

**SUPPLEMENT DATED 17 AUGUST 2018
TO THE BASE PROSPECTUS DATED 3 AUGUST 2018**



Santander UK plc

(incorporated in England and Wales with limited liability, registered number 2294747)

This supplement (the "**Supplement**"), which definition shall also include all information incorporated by reference herein is prepared as a supplement to, and must be read in conjunction with the Base Prospectus dated 3 August 2018 relating to the Structured Note and Certificate Programme (the "**Base Prospectus**").

This Supplement together with the Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (the "**Prospectus Directive**"). Terms defined in the Base Prospectus have the same meaning 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 prepared by Santander UK plc, as issuer under the Structured Note and Certificate Programme (the "**Issuer**").

This Supplement has been approved by the Central Bank of Ireland (the "**Central Bank**"), as Irish competent authority under the Prospectus Directive. The Central Bank only approves this Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the Securities which are to be admitted to trading on the regulated market of the Irish Stock Exchange plc, trading as Euronext Dublin or other regulated markets for the purposes of Directive 2014/65/EU (the "**Markets in Financial Instruments Directive**") or which are to be offered to the public in a Member State of the European Economic Area.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (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.

This Supplement has been prepared for the purpose of: (i) incorporating by reference into the Base Prospectus the unaudited condensed consolidated interim financial statements of the Issuer for the six months ended 30 June 2018 and the related glossary and (ii) updating the Summary of the Programme contained in the Base Prospectus (as described in Schedule 2 hereto).

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

If any documents which are incorporated by reference themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement or the Base Prospectus for the purposes of the Prospectus Directive except where such information or other documents are specifically incorporated by reference or attached to this Supplement.

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

Save as disclosed in this Supplement, no significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus. There has been no significant change in the financial position of

Santander UK plc and its subsidiaries since 30 June 2018 (being the date to which the most recent financial information was prepared).

In accordance with Article 16.2 of the Prospectus Directive, investors who have agreed to purchase or subscribe for securities 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 by sending a written notice of withdrawal (which must include the full name and address of the person or entity wishing to exercise such statutory withdrawal right and identify the transferable securities to which that statutory withdrawal right relates) by electronic mail to structurednotesafm@santander.co.uk. The final date for any such withdrawal is 21 August 2018.

SCHEDULE 1

DOCUMENTS INCORPORATED BY REFERENCE

The Issuer has published its unaudited financial report for the six months ended 30 June 2018 (the “**2018 Half Yearly Report**”).

The unaudited condensed consolidated interim financial statements of the Issuer for the six months ended 30 June 2018, which appear on pages 41 to 65 (inclusive) the 2018 Half Yearly Report are hereby incorporated in and form part of the Base Prospectus and are available for viewing at <https://www.santander.co.uk/uk/about-santander-uk/investor-relations/santander-uk-plc>.

The glossary relating to the 2018 Half Yearly Financial Report is hereby incorporated in and forms part of this Base Prospectus and is available for viewing at <https://www.santander.co.uk/uk/about-santander-uk/investor-relations-glossary>.

SCHEDULE 2

SUPPLEMENT TO THE SUMMARY

The Summary contained in the Base Prospectus is hereby amended following the publication of the 2018 Half Yearly Report by deletion of Element B.12 and its replacement with the following:

B.12 Selected historical key financial information		
<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>		
	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.		
<i>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)</i>		
	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.		

Consolidated Income Statement (extracted from the Issuer's annual report for the year ended 31 December 2017)

	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

Condensed consolidated income statement of the Issuer (extracted from the Issuer's financial statements for the six months ended 30 June 2018)

	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

Statements of no significant or material adverse change

	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.
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