Nationwide Building Society

Capital Requirements
(Country-by-Country Reporting)

For the year ended
4 April 2019
**Country-by-Country Report**

The disclosures set out in the table below are required by The Capital Requirements (Country-by-Country Reporting) Regulations 2013 (‘the Regulations’) which implement article 89 of the Capital Requirements Directive IV (CRD IV).

Substantially all the activities of Nationwide Building Society and its subsidiaries (together, ‘the Group’) are conducted in the United Kingdom.

The country-by-country reporting (CBCR) disclosures for the year ended 4 April 2019 are shown below. In addition, a list of Group entities by country as at 4 April 2019 is included in Appendix 1. There were no public subsidies received during the period.

<table>
<thead>
<tr>
<th>Country</th>
<th>Nature of activities</th>
<th>Number of employees (average full time equivalent)</th>
<th>Turnover (note i)</th>
<th>Profit before tax</th>
<th>Corporation tax paid (note ii)</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom (note iii)</td>
<td>Provision of financial services</td>
<td>16,743</td>
<td>3,206</td>
<td>833</td>
<td>135</td>
</tr>
<tr>
<td>Republic of Ireland (note iv)</td>
<td>Support services provided to the Group / investment in portfolio of European loans</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>16,743</strong></td>
<td><strong>3,206</strong></td>
<td><strong>833</strong></td>
<td><strong>135</strong></td>
</tr>
</tbody>
</table>

Notes:

i. Turnover represents ‘total income’ on the Group’s income statement as disclosed in the Group’s Annual Report and Accounts. Turnover is aggregated for all subsidiaries and adjusted for dividends and transactions between Group entities within each country.

ii. In addition to the amounts shown in the table for the United Kingdom, final tax settlements of less than £0.1 million were made with the Isle of Man tax authority for a branch that closed in 2017/18 and with the tax authority in the Republic of Ireland for a branch that closed in 2017/18 and a company that was dissolved in May 2019.

iii. There is an operation in the Isle of Man which is reported under the United Kingdom where it is managed, controlled and subject to corporation tax.

iv. Amounts reported for the Republic of Ireland round to £nil million and relate entirely to our interest in a structured entity which was terminated during the year, and a legal entity which was dissolved in May 2019.

**Basis of preparation**

The Group’s CBCR disclosure has been prepared to comply with the Regulations, which came into effect on 1 January 2014. The requirements place certain reporting obligations on financial institutions that are within the scope of CRD IV. CBCR requires annual publication of certain statutory information on a consolidated basis, by country, where an institution has a subsidiary or branch. Income and expenses relating to transactions between operations in the same country have been eliminated.

The CBCR disclosure has been prepared solely to comply with the requirements of the Regulations and may not be relied on for any other purpose.
Independent auditors’ report to the directors of Nationwide Building Society

Report on the audit of the country-by-country information

Opinion

In our opinion, the country-by-country information for the year ended 4 April 2019 for Nationwide Building Society and its subsidiaries (together the “Group”) has been properly prepared, in all material respects, in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

We have audited the country-by-country information for the year ended 4 April 2019 in the Capital Requirements (Country-by-Country Reporting).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”), including ISA (UK) 800 and ISA (UK) 805, and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors’ responsibilities for the audit of the country-by-country information section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the country-by-country information in the UK, which includes the FRC’s Ethical Standard, as applicable to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - Basis of preparation

In forming our opinion on the country-by-country information, which is not modified, we draw attention to the basis of preparation paragraph of the country-by-country information. The country-by-country information is prepared for the directors for the purpose of complying with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013. The country-by-country information has therefore been prepared in accordance with a special purpose framework and, as a result, the country-by-country information may not be suitable for another purpose.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors’ use of the going concern basis of accounting in the preparation of the country-by-country information is not appropriate; or
- the directors have not disclosed in the country-by-country information any identified material uncertainties that may cast significant doubt about the Group’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the country-by-country information is authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group’s ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Group’s trade, customers, suppliers and the wider economy.
Responsibilities for the country-by-country information and the audit

Responsibilities of the directors for the country-by-country information

The directors are responsible for the preparation of the country-by-country information in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013 as explained in the basis of preparation paragraph of the country-by-country information, and for determining that the basis of preparation is acceptable in the circumstances. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of country-by-country information that is free from material misstatement, whether due to fraud or error.

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

Auditors’ responsibilities for the audit of the country-by-country information

It is our responsibility to report on whether the country-by-country information has been properly prepared in accordance with the relevant requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Our objectives are to obtain reasonable assurance about whether the country-by-country information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this country-by-country information.

A further description of our responsibilities for the audit of the country-by-country information is located on the FRC’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors’ report.

Use of this report

This report, including the opinion, has been prepared for and only for the Group’s directors in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 June 2019
Appendix 1 – Nationwide group entities as at 4 April 2019

United Kingdom
Nationwide Building Society
at.home nationwide Limited*
Confederation Mortgage Services Limited*
Derbyshire Home Loans Limited
Dunfermline BS Nominees Limited
E-Mex Home Funding Limited
Ethos Independent Financial Services Limited*
Exeter Trust Limited*
First Nationwide
Jubilee Mortgages Limited
LBS Mortgages Limited*
Longwide Limited*
Monument (Sutton) Limited
Nationwide Anglia Property Services Limited*
Nationwide Covered Bonds LLP (note i)
Nationwide Financial Service Limited*
Nationwide Home Loans Limited*
Nationwide Housing Trust Limited*
Nationwide International Limited*
Nationwide Investments (No. 1) Limited*
Nationwide (Isle of Man) Limited
Nationwide Lease Finance Limited*
Nationwide Mortgage Corporation Limited*
Nationwide Overseas (UK) Limited*
Nationwide Property Services (NBS) Limited*
Nationwide Syndications Limited
Nationwide Trust Limited*
NBS CoSec Limited*
NBS Fleet Services Limited*
NBS Ventures Limited
NBS Ventures Management Limited
Piper Javelin Holding Company Limited
Piper Javelin No 1 Limited
Silverstone Funding (No. 1) Limited (note i)
Silverstone Master Issuer plc (note i)
Staffordshire Leasing Limited*
The Derbyshire (Premises) Limited
The Mortgage Works (UK) plc
UCB Home Loans Corporation Limited

Republic of Ireland
Ashton Employment Limited* (dissolved on 10 May 2019)

*Dormant entity

Note:

1. These entities are consolidated in the Group’s results as the substance of their relationship indicates control. Voting or similar rights are not the dominant factor in deciding control.