nationwide

Interim Results Presentation

for the six months ended 30 September 2024

Continued strong progress against our strategy

More **rewarding** relationships

Create deeper, lifelong relationships with our customers, that provide the best value in banking

- ✓ Record H1 balance growth in mortgages and retail deposits
- ✓ Attracted 1 in 6 of current account switchers
- ✓ More than doubled student current account openings, achieving a 30% market share[1] (H1 2023/24: 10%)
- ✓ Delivered record H1 value of £1.3bn via member financial benefit & Fairer Share payment (H1 2023/24: £1.2bn)

Simply **brilliant** service

Provide value beyond rates, with distinctive, personalised service our customers can trust, at every touchpoint

- ✓ No. 1 for customer satisfaction in peer group for over 12 years[2]
- ✓ Largest UK single-brand branch network, supported by Branch Promise
- ✓ 35% of new current accounts opened in branch
- ✓ Extended telephone opening hours and 24/7 chat

Beacon for **mutual good**

Have a meaningful impact on customers, colleagues, communities and society, by driving fairer banking practices and positive change

- ✓ Launched Nationwide Fairer Futures social impact strategy
- ✓ Helped 53,000 first time buyers supported by our extended Helping Hand mortgage (H1 2023/24: 31,000)
- ✓ Introducing dementia clinics in 200 branches
- ✓ Extended 0% Green Additional Borrowing up to £20,000 to support net-zero ambition

Continuous **improvement**

Be focused, fit and fast, and simplify our processes to deliver for the benefit of customers, while retaining resilient controls that protect our customers and their money

- ✓ Multi-year cost efficiency programme: 5% cumulative cost growth since 2019/20 vs 27% cumulative inflation[3]
- ✓ Market-leading retention supported by online Mortgage Manager tool
- ✓ Enhancing digital capabilities to streamline account openings and provide better customer support
- ✓ Rationalising third-party suppliers to drive economies of scale

[1] Source: eBenchmarkers, July to September 2024; [2] Lead at September 2024: 6.8%pts, March 2024: 5.5%pts © Ipsos 2024, Financial Research Survey (FRS), for the 12 months ending 31 March 2013 to 12 months ending 30 September 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 Barclays, Halifax, HSBC, Lloyds Bank, NatWest, Santander and TSB. Prior to April 2017, those in our peer group were Barclays, Halifax, HSBC, Lloyds Bank (Lloyds TSB prior to April 2015), NatWest and Santander; [3] Nationwide BS underlying costs of £2,422m in FY 2023/24 compared to £2,312m in FY 2019/20, versus cumulative inflation, based on an average of RPI and CPI from April 2019 to March 2024.

Virgin Money acquisition aligns with our mutual ambitions

Scale

The UK's **second largest provider** of mortgages and retail deposits[1]

>£370bn
Balance sheet assets

16%
Market share of mortgage balances[2]

12%
Market share of retail deposit balances[2]

Diversification

Broadening our reach and increasing our **financial resilience**

9%
Of group lending in business and unsecured

>10%
Market share of credit card balances[2]

A+ / A1 / A
Strong credit ratings affirmed[3]

Value for members

A **strong business case**, delivering immediate and long-term returns

+£2.3bn
Gain on acquisition[4]

19.6%
Peer-leading CET1 ratio

5.4%
Leverage ratio well above regulatory requirements

Note: all figures provided on a Combined Group basis as of 1 October 2024. [1] UK Finance 2023 balance database published on 31 July 2024 (latest available data); [2] Bank of England data and Nationwide analysis; [3] S&P long-term issuer credit rating / Moody's long-term deposit & senior unsecured debt rating / Fitch long-term issuer default rating; [4] Gain on acquisition resulting from the difference between the fair value of net assets acquired and the purchase consideration of £2.8 billion.

Financial update

Nationwide Building Society, six months ended 30 September 2024

Financial performance remains strong

£million	H1 24/25	H1 23/24	% change
Net interest income	2,076	2,337	(11%)
Net other income	53	112	(53%)
Total income	**2,129**	**2,449**	**(13%)**
Underlying costs	(1,154)	(1,115)	3%
Loan impairments	(7)	(54)	(87%)
Provisions for liabilities & charges	(9)	(18)	(50%)
Underlying profit	**959**	**1,262**	**(24%)**
Fairer Share Payment	(385)	(344)	12%
Gains from derivatives & hedge accounting	20	71	(72%)
VM acquisition costs	(26)	-	n/a
Statutory profit	**568**	**989**	**(43%)**

- Net interest income decreased by £261m in line with expectations, primarily driven by the timing of Bank base rate changes and reducing mortgage margins.
- Underlying costs increased by £39m due to inflationary increases partially mitigated by strategic efficiencies. An additional £26m of expenses relating to the acquisition of Virgin Money are reported as a one-off item.
- The net loan impairment charge of £7m reflects the resilience of our lending, though provisions for economic uncertainty and associated affordability risks are retained.
- A Fairer Share Payment of £385m, announced in May 2024, was recognised in the period.

Key ratios (%)	H1 24/25	H1 23/24
Net interest margin	1.50	1.66
Underlying cost income ratio	54.2	45.5
Cost of Risk[1] (bps)	0	3

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

We maintain a low risk, strongly capitalised balance sheet

£billion	30 Sep 24	4 Apr 24	% change
Residential mortgages	210.5	204.1	3%
Retail unsecured	3.9	3.8	3%
Public sector[1]	5.4	5.2	4%
Commercial real estate[2]	0.2	0.3	(33%)
Liquidity[3]	56.1	52.8	6%
Other assets	6.3	5.7	11%
Assets	**282.4**	**271.9**	**4%**
Retail deposits[4]	201.7	193.4	4%
Wholesale funding	51.3	50.5	2%
Other liabilities	2.9	2.9	0%
Capital & reserves[5]	26.5	25.1	6%
Liabilities	**282.4**	**271.9**	**4%**

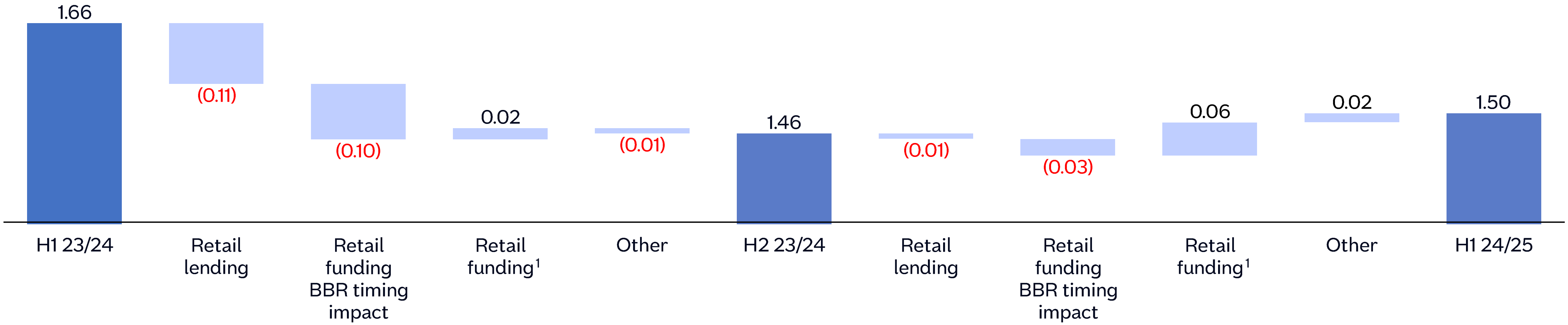
- The increase in residential mortgage balances reflects record H1 net lending growth in the period.
- Retail deposit balances increased due to growth in savings, supported by competitive products and increased levels of accrued interest.
- Capital and liquidity ratios remain strong.

Key ratios (%)	30 Sep 24	4 Apr 24
Liquidity coverage ratio (12m avg.)	186	191
CET1 ratio	28.4	27.1
Leverage ratio	6.7	6.5

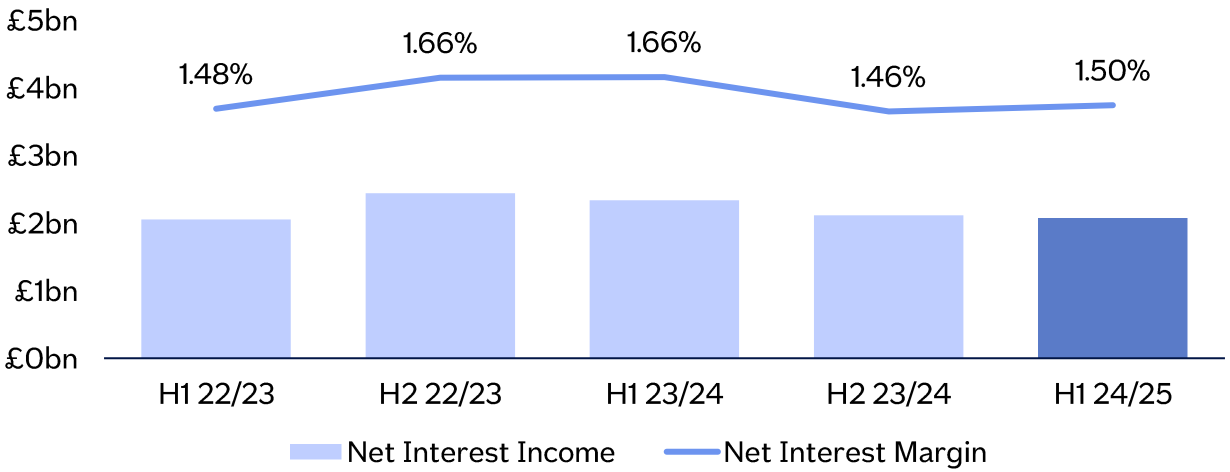
[1] Comprises lending to UK registered social landlords and legacy Private Finance Initiative; [2] CRE portfolio is closed to new business [3] Liquidity & investment portfolio; [4] Shares (member deposits); [5] Total members' interests, subordinated liabilities and subscribed capital.

Net interest margin stabilising

Net interest margin movements, H1 2023/24 through to H1 2024/25 %



Net interest income, net interest margin, %

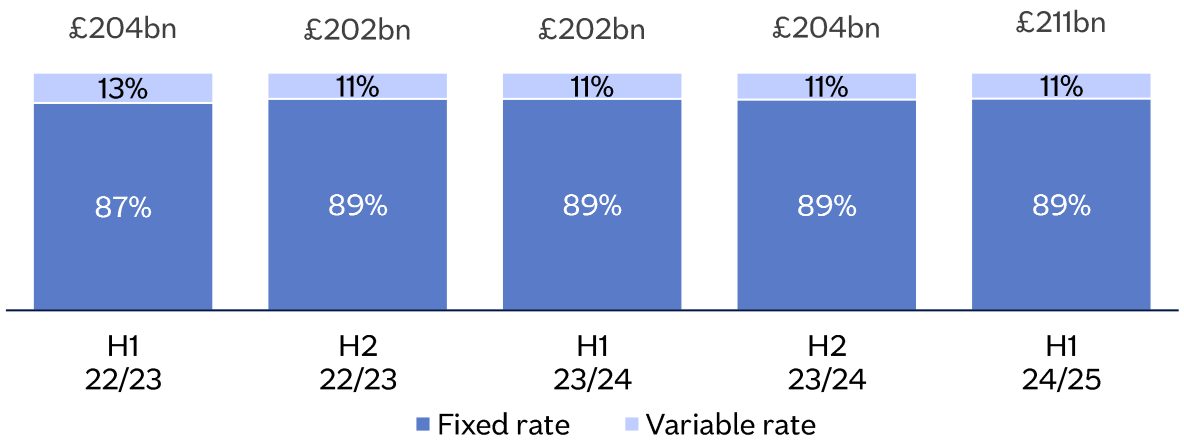


- Net interest margin decreased by 16bps versus H1 2023/24 primarily due to the timing of Bank base rate changes and reducing mortgage book margins in a highly competitive market.
- H1 2024/25 NIM was 4bps higher than H2 2023/24, largely due to the benefit of higher structural hedging returns on reserves and current accounts.

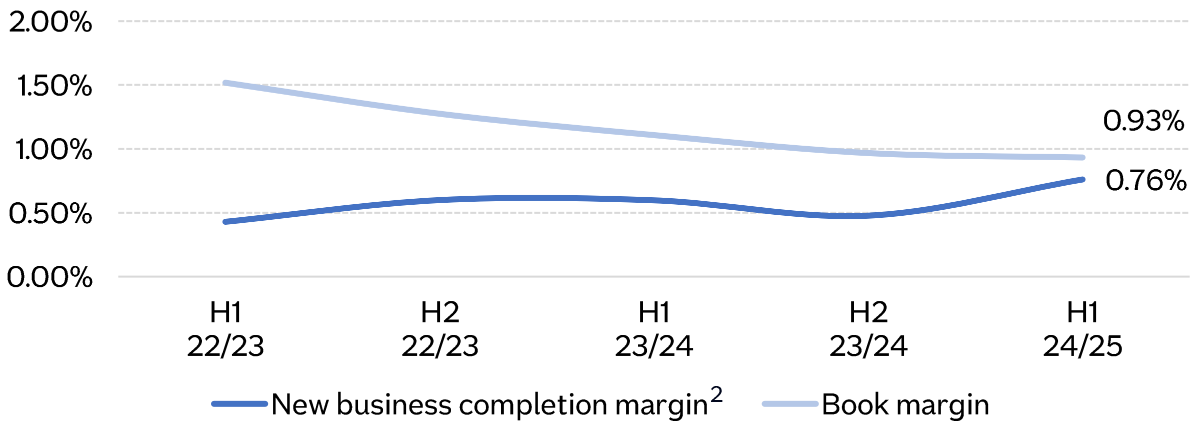
[1] Includes the impact from structurally hedged current account balances

Retail mortgages performance

Mortgage balances by product type, £bn[1,2]



Mortgage gross margin trend, %

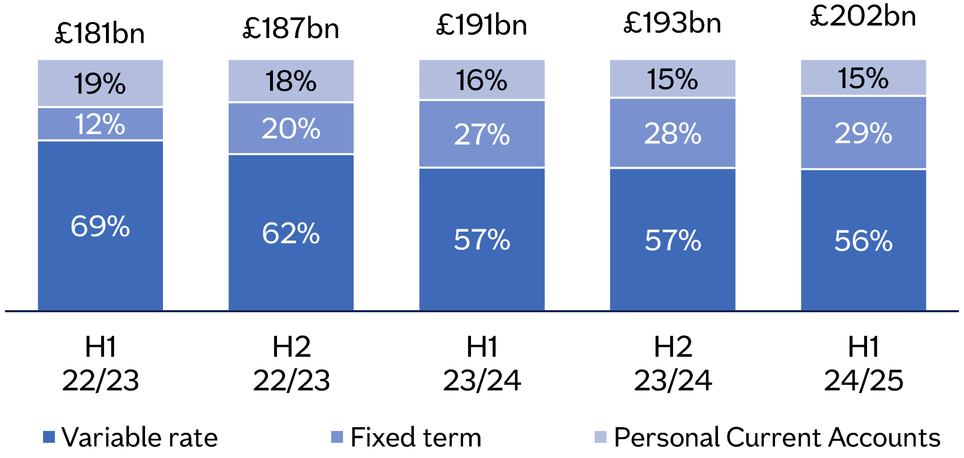


- Net lending of £6.3bn in H1 2024/25, representing a record performance for a reported half year.
- Trading performance was supported by robust new business volumes and strong retention across both our owner occupied and BTL portfolios.
- As a result, market share of balances increased to 12.6%, from 12.3% at the end of the prior period.
- Average new business completion margins[3] increased to 76bps in the period.
- The book margin continued to reduce, though at a declining rate.

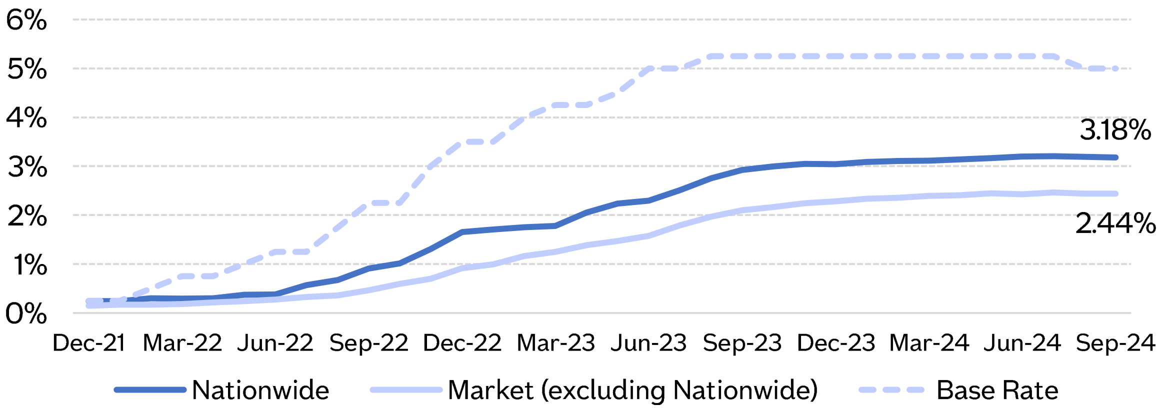
[1] Excludes provisions; [2] Percentage splits reflect average balances across the period; total balances as at period end; [3] Excludes switcher volumes.

Retail deposits performance

Retail deposit mix[1], %

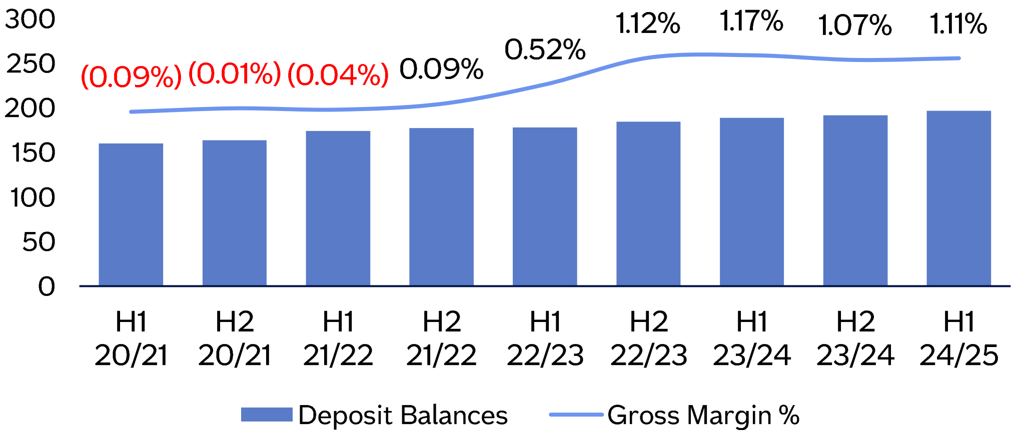


Average deposit rates (annualised), %



Source: Nationwide, Bank of England

Average deposit balances[2], £bn, gross margin trend, %



- Retail deposit balances[2] increased by £8.3bn, supported by competitive pricing and increased levels of accrued interest from higher average pay rates.
- The movement of balances from non-interest-bearing current accounts into rate-paying products has slowed, and we expect the mix to remain broadly stable in the short-term.
- Nationwide's average pay rate across all retail deposits continues to track above the market average.

[1] Percentage splits reflect average balances across the period; total balances as at period end; [2] Includes accrued interest.

Continued cost discipline

£million	H1 24/25	H1 23/24	% change	
Business as usual	776	748	3.7%	↑
Investment & depreciation	370	369	0.3%	↑
Cost excluding restructuring	**1,146**	**1,117**	**2.6%**	↑
Restructuring[1]	8	(2)	-	↑
Underlying costs	**1,154**	**1,115**	**3.5%**	↑
Virgin Money acquisition	26	-	-	
Total costs	**1,180**	**1,115**	**5.8%**	↑

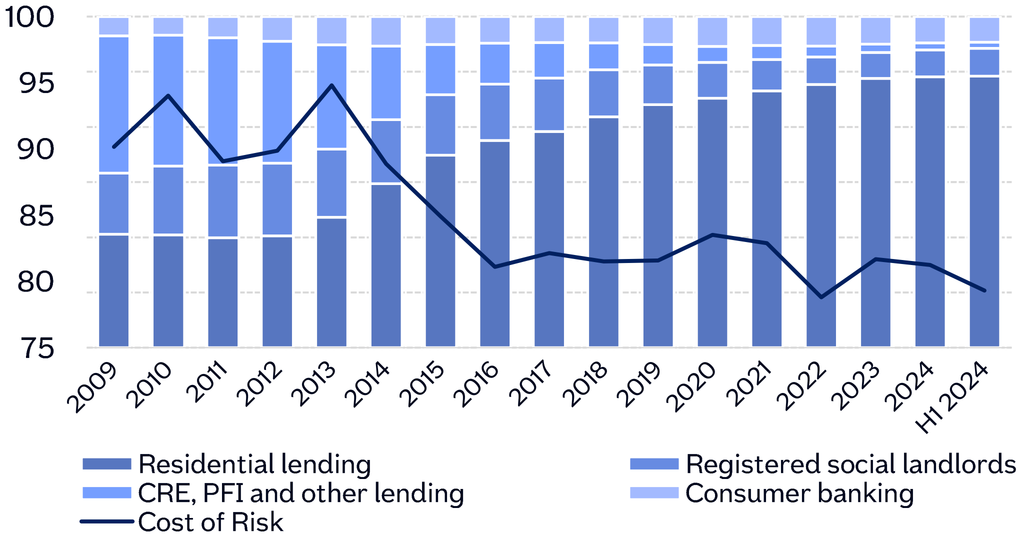
- Underlying costs were 3.5% higher compared to H1 2023/24, in line with expectations.
- Inflationary increases were mitigated by efficiencies within strategic investment and disposal of the investment advice business in February 2024.
- £26m of one-off costs relating to the acquisition of Virgin Money were recognised during H1 2024/25.

[1] Includes colleague severance costs, asset impairments and write-offs and charges resulting from reviews of useful economic lives.

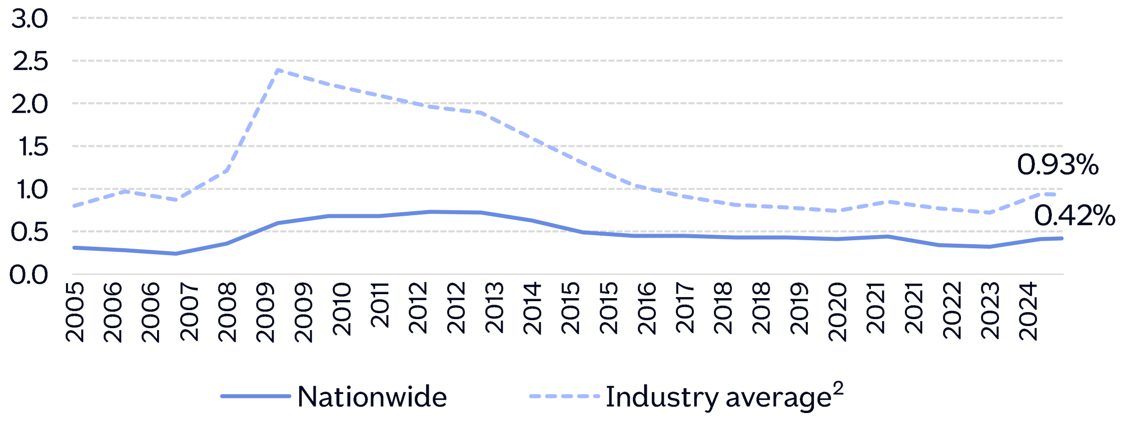
Stable credit performance

Retail lending	Mortgages		Unsecured	
	30 Sep 24	4 Apr 24	30 Sep 24	4 Apr 24
Total balances (£m)	210,842	204,467	4,293	4,263
Provision balances (£m)	317	321	409	436
3m+ arrears[1] (%)	0.42	0.41	1.24	1.36
3m+ arrears industry average[2] (%)	0.93	0.94		
Total negative equity balances (£m)	69	124		
Negative equity (£m)	11	13		
Forbearance (£m)	960	1,003		

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



Mortgage accounts in 3m+ arrears, %

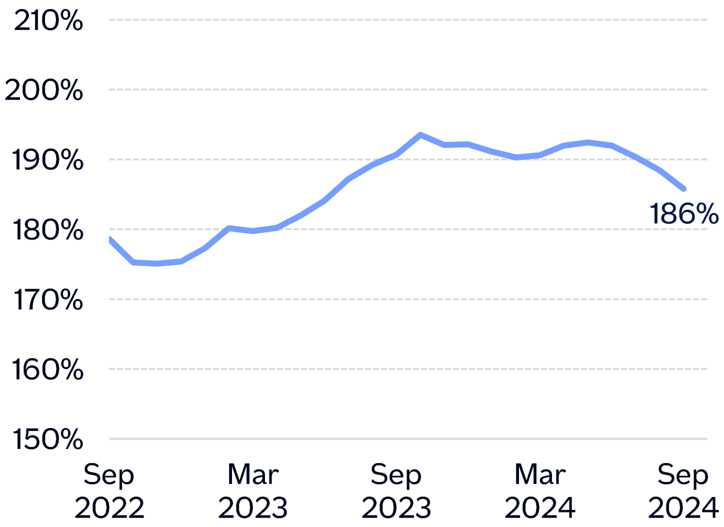


- The Cost of Risk is 0bps (annualised 1bps).
- Mortgage 3m+ arrears rates were broadly stable in the period and remain below the industry average.
- Mortgage Charter cases totalled 4.9k with £875m of balances (4 April 2024: 7.5k cases with £1,384m of balances).
- The average indexed LTV of mortgages was unchanged at 55%.
- Unsecured 3m+ arrears rates decreased by 12bps in the period.

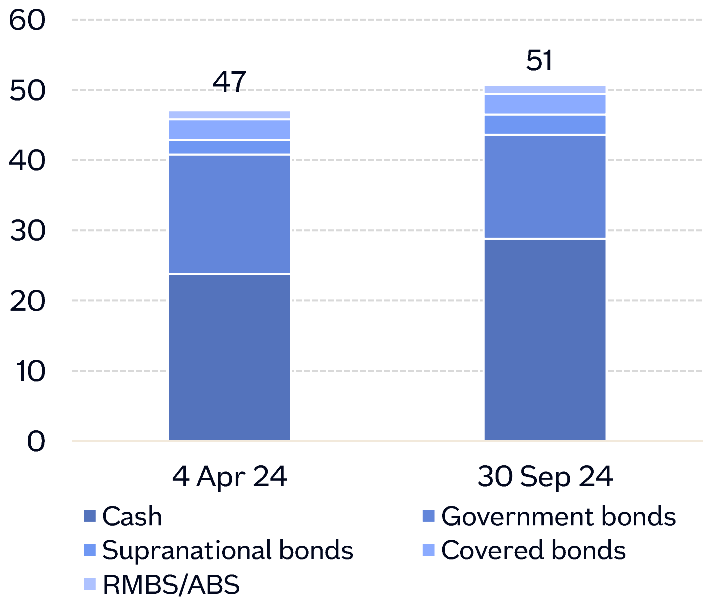
[1] Residential: Proportion of residential mortgage accounts more than 3 months in arrears. Unsecured: percentage of balances, excl. charge offs; [2] Source: UK Finance.

Liquidity analysis

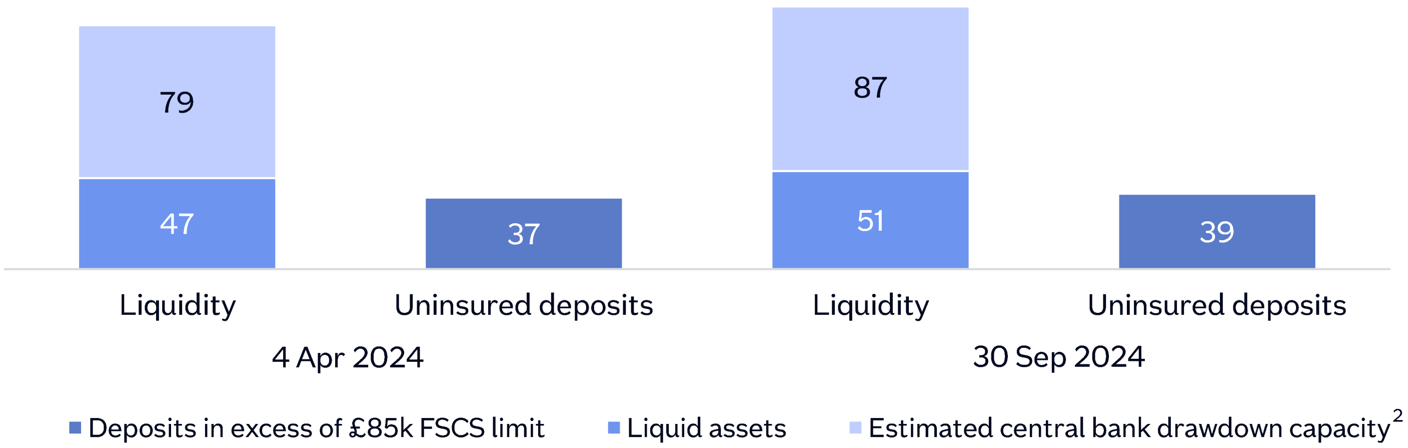
LCR Pillar 1, 12m rolling average[1], %



Liquid assets, £bn



Total liquidity resources, £bn

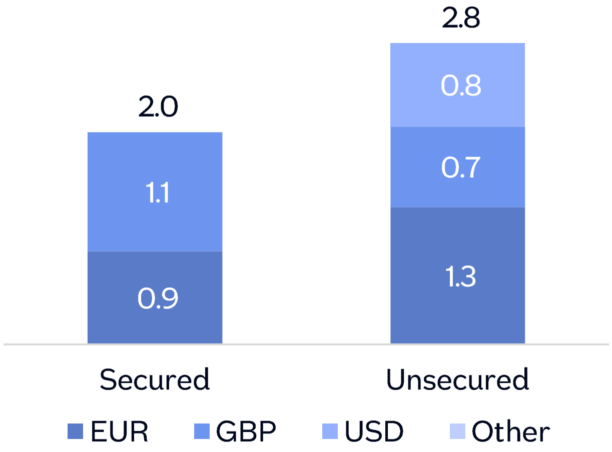


- The 12-month average LCR was 186% (4 April 2024: 191%) primarily driven by the repayment of TFSME drawings.
- On balance sheet liquidity totalled £51bn, above the £39bn of deposit balances that exceed the £85k FSCS limit.
- In addition, Nationwide retains an estimated £87bn of drawdown capacity from central bank contingent liquidity facilities[2], much of which could be utilised same day.
- The four-quarter average NSFR was 151% (4 April 2024: 151%), well above the 100% minimum requirement.

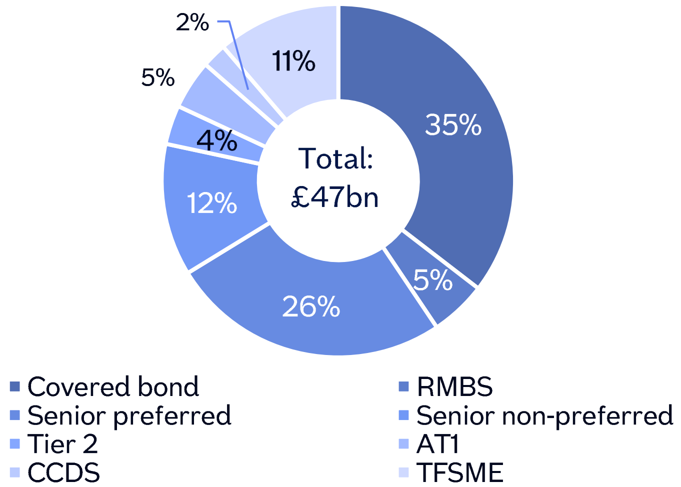
[1] Data points represent 12-month simple average of LCR; [2] Nationwide has assumed a haircut of 25% on assets.

Robust wholesale funding position supported by strong credit ratings

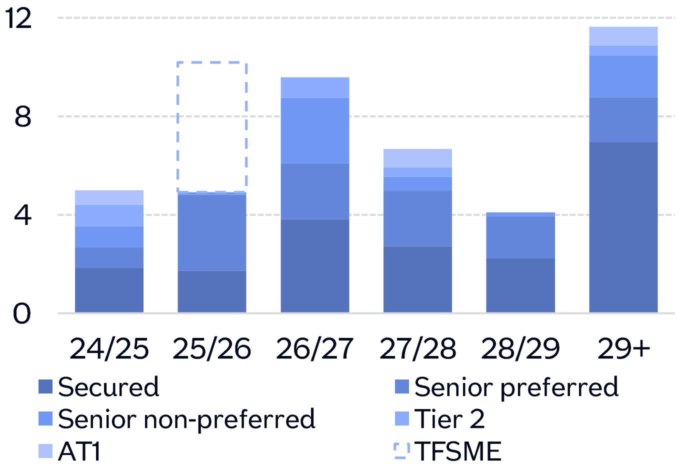
Wholesale funding issuance[1], FY to date, £bn



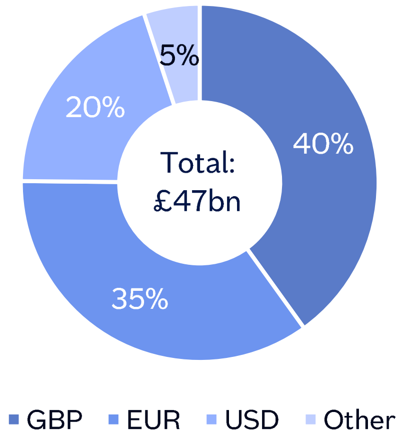
Wholesale funding portfolio by instrument[1], %



Wholesale funding maturities[1,2], £bn



Wholesale funding portfolio by currency[1], %

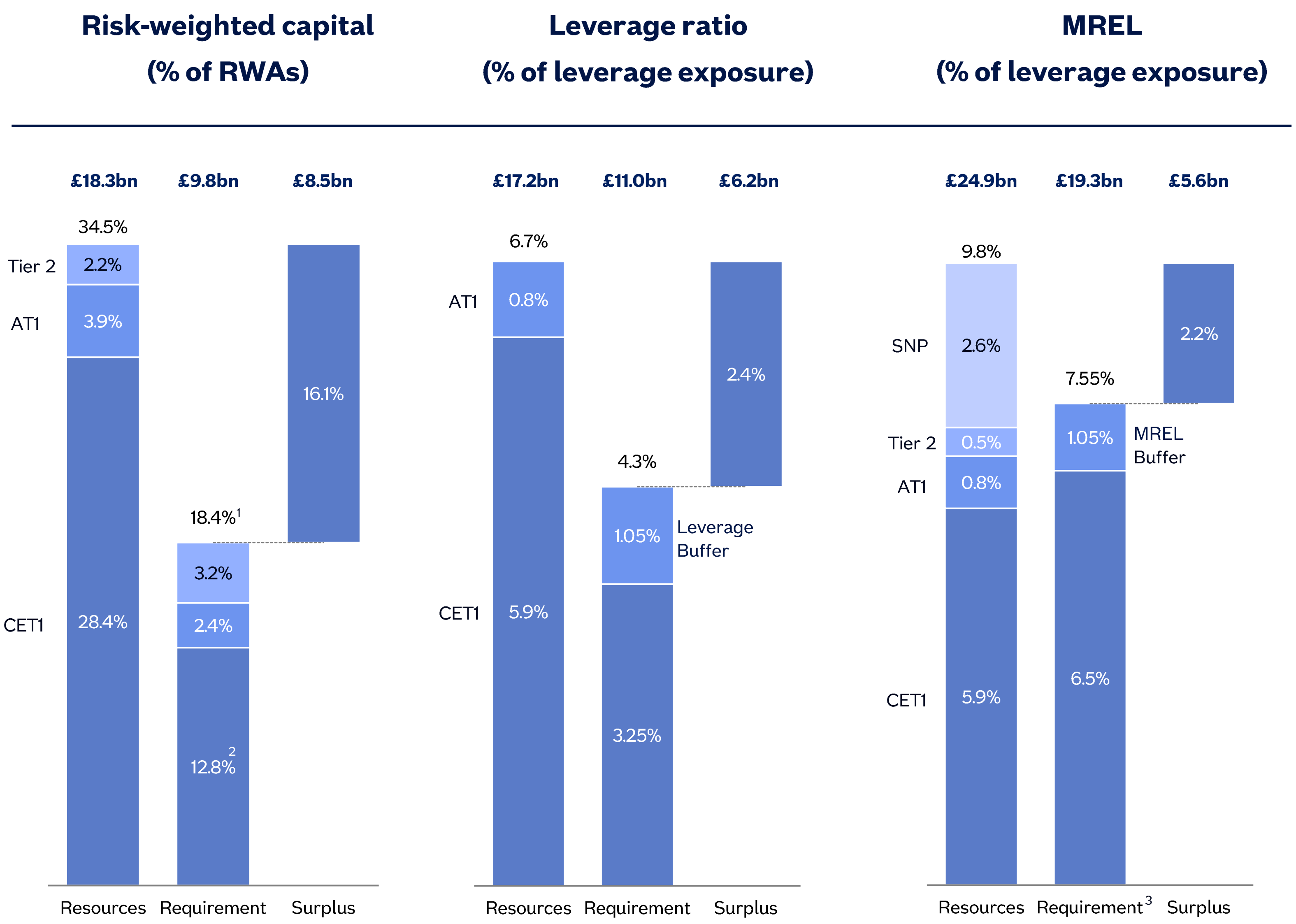


- We have repaid £16.4bn of TFSME ahead of contractual maturity, leaving £5.3bn of drawings outstanding.
- c. 4.8bn sterling equivalent has been issued post 4 April 2024 across a range of currencies and instruments.
- We expect group issuance of 3-5bn sterling equivalent for the rest of the financial year.
- 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; excludes short-term funding. [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.

Capital position as at 30 September 2024



- Capital surpluses ensure we maintain buffers above minimum regulatory capital requirements across risk based, leverage and MREL frameworks.

Key metrics	
CET1 ratio	28.4%
Leverage ratio	6.7%
Surplus to CET1 MDA[4]	15.7%

[1] Total requirement includes 18.4% TCR (8% Pillar 1 & 4.9% Pillar 2A) and 5.5% Capital Buffers [2] CET1 requirement includes 7.3% TCR (4.5% Pillar 1 & 2.8% Pillar 2A) and 5.5% Capital Buffers; [3] Includes external MREL for 2024 as published here; [4] Includes any unutilised AT1/Tier 2 capacity.

Financial update

Nationwide group, 1 October 2024

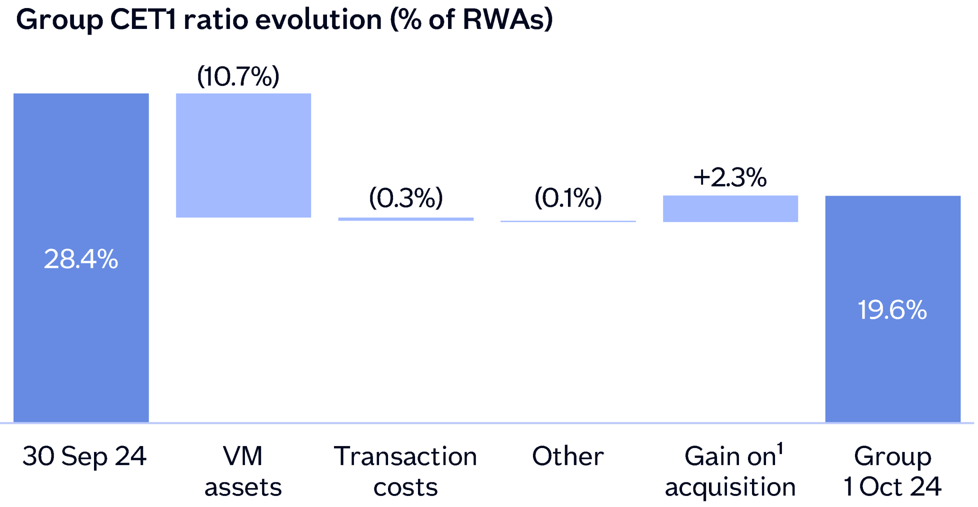
Virgin Money (VM) acquisition: day one impacts

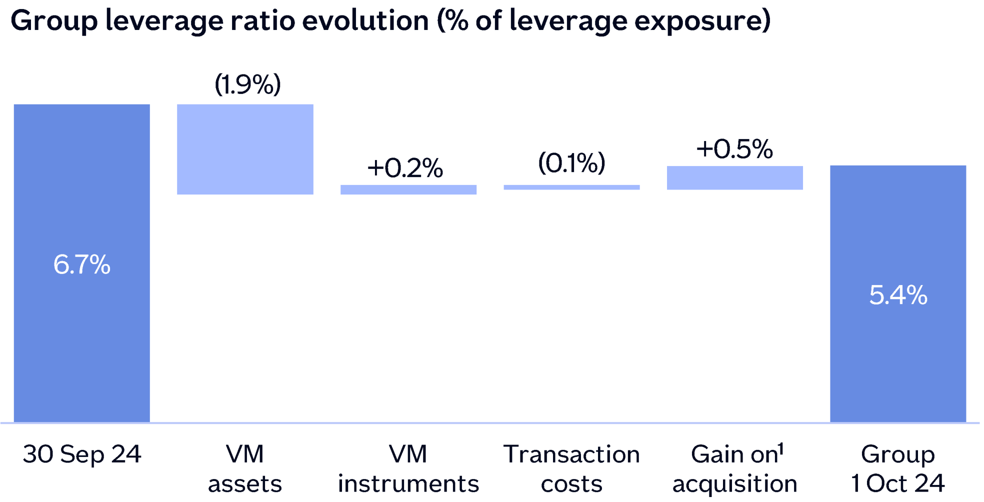
Financial impacts

£5.1bn	£(2.8)bn	+£2.3bn	o/w £1.8bn[1]
Net fair value of VM assets	Acquisition price	Gain on acquisition	CET1 accretive

Balance sheet metrics

19.6%	5.4%	153%
CET1 ratio	Leverage ratio	Liquidity Coverage Ratio[2]





Note: all figures provided on a Combined Group basis as of 1 October 2024. [1] This is equal to the gain on acquisition, excluding fair value adjustments recognised on acquisition in relation to intangible assets and deferred tax. Relevant pre-acquisition VM CET1 deductions included in the Group position are reflected in 'VM assets'; [2] Reflects spot LCR.

Stronger. Together.

Delivering scale: connecting us to **one in three of the UK** population

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A unique opportunity, underpinned by an **exceptionally strong business case**

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A long-term, measured and **fully funded approach to integration**

Positioning to be the UK's first full-service mutual banking provider

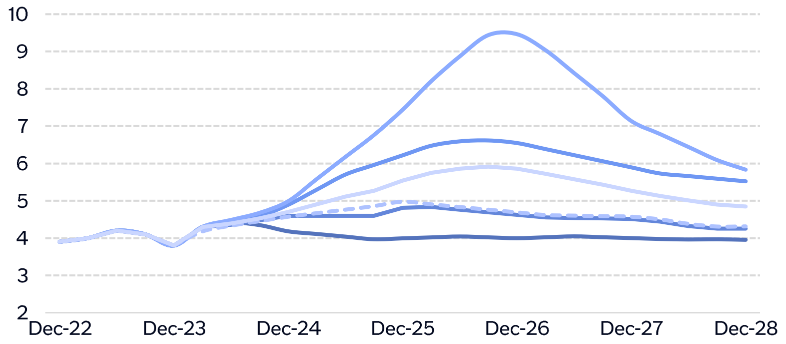
nationwide

Appendix

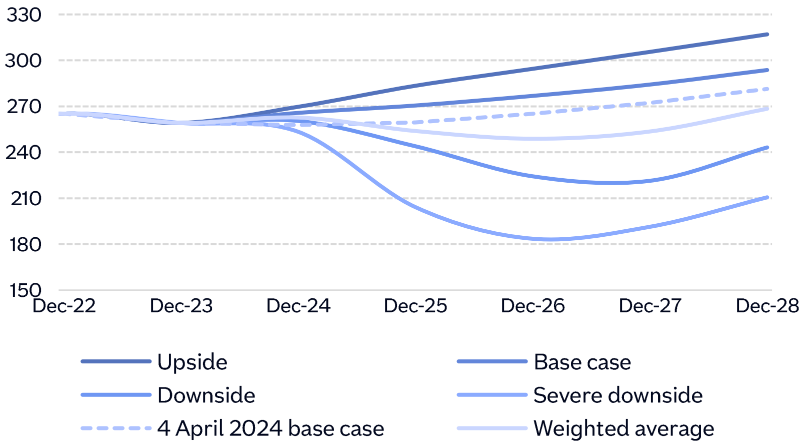
Multiple economic scenario assumptions

Scenario & weighting	Variable (%)	2024	2025	2026	5-year average[1]	Peak[2]	Trough[2]
Upside 10% (4 April 2024: 10%)	GDP growth	2.3	1.6	1.6	1.8	9.2	0.7
	Base rate	4.8	4.0	4.0	4.3	5.3	4.0
	HPI growth	4.1	5.1	3.9	4.1	22.5	0.6
	Unemployment rate	4.2	4.0	4.0	4.1	4.4	4.0
	CPI inflation	1.7	1.8	2.0	2.0	3.2	1.5
Base case 45% (4 April 2024: 45%)	GDP growth	2.0	1.1	1.2	1.5	8.0	0.7
	Base rate	4.8	3.8	3.3	3.8	5.3	3.0
	HPI growth	2.5	1.8	2.3	2.5	13.7	0.6
	Unemployment rate	4.6	4.8	4.6	4.5	4.8	4.3
	CPI inflation	2.7	2.0	1.7	2.1	3.2	1.6
Downside 30% (4 April 2024: 30%)	GDP growth	1.3	(1.8)	(0.0)	1.0	5.2	(1.2)
	Base rate	5.0	2.0	0.5	2.0	5.3	0.5
	HPI growth	0.5	(6.3)	(8.0)	(1.3)	2.3	(14.7)
	Unemployment rate	4.9	6.2	6.5	5.7	6.6	4.3
	CPI inflation	2.0	0.3	1.0	1.5	3.2	0.3
Severe downside 15% (4 April 2024: 15%)	GDP growth	0.6	(3.8)	(0.8)	0.4	1.9	(4.5)
	Base rate	5.5	8.5	5.0	5.6	8.5	3.8
	HPI growth	(2.2)	(19.4)	(10.1)	(4.1)	2.3	(29.5)
	Unemployment rate	5.0	7.4	9.5	6.9	9.5	4.3
	CPI inflation	5.0	8.0	3.0	4.0	8.0	1.9
Probability weighted: (30 September 2024)	HPI growth	1.4	(3.5)	(2.5)			
	Unemployment rate	4.7	5.5	5.9			
	CPI inflation	2.7	2.4	1.7			
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			

Unemployment rate, %



Average house price, £000s



- Our base case scenario assumes a rise in unemployment and a 2.5% house prices increase through 2024. The weighted average of all scenarios indicates a fall in house prices of 7% from September 2024 to early 2027.
- 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 £34m.

[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]				Buy-to-let & legacy mortgages				Unsecured			
	30 Sep 24		4 Apr 24		30 Sep 24		4 Apr 24		30 Sep 24		4 Apr 24	
	Balance (£m)	Provision coverage (%)	Balance (£m)	Provision coverage (%)	Balance (£m)	Provision coverage (%)	Balance (£m)	Provision coverage (%)	Balance (£m)	Provision coverage[2] (%)	Balance (£m)	Provision coverage[2] (%)
Stage 1	154,648	0.01	147,573	<0.01	20,883	0.08	19,922	0.07	2,911	1.1	2,560	1.2
Stage 2	10,764	0.4	12,676	0.4	23,153	0.6	22,910	0.7	1,130	13.7	1,450	12.6
of which: > 30 dpd	*327*		*294*		*191*		*177*		*20*		*21*	
of which: PD uplifts[3]	*4,505*		*7,348*		*4,502*		*5,464*		*318*		*473*	
Stage 3 and POCI	716	6.0	692	5.4	640	10.0	654	9.9	252	88.5	253	87.9
of which: > 90 dpd or in possession	*552*		*513*		*343*		*337*		*51*		*55*	
of which: charged off accounts	*n/a*		*n/a*		*n/a*		*n/a*		*181*		*178*	
Total	166,128	0.06	160,941	0.06	44,676	0.50	43,486	0.53	4,293	9.5	4,263	10.2

[1] This table excludes Fair Value through Profit or Loss (FVTPL) balances which totalled £38m as at 30 September 2024 (4 April 2024: £40m); [2] Stage 3 coverage excluding charged off accounts was 69% (4 April 2024: 70%); [3] Balances allocated to stage 2 that have been driven by increasing the probability of default to reflect management's judgements.

LTV distribution of residential mortgage portfolios

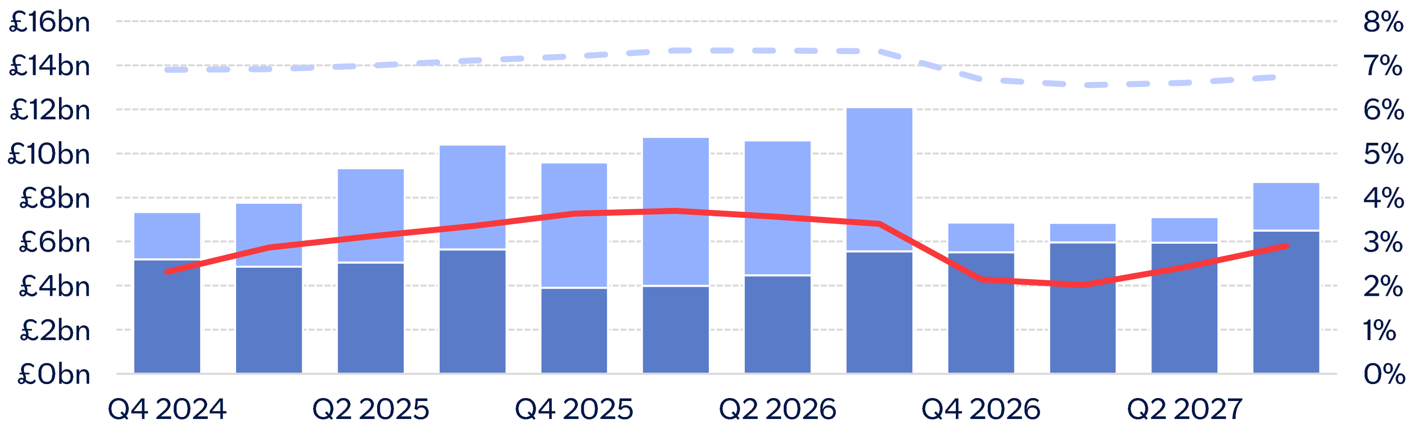
Loan book balances (by value): 30 September 2024						
LTV band	Owner-occupied		BTL & legacy		Total	
	£bn	% total	£bn	% total	£bn	% total
<50%	64.1	39	14.1	32	78.2	37
50-60%	27.8	17	11.6	26	39.4	19
60-70%	29.8	18	11.6	26	41.4	19
70-80%	22.1	13	6.8	15	28.9	14
80-90%	19.0	11	0.4	1	19.4	9
90-100%	3.4	2	0.1	-	3.5	2
>100%	<0.1	-	0.1	-	0.1	-
Indexed LTV	55%		56%		55%	
Indexed LTV (4 April 2024)	55%		56%		55%	

New business[1] (by value): H1 2024/25						
LTV band	Owner-occupied		BTL & legacy		Total	
	£bn	% total	£bn	% total	£bn	% total
0-60%	3.4	23	0.9	38	4.3	24
60-75%	3.1	21	2.0	62	5.1	28
75-80%	1.2	8	-	-	1.2	7
80-85%	2.1	14	-	-	2.1	12
85-90%	4.0	27	-	-	4.0	23
90-95%	1.1	7	-	-	1.1	6
>95%	-	-	-	-	-	-
Average LTV	74%		64%		73%	
Average LTV (H1 2023/24)	72%		62%		71%	

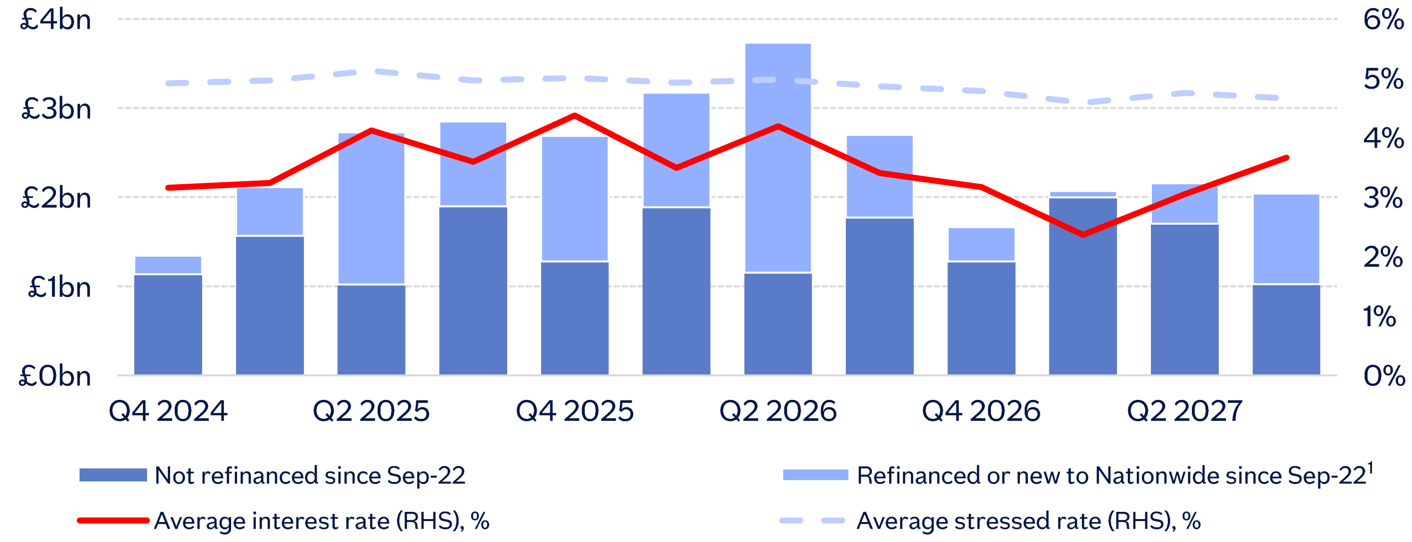
[1] New business excludes further advances and product switches.

Mortgage portfolio refinancing profile

Fixed rate maturities, owner-occupied portfolio, £bn



Fixed rate maturities, buy-to-let and legacy portfolios, £bn



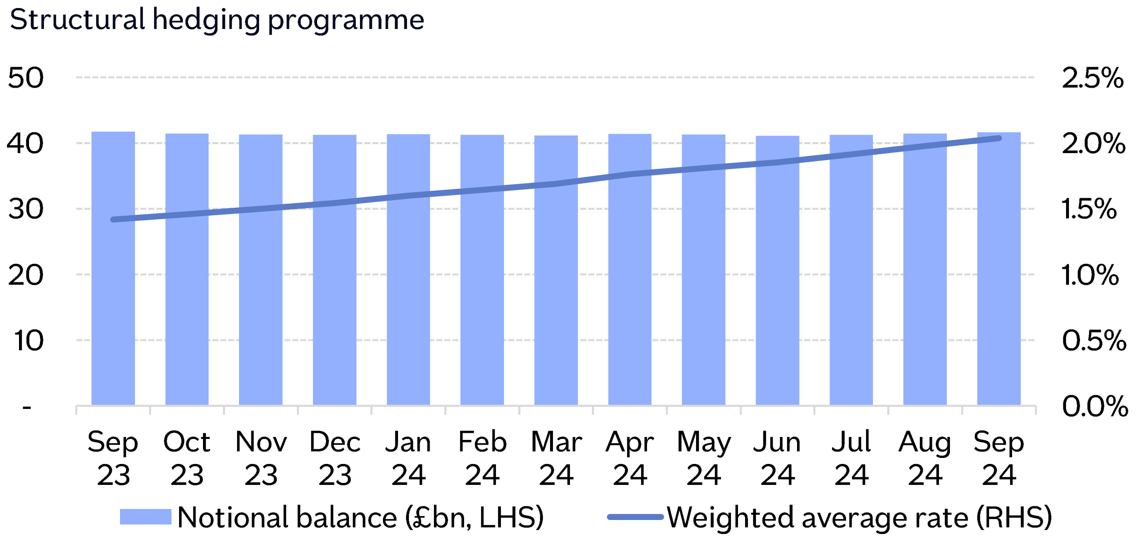
- Approximately 54% of fixed rate balances across the residential mortgage book have refinanced since September 2022.
- Stressed interest rates at the point of mortgage origination have historically averaged over 6% on the owner-occupied portfolio.
- The average interest coverage ratio for the buy-to-let portfolio is 393% (4 April 2024 407%)

[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.
- 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 transacted each month.
- The total hedging of c.£41.6bn has a weighted average duration of 2.5 years, with an average fixed rate of 2.04% (4 April 2024: 1.69%).



Net interest income (NII) sensitivity

- An instantaneous parallel downward shift in prevailing interest rates of 100bps would decrease annual net interest income by £136m, 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 4.8% 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 0.4%.

[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 to date 2024/25

Instrument	Tenor	Currency	Notional (CCY)	Trade date
Tier 2	10yr	EUR	500m	April 2024
Covered bond (dual tranche)	3yr & 10yr	EUR	1,000m	April 2024
RMBS (Silverstone)	3yr	GBP	600m	June 2024
Senior Non-Preferred	7yr	EUR	1,000m	July 2024
Senior Preferred	5yr	USD	1,000m	July 2024
AT1	Perp	GBP	750m	September 2024
RMBS (Silverstone)	4.4yr	GBP	500m	October 2024

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

We published a Principle Adverse Impact statement alongside our ESG Disclosures 2024

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Our Mutual Good Commitments underpin our strategy

Demonstrating how our business supports the UN Sustainable Development Goals (SDGs)

More rewarding relationships

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

Simply brilliant service

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

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.

Continuous improvement

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

Progress against our 2023/24 measures – as reported in AR&A 2023/24

Helped 260,000 people to buy a home through our first time buyer proposition 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.

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.

We met our target in 2023/24, committing £15.5m to charitable activities. (2022/23: £9.6m)

We aim to reduce our scope 1, 2 and 3 emissions in line with our intermediate (by 2030) science-based targets, by taking steps to reduce emissions within our control and encouraging our customers and suppliers to do the same.

Achieved five of our seven diversity measures to meet by 2024, spanning across gender, ethnicity, disability and sexual orientation.

Our 2024/25 YTD achievements

- Extended our Helping Hand mortgage to enable them to borrow six times their income
- Increased maximum LTV available for new build house purchases to 90%

- Rolling out our dedicated service to support customers with communication difficulties –Speak Easy - to all branches

- Launched our new social impact strategy - Nationwide Fairer Futures.
- Introducing dementia clinics in 200 branches
- Increased maximum loan size for our 0% interest Green Additional Borrowing product to £20k.

- Highest-ranked UK financial services provider in the FT-Statista Diversity Leaders in Europe list.[2]
- Providing financial support to university students from low socio-economic backgrounds through the Nationwide Scholarship Programme.

[1] All our 605 Nationwide branches will remain 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. We have now extended our Branch Promise to include Virgin Money's 91 branches, following the acquisition on 1 October 2024. [2] The FT-Statista ranking of Europe's Diversity Leaders is based on independent surveys of more than 100,000 employees across Europe, on their perceptions of their organisation's diversity and inclusion practices. For the 2025 list, the employee surveys accounted for 70% of the final score, and three new indicators accounted 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 have 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.
- Continue to source 100% renewable electricity for our own operations
- Executive Directors Long-Term Performance Pay linked to scope 1 and 2 targets

Delivering green finance propositions

- Increased the maximum loan size of our 0% interest Green Additional Borrowing product to £20,000 and removed the requirement for new customers to wait six months for eligibility.
- Our Home Energy Efficiency Tool produces personalised retrofit plans for customers

Green practices within our supply chain

- Require large third parties to set emission reduction targets
- 10% minimum weighting for sustainability within tenders
- Awarded *Best Commitment to Carbon Reduction in Supply Chains* at the CIPS Excellence in Procurement & Supply Awards 2024

Influencing green policy change

- Published research on greening of UK homes with low-cost finance, including six policy and industry recommendations
- Lead the Green Homes Action Group, calling for seven policy asks to encourage a National Retrofit Strategy
- Regularly engage with government and political leaders

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.

Cause
Climate Change
Physical risk | Transition risk | Nature risk

Risk
Credit risk
Operational & conduct risk
Market risk
Liquidity & funding risk
Pension risk
Capital risk
Business risk
Model risk

Impact
Financial | Non-financial

Nationwide's 2023 climate scenario analysis exercise

- 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 on 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 Treasury Funding & External Relations	sarah.abercrombie@nationwide.co.uk
Vikas Sidhu Head of Investor Relations & Treasury Sustainability	vikas.sidhu@nationwide.co.uk

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