

EXECUTION VERSION

FINAL TERMS

22 February 2017

Nationwide Building Society

**Issue of EUR1,000,000,000 0.5% Series 2017-01 Regulated Covered Bonds due 23 February 2024
irrevocably and unconditionally guaranteed as to payment of principal and interest by
Nationwide Covered Bonds LLP
under the €45 billion Global Covered Bond Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the prospectus dated 29 July 2016, which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**), as supplemented by a supplemental prospectus dated 12 August 2016, a supplemental prospectus dated 18 November 2016 and a supplemental prospectus dated 10 February 2017 (together, the **Prospectus**). 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 the 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 Prospectus. The Prospectus and all documents incorporated by reference therein are available for viewing during normal business hours at the registered office of the Issuer and copies may be obtained from the specified office of each of the Paying Agents.

The LLP is not now, and immediately following the issuance of the Covered Bonds pursuant to the Trust Deed will not be, a "covered fund" for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the "Volcker Rule". In reaching this conclusion, although other statutory or regulatory exemptions under the Investment Company Act of 1940, as amended, and under the Volcker Rule and its related regulations may be available, the LLP has relied on the exemption from registration set forth in Section 3(c)(5)(C) of the Investment Company Act of 1940, as amended. See "Certain Investment Company Act Considerations" in the Prospectus dated 29 July 2016.

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| 1. | (a) | Issuer: | Nationwide Building Society |
| | (b) | Guarantor: | Nationwide Covered Bonds LLP |
| 2. | (a) | Series Number: | 2017-01 |
| | (b) | Tranche Number: | 1 |
| | (c) | Series which Covered Bonds will be consolidated and form a single Series with: | Not Applicable |
| | (d) | Date on which the Covered Bonds will be consolidated and form a single Series with the Series specified above: | Not Applicable |
| 3. | | Specified Currency or Currencies: | Euro (EUR or €) |

4. Nominal Amount of Covered Bonds to be issued: €1,000,000,000
5. Aggregate Nominal Amount of Covered Bonds:
 - (a) Series: €1,000,000,000
 - (b) Tranche: €1,000,000,000
6. Issue Price: 99.815 per cent. of the Aggregate Nominal Amount
7. (a) Specified Denominations: €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000
(b) Calculation Amount: €1,000
8. (a) Issue Date: 23 February 2017
(b) Interest Commencement Date: Issue Date
9. (a) Final Maturity Date: 23 February 2024
(b) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee: 23 February 2025
10. Interest Basis: 0.5 per cent. Fixed Rate
11. Redemption/Payment Basis: 100 per cent. of the nominal value
12. Change of Interest Basis: Paragraph 15 (Fixed Rate Covered Bond Provisions) is applicable for the period from and including the Interest Commencement Date to but excluding the Final Maturity Date and paragraph 16 (Floating Rate Covered Bond Provisions) is applicable for the period from and including the Final Maturity Date to but excluding the Extended Due for Payment Date.
13. Call Options: Not Applicable
14. Date Board approval for issuance of Covered Bonds obtained: 19 October 2005

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: 0.5 per cent. per annum payable in arrear on each Interest Payment Date

- (b) Interest Payment Date(s): 23 February in each year from and including 23 February 2018 up to and including the Final Maturity Date
- (c) Business Day Convention: Following Business Day Convention
- (d) Business Day(s): TARGET2, London
- Additional Business Centre(s): Not Applicable
- (e) Fixed Coupon Amount(s): €5.00 per Calculation Amount
- (f) Initial Broken Amount: Not Applicable
- (g) Final Broken Amount: Not Applicable
- (h) Day Count Fraction: Actual/Actual (ICMA)
- (i) Determination Date(s): 23 February in each year
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): The period from and including the Final Maturity Date or, as the case may be, a Specified Interest Payment Date, to but excluding the following Specified Interest Payment Date
- (b) Specified Interest Payment Date(s): 23 March 2024 and thereafter, the 23rd calendar day of each other month up to and including the Extended Due for Payment Date
- (c) First Interest Payment Date: 23 March 2024
- (d) Business Day Convention: Modified Following Business Day Convention
- (e) Additional Business Centre(s): Not Applicable
- (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 EURIBOR
- Interest Determination Date(s): Second TARGET2 Day prior to the start of each Interest Period
- Relevant Screen Page: Reuters Screen Page EURIBOR01

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| (i) | ISDA Determination: | Not Applicable |
| (j) | Margin(s): | +0.236 per cent. per annum |
| (k) | Minimum Rate of Interest: | 0.00 per cent. |
| (l) | Maximum Rate of Interest: | Not Applicable |
| (m) | Day Count Fraction: | Actual/360 |
| 17. | Zero Coupon Covered Bond Provisions: | Not Applicable |

PROVISIONS RELATING TO REDEMPTION BY THE ISSUER

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| 18. | Call Option: | Not Applicable |
| 19. | Final Redemption Amount of each Covered Bond: | €1,000 per Calculation Amount |
| 20. | 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: | €1,000 per Calculation Amount |

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

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| 21. | 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 |
| 22. | New Global Covered Bond: | Yes |
| 23. | Additional Financial Centre(s) relating to payment dates: | Not Applicable |
| 24. | Talons for future Coupons to be attached to Bearer Definitive Covered Bonds (and dates on which such Talons mature): | No |
| 25. | Redenomination, renominatisation and reconventioning provisions: | Not Applicable |

PART B – OTHER INFORMATION

1. LISTING

- (a) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the London Stock Exchange's Regulated Market and to the Official List of the Financial Conduct Authority with effect from the Issue Date.
- (b) Estimate of total expenses related to admission to trading: £3,650

2. RATINGS

- (a) The Covered Bonds to be issued are expected to be rated:
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| S & P: | AAA |
| Moody's: | Aaa |
| Fitch: | AAA |

3. PROVISIONS RELATING TO THE JUMBO INTEREST RATE SWAP 1 TRANSACTION

BMR Spread:	1.60 per cent. per annum
Fixed Rate Spread:	1.30 per cent. per annum
SMR Spread:	3.00 per cent. per annum
Tracker Rate Spread:	1.50 per cent. per annum

4. PROVISIONS RELATING TO THE JUMBO INTEREST RATE SWAP 2 TRANSACTION

BMR Spread:	1.60 per cent. per annum
Fixed Rate Spread:	1.30 per cent. per annum
SMR Spread:	3.00 per cent. per annum
Tracker Rate Spread:	1.50 per cent. per annum

5. 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. The Dealers and their affiliates have engaged in, and may in the future engage in, investment banking and/or commercial banking transactions with and may perform other services for the Issuer and/or the LLP and its or their affiliates in the ordinary course of business.

6. OPERATIONAL INFORMATION:

- (a) ISIN Code: XS1569896498
- (b) Common Code: 156989649

(c) CUSIP: Not Applicable

(d) Names and addresses of additional Paying Agent(s) (if any): Not Applicable

7. **DISTRIBUTION**

U.S. Selling Restrictions

Reg. S Compliance Category 2; TEFRA D

8. **YIELD (Fixed Rate Covered Bonds only)**

Indication of yield:

0.527 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.

Signed on behalf of the **Issuer**:

By:  _____
Duly authorised

Signed on behalf of the **LLP**:

By:  _____
Duly authorised