

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – the N&C Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the N&C Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the N&C Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PLEASE CAREFULLY READ THE RISK FACTORS IN THE BASE PROSPECTUS

EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN FINANCIAL AND LEGAL ADVISORS ABOUT THE RISKS ASSOCIATED WITH AN INVESTMENT IN THE N&C SECURITIES AND THE SUITABILITY OF AN INVESTMENT IN THE N&C SECURITIES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES

5 October 2018

Santander UK plc

Legal entity identifier (LEI): PTCQB104N23FMK2RZ28

Issue of £2,675,000 Preference Share-linked Autocallable Notes due 2024
(the "**N&C Securities**")

under the
Structured Note and Certificate Programme
(the "**Programme**")

Any person making or intending to make an offer of the N&C Securities may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of N&C Securities in any other circumstances.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the General Terms and Conditions of the N&C Securities (the "**N&C Security Conditions**" and, together with the applicable Annex(es), the "**Conditions**") set forth in the Base Prospectus dated 3 August 2018, as supplemented by the supplement dated 17 August 2018, which together constitute a base prospectus for the purposes of the Prospectus Directive (the "**Base Prospectus**"). This document constitutes the Final Terms of the N&C Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the N&C Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on the websites of Euronext Dublin (www.ise.ie), the Central Bank of Ireland (<http://www.centralbank.ie>) and the Issuer's website (<http://www.santander.co.uk>). The Base Prospectus is also available for viewing during normal business hours at the specified office of Citibank, N.A., London Branch acting as Principal Paying Agent and copies may be obtained from the registered office of the Issuer. In the event of any inconsistency between the Conditions and the Final Terms, these Final Terms prevail. A summary of the N&C Securities (which

comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms.

The N&C Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or under any state securities laws, and the N&C Securities may not be offered, sold, transferred, pledged, delivered, redeemed, directly or indirectly, at any time within the United States or to, or for the account or benefit of, or by, any U.S. Person (as defined below). Furthermore, the N&C Securities do not constitute, and have not been marketed as, contracts of sale of a commodity for future delivery (or options thereon) subject to the U.S. Commodity Exchange Act, as amended (the "**CEA**"), and trading in the N&C Securities has not been approved by the U.S. Commodity Futures Trading Commission (the "**CFTC**") pursuant to the CEA, and no U.S. Person may at any time trade or maintain a position in the N&C Securities. For a description of the restrictions on offers and sales of N&C Securities, see "*Important Notice to Purchasers and Transferees of N&C Securities*" and "*Subscription and Sale*" in the Base Prospectus.

For the purposes of these Final Terms, "U.S. Person" means (i) a "U.S. person" as defined in Regulation S under the Securities Act ("**Regulation S**"), (ii) a person who comes within any definition of U.S. person for the purposes of the United States Commodity Exchange Act of 1936, as amended (the "**CEA**") (including but not limited to a "U.S. person" as defined in the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the Commodity Futures Trading Commission (the "**CFTC**") pursuant to the CEA and a person other than a "Non-United States person" as defined in CFTC Rule 4.7(a)(1)(iv) excluding for the purposes of CFTC Rule 4.7(a)(1)(iv)(D) the exception for qualified eligible persons who are not "Non-United States persons"), or (iii) a "United States person" as defined in the U.S. Internal Revenue Code of 1986 and the U.S. Treasury regulations promulgated thereunder, in each case, as such definition may be amended, modified or supplemented from time to time (each such person, a "**U.S. Person**").

By investing in the N&C Securities each investor is deemed to represent that:

- (a) **Non-Reliance.** *It is acting for its own account, and it has made its own independent decisions to invest in the N&C Securities and as to whether the investment in the N&C Securities is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer or any Dealer as investment advice or as a recommendation to invest in the N&C Securities, it being understood that information and explanations related to the terms and conditions of the N&C Securities shall not be considered to be investment advice or a recommendation to invest in the N&C Securities. No communication (written or oral) received from the Issuer or any Dealer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the N&C Securities.*
- (b) **Assessment and Understanding.** *It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the N&C Securities. It is also capable of assuming, and assumes, the risks of the investment in the N&C Securities.*
- (c) **Status of Parties.** *Neither the Issuer nor any Dealer is acting as fiduciary for or adviser to it in respect of the investment in the N&C Securities*

1.	Issuer:	Santander UK plc	
2.	2.1	Type of N&C Security:	Note
	2.2	Series Number:	1138
	2.3	Tranche Number:	1
	2.4	Trading Method:	Nominal
	2.5	Applicable Annex(es):	Not Applicable
3.	Specified Currency:	Pound Sterling (“£” or “GBP”)	

4. Aggregate Nominal Amount:
- 4.1 Series: £2,675,000
- 4.2 Tranche: £2,675,000
5. Issue Price: 100 per cent. of the Aggregate Nominal Amount
- The Issue Price specified above may be more than the market value of the N&C Securities as at the Issue Date, and the price, if any, at which the Dealer or any other person is willing to purchase the N&C Securities in secondary market transactions is likely to be lower than the Issue Price. In particular, the Issue Price may describe the overall proceeds received by the Issuer in connection with the issue of the N&C Securities expressed as a percentage of the Aggregate Nominal Amount. In addition to the purchase price received from the Dealer, the Issuer may receive up front payment(s) under the hedging arrangements for the N&C Securities and secondary market prices may exclude such amounts. See further Part B, item **Error! Reference source not found.** below.
- To the extent permitted by applicable law, if any fees relating to the issue and sale of the N&C Securities have been paid or are payable by the Dealer to an intermediary (an "**Intermediary**"), then such Intermediary may be obliged to fully disclose to its clients the existence, nature and amount of any such fees (including, if applicable, by way of discount) as required in accordance with laws and regulations applicable to such Intermediary, including any legislation, regulation and/or rule implementing the Markets in Financial Instruments Directive (Directive 2014/65/EU), or as otherwise may apply in any non-EEA jurisdictions.
- Investors in the N&C Securities intending to invest in N&C Securities through an Intermediary (including by way of introducing broker) should request details of any such fee payment from such Intermediary before making any purchase thereof.
6. 6.1 Specified Denominations: £1,000 and integral multiples of £1.00 in excess thereof up to and including £1,999. No N&C Securities in definitive form will be issued with a denomination exceeding £1,999.
- 6.2 Calculation Amount per N&C Security: £1.00
7. 7.1 Issue Date: 5 October 2018
- 7.2 Interest Commencement Date (if different from the Issue Date): Not Applicable
8. Type of N&C Security: Non-interest bearing N&C Security
9. Maturity Date: The third Business Day following the Final Reference Date,

which is expected to be 7 October 2024 (the “**Scheduled Maturity Date**”), unless the Preference Shares are redeemed early in accordance with their terms.

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|-----|-----------------------------|--|
| 10. | Interest Basis: | Not Applicable |
| 11. | Redemption / Payment Basis: | Preference Share linked redemption in accordance with N&C Security Condition 6 |
| 12. | Change of Interest Basis: | Not Applicable |
| 13. | Issuer Call Option: | Not Applicable |
| 14. | Status of N&C Securities: | Senior |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | |
|-----|---|----------------|
| 15. | Fixed Rate N&C Security Provisions | Not Applicable |
| 16. | Floating Rate N&C Security Provisions | Not Applicable |
| 17. | Other Variable Interest Rate N&C Security Provisions | Not Applicable |
| 18. | Additional provisions relating to Equity Index Linked Interest N&C Securities | Not Applicable |
| 19. | Additional provisions relating to Inflation Index Linked Interest N&C Securities | Not Applicable |
| 20. | Additional provisions relating to Property Index Linked Interest N&C Securities | Not Applicable |
| 21. | Additional provisions relating to Fixed Income Benchmark N&C Securities | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

- | | | |
|------|--|---|
| 22. | Issuer Call | Not Applicable |
| 23. | Provisions relating to Preference Share Linked Redemption: | |
| 23.1 | Preference Shares | EISPF 0013 Equity Index Linked Redeemable Preference Shares issued by Santander UK (Structured Solutions) Limited (the “ Company ”) |
| 23.2 | Initial Reference Date: | 21 September 2018 |
| 23.3 | Preference Share Valuation Date: | 23 September 2024 unless the Preference Shares are to be redeemed following an earlier Scheduled Observation Date on which a Trigger Condition occurs (each term as defined in the Preference Share Terms and Conditions), in which case the Preference Share Valuation Date will be such Scheduled Observation Date, in each case subject to adjustment in accordance with the Preference Share Terms and Conditions and |

		N&C Security Condition 6.
23.4	Valuation Time	11.59 p.m. (London time)
23.5	Final Reference Date	7 Business Days following the Preference Share Valuation Date
24.	Early Redemption:	
24.1	Specified Early Redemption Events:	Applicable
	(a) Issuer Illegality Call:	Applicable
	(b) Issuer Tax Call:	Applicable
	(c) Issuer Regulatory Call:	Not Applicable
24.2	Events of Default:	Applicable

GENERAL PROVISIONS APPLICABLE TO THE N&C SECURITIES

25.	Form of N&C Securities:	
25.1	Form:	Bearer N&C Securities: Temporary Bearer Global N&C Security exchangeable for a Permanent Bearer Global N&C Security which is exchangeable for definitive Bearer N&C Securities only upon an Exchange Event.
25.2	New Global Note:	No
26.	Additional Financial Centre(s):	London
27.	Payment Day Convention:	Following
28.	Talons for future Coupons to be attached to Definitive Bearer N&C Securities:	No
29.	Rounding Convention:	Rounded down
30.	Calculation Agent:	Santander UK plc 2 Triton Square Regent's Place London NW1 3AN United Kingdom
31.	Specified N&C Securities	The N&C Securities are not Specified N&C Securities for purposes of Section 871(m) of the U.S. Internal Revenue Code of 1986.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By: *Dr Dammright*

Duly authorised *J WAINMIDEN*
Authorised Signatory

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- 1.1 Listing and admission to trading: Application has been made by the Issuer (or on its behalf) for the N&C Securities to be admitted to the Official List of Euronext Dublin and trading on its regulated market with effect from the Issue Date.

2. RATINGS

- 2.1 Ratings: None. Please note that as at the Issue Date it is not intended that this specific Series of N&C Securities will be rated.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Dealer and Fortem Capital Limited in its capacity as arranger on behalf of the initial purchaser of the N&C Securities, so far as the Issuer is aware, no person involved in the issue of the N&C Securities has an interest material to the offer.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- 4.1 Reasons for the offer: General corporate purposes
- 4.2 Estimated net proceeds: Not Applicable
- 4.3 Estimated total expenses: Not Applicable

5. PERFORMANCE OF THE PREFERENCE SHARES, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND OTHER INFORMATION CONCERNING THE PREFERENCE SHARES

The Company is a private company limited by shares and was incorporated under the Companies Act 2006 on 18 November 2015 (with registered number 9878451). The Company is governed by the laws of England and Wales and has its registered office at 2 Triton Square, Regent's Place, London NW1 3AN.

A copy of the Company's constitutional documents and the applicable terms and conditions of the class of Preference Shares (the "**Preference Share Terms and Conditions**") are available to investors in the N&C Securities on written request (free of charge) from the registered office of the Company at 2 Triton Square, Regent's Place, London NW1 3AN on proof of identity as a N&C Securityholder. The performance of the Preference Shares is linked to the performance of the FTSE 100 Index.

The Preference Share Terms and Conditions will provide that, unless otherwise redeemed or cancelled, the Preference Shares will be redeemable on their final redemption date at a defined amount as determined in accordance with the Preference Share Terms and Conditions.

Information on the Preference Shares (including past and further performance and volatility) is expected to be published on <https://flame.santander.co.uk/santandertrader/login/en> or on such successor page or source as may be notified to N&C Securityholders in accordance with N&C Security Condition 14 (*Notices*).

The following table sets out illustrative values of the amounts payable per N&C Security on the Scheduled Maturity Date, assuming that no early redemption of the Preference Shares and/or N&C Securities has occurred in accordance with their respective terms.

Preference Share Value as a % of Preference Share Final in respect of Preference Share Initial	Final Redemption Amount per Calculation Amount
100%	£1.41
90%	£1.41
75%	£1.41
70%	£1.00
65%	£1.00
60%	£0.60
50%	£0.50
40%	£0.40
20%	£0.20
10%	£0.10
0%	£0

The N&C Securities are derivative securities and their value may go down as well as up.

In a worst case scenario the amount payable per Calculation Amount at the Maturity Date will be zero if the final reference value of the Preference Shares is zero.

6. OPERATIONAL INFORMATION

- 6.1 ISIN: XS1886616967
- 6.2 Common Code: 188661696
- 6.3 Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
- 6.4 Delivery: Delivery against payment
- 6.5 Names and addresses of additional Paying Agent(s) (if any): Not Applicable
- 6.6 Deemed delivery of clearing system notice for the purposes of N&C Security Condition 13 (*Notices*): Any notice delivered to N&C Securityholders through the clearing system will be deemed to have been given on the second business day after the day on which it was given to Euroclear and Clearstream, Luxembourg.

- 6.7 Intended to be held in a manner which would allow Eurosystem eligibility: No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the N&C Securities are capable of meeting them the N&C Securities may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the N&C Securities will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.
- 6.8 Governing law: English

7. DISTRIBUTION

- 7.1 Method of distribution: Non-syndicated
- 7.2 If non-syndicated, name of relevant Dealer: Santander UK plc
2 Triton Square
Regent's Place
London NW1 3AN
United Kingdom
- 7.3 U.S. Selling Restrictions: The N&C Securities have not and will not be registered under the Securities Act. The N&C Securities are only for offer and sale outside the United States in offshore transactions to non-U.S. Persons in reliance on Regulation S under the Securities Act and may not be offered, sold, transferred, pledged, delivered, redeemed, directly or indirectly, at any time within the United States or to, or for the account or benefit of, or by, any U.S. Person.

Each initial purchaser of the N&C Securities and each subsequent purchaser or transferee of the N&C Securities shall be deemed to have agreed with the Issuer or the seller of such N&C Securities that (i) it will not at any time offer, sell, resell or deliver, directly or indirectly, such N&C Securities so purchased in the United States or to, or for the account or benefit of, any U.S. Person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. Person and (ii) it is not purchasing any N&C Securities for the account or benefit of any U.S. Person.

N&C Securities in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations.

Reg. S Compliance Category 2; TEFRA D

- 7.4 (a) Non-exempt Offer: Not Applicable

- | | | |
|-----|--|----------------|
| (b) | Non-exempt Offer
Jurisdiction: | Not Applicable |
| (c) | Offer Period | Not Applicable |
| (d) | Financial intermediaries
granted specific
consent to use the
Base Prospectus in
accordance with the
Conditions in it: | Not Applicable |
| (e) | General Consent: | Not Applicable |
| (f) | Other Authorised
Offeror Terms: | Not Applicable |

7.5 Prohibition of Sales to EEA Retail Investors Applicable

8. TERMS AND CONDITIONS OF THE OFFER

Not Applicable.

9. EU BENCHMARKS REGULATION

EU Benchmarks Regulation: Article 29(2) statement on benchmarks: Not Applicable

SUMMARY OF THE N&C SECURITIES

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7). This Summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of not applicable.

SECTION A – INTRODUCTION AND WARNINGS

Element	
A.1	<p>This summary should be read as an introduction to the Base Prospectus and the applicable Final Terms. Any decision to invest in any N&C Securities should be based on a consideration of this Base Prospectus as a whole, including any documents incorporated by reference and the applicable Final Terms. Where a claim relating to information contained in the Base Prospectus and the applicable Final Terms is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus and the applicable Final Terms before the legal proceedings are initiated. Civil liability attaches to the Issuer in any such Member State solely on the basis of this summary, including any translation of it, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus and the applicable Final Terms or, following the implementation of the relevant provisions of Directive 2010/73/EU in the relevant Member State, it does not provide, when read together with the other parts of this Base Prospectus and the applicable Final Terms, key information in order to aid investors when considering whether to invest in the N&C Securities.</p>
A.2	<p>Certain Tranches of N&C Securities with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a "Non-exempt Offer".</p> <p>The N&C Securities are not being offered to the public as part of a Non-exempt Offer.</p>

SECTION B– ISSUER

Element	
B.1	<p>Legal and commercial name of the Issuer Santander UK plc</p>
B.2	<p>Domicile / legal form / legislation / country of incorporation The Issuer is a public limited company incorporated and domiciled in England and Wales, registered under the Companies Act 1985.</p>
B.4b	<p>Trend information</p> <p>The Group's financial performance is intrinsically linked to the UK economy and the economic confidence of consumers and businesses. The sustainability of the UK economic recovery, along with its concomitant impacts on the Group's profitability, remains a risk. Conversely, a strengthened UK economic performance may increase the possibility of a higher interest rate environment and the Group notes that the Bank of England has commented that it expects to continue to raise interest rates in 2018. In such a scenario, other market participants might offer more competitive product pricing resulting in increased customer</p>

attrition. The global credit market conditions have suffered from the general lack of liquidity in the secondary market for many types of instruments which may include instruments similar to the N&C Securities.

The Group faces substantial competition in all parts of its business. The market for U.K. financial services is highly competitive and the recent financial crisis continues to reshape the banking landscape in the U.K..

Financial services providers face increasingly stringent and costly regulatory and supervisory requirements, particularly in the areas of regulatory capital and liquidity management, the conduct of business, the structure of operations and the integrity of financial services delivery. Although the Group works closely with the Group's regulators and continually monitors the situation, future changes in law, regulation, fiscal or other policies can be unpredictable and are beyond the Group's control. No assurance can be given generally that laws or regulations will be adopted, enforced or interpreted in a manner that will not have an adverse effect on the Group's business.

On 23 June 2016, the UK held a referendum (the "**UK EU Referendum**") on its membership of the EU, in which a majority voted for the UK to leave the EU. Immediately following the result, the UK and global stock and foreign exchange markets commenced a period of significant volatility, including a steep devaluation of the pound sterling. There remains significant uncertainty relating to the process, timing and negotiation of the UK's exit from, and future relationship with, the EU and the basis of the UK's future trading relationship with the rest of the world. While the longer term effects of the UK EU Referendum are difficult to predict, its effects, in addition to the uncertainty created as a result of the outcome of the UK General Election in 2017, could include further financial instability and slower economic growth as well as higher unemployment and inflation in the UK. For instance, the UK government has stated its intention for the UK to leave both the single market and the customs union (thereby ceasing to be party to the global trade deals negotiated by the EU on behalf of its members) and this could affect the attractiveness of the UK as a global investment centre and increase tariff and non-tariff barriers for the UK's trading relationships and, as a result, could have a detrimental impact on UK economic growth. Potential further decreases in interest rates by the Bank of England or sustained low or negative interest rates would put further pressure on interest margins and adversely affect the Group's operating results, financial condition and prospects. Equally, further rises in interest rates (in addition to the rate rise in November 2017) could result in larger default losses which would also impact the Group's operating results, financial condition and prospects.

B.5	<p>Description of the Group</p> <p>The Issuer and its subsidiaries comprise the Issuer's immediate group (the "Santander UK Group"). The Issuer is a wholly owned subsidiary of Santander UK Group Holdings plc which is a subsidiary of Banco Santander, S.A. which is the ultimate parent company. Banco Santander, S.A. and its subsidiary Santusa Holding, S.L. together hold the entire issued share capital of Santander UK Group Holdings plc. The Issuer and its subsidiaries, along with the other subsidiaries of Banco Santander, S.A., form part of the Banco Santander S.A. group (the "Santander Group").</p>												
B.9	<p>Profit forecast or estimate</p> <p>Not Applicable - No profit forecasts or estimates have been made in the Base Prospectus.</p>												
B.10	<p>Audit report qualifications</p> <p>Not Applicable - No qualifications are contained in any audit report included in the Base Prospectus.</p>												
B.12	<p>Selected historical key financial information</p> <p>The audited consolidated balance sheet as at 31 December 2017 and 31 December 2016 and audited consolidated income statement for each of the years ended 31 December 2017 and 31 December 2016, as set out below, have been extracted without any adjustment from, and should be read in conjunction with, the audited Issuer's annual consolidated financial statements in respect of those dates and periods.</p> <p>The unaudited condensed consolidated balance sheet and unaudited condensed consolidated income statement as of 30 June 2018 has been extracted without adjustment from the unaudited financial statements of the Issuer for the six months ended 30 June 2018.</p> <p><i>Consolidated Balance Sheet (extracted from the Issuer's annual report for the year ended 31 December 2017)</i></p> <table border="1" data-bbox="225 1921 1509 2076"> <thead> <tr> <th></th> <th style="text-align: right;">31 December 2017</th> <th style="text-align: right;">31 December 2016⁽¹⁾</th> </tr> <tr> <th></th> <th style="text-align: right;">£m</th> <th style="text-align: right;">£m</th> </tr> </thead> <tbody> <tr> <td>Assets</td> <td></td> <td></td> </tr> <tr> <td>Cash and balances at central banks</td> <td style="text-align: right;">32,771</td> <td style="text-align: right;">17,107</td> </tr> </tbody> </table>		31 December 2017	31 December 2016 ⁽¹⁾		£m	£m	Assets			Cash and balances at central banks	32,771	17,107
	31 December 2017	31 December 2016 ⁽¹⁾											
	£m	£m											
Assets													
Cash and balances at central banks	32,771	17,107											

Trading assets	30,555	30,035
Derivative financial instruments	19,942	25,471
Financial assets designated at fair value	2,096	2,140
Loans and advances to banks	5,927	4,348
Loans and advances to customers	199,490	199,738
Financial Investments	17,611	17,466
Interests in other entities	73	61
Intangible assets	1,742	1,685
Property, plant and equipment	1,598	1,491
Retirement benefit assets	499	398
Other assets	2,511	2,571
Total assets	314,765	302,511
Liabilities		
Deposits by banks	13,784	9,769
Deposits by customers	183,648	177,172
Trading liabilities	31,109	15,560
Derivative financial instruments	17,613	23,103
Financial liabilities designated at fair value	2,315	2,440
Debt securities in issue	42,633	50,346
Subordinated liabilities	3,793	4,303
Other liabilities	2,730	3,221
Provisions	558	700
Current tax liabilities	3	54
Deferred tax liabilities	88	128
Retirement benefit obligations	286	262
Total liabilities	298,560	287,058
Equity		
Share capital	3,119	3,119
Share premium	5,620	5,620
Other equity instruments	2,281	1,785
Retained earnings	4,732	4,255
Other reserves	301	524
Total shareholders' equity	16,053	15,303
Non-controlling interests	152	150
Total equity	16,205	15,453
Total liabilities and equity	314,765	302,511

(1) Restated to reflect the change in accounting policy relating to business combinations between entities under common control.

Condensed consolidated balance sheet assets and liabilities of the Issuer (extract from the Issuer's financial statements for the six months ended 30 June 2018)

	30 June 2018 (unaudited) £m	31 December 2017 (audited) £m
Assets		
Cash and balances at central banks	21,342	32,771
Trading assets	19,158	30,555
Derivative financial instruments	3,838	19,942
Other financial assets at fair value through profit or loss	2,710	2,096
Loans and advances to banks ⁽¹⁾	2,410	3,463
Loans and advances to customers ⁽¹⁾	200,950	199,340
Reverse repurchase agreements – non trading ⁽¹⁾	13,611	2,614
Financial investments	20,986	17,611
Interests in other entities	80	73
Intangible assets	1,783	1,742
Property, plant and equipment	1,702	1,598
Current tax assets	46	-
Retirement benefit assets	868	449

Other assets	2,907	2,511
Assets held for sale	24,241	-
Total assets	316,632	314,765
Liabilities		
Deposits by banks ⁽¹⁾	15,655	12,708
Deposits by customers ⁽¹⁾	175,885	183,146
Repurchase agreements – non trading ⁽¹⁾	17,447	1,578
Trading liabilities	8,375	31,109
Derivative financial instruments	1,466	17,613
Financial liabilities designated at fair value	1,238	2,315
Debt securities in issue	46,004	42,633
Subordinated liabilities	3,758	3,793
Other liabilities	2,847	2,730
Provisions	504	558
Current tax liabilities	-	3
Deferred tax liabilities	160	88
Retirement benefit obligations	108	286
Liabilities held for sale	26,616	-
Total liabilities	300,063	298,560
Equity		
Share capital	3,119	3,119
Share premium	5,620	5,620
Other equity instruments	2,281	2,281
Retained earnings	5,194	4,732
Other reserves	190	301
Total shareholders' equity	16,404	16,053
Non-controlling interests	165	152
Total equity	16,569	16,205
Total liabilities and equity	316,632	314,765

(1) From 1 January 2018, non-trading repurchase agreements and non-trading reverse repurchase agreements are now presented as separate lines in the balance sheet, as described in Note 1.

<i>Consolidated Income Statement (extracted from the Issuer's annual report for the year ended 31 December 2017)</i>		
	31 December 2017	31 December 2016
	£m	£m
Interest and similar income	5,905	6,467
Interest expense and similar charges	(2,102)	(2,885)
Net interest income	3,803	3,582
Fee and commission income	1,222	1,188
Fee and commission expense	(415)	(418)
Net fee and commission income	807	770
Net trading and other income	302	443
Total operating income	4,912	4,795
Operating expenses before impairment losses, provisions and charges	(2,499)	(2,414)
Impairment losses on loans and advances	(203)	(67)
Provisions for other liabilities and charges	(393)	(397)
Total operating impairment losses, provisions and charges	(596)	(464)
Profit before tax	1,817	1,917
Tax on profit	(561)	(598)
Profit after tax for the year	1,256	1,319
Attributable to:		
Equity holders of the parent	1,235	1,292

	Non-controlling interests	21	27
	Profit after tax	1,256	1,319
	<i>Condensed consolidated income statement of the Issuer (extracted from the Issuer's financial statements for the six months ended 30 June 2018)</i>		
		Half year to 30 June 2018 (unaudited) £m	Half year to 30 June 2017 (unaudited) £m
	Interest and similar income	3,001	2,977
	Interest expense and similar charges	(1,190)	(1,055)
	Net interest income	1,811	1,922
	Fee and commission income	584	609
	Fee and commission expense	(204)	(200)
	Net fee and commission income	380	409
	Net trading and other income	121	182
	Total operating income	2,312	2,513
	Operating expenses before credit impairment losses, provisions and charges	(1,283)	(1,215)
	Credit impairment losses	(91)	(48)
	Provisions for other liabilities and charges	(33)	(186)
	Total credit impairment losses, provisions and charges	(124)	(234)
	Profit before tax	905	1,064
	Tax on profit	(256)	(323)
	Profit after tax for the period	649	741
	Attributable to:		
	Equity holders of the parent	637	730
	Non-controlling interests	12	11
	Profit after tax for the period	649	741
	<i>Statements of no significant or material adverse change</i>		
	There has been no significant change in the financial position of the Issuer and its subsidiaries since 30 June 2018 and there has been no material adverse change in the prospects of the Issuer since 31 December 2017.		
B.13	Events impacting the Issuer's solvency		
	Not Applicable - There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.		
B.14	Dependence upon other group entities		
	The Issuer does not rely on a guarantee from Banco Santander, S.A. or any other member of the Santander Group to generate funding or liquidity. Similarly, the Issuer does not raise funds to finance or guarantee the debts of other members of the Santander Group other than members of the Santander UK Group. See further Element B.5 above.		
B.15	Principal activities		
	The Issuer's business consists of four main divisions: Retail Banking, Commercial Banking, Corporate & Investment Banking and Corporate Centre.		
	(a) Retail Banking		
	Retail Banking offers a wide range of products and financial services to individuals and small businesses through a network of branches and ATMs, as well as through telephony, digital, mobile and intermediary channels. Retail Banking includes businesses banking customers, small businesses with an annual turnover of up to £6.5 million and Santander Consumer Finance, predominantly a vehicle finance business.		

	<p>(b) Commercial Banking</p> <p>Commercial Banking offers a wide range of products and financial services provided by relationship teams based in a network of regional Corporate Business Centres ("CBCs") and through telephony and digital channels. The management of Santander UK's customers is organised across two relationship teams – the Regional Corporate Bank ("RCB") that covers non-property trading business that are UK domiciled with annual turnover of above £6.5 million and Specialist Sector Groups ("SSGs") that cover real estate, social housing finance, education, healthcare, and hotels.</p> <p>(c) Corporate & Investment Banking</p> <p>Corporate & Investment Banking (formerly known as Global Corporate Banking) services corporate clients with a turnover of £500 million and above per annum and financial institutions. Corporate & Investment Banking clients require specially-tailored services and value-added services due to their size, complexity and sophistication. Corporate & Investment Banking provides these clients with products to manage currency fluctuations, protect against interest rate risk, and arrange capital markets finance and specialist trade finance solutions as well as providing support for the rest of the Group's Businesses.</p> <p>(d) Corporate Centre</p> <p>Corporate Centre predominantly consists of the non-core corporate and treasury legacy portfolios. Corporate Centre is responsible for managing capital and funding, balance sheet composition and structure and strategic liquidity risk. The non-core corporate and treasury legacy portfolios include aviation, shipping, infrastructure, commercial mortgages, social housing loans and structured credit assets, all of which are being run-down and/or managed for value.</p>
<p>B.16</p>	<p>Controlling shareholders</p> <p>As at the date of this Prospectus, the Issuer is a wholly owned subsidiary of Santander UK Group Holdings Limited, which is a subsidiary of Banco Santander, S.A.. Banco Santander, S.A. and its subsidiary Santusa Holdings S.L. together hold the entire issued share capital of Santander UK Group Holdings.</p>

SECTION C – N&C SECURITIES

Element	
C.1	<p>Type and class of the N&C Securities</p> <p>Title of N&C Securities: £2,675,000 Preference Share-linked Autocallable Notes due 2024</p> <p>Series Number: 1138</p> <p>Tranche Number 1</p> <p>ISIN: XS1886616967</p> <p>Common Code: 188661696</p>
C.2	<p>Currency of the N&C Securities</p> <p>Pound sterling (“£” or “GBP”)</p>
C.5	<p>Restrictions on free transferability</p> <p>The N&C Securities may not be transferred prior to the Issue Date. Selling restrictions apply to offers, sales or transfers of the N&C Securities under the applicable laws in various jurisdictions. A purchaser of the N&C Securities is required to make certain agreements and representations as a condition to purchasing the N&C Securities.</p> <p>The minimum denomination of each N&C Security will be £1,000.</p>
C.8	<p>Description of the rights attaching to the N&C Securities</p> <p>Status: The N&C Securities constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank <i>pari passu</i> without preference amongst themselves and, subject to any applicable statutory provisions or judicial order, at least equally with all other present and future direct, unconditional, unsecured and unsubordinated obligations of the Issuer.</p> <p>Negative pledge: The N&C Securities do not have the benefit of a negative pledge or cross-default provisions (in respect of events of default).</p> <p>Deed of covenant: The N&C Securities have the benefit of a deed of covenant dated 8 August 2017.</p> <p>Taxation: All payments in respect of the N&C Securities will be made without deduction for or on account of withholding taxes imposed by any tax jurisdiction unless such deduction is required by law. In the event that any such deduction is required, the Issuer will not be required to pay any additional amounts to cover the amounts so deducted. Further, all payments in respect of the N&C Securities will be made subject to any withholding or deduction required pursuant to fiscal and other laws, as provided in Condition 5.4(B) of the General Terms and Conditions of the N&C Securities.</p> <p>Events of Default: This includes non-payment, non-performance or non-observance of the Issuer's obligations in respect of the N&C Securities and also the insolvency or winding up of the Issuer. An event of default will only be treated as such if at least 25% of the N&C Securityholders in nominal amount or number of units, as applicable, have requested this.</p> <p>Governing law: English law.</p>

<p>C.11</p>	<p>Listing and Admission to trading</p> <p>Application for N&C Securities has been made for listing on the Official List of Euronext Dublin and for admission to trading on the Regulated Market of Euronext Dublin.</p>																								
<p>C.15</p>	<p>Description of how the value of the N&C Securities is affected by the value of the Preference Shares</p> <p>The following table sets out illustrative values of the amounts payable per N&C Security on the Scheduled Maturity Date, assuming that no early redemption of the Preference Shares and/or N&C Securities has occurred in accordance with their respective terms.</p> <table border="1" data-bbox="240 600 1437 1451"> <thead> <tr> <th data-bbox="240 600 842 707">Preference Share Value as a % of Preference Share Final in respect of Preference Share Initial</th> <th data-bbox="842 600 1437 707">Final Redemption Amount per Calculation Amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="240 707 842 779">100%</td> <td data-bbox="842 707 1437 779">£1.41</td> </tr> <tr> <td data-bbox="240 779 842 851">90%</td> <td data-bbox="842 779 1437 851">£1.41</td> </tr> <tr> <td data-bbox="240 851 842 922">75%</td> <td data-bbox="842 851 1437 922">£1.41</td> </tr> <tr> <td data-bbox="240 922 842 994">70%</td> <td data-bbox="842 922 1437 994">£1.00</td> </tr> <tr> <td data-bbox="240 994 842 1066">65%</td> <td data-bbox="842 994 1437 1066">£1.00</td> </tr> <tr> <td data-bbox="240 1066 842 1137">60%</td> <td data-bbox="842 1066 1437 1137">£0.60</td> </tr> <tr> <td data-bbox="240 1137 842 1209">50%</td> <td data-bbox="842 1137 1437 1209">£0.50</td> </tr> <tr> <td data-bbox="240 1209 842 1281">40%</td> <td data-bbox="842 1209 1437 1281">£0.40</td> </tr> <tr> <td data-bbox="240 1281 842 1352">20%</td> <td data-bbox="842 1281 1437 1352">£0.20</td> </tr> <tr> <td data-bbox="240 1352 842 1424">10%</td> <td data-bbox="842 1352 1437 1424">£0.10</td> </tr> <tr> <td data-bbox="240 1424 842 1451">0%</td> <td data-bbox="842 1424 1437 1451">£0.00</td> </tr> </tbody> </table> <p>The N&C Securities are derivative securities and their value may go down as well as up.</p> <p>In a worst case scenario the amount payable per Calculation Amount at the Maturity Date will be zero if the final reference value of the Preference Shares is zero.</p>	Preference Share Value as a % of Preference Share Final in respect of Preference Share Initial	Final Redemption Amount per Calculation Amount	100%	£1.41	90%	£1.41	75%	£1.41	70%	£1.00	65%	£1.00	60%	£0.60	50%	£0.50	40%	£0.40	20%	£0.20	10%	£0.10	0%	£0.00
Preference Share Value as a % of Preference Share Final in respect of Preference Share Initial	Final Redemption Amount per Calculation Amount																								
100%	£1.41																								
90%	£1.41																								
75%	£1.41																								
70%	£1.00																								
65%	£1.00																								
60%	£0.60																								
50%	£0.50																								
40%	£0.40																								
20%	£0.20																								
10%	£0.10																								
0%	£0.00																								
<p>C.16</p>	<p>Maturity Date of the N&C Securities</p> <p>The Maturity Date of the N&C Securities is the seventh Business Day following the Final Reference Date, which is expected to be 7 October 2024 (the “Scheduled Maturity Date”), unless the Preference Shares are redeemed early in accordance with their terms.</p>																								
<p>C.17</p>	<p>Settlement procedures of the N&C Securities</p> <p>The N&C Securities will be settled on the Maturity Date or Early Redemption Date, as the case may be, in each case as adjusted in accordance with the conditions, at the relevant amount per N&C Security.</p>																								
<p>C.18</p>	<p>Description of how the return on derivative securities takes place</p>																								

Payment Features	
Issue Price:	100 per cent of the Aggregate Nominal Amount
Issue Date:	5 October 2018
Calculation Amount:	£1.00
Maturity Date:	The third Business Day following the Final Reference Date, which is expected to be 7 October 2024 (the “ Scheduled Maturity Date ”), unless the Preference Shares are redeemed early in accordance with their terms.
Final Redemption Amount:	<p>Unless previously redeemed or purchased and cancelled, each N&C Security will be redeemed at its Final Redemption Amount on the Maturity Date.</p> <p>The "Final Redemption Amount" in respect of each nominal amount of the N&C Securities equal to the Calculation Amount shall be an amount in the Specified Currency calculated by the Calculation Agent equal to:</p> $\text{Calculation Amount} \times \frac{\text{Preference Share Value}_{\text{final}}}{\text{Preference Share Value}_{\text{Initial}}}$ <p>and rounded (where relevant) in accordance with the applicable rounding convention.</p> <p>Where:</p> <p>"Company" means Santander UK (Structured Solutions) Limited;</p> <p>"Final Reference Date" means the seventh Business Day following the Preference Share Valuation Date;</p> <p>"Initial Reference Date" means 21 September 2018;</p> <p>"Preference Shares" means the EISPF 0013 Equity Index Lined Redeemable Preference Shares issued by the Company;</p> <p>"Preference Share Valuation Date" means:</p> <p>(a) 23 September 2024, unless the Preference Shares are to be redeemed following an earlier Scheduled Observation Date on which a Trigger Condition occurs (each term as defined in the Preference Share Terms and Conditions), in which case the Preference Share Valuation Date will be such Scheduled Observation Date, in each case subject to adjustment in accordance with the Preference Share Terms and Conditions, or,</p> <p>(b) if the Preference Shares become subject to redemption due to a related financial product being subject to early redemption, the date scheduled for valuation of the underlying asset(s) or reference basis(es) for the Preference Shares; or</p> <p>(c) if any date(s) for valuation of the underlying asset(s) or reference basis(es) (or any part thereof) for the Preference Shares falling on or about such day described in (a) or (b) above, as the case may be, is or is to be delayed in accordance with the terms and conditions of the Preference Shares by reason of a disruption or adjustment</p>

		<p>event, the Preference Share Valuation Date will be such delayed valuation or determination date(s) (or, if the relevant Preference Shares have more than one underlying asset or reference basis, the last occurring of such delayed valuation or determination date(s) if there is more than one delayed valuation date or delayed determination date).</p> <p>"Preference Share Value" means, in respect of any day, the fair market value per Preference Share at the Valuation Time on that day as determined by the Calculation Agent using its internal models and methodologies by reference to such factors as the Calculation Agent considers to be appropriate including, but not limited to, (a) interest rates, index levels, implied volatilities in the option markets and exchange rates; (b) the remaining life of the Preference Share had they not been redeemed until the Final Preference Share Valuation Date; (c) the value at the relevant time of any redemption amount which would have been applicable had the Preference Shares remained outstanding to the Final Preference Share Redemption Date and/or any Early Preference Share Redemption Date; and (d) prices at which other market participants might bid for shares similar to the Preference Shares;</p> <p>"Preference Share Value_{final}" means the Preference Share Value on the Final Reference Date;</p> <p>"Preference Share Value_{initial}" means the Preference Share Value on the Initial Reference Date; and</p> <p>"Valuation Time" means 11.59 p.m. (London time).</p>
	<p>Early Redemption Amount:</p>	<p>The N&C Securities may be subject to early redemption (i) for tax reasons (ii) pursuant to any annex to the conditions, (iii) on receipt of a notice of early redemption of the Preference Shares for any reason other than a related financial product being subject to early redemption, (iv) following the occurrence of an illegality, (v) following the occurrence of a securities hedging disruption, (vi) following a regulatory redemption event, (vii) following a relevant administrator/benchmark event or (viii) following the occurrence of an event of default. In the event of an early redemption, the Issuer will redeem each N&C Security at its Early Redemption Amount on the applicable Early Redemption Date.</p> <p>The "Early Redemption Amount" shall be an amount rounded in accordance with the conditions in the Specified Currency calculated by the Calculation Agent on the same basis as the Final Redemption Amount (as specified above) except that, for these purposes only, the definition of Preference Share Value_{final} shall be the Preference Share Value on the Early Redemption Valuation Date;</p> <p>Where:</p> <p>"Early Preference Share Redemption Valuation Date" means:</p> <p>(a) if the N&C Securities become subject to early redemption other than following an event of default, the Early Preference Share Redemption Valuation Date specified in the notice of early redemption given to N&C Securityholders by the Issuer (or the Calculation Agent on its behalf) in accordance with the conditions; or</p> <p>(b) where the N&C Securities are subject to early redemption following an event of default, the 5th Business Day following the date on which the relevant N&C Securityholder's written notice referred to therein is given,</p> <p>or, in each case, if any date(s) for valuation of or any determination of the underlying asset(s) or reference basis(es) (or any part thereof) for the Preference Shares falling on or about such day is to be delayed in accordance with the terms</p>

		<p>and conditions of the Preference Shares by reason of a disruption or adjustment event, the relevant Early Preference Share Redemption Valuation Date shall be such delayed valuation or determination date (or, if the relevant Preference Shares have more than one underlying asset or reference basis, the last occurring of such delayed valuation date(s) or determination date(s), if there is more than one delayed valuation date or delayed determination date);</p> <p>"Early Redemption Date" means the third business day following the Early Redemption Valuation Date; and</p> <p>"Early Redemption Valuation Date" shall be the third Business Day following the Early Preference Share Redemption Valuation Date.</p>
<p>C.19</p>	<p>The final reference price of the underlying</p>	<p>The Preference Share Value_{final} will be the Preference Share Value on the Final Reference Date as set out in item C.18 above.</p>
<p>C.20</p>	<p>A description of the type of the underlying and where the information of the underlying can be found</p>	<p>The underlying for the purposes of determining the amount payable upon redemption or early redemption will be the Preference Shares of the Company specified at item C.18 above.</p> <p>The Company is a private company limited by shares and was incorporated under the Companies Act 2006 on 18 November 2015 (with registered number 9878451). The Company is governed by the laws of England and Wales and has its registered office at 2 Triton Square, Regent's Place, London NW1 3AN.</p> <p>The performance of the Preference Shares is linked to the performance of the FTSE 100 Index. A copy of the Company's constitutional documents and the applicable terms and conditions of the class of Preference Shares (the "Preference Share Terms and Conditions") are available to investors in the N&C Securities on written request (free of charge) from the registered office of the Company at 2 Triton Square, Regent's Place, London NW1 3AN in relation to the N&C Securities on proof of identity as a N&C Securityholder.</p> <p>The Preference Share Terms and Conditions will provide that, unless otherwise redeemed or cancelled, the Preference Shares will be redeemable on their final redemption date at a defined amount as determined in accordance with the Preference Share Terms and Conditions.</p>

SECTION D – RISKS

Element	
D.2	<p>Key risks regarding the Issuer</p> <p>In purchasing N&C Securities, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the N&C Securities. There are a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the N&C Securities. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. However, the Issuer has identified in the Base Prospectus a number of factors which could materially adversely affect its business and ability to make payments due under the N&C Securities, and it considers that the risks identified in the Base Prospectus include all the principal risks of an investment in the N&C Securities. These include:</p> <ul style="list-style-type: none"> ● the Group's operating results, financial condition and prospects may be materially impacted by economic conditions in the UK as well as regulatory capital, leverage and liquidity requirements imposed on the Issuer; ● the Group's operating results, financial condition and prospects may be negatively affected by conditions in global financial markets; ● the Group is subject to liquidity requirements that could limit its operations, and changes to these requirements may further limit and adversely affect the Group's operating results, financial condition and prospects; ● the Group's financial results are constantly exposed to market risk. The Group is subject to fluctuations in interest rates and other markets risks, which may materially and adversely affect it; ● any reduction in the credit rating assigned to the Group, any member of the Group or to any Group debt securities would be likely to increase the Group's cost of funding, require additional collateral to be placed and adversely affect its interest margins and liquidity position; ● the Group operates in a highly regulated environment that imposes costs and significant compliance requirements. Changes in regulations may increase the cost and complexity of doing business, or may disadvantage the Group relative to its competitors. The failure to comply with regulations could subject the Group to sanctions, force it to cease providing certain services, or oblige it to change the scope or nature of its operations; ● customers and counterparties that owe the Group money, securities or other assets may default on their obligations to the Group due to bankruptcy, lack of liquidity, operational failure or other reasons; and ● the Group's future success depends to a significant degree upon the continued contributions of its key personnel, its ability to recruit, train, retain and motivate personnel, and to ensure that employment contract terms are appropriate.
D.6	<p>Key risks regarding the N&C Securities</p> <ul style="list-style-type: none"> ● There are also risks associated with specified types of N&C Securities and with the N&C Securities and the markets generally, including that, unlike a bank deposit, the N&C Securities are not protected by the Financial Services Compensation Scheme ("FSCS") or other government protection scheme. As a result, neither the FSCS nor any other government will pay compensation to an investor in the N&C Securities upon the failure of the Issuer. If the Issuer goes out of business or become insolvent, holders of the N&C Securities may lose all or part of their investment in the N&C Securities; ● investors in N&C Securities may lose up to the entire value of their investment in the N&C Securities as a result

of the occurrence of any of (a) the insolvency of the Issuer, (b) investors seeking to sell the N&C Securities prior to their scheduled redemption, (c) a decrease in the value of the Preference Shares to which the N&C Security is linked, and (d) amounts payable being subject to deductions for taxes and/or expenses;

- the N&C Securities represent direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank equally without any preference among themselves with all other present and future direct, unconditional, unsecured and unsubordinated obligations of the Issuer;
- the market value and the amount payable on redemption of the N&C Securities may be adversely affected by a number of factors, and the price at which a holder of N&C Securities may be able to sell N&C Securities prior to redemption may be at a substantial discount to the market value of such N&C Securities on the Issue Date. A holder of such N&C Securities may suffer a loss of some or up to all of the entire amount invested on redemption;
- the N&C Securities will have no established trading market when issued, and one may never develop, or the N&C Securities may be illiquid. In such case, investors may not be able to sell their N&C Securities easily or at favourable prices; and
- the N&C Securities will be settled by the Issuer through one or more clearing systems and agents. In addition investors may hold N&C Securities through one or more intermediaries. As a result it may be necessary to enforce rights under the N&C Securities through such indirect holding structure and delays and settlement risk may exist as a result.

Additionally, the risks relating to investment in the N&C Securities depend on their features and may include, *inter alia*, risks relating to (but not limited to) operational/business risk, credit risk, liquidity risk, interest rate risk, regulatory risk, reputational risk, competition risk, unsecured obligations, market risk, emerging market risk, hedging and potential conflicts of interest, tax liabilities, expenses and taxation, third party risk, structural risks relating to particular N&C Securities, including with respect to the preference shares or other reference item(s) (in the case of interest), no claim against the preference shares or other reference item(s) (in the case of interest) to which the N&C Securities relate, exchange rate risks, optional redemption risk, early redemption risk, settlement disruption, settlement risk, possible illiquidity of N&C Securities, equity risk, currency risk, underlying volatility risk, fund risk, failure to deliver due to illiquidity, inflation risk, modification, meetings, market disruption, a requirement to hold a minimum amount of N&C Securities, transfer restrictions, exchange, listing and legal regulation risk, risk arising from Calculation Agent discretion, over-allotment risk, risk relating to the discontinuation or withdrawal of the offer period, risk relating to inventory securities issues prior to their date of purchase and eurosystem eligibility risk.

Risk Warning

See D3 above. In addition:

- investors in N&C Securities may lose up to the entire value of their investment in the N&C Securities as a result of the terms of the relevant N&C Securities as invested amounts are subject to the performance of Preference Shares; and
- the Issue Price of the N&C Securities may be more than the market value of such N&C Securities as at the Issue Date, and the price of the N&C Securities in secondary market transactions.

SECTION E – OFFER

Element	
E.2b	<p>Use of proceeds</p> <p>The net proceeds from the issue of N&C Securities will be applied by the Issuer for its general corporate purposes.</p>
E.3	<p>Terms and conditions of the offer:</p> <p>The N&C Securities are not being offered to the public in a Non-exempt Offer.</p>
E.4	<p>Description of any interest of natural and legal persons involved in the issue/offer that is material to the issue/offer including conflicting interests</p> <p>The relevant Dealers may be paid fees in relation to any issue of N&C Securities under the Programme. Any such Dealer and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.</p> <p>Other than as mentioned above, and save for any fees payable to the Dealer and to Fortem Capital Limited in its capacity as arranger on behalf of the initial purchaser of the N&C Securities, so far as the Issuer is aware, no person involved in the offer of the N&C Securities has an interest material to the offer, including conflicting interests.</p>
E.7	<p>Expenses charged to the investor by the Issuer</p> <p>Not Applicable - No expenses will be charged to an investor by the Issuer.</p>