

**SUPPLEMENT DATED 12 FEBRUARY 2018
TO THE BASE PROSPECTUS DATED 5 DECEMBER 2017**



Santander UK plc

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

This supplement ("this **Supplement**", which definition shall also include all information incorporated by reference herein) is prepared as a supplement to, and must be read in conjunction with the Base Prospectus dated 5 December 2017 relating to the Notes and Certificates Programme (the "**Base Prospectus**").

This Supplement together with the Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (the "**Prospectus Directive**"). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with the Base Prospectus and any other supplements to the Base Prospectus prepared by Santander UK plc as issuer under the Notes and Certificates Programme (the "**Issuer**").

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

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer has requested the Central Bank of Ireland, in accordance with Article 18 of the Prospectus Directive, provide to the United Kingdom Financial Conduct Authority, in its capacity as United Kingdom competent authority, a certificate of approval attesting that this Supplement has been drawn up in accordance with the Prospectus Directive.

This Supplement has been prepared for the purpose of: (i) incorporating by reference into the Base Prospectus the unaudited consolidated financial information of Santander UK plc for the year ended 31 December 2017 (the "**Quarterly Financial Information**") and the related glossary (each as described in Schedule 1 hereto) and (ii) updating the Summary of the Programme contained in the Base Prospectus (as described in Schedule 2 hereto). To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference in the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus prior to the date of this Supplement, the statement referred to in (a) above will prevail.

If any documents which are incorporated by reference themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of

this Supplement or the Base Prospectus for the purposes of the Prospectus Directive except where such information or other documents are specifically incorporated by reference or attached to this Supplement.

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

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

There has been no significant change in the financial position of Santander UK plc and its subsidiaries since 31 December 2017 (being the date to which the most recent financial information was prepared).

In accordance with Article 16.2 of the Prospectus Directive, investors who have agreed to purchase or subscribe for securities before this Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances by sending a written notice of withdrawal (which must include the full name and address of the person or entity wishing to exercise such statutory withdrawal right and identify the transferable securities to which that statutory withdrawal right relates) by electronic mail to structurednotesafm@santander.co.uk. The final date for any such withdrawal is 14 February 2018.

SCHEDULE 1

PUBLICATION OF QUARTERLY FINANCIAL INFORMATION

Santander UK Group Holdings plc, the immediate parent company of Santander UK plc, has published its unaudited quarterly management statement for the year ended 31 December 2017 (the “**Quarterly Management Statement**”).

The content of Appendix 5 appearing on page 20 of such Quarterly Management Statement, which contains the Quarterly Financial Information of Santander UK plc, is hereby incorporated in, and forms part of the Base Prospectus.

The relevant section of the Quarterly Management Statement listed above is available for viewing at: <https://www.santander.co.uk/csdlv/r/BlobServer?blobtable=MungoBlobs&blobkey=id&blobcol=urldata&blobheader=application%2Fpdf&blobheadervalue1=inline%3Bfilename%3DSantander+UK+QMS+Q417.pdf&blobwhere=1314024666229&blobheadername1=Content-Disposition>.

The glossary relating to the Quarterly Management Statement is available for viewing at: <https://www.santander.co.uk/csdlv/r/BlobServer?blobtable=MungoBlobs&blobkey=id&blobcol=urldata&blobheader=application%2Fpdf&blobheadervalue1=inline%3Bfilename%3DSantander+UK+2017+glossary.pdf&blobwhere=1314024664571&blobheadername1=Content-Disposition>.

SCHEDULE 2

SUPPLEMENT TO THE SUMMARY

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

B.12 Selected historical key financial information			
The audited consolidated balance sheet as at 31 December 2015 and 31 December 2016 and audited consolidated income statement for each of the years ended 31 December 2015 and 31 December 2016 have been extracted without any adjustment from, and should be read in conjunction with, Santander UK plc's consolidated financial statements in respect of those dates and periods. The unaudited summary of segmental balance sheet assets and liabilities as of 31 December 2017 and 31 December 2016 and unaudited summarised consolidated income statement for the years ended 31 December 2017 and 31 December 2016 have been extracted without any adjustment from the unaudited quarterly management statement for the year ended 31 December 2017 of Santander UK Group Holdings plc (the Quarterly Management Statement), the immediate parent company of Santander UK plc.			
Consolidated balance sheet (extract for Santander UK plc Annual Report for the year ended 31 December 2016):			
		31 December 2016 £m	31 December 2015 £m
Assets			
Cash and balances at central banks		17,107	16,842
Trading assets		30,035	23,961
Derivative financial instruments		25,471	20,911
Financial assets designated at fair value		2,140	2,398
Loans and advances to banks		4,348	3,548
Loans and advances to customers		199,738	198,045
Loans and receivables securities		257	52
Available-for-sale securities		10,561	9,012
Held-to-maturity investments		6,648	-
Macro hedge of interest rate risk		1,098	781
Interests in other entities		61	48
Intangible assets		2,316	2,231
Property, plant and equipment		1,491	1,597
Current tax assets		-	49
Retirement benefit assets		398	556
Other assets		1,473	1,375
Total assets		303,142	281,406
Liabilities			
Deposits by banks		9,769	8,278
Deposits by customers		177,172	164,074
Trading liabilities		15,560	12,722
Derivative financial instruments		23,103	21,508
Financial liabilities designated at fair value		2,440	2,016
Debt securities in issue		50,346	49,615
Subordinated liabilities		4,303	3,885
Macro hedge of interest rate risk		350	110
Other liabilities		2,871	2,335
Provisions		700	870
Current tax liabilities		54	1
Deferred tax liabilities		128	223
Retirement benefit obligations		262	110
Total liabilities		287,058	265,747
Equity			
Share capital and other equity instruments		4,904	4,911
Share premium		5,620	5,620
Retained earnings		4,886	4,679
Other reserves		524	314

	Total shareholders' equity	15,934	15,524
	Non-controlling interests	150	135
	Total equity	16,084	15,659
	Total liabilities and equity	303,142	281,406
	Summary of segmental balance sheet assets and liabilities (extracted from the Quarterly Management Statement)		
		31 December 2017 £bn	31 December 2016 £bn
	Customer loans		
	Retail Banking	169.0	168.6
	Commercial Banking	19.4	19.4
	Global Corporate Banking	6.0	5.7
	Corporate Centre	5.9	6.5
	Total customer loans	200.3	200.2
	Other assets	114.5	102.3
	Total assets	314.8	302.5
	Customer deposits		
	Retail Banking	149.3	148.1
	Commercial Banking	18.7	17.2
	Global Corporate Banking	4.5	4.1
	Corporate Centre	3.4	3.0
	Total customer deposits	175.9	172.4
	Medium Term Funding (MTF) ¹	40.6	46.1
	Other liabilities	82.0	68.5
	Total liabilities	298.5	287.0
	Shareholders' equity ²	16.1	15.3
	Non-controlling interest	0.2	0.2
	Total liabilities and equity	314.8	302.5
	1. Medium Term Funding includes downstreamed funding, in the form of loans that rank pari passu with existing senior unsecured liabilities, from Santander UK Group Holdings plc. 2. We have elected to early apply the IFRS 9 requirement for the presentation of gains and losses on financial liabilities designated at fair value through profit or loss relating to own credit in other comprehensive income from 1 January 2017. The cumulative own credit adjustment has been included in opening retained earnings. Comparatives have not been restated. We have not adopted the other requirements in IFRS 9 in 2017.		
	Consolidated income statement (extract for Santander UK plc Annual Report for the year ended 31 December 2016):		
		31 December 2016 £m	31 December 2015 £m
	Interest and similar income	6,467	6,695
	Interest expense and similar charges	(2,885)	(3,120)
	Net interest income	3,582	3,575
	Fee and commission income	1,188	1,115
	Fee and commission expense	(418)	(400)
	Net fee and commission income	770	715
	Net trading and other income	443	283
	Total operating income	4,795	4,573
	Operating expenses before impairment losses, provisions and charges	(2,414)	(2,400)
	Impairment losses on loans and advances	(67)	(66)
	Provisions for other liabilities and charges	(397)	(762)
	Total operating impairment losses, provisions and charges	(464)	(828)
	Profit before tax	1,917	1,345
	Tax on profit	(598)	(381)
	Profit after tax for the year	1,319	964
	Attributable to:		
	Equity holders of the parent	1,292	939
	Non-controlling interests	27	25
	Summarised consolidated income statement (extracted from the Quarterly Management Statement)		
		31 December 2017 £m	31 December 2016 £m
	Net interest income	3,803	3,582
	Non-interest income ¹	1,109	1,213

	Total operating income	4,912	4,795
	Operating expenses before impairment losses, provisions and charges	(2,499)	(2,414)
	Impairment losses on loans and advances	(203)	(67)
	Provisions for other liabilities and charges	(393)	(397)
	Total operating impairment losses, provisions and charges	(596)	(464)
	Profit before tax	1,817	1,917
	Tax on profit	(561)	(598)
	Profit after tax for the period	1,256	1,319
	1. Comprised of 'Net fee and commission income' and 'Net trading and other income'.		
	<i>Statements of no significant or material adverse change</i>		
	There has been no significant change in the financial position of the Santander UK Group (including Santander UK plc) since 31 December 2017 and there has been no material adverse change in the prospects of Santander UK plc since 31 December 2016.		