

This document constitutes the statement relating to the Offer of core capital deferred shares (CCDS) described in the prospectus published by Nationwide Building Society (the **Society**) on 22 November 2013 (the **Prospectus**). This statement is prepared in accordance with the Prospectus Rules of the Financial Services Authority (the **FCA**) made under section 73A of the Financial Services and Markets Act 2000.

This document must be read in conjunction with the Prospectus. Terms used and not defined herein shall have the same meaning ascribed to them in the Prospectus. Prospective investors should read both this document and the entire Prospectus and, in particular, for a discussion of certain risks that should be considered in connection with an investment in the CCDS, Part II of the Prospectus: “*Risk Factors*”.

## NATIONWIDE BUILDING SOCIETY

*(incorporated in England and Wales under the UK Building Societies Act 1986, as amended, and regulated by the Prudential Regulation Authority and the Financial Conduct Authority with FCA Mutuals Public Register Number 355B)*

**Offer of 5,000,000 Core Capital Deferred Shares of £1 each  
at an Offer Price of £100 per CCDS  
and admission to the Official List and to trading on the London Stock Exchange**

Application will be made to the FCA for all of the Core Capital Deferred Shares (CCDS) of the Society to be issued (comprising 5,000,000 CCDS to be issued pursuant to the Offer and up to an additional 750,000 CCDS to be issued pursuant to any exercise of the Over-allotment Option) to be admitted to the Standard Listing segment of the Official List maintained by the FCA and to the London Stock Exchange plc (the **London Stock Exchange**) for such CCDS to be admitted to trading on the London Stock Exchange’s main market for listed securities. It is expected that admission to listing to the Standard Listing segment of the Official List and trading on the London Stock Exchange’s main market for listed securities (**Admission**) will become effective and that dealings will commence at 8.00 a.m. on 9 December 2013. **No application has been, or is currently intended to be, made for the CCDS to be admitted to listing or trading on any other stock exchange.**

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*Joint Bookrunners*

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**BofA Merrill Lynch  
J.P. Morgan Cazenove**

**Barclays  
UBS Investment Bank**

*Financial Adviser and Structuring Adviser*  
**Rothschild**

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**ISSUED CCDS CAPITAL IMMEDIATELY FOLLOWING ADMISSION**  
*(assuming no exercise of the Over-allotment Option)*

<b>CCDS of</b>	<b>Number</b>	<b>Nominal Value of Issued CCDS</b>
£1 each	5,000,000	£500,000,000

**The CCDS are deferred shares for the purposes of section 119 of the Building Societies Act 1986, as amended, and are not protected liabilities for the purpose of the Financial Services Compensation Scheme established under the FSMA.**

Prospective investors should read the Prospectus in its entirety and in particular “*Part II: Risk factors*” on pages 25 to 57 of the Prospectus for a discussion of certain risks and other factors that should be considered in connection with an investment in the CCDS. Prospective investors should be aware that an investment in the Society involves a degree of risk and that, if one or more of the risks described in the Prospectus were to occur, investors may find that their investment is materially adversely affected. The CCDS are a new financial instrument with many novel and complex features. As a provider of core capital to the Society, an investor in CCDS should be prepared to suffer losses on its investment if, in particular, the Society and/or the financial sector generally approaches or enters into a period of financial stress. In particular, investors should note that the Society has neither an obligation nor any right to redeem the CCDS and the CCDS holders do not have any right to require the Society to do so. The declaration of any interim and/or final Distribution on the CCDS by the Society in respect of any financial year is wholly discretionary. Further, a transfer of CCDS will not be valid unless the number of CCDS transferred is a whole number that is equal to or greater than the minimum transfer amount prevailing at the time of transfer. The minimum transfer amount is fixed at 250 CCDS and will not be reduced except in agreement with the Relevant Regulators.

**This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.**

The CCDS have not been, nor will they be, registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or under the applicable securities laws or the regulations of any state or other jurisdiction of the United States. The CCDS are being offered and sold outside the United States in reliance on Regulation S under the Securities Act. Subject to certain exceptions, the CCDS may not be offered or sold in the United States, Australia, Hong Kong, Singapore, Switzerland or Japan or to or for the account or benefit of any national, resident or citizen of the United States, Australia, Hong Kong, Singapore, Switzerland or Japan. For a description of these and certain further restrictions on offers, sales and transfers of the CCDS and the distribution of the Prospectus, see “*Part VI: Details of the Offer*” on pages 68 to 75 of the Prospectus. The CCDS are subject to restrictions on resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

This document is an advertisement for the purposes of paragraph 3.3.2R of the Prospectus Rules made under Part VI of the Financial Services and Markets Act 2000 and not a prospectus and investors should not subscribe for any transferable securities referred to in this document except on the basis of information in the Prospectus and this document. Copies of the Prospectus are available from the Society’s registered office.

No person has been authorised to give any information or make any representations other than those contained in this document and the Prospectus and, if given or made, such information or representations must not be relied on as having been so authorised. Apart from the responsibilities and liabilities, if any, which may be imposed on Barclays Bank PLC (**Barclays**), which has been appointed Joint Bookrunner, J.P. Morgan Securities plc (**J.P. Morgan**), which has been appointed Joint Bookrunner, Merrill Lynch International (**BofA Merrill Lynch**), which has been appointed Joint Bookrunner, UBS Limited (**UBS** and, together with Barclays, J.P. Morgan and BofA Merrill Lynch, the Joint Bookrunners), which has been appointed as Joint Bookrunner, and NM Rothschild & Sons Limited, which has been appointed as Financial Adviser and Structuring Adviser (**Rothschild** and, together with the Joint Bookrunners, the **Banks**) by the FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Banks accepts any responsibility whatsoever for, or makes any representation or warranty, express or implied, as to the contents of this document or for any other statement made or purported to be made by it, or on its behalf, in connection with the Society, the CCDS or the Offer and nothing in this document will be relied upon as a promise or representation in this respect, whether or not to the past or future. Each of the Banks accordingly disclaims all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this document or any such statement. Neither the delivery of this document nor any subscription or sale made under the Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Society or Nationwide since the date of this document or that the information in it is correct as of any subsequent time.

By accepting an allocation of CCDS, each investor will be deemed to acknowledge, represent and agree that (a) it is a qualified investor within the meaning of Article 2(1)(e) of Directive 2003/71/EC (and any amendments thereto) and any relevant implementing measures, which is either (i) purchasing the CCDS to be held for its own account; or (ii) acting in a discretionary capacity for the benefit of one or more third parties or funds; and (b) if in the United Kingdom, it is an

“investment professional” for the purposes of Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

The contents of this document should not be construed as legal, financial or tax advice. Any prospective investor should consult its own legal, financial or tax adviser for legal, financial or tax advice in relation to a purchase of CCDS.

**The CCDS have not been approved or disapproved by the U.S. Securities and Exchange Commission, any other federal or state securities commission in the United States or any other U.S. regulatory authority, nor have any such authorities passed upon or endorsed the merits of the Offer or confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offence in the United States.**

**The distribution of this document and the offer and sale of the CCDS in certain jurisdictions may be restricted by law. No action has been or will be taken by the Society or the Banks to permit a public offering of the CCDS other than the Offer in the United Kingdom. Other than in the United Kingdom, no action has been taken or will be taken to permit the possession or distribution of this document (or any other offering or publicity materials or application form(s) relating to the CCDS) in any jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this document, any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with applicable restrictions may constitute a violation of the securities laws of the relevant jurisdiction. Further information with regard to the restrictions on the distribution of this document and the offering and sale of the CCDS is set out in the Prospectus at paragraph 12 “*Selling restrictions*” of “*Part VI: Details of the Offer*”. Each subscriber for CCDS will be deemed to have made the relevant representations set out therein.**

## FORWARD LOOKING STATEMENTS

Certain information contained or incorporated by reference in this document and the Prospectus including any information as to Nationwide’s strategy, plans or future financial or operating performance constitute “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “projects”, “expects”, “intends”, “aims”, “plans”, “predicts”, “may”, “will”, “seeks” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and the Prospectus include statements regarding the intentions, beliefs or current expectations of the Directors concerning, amongst other things: Nationwide’s results of operations, financial condition, prospects, growth, strategies and the industry in which Nationwide operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. Nationwide’s actual results of operations, financial condition, and the development of the financial services industry in which Nationwide operates, may differ materially from those suggested by the forward-looking statements contained in this document and the Prospectus. In addition, even if Nationwide’s results of operations, financial condition, and the development of the financial services industry are consistent with the forward-looking statements contained in this document and the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Forward-looking statements and other statements contained in this document and the Prospectus regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing Nationwide. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document and the Prospectus may not occur.

The forward-looking statements contained in this document speak only as of the date of this document. The Society, the Directors and the Banks expressly disclaim any obligation or undertaking to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so by applicable law, the Prospectus Rules, the Listing Rules, or the Disclosure and Transparency Rules of the FCA. All subsequent written and oral forward-looking statements attributable to the Nationwide or individuals acting on behalf of the Nationwide are expressly qualified in their entirety by this paragraph.

## STABILISATION

In connection with the Offer, the Society has granted BofA Merrill Lynch, as stabilising manager (the **Stabilising Manager**), an option (the **Over-allotment Option**), pursuant to which the Stabilising Manager may require the Society to make available additional CCDS of up to 15 per cent. of the aggregate number of CCDS available in the Offer (before any exercise of the Over-Allotment Option) at the Offer Price to cover over-allotments, if any, made in connection with the Offer. The Over-allotment Option may be exercised, in whole or in part, at any time during the period commencing with the date of publication of the Statement and ending on the third business day immediately prior to the date of Closing. In connection with the Offer, the Joint Bookrunners may over-allot or effect other transactions with a view to supporting the market price of the CCDS at a level higher than that which might otherwise prevail for a period commencing on the date of publication of the Statement and ending on the third business day immediately prior to the date of Closing. Such transactions may be effected in the over-the-counter markets. There is no obligation on the Joint Bookrunners to undertake stabilisation transactions. Such transactions, if commenced, may be discontinued at any time without prior notice and must be brought to an end on the third business day immediately prior to the date of Closing. Save as required by applicable law or regulation, the Joint Bookrunners do not intend to disclose the extent of any stabilisation transactions under the Offer.

The Banks, each of which is authorised by the Prudential Regulation Authority (the **PRA**) and regulated by the PRA and the FCA in the United Kingdom, are acting exclusively for the Society and no one else in connection with the Offer and will not regard any other person (whether a recipient or reader of this document) as their respective clients in relation to the Offer and will not be responsible to anyone other than the Society for providing the protections afforded to their respective clients nor for giving advice in relation to the Offer, Admission or any other matter referred to in this document.

In connection with the Offer, the Banks and any of their respective affiliates, acting as investors for their own accounts, may subscribe for and/or purchase CCDS, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own account in CCDS and other securities of the Society or related investments in connection with the Offer or otherwise. Accordingly, references in this Prospectus to the CCDS being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, underwriting or dealing by, any Bank and any of its affiliates acting as an investor for its own account. The Banks do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, certain of the Banks or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which such Banks (or their affiliates) may from time to time acquire, hold or dispose of CCDS. Some of the Banks and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Society or its affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. In addition, in the ordinary course of their business activities, the Banks and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Society or its affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

None of the Banks or any of their respective subsidiary undertakings, affiliates or any of their respective directors, officers, employees, advisers, agents or any other person accepts any responsibility or liability whatsoever for, or makes any representation or warranty, express or implied, as to the truth, accuracy, completeness or fairness of the information or opinions in this document (or whether any information has been omitted from this document) or any other information relating to the Nationwide or the Society, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection therewith.

The date of this document is 27 November 2013.

## 1. Final Offer Statistics

Number of CCDS comprised in the Offer <sup>(1)</sup>	5,000,000
Maximum number of CCDS subject to the Over-allotment Option	750,000
Gross proceeds from the Offer <sup>(1)</sup>	£500 million
Estimated net proceeds from the Offer <sup>(2)</sup>	£478 million

Notes:

(1) Assumes the Over-allotment Option is not exercised.

(2) The estimated net proceeds receivable by the Society pursuant to the Offer are stated after deduction of the estimated underwriting commissions and other fees, taxes and expenses payable by the Society which are expected to be an amount up to approximately £22 million. The estimated net proceeds assume that the Over-allotment Option is not exercised.

## 2. Distribution policy

If the CCDS had been in issue for the financial year ended 4 April 2013, the Board is likely to have declared an interim Distribution of £5.125 per CCDS for payment in December 2012 and a final Distribution of £5.125 per CCDS for payment in June 2013.

Given the expected timing of the issue of CCDS within the Society's financial cycle, the Board currently expects to make a final Distribution payment in June 2014 which, based on the indication above, would be of £5.50 per CCDS.

## 3. Documents available for inspection

This Statement will be submitted to the UKLA, and submitted to the National Storage Mechanism where it will shortly be available for inspection at [www.morningstar.co.uk/uk/NSM](http://www.morningstar.co.uk/uk/NSM).

To view the Prospectus, please paste the following URL into the address bar of your browser.

[http://www.rns-pdf.londonstockexchange.com/rns/7495T\\_-2013-11-22.pdf](http://www.rns-pdf.londonstockexchange.com/rns/7495T_-2013-11-22.pdf)

Alternatively, the Prospectus and a copy of this Statement may be inspected free of charge at the Society's registered office.