

SUPPLEMENT DATED 6 JANUARY 2012 TO THE BASE PROSPECTUS DATED 15 JULY 2011



NATIONWIDE BUILDING SOCIETY

(incorporated in England and Wales under the Building Societies Act 1986, as amended)

€45 billion

Global Covered Bond Programme
unconditionally and irrevocably guaranteed as to payments by
Nationwide Covered Bonds LLP

(a limited liability partnership incorporated in England and Wales)

This document (the **Supplement**) is a supplement to the base prospectus (the **Base Prospectus**) dated 15 July 2011, of Nationwide Building Society (the **Issuer** and **Nationwide** and the **Society**) and constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the **FSMA**) and is prepared in connection with the €45 billion global covered bond programme (the **Programme**) established by the Issuer. Terms defined in the Base Prospectus have the same meanings when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and any other supplements to the Base Prospectus issued by the Issuer and with all documents which are deemed to be incorporated by reference herein and therein. The Issuer is publishing this Supplement to (i) provide updated information to potential investors following the publication of its half-yearly financial report for the period ended 30 September 2011, including its unaudited interim consolidated financial statements for the six month period ended 30 September 2011, (ii) to update the ratings assigned to the Issuer by Moody's Investors Services Limited (**Moody's**) and Fitch Ratings Ltd. (**Fitch**) following their respective recent announcements and (iii) to update certain definitions.

The Base Prospectus is amended on the date hereof to include the amendments which are the subject of this Supplement. The Base Prospectus constitutes a Base Prospectus for the purposes of Directive 2003/71/EC.

The Issuer and the LLP each accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of each of the Issuer and the LLP (each having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference into the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus since the publication of the Base Prospectus.

There has been no significant change in the financial or trading position of the Issuer or the Nationwide Group since 30 September 2011, being the date of the most recent unaudited interim consolidated financial statements of the Nationwide Group, or of the LLP since 4 April 2011, being the date of the last audited financial statements of the LLP, and there has been no material adverse change in the financial position or the prospects of the Issuer or of the Nationwide Group since 4 April 2011 or of the LLP since 4 April 2011.

In accordance with Section 87Q(4) FSMA, investors who have agreed to purchase or subscribe for Covered Bonds before this Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances.

The date of this Supplement is 6 January 2012

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1. AMENDMENT TO "DOCUMENTS INCORPORATED BY REFERENCE" IN THE BASE PROSPECTUS

The following documents are incorporated by reference into the Base Prospectus:

- (a) the unaudited condensed consolidated financial statements of the Issuer for the six month periods ended 30 September 2011 and the Independent Review Report thereon appearing on pages 36-52 and 60, respectively of the Half-Yearly Financial Report of the Issuer for the period ended 30 September 2011; and
- (b) the auditors' report and audited consolidated financial statements for the LLP for the financial year ended 4 April 2011.

Any non-incorporated parts of a documents referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

2. AMENDMENT TO THE RATINGS ASSIGNED TO THE ISSUER BY MOODY'S AND FITCH

On 7 October 2011, Moody's announced that it was downgrading the Issuer's long-term debt rating by two-notches from Aa3 to A2.

On 3 November 2011, Fitch announced that it was downgrading the Issuer's long-term and short-term ratings and the long-term and short-term ratings of the Issuer's debt. The ratings actions announced included a downgrade of the Issuer's long-term debt rating from AA- to A+ and its short-term debt rating from F1+ to F1.

3. AMENDMENT TO "GLOSSARY" IN THE BASE PROSPECTUS

3.1 The definition of "**Reserve Fund Required Amount**" appearing on page 395 of the Base Prospectus is deleted in its entirety and replaced with the following:

"If the Issuer's short-term, unsecured, unsubordinated and unguaranteed debt obligations are rated at least A-1+ by S&P, F1+ by Fitch and P-1 by Moody's, nil (or such other amount as Nationwide shall direct the LLP from time to time) and otherwise, an amount equal to the higher of:

- (a) the Sterling Equivalent of one month's interest due on each Series of Covered Bonds together with an amount equal to one-twelfth of the anticipated aggregate annual amount payable in respect of the items specified in paragraphs (a) and (b) of the Pre-Acceleration Revenue Priority of Payments; and
- (b) the sum of:
 - (i) for each Series of Covered Bonds in respect of which the Issuer is the Covered Bond Swap Provider or where there is no Covered Bond Swap Provider, an amount equal to the Sterling Equivalent of the interest falling due on such Series of Covered Bonds in the next following three month period;
 - (ii) for each Series of Covered Bonds in respect of which the Issuer is not the Covered Bond Swap Provider, the aggregate of amounts in sterling falling due to the Covered Bond Swap Provider in relation to such Series of Covered Bonds in the next following three month period; and
 - (iii) the Sterling Equivalent of an amount equal to the anticipated amounts payable in respect of the items specified in paragraphs (a) and (b) of the Pre-Acceleration Revenue Priority of Payments falling due in the next following three month period,

plus £600,000 (or such higher amount as Nationwide shall direct the LLP from time to time);".

3.2 The definition of "**Sterling Equivalent**" appearing on page 401 of the Base Prospectus is deleted in its entirety and replaced with the following:

"in relation to (i) a Term Advance which is denominated in a currency other than Sterling, the Sterling equivalent of such amount ascertained using the relevant Covered Bond Swap Rate relating to such Term Advance, the applicable amount in Sterling and (ii) in relation to any other amount which is denominated in a currency other than Sterling, the Sterling equivalent of such amount ascertained by Nationwide on the relevant Calculation Date using the spot rate of exchange on such date, the applicable amount in Sterling;".