# NATIONWIDE BUILDING SOCIETY

# ANNUAL GENERAL MEETING 2024

Wednesday, 17 July 2024

Chairman:  Mr Kevin Parry OBE

**I N D E X**

THE CHAIRMAN:  Welcome to Nationwide's 2024 Annual General Meeting. Thank you for attending.  I'm Kevin Parry, the Society's Chairman.

The Society's Secretary, Jason Wright, has confirmed to me that the meeting is quorate, so I now declare formally the meeting open.

We are using a similar meeting format to last year, which enables members to attend and fully participate online.  Last year, this allowed ten times more members to join than in the recent past and to cover more topics than before.

Members can ask questions in writing during the meeting but can also speak with directors by video link if they prefer.

Our experience is that this online AGM format encourages increased member engagement by enabling members to attend and participate in the meeting from wherever they may be without the need to travel or take too much time out of their day.  It is also more cost effective for the Society and a better use of members' money, allowing us to keep investing in service improvements and ensuring that we continue to provide member value.

Throughout the year we take member feedback in a number of ways - we speak with members directly, observe focus groups, visit branches, and we survey tens of thousands of members every month - and of course answering your questions and taking your comments at the AGM is a vital part of our member engagement.  We therefore intend to dedicate as much of this meeting to your questions as we can.

We are using the same technology that worked well last year but we can never guarantee that it won't be completely free of technological glitches.  If we do lose our ability to broadcast or to receive questions from you and we are unable to restore the service within about 20 minutes, I will adjourn the meeting and a notice to that effect will appear on your screen and be posted on our website.

My fellow directors, Albert Hitchcock, Alan Keir, Debbie Klein, Sally Orton, Tamara Rajah and Gillian Riley are all in attendance online.  Debbie Crosbie, our Chief Executive, and Chris Rhodes, the Society's Chief Financial Officer, and Tracey Graham, our Senior Independent Director, are present with me.  Phil Rivett, the Chair of our Audit Committee, is unfortunately unable to attend today's meeting for personal reasons and sends his apologies.

All of the directors on the Board are standing for re-election today and you will have had a chance - you'll have a chance shortly to vote on their re-election, as well as on other items of business.

We want to allow as much time for voting as possible and also to provide a lengthy opportunity for you to ask the Board questions.  So I will formally outline the business of the meeting, I'll then open the voting, and voting will stay open while we have a review of the year and then a question-and-answer session.  Members can ask the Board questions on the review of the year, business of the meeting or any other matter.  When we get to that point, I'll explain how you can ask a question.  We'll keep voting open and answer questions for as long as we can; however, the latest we will stay online is about one o'clock.  I'll give notice as we approach the end of the meeting to make sure everyone has a chance to make their vote count.

Now, down to today's business.

The Notice of Meeting was sent to members on 10 June 2024 and includes 16 items of business for your consideration.  A brief explanation of each of these was included in the Notice of the Annual General Meeting.  The recommendation from the Board is to support each resolution and the re-election of directors.

On behalf of the Board, I now formally propose the following business as detailed in the Notice of the AGM:

- Item 1 is proposed as an ordinary resolution and covers the receipt of our Annual Report and Accounts for the year ended 4 April 2024

- Item 2 is proposed as an advisory ordinary resolution and is to approve the Directors' Remuneration Report for the year ended 4 April 2024

- Item 3 is also proposed as an advisory ordinary resolution and is to approve the Directors' Remuneration Policy

- Item 4 is proposed as an ordinary resolution to re-appoint Ernst & Young LLP as the Society's auditors

- Items 5, 6, 7, 8, 9, 10, 12, 13, 14 and 15 relate to the re-election of each of the Society's directors.

- Item 16 is to approve amendments to the Society's Rules.  This is proposed as a special resolution and requires at least 75% of votes cast to be in favour of the resolution for it to be passed.

As I have mentioned, all of the directors are standing for re-election and their details can be found in the leaflet entitled "Who am I voting for?"  This was in your voting pack and is also available on the online voting site.

I can confirm that, following a formal performance evaluation, each of the directors evaluated and seeking re-election continues to be effective and demonstrates a strong commitment to the role.

I'm now going to pass over to our Senior Independent Director, Tracey Graham, to propose the resolution regarding my own re-election.  Tracey.

MS GRAHAM:  I confirm that, following an assessment of the Chairman's performance during the year, your Board believes that he continues to perform very effectively as a director and as Chairman of the Society.  On behalf of the Board, I propose resolution 11:

- to re-elect Kevin Parry as a director.

THE CHAIRMAN:  Thank you, Tracey.

The Board's recommendation is that members support and vote "For" each of the items of business included in the Notice of the AGM.  If you've already validly submitted your voting instructions, either by post or online in advance of the meeting, to appointment me as Chair of the meeting to vote on your behalf in line with voting instructions, those votes will be counted and you do not need to vote again today unless you wish to change the way you vote.

I will shortly invite you to ask any questions you may have.  Before I do so, I intend to open the voting to allow you as much time as possible to vote.  I therefore now formally put each of the items of business as set out in full in the Notice of the AGM to the meeting and declare the voting open.

All eligible members and validly appointed proxies representing one or more eligible members may vote now.  Please select "Voting" on the screen and click "Show" to vote on each resolution.  Voting will be on a poll and the poll vote will remain open until the conclusion of the question-and-answer session.

You can now also start to submit questions.  If you wish to ask a question, click on the Q&A tab at the top of your screen.  Just type in your questions and they will be relayed to me to read out.  There is also the option in the Q&A tab to "Request to Speak" to the Board by video link.  Once you submit a request to speak, a member of our team will contact you and provide you with a link to ask your question.  If we get lots of questions on the same subject, we'll do our best to combine them; this will help us to cover a wider range of topics.

To give you some time to think of and submit your questions, I'd like to share a few highlights from last year.  There was a lot to cover and, to make sure we don't miss the main points, Debbie Crosbie and I recorded this short video to bring the year to life.

*Video played, the transcript of which follows:*

THE CHAIRMAN:  Last financial year, Nationwide delivered its highest ever level of member value, over £2 billion, more than double the previous year, which itself was a record.  We were able to do this because of the Board's sharp focus on maximising member value, even to the extent of prioritising that over profit last year.

As I review the year with our Chief Executive, Debbie Crosbie, we'll focus on member value and highlight the ways that our mutual model benefits both our members and society more broadly.

I said at the Annual General Meeting last year that the economic environment was challenging and uncertain and that we needed to be mindful of the impact that this had on our members.  Although inflation has reduced since then, interest rates are still elevated and many of our members continue to face cost of living pressures.  That's why we have focused so much this year on balancing the needs of both borrowers and savers, as well as protecting the great customer service that Nationwide is renowned for.

Debbie will review some of this year's highlights before I cover the financial performance, look forward to the year ahead and how we intend to maintain our momentum and member value.

MS CROSBIE: The economic challenges that Kevin spoke about created a very competitive but volatile mortgage market last year. Despite this, Nationwide's share of the market increased and we are still the UK's third largest mortgage lender with around 12% of mortgage balances.

For most of our borrowers, mortgage payments are their largest monthly cost and any increase really squeezes their household budget. The volatility last year meant that many people coming off fixed-rate mortgages faced the prospect of a substantial rise in monthly payments. As a mutual, we chose to keep increases for our members as low as we possibly could on a sustainable basis. We were one of the first signatories to the Government's Mortgage Charter and we introduced a new Mortgage Manager online platform that made it easier for members to keep payments low and affordable by switching to either a new rate or changing the term of their mortgage.

Our Mortgage Guarantee means that existing members get rates that are every bit as good as the rates we offer to new borrowers. However, first-time buyers did get some special treatment. We know that it's increasingly difficult for people to buy their first home, especially when both house prices and mortgage rates are increasing. That's why I'm delighted that we supported 64,000 first-time buyers into a home of their own last year. Many took advantage of our Helping Hand mortgage that allows first-time buyers to borrow a little more towards their first home and with some cashback too.

However, the pricing we offer borrowers is only half the story. We balance the best possible rates on our mortgages with our commitment to competitive rates for our members who save with Nationwide.

Over the course of the year, the savings rates that we offered our members were on average better than the established high street lenders. When the Bank of England increased interest rates in May, June and August last year, we passed through a higher proportion of increases to savers than most of the other main banks. We were able to do this because we are a mutual and because we prioritise member value. This helped us to increase the total amount of deposit balances we held. We look after almost £1 in every £10 of the country's savings.

Last year, we introduced a new children's savings account, something that I know many of our members have asked for.

For other savers, we offered one of the highest Nationwide rates for many years, 8% on our Flex Regular Saver.

Understandably, savers pay a lot of attention to rates and, with so many changes and products on offer, it can be a struggle to keep track of the best rates. Nationwide members can sign up to our SavingsWatch to get alerts when better rates are available to them. We stand out in the industry by actively encouraging our customers to move their savings to get the best Nationwide rates possible. A good savings rate is just one of the benefits that members get from Nationwide.

Members also tell me that they value access to a local branch, particularly being able to speak to someone direct when they want to make a deposit, especially for larger amounts.

Last year we made it even easier for members to bank with us. We extended telephone opening lines*(sic)* into the evenings and we are available on Sundays too. Our online chat service is now available every hour of every day and you can do more online and by phone than ever before.

We launched a much-improved mobile banking app at the start of this year. In response to member feedback, you can now add references to every payment and do more without using a card reader. We have almost 5 million digitally active users and 155 million mobile app logons are made every month. Of course, we prioritise the stability and security of our banking app but we've also listened to your feedback and continue to deliver more of the features and functionality that you have asked for.

We're also modernising passbooks to continue to provide best-in-class, full banking service to the members who use and value these. We tested our plans with members and our new Savings Wallet keeps all the benefits that you value the most: a printed record of transactions and a card that can only be used face to face in branches. The new wallets will be introduced next year and we will be spending plenty of time with members beforehand so that they are able to make the best use of them.

I want to be really clear that, even although we are modernising passbooks and more services are accessible online, we will not be closing branches. We believe in face-to-face banking and we have extended our Branch Promise until at least the start of 2028. Only Nationwide has a promise like this.

You can still phone a branch direct, speak to a branch manager if you need to, and you'll always be served by a well-trained colleague instead of being sent to a booth to use a computer. So much so that our customer experience tracker satisfaction scores have hit record levels across many of our channels, with branch face-to-face saving satisfaction reaching a record 90% in March this year.

Branches are key to helping protect members from fraud. Together, our Scam Checker Service and controls, we've helped prevent at least £135 million in fraud payments last year, and when it came to supporting innocent victims of fraud, we were one of the best, refunding 91% of all fraud losses by volume.

Our branches are at the heart of many of our high streets, that's why we've refreshed how they are branded so they stand out, and we are refurbishing many of them too. There are now more Nationwide branches in the UK than any other banking brand. Perhaps that's why more and more people believe that Nationwide is a good way to bank.

Last year we increased our total number of current accounts and had more net current account switching gains than any other brand, with one in six switchers choosing

Nationwide, and I'm incredibly proud that we were first for customer satisfaction amongst our peers for the twelfth year running. We even increased our lead over our competitors by 5.5%. What's more, the recent UK Customer Satisfaction Index results not only ranked us first for banks and building societies but also second overall out of 266 leading organisations across all industries and sectors. Thanks to all of my Nationwide colleagues for that remarkable achievement.

Our new advertising campaign meant that we were top of the list when non-customers were asked which banks they had heard good things about, which bodes well for our strategy to attract more current account customers and to meet more of their banking needs. Competitive rates, great customer service and the UK's largest branch network are just some of the ways members share in Nationwide's success.

Our strong financial performance also meant that we could once again offer a Nationwide Fairer Share package. We listened to your feedback and this year we increased the ways that members benefit. We launched a Member Exclusive Bond offering a full 1% more interest than was available on our other retail savings. That meant that members who saved with us could earn up to an extra £198 in interest from the bond.

For those who do their main banking with us, we provided £100 Nationwide Fairer Share Payment, and for those members who missed out because their main current account was elsewhere, we offered £200 incentive to switch it to Nationwide so they're in a great position for future Fairer Share Payments.

Of course, being a member of a mutual isn't just about the individual benefits, it's also about the way that we come together to support each other. That's why we have set up safe spaces across 434 branches to support anyone experiencing domestic or financial or economic abuse.

Charities also benefit when Nationwide does well. Our members voted to provide 1% of Nationwide's pre-tax profits to charitable causes each year. For 2024 that amounted to an incredible £15.5 million. Some of that was spent through the Nationwide Foundation, the independent charity that we fund, but most of it was spent on our own social impact programmes. Last year much of that investment was with Shelter, who we have worked with over many years to help tackle homelessness. Many of our members also joined our local Community Boards to help distribute £5.1 million to good causes in their communities. This year I'm delighted to say that we are supporting three new charities and you will hear more about them later in the AGM.

Back to Kevin now for some financial highlights and more on what the future holds for Nationwide.

THE CHAIRMAN: Thank you, Debbie.

It's great to see the improvements that we are making in customer service and the increase we've delivered in member value. As well as that progress, our financial performance has stayed strong. Some of the highlights are on the screen now.

Providing record member value meant that our annual profit fell slightly but we controlled costs tightly in the face of high inflation and to make sure that we protected the value we provide to members.

Our capital strength is industry leading, and the quality of lending is good with very little change in the level of arrears.

The progress we have made over the last two years is particularly noteworthy. Since our Annual General Meeting two years ago, our underlying profit is up by a quarter, we are providing five times more member financial benefit, we've doubled the number of first-time buyers we supported and we've added five more years to our Branch Promise, and most rewarding of all is that we have done this and stayed top of class in customer satisfaction.

It's amazing progress in just two years but we don't take this performance for granted. The high levels of member value and the strong financial performance has been built, to a large extent, from the current high bank base rate. Without any action, when interest rates start to fall, which they will, the amount of value that we can return to members will also start to fall.

To be in the best position to continue to provide good levels of member value, the Board considered how to increase the value of Nationwide itself, as well as for our members, that was the main reason that we made an offer to buy Virgin Money. The capital reserves that we have been building up over many years earn base rate on deposit at the Bank of England. Just like our members who want the best savings rate they can get, the Board needs to get the best returns possible for members but in a prudent manner, we also need to become less reliant on personal savings in our deposit base, but we are also ambitious and want to bring the power of our mutual model to business banking.

The United Kingdom is one of the few countries in the world where there are no large mutual banks for small businesses. Many of our members have encouraged Nationwide, the world's largest building society, to change that.

Buying Virgin Money will bring some immediate financial benefits for the Society and for our members.

Firstly, we expect to make a good annual return on our investment. Based on market analysts' forecasts for Virgin Money's pre-tax profits in 2024, the acquisition would represent a 17% return on the purchase price, compared to 5¼% our surplus capital is generating at the Bank of England and that rate is likely to fall further. That's because the profits that Virgin Money makes would stay within the Nationwide Group rather than being paid to external shareholders.

The additional profit would be available for us to invest in products and services, particularly in increasing Virgin Money customer satisfaction.

The price we agreed for Virgin Money business is also at a very significant discount to its book value, meaning there will be a benefit to Nationwide's accounts as soon as the deal completes.

In time, accounts for clubs, societies and charities will be available from the Nationwide Group, something that I know many of our members want.

And we get the benefits of an established business banking operation, with the customers and all of the deposits that go with that. This is in addition to the substantial mortgage, credit card and current account business that is so similar to our own.

The Group's increased scale and financial strength will see its funding costs reduce, which will also help to increase the returns the transaction generates.

Impressive as that is, I know that some people will wonder whether there is a downside. As you would expect, the Board considered this very carefully and examined the risks before concluding that it was in the best interest of current members, as well as for the long-term sustainability of the business.

I know I've already written to members with updates on the transaction but there are some points that I think are worth repeating:

- firstly, Nationwide will remain a mutual building society, that will not change;

- secondly, the deal does not affect our Branch Promise, in fact we will extend it to Virgin Money branches as well;

- thirdly, any risk from combining the businesses will be small. Any changes we do make will be carried out carefully and over a long period of time. This isn't about cutting jobs or closing offices, we don't need to do any of that for the deal to work well for our members; and

- finally, our commitment to keeping our leading levels of customer satisfaction is absolute.

I can be so confident about this because of the time and effort that the Board, the executive team and our specialist advisers, put into understanding the Virgin Money business.

We expect the transaction to conclude later this year and, when it does, Nationwide Group will become the second largest mortgage and savings lender in the UK and be in a strong position to help more people into a home of their own. We will be able to support more families, businesses and communities across the UK with our social purpose and charitable giving. It also gives us the best chance of continuing to keep our rates for both borrowing and saving competitive and to bring Nationwide's brand of brilliant customer service to many more people in the United Kingdom.

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

*(End of video)*

THE CHAIRMAN: I hope that video was a helpful summary of the year and provided some insight into the Board's deliberations. I'm sure that it has also provided many of you with some food for thought and may prompt some questions.

You can now ask about anything relevant to the business of today's meeting. I would ask though that you try to keep to topics that will be of interest to members generally, rather than raising matters of a personal nature or individual issues. If you do have matters that are better dealt with individually, we will get back to you directly. This is not because they aren't important but rather because they can be dealt with more effectively and directly with you by using one of our normal member channels, such as through our branches or call centres.

The questions have started to come in and the first three questions are all related to the Virgin Money transaction and so I'll take those first, and I think the first one that arrived was from Mr Howard and he asks:

> "What is the benefit to members of acquiring Virgin Money? Can you not grow the business organically by using this money to invest in better rates, prices and Fairer Share Payments?"

I'm going to go to Debbie Crosbie, the Chief Executive, who will address that very relevant question. Thank you, Mr Howard.

MS CROSBIE: So, good morning, Mr Howard. I'd just like to reiterate a number of the points which I hope made sense when Kevin talked about the rationale that the Board very carefully considered when we looked at this transaction. Of course we will remain ambitious to grow organically within Nationwide, but what the Board carefully considered was how to make sure that we prioritise member value and the long-term sustainability and profitability of the Society. So we believe that the Society will absolutely benefit initially. Kevin's outlined that there will be somewhere in the order of 17% return of our initial investment, with much more profit available to reinvest in a range of services. It's really important that we are able, through the Virgin Money transaction over time, to deliver a wider range of services to our members and, in particular, business banking and provide banking for clubs and charities that a number of our members have already expressed the need for.

So, in summary, we believe that it's a very excellent opportunity to increase the value to our members, bring the mutual model to business banking and create much more sustainable profits for the Society on an ongoing basis.

THE CHAIRMAN: Thank you, Debbie. And the second question is from Ms Grant, also on the transaction, and she asks:

> "Will you still have to pay dividends to Virgin shareholders after the buy-out or will that cease and everything becomes part of the Nationwide mutual status?"

Ms Grant, you are correct that it is the case that dividends will cease going to Virgin shareholders after the transaction completes, and all of the profits that are made in that business will be retained in the Nationwide Group and will benefit the wider group and, in particular, we look to increase service levels to Virgin customers and to broaden the services that are provided to Nationwide customers as a result of that transaction. So, yes, the money will be reinvested for the benefit of members and customers of the enlarged group.

And the third one that I'll take on the Virgin transaction is from Ms White and she notes that:

> "The Building Society Act and the Rules of Nationwide say that a vote by members is not required for the takeover of Virgin Money",

that is correct.

> "This implies that members could be given a vote if Nationwide chose to do this. If you are so sure this takeover is a good thing, why not give members a vote to confirm that they back up this decision?"

So, Ms White, we have been polling members throughout the transaction and we've had overwhelming support from our members supporting the transaction, so we think we've got a very good feel for how members are looking at this transaction. It's a view obviously shared by the directors as we've already outlined and it is the directors' responsibility to determine whether this transaction is in the interests of current and future members of Nationwide. If we were to have given a vote, it would have been much harder for the Virgin directors to recommend the vote to their shareholders because there would have been uncertainty, potentially, built in to that and it is quite possible that it wouldn't have been possible in a regulatory environment. And, therefore, whilst I understand your question, we did give careful consideration to that and we are certain that the position we took was in the best interests of our members. But thank you for the question.

The next question is also related to Virgin, it's from Mr Sherwin-Smith, and I will ask Debbie to address this one. He says:

> "Please could you explain why you have communicated the proposed acquisition of Virgin Money to members in only a positive tone, without any acknowledgment of the costs or the risks involved?"

Do you perhaps want to outline our thought process there, Debbie?

MS CROSBIE: Yes. So thank you again for the question. Just to be clear, there was a huge amount of careful consideration of both the risks and the opportunities that the Board undertook whilst deciding to make this transaction.

So the first thing that I would acknowledge is that of course in integrating the businesses there are a number of things that we have to consider very carefully, including the costs. But just to be clear, the profits that Virgin Money generate - and the forecast this year for their profits are in excess of half a billion pounds - will be retained and we are very confident that the profits that we will retain in acquiring Virgin Money will more than cover any costs of integrating the business. And, just to be clear again, that we will only integrate services, systems, processes, procedures, when we are very confident that we can safely do so. There is no need for us to do that as we will acquire Virgin Money and hold it as a wholly-owned subsidiary for some time until we can be very confident that we can adequately manage the risks of any integration in the future.

THE CHAIRMAN: Thank you, Debbie.

The next question is on a different subject and it's from Mr Bland, who asks about the Nationwide Fairer Share. I'm going to ask Chris Rhodes, the CFO, to answer this question. The question posed is:

> "How many members received the £100 payment last year?"

It might even be, Chris, that you could give an update on how many people have received it this year as well.

MR RHODES: Yes, very happy to do that. Thank you, Mr Bland. So the inaugural Fairer Share Payment went to 3.45 million people and this year's payment that was paid in June went to 3.85 million people.

THE CHAIRMAN: Thank you.

So we're now going to take a question directly from Mr Doogan who's asked to speak. I should just note while we're getting him online, there are just under 200 people online today - 194 is the latest number, it moves every few seconds, but 194 is the best estimate we've got at the moment. So, Mr Doogan, perhaps you could pose your question directly to us. I can see you. Can you hear me?

MR DOOGAN: Yes.

THE CHAIRMAN: Thank you.

MR DOOGAN: Good morning, Mr Chairman. Although not the only subsidiary of the Society, Mortgage Works (UK) PLC is the largest when looking at the related party transactions. It is not possible to look at the 2024 accounts for this company as the most up to date filed at Companies House is for the year ended 31 March 2023. This showed it had borrowed 39,633.3 million from the Society and had interest payable to the Society of 832.5 million. Yet in note 35 to the Society's Annual Report and Accounts the interest receivable from all subsidiaries for the 2023 year was only 768 million. In the same note, the interest payable to the subsidiaries in 2024 on their deposits was 112 million, whilst the mean total deposits were only 323.5 million, giving an average interest rate of 34.62%. I'm sure most members would be delighted to receive that sort of return on their deposits. I'd be grateful for an explanation for these variances.

THE CHAIRMAN: Well, thank you. It's an intricate question and I will ask the CFO to address it. So, Mr Rhodes, could you perhaps address it, perhaps in general terms, because I think the numbers will be quite hard to get across instantly.

MR RHODES: They will and maybe I can talk to Mr Doogan offline about the exact reconciliation that he would like. But, to confirm, that the ... So, actually, let's start … The Mortgage Works is the Society's buy-to-let subsidiary. So the second largest buy-to-let lender in the UK is owned by Nationwide Building Society and provides buy-to-let mortgages to our customers. The Society funds that subsidiary in its entirety, that subsidiary has no external financing, and there is an arm's-length funding cost between the Society and The Mortgage Works in order to ensure that the profit that resides in The Mortgage Works is appropriate, and actually that is caught by HMRC rules to ensure that we charge a fair and appropriate rate of interest to The Mortgage Works to make sure, as I said before, it is on an arm's-length commercial basis. I don't recognise the 34.3% and would have to trawl through the tables in the report and accounts, but very happy to have a conversation offline on that.

THE CHAIRMAN: So I think - I hope that gives you an overview and then we'll be able to come back with some more specifics, because your question is quite intricate to address at this moment in time. Would that be okay with you, Mr Bland*(sic)*?

MR DOOGAN: Yes. I'll wait to hear from you.

THE CHAIRMAN: Thank you very much.

MR DOOGAN: Thank you, Chairman.

THE CHAIRMAN: Thank you very much.

So I'm going to move on to some questions on insurance and there's a question from Mr Russell about the FlexPlus holiday insurance, and he says:

> "Aviva have taken over FlexPlus holiday insurance from UK Insurance. Aviva holiday cancellation top-up benefit is only £10,000 not £20,000 as previously under UK Insurance. Why were members not consulted or asked for their feedback prior to this change? Why didn't Nationwide make a provision with Aviva for members to be able to top up their holiday cancellation insurance to £20,000 in line with what UK Insurance offered? Members should expect the best from Nationwide as they are effectively your owners."

And so, again, I go to Debbie Crosbie to answer that.

MS CROSBIE: So thank you for the question, and what we are very keen to do is provide the best value possible through the insurances that we provide and you'll be aware that a number of insurers have significantly increased prices. What we did was carefully consider the options available to deliver the best value and we believed that Aviva, as one of the largest providers in the market, do offer the best all-round value. Now, in your particular circumstances, I'm sorry that the cancellation insurance wasn't what you expected, perhaps we can deal with that specific query for you offline, but what I can reassure you is that we did a lot of work to look at what was available on the market and we believe that Aviva offers the best all-round value for that type of insurance. So I hope that does give you reassurance that we do consult and we do talk to members throughout this process, and very happy if we can help you offline with your individual query.

THE CHAIRMAN:  And, Debbie, there's another question on insurance here from Mr Sealy, he says:

> "When you arranged for Aviva to take over the travel insurance, did you put in any safeguards regarding their pricing for upgrades?  If so, what are they, and, if not, why not?"

MS CROSBIE:  Yes.  So, obviously, each individual insurer, through their underwriting, has to make assessment of what they believe is the price that they can afford to provide the cover.  What I will give you reassurance on is we have a specialist team who work very carefully when we negotiate all contracts and, as a mutual, we are prioritising member value.  We are not in the business of trying to make additional profits.  So the FlexAccount is designed to bring you that range of benefits which we've put together carefully by the best suppliers that we can find to deliver the best value.  So we hope that that cover works well for you, but, again, if you've got any individual queries, happy to take them offline.

THE CHAIRMAN:  Thank you.

There's two questions in from Mr Allibhai and the first one regards children's accounts, so I'm going to again put that to you, Debbie, if I could:

> "When will Nationwide introduce accounts for children under eleven?  My son was born this year and I want to make an account for him at Nationwide but there is no account available, even though other banks, for example Barclays, allows this."

MS CROSBIE:  So, look, it's a great question.  We've had that feedback from many of our members.  We're working very hard and our ambition is to deliver a new range of children's accounts by the end of the calendar year.  You're quite correct that, at the moment, the range only caters for children eleven and above and we introduced that last year.  We've done a whole load of work to simplify our systems and deliver better service and better value.  So I can reassure you that those new children accounts will be available by the calendar year and we'll be communicating our plans, when they're available, to all of our members.

THE CHAIRMAN:  So I think "watch this space", Mr Allibhai.

And your second question was a different one regarding charitable donations:

> "How can Nationwide members suggest charities of interest to them for the Society to donate to?",

he asks Debbie, and, Debbie, perhaps again you can do that one.

MS CROSBIE:  So thank you again.  What we do have is eleven Community Boards and they are all based locally, and we encourage all of our members to participate in those Community Boards and help us make the decisions.  So, if I can suggest, if you want to get in touch with us, we can put you in touch with your local Community Board, which allows you to help us make the decisions about allocating funding, but also we’re very happy to receive any feedback. We carefully considered the three new charities that we’ve selected to make sure that we cover all age ranges and again that was based on a lot of customer feedback. But I do believe that we would be delighted to have you on one of our Community Boards, so please get in touch and we’ll ensure that you’re able to do that.

THE CHAIRMAN: Good. So the Community Boards is a way forward there and they’re very effective in communicating with us.

There are two questions on branches. The first one is from Mr Dent and he says:

> “With the plan for Virgin Money alongside the commitment not to close branches, will there be any closure of either Nationwide or Virgin branch offices where there is a branch of each close to each other?”

I’m afraid I’m going to put that one to you, Debbie, as well.

MS CROSBIE: Okay, thank you. So we’ve been very clear that we’ve extended our Branch Promise not just to Nationwide branches to 2028, to Virgin Money branches as well. So that, to be clear, is a commitment to close no branches, even if they’re right next door. Now, we would love to have a reason to keep them all open in the future but we’ll carefully consider post ‘28 what’s relevant. And just to be clear as well, the Virgin Money branches will retain their own branding for some years and that’s again why it will be important to retain most branches. So, in summary, no plans to close any but we’ll revisit that post 2028.

THE CHAIRMAN: And Mr Hicks asks:

> “Is Nationwide actively seeking sites to create new branches and generate jobs in communities currently not served by the Society and which are bereft of other physical financial service providers?”

Debbie.

MS CROSBIE: So, at the moment, we don’t have any plans to open new branches but, clearly, we have the commitment to retain our branches. We’re always considering this. It can be very expensive to purchase new facilities and, where there is a need for us to reconsider that, we’ll always look at it, but at the moment we don’t have any immediate plans to open new branches.

THE CHAIRMAN: Thank you. So there’s a couple more now back on Virgin and marketing. The first one I’m going to come to is from Mr Warhurst and, Chris, he says:

> “What is the position regarding the takeover of Virgin Money? Virgin Money is in a mess to sort out ways of contacting them both online and by telephone. There are real problems to understand that there are multi platforms, each of which needs their own passwords and login, and both systems do not talk or contact each other. Please review the Virgin Money system if and when you take them over.”

So I think what's the position regarding the takeover, and then you might just outline what we have done on the systems work so far.

MR RHODES: Yes, absolutely. So, good questions. In terms of approval, we are waiting for regulatory approval both from the CMA and from the PRA in order for the transaction to go ahead. That is expected into September and, hopefully, the takeover will then complete in the autumn.

In terms of customer service, that was one of the, if you like, issues we identified as part of the transaction and we have made provision within our business case and the pre-completion work that we're doing to review customer service and work out the best way to invest improving the Virgin Money customer service. So it's clear there are challenges and the integration of Virgin Money and Clydesdale is perhaps not as full as we would have liked, but we're really clear that one of our challenges is to improve customer service in Virgin Money.

THE CHAIRMAN: So, indeed, the point you make is certainly on our agenda, but, inevitably, system changes do take some time but we will be on the case. So thank you for that very pertinent question.

The next question is around branding and I think two questions here have been combined for me, one from Mr Felstead and one from Mr Barrett, because they're quite similar. So the questions are:

> "Why was money spent on changing Nationwide's logo, because the previous logo was distinctive and a good colour? The darker blue colour was not an improvement to Nationwide's image. To me, it was a waste of the Society's money."

And then the other part of the same subject is:

> "What was the cost of the rebrand, including consultants, the costs of implementation? Why was it deemed necessary to change what was already a great brand?"

So, Debbie, do you want to give the context of the rebranding that took place?

MS CROSBIE: Yes. So, again, thank you. So one of the things that's really important for any successful organisation is to make sure that we continue to renew and change with the times. Whilst our previous branding was very popular and very successful, unfortunately it did not render well on any of the digital channels and it had not been changed for many years. When we surveyed younger customers, it did not resonate. When we tested the new branding, I'm sorry if you don't like it, but what I can give you reassurance is it has become much more popular, much more recognisable, by our customer base, and the general feedback that we've had on the rebranding is very positive. The measure that we pay a lot of attention to is "heard good things about the organisation", and also we take very regular feedback on how the brand is landing, and I can reassure you that that's been very positive and it works much better on the digital channels.

In terms of the cost of implementation, there was no additional spend. What we made sure that we did was cater for all of the change within existing budgets, and you will see that the Society's cost performance has been very strong in the last few years, which all of the costs of our rebrand were contained within that. So, again, we've committed to contain our costs, so within inflation, and we're making very good progress to do that.

THE CHAIRMAN: I suppose it's inevitable that, when looking at artwork, different people have got different views, different favourite colours, different images, so I hope that you're reassured by the fact that the testing actually shows that it has gone down very well.

I'm going to go to another question that is directly to be put to us by Mr Kemp, Mr Ian Kemp, and his question regards, I believe, home insurance and levels of service but that's all I know about it. So, Mr Kemp.

MR KEMP: Thank you very much, yes. Well, I'm concerned that Nationwide entirely delegates the operations of its home insurance arm to the underwriters who are RSA and, in particular, that you won't intervene even when there are serious problems with customer service. I don't want to make this personal but it does come about because I had a problem with them. I raised a complaint against them, taken it to the Financial Ombudsman but there's a waiting list of several months, and I did feel their customer service and business practices fell well below my expectations and normal experience as a Nationwide member. It will cause me long-term inconvenience and could have led to serious personal financial loss. But because Nationwide say they won't intervene in any way and it's completely delegated to RSA, I feel it's misleading to actually brand your home insurance as a Nationwide product when in fact Nationwide have abdicated all responsibility for it and RSA make it absolutely clear they do not share your mutual ethos. And, for the first time in 20 years as a Nationwide member, I'm disappointed and surprised that this has happened with a supposedly Nationwide product.

The other angle to this is will Virgin Money also be allowed to operate at arm's length in this way and will it be branded as Nationwide? And this links in to a concern raised by an earlier person about whether their customer service is up to scratch as well.

THE CHAIRMAN: So I'm going to just make a few comments and then I'm going to pass over to Debbie on some of your specifics.

The way that Nationwide is regulated is we're regulated as a banking organisation. We're not able to provide insurance services as such, we're not regulated as an insurer, so that's the reason why insurance services are provided by third parties. But in terms of some of the operations and the underwriting, Debbie, do you want to give a bit more flavour to that?

MS CROSBIE: Yes. So, look, I'm very disappointed that you've not been satisfied with how we've dealt with your complaint. So whilst Kevin is absolutely right and we can't interfere in the detail of the underwriting decisions that RSA make, we are very interested in your customer service experience, and I'm disappointed that you don't feel we've paid attention to that because I can assure you we do absolutely pay attention to the customer service aspects that you've outlined. Obviously, I'm not aware of your individual case, we're happy to look at your complaint again, but I can reassure you we take this very seriously.

When it comes to the customer service aspects of Virgin Money, just to give you again reassurance that we actually believe that one of the real benefits of the Virgin Money transaction is that we will be able to bring the mutual ethos to a broader range of customers. As Chris has outlined, we've already made provisions to invest in new services and to increase the customer service experience that Virgin Money has over time.

I hope that answers your questions.

THE CHAIRMAN: Thank you. So, I'm not hearing comeback, Mr Kemp, I hope that that did answer your question.

MR KEMP: Well, yes, thank you, that's ... I just hope that you have more success with Virgin Money than you seem to have done with RSA. As I say, it's disappointing that, although you say you can deal with complaints - and it's great that you're keeping bank branches open and everything like that - but when they actually can't help us in this sort of situation, it really doesn't feel like Nationwide.

MS CROSBIE: Yes. Well, look, thank you for the feedback. And I would just also say that we're actually moving away from RSA as a provider, we're changing the provider because we believe that we get better levels of service from Aviva. But, again, I'll apologise for your experience and we're happy to take a look at your complaint again.

MR KEMP: Thank you very much.

THE CHAIRMAN: Thank you very much for that question, and, Debbie, thank you for looking at that further going forward.

The next question that we've got is from Mr McLean and he says:

> "The Financial Conduct Authority [that's one of our two main regulators] states that mutual societies are owned and democratically run by their members. This means the members are the owners and the execs are employees who are there to look after the day-to-day running of the business. Can you tell me where this democracy exists? All I see is an oligarchic run by the rich organisation whose first priority is for their own personal benefit."

So, Mr McLean, you perhaps won't be surprised to learn I don't recognise that framing of Nationwide. Nationwide is owned by its members and the running of it is delegated to the directors and to the executive within Nationwide. And everything I observe - and I spend a lot of time at Nationwide obviously - is the amount of focus that is put on providing excellent service to our members is front and centre of mind for the Board and for the executive at all times, and we spend a lot of time getting to understand that: all of the directors visit branches, we have feedback through various surveys that are conducted, and we even listen in to focus groups, as well as a greater number of focus groups that take place. So the execution, the day-to-day running, runs with management and it wouldn't be practical for 16 million people to decide on everything that goes on. So that is the division that takes place.

You make the point at the end there, "Do you think that it is for the personal benefit of those in the organisation?" We've got 16 million members, let's say about 20,000 people working in the organisation. It is so definitely run for the benefit of members, not for the benefit of staff, they work for you.

There's another question here from Mr Sherwin-Smith and this one is on remuneration and he says:

> "Please could you share the competitive market data and/or the peer group that was used for benchmarking executive directors' pay as clearly the current policy is more generous than any other building society?"

So I'm going to pass over to Tracey Graham, who chairs the Remuneration Committee, that's the independent directors who determine the remuneration of the executive. Tracey.

MS GRAHAM: Thank you, and thank you, Mr Sherwin-Smith, for your question.

So I'd like to start off and say that Nationwide is systemically important to the UK economy and its success therefore is key to delivering value for our members. We need to attract, retain and motivate talented individuals to run the Society for the benefit of members and therefore we must offer competitive reward and pay policies.

In terms of benchmarking, we do not use a single source of data. We use a number of different sources to help the Remuneration Committee determine the pay of the Chief Executive and we bring those all together. So if we look at the pay data of the banking peer sector against the Chief Executive for Nationwide, the pay of the Chief Executive is substantially below the pay of those within her banking peer group. If we were to look at the FTSE 100 leading companies, we would see again that the pay of the Chief Executive is in the lower half. It's critically important for us to take these different data points collectively in terms of how we look to reward the Chief Executive. Our position is that we want to pay a fair and competitive total package for the Chief Executive that is not excessive compared to any of these different benchmarking points.

THE CHAIRMAN: Tracey, thank you very much.

There's a very pertinent question in from Mrs Payne and she makes the comment:

> "You have the contact details for all savers, why make them sign up to SavingsWatch, which you could just tell them all about as a service message? That supports consumer duties and there are no marketing restrictions."

So you might just perhaps, Debbie, address what is SavingsWatch just in case people don't know what it is ---

MS CROSBIE: Yes.

THE CHAIRMAN: --- and then the question of why do people have to sign up.

MS CROSBIE: Yes. So, first of all, thank you, great question. Our SavingsWatch is a proactive message, email, a reminder when we have new rates that we think will benefit members and, unfortunately, Mrs Payne, it's not categorised as a service message. So despite, you know, a number of conversations about this, it is considered marketing material. So, unfortunately, without the permission of all of our individual customers, we are not able to send information on new products available under the current regulation, which is why we hope that we've made it very easy for our members to sign up to SavingsWatch, because we'd love you to get the most up-to-date information to make sure that you have the most current product for your circumstances.

THE CHAIRMAN: So if anybody online has not signed up to SavingsWatch and they want to know what the best interest rates available from us at any time are, please do that.

MS CROSBIE: Please do.

THE CHAIRMAN: We want you to get the best interest rates but, unfortunately, regulation deems it to be marketing, so we have to go through that phase, but I have huge sympathy with that question.

And I know the next question the Chief Executive will have huge sympathy with too. Mr Marks says:

> "When will the card reader be phased out with an in-app replacement?"

MS CROSBIE: Great question, very important to me. So it is almost completely phased out. We have most circumstances where a card reader is not required and, if you haven't been able to sign up to that, please call us and we can talk you through how to do that. There are a few circumstances, particularly when you have to initiate open banking, payments occasionally, and some circumstances, but that will all be gone by October/latest November this year and there will be no need. What I'll also reassure our members is, some of you really like the card reader, so for those people who decide that they want to retain that, that option will also be available to you. So I hope that answers the question.

THE CHAIRMAN: Thank you, Debbie.

Mr Castle asked:

> "For how long will Virgin Money retain a separate banking licence to Nationwide?"

Maybe, Chris Rhodes, you'd like to give a view on that.

MR RHODES: Yes. So perhaps as not everybody knows, Virgin Money, Clydesdale Bank is part of Virgin Money, and Clydesdale Bank issues banknotes in Scotland. Because of that, we expect a separate banking licence to be maintained in perpetuity in respect of Virgin Money. Now, clearly, we've got to do a lot more work post acquisition, but our current working assumption is the banking licence will stay for ever.

THE CHAIRMAN: Thank you. I think the next one perhaps you would also address, Chris, it's from Mr Johnstone:

> "I've a branch of Virgin Money in a local shopping centre. When will it rebrand Nationwide so I can bank there as it would be my new local branch?"

MR RHODES: Again, our working assumption, and as you may recognise, we agreed to retain the Virgin Money brand for a period of time between four and six years. I don't think we will be rebranding any of the Virgin Money branches ahead of the rebrand of Virgin Money in totality, so they will remain separate for a considerable period of time. One of our challenges is to work out at what point in the future - and stress **in the future** - can you be able to transact across both branch networks, but it won't be any time soon because of both the customer service challenges we've talked about and the IT challenges and bringing the integration together.

THE CHAIRMAN: Yes, I think that's a good question, in terms of linking, to the previous two questions we got around the IT and the service.

The next question is around passbooks, so passbooks are used extensively by our customers in branch, and the question comes from Mr Surguy who says - I hope I've pronounced that correctly - and he says:

> "Why are you modernising the passbooks? Has there been pressure from the Society's members to do so?"

And, Debbie, passbooks.

MS CROSBIE: Thank you, Mr Surguy. We know how important passbooks are, which is why we're modernising them, definitely not withdrawing them. So the first thing I'd say to you is be reassured that the face-to-face banking experience won't change whilst some of the way that you use a passbook will. We're introducing a new Savings Wallet and that will allow you to have a physical record of the transactions that you will be used to. There'll also be a card provided to you which allows you to safely and securely identify yourself. So we hope that you will find this a better experience.

So why are we doing it? We're doing it for several reasons. The first one is that the technology which the printers run on is very old, it often breaks down, and it's one of the main reasons why we get queues in branches. So we hope that the new solution will retain all the benefits of the experience that you really like but will give you a better, more secure, faster experience within our branches, so ... And we'll help you through that process. I've actually got one of them here - *(Savings Wallet shown)* - new Savings Wallet, which is just quite like the old book but a bit more modern and a bit easier to use. So we really hope you'll enjoy that process.

THE CHAIRMAN: So, I'm afraid, it was technological advancements that really has driven the need to modernise the passbook, but, as Debbie says, it's actually remarkably similar to existing passbooks, albeit perhaps a little bit smarter.

MS CROSBIE: It's a bit smarter but more modern.

THE CHAIRMAN: Yes. Mr Melsome asks a question around Fairer Share. He says:

> "Can I enquire of the Board which directors are prepared to support any future bonus dividend payments [that's what we call Fairer Share] being made to all members, not just those that opt to hold a current account with us? This has happened twice in three years and is grossly detrimental to Nationwide members who are savers only. This is something that should be all-inclusive to all members and across the range."

So, Mr Melsome, thank you for that question. We did make some changes this year in terms of distributions and I'm going to ask Debbie to just explain our thinking of how we look to be fair to savers who are not current account holders, as well as to current account holders who use their account actively. Debbie, do you want to just talk through the different thought process that we went through this year having listened to feedback from our members?

MS CROSBIE: Yes. So a really important part of our Fairer Share package was our Member Exclusive Bond where we offered an additional 1% level of interest. For those saver members who invested £10,000, the additional interest that they would have received at the end of their period would have been £194, so more than the £100 payment, and we did that because the feedback from savers was that they had taken a decision not to bring their main banking current account to us, they wanted to be savers only, so we acknowledge and recognise that. And the way that we want to continue to reward savers and share in Nationwide's success is by providing the best interest rates that we could and at 5.5% we hope that you will agree that was a very good interest rate. But in addition to that we've also offered members who are savers only, £200 to encourage them to switch their main bank account to Nationwide and what that will obviously do is position any member who takes that offer very well to benefit from Fairer Share Payments in the future.

We really believe that rewarding our current account members in this way is important because what we try to do to deliver excellent value to our savers and to our mortgage is deliver the best interest rates we can, and we think it's fair and inclusive to include that Fairer Share Payment to our main bank current account holders who have their main banking relationship with us.

So that is the strategy, we want to keep it consistent because we think that's also fair and inclusive, and we hope that that makes sense, and I do hope that it encourages you to think about potentially switching your main bank current account to Nationwide in the future.

THE CHAIRMAN: Debbie, how easy is it to switch current accounts?

MS CROSBIE: It's very easy now. I know that historically a lot of people have felt that it would be very difficult because they've a lot of recurring payments, they have direct debits set up or they worry that things will go wrong. What I can reassure you is the switching service works very effectively now. I'd invite you into any of our branches or, indeed, you can do it on the telephone if you would prefer, or online, but our branch colleagues can talk you through that process, reassure you what will happen and make sure that it goes very smoothly for you. So I'd really encourage you to consider switching to Nationwide.

THE CHAIRMAN: And if you were to do so, you of course get the - as a saver you will get that higher interest rate, assuming you've signed up to that issuance, and as well as getting, in the future, the Fairer Share Payment, so it's worth thinking about.

I hope that addresses that for you, Mr Melsome.

The next question is from Mr Tsakalotos and he says:

> "I've been a Nationwide member for almost four decades but I have still not received a loyalty bonus. What does the building society consider to be strong loyalty if not this long period of membership?"

So, Debbie, you might just build on that previous question.

MS CROSBIE: Yes. So the Fairer Share Payment we have designed to reward and recognise those customers who have their main banking relationship with us, and the reason that we think that's important is because, having our services provided by your main bank we think is the way to build the deepest relationship, so we'd really encourage you to do that. We absolutely are grateful for the loyalty, and if you are a saver, a savings customer, which I presume you are, as I said we are offering our Member Exclusive Bond to reward your loyalty. And right throughout the year we make sure that we deliver the best savings rates that we think we can sustainably afford and the best customer service levels, including face-to-face branch support where you need it. So I hope that answers your question, that we do very much value your long-term loyalty.

THE CHAIRMAN: Thank you.

I'm not sure if we're going to be able to answer Mr Beaumont's question because he asks specifically about a branch in Bradford. I'm afraid I can't say I know the Bradford location so I don't know if anybody happens to know it, but the question he asks - but if we can't answer it, Mr Beaumont, we'll take it away - he says:

> "Members using the branch in Bradford, they don't feel as though the location is safe. There are a lot of people hanging around outside the branch that mean

> that members are not feeling safe.  Can it be considered for this branch to be moved to the Broadway Shopping Centre where it is safer?"

I don't know if anybody happens to know Bradford geography.

MS CROSBIE:  I have been to the Bradford branch, but, look, I ...  Thank you for the feedback.  I think we'll take it away and we'll consider if ...  And if there is an issue with safety in the branch or outside the branch, we'll see what we can do immediately to remedy that situation.  So thank you for that feedback.

THE CHAIRMAN:  Now, the next question has come through British Sign Language, through, we think the name is Swain - apologise if we didn't get the sign language quite right - and the question is:

> "Is it true that Nationwide will have to pay Richard Branson £19 million per year for the use of the Virgin name?",

and I'll go to the CEO for that.  Chris, would you like to comment?

MR RHODES:  Yes.  So, as we've talked about before, we are going to retain the Virgin Money brand for four years and then have two years to take the brand away. In those four years, yes, we will be paying Virgin Group an annual licence fee. I think the number's £15 million rather than 19, but the main point is, yes, we will be paying Virgin Group for the use of the brand for four years.

THE CHAIRMAN:  So ...  And the reason for that is it's a contractual arrangement?

MR RHODES:  The reason for that is it's a contractual arrangement negotiated as part of our termination with Virgin Group, ie they had a licence in perpetuity with Virgin Money for the use of the Virgin Group brand and we wanted to terminate that agreement, but we needed a sensible period of time to invest in customer service, to invest in integration, and to do that over a sensible period of time so as not to confuse customers before we introduce the Nationwide brand ultimately to Virgin.

THE CHAIRMAN:  Thank you.

Chris, I think this next one's going to be one for you too.  It's from Mr Newlands and he says:

> "If the Nationwide savings rates are so beneficial to savers, why was it necessary for [him] to remove the majority of [his] savings to other well-regarded and long-established financial institutions to benefit my household income and stop us losing money compared to overall prevailing rates?"

Member value is not being experienced by his household, he had to seek it elsewhere. Now, obviously, Mr Newlands, we can't comment on your individual situation but I'll take that as a more general question around: is it always the case that the very best rates are with Nationwide?  How do you look at that, Chris?

MR RHODES:  So we look at it very much in the round, balancing the needs of mortgage members and saving members, and our main focus is to try and offer long-term value and that's what the member financial benefit calculation aims to do. So it takes average rates in the marketplace, the source of that data being Bank of England data, and we apply it and compare it with our rates, and the difference is what creates the 1.85 billion of member financial benefit.  Now, like I say, we always try to balance mortgages and savers.  In this year, as the Chairman highlighted, we made decisions to pass more of the Bank of England base rate change on in the summer and reduce the Society's profits, but when I, sort of, step back as the CFO and look at what we managed to achieve, we grew mortgages by roughly 3 billion, saving balances by roughly 6 billion.  We were the only large institution to see inflows into both mortgages and savings on a consistent basis and I think that part of that is about the value in the round that we offer.  So it's always a balancing act.  We would never set out to be best buy all the time, we set out to offer long-term value through the products that we have.

THE CHAIRMAN:  Thank you, Chris.  So the key to this is we're looking to consistently provide value.  At any one time you might find somebody that is giving a better interest rate on savings but you then have to move regularly around the marketplace.  Nationwide's aim is to be consistent and, if you stick with us, you will do well.

The next question is from Mrs Cockburn and she says:

> "I know that a guarantee to keep branches open has been promised until 2028 [that's correct], this is good news.  However, how can you ensure that those customers who do not have access to ICT can continue to be served effectively?
>
> Also, from a well-being point of view and business as usual, how are you looking after staff that will be potentially affected by job losses?"

So couple of questions in there, Debbie, do you want to take all of them?

MS CROSBIE:  Yes, so I'll ...  Thank you, Mrs Cockburn.  So the first question is I can reassure you that, whilst we are absolutely committed to investing in our digital services, we are really committed to maintain face-to-face banking and telephone banking.  A number of our customers have found that the convenience of the telephone serves them very well.  So the way that we will continue to ensure those services are maintained is, beyond '28, I hope that we'll still be keeping all of our branches open, but we'll continue to make sure that you have access, you can call your local branch or you can call our call centre.  So please be reassured that we'll continue to invest in all of those channels.

And when it comes to looking after the well-being of our staff from a business-as-usual point of view and any of them facing job losses, a few things I'd say there.  First of all, we don't have any large programmes, we don't anticipate any large numbers of job losses in the near term.  There are always small changes that we'll make, but when that does occur, the first thing that we always do is try to offer any colleague who's impacted by that, alternative training and alternative roles and we've done that very successfully in the last few years.  And then when it comes to well-being of colleagues and staff, we have a well-being programme where we support people, we do various things like offer them employee helplines, confidential counselling if they require it, and we also provide a range of services where people can sit down with a trusted colleague if they need additional help. We've a very comprehensive staff union which also provides a lot of assistance to our colleagues. So thank you for that question.

THE CHAIRMAN: And the staff that serve our members through our branches consistently provide superb customer service and all of the statistics that we monitor very carefully bring that out. So we are, as you rightly point out, really committed to keeping those branches open because of the quality of service.

The next question is from Mr Morris:

> "I've been a Nationwide member for 40 years. Recently you introduced the Fairer Share bonus. You paid £100 to those holding a current account. Was there a target for the CEO/executive to increase the number of current accounts, yes or no? If yes, do you consider it acceptable to use members' reserves to "bribe" an action that benefits the CEO? In future, will you disclose in detail the bonus plans of the CEO and the executive, so members can see if their money is being used to help achieve?",

I guess that particular objective. So do we have a target for increasing the current accounts? The easy answer to that, Tracey, is yes.

MS GRAHAM: So to answer the question, I'll take it in a number of parts, if I may.

Firstly, I'll take the fact that we do not publish the current targets in our report and accounts. So we do this retrospectively and we do that because often the targets that we set are commercially sensitive. So all of the data is shared, sometimes the targets themselves are shared, twelve months later than when they were set.

But I think it might be helpful to just make a couple of other comments. Firstly, the CEO, the CFO, all members of the Group Management Committee, share the same targets for bonus opportunity with every colleague in Nationwide, so our bonus payment to colleagues is uniform across the organisation. What they cover, firstly, is service. So there are a number of metrics that we look at across service against UK banking peers. We're looking at the digital channel, the branch channel and our telephony channel, and how do we - that service compare to the industry, that would be the first area. Secondly, we look at the broadening and deepening of customer relationships, so this would be we're very keen for customers to have more than a single relationship with Nationwide; so, for example, if it is that they have a current account, it would be very much helpful if there would be a second product, such as a personal loan, a credit card or, indeed, a savings account. So this is about the stretch of customers and broadening those relationships. We also look at the performance of the brand in the market, how that competes against the rest of the banking peers and financial services, and we also have a target - and again this is a shared target across all colleagues in the Society - for how we manage costs.

So there is not a direct target for the CEO to increase the number of current accounts, there is a target within the plan itself about engaging relationships with our members so that our colleagues can offer beyond the product that they may have.

THE CHAIRMAN: Thank you for that very full answer. So, yes, the objectives are set across the organisation. The importance of current accounts to us though is not to be underestimated. Running current accounts is a very expensive service and the more current accounts we have, the more we stretch the investment that goes into systems for running current accounts. And so it is important that we grow that business and we give a good service and a good app for running people's business through current accounts.

The next question comes from Ms Dennison and she says:

> "Is there a golden handshake payment that Nationwide will have to pay to Virgin Money shareholders to recompense them for the loss of dividends?"

Chris.

MR RHODES: So, interesting question and let me try and unpack it because I think the answer is actually quite straightforward. We are paying 2.9 billion to each - to the shareholders of Virgin Money to acquire Virgin Money. That is a 1.5 billion discount to the tangible book value of Virgin Money's balance sheet, so we're actually buying it at a discount to its book value. However, as you may have noticed, the price we are paying was at a premium to what the shares were previously trading at because there is always a premium to pay when you take control of a company. So I don't think I'd call it a golden handshake. We paid a really good price for a business, 2.9 billion, and net book value, tangible asset value, is 4.4 billion. So, yes, there was a premium but ultimately there was a discount to its book value. So, hopefully, that answers that question.

THE CHAIRMAN: Thank you, Chris.

The next question is from Ms Dickenson and she asks:

> "What was the rationale behind removing the age of retirement for directors at 70 years? What benefits does a director above 70 years of age provide to us that a younger director cannot?"

So, Ms Dickenson, the ... This is a rather strange situation in that the Building Societies Act, that was a 1986 Act, requires directors of building societies to retire when they reach the age of 70, whereas equality legislation wouldn't permit that. So what we were doing here is to change the rules to comply with equality regulation, but it is still the case that we would like to see the Building Societies Act modernised to be consistent with equalities regulation and so we're future-proofing here for a change that we would hope to see.

In terms of, you know, does an older director provide different benefits to a younger director, it's very hard to generalise. Each director provides specific skills and we have a variety of skills on the Board and so it's not possible to I think give a generality of an answer there, it will depend on individual circumstances. But the reason for changing the retirement age was to comply with equalities legislation.

We've got a question from Mr Martinico, he says:

> "Given the focus on supporting local communities and affordable housing, is there a plan to provide services to support mutual home ownership, such as favourable mortgage rates for housing cooperatives or co-housing projects?"

Chris, you are close to this issue.

MR RHODES: So in terms of our commitment to the social housing sector we have a large portfolio, around 5 billion of lending, to registered social landlords and that's where our focus is at the moment. That book is growing and we're competing very strongly for business to support, like I say, the registered social landlords. We don't currently lend for mutual home ownership in terms of housing cooperatives or housing projects, albeit I think those terms probably capture some of the smaller housing associations that we do lend to because those housing associations then undertake shared ownership lending of affordable properties. So, hopefully, that answers the question.

THE CHAIRMAN: Thank you. The next question is from Mr Andrews and he says:

> "Why has the Society chosen to close (otherwise known as de-bank) the leader of the group requesting a member vote on the Virgin proposal?"

I'm going to pass this over generally to Debbie the Chief Executive, but, as people will understand, we can't comment on any individual circumstance.

MS CROSBIE: Yes. Just to say, of course we wouldn't comment on the individual circumstances, but what I can reassure you is Nationwide would never and has never de-banked anyone for any of their legally held views and, unfortunately in this case, we really can't say any more than that.

THE CHAIRMAN: Thank you.

A question from Mr Debenham:

> "As a mutual, what is being done to rehouse, purchasing and buy-to-lets, to ensure the maximum is done to combat our existential threats that are looming from climate and ecological catastrophes? And how are buy-to-lets monitored to see rents are fair and housing conditions good with no no-fault evictions?"

There's a second question from Mr Debenham but there's two questions already in that first one, so I'll take that question and then I'll come back to you, Mr Debenham. So the first is around climate and, Chris, do you want to take the climate question?

MR RHODES: Yes. So there's a couple of questions in there. If I take home ownership, where we offer a 0% loan/further advance in order for you to retrofit whatever your chosen green investment might be, from insulation or double-glazing or heat pumps, so we're absolutely trying to support the affordability of people investing in their own home to green it and make it more energy efficient.

In terms of buy-to-let, at the moment we will not lend on - let me get this right - EPC Ds or below in terms of buy-to-let ... That might not be right, I think it might be just EPC Es in terms of buy-to-let. But upon advancing a mortgage for buy-to-let we always go and inspect the property to make sure it complies with a decent home standard so that actually we're lending on properties that we think are appropriate to be let.

Let's be really clear, we do not monitor rents, that is a market-set rent by the person who owns the property. And in terms of no-fault evictions, we are reliant there upon the legal changes that we're expecting to see in terms of no-fault evictions. We were one of the first lenders to accept longer-term tenancies on buy-to-let as well.

So we're very much focused on the buy-to-let portfolio that the Society finances being sustainable and providing decent-quality homes, but we have to operate in the overall environment of regulations for buy-to-let.

THE CHAIRMAN: Very good questions there, Mr Debenham, and it might even be we hear more about no-fault evictions in the King's Speech that might even be going on as we speak, so we'll see where that goes.

The second question that you had was:

> "Why have lifetime mortgages or loans ceased when many other lenders then exploit this market?"

Chris, are you happy to take that one?

MR RHODES: Do you want me to take that? So we did have a proposition of lifetime mortgages. The thing to remember about lifetime mortgages, or indeed what might be described as equity release, is the customer makes no payments but there is an interest charge on that mortgage and the balance grows over time. The rate for lifetime mortgages is linked to long-term interest rates, long-term gilts effectively, and when we had the mini-budget of the previous government and interest rates, longer-term interest rates in particular, but all interest rates started to rise, it became, in our judgement, not the right decision at that point in time to take an equity release product with a rate that would have been north of 5%, because the compounding of the interest meant the initial balance you would take was going to double within ten years, and then, when you looked back at what you had done, you would have judged that not to be good value. So we actually exited from the whole market at that point in time. We will keep it under continual review and, if long-term rates fall to a level that we judge is appropriate, we may very well re-enter, but as of today we don't think it's good value.

THE CHAIRMAN: So, Mr Debenham, I hope that gave you a clear view of the thought process that went through in the interest of those who might be taking out lifetime mortgages.

I'm going to move to one from Mr McLean and he asks:

> "What is the cost of administering donations? [That's regarding charitable donations] Would it be cheaper and more effective to return the money to the members and allow them to democratically decide where to donate?"

I'll just remind everybody who's perhaps a more recent member of Nationwide the decision to donate 1% of our profits to charities was actually taken by the members in a vote, it's a continuing resolution. In terms of where the charitable donations go, I'll ask Debbie to say a bit about the process we go through, and I would encourage you to wait to the end of this meeting where we're also going to show a video that gives a bit more detail on that. But, in the meantime, Debbie, do you want to say a bit about how we administer and, indeed, the cost of administration?

MS CROSBIE: Yes. So, obviously, we are very careful to ensure the costs of administration are kept to a minimum. There are three main ways that we donate. We have three charities which we have strategic relationships with and we have kept that to three to avoid what you describe, which is many differing relationships which would be more expensive to administer, and you'll hear a bit about those in a few moments.

The second thing we do is our Community Boards. Last year we donated 5 million to our Community Boards and that really is to make sure that our members are engaged in their local communities making decisions that are very close to the communities they live in to ensure that the money that we donate gets to the real heart of the issues that they think are most important, and that works very well, we get great feedback and really great engagement.

And then the third way is that we contribute an amount of money to the Nationwide Foundation, which is an independent charity which does a lot of work to think strategically about where are the right things to invest in on an ongoing basis to make sure that at the heart of what we do is help people into their homes, help a number of disadvantaged communities make decisions that give them support in the future.

So we've got those three main brackets of contribution and we hope that that is striking the right balance between equally distributing the money in the charities that matter most to people, but also ensuring that we don't do too many things that will cost more money in administration.

THE CHAIRMAN: Thank you.

There's two questions from Mr Rosenzweig, I'll take them sequentially. The first is around the browser, so I'm going to come to you, Debbie:

> "When will online banking in the browser, as opposed to the app, be revamped?"

MS CROSBIE: So another great question. I can tell you we're working on that right now and it was actually one of the main reasons why the rebranding is really helpful because, for those of you who use those services, you'll know that some of the text and some of the branding doesn't render very well. So please watch this space. There will be a new look and feel announced and we expect that probably to be early next year, but we'll provide you with some updates when we're getting close.

THE CHAIRMAN: Thank you. And the second question from him is:

> "Would Nationwide ever provide longer period mortgages of say 15/20 years?"

Chris.

MR RHODES: Yes. So I think the question is talking about 15 or 20-year fixed-rate ...

THE CHAIRMAN: Fixed-rate interest I would imagine, yes.

MR RHODES: ... mortgages, rather than the term of the mortgage. I think the answer to that is going to be no because it is very hard to fund a 20-year fixed-rate mortgage. Whilst we can hedge the interest rate using interest rate swaps, what we can't do is be clear what our funding cost would be over that 20-year period, and we would clearly be giving a fixed margin on the fixed-rate account. It's not something that you can sensibly run on a banking balance sheet. It's in some respects linked to the question about equity release mortgages as well, those mortgages are best residing elsewhere in the financial system than on a bank or building society balance sheet. We could probably do a little bit of 15 years but we wouldn't want to run the interest rate risk associated with funding longer-term mortgages.

THE CHAIRMAN: Thank you. So quite a technical answer but I hope that was clear.

The next question is from Mr Johnston and he says:

> "Why is interest for the FlexDirect current account paid monthly yet all the interest on savings accounts is annual? Would a monthly/quarterly option be considered?",

presumably in respect of those savings accounts. Chris, do you want to address that one?

MR RHODES: So an interesting question to which I don't know the answer, other than I think it's technically quite difficult to set up savings accounts with a monthly or quarterly income option on our systems. But what I suggest we do is take it away and come back with a slightly more considered response than blaming IT, which I think is the answer, but ... And then there is a history as well that savings accounts are more traditionally for savings and annual receipt of income, and current account is for more day-to-day spending, and therefore that's why FlexDirect gets monthly. But maybe if we can go back to Mr Johnson with a slightly more considered response, but it's almost certainly it's going to be too complex and expensive to do that.

THE CHAIRMAN:  Okay, Mr Johnson, we will double-check that and we will get back to you personally.

So the next one is also to do with accounts and it's from Mr Taylor:

> "What is the Board's policy towards customers who still hold redundant accounts, ie accounts that are no longer offered to new customers?"

Debbie, do you want to take that one?

MS CROSBIE:  So we are obviously constantly reviewing the accounts that we offer, so if we believe there's something that's better and more appropriate for you, we'll contact you.  But other than that, if the account is no longer offered, we will, I'm sure, be happy to discuss any other options available to you.  But at the moment it will be there, it will remain there and remain available for your use.

THE CHAIRMAN:  Thank you.

And another one on accounts from Mr Parrish:

> "Why does the Loyalty rate no longer match the Triple Access rate?"

MS CROSBIE:  So, look, we aim to offer members a range of options.  I'm not sure exactly the detail of those two rates but what I can say is that, if you want to swap, we'll hopefully help you do that, and if there's any other product information we can provide, it's all available on our website.  I don't know, Chris, if you know why.

MR RHODES:  Broadly, as the products have evolved over time, Limited Access - the clue's in the name - you can only have three withdrawals before your rate reduces, whereas on Loyalty Saver it is a proper instant access account, so there is now a rate differential for access restriction versus instant access.

THE CHAIRMAN:  Which makes sense.  Thank you.

So the next one is from Mr Castle and he says:

> How can we justify saying an online-only AGM gets ten times as many members to join compared with an AGM of the past?  He said I mentioned 194 being online today - I did say that indeed, we're actually now about 300 people online - yet a physical AGM held at the ICC in Birmingham around 2005 had around 700 people in attendance.

I wasn't here in 2005 but I'm very happy to take your number, Mr Castle.  What I do know is the last time we invited people to attend in person was in 2022 and we only had 32 people that turned up in person, apart from our own staff.  So back in 2005 we didn't have the same options for online meetings as we do now and so we are of the view that in the current environment, with the better technology that exists now that wasn't nearly as good in 2005, this is giving us high attendance for our AGM.  So I hope that explains the difference.

Two questions from Ms Percy - Perry, I beg your pardon:

> "Only 20% of members have a bank account. How did you decide just to give the £100 bonus to them? Will all Virgin bank account holders get it next year?"

I think we've addressed the £100 and I think when you say "only 20% of members have a bank account", you mean a current account with us. But the second question is a different one:

> "Will all of the Virgin bank account holders get it next year?",

and, Debbie, do you want to address that?

MS CROSBIE: Yes. The answer to that is no, the Virgin Money account holders will not get the Nationwide Fairer Share Payment next year. If, in the future, they become full members of Nationwide and they qualify through the eligibility criteria, then the same as our existing members, they would be entitled to that, but that will not be next year.

THE CHAIRMAN: So Virgin Money customers do not automatically become members of Nationwide. To qualify for Fairer Share, assuming that we continue that going, which is our intention as long as it's affordable, you do need to be a member of Nationwide itself. So I hope that's clear, Ms Perry.

The second question you have is:

> "So how can members express their opinions? There is no communication through your website and you choose what questions to answer at the AGM."

Let me just take the second part first. We're answering all of the questions - we might run out of time - but we're answering all of the questions broadly in the order they come through, although sometimes grouping them if they're linked today, so we're not excluding questions.

But in terms of how members can express their opinions in different ways, Debbie?

MS CROSBIE: Yes. So there is a range of ways that members can express their opinions and, if you have got particular topics that you'd like to raise, you can write an email to me, I'm very happy to receive your feedback. We have a Member Connect panel where we consult members very regularly through surveying, through engaging with them (there is over 7,000 - just under 7,000 members of our Connect panel), and we also do focus groups, we do telephone interviews, so there is a range of ways. But if there's something in particular that you feel you'd like to communicate, I'd be delighted to receive a communication from you.

THE CHAIRMAN: Thank you.

Nice question from Ms Dalewood. She says there used to be grandparents' accounts for grandchildren but they seemed to stop just in time for her becoming a grandparent

- so congratulation on becoming a grandparent. “Could these be reintroduced?” Debbie.

MS CROSBIE: We’re working on a range of children’s accounts and, as I said, we’re going to be offering more and different types of accounts by the end of this calendar year. When it comes to grandparents’ accounts, I’m happy to take a look at what we used to do and look at if that’s on the pad to do. So thank you for that feedback, we’ll take it away.

THE CHAIRMAN: Thank you. So thank you for that reminder about those accounts.

Mr Johnson asks another question on the combination with Virgin, so I’m going to come to you, Chris:

> “How would branches combine with Virgin Money? For example, they use Mastercard and we use Visa.”

MR RHODES: Well, I’ll take it in reverse order. Actually, the Mastercard/Visa issue is not the challenge, the challenge is integrating the system to combining the front-end till systems to allow single-till member of staff in one branch to access the systems of Virgin Money and vice versa if it was a Virgin Money branch. That, as I said before, will take us some time to do and we’re not going to see that in the near term. So I think as Mr Johnson is alluding to, it’s technically difficult and challenging, and we’ll do it thoughtfully and in an appropriate timely way, rather than rushing into that one.

THE CHAIRMAN: There’s another question from Mr Rosenzweig but it’s a little bit linked there, so I’ll just ask it now. It says:

> “Will the Virgin Money acquisition help offer members low-interest credit cards?”

So there’s a different credit card proposition in Virgin than in Nationwide ---

MR RHODES: Exactly.

THE CHAIRMAN: --- do you want to just say a bit about that?

MR RHODES: Yes. So Virgin Money have a much bigger credit card book than the Society and it very much offers 0% balance transfers, it’s one of the most competitive providers of those products. Now, whilst it’ll be hard to, in the short term, sell those products in say a Nationwide branch or on the Nationwide website, they will absolutely continue, and Nationwide members can go onto the Virgin or into a Virgin branch and open a credit card in the knowledge now that we’re owning - we own Virgin Money and will be investing in service and making other changes there in terms of bringing Virgin Money services, over time - I have to keep stressing this because this is a thoughtful, slow, careful integration, with a very strong risk focus. But one of the reasons why we bought Virgin Money was the credit card proposition and you can access that directly from Virgin Money but I think now comfortable in the knowledge that it is owned by a mutual, not by listed shareholders.

THE CHAIRMAN:  Thank you very much.

We're coming towards the end of the questions that are in our queue but we've got time for a few more and then we'll look to wrap up.

But there's a question from Ms Stock and this is a very topical question:

> "It would be helpful for members to be able to pay in at the Post Office [she says] as offered by other banking providers.  Is this something [we] intend to offer to members in the future?"

Debbie.

MS CROSBIE:  So we don't have any plans to offer deposit-taking at Post Offices because we've decided to make a branch commitment and keep our branches open.  It is actually quite expensive to provide that service and we thought that it was in the best interests of members to make a Branch Promise and keep our branches open, so I hope you'll understand why we've made that decision.

THE CHAIRMAN:  Thank you.

We're got another question on remuneration from a slightly different angle here from Mr Graham and he asks:

> "Are the proposed changes to executive remuneration sufficient to recognise the skills and capabilities needed to lead a larger more complex organisation post Virgin acquisition or should we expect continued generous changes?"

So a double-edged question there, RemCo Chair.

MS GRAHAM:  Indeed.  Thank you very much.  Thank you very much, Mr Graham. So what I would say is this year we, as a committee, reviewed the remuneration policy and there were minor changes to that, the main change being in relation to the long-term performance plan.  The resolution that was put today is due to last to the summer of 2027, so we're not envisaging undertaking any other changes at this time. We have built-in flexibility to the policy so there is additional headroom should we choose to use it.  We did not choose to use all of the headroom this year.  Even though we provided record member financial benefit, we still felt that we would not use all of that headroom.  So, at this point, we do believe that we have sufficient headroom in what we need to do and that the policy will remain in force to 2027.  Thank you.

THE CHAIRMAN:  Thank you very much.

And another one on interest rates, again a slightly different angle, from Mr Gilbert, and he says:

> "From experience, Nationwide offers interest rates that, whilst competitive with traditional banks, fall below those of mutual competitors.  I appreciate that balance is required but would have thought some more of the profits cited today

> could be returned to members through offering slightly better rates, particularly on ISAs."

Debbie, would ...?

MS CROSBIE: Yes. So, look, I mean I'll just repeat that we're really committed to providing the best member value that we can, we balance the needs of our savers with the needs of our borrowers, we'll keep that under review. And the only final thing I'd say is that, whilst our profits are very healthy today, it's really important that we offer rates that are sustainable for the future because, as Kevin outlined in his opening remarks, the interest rate environment will change and it's really important that first and foremost the Society's kept very safe and very sound.

THE CHAIRMAN: Thank you.

So I'm going to give the final question that we've got time for today to Mr Hurst who is in the queue and I think is going to pose this online, is that correct, or is it just for me to read out? *(Pause)* Maybe it's for me to read out. What he says is:

> "Is demutualisation dead and buried?"

Well, it certainly is here. We've got no intention of demutualising. We are firmly of the view that the building society structure we operate in allows us to give better service, excellent service indeed, to our members and there would be a disadvantage in demutualising. All of the money that we share, either through better rates or through distributions or through reinvestment into the business, that is for the benefit of our members and that wouldn't be possible if we demutualised. So we are totally committed to staying as a building society. We provide banking services but through a building society structure. Thank you very much for that question.

I think this has been a good run through the questions and let me just now draw those to a close and move on to the last part of the meeting, which is now some formalities.

So as a final reminder, you can vote by selecting "Voting" on your screen and clicking on "Show" to vote on each resolution. Voting will stay open for a few more minutes.

While members cast their final votes, we will show a short video which I referred to earlier. For a number of years Nationwide's main charity has been Shelter which focused on the needs of homeless people. Now we are taking a new approach which we are calling Fairer Futures. In addition to supporting young homeless people, we will also support older people and children. Here to explain more is the Society's Chief Customer Officer and the Chief Executives of the charities that will benefit from the support that you, as members of the Society, provide.

*Video played, the transcript of which follows:*

MS KEHOE: Hello, everyone. I'm Catherine Kehoe, Chief Customer Officer.

As a building society, Nationwide was born out of community.  We have always been so proud of our strong social purpose.

This year we marked the end of our social investment programme focused on supporting those in housing need and now have embarked on a new programme shaped by our purpose: banking, but fairer, more rewarding, and for the good of society.  I am delighted to be updating you all on our new social impact programme today.

One of the brilliant things about Nationwide is our commitment to give at least 1% of pre-tax profits to charities and causes that make a meaningful impact on society.  Now, that is a greater percentage than 75% of FTSE 100 companies.

Over the last few years, we have made a positive impact on society through our social impact activity centred around housing and now is the time for us to build on that momentum and do more.

Now, this is what our new social impact programme is all about, real impact, real change and real help, and in line with our new purpose it is called Nationwide Fairer Futures.

Through our interactions with you, our members, we know that difficulties can strike people at any age and stage of life and so Fairer Futures is designed to reach across every generation to help tackle three of the biggest issues in society today: youth homelessness, family poverty and dementia.

We have selected three leading charity partners to work with: Centrepoint, Action for Children and Dementia UK.  We will proudly be supporting their core activities by funding high-impact transformational programmes that offer more support to more people every day but we will be going further for even greater impact.  We will also raise awareness of these issues with our members and colleagues who will get involved with volunteering and fundraising and will use the expertise of our new partners to prompt innovation in our own products and services.

So starting with young people and the terrible issue of homelessness.  Every four minutes a young person in the UK faces homelessness and that is the fear of having nowhere to sleep and having to make impossible choices to try and stay safe.  Let me introduce Julie Milnes, Director of Fundraising of our new partner, Centrepoint.

MS MILNES:  Hello.  My name is Julie and I’m the Director of Fundraising at Centrepoint.  I’m so delighted to be talking to you all today.

Centrepoint is the UK’s leading youth homelessness charity supporting 16 to 25-year-olds to overcome the damaging effects of homelessness and turn their lives around.  We want every young person we work with to be able to find a stable home and a job, what we believe are the essential components of a happy and successful independent life.

Working together on the More Than a Roof programme, we’ll be transforming homelessness hostels from grotty, institutional, soulless spaces to homes where young people can feel proud and excited to be living.  These homes are the turning point in a young person's life, where they can stop being consumed by the day-to-day worries of homelessness and where they're going to sleep, they can be thinking about and planning for the future.

As well, we'll be creating affordable long-term homes through our innovative "stepping stone" homes project.  This programme will help young people who are in work who are being priced out of the rental sector, by capping their rent at a third of their income for up to five years.

We're so proud to be working with Nationwide on these projects, which are going to change the story for thousands of young people over the next three years, as well as leaving a legacy of homes to be used by those in need for years to come.

Thank you for your support.  I can't wait for us to get started.

MS KEHOE:  Our next partner is Action for Children led by Paul Carberry, who we are working with to support the staggering 4.3 million children living in poverty.

MR CARBERRY:  I'm Paul Carberry, Chief Executive at Action for Children.

Since opening the door to our first children's home in 1869, we have been helping children to have the safe and happy childhoods they deserve.

In today's world, life can be hard.  For some families it can almost be unbearable.  Many do not know where their next meal is coming from, how to pay their bills or if they can afford to replace the clothes their children have outgrown.  They feel they have nowhere to turn.  It's a position that no parent wants to be in.

Thanks to Nationwide's Fairer Futures, we aim to help over 100,000 children, young people and families.  Our family fund will not only support families with the essentials they need, like food and bills, but also give them memorable experiences to cherish; and our family clubs will be a safe space where families come together, share a meal and get to know each other - it's a place where children can have fun; and if parents are struggling, our trained staff are on hand to help.

Nationwide are helping Action for Children to tackle child poverty head on and are helping families to thrive and we couldn't be prouder.

MS KEHOE:  For our third partnership we are focusing on older generations and their families suffering from something that will impact one in two of us, dementia.
Paul Edwards, Chief Nursing Officer at Dementia UK, will tell us more.

MR EDWARDS:  I'm Paul Edwards, Chief Nursing Officer at Dementia UK, and I'm absolutely over the moon about the difference our partnership with Nationwide will make.

Our specialist dementia nurses, known as Admiral nurses, are there for the whole family when people need them the most, providing health advice, offering emotional and psychological support, and enabling families affected by dementia to have the best life possible.

Next year there will be a million people living with dementia and right now there are only 450 Admiral nurses to support them and their families. Specialist follow-up support for dementia is hard to get because it barely exists. This is a huge and growing crisis that needs urgent attention.

Our partnership with Nationwide Building Society will be truly transformational, enabling us to help an additional 100,000 people over the next three years. We will be funding 30 new Admiral nurses to help us to increase support right across the UK. We will also begin to hold specialist dementia clinics within a number of Nationwide branches. Our nurses will work with Nationwide so they can better understand how to support customers living with dementia with their everyday banking needs. We want every family to know we will be there for them to support them for as long as they need it.

I think it's lovely that we're doing it. I absolutely think it's going to make the biggest difference.

MS KEHOE: So they are the three new partners that make up Nationwide Fairer Futures. Now, we have an ambition to be a beacon for mutual good and by being a member of Nationwide you are helping us to go further to play our part in delivering a positive social impact that will build a fairer future for many in the UK. Thank you.

*(End of video)*

THE CHAIRMAN: I hope you found that video as inspiring as I did and I'm looking forward to coming back next year to find out more from the charities about the difference that the Fairer Futures programme has made.

Even by voting today you've made a difference. We donated £1 per vote cast up to a total of half a million pounds to be split between the charities according to your preferences.

I now declare the voting closed.

The votes of all voting members, including those voting by proxy, will be included in the count by our independent scrutineers, Civica Election Services.

In the interests of transparency, showing on the screen is the number of proxy votes that I've been asked to cast by members not attending the meeting today. For those members who gave discretion to vote as I see fit, I have used that discretion to support the Board's recommendations and voted "For" each item of business. The number of members who have withheld their vote is also shown.

The formal declaration of the results, verified by our scrutineers, will be published as soon as they are available after the meeting.

All that remains for me to do is to thank you for participating today.  I can tell you that we have had almost 300 members in attendance during the meeting.  Thank you to everyone for your interest, engagement and questions.

There is no other business and so can I thank you for that participation and I declare now the meeting closed.  To finish, I'll leave you with this little reminder of last year's highlights.

*(Video played)*