

## FINAL TERMS

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

24 September 2014

Amended and restated on 3 October 2014

Abbey National Treasury Services plc

*Issue of up to GBP50,000,000 Capital-at-risk Equity Index Linked Automatic Early Redemption Notes due November 2020  
(the "N&C Securities")*

Guaranteed by Santander UK plc

under the  
Note, Certificate and Warrant Programme  
(the "Programme")

Any person making or intending to make an offer of the N&C Securities may only do so:

- (i) in those Public Offer Jurisdictions mentioned in Paragraph 9.5 of Part B below, provided such person is of a kind specified in that paragraph and that the offer is made during the Offer Period specified in that paragraph; or
- (ii) 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.

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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.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive), to the extent implemented in the relevant Member State of the European Economic Area, and includes any relevant implementing measure in the relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

### 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 28 January 2014 and the supplements to the Base Prospectus dated 7 February 2014, 6 March 2014, 6 May 2014, 8 August 2014<sup>1</sup> and 27 August 2014 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, the Guarantor 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 the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)), the Central Bank of Ireland (<http://www.centralbank.ie>) and the Issuer's website (<http://www.aboutsantander.co.uk/investors/debt-investors/abbey-omnibus-programme/prospectus-documents.aspx>). 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

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<sup>1</sup> The Supplement dated 8 August 2014 has been inserted to correct a mistake.

registered office of the Issuer and the Guarantor. 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.

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, the Guarantor 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, the Guarantor 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.** *None of the Issuer, the Guarantor and any Dealer is acting as fiduciary for or adviser to it in respect of the investment in the N&C Securities.*

|    |     |   |  |
|----|-----|---|--|
| 1. | 1.1 | Issuer:   | Abbey National Treasury Services plc             |
|    | 1.2 | Guarantor:  | Santander UK plc                                 |
| 2. | 2.1 | Type of N&C Security:   | Note   |
|    | 2.2 | Series Number:  | 1032   |
|    | 2.3 | Tranche Number:   | 1  |
|    | 2.4 | Date on which the N&C Securities will be consolidated and form a single Series: | Not Applicable                                   |
|    | 2.5 | Trading Method:   | Nominal  |
|    | 2.6 | Applicable Annex(es):   | Payout and Equity Index/ETF                      |
| 3. |     | Specified Currency:   | Pound Sterling ("GBP" or "£")                    |
| 4. |     | Aggregate Nominal Amount:   | Up to GBP50,000,000                              |
|    | 4.1 | Series:   | Up to GBP50,000,000                              |
|    | 4.2 | Tranche:  | Up to GBP50,000,000                              |
| 5. |     | Issue Price   | 100.00 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 take into account amounts with respect to fees relating to the issue and sale of the N&C Securities as well as amounts relating to the hedging of the Issuer's obligations under the N&C Securities and secondary market prices may exclude such amounts.

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 (which may or may not have acted as an Authorised Offeror) (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 2004/39/EC), 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:                                       | GBP1,000   |
|     | 6.2            | Calculation Amount per N&C Security:                           | GBP1,000   |
| 7.  | <del>7.1</del> | Issue Date:  | <del>28 November 2014</del>  |
|     | 7.2            | Interest Commencement Date (if different from the Issue Date): | Not Applicable   |
| 8.  |                | Type of N&C Security:  | Equity Index/ETF Linked N&C Security   |
| 9.  |                | Maturity Date:   | 30 November 2020 (the " <b>Scheduled Maturity Date</b> "), subject to the provisions of the Equity Index/ETF Annex and these Final Terms |
| 10. |                | Interest Basis:  | Non-interest bearing N&C Security  |
| 11. |                | Redemption / Payment Basis:                                    | Variable Redemption N&C Security   |
| 12. |                | Change of Interest Basis:                                      | Not Applicable   |
| 13. |                | Put/Call Options:  | Not Applicable   |
| 14. | 14.1           | Status of N&C Securities:                                      | Senior   |
|     | 14.2           | Status of Guarantee:   | 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. | Zero Coupon N&C Security Provisions                                  | Not Applicable |
| 18. | Other Variable Interest Rate N&C Security Provisions                 | Not Applicable |
| 19. | Interest provisions in respect of Partial Redemption N&C Securities: | Not Applicable |

## PROVISIONS RELATING TO REDEMPTION

|     |   |  |
|-----|---|--|
| 20. | Issuer Call   | Not Applicable   |
| 21. | Notice periods for Issuer Illegality Call, Issuer Regulatory Call and Issuer Tax Call |  |
|     | 21.1 Maximum Period:  | 5 days   |
|     | 21.2 Minimum Period:  | 5 days   |
| 22. | Investor Put:   | Not Applicable   |
| 23. | Final Redemption Amount:  | Subject to any prior purchase and cancellation or early redemption, each N&C Security will be redeemed on the Maturity Date at an amount in GBP determined by the Calculation Agent in accordance with the methodology as set out below: |

- (1) If Asset Final Performance is greater than or equal to Barrier 1:

Calculation Amount \* 175.00 per cent.

- (2) If Asset Final Performance is less than Barrier 1 but greater than or equal to Barrier 2:

Calculation Amount \* 100.00 per cent.

- (3) If Asset Final Performance is less than Barrier 2:

Calculation Amount \* (Participation \* Asset Final Performance)

For these purposes:

"Asset" means each of FTSE 100 Index (Bloomberg Screen UKX <Index> page) and EURO STOXX 50<sup>®</sup> Index (Bloomberg Screen SX5E <Index> page).

"Asset Final" means the Asset Level on the Final Valuation

Date.

"**Asset Final Performance**" means the Final Performance of the Final Laggard.

"**Asset Initial**" means the Asset Level on the Initial Valuation Date.

"**Asset Level**" means the Closing Level of the relevant Asset.

"**Barrier 1**" means 100.00 per cent.

"**Barrier 2**" means 60.00 per cent.

"**Basket Asset**" means an Asset that is a constituent of a basket of Assets, as specified in the table in paragraph 27.2 below.

"**Closing Level**" means the Closing Level (as defined in the Equity Index/ETF Linked Conditions).

"**Final Laggard**" shall mean the Asset with the lowest calculated Final Performance, as determined by the Calculation Agent in respect of the relevant date. For the avoidance of doubt, if two or more Assets in the Basket have the same Final Performance as of the Final Valuation Date, the Calculation Agent shall select any such Asset as the Final Laggard acting in good faith and in a commercially reasonable manner.

"**Final Performance**" means, in respect of the relevant Asset, an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:

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$$\frac{\text{Asset Final}}{\text{Asset Initial}}$$

"**Participation**" means 100.00 per cent.

24. Early Redemption Amount payable on redemption for illegality (N&C Security Condition 7.4 (Redemption for illegality)), Regulatory Redemption Event (N&C Security Condition 7.5 (Regulatory Redemption Event)), redemption for tax reasons (N&C Security Condition 7.6 (Redemption for tax reasons)), on an Event of Default (N&C Security Condition 10 (Events of Default)) or in any other circumstances specified in the N&C Security Conditions and/or the relevant Annex: Market Value

25. Automatic Early Redemption Event(s): Applicable

Subject to any prior purchase and cancellation or early redemption, each N&C Security will be early redeemed at the Automatic Early Redemption Amount which will be equal to the

Autocallable Amount on the relevant Automatic Early Redemption Date in GBP if the Calculation Agent determines that Barrier Condition is satisfied.

For these purposes:

| Scheduled Observation Date | Automatic Early Redemption Date | Autocallable Amount per Calculation Amount |
|----------------------------|---------------------------------|--|
| 23 November 2015           | 30 November 2015                | Calculation Amount * 112.50 per cent.      |
| 21 November 2016           | 28 November 2016                | Calculation Amount * 125.00 per cent.      |
| 21 November 2017           | 28 November 2017                | Calculation Amount * 137.50 per cent.      |
| 21 November 2018           | 28 November 2018                | Calculation Amount * 150.00 per cent.      |
| 21 November 2019           | 28 November 2019                | Calculation Amount * 162.50 per cent.      |

"**Autocallable Amount**" has the value set out in the table in this paragraph 24 of Part A to these Final Terms in relation to the Scheduled Observation Date specified in such table in respect of which the Autocallable Amount has become payable or is triggered.

"**Automatic Early Redemption Date**" means the dates as specified in the table in this paragraph 24 of Part A to these Final Terms.

"**Asset Early**" means the Asset Level on the relevant Scheduled Observation Date.

"**Asset Early Performance**" means the Early Performance of the Early Laggard.

"**Barrier (Early)**" means 100.00 per cent.

"**Barrier Condition**" means Barrier Condition Early.

"**Barrier Condition Early**" means Barrier Condition Early (European).

"**Barrier Condition Early (European)**" shall be deemed satisfied if the Calculation Agent determines that on the relevant Scheduled Observation Date, Asset Early Performance is greater than or equal to Barrier (Early).

"**Early Laggard**" shall mean in relation to the Scheduled Observation Date, the Asset with the lowest calculated Early Performance, as determined by the Calculation Agent in respect of the relevant date. For the avoidance of doubt, if two or more Basket Assets have the same Early Performance as of the

Scheduled Observation Date, the Calculation Agent shall select any such Basket Asset as the Early Laggard acting in good faith and in a commercially reasonable manner.

"Early Performance" means, in respect of the relevant Asset, an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Asset Early}}{\text{Asset Initial}}$$

"Scheduled Observation Date" means the dates specified as such in these Final Terms.

**26. Key Dates relating to Variable Interest Rate N&C Securities and/or Variable Redemption N&C Securities**

|     |                                       |   |
|-----|---------------------------------------|---|
| (a) | Trade Date:                           | 16 September 2014   |
| (b) | Valuation Date(s):                    | Not Applicable  |
| (c) | Initial Valuation Date:               | 21 November 2014  |
| (d) | Scheduled Observation Dates:          | As specified in the table in paragraph 24 of Part A to these Final Terms. |
| (e) | Calculation Date(s):                  | Not Applicable  |
| (f) | Observation Period:                   | Not Applicable  |
| (g) | Averaging Dates:                      | Averaging does not apply to the N&C Securities.                           |
| (h) | Final Valuation Date:                 | 23 November 2020  |
| (i) | Specified Maximum Days of Disruption: | See Equity Index/ETF Linked Condition 9                                   |

**27. Additional provisions relating to Equity Linked N&C Securities** Not Applicable

**28. Additional provisions relating to Equity Index/ETF Linked N&C Securities** Applicable

28.1 Whether the N&C Securities relate to single index or ETF or a basket containing one or more indices or ETFS and the identity of each relevant Index/ETF: Basket containing one or more indices

28.2 Equity Index: Applicable

| 1 | Index                | Index Sponsor   | Exchange                                  | Related Exchange | Bloomberg Screen |
|---|----------------------|---|---|------------------|------------------|
| 1 | FTSE 100 Index       | FTSE International Limited (or any successor thereto) | London Stock Exchange                     | All Exchanges    | UKX <Index>      |
| 2 | EURO STOXX 50® Index | STOXX Limited (or any successor thereto)              | As per Equity Index/ETF Linked Conditions | All Exchanges    | SX5E <Index>     |

- 28.3 Exchange Traded Fund: Not Applicable
- 28.4 Index / ETF Level: Closing Level
- 28.5 Exchange(s) The relevant Exchange is specified in the table at paragraph 27.2 above
- 28.6 Related Exchange: The relevant Related Exchange is specified in the table at paragraph 27.2 above
- 28.7 Relevant Time: Scheduled Closing Time
- 28.8 Exchange Business Day: Exchange Business Day (All Indices Basis)
- 28.9 Scheduled Trading Day: Scheduled Trading Day (All Indices Basis)
- 28.10 Additional Disruption Events: Applicable

(a) Elected Events Only: Applicable

(b) The following Additional Disruption Events apply to the N&C Securities: Change in Law and Hedging Disruption

29. Additional provisions relating to Inflation Index Linked N&C Securities Not Applicable
30. Additional provisions relating to Property Index Linked N&C Securities Not Applicable
31. Additional provisions relating to Fixed Income Benchmark N&C Securities Not Applicable
32. Redemption provisions relating to Partial Redemption N&C Securities: Not Applicable

**GENERAL PROVISIONS APPLICABLE TO THE N&C SECURITIES**

33. Form of N&C Securities:
- 33.1 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 Note Securities only upon an Exchange Event.

- 33.2 New Global Note: No
34. Additional Financial Centre(s): London
35. Payment Day Convention: Following
36. Talons for future Coupons to be attached to Definitive Bearer N&C Securities: No
37. Rounding Convention: Rounded down
38. Calculation Agent: Abbey National Treasury Services plc  
2 Triton Square  
Regent's Place  
London NW1 3AN  
United Kingdom

#### RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms. The Issuer and the Guarantor each confirm that such information has been accurately reproduced and that, so far as they are aware and is/are able to ascertain from information published by Bloomberg®, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer and the Guarantor:

By: 

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

Listing and admission to trading:

Application is expected to be made by the Issuer (or on its behalf) for the N&C Securities to be admitted to the Official List of the Irish Stock Exchange and trading on its regulated market with effect from the Issue Date.

### 2. RATINGS

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 any Authorised Offeror, 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. YIELD Not Applicable

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### 6. HISTORIC RATES OF INTEREST

Not Applicable

### 7. PERFORMANCE OF REFERENCE ITEM, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND OTHER INFORMATION CONCERNING REFERENCE ITEM

*Exposure to the FTSE 100 Index and the EURO STOXX 50<sup>®</sup> Index (each an "Index" and together the "Indices")*

The amount N&C Securityholders will receive on redemption of the N&C Securities is calculated by reference to, and therefore dependent on, the performance of each Index.

*Performance of the basket of Indices and Effect on Value of Investment*

If Barrier Condition is satisfied on the applicable Scheduled Observation Date (as described in paragraph 24 of Part A to these Final Terms), the amount payable per Calculation Amount on the corresponding Automatic Early Redemption Date is the applicable Autocallable Amount, set out in the table below.

| Scheduled Observation Date | Automatic Early Redemption Date | Autocallable Amount per Calculation Amount |
|----------------------------|---------------------------------|--|
| 23 November 2015           | 30 November 2015                | Calculation Amount * 112.50 per cent.      |
| 21 November 2016           | 28 November 2016                | Calculation Amount * 125.00 per cent.      |
| 21 November 2017           | 28 November 2017                | Calculation Amount * 137.50 per cent.      |
| 21 November 2018           | 28 November 2018                | Calculation Amount * 150.00 per cent.      |
| 21 November 2019           | 28 November 2019                | Calculation Amount * 162.50 per cent.      |

If Barrier Condition is not satisfied, the Final Redemption Amount per Calculation Amount will be calculated in accordance with the provisions of paragraph 22 of Part A to these Final Terms. Defined terms used in the following illustrations have the meaning ascribed in Part A to these Final Terms.

The following table sets out illustrative values of the Final Redemption Amount per Calculation Amount assuming different values for the Asset Final, as a percentage of Asset Initial, in respect of Final Laggard.

| Asset Final as a % of Asset Initial in respect of Final Laggard | Final Redemption Amount per Calculation Amount |
|---|--|
| 200%  | £1,750.00                                      |
| 150%  | £1,750.00                                      |
| 100%  | £1,750.00                                      |
| 90%   | £1,000.00                                      |
| 75%   | £1,000.00                                      |
| 60%   | £1,000.00                                      |
| 50%   | £500.00  |
| 40%   | £400   |
| 25%   | £250   |
| 10%   | £100   |
| 0%  | £0   |

In a worst case scenario, the Final Redemption Amount per Calculation Amount would be zero, if Barrier Condition is not satisfied and Asset Final of Final Laggard is zero.

***Information in relation to the Indices***

*The information included herein with respect to the Indices consists only of extracts from, or summaries of, publicly available information. The Issuer and Guarantor accept responsibility that such information has been correctly extracted*

*or summarised. No further or other responsibility is accepted by the Issuer or the Guarantor. In particular, neither the Issuer nor the Guarantor accepts responsibility in respect of the accuracy or completeness of the information set forth herein concerning the Indices or that there has not occurred any event which would affect the accuracy or completeness of such information.*

The FTSE 100 Index is a market-capitalisation weighted index of the 100 most highly capitalised companies traded on the London Stock Exchange. The equities use an investibility weighting in the index calculation. The Index was developed with a base level of 100 as of 3 January 1984.

The Index is the EURO STOXX 50® Index. The Index is a free-float market capitalization-weighted index of 50 European blue-chip stocks from those countries participating in the EMU. Each component's weight is capped at 10% of the Index's total free-float market capitalization. The Index was developed with a base value of 1,000 as of 31 December, 1991.

The official closing level of the FTSE 100 Index is published on Bloomberg Screen UKX <Index>. The official closing level of the EURO STOXX 50® Index is published on Bloomberg Screen SX5E <Index>. The description of the Indices has been extracted from the Bloomberg Service. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published on Bloomberg service, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Information on past performance and volatility of the Indices can be obtained from various internationally recognised published or electronically displayed sources, for example Bloomberg Screen UKX <Index> and Bloomberg Screen SX5E <Index> (or any successor service or page). The Issuer does not intend to provide any post issuance information, except if required by any applicable laws and regulations.

The value of the N&C Securities is dependent on a number of factors, including but not limited to, the level of each Index.

## 8. OPERATIONAL INFORMATION

|     |   |  |
|-----|---|--|
| 8.1 | ISIN Code:  | XS1113138900   |
| 8.2 | Common Code:  | 111313890  |
| 8.3 | Any clearing system(s) other than Euroclear and Clearstream Luxembourg and the relevant identification number(s): | Not Applicable   |
| 8.4 | Delivery:   | Delivery against payment   |
| 8.5 | Names and addresses of additional Paying Agent(s) (if any):   | Not Applicable   |
| 8.6 | Deemed delivery of clearing system notice for the purposes of N&C Security Condition 14 (Notices):                | Any notice delivered to 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. |
| 8.7 | Intended to be held in a manner which would allow Eurosystem eligibility:   | No   |
| 8.8 | Governing law:  | English  |

## 9. DISTRIBUTION

|     |                         |                |
|-----|-------------------------|----------------|
| 9.1 | Method of distribution: | Non-syndicated |
|-----|-------------------------|----------------|

- 9.2 (i) If syndicated, names of Managers: Not Applicable
- (ii) Date of Subscription Agreement: Not Applicable
- (iii) Stabilising Manager(s) (if any): Not Applicable
- 9.3 If non-syndicated, name and address of relevant Dealer: Abbey National Treasury Services plc  
2 Triton Square  
Regent's Place  
London NW1 3AN  
United Kingdom
- 9.4 U.S. Selling Restrictions: 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 Securities that (i) it will not at any time offer, sell, resell or deliver, directly or indirectly, such 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 Securities for the account or benefit of any U.S. person.
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- Reg. S Compliance Category 2; TEFRA D
- 9.5 Non-exempt Offer: A Non-exempt Offer of the N&C Securities may be made by the institution specified in item 10.14 of Part B below (the "**Initial Authorised Offeror**" or the "**Authorised Offeror**") other than pursuant to Article 3(2) of the Prospectus Directive in the United Kingdom (the "**Public Offer Jurisdiction**") during the Offer Period (as defined in Paragraph 10.3 below of this Part B). Copies of these Final Terms will be provided to the competent authorities in the Public Offer Jurisdiction. See further Paragraph 10 of this Part B.
- (i) General Consent: Not Applicable
- (ii) Other conditions to consent: Not Applicable

## 10. TERMS AND CONDITIONS OF THE OFFER

Applicable. The Authorised Offeror will manage a plan (the "**Plan**"), which, will be offered to the public in the Public Offer Jurisdiction in accordance with the arrangements listed below. The Authorised Offeror has selected the N&C Securities as one of the primary qualifying securities into which the Authorised Offeror will invest on behalf of investors in the Plan. The proceeds invested by investors in the Plan will be used by the Authorised Offeror to purchase the N&C Securities. It is understood that the performance of the Plan will be related to the performance of the N&C Securities

throughout the term of the N&C Securities. Accordingly, the amounts payable by the Authorised Offeror on the retirement of the Plan are linked to the amounts paid by the Issuer pursuant to the terms and conditions of the N&C Securities.

10.1 Offer Price:

A prospective investor in the Plan should contact the Authorised Offeror for details of the Offer Price.

If any fees relating to the issue and sale of these N&C Securities have been paid or are payable by the Dealer to 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 (2004/39/EC), or as otherwise may apply in any non-EEA jurisdictions. Potential investors in these N&C Securities intending to purchase 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 hereof.

10.2 Conditions to which the offer is subject:

Offers of the N&C Securities are subject to the distribution arrangements in place between the Dealer and the Authorised Offeror. The Issuer reserves the right, in its absolute discretion, to cancel the offer and issue of the N&C Securities at any time prior to the Issue Date, to end the Offer Period early and/or to extend the Offer Period. Information regarding any such cancellation, early termination or extension of the Offer Period will be made available both on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)) and on the Issuer's website <http://www.aboutsantander.co.uk/investors/debt-investors/abbey-omnibus-programme/final-terms.aspx> on or prior to the Issue Date. As between the Dealer and its Authorised Offeror and its customers, offers of the N&C Securities are further subject to such conditions as may be agreed between them and/or as is specified in any arrangements in place between them.

For a further description of the offer of an interest in the N&C Securities pursuant to the Plan by the Authorised Offeror to its customers, see Paragraph 10.5 of Part B to these Final Terms below.

Any offer of the Plan or of the N&C Securities comprised therein by the Authorised Offeror will be made in its own name and on its own behalf and not as an agent of the Issuer, the Guarantor or the Dealer and only the Authorised Offeror will be liable for the offer in the Public Offer Jurisdiction. None of the Issuer, Guarantor or Dealer accepts any liability for the offer or sale by the Authorised Offeror of an investment in the Plan to investors in the Public Offer Jurisdiction.

10.3 Offer Period:

The Authorised Offeror is authorised to offer the N&C Securities at any time from (and including) 9:00 a.m. (London time) on 25 September 2014 to (and including) 5:00 p.m. (London time) on 20

November 2014 (the "Offer Period").

- 10.4 Description of the application process: A prospective investor in the Plan should contact the Authorised Offeror for details of the application process in order to purchase an interest in the Plan during the Offer Period. A prospective investor in the Plan will invest in accordance with the arrangements existing between the Authorised Offeror and its customers relating to the subscription of securities generally. Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer, Guarantor or the Dealer related to the subscription for the N&C Securities. If an investor in any jurisdiction other than the Public Offer Jurisdiction wishes to purchase N&C Securities or to make an investment in the Plan, such investor should (a) be aware that sales in the relevant jurisdiction may not be permitted; and (b) contact its financial advisor, bank or financial intermediary for more information.
- These Final Terms may only be used in connection with and within the terms of this offer. It does not authorise, and may not be used by the Authorised Offeror or any other party in connection with, the subsequent offer or sale of any N&C Securities outside the terms of the offer or the Offer Period.
- With the exception of the Public Offer Jurisdiction, no action has been or will be taken in any jurisdiction, by the Issuer, Guarantor or the Dealer that would permit a public offering of the N&C Securities, or possession or distribution of any offering material in connection with the issue of the N&C Securities, in any country or jurisdiction where action for that purpose is required. The Authorised Offeror must comply with all applicable laws and regulations of the Public Offer Jurisdiction in connection with the offer and sale of N&C Securities at its own expense.
- 10.5 Details of the minimum and/or maximum amount of application: A prospective investor should contact the Authorised Offeror for details of any minimum and/or maximum amount of the individual applications for an interest in the Plan.
- 10.6 Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: A prospective investor in the Plan should contact the Authorised Offeror for details regarding the possibility to reduce their subscriptions during the Offer Period and the manner for refunding any excess amount paid.
- See also paragraph 10.2 above of Part B to these Final Terms.
- 10.7 Details of the method and time limits for paying up and delivering the N&C Securities: A prospective investor in the Plan should contact the Authorised Offeror for details of the method and time limits for paying up and delivering an interest in the Plan.

- 10.8 Manner in and date on which results of the offer are to be made public: The total aggregate nominal amount of N&C Securities (the "**Final Aggregate Nominal Amount**") to be issued and the final level of subscription will be determined based on market demand for an investment in the Plan during the Offer Period and the Final Aggregate Nominal Amount will be made available both on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)) and on the Issuer's website <http://www.aboutsantander.co.uk/investors/debt-investors/abbey-omnibus-programme/final-terms.aspx> on or prior to the Issue Date.
- 10.9 Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: A prospective investor in the Plan should contact the Authorised Offeror for details of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised.
- 10.10 Whether tranche(s) have been reserved for certain countries: The Plan will be offered to potential investors in the Public Offer Jurisdiction by the Authorised Offeror. It is not contemplated that the N&C Securities will be directly offered to the public in any jurisdiction.
- Offers may only be made by the Authorised Offeror in the Public Offer Jurisdiction during the Offer Period as authorised to do so by the Dealer. No other offer or solicitation in respect of the N&C Securities shall be made by the Authorised Offeror except pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus (a) in any other EEA country or (b) after the Offer Period has ended. If a prospective investor is offered the N&C Securities by any other party, the investor should be aware that none of the Issuer, the Guarantor or the Dealer will be responsible for the Prospectus for the purposes of the relevant securities laws in the context of the offer of the N&C Securities to the public. If an investor is in any doubt about whether it can rely on the Prospectus, these Final Terms and/or who is responsible for its contents, they should seek legal advice.
- 10.11 Indication of the expected price at which the N&C Securities will be offered or the method of determining the price and the process for its disclosure: The Issuer has offered and will sell the N&C Securities to the Dealer (and no one else) at the price of 100.00 per cent. However, the Dealer will, in relation to each N&C Security issued, offer and sell the N&C Securities to the Authorised Offeror at the price of not less than 97.00 per cent. of the Issue Price.
- The Authorised Offeror will offer and sell their Plan to their customers in accordance with the arrangements in place between the Authorised Offeror and its customers by reference to the Offer Price and the market conditions prevailing at the time.
- 10.12 Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: Prospective Securityholders will be notified by the Authorised Offeror in accordance with the arrangements in place between the Authorised Offeror and its customers. For the avoidance of doubt, no dealings in the N&C Securities may take place prior to the Issue Date.



- |       |  |   |
|-------|--|---|
| 10.13 | Amount of any expenses and taxes specifically charged to the subscriber or purchaser:  | A prospective investor in the Plan should contact the Authorised Offeror for details of any expenses and taxes that would be specifically charged in relation to any subscription of an interest in the Plan. |
| 10.14 | Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place. | Walker Crips Stockbrokers Ltd<br>Finsbury Tower<br>103-105 Bunhill Row<br>London<br>EC1Y 8LZ  |

The Issuer is only offering to and selling to the Dealer pursuant to and in accordance with the terms of the Programme Agreement. All sales to persons other than the Dealer will be made by the Dealer or persons to whom they sell, and/or otherwise make arrangements with, including the Authorised Offerors. The Issuer shall not be liable for any offers, sales or purchases of N&C Securities to persons (other than in respect of offers and sales to, and purchases of, N&C Securities by the Dealer and only then pursuant to the Programme Agreement, which are made by the Dealer or Authorised Offerors in accordance with the arrangements in place between any such Dealer or any such Authorised Offeror and its customers.

The Dealer has acknowledged and agreed, and any Authorised Offeror will be required by the Dealer to acknowledge and agree, that for the purpose of offer(s) of the N&C Securities, the Issuer has passported the Base Prospectus in each of the Public Offer Jurisdictions and will not passport the Base Prospectus into any other European Economic Area Member State; accordingly, the N&C Securities may only be publicly offered in Public Offer Jurisdictions or offered to Qualified Investors (as defined in the Prospectus Directive) in any other European Economic Area Member States and that all offers of N&C Securities by it will be made only in accordance with the selling restrictions set forth in the Base Prospectus and the provisions of these Final Terms and in compliance with all applicable laws and regulations.

## 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 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 or the Guarantor 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 Securities.</p>   |
| A.2     | <p>Certain Tranches of 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><i>Consent:</i> Subject to the conditions set out below, the Issuer consents to the use of this Base Prospectus in connection with a Non-exempt Offer of Securities by the Dealers and Walker Crips Stockbrokers Ltd (each an "Authorised Offeror").</p> <p><i>Consent period:</i> The Issuer's consent referred to above is given for Non-exempt Offers of Securities from (and including) 9.00am (London time) on 25 September 2014 to (and including) 5.00pm (London time) on 20 November 2014 (the "Consent Period").</p> <p><i>Conditions to consent:</i> The conditions to the Issuer's consent (in addition to the conditions referred to above) are that such consent (a) is only valid during the Consent Period and (b) only extends to the use of this Base Prospectus to make Non-exempt Offers of the relevant Tranche of Securities in the United Kingdom.</p> <p><b>AN INVESTOR INTENDING TO PURCHASE OR PURCHASING ANY SECURITIES IN A NON-EXEMPT OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH SECURITIES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR.</b></p> |

**SECTION B – ISSUER AND GUARANTOR**

| <b>Element</b>                            |  |                                  |                                  |                                  |                                  |               |  |  |  |                                    |       |       |     |                |        |        |        |                                  |        |        |        |   |       |       |       |                             |         |         |         |
|---|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|---------------|--|--|--|------------------------------------|-------|-------|-----|----------------|--------|--------|--------|----------------------------------|--------|--------|--------|---|-------|-------|-------|-----------------------------|---------|---------|---------|
| <b>B.1</b>                                | <p><b>Legal and commercial name of the Issuer</b><br/>Abbey National Treasury Services plc</p>   |                                  |                                  |                                  |                                  |               |  |  |  |                                    |       |       |     |                |        |        |        |                                  |        |        |        |   |       |       |       |                             |         |         |         |
| <b>B.2</b>                                | <p><b>Domicile / legal form / legislation / country of incorporation</b><br/>The Issuer is a public limited company incorporated and domiciled in England and Wales, registered under the Companies Act 1985.</p>  |                                  |                                  |                                  |                                  |               |  |  |  |                                    |       |       |     |                |        |        |        |                                  |        |        |        |   |       |       |       |                             |         |         |         |
| <b>B.4b</b>                               | <p><b>Trend information</b><br/>A number of mature economies are implementing austerity measures in order to reduce their deficits and public debt. While there is some consensus that this may help to resolve the sovereign and banking crisis in the medium term, in the short term it is limiting growth, increasing unemployment and restricting taxation revenues.</p> <p>Furthermore, consumer and corporate banking activity, in particular loan demand and ancillary services, remains subdued in the current economic environment. Structural market conditions, primarily low interest rates and increased medium term funding costs, have negatively impacted operating income of financial service providers including that of the Group. Financial services providers face increasingly stringent and costly regulatory and supervisory requirements, particularly in the areas of capital and liquidity management, the conduct of business, the structure of operations and the integrity of financial services delivery. Increased government intervention and control over financial institutions, together with measures to reduce systemic risk, may significantly impact the competitive landscape.</p> |                                  |                                  |                                  |                                  |               |  |  |  |                                    |       |       |     |                |        |        |        |                                  |        |        |        |   |       |       |       |                             |         |         |         |
| <b>B.5</b>                                | <p><b>Description of the Group</b><br/>The Issuer and its subsidiaries comprise the Issuer's immediate group (the "ANTS Group"). The Issuer is a wholly owned subsidiary of Santander UK plc (the "Guarantor") and, along with the Guarantor's other subsidiaries, forms part of the Santander UK group (the "Santander UK Group"). The Guarantor is a subsidiary of Banco Santander, S.A. which is the ultimate parent company. The Guarantor 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>B.9</b>                                | <p><b>Profit forecast or estimate</b><br/>Not Applicable - No profit forecasts or estimates have been made in the Base Prospectus.</p>   |                                  |                                  |                                  |                                  |               |  |  |  |                                    |       |       |     |                |        |        |        |                                  |        |        |        |   |       |       |       |                             |         |         |         |
| <b>B.10</b>                               | <p><b>Audit report qualifications</b><br/>Not Applicable - No qualifications are contained in any audit report included in the Base Prospectus.</p>  |                                  |                                  |                                  |                                  |               |  |  |  |                                    |       |       |     |                |        |        |        |                                  |        |        |        |   |       |       |       |                             |         |         |         |
| <b>B.12</b>                               | <p><b>Selected historical key financial information</b><br/>The audited consolidated balance sheet as at 31 December 2012 and 31 December 2013 and unaudited consolidated balance sheet as at 30 June 2014 and audited income statement as of, and for each of the years ended, 31 December 2012 and 2013 and unaudited income statement as of, and for each of the six month periods ended 30 June 2013 and 30 June 2014, have been extracted without any adjustment from, and should be read in conjunction with, the Issuer's consolidated financial statements in respect of those dates and periods:</p>  |                                  |                                  |                                  |                                  |               |  |  |  |                                    |       |       |     |                |        |        |        |                                  |        |        |        |   |       |       |       |                             |         |         |         |
|   | <p><b>Consolidated Balance Sheet</b></p> <table border="1"> <thead> <tr> <th></th> <th align="right">30 June 2014<br/>(unaudited) £m</th> <th align="right">31 December<br/>2013 (audited) £m</th> <th align="right">31 December<br/>2012 (audited) £m</th> </tr> </thead> <tbody> <tr> <td><b>Assets</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Cash and balances at central banks</td> <td align="right">7,452</td> <td align="right">4,911</td> <td align="right">388</td> </tr> <tr> <td>Trading assets</td> <td align="right">18,307</td> <td align="right">21,897</td> <td align="right">22,498</td> </tr> <tr> <td>Derivative financial instruments</td> <td align="right">21,379</td> <td align="right">21,550</td> <td align="right">33,276</td> </tr> <tr> <td>Financial assets designated at fair value</td> <td align="right">2,543</td> <td align="right">2,534</td> <td align="right">3,531</td> </tr> <tr> <td>Loans and advances to banks</td> <td align="right">110,454</td> <td align="right">113,649</td> <td align="right">106,986</td> </tr> </tbody> </table>   |                                  | 30 June 2014<br>(unaudited) £m   | 31 December<br>2013 (audited) £m | 31 December<br>2012 (audited) £m | <b>Assets</b> |  |  |  | Cash and balances at central banks | 7,452 | 4,911 | 388 | Trading assets | 18,307 | 21,897 | 22,498 | Derivative financial instruments | 21,379 | 21,550 | 33,276 | Financial assets designated at fair value | 2,543 | 2,534 | 3,531 | Loans and advances to banks | 110,454 | 113,649 | 106,986 |
|   | 30 June 2014<br>(unaudited) £m   | 31 December<br>2013 (audited) £m | 31 December<br>2012 (audited) £m |                                  |                                  |               |  |  |  |                                    |       |       |     |                |        |        |        |                                  |        |        |        |   |       |       |       |                             |         |         |         |
| <b>Assets</b>                             |  |                                  |                                  |                                  |                                  |               |  |  |  |                                    |       |       |     |                |        |        |        |                                  |        |        |        |   |       |       |       |                             |         |         |         |
| Cash and balances at central banks        | 7,452  | 4,911                            | 388                              |                                  |                                  |               |  |  |  |                                    |       |       |     |                |        |        |        |                                  |        |        |        |   |       |       |       |                             |         |         |         |
| Trading assets                            | 18,307   | 21,897                           | 22,498                           |                                  |                                  |               |  |  |  |                                    |       |       |     |                |        |        |        |                                  |        |        |        |   |       |       |       |                             |         |         |         |
| Derivative financial instruments          | 21,379   | 21,550                           | 33,276                           |                                  |                                  |               |  |  |  |                                    |       |       |     |                |        |        |        |                                  |        |        |        |   |       |       |       |                             |         |         |         |
| Financial assets designated at fair value | 2,543  | 2,534                            | 3,531                            |                                  |                                  |               |  |  |  |                                    |       |       |     |                |        |        |        |                                  |        |        |        |   |       |       |       |                             |         |         |         |
| Loans and advances to banks               | 110,454  | 113,649                          | 106,986                          |                                  |                                  |               |  |  |  |                                    |       |       |     |                |        |        |        |                                  |        |        |        |   |       |       |       |                             |         |         |         |

|  |                |                |                |
|--|----------------|----------------|----------------|
| Loans and advances to customers                | 38,032         | 41,108         | 44,750         |
| Available-for-sale securities                  | 2,550          | 2,962          | 5,113          |
| Loans and receivables securities               | 96             | 128            | 162            |
| Macro hedge of interest rate risk              | 399            | 379            | 1,171          |
| Intangible assets                              | 8              | 8              | 7              |
| Property, plant and equipment                  | 7              | 6              | 6              |
| Deferred tax assets                            | -              | 15             | 20             |
| Other assets                                   | 193            | 180            | 4              |
| <b>Total assets</b>                            | <b>201,420</b> | <b>209,327</b> | <b>217,912</b> |
| <b>Liabilities</b>                             |                |                |                |
| Deposits by banks                              | 118,326        | 120,698        | 114,535        |
| Deposits by customers                          | 4,824          | 7,780          | 6,249          |
| Trading liabilities                            | 17,848         | 21,275         | 21,109         |
| Derivative financial instruments               | 21,607         | 21,496         | 34,088         |
| Financial liabilities designated at fair value | 3,252          | 3,407          | 4,002          |
| Debt securities in issue                       | 31,717         | 30,889         | 33,770         |
| Other liabilities                              | 324            | 368            | 169            |
| Provisions                                     | -              | 23             | 20             |
| Current tax liabilities                        | 225            | 223            | 175            |
| <b>Total liabilities</b>                       | <b>198,123</b> | <b>206,159</b> | <b>214,117</b> |
| <b>Equity</b>                                  |                |                |                |
| Share capital                                  | 2,549          | 2,549          | 2,549          |
| Retained earnings                              | 705            | 640            | 1,226          |
| Other reserves                                 | 43             | (21)           | 20             |
| <b>Total shareholders' equity</b>              | <b>3,297</b>   | <b>3,168</b>   | <b>3,795</b>   |
| <b>Total liabilities and equity</b>            | <b>201,420</b> | <b>209,327</b> | <b>217,912</b> |

#### Consolidated Income Statement

|   | Six months<br>ended 30 June<br>2014<br>(unaudited)<br>£m | Six months<br>ended 30 June<br>2013<br>(unaudited)<br>£m | Year ended<br>31<br>December<br>2013<br>(audited)<br>£m | Year<br>ended 31<br>December<br>2012<br>(audited)<br>£m |
|---|--|--|---|---|
| Interest and similar income   | 1,184  | 1,593  | 2,697   | 3,870   |
| Interest expense and similar charges  | (1,234)  | (1,601)  | (2,798)   | (3,731)   |
| <b>Net interest income</b>  | <b>(50)</b>  | <b>(8)</b>   | <b>(101)</b>  | <b>139</b>  |
| Net fee and commission income   | 56   | 61   | 107   | 119   |
| Net trading and other income  | 184  | 375  | 406   | 304   |
| <b>Total operating income</b>   | <b>190</b>   | <b>428</b>   | <b>412</b>  | <b>562</b>  |
| Administration expenses   | (125)  | (108)  | (192)   | (198)   |
| Depreciation and amortisation   | (1)  | (1)  | (3)   | (3)   |
| <b>Total operating expenses excluding impairment losses, provisions and charges</b> | <b>(126)</b>   | <b>(109)</b>   | <b>(195)</b>  | <b>(201)</b>  |
| Impairment losses on loans and advances   | -  | (18)   | (31)  | (9)   |
| Provisions for other liabilities and charges  | -  | -  | (23)  | (20)  |
| <b>Total operating impairment losses, provisions and charges</b>                    | <b>-</b>   | <b>(18)</b>  | <b>(54)</b>   | <b>(29)</b>   |
| <b>Profit before tax</b>  | <b>64</b>  | <b>301</b>   | <b>163</b>  | <b>332</b>  |
| Taxation credit/(charge)  | 1  | (45)   | 1   | (68)  |
| <b>Profit for the year</b>  | <b>65</b>  | <b>256</b>   | <b>164</b>  | <b>264</b>  |

#### Statements of no significant or material adverse change

There has been no significant change in the financial position of the ANTS Group (including the Issuer) since 30 June 2014 and there has been no material adverse change in the prospects of the Issuer since 31 December 2013.

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.

|                    |   |
|--------------------|---|
| <p><b>B.14</b></p> | <p><b>Dependence upon other group entities</b></p> <p>The Issuer is dependent upon the Guarantor for a portion of its funding. The Guarantor has given a full and unconditional guarantee in respect of the unsubordinated liabilities of the Issuer incurred prior to 30 June 2015 under a deed poll guarantee entered into by the Guarantor on 10 May 2012. The Issuer has given a reciprocal guarantee in respect of the unsubordinated liabilities of the Guarantor incurred prior to 30 June 2015. Neither the Issuer nor the Guarantor relies on a guarantee from Banco Santander, S.A. or any other member of the Santander Group to generate funding or liquidity. Similarly, neither the Issuer nor the Guarantor raises funds to finance or guarantee the debts of other members of the Santander Group. See further Element B.5 above.</p>   |
| <p><b>B.15</b></p> | <p><b>Principal activities</b></p> <p>The Issuer's business consists of three main divisions: Corporate Banking, Markets and Corporate Centre.</p> <p><b>(a) Corporate Banking</b></p> <p>Corporate Banking offers a wide range of products and financial services to customers through a network of regional business centres and through telephony and e-commerce channels. Corporate Banking products and services include loans, bank accounts, deposits, treasury services, invoice discounting, cash transmission and asset finance.</p> <p>The SME and Mid Corporate business principally serves small and medium enterprises with an annual turnover of more than £250,000 up to £50m ("SMEs") and other corporate customers with an annual turnover of up to £500m. This also includes real estate lending.</p> <p>The Large Corporates business offers specialist treasury services in fixed income and foreign exchange, lending, transactional banking services, capital markets and money markets to large multi-national corporate customers with an annual turnover of more than £500m. Lending includes syndicated loans and structured finance. Transactional banking includes trade finance and cash management. Money market activities include securities lending/borrowing and repos.</p> <p><b>(b) Markets</b></p> <p>Markets offers risk management and other services to financial institutions, as well as other Santander UK divisions. Its main product areas are fixed income and foreign exchange, equity, capital markets and institutional sales.</p> <p><b>(c) Corporate Centre</b></p> <p>Corporate Centre includes Financial Management and Investor Relations ("FMIR") and the non-core portfolios of social housing loans and structured credit assets. FMIR is responsible for managing capital and funding, balance sheet composition, structural market risk and strategic liquidity risk for the Santander UK Group. The non-core portfolios are being run-down and/or managed for value.</p> |
| <p><b>B.16</b></p> | <p><b>Controlling shareholders</b></p> <p>The Issuer is a wholly and directly owned subsidiary of the Guarantor.</p>  |
| <p><b>B.17</b></p> | <p><b>Credit ratings</b></p> <p>The long-term debt of the Issuer has been rated A2 by Moody's Investors Service Ltd ("Moody's") and A by Fitch Ratings Ltd. ("Fitch") and the short-term debt of the Issuer has been rated P-1 by Moody's and F1 by Fitch.</p> <p>As at the Issue Date it is not intended that the specific series of Securities will be rated. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>  |

|   |   |                                     |                                     |
|---|---|-------------------------------------|-------------------------------------|
| <b>B.18</b>                               | <b>Description of the Guarantee</b><br>The Securities will be unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under its guarantee will be direct, unconditional, unsecured and unsubordinated obligations of the Guarantor and will rank <i>pari passu</i> and equally with all present and future unsecured and unsubordinated obligations of the Guarantor without any preference among themselves and without any preference one above the other by reason of priority of date of issue, currency of payment or otherwise, except for obligations given priority by law.                             |                                     |                                     |
| <b>B.19</b>                               | <b>Information about the Guarantor</b>  |                                     |                                     |
| <b>B.1</b>                                | <b>Legal and commercial name of the Guarantor</b><br>Santander UK plc   |                                     |                                     |
| <b>B.2</b>                                | <b>Domicile / legal form / legislation / country of incorporation</b><br>The Guarantor is a public limited liability company incorporated and domiciled in England and Wales, registered under the Companies Act 1985.  |                                     |                                     |
| <b>B.4b</b>                               | <b>Trend information</b><br>See Element B.4b above.   |                                     |                                     |
| <b>B.5</b>                                | <b>Description of the Group</b><br>See Element B.5 above.   |                                     |                                     |
| <b>B.9</b>                                | <b>Profit forecast or estimate</b><br>Not Applicable - No profit forecasts or estimates have been made in the Base Prospectus.  |                                     |                                     |
| <b>B.10</b>                               | <b>Audit report qualifications</b><br>Not Applicable - No qualifications are contained in any audit report included in the Base Prospectus.   |                                     |                                     |
| <b>B.12</b>                               | <b>Selected historical key financial information</b><br><br>The audited consolidated balance sheet as at 31 December 2012 and 31 December 2013 and unaudited consolidated balance sheet as at 30 June 2014 and audited income statement as of, and for each of the years ended, 31 December 2012 and 2013 and unaudited income statement as of, and for each of the six month periods ended 30 June 2013 and 30 June 2014, have been extracted without any adjustment from, and should be read in conjunction with, the Guarantor's consolidated financial statements in respect of those dates and periods:<br><br><i>Consolidated Balance Sheet</i> |                                     |                                     |
|   |   | 31 December 2013<br>(audited)<br>£m | 31 December 2012<br>(audited)<br>£m |
| <b>Assets</b>                             |   |                                     |                                     |
| Cash and balances at central banks        |   | 26,374                              | 29,282                              |
| Trading assets                            |   | 22,294                              | 22,498                              |
| Derivative financial instruments          |   | 20,049                              | 30,146                              |
| Financial assets designated at fair value |   | 2,747                               | 3,811                               |
| Loans and advances to banks               |   | 2,347                               | 2,438                               |
| Loans and advances to customers (Net)     |   | 184,587                             | 190,782                             |
| Loans and receivables securities          |   | 1,101                               | 1,259                               |
| Available-for-sale securities             |   | 5,005                               | 5,483                               |
| Macro hedge of interest rate risk - asset |   | 769                                 | 1,222                               |
| Interests in other entities               |   | 27                                  | 8                                   |
| Intangible assets                         |   | 2,335                               | 2,325                               |
| Property, plant and equipment             |   | 1,521                               | 1,541                               |
| Current tax assets                        |   | 114                                 | 50                                  |
| Deferred tax assets                       |   | 35                                  | 60                                  |
| Retirement benefit assets                 |   | 118                                 | 254                                 |

|  |                                   |                                       |
|--|-----------------------------------|---------------------------------------|
| Other assets                                   | 882                               | 1,885                                 |
| <b>Total assets</b>                            | <b>270,305</b>                    | <b>293,044</b>                        |
| <b>Liabilities</b>                             |                                   |                                       |
| Deposits by banks                              | 8,696                             | 9,935                                 |
| Deposits by customers                          | 147,167                           | 149,037                               |
| Trading liabilities                            | 21,278                            | 21,109                                |
| Derivative financial instruments liabilities   | 18,863                            | 28,861                                |
| Financial liabilities designated at fair value | 3,407                             | 4,002                                 |
| Debt securities in issue                       | 50,870                            | 59,621                                |
| Subordinated liabilities                       | 4,306                             | 3,781                                 |
| Other liabilities                              | 1,883                             | 2,526                                 |
| Provisions                                     | 639                               | 914                                   |
| Current tax liabilities                        | 4                                 | 4                                     |
| Retirement benefit obligations                 | 672                               | 305                                   |
| <b>Total liabilities</b>                       | <b>257,785</b>                    | <b>280,095</b>                        |
| <b>Equity</b>                                  |                                   |                                       |
| Share capital and other equity instruments     | 3,709                             | 3,999                                 |
| Share premium                                  | 5,620                             | 5,620                                 |
| Retained earnings                              | 3,307                             | 3,312                                 |
| Other reserves                                 | (116)                             | 18                                    |
| <b>Total shareholders' equity</b>              | <b>12,520</b>                     | <b>12,949</b>                         |
| <b>Total liabilities and equity</b>            | <b>270,305</b>                    | <b>293,044</b>                        |
| <b>Consolidated Balance Sheet</b>              |                                   |                                       |
|  | 30 June 2014<br>(unaudited)<br>£m | 31 December 2013<br>(unaudited)<br>£m |
| <b>Assets</b>                                  |                                   |                                       |
| Cash and balances at central banks             | 26,568                            | 26,374                                |
| Trading assets                                 | 18,701                            | 22,294                                |
| Derivative financial instruments               | 19,159                            | 20,049                                |
| Financial assets designated at fair value      | 2,754                             | 2,747                                 |
| Loans and advances to banks                    | 2,325                             | 2,347                                 |
| Loans and advances to customers (Net)          | 186,094                           | 184,587                               |
| Loans and receivables securities               | 869                               | 1,101                                 |
| Available-for-sale securities                  | 7,755                             | 5,005                                 |
| Macro hedge of interest rate risk - asset      | 727                               | 769                                   |
| Interests in other entities                    | 36                                | 27                                    |
| Intangible assets                              | 2,105                             | 2,335                                 |
| Property, plant and equipment                  | 1,530                             | 1,521                                 |
| Current tax assets                             | 50                                | 114                                   |
| Deferred tax assets                            | -                                 | 16                                    |
| Retirement benefit assets                      | 235                               | 118                                   |
| Other assets                                   | 1,312                             | 882                                   |
| <b>Total assets</b>                            | <b>270,220</b>                    | <b>270,286</b>                        |
| <b>Liabilities</b>                             |                                   |                                       |
| Deposits by banks                              | 8,234                             | 8,696                                 |
| Deposits by customers                          | 150,734                           | 147,167                               |
| Trading liabilities                            | 17,848                            | 21,278                                |
| Derivative financial instruments liabilities   | 19,030                            | 18,863                                |
| Financial liabilities designated at fair value | 3,252                             | 3,407                                 |
| Debt securities in issue                       | 50,258                            | 50,870                                |
| Subordinated liabilities                       | 4,272                             | 4,306                                 |
| Other liabilities                              | 1,887                             | 1,883                                 |
| Provisions                                     | 610                               | 550                                   |
| Current tax liabilities                        | 2                                 | 4                                     |
| Deferred tax liabilities                       | 87                                | -                                     |
| Retirement benefit obligations                 | 408                               | 672                                   |
| <b>Total liabilities</b>                       | <b>256,622</b>                    | <b>257,696</b>                        |
| <b>Equity</b>                                  |                                   |                                       |
| Share capital and other equity instruments     | 4,209                             | 3,709                                 |

|                                     |                |                |
|-------------------------------------|----------------|----------------|
| Share premium                       | 5,620          | 5,620          |
| Retained earnings                   | 3,640          | 3,377          |
| Other reserves                      | 129            | (116)          |
| <b>Total shareholders' equity</b>   | <b>13,598</b>  | <b>12,590</b>  |
| <b>Total liabilities and equity</b> | <b>270,220</b> | <b>270,286</b> |

*Consolidated Income Statement*

|   | Year ended<br>31 December<br>2013<br>(audited)<br>£m | Year ended<br>31 December<br>2012<br>(audited)<br>£m |
|---|--|--|
| Interest and similar income   | 7,170  | 7,432  |
| Interest expense and similar charges  | (4,207)  | (4,698)  |
| <b>Net interest income</b>  | <b>2,963</b>   | <b>2,734</b>   |
| Fee and commission income   | 1,058  | 1,086  |
| Fee and commission expense  | (300)  | (225)  |
| <b>Net fee and commission income</b>  | <b>758</b>   | <b>861</b>   |
| Net trading and other income  | 308  | 1,088  |
| <b>Total operating income</b>   | <b>4,029</b>   | <b>4,683</b>   |
| Administration expenses   | (1,947)  | (1,873)  |
| Depreciation, amortisation and impairment   | (248)  | (241)  |
| <b>Total operating expenses excluding impairment losses, provisions and charges</b> | <b>(2,195)</b>                                       | <b>(2,114)</b>                                       |
| Impairment losses on loans and advances   | (475)  | (988)  |
| Provisions for other liabilities and charges  | (220)  | (434)  |
| <b>Total operating impairment losses, provisions and charges</b>                    | <b>(695)</b>   | <b>(1,422)</b>                                       |
| <b>Profit on continuing operations before tax</b>                                   | <b>1,139</b>   | <b>1,147</b>   |
| Tax on profit on continuing operations  | (218)  | (270)  |
| <b>Profit on continuing operations after tax</b>                                    | <b>921</b>   | <b>877</b>   |
| (Loss)/Profit from discontinued operations after tax                                | (8)  | 62   |
| <b>Profit after tax</b>   | <b>913</b>   | <b>939</b>   |

*Consolidated Income Statement*

|   | Year ended<br>30 June 2014<br>(unaudited)<br>£m | Year ended<br>30 June 2013<br>(unaudited)<br>£m |
|---|---|---|
| Interest and similar income   | 3,421   | 3,624   |
| Interest expense and similar charges  | (1,748)   | (2,233)   |
| <b>Net interest income</b>  | <b>1,673</b>                                    | <b>1,391</b>                                    |
| Fee and commission income   | 534   | 532   |
| Fee and commission expense  | (169)   | (143)   |
| <b>Net fee and commission income</b>  | <b>365</b>                                      | <b>389</b>                                      |
| Net trading and other income  | 154   | 181   |
| <b>Total operating income</b>   | <b>2,192</b>                                    | <b>1,961</b>                                    |
| Administration expenses   | (876)   | (992)   |
| Depreciation, amortisation and impairment   | (347)   | (121)   |
| <b>Total operating expenses excluding impairment losses, provisions and charges</b> | <b>(1,223)</b>                                  | <b>(1,113)</b>                                  |
| Impairment losses on loans and advances   | (172)   | (235)   |
| Provisions for other liabilities and charges  | (252)   | (152)   |
| <b>Total operating impairment losses, provisions and charges</b>                    | <b>(424)</b>                                    | <b>(387)</b>                                    |
| <b>Profit on continuing operations before tax</b>                                   | <b>545</b>                                      | <b>461</b>                                      |
| Tax on profit on continuing operations  | (107)   | (90)  |
| <b>Profit on continuing operations after tax</b>                                    | <b>438</b>                                      | <b>371</b>                                      |
| (Loss)/Profit from discontinued operations after tax                                | -   | (12)  |
| <b>Profit after tax</b>   | <b>438</b>                                      | <b>359</b>                                      |



|  |   |
|--|---|
|  | <p><i>Statements of no significant or material adverse change</i></p> <p>There has been no significant change in the financial position of the Santander UK Group (including the Guarantor) since 30 June 2014 and there has been no material adverse change in the prospects of Santander UK plc since 31 December 2013.</p>   |
|  | <p><b>B.13 Events impacting the Guarantor's solvency</b></p> <p>Not Applicable - There are no recent events particular to the Guarantor which are to a material extent relevant to an evaluation of its solvency.</p>   |
|  | <p><b>B.14 Dependence upon other Group entities</b></p> <p>The Guarantor is dependent upon the Issuer and the other members of the Santander UK Group. See further Element B.5 and Element B.14 above.</p> <p><b>B.15 The Guarantor's Principal activities</b></p> <p>The Guarantor's business divisions consist of Retail Banking, Corporate Banking, Markets and Corporate Centre.</p>  |
|  | <p><b>Retail Banking</b></p> <p>Retail Banking offers a wide range of products and financial services to customers through a network of branches, agencies and ATMs, as well as through telephony, e-commerce and intermediary channels. It principally serves personal banking customers, but also services small businesses with a turnover of less than £250,000 per annum. Retail Banking products include residential mortgage loans, savings and current accounts, credit cards (excluding the co-brand credit card business) and personal loans as well as a range of insurance products.</p>  |
|  | <p><b>Corporate Banking</b></p> <p>Corporate Banking offers a wide range of products and financial services to customers through a network of regional business centres and through telephony and e-commerce channels. Corporate Banking products and services include loans, bank accounts, deposits, treasury services, invoice discounting, cash transmission and asset finance.</p> <p>The SME and mid corporate business principally serves small and medium enterprises with an annual turnover of more than £250,000 up to £50m ("SMEs"), and other corporate customers with an annual turnover of up to £500m. This also includes real estate lending.</p> <p>The Large Corporates business offers specialist treasury services in fixed income and foreign exchange, lending, transactional banking services, capital markets and money markets to large multinational corporate customers with an annual turnover of more than £500m. Lending includes syndicated loans and structured finance. Transactional banking includes trade finance and cash management. Money market activities include securities lending/borrowing and repos</p> <p><b>Markets</b></p> <p>Markets offers risk management and other services to financial institutions, as well as other Santander UK divisions. Its main product areas are fixed income and foreign exchange, equity, capital markets and institutional sales.</p> <p><b>Corporate Centre</b></p> <p>Corporate Centre includes Financial Management &amp; Investor Relations ("FMIR") and the non-core corporate and legacy portfolios as well as the co-brand credit card business. FMIR is responsible for managing capital and funding, balance sheet composition, structural market risk and strategic liquidity risk for Santander UK. The non-core corporate and 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. Deals to sell the co-brand credit cards were completed in the first half of 2013.</p> |

|  |  |
|--|--|
|  | <p><b>B.16 Controlling shareholders</b></p> <p>As at the date of this Prospectus, shares in the Guarantor are beneficially owned by Santander UK Group Holdings Limited, which is a directly owned subsidiary of Banco Santander, S.A. and its indirect wholly owned subsidiary company Santusa Holding, S.L. Legal ownership of shares in the Guarantor will transfer from Banco Santander, S.A. and Santusa Holding, S.L. to Santander UK Group Holdings Limited upon receipt of stamped stock transfer forms from the Stamp Office.</p> |
|  | <p><b>B.17 Credit ratings</b></p> <p>The long-term debt of the Guarantor has been rated A by Standard &amp; Poor's Credit Market Services Europe Limited ("<b>S&amp;P</b>"), A2 by Moody's Investors Service Ltd ("<b>Moody's</b>") and A by Fitch Ratings Ltd. ("<b>Fitch</b>") and the short-term debt of the Guarantor has been rated A-1 by S&amp;P, P-1 by Moody's and F1 by Fitch.</p>   |
|  | <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>   |

### SECTION C – SECURITIES

| Element    |   |
|------------|---|
| <b>C.1</b> | <p><b>Type and class of the Securities</b></p> <p>Title of Securities: Up to GBP50,000,000 Capital-at-risk Equity Index Linked Automatic Early Redemption Notes due November 2020.</p> <p>Series Number: 1032</p> <p>Tranche Number 1</p> <p>ISIN Code: XS1113138900</p> <p>Common Code: 111313890</p>  |
| <b>C.2</b> | <p><b>Currency of the Securities</b></p> <p>Pound Sterling ("<b>GBP</b>" or "<b>£</b>")</p>   |
| <b>C.5</b> | <p><b>Restrictions on free transferability</b></p> <p>The Securities may not be transferred prior to the Issue Date. Selling restrictions apply to offers, sales or transfers of the Securities under the applicable laws in various jurisdictions. A purchaser of the Securities is required to make certain agreements and representations as a condition to purchasing the Securities.</p> <p>The minimum denominations of each N&amp;C Security will be £1,000.</p>   |
| <b>C.8</b> | <p><b>Description of the rights attaching to the Securities</b></p> <p><b>Status:</b> The 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><b>Guarantee:</b> The Securities have the benefit of an unconditional and irrevocable guarantee by the Guarantor. Such obligations of the Guarantor constitute direct, unconditional, unsecured and unsubordinated obligations and rank <i>pari passu</i> with all present and future direct, unconditional, unsecured and unsubordinated obligations of the Guarantor, without preference amongst themselves and without any preference one above the other by reason of priority of date of issue, currency of payment or otherwise, except obligations given priority by law.</p> <p><b>Negative pledge:</b> The Securities do not have the benefit of a negative pledge or cross-default provisions (in respect of events of default).</p> |

**Deed of covenant:** The Securities have the benefit of a deed of covenant dated on or around 21 February 2013.

**Right to interest:** The Securities do not bear interest.

**Right to redemption:** The early redemption amount or final redemption amount (where applicable) is determined in accordance with item C.9 below.

**Taxation:** All payments in respect of the 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, neither the Issuer nor, as the case may be, the Guarantor will be required to pay any additional amounts to cover the amounts so deducted. Further, all payments in respect of the Securities will be made subject to any withholding or deduction required pursuant to fiscal and other laws, as provided in Condition 6.5(B) of the General Terms and Conditions of the N&C Securities, and Condition 9.3 of the General Terms and Conditions of the Warrants.

**Events of Default:** This includes non-payment, non-performance or non-observance of the Issuer's or Guarantor's obligations in respect of the Securities and also the insolvency or winding up of the Issuer or the Guarantor. An event of default will only be treated as such if at least 25% of the Securityholders in nominal amount or number of units, as applicable, have requested this.

**Governing law:** English law.

C.9

**Payment Features**

|              |   |
|--------------|---|
| Issue Price: | 100.00 per cent of the Aggregate Nominal Amount |
|--------------|---|

|             |                  |
|-------------|------------------|
| Issue Date: | 28 November 2014 |
|-------------|------------------|

|                     |             |
|---------------------|-------------|
| Calculation Amount: | GBP1,000.00 |
|---------------------|-------------|

|                                  |   |
|----------------------------------|---|
| Maturity Date / Settlement Date: | 30 November 2020, subject to adjustment |
|----------------------------------|---|

|  |   |
|--|---|
| Early Redemption Amount / Early Cancellation Amount: | The fair market value of the N&C Securities less associated costs |
|--|---|

N&C Securities - Subject to any prior purchase and cancellation or early redemption, each N&C Security may be early redeemed at the Automatic Early Redemption Amount which will be equal to the Autocallable Amount on the relevant Automatic Early Redemption Date in GBP if the Calculation Agent determines that Barrier Condition is satisfied.

N&C Securities – Subject to any prior purchase and cancellation or early redemption, each N&C Security will be redeemed on the Maturity Date at an amount in GBP determined by the Calculation Agent in accordance with the methodology provided below:

(1) If Asset Final Performance is greater than or equal to Barrier 1:

Calculation Amount \* 175.00 per cent.

(2) If Asset Final Performance is less than Barrier 1 but greater than or equal to Barrier 2:

Calculation Amount \* 100.00 per cent.

(3) If Asset Final Performance is less than Barrier 2:

Calculation Amount \* (Participation \* Asset Final Performance)

For these purposes:

"Asset" means in relation to the relevant Asset Class, a constituent of a Basket Asset as set out in Element C.20 below.

"Asset Class" means equity indices.

"Asset Early" means the Asset Level on the relevant Scheduled Observation Date.

"Asset Early Performance" means the Early Performance of the Early Laggard.

"Asset Final" means the Asset Level on the Final Valuation Date.

"Asset Final Performance" means the Final Performance of the Final Laggard.

"Asset Initial" means the Asset Level on the Initial Valuation Date.

"Asset Level" means the Closing Level of the relevant Asset.

"Autocallable Amount" has the value set out in the table below in relation to the Scheduled Observation Date specified in such table in respect of which the Autocallable Amount has become payable or is triggered.

"Automatic Early Redemption Date" means the date set out in the table below in relation to the Scheduled Observation Date specified in such table.

| Scheduled Observation Date | Automatic Early Redemption Date | Autocallable Amount per Calculation Amount |
|----------------------------|---------------------------------|--|
| 23 November 2015           | 30 November 2015                | Calculation Amount * 112.50 per cent.      |
| 21 November 2016           | 28 November 2016                | Calculation Amount * 125.00 per cent.      |
| 21 November 2017           | 28 November 2017                | Calculation Amount * 137.50 per cent.      |
| 21 November 2018           | 28 November 2018                | Calculation Amount * 150.00 per cent.      |
| 21 November 2019           | 28 November 2019                | Calculation Amount * 162.50 per cent.      |

"Barrier 1" means 100.00 per cent.

"Barrier 2" means 60.00 per cent.

"Barrier (Early)" means 100.00 per cent.

"Barrier Condition" shall mean Barrier Condition Early.

"Barrier Condition Early" shall mean Barrier Condition Early (European).

"Barrier Condition Early (European)" shall be deemed satisfied if the Calculation Agent determines that on the relevant Scheduled Observation Date, Asset Early Performance is greater than or equal to Barrier (Early).

"Basket Asset" means an Asset that is a constituent of a basket of Assets.

|      |  |
|------|--|
|      | <p>"Closing Level" means the Closing Level of the relevant Asset.</p> <p>"Early Laggard" shall mean in relation to the Scheduled Observation Date, the Asset with the lowest calculated Early Performance, as determined by the Calculation Agent in respect of the relevant date. For the avoidance of doubt, if two or more Basket Assets have the same Early Performance as of the Scheduled Observation Date, the Calculation Agent shall select any such Basket Asset as the Early Laggard acting in good faith and in a commercially reasonable manner.</p> <p>"Early Performance" means, in respect of the relevant Asset, an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:</p> $\frac{\text{Asset Early}}{\text{Asset Initial}}$                                  |
|      | <p>"Final Laggard" shall mean the Asset with the lowest calculated Final Performance, as determined by the Calculation Agent in respect of the relevant date. For the avoidance of doubt, if two or more Assets in the Basket have the same Final Performance as of the Final Valuation Date, the Calculation Agent shall select any such Asset as the Final Laggard acting in good faith and in a commercially reasonable manner.</p> <p>"Final Performance" means, in respect of the relevant Asset, an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:</p> $\frac{\text{Asset Final}}{\text{Asset Initial}}$ <p>"Final Valuation Date" means 23 November 2020.</p> <p>"Initial Valuation Date" means 21 November 2014.</p> <p>"Participation" means 100.00 per cent.</p> |
|      | <p>"Scheduled Observation Date" means the dates specified as such in the table above.</p> <p>The above provisions are subject to adjustment as provided in the conditions of the Securities to take into account events in relation to the Asset(s) or the Securities. This may lead to adjustments being made to the Securities or in some cases the Securities being terminated early at an early redemption or cancellation amount.</p>   |
| C.10 | <p><b>Derivative component on interest</b></p> <p>Not Applicable – The N&amp;C Securities do not have a derivative component in the interest payment.</p>  |
| C.11 | <p><b>Listing and Admission to trading</b></p> <p>Application for Securities has been made for listing on the Official List of the Irish Stock Exchange and for admission to trading on the Regulated Market of the Irish Stock Exchange.</p>  |
| C.15 | <p><b>Description of how the value of the Securities is affected by the value of the underlying Asset</b></p> <p>The following table sets out illustrative values of the amounts payable per Security on the Maturity Date:</p>  |
|      | <p>The indicative returns below apply where Barrier Condition has not been satisfied.</p>  |

|             | <b>Asset Final as a % of Asset Initial in respect of Final Laggard</b>  | <b>Final Redemption Amount per Calculation Amount</b> |
|-------------|---|---|
|             | 200%  | £1,750.00   |
|             | 150%  | £1,750.00   |
|             | 100%  | £1,750.00   |
|             | 90%   | £1,000.00   |
|             | 75%   | £1,000.00   |
|             | 60%   | £1,000.00   |
|             | 50%   | £500.00   |
|             | 40%   | £400  |
|             | 25%   | £250  |
|             | 10%   | £100  |
|             | 0%  | £0  |
|             | <p>These Securities are derivative securities and their value may go down as well as up.</p> <p>Worst Case Scenario: In a worst case scenario the amount payable per Calculation Amount at the Maturity Date will be zero if Barrier Condition is not satisfied and Asset Final of Final Laggard is zero.</p> |   |
| <b>C.16</b> | <p><b>Expiration Date or Maturity Date of the Securities</b></p> <p>The Maturity Date of the Securities is the earlier of (a) the Autocallable Date (subject to Barrier Condition being satisfied) or (b) 30 November 2020, subject to adjustment.</p>  |   |
| <b>C.17</b> | <p><b>Settlement procedures of the Securities</b></p> <p>The Securities will be settled on the applicable Settlement Date or Maturity Date at the relevant amount per Security, in the case of Warrants following due exercise.</p>   |   |
| <b>C.18</b> | <p><b>Description of how the return on derivative securities takes place</b></p> <p>For variable redemption Securities the return is illustrated in Element C.15 above.</p> <p>These Securities are derivative securities and their value may go down as well as up.</p>                                      |   |
| <b>C.19</b> | <p><b>The exercise price or the final reference price of the underlying</b></p> <p>The final reference price shall be determined on the Final Valuation Date or the relevant Scheduled Observation Date, as the case may be.</p>  |   |
| <b>C.20</b> | <p><b>A description of the type of the underlying and where the information of the underlying can be found</b></p> <p>Each of the following are a constituent of a Basket Asset:</p>  |   |

- Equity Index: FTSE 100 Index  
See Bloomberg Screen: UKX <Index>.
- Equity Index: EURO STOXX 50® Index  
See Bloomberg Screen: SX5E <Index>.

## SECTION D – RISKS

| Element    |   |
|------------|---|
| <b>D.2</b> | <p><b>Key risks regarding the issuer and the guarantor</b></p> <p>In purchasing Securities, investors assume the risk that the Issuer and the Guarantor may become insolvent or otherwise be unable to make all payments due in respect of the Securities. There are a wide range of factors which individually or together could result in the Issuer and the Guarantor becoming unable to make all payments due in respect of the Securities. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer and the Guarantor may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's and the Guarantor's control. However, the Issuer and the Guarantor have identified in the Base Prospectus a number of factors which could materially adversely affect their businesses and ability to make payments due under the Securities and the Guarantee, and they consider that the risks identified in the Base Prospectus include all the principal risks of an investment in the Securities. These include:</p> <ul style="list-style-type: none"> <li>• the Group's operating results, financial condition and prospects may be materially impacted by economic conditions in the UK as well as regulatory capital and liquidity requirements imposed on the Issuer and the Guarantor;</li> <li>• the Group's operating results, financial condition and prospects may be negatively affected by conditions in global financial markets;</li> </ul> |
|            | <ul style="list-style-type: none"> <li>• the Group is currently operating in challenging market conditions, characterised by relatively short periods of volatility and extended periods of subdued market activity. Domestic or international market factors that reduce activity levels could significantly reduce the Group's revenues;</li> <li>• 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;</li> <li>• 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;</li> <li>• 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</li> <li>• 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.</li> </ul>                                       |
| <b>D.3</b> | <p><b>Key risks regarding the Securities</b></p> <ul style="list-style-type: none"> <li>• There are also risks associated with specified types of Securities and with the Securities and the markets</li> </ul>   |

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|                   | <p>generally, including that, unlike a bank deposit, the 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 Securities upon the failure of the Issuer and/or the Guarantor. If the Issuer and/or the Guarantor go out of business or become insolvent, holders of the Securities may lose all or part of their investment in the Securities;</p> <ul style="list-style-type: none"> <li>investors in Securities may lose up to the entire value of their investment in the Securities as a result of the occurrence of any of (a) the insolvency of either the Issuer and/or the Guarantor, (b) investors seeking to sell the Securities prior to their scheduled termination, (c) the relevant Securities being subject to certain adjustments in accordance with the terms and conditions of the Securities, and (d) amounts payable being subject to deductions for taxes and/or expenses;</li> <li>the Securities represent direct, unconditional, unsecured and unsubordinated obligations of both the Issuer and the Guarantor and rank equally without any preference among themselves with all other present and future direct, unconditional, unsecured and unsubordinated obligations of the Issuer and Guarantor;</li> </ul>   |
|                   | <ul style="list-style-type: none"> <li>the market value and the amount payable on termination of the Securities may be adversely affected by a number of factors, and the price at which a holder of Securities may be able to sell Securities prior to termination may be at a substantial discount to the market value of such Securities on the Issue Date. A holder of such Securities may suffer a loss of some or up to all of the entire amount invested on termination;</li> <li>the Securities will have no established trading market when issued, and one may never develop, or the Securities may be illiquid. In such case, investors may not be able to sell their Securities easily or at favourable prices;</li> <li>the Securities will be settled by the Issuer through one or more clearing systems and agents. In addition investors may hold Securities through one or more intermediaries. As a result it may be necessary to enforce rights under the Securities through such indirect holding structure and delays and settlement risk may exist as a result.</li> <li>Additionally, the risks relating to investment in the 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, hedging and potential conflicts of interest, tax liabilities, expenses and taxation, third party risk, structural risks relating to particular Securities, including with respect to certain underlyings, no claim against the reference item(s) to which the Securities relate, exchange rate risks, settlement disruption, illegality and cancellation, time lag after redemption or exercise, settlement risk, possible illiquidity of Securities, equity risk, currency risk, underlying volatility risk, fund risk, failure to deliver due to illiquidity, inflation risk, modification, meetings, market disruption, optional redemption (in the case of N&amp;C Securities), a requirement to hold a minimum amount of Securities, factors affecting the value and trading price of Warrants, minimum exercise amount (in the case of Warrants), limitations on exercise (in the case of Warrants), transfer restrictions and exchange listing and legal regulation risk.</li> </ul> |
| <p><b>D.6</b></p> | <p><b>Risk Warning</b></p> <p>See D3 above. In addition:</p> <ul style="list-style-type: none"> <li>investors in Securities may lose up to the entire value of their investment in the Securities as a result of the terms of the relevant Securities where invested amounts are subject to the performance of variable benchmarks such as equities, indices, fixed income benchmarks and exchange traded funds;</li> <li>the Issue Price of the Securities may be more than the market value of such Securities as at the Issue Date, and the price of the Securities in secondary market transactions;</li> </ul>  |
|                   | <ul style="list-style-type: none"> <li>if the relevant Securities include leverage, potential holders of such Securities should note that these Securities will involve a higher level of risk, and that whenever there are losses such losses may be higher than those of a similar security which is not leveraged. Investors should therefore only invest in leveraged Securities if they fully</li> </ul>  |



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|  | understand the effects of leverage; and   |
|  | <ul style="list-style-type: none"> <li>warrants may expire worthless. In addition, where "Automatic Exercise" is not specified in the applicable Final Terms, if Warrants are not exercised by the investor on the applicable exercise date, an investor's investment in the Warrants will expire worthless.</li> </ul> |

#### SECTION E – OFFER

| Element     |  |
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| <b>E.2b</b> | <p><b>Use of proceeds</b></p> <p>The net proceeds from each issue of Securities will be applied by the Issuer for its general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.</p>   |
|             | <p>The net proceeds from the issue of Securities will be applied by the Issuer for its general corporate purposes.</p>   |
| <b>E.3</b>  | <p><b>Terms and conditions of the offer:</b></p> <p>If so specified in the applicable Final Terms, the Securities may be offered to the public in a Non-exempt Offer in one or more specified Public Offer Jurisdictions.</p> <p>The terms and conditions of each offer of Securities will be determined by agreement between the Issuer and the relevant Dealers at the time of issue and specified in the applicable Final Terms. Offers of the Securities are conditional on their issue. An Investor intending to acquire or acquiring any Securities in a Non-exempt Offer from an Authorised Offeror will do so, and offers and sales of such Securities to an Investor by such Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocations and settlement arrangements.</p> <p>This issue of Securities is being offered in a Non-exempt Offer in the United Kingdom.</p> <p>The issue price of the Securities is 100.00 per cent. of their nominal amount.</p>  |
|             | <p>An offer of the N&amp;C Securities may be made by any Dealer and Walker Crips Stockbrokers Ltd (of Finsbury Tower, 103-105 Bunhill Row, London EC1Y 8LZ) (together, being persons to whom the Issuer has given consent, the "<b>Authorised Offeror</b>") other than pursuant to Article 3(2) of the Prospectus Directive in the United Kingdom (the "<b>Public Offer Jurisdiction</b>") during the Offer Period.</p> <p>The Authorised Offeror will manage a plan (the "<b>Plan</b>"), which, will be offered to the public in the Public Offer Jurisdiction in accordance with the arrangements listed below. The Authorised Offeror has selected the N&amp;C Securities as one of the primary qualifying securities into which the Authorised Offeror will invest on behalf of investors in the Plan. The proceeds invested by investors in the Plan will be used by the Authorised Offeror to purchase the N&amp;C Securities. It is understood that the performance of the Plan will be related to the performance of the N&amp;C Securities throughout the term of the N&amp;C Securities. Accordingly, the amounts payable by the Authorised Offeror on the retirement of the Plan are linked to the amounts paid by the Issuer pursuant to the terms and conditions of the N&amp;C Securities.</p> <p>The Issuer has offered and will sell the N&amp;C Securities to the Dealer (and no one else) at the price of 100.00 per cent. However, the Dealer will, in relation to each N&amp;C Security issued, offer and sell the N&amp;C Securities to the Authorised Offeror at the price of not less than 97.00 per cent. of the Issue Price.</p> <p>The Issuer reserves the right, in its absolute discretion, to cancel the offer and issue of the N&amp;C Securities at any time prior to the Issue Date, to end the Offer Period early and/or to extend the Offer Period. Information regarding any such cancellation, early termination or extension of the Offer Period will be made available both on the website of the Irish Stock Exchange (<a href="http://www.ise.ie">www.ise.ie</a>) and on the Issuer's website <a href="http://www.aboutsantander.co.uk/investors/debt-investors/abbey-omnibus-programme/final-terms.aspx">http://www.aboutsantander.co.uk/investors/debt-investors/abbey-omnibus-programme/final-terms.aspx</a> on or prior to the Issue Date.</p> |

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|     | <p>The Authorised Offeror will offer and sell their Plan to their customers in accordance with the arrangements in place between the Authorised Offeror and its customers by reference to the Offer Price and the market conditions prevailing at the time.</p> <p>A prospective investor in the Plan should contact the Authorised Offeror for details of the Offer Price.</p> <p>Offers of the N&amp;C Securities are subject to the distribution arrangements in place between the Dealer and the Authorised Offeror. The Issuer reserves the right not to issue the N&amp;C Securities. As between the Dealer and its Authorised Offeror and its customers, offers of the N&amp;C Securities are further subject to such conditions as may be agreed between them and/or as is specified in any arrangements in place between them.</p> <p>The total aggregate nominal amount of N&amp;C Securities (the "<b>Final Aggregate Nominal Amount</b>") to be issued and the final level of subscription will be determined based on market demand for an investment in the Plan during the Offer Period and the Final Aggregate Nominal Amount will be made available both on the website of the Irish Stock Exchange (<a href="http://www.ise.ie">www.ise.ie</a>) and on the Issuer's website <a href="http://www.aboutsantander.co.uk/investors/debt-investors/abbey-omnibus-programme/final-terms.aspx">http://www.aboutsantander.co.uk/investors/debt-investors/abbey-omnibus-programme/final-terms.aspx</a> on or prior to the Issue Date.</p> <p>A prospective investor in the Plan should contact the Authorised Offeror for details (i) of the application process in order to purchase an interest in the Plan during the Offer Period, (ii) of any minimum and/or maximum amount of the individual applications for an interest in the Plan, (iii) regarding the possibility to reduce their subscriptions during the Offer Period and the manner for refunding any excess amount paid, (iv) of the method and time limits for paying up and delivering an interest in the Plan, (v) of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised and (vi) of any expenses and taxes that would be specifically charged in relation to any subscription of an interest in the Plan.</p> <p>Prospective Securityholders will be notified by Authorised Offeror in accordance with the arrangements in place between the Authorised Offeror and its customers. For the avoidance of doubt, no dealings in the N&amp;C Securities may take place prior to the Issue Date.</p> |
| E.4 | <p><b>Description of any interest of natural and legal persons involved in the issue/offer that is material to the issue/offer including conflicting interests</b></p> <p>The relevant Dealers may be paid fees in relation to any issue of 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 the Guarantor and their affiliates in the ordinary course of business.</p> <p>Other than as mentioned above, and save for any fees that may have been paid or may be payable to the Dealer to an intermediary, so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer, including conflicting interests.</p>   |
| E.7 | <p><b>Expenses charged to the investor by the Issuer</b></p> <p>Not Applicable - No expenses will be charged to an investor by the Issuer.</p>  |