nationwide

Annual Results Presentation

For the twelve months ended 4 April 2024

We have made strong progress against our strategy

More rewarding relationships

Deeper, broader, more lifelong relationships that provide the best value in banking

- Delivered £2,194m in value via Fairer Share and member financial benefit (2023: £1,055m)
- Increased engaged customers to 3.53 million[1] (2023: n/a)
- Attracted 1 in 6 of market's current account switchers
- Helped 64,000 first time buyers (2023: 72,000)

Simply brilliant service

Personalised service you can trust, at every touchpoint

- No. 1 for customer satisfaction in peer group[2]
- Extended our Branch Promise to 2028
- Branch Network of the Year[3]
- Extended telephone opening hours
- Launched new mobile banking app

Beacon for mutual good

Famous for having a meaningful impact on customers, communities and society, by being bigger and doing better

- First in peer group for brands consumers had 'heard good things about'[4]
- £15.5m committed to charitable activities (2023: £9.6m)
- Published Intermediate net-zero-aligned Transition Plan 2023
- Rated 'AAA' for ESG by MSCI

Continuous improvement

Being focused, fit and fast and delivering at pace

- Invested £100 million to modernise our payments systems
- Simplified switching via Mortgage Manager
- Launched Landlord Hub, providing digital support for buy-to-let customers
- Delivered our most significant re-brand in 30 years

[1] Engaged customers have their main personal current account with us, plus either a residential mortgage of at least £100, or at least £100 in personal savings. We did not disclose a comparator in 2023, though the 2024 outturn is above the target of 3.33 million; [2] Lead as at March 2024: 5.5%pts, March 2023: 3.8%pts © Ipsos 2024, Financial Research Survey (FRS), for the 12 months ending 31 March 2013 to 12 months ending 31 March 2024. Results based on a sample of around 47,000 adults (aged 16+). The survey contacts around 51,000 adults (aged 16+) a year in total across Great Britain. Interviews were face to face, over the phone and online, taking into account (and weighted to) the overall profile of the adult population. The results reflect the percentage of extremely satisfied and very satisfied customers minus the percentage of customers who were extremely or very or fairly dissatisfied across those customers with a main current account, mortgage or savings. Those in our peer group are providers with more than 3.2% of the main current account market as of April 2023 – Barclays, Halifax, HSBC, Lloyds Bank, NatWest, Santander and TSB. Prior to April 2017, those in our peer group were providers with more than 6% of the main current account market – Barclays, Halifax, HSBC, Lloyds Bank (Lloyds TSB prior to April 2015), NatWest and Santander; [3] 2024 Moneyfacts Consumer Awards; [4] Based on a study conducted by an international market research company commissioned by Nationwide Building Society. Based on total consumer responses, including non-customers, for the 6 months ending March 2024. Financial brands included are Nationwide, Barclays, Co-operative Bank, First Direct, Halifax, HSBC, Lloyds, Monzo, NatWest, Santander, Starling Bank and TSB.

Financial update

Nationwide, standalone basis

Financial performance remains strong

£million	FY 2023/24	FY 2022/23	% change
Net interest income	4,450	4,498	(1%)
Net other income	214	175	22%
Total income	4,664	4,673	(0%)
Costs	(2,422)	(2,323)	4%
Loan impairments	(112)	(126)	(11%)
Provisions for liabilities and charges	(127)	9	n/a
Underlying profit	**2,003**	**2,233**	**(10%)**
Fairer Share Payment	(344)	-	n/a
Gains from derivatives and hedge accounting	117	(4)	n/a
Statutory profit	**1,776**	**2,229**	**(20%)**

- Net interest income decreased by £48m, as the deposit funding benefit from rising interest rates was more than offset by declining mortgage margins.
- Costs increased by £99m due to inflationary increases and £36m recognised in the year for the 2024/25 Bank of England levy.
- The net loan impairment charge of £112m reflects broadly stable expected credit loss provisions amidst continued economic uncertainty.
- The inaugural Fairer Share Payment of £344m, announced in May 2023, was recognised in the period.

Key ratios (%)	FY 2023/24	FY 2022/23
Net interest margin	1.56	1.57
Underlying cost income ratio	51.9	49.7
Cost of Risk[1] (bps)	5	6

[1] Cost of Risk = impairments charged to income statement / average loans to customers.

We maintain a low risk, strongly capitalised balance sheet

£billion	4 Apr 2024	4 Apr 2023	% change
Residential mortgages	204.1	201.4	1%
Retail unsecured	3.8	3.9	(3%)
Public sector[1]	5.2	5.1	2%
Commercial real estate[2]	0.3	0.4	(25%)
Liquidity[3]	52.8	56.1	(6%)
Other assets	5.7	5.0	14%
Assets	**271.9**	**271.9**	**0%**
Retail deposits[4]	193.4	187.1	3%
Wholesale funding	50.5	57.9	(13%)
Other liabilities	2.9	3.1	(6%)
Capital & reserves[5]	25.1	23.8	5%
Liabilities	**271.9**	**271.9**	**0%**

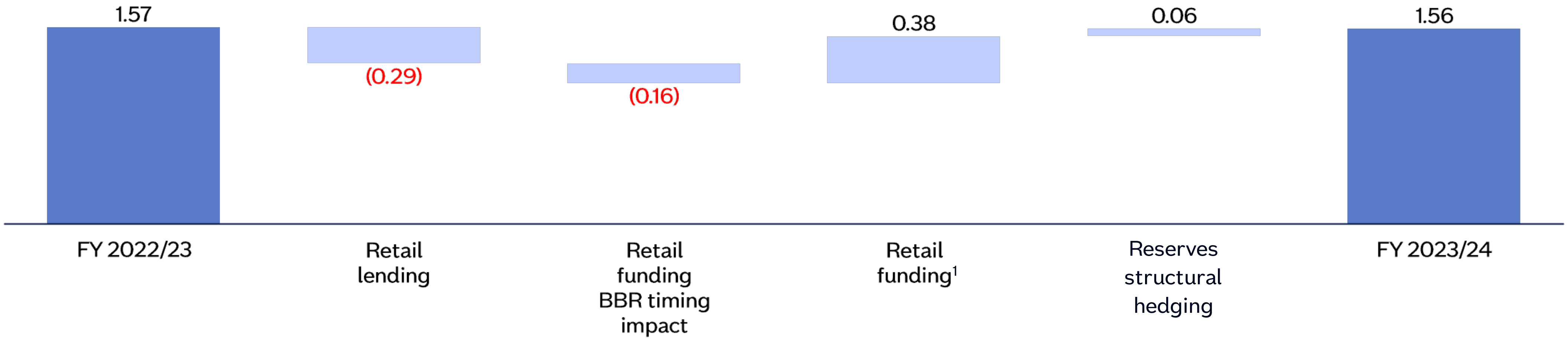
- Residential mortgages grew, with market share of balances increasing to 12.3% in a competitive environment.
- Retail deposit balances increased due to growth in savings, supported by competitive fixed rate products and increased levels of accrued interest from higher average savings rates.
- 98% of total lending secured on low-risk residential property.
- Capital and liquidity ratios remain strong.

Key ratios (%)	4 Apr 2024	4 Apr 2023
Liquidity coverage ratio (12m avg.)	191	180
CET1 ratio	27.1	26.5
Leverage ratio	6.5	6.0

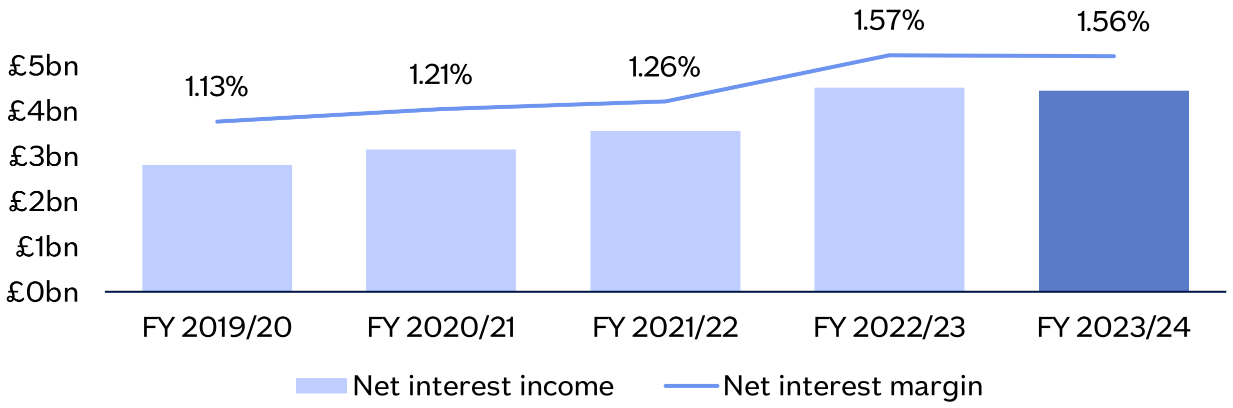
[1] Public sector compromises of lending to UK registered social landlords and legacy Private Finance Initiative. [2] The CRE portfolio is closed to new business. [3] Liquidity & investment portfolio. [4] Shares (member deposits). [5] Total members' interests, subordinated liabilities and subscribed capital.

Net interest margin trending lower

Net interest margin movements, %



Net interest income, net interest margin, %

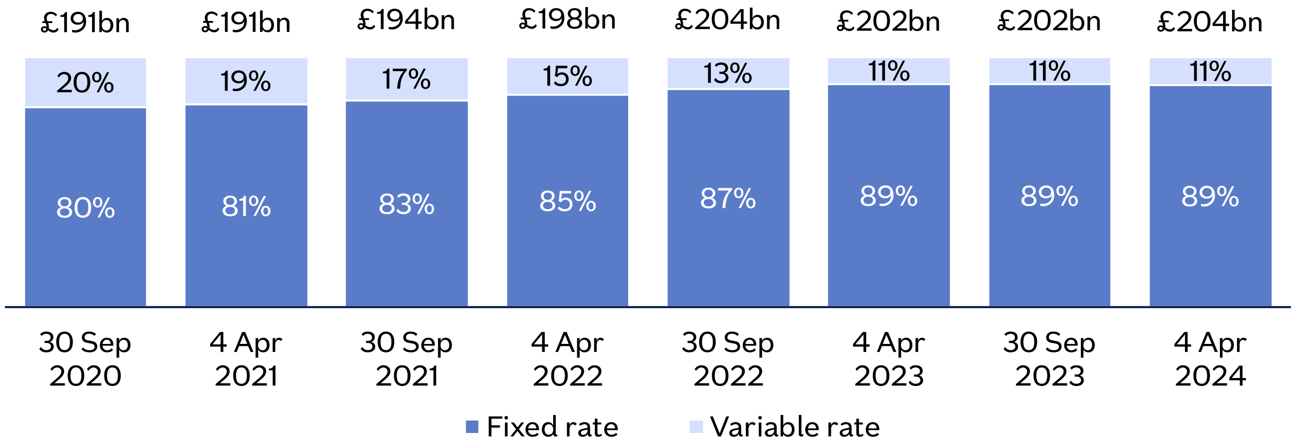


- Net interest margin decreased by 1bp in the year to 1.56%.
- Increased deposit margins have been more than offset by a lower year-on-year timing benefit due to fewer base rate changes, and declining mortgage margins in a highly competitive market.

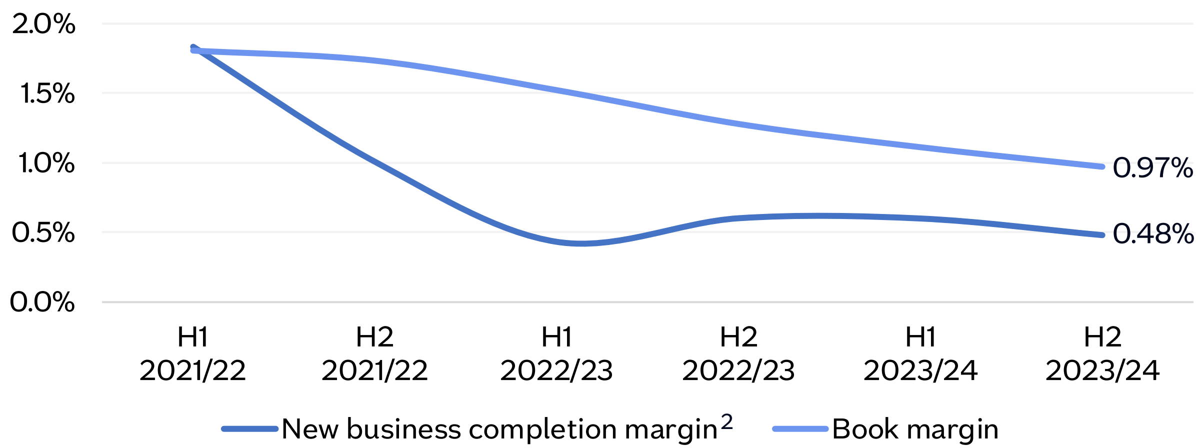
[1] Includes the impact from structurally hedged current account balances.

Retail mortgages performance

Mortgage balances by product type, £bn[1]



Mortgage gross margin trend, %

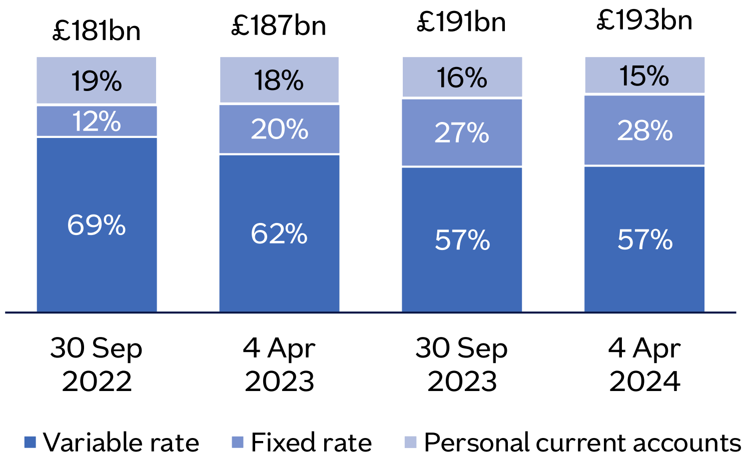


- Retail mortgage balances[1] were £204bn at the end of the period, reflecting a modest improvement in housing market activity.
- Market share of balances increased from 12.2% to 12.3% in the year.
- Net lending has been supported by our continued focus on retention through highly competitive products for existing customers.
- New business margins[2] averaged around 50bps in the second half of the financial year.

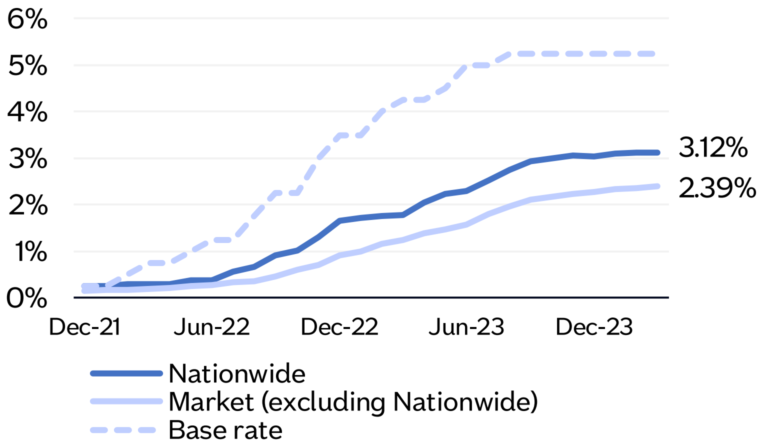
[1] Excludes provisions. [2] Excludes switcher business.

Retail deposits performance

Retail deposit mix, %

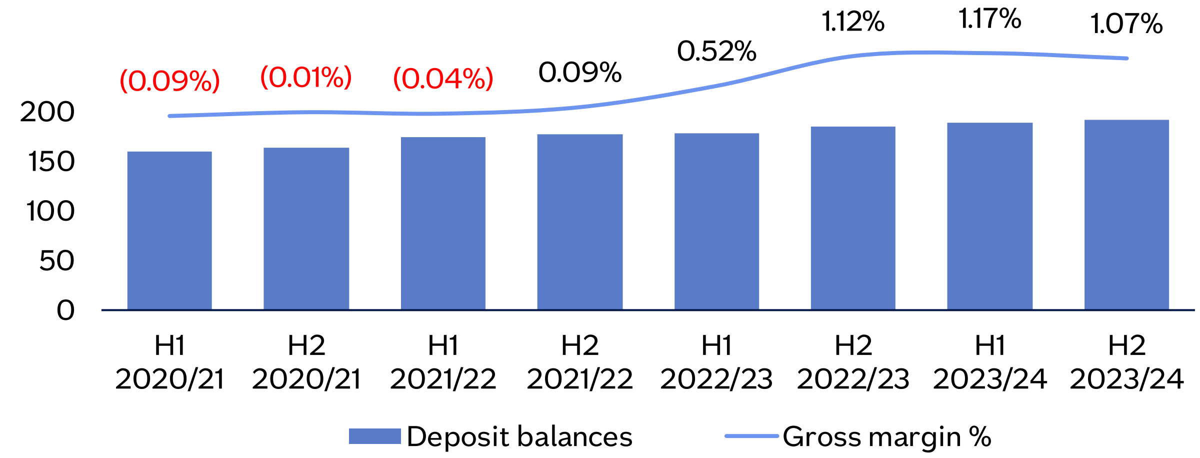


Average deposit rates (annualised), %



Source: Nationwide, Bank of England

Average deposit balances[1], £bn, gross margin trend, %



- Retail deposit balances[1] increased by £6.3bn, supported by competitive pricing and increased levels of accrued interest from higher average savings rates.
- The mix of deposits continues to evolve in a competitive market. We have observed a slowing in the movement of balances from non-interest-bearing current accounts into rate-paying products, and in particular fixed rate bonds.
- Since December 2021 (when base rate started to increase) Nationwide's average pay rate across all deposits has tracked above the market average.

[1] Includes accrued interest.

Strong cost discipline despite the inflationary backdrop

£million	FY 2023/24	FY 2022/23	Change
Business as usual	1,600	1,485	115 ↑
Investment & depreciation	736	727	9 ↑
Costs excluding restructuring	**2,336**	**2,212**	**124** ↑
Restructuring[1]	50	113	(63) ↓
Costs including restructuring	**2,386**	**2,325**	**61** ↑
Historic fraud losses	-	(2)	2 ↑
Bank of England levy	36	-	36 ↑
Total costs	**2,422**	**2,323**	**99** ↑

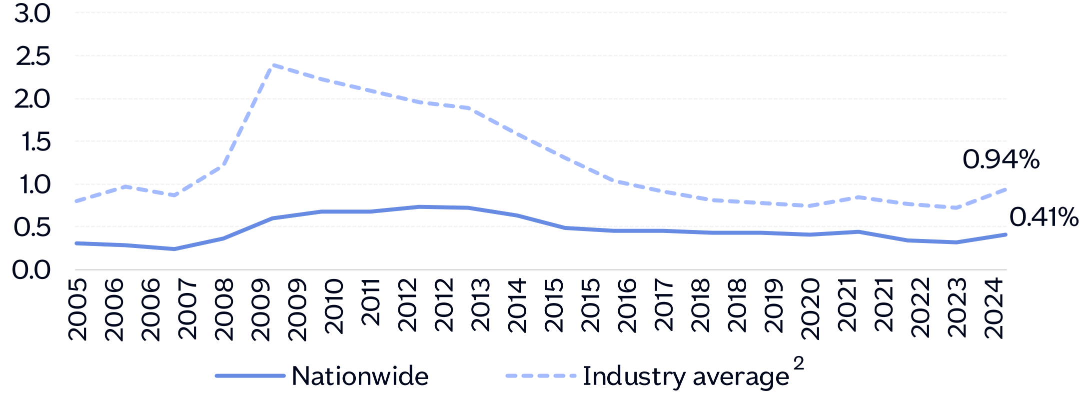
- Total costs were 4.3% higher compared to the prior year.
- Excluding the Bank of England levy previously recognised through income[2], costs increased by 2.7%.
- Inflationary increases were mitigated by efficiencies within strategic investment and the non-repeat of restructuring spend in the prior year.
- Restructuring costs reduced with lower severance and impairments.

[1] Includes colleague severance costs, asset impairments and write-offs and charges resulting from reviews of useful economic lives. [2] The Bank of England levy is now payable ahead of the next financial year and recognised as an operating expense – as such there is a one-off 'double' impact from the 2023/24 and 2024/25 levy.

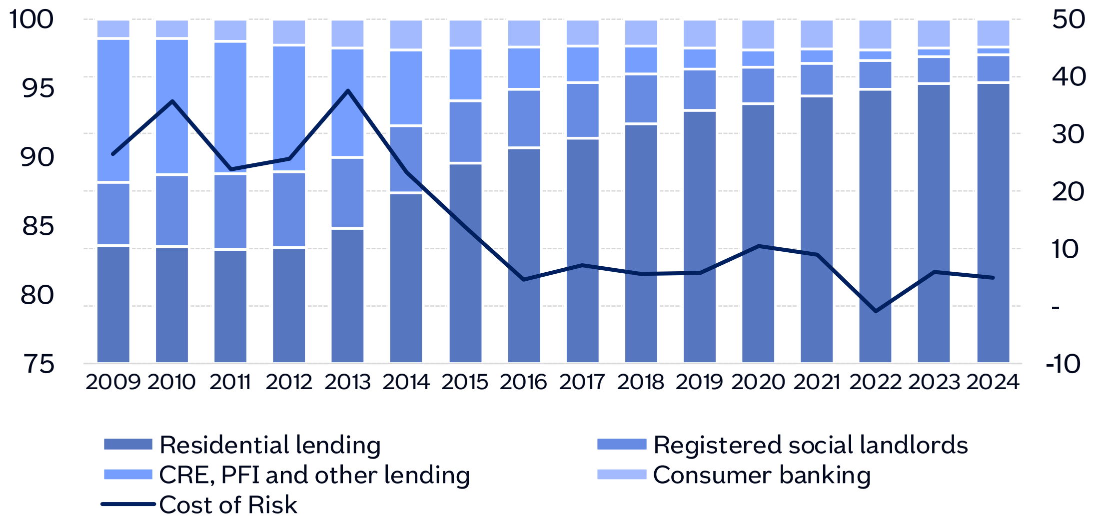
Stable credit performance amidst continued economic uncertainty

Retail lending	Mortgages		Unsecured	
	4 Apr 2024	4 Apr 2023	4 Apr 2024	4 Apr 2023
Total balances (£m)	204,467	201,662	4,263	4,408
Provision balances (£m)	321	280	436	469
3m+ arrears[1] (%)	0.41	0.32	1.36	1.21
3m+ arrears industry average[2] (%)	0.94	0.72		
Total negative equity balances (£m)	124	181		
Negative equity (£m)	13	13		
Forbearance[3] (£m)	1,003	1,158		
Mortgage Charter[4] (£m)	1,384	-		

Mortgage accounts in 3m+ arrears, %



Evolution of loan book (%, LHS) and Cost of Risk (bps, RHS)

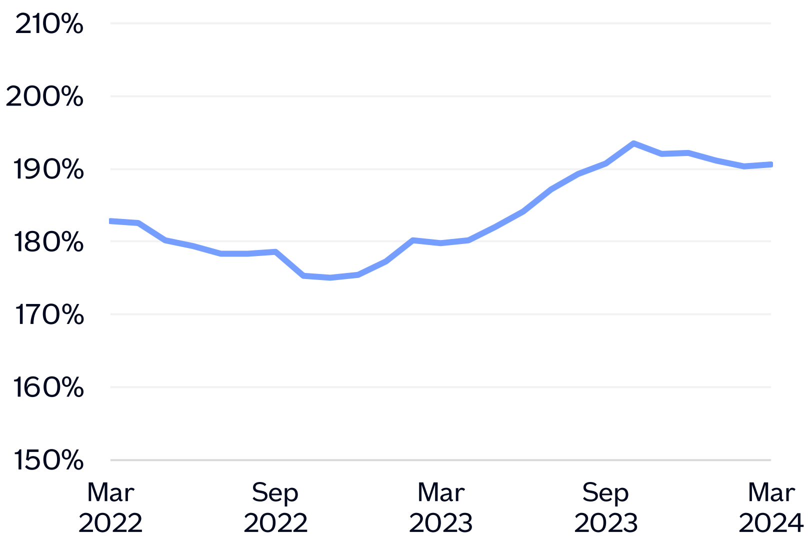


- The Cost of Risk is 5bps, which is in line with the pre-pandemic period.
- Mortgage 3m+ arrears rates increased but remain low and continue to outperform the industry average.
- Forbearance reduced over the period, in part due to interest-only concessions available under the Mortgage Charter.
- The average indexed LTV of mortgages was unchanged at 55%.
- Unsecured 3m+ arrears rates increased in the period.

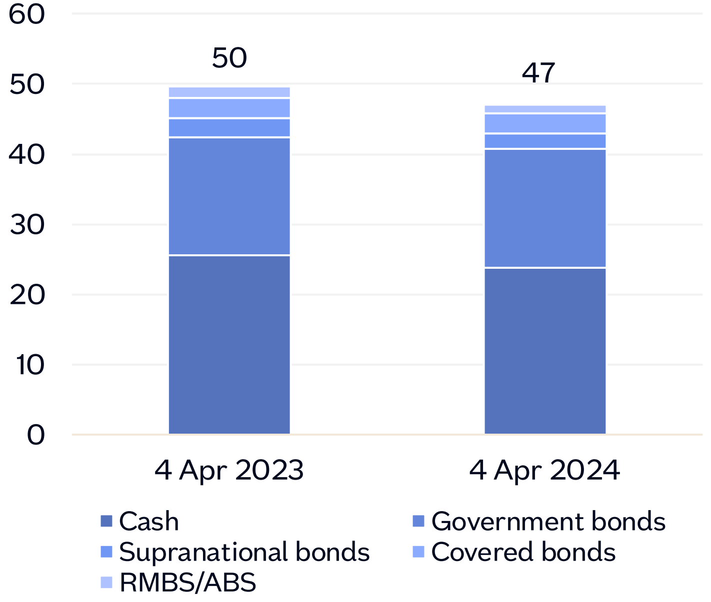
[1]Residential: Proportion of residential mortgage accounts more than 3 months in arrears. Unsecured: percentage of balances, excl. charge offs. [2]Source: UK Finance [3]Excludes concessions granted under the Mortgage Charter introduced in July 2023 [4]Reflects live concessions as at 31 March 2024; includes £45m of balances that are also reported as forborne as they were in a forbearance probation period when the option was taken up.

Liquidity analysis

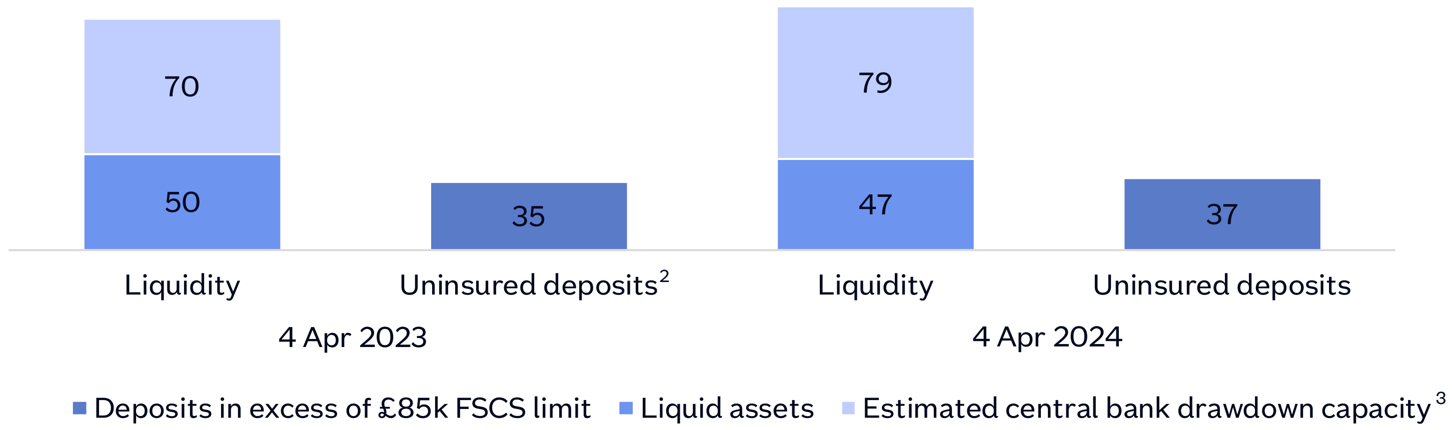
LCR Pillar 1, 12m rolling average[1], %



Liquid assets, £bn



Total liquidity resources, £bn

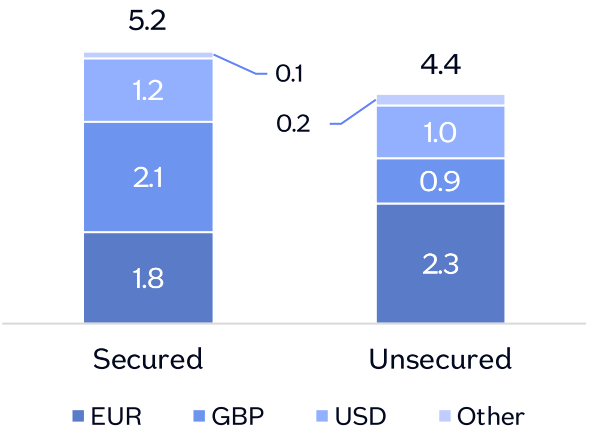


- The 12-month average LCR was 191% (4 April 2023: 180%). Our internal assessment of liquidity explicitly considers characteristics of Nationwide's deposit book, including factors that we expect to impact behaviour in a stress, and is our binding constraint.
- On balance sheet liquidity totalled £47bn, significantly above the £37bn of uninsured deposits (those that exceed the £85k FSCS limit).
- In addition, Nationwide retains an estimated £79bn of drawdown capacity from central bank contingent liquidity facilities[3], much of which could be utilised same day.
- The four-quarter average NSFR was 151% (4 April 2023: 147%), well above the 100% minimum requirement.

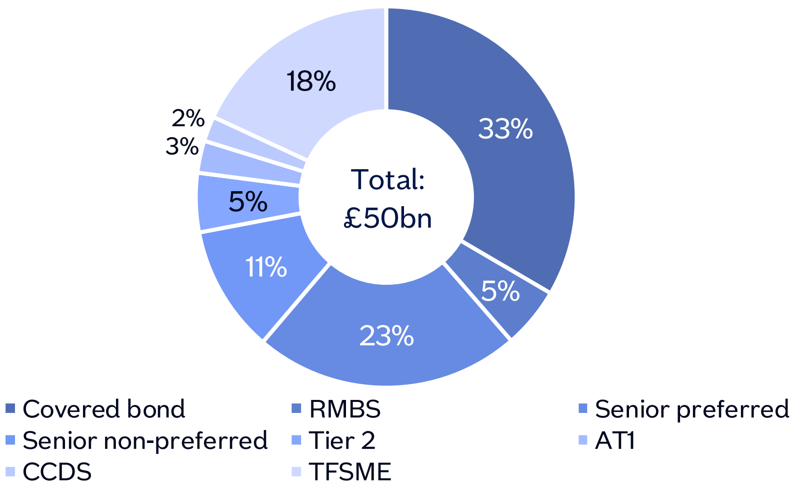
[1] Data points represent 12-month simple average of LCR. [2] Comparative restated to reflect improved data quality. [3] Nationwide has assumed a haircut of 25% on assets.

Robust wholesale funding position supported by strong credit ratings

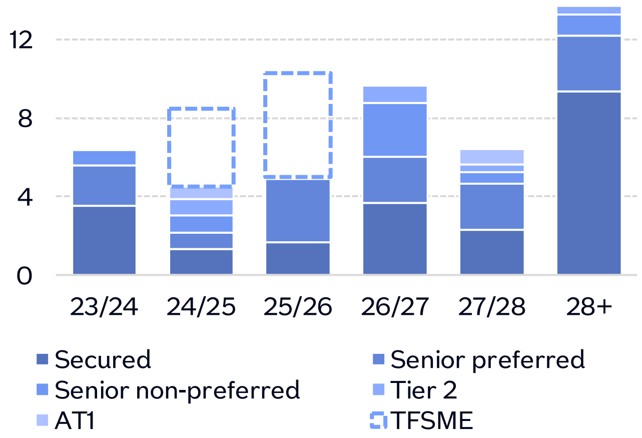
Wholesale funding issuance, £bn: FY to date[1,3]



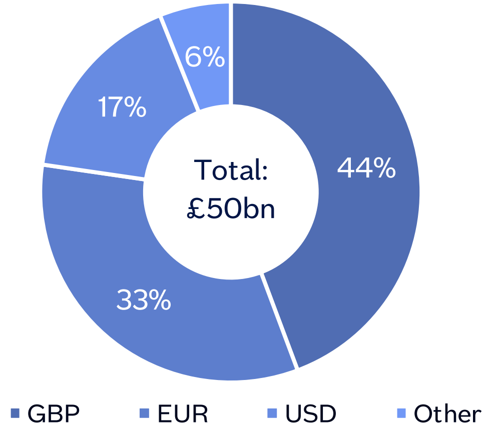
Wholesale funding portfolio by instrument[1], %



Wholesale funding maturities [1,2], £bn



Wholesale funding portfolio by currency[1,3], %



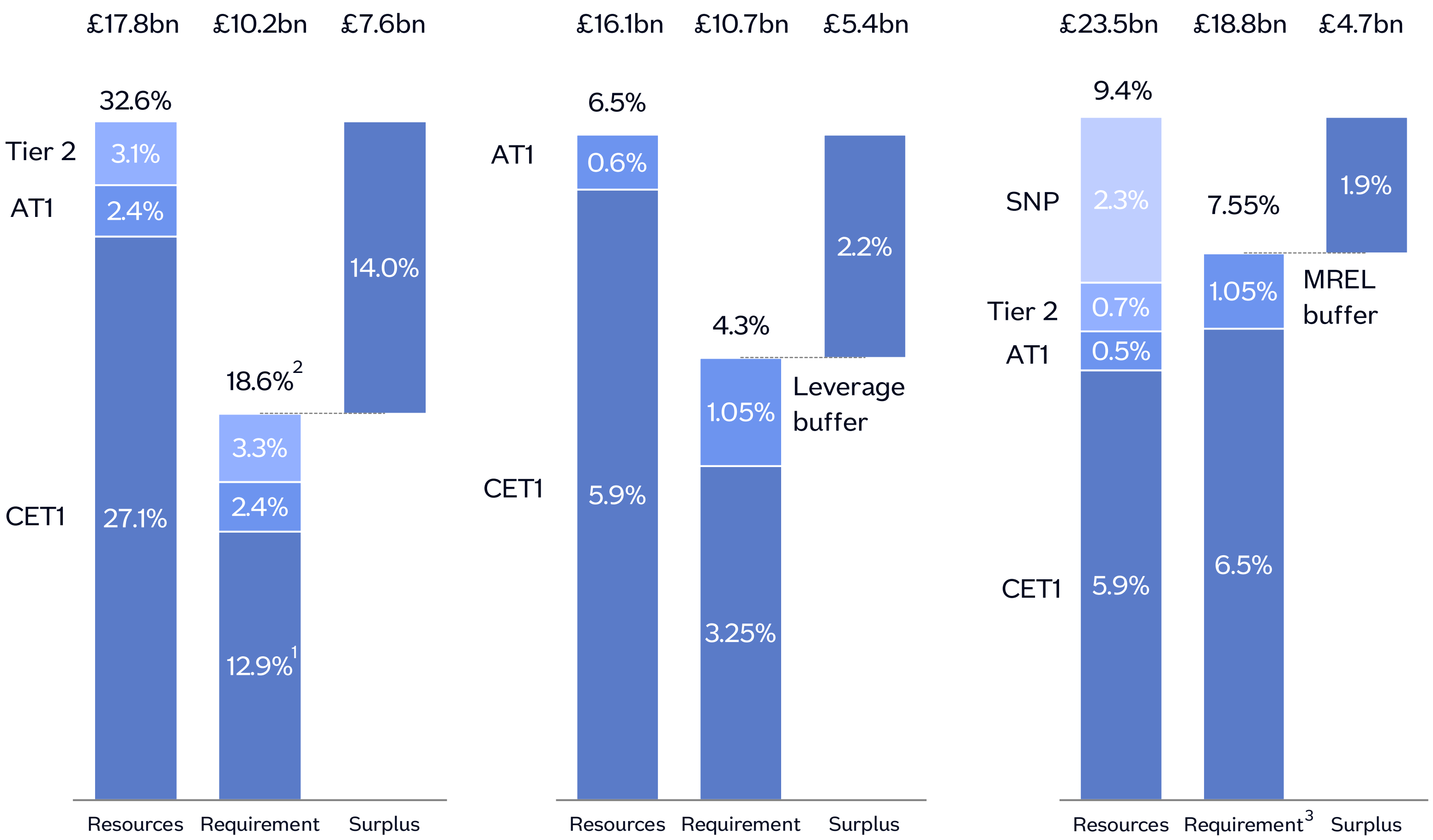
- We have repaid £12.4bn of TFSME ahead of contractual maturity, leaving £9.3bn of drawings outstanding.
- If all outstanding TFSME drawings had been fully repaid at 4 April 2024, our LCR would have been c. 150%.
- We intend to issue between c. 7-9bn sterling equivalent in a range of currencies through 2024/25; c. 1.5bn sterling equivalent has already been issued post 4 April 2024.
- We intend to maintain at least one benchmark outstanding in each instrument type across the liability structure.

Credit ratings agency	Senior preferred	Short term	Senior non-preferred	Outlook
S&P	A+	A-1	BBB+	Stable
Moody's	A1	P-1	A3	Stable
Fitch	A+	F1	A	Stable

[1] Based on notional swapped equivalent in GBP. [2] Maturities assume all calls are exercised at the first available date. This is not an indication of future redemption and should not be interpreted in that way. [3] Excludes short-term funding.

We meet current and expected regulatory capital requirements

Risk-weighted capital (% of RWAs) | **Leverage ratio (% of leverage exposure)** | **MREL (% of leverage exposure)**



- Capital surpluses ensure we maintain buffers above minimum regulatory capital requirements across risk based, leverage and MREL frameworks.
- The PRA has consulted on Basel 3.1 and our interpretation of the draft rules suggests our CET1 ratio would reduce to a low-to-mid 20% range on a pro-forma, end-point basis.
- Our leverage requirements are expected to remain our binding Tier 1 capital constraint in the medium term.

Key metrics	
CET1 ratio	27.1%
Leverage ratio	6.5%
Surplus to CET1 MDA[4]	14.0%

[1] CET1 requirement includes 7.4% TCR (4.5% Pillar 1 & 2.9% Pillar 2A) and 5.5% Capital Buffers. [2] Total requirement includes 13.1% TCR (8% Pillar 1 & 5.1% Pillar 2A) and 5.5% Capital Buffers. [3] Includes external MREL for 2024 as published here.
[4] Includes any unutilised AT1/Tier 2 capacity.

Acquisition of Virgin Money plc

Subject to receipt of relevant regulatory permissions

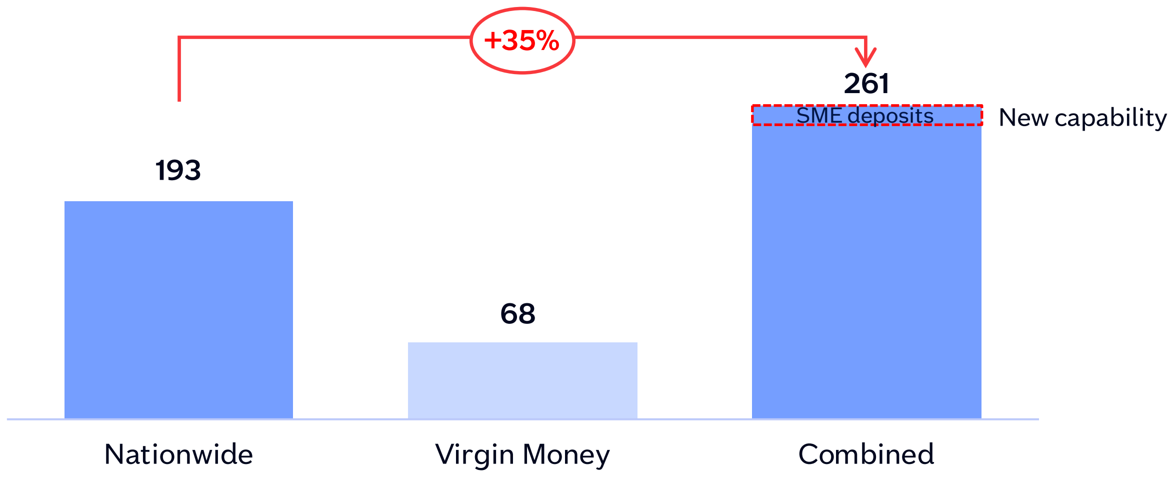
Acquiring VM will increase financial resilience and provide diversity

In March 2024, we confirmed our offer to buy Virgin Money. We continue to make good progress on plans, with Virgin Money shareholders having now voted in favour of the acquisition. We believe this deal will provide our members with a wide range of benefits.

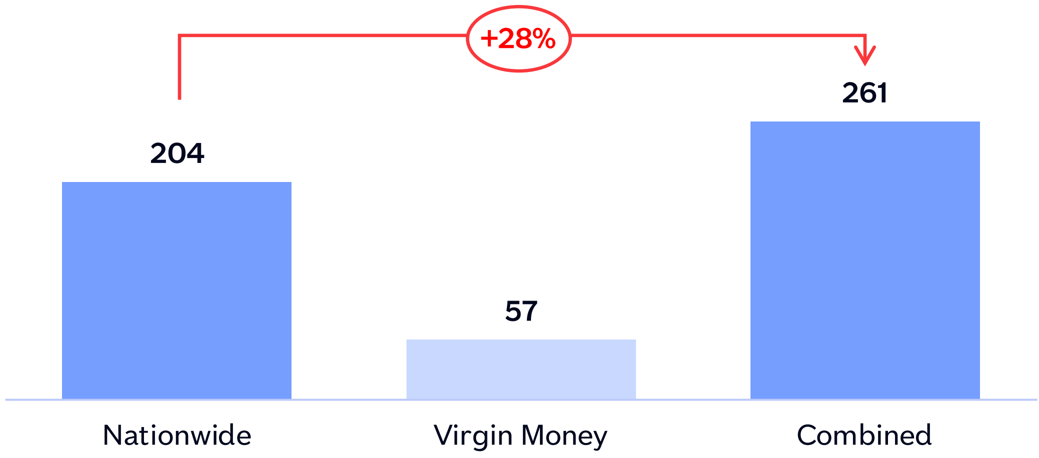
- ✓ Creating a combined group with total assets of approximately £366bn, representing the second largest provider of mortgages and savings in the UK
- ✓ Accelerating our strategy, allowing us to broaden and deepen products and services faster than could be achieved organically
- ✓ Providing a return that will further support financial strength and deliver greater value to our customers and members
- ✓ Integration of Virgin Money into the group will be gradual, over multiple years, prioritising good customer outcomes
- ✓ We intend to undertake an eighteen-month review post completion, involving an appraisal of short and long-term objectives, strategy and the potential for Virgin Money
- ✓ Nationwide remains wholly committed to being a building society and a modern mutual that meets our customers' and members' banking needs to a high standard

Adding scale and the ability to serve a broader set of customer needs

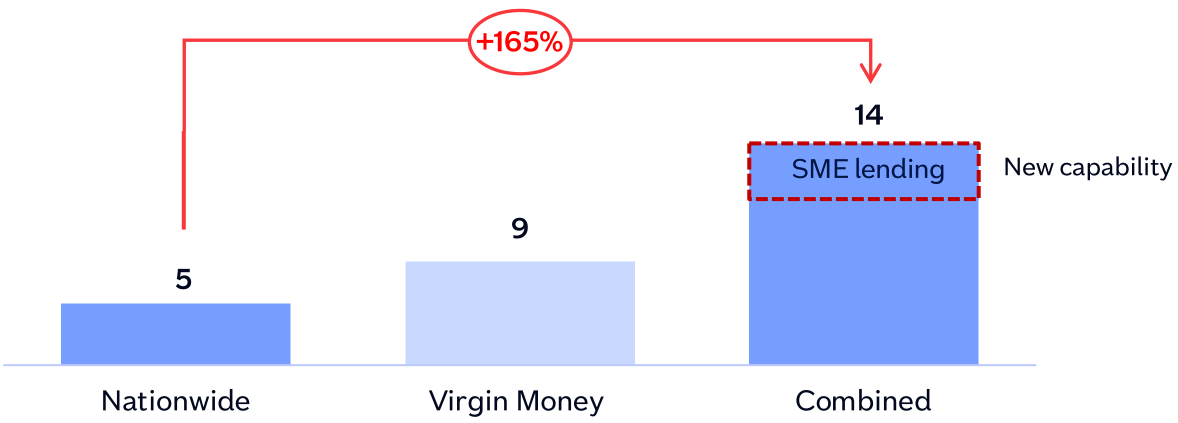
Customer deposits[1], £bn



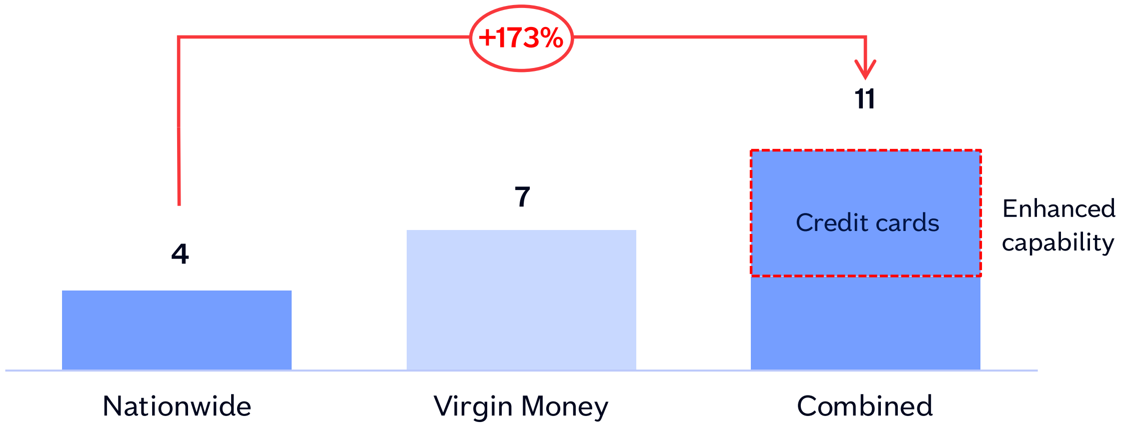
Retail mortgages, £bn



Business lending[2], £bn



Unsecured lending[3], £bn

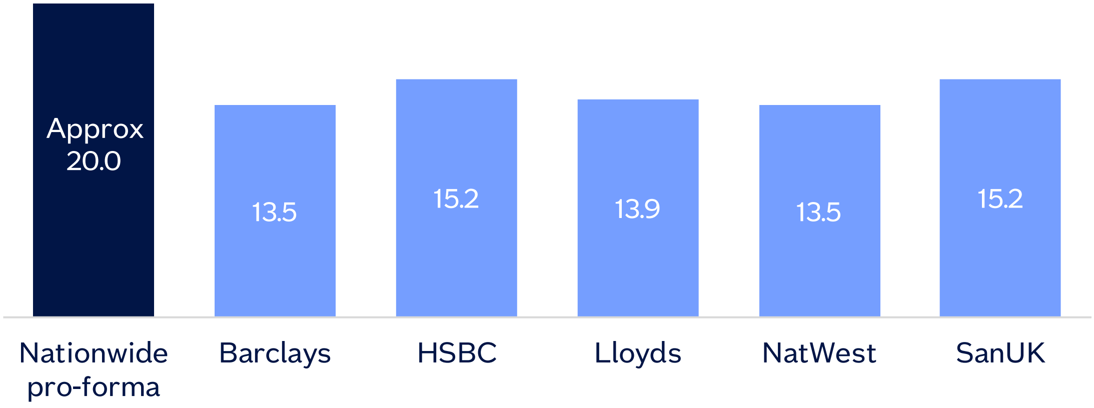


Source: VMUK H1 2024 trading update (reporting date of 31 March 2024). [1] Comprises retail and SME deposits and personal current accounts. [2] Comprises SME, public sector, PFI and CRE lending. [3] Comprises unsecured personal loans, credit cards and overdrafts.

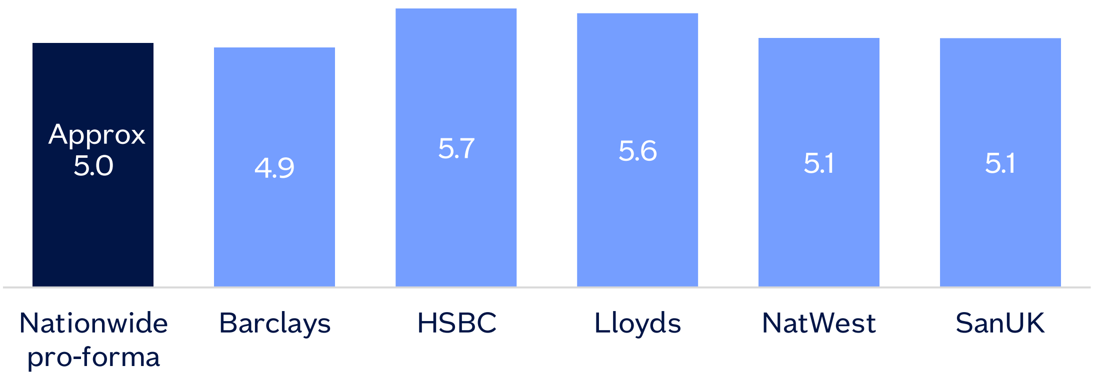
Delivering strong financial benefits for the Society

- In the last financial year, Virgin Money generated pre-tax profits of £345m[1] and announced distributions of over £270m[1] to shareholders; post-acquisition, Nationwide Group will be able to retain these profits in the UK for the benefit of customers and members.
- Based on equity analysts' consensus of Virgin Money pre-tax statutory profit for the year ending 30 September 2024, this is equivalent to a 17% return on purchase price.
- Tangible net asset value of Virgin Money of £4.4bn as at 31 December 2023 (derived from Virgin Money's Q1 FY2024 trading update on 6 February 2024) is £1.5bn in excess of the acquisition price of £2.9bn and, although the final figures will depend on the fair value of net assets acquired at completion, a significant gain is expected to be recognised as a result of the acquisition.
- Acquisition will be funded through surplus capital reserves; CET1 ratio is expected to remain peer-leading and the leverage ratio expected to remain comfortably above regulatory requirements[2].

CET1 ratio, Nationwide pro-forma vs peer group[3], %



Leverage ratio, Nationwide pro-forma vs peer group[3], %



[1] Source: VM Annual Report & Accounts 2023. [2] After completion and following the customary regulatory profit verification approval processes. The capital ratios have been calculated by Nationwide using unaudited estimates of the position as at 30 September 2024. These figures are illustrative only and subject to change, including due to external factors. [3] Based on group disclosures for Barclays, HSBC, Lloyds, NatWest and SanUK as at 31 March 2024.

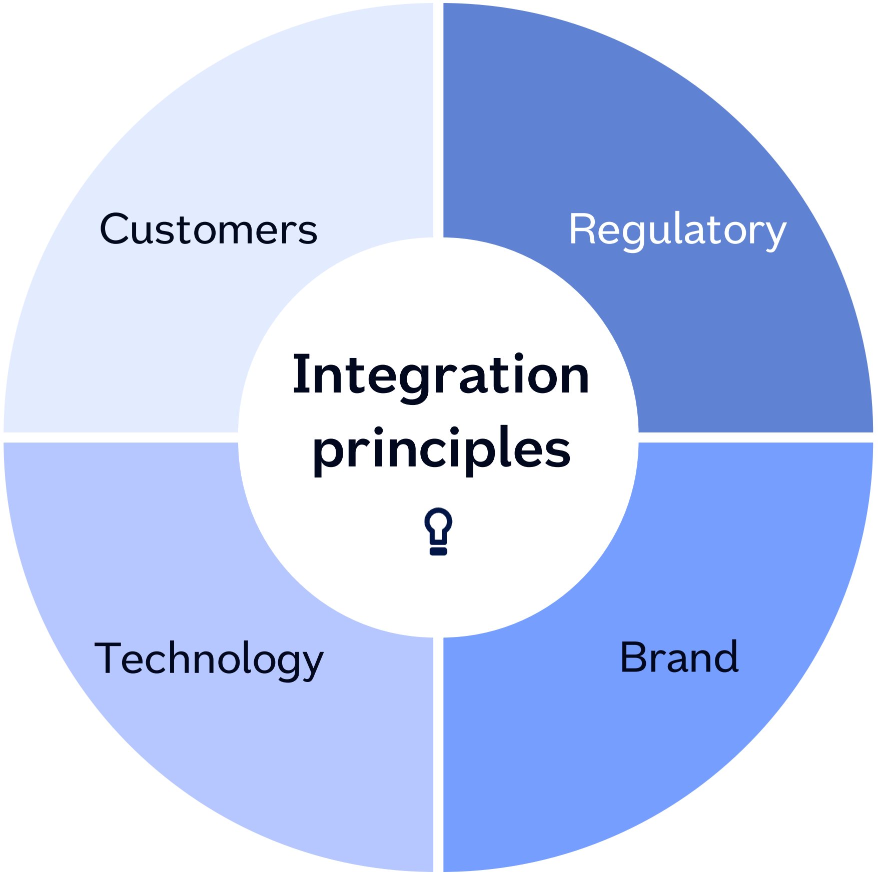
Integration will be considered and gradual, prioritising customers

Branch Promise extended until at least the start of 2028, with an intention to retain a Virgin Money branch everywhere one is present[1], until at least the start of 2028

The benefits of the mutual model will become available to Virgin Money customers over time

A customer-centric and safety-first approach to integration of Virgin Money's technology

Virgin Money systems to be rationalised gradually, replacing with our current platforms to fulfil service commitments



Virgin Money to continue as a separate legal entity; combined group will be subject to consolidated supervision of the PRA

No immediate changes to the capital structure of Virgin Money or combined group anticipated; intention to align and simplify capital structure over time

Virgin Money to re-brand following year 4 post completion

The brand will be retained for existing products and services in the interim

Our offer was underpinned by appropriate due diligence

[1] To apply from completion of the acquisition and following the completion of any branch closure plans ongoing at that time.

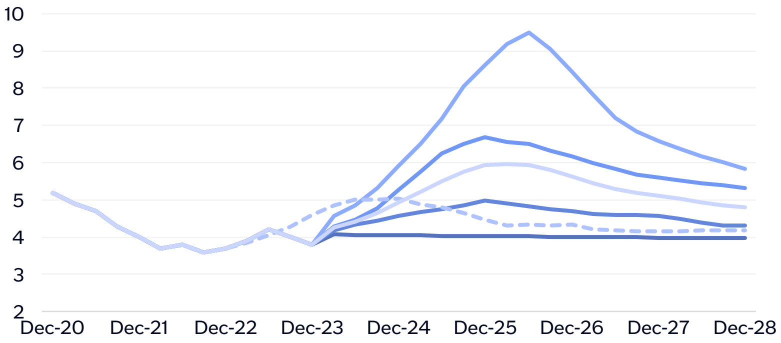
nationwide

Appendix

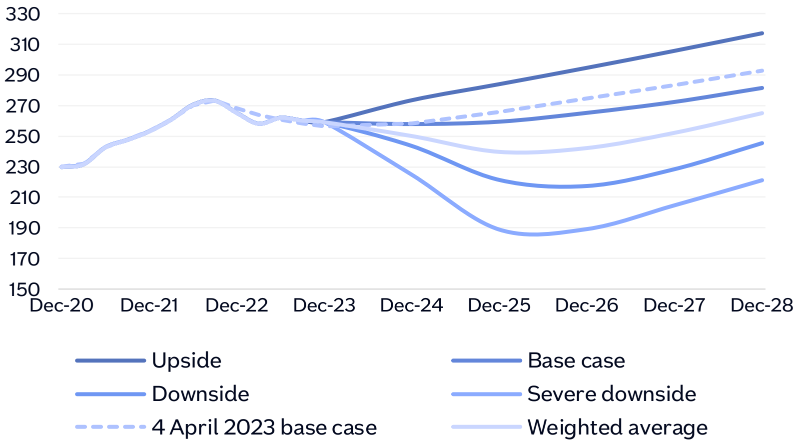
Multiple economic scenario assumptions

Scenario & weighting	Variable (%)	2024	2025	2026	5-year average[1]	Peak[2]	Trough[2]
Upside 10% (4 April 2023: 10%)	GDP growth	1.6	1.6	1.6	1.6	8.4	0.4
	Base rate	4.8	4.0	4.0	4.2	5.3	4.0
	HPI growth	5.5	3.8	3.8	4.1	22.6	0.7
	Unemployment rate	4.1	4.0	4.0	4.0	4.1	4.0
	CPI inflation	1.7	2.0	2.0	1.9	2.3	1.4
Base case 45% (4 April 2023: 45%)	GDP growth	0.7	1.0	1.2	1.3	6.4	0.1
	Base rate	4.3	3.5	3.0	3.5	5.3	3.0
	HPI growth	(0.5)	0.6	2.2	1.7	9.0	(1.1)
	Unemployment rate	4.6	5.0	4.7	4.6	5.0	4.2
	CPI inflation	2.6	1.7	1.9	2.1	3.7	1.6
Downside 30% (4 April 2023: 30%)	GDP growth	(0.6)	(1.9)	1.8	0.9	4.8	(2.6)
	Base rate	5.8	3.0	1.0	2.7	6.0	1.0
	HPI growth	(6.1)	(9.2)	(1.8)	(1.1)	(1.3)	(16.3)
	Unemployment rate	5.3	6.7	6.2	5.7	6.7	4.3
	CPI inflation	2.0	0.3	1.2	1.5	4.0	0.3
Severe downside 15% (4 April 2023: 15%)	GDP growth	(1.8)	(3.5)	3.1	0.6	3.1	(5.2)
	Base rate	7.5	6.0	4.5	5.3	7.5	3.5
	HPI growth	(13.3)	(16.0)	0.2	(3.1)	(2.6)	(28.3)
	Unemployment rate	5.9	8.6	8.4	7.0	9.5	4.6
	CPI inflation	8.0	3.0	2.0	3.8	8.0	2.0
Probability weighted: (4 April 2024)	HPI growth	(3.5)	(4.5)	0.9			
	Unemployment rate	4.9	5.9	5.6			
	CPI inflation	3.1	1.5	1.7			
Probability weighted: (4 April 2023)	HPI growth	(5.1)	2.7	5.0			
	Unemployment rate	6.0	5.3	5.0			
	CPI inflation	2.1	1.6	1.9			

Unemployment rate, %



Average house price, £000s



- Our base case scenario assumes a small rise in unemployment and a very modest reduction in house prices through 2024. The weighted average of all scenarios indicates a fall in house prices of 8% from December 2023 to early 2026.
- The two downside scenarios together remain weighted at 45%; increasing the severe downside probability by 5% (and decreasing the downside by 5%) would increase provisions by £31m.

[1]GDP & HPI is based on the cumulative annual growth rate over the forecast period. Base rate, unemployment & CPI are calculated as a simple average using quarterly points. [2]GDP growth & HPI are shown as the largest cumulative growth/fall from 31 Dec 2023 over the next 5 year forecast period. Base rate, unemployment and CPI are shown as the highest/lowest rate over the forecast period from 31 Dec 2023.

IFRS 9 staging and provisioning by portfolio

	Owner-occupied mortgages[1]				But-to-let & legacy mortgages				Unsecured			
	4 Apr 2024		4 Apr 2023		4 Apr 2024		4 Apr 2023		4 Apr 2024		4 Apr 2023	
	Balance (£m)	Provision coverage (%)	Balance (£m)	Provision coverage (%)	Balance (£m)	Provision coverage (%)	Balance (£m)	Provision coverage (%)	Balance (£m)	Provision coverage[3] (%)	Balance (£m)	Provision coverage[3] (%)
Stage 1	147,573	<0.01	138,670	0.01	19,922	0.07	26,211	0.05	2,560	1.2	2,383	1.0
Stage 2	12,676	0.4	18,200	0.3	22,910	0.7	17,345	0.8	1,450	12.6	1,745	12.1
of which: > 30 dpd	*294*		*255*		*177*		*176*		*21*		*17*	
of which: PD uplifts[2]	*7,348*		*11,498*		*5,464*		*5,110*		*473*		*585*	
Stage 3 and POCI	692	5.4	641	4.0	654	9.9	548	7.3	253	87.9	280	83.3
of which: > 90 dpd or in possession	*513*		*355*		*337*		*245*		*55*		*51*	
of which: charged off accounts	*n.a.*		*n.a.*		*n.a.*		*n.a.*		*178*		*185*	
Total	160,941	0.06	157,511	0.05	43,486	0.53	44,104	0.44	4,263	10.2	4,408	10.6

[1]This table excludes Fair Value through Profit or Loss (FVTPL) balances which totalled £40m as at 4 April 2024 (4 April 2023: £47m). [2]Balances allocated to stage 2 that have been driven by increasing the probability of default to reflect management's judgements. [3]Stage 3 coverage excluding charged off accounts was 70% (4 April 2023: 59%).

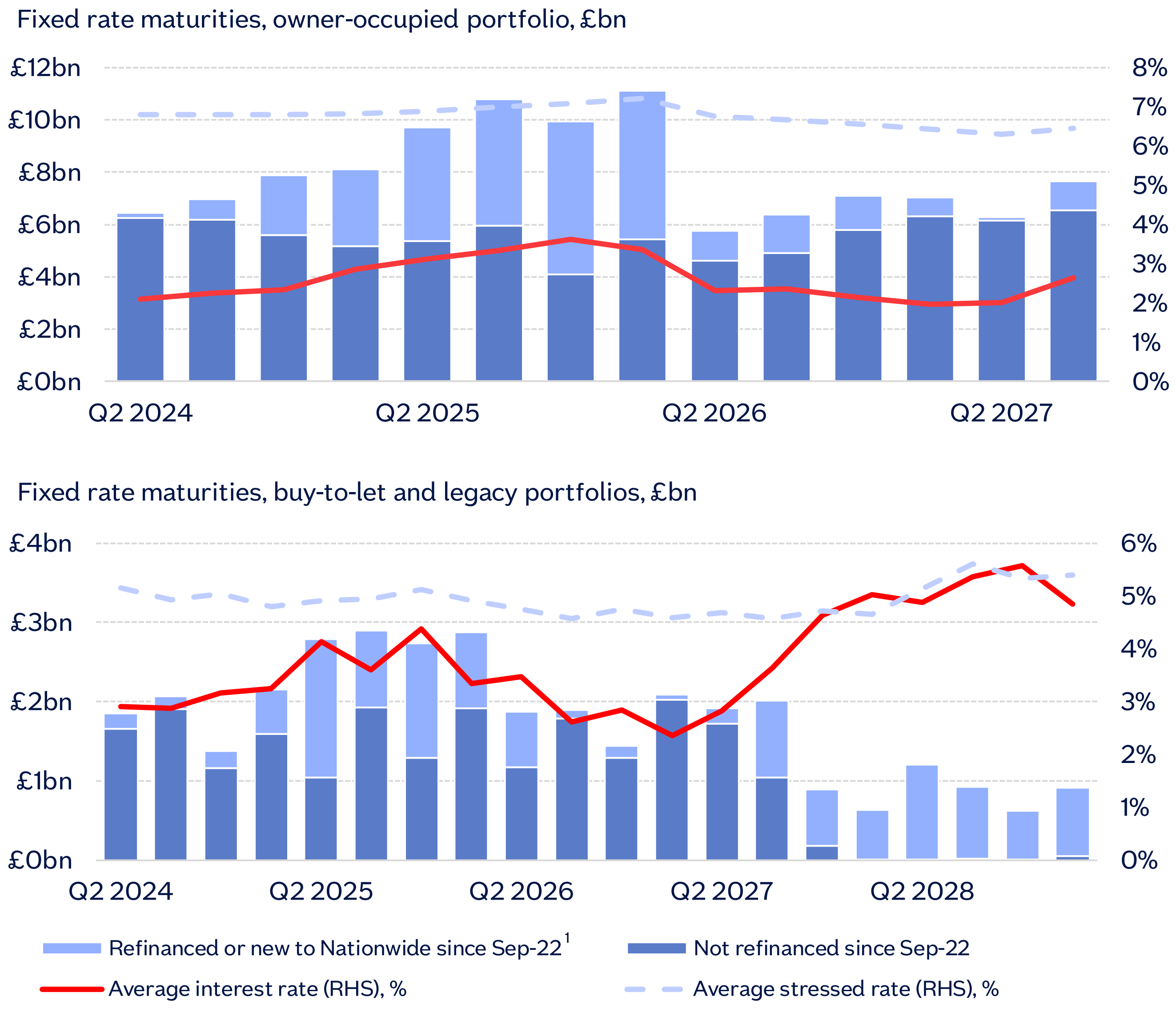
LTV distribution of residential mortgage portfolios

LTV band	Loan book balances (by value): 4 April 2024					
	Owner-occupied		BTL & legacy		Total	
	£bn	% total	£bn	% total	£bn	% total
<50%	62.1	39	14.0	32	76.1	37
50-60%	26.8	17	11.5	27	38.3	19
60-70%	29.7	18	11.2	26	40.9	20
70-80%	22.5	14	6.2	14	28.7	14
80-90%	14.9	9	0.4	1	15.3	7
90-100%	5.0	3	0.1	0	5.1	3
>100%	<0.1	0	0.1	0	0.1	0
Indexed LTV	55%		56%		55%	
Indexed LTV (4 April 2023)	54%		56%		55%	

LTV band	New business[1] (by value): FY 2023/24					
	Owner-occupied		BTL & legacy		Total	
	£bn	% total	£bn	% total	£bn	% total
0-60%	6.0	27	1.1	38	7.1	28
60-75%	5.5	25	1.9	62	7.4	29
75-80%	2.3	10	-	-	2.3	9
80-85%	3.2	14	-	-	3.2	13
85-90%	4.1	19	-	-	4.1	16
90-95%	1.1	5	-	-	1.1	5
>95%	-	-	-	-	-	-
Average LTV	71%		62%		70%	
Average LTV (FY 2022/23)	70%		66%		69%	

[1] New business excludes further advances and product switches.

Mortgage portfolio refinancing profile



- Approximately 40% of fixed rate balances across the residential mortgage book have refinanced since September 2022.
- Stressed interest rates at the point of mortgage origination have historically averaged over 6% on the owner-occupied portfolio.
- The average interest coverage ratio for the buy-to-let portfolio is 407% (4 April 2023: 436%).

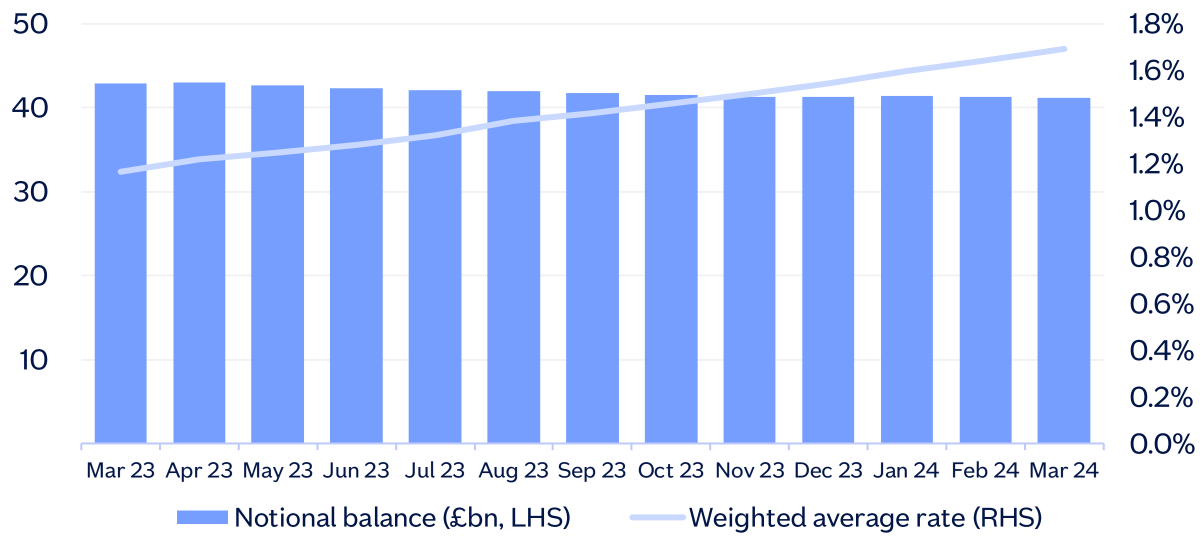
[1] Note that this may include some balances on product rates reserved prior to Sep-22 that completed after Sep-22.

Structural hedge and NII/EVE sensitivity analysis

Structural hedge

- We undertake structural hedging of our CCDS, reserves and stable[1] personal current account balances to smooth income volatility from short-term changes in interest rates.
- The total hedging of c. £41bn has a weighted average duration of 2.5 years and we follow a programmatic approach where 1/60th of balances mature and are reinvested at prevailing rates each month. Changes in the underlying balances are reflected in the size of hedging each month.
- The average fixed rate of the hedge 4 April 2024 was 1.69% (4 April 2023: 1.17%).

Structural hedging programme



Net interest income (NII) sensitivity

- An instantaneous parallel downward shift in prevailing interest rates of 100bps would decrease annual net interest income by £47m, reflecting the hedged nature of the balance sheet. This analysis assumes a static balance sheet and 100% pass-through on all managed rate products (unless a 0% floor is reached).
- 1bp of margin widening or compression on managed rate deposits equates to c. £11m of NII sensitivity.

Economic value of equity (EVE) sensitivity

- Measures the change in the value of assets and liabilities, excluding equity, arising from a change in interest rates. Nationwide's most severe sensitivity is the parallel shock up[2], which reduces EVE by 6.2% as a percentage of Tier 1 capital. This is within the regulatory 15% threshold.
- Removing the impact of reserves structural hedging, which is in place to reduce income volatility, reduces EVE sensitivity in the parallel up shock to 0.8%.

[1] Based on behaviour analysis. [2] Equivalent to 250bp in GBP; 200bps in USD/EUR.

We remain active in core wholesale term funding markets

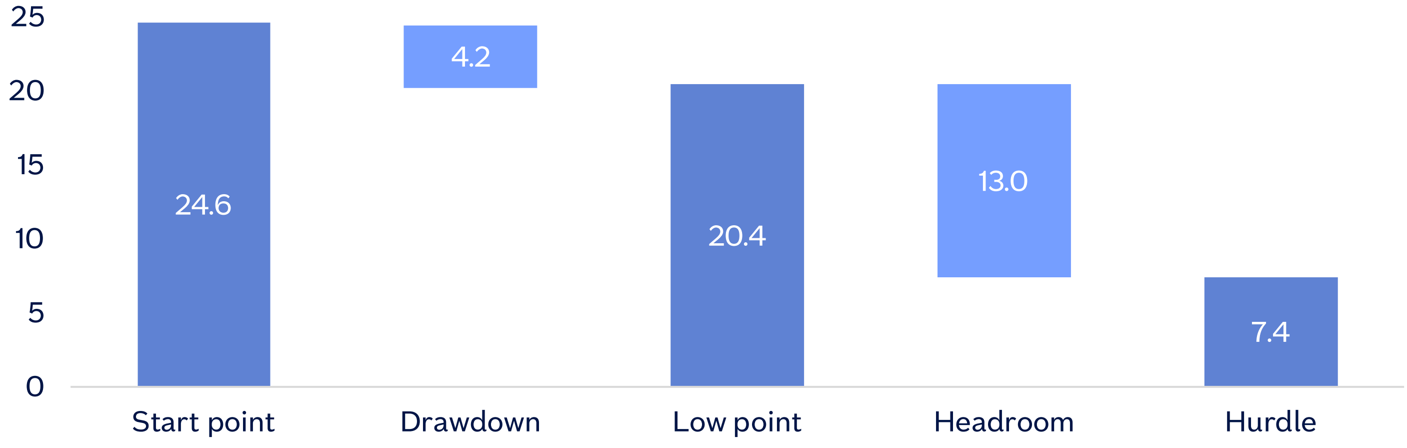
Public wholesale issuance by trade, financial year 2023/24[1]

Instrument	Tenor	Currency	Notional (CCY)	Trade date
Senior preferred	2yr	EUR	500m	May 2023
Covered bond	5yr	GBP	750m	June 2023
Senior non-preferred	4NC3	CHF	175m	August 2023
Senior preferred	5yr	GBP	700m	August 2023
Senior non-preferred	4NC3	USD	1,250m	October 2023
Covered bond	7yr	GBP	750m	October 2023
Senior preferred	3yr	EUR	1,250m	October 2023
Covered bond	3yr	USD	1,500m	November 2023
Senior preferred	2yr	EUR	400m	November 2023
Covered bond	5yr	EUR	1,000m	November 2023
RMBS	4.8yr WAL	GBP	600m	March 2024
Tier 2	10NC5	EUR	500m	April 2024
Covered bond (dual tranche)	3yr & 10yr	EUR	1,000m	April 2024

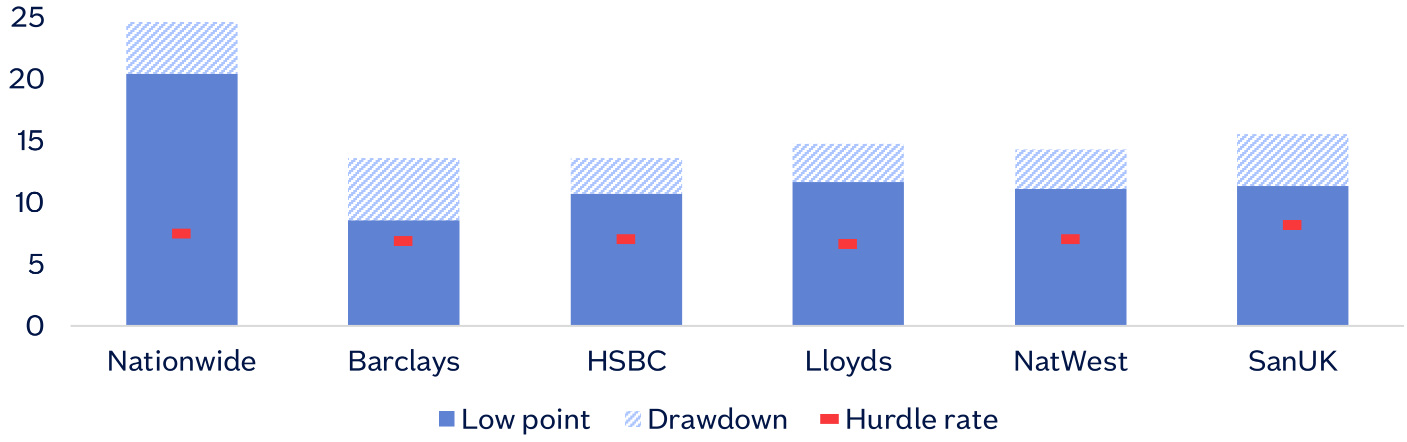
[1] Includes external issuance in April 2024.

Nationwide continues to perform strongly in Bank of England stress tests

ACS 2022/23 CET1 drawdown and low-point post management actions, %



ACS 2022/23 CET1 drawdown and low-point, Nationwide vs peer group, %



- As a D-SIB, Nationwide is subject to the Bank of England's stress testing regime.
- The 2022/23 Annual Cyclical Scenario (ACS) assumes a significant economic downturn; the unemployment rate rising to 8.5%; and a peak to trough decline in house prices of 31%.
- In line with previous stress test exercises, Nationwide performed strongly relative to the peer group.
- Nationwide's CET1 low-point through the stress scenario was 20.4%, after accounting for strategic management actions, which was significantly above the hurdle rate of 7.4%.
- The leverage ratio low point was 5.6% against a 3.6% hurdle rate.

Responsible Business

Our ESG ratings remain strong

MSCI

ESG Rating[1]

AAA

Leader

Rated December 2023

ESG Assessment	Score	Scale	Last review
Moody's ESG Assessment	62	0 to 100	July 2023
ISS ESG Rating	C+, Prime	A+ to D-	September 2023
CDP Climate Change Disclosure	B	A to D-	February 2024
S&P Global ESG Score	54	0 to 100	February 2024

We're also rated by Morningstar Sustainalytics, our ESG Risk Rating can be found at: https://www.sustainalytics.com/esg-rating

[1] The use by Nationwide of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Nationwide by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

Our Mutual Good Commitments underpin our strategy

Demonstrating how our business supports the UN Sustainable Development Goals (SDGs) in areas we believe we can make the most significant positive impacts for our communities and society as a whole

More rewarding relationships

We will help more people into safe and secure homes, both our customers who have relationships with us and more broadly.

- Helped 260,000 people, through our first time buyer proposition, to buy a home since November 2020, above our cumulative target for 2024.
- Provided £1.7 billion of new lending to support the social housing sector since March 2022, exceeding our cumulative target for 2024.

Simply brilliant service

We will offer customers a choice in how they bank with us and support their financial resilience.

- Extended our Branch Promise: Everywhere we have a branch, we promise to still be there until at least the start of 2028[1].
- Supported 967,000 customers with our Scam Checker Service since March 2022, exceeding our cumulative target for 2024.

Beacon for mutual good

We will make a positive difference for our customers, communities and society as a whole.

We aim to build a more sustainable world by supporting progress towards a greener society.

- £15.5m committed to charitable activities. (2023: £9.6m)
- Launching our new social impact strategy - Nationwide Fairer Futures.
- Published Intermediate net-zero-aligned Transition Plan 2023.
- Continued to source 100% renewable electricity to support our business operations, and removed the use of gas from over 80% of our branch network.

Continuous improvement

We will enhance our performance by better reflecting the diversity of our society.

- Achieved five of our seven diversity measures to meet by 2024, spanning across gender, ethnicity, disability and sexual orientation.
- The highest-ranked UK high street financial services provider in the 2024 Financial Times' Diversity Leaders list.[2]
- Launching our Nationwide Scholarship programme, providing financial support to students from low socio-economic backgrounds.

[1] All our 605 branches will continue to open until at least 1 January 2028. There may be exceptional circumstances outside of our control that mean we have to close a branch. But we will only do this if we do not have another workable option.

[2] The Financial Times-Statista ranking of Europe's Diversity Leaders 2024 is based on independent surveys of more than 100,000 employees across Europe, on their perceptions of their organisation's diversity and inclusion practices. The employee surveys account for 70% of the final score, and three new indicators account for 30% of the score (the share of women in management positions, the communications made in favour of diversity, and a diversity score calculated by data provider Denominator.

We published our net-zero-aligned Transition Plan

We continue to deliver actions detailed within our Transition Plan, and report progress against our intermediate (by 2030) science-based targets

Greening our own business operations

- Removed gas from over 80% of our branches and in the process of removing gas from our data centres
- Sourced 100% renewable electricity for our own operations
- Executive Directors Long-Term Performance Pay linked to scope 1 and 2 targets

Delivering green finance propositions

- Launched our 0% interest Green Additional Borrowing pilot, providing homeowners with financing for energy efficient home improvements
- Launched our Home Energy Efficiency Tool, producing personalised plans for customers to retrofit their homes

Green practices within our supply chain

- Require large third parties to set emission reduction targets
- 10% minimum weighting for sustainability within tenders

Influencing green policy change

- Lead the Green Homes Action Group, calling for seven policy asks to encourage a National Retrofit Strategy
- Regularly engage with government and political leaders
- Partner with key organisations to make a positive impact

The UK's progress towards net-zero, particularly the greening of homes has been much slower than anticipated, and not at the pace needed to deliver the emissions reductions required. Therefore, **we do not believe that our intermediate (by 2030) science-based target for mortgages will be achieved**.

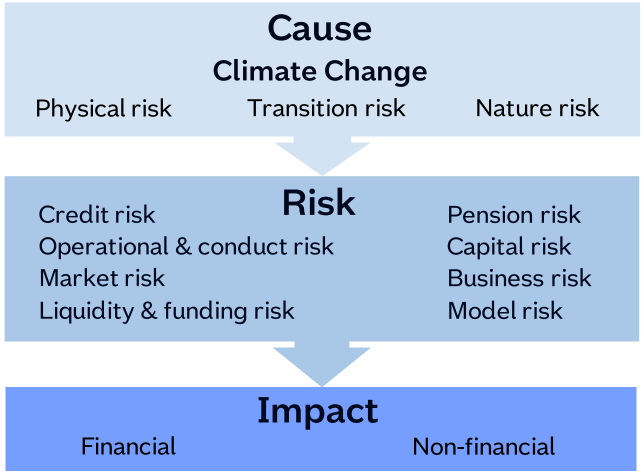
We continue to enhance our climate risk capabilities

Completing an internal climate scenario analysis exercise and considering how nature-related risk is incorporated into our Enterprise Risk Management Framework

Climate change is considered across Nationwide's entire Enterprise Risk Management Framework (ERMF) across short, medium and long-term horizons.

Our Board holds ultimate responsibility for climate change, supported by formal governance committees and working groups.

Our climate management information is regularly shared through our climate change governance, including physical and transition risk data.



Nationwide's 2023 climate scenario analysis activity

- Focused on our residential mortgage and Registered Social Landlord portfolios.
- Used a moderate risk and a high-risk scenario
- Based on the scenarios used, the activity undertaken indicates that the direct impact of climate-related risks, to Nationwide and its business model, is limited.

Incorporating nature-related risk

- Considering how nature-related risk is embedded into our ERMF as a causal factor.
- Plan to undertake a risk assessment using LEAP (Locate, Evaluate, Assess and Prepare), a framework designed by the Taskforce for Nature-Related Financial Disclosures to help identify nature-related risks.

Contact information

Investor Relations mailbox	nationwide.treasury@nationwide.co.uk
Investor Relations website	www.nationwide.co.uk/investor-relations
Sarah Abercrombie Head of Investor Relations, Credit Ratings & Treasury Sustainability	sarah.abercrombie@nationwide.co.uk
Vikas Sidhu Senior Manager, Investor Relations & Credit Ratings	vikas.sidhu@nationwide.co.uk

Disclaimer (1/2)

This presentation has been prepared by and is the property of Nationwide Building Society ("Nationwide"). By attending this presentation or accepting this document you represent, warrant and agree that (i) you will not reproduce or transmit the contents (in whole or in part) of this presentation by any means; (ii) you have understood and agreed to the terms set out herein; and (iii) you consent to delivery of this presentation by electronic transmission, if applicable.

This presentation (including any oral briefing and any question-and-answer in connection with it) is not intended to, and does not constitute, represent or form part of any offer invitation or solicitation of any offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction. No securities are being offered to the public by means of this presentation.

None of Nationwide, its members, shareholders, subsidiaries, affiliates, associates, or its directors, officers, partners, employees, representatives and advisers (the "Relevant Parties") makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this presentation, or otherwise made available, nor as to the reasonableness of any assumption contained herein or therein, and any liability therefore (including in respect of direct, indirect, consequential loss or damage) is expressly disclaimed. Nothing contained herein or therein is, or shall be relied upon as, a promise or representation, whether as to the past or the future and no reliance, in whole or in part, should be placed on the fairness, accuracy, completeness or correctness of the information contained herein or therein. Further, nothing in this presentation should be construed as constituting legal, business, tax, actuarial, investment, financial or other specialist advice. None of the Relevant Parties has independently verified the material in this presentation.

Past performance is not necessarily indicative of future results. Differences between past performance and actual results may be material and adverse. No statement in this presentation is intended to be, nor should be interpreted as, a profit forecast or to imply that the earnings of Nationwide for the current year or future years will necessarily match or exceed the historical or published earnings of Nationwide. All opinions and estimates included in this presentation are subject to change without notice. Nationwide is under no obligation to update or keep current the information contained herein, except as required under applicable law or regulation.

As a result of rounding, the totals of data presented in this presentation may vary slightly from the actual arithmetic totals of such data.

This presentation may contain statements that constitute forward-looking statements. Such forward- looking statements can be identified by the use of forward-looking terminology, such as the words "believes", "expects", "may", "intends", "should" or "anticipates", or the negative or other variations of those terms. [In particular, this presentation may include forward-looking targets and guidance relating to financial performance measures, such as the CET1 ratio, countercyclical leverage ratio buffer, MREL and expected credit losses.] Such statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results and performance of securities, Nationwide or the UK residential mortgage industry to differ materially from any future results or performance expressed or implied in the forward-looking statements. These risks, uncertainties and other factors include, among others: general economic and business conditions in the United Kingdom; currency exchange and interest rate fluctuations; government, statutory, regulatory or administrative rules or initiatives affecting Nationwide; prudential regulatory requirements for capital and MREL; changes in business strategy, lending practices or customer relationships and other factors that may be referred to in the document. While such statements reflect projections prepared in good faith based upon methods and data that are believed to be reasonable and accurate as of the date thereof, Nationwide undertakes no obligation to revise these forward-looking statements to reflect subsequent events or circumstances. Recipients of this presentation should not place undue reliance on forward-looking statements and are advised to make their own independent analysis and determination with respect to the forecast periods, which reflect Nationwide's view only as of the date hereof.

Disclaimer (2/2)

This presentation may also contain certain forward-looking statements with respect to the financial condition, results of operations and businesses of Nationwide and the Nationwide Group (being Nationwide and its subsidiaries and subsidiary undertakings) and Virgin Money UK PLC ("Virgin Money") and the Virgin Money Group (being Virgin Money and its subsidiaries and subsidiary undertakings) following the implementation of the recommended cash acquisition of Virgin Money (the "Offer"). Any decision taken in relation to the Offer should only be taken by reference to the information set out in (or otherwise incorporated by reference into) the announcement made by Nationwide and Virgin Money pursuant to Rule 2.7 of the City Code and the scheme document published by Virgin Money in connection with the Offer, which are available at https://www.nationwide.co.uk/investor-relations/virgin-money-terms-of-access/.

All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Nationwide and the Nationwide Group to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions, including as to future potential cost savings, synergies, earnings, cash flow, return on capital employed, production and prospects. These forward-looking statements are identified by their use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "goals", "intend", "may", "objectives", "outlook", "plan", "probably", "project", "risks", "seek", "should", "target", "will" and similar terms and phrases.

All forward-looking statements contained in this presentation are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward-looking statements. Additional factors that may affect future results are contained in the latest financial results and reports of Nationwide (available at: https://www.nationwide.co.uk/about-us/governance-reports-and-results/results-and-accounts/). These factors also should be considered by the reader.

No statement in this presentation is intended as a profit forecast or estimate for any period and no statement in this presentation should be interpreted to mean that cash flow from operations, free cash flow, earnings, earnings per share or income on a clean current cost of supplies basis for Nationwide or Virgin Money or the combined group, as appropriate, for the current or future financial years would necessarily match or exceed the historical published cash flow from operations, free cash flow, earnings, earnings per share or income on a clean current cost of supplies basis for Nationwide or Virgin Money, as appropriate.

Nationwide prepares its financial statements in accordance with IFRS. This presentation may contain financial measures and ratios not specifically defined under IFRS ("Non-IFRS measures"). Non-IFRS measures are adjusted for notable and other defined items which management believes are not representative of the underlying performance of the business and which distort period-on-period comparison. Non-IFRS measures provide users of the financial statements with a consistent basis for comparing business performance between financial periods and information on elements of performance that are one-off in nature. Any Non-IFRS measures included in this document, are not measures within the scope of IFRS, are based on a number of assumptions that are subject to uncertainties and change, are not a substitute for IFRS measures, should not be considered in isolation and should only be considered alongside the IFRS financial statements.