

## FINAL TERMS

25 October 2010

### Nationwide Building Society

**Issue of NOK 500,000,000 4.89 per cent. Series 2010-2 Covered Bonds  
irrevocably and unconditionally guaranteed as to payment of principal and interest by  
Nationwide Covered Bonds LLP  
under the €45 billion Global Covered Bond Programme**

The Programme has been registered, and notice of these Covered Bonds will be made, under the Regulated Covered Bonds Regulations 2008 (SI 2008/346).

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Covered Bonds (the **Conditions**) set forth in the Base Prospectus dated 1 July 2010 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer, the LLP and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing during normal business hours at the registered office of the Issuer and copies may be obtained from the London office of the Agent.

The issuance of the Covered Bonds is being made directly to Nationwide Building Society as the initial purchaser of the Covered Bonds.

- |    |     |   |   |
|----|-----|---|---|
| 1. | (a) | Issuer:   | Nationwide Building Society             |
|    | (b) | Guarantor:  | Nationwide Covered Bonds LLP            |
| 2. | (a) | Series Number:  | 2010-2                                  |
|    | (b) | Tranche Number:   | 1                                       |
| 3. |     | Specified Currency or Currencies:   | Norwegian Krone ( <b>NOK</b> )          |
| 4. |     | Aggregate Nominal Amount of Covered Bonds:                                    |   |
|    | (a) | Series:   | NOK 500,000,000                         |
| 5. |     | Issue Price:  | 100.00% of the Aggregate Nominal Amount |
| 6. | (a) | Specified Denominations:  | NOK 1,000,000                           |
|    | (b) | Calculation Amount: ( <i>Applicable to Covered Bonds in definitive form</i> ) | NOK 1,000,000                           |

7.	(a)	Issue Date:	26 October 2010
	(b)	Interest Commencement Date:	26 October 2010
8.	(a)	Final Maturity Date:	26 October 2020
	(b)	Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee:	26 October 2021
9.		Interest Basis:	4.89 per cent. Fixed Rate  (further particulars specified below)
10.		Redemption/Payment Basis:	Redemption at par
11.		Change of Interest Basis or Redemption/Payment Basis:	Applicable from and including the Final Maturity Date to but excluding the Extended Due for Payment Date.  1 Month NIBOR plus 1.10 per cent. per annum Floating Rate payable monthly in arrear from and including the Final Maturity Date to but excluding the Extended Due for Payment Date.
12.		Call Options:	Not Applicable
13.	(a)	Status of the Covered Bonds:	Senior
	(b)	Status of the Guarantee:	Senior
	(c)	Date Board approval for issuance of Covered Bonds obtained:	19 October 2005
14.		Method of distribution:	Non-syndicated

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15.		Fixed Rate Covered Bond Provisions	Applicable from and including the Interest Commencement Date, to but excluding the Final Maturity Date
	(a)	Fixed Rate(s) of Interest	4.89 per cent. per annum payable annually in arrear
	(b)	Interest Payment Date(s):	26 October in each year until (and including) the Final Maturity Date
	(c)	Fixed Coupon Amount(s):	NOK 48,900 per Calculation Amount per annum (payable annually)
	(d)	Broken Amount(s):	Not Applicable

(e)	Day Count Fraction:	30/360
(f)	Determination Date:	26 October in each year
(g)	Other terms relating to the method of calculating interest for Fixed Rate Covered Bonds:	Not Applicable
16.	Floating Rate Covered Bond Provisions	Applicable from and including the Final Maturity Date to, but excluding the Extended Due for Payment Date
(a)	Interest Period(s)	From and including the Final Maturity Date to but excluding the Specified Interest Payment Date falling in November 2020 and thereafter from and including each Specified Interest Payment Date to but excluding the following Specified Interest Payment Date.
(b)	Specified Interest Payment Date(s):	The 26th day of each month from and including 26 November 2020 to and including the Extended Due For Payment Date.
(c)	First Interest Payment Date	26 November 2020
(d)	Business Day Convention:	Modified Following Business Day Convention
(e)	Business Centre(s):	London and Oslo
		Adjustments for non-London Business Days will not apply for the LLP Payment Date in relation to this issue of Covered Bonds.
(f)	Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination
(g)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount (if not the Agent):	Not Applicable
(h)	Screen Rate Determination:	Applicable
	– Reference Rate:	1 Month NIBOR
	– Interest Determination Date(s):	Second Oslo Banking Day prior to the start of each Interest Period
	– Relevant Screen Page:	Reuters page NIBR
(i)	ISDA Determination:	Not Applicable
(j)	Margin(s):	+ 1.10 per cent. per annum.

(k)	Minimum Rate of Interest:	Not Applicable
(l)	Maximum Rate of Interest:	Not Applicable
(m)	Day Count Fraction:	Actual/360
(n)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Covered Bonds, if different from those set out in these Conditions:	Not Applicable
17.	Zero Coupon Covered Bond Provisions	Not Applicable
18.	Index Linked Interest Covered Bond/other variable-linked interest Covered Bond Provisions	Not Applicable
19.	Dual Currency Covered Bond Provisions:	Not Applicable

#### **PROVISIONS RELATING TO REDEMPTION BY THE ISSUER**

20.	Call Option:	Not Applicable
21.	Put Option:	Not Applicable
22.	Final Redemption Amount of each Covered Bond:	100 per cent.
23.	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons, on acceleration following an Issuer Event of Default or an LLP Event of Default and/or the method of calculating the same (if required or if different from that set out in Condition 6.5):	Not Applicable

#### **GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS**

24.	Form of Covered Bonds:	Bearer Covered Bonds:  Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Bearer Definitive Covered Bonds in definitive form only after an Exchange Event
25.	New Global Covered Bond:	Yes
26.	Financial Centre(s) or other special provisions relating to payment dates:	Not Applicable
27.	Talons for future Coupons or Receipts to be	No

attached to Bearer Definitive Covered Bonds  
(and dates on which such Talons mature):

- |     |   |                |
|-----|---|----------------|
| 28. | Details relating to Partly Paid Covered Bonds: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Covered Bonds and interest due on late payment: | Not Applicable |
| 29. | Details relating to Instalment Covered Bonds:   |                |
|     | (a) Instalment Amount(s):   | Not Applicable |
|     | (b) Instalment Date(s):   | Not Applicable |
| 30. | Redenomination, renominatisation and reconventioning provisions:  | Not Applicable |
| 31. | Other final terms:  | Not Applicable |
| 32. | Additional U.S. Federal Income Tax Considerations:  | Not Applicable |

## **DISTRIBUTION**

- |     |  |   |
|-----|--|---|
| 33. | (a) If syndicated, names of Managers:          | Not applicable  |
|     | (b) Date of Subscription Agreement:            | 25 October 2010   |
|     | (c) Stabilising Manager (if any):              | Not Applicable  |
| 34. | If non-syndicated, name and address of Dealer: | Deutsche Bank AG, London Branch<br>Winchester House,<br>1 Great Winchester Street,<br>London EC2N 2DB |
| 35. | U.S. Selling Restrictions:                     | Reg. S Category 2   |
| 36. | Total commission and concession                | Not Applicable  |
| 37. | Non-exempt Offer:                              | Not Applicable  |
| 38. | Additional selling restrictions:               | Not Applicable  |
|     | Additional United States Tax Considerations:   | TEFRA D   |

## **PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue and admission to trading on the London Stock Exchange of the Covered Bonds described herein pursuant to the €45 billion Global Covered Bond Programme of Nationwide Building Society.

## **RESPONSIBILITY**

The Issuer and the LLP accept responsibility for the information contained in these Final Terms.

## **PART B – OTHER INFORMATION**

### **1. LISTING**

- |     |   |   |
|-----|---|---|
| (a) | Listing:  | London  |
| (b) | Admission to trading:                                       | Application has been made for the Covered Bonds to be admitted to trading on 26 October 2010. |
| (c) | Estimate of total expenses related to admission to trading: | £2,700  |

### **2. RATINGS**

- |     |   |              |
|-----|---|--------------|
| (a) | The Covered Bonds to be issued pursuant to the Programme have been rated: | S&P: AAA     |
|     |   | Moody's: Aaa |
|     |   | Fitch: AAA   |

### **3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

Save as discussed in "*Subscription and Sale and Transfer and Selling Restrictions*", so far as the Issuer and the LLP are aware, no person involved in the issue of the Covered Bonds has an interest material to the offer.

### **4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES:**

- |     |                        |   |
|-----|------------------------|---|
| (a) | Reasons for the offer: | The gross proceeds from each issue of Covered Bonds will be used by the Issuer to make available Term Advances to the LLP pursuant to the terms of the Intercompany Loan Agreement. |
|-----|------------------------|---|

### **5. YIELD**

	Indication of yield:	Not applicable
		4.89 per cent.
		The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### **6. POST-ISSUANCE PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING**

The Issuer intends to provide post-issuance information on its website at:  
[www.nationwide.co.uk/investorrelations](http://www.nationwide.co.uk/investorrelations)

### **7. PERFORMANCE OF RATE[S] OF EXCHANGE**

Not Applicable

### **8. OPERATIONAL INFORMATION**

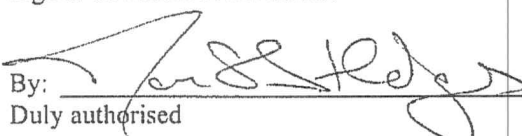
- |     |  |    |
|-----|--|----|
| (a) | Bearer Global Covered Bonds intended to be | No |
|-----|--|----|

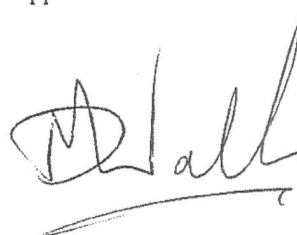
held in a manner which would allow  
Eurosysteem eligibility:

Note that the designation "yes" simply means the  
Bearer Global Covered Bonds are intended upon  
issue to be deposited with Euroclear or Clearstream,  
Luxembourg as Common Safekeeper and does not  
necessarily mean that the bearer Global Covered  
Bonds will be recognised as eligible collateral for  
eurosysteem monetary policy and intra-day credit  
operations by the Eurosysteem either upon issue or at  
any or all times during their life. Such recognition  
will depend upon satisfaction of the Eurosysteem  
eligibility criteria.

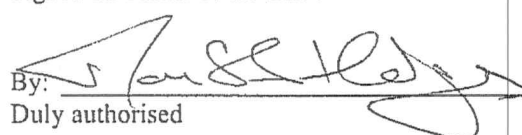
- |     |   |  |
|-----|---|--|
| (b) | ISIN Code:  | XS0550431083   |
| (c) | Common Code:  | 055043108  |
| (d) | CUSIP:  | Not Applicable   |
| (e) | Delivery:   | Delivery against payment   |
| (f) | Names and addresses of initial Paying Agents:               | Citibank, N.A., London Branch, acting through its offices at:<br>Citigroup Centre<br>Canada Square<br>Canary Wharf<br>London E14 5LB |
| (g) | Names and addresses of additional Paying Agent(s) (if any): | Not applicable   |

Signed on behalf of the Issuer:

By:   
Duly authorised



Signed on behalf of the LLP:

By:   
Duly authorised