

FINAL TERMS

28 March 2011

Nationwide Building Society

**Issue of Regulated NOK 500,000,000 5.695 per cent. Series 2011-7 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 as supplemented on 7 January 2011 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.

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| 1. | (a) | Issuer: | Nationwide Building Society |
| | (b) | Guarantor: | Nationwide Covered Bonds LLP |
| 2. | (a) | Series Number: | 2011-7 |
| | (b) | Tranche Number: | 1 |
| 3. | | Specified Currency or Currencies: | Norwegian Krone (NOK) |
| 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 |

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| 7. | (a) | Issue Date: | 29 March 2011 |
| | (b) | Interest Commencement Date: | 29 March 2011 |
| 8. | (a) | Final Maturity Date: | 29 March 2021 |
| | (b) | Extended Due for Payment Date of
Guaranteed Amounts corresponding
to the Final Redemption Amount
under the Covered Bond Guarantee: | 29 March 2022 |
| 9. | | Interest Basis: | 5.695 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 1.30 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

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| 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 |
| | | 5.695 per cent. per annum payable annually in arrear |
| | (b) | Interest Payment Date(s): |
| | | 29 March in each year until (and including) the
Final Maturity Date |
| | (c) | Fixed Coupon Amount(s): |
| | | NOK 56,950 per Calculation Amount |
| | (d) | Broken Amount(s): |
| | | Not Applicable |
| | (e) | Day Count Fraction: |
| | | 30/360 unadjusted |

(f)	Determination Date:	29 March 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 April 2021 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 29th day of each month from and including 29 April 2021 to and including the Extended Due For Payment Date.
(c)	First Interest Payment Date	29 April 2021
(d)	Business Day Convention:	Modified Following Business Day Convention
(e)	Business Centre(s):	London, TARGET2 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):	+ 1.30 per cent. per annum.
(k)	Minimum Rate of Interest:	Not Applicable

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| (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: London, TARGET2 and Oslo
27. Talons for future Coupons or Receipts to be attached to Bearer Definitive Covered Bonds (and dates on which such Talons mature): No

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| 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

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| 33. | (a) If syndicated, names of Managers: | Not Applicable |
| | (b) Date of Subscription Agreement: | 28 March 2011 |
| | (c) Stabilising Manager (if any): | Not Applicable
Merrill Lynch International
2 King Edward Street
London EC1A 1HQ |
| 34. | If non-syndicated, name and address of Dealer: | |
| 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: | Neither the Base Prospectus nor these Final Terms nor any other offering or marketing material relating to the Issuer, the LLP or the Covered Bonds have been approved by, or registered with, any Norwegian securities regulator pursuant to the Norwegian Securities Trading Act of 29 June 2007. Accordingly, neither the Base Prospectus nor these Final Terms nor any other offering or marketing material relating to the Issuer, the LLP or the Covered Bonds constitutes, or shall be deemed to constitute, an offer to the public in Norway within the meaning of the Norwegian Securities Trading |

Act of 2007. The Covered Bonds may not be offered or sold, directly or indirectly, in Norway except;

- (a) in respect of an offer of Covered Bonds addressed to investors subject to a minimum purchase of Covered Bonds for a total consideration of not less than €50,000 per investor;
- (b) to “professional investors” as defined in the Norwegian Securities Regulation of 29 June 2007 no. 876, being;
 - (i) legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
 - (ii) any legal entity which is registered as a professional investor with the Norwegian Financial Supervisory Authority (No. Finanstilsynet) and which has two or more of: (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
 - (iii) any natural person which is registered as a professional investor with the Norwegian Financial Supervisory Authority (No. Finanstilsynet) and which has two or more of: (1) an average execution of at least ten (10) transactions in securities of significant volume per quarter for the last four quarters; (2) a portfolio of securities with a market value of at least €500,000; and (3) works or has worked for at least one (1) year within the financial markets sector in a position which presuppose knowledge of investing in securities;
- (c) to fewer than 100 natural or legal persons (other than “professional investors” as defined in the Norwegian Securities Regulation of 29 June 2007 no. 876), subject to obtaining the prior consent of the Lead

Managers for any such offer; or

- (d) in any other circumstances provided that no such offer of Covered Bonds shall result in a requirement for the registration, or the publication by the Issuer, the Guarantors or the Lead Managers, of a prospectus pursuant to the Norwegian Securities Trading Act of 29 June 2007.

In no circumstances may an offer of Covered Bonds be made in the Norwegian market without the Covered Bonds being registered in the Norwegian Central Securities Depository (verdipapirsentralen, VPS) in dematerialised form, to the extent such Covered Bonds shall be registered according to the Norwegian Securities Registry Act 2002 (verdipapirregisterloven) and ancillary regulations.

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

I. LISTING

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| (a) | Listing: | London |
| (b) | Admission to trading: | Application has been made for the Covered Bonds to be admitted to trading on 29 March 2011. |
| (c) | Estimate of total expenses related to admission to trading: | £2,700 |

1. RATINGS

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

Standard & Poor's Credit Market Services Europe Limited, Fitch Rating Ltd. and Moody's Investors Service Limited are established in the European Union and have applied for registration under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 (the **CRA Regulation**) unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

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:

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| (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. |
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5. YIELD

Indication of yield: 5.695 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

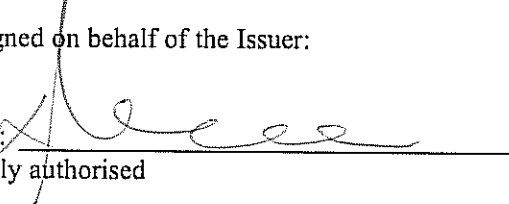
7. PERFORMANCE OF RATE[S] OF EXCHANGE

Not Applicable

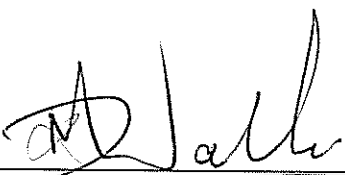
8. OPERATIONAL INFORMATION

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| (a) | Bearer Global Covered Bonds intended to be held in a manner which would allow Eurosystem eligibility: | No |
| (b) | ISIN Code: | XS0605287217 |
| (c) | Common Code: | 060528721 |
| (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:
Citigroup Centre
Canada Square
Canary Wharf
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

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