

Nationwide Building Society

Issuer View • 09 September 2025

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Ratings

Nationwide Building Society

	Rating	Outlook
Fitch	A	Stable
Moody's*	A1	Stable
S&P	A+	Stable

Homepage

www.nationwide.co.uk

* Senior Unsecured/LT Bank Deposits

The cooperatively organised Nationwide Building Society (NBS), based in Swindon, is the UK's largest building society by assets (FY/2025: GBP 368bn). In October 2024, Nationwide successfully completed the acquisition of Virgin Money for an amount of GBP 2.8bn. The integration of Clydesdale Bank (operating subsidiary of Virgin Money) is scheduled to be completed in the 2026/27-time window. With a market share of 16.2% (FY/2025) in the mortgage market, the bank claims to be the second-largest mortgage provider in the United Kingdom and is classified by the Bank of England as an other systemically important institution. In terms of deposits, the bank has a market share of 12.2% in the UK. Reporting is carried out in the two operating segments "Nationwide sub-group" (FY/2025: 97.6% of pre-tax income) and "Virgin Money sub-group" (2.4%). The refinancing structure of NBS consists mainly of customer deposits (FY/2025: 70.9%) and wholesale funding (15.6%). The most important instruments of wholesale funding are covered bonds (FY/2025: 36.9%), senior preferred and senior non-preferred bonds with 26.0% and 14.3% respectively. NBS has already exceeded its target of providing GBP 2bn in loans for social housing up to and including 2025 with almost GBP 2.5bn (FY/2025). As a member of the Net-Zero Banking Alliance, it also plans to reduce its CO₂ emissions to net zero by 2050 and supports social projects (mainly research and innovation for housing) through the Nationwide Foundation. The NBS's fiscal year ended on 31 March.

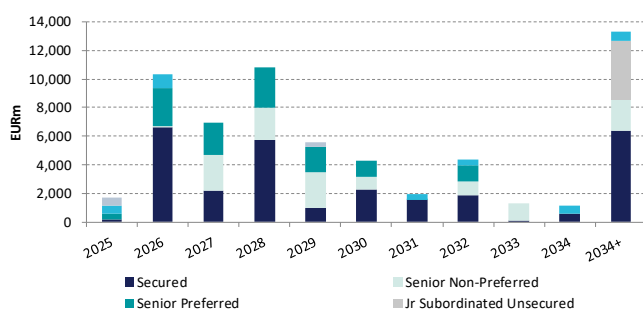
Balance Sheet

(EURm)	2023Y	2024Y	2025Y
Net Loans to Customers	240,294	249,864	359,672
Total Securities	33,661	34,525	37,496
Total Deposits	219,263	231,668	337,206
Tier 1 Common Capital	15,656	17,323	18,661
Total Assets	309,961	318,520	439,747
Total Risk-weighted Assets	58,974	63,950	97,866

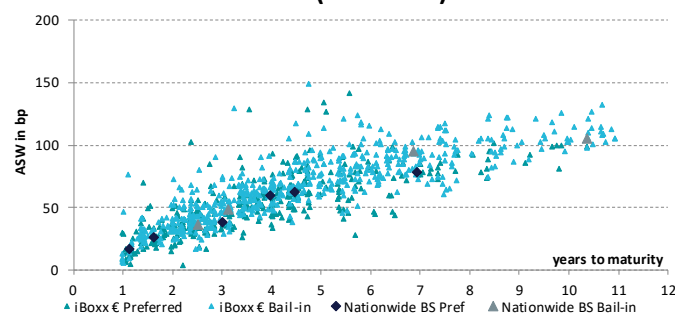
Income Statement

(EURm)	2023Y	2024Y	2025Y
Net Interest Income	5,205	5,157	5,935
Net Fee & Commission Inc.	140	155	189
Net Trading Income	69	183	21
Operating Expense	2,614	2,942	3,769
Credit Commit. Impairment	146	130	751
Pre-tax Profit	2,579	2,058	2,737

Redemption Profile



Senior Unsecured Bonds (EUR BMK)



Company Ratios

	2023Y	2024Y	2025Y
Net Interest Margin	1.67	1.65	1.58
ROAE	10.21	7.52	12.25
Cost-to-Income	48.38	53.58	61.15
Core Tier 1 Ratio	26.55	27.09	19.07

	2023Y	2024Y	2025Y
Liquidity Coverage Ratio	-	-	-
IFRS Tier 1 Leverage Ratio	5.10	5.49	4.28
NPL/Loans at Amortised Cost	-	-	-
Reserves/Loans at Amort. Cost	0.36	0.36	0.43

As of: 09.09.2025; Source: Bloomberg, S&P Global Market Intelligence, NORD/LB Floor Research

Strengths / Opportunities

- Franchise in their home market
- Capitalisation
- NPL ratio

Risks / Weaknesses

- Concentration risks (UK residential mortgages)
- Profitability
- Leverage ratio

Covered Bonds

Mortgage cover pool with a volume of GBP 23.0bn

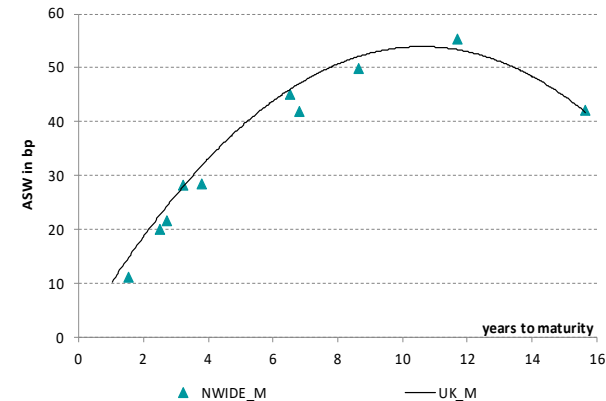
The Nationwide Building Society reported an outstanding covered bond volume of GBP 16.6bn (EUR 19.4bn) as of 30 June 2025. This compares with cover assets of GBP 23.0bn (EUR 27.0bn) and makes NBS one of the largest covered bond issuers on the British market. At 38.5%, the overcollateralisation ratio is above the statutory overcollateralisation of 8%. In addition to issues in EUR, the NBS also has outstanding covered bonds in CHF, NOK, USD and the home currency GBP. In addition, Nationwide is represented in the iBoxx EUR Covered with a total of ten EUR benchmarks (outstanding volume: EUR 7.1bn).

Programme data 30 June 2025

	Mortgage
Covered bonds outstanding	GBP 16.6bn (EUR 19.4bn)
Cover pool volume	GBP 23.0bn (EUR 27.0bn)
Current OC (nominal / legal)	38.5% / 8.0%
Type	100% Residential
Main country	100% UK
Main region	14.7% Outer Metropolitan
Number of loans / exposures	201,200
Share of 10 largest exposures	0.04%
Fixed interest (Cover Pool / CBs)	90.2% / 65.8%
WAL (Cover Pool / CBs)	20.4y / 4.7y
NPL	0.8%
CB Rating (Fitch / Moody's / S&P)	AAA / - / AAA

Source: Issuer, rating agencies, Bloomberg, NORD/LB Floor Research

Spread overview (BMK) – United Kingdom



Exclusively residential cover assets from the UK

The Nationwide Mortgage Cover Pool contains only primary cover assets, which are entirely residential loans. In addition, the cover assets are all located within the United Kingdom and are denominated in GBP. The granularity of the pool is particularly reflected in the number of loans (201,200) and the small share of the ten largest exposures (0.04%). In addition, more than half of the residential loans used for cover (53.5%) have been in existence for five years or more. In terms of regional distribution within the United Kingdom, the Outer Metropolitan region accounted for the largest share of original cover assets at 14.7%, followed by Outer South East (12.3%), London (11.8%) and Scotland (11.5%). 90.2% of the mortgage loans in the cover pool have a fixed interest rate. While the average LTV for the non-indexed case is given as 56.9%, the indexed LTV, which takes into account price changes on the real estate market, is 49.0%.

Rating and regulatory treatment

NBS's mortgage-backed covered bonds each have the top rating from the rating agencies Fitch and Standard & Poor's (both AAA). With regard to regulatory treatment, a risk weight of 20% is decisive for the covered bonds of the program. In our opinion, the prerequisites for the use of the EUR benchmarks as Level 2A assets in the context of LCR management can be considered to be met if the equivalence of the relevant supervisory bodies is assumed.

Appendix

Contacts at NORD/LB

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