pension schemes' assets will be insufficient to meet the estimated liabilities, creating a pension deficit. Pension risk could negatively impact its capital position and may result in increased cash funding obligations to the pension schemes.

The Group has funding obligations to a number of defined benefit pension schemes, including the Nationwide Pension Fund (the "**NPF**") and the Yorkshire and Clydesdale Bank Pension Scheme ("**YCBPS**").

In November 2020, Nationwide and the Trustee of the NPF entered into a contingent arrangement whereby Nationwide has agreed to provide collateral in the form of retained notes issued by Silverstone Master Issuer plc to provide additional security to the NPF. The NPF would have access to these notes in the case of certain events such as insolvency of Nationwide.

The NPF is closed to future accrual, therefore no employer contributions were made in respect of future benefit accrual during the year. The YCBPS was closed to future accrual for most members in 2017. A small number of active members remain on a defined benefit accruals basis subject to certain conditions which gives rise to employer contributions and service costs made in respect of future benefit accrual.

In line with UK pensions legislation, a formal actuarial valuation ("**Triennial Valuation**") of the assets and liabilities of each of the defined benefit pension schemes is carried out at least every three years by independent actuaries. The 31 March 2025 NPF Triennial Valuation has been completed and indicated a funding surplus, such that a recovery plan requiring employer deficit contributions was not needed. The 30 September 2022 Triennial Valuation of the YCBPS also indicated a funding surplus, such that a recovery plan requiring employer deficit contributions was not needed. The 30 September 2025 Triennial valuation for the YCBPS is ongoing and will be completed by 31 December 2026.

Any change in the contributions which Nationwide is required to pay in respect of its defined benefit pension schemes, including as a result of a future Triennial Valuation of the NPF or YCBPS, could have a negative impact on its results of operations. In addition, any IAS19 accounting deficit in its defined benefit pension scheme would be reflected in Nationwide's CET1 capital. Accordingly, a deficit could result in a reduction in its capital ratios.

The above-mentioned risks and failure to successfully implement risk management initiatives could have a material adverse effect on the performance of the pension schemes, Nationwide's business, financial condition, results of operations, liquidity and/or prospects.

(j) **Systemic Risk**

Given the high level of interdependence between financial institutions, Nationwide is and will continue to be subject to the risk of deterioration of the commercial and financial soundness, or perceived soundness, of other financial services institutions. Within the financial services industry, the default of any one institution could lead to defaults by other institutions. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions because the commercial and financial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other

relationships. Even the perceived lack of creditworthiness of, or questions about, a counterparty may lead to market-wide liquidity problems and losses or defaults by Nationwide or by other institutions. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom Nationwide interacts on a daily basis. Systemic risk could have a material adverse effect on Nationwide's ability to raise new funding and on its business, financial condition, results of operations, liquidity and/or prospects.

2. **Regulatory Risks**

(a) ***Nationwide is subject to extensive legislation and regulation.***

Nationwide conducts its business subject to ongoing regulation by the PRA and the FCA, which oversee its prudential arrangements and conduct in the process of the sale of financial products, including, for example, residential mortgages, commercial lending, savings, investment, consumer credit and general insurance products. The regulatory regime requires Nationwide to be in compliance across many aspects of activity, including the training, authorisation and supervision of personnel, systems, and controls, governance and risk management, processes and documentation. The financial sector has seen an unprecedented volume and pace of regulatory change in the years following the global financial crisis, compounded by the UK's exit from the European Union, and significant resources have been required to assess and implement necessary changes. If Nationwide fails to comply with any relevant regulations, there is a risk of an adverse impact on its business due to sanctions, fines or other action imposed by the regulatory authorities.

This is particularly the case in the current market environment, which continues to witness significant levels of Government intervention in the banking, personal finance and real estate sectors.

Consumer Duty

For example, on 27 July 2022, the FCA introduced the Consumer Duty which set higher and clearer standards of consumer protection across financial services and requires firms to deliver good outcomes for customers. The Consumer Duty is constituted of:

- a new Principle for Businesses, applicable to Nationwide, and a new individual conduct rule, applicable to certain of its staff, to "deliver good outcomes for retail customers";
- three cross-cutting rules to (i) act in good faith, (ii) avoid foreseeable harm to retail customers, and (iii) support those customers to pursue their financial objectives; and
- four outcomes for the key elements of the firm-consumer relationship, namely (i) the quality of products and services, (ii) price and value, (iii) consumer support, and (iv) consumer understanding.

Firms were required to implement the Consumer Duty for all new and existing products and services that were on sale 31 by July 2023 and the rules have applied to closed book products (i.e., those which are no longer on sale) since 31 July 2024.

The Consumer Duty includes requirements for firms to ensure fees and charges are fair value for money, make it as easy to switch or cancel products as it was to take them out in the first place, provide helpful and accessible customer support, act quickly to respond to customer queries, provide timely, clear and easily understandable information to customers regarding products and services, provide products and services that are appropriate for their customers, and focus on the real and diverse needs of their customers, including those in vulnerable circumstances, at every stage and in each interaction. Firms also need to monitor, evidence and report against many of the requirements.

In March 2025, the FCA published FS25/2: Immediate areas for action and further plans for reviewing FCA requirements following introduction of the Consumer Duty, in which the FCA committed to reviewing the FCA's responsible lending and advice rules for mortgages to remove some detailed requirements where these are covered by the remit of the Consumer Duty. In September 2025, the FCA set out a four-point action plan to clarify the Consumer Duty's application to wholesale firms, revise client-categorisation rules, and consult on changes to distribution-chain obligations in 2026. For insurance firms, changes giving them more flexibility and responsibility, such as determining the frequency of their product reviews and how much continual professional development staff should undertake, were published in December 2025 (PS25/21).

If Nationwide fails to comply with these shifting rules, there is a risk of an adverse impact on its business due to penalties imposed by the FCA, costs and payments associated with any investigations and/or required remediation and potential reputational damage. Future changes in regulation, fiscal or other policies are unpredictable and beyond its control and could materially adversely affect its business or operations.

Other Developments

A range of other legislative and regulatory changes have been made or proposed which could impose operational restrictions on Nationwide, causing it to raise further capital, increase its expenses and/or otherwise adversely affect Nationwide's business results, financial condition or prospects.

As at the date of this Registration Document it is difficult to predict the full effect that any of these changes and proposals will have on Nationwide's operations, business and prospects. Following the UK's departure from the EU and the end of the Brexit transition period at the end of 2020, it appears likely that the UK regulatory position will diverge to a material extent from that of the EU in the medium term. HM Treasury set out the Government's approach to repealing and replacing retained EU law ("**REUL**") on financial

services in December 2022 in the so-called "**Edinburgh Reforms**". HM Treasury's Financial Services Future Regulatory Framework Review was established to consider how the financial services regulatory framework should be adapted to reflect the UK's position outside of the EU. The Financial Services and Markets Act 2023 ("**FSMA 2023**") implements important changes to the UK's regulatory framework for financial services, including paving the way for regulatory reform. It gives HM Treasury and the PRA and FCA new powers to reshape how regulation is made and maintained. This includes full control over the process of moving retained EU law from the statute books into the regulatory rulebooks, resulting in gradual amendments to UK regulation. The FSMA 2023 revokes most EU-derived financial services legislation (i.e., the legislation specified in Schedule 1 of the FSMA 2023), although it does not provide a commencement date for this revocation and HM Treasury does not intend to revoke any such legislation until replacement rules are ready to be enforced. Accordingly, this revocation is being effected through HM Treasury making commencement regulations for individual provisions of Schedule 1 once relevant replacement rules and legislation have been drafted and (where necessary) consulted on. As such, HMT published a policy paper titled "A new approach to ensure regulators and regulation support growth" on 31 March 2025 and on 15 July 2025 the Chancellor of the Exchequer announced the "Leeds Reforms" to financial services and launched the Government's Financial Services Growth and Competitiveness Strategy, setting out a ten-year plan to drive the growth and competitiveness of financial services in the UK, each of which could result in further changes to UK regulation. Depending on the specific nature of the requirements and how they are enforced, the changes could have a significant impact on Nationwide's operations, structure, costs and/or capital requirements. Accordingly, Nationwide cannot assure investors that the implementation of any of the foregoing matters will not have a material adverse effect on its operations, business, results, financial condition or prospects.

Furthermore, Nationwide cannot assure investors that any other regulatory or legislative changes or any other Governmental interventions that may have been proposed or which may materialise in the future will not have a material adverse effect on its operations, business, results, financial condition or prospects. While the scope and nature of any such changes are unpredictable, any interventions or regulations designed to increase the protections for UK retail and other customers of banks and building societies, for example through stricter regulation on repossessions and forbearance by mortgage lenders, could materially adversely affect Nationwide's business or operations.

Nationwide is also subject to a number of legal and regulatory requirements that are targeted at more effectively preventing and managing the risks of economic crime (including fraud, money laundering, terrorist financing, sanctions contravention, bribery and corruption and the facilitation of tax evasion). While Nationwide is committed to operating a business that deters and detects economic crime in accordance with such requirements, if there are breaches of existing laws and regulations relating to economic crime, it could face significant administrative, regulatory and criminal sanctions as well

as reputational damage which may have a material adverse effect on its operations, financial condition or prospects. For example, the FCA fined the Society £44 million in December 2025 for historical weaknesses in its anti-money laundering controls in periods prior to July 2021.

Nationwide is investing significantly to ensure that it will be able to comply with these developing requirements. If Nationwide is unsuccessful in efficiently adopting any requisite new compliance practices, by using a risk-based approach, this may adversely impact its ability to operate in the financial services markets and to deliver an appropriate level of operational and financial performance.

In recent years, the FCA has undertaken several studies on the mortgage market and has published advice according to its findings, including the Consumer Duty. In December 2025, the FCA published a feedback statement (FS25/6) on its review of mortgage rules which sets out an indicative timeline for formal stakeholder consultation as well as a roadmap which groups on the planned mortgage rule review and the future of the mortgage market. The FCA intends to commence policy development on all themes by the end of 2026. It is possible that further changes may be made to the FCA's Mortgages and Home Finance: Conduct of Business sourcebook ("**MCOB**") as a result of current and future reviews, studies and regulatory reforms which could have a material adverse effect on Nationwide's business, finances or operations. Any failure to comply with these rules may entitle a borrower to claim damages for loss suffered or set-off the amount of the claim against monies owing under a regulated mortgage contract and the new rules may also negatively affect mortgage supply and demand.

In January 2026, the PRA published its Policy Statement PS1/26 on the implementation of the Basel 3.1 standards which will come into effect from 1 January 2027, with a transitional period of 3 years to ensure full implementation by 1 January 2030. In the near-final rules set out in PS9/24, the PRA confirmed that it would introduce changes to the risk weight treatment that applies to certain covered bonds. Should covered bonds meet the definition of a "**CRR covered bond**" (CRR covered bonds are, among other things, issued by a credit institution with its registered office in the UK) and be secured by exposures which meet the collateral eligibility criteria (including additional requirements for immovable property collateral), they may qualify for lower risk weighting. The PRA has also recently consulted (CP3/26) on proposed amendments to its rules to reflect the implementation of HM Treasury's intended Overseas Prudential Requirements Regime (OPRR) which has been designed to restate, with modifications, a number of existing CRR equivalence provisions in legislation, including in relation to covered bonds headquartered in designated jurisdictions.

(b) ***Capital and liquidity requirements***

Nationwide is subject to extensive and evolving regulatory capital and liquidity requirements, as further described in "**Supervision and Regulation**".

Changes to the regulatory capital and liquidity requirements, and/or the prudential framework, under which Nationwide operates could hinder growth by prescribing more stringent requirements than those with which it currently complies. Nationwide's capital ratios may be adversely affected not only by a reduction in its capital (including if it suffers financial losses) but also by changes in the manner in which it is required to calculate its capital and/or the risk-weightings applied to its assets. For example, Nationwide is currently authorised to apply an 'internal ratings based' ("**IRB**") approach to calculating its risk-weighted assets. An IRB approach enables an institution to tailor more closely risk-weights to its particular assets than standardised risk-weights, and accordingly in many cases can be expected to be lower than risk-weights which would apply under a standardised approach. Changes to how Nationwide applies its IRB model, or which may require it to calculate its risk-adjusted assets on the basis of standardised or loan-to-value-based standardised risk-weights, could have a material adverse impact on its capital ratios, even if it remains profitable. In particular, RWA output floors are due to be implemented through a transitional period, from 1 January 2027 to 31 December 2030. From 1 January 2022, policy statements came into force which changed the industry-wide calibration of IRB models used for calculating RWAs. Nationwide's new mortgage IRB models were approved by the PRA and have been in force from November 2024. Whilst the models were pending approval, a model adjustment was made to ensure that the outcomes were consistent with the revised IRB regulations. The impact of this adjustment was a significant increase in RWAs. Although this has reduced Nationwide's CET1 ratio, its reported CET1 ratio remains well in excess of the minimum requirements. Virgin Money's new mortgage IRB models are pending PRA approval with a model adjustment continuing to be maintained.

The PRA's near-final Policy Statement on the implementation of the final Basel IV standards (which the PRA refers to as Basel 3.1) in December 2023 and September 2024. This was followed on 12 December 2023 and 12 September 2024 by two policy statements (PS17/23 and PS9/24, respectively) containing near-final rules. On 17 January 2025, the PRA announced that it was delaying the implementation of the Basel 3.1 rules by a year until 1 January 2027, with the transitional period reduced from four to three years so that it will continue to end on 31 December 2030. The Basel 3.1 package will require Nationwide to calculate its risk weighted assets (RWAs) as the higher of: (1) the total RWAs using all approaches that it has supervisory approval to use, including the Internal Ratings Based (IRB) approach; and (2) under the standardised approach which will be subject to a 72.5% end-point output floor. In the near-final rules set out in PS9/24, the PRA confirmed that it would introduce changes to the risk weight treatment that applies to certain covered bonds. If covered bonds meet the definition of a "**CRR covered bond**" (CRR covered bonds are, among other things, issued by a credit institution with its registered office in the UK) and be secured by exposures which meet the collateral eligibility criteria (including additional requirements for immovable property collateral), they may qualify for lower risk weighting. The PRA's policy statement PS15/26 'Pillar 2A review – Phase 1' proposed updates to Pillar 2A methodology and guidance, some of which are

consequential impacts of Basel 3.1 Pillar 1 changes. The policy statement is effective on 1 January 2027, aligned to Basel 3.1 implementation.

In addition, a failure to adequately manage capital, liquidity and Nationwide's minimum requirement for own funds and eligible liabilities ("**MREL**") requirements could have a material adverse effect on Nationwide. While Nationwide monitors current and expected future capital, liquidity and MREL requirements, including having regard to both leverage and RWA-based requirements, and seeks to manage and plan its prudential position accordingly and on the basis of current assumptions regarding future capital and liquidity requirements, there can be no assurance that its assumptions will be accurate in all respects or that it will not be required to take additional measures to strengthen its capital or liquidity position. In relation to the liquidity requirements, the PRA is currently consulting on targeted reforms to the UK liquidity framework intended to ensure that banks and building societies can rapidly monetise liquid assets during stress events (CP5/26). The proposals would require firms to assess the composition of their liquidity resources and frictions to monetisation of liquidity resources and to prepare a stress scenario with sudden, severe outflows in the initial days of a stress. Annual testing exemptions for sovereign bonds and other Level 1 assets would be removed to ensure reliable and speedy monetisation. The proposals will also clarify the role of central bank facilities within the prudential liquidity framework.

MREL requirements are set by the Bank of England as the resolution authority, pursuant to its statement of policy on the approach to setting MREL (the "**MREL SoP**"). The Bank of England published an updated version of the MREL SoP in July 2025 and this came into effect on 1 January 2026. At a high level, the provisions previously found in UK CRR were restated (with modifications) into the MREL SoP, with updates to the thresholds at which the Bank of England determines that either a modified insolvency or a bail-in preferred resolution strategy is more appropriate. These thresholds are currently stated to be as follows: (a) 40,000-80,000 transactional accounts, at which the Bank of England will consider whether a transfer preferred resolution strategy (e.g. a sale to a private sector purchaser) is appropriate, and (b) GBP 25-40 billion in total assets, at which the Bank of England will consider whether a bail-in preferred resolution strategy is appropriate. For transfer preferred resolution strategy firms, the Bank of England does not expect to set MREL above minimum capital requirements. The PRA also published final policy statements on amendments to MREL reporting requirements to reflect the MREL policy changes and resulting in a net reduction in the reporting burden on firms (PS9/26) and revisions to MREL disclosure requirements, as part of wider changes to Pillar 3 disclosure (PS11/26).

Separately, in a Policy Statement on the UK leverage ratio framework that was published on 8 October 2021 (PS21/21), the PRA stated that it would keep the leverage ratio requirements under review to ensure they remain consistent with the Bank of England's concurrent stress testing framework. The leverage ratio threshold was increased to GBP 75 billion on 1 January 2026 (in PRA PS22/25: Leverage Ratio: Changes to the retail deposits

threshold for application of the requirement, published on 12 November 2025), but this change will not impact Nationwide, as it would remain above the threshold. However, further changes to the leverage ratio cannot be ruled out.

In January 2026, the PRA published its final policy on the restatement of the remaining relevant UK CRR requirements within the PRA Rulebook and other policy materials (PS3/26) which will take effect on 1 January 2027. In addition, the PRA also finalised its similar restatement of UK CRR requirements in relation to the own funds framework which came into force on 1 January 2026 (PS12/25), as well as its proposals in relation to the remaining Basel III large exposures standards (PS14/25) and minor amendments to the UK capital buffers framework and its associated materials (PS8/25).

Effective management of Nationwide's capital and regulatory authorisations is critical to its ability to operate and grow its business and to pursue its strategy. Any change that limits Nationwide's ability to manage its balance sheet and capital resources effectively (including, for example, reductions in profits and retained earnings as a result of credit losses, write-downs or otherwise, increases in RWAs (which may be pro-cyclical under the current capital framework, resulting in risk-weighting increasing in economic downturns), delays in the disposal of certain assets or the inability to raise capital or funding through wholesale markets as a result of market conditions or otherwise) could have a material adverse impact on its business, financial condition, results of operations, liquidity and/or prospects.

Furthermore, if Nationwide fails, or is perceived to be likely to fail, to meet its minimum regulatory capital, leverage, liquidity requirements, or MREL, including in connection with any stress tests performed by the Bank of England or any other relevant authority, this may result in administrative actions or regulatory sanctions. In addition, any actual or perceived weakness relative to Nationwide's competitors could result in a loss of confidence, which could result in high levels of withdrawals from its retail deposit base, upon which it relies on for lending and which could have a material adverse effect on its business, financial position or results of operations.

(c) ***Nationwide is exposed to the risk of changes in tax legislation and its interpretation and to increases in the rate of corporate and other taxes***

Nationwide's activities are principally conducted in the UK, and it is therefore subject to a range of UK taxes at various rates. Future actions by the Government to increase tax rates or to impose additional taxes would reduce its profitability. Revisions to tax legislation or to its interpretation might also affect Nationwide's financial condition in the future. In addition, Nationwide is subject to periodic tax audits which could result in additional tax assessments relating to past periods of up to six years being made. Any such assessments could be material which might also affect Nationwide's financial condition in the future.

(d) ***Nationwide is exposed to risks relating to the mis-selling of financial products, acting in breach of legal or regulatory principles or requirements and giving negligent advice.***

There continues to be significant regulatory scrutiny of the sales practices and reward structures that financial institutions have used when selling financial products. No assurance can be given that Nationwide will not incur liability for past, current or future actions, including failure to comply with applicable regulatory requirements, which are determined to have been inappropriate and any such liability incurred could be significant and materially adversely affect its results of operations and financial position. In particular:

- certain aspects of Nationwide's business may be determined by the Bank of England, the PRA, FCA, HM Treasury, the CMA, the Financial Ombudsman Service (the "**FOS**") or the courts as not being conducted in accordance with applicable laws or regulations, or, in the case of the FOS, with what is fair and reasonable in the Ombudsman's opinion;
- the alleged mis-selling of financial products, including as a result of having sales practices and/or rewards structures that are deemed to have been inappropriate, may result in disciplinary action (including significant fines) or requirements to amend sales processes, withdraw products, or provide redress to affected customers, all of which may require additional provisions to be recorded in Nationwide's financial statements and could adversely impact future revenues from affected products; and
- Nationwide may be liable for damages to third parties harmed by the conduct of its business.

In addition, Nationwide faces both financial and reputational risk where legal or regulatory proceedings, or complaints before the FOS, or other complaints are brought against Nationwide or members of Nationwide's industry generally in the UK High Court or elsewhere. For example, compliance with a Financial Services Authority Policy Statement on "[t]he Assessment and Redress of Payment Protection Insurance Complaints" published in 2010 resulted in very significant provisions for customer redress made by several UK financial services providers with respect to Payment Protection Insurance ("**PPI**") policies over a number of years.

Furthermore, the FCA has been reviewing commission arrangements in the motor finance market since January 2024. On 1 August 2025, the Supreme Court issued a judgment in the three conjoined motor finance commission cases (*Hopcraft v Close Brothers Limited*; *Johnson v FirstRand Bank Limited*; *Wrench v FirstRand Bank Limited* [2025] UKSC 33), which concluded that the commission paid by the lender created an unfair relationship under the Consumer Credit Act 1974. Following the Supreme Court judgment and a consultation in October 2025 (CP25/27), on 30 March 2026 the FCA issued a policy statement (PS26/3) introducing two industry-wide compensation schemes covering regulated motor finance agreements taken out by consumers (i) between 6 April 2007 and 31 March 2014 and (ii) between 1

April 2014 and 1 November 2024, where commission was payable by the lender to the broker. There will be a short implementation period so firms can prepare to operate the schemes. Although the Group does not engage in any motor finance business, it is possible that the principles articulated in relation to the motor finance market could have a broader application extending to other types of commission-based lending, although the scope and extent of any exposure or required changes to commission-based lending arrangements is unclear. As a result, Nationwide is subject to the risk of ongoing legal and regulatory uncertainty in relation to all commission-based lending, which may have a material adverse effect on its operations and financial condition.

Nationwide holds provisions for customer redress to cover the costs of remediation and redress in relation to past sales of financial products and ongoing administration, including non-compliance with consumer credit legislation and other regulatory requirements. Nationwide's customer redress provision was £34 million for the year ended 31 March 2026 (period ended 31 March 2025: £21 million) relating to issues with historical quality control procedures, past sales and administration of customer accounts, and other such matters.

No assurance can be given that Nationwide will not incur liability in connection with any past, current or future non-compliance with legislation or regulation. Any such non-compliance could be significant and materially adversely affect Nationwide's results of operations, financial position or its reputation.

(e) ***Nationwide is subject to wide-ranging regulatory action in the event that it is considered likely to fail and its failure poses a threat to the public interest.***

The Banking Act 2009 as amended (the "**Banking Act**") provides for a package of early intervention and resolution-related tools and powers which the UK resolution authorities may apply in respect of in-scope UK financial institutions, including the Society and Nationwide's group, and includes special rules for cross-border groups. Under the Banking Act, substantial powers have been granted to HM Treasury, the Bank of England (including the PRA) and the FCA (together, the "**Authorities**") as part of a special resolution regime (the "**SRR**"). These powers enable the Authorities, among other things, to resolve a bank or building society by means of several resolution tools (the "**Stabilisation Options**") in circumstances in which the Authorities consider its failure has become likely and a resolution is considered to be in the public interest. In respect of UK building societies, the relevant tools available to the Authorities under the Stabilisation Options include:

- (i) modified property transfer powers which also refer to cancellation of shares and conferring rights and liabilities in place of such shares;
- (ii) in place of the share transfer powers, a public ownership tool which may involve (among other things) arranging for deferred shares in a

building society to be publicly owned, cancellation of private membership rights and the eventual winding up or dissolution of the building society; and

- (iii) modified bail-in powers such that exercise of the tool may be immediately preceded by the demutualisation of the building society through the conversion of it into a company or the transfer of all of Nationwide's property, rights or liabilities to a company.

In each case, the Banking Act grants additional powers to modify contractual arrangements in certain circumstances and powers for HM Treasury to disapply or modify laws (with possible retrospective effect) to enable the powers under the Banking Act to be used effectively.

The Banking Act also provides that the UK as a last resort, after having assessed and used the Stabilisation Options to the maximum extent practicable while maintaining financial stability, and where certain other mandatory conditions of the Banking Act have been satisfied, may provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. There can be no assurance that investors in any Securities would benefit from such last resort support even if it were provided.

Secondary legislation which defines the scope of application of the Stabilisation Options under the SRR to certain "banking group companies" came into force on 1 August 2014. The definition of "**banking group company**" encompasses certain of Nationwide's subsidiaries and affiliates, and allows the Stabilisation Options under the SRR and the bail-in stabilisation power to be applied to any of its group companies that meet the definition of a "**banking group company**."

In addition, the Banking Act contains a separate power, often referred to as the "write-down and conversion tool", enabling the Authorities – independently of, or in conjunction with, the use of resolution powers – to cancel or transfer CET1 instruments away from the original owners, or write down (including to nil) an institution's Additional Tier 1 capital instruments and Tier 2 capital instruments, or to convert them into CET1 instruments, if the Authorities consider that the institution or the group is at the "point of non-viability" and certain other conditions are met. The write-down and conversion tool must be applied before any of the Stabilisation Options provided for in the SRR may be used in practice and may be used whether or not the institution subsequently enters into resolution. Additionally, in respect of building societies, the resolution authority may write-down or convert instruments issued by the building society itself or by a successor entity formed through exercise of Stabilisation Options. Any Securities that are tier 1 or tier 2 own funds instruments could be subject to the write-down and conversion tool.

The SRR may be triggered prior to Nationwide's insolvency. The purpose of the Stabilisation Options is to address the situation where all or part of a business of a relevant entity has encountered, or is likely to encounter,

financial difficulties, giving rise to wider public interest concerns. Accordingly, the Stabilisation Options may be exercised if:

- (i) the PRA is satisfied that a relevant entity is failing or is likely to fail;
- (ii) having regard to timing and other relevant circumstances, the Bank of England determines that it is not reasonably likely that (ignoring the Stabilisation Options) action will be taken that will result in the relevant entity no longer failing or being likely to fail;
- (iii) the Bank of England considers the exercise of the Stabilisation Options to be necessary, having regard to certain public interest considerations (such as the stability of the UK financial system, public confidence in the UK banking system and the protection of depositors); and
- (iv) the Bank of England considers that the specific resolution objectives would not be met to the same extent by the winding up of the relevant entity.

It is therefore possible that one or more of the Stabilisation Options could be applied prior to the point at which any insolvency proceedings with respect to the relevant entity could be initiated.

The European Banking Authority (the "**EBA**") has published guidelines on the circumstances in which an institution shall be deemed by supervisors and resolution authorities as "failing or likely to fail" within the meaning of Directive 2014/59/EU (the "**Bank Recovery and Resolution Directive**" or "**BRRD**"), as amended by Directive (EU) No. 2019/879 (the "**BRRD II**") (which was broadly transposed into English law by amendments to the Banking Act). The guidelines set out the objective criteria which should apply when supervisors and Authorities make such a determination. While the EBA guidelines are not binding on the Authorities when considering their powers under the Banking Act, the Authorities may continue to have regard to them as part of their deliberations, even now after Brexit.

Additionally, HM Treasury has issued a Code of Practice on the SRR, in accordance with sections 5 and 6 of the Banking Act, which supports the legal framework of the SRR, and provides guidance as to how and in what circumstances the Authorities will use the special resolution tools.

Although the Banking Act provides for conditions to the exercise of any resolution powers and the EBA guidelines and HM Treasury Code of Practice set out objective elements which the Authorities may elect to consider when determining whether an institution is failing or likely to fail and which powers to use, it is uncertain how the Authorities would assess such conditions in any particular situation. The relevant Authorities are also not required to provide any advance notice to holders of Securities of their decision to exercise any resolution power. Therefore, holders of Securities may not be able to anticipate a potential exercise of any such powers nor the potential effect of any exercise of such powers on Nationwide or the Securities.

In a letter to the chief financial officers of the major UK banks, the Bank of England discussed the third resolvability assessment cycle of the major UK firms, including the Issuer, in 2026-2027, and its more detailed assessment of firms' preparations for resolution. Following submission of firms' resolution assessment reports which are due by 2 October 2026, the Bank of England will assess progress made by firms in remediating issues identified in previous assessments and their overall ability to achieve the three resolvability outcomes. Although the Bank of England places significant importance on firms' ability to achieve all three resolvability outcomes on a continuing basis, its findings will focus on the assessment of the continuity and restructuring outcome, and the progress made by firms in remediating issues and maintaining their resolvability.

(f) ***Nationwide is required to pay levies under the FSCS and is exposed to future increases in such levies, which might impact its profits.***

The Financial Services and Markets Act 2000, as amended (the "FSMA") established the FSCS, which pays compensation to eligible customers of authorised financial services firms which are unable, or are likely to be unable, to pay claims against them. For further information, please refer to the section entitled "*Supervision and Regulation*." Based on Nationwide's share of protected deposits, Nationwide paid levies to the FSCS to enable the scheme to meet claims against it. The FSCS published the 2025/26 levy on 22 May 2025.

The EU Directive on deposit guarantee schemes (the "DGSD") required EU Member States (including, at the time the DGSD was required to be transposed, the UK) to ensure that temporary high balances were protected up to £1 million, for up to twelve months from when the amount was deposited for certain limited types of deposits and changes to the types of depositors that are eligible for compensation. Starting from 1 December 2025, the limit applicable to certain temporary high balance claims has been increased to £1.4 million (PS24/25).

The FSCS is funded by way of ex-ante and ex-post levies on the financial services industry. There is a maximum aggregate levy amount of £1.5 billion per year and, in respect of compensation costs, a maximum of 0.5% of total covered deposits (excluding temporary high balances) of all deposit guarantee scheme members can be levied in any one financial year. It is possible that future FSCS levies on Nationwide may differ from those it has incurred historically, and that such reforms could result in Nationwide incurring additional costs and liabilities, which may adversely affect its business, financial conditions and/or results of operations.

There can be no assurance that there will be no further actions taken under the Banking Act that may lead to further claims against the FSCS, and concomitant increased FSCS levies payable by us. Any such increases in Nationwide's costs and liabilities related to the levy may have a material adverse effect on its results of operations. Further costs and risks may also arise from discussions at governmental levels around the future design of

financial services compensation schemes, such as increasing the scope and level of protection and moving to pre-funding of compensation schemes.

Moreover, the PRA published a policy paper on its depositor protection rules in July 2025 (PS13/25), which changed the Depositor Protection Part of the PRA Rulebook to enable the FSCS to fulfil the new responsibilities under the Bank Resolution (Recapitalisation) Act 2025. The PRA introduced new rules for recapitalisation, which sit alongside, but separate from, those relating to compensation. The PRA's new rules primarily relate to the powers of the FSCS in relation to levies in respect of recapitalisation payments and detail the circumstances in which they can be used. In addition, the PRA has increased the depositor protection limit from £85,000 to £120,000 with effect from 1 December 2025 (PS24/25). These developments may result in an increase to the levies paid by Nationwide.

The FSMA 2023 includes provisions that allowed the Bank of England to introduce a Bank of England levy, which covers the costs of the Bank of England's monetary policy and financial stability functions. The Bank of England levy came into effect and replaced the existing cash ratio deposit scheme on 1 March 2024.

3. **Business and Operational Risks**

- (a) ***Nationwide's guidelines and policies for risk management may prove inadequate for the risks faced by its business and any failure to properly manage the risks which it faces could cause harm to Nationwide and its business prospects.***

The management of financial and operational risks requires, among other things, robust guidelines and policies for the accurate identification and control of a large number of transactions and events. Such guidelines and policies may not always prove to be adequate in practice. Nationwide faces a wide range of risks in its business activities, including, in particular:

- liquidity and funding risk, see "*Liquidity and Funding*" above;
- credit risk, which is the risk that a borrower or a counterparty fails to pay interest or to repay the principal on a loan or other financial instrument;
- market risks, in particular interest rate risk as well as foreign exchange and bond and equity price risks. Changes in interest rate levels, yield curves and spreads may affect Nationwide's interest rate margin realised between lending and borrowing costs. Changes in currency rates, particularly in the sterling-dollar and sterling-euro exchange rates, affect the value of assets and liabilities denominated in foreign currencies and may affect income from assets and liabilities denominated in foreign currency. The performance of financial markets may also cause changes in the value of Nationwide's investment and liquidity portfolios, see also, "*Credit risk*" and "*Market risk*" above, and operational risk, see also "*Operational risk*" below.

Nationwide has a range of tools designed to measure and manage the various risks which it faces. Some of these methods, such as value-at-risk analysis, are based on historic market behaviour. The methods may therefore prove to be inadequate for predicting future risk exposure, which may prove to be significantly greater than what is suggested by historic experience. Historical data may also not adequately allow prediction of circumstances arising due to Government interventions and stimulus packages, which increase the difficulty of evaluating risks.

Other methods for risk management are based on evaluation of information regarding markets, customers or other information that is publicly known or otherwise available to us. Such information may not always be correct, updated or correctly evaluated. In addition, even though Nationwide constantly measures and monitors its exposures, there can be no assurance that its risk management methods will be effective, particularly in unusual or extreme market conditions. It is difficult to predict with accuracy changes in economic or market conditions and to anticipate the effects that such changes could have on its financial performance and business operations. Unanticipated economic changes or Government interventions could expose Nationwide to increased liquidity and funding risk, credit risk, market risks or operational risk, which could have a material adverse effect on its business prospects or results of operations.

(b) ***Operational risk***

Nationwide's success as a financial institution depends on its ability to process a very large number of transactions efficiently and accurately. Operational risk and losses can result from a range of internal and external factors. Internal factors include internal fraud, errors by employees, failure to document transactions properly or to obtain proper internal authorisation, failure to comply with regulatory requirements and conduct of business rules and equipment failures, particularly in relation to electronic banking applications. External factors include natural disasters, war, pandemics, terrorist action or the failure of external systems, for example, those of Nationwide's suppliers or counterparties. These could, for example, prevent Nationwide's customers from withdrawing cash from its ATMs or from having their salaries credited to their accounts with it and, if customers associate their problem with Nationwide rather than with the institution causing the problem, this would have an operational and financial impact on its performance. A feature of operational risk is that financial institutions rely on systems and controls such as standard form documentation and electronic banking applications to process high volumes of transactions. As a result, any error in Nationwide's standard documentation or any defect in its electronic banking applications can be replicated across a large number of transactions before the error or defect is discovered and corrected and this could significantly increase the cost to Nationwide of remediating the error or defect, could expose it to the risk of regulatory sanction, unenforceability of contracts and, in extreme cases, could result in significant damage to its reputation.

The impacts of the war in Ukraine are wide reaching and have affected Nationwide's operational risk profile. Nationwide's response to sanctions on Russia has required focus due to the increased size and complexity of the sanctions list. In addition, in line with National Cyber Security Centre ("**NCSC**") guidance, a proactive and proportionate package of measures has been progressed to reflect the changes to the cyber security profile.

Increased digital interconnectivity across Nationwide's customers and suppliers, and the need for resilient IT systems, including hardware, software, cloud computing services and cyber-security, remains an evolving risk to financial institutions including us. Nationwide considers that, within the operation and conduct risks profile, IT resilience and cyber security present the main risks, and it focuses on striving to protect service availability and customer data. The challenges of ensuring that data is used ethically and appropriately, including in relation to emerging AI developments, are becoming ever more complex. Nationwide's implementation of new systems, infrastructures and processes, alongside the maintenance of legacy systems, introduces a level of operational complexity. In an increasingly digital world, customer expectations are rising, with a significantly lower tolerance of service disruption. Ensuring a highly reliable and widely available service requires resilient IT, business systems and processes. Any loss in the integrity and resilience of key systems and processes, data thefts, cyber-attacks, denial of service attacks or breaches of data protection requirements could significantly disrupt Nationwide's operations and cause significant financial loss and reputational damage to us. This could in turn result in a loss of confidence in Nationwide, potentially resulting in existing customers withdrawing deposits and/or deterring prospective new customers.

Meanwhile the significant rise in data used in digital services increases the complexity and cost of managing data securely and effectively. The rapid growth of digitisation and demand for enhanced customer experience leads to greater volumes of data to control. This in turn leads to more complex challenges in ensuring that data is used ethically and appropriately, including in relation to emerging developments in artificial intelligence ("**AI**"). Further, the maturity and sophistication of organised cyber-crime continues to increase and has been highlighted by a number of recent attacks in the financial and non-financial sectors, including payment services. Such attacks have also increased the public awareness of cyber-threats. As a result of the continued increasing threat from cyber-crime, security controls have needed to keep pace to prevent, detect and respond to any threats or attacks. The constant threat posed by a cyber-attack directly impacts the existing risks associated with external fraud, data loss, data integrity and availability. Although Nationwide maintains measures designed to ensure the integrity and resilience of key systems and processes, it may be the victim of cyber-attacks, including denial of service attacks which could significantly disrupt its operations and the services Nationwide provides to its customers or attacks designed to obtain an illegal financial advantage. Any such attack or any other failure in Nationwide's IT systems could, among other things, cause significant financial loss and reputational damage to it, and could result in a

loss of confidence in it, potentially resulting in existing customers withdrawing deposits and/or deterring prospective new customers.

Across all industries, rapid digitisation, rising customer experience demands and the evolution of AI capabilities have been driving more complex use of data. The Group is faced with the challenge of how to meet the expectations of customers and realise the benefits of AI, while also using data ethically and appropriately, particularly as AI evolves from generating content to making autonomous decisions and taking actions (Agentic AI). While AI offers significant benefits for customers and firms, it creates unique risks that cut across traditional risk categories. The Group is developing its ability to realise these benefits while mitigating risk through defined AI principles and strong controls, with a focus on customer outcomes. There are significant risks involved in developing and deploying AI and there can be no assurance that the usage of AI will enhance the Group's products or services or be beneficial to its business, including the Group's efficiency or profitability. The use (or misuse) of AI technologies could expose Nationwide and third parties on whom Nationwide relies to legal and regulatory risk, damage customer relationships or cause reputational harm.

Nationwide's ability to continue to develop and effectively deploy AI technologies, within applicable laws and regulations, may require increasing reliance on third parties and depend on access to specific third-party products, services, equipment and other physical infrastructure, such as processing hardware and network capacity, over which the Group cannot control the availability or pricing, especially in a highly competitive environment. If these dependencies are not appropriately managed, failures may lead to disrupted operations. In addition, there is a rapidly evolving AI regulatory landscape requiring companies using and developing AI technologies to comply with evolving obligations.

Although Nationwide has implemented risk controls and loss mitigation actions, and substantial resources are devoted to technology, developing efficient procedures and staff training, it is not possible to implement procedures which are fully effective in controlling each of the operational risks noted above. If such operational risks are not effectively controlled, Nationwide may lose market share or, in extreme cases, risk regulatory sanction or reputational damage.

(c) ***Reputational risk***

Nationwide's reputation is one of its most important assets and any damage to it, or to the reputation of the Nationwide or, following the Virgin Money Acquisition, the Virgin Money brands, could adversely affect its ability to attract and retain customers and conduct business with its counterparties. Failure to address, or appearing to fail to address, various issues that could give rise to reputational risk could cause harm to Nationwide and its business prospects. Reputational risks may arise not only from Nationwide's direct actions, but also from the actions, behaviour or performance from its employees, affiliates, suppliers, counterparties, regulators, customers, other activists or the financial services industry.

Reputational issues include, but are not limited to:

- failing to appropriately address potential conflicts of interest;
- breaching or facing allegations of having breached legal and regulatory requirements (including money laundering and anti-terrorism financing requirements);
- acting or facing allegations of having acted unethically (including having adopted inappropriate sales and trading practices, see "*Nationwide is exposed to risks relating to the mis-selling of financial products, acting in breach of legal or regulatory principles or requirements and giving negligent advice*" above);
- failing or facing allegations of having failed to maintain appropriate standards of customer privacy, customer service and record-keeping;
- technology failures that impact upon customer service and accounts or the failure of intermediaries or third parties on whom Nationwide relies;
- limiting hours of or closing branches due to changing customer behaviour;
- failing to properly identify legal, operational, conduct, reputational, credit, liquidity and market risks inherent in products offered;
- a failure to identify and respond appropriately to the challenges and threats presented by climate change;
- accusations of greenwashing, or a failure to achieve decarbonisation or other environmental and social goals; and
- generally poor business performance.

Any failure to address these or any other relevant issues appropriately could make customers, depositors and investors unwilling to do business with Nationwide, which could adversely affect its business, financial condition and results of operations and could damage its relationships with its regulators. Nationwide cannot ensure that it will be successful in avoiding damage to its business from reputational risk.

4. **Risks related to the Virgin Money Acquisition**

- (a) ***There can be no assurance that the Virgin Money Acquisition will deliver the benefits anticipated by the Issuer.***

On 21 March 2024, the Issuer announced that its board of directors (the "**Nationwide Board**" or "**Board of Directors**") and the board of directors of Virgin Money (the "**Virgin Money Board**") had agreed the terms for Nationwide to acquire Virgin Money (the "**Virgin Money Acquisition**" or the "**Acquisition**"), to be implemented by means of a court-sanctioned scheme of arrangement (the "**Scheme**"). On 1 October 2024, the Issuer announced

that the Scheme had become effective, and the Acquisition was completed. On 2 April 2026, Nationwide completed the transfer of substantially all the assets and liabilities of Virgin Money's main operating subsidiary, Clydesdale Bank PLC, into the Group through a banking business transfer scheme under Part VII of the FSMA. This was part of the wider integration programme that Nationwide expects to take several years to complete.

In connection with the Acquisition, the Issuer has incurred, and will continue to incur, irrecoverable costs (such as advisor fees) and senior management has devoted considerable time and resources to the implementation of the Acquisition and the consequent integration. The Issuer will explore opportunities to achieve cost synergies across the Group where possible. However, there can be no assurance that the Group will identify any such cost synergies or, even if identified, that all or any of such cost synergies will be achieved. The potential benefits are based on a number of assumptions that are inherently uncertain and subject to risks that could cause the actual results to differ materially from those envisaged by the Issuer. These risks include, but are not limited to, the following factors:

- the Issuer is assessing the systems of the Group and is assessing the potential to rationalise with a view of enhancing its capabilities to fulfil service commitments to the Group's customers. Unforeseen challenges in such rationalisation could prevent or delay the implementation thereof, give rise to complications or errors, result in increased costs, and/or increase the risk of cyber threat, data loss, service outage or other major IT incidents;
- management time devoted to the integration may distract from the efficiency, accuracy, continuity and consistency of the Group's control, administrative and support functions, such as financing operations, cash management, hedging, insurance, financial control and reporting, information technology, communications and compliance functions;
- the ongoing success of the Issuer will depend, in part, on its ability to attract, hire and train qualified management and well as qualified technical personnel which may be impacted by the integration of Virgin Money into the Group including due to alignment of governance and reporting structures, organisation cultures, employee benefits and engagement terms. In addition, over the course of the integration process, there is a risk that key staff may leave leading to a loss of critical knowledge and expertise and an increase in costs;
- the Acquisition and integration may lead to additional unforeseen costs for the Group, such as in relation to accounting harmonisation or otherwise that have not been planned for, with the risk of negative pressure on the Issuer's and/or the Group's financial performance and operations;
- reputational risks may arise from possible service disruptions from integration activities or other changes, leading to poor public perception and potential customer attrition (with associated loss of

revenue, loss of deposits and/or a higher cost of funding). Additionally, uncertainty surrounding the integration could negatively impact employee morale, which could negatively impact productivity and service quality; and

- regulatory risks may arise from the integration process, including any additional supervision requirements or any impact on capital and liquidity reserve requirements.

In addition, Virgin Money continues to maintain and operate the Virgin Money brand under license, which will continue to be in use for a period of four years following the Acquisition, after which a two-year re-brand period will commence. Any reputational issues affecting the brand could negatively impact customer perceptions, marketing effectiveness, or product performance. The loss of the right to use the Virgin Money brand, ahead of the planned exit of the brand, could materially affect the Issuer and the Group's business.

There is no guarantee that the commercial or strategic advantages anticipated at the time of the Acquisition will materialise in full or in part.

CAPITALISATION AND INDEBTEDNESS

The following is a summary of Nationwide's consolidated capitalisation and indebtedness extracted from its audited consolidated financial statements as at 31 March 2026:

	31 March 2026
	<i>(£ million)</i>
Consolidated Indebtedness⁽¹⁾	
Deposits from banks and similar institutions.....	5,453
Other deposits	76,766
Debt securities in issue.....	54,821
Total Senior Debt	137,040
Subordinated liabilities ⁽¹⁾⁽²⁾	2,931
Permanent Interest Bearing Shares ⁽¹⁾⁽³⁾	46
Members' Funds.....	
CCDS ⁽¹⁾	1,157
Other equity instruments ⁽¹⁾	2,178
General reserve.....	17,746
Revaluation reserve.....	35
Cash flow hedge reserve	42
Fair value through other comprehensive income reserve	(26)
Other hedging reserve	(47)
UK retail member deposits ⁽¹⁾⁽⁴⁾	217,052
Total members' funds	238,137
Total capitalisation	378,154

Notes:

- ⁽¹⁾ If Nationwide were to go into liquidation, the claims in respect of senior preferred notes and other unsubordinated creditors would rank junior to obligations required to be preferred by law (which includes certain member share accounts which are given preferential status by law but would rank before those of senior non-preferred and subordinated debt holders. The claims of holders of permanent interest-bearing shares ("**PIBS**") rank behind those of all other creditors, including subordinated debt holders. The claims of the holders in respect of Nationwide's AT1 instruments would rank behind those in respect of its PIBS, and the claims in respect of its CCDS would rank behind claims in respect of its AT1 instruments.
- ⁽²⁾ Subordinated debt comprises of one series of notes maturing 2026, one series of notes maturing 2031, one series of notes maturing 2032, one series of notes maturing 2034, one series of notes maturing in 2035 and one series of notes maturing in 2036, a number of which are callable ahead of maturity.
- ⁽³⁾ The fixed rate PIBS are repayable, at the option of the Society, in whole on the initial call date or every fifth anniversary thereafter. If not repaid on a call date then the interest rate is reset at a margin to the yield on the then prevailing five year benchmark gilt rate. The PIBS payable at a fixed rate of 7.859% have an initial call date of March 2030. The floating rate PIBS payable at 4.2% above SONIA is callable on September 2030.
- ⁽⁴⁾ Nationwide's rules provide that members may withdraw all or any of their investments by giving appropriate notice specifying the amount to be withdrawn. Members may also make an immediate withdrawal of their investments subject to a possible loss of interest. The Nationwide Board has the power to suspend or limit the payment of withdrawals when, in its discretion, it considers it necessary.

Except as otherwise disclosed in this Registration Document, there has been no material change in Nationwide's consolidated capitalisation, indebtedness, guarantees or contingent liabilities since 31 March 2026.

SELECTED CONSOLIDATED FINANCIAL AND OPERATING INFORMATION

The following tables present selected consolidated information which has been extracted from Nationwide's audited consolidated financial statements as at and for the year ended 31 March 2026, the period ended 31 March 2025 and the year ended 4 April 2024.

Following the acquisition of Virgin Money, the Society changed its accounting reference date to 31 March. Where reference is made to the 'period ended 31 March 2025', this represents the 361-day period from 5 April 2024 to 31 March 2025.

The following data should be read in conjunction with Nationwide's audited consolidated financial statements and the notes thereto incorporated by reference herein as well as the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*":

	For the year ended 31 March 2026	For the period ended 31 March 2025	For the year ended 4 April 2024 ⁽¹⁾
	(£ million)		
Income Statement Data:			
Interest receivable and similar income	17,102	16,082	14,025
Interest expense and similar charges	(11,026)	(11,090)	(9,575)
Net interest income	6,076	4,992	4,450
Fee and commission income	697	515	426
Fee and commission expense	(420)	(356)	(292)
Other operating income/(expense)	(9)	21	80
Gains from derivatives and hedge accounting	35	12	117
Gain on the acquisition	—	2,300	—
Total income	6,379	7,484	4,781
Administrative expenses	(4,159)	(3,550)	(2,422)
Impairment charge on loans and advances to customers	(331)	(632)	(112)
Provisions for liabilities and charges	—	—	(127)
Profit before member reward payment and tax	1,889	3,302	2,120
Member reward payments	(339)	(1,000)	(344)
Profit before tax	1,490	2,302	1,776
Analysed as:			
Underlying profit before member reward payment and tax	2,026	1,852	2,003
Gain on the acquisition of Virgin Money	—	2,300	—
Amortisation of acquisition fair value adjustments	(34)	(39)	—
Costs relating to the acquisition of Virgin Money	(138)	(367)	—
Initial impairment provisions recognised following acquisition	—	(456)	—
Member reward payments	(399)	(1,000)	(344)
Gains from derivatives and hedge accounting	35	12	117
Statutory profit before tax	1,490	2,302	1,776
Taxation	(387)	36	(476)
Profit after tax	1,103	2,338	1,300

Note:

⁽¹⁾ Comparative financial information for the year ended 4 April 2024 was restated in the 2025 Financial Statements, to present provisions for liabilities and charges within administrative expenses. See Note 1 to the 2025 Financial Statements.

	As at 31 March 2026	As at 31 March 2025	As at 4 April 2024 ⁽¹⁾
	(£ million)		
Balance Sheet Data			
Assets:			
Cash and balances at central banks	38,411	29,483	25,231
Loans and advances to banks and similar institutions	1,758	1,810	918

	As at 31 March		As at 4 April
	2026	2025	2024 ⁽¹⁾
		(£ million)	
Investment securities.....	25,905	28,663	26,532
Derivative financial instruments.....	3,341	4,742	6,290
Fair value adjustment for portfolio hedged risk.....	(2,121)	(2,037)	(3,330)
Loans and advances to customers.....	311,483	300,889	213,440
Intangible assets.....	1,265	1,481	848
Property, plant and equipment.....	759	796	656
Accrued income and prepaid expenses.....	364	394	294
Deferred tax assets.....	301	278	109
Current tax assets.....	—	262	54
Other assets.....	146	224	435
Retirement benefit assets.....	716	892	610
Total assets.....	382,328	367,877	272,087
Liabilities and members' interest in equity:			
Shares.....	217,052	207,428	193,366
Deposits from banks and similar institutions.....	5,453	6,053	16,388
Other deposits.....	76,766	74,667	4,530
Fair value adjustment for portfolio hedged risk.....	(106)	27	50
Debt securities in issue.....	54,821	51,109	34,749
Derivative financial instruments.....	1,178	1,547	1,451
Other liabilities.....	1,983	2,432	859
Provisions for liabilities and charges.....	78	70	149
Accruals and deferred income.....	552	1,223	405
Subordinated liabilities.....	2,931	2,444	2,075
Subscribed capital.....	46	129	173
Deferred tax liabilities.....	217	266	206
Current tax liabilities.....	68	—	—
Core capital deferred shares (CCDS).....	1,157	1,157	1,157
Other equity instruments.....	2,178	1,485	1,336
General reserve.....	17,746	17,086	15,119
Revaluation reserve.....	35	35	36
Cash flow hedge reserve.....	42	132	127
Other hedging reserve.....	(47)	(53)	(51)
Fair value through other comprehensive income reserve.....	(26)	(119)	(38)
Total members' interests and equity.....	382,124	367,118	272,087
Non-controlling interests.....	204	759	—
Total equity and liabilities.....	382,328	367,877	272,087

Note:

⁽¹⁾ Certain balance sheet items in the comparative financial information as at 4 April 2024 were restated in the 2025 Financial Statements. These changes have no impact on the Group's net assets or members' interest and equity as at 4 April 2024. See Note 1 to the 2025 Financial Statements.

	As at and for the year ended 31 March 2026	As at and for the period ended 31 March 2025	As at and for the year ended 4 April 2024 ⁽¹⁾
Other Financial Data		(percentages)	
Return on average total assets ⁽²⁾	0.29	0.71	0.46
Net interest margin (statutory).....	1.60	1.54	1.56
Underlying cost income ratio ⁽³⁾	63.0	61.1	51.9
Ratio of administrative expenses to mean total assets ⁽⁴⁾	1.11	1.10	0.89
Capital ratios.....			
CET1.....	19.1	19.1	27.1
Total Tier 1.....	21.6	21.7	29.5
Total regulatory capital.....	23.8	23.8	32.6
Leverage ratio ⁽⁵⁾	5.3	5.2	6.5

Notes:

- (1) Comparative financial information for the year ended 4 April 2024 was restated in the 2025 Financial Statements, to present provisions for liabilities and charges within administrative expenses. See Note 1 to the 2025 Financial Statements.
- (2) Return on average total assets represents profit on ordinary activities after tax as a percentage of average total assets. Average balances are based on the balance as at the end of each month during the financial year.
- (3) This ratio, which is an APM, is a measure of efficiency and present Underlying administrative expenses as a proportion of Total underlying income.
- (4) This ratio represents administrative expenses as a percentage of the average of total assets at the start and end of each period.
- (5) The PRA simplified the leverage framework by applying a single Leverage Exposure Measure (LEM), which excludes central bank claims, from 1 January 2022. This metric is used by the PRA for the purposes of supervising the capital adequacy of financial institutions in the UK. The simplification of the leverage framework has resulted in the removal of the CRR leverage ratio, which included central bank claims, from the table. The "UK" prefix that was included in 2021 to distinguish between the two ratios is no longer required and Nationwide now only refers to the leverage ratio.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is based on, and should be read in conjunction with, Nationwide's selected consolidated financial and operating information and its audited consolidated financial statements incorporated by reference herein. Nationwide prepared its financial statements in accordance with IFRS, which differs in certain significant respects from generally accepted accounting principles in the United States.

Overview

Nationwide is a building society, regulated by the FCA in relation to conduct of business matters and by the PRA in relation to prudential requirements. Nationwide's core business is providing personal financial services, primarily residential mortgage lending funded largely through retail savings. As a mutual organisation, other than in respect of a relatively small amount of funding provided by investors in Nationwide's deferred shares (including its PIBS, AT1 instruments and CCDS), Nationwide is not funded by shareholders, which means that it is managed for the benefit of its members, who are its current account, retail savings and residential mortgage customers (as well as the holders of its deferred shares), rather than for equity shareholders. Nationwide returns value to its members by offering typically higher interest rates on savings and lower interest rates on loans than those offered by its main competitors. As a result, Nationwide generally earns lower pre-tax profits than its main competitors, which are primarily banks or other non-mutual organisations. As a mutual organisation, Nationwide pays no dividends (although it pays periodic investment returns on its CCDS at its discretion, interest on its AT1 at its discretion and interest on tier 2 capital securities, and its net earnings are put into reserves and constitute CET1 capital for its capital adequacy requirements. For information regarding UK capital adequacy requirements, see the subsection entitled "*Financial Condition of Nationwide—Capital Resources*" below.

Following the acquisition of Virgin Money, the Society changed its accounting reference date to 31 March. Where reference is made to the 'period' ended 31 March 2025, this represents the 361-day period from 5 April 2024 to 31 March 2025.

Key Factors Affecting Nationwide's Results of Operations

Nationwide's results of operations are affected by a combination of factors, including global economic and political conditions as well as specific market conditions in the UK. This section discusses key factors that Nationwide believes have had a material effect on its results of operations and financial condition during the periods under review, as well as those that are reasonably likely to have a material effect on its results of operations and financial condition in the future. While Nationwide believes that its results of operations and financial condition, and particularly the results of operations and financial condition during the periods under review, have been primarily affected by the following key factors, these factors are not exhaustive, and the entirety of this Registration Document should be reviewed, particularly the "*Risk Factors*" section.

Impact of Economic Conditions in the UK Generally and Outlook

Residential mortgage arrears have decreased slightly and remain well below the industry average. In relation to Nationwide's mortgage portfolio, a £63 million adjustment to the modelled provisions has been made as of 31 March 2026 to reflect affordability risks

including the impact of elevated mortgage interest rates. Consumer lending arrears were broadly stable during the period at 1.10% (2025: 1.11%) and remain at low levels.

The Group expects modest growth in the UK economy, with inflation forecast to increase in the short term before returning close to its target level in the years ahead. House prices are expected to remain resilient and continue to grow steadily. The outlook remains uncertain, given ongoing heightened geopolitical tensions, high inflation, US trade and foreign policy as well as political instability in the UK. To date, borrowers have remained resilient to affordability pressures. Arrears rates are expected to rise but remain below the industry average.

Interest Rate Management

Because the majority of Nationwide's assets and liabilities are either floating rate instruments or synthetically converted to floating rate instruments using derivatives, variations in market interest rates have a direct impact on its interest income and interest expense. Fluctuations in market interest rates, however, gives Nationwide the opportunity to manage its interest rate margins and, for most of its assets and liabilities, Nationwide can re-price the interest rate that it offers, subject to market and competitive pressures.

The table below shows the daily average SONIA rates and average Bank of England base rates for the year ended 31 March 2026, the period ended 31 March 2025 and the year ended 4 April 2024.

	For the year ended 31 March 2026	For the period ended 31 March 2025	For the year ended 4 April 2024
		<i>(percentages)</i>	
Daily average SONIA.....	4.01	4.89	4.97
Average Bank of England base rate.....	4.04	4.94	5.04

Interest rate risk arises from the mortgage, savings and other financial services products that Nationwide offers. The varying interest rate features and maturities of retail products and wholesale funding create exposures to interest risks. This is due to the imperfect matching of variable interest rates, in particular the Bank of England base rate, and timing differences on the re-pricing of assets and liabilities. The risk is managed through the use of derivatives and other appropriate financial instruments and through product design.

Over the past five years, interest rates have risen substantially from record lows. The Bank of England Monetary Policy Committee voted to raise its Bank Rate on eleven consecutive occasions since December 2021 from 0.10% to a rate of 5.25% in August 2023, The Monetary Policy Committee began to reduce interest rates from August 2024 as inflationary pressures eased. Bank Rate was last changed in December 2025 and stands at 3.75% as of June 2026.

The Base Mortgage Rate ("**BMR**") is guaranteed to be no more than 2% above the Bank Rate. This rate is significantly lower than the equivalent standard variable rate charged by Nationwide's competitors and the Standard Mortgage Rate ("**SMR**") onto which its mortgages advanced since April 2009 revert. This has the effect of compressing Nationwide's mortgage margins and reducing the flexibility with which these margins can be managed. However, the BMR portfolio is well seasoned, has low arrears rates and low possession rates, which partly compensates for the low margin it yields.

Results of Operations for the Year Ended 31 March 2026 Compared with the Period Ended 31 March 2025

The following discussion considers Nationwide's results for the year ended 31 March 2026 compared to its results for the period ended 31 March 2025:

Total income

Nationwide's total income decreased to £6,379 million in the year ended 31 March 2026 compared to £7,484 million in the period ended 31 March 2025. The following table sets forth the components of income for the year ended 31 March 2026 and the period ended 31 March 2025, respectively:

	For the year ended 31 March 2026	For the period ended 31 March 2025
	<i>(£ million)</i>	
Net interest income.....	6,076	4,992
Net fees and commissions.....	277	159
Other operating (expenses) / income	(9)	21
Gains from derivatives and hedge accounting.....	35	12
Gain on acquisition.....	—	2,300
Total.....	6,379	7,484

Net interest income

Net interest income ("NII") increased by £1,084 million, or 21.7% in the year ended 31 March 2026 to £6,076 million from £4,992 million in the period ended 31 March 2025. The increase was primarily driven by larger growth in the size of the Group and its more diversified customer proposition as a result of the Virgin Money Acquisition as well as continued growth in mortgage balances.

The following table sets forth the components of net interest income for the year ended 31 March 2026 and the period ended 31 March 2025, respectively:

	For the year ended 31 March 2026	For the period ended 31 March 2025
	<i>(£ million)</i>	
Interest and similar income:		
On financial assets measured at amortised cost		
On residential mortgages	11,160	8,904
On other loans.....	2,036	1,399
On other liquid assets, including reserves at central banks.....	1,355	1,647
On investment securities measured at FVOCI.....	738	644
Net income on financial instruments hedging assets in a qualifying hedge accounting relationship.....	1,760	3,416
Interest on net defined benefit pension surplus.....	51	45
Other interest and similar income.....	2	27
Total interest and similar income	17,102	16,082
Interest expense and similar charges:		
On shares held by individuals.....	(5,608)	(6,001)
On non-member retail deposits.....	(1,536)	(834)
On subscribed capital.....	(8)	(10)
On deposits and other borrowings:		
Subordinated liabilities ⁽¹⁾	(128)	(96)
Deposits from banks and similar institutions and other deposits	(890)	(1,246)
Debt securities in issue ⁽¹⁾	(2,102)	(1,837)

	For the year ended 31 March 2026	For the period ended 31 March 2025
	<i>(£ million)</i>	
Net expense on financial instruments hedging liabilities	(754)	(1,066)
Total interest expense and similar charges	(11,026)	(11,090)
Net interest income	6,076	4,992

Interest and similar income

The increase in interest income is primarily attributable to balance sheet growth in mortgages, which represents the majority of the Group's loans and advances to customers for the period ended 31 March 2026. Gross balances of loans and advances to customers increased by £10,594 billion, which is largely attributable to increase in owner occupied mortgages in the Society.

On investment securities

Interest and similar income from investment securities comprise interest income earned on the corporate and government investment securities that Nationwide purchases for its own account to manage its liquidity portfolios and net realised gains and losses on its sales of these instruments.

Interest and similar income from investment securities measured at FVOCI increased by 14.6% to £738 million for the year ended 31 March 2026, compared with £644 million for the period ended 31 March 2025. The increase in interest income is primarily attributable to higher yields on investments.

Net income on financial instruments hedging assets in a qualifying hedge accounting relationship

Derivative instruments are used to synthetically convert certain fixed rate assets to floating rate assets. If derivatives are subject to hedge accounting, the floating rate income and fixed rate expense on these derivatives are included as "net income on financial instruments hedging assets in a qualifying hedge accounting relationship." In the year ended 31 March 2026, Nationwide generated a net income of £1,760 million on these instruments, compared with a net income of £3,416 million in the period ended 31 March 2025.

Interest expense and similar charges

The average interest rate that Nationwide paid to UK retail member depositors decreased to 2.61% for the year ended 31 March 2026, compared with 3.0% for the period ended 31 March 2025. Retail deposit balances increased by £10.1 billion to £270.8 billion (period ended 31 March 2025: £260.7 billion) while Nationwide's market share of balances remained stable at 12.2% (period ended 31 March 2025: 12.2%).

On deposits and other borrowings

Interest expense on deposits and other borrowings includes interest that Nationwide pays on subordinated debt instruments and other deposits and borrowings. In the year ended 31 March 2026, interest on subordinated liabilities increased to £128 million from £96 million in the period ended 31 March 2025. Average balances on subordinated liabilities increased by

£643 million to £2,905 million in the year ended 31 March 2026 from £2,262 million in the period ended 31 March 2025.

Other interest expense on deposits from banks and similar institutions and other deposits includes the interest that Nationwide pays on retail deposits by non-members, deposits from other banks and other money market deposits. In the year ended 31 March 2026, other interest expense on deposits and other borrowings increased by 16.6% to £2,426 million from £2,080 million in the period ended 31 March 2025. The decrease was primarily due to movements in collateral balances.

Debt securities in issue include interest that Nationwide pays on certificates of deposit, time deposits, commercial paper, covered bonds, medium-term notes and securitisations. In the year ended 31 March 2026, interest expense on debt securities in issue increased by 14.4% to £2,102 million from £1,837 million in the period ended 31 March 2025. The increase was primarily due to new issuances.

Net expense on financial instruments hedging liabilities

Nationwide uses derivative instruments to synthetically convert fixed rate liabilities to floating rate liabilities. The floating rate expense and fixed rate income on these derivatives are included as "Net expense on financial instruments hedging liabilities." In the year ended 31 March 2026, net expense on financial instruments used to hedge Nationwide's fixed rate liabilities was £754 million, compared with £1,066 million in the prior period ended 31 March 2025.

Net fees and commissions

The following table sets forth the components of net fees and commissions for the year ended 31 March 2026 and the period ended 31 March 2025, respectively:

	For the year ended 31 March			For the period ended 31 March		
	2026			2025		
	Income	Expense	Net	Income	Expense	Net
	(£ million)					
Current account and savings.....	421	(299)	122	337	(265)	72
Insurance, protection and investments.....	64	—	64	55	—	55
Mortgage.....	9	(30)	(21)	13	(31)	(18)
Credit card.....	117	(66)	51	69	(43)	26
Business ⁽¹⁾	86	(9)	77	40	(3)	37
Other fees and commissions.....	—	(16)	(16)	1	(14)	(13)
Fee and commission.....	697	(420)	277	515	(356)	159

Note:

⁽¹⁾ Fees and commissions arising on business lending and business deposits have been separately presented in the current year. Prior year comparatives have been updated to be presented on a consistent basis.

Income from net fees and commissions consists of income that Nationwide earns from lending, banking and savings fees and insurance sales commissions less lending fees and commission expense.

In the year ended 31 March 2026, net fees and commissions increased by 74.2% to £277 million compared with £159 million in the period ended 31 March 2025.

Other operating income

In the year ended 31 March 2026, other operating income decreased by £30 million to a £(9) million loss (period ended 31 March 2025: £21 million gain).

(Losses)/gains from derivatives and hedge accounting

All derivatives Nationwide enters into are recorded on the balance sheet at fair value with any fair value movements accounted for in the income statement. Derivatives, Nationwide uses of which is regulated by the UK Building Societies Act, are only used to limit the extent to which it could be affected by changes in interest rates, exchange rates or other factors specified in building society legislation. These derivatives are therefore used exclusively to hedge risk exposures and are not used for speculative purposes.

In addition, Nationwide enters into certain derivative contracts which, although efficient economically, cannot be included in effective hedge accounting relationships. Consequently, although the implicit interest cost of the underlying instrument and associated derivatives are included in "Net interest income" in the income statement, fair value movements on such derivatives are included in "Gains from derivatives and hedge accounting."

Gains from derivatives and hedge accounting were £35 million in the year ended 31 March 2026 compared to gains of £12 million in the period ended 31 March 2025. These gains were primarily driven by movements in interest rates and foreign exchange rates. Income statement volatility arises due to accounting ineffectiveness of designated hedges, or because hedge accounting has not been adopted or is not achievable. 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.

Operating expenses and similar charges

Operating expenses and similar charges decreased in the year ended 31 March 2026 to £4,159 million compared to £3,550 million in the period ended 31 March 2025. This increase was primarily due to increased costs as a result of running a larger business. The impairment charge decreased to £331 million (period ended 31 March 2025: £632 million). This reduction principally reflects the non-recurrence of acquisition-related impairment charges of £456 million recognised in the period ended 31 March 2025. Excluding these non-recurring items, the underlying impairment charge increased to £331 million (period ended 31 March 2025: £176 million), reflecting a full year of Virgin Money impairments, compared to six months in the period ended 31 March 2025.

The following table sets forth the components of operating expenses and similar charges for the year ended 31 March 2026 and the period ended 31 March 2025, respectively:

	For the year ended 31 March 2026	For the period ended 31 March 2025
	<i>(£ million)</i>	
Administrative expenses.....	3,465	2,958
Depreciation and amortisation and impairment	694	592
Total Administrative expenses	4,159	3,550
Impairment charge on loans and advances to customers.....	331	632
Total.....	4,490	4,182

Administrative expenses

Administrative expenses increased by £609 million to £4,159 million (period ended 31 March 2025: £3,550 million). This was primarily due to increased staff costs as well as technology costs.

The following table sets forth the employee components of administrative expenses for the year ended 31 March 2026 and the period ended 31 March 2025, respectively:

	For the year ended 31 March 2026	For the period ended 31 March 2025
	<i>(£ million)</i>	
Staff costs:		
Wages and salaries.....	1,082	839
Bonuses.....	155	132
Social security costs	172	116
Total.....	1,409	1,087
Pension costs.....	258	204
Other staff costs ⁽¹⁾	24	12
Total.....	1,691	1,303

Note:

⁽¹⁾ Other staff costs include credits of £120 million (2025: £99 million) for capitalised permanent, contract and temporary staff costs)

Employee costs are made up of salaries, bonuses and social security costs (which consist entirely of mandatory UK national insurance contributions) and pension costs.

In the year ended 31 March 2026, wages and salaries, bonuses and social security costs increased to £1,409 million from £1,087 million in the period ended 31 March 2025.

The cost income ratio decreased on an underlying basis to 63.0% (period ended 31 March 2025: 61.1%) largely due to increased costs from running a larger business slightly outweighing the increased income resulting from a larger and more diverse balance sheet.

Depreciation, amortisation and impairment

For the year ended 31 March 2026, depreciation, amortisation and impairment increased by 17.2% to £694 million from £592 million for the period ended 31 March 2025.

Impairment losses on loans and advances to customers

Impairment provisions on financial assets are calculated on an ECL basis for assets held at amortised cost and at FVOCI. ECL impairment provisions are based on an assessment of the probability of default, exposure at default and loss given default, discounted to give a net present value. Provision calculations for retail portfolios are typically performed on a collective rather than individual loan basis. For collective assessments, whilst each loan has an associated ECL calculation, the calculation is based on cohort level data for assets with shared credit risk characteristics such as origination date, origination loan to value or term.

Impairment charges on loans and advances to customers for the year ended 31 March 2026 decreased to £331 million (period ended 31 March 2025: £632 million). This reduction principally reflects the non-recurrence of acquisition-related impairment charges of £456

million recognised in the period ended 31 March 2025. Excluding these non-recurring items, the underlying impairment charge increased to £331 million (period ended 31 March 2025: £176 million), reflecting a full year of Virgin Money impairments, compared to six months in the period ended 31 March 2025. The underlying arrears performance of Nationwide's residential mortgage and consumer lending portfolios remained broadly stable and at low levels. The following table analyses the impairment losses on loans and advances to customers for the year ended 31 March 2026 and the period ended 31 March 2025, respectively:

Impairment charge

	For the year ended 31 March 2026	For the period ended 31 March 2025
	<i>(£ million)</i>	
Residential lending	8	33
Consumer lending	269	514
Retail lending	277	547
Business and commercial lending	54	85
Impairment losses on loans and advances	331	632

The following table analyses the impairment provisions on loans and advances to customers for the year ended 31 March 2026 and the period ended 31 March 2025, respectively:

Impairment provisions

	For the year ended 31 March 2026	For the period ended 31 March 2025
	<i>(£ million)</i>	
Residential lending	352	351
Consumer lending	829	824
Retail lending	1,181	1,175
Business lending	154	113
Total	1,335	1,288

Total impairment provision balances increased to £1,335 million (period ended 31 March 2025: £1,288 million), with retail provisions remaining stable. Business lending provisions increased, driven by additional judgemental provisions for portfolio risks, as well as increased provisions for impaired loans.

Taxes

The main rate of UK corporation tax remained as 25%, the annual banking surcharge allowance remained at £100 million, and the banking surcharge rate remained at 3%. The Group tax charge for the year of £387 million (period ended 31 March 2025: £(36) million) represents an effective tax rate of 26.0% (period ended 31 March 2025: (1.6)%) which is higher than the statutory UK corporation tax rate of 25.0% (period ended 31 March 2025: 25%). The effective tax rate for the prior period was low primarily due to the accounting gain which arose upon acquisition of Virgin Money. As the gain was recognised only on consolidation, it is not a taxable item in any of the individual entities within the Group.

	For the year ended 31 March 2026	For the period ended 31 March 2025
	<i>(£ million)</i>	
Current tax:		
UK corporation tax.....	451	96
Adjustments in respect of prior years	(33)	(77)
Total current tax	418	19
Deferred tax:		
Current year charge/(credit)	(85)	(114)
Adjustments in respect of prior years	54	59
Total deferred taxation.....	(31)	(55)
Statutory tax charge	387	(36)

Results of Operations for the Period Ended 31 March 2025 Compared with the Year Ended 4 April 2024

The following discussion considers Nationwide's results for the period ended 31 March 2025 compared to its results for the year ended 4 April 2024:

Total income

Nationwide's total income increased to £7,484 million in the period ended 31 March 2025 compared to £4,781 million in the year ended 4 April 2024. The following table sets forth the components of income for the period ended 31 March 2025 and the year ended 4 April 2024, respectively:

	For the period ended 31 March 2025	For the year ended 4 April 2024
	<i>(£ million)</i>	
Net interest income.....	4,992	4,450
Net fees and commissions.....	159	134
Other operating income.....	21	80
Gains from derivatives and hedge accounting.....	12	117
Gain on acquisition of Virgin Money.....	2,300	—
Total.....	7,484	4,781

Net interest income

NII increased by £542 million, or 12.2% in the period ended 31 March 2025 to £4,992 million from £4,450 million in the year ended 4 April 2024. The increase was primarily related to the Virgin Money Acquisition and the contributions thereof to NII and was partially offset by the timing of changes in the Bank Rate and continued reduction in overall mortgage margins.

The following table sets forth the components of net interest income for the period ended 31 March 2025 and the year ended 4 April 2024, respectively:

	For the period ended 31 March 2025	For the year ended 4 April 2024
	<i>(£ million)</i>	
Interest and similar income:		
On residential mortgages.....	8,904	6,424
On other loans	1,399	718
On investment securities	—	1
On investment securities measured at FVOCI	644	522

	For the period ended 31 March 2025	For the year ended 4 April 2024
	<i>(£ million)</i>	
On other liquid assets, including reserves at central banks.....	1,647	1,962
Net income on financial instruments hedging assets in a qualifying hedge accounting relationship.....	3,416	4,335
Interest on net defined benefit pension surplus.....	45	44
Other interest and similar income.....	27	19
Total interest and similar income.....	16,082	14,025
Interest expense and similar charges:		
On shares held by individuals.....	(6,001)	(5,217)
On non-member retail deposits.....	(834)	—
On subscribed capital.....	(10)	(11)
On deposits and other borrowings:		
Subordinated liabilities ⁽¹⁾	(96)	(72)
Deposits from banks and similar institutions and other deposits.....	(1,246)	(1,723)
Debt securities in issue ⁽¹⁾	(1,837)	(1,449)
Net expense on financial instruments hedging liabilities.....	(1,066)	(1,103)
Total interest expense and similar charges.....	(11,090)	(9,575)
Net interest income.....	4,992	4,450

Notes:

- ⁽¹⁾ Comparative financial information for the year ended 4 April 2024 was restated in the 2025 Financial Statements, to align with the reclassification of senior non-preferred notes from subordinated liabilities to debt securities in issues. See Note 1 to the 2025 Financial Statements.

Interest and similar income

The increase in interest income is primarily attributable to balance sheet growth in mortgages, which represents the majority of the Group's loans and advances to customers for the period ended 31 March 2025. Gross balances of loans and advances to customers increased by £88 billion, of this £72 billion came from Nationwide's purchase of Virgin Money on 1 October 2025 and £15.9 billion from more mortgages issued by the Society.

On investment securities

Interest and similar income from investment securities comprise interest income earned on the corporate and government investment securities that Nationwide purchases for its own account to manage its liquidity portfolios and net realised gains and losses on its sales of these instruments.

Interest and similar income from investment securities measured at FVOCI increased by 23.4% to £644 million for the period ended 31 March 2025, compared with £522 million for the year ended 4 April 2024.

Net income on financial instruments hedging assets in a qualifying hedge accounting relationship

Derivative instruments are used to synthetically convert fixed rate assets to floating rate assets. If derivatives are subject to hedge accounting, the floating rate income and fixed rate expense on these derivatives are included as "net income on financial instruments hedging assets in a qualifying hedge accounting relationship." In the period ended 31 March 2025, Nationwide generated a net income of £3,416 million on these instruments, compared with a net income of £4,335 million in the year ended 4 April 2024.

Interest expense and similar charges

The average interest rate that Nationwide paid to UK retail member depositors increased to 3.0% for the period ended 31 March 2025, compared with 2.7% for the year ended 4 April 2024. Retail deposit balances increased by £67.3 billion to £260.7 billion (year ended 4 April 2024: £193.4 billion) while its market share of balances increased to 12.2% (year ended 4 April 2024: 9.5%).

On deposits and other borrowings

Interest expense on deposits and other borrowings includes interest that Nationwide pays on subordinated debt instruments and other deposits and borrowings. In the period ended 31 March 2025, interest on subordinated liabilities increased to £96 million from £72 million in the year ended 4 April 2024. Average balances of subordinated liabilities increased by £190 million to £2,262 million in the period ended 31 March 2025 from £2,072 million in the year ended 4 April 2024.

Other interest expense on deposits from banks and similar institutions and other deposits includes the interest that Nationwide pays on retail deposits by non-members, deposits from other banks and other money market deposits. In the period ended 31 March 2025, other interest expense on deposits from banks and similar institutions and other deposits increased by 20.7% to £2,080 million from £1,723 million in the year ended 4 April 2024.

Debt securities in issue include interest that Nationwide pays on certificates of deposit, time deposits, commercial paper, covered bonds, medium-term notes and securitisations. In the period ended 31 March 2025, interest expense on debt securities in issue increased by 26.8% to £1,837 million from £1,449 million in the year ended 4 April 2024. The increase was primarily due to the Virgin Money Acquisition.

Net expense on financial instruments hedging liabilities

Nationwide uses derivative instruments to synthetically convert fixed rate liabilities to floating rate liabilities. The floating rate expense and fixed rate income on these derivatives are included as "Net expense on financial instruments hedging liabilities." In the period ended 31 March 2025, net expense on financial instruments used to hedge Nationwide's fixed rate liabilities was £1,066 million, compared with £1,103 million in the prior year ended 4 April 2024.

Net fees and commissions

The following table sets forth the components of net fees and commissions for the period ended 31 March 2025 and the year ended 4 April 2024, respectively:

	For the period ended 31 March			For the year ended 4 April 2024		
	2025					
	Income	Expense	Net	Income	Expense	Net
	(£ million)					
Current account and savings.....	352	(265)	87	300	(234)	66
Insurance, protection and investments.	55	—	55	67	—	67
Mortgage.....	13	(31)	(18)	12	(20)	(8)
Credit card.....	69	(43)	26	41	(33)	8
Other fees and commissions.....	26	(17)	9	6	(5)	1
Fee and commission	515	(356)	159	426	(292)	134

Income from net fees and commissions consists of income that Nationwide earns from lending, banking and savings fees and insurance sales commissions less lending fees and commission expense.

In the period ended 31 March 2025, net fees and commissions increased by 18.66% to £159 million compared with £134 million in the year ended 4 April 2024.

Other operating income

In the period ended 31 March 2025, other operating income decreased by £59 million to a £21 million gain (4 April 2024: £80 million gain).

Gains from derivatives and hedge accounting

All derivatives Nationwide enters into are recorded on the balance sheet at fair value with any fair value movements accounted for in the income statement. Derivatives, Nationwide uses of which is regulated by the UK Building Societies Act, are only used to limit the extent to which it could be affected by changes in interest rates, exchange rates or other factors specified in building society legislation. These derivatives are therefore used exclusively to hedge risk exposures and are not used for speculative purposes.

Where effective hedge accounting relationships can be established, the movement in the fair value of the derivative instrument is offset in full or in part by opposite movements in the fair value of the underlying asset or liability being hedged. Any ineffectiveness arising from different movements in fair value will likely trend to nil over time.

In addition, Nationwide enters into certain derivative contracts which, although efficient economically, cannot be included in effective hedge accounting relationships. Consequently, although the implicit interest cost of the underlying instrument and associated derivatives are included in "Net interest income" in the income statement, fair value movements on such derivatives are included in "Gains from derivatives and hedge accounting."

Gains from derivatives and hedge accounting were £12 million in the period ended 31 March 2025 compared to gains of £117 million in the year ended 4 April 2024. These gains were primarily driven by movement in interest rates and foreign exchange rates. Income statement volatility arises due to accounting ineffectiveness of designated hedges, or because hedge accounting has not been adopted or is not achievable.

Operating expenses and similar charges

Operating expenses and similar charges increased in the period ended 31 March 2025 to £3,302 million compared to £2,120 million in the year ended 4 April 2024. This increase was primarily due to the Virgin Money Acquisition. The impairment charge of £632 million (4 April 2024: £112 million charge) consists mainly of a £12 million underlying charge for the Group driven by reductions in adjustments made to the modelled provision where the previously anticipated increase in arrears has not materialised, a £164 million charge relating to Virgin Money and £456 million in one-off charges relating to the Virgin Money Acquisition, including alignment of accounting policy and key judgments.

The following table sets forth the components of operating expenses and similar charges for the period ended 31 March 2025 and the year ended 4 April 2024, respectively:

	For the period ended 31 March 2025	For the year ended 4 April 2024
	(£ million)	
Administrative expenses.....	2,958	2,088
Depreciation and amortisation.....	592	461
Total Administrative expenses⁽¹⁾.....	3,550	2,549
Impairment charge on loans and advances to customers.....	632	112
Total.....	4,182	2,661

Note:

(1) Comparative financial information for the year ended 4 April 2024 was restated in the 2025 Financial Statements, to present provisions for liabilities and charges within administrative expenses.

Administrative expenses

Administrative expenses increased by £1,001 million to £3,550 million (4 April 2024: £2,549 million). This was primarily due to £698 million in costs incurred by Virgin Money which includes continued investment in customer service, asset quality reviews and branches, £36 million of Acquisition related costs, £275 million of costs associated with the amended Trademark License Agreement between Virgin Money and Virgin Enterprises Limited and £56 million of amortisation of acquired assets arising from the Virgin Money Acquisition.

The following table sets forth the employee components of administrative expenses for the period ended 31 March 2025 and the year ended 4 April 2024, respectively:

	For the period ended 31 March 2025	For the year ended 4 April 2024
	(£ million)	
Staff costs:		
Wages and salaries.....	839	660
Bonuses.....	132	83
Social security costs.....	116	86
Total.....	1,087	829
Pension costs.....	204	168
Other staff costs.....	12	(6)
Total.....	1,303	991

Note:

(1) Comparative financial information for the year ended 4 April 2024 was restated in the 2025 Financial Statements. Administrative cost categories have been updated to include customer redress, legal and regulatory provisions cost which were previously shown separately in the income statement. Other staff costs have been recategorised from other administrative expenses to staff costs. Other staff costs include credits of £99 million (2024: £96 million) for capitalised permanent, contract and temporary staff costs which were previously included within technology costs. Technology costs include credits of £93 million (2024: £196 million) for capitalised statement of work contractors. All prior period comparatives have been restated on a consistent basis. See Note 1 to the 2025 Financial Statements.

Employee costs are made up of salaries, bonuses and social security costs (which consist entirely of mandatory UK national insurance contributions) and pension costs.

In the period ended 31 March 2025, wages and salaries, bonuses and social security costs increased to £1,087 million from £829 million in the year ended 4 April 2024.

The cost income ratio increased on an underlying basis to 61.1% (4 April 2024: 51.9%) largely as a result of the Virgin Money Acquisition.

Depreciation and amortisation

For the period ended 31 March 2025, depreciation and amortisation expenses increased by 28.4% to £592 million from £461 million for the year ended 4 April 2024.

Impairment losses on loans and advances to customers

Impairment provisions on financial assets are calculated on an ECL basis for assets held at amortised cost and at FVOCI. ECL impairment provisions are based on an assessment of the probability of default, exposure at default and loss given default, discounted to give a net present value. Provision calculations for retail portfolios are typically performed on a collective rather than individual loan basis. For collective assessments, whilst each loan has an associated ECL calculation, the calculation is based on cohort level data for assets with shared credit risk characteristics such as origination date, origination loan to value or term.

Impairment charges on loans and advances to customers for the period ended 31 March 2025 were £632 million (year ended 4 April 2024: £112 million).

This includes a £12 million underlying charge for the Group driven by reductions in adjustments made to the modelled provision where the previously anticipated increase in arrears has not materialised, a £164 million underlying charge relating to Virgin Money and £456 million in one-off charges relating to the Virgin Money Acquisition. These one-off charges include the initial recognition of the 12-month expected loss, the impact of the first application of staging criteria and the alignment of key elements of the Group's impairment provision methodology. The underlying arrears performance of Nationwide's residential mortgage and consumer lending portfolios remained broadly stable and at low levels. The following table analyses the impairment losses on loans and advances to customers for the period ended 31 March 2025 and the year ended 4 April 2024, respectively:

Impairment charge

	For the period ended 31 March 2025	For the year ended 4 April 2024
	<i>(£ million)</i>	
Residential lending	33	44
Consumer lending	514	51
Retail lending	547	95
Business and commercial lending	85	17
Impairment losses on loans and advances	632	112

The following table analyses the impairment provisions on loans and advances to customers for the period ended 31 March 2025 and the year ended 4 April 2024, respectively:

Impairment provisions

	For the period ended 31 March 2025	For the year ended 4 April 2024
	<i>(£ million)</i>	
Residential lending	351	321
Consumer lending	824	436

	For the period ended 31 March 2025	For the year ended 4 April 2024
	<i>(£ million)</i>	
Retail lending	1,175	757
Business and commercial lending	113	24
Total	1,288	781

Total impairment provision balances increased to £1,288 million (period ended 4 April 2024: £781 million), primarily due to the recognition of Virgin Money balance sheet provisions, which amounted to £580 million.

Taxes

The main rate of UK corporation tax remained as 25%, the annual banking surcharge allowance remained at £100 million, and the banking surcharge rate remained at 3%. The Group tax credit for the year of £(36) million (4 April 2024: £476 million) represents an effective tax rate of (1.6)% (4 April 2024: 26.8%) which is lower than the statutory UK corporation tax rate of 25% (4 April 2024: 25%). The low Group effective tax rate is primarily due to the accounting gain which arose upon the Virgin Money Acquisition, as detailed in Note 38 to the 2025 Financial Statements. As the gain was recognised only on consolidation, it is not a taxable item in any of the individual entities within the Group. The Society effective tax rate was 21.7% (4 April 2024: 27.3%).

	For the period ended 31 March 2025	For the year ended 4 April 2024
	<i>(£ million)</i>	
Current tax:		
UK corporation tax	96	483
Adjustments in respect of prior years	(77)	(28)
Total current tax	19	455
Deferred tax:		
Current year charge/(credit)	(114)	(3)
Adjustments in respect of prior years	59	24
Total deferred taxation	(55)	21
Statutory tax charge	(36)	476

Liquidity and Funding

Funding strategy

Nationwide's funding strategy is to be predominantly funded by deposits from individuals. As at 31 March 2026, the Group's loan to deposit ratio, which represents loans and advances to customers divided by customer deposits, was 106.0% (31 March 2025: 106.7%).

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%) as at 31 March 2026 was 37.5% (31 March 2025: 37.2%).

	As at 31 March	
	2026	2025
	<i>(£ billion)</i>	
Liabilities:		
Customer deposits - individuals	270.8	260.7
Customer deposits – business	22.8	21.1
Wholesale funding	60.4	57.4

Other liabilities.....	4.0	5.6
Capital and reserves.....	24.3	23.1
Total.....	382.3	367.9
Assets:		
Retail mortgages.....	286.0	275.6
Treasury assets (including liquidity portfolio).....	66.1	60.0
Business lending.....	14.8	15.0
Consumer lending.....	10.7	10.3
Other assets.....	4.7	7.0
Total.....	382.3	367.9

Managing liquidity and funding risk

Nationwide manages liquidity and funding risk within a comprehensive risk framework which includes policies, strategy, limit setting and monitoring, stress testing and robust governance controls. See "*Risk Factors—Economic and Financial Risks—Liquidity and Funding*" for additional information on funding and liquidity risk.

Nationwide's management of liquidity and funding risk aims to ensure that there are sufficient liquid assets at all times, both as to amount and quality, to cover cash flow mismatches and fluctuations in funding, to retain public confidence and to enable it to meet financial obligations as they fall due, even during episodes of stress. The framework also ensures the Group maintains a prudent funding mix and maturity profile and appropriate encumbrance levels.

The Group's liquidity and funding risk framework is reviewed by the Board as part of the annual Internal Liquidity Adequacy Assessment Process (ILAAP). Nationwide's Group Assets and Liabilities Committee (Group ALCO) is responsible for managing the Group's balance sheet structure and risk, within limits defined by Group risk appetite. Cash flow forecasts are maintained and reviewed weekly to support the Group in monitoring of key risk metrics.

The Group's risk appetite defines the minimum size and mix of the liquid asset buffer. Sufficient liquid assets, both in terms of amount and quality, are held to meet daily cash flow needs as well as simulated stressed requirements driven by the Group's risk appetite and regulatory assessments at the Group and individual entity level. This includes prudent management of the currency mix of liquid assets to ensure there are no undue mismatches between the currency of assets and stressed outflows.

Liquid assets are held and managed by the Group Treasury function. A high-quality liquidity portfolio is maintained, predominantly comprising reserves held at central banks and highly rated debt securities issued by a restricted range of governments, central banks and supranationals. The Group also holds high-quality covered bonds, residential mortgage-backed securities (RMBS) and asset-backed securities (ABS).

For contingent purposes, unencumbered mortgage assets are pre-positioned at the Bank of England and can be used in the Bank of England's liquidity operations in the event of severe disruption to market liquidity or a sudden or extreme stress.

Liquidity and funding metrics

Nationwide monitors its liquidity position relative to internal risk appetite and the regulatory short-term liquidity stress metric, the Liquidity Coverage Ratio (LCR). Nationwide's LCR averaged 169% over the 12 months ended 31 March 2026 (period ended 31 March 2025:

174%), which is above the regulatory minimum of 100%. Nationwide manages liquidity against internal risk appetite which is more prudent than regulatory requirements.

Nationwide also monitors its position against the longer-term funding metric, the Net Stable Funding Ratio ("**NSFR**"). Nationwide's NSFR averaged 143% over the 12 months ended 31 March 2026 (period ended 31 March 2025: 147%) which exceeds the 100% minimum requirement.

Wholesale funding

A comparative analysis of Nationwide's wholesale funding is set out in the tables below:

	As at 31 March 2026		As at 31 March 2025	
	(£ billion, except percentages)			
Repos	2.1	3%	1.5	2%
Deposits	2.6	4%	3.8	7%
Certificates of deposit.....	1.0	2%	1.8	3%
Commercial paper	0.7	1%	0.7	1%
Covered bonds.....	23.8	39%	21.2	37%
Senior preferred	11.8	20%	14.9	26%
Senior non-preferred	13.4	23%	8.2	14%
Securitisations.....	5.0	8%	5.0	9%
Term Funding Scheme with additional incentives for SMEs (TFSME).. Other	0.9	1%	0.9	2%
	(0.9)	(1)%	(0.6)	(1)%
Total	60.4	100%	57.4	100%

The table below sets out Nationwide's wholesale funding by currency as at 31 March 2026:

	As at 31 March 2026				
	GBP	EUR	USD	Other	Total
	<i>(£ billion)</i>				
Repos	2.0	—	0.1	—	2.1
Deposits	2.6	—	—	—	2.6
Certificates of deposit	0.9	—	0.1	—	1.0
Commercial paper	—	—	0.7	—	0.7
Covered bonds	9.9	11.9	1.1	0.9	23.8
Senior preferred	1.9	5.8	2.9	1.2	11.8
Senior non-preferred	2.6	5.7	4.7	0.4	13.4
Securitisations	5.0	—	—	—	5.0
Term Funding Scheme with additional incentives for SMEs (TFSME) ..	0.9	—	—	—	0.9
Other	—	(0.8)	(0.1)	—	(0.9)
Total	25.8	22.6	9.5	2.5	60.4

As at 31 March 2026, cash, government bonds and supranational bonds included in the liquid asset buffer represented 342% (31 March 2025: 316%) of wholesale funding maturing in less than one year, assuming no rollovers.

The tables below set out the residual maturity of the wholesale funding book as at 31 March 2026, 31 March 2025 and 4 April 2024 respectively:

	As at 31 March 2026		As at 31 March 2025		As at 4 April 2024	
	<i>(£ billion, except percentages)</i>					
Less than one year.....	15.9	26.3%	14.2	24.7%	15.3	29.8%
One to two years.....	10.7	17.7%	14.4	25.1%	14.5	28.2%

	As at 31 March 2026		As at 31 March 2025		As at 4 April 2024	
	<i>(£ billion, except percentages)</i>					
More than two years.....	33.8	56.0%	28.8	50.2%	21.6	42.0%
Total.....	60.4	100%	57.4	100%	51.4	100%

The table below sets out a more detailed breakdown of the residual maturity on the wholesale funding book as at 31 March 2026:

As at 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	Sub-total less than one year	Over one year but not more than two years	Over two years
	<i>(£ billion, except percentages)</i>						
							Total
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	23.8
Senior preferred	—	0.3	0.2	1.9	2.4	2.7	11.8
Senior non preferred	—	—	0.1	0.1	0.2	3.6	13.4
Securitisations.....	0.1	0.1	0.1	0.5	0.9	1.9	5.0
TFSME	—	—	—	0.6	0.6	—	0.9
Other.....	—	—	—	—	—	(0.9)	(0.9)
Total.....	6.0	3.2	1.2	5.5	15.9	10.7	33.8
Of which secured	2.7	1.9	0.9	3.5	9.0	4.4	31.2
Of which unsecured	3.3	1.3	0.3	2.0	6.9	6.3	29.2
% of total.....	9.9	5.3	2.0	9.1	26.3	17.7	100.0

External Credit Ratings

Nationwide's long-term and short-term credit ratings from the major rating agencies as at the date of this Registration Document are as set out below.

	Long-Term ⁽¹⁾	Short-Term	Date of last rating action / confirmation	Outlook
S&P Global (S&P)	A+	A-1	September 2025	Stable
Moody's	A1	P-1	March 2026	Stable
Fitch	AA-	F1+	May 2026	Stable

Notes:

¹ S&P issuer credit rating, Moody's long-term issuer rating, Fitch issuer default rating

In May 2026, Fitch upgraded Nationwide's long-term issuer default rating to AA- (from A) and its short-term rating to F1+ (from F1), following an update to Fitch's Bank Rating Criteria. The upgrade partly reflected Fitch's assessment that Nationwide holds a very large resolution debt buffer, which is expected to persist.

In March 2026, Moody's affirmed Nationwide's ratings following the implementation of a significant update to Moody's Banks Methodology in late 2025.

In September 2025, S&P affirmed Nationwide's ratings.

The outlook for Nationwide's long-term ratings remains 'stable' across all three ratings agencies.

Treasury Assets

Nationwide's liquidity and investment portfolio as at 31 March 2026 of £66 billion (31 March 2025: £60.0 billion) is held in two separate portfolios: liquid assets and other securities.

The liquid assets portfolio comprises cash held at central banks, highly rated debt securities issued by a limited range of governments, central banks multi-lateral development banks (referred to as "**supranationals**"), and government guaranteed agencies. In addition, cash is invested in highly rated liquid assets (covered bonds, residential mortgage-backed securities and asset-backed securities) that are eligible for accessing central bank funding operations. The other securities portfolio comprises available for sale investment securities, with movements reflecting legacy asset disposals, market prices and the Group's operational and strategic liquidity requirements.

Nationwide's treasury credit policy ensures all credit risk exposures align to the Board's risk appetite with investments restricted to low-risk assets and proven market counterparties; analyses of Nationwide's on-balance sheet portfolios by credit rating and geographical location of the issuers are set out below.

	As at 31 March 2026									
	Credit Rating					Geography				
	£ million	AAA	AA	A	Other	UK	US and Canada	Europe	Japan	Other
		(£ million)					(percentages)			
Liquidity and investment portfolio by credit rating:										
Liquid assets:										
Cash and reserves at central banks	38,411	—	100	—	—	100	—	—	—	—
Government bonds	17,998	10	75	15	—	45	35	15	5	—
Supranational bonds	3,270	67	33	—	—	—	—	—	—	100
Covered bonds	3,325	100	—	—	—	61	17	13	—	9
Residential mortgage backed securities (RMBS)	781	100	—	—	—	41	—	59	—	—
Asset-backed securities (other)	195	100	—	—	—	100	—	—	—	—
Liquid assets total	63,980	13	83	4	—	77	11	6	1	5
Other securities⁽¹⁾:										
RMBS FVOCI	255	100	—	—	—	100	—	—	—	—
Other investments ⁽⁴⁾	81	—	—	—	100	87	—	13	—	—
Other securities total	336	76	—	—	24	97	—	3	—	—
Loans and advances to banks...	1,758	—	46	54	—	63	31	6	—	—
Total	66,074	13	81	5	1	77	11	6	1	5

Note:

⁽¹⁾ The ratings used are obtained from Standard & Poor's (S&P), Moody's or Fitch. For loans and advances to banks and similar institutions, internal ratings are used.

A monthly review of the current and expected future performance of all treasury assets is undertaken, with regular independent review, underpinned by robust risk reporting and performance metrics, to measure, mitigate and manage credit risk. In accordance with accounting standards, assets are impaired where there is objective evidence that current events or performance will result in a loss. In assessing impairment Nationwide evaluates, among other factors, normal volatility in valuation, evidence of deterioration in the financial health of the obligor, industry and sector performance and underlying cash flows.

Collateral held as security for treasury assets is determined by the nature of the instrument. Treasury liquidity and portfolios are generally unsecured with the exception of reverse repos, asset-backed securities ("**ABS**") and similar instruments, which are secured by pools of financial assets.

Fair value through other comprehensive income reserve

Of the total £66,074 million (31 March 2025: £59,956 million) liquidity and investment portfolio as at 31 March 2026, £25,905 million (31 March 2025: £28,663 million) was held as fair value. These assets are marked to market, with fair value movements recognised in reserves or through profit and loss.

Of these assets, £81 million (31 March 2025: £65 million) were classified as Level 3 (valuation not based on observable market data) for the purposes of IFRS 13. Further detail on the Level 3 portfolio is provided in Note 22 in Nationwide's audited consolidated financial statements for the year ended 31 March 2026.

As at 31 March 2026, the balance on the FVOCI reserve was a £26 million loss, net of tax (31 March 2025: £119 million loss). The movements in the FVOCI reserve reflect general market movements. The fair value movement of FVOCI assets that are not impaired has no effect on Nationwide's profit. As at 31 March 2026 investment securities classified as FVTPL totalled £5 million (31 March 2025: £5 million).

The following table provides an analysis of financial assets and liabilities held on Nationwide's balance sheet at fair value, grouped in levels 1 to 3 based on the degree to which the fair value is observable as at 31 March 2026:

	As at 31 March 2026			Total
	Level 1	Level 2	Level 3	
	(£ million)			
Financial Assets:				
Government, government guaranteed and supranational investments.....	21,268	—	—	21,268
Other debt investment securities.....	3,326	1,230	4	4,560
Investment in equity shares.....	—	—	77	77
Total investment securities.....	24,594	1,230	81	25,905
Interest rate swaps.....	—	1,787	—	1,787
Cross currency interest rate swaps.....	—	1,373	—	1,373
Foreign exchange swaps	—	22	—	22
Inflation swaps	—	141	—	141
Other derivatives.....	—	18	—	18
Total derivative financial instruments.....	—	3,341	—	3,341
Loans and advances to customers	—	36	34	70
Total financial assets.....	24,594	4,607	115	29,316
Financial liabilities:				
Interest rate swaps.....	—	354	—	354
Cross currency interest rate swaps.....	—	702	—	702
Foreign exchange swaps	—	10	—	10
Inflation swaps	—	103	—	103
Other derivatives.....	—	9	—	9
Total derivative financial instruments.....	—	1,178	—	1,178
Total financial liabilities	—	1,178	—	1,178

Nationwide's 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.

The main constituents of the Level 3 portfolio are loans and advances to customers and investment securities.

Loans and advances to customers

Certain loans and advances to customers have been classified as FVTPL. Level 3 assets in this category include a closed portfolio of residential mortgages.

Investment securities

The Level 3 items in this category primarily include investments made in FinTech companies, of which £75 million (31 March 2025: £60 million) were equity investments which have been designated at FVOCI as the investments are being held for long term strategic purposes.

Derivative financial instruments (inflation swaps and swaptions)

Inflation swaps are used to hedge the Group's investments in index-linked government debt. Adjustments to the inflation curve to reflect seasonality in inflation index publications is required to determine a valuation; however, unlike most derivative valuation inputs, this market data is not available and therefore the input is internally derived rather than observable.

Financial Condition of Nationwide

Capital Resources

Capital is held by Nationwide to protect its depositors, cover its inherent risks, provide a cushion for stress events and support its business strategy. In assessing the adequacy of Nationwide's capital resources, it considers its risk appetite in the context of the material risks to which Nationwide is exposed and the appropriate strategies required to manage those risks. Nationwide manages its capital structure to ensure it continues to meet minimum regulatory requirements, as well as meeting the expectations of other key stakeholders. As part of the risk appetite framework, Nationwide targets strong capital ratios relative to both regulatory requirements and major banking peers. Any planned changes to the balance sheet, potential regulatory developments and other factors (such as trading outlook, movements in the fair value other comprehensive income reserve and pension deficit) are all considered.

The capital strategy is to manage capital ratios through retained earnings, supplemented by external capital where appropriate. In line with the Society's capital management practices, opportunities have been taken to reduce excess capital resources through liabilities and equity management exercises, including a CCDS repurchase of £101 million in February 2023 and £75 million in June 2023. The capital disclosures included below are reported on a CRD IV end point basis unless otherwise stated. This assumes that all CRD IV requirements are in force during the period, with no transitional provisions permitted. In addition, the disclosures are on a Group (consolidated) basis, including all subsidiary entities, unless otherwise stated.

The table below reconciles the general reserves to total regulatory capital.

	As at 31 March		As at 4 April
	2026	2025	2024
	(£ million)		
General reserve.....	17,746	17,086	15,119
Proportional consolidated gains/losses arising from joint venture ⁽¹⁾	—	9	—
Core capital deferred shares (CCDS) ⁽²⁾	1,334	1,334	1,334
Revaluation reserve.....	35	35	36
Fair value through other comprehensive income (FVOCI) reserve.....	(26)	(119)	(38)
Cashflow hedge and other hedging reserves.....	(5)	79	76
Regulatory adjustments and deductions:			
Cashflow hedge and other hedging reserves ⁽³⁾	5	(79)	(76)
Direct holdings of CET1 instruments ⁽²⁾	(177)	(177)	(177)
Foreseeable distributions ⁽⁴⁾	(82)	(100)	(63)
Prudent valuation adjustment ⁽⁵⁾	(86)	(82)	(73)
Own credit and debit valuation adjustments ⁽⁶⁾	(3)	(4)	(11)
Intangible assets ⁽⁷⁾	(1,024)	(1,226)	(812)
Goodwill ⁽⁷⁾	(12)	(12)	(12)
Defined benefit pension fund asset ⁽⁷⁾	(537)	(669)	(454)
Excess of regulatory expected losses over impairment provisions ⁽⁸⁾	(273)	(247)	(51)
Deferred tax assets that rely on future profitability and do not arise from temporary differences ⁽⁹⁾	(211)	(217)	—
Total regulatory adjustments and deductions	(2,400)	(2,813)	(1,729)
CET1 capital.....	16,684	15,611	14,798
Other equity instruments (Additional Tier 1)	2,178	2,121	1,336
Total Tier 1 capital	18,862	17,732	16,134
Subordinated debt ⁽¹⁰⁾	1,873	1,757	1,650
Excess of impairment provisions over regulatory expected losses ⁽⁸⁾	48	—	24
Tier 2 capital	1,921	1,757	1,674
Total regulatory capital	20,783	19,489	17,808

Notes:

1. The Group applied a proportional consolidation approach to the Salary Finance Loans Limited joint venture, which was accounted for in the consolidated financial statements using the equity method. The Group sold its shares in Salary Finance Loans Limited in the year.
2. The CCDS amount does not include the deductions for the Group's repurchase exercises. This is presented separately as a regulatory adjustment in line with CRR article 42.
3. In accordance with CRR article 33, institutions do not include the fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value.
4. Foreseeable distributions in respect of CCDS and Additional Tier 1 (AT1) securities are deducted from CET1 capital under CRR rules.
5. A prudent valuation adjustment (PVA) is applied in respect of fair valued instruments as required under CRR rules.
6. Own credit and debit valuation adjustments are applied to remove balance sheet gains or losses of fair valued liabilities and derivatives that result from changes in own credit standing and risk, as per the CRR.
7. Intangible, goodwill and net defined benefit pension fund assets are deducted from capital resources after netting associated deferred tax liabilities.
8. Where capital expected loss exceeds accounting provisions, the excess balance is removed from CET1 capital, gross of tax. In contrast, where provisions exceed capital expected loss, the excess amount is added to Tier 2 capital, gross of tax. This calculation is not performed for equity exposures, in line with CRR article 159. The expected loss amounts for equity exposures are deducted from CET1 capital.
9. Deferred tax assets that rely on future profitability, excluding those arising from temporary differences, are deducted as per CRR article 38, net of related tax liabilities where the conditions in CRR article 38 (3) are met.
10. 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.

Nationwide's key capital measures are summarised in the table below:

	As at 31 March 2026	As at 31 March 2025	As at 4 April 2024
	<i>(£ million, except percentages)</i>		
Solvency ratios:			
CET1 ratio	19.1%	19.1%	27.1%
Total Tier 1 ratio	21.6%	21.7%	29.5%
Total regulatory capital ratio	23.8%	23.8%	32.6%
Leverage:			
UK leverage exposure ⁽¹⁾	353,504	344,018	249,263
Total Tier 1 capital	18,862	17,732	16,134
Leverage ratio	5.3%	5.2%	6.5%

Notes:

⁽¹⁾ The UK leverage ratio is calculated using the Capital Requirements Regulation (CRR) definition of Tier 1 for the capital amount and the Delegated Act definition of the exposure measure, excluding eligible central bank reserves.

Risk-based capital ratios remained in excess of regulatory requirements with the CET1 ratio of 19.1% (31 March 2025: 19.1%) above Nationwide's CET1 capital requirement of 12.3%. The CET1 capital requirement includes a 6.8% minimum Pillar 1 and Pillar 2A requirement and the UK CRD V combined buffer requirements of 5.5% of RWAs.

The CET1 ratio remained stable at 19.1% following an increase in CET1 capital of £1.1 billion offset by an increase in RWAs of £5.5 billion. The CET1 capital increase was driven by statutory profit after tax. The RWA increase was predominately driven by an increase in retail mortgages RWAs. This increase reflected both growth in lending balances and a one-off £3.0 billion increase in the temporary model adjustment applied to Virgin Money's existing IRB mortgage models, following regulatory feedback as part of the revised model approval process.

The Group's leverage ratio increased to 5.3% (31 March 2025: 5.2%), with Tier 1 capital resources increasing by £1.1 billion as a result of the CET1 capital movements referenced above. This was partially offset by an increase in leverage exposure of £9.5 billion, predominately due to increased residential mortgage balances.

The leverage ratio remains in excess of the Group's leverage capital requirement of 4.30%, which comprises a minimum Tier 1 capital requirement of 3.25% and buffer requirements of 1.05%. The buffer requirement includes a 0.7% countercyclical leverage ratio buffer and a 0.35% additional leverage ratio buffer.

On 8 October 2021, as part of its policy statement PS21/21, the PRA confirmed its intention to simplify the leverage framework by applying a single Leverage Exposure Measure (LEM) for all purposes from 1 January 2022. This measure aligned to the previous UK leverage exposure definition, which excludes central bank claims.

Leverage requirements continue to be the Group's binding Tier 1 capital measure, as the combination of minimum and regulatory buffer requirements are in excess of the risk-based equivalents. The Tier 1 leverage requirements are expected to remain higher than the Tier 1 risk-based requirements under Basel 3.1 which includes the standardised output floor.

The risk of excessive leverage is managed through regular monitoring and reporting of the leverage, which forms part of risk appetite.

	As at 31 March 2026	As at 31 March 2025 (£ million)	As at 4 April 2024
Credit risk			
Retail mortgages.....	51,266	45,914	37,373
Retail unsecured lending.....	10,336	9,481	4,750
Business and commercial lending.....	11,203	11,274	1,818
Treasury.....	1,248	1,903	1,736
Counterparty credit risk ⁽¹⁾	515	463	415
Credit valuation adjustment.....	405	338	362
Other ⁽²⁾	2,623	2,686	1,676
Total credit risk.....	77,596	72,059	48,130
Total operational risk.....	9,841	9,812	6,498
Total risk weighted assets (RWAs).....	87,437	81,871	54,628

Notes:

⁽¹⁾ Counterparty credit risk relates to derivative financial instruments, securities financing transactions and exposures to central counterparties.

⁽²⁾ Other relates to equity, fixed, intangible software and other assets.

For further information and analysis of Nationwide's capital resources, see "*Capitalisation and Indebtedness*."

Short-Term Borrowings

Nationwide's short-term borrowings fluctuate considerably depending on its current operating needs. The terms of Nationwide's short-term borrowings are less than one year.

Investments

Nationwide's principal investments are targeted at four distinct areas: meeting regulatory and mandatory requirements; ensuring that technology and property infrastructure is resilient and secure; delivering the technical integration of Nationwide and Virgin Money; and providing discretionary strategic investment. The strength of Nationwide's business means it is well placed to invest confidently in its future. Nationwide will develop new propositions, further enhance its service, simplify its operations and build new skills and technology capabilities for the future.

Recent strategic investment activity has focussed on customer service, ensuring great experience across channel of choice. Significant investment has been made on Nationwide's mobile app and internet bank, as well as modernising contact centres, continuing to invest in our branch network, and digitising our Home and Landlord customer journeys. This is supported through investment in underlying infrastructure and data capabilities, taking advantage of automation and developing opportunities through AI use cases. Looking forward, Integration will strengthen and align our core product offerings with particular focus on developing our credit card and business banking propositions.

FSCS

In common with other financial institutions subject to the FSCS, Nationwide continues to have a potential exposure to future levies resulting from the failure of other financial institutions and consequential claims which arise against the FSCS as a result of such failure.

Bank Levy

Bank levy requirements were introduced in the UK in July 2011. The levy applies to UK banking groups, building societies and the operations of non-UK banks in the UK and is based on the chargeable equity and liabilities at the balance sheet date. An allowance is given against the first £20 billion of chargeable equity and liabilities, meaning that smaller institutions are effectively exempted from the levy. Non-chargeable equity and liabilities include Tier 1 capital, insured retail deposits, repos secured on sovereign debt, retirement benefit obligations and tax liabilities. Additionally, certain high quality liquid assets on the balance sheet are eligible to reduce the amount of equity and liabilities subject to the levy. From 1 January 2016, the Government has been implementing a gradual reduction in bank levy rates combined with the introduction of a corporation tax surcharge (at 8% for the year ended 4 April 2023 and 3% thereafter) on the taxable profits of banking companies and building societies within the charge to corporation tax. The bank levy charge for the year ended 31 March 2026 was £33 million (period ended 31 March 2025: £34 million).

Contractual Commitments

For details of the amounts of certain of Nationwide's financial and other contractual liabilities and when payments are due, without taking into account customer deposits, deposits by other financial institutions and debt securities in issue and derivative financial instruments, please see Notes 28 and 29 to the 2026 Financial Statements.

Off-Balance Sheet Arrangements

For a description of off-balance sheet commitment items under IFRS, please see Note 29 to the 2026 Financial Statements.

Critical Accounting Policies

For details on Nationwide's critical accounting policies under IFRS, please see Note 2 to the 2026 Financial Statements.

DESCRIPTION OF BUSINESS

OVERVIEW

Nationwide is the largest building society in the world in terms of total assets, with £382.3 billion of assets as at 31 March 2026. The Group has 605 Nationwide-branded branches and 91 Virgin Money-branded branches. Nationwide provides banking products and services to its customers. This includes personal banking products and services, which is mainly residential mortgages (owner-occupier and buy-to-let), retail savings and personal current accounts. It also includes business banking services. Nationwide's business customer portfolio primarily comprises small and medium-sized enterprises. Nationwide also offers a broader range of retail financial services, including credit cards, personal loans and insurance. In addition, Nationwide maintains a portfolio of debt securities for its own account for liquidity management purposes.

Nationwide is currently the second largest provider of residential mortgages in the United Kingdom (based on its internal analysis of company financial reports), with a market share of 16.3% (according to Bank of England data), as at 31 March 2026. Nationwide is the largest retail deposit taker in the United Kingdom (based on its internal analysis of company financial reports) with a 12.2% market share of retail deposit balances (as calculated by it based on Bank of England data), as at 31 March 2026.

As a mutual organisation, Nationwide is owned by, and managed for, the benefit of its members, who are its customers with a personal current account, savings or mortgage. Certain business accounts also qualify for membership. Nationwide's main focus is serving its members' interests, and it balances its need to keep sufficient profit to remain financially strong, with delivering value in banking and rewarding members, as well as delivering leading service.

Nationwide benchmarks its products and performance against a group of leading retail banks operating in the UK (including Barclays, Halifax, HSBC, Lloyds Bank, NatWest and Santander UK) and seeks to return value to its members by offering typically better product pricing on savings and mortgages than is offered by this peer group. In addition to returning value to customers and members through its competitive products, Nationwide aims to return additional value to eligible members with the deepest banking relationships with it through its Fairer Share Payments and member-exclusive products. Nationwide also believes that it provides better service to its customers than that offered by most of its competitors and this remains a key component of its strategy.

On 21 March 2024, the Issuer announced that the Nationwide Board and the Virgin Money Board agreed the terms of the Acquisition, to be implemented by means of the Scheme. On 1 October 2024, the Issuer announced that the Scheme had become effective.

STRATEGY

Nationwide's purpose-led strategy, centred around "*Banking—but fairer, more rewarding, and for the good of society*" ensures it does business in a way that positively impacts its customers, communities and wider society. Nationwide's strategy focuses on delivering long-term, sustainable member and customer value. Nationwide's strategic drivers that underpin its strategy are:

- Simply brilliant experience – delivering a personal and easy banking experience for Nationwide's customers, from start to finish
- More rewarding relationships – building deeper, broader, more lifelong relationships with Nationwide's customers that provide the best value in UK banking
- Beacon for mutual good – focusing Nationwide's impact on the issues that matter most to customers, businesses and society, in a way that only Nationwide can
- Simplify, integrate and grow – unlocking Nationwide's combined potential as a Group and delivering more for customers, together

More detail on Nationwide's strategic drivers and its key performance indicators, which help it to track the effective delivery of its strategy, are provided below.

Nationwide's environmental, social and governance ("**ESG**") ambitions are embedded within its strategy and are articulated through five Mutual Good Commitments. These seek to measure the positive impact Nationwide has on its customers, communities and wider society, and demonstrate how its business aligns to, and supports, the UN Sustainable Development Goals and its net-zero ambitions. More detail on Nationwide's Mutual Good Commitments is provided below.

Simply brilliant experience

Nationwide aims to deliver a personal and easy banking experience for its customers, from start to finish.

Nationwide provides customers with great value products, choice in the way they can bank with it, and service excellence. Nationwide aims to combine a seamless mobile banking experience with modern branches that offer provide personalised and trusted support.

Nationwide delivered leading levels of service through its Nationwide brand and was ranked first for customer satisfaction among its peer group for the 14th year running¹. The Nationwide brand also remained first for branch service in the Competition and Markets Authority's (CMA) Personal Banking Service Quality Survey in both Great Britain and Northern Ireland. Virgin Money improved to seventh in Great Britain, its highest branch service score in four years². In the Business Banking Service Quality Survey, Virgin Money improved to third place for branch service in Great Britain³.

Over the past year, Nationwide further improved its banking apps, giving customers greater control and a simpler, more secure banking experience. This included improved

¹ Ipsos 2026, Financial Research Survey (FRS), for the 12 months ended 31 March 2023 to the 12 months ended 31 March 2026. The survey contacts 50,000 adults in Great Britain. Interviews were face to face, by phone and online, weighted to the profile of the population. The results are based on a sample of around 13,000 Nationwide customers and around 65,000 peer group customers with a main current account, mortgage or savings, and reflect the percentage of extremely and very satisfied customers minus any dissatisfied customers. The peer group consists of Barclays, Halifax, HSBC, Lloyds Bank, NatWest, Santander and TSB. Prior to April 2017, Lloyds and TSB were combined as Lloyds TSB.

² According to an independent phone survey of 17,051 customers (aged 16+) of the 17 largest personal current account providers in Great Britain, and 6,018 customers (aged 16+) of the 12 largest personal current account providers in Northern Ireland, between January 2025 and December 2025, run by Ipsos.

³ According to an independent survey carried out between January 2025 and December 2025, run by BVA BDRC (now part of Ipsos). Based on a sample of 20,450 SME customers with business current accounts across 17 business current account providers.

personalisation, enabling customers calling Nationwide to identify themselves using the banking app, and adding a new digital hub with tools to support customers, including a Better Off Indicator to help customers understand what government benefits they might be eligible for. Nationwide's apps increasingly mirror its in-branch experience, providing everyday banking services as well as non-banking services such as charitable giving. Nationwide will continue to add features and functionality to its apps that improve customers' experience.

Nationwide recognises that branches are important to customers, and so it extended its Branch Promise – to keep every one of its branches open until at least the start of 2030⁴. Nationwide has the UK's largest single-brand branch network, and won Branch Network of the Year at the 2026 Moneyfactscompare.co.uk Awards for the fourth year running. Last year, Nationwide invested over £23 million in upgrading around 120 branches across the Group. Over 50% of all branch sales of retail banking products in the UK were through a Nationwide- or Virgin Money-branded branch⁵. Around a third of current accounts and a fifth of its savings accounts were opened in one of its branches last year.

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

Key performance indicator: Nationwide measures its success through its customer experience score. This is based on the satisfaction score customers of Nationwide-branded products provide when they complete a survey after they interact with Nationwide. This enables Nationwide to act on customers' feedback and improve its services further. The calculation weights the aggregated scores across channels (branches, telephone and digital channels (banking app, internet bank and webchat)) to reflect the way customers interact with Nationwide. Nationwide's customer experience score of 89.9 was above its target of 89.2. Customers were particularly satisfied with the service received from colleagues in Nationwide branches, and their experiences of using Nationwide's banking app.

Mutual Good Commitment: "We will offer customers a choice in how they bank with us and support their financial resilience".

Nationwide seeks to support its customers' financial wellbeing through accessible, inclusive banking, and developing products, services and tools that help reach good customer outcomes. Nationwide aims to help customers build their financial resilience by helping them develop good savings habits and become more financially confident in managing their money.

More rewarding relationships

Nationwide aims to build deeper, broader, more lifelong relationships with its customers, that provide the best value in UK banking. Nationwide's mutual model is intrinsically more rewarding than its banking peers, as it delivers value to its customers, rather than paying

⁴ All Nationwide's 605 Nationwide branches and 91 Virgin Money branches will remain open until at least 1 January 2030. Opening hours may vary. There may be exceptional circumstances outside of Nationwide's control that mean it has to close a branch, but it will only do this if it does not have another workable option.

⁵ Based on internal data sources and Curinos eBenchmarks multi-channel analysis, April 2025 to February 2026. Includes sales of retail banking products including current accounts, savings, credit cards, unsecured loans and home insurance. Peer group includes Bank of Scotland, Barclays, First Direct, Halifax, HSBC, Lloyds, Metro Bank, NatWest, RBS, Santander, and TSB.

dividends to shareholders. Nationwide shares its success with members through Nationwide Fairer Share Payments, its leading service and products which, on average, are better priced than the market average.

For the year ended 31 March 2026, Nationwide delivered £1.8 billion (period ended 31 March 2025: £2.8 billion) in value to its members. This included member financial benefit of over £1.4 billion (period ended 31 March 2025: £1.8 billion) from better pricing and incentives than the market average, primarily relating to member deposits where rates were, on average, 28% higher than the market average. It also included £0.4 billion (period ended 31 March 2025: £0.4 billion) in Fairer Share Payments distributed to eligible members in June 2025. The overall decrease in total member value was, in part, a result of the one-off Big Nationwide Thank You payment of £0.6 billion made to members in the prior year⁶. It also reflected the lower interest rate environment which reduced the gap between Nationwide's higher average rates compared to the market.

Key Performance Indicator: Nationwide aims to deepen relationships through the valuable products it offers. It measures its success through the number of engaged customers it has. Engaged customers have deeper, active, banking relationships with Nationwide, and have a Nationwide-branded main personal current account, plus either at least £100 in Nationwide-branded personal savings, or a Nationwide-branded residential mortgage of at least £100. In March 2026, Nationwide had 4.40 million engaged customers, which was above its 4.31 million target for the year ended 31 March 2026.

Mutual Good Commitment: "Nationwide will help more people into safe and secure homes, both its customers who have relationships with it and more broadly".

As the second largest residential mortgage provider in the UK, Nationwide is uniquely placed to drive positive change and help people into safe and secure homes. While Nationwide supports all its mortgage customers, it provides targeted support to help first time buyers into homes, support quality homes for those that rent, and lending to support the social housing sector.

Beacon for mutual good

Nationwide focuses its impact on the issues that matter most to customers, businesses and society, in a way that only it can.

Nationwide seeks to have a positive and meaningful impact in communities. Nationwide aims to drive positive change and fairer practices in banking, and support charitable causes that align with its purpose.

In the year ended 31 March 2026, Nationwide committed £21.8 million⁷ (period ended 31 March 2025: £18.7 million) to charitable activities as part of the 1% of pre-tax profits that it commits to good causes each year. This primarily contributed towards the Nationwide Fairer

⁶ The Big Nationwide Thank You one-off payment rewarded Nationwide members whose membership supported its financial strength and enabled the acquisition of Virgin Money.

⁷ Nationwide's charitable commitment of at least 1% of pre-tax profits is based on average profits over the previous three years. Nationwide's commitment of £21.8 million included £12.3 million of charitable donations, £2.9 million to deliver charitable and community activity, and £2.3 million relating to operational costs to support such activity. It also included donations of £2.7 million to the Nationwide Foundation and £1.6 million to the Virgin Money Foundation.

Futures social impact strategy. It also included commitments to the Nationwide and Virgin Money Foundations, and the internal costs of managing social impact activity.

Though Nationwide Fairer Futures, Nationwide is focused on tackling four of the biggest issues it sees in society today – youth homelessness, families living in poverty, the challenges faced by those living with dementia, and those impacted by cancer. Nationwide has partnered with four charities: Centrepoin, Action for Children, Dementia UK and The Royal Marsden Cancer Charity, to help it make a meaningful difference.

Nationwide regularly engages and seeks feedback from customers on the issues that are important to them. This helps Nationwide improve its services and propositions and supports its engagement programme with regulators and policymakers.

Nationwide is also committed to a net-zero future and supporting the UK in its progress towards its ambition to be net zero by 2050. More on this can be found in the "*Climate change*" section of this Registration Document.

Key performance indicator: Nationwide measures the reputation of the Nationwide brand through an independent brand survey, which allows it to understand how recognised it is for doing good things⁸. This asks consumers: "Which of the brands have you heard good things about?". Respondents are asked to rate the Nationwide brand and peer brands from a list.

Nationwide ranked first among its peer group when rated by non-customers as to which brands they had 'heard good things about'. This was above Nationwide's target of at least second place.

Mutual Good Commitments: "We will make a positive difference for our customers, communities and society as a whole". Nationwide's commitment to charitable activities supports its ambitions.

"We aim to build a more sustainable world by supporting progress towards a greener society". Nationwide's intermediate (by 2030) science-based targets support its net-zero ambitions. More information on this can be found in the "*Climate change*" section of this Registration Document.

"We will enhance our performance by better reflecting the diversity of our society". Nationwide is committed to building an inclusive modern mutual, that better reflects the diversity of the communities that it serves and represents, and enables its colleagues to thrive and reach their full potential. Having a diverse range of perspectives, skills and experiences helps Nationwide better understand its customers' needs and challenge assumptions, so it can design products that work for more people and deliver leading levels of service.

Nationwide has seven measures that span across gender, ethnicity, disability and sexual orientation, to support it in achieving its ambitions. Over the year, Nationwide further embedded inclusive practices and initiatives into its colleague processes and experiences, including recruitment, onboarding, and performance and talent frameworks.

⁸ Based on a study conducted by an international market research company commissioned by Nationwide. Based on non-customer responses for the 12 months ended March 2025. Financial brands included are Nationwide, Barclays, Chase, Co-operative Bank, First Direct, Halifax, HSBC, Lloyds, Monzo, NatWest, Santander, Starling Bank, TSB and Virgin Money.

Simplify, integrate and grow

Nationwide's financial strength enables it to progress its strategy.

Financial performance in the year ended 31 March 2026 was strong; Nationwide delivered underlying profit before tax of £2,026 million (period ended 31 March 2025: £1,852 million) and statutory profit before tax of £1,490 million (period ended 31 March 2025: £2,302 million). The majority of the difference between underlying and statutory profit before tax relates to the Nationwide Fairer Share Payment of £0.4 billion distributed in June 2025. There were also a number of significant one-off items that impacted statutory profit before tax in the period ended 31 March 2025, including the £2.3 billion gain on the acquisition of Virgin Money on 1 October 2024. As at 31 March 2026, Nationwide's leverage ratio and Common Equity Tier 1 (CET1) ratio were 5.3% (31 March 2025: 5.2%) and 19.1% (31 March 2025: 19.1%), respectively.

Nationwide's new systems and technology are transforming the business into a simpler, faster and more resilient organisation, that delivers more for customers through better experiences and outcomes, while future-proofing the organisation for the long term. Nationwide now operates a modern core banking platform, making it among the most modern, large-scale organisations in UK financial services. In the year ended 31 March 2026, Nationwide completed its multi-year migration of 18 million Nationwide-branded savings accounts from a legacy system onto a new, advanced platform. Nationwide is also providing a more seamless payments experience for Nationwide customers, having implemented the UK's first dual-cloud payments system. All Faster Payments with Nationwide now run across two cloud platforms, reducing reliance on a single platform and ensuring it can provide a faster, more resilient and uninterrupted payments service for customers.

Modern banking platforms strengthen Nationwide's digital capabilities and enable the delivery of digital innovation quicker than ever before, providing even better customer experiences. For example, Nationwide became the first UK lender to allow mortgage deeds to be signed electronically using a Qualified Electronic Signature, helping to speed up Nationwide's home buying process. The time taken to process bereavements was significantly reduced, and the buy to let application process was reformed, approximately halving the application-to-offer period.

Nationwide continued to invest in making the business even safer and stronger, becoming the first organisation globally to adopt the Microsoft Sentinel data lake security platform. This further enhances the security of Nationwide's systems and keeps customers safer, by enabling more efficient management of artificial intelligence (AI)-driven security threats across Nationwide.

The technology transformation is allowing Nationwide to accelerate its AI capabilities in a responsible way, for the benefit of customers and colleagues. There are already an increasing number of AI-enabled processes live across the Group, including its use in fraud detection, supporting customer communications, quality assurance, banking app personalisation, Chatbot capability and creating real-time actionable insights that improve service, including reducing call wait times. Microsoft Copilot was rolled out to benefit colleagues, enabling them to work efficiently and improve service for customers. Modern foundations are also enabling Nationwide to accelerate AI adoption, for example in automating workflow and implementing more automated, agentic AI solutions.

Last year, following the acquisition of Virgin Money on 1 October 2024, Nationwide completed its strategic review of the Virgin Money business. Subsequent steps were taken to simplify the business, including moving to a single Group leadership and governance structure, and the sale of Virgin Money's investments and pensions subsidiary. The legal transfer of the majority of Virgin Money's business to Nationwide was completed on 2 April 2026. This included the legal transfer of approximately 6.8 million customers. As a result, Virgin Money customers with a personal current account, savings or mortgage became members of Nationwide on this date. Eligible members will now qualify for member-exclusive products, and from 2027 they will qualify for the Fairer Share Payment. All employees are now employed by Nationwide Building Society, with a shared purpose and strategy, and a single set of HR policies, making the operation of the business as a whole more consistent.

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

Key performance indicator: Nationwide's Group leverage ratio demonstrates the financial strength of its Group, and its ability to withstand economic shocks. Nationwide's financial strength helps it to progress the delivery of its strategy. Nationwide's Group leverage ratio of 5.3% as at 31 March 2026 (31 March 2025: 5.2%) remains above applicable regulatory requirements.

Climate change

Nationwide aspires to support the UK in achieving its ambition to be net-zero by 2050. This aspiration is embedded into its strategy and mutual purpose, supported by its Mutual Good Commitment – *Nationwide aims to build a more sustainable world by supporting progress towards a greener society*. Nationwide aims to take meaningful action by limiting the environmental impact of its business operations, helping customers make their homes and businesses more green, and better managing the impacts of a more unpredictable climate. In doing so, Nationwide can demonstrate its mutual difference, that extends beyond its own customers and positively impacts its communities as well as wider society, and supports, the UN Sustainable Development Goals ("SDGs").

Nationwide has set highly ambitious intermediate (by 2030) science-based emissions targets, across scope 1, 2, and 3 emissions, and in December 2023, it published its inaugural Intermediate (by 2030) net-zero-aligned Transition Plan, detailing the actions and potential actions needed for it to progress towards its targets. Nationwide had previously stated that its scope 3 downstream intermediate (by 2030) science-based target for its mortgage portfolio would not be achieved, and that Nationwide would be keeping its targets under active review. Since Nationwide set its targets, there has been slow progress on much-needed government policy to support the greening of UK homes. Whilst Nationwide has continued to play its part in supporting the greening of UK homes through green finance propositions, there has not been the emissions reductions required to align to its intermediate (by 2030) science-based targets. Nationwide's business lending portfolios also face similar challenges, due to a lack of sector-specific climate policy and technological investment to decarbonise. Consequently, Nationwide will be revising its approach to targets in its future Transition Plan.

With UK homes producing around 15%⁹ of the UK's carbon emissions, and many of the new homes being built today not meeting the highest energy efficiency standards, achieving the reduction in emissions to deliver net-zero will require a significant cross-industry collaborative effort, as well as large-scale government and customer action.

Climate change presents a risk to Nationwide and its customers and so managing the risk from climate change and supporting progress towards a greener society is core to it being a responsible business. Nationwide is continually enhancing and embedding its capabilities to monitor and manage climate-related risk, including nature-related risk. Nationwide continues to develop capabilities to best meet the requirements within the revised Supervisory Statement 5/25 (SS5/25) on enhancing banks' and insurers' approaches to managing the financial risks from climate change.

Because of its far-reaching implications, climate change and nature has been embedded as a cause to Nationwide's principal risks and is considered across its entire GRMF. Consideration as a cause ensures appropriate identification, monitoring and management across all principal risk categories, along with full traceability.

Nationwide considers climate change and nature-related risk to manifest across the following:

Physical risk

- **Climate change** – the risks arising from the increasing severity and frequency of weather-related events such as flooding (acute), or longer-term shifts in climate (chronic).
- **Nature** – the risks which could result from Nationwide's exposure to, or impact from, nature loss, such as degradation of natural assets (such as water, land, and biodiversity), and/or the resulting disruption of ecosystems.

Transition risk

- **Climate change** – the risks which could result from the process of adjustment towards a lower carbon economy such as through developments in policy and regulation, emergence of disruptive technology or business models, shifting societal preferences, or evolving legal interpretations.
- **Nature** – the risks which could result from the process of adjustment towards a nature-conscious economy, such as through developments in regulation, changing customer demand, or technology aimed at biodiversity loss prevention.

Nationwide conducts physical risk assessments on properties it lends on at the point of mortgage origination, in line with its lending criteria. This allows different methods of valuation (the automated valuation model, desktop assessment, or full physical inspection) to be mandated and informs whether the property is fit for mortgageable purposes and the property's current value.

Nationwide uses EPC data to inform its transition risk assessment and the application of lending policy. An EPC is required every time a property is built, sold, or rented, and is valid for 10 years; therefore, around half of Nationwide's mortgage properties have a current EPC.

⁹ 2023 UK Greenhouse Gas Emissions, Final Figures

Nationwide has developed an internal model to forecast the EPC ratings of properties within Nationwide's mortgage portfolio, based on a property's unique characteristics and that of similar properties, for those properties which do not have a valid EPC. Nationwide continues to monitor the EPC composition of its mortgage book, including the proportion that has an EPC of C or better. As at 31 December 2025, around 49% of the homes in the Group's mortgage portfolio that has a valid EPC (owner-occupier and buy to let) were rated EPC C or better.

Nationwide continues to disclose its carbon emissions in line with the Government's Streamlined Energy and Carbon Reporting regulation requirements. Nationwide's scope 1 emissions are the direct emissions from owned sources, such as emissions from burning gas to heat its buildings, while its scope 2 energy emissions come from the indirect emissions from the generation and consumption of purchased electricity, such as the electricity bought by Nationwide to power its branches. Nationwide has also disclosed its scope 3 (other indirect emissions that occur in its value chain) emissions associated with its mortgage lending, lending to commercial real estate, lending to registered social landlords, lending to shipping, lending to oil and gas (which is predominantly field services businesses), and the majority of Nationwide's upstream (supply chain) emissions, in line with the Partnership for Carbon Accounting Financials' methodology.

Nationwide's emissions are detailed in its climate-related financial disclosures and are aligned to the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") and its objective to improve and increase the reporting of climate-related financial information.

Nationwide continues to source 100% renewable electricity and is committed to continuing to do so until 2030 in line with its scope 2 target. As at the end of 2025, Nationwide had removed the use of gas from almost 100% of its Nationwide branch network and data centres, replacing it with electrical solutions.

Nationwide has been offering green finance since 2020, to enable its customers to make their homes more energy efficient. Nationwide offers its customers, and The Mortgage Works ("TMW") customers, preferential rate additional borrowing to support green home improvements, as well as incentivizing the purchase of more energy efficient properties.

Nationwide's Green Additional Borrowing mortgage offers eligible customers a 0% interest loan of up to £20,000 for investments made on energy efficient home improvements. Customers can apply for the loan at any time. This year, Nationwide extended the 0% Green Additional Borrowing mortgage pilot to up to 10,000 customers. Through enhancing the potential reach of the product, Nationwide hopes that more customers will use it to finance their green home improvements.

Nationwide recognises that it alone cannot improve the energy efficiency of UK homes, which is why it continues to engage and work with policymakers, to encourage the development of green policies which support wider society, in making the changes needed to achieve a just transition to net-zero.

HISTORY AND DEVELOPMENT OF THE SOCIETY

Building societies have existed in the United Kingdom for over 200 years. From the outset, they were community-based, cooperative organisations created to help people purchase homes. The main characteristic of building societies is their mutual status, meaning that they

are owned by their members, who historically were primarily retail savings and residential mortgage customers. Nationwide's origins date back to the Southern Co-operative Permanent Building Society founded in London in 1884. Over time, this entity has merged with around 250 other building societies to create today's Nationwide Building Society.

Nationwide formally changed its name to Nationwide in 1970 as it more accurately reflected its wider sphere of business and removed any misconception that it was legally part of the Co-operative Group. During the 1970s and 1980s Nationwide grew its branch network to increase its reach and introduced new products such as current accounts which allowed it to offer the full range of financial services to members. The 1990s saw a dramatic decline in number of building societies in the UK as many demutualised and transferred their businesses to existing or specially formed banks. This meant that by 1997, Nationwide emerged as the biggest building society in the UK. Nationwide believes that its mutual status allows it to compete successfully with banks, and it is Nationwide's long-held strategy to remain a building society.

In the late 1990s there were two attempts by new members to force Nationwide to demutualise so they could receive associated windfall distributions. Nationwide successfully defended its mutual status and from 1997 all new members opening accounts are required to assign to charity any windfall benefits that may accrue as a result of a future demutualisation. This has significantly lessened the incentive to vote for demutualisation and there have been no further attempts to force a vote on the issue.

During the financial crisis of 2007-9, Nationwide's business model stood up well in comparison to its banking competitors who were much more exposed to the contagion of the crisis. Nationwide merged with Portman Building Society in August 2007 and with Cheshire Building Society and Derbyshire Building Society in December 2008. In March and June 2009, Nationwide also acquired selected assets and liabilities of Dunfermline Building Society. Nationwide believes these developments have added value, improved its distribution footprint, helped to grow the membership and are a testament to its strength and its ability to provide support to other building societies during this time.

The merger with the Portman Building Society brought with it TMW – a subsidiary which focused on specialised lending with a strong focus on the Buy-to-Let market. This has since emerged as the leading player in this market in the UK and a strong generator of profit for Nationwide.

In 2023, Nationwide refreshed its strategy centred around its purpose – *Banking – but fairer, more rewarding, and for the good of society*. Nationwide's purpose-led strategy ensures it does business in a way that positively impacts its customers, communities and society as a whole.

On 21 March 2024, Nationwide announced the agreement to the terms of the Virgin Money Acquisition that was to be implemented by means of a court-sanctioned scheme of arrangement. The Acquisition completed on 1 October 2024.

On 1 October 2024, the Issuer acquired the entire issued and to be issued share capital of Virgin Money by means of a court-sanctioned scheme of arrangement between Virgin Money and its shareholders, which was sanctioned by the High Court of Justice of England and Wales.

On 2 April 2026, Nationwide completed the transfer of substantially all the assets and liabilities of Virgin Money's main operating subsidiary, Clydesdale Bank PLC, into the Group through a banking business transfer scheme under Part VII of the FMSA.

GROUP STRUCTURE AND PRINCIPAL SUBSIDIARIES

Nationwide is the principal holding entity of the Group and the main business of the Group is conducted by the Society. Nationwide's interests in its principal subsidiary undertakings, all of which are consolidated, as at 31 March 2026 are set out below:

100% held subsidiary undertakings	Nature of business
Virgin Money UK PLC ⁽¹⁾	Retail and commercial banking business
Nationwide Syndications Limited	Syndicated lending
The Mortgage Works (UK) plc	Centralised mortgage lender
Derbyshire Home Loans Limited	Centralised mortgage lender
E-Mex Home Funding Limited	Centralised mortgage lender
UCB Home Loans Corporation Limited	Centralised mortgage lender

⁽¹⁾ Virgin Money UK PLC is the holding company for Clydesdale Bank PLC, which is the operating entity for Virgin Money UK PLC.

With the exception of Clydesdale Bank PLC, which is registered in Scotland, all the above subsidiary undertakings are limited liability companies which are registered in England and Wales and operate in the UK and, with the exception of Nationwide Syndications Limited, they are all regulated entities.

Nationwide Syndications Limited is a wholly owned mortgage lender specializing in syndicated commercial loans to registered social landlords. Nationwide Syndications Limited has ceased to offer new lending.

TMW is a wholly owned centralised mortgage lending subsidiary, specializing mainly in residential BTL lending to individuals.

Each of Derbyshire Home Loans Limited, E-Mex Home Funding Limited ("**E-Mex**") and UCB Home Loans Corporation Limited ("**UCB**") is a wholly owned subsidiary that has ceased to offer new lending.

Nationwide also has interests in structured entities. A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are consolidated when the substance of the relationship indicates control.

The table below provides details of these entities as at 31 March 2026.

Group undertaking	Nature of business	Country of registration	Country of operation
Eagle Place Covered Bonds LLP	Mortgage acquisition and guarantor of covered bonds	England and Wales	UK
Lanark Funding Limited	Funding company	England and Wales	UK
Lanark Holdings Limited	Holding company	England and Wales	UK
Lanark Master Issuer PLC	Issuer of securitised notes	England and Wales	UK
Lanark Trustees Limited	Mortgages trustee	England and Wales	UK
Lannraig Funding Limited	Funding company (in liquidation)	England and Wales	UK
Lannraig Holdings Limited	Holding company (under strike off)	England and Wales	UK
Lannraig Master Issuer PLC	Issuer of securitised notes (in liquidation)	England and Wales	UK
Nationwide Covered Bonds LLP	Mortgage acquisition and guarantor of covered bonds	England and Wales	UK
Silverstone Funding (No. 1) Limited	Funding company	England and Wales	UK
Silverstone Master Issuer PLC	Issuer of securitised loans	England and Wales	UK

BUSINESS OF THE SOCIETY

Retail business

Nationwide's retail business aims to offer its customers a full range of personal financial services products comprising residential mortgage lending, a range of savings products as well as investments and general insurance solutions, both directly and through intermediary sales channels.

Residential mortgage lending

The vast majority of Nationwide's lending portfolio consists of UK residential mortgage loans to individuals. These loans are secured on the residential property of the borrower on terms which allow for repossession and sale of the property if the borrower breaks the terms and conditions of the loan. This lending can take the form of either owner-occupied residential

lending (where the borrower is the owner and occupier of the mortgaged property and meets Nationwide's credit requirements for prime lending) or BTL and legacy residential lending (which are loans advanced to borrowers who intend to let the mortgage property). Nationwide's policy is for all residential mortgage loans to individuals to be fully secured first priority loans on the mortgaged property, to ensure that its claim to the property, in the event of default, is senior to those of other potential creditors. As a result, Nationwide's residential mortgage lending to individuals carries lower risk than many other types of lending.

As at 31 March 2026, Nationwide was the second largest mortgage lender in the United Kingdom (as measured by total loans outstanding and calculated by it based on Bank of England data and publicly available financial information). Nationwide's residential mortgages are generally for terms of 20 to 30 years. While many customers remain with Nationwide for much or all of this term, some customers redeem their mortgage earlier than this in order to remortgage to another lender or for other reasons. The minimum life of a mortgage is usually between two and five years, depending on the terms of the customer's initial product, although Nationwide generally retains approximately 70 to 80% of customers when they reach the end of a product.

The table below shows a breakdown of Nationwide's owner-occupied, BTL and legacy residential mortgage lending outstanding gross balances at amortised cost as at 31 March 2026.

	As at 31 March 2026
	<i>(£ millions)</i>
Owner-occupied.....	224,856
BTL and legacy ⁽¹⁾	61,442
Total	286,298

Note:

⁽¹⁾ This category of lending was previously referred to as specialist lending.

Source: Nationwide Building Society – audited consolidated financial statements for the year ended 31 March 2026.

Nationwide offers BTL and legacy UK residential mortgage lending to individuals, comprising lending to private landlords (BTL) and smaller portfolios in run-off (legacy). As at 31 March 2026, Nationwide's outstanding BTL and legacy UK residential mortgage lending to individuals was £61,442 million. The BTL and legacy residential mortgage balance is made up of advances made through Nationwide's specialist lending brands, including TMW. Nationwide's outstanding legacy lending loans were advanced primarily in the BTL and self-certification markets. New lending in this category is restricted to BTL through TMW with Nationwide having withdrawn from the self-certified lending market in 2009.

Nationwide's BTL and legacy mortgages continue to perform well with cases three months or more in arrears representing only 0.43% of the total mortgage book as at 31 March 2026. Arrears levels are expected to increase as a result of the rising cost of living, including higher mortgage payments, but to remain low relative to the industry average.

Nationwide has a national franchise within the United Kingdom, with a regional distribution of UK residential mortgage lending to individuals generally matching the regional gross domestic product distribution in the United Kingdom.

Nationwide offers fixed rate and tracker rate mortgages. These products establish a set rate or set methodology for determining a variable rate for a set term, after which the rate reverts to one of Nationwide's two general variable rates. Nationwide's fixed-rate products currently

offer a term of two, three, four, five or ten years, but it has from time to time offered longer fixed terms, including 25 years. Nationwide's tracker rate products bear interest during the set term (currently two or three years) at a variable rate that is a fixed percentage above the Bank Rate. After the end of the set fixed rate or tracker period, the interest rate reverts to either Nationwide's BMR (if the mortgage was originated on or before 29 April 2009) or its SMR (if the mortgage was originated on or after 30 April 2009). Both the BMR and the SMR are variable rates set at Nationwide's discretion, except that the BMR is guaranteed not to be more than 2% above the Bank Rate.

To reduce the costs associated with early repayment of mortgages and to recover a portion of the costs of mortgage incentives, Nationwide imposes early repayment charges on some products. The early repayment charges generally apply for repayment made prior to the expiration of the fixed or tracker rate for the particular product.

Total gross mortgage advances was higher than in the prior year at £45.8 billion (2025: £44.7 billion) and Nationwide's market share of gross advances decreased to 15.6% (2025: 16.3%). Net lending in the year was supported by Nationwide's continued focus on retention through highly competitive products provided to existing members, whilst also continuing to focus on first time buyers. Owner-occupied mortgage balances increased to £224.9 billion (2025: £215.6 billion) and buy to let and legacy mortgage balances increased to £61.4 billion (2025: £60.3 billion).

The average LTV of owner-occupied new business completed in the period has decreased to 73% (period ended 31 March 2025: 75%). The average LTV of new business for buy to let increased to 66% (period ended 31 March 2025: 65%).

House prices measured through the Nationwide House Price Index have increased over the past 12 months by 3% (period ended 31 March 2025: increase of 3.4%) with the Group average stock LTV increasing to 58% (period ended 31 March 2025: 56%). Nationwide believes that asset quality has remained strong as a result of its continued prudent approach to lending, including its continued support of first-time homebuyers. The proportion of mortgage accounts three months or more in arrears decreased to 0.39% as at 31 March 2026, which compares favourably with the UK Finance average of 0.77% as at the same date.

The table below shows Nationwide's residential mortgage loans which are three months or more in arrears as a percentage of its total residential mortgage loans as at 31 March 2026, 31 March 2025 and 4 April 2024 and the UK Finance average.

	As at 31 March		As at 4 April
	2026	2025	2024
		(percentages)	
Owner-occupied.....	0.38	0.40	0.36
BTL and legacy.....	0.43	0.51	0.60
Total.....	0.39	0.43	0.41
UK Finance average.....	0.77	0.89	0.94

Nationwide utilises an automated credit scoring system to assist in minimizing credit risk on residential mortgage lending. Nationwide's credit procedures for residential mortgage lending take into account the applicant's credit history, loan-to-value criteria, income multiples and an affordability calculation, or shock test, that tests the applicant's ability to service the loan at higher interest rates.

Nationwide focuses its residential mortgage sales efforts on first-time buyers, subsequent purchasers moving home and the remortgage market. Nationwide is particularly keen to support its existing members and have a range of products to support first-time buyers. First-time buyers offer a significant potential for additional sources of income through the distribution of insurance.

In addition to residential mortgage loans, Nationwide offers further secured advances on existing mortgaged property to customers consistent with its lending criteria for new residential mortgage loans.

Unsecured retail banking products consists of loans that Nationwide makes to individuals that are not secured on real or personal property. Nationwide offers three different forms of unsecured consumer retail banking products: personal unsecured loans, credit card lending and current accounts with overdraft facilities.

There is a greater risk of loss on unsecured consumer lending than there is on residential mortgage lending because Nationwide has no security if the borrower defaults on the loan. Accordingly, unsecured consumer lending products bear higher interest rates than Nationwide's residential mortgage products. To manage this risk, Nationwide uses an automated credit scoring system that is designed to evaluate a borrower's ability to repay the loan. In addition, Nationwide assess all unsecured consumer loans to ensure they remain affordable alongside any mortgage.

Savings and Current accounts

As at 31 March 2026, total retail deposit balances grew by £10.1 billion to £270.8 billion (31 March 2025: £260.7 billion) with market share of retail deposit balances remaining at 12.2% (31 March 2025: 12.2%).

Member deposit balance growth of £9.6 billion to £217.1 billion (31 March 2025: £207.4 billion) was supported by a strong ISA season, the success of Nationwide's Member Exclusive Bond, and market-leading attraction of personal current account switchers.

Nationwide provides a wide range of retail savings products that may be repayable on demand or on notice and which may pay a variable or fixed rate of interest. On most retail savings products, Nationwide determines variable interest rates at its discretion according to market conditions. Generally, the more restrictions on withdrawal of retail savings, the higher the rate of interest.

Nationwide believes that the primary determinant for attracting retail savings is the interest rate offered to savers. As a mutual organisation, Nationwide typically sets higher interest rates on its retail savings products than those set by its main competitors. Nationwide gathers UK retail member deposits from a number of sources.

The UK retail savings market is highly competitive among building societies and banks.

Consumer Lending

Consumer lending balances increased to £11.6 billion (31 March 2025: £11.1 billion). Consumer lending comprised credit card balances of £8.1 billion (31 March 2025: £7.8 billion), personal loan balances of £3.1 billion (31 March 2025: £3.0 billion) and overdrawn current account balances of £0.4 billion (31 March 2025: £0.3 billion).

Arrears performance improved slightly during the year, with balances more than three months in arrears (excluding charged off accounts) representing 1.10% (31 March 2025: 1.11%) of the total portfolio. Provision balances have remained broadly stable at £829 million (31 March 2025: £824 million).

Other retail services

Nationwide's other retail services principally comprise its insurance business and investment business.

Insurance

In conjunction with Nationwide's core business of providing residential mortgage loans and retail savings, it develops and markets insurance products branded with its name that are underwritten by third-party insurers and distributes insurance products of other companies, including certain products under the Virgin Money brand.

The insurance products that Nationwide markets are:

- buildings and contents insurance, which Nationwide markets to its residential mortgage customers and non-mortgage customers;
- life insurance products, predominantly level term and decreasing term insurance, for mortgage and non-mortgage customers. Nationwide also refers customers for other protection needs such as whole of life, critical illness and income protection; and
- through the Virgin Money brand, home, life and travel insurance together with a smaller range of niche insurance products

Nationwide uses a range of third parties to bring these products to market utilising both the Nationwide and Virgin Money brands to sell to both existing and new customers. Nationwide receives a commission and, in some cases, participates in the profits, but not the losses, from the products that it markets.

Distribution network

Nationwide's integrated and diversified distribution network allows its customers to choose how and when to undertake their transactions with it and has enabled Nationwide to expand its business while controlling costs. The distribution network helps Nationwide to achieve volume growth principally in personal current accounts and savings accounts, supporting its retail funding activities. Central to this is Nationwide's Branch Promise to remain in every town or city it is in today until at least the start of 2030, including the Virgin Money branch network.

Nationwide distributes its products primarily through:

- branches;
- contact centres;
- internet and mobile banking; and
- intermediaries.

Nationwide also maintains a network of ATMs.

Branches

Nationwide's branch network continues to be a major source of its retail funding. As at 31 March 2026, it had 605 Nationwide-branded branches and 91 Virgin-branded branches in the United Kingdom.

Nationwide's goal is to utilise its branch network efficiently. All of Nationwide's branches market its residential mortgage, retail savings account, personal current account, personal lending, personal investment and insurance products. Nationwide continues to make significant investment in transforming its products and delivery channels through the implementation of new systems and organisational structures and to meet consumer expectations of digital banking.

Contact centres

Nationwide's contact centres are open 24 hours a day in order to provide support to customers on a variety of customer needs. These range from basic enquiries like lost and stolen cards, balance enquiries and general account administration to more sensitive needs such as reporting fraud, queries around bereavement administration or struggling to pay monthly bills. Alongside telephony, Nationwide also offers a 24/7 chat service, allowing customers to speak to it in the medium that suits them best.

Internet and mobile banking

Nationwide first launched an internet banking service in 1997 and has continued to update the service in line with technological advances and increasing customer expectations. Nationwide's website allows customers to transact on their accounts and apply for a broad range of its products online. Nationwide also allows customers to access and carry out transactions on their accounts using Nationwide's mobile and tablet applications.

Intermediaries

A substantial amount of Nationwide's mortgage sales is introduced to it by third-party intermediaries. Intermediaries range from large UK networks to small independent mortgage advisors. Nationwide remunerates intermediaries for introducing mortgage business through procurement fees and disclose these to the customers.

ATMs

Nationwide's customers have access to its own network of ATMs, as well as access to ATMs in the United Kingdom through the LINK network and world-wide through the Visa network and can also access everyday cash services at PayPoint locations across the UK.

Business Banking

Nationwide's business bank aims to offer its customers a comprehensive suite of business products, including transactional accounts, deposits, lending, and financial risk solutions, supporting UK businesses from micro enterprises to corporates.

As at 31 March 2026, Group business lending balances reduced slightly to £14.9 billion (31 March 2025: £15.1 billion, reflecting an increasingly competitive market. Products offered

include term lending, asset finance, invoice finance, business overdrafts and credit cards. The overall portfolio of the Group includes registered social landlords with balances of £5.1 billion (31 March 2025: £5.0 billion).

Nationwide's business bank lends to businesses with operations predominantly in Great Britain; with registered social landlords being the largest sector exposure, aligned with 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, with the highest risk concentration being across the agriculture; business services; and government, health and education. Credit performance has remained resilient despite persistent cost pressures faced by the businesses the Society lends to.

Strong momentum continued across the Group in business deposits, which increased to £22.8 billion (31 March 2025: £21.1 billion). This included an 11% growth in business current accounts under the Virgin Money brand, with a record year for openings.

Nationwide provides a wide range of business savings products that may be repayable on demand or on notice and which may pay a variable or fixed rate of interest. On all business savings products, Nationwide determines variable interest rates at its discretion according to market conditions.

Head office functions

Nationwide's head office functions comprise the executive management and the treasury function together with a range of support functions such as legal and secretariat, human resources, strategic planning and external relations, finance, risk management, property services and internal audit.

The treasury division centrally manages liquid asset portfolios as well as most of financial risk exposures and is responsible for wholesale funding activities. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" for further details of risk management.

COMPETITION

Nationwide's main competitors are the five largest UK banking groups. In addition, Nationwide also competes with a series of smaller UK banks that have emerged as challengers to the industry leaders ("**challenger banks**"), with other building societies, of which there are 42 as at 1 March 2026 (according to Bank of England data), and with insurance companies. In recent years, new competitors have emerged in all areas of the UK personal financial services market where evolving technology and innovation have widened the range of competitive threats.

The UK Residential Mortgage Market

The table below sets out information for the last three years concerning year-end balances of UK lending secured on residential property and the proportions held by building societies, banks and us:

Year ended 31 December	Total Balances⁽¹⁾	Banks & Building Societies⁽¹⁾	Others	Society's share of total UK residential mortgages⁽¹⁾
		<i>(£ billion, except percentages)</i>		
2025.....	1,734.4	89.7%	10.3%	16.3%
2024.....	1,678.2	90.2%	9.8%	12.7%
2023.....	1,619.0	89.9%	10.1%	12.3%

Note:

⁽¹⁾ Source: Bank of England, except for information regarding Nationwide's balances which are taken from its own data. Building society figures include Nationwide's own balances.

Although the overall size of the new mortgage market has shrunk considerably since 2007, the nature of competition is essentially unchanged, in that it involves defending the existing stock of balances and competing for the flow of new lending.

Competition for new lending remains fierce and is driven by first-time buyers or next-time buyers remortgaging, moving home or extending their mortgages. The aftermath of the global financial crisis is still evident in the mortgage market, with more limited credit availability at higher LTV ratios. This has been improving in recent years and though the COVID-19 pandemic initially led to increased caution amongst lenders and high LTV products (>85% LTV) are now commonly available in the market and recent market innovation on affordability is supporting first-time buyers. For further information, see "*Risk Factors—Economic and Financial Risks—Credit Risk.*" Competition is driven by a combination of price, risk profile and access to funding by lenders.

Nationwide's market share of gross advances of 15.6% during the year ended 31 March 2026 was below the prior period (period ended 31 March 2025: 16.3%).

The UK Retail Deposit Market

The UK retail deposit market is dominated by banks, building societies and NS&I and has increasingly become a commoditised market driven primarily by price, particularly for the flow of new money that generally seeks the most attractive rates available. However, the limits of the FSCS appear to have led some customers to spread their savings across a number of different companies.

In the last few years, competition for UK retail deposits has increased as new participants, such as foreign banks, supermarkets, insurance/life assurance companies and direct online banking providers have entered the market by offering attractive rates of interest and packaged features. These new entrants have caused the cost of attracting new retail deposits to increase for existing players in the market and have impacted the flow of new retail deposits.

Nationwide believes that increased consumer awareness driven by the press and increased competition in the context of greater trust of smaller brands supported by FSCS guarantees has created potentially greater volatility of retail deposit balances both between different organisations and between different accounts within organisations. This has resulted in a reduction in the differential between rates paid to new and existing customers as organisations balance retaining existing customers whilst attracting new funds.

The Group deposit balances grew by £10.1 billion in the year ended 31 March 2026, and Nationwide's market share of deposit balances remained stable at 12.2% (period ended 31 March 2025: 12.2%), which reflected the competitiveness of its savings products.

SELECTED STATISTICAL INFORMATION

The following information has been extracted from Nationwide's management information systems. This information is unaudited. The information contained in this section should be read in conjunction with Nationwide's consolidated financial statements as well as the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Average Balance Sheets and Interest Rates

The tables below present, in accordance with IFRS, the average balances for Nationwide's interest-earning assets and interest-bearing liabilities together with the related interest income and expense amounts, resulting in the presentation of the average yields and rates for year ended 31 March 2026 and the period ended 31 March 2025, respectively:

For the year ended 31 March 2026			
	Average balance ⁽¹⁾	Interest ⁽²⁾	Average yield/ rate
	(£ million, except percentages)		
Interest-earning assets:			
Loans to credit institutions	37,153	1,354	3.64%
Investment securities & derivative financial instruments ⁽²⁾	31,806	1,445	4.54%
Unwind of discount on net defined benefit pension asset ⁽³⁾	—	51	—
Loans to customers	306,241	14,252	4.65%
Total average interest-earning assets	375,200	17,102	4.56%
Non-interest-earning assets:			
Tangible fixed assets	772		
Fair value adjustment for hedged risk	(741)		
Other assets	2,093		
Goodwill and intangible fixed assets	1,370		
Deferred tax assets	292		
Investment Properties	—		
Total average assets	378,986		
Interest-bearing liabilities:			
UK retail member deposits	213,311	5,572	2.61%
Other deposits	82,484	2,472	3.00%
Debt securities in issue and derivative financial instruments ⁽²⁾	56,096	2,779	4.95%
Subordinated liabilities	2,905	196	6.75%
Subscribed Capital	118	7	5.93%
Total average interest-bearing liabilities	354,914	11,026	3.11%
Non-interest-bearing liabilities:			
Other liabilities	3,210		
Fair value adjustment for hedged risk	32		
Reserves	20,871		
Current taxes	(41)		
Total average liabilities	378,986		

Notes:

- (1) Average balances are based on the balance as of the end of each month during the financial year.
- (2) For the purpose of the average balance sheet, the interest income and expense amounts are stated after allocation of interest on financial instruments entered into for hedging purposes.
- (3) The pension fund surplus is classified as non-interest-bearing within Other Assets, however the unwind of the discount is included within net interest income.

For the period ended 31 March 2025			
	Average balance ⁽¹⁾	Interest ⁽²⁾	Average yield/ rate
	(£ million, except percentages)		
Interest-earning assets:			

For the period ended 31 March 2025			
	Average balance ⁽¹⁾	Interest ⁽²⁾	Average yield/ rate
	<i>(£ million, except percentages)</i>		
Loans to credit institutions	35,201	1,667	4.74%
Investment securities & derivative financial instruments	33,408	1,701	5.09%
Unwind of discount on net defined benefit pension asset ⁽³⁾	—	45	—
Loans to customers	256,998	12,670	4.93%
Total average interest-earning assets	325,607	16,083	4.94%
Non-interest-earning assets:			
Tangible fixed assets	707		
Fair value adjustment for hedged risk	(2,693)		
Other assets	2,080		
Goodwill and intangible fixed assets	1,187		
Deferred tax assets	241		
Investment Properties	1		
Total average assets	327,130		
Interest-bearing liabilities:			
UK retail member deposits	201,785	6,167	3.06%
Other deposits	54,011	1,990	3.68%
Debt securities in issue and derivative financial instruments ⁽²⁾	47,141	2,749	5.83%
Subordinated liabilities	2,262	174	7.69%
Subscribed Capital	152	10	6.58%
Total average interest-bearing liabilities	305,351	11,090	3.63%
Non-interest-bearing liabilities:			
Other liabilities	2,211		
Fair value adjustment for hedged risk	23		
Reserves	19,463		
Current taxes	82		
Total average liabilities	327,130		

Notes:

- (1) Average balances are based on the balance as of the end of each month during the financial year.
- (2) For the purpose of the average balance sheet, the interest income and expense amounts are stated after allocation of interest on financial instruments entered into for hedging purposes.
- (3) The pension fund surplus is classified as non-interest-bearing within Other Assets, however the unwind of the discount is included within net interest income.

Average Net Interest Margin and Spread

The following tables show Nationwide's average interest-earning assets, average interest-bearing liabilities and net interest income and illustrate the comparative net interest margin and net interest spread for the year ended 31 March 2026 and the period ended 31 March 2025, respectively:

As at 31 March 2026	
	<i>(£ million, except percentages)</i>
Net average interest-earning assets	375,200
Net average interest-bearing liabilities	354,914
Net interest income ⁽¹⁾	6,076
Average yield on average interest-earning assets	4.56%
Average rate on average interest-bearing liabilities	3.11%
Net interest spread ⁽²⁾	1.45%
Net interest margin ⁽³⁾	1.60%

Notes:

- (1) Defined as total interest income less total interest expense.
- (2) Defined as the difference between the average yield on interest-earning assets and the average rate on interest-bearing liabilities.

(3) Defined as net interest income divided by weighted average interest-earning assets (statutory basis).

	As at 31 March 2025
	<i>(£ million, except percentages)</i>
Net average interest-earning assets.....	325,607
Net average interest-bearing liabilities.....	305,351
Net interest income ⁽¹⁾	4,992
Average yield on average interest-earning assets	4.94%
Average rate on average interest-bearing liabilities	3.63%
Net interest spread ⁽²⁾	1.31%
Net interest margin ⁽³⁾	1.54%

Notes:

⁽¹⁾ Defined as total interest income less total interest expense.

⁽²⁾ Defined as the difference between the average yield on interest-earning assets and the average rate on interest-bearing liabilities.

⁽³⁾ Defined as net interest income divided by weighted average interest-earning assets (statutory basis).

Changes in Interest Income and Expenses – Volume and Rate Analysis

The following table allocates the changes in Nationwide's interest income and expense between changes in average volume and changes in the average rates for the year ended 31 March 2026 compared to the period ended 31 March 2025. Nationwide calculated volume and yield/rate variances based on movements of average balances over the period and changes in average interest yields/rates on interest-earning assets and interest-bearing liabilities. The net change attributable to changes in both volume and rate has been allocated in line with the amounts derived for pure rate and volume variances. Pension interest income and expense has been excluded from the table as the assets and liabilities to which they relate are held net on the balance sheet. More information on the net pension liability can be found in Nationwide's audited consolidated financial statements incorporated by reference herein:

	Year ended 31 March 2026 compared to period ended 31 March 2025		
	Increase/(decrease) in net interest due to changes in:		
	Volume	Yield/rate	Total net change
		<i>(£ million)</i>	
Interest income: ⁽¹⁾			
Loans to credit institutions	92	(405)	(313)
Debt securities and derivative financial instruments.....	(82)	(174)	(256)
Loans to customers	2,428	(846)	1,582
Unwind of discount of pension assets.....	6	—	6
Total interest income	2,444	(1,425)	1,019
Interest expense: ⁽¹⁾			
UK retail member deposits	352	(947)	(595)
Other deposits	1,049	(567)	482
Debt securities in issue and derivative financial instruments.....	522	(492)	30
Subordinated liabilities.....	49	(27)	22
Subscribed capital.....	(2)	(1)	(3)
Total interest expense	1,970	(2,034)	(64)
Net interest income	474	609	1,083

Note:

⁽¹⁾ Interest income and expense amounts are stated after allocation of interest on financial instruments entered into for hedging purposes.

Investment Securities Portfolios

As at 31 March 2026, Nationwide's investment securities portfolios were carried at a book value of £25,905 million, representing 6.8% of its total assets. Nationwide's only purchase investment-grade debt securities and do not operate a trading portfolio. The following table provides information on the breakdown of Nationwide's investment securities as at 31 March 2026 and 31 March 2025, respectively:

	As at 31 March	
	2026	2025
	<i>(£ million)</i>	
Government, government guaranteed and supranational investment securities	21,268	22,977
Other debt investment securities.....	4,560	5,624
Investments in equity shares.....	77	62
Total.....	25,905	28,663

Investment portfolio by maturity

The following table shows the contractual maturity of investment securities held as at 31 March 2026 and 31 March 2025, respectively:

	As at 31 March	
	2026	2025
	<i>(£ million)</i>	
Due less than 1 month.....	43	207
Due between 1 and 3 months	220	411
Due between 3 and 6 months	388	515
Due between 6 and 9 months	492	381
Due between 9 and 12 months.....	633	966
Due between 1 and 2 years.....	2,864	2,237
Due between 2 and 5 years	9,077	9,117
Due after more than 5 years.....	12,188	14,829
Total.....	25,905	28,663

Loan Portfolio

Nationwide's loan portfolio net of allowances has increased by 3.5% during the last year from £302,699 million as at 31 March 2025 to £313,241 million as at 31 March 2026.

The following table summarises Nationwide's loan portfolio, net of allowances, as at 31 March 2026 and 31 March 2025, respectively:

	As at 31 March	
	2026	2025
	<i>(£ million)</i>	
Residential mortgage loans.....	224,759	215,467
Buy to let and legacy residential mortgages	61,219	60,108
Consumer lending	10,749	10,283
Business and commercial lending	14,756	15,031
Total loans to customers.....	311,483	300,889
Loans and advances to banks and similar institutions....	1,758	1,810
Total.....	313,241	302,699

The following table presents the contractual maturity distribution for repayment for the loan portfolio held by Nationwide as at 31 March 2026:

	As at 31 March 2026					Total ⁽¹⁾
	Due in less than 1 month	Due in 1 month to 3 months	Due in 3 months to 1 year	Due in 1 year to 5 years	Due after 5 years	
	<i>(£ million)</i>					
Loans and advances to customers.....	2,476	9,679	8,457	43,654	247,217	311,483
Loans and advances to banks and similar institutions.....	1,614	—	—	—	144	1,758
Total Loans portfolio net of impairment provisions.....	4,090	9,679	8,457	43,654	247,361	313,241

Note:

⁽¹⁾ The maturity analysis is produced on the basis that where a loan is repayable by instalments, each instalment is treated as a separate repayment.

Residential mortgage loans in arrears

Loans in arrears refer to amounts that are unpaid at their contractual date. A customer is in arrears when they are behind in fulfilling their obligations such that an outstanding loan payment is overdue. Such a customer can also be said to be in a state of delinquency. When a customer is in arrears, the entire outstanding balance is said to be delinquent, meaning that delinquent balances are the total outstanding loans on which payments are overdue.

The proportion of cases more than three months in arrears for the Group decreased slightly to 0.39% (31 March 2025: 0.43%). Group arrears decreased slightly to 0.38% (31 March 2025: 0.40%) of the total portfolio. Residential mortgage provisions have remained stable at £352 million (31 March 2025: £351 million), and include a modelled adjustment of £63 million (31 March 2025: £70 million) to reflect ongoing affordability risks, including those related to higher interest rates.

Impairment provision balances remained broadly stable at £352 million (31 March 2025: £351 million).

As at 31 March 2026, the mortgage portfolios include 2,527 (2025: 2,683) mortgage accounts, including those in possession, where payments were equal to or more than 12 months in arrears. The balance on these cases was £448 million (2025: £453 million), and the total value of arrears was £111 million (2025: £120 million).

Impairment provisions

Impairment provisions on financial assets are calculated on an ECL basis for assets held at amortised cost and at FVOCI. ECL impairment provisions are based on an assessment of the probability of default, exposure at default and loss given default, discounted to give a net present value. Provision calculations for retail portfolios are typically performed on a collective rather than individual loan basis. For collective assessments, whilst each loan has an associated ECL calculation, the calculation is based on cohort level data for assets with shared credit risk characteristics, such as origination date, origination loan to value and term.

Impairment provisions are calculated using a three-stage approach depending on changes in credit risk since original recognition of the assets:

- a loan which is not credit impaired on initial recognition and has not subsequently experienced a significant increase in credit risk is categorised as being within stage 1, with a provision equal to a 12-month ECL (losses arising on default events expected to occur within 12 months);
- where a loan's credit risk increases significantly, it is moved to stage 2. The provision recognised is equal to the lifetime ECL (losses on default events expected to occur at any point during the life of the asset); and
- if a loan meets the definition of credit impaired, it is moved to stage 3 with a provision equal to its lifetime ECL.

In addition to the stage allocation outlined above, loans which have been purchased or originated with a credit-impaired (POCI) status are reported separately. At initial recognition, POCI assets do not carry an impairment provision; instead, gross balances are presented net of lifetime expected credit losses at acquisition. All changes in lifetime expected credit losses subsequent to acquisition are recognised as an impairment charge or release.

The following table sets forth the movement in Nationwide's allowances for loan losses for the year ended 31 March 2026:

Reconciliation of net movements in balances and impairment provisions								
Group	Non-credit impaired				Credit impaired ⁽¹⁾		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
<i>(£ millions)</i>								
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	(14,908)	(32)	14,908	32	—	—	—	—
Transfers to Stage 3	(435)	(5)	(766)	(84)	1,201	89	—	—
Transfers from Stage 2 to Stage 1	12,266	164	(12,266)	(164)	—	—	—	—
Transfers from Stage 3	58	3	266	14	(324)	(17)	—	—
Net remeasurement of ECL arising from transfer of stage ⁽²⁾		(165)		212		143		190
Net movement arising from transfer of stage	(3,019)	(35)	2,142	10	877	215	—	190
Change in exposure in the year ⁽³⁾	12,508	65	(855)	53	(522)	(15)	11,131	103
Changes in risk parameters in relation to credit quality ⁽⁴⁾	—	(11)	—	(59)	—	198	—	128
Other items impacting the income statement ⁽⁵⁾	—	—	—	—	—	(90)	—	(90)
Income statement charge for the year								331
Assets written off ⁽⁵⁾	—	—	—	—	(402)	(302)	(402)	302
Other adjustments ⁽⁶⁾	—	—	—	—	—	18	—	18
31 March 2026	267,240	224	42,379	637	2,925	474	312,544	1,335
Net carrying amount .		267,016		41,742		2,451		311,209

Notes:

- (1) Gross balances of credit impaired loans include £792 million (2025: £947 million) of POCI loans which are presented net of lifetime ECL of £64 million (2025: £100 million). These loans were recognised on the balance sheet when Derbyshire Building Society was acquired in 2008, and Virgin Money was acquired in 2024.
- (2) The remeasurement of provisions arising from a change in stage is reported within the stage to which the assets are transferred.
- (3) 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 exposure at default (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.
- (4) 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.
- (5) The movement in provisions for 'assets written off' are presented net of post-write off recoveries of £73 million (2025: £42 million). The income statement impact of these recoveries is included within 'other items impacting the income statement'.
- (6) Other adjustments include the release of provisions related to POCI balances which have redeemed during the period.

The following table sets forth Nationwide's impairment provisions for the year ended 31 March 2026 and the period ended 31 March 2025:

Impairment provisions	2026	2025
	<i>(£ million)</i>	
Owner-occupied residential	129	115
Buy to let and legacy residential mortgages	223	236
Consumer lending	829	824
Business lending	154	113
Total	1,335	1,288

The following tables show the allowances for loan losses as a percentage of total loans, analysed by category for the year ended 31 March 2026 and the period ended 31 March 2025:

31 March 2026	Total Balance	(%) of Total	Provision	Provision/Total Balance
Owner-occupied residential mortgages	224,856	71.9%	129	0.06%
Buy to let and legacy residential mortgages	61,442	19.7%	223	0.36%
Consumer lending	11,578	3.7%	829	7.17%
Business lending	14,668	4.7%	154	1.05%
Total	312,544	100%	1,335	0.43%

31 March 2025	Total Balance	(%) of Total	Provision	Provision/Total Balance
Owner-occupied residential mortgages	215,546	71%	115	0.05%
Buy to let and legacy residential mortgages	60,344	20%	236	0.39%
Consumer lending	11,107	4%	824	7.42%
Business lending	14,818	5%	113	0.76%
Total	301,815	100%	1,288	0.43%

Coverage and Stage Ratios

The following table 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.

	As at 31 March 2026							
	<u>Stage 1</u>	<u>Total Stage 2</u>	<u>Up to date Stage 2</u>	<u>1-30 DPD Stage 2⁽¹⁾</u>	<u>>30 DPD Stage 2⁽¹⁾</u>	<u>Stage 3</u>	<u>POCI⁽²⁾</u>	<u>Total</u>
	<i>(£ million)</i>							
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	<i>(percentages)</i>							
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

	As at 31 March 2025							
	<u>Stage 1</u>	<u>Total Stage 2</u>	<u>Up to date Stage 2</u>	<u>1-30 DPD Stage 2⁽¹⁾</u>	<u>>30 DPD Stage 2⁽¹⁾</u>	<u>Stage 3</u>	<u>POCI⁽²⁾</u>	<u>Total</u>
	<i>(£ million)</i>							
Gross balances								
Owner-occupied.....	200,586	13,740	12,434	841	465	833	387	215,546
Buy to let and legacy.....	35,822	23,821	23,261	344	216	504	197	60,344
Total	236,408	37,561	35,695	1,185	681	1,337	584	275,890
Provisions								
Owner-occupied.....	14	58	41	7	10	41	2	115
Buy to let and legacy.....	31	150	131	10	9	54	1	236
Total	45	208	172	17	19	95	3	351
Provisions as a (%) of total balance	<i>(percentages)</i>							
Owner-occupied.....	0.01	0.42	0.33	0.82	2.05	4.99	—	0.05
Buy to let and legacy.....	0.09	0.63	0.56	2.84	4.49	10.62	—	0.39
Total	0.02	0.55	0.48	1.41	2.82	7.11	—	0.13

Notes:

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

(2) 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 £472 million (2025: £584 million) is presented net of lifetime ECL of £16 million (2025: £21 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.

Stage 2 balances have increased slightly to £38.1 billion (2025: £37.6 billion). Of these, only 2% (2025: 2%) 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 £8.7 billion (2025: £9.2 billion) of loans where the PD has been uplifted to recognise the increased risk of default due to borrower affordability pressures.

Stage 3 and POCI balances make up 0.7% (2025: 0.7%) of total balances. Stage 3 balances increased to £1,483 million (2025: £1,337 million), primarily reflecting newly impaired loans during the year. This increase has been largely offset by a reduction in POCI balances to £472 million (2025: £584 million), as loans impaired at acquisition continue to redeem or be written off. Of the total stage 3 and POCI balances, £1,204 million (2025: £1,240 million) is in respect of loans which are more than 90 days past due, with the remainder being impaired due to other indicators of unlikelihood to pay such as certain types of forbearance.

Residential mortgage provisions have remained stable at £352 million (2025: £351 million) and include a modelled adjustment of £63 million (2025: £70 million) to reflect an increase

to the PD to account for ongoing affordability risks, including those related to higher interest rates.

Deposits

The following table sets out the average balances and average interest rates for each deposit type for the year ended 31 March 2026:

	For year ended 31 March 2026	
	Average balance	Average rate paid
	<i>(£ million, except percentages)</i>	
UK retail member deposits	213,311	2.61%
Other customer deposits and amounts due to banks ⁽¹⁾	82,484	3.00%

Note:

⁽¹⁾ Amounts owed to other customers include time deposits, call deposits and retail deposits that do not grant "member" status.

	For period ended 31 March 2025	
	Average balance	Average rate paid
	<i>(£ million, except percentages)</i>	
UK retail member deposits	201,785	3.06%
Other customer deposits and amounts due to banks ⁽¹⁾	54,011	3.68%

Note:

⁽¹⁾ Amounts owed to other customers include time deposits, call deposits and retail deposits that do not grant "member" status.

Maturity of Deposits

The following table shows the maturity analysis of time deposits over £100,000 and certificates of deposit as at 31 March 2026:

	As at 31 March 2026			
	Time deposits	Certificates of deposit	Total	(%)
	<i>(£ million, except percentages)</i>			
Less than 3 months	76	1,008	1,084	95%
3 months to 6 months	39	—	39	3%
6 months to 1 year	27	—	27	2%
Over 1 year	—	—	—	—%
Total	142	1,008	1,150	100%

Return on Assets

The following table represents net income as a percentage of total average assets:

	For the year ended 31 March 2026	For the period ended 31 March 2025
	<i>(£ million, except percentages)</i>	
Net income ⁽¹⁾	1,103	2,338
Total average assets ⁽²⁾	378,987	327,130
Return on total average assets	0.29%	0.71%

Notes:

⁽¹⁾ Net income represents profit for the financial year after tax.

⁽²⁾ Total average asset is based on the total assets as of the end of each month during the financial year.

As a mutual organisation, Nationwide is managed for the benefit of its members, primarily Nationwide's retail savings and residential mortgage customers, rather than for equity shareholders. Nationwide returns value to its members by offering generally higher interest rates on savings and lower interest rates on loans than those offered by its main competitors.

As a result, Nationwide typically earns lower profits than its main competitors, which are typically banks or other non-mutual organisations. However, most of its net earnings are put into reserves and constitute Tier 1 capital for its capital adequacy requirements.

Nationwide has not presented any information regarding returns on equity because, as a mutual organisation, it does not have equity.

MANAGEMENT

Nationwide's business is under the control of its Board of Directors. Each director is elected annually by the members. The executive directors are the Group Chief Executive Officer and the Group Chief Financial Officer. All other directors are non-executive directors. The business address of all of the directors and officers is Nationwide House, Pipers Way, Swindon SN38 1NW, England.

Under Nationwide's rules, the Board of Directors must consist of not less than eight directors of whom not less than five must be present at a Board meeting to form a quorum.

No potential conflicts of interest exist between any duties to Nationwide, as Issuer, of the persons on the Board of Directors and their private interests or other duties.

Directors

Chris Rhodes stepped down from the Board on 21 May 2026.

Kevin Parry will step down from the Board after the AGM in July 2026, and Mike Rogers, currently Deputy Chair, will be appointed as the Chair of the Board of Directors.

Alan Keir will step down from the Board after the AGM in July 2026.

Kevin Parry OBE

Chairman (Date of birth: 29 January 1962)

Kevin Parry is a chartered accountant and brings to the Board expertise in audit, regulation, risk management, and finance. He has used his deep knowledge of commercial and mutual organisations to help shape and transform the Society into a modern mutual. Additionally, as a former Chairman of the Homes and Communities Agency, his perspective on housing is an asset to the Group.

He has a wealth of experience across a broad range of organisations. He has held the positions of Chairman of Royal London Mutual Insurance Company Limited and Intermediate Capital Group plc and Senior Independent Director of Standard Life Aberdeen plc, as well as having been the Chief Financial Officer of Schroders plc and the Chief Executive Officer of Management Consulting Group plc. Kevin is Chairman of the Board of Trustees for Marie Curie, an organisation whose charitable purpose is aligned with the Group's Fairer Futures initiative and is Chairman of the Mutuels and Co-operative Council that is working with government to double the size of the mutual sector in line with its growth agenda.

Current external positions include:

Chairman of the Board of Trustees for Marie Curie

Chairman of Mutuels and Co-operatives Business Council

Non-executive director of Daily Mail & General Trust plc

Debbie Crosbie

Group Chief Executive (CEO) and Executive Director (Date of birth: 30 March 1970)

Debbie Crosbie joined Nationwide in June 2022. She has worked with the Board to develop the Group's new business strategy, created a new Purpose, and refreshed its brand, marketing and member rewards. Debbie has over 25 years of experience in financial services and has led many successful large-scale technology and customer service transformations. She was previously CEO at TSB Bank where she created and delivered its three-year growth strategy a year early and, while acting CEO of Clydesdale Bank, Debbie led preparations for its successful demerger and subsequent initial public offering.

Debbie is a non-executive director of SSE plc, the energy generation and networks company. Debbie holds an honours degree in Industrial Relations from the University of Strathclyde and is a fellow of the Chartered Institute of Bankers. Previously, she has been a member of both the FCA and PRA practitioner panels and the Prime Minister's business council.

Current external positions include:

Non-executive director of SSE plc

UK Government's Women in Finance Champion

Philip Rivett

Non-Executive Director (Date of birth: 27 June 1955)

Phil Rivett is a chartered accountant with over 40 years' experience of professional accountancy and audit, with a focus on banks and insurance companies. He has a wealth of experience, advising major financial services providers in the UK and on a global basis. He has held various senior positions at PricewaterhouseCoopers LLP and was Chair of its Global Financial Services Group prior to retiring from the firm. He has an exceptional leadership track record, advocating a collaborative and inclusive approach.

Current external positions include:

Senior Independent Director of Standard Chartered PLC

Non-executive director of Standard Chartered Bank

Tamara Rajah MBE

Non-Executive Director (Date of birth: 24 August 1982)

Tamara Rajah is an experienced entrepreneur, executive and board director with deep expertise in consumer innovation, transformation and digital. She currently serves on the parkrun Global Board and has previously been a non-executive director of Holland & Barrett, the ScaleUp Institute Limited, London & Partners Limited and Entrepreneur First Operations Limited. Her executive experience includes serving as CEO of Wellness Solutions and Chief Transformation Officer of Holland & Barrett, where she drove the transformation of the brand and its customer proposition.

Earlier in her career, Tamara was one of the youngest partners at McKinsey & Company, spending a decade in its healthcare practice and leading the firm's global work on

entrepreneurship and technology clusters in life sciences, digital and technology. She then founded and scaled an award-winning, venture-capital backed global consumer healthcare platform. She has published widely on high-growth entrepreneurship. Tamara brings to the Board a proven track record of driving growth and innovation in parallel to leading digital and consumer-led transformation.

Current external positions include:

Trustee of ParkRun Global Limited

Group Managing Director of Healthcare at Tesco plc

Debbie Klein

Non-Executive Director (Date of birth: 10 August 1968)

Debbie Klein has extensive experience in consumer, commercial brand, marketing and people roles. Until 2023, she was Group Chief Marketing, Corporate Affairs and People Officer at Sky where her remit included responsibility for overall brand and marketing development, as well as leading corporate communications, public affairs, internal communications and human resources. She was responsible for Sky's corporate social responsibility (CSR) programme, leading Sky's challenge to meet its 2030 net-zero goals approved by the Science Based Targets Initiative. Her expertise in sustainability and CSR matters assists in building Nationwide's Environmental, Social and Corporate Governance (ESG) agenda.

She was previously Chief Executive Europe and Asia Pacific at The Engine Group, an integrated marketing services business, and held various leadership roles in her 20 years at the firm. Earlier in her career she worked in Strategy and Insight at Saatchi & Saatchi and Nielsen.

Current external position:

Non-executive director of Guardian Media Group plc

Non-executive director of Showmax Africa Holdings Limited

Non-executive director, Xyon Health Inc

Alan Keir

Non-Executive Director (Date of birth: 16 October 1958)

Alan Keir is an experienced banker who began his non-executive career when he retired as a Group Managing Director and CEO of EMEA at HSBC in 2016, where he had been leading operations in 30 countries, including the UK home market. He has extensive experience in a full range of banking activity, including retail branches and investment banking from his previous roles as Chair of Sumitomo Mitsui Banking Corporation Bank International plc and non-executive director of Majid Al Futtaim.

His expertise in the retail and commercial banking sector, and his proven track record of delivering a successful commercial banking strategy, whilst redefining the culture and values of a large organisation, assists the Board in setting and delivering strategic performance. He was previously a non-executive director of HSBC Bank plc between 2018 and 2021.

Alan Keir will step down from the Board at the conclusion of the 2026 AGM.

Gillian Riley

Non-Executive Director (Date of birth: 6 December 1967)

Gillian Riley is a senior banker with an accomplished track record at Scotiabank, Canada's third largest financial institution, for over three decades. She has worked in retail, business and wealth management areas in senior roles driving transformation. Most recently, between 2018 and 2024, she served as President and CEO of Tangerine Bank, Canada's leading digital bank with top in class customer satisfaction and strong growth in customer engagement. Gillian also serves as the Chair of the Board for Roynat Capital, which supports small and medium-sized businesses with financing solutions.

Gillian previously founded The Scotiabank Women Initiative, a programme built to strengthen equality and support for women entrepreneurs. She is a champion for diversity and community values, contributing to health care, youth empowerment and gender equality. She serves as President of The Conference Board in Canada, a global non-profit think tank and business membership organisation. She also serves on the Foundation board of St Michael's Hospital in Toronto and Huron University.

Current external positions include:

Chair of Roynat Capital Incorporation

Non-executive director of St Michael's Hospital Foundation in Canada

Governor at Huron University

President of The Conference Board

Tracey Graham

Senior Independent Director (Date of birth: 20 July 1965)

Tracey Graham is an experienced non-executive director, having served on several listed companies and mutual boards across a range of sectors, including financial services. She has considerable experience as a remuneration committee chair and as a senior independent director at Istock plc, discoverIE plc and Pension Insurance Corporation Group Limited. Tracey also has extensive consumer experience, having been Chair of LINK Consumer Council for nine years until December 2024.

She was Chief Executive of Talaris Limited, an international cash management business. Before that she held a number of senior roles in De La Rue plc, HSBC and AXA Insurance.

Current external positions include:

Senior Independent Director of Pension Insurance Corporation plc and Pension Insurance Corporation Group Limited

Non-executive director of Close Brothers Group plc and Close Brothers Limited

Sally Orton

Non-Executive Director (Date of birth: 5 March 1970)

Sally Orton is a dual-qualified chartered accountant in Australia and the UK, with a career spanning 30 over years in financial and professional services, bringing to the Board expertise in audit, regulation and finance. She has extensive experience across financial services organisations, with a remit including M&A, integration, transformation, sustainability, financial and related regulatory matters.

She has held CFO positions across a broad range of firms, including GAM Holdings AG (listed on the SIX Swiss Exchange), LCH Ltd (part of the London Stock Exchange Group) and Howden Broking Group, and also held senior roles at Man Group plc and CFO advisory roles. Having started her career at KPMG in Australia, she moved to London in 1997 to join the Banking and Capital Markets industry groups of PwC and then EY.

Current external positions include:

Member of ICAEW Financial Services Faculty Board

Warden of Worshipful Company of Chartered Accountants in England and Wales

Muir Mathieson

Group Chief Financial Officer and Executive Director (Date of birth: 15 August 1974)

Muir Mathieson was appointed as Group Chief Financial Officer in September 2024, having previously held several senior leadership roles at Nationwide since 2010. He is a chartered accountant and his previous positions within Nationwide include Deputy CFO, Treasurer and Director of Financial Planning and Stress Testing. Prior to this, he began his career at PwC, as well as holding roles at Barclays Investment Bank and Chelsea Building Society.

His significant financial services experiences across finance and treasury disciplines mean that he has a deep understanding of Nationwide, and the mutual business model, and he is ideally placed to oversee the long-term financial stability of the Group.

Current external positions include:

Chair of the PRA's Practitioner Panel

External Committee member of John Lewis Partnership Audit and Risk Committee

Director of Silverstone Securitisation Holdings Limited

Guy Bainbridge

Non-Executive Director (Date of birth: 13 September 1960)

Guy Bainbridge is an experienced Board Director, serving on boards and board committees for over 20 years, including seven years as a Non-Executive Director in financial services in the mutuals sector. Previously a senior partner at KPMG, where he was their most senior banking audit partner, Guy was involved in auditing major banks for 36 years, acting as lead audit partner for institutions such as HSBC, ING and Barclays. In his portfolio career, he has

held non-executive directorships at Yorkshire Building Society, ICE Clear Europe and Manulife Financial Corporation, serving as Chair of the Audit Committee at each organisation.

Guy is a member of the Institute of Chartered Accountants in England and Wales and holds a Master of Arts degree from the University of Cambridge.

Current external positions include:

Non-executive director of ICE Clear Europe Limited

Non-executive director of Manulife Financial Corporation

Mike Rogers

Non-Executive Director and Deputy Chair (Date of birth: 10 July 1964)

Mike Rogers brings extensive experience in financial services and a strong track record in leadership. He is currently Chairman of Admiral Group PLC, Chair of Experian plc and previously served as the Chair of Aegon UK PLC. Mike was an Independent Non-Executive Director at NatWest Group plc, Chair of its Group Sustainable Banking Committee and member of its Group Performance and Remuneration Committee. He was previously a non-executive director of the Association of British Insurers.

Over a 30 year executive career in financial services, Mike Rogers has demonstrated expertise in UK Retail Banking, the Mutual Business Model, Risk and Governance and played key leadership roles including as CEO of LV= leading its transformation into a significant player in the general insurance and life and pensions markets. Mike previously spent 20 years with Barclays and held a number of senior roles including Managing Director of UK Retail Banking and Managing Director of Small Business Banking.

Current external positions include:

Chair of Experian PLC

Chair of Admiral Group PLC

Committees of Nationwide's Board of Directors

Nationwide's **Board of Directors** operates through its meetings and through its four main committees, the Audit Committee, the Nomination and Governance Committee, the Remuneration Committee and the Board Risk Committee. To the extent that matters are not reserved to Nationwide's Board of Directors, responsibility is delegated to the Group Chief Executive Officer, who is assisted by the Group Management Committee, Group Risk Committee, Group Assets and Liabilities Committee, Executive Committee (Exco) and the Executive Risk Committee.

The **Audit Committee** provides oversight and advice to the Board in respect of among other things, financial reporting, financial crime, internal and external audit, and the adequacy and effectiveness of internal controls and risk management systems.

The purpose of the **Nomination and Governance Committee** is to assist the Chairman in keeping the composition of the Board under review, making recommendations to the Board on succession planning, executive level appointments and leading the appointments process for nominations to the Board. The Committee oversees the implementation of the Group's

Inclusion and Diversity strategy and objectives. It also reviews the Board's governance arrangements and makes recommendations to the Board to ensure that the arrangements are consistent with best practice.

The **Remuneration Committee** is responsible for determining and agreeing with the Board the framework or broad policy for remuneration of the Chairman, the directors and other senior executives of the Group including employees who are identified as material risk takers under the PRA Remuneration Code. It determines, within the terms of the agreed policy, the specific remuneration packages for these roles. The Committee also reviews the ongoing appropriateness and relevance of the remuneration policy across the Group.

The purpose of the **Board Risk Committee** is to provide oversight and advice to the Board in relation to current and potential future risk exposures and future risk strategy, including determination of risk appetite. In addition, the Committee is responsible for monitoring compliance oversight, and the effectiveness of the Group's GRMFs. It also advises the Remuneration Committee on any risk adjustments to be made, including risk appetite, risk monitoring, and risk adjustments to remuneration.

Management Committees

The purpose of the Group ALCO is to be responsible for the strategic direction of the Group's assets and liabilities and the profit and loss implications of balance sheet management actions. It acts as a forum to assist the Group CEO and the Group CFO with their responsibilities in relation to the Group and provides a forum for executive consideration of balance sheet related matters prior to their consideration by the Board. The Committee's membership comprises the Group Chief Financial Officer, Group Chief Executive Officer, the Chief Financial Officer of Virgin Money UK PLC, the Group Chief Risk Officer, as well as the Society's Director of Retail, Director of Retail Products, and Director of Mortgages and Financial Wellbeing.

The **Group Executive Committee** is the Group's key operational committee which oversees the day-to-day operations of the Group's business. This Committee meets weekly, reviews all matters that are to be presented to the Board of Directors, and is composed of the Group Chief Executive Officer, Chief Financial Officer and the Group's senior leadership team (this includes the Chief Internal Auditor who is an attendee of the Committee).

The **Group Executive Risk Committee**, which meets at least eight times a year, is responsible for ensuring a coordinated approach across all risks across the Group's business and oversight of its risk committees. The Committee's membership comprises members of the Executive Committee and it is chaired by the Chief Risk Officer. The sub committees of the Executive Risk Committee comprise:

- Group Credit Committee;
- Group Assets and Liabilities Committee; and
- Model Risk Oversight Committee.

Group Credit Committee is responsible for determining and amending the Society's attitude to lending risk and set thresholds for endorsement by the Executive Risk Committee and the Board Risk Committee. It also manages the Society's lending risk profile in accordance with

its Enterprise Risk Management Framework, Board Risk Appetite, Strategy and the Financial Plan.

The Committee's membership comprises the Chief Credit Officer (Chair), Group Chief Risk Officer, Group Chief Financial Officer, Head of Secured Credit Risk, Head of Unsecured Credit Risk, Director of Mortgages and Financial Wellbeing, Head of Credit Risk Management, Director of Modelling.

The **Group Model Risk Committee** is responsible for overseeing the Society's model risk, assessing whether models are fit for purpose and reviewing and challenging the Society's 1st Line use and management of models to manage the risk.

The Committee is comprised of the Head of Model Risk Oversight: Credit, Head of Model Risk Oversight; Finance, Head of Model Risk Management; Head of Business Risk Oversight, Head of Treasury Risk Oversight; Director of Modelling; Head of Credit Risk Management; Head of Balance Sheet Reporting and Forecasting, Head of Provision Reporting and Head of Balance Sheet Risk Framework and Modelling.

Compensation

For the year ended 31 March 2026 the aggregate amount of compensation that Nationwide paid to the executive directors on the Board as a group totalled £8.2 million. Nationwide operates an annual performance pay plan for executive directors that only pays out if performance targets are met under a broad range of individual, strategic and financial corporate metrics. Nationwide also operates a long-term performance pay plan for executive directors that pays out if sustainable long-term performance targets linked to financial and strategic objectives are met. Minimum regulatory deferral requirements apply across combined performance pay awards, with a portion of combined awards deferred for up to five years. The Remuneration Committee sets the performance targets under both the annual and long-term plans each year. For the year ended 31 March 2026, the maximum combined award opportunity under both plans for the Group Chief Executive and Group Chief Financial Officer was 450% and 400% of base salary, respectively.

In addition, executive directors receive other benefits including travel, accommodation and other business-related costs incurred in connection with the performance of their duties, as well as medical insurance, car allowance and security.

Directors' Loans

As at 31 March 2026, Nationwide had loans to key management personnel who are the Group Executive Committee and the non-executive directors of Nationwide, as defined by IAS 24 'Related Party Disclosures', totalling approximately £3.2 million. All of these loans were granted in the normal course of business and were on substantially the same terms, including interest rates and security, as generally available to other members and customers for comparable transactions. These transactions did not involve more than normal risk of repayment or present other unfavourable features.

Nationwide maintains a register containing the details of all loans, transactions and other arrangements made between its directors (and persons connected with its directors) and the Society or its subsidiaries. This register is available for inspection at Nationwide's annual general meetings and during normal business hours at Nationwide's principal office during the 15 days prior to Nationwide's annual general meeting.

Management Employee Pension Schemes

Executive directors receive a cash allowance in lieu of pension.

Related-Party Transactions

For information on transactions with related parties, see Note 35 to 2026 Financial Statements.

SUPERVISION AND REGULATION

Regulatory environment

Nationwide's principal regulators are the PRA and the FCA.

The PRA has four statutory objectives, including *inter alia*: (i) to promote the safety and soundness of the firms which it supervises; (ii) with respect to insurers, to contribute to the securing of an appropriate degree of protection for policyholders; (iii) a secondary objective to facilitate effective competition; and (iv) a secondary objective to facilitate the international competitiveness of the UK economy (in particular the financial services sector) and its growth in the medium to long term. The PRA's regulatory and supervisory approach incorporates three key characteristics: to take a judgment-based approach, to take a forward-looking approach and to focus on key risks.

The FCA has a strategic objective to ensure that the relevant markets function well. In support of this, the FCA has three operational objectives: to secure an appropriate degree of protection for consumers; to protect and enhance the integrity of the UK financial system; and to promote effective competition in the interests of consumers. The FSMA 2023 also gives the FCA, as well as the PRA, a secondary objective to facilitate the international competitiveness of the UK economy and its growth, in the medium to long term.

The regulators are also required to have regard to certain regulatory principles when exercising their regulatory functions, including the need to contribute towards achieving compliance by the Secretary of State with section 1 of the Climate Change Act 2008 (which contains the UK net zero emissions target) and section 5 of the Environment Act 2021 (which sets out other environmental targets) where they consider the exercise of their functions to be relevant to the making of such a contribution.

Nationwide operates in a heavily regulated environment, which continues to evolve. Certain elements of the regulatory environment which continue to attract regulatory focus are set out below; however, this does not purport to be a comprehensive overview of the regulatory regimes in which Nationwide operates.

Nationwide's capital, leverage and MREL requirements

Basel 3.1 implementation

Nationwide's capital and leverage requirements described in this section are subject to changes under the PRA's Policy Statement PS1/26 on the implementation of the Basel 3.1 standards which will come into effect from 1 January 2027 (except for the internal model approach for market risk, which will come into effect on 1 January 2028), with a transitional period of 3 years to ensure full implementation by 1 January 2030.

The PRA's new rules implementing Basel 3.1 will (i) establish more robust and risk-sensitive standardised approach and internal models approach to market risk, (ii) introduce three new approaches to credit valuation adjustment, (iii) implement a new standardised approach for operational risk, (iv) provide for an output floor requiring reported RWAs calculated under internal model approaches to be a minimum of 72.5 per cent. of fully standardised calculations, (v) enhance the standardised approach and internal ratings-based approach for credit risk and (vi) make changes to the treatment of both funded and unfunded credit protection and the PRA's expectations with respect to credit risk mitigation. There will also

be updates to the disclosure requirements and PRA supervisory reporting requirements (under PS1/26) as well as restatement of the remaining relevant provisions in the Capital Requirements Regulation (CRR) within the PRA Rulebook and other policy material such as supervisory statements or statements of policy (under PS3/26).

The methodology for Pillar 2A has also been reviewed as part of Basel 3.1 implementation process, with PRA's final Policy Statement PS2/26 on retiring the refined methodology for Pillar 2A for all firms effective from 1 January 2027.

The PRA's policy statement PS15/26 'Pillar 2A review – Phase 1' proposed updates to Pillar 2A methodology and guidance, some of which are consequential impacts of Basel 3.1 Pillar 1 changes. The policy statement is effective on 1 January 2027, aligned to Basel 3.1 implementation.

Risk-based capital requirements

Under the prudential framework as at the date of this Registration Document, Nationwide is required to hold a minimum amount of regulatory capital equal to 8% of its RWAs (the "**Pillar 1 requirement**"), plus certain additional CET1 capital buffers (the "**buffer requirement**"). Certain buffer requirements may be extended to credit institutions designated as 'global systemically important institutions' ("**G-SIIs**") or 'other systemically important institutions' ("**O-SIIs**"). Nationwide is not presently designated as a G-SII but it has been designated as an O-SII. The PRA has indicated that the O-SII buffer will be used to reflect an institution's domestic and global systemic importance, while a separate Systemic Risk Buffer ("**SRB**") will be used to prevent and mitigate macroprudential or systemic risks not otherwise covered by Pillar 1 requirements or the O-SII buffer.

Nationwide's total buffer requirement, as at the date of this Registration Document, is equal to 5.5% of RWAs (comprised of a capital conservation buffer of 2.5%, a counter-cyclical buffer of 2.0% and an O-SII buffer of 1.0%). The PRA is required to review O-SII buffer rates once a year and reassessed O-SII buffer rates in November 2025 with Nationwide's O-SII buffer set to remain at 1.0%.

In addition, the PRA may impose additional individual capital requirements on Nationwide, which may comprise an add-on to the Pillar 1 requirement (the "**Pillar 2A requirement**") to address risks to it which the PRA considers are not adequately covered by Pillar 1 requirements, and/or an add-on to the buffer requirement (the "**PRA buffer**") to provide for additional capital buffers as a mitigation against future possible stress periods. Nationwide is subject to a Pillar 2A requirement which is set on an annual basis by the PRA based on the submission of the results of the annual internal capital adequacy assessment process (the "**ICAAP**"). As at 31 March 2026, Nationwide's Pillar 2A capital requirement was 4.0% of RWAs. The PRA presently requires that the level of the PRA buffer is not publicly disclosed and is set for each institution individually. Like the Pillar 2A requirement, the PRA buffer is a point in time assessment that, in respect of UK firms, is made by the PRA and is expected to vary over time. A failure to satisfy the PRA buffer could result in the Society being required to prepare a capital restoration plan.

Nationwide may also decide to hold additional amounts of capital, as part of its risk and growth strategies.

As at 31 March 2026, Nationwide's CET1 ratio was 19.1% and its total regulatory capital ratio was 23.8%.

Alongside its ICAAP assessment, Nationwide is required to report to the PRA its assessment of the step-in risk which is the risk that Nationwide provides financial support to an unconsolidated entity that is facing stress, in the absence of, or in excess of, any contractual obligations to provide such support. This reporting requirement was introduced by PS5/25 and applies from 1 January 2026, together with the requirements to put in place policies and processes to identify and evaluate Nationwide's relationship with certain unconsolidated entities, to consider whether there are any indicators of significant step-in risk in relation to those entities that have been assessed as being material and to determine whether mitigating action is needed when significant step-in risk is identified.

Leverage-based requirements

The UK leverage ratio framework includes mandatory leverage requirements for in-scope firms (such as the Society), as well as a PRA supervisory expectation with respect to the risk of excessive leverage for firms not subject to a minimum requirement.

The leverage ratio framework is intended to mirror aspects of the risk-weighted capital requirement. The calculation determines a ratio based on the relationship between Tier 1 capital and total exposures (i.e. non-risk-weighted assets), including off-balance sheet items. The leverage ratio does not distinguish between unsecured and secured loans, nor recognise the ratio of loan to value of secured lending. As at the date of this Registration Document, the leverage ratio requirement is set at 3.25% of exposures excluding assets constituting claims on central bank, where they are matched by liabilities, denominated in the same currency and of identical or longer maturity. At least three-quarters of the leverage ratio requirement must be met with CET1 capital and up to one-quarter may be met with Additional Tier 1 capital.

In addition, the leverage ratio framework includes two additional buffers that are to be met using CET1 capital only: an Additional Leverage Ratio Buffer ("**ALRB**"), applying to the largest UK banks and building societies (including the Group) and set at 35% of the relevant firm's G-SII or O-SII RWA-based buffer, and a macro-prudential Countercyclical Leverage Buffer ("**CCLB**"), which is set at 35% of the corresponding risk-weighted countercyclical buffer (and rounded to the nearest 10 basis points).

Nationwide's leverage ratio was 5.3% as at 31 March 2026. Given the nature of Nationwide's balance sheet, which is underpinned by residential mortgage assets with a low risk profile (as demonstrated by a low level of arrears compared to the industry average), its current binding capital constraint is based on leverage-based (rather than risk-based) capital requirements. Based on its current understanding of the proposed changes to risk-weights, and subject to final implementation, Nationwide currently expects that the leverage ratio will continue to be its binding capital constraint in the near-term.

See "*Risk Factors – Regulatory Risks –Capital and liquidity requirements*" for more information on the proposed changes to the threshold for application of the leverage ratio.

MREL and resolution strategy

MREL requirements have been introduced as part of a regime designed to make it easier to manage the failure of banks and building societies in an orderly way, without reliance on taxpayer bail-outs. These rules require all in-scope institutions to meet an individual MREL requirement by issuing own funds (capital instruments) and (depending on the preferred resolution strategy for the relevant institution) other "eligible liabilities" which are available

to be bailed-in (i.e. written down or converted to equity on the occurrence of certain trigger points), calculated as a percentage of total liabilities and own funds and set by the relevant resolution authorities.

MREL requirements are split into two elements: firstly, a loss absorption amount, to cover losses up to and in resolution, based on a firm's minimum going concern capital requirement; and secondly (to the extent relevant for the preferred resolution strategy for the relevant firm), a recapitalisation amount, intended to enable the firm to continue as a going concern post-resolution and to access funds in the capital markets (and accordingly, for firms (such as the Society) with a "bail-in" resolution strategy, the recapitalisation amount is likely to be at least equal to the minimum going concern capital requirement).

The Bank of England has set Nationwide's indicative MREL requirement at 6.5% of its leverage exposure. In addition to Nationwide's MREL requirement, it must also hold applicable leverage ratio buffers of 1.05% of its leverage exposure. Together the MREL requirement and applicable buffers represent Nationwide's "loss-absorbing capacity" requirement. As at 31 March 2026, Nationwide's MREL resources were equal to 9.7% of its leverage exposure.

The preferred resolution strategy for Nationwide has been set by the Bank of England as "single point of entry bail-in", reflecting its size and consequential risks of an insolvency process. 'Bail-in' would involve the write-down or conversion to equity instruments (such as core capital deferred shares ("**CCDS**")) of Nationwide's liabilities, and would be expected to result in the write-down or conversion of all or a large part of its own funds and other eligible liabilities (and could in addition result in the write-down or conversion of its other, more senior-ranking liabilities). Notwithstanding this, the actual approach taken, should Nationwide requires resolution, will depend on the circumstances at the time of a failure, and all available options would be considered by the Bank of England.

Stress Tests

Since 2014, the Bank of England has conducted annual stress tests of the UK banking system. As set out in the Bank of England's updated Approach to Stress Testing the UK Banking System, published in November 2024, starting from 2025, the Bank of England expects to undertake the 'Bank Capital Street Test' ("**BCST**") every other year. The exercise is the successor to annual cyclical scenario ("**ACS**"). Participation in the BCST is based on an assessment of a bank's share of lending to the UK real economy, other measures of its systemic importance, and the test's overall coverage of the banking sector's lending to the UK real economy.

On 24 March 2025, the Bank of England launched the 2025 BCST for the seven largest and most systemic UK banks and building societies, including the Society. The specified hypothetical stress scenario had three elements, which included a macroeconomic scenario, a financial markets and traded risk scenario and a misconduct stress. The macroeconomic scenario involved a severe global aggregate supply shock leading to deep recessions in the UK and globally, with its selected key elements including a 28% decrease in the UK residential property prices, 8.5% peak in unemployment in the third year of the scenario and an increase of the Bank Rate to a peak of 8% which is then lowered over the scenario as inflation returns to the target. The results of the 2025 BCST show that the Society's capital position remained robust with Nationwide's common equity tier 1 ratio at its lowest point in the stress at 14.5%, remaining significantly above the 6.5% hurdle rate. Nationwide's leverage ratio at its lowest point in the stress was at 4.8% which was above the 3.3% hurdle rate. Full distributions on

Core Capital Deferred Shares continued to be made throughout the scenario. The Prudential Regulation Committee has confirmed Nationwide is not required to submit a revised capital plan or take additional actions as a result of the stress test exercise.

GENERAL INFORMATION

1. Nationwide's principal office is Nationwide House, Pipers Way, Swindon SN38 1NW, England.
2. There are no governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened) of which the Society is aware in the 12 months preceding the date of this Registration Document which may have or have had in such period a significant effect on the financial position or profitability of the Group.
3. Since 31 March 2026, there has been no significant change in the financial performance or financial position of the Group. There has been no material adverse change in the prospects of the Group since 31 March 2026.
4. There are no material contracts having been entered into outside the ordinary course of Nationwide's business, and which could result in any group member being under an obligation or entitlement that is material to its ability to meet its obligation to holders of Securities.
5. The financial statements as of and for the year ended 31 March 2026, the period ended 31 March 2025 and the year ended 4 April 2024, incorporated by reference in this Registration Statement, have been audited by Ernst & Young LLP, independent auditors, as stated in their reports incorporated by reference herein.
6. For so long as the Issuer may issue Securities with respect to which this Registration Document forms a constituent part of a Prospectus prepared by the Issuer relating to such Securities, the following documents may be inspected at <https://www.nationwide.co.uk/investor-relations/>, <https://www.nationwide.co.uk/investor-relations/gmt-n-terms-of-access/gmt-n-programme/>, <https://www.nationwide.co.uk/investor-relations/covered-bond-terms-of-access/covered-bond-programme/> and <https://www.nationwide.co.uk/investor-relations/emtn-terms-of-access/emtn-programme/>:
 - (i) the Memorandum and the Rules of the Society;
 - (ii) the most recent publicly available audited consolidated financial statements beginning with such financial statements as of and for the year ended 31 March 2026, the period ended 31 March 2025 and the year ended 4 April 2024; and
 - (iii) the independent auditor's reports of Ernst & Young LLP in respect of Nationwide's audited consolidated financial statements as of and for the year ended 31 March 2026, the period ended 31 March 2025 and the year ended 4 April 2024.
7. This Registration Document (including any documents incorporated by reference herein) will be available for viewing at <https://www.nationwide.co.uk/about/investor-relations>. For the avoidance of doubt, unless specifically incorporated by reference into this Registration Document, information contained on the website does not form part of this Registration Document.
8. The Legal Entity Identifier (LEI) code of the Issuer is 549300XFX12G42QIKN82.

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