

Review of the year 2024

Including our Summary financial statement

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Welcome to our Review of the year

5 April 2023 to 4 April 2024

As a building society, we are owned by our members.

How has Nationwide performed this year? And what makes us fundamentally different to the banks? In this review of the year, our Chairman, Kevin Parry, and our Chief Executive, Debbie Crosbie, both provide their views.

Thank you for being a member.

What your Society has achieved this year

<p>No.1 for customer satisfaction among our peer group for the 12th year running¹</p>	<p>Branch Promise Everywhere we have a branch, we promise to still be there until at least the start of 2028</p>	<p>Almost £1 in every £10 of balances saved in the UK were looked after by us²</p>	<p>64,000 first time buyers 2023: 72,000</p>
<p>More net current account switchers to us than to any other brand³</p>	<p>Highest ranked financial services provider in the Financial Times Diversity Leaders in Europe list⁴</p>	<p>£15.5 million committed to charitable activities⁵ 2023: £9.6 million</p>	<p>The brand consumers are most likely to say they have ‘heard good things about’⁶</p>
<p>£2,194 million in value delivered to our members, through member financial benefit and our first Nationwide Fairer Share Payment 2023: £1,055 million in value from member financial benefit</p>		<p>£2,003 million underlying profit⁷ 2023: £2,233 million</p>	<p>£1,776 million statutory profit⁷ 2023: £2,229 million</p>

- 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 2023 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 at 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.
- Market share of household deposit balances, based on Bank of England data, as at 31 March 2024: 9.5% (2023: 9.6%).
- Pay.UK quarterly Current Account Switch Service data, 9 months to December 2023, based on the latest available data.
- The FT-Statista ranking of Europe's Diversity Leaders 2024, as published by the Financial Times (www.ft.com) in December 2023.
- The £15.5 million includes £13.6 million of charitable donations and £1.9 million relating to supporting activity and staff costs.
- 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.
- The Nationwide Fairer Share Payment of £344 million, distributed in June 2023, accounted for the majority of the difference between underlying and statutory profit. More information can be found on page 19.

A letter from Kevin Parry

Your Society's Chairman



Dear fellow member,

The past year has remained challenging as our members, customers and colleagues faced into economic uncertainties, including interest rate rises and higher costs of living. As a member-owned modern mutual, we support our customers by offering banking and savings products to manage their day-to-day finances and save for their financial futures, and mortgages to help them buy their homes.

I am pleased to report that our financial position remains strong, ensuring financial stability for the future in line with the Society's mutual ethos. Our pre-tax profit of £1,776 million allows us to deliver financial value to our members, including the Nationwide Fairer Share Payment.

Our first Nationwide Fairer Share Payment in 2023 gave eligible members a share of our 2022/23 profits by making payments totalling £344 million in addition to wider member financial benefit, including from the Nationwide Fairer Share Bond that offered a highly competitive savings interest rate to all members.

Being a modern mutual enables us to reinvest our profits for our members' benefit, which is a huge differentiator between us and shareholder-owned banks. Helping our members in this positive and tangible way truly demonstrates our mutual difference.

Renewing our Branch Promise reinforces our commitment to local communities. We recognise that branches matter – and our customers value being able to speak to our staff face to face.

On 21 March 2024, following full consideration and the appropriate due diligence, the Society confirmed its intention to buy Virgin Money. The Board's assessment is that this binding

offer is in the best interests of the Society and its present and future members. I can confirm that following the acquisition, Nationwide will remain a building society and a modern mutual. This acquisition will strengthen our ongoing financial position, enabling us to continue to provide further value to customers and members through its products and services. Virgin Money's purpose and principles are aligned with those of Nationwide and the Board expects that the acquisition will bring the benefits of mutual ownership to more people in the UK.

Last year's Annual General Meeting (AGM) was the best-attended for many years, and the online format enabled more members to participate by attending, voting and asking questions. My fellow Board members and I valued the opportunity to engage with you, respond to your questions, and receive your feedback and views. We look forward to welcoming even more of you to our AGM in 2024.

The Society has a lot to be proud of and we all look forward to the opportunities ahead. Our members, customers and colleagues continue to be at the heart of everything we do.

A handwritten signature in black ink that reads "Kevin Parry". The signature is written in a cursive style with a horizontal line underneath the name.

Kevin Parry
Chairman

A letter from Debbie Crosbie

Your Society's Chief Executive



Dear fellow member,

Last year, we set a new strategic direction and a clear and compelling purpose: Banking – but fairer, more rewarding, and for the good of society.

We continue to seek and respond to member and customer feedback, and the progress we are making against our strategy is leading to a better customer experience and a strong financial performance.

My reflections on 2023/24

Our financial performance means we can provide our customers with great value products, choice in the way they bank with us, and simply brilliant service.

We delivered our highest ever level of member financial benefit, which

included better pricing than the market average. We offered valuable savings products, such as our member-exclusive Fairer Share Bond, and passed a greater proportion of the Bank of England's interest rate rises on to savers. We also distributed our first ever Nationwide Fairer Share Payment to eligible members.

We continue to stand out as a genuine alternative to the shareholder-owned banks. Following your feedback last year, we have continued to develop our propositions and are providing more ways for members to benefit from our financial strength and to share in our success. In 2024, for a limited period, our members can benefit from the preferential interest rate on our

Member Exclusive Bond⁸. In addition, eligible members who have chosen us for their everyday banking will receive a Nationwide Fairer Share Payment⁹. For members who do not have their main current account with us, we are offering a member-only £200 incentive to switch to us using the Current Account Switch Service¹⁰.

As well as sharing in our success, members have benefitted from our great services and commitment to branches. We take time to consult with our members through our Member Connect Panel, frequent surveys and by regularly tracking customer experience, responding to their feedback. As a result, satisfaction amongst those who

8. More information can be found on nationwide.co.uk/member-bond. Available only to those who were a member on 22 May 2024 and at the point of application. Members need to be UK resident and aged 16 or over to apply for the Bond. We may vary or withdraw the Bond at any time.

9. T&Cs apply. Qualifying current account and either qualifying savings or mortgage required on 31 March 2024. Visit nationwide.co.uk/about-us/fairer-share/

10. To qualify you must have held a qualifying mortgage, savings or current account on 31 March 2024. More information and full terms can be found on nationwide.co.uk. We may vary, withdraw or extend this offer at any time.

use our branches is now at its highest ever level¹¹.

We are also proud to have remained first among our peer group for customer satisfaction for 12 years running¹².

We continue to provide choice in how customers bank with us. We know from your feedback that customers value face-to-face banking. While the big banks continue to close branches up and down the country, we have promised to keep every one of our branches open until at least the start of 2028. We have the largest single-brand branch network across the UK, and remain committed to the high streets, our customers, and their communities.

We also launched our new banking app, with a refreshed look and added features. With almost five million customers using our banking app, we will continue to innovate and add the features that you have asked for that make banking even easier.

Over the year, we revealed our most significant rebrand in over 30 years. This was supported by a high-profile marketing campaign, bringing to life our purpose and how we are different

as a modern mutual. We are now first among our peer group when consumers rate the brands that they have 'heard good things about'¹³.

Looking ahead to the future

In the coming year, we will continue to deliver good value and great customer service.

We will build on the launch of our new mobile banking app, invest in internet banking, and continue to drive the service advantage we have through our branch network. In doing so, we aim to build broader, deeper and more lifelong relationships, that meet our customers' key needs, through all stages of their lives.

Our Member Exclusive Bond, Nationwide Fairer Share Payment, and member-only current account switching incentive demonstrate our mutual difference.

We also remain committed to mutual good in the communities we serve. Last year, we committed £15.5 million¹⁴ to charitable activities. In 2024/25, we will launch our new social impact strategy, making a meaningful difference on the

key challenges in society that impact people at different stages of their life.

In March 2024, we confirmed our offer to buy Virgin Money. We continue to make good progress on our plans and Virgin Money shareholders have now voted in favour of the acquisition, with completion expected in Q4 2024, subject to regulatory approval. We believe this deal will strengthen Nationwide financially and offers an exciting opportunity to create a more diverse business that delivers even more value to our members in the future.

I wish to thank our colleagues for engaging so enthusiastically in our new purpose, and for their passion in delivering so much for our members.

Building on all that we have achieved, I look forward to another exciting year ahead, and delivering on our purpose: **Banking – but fairer, more rewarding, and for the good of society.**



Debbie Crosbie
Chief Executive

11. Based on branch face-to-face satisfaction within our Customer Experience Score, for the 3 months ending 31 March 2024.

12. © Ipsos 2024, Financial Research Survey (FRS), for the 12 months ending 31 March 2013 to 12 months ending 31 March 2024. For more information, see footnote 1 on page 3.

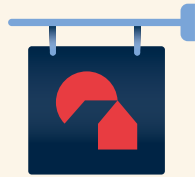
13. Based on a study conducted by an international market research company commissioned by Nationwide Building Society. Based on total consumer responses, including non-customers, for the 6 months ending March 2024. Financial brands included are Nationwide, Barclays, Co-operative Bank, First Direct, Halifax, HSBC, Lloyds, Monzo, NatWest, Santander, Starling Bank and TSB.

14. The £15.5 million includes £13.6 million of charitable donations and £1.9 million relating to supporting activity and staff costs.

As a mutual, we do things differently

Our purpose

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



We are a building society, not a bank. That means we are owned by our members – our customers who have their current account, mortgage or savings with us.

Nationwide holds a unique position in UK financial services. As the largest building society, we can deliver the value, service and benefits of mutuality to our customers and members that others cannot. This means we can make a positive difference in their lives, and in our communities and society as a whole.

We focus on providing banking products and services for our customers, helping them with:



Managing everyday finances

Almost 1 in 10¹⁵ of the UK's current accounts are with us.



Saving for the future

We look after almost £1 in every £10 saved in the UK.



Owning a home

We are the UK's third¹⁶ largest mortgage provider.

We also offer other retail products, including credit cards, personal loans and insurance. In addition, we support landlords and those who rely on the private rented sector for their long-term housing needs through our buy to let business, The Mortgage Works.

As a member-owned mutual, we think about profit differently from the banks. We do not have to use our profits to pay shareholders dividends. So we balance our need to keep enough profit to remain financially strong, with rewarding members and sharing our success through:

- **Delivering value and rewarding loyal customers**
- **Brilliant and trusted service**
- **Products and services that meet the needs and expectations of our customers**

And we also commit at least 1% of our profits¹⁷ each year to charitable activities.

15. CACI's Current Account and Savings Database, Stock (February 2024).

16. UK Finance 2022 balance database (latest available data).

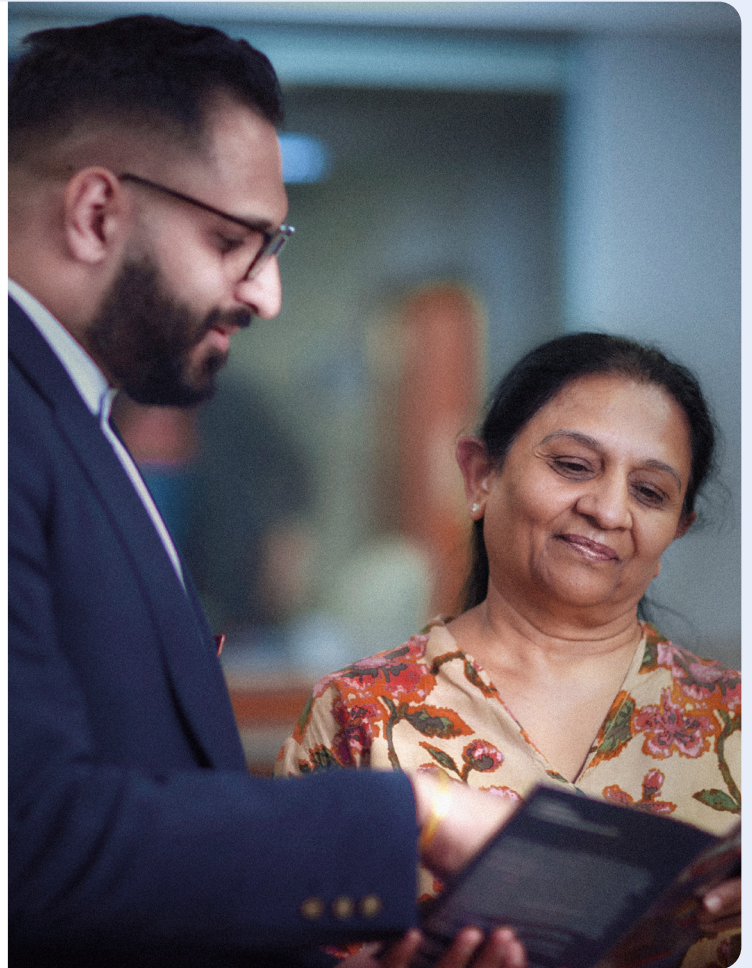
17. The 1% is calculated based on average pre-tax profits over the previous three years.

“ I can pop in when it suits me and speak to someone face to face ”

Minaxi, member since 2023

When I lost my husband and took over all the finances, I knew I wanted to be able to use a branch for some of my banking. That's why I switched to Nationwide – they're the only bank or building society with a branch in Windsor. The team helped me make the switch and it couldn't have been simpler. I now go there about once a month and everyone at the branch is so helpful and supportive. They always greet me with a warm smile.

Having a branch makes such a difference. I can pop in when it suits me and speak to someone face to face. It gives me peace of mind. I've owned a newsagent for 38 years, so I understand how important it is to be there for the local community.



Our Blueprint for a **modern mutual**

Our strategy is centred around our purpose of **Banking** – but **fairer**, more **rewarding**, and for the good of **society**, with four main priorities:



More rewarding relationships

We will create deeper, lifelong relationships with our customers that provide the best value in banking.

In 2023/24, we delivered our first Nationwide Fairer Share Bond for all members and the Nationwide Fairer Share Payment for eligible members. We helped 64,000 (2022/23: 72,000) first time buyers into homes, re-entered the young savers market, and achieved more net gains in current account switches than any other brand¹⁸.

We offered a competitive range of products over the year, including our Flex Regular Saver, Nationwide Fairer Share Bond, and our FlexOne Saver.

2023/24 performance for our key measure: Engaged customers

We define engaged customers as those who have their main personal current account with us, plus either a savings balance of at least £100 or a mortgage of at least £100.

We have 3.53 million engaged customers, ahead of our 3.33 million target for 2023/24.



Simply brilliant service

We will provide distinctive, personalised service that you can trust, at every touchpoint. We will enhance our mobile banking experience, and combine this with modern branches that offer personal support when customers need it most.

In 2023/24, we were number one for customer satisfaction among our peer group¹⁹. We extended our Branch Promise until at least the start of 2028, launched our new banking app, and extended our telephone opening hours to include later evenings and Sundays.

2023/24 performance for our key measure: Customer experience score

Our customer experience score is based on the feedback score that customers provide when they complete our survey after they interact with us in our branches, digitally or by telephone. Our score of 76.8%²⁰ was 0.8%pts below our target of 77.6%. Customers were satisfied with the service across our channels, particularly support provided by colleagues in our branches. However, there was a short-term impact as customers transitioned to using our new banking app.

18. Pay.UK quarterly Current Account Switch Service data, 9 months to December 2023, based on the latest available data.

19. © Ipsos 2024, Financial Research Survey (FRS), for the 12 months ending 31 March 2024. For more information, see footnote 1 on page 3.

20. Our customer experience score measure is based on a 12-month average score over the 12 months ending 31 March 2024, and is calculated by weighting the aggregated scores across channels reflecting the way customers interact with us. Digital channels include our mobile banking app, internet bank, webchat and our website ([nationwide.co.uk](https://www.nationwide.co.uk)).



Beacon for mutual good

We want to be famous for the meaningful impact we have on our customers, communities, and society as a whole. We will drive positive change and fairer practices in banking. And we will support charitable causes aligned with our purpose.

In 2023/24, we committed £15.5 million²¹ (2022/23: £9.6 million) to charitable activities. As part of our commitment to a net-zero carbon future, we launched a 0% interest green additional borrowing product.

2023/24 performance for our key measure: Heard good things about Nationwide

This measure is based on responses to a monthly survey on whether people in the UK have heard good things about Nationwide relative to its peers.

We were first among our banking peer group when rated by non-customers for which brands they had heard good things about²². This was above our target of at least third place. Our new brand and marketing campaign supported our success, highlighting how different we are from the banks.



Continuous improvement

We will be focused, fit and fast and simplify our ways of working so that we deliver at pace, for the benefit of our customers. At the same time, we will maintain strong controls that protect our customers and their money.

In 2023/24, we modernised our payments systems, and simplified our processes to improve and increase support for customers.

Last year, our fraud defence systems and specialist fraud team helped prevent more than £130 million of

attempted fraud on card and online transactions, and our Scam Checker Service helps protect customers too.

2023/24 performance for our key measure: Leverage ratio

Our leverage ratio is a measure of our financial strength, and our financial strength helps us to progress the delivery of our strategy.

Our leverage ratio of 6.5% was above our 2023/24 minimum target of 4.5%.

21. The £15.5 million includes £13.6 million of charitable donations and £1.9 million relating to supporting activity and staff costs.

22. Based on a study conducted by an international market research company commissioned by Nationwide Building Society. Based on non-customer responses, 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.

“ It really makes a difference, especially to young families ”

Sam, member since 2000, keeping one of his two daughters entertained

The first we knew of the Nationwide Fairer Share Payment was the letter that came in the post. In fact, my partner, Claire, and I both received £100 as we both bank with Nationwide. Our mortgage is with them too. It was such a lovely surprise and we were able to spend the money on a couple of family outings. I can still taste the fish and chips we had on the beach at Bournemouth.

It's the sort of thing that really makes a difference, especially to young families trying to get by. It's great to see a big organisation giving back to its customers.



Service you can trust, every step of the way

Our mutual model means we exist solely to serve our members and customers. It is what makes us different from the banks. We provide our customers with great value products, choice in the way they bank with us, and the best possible service.

We supported our customers in a number of ways



Largest branch network

We now have the largest single-brand branch network in the UK financial services sector, made up of 605 branches.



Improved digital experience

We launched our new banking app.



Opening hours

We extended our opening hours for our telephone lines. This complemented our 24/7 online chat.



Cost of living

We continued to provide our dedicated cost of living helpline.

We aim to combine a great mobile banking experience with modern branches, where our colleagues provide personalised and trusted support.

Extending our Branch Promise

We know our customers value choice in how they bank with us. Many value our branches and some of our customers rely on them.

That is why we renewed our Branch Promise once again – everywhere we have a branch, we promise to still be there until at least the start of 2028²³.

Our new banking app

In 2024, we launched our new banking app, with new branding and new features. We also removed the need to use a card reader for making payments through the app. Customers can now upload a selfie and use biometrics to authenticate their payment.

We extended our telephone hours

We continued to make ourselves more accessible to our customers, so they can reach us at a time that suits them. Our telephone opening hours now include later evenings and Sundays. Our online and banking app chat service is available 24/7.

23. All our 605 branches will remain open until at least 1 January 2028. Opening hours may vary. 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.

Helping people into homes

We support all our mortgage customers, and continued to do all we could to help first time buyers into a home of their own. That included working to address the key challenges they face, of raising a deposit and being able to borrow enough to afford a property.

We made buying a first home easier



Helping Hand mortgage

Our Helping Hand mortgage enabled first time buyers to borrow up to 5.5 times their salary, on 5 and 10-year fixed rate mortgages, and up to 95% of the value of the property.



Cashback

First time buyers also received £500 cashback when they took out a mortgage with us.



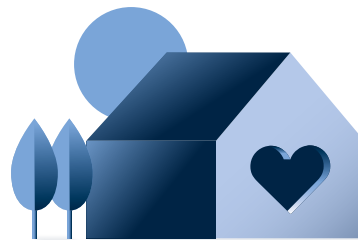
Helped 64,000 first time buyers into a home of their own (2023: 72,000).

Supporting our mortgage customers if they had financial concerns

Our online Mortgage Manager service made it easier for our customers to stay on top of their mortgage payments. Customers could switch products or extend their mortgage term to make their payments more affordable.

We encourage our customers to come to us if they have concerns about their payments. We signed up to the Government's Mortgage Charter, providing our mortgage customers with ways to reduce their payments, without impacting their credit score.

Our specialist support team also provided tailored support where needed.



Helping our customers make the most of their money

We believe in encouraging good savings habits, and in helping our customers to build greater financial security over the long term. Throughout the year, we supported our customers with competitive products and initiatives that delivered real value.

We created value for our customers



Over the year, we delivered £2,194 million in value to our members. This included our highest ever level of member financial benefit²⁴ of £1,850 million (2023: £1,055 million) from better pricing than the market average, supported by valuable savings products, such as our member-exclusive Fairer Share Bond. It also included the £344 million we shared through our first ever Nationwide Fairer Share Payment.

Member financial benefit was largely driven by our competitive savings rates. We passed a greater proportion of Bank base rate increases through to our depositors than the market average.

In addition, we delivered £22 million of cashback to current account customers on their supermarket shopping in April 2023, as part of our three-month cashback offer that ran between February and April 2023.

24. Further information on member financial benefit is included on page 69 of our Annual Report and Accounts 2024.

25. Pay.UK quarterly Current Account Switch Service data, 9 months to December 2023, based on the latest available data.

26. To earn the £200 cashback, customers must have completed a full switch to us, from a current account held with another provider, using the Current Account Switch Service.

Supporting those who bank and save with us

We opened 761,000 (2023: 679,000) new current accounts and achieved more net gains in current account switches than any other brand²⁵. This was supported by our market-leading current account switcher incentive, which ran between September and December 2023, and offered £200 cashback to those who switched to us²⁶.

At the same time, we launched a top of the market Flex Regular Saver, that had an interest rate of 8%.

We also make saving easier through our banking app, with Impulse Saver and Round Up tools, and Savings Goals. And we informed customers signed up to our SavingsWatch service of our latest, and best, savings rates and products.

Supporting those at the start of their savings journey

We re-entered the young savers market, launching our FlexOne Saver to support 11 to 17 year olds in building early savings habits. Our FlexOne Saver is available to our FlexOne current account customers. It offered an interest rate of 5% during the year and had no restrictions on withdrawals.

“ I love seeing my children learning about money ”

Charlie, member since 2022 and Hallie, member since 2023, were introduced to Nationwide by their father, Tom. He has been a member since 2021.

Tom's children manage their own money using FlexOne and FlexOne Saver.

“As the oldest of our four kids, Charlie was craving a bit of independence. As soon as he opened his FlexOne, he felt like he was in charge. He decides how much of his allowance to spend and how much to move into his savings. And, of course, doing it on his phone makes it so easy.

Our daughter, Hallie, couldn't wait to open her own account either. I took her to our local branch and they were so helpful. She's a bit more of a spender than Charlie, but she's learning a lot about the value of money. I love seeing my children managing their own finances – I feel like it's preparing them for life and the future.”



Supporting good causes in your communities

As well as seeking to provide better value and service for our customers, we aim to be better for society too.

Our commitment to good causes

As voted for by our members in 2007, we commit at least 1% of our pre-tax profits²⁷ each year to good causes. In 2023/24, this amounted to £15.5 million²⁸ (2023: £9.6 million). This money is split between our own social investment programmes and the Nationwide Foundation. As part of this, we:

- awarded £5.1 million (2023: £4.3 million) in Community Grants to support 105 (2023: 96) charitable housing projects, helping an estimated 30,000 people across the UK.
- donated £730,000 to Shelter, on top of the £210,000 raised by customers and colleagues. Over our 23-year partnership, our funding has supported more than 155,000 people.

Introducing Fairer Futures

Our new social impact strategy will have a meaningful impact on some of the biggest issues that we see in society today, helping people at different stages of their lives. Our focus will be on helping young people avoid homelessness, families living in poverty, and people living with dementia.

We are partnering with Action for Children, Centrepont and Dementia UK for the next three years to support our ambitions. Find out more at nationwide.co.uk/fairer-futures.

Reducing our impact on the environment

We source 100% renewable electricity, and have removed the use of gas from over 80% of our branches, replacing it with electrical solutions. We are piloting a 0% interest green mortgage product²⁹ to support our customers in greening their homes.



As part of our 1% commitment to good causes, we donate 0.25% of our pre-tax profits to the Nationwide Foundation³⁰, an independent charity.

The Foundation aims to increase the availability of decent, affordable homes for people in housing need. It does so through grant making and influencing to create positive change.

The Foundation works with other campaigning organisations to achieve real change within the housing system by trying out new ideas, engaging with politicians and decision makers, and giving people in need a voice in housing.

27. The 1% is calculated based on average pre-tax profits over the previous three years.

28. The £15.5 million includes £13.6 million of charitable donations and £1.9 million relating to supporting activity and staff costs.

29. Our 0% interest Green Additional Borrowing pilot will enable up to 5,000 households with a Nationwide mortgage the opportunity to borrow £5,000 – £15,000 interest-free, up to a maximum of 90% loan to value across a two or five-year product term, to finance a range of retrofit home improvements.

30. You can find out more at nationwidefoundation.org.uk. The Nationwide Foundation's registered charity number is 1065552.

Financially strong for the long term

We always aim to keep enough profit to maintain our financial strength so we can invest to meet our customers' needs in the future as well as today.



Our underlying profit was **£2,003 million**³¹
(2023: £2,233 million)



Our statutory profit was **£1,776 million**³¹
(2023: £2,229 million)



Our leverage ratio was **6.5%**
(2023: 6.0%)



Our Common Equity Tier 1 (CET1) ratio was **27.1%**
(2023: 26.5%)

Our financial performance remained robust, with underlying profit of £2,003 million and statutory profit of £1,776 million³¹. Our capital ratios, which demonstrate our financial strength, also increased over the year, with a Common Equity Tier 1 (CET1) ratio of 27.1% and leverage ratio of 6.5%.

Our financial strength enables us to provide our customers with great value products, choice in the way they bank with us, and the best possible service. We have benefitted our customers in a number of ways:

- **We delivered £2,194 million in value** to our members. This included our highest ever level of member financial benefit of £1,850 million (2023: £1,055 million), as well as our first Nationwide Fairer Share Payment³¹ to eligible members which amounted to £344 million.
- **We invested in our branch network**
- **We invested in our systems and service**
Over the year we:
 - Launched our new banking app
 - Extended our telephone opening hours
 - Upgraded our payment systems



31. The Nationwide Fairer Share Payment of £344 million, distributed in June 2023, accounted for the majority of the difference between underlying and statutory profit. More information can be found on page 19.

Summary financial statement

For the year ended 4 April 2024

This financial statement is a summary of information in the audited annual accounts, the Directors' report and Annual business statement, all of which will be available to members and depositors free of charge on demand at every office of Nationwide Building Society from 10 June 2024. They will also be available on the internet at nationwide.co.uk. The auditor's report in relation to the full financial statements was not qualified in any respect.

Summary directors' report

The Summary directors' report comprises the information set out on pages 3 to 8, 10, 11, 13 to 15, 17 and 18.

Approved by the board of directors on 22 May 2024 and signed on its behalf by:

K A H Parry, Chairman

D A Crosbie, Chief Executive Officer

C S Rhodes, Chief Financial Officer

Results for the year		
	2024 £m	2023 £m
Net interest income	4,450	4,498
Other income and charges	214	175
Gains/(losses) from derivatives and hedge accounting	117	(4)
Administrative expenses	(2,422)	(2,323)
Impairment losses and other provisions	(239)	(117)
Profit before member reward payments and taxation	2,120	2,229
Member reward payments (note i)	(344)	-
Profit for the year before taxation	1,776	2,229
Taxation	(476)	(565)
Profit for the year	1,300	1,664

Reconciliation of statutory profit to underlying profit (note ii)		
	2024 £m	2023 £m
Statutory profit for the year before taxation	1,776	2,229
(Gains)/losses from derivatives and hedge accounting	(117)	4
Member reward payments (note i)	344	-
Underlying profit for the year before taxation	2,003	2,233

Notes:

- i. Member reward payments represent discretionary payments to members of the Society which may be determined by the Board from time to time, depending on the financial strength of the Society. Member reward payments were first recognised in the financial year ended 4 April 2024.
- ii. Member reward payments, gains or losses from derivatives and hedge accounting and any Financial Services Compensation Scheme (FSCS) costs or refunds from institutional failures are excluded from statutory profit to arrive at underlying profit. There are no FSCS costs or refunds from institutional failures for the financial years ended 4 April 2024 and 4 April 2023.

The reconciliation above adjusts statutory profit before tax for specific items to derive an underlying profit before tax figure. The purpose of this measure is to reflect management's view of the Group's underlying performance and to assist with like for like comparisons of performance across periods.

Financial position at the end of the year		
Assets	2024 £m	2023 £m
Liquid assets	52,656	56,110
Mortgages	204,146	201,382
Other lending (note i)	9,294	9,400
Derivative financial instrument assets	6,290	6,923
Fixed and other assets (note ii)	(469)	(1,922)
Total assets	271,917	271,893

Financial position at the end of the year		
Members' interests, equity & liabilities	2024 £m	2023 £m
Shares (member deposits)	193,366	187,143
Borrowings	50,517	57,873
Derivative financial instruments liabilities	1,451	1,524
Other liabilities	1,499	1,519
Subordinated liabilities	7,225	6,755
Subscribed capital	173	173
Core capital deferred shares	1,157	1,233
Other equity instruments	1,336	1,336
Reserves (note iii)	15,193	14,337
Total members' interests, equity and liabilities	271,917	271,893

Notes:

- i. Other lending includes consumer banking and commercial lending.
- ii. Fixed and other assets include negative hedge accounting adjustments which closely relate to other items within total assets.
- iii. Reserves include a general reserve of £15,119 million (2023: £14,184 million).
The remainder relates to a cash flow hedge reserve, revaluation reserve and other reserves.

Summary of the key financial ratios required by the Building Societies Act		
	2024	2023
Gross capital as a percentage of shares and borrowings: This ratio helps us measure how much capital we have to protect our members and other creditors against shocks.	10.3%	9.7%
Liquid assets as a percentage of shares and borrowings: This ratio is a measure of our ability to meet normal cash demands, such as savings withdrawals or providing new mortgages.	21.6%	22.9%
Profit for the year as a percentage of mean total assets: This ratio measures the profit made in the year relative to the average amount of total assets.	0.48%	0.61%
Management expenses as a percentage of mean total assets: This ratio is a way of measuring how efficient we are being.	0.89%	0.85%

We are required to disclose the above ratios under legislation originally drafted in 1986. Today, we use different measures for capital strength, liquidity, profitability and efficiency. These include our Common Equity Tier 1 (CET1) capital ratio, leverage ratio and underlying profit. More information on these measures is shown on page 18.

Statement of the auditors to the members and depositors of Nationwide Building Society.

We have examined the Summary financial statement of Nationwide Building Society for the year ended 4 April 2024, which comprises the Results for the year, the Reconciliation of statutory profit to underlying profit, the Financial position at the end of the year, and the Summary of key financial ratios required by the Building Societies Act 1986 set out on pages 19 and 20, and the Summary report of the directors on remuneration on pages 22 to 27.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Summary financial statement, in accordance with the Building Societies Act 1986, which includes information extracted from the Annual Report and Accounts and the auditable part of the Report of the directors on remuneration of Nationwide Building Society for the year ended 4 April 2024.

Our responsibility is to report to you our opinion on the consistency of the Summary financial statement with the Financial statements, Directors' report, and Report of the directors on remuneration within the Annual Report and Accounts, and its compliance with the relevant requirements of Section 76 of the Building Societies Act 1986 and the regulations made thereunder.

Basis of opinion

Our examination involved agreeing the balances disclosed in the Summary financial statement to the Annual Report and Accounts. Our audit report on the Society's Annual Report and Accounts and the auditable part of the Report of the directors on remuneration describes the basis of our opinion on those financial statements and the auditable part of that report.

Opinion

In our opinion the Summary financial statement is consistent with the Financial statements, the Directors' report and the Report of the directors on remuneration of Nationwide Building Society within the Annual Report and Accounts for the year ended 4 April 2024 and complies with the applicable requirements of Section 76 of the Building Societies Act 1986, and the regulations made thereunder.

Use of our report

This statement is made solely to the members and depositors of Nationwide Building Society, as a body, in accordance with Section 76 of the Building Societies Act 1986. Our audit work has been undertaken so that we might state to the Society's members and depositors those matters we are required to state to them in an auditor's statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members and depositors as a body, for our audit work, for this statement, or for the opinions we have formed.

Ernst & Young LLP

**Ernst & Young LLP, Registered Auditors
London, 22 May 2024**

Summary report of the directors on remuneration



Dear fellow member,

I am pleased to share a summary of the Remuneration Committee's report, including details of directors' pay for the year ended 4 April 2024, and a summary of the new directors' remuneration policy on which members will be asked to vote at the 2024 AGM.

Supporting our wider workforce

Our colleagues are integral to the Society's success and the Committee's oversight of remuneration across the workforce has featured prominently on its agenda during 2023/24.

The pay package agreed with the Nationwide Group Staff Union (NGSU) for 2024/25 covers the Society's wider workforce, excluding our most senior population. Eligible colleagues will

receive a salary increase of the greater of 4.5% of current salary or £1,300 (pro-rated), effective from 1 July 2024 and the Society's minimum salary will increase to £23,000. Around 9,000 colleagues will benefit from the £1,300 minimum increase, making the average total award delivered through the 2024/25 pay package 5.4%, higher than the average of 3.1% for our most senior population, demonstrating our continued investment in lower-earning roles. In combination with the 2022/23 pay package, salaries for eligible colleagues will have increased by at least 11% since April 2023.

Our new directors' remuneration policy

During 2023/24 the Committee undertook a detailed review of the

directors' remuneration policy to ensure that it continues to support the Society's strategic priorities and is appropriately positioned to recruit, motivate and retain executives of the calibre required to manage a systemically important institution. The Committee aimed to ensure strong alignment between reward and our customers' interests, maintaining a focus on long-term performance.

The Committee reviewed competitive market data and the positioning of our executive directors' total remuneration relative to our peers, which highlighted that the total remuneration opportunity for the Chief Executive Officer (CEO) currently sits substantially below UK banking peers and other firms (both

listed and private) of a similar size and complexity. The Committee also considered the Society's performance since the CEO's appointment in June 2022.

The new directors' remuneration policy is intended to apply for three years to the AGM in 2027. The Committee has updated the policy to increase the maximum Long-Term Performance Pay (LTPP) opportunity that may be awarded from 100% to 300% of salary. While this increase will provide headroom to make LTPP awards up to a maximum of 300%, the Committee does not intend to use the full flexibility this year. Reflecting on performance and market positioning, the Committee determined the first LTPP awards granted under the policy will have a maximum opportunity of 190% of salary for the CEO and 100% of salary for the Chief Financial Officer (CFO).

The Committee believes that the increase to LTPP opportunity is appropriate as it will ensure greater alignment between reward and the successful delivery of our long-term strategy.

Alongside the change to LTPP opportunity, the Committee has also introduced an enhanced approach to assessing performance for the executive directors' Annual Performance Pay (APP) awards for 2024/25, capturing a wider range of the Society's financial and non-financial key performance indicators.

2023/24 performance and pay outcomes

APP outcomes for 2023/24 for all eligible colleagues were determined by reference to consistent Society gateways, performance measures and two separate individual performance ratings reflecting both delivery and behaviours.

For the executive directors, taking account of Society performance and individual contribution, the Committee agreed APP outcomes of 91.88% for the CEO and 86.88% for the CFO.

LTPP awards to be granted in 2024 will be subject to forward-looking performance measures relating to: financial goals, customer satisfaction, Environmental, Social and Governance (ESG) goals, risk and compliance, and

transformation objectives linked to the Society's strategic priorities.

Further details of the Committee's assessment of performance pay outcomes are set out in the full Report of the directors on remuneration in the Annual Report and Accounts 2024.

Looking ahead to 2024/25

The Committee approved base salary increases of 2.94% for the CEO and 2.48% for the CFO, effective from 1 April 2024, lower than the average percentage increase received by the wider workforce.

Member voting on remuneration

This year there will be advisory votes on both the directors' remuneration report and the directors' remuneration policy. On behalf of the Remuneration Committee, I would like to thank members for their continued support and encourage you to vote in favour of both resolutions.

I hope you find the information in this report clear; if you have any questions please contact me via the Society Secretary.

Tracey Graham
Chair – Remuneration Committee

Our new directors' remuneration policy

The table below sets out a summary of the directors' remuneration policy which will be put forward to members at the 2024 AGM. The full policy is available at nationwide.co.uk

Element	Policy summary	Opportunity
Base salary	Salaries are reviewed on an annual basis with any changes effective from 1 April.	Salaries are set taking into account market data, skills, experience and performance.
Benefits	Benefits may include a car allowance, access to drivers and security, healthcare and insurance.	Benefits are reviewed regularly to ensure they remain appropriate to role and location.
Pension	Executive directors may receive a cash allowance and/or contribution to a defined contribution scheme.	Pension allowances are aligned with the maximum benefit available to the wider population.
Annual Performance Pay (APP)	APP awards reward the achievement of stretching targets for a single financial year. Performance measures and targets are set on an annual basis by the Committee.	The maximum opportunity for the executive directors is 100% of base salary.
Long-Term Performance Pay (LTPP)	LTPP awards incentivise sustainable long-term performance and alignment with customer interests. Awards only pay out where challenging performance measures are met, normally measured over a three-year period. Any payments will not start until after the end of this period and will be made in instalments between three and seven years from the grant date.	LTPP awards may be granted up to a maximum value of 300% of base salary. For awards granted in 2024, the CEO and CFO are eligible for maximum opportunities of 190% and 100% of base salary, respectively. Maximum awards will only be paid where there has been outstanding performance.

Annual Performance Pay 2023/24

APP outcomes for 2023/24 for all eligible colleagues were determined by reference to consistent Society performance measures and two separate individual performance ratings reflecting both delivery and behaviours. Three gateways must also be passed before any payment is made under the plan. The gateways are based on measures of profit before tax, leverage ratio and conduct risk. These gateways were passed in 2023/24.

Executive directors' APP outcomes for 2023/24 were determined by the Committee as set out below:

Society performance measure	Performance achieved in 2023/24 (note i)	Outcome / maximum achievable (% of salary)	
		D A Crosbie	C S Rhodes
Number of engaged customers	Maximum	17.5% / 17.5%	17.5% / 17.5%
Customer Experience Score	Above threshold	9.38% / 17.5%	9.38% / 17.5%
Total costs	Maximum	17.5% / 17.5%	17.5% / 17.5%
Heard good things about Nationwide	Maximum	17.5% / 17.5%	17.5% / 17.5%
Individual performance element		30% / 30%	25% / 30%
The Committee carefully considered the outcomes for the executive directors to ensure they were a fair reflection of performance, taking account of a broad range of factors. Overall, the Committee was satisfied that the outcomes were fair and no discretionary adjustment was applied.		0%	0%
Total performance pay achieved based on Society and individual performance		91.88% / 100%	86.88% / 100%

Note:

- i. Further details of the Committee's assessment of the outcomes for each element are set out in the full Report of the directors on remuneration. In reviewing performance under the APP plan during 2023/24, the Committee assessed the Society's performance against the four measures stated. The Committee must also be satisfied that there are no significant conduct, risk, reputational, financial, operational or other reasons why awards should not be made, taking into account input from the Board Risk and Audit committees.

These disclosures are included in compliance with the Building Societies Act 1986 and other mandatory reporting regulations, including the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), which the Society has voluntarily adopted. The table below shows the total remuneration for each executive director who served during the year ended 4 April 2024.

Single total figure of remuneration for each executive director (Audited)				
	D A Crosbie		C S Rhodes	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Salary	1,137	889	732	690
Pension allowance	182	142	117	110
Travel and other taxable benefits (note i)	47	32	105	81
Total fixed remuneration	1,366	1,063	954	881
Annual performance pay (note ii)	1,044	687	636	496
Total variable remuneration	1,044	687	636	496
Total pay package excluding replacement awards	2,410	1,750	1,590	1,377
Replacement awards (note iii)	-	1,705	-	-
Total pay package including replacement awards	2,410	3,455	1,590	1,377

Notes:

- i. Travel and other taxable benefits include travel, accommodation and other business-related costs for directors, incurred in connection with the performance of their duties, including any tax due under HMRC regulations, as well as medical insurance, car allowance and security.
- ii. Amounts of variable remuneration shown consist of the awards under the APP plan. LTPP awards are subject to the achievement of performance conditions over three years from grant and, to the extent the performance measures are met, details will be included in the relevant directors' remuneration report (for example, any amounts delivered relating to the LTPP awards granted in June 2023 will be disclosed within the Annual Report and Accounts 2026).
- iii. D A Crosbie succeeded J D Garner as CEO on 2 June 2022. As announced in the Annual Report and Accounts 2022, the Committee agreed to compensate D A Crosbie for the forfeiture of variable pay awards from her previous employment at TSB. In line with regulatory requirements, these replacement awards are not more generous in terms or amounts than she would otherwise have received.

CEO pay ratio reporting

The ratio of the CEO's total remuneration versus the total remuneration of the median employee of the Society for 2023/24 was 64:1 (56:1 in 2022/23 excluding the one-off replacement awards granted to D A Crosbie upon her appointment as CEO). Further details of the CEO pay ratio calculation are set out in the full Report of the directors on remuneration.

The total fees paid to each non-executive director that served during the year ended 4 April 2024 are shown below.

	Single total figure of remuneration for non-executive directors (Audited)					
	2024			2023		
	Society and Group fees	Travel and other taxable benefits (note i)	Total fees and taxable benefits	Society and Group fees	Travel and other taxable benefits (note i)	Total fees and other taxable benefits (note i)
	£'000	£'000	£'000	£'000	£'000	£'000
K A H Parry (Society Chairman)	557	18	575	525	6	531
T Graham (Senior Independent Director) (note ii)	218	19	237	72	4	76
R M Fyfield (note iii)	44	3	47	138	2	140
A Hitchcock	148	23	171	122	9	131
A M Keir	192	20	212	144	10	154
D Klein	119	2	121	100	2	102
S Orton (note iv)	99	3	102	-	-	-
T Rajah	103	1	104	94	-	94
G Riley	150	30	180	95	10	105
P G Rivett	192	1	193	155	1	156
G Waersted (note v)	42	8	50	131	9	140
Total	1,864	128	1,992	1,576	53	1,629
Pension payments to past non-executive directors (note vi)			218			231

Notes:

- i. Taxable benefits for non-executive directors relate to travel, accommodation and other business-related costs in connection with their duties and attendance at Board and committee meetings. Where these expenses are deemed taxable, the Society settles the tax on behalf of the non-executive directors and this is included in the amounts shown. Where a non-UK director is not UK domiciled their reimbursed cost of travel into and out of the UK is not a taxable benefit.
- ii. T Graham joined the Board on 28 September 2022 and was appointed Chair of the Remuneration Committee on 1 January 2023 and Senior Independent Director on 20 July 2023.
- iii. R M Fyfield stepped down from the Board on 19 July 2023.
- iv. S Orton joined the Board on 1 June 2023.
- v. G Waersted stepped down from the Board on 19 July 2023.
- vi. The Society stopped granting pension rights to non-executive directors who joined the Board after January 1990.

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