



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY

Joe Garner
Nationwide

Sam Woods
Deputy Governor, Prudential Regulation
CEO, Prudential Regulation Authority

31 March 2020

Dear Joe,

Thank you for our discussions of recent days in response to the exceptional circumstances caused by Covid-19. As we have discussed, the PRA expects your firm not to pay any cash bonuses to senior staff, including all material risk takers, and is confident that your board is already considering and will take any appropriate further actions with regard to the accrual, payment and vesting of variable remuneration over coming months.

Please confirm to the PRA by 20:00 today whether or not your group is prepared to agree to this request. The PRA stands ready to consider use of our supervisory powers should your group not agree to take such action.

As discussed and for the avoidance of doubt, we are not requesting at this time that your firm takes action to halt the payment of distributions on your CCDS instruments. All other PRA requirements and expectations with regard to meeting buffers and to maintaining adequate financial resources continue to apply and should, as always, be considered before proceeding with any distribution. The PRA intends to publish its letters to firms alongside any statement it issues.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. Woods', written in a cursive style.

Sam Woods
Deputy Governor and CEO, Prudential Regulation Authority