

FINAL TERMS

20 January 2012

Nationwide Building Society

**Issue of £650,000,000 Floating Rate Series 2012-1 Regulated 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 15 July 2011 as supplemented on 6 January 2012 (the **Base Prospectus**) 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: | 2012-1 |
| | (b) | Tranche Number: | 1 |
| 3. | | Specified Currency or Currencies: | Sterling (GBP) |
| 4. | | Aggregate Nominal Amount of Covered Bonds: | |
| | (a) | Series: | £650,000,000 |
| 5. | | Issue Price: | 99.856% of the Aggregate Nominal Amount |
| 6. | (a) | Specified Denominations: | GBP 100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. No Covered Bonds in definitive form will be issued with a denomination above £199,000. |
| | (b) | Calculation Amount: | GBP 1,000 |

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| 7. | (a) | Issue Date: | 23 January 2012 |
| | (b) | Interest Commencement Date: | 23 January 2012 |
| 8. | (a) | Final Maturity Date: | 23 January 2015 |
| | (b) | Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee: | 23 January 2016 |
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9. Interest Basis: 3 Month GBP LIBOR + 1.6% per annum Floating 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 as follows:
- Interest Basis: Applicable from and including the Final Maturity Date to but excluding the Extended Due for Payment Date: 1 Month GBP LIBOR plus 1.6 per cent. per annum Floating Rate.
- Interest Payment Dates: Monthly in arrears on the 23rd day of each month from and including the 23 February 2015 to and including the Extended Due for Payment Date.
- Interest Period: The period from and including the Final Maturity Date, or as the case may be, an Interest Payment Date, to but excluding the next following Interest Payment Date.
- Modified Following Business Convention (adjusted)
- Business Days: London
- Day Count Fraction: Actual/365 (Fixed)
- Interest Determination Dates: The first London Business Day in each Interest Period
12. Call Options: Not Applicable
13. (a) Status of the Covered Bonds: Senior
- (b) Status of the Guarantee: Senior

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| (c) | Date Board approval for issuance of Covered Bonds obtained: | 19 October 2005 |
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| 14. | Method of distribution: | Syndicated |
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PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 15. | Fixed Rate Covered Bond Provisions: | Not Applicable |
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| 16. | Floating Rate Covered Bond Provisions | Applicable from and including the Interest Commencement Date to, but excluding the Final Maturity Date |
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| (a) | Interest Period(s) | From and including the Interest Commencement Date to but excluding the Specified Interest Payment Date falling in April 2012 and thereafter from and including each Specified Interest Payment Date to but excluding the following Specified Interest Payment Date. |
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| (b) | Specified Interest Payment Date(s): | The 23rd day of January, April, July and October in each year from and including 23 April 2012 to and including 23 January 2015. |
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| (c) | First Interest Payment Date | 23 April 2012 |
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| (d) | Business Day Convention: | Modified Following Business Day Convention (adjusted) |
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| (e) | Business Centre(s): | London |
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| (f) | Manner in which the Rate(s) of Interest is/are to be determined: | Screen Rate Determination |
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| (g) | Party responsible for calculating the Rate(s) of Interest and/or Interest Amount (if not the Agent): | Not Applicable |
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| (h) | Screen Rate Determination: | Applicable |
| | – Reference Rate: | 3 Month LIBOR |
| | – Interest Determination Date(s): | The first London Business Day in each Interest Period |
| | – Relevant Screen Page: | Bloomberg page BBAM01 at 11.00am (London time) |

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| (i) | ISDA Determination: | Not Applicable |
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| (j) | Margin(s): | + 1.6 per cent. per annum. |
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(k)	Minimum Rate of Interest:	Not Applicable
(l)	Maximum Rate of Interest:	Not Applicable
(m)	Day Count Fraction:	Actual/365 (Fixed)

(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
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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
27.	Talons for future Coupons or Receipts to be	No

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

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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: | <p>Applicable</p> <p>HSBC Bank plc
8 Canada Square
London E14 5HQ</p> <p>RBC Europe Limited
Riverbank House
2 Swan Walk
London EC4R 3BF</p> <p>The Royal Bank of Scotland plc
135 Bishopsgate
London EC2M 3UR</p> <p>UBS Limited
1 Finsbury Avenue
London EC1M 2PP</p> |
| | (b) Date of Subscription Agreement: | 20 January 2012 |
| | (c) Stabilising Manager (if any): | Not Applicable |
| 34. | If non-syndicated, name and address of Dealer: | Not Applicable |

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
39.	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

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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 23 January 2012. |
| (c) | Estimate of total expenses related to admission to trading: | £3,650 |

2. RATINGS

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| (a) | 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 registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

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. 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

6. PERFORMANCE OF RATE[S] OF EXCHANGE

Not Applicable

7. OPERATIONAL INFORMATION

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| (a) | Intended to be held in a manner which would allow Eurosystem eligibility: | No |
| (b) | ISIN Code: | XS0735451022 |
| (c) | Common Code: | 07354102 |
| (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