

Nationwide Building Society

Issuer View • 17 March 2026

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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 mutually organized Nationwide Building Society (NBS), headquartered in Swindon, is the largest building society in the UK by assets (09/2025: GBP 377bn). In October 2024, Nationwide successfully completed the acquisition of Virgin Money for GBP 2.8bn. The integration of Clydesdale Bank (Virgin Money's operating subsidiary) is scheduled to be completed within the fiscal year 2026/27. With a market share of 16.3% (09/2025) in the mortgage market, the bank is, according to its own statements, the second-largest mortgage provider in the UK and is classified by the Bank of England as another systemically important institution. In retail deposits, the bank reports a market share of 12.2% in the UK. As the integration process of Virgin Money into NBS progresses, Virgin Money's business activities will no longer be reported in a separate segment. Accordingly, the institution reported only one operating segment at the end of the first (financial) half-year (09/2025). NBS's refinancing structure consists mainly of customer deposits (09/2025: 70.5% of liabilities) and wholesale funding (16.4%). The most significant instruments of wholesale funding are covered bonds (09/2025: 37.2%) as well as senior preferred and senior non-preferred bonds with 19.3% and 18.1%, respectively. NBS exceeded its goal of providing GBP 2bn in loans for social housing by the end of 2025 and plans to grant an additional GBP 1.5bn in new loans in this sector by the end of 2028. NBS's fiscal year ends on 31 March.

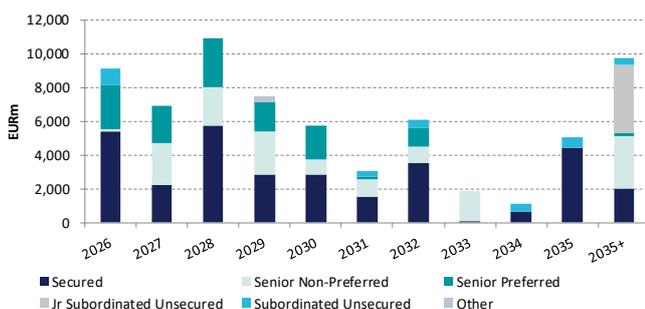
Balance Sheet

(EURm)	2023/24	2024/25	09/2025
Net Loans to Customers	248,886	359,672	350,299
Total Securities	34,390	37,496	35,712
Total Deposits	230,760	337,206	330,978
Tier 1 Common Capital	17,255	18,661	18,247
Total Assets	317,272	439,747	432,450
Total Risk-weighted Assets	63,700	97,866	99,427

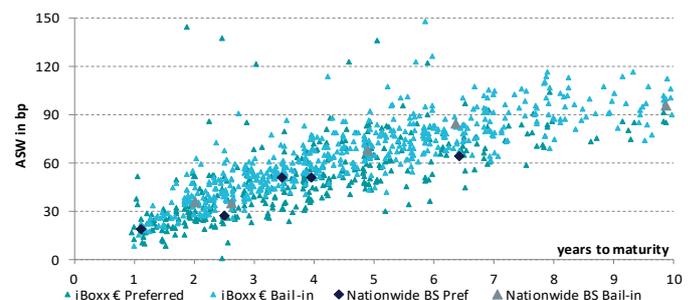
Income Statement

(EURm)	2023/24	2024/25	09/2025
Net Interest Income	5,158	5,935	3,434
Net Fee & Commission Inc.	155	189	153
Net Trading Income	183	21	23
Operating Expense	2,943	3,769	2,413
Credit Commit. Impairment	130	751	170
Pre-tax Profit	2,058	2,737	566

Redemption Profile



Senior Unsecured Bonds (EUR BMK)



Company Ratios

	2023/24	2024/25	09/2025		2023/24	2024/25	09/2025
Net Interest Margin	1.65	1.58	1.60	Liquidity Coverage Ratio	-	-	-
ROAE	7.52	12.25	3.64	IFRS Tier 1 Leverage Ratio	5.49	4.28	4.25
Cost-to-Income	53.58	61.15	66.54	NPL/Loans at Amortised Cost	-	-	-
Core Tier 1 Ratio	27.09	19.07	18.35	Reserves/Loans at Amort. Cost	0.36	0.43	0.43

As of: 17 March 2026; Source: Bloomberg, S&P Global Market Intelligence, NORD/LB Floor Research

Strengths / Opportunities

- Capitalisation
- Low dependence on wholesale funding

Risks / Weaknesses

- Concentration risks (UK Residential Mortgages)
- Integration costs (Virgin Money acquisition)

Covered Bonds

Mortgage cover pool with a volume equivalent to EUR 29.9bn

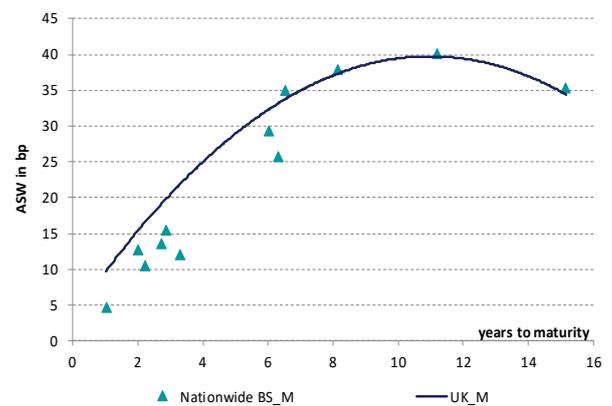
As of 31 December 2025, Nationwide Building Society reported an outstanding covered bond volume of GBP 18.3bn (EUR 21.0bn). In contrast, cover assets amount to GBP 26.1bn (EUR 29.9bn), making NBS one of the largest covered bond issuers in the UK market. The overcollateralization ratio stands at 42.5%, well above the legally required 8%. In addition to EUR-denominated issues, NBS also has outstanding covered bonds in CHF, NOK, USD, and its domestic currency GBP. Furthermore, NBS is represented in the March composition of the iBoxx EUR Covered index with a total of 12 EUR benchmarks (outstanding volume: EUR 8.6bn).

Programme data

31 December 2025	Mortgage
Covered bonds outstanding	GBP 18.3bn (EUR 21.0bn)
Cover pool volume	GBP 26.1bn (EUR 29.9bn)
Current OC (nominal / legal)	42.5% / 8.0%
Type	100% Residential
Main country	100% UK
Main region	14.5% Outer Metropolitan
Number of loans	213,528
Share of 10 largest exposures	0.04%
Fixed interest (Cover Pool / CBs)	91.1% / 69.0%
WAL (Cover Pool / CBs)	21.5y / 4.3y
NPL	0.6%
CB Rating (Fitch / Moody's / S&P)	AAA / - / AAA

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

Spread overview (BMK) – UK



Cover pool with residential cover assets from the UK

The NBS Mortgage Cover Pool contains exclusively primary cover assets, which consist entirely of residential loans. All cover assets are located within the United Kingdom and denominated in GBP. The granularity of the pool is reflected in the number of loans (213,528) and the very low share of the ten largest exposures (0.04%). Almost half of the residential loans used for coverage (46.7%) have been outstanding for five years or longer. Regarding regional distribution within the UK, the largest share of original cover assets is in the “Outer Metropolitan” region (14.5%), followed by “Outer South East” (12.2%), “London” (11.9%), and “Scotland” (11.6%). 91.1% of the mortgages in the cover pool have a fixed interest rate. While the average LTV in the non-indexed case is reported at 58.9%, the indexed LTV, which accounts for property price changes, stands at 52.0%.

Rating and regulatory treatment

Nationwide Building Society’s mortgage-backed covered bonds each have the top rating from the rating agencies Fitch and S&P (both AAA). With regard to regulatory treatment, a risk weight of 20% is applicable 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. In addition, NBS covered bonds are eligible as collateral for transactions with the ECB.

Appendix

Contacts at NORD/LB

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