

**SUPPLEMENT DATED 9 NOVEMBER 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 as supplemented on 12 February 2018, 9 March 2018, 30 April 2018, 21 June 2018, 1 August 2018 and 17 August 2018 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 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 plc, trading as Euronext Dublin, or other regulated markets for the purposes of Directive 2014/65/EU (the "**Markets in Financial Instruments Directive**") or which are to be offered to the public in a Member State of the European Economic Area.

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

This Supplement has been prepared for the purpose of (i) incorporating by reference into the Base Prospectus certain sections of the unaudited consolidated financial information of Santander UK plc for the nine months ended 30 September 2018 (the "**Quarterly Financial Information**") (as described in Schedule 1 hereto); (ii) updating the Summary of the Programme commencing on page 1 of the Base Prospectus (as described in Schedule 2 hereto) and (iii) for the purpose of updating Risk Factor 5.28 (as described in Schedule 3 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 in (a) above will prevail.

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

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

Save as disclosed in this Supplement, no significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus. There has been no significant change in the financial position of Santander UK plc and its subsidiaries since 30 September 2018 (being the date to which the most recent financial information was prepared).

In circumstances where Article 16.2 of the Prospectus Directive apply, 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 such withdrawal is 13 November 2018.

The date of this Supplement is 9 November 2018.

SCHEDULE 1

PUBLICATION OF QUARTERLY FINANCIAL INFORMATION

1. PUBLICATION OF QUARTERLY FINANCIAL INFORMATION

On 31 October 2018, Santander UK Group Holdings plc, the immediate parent company of Santander UK plc, published its unaudited quarterly management statement for the nine months ended 30 September 2018 (the “**Quarterly Management Statement**”).

The content of Appendix 3 appearing on page 18 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.

A copy of the Quarterly Management Statement has been submitted to the National Storage Mechanism (available for viewing at: <http://www.morningstar.co.uk/uk/NSM>).

The relevant sections of the Quarterly Management Statement is also available for viewing at:

<https://www.santander.co.uk/csdlv/r/BlobServer?blobtable=MungoBlobs&blobkey=id&blobcol=url%2Fdata&blobheader=application%2Fpdf&blobheadervalue1=inline%3Bfilename%3DSantander+UK+QMS+Q318.pdf&blobwhere=1314025746292&blobheadervalue1=Content-Disposition>

SCHEDULE 2

SUPPLEMENT TO THE SUMMARY

The summary document which forms part of the Base Prospectus is hereby supplemented below following the publication of the Quarterly Management Statement by deletion of Element B.12 relating to Santander UK plc commencing on page 3 of the Base Prospectus and its replacement with the following:

SECTION B – ISSUER AND GUARANTOR

B.12	Selected historical key financial information
	The audited consolidated balance sheet as at 31 December 2016 and 31 December 2017 for each of the years ended 31 December 2016 and 31 December 2017 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:
	Consolidated Balance Sheet (extracted from the Issuer's annual financial report for the year ended 31 December 2017)
	31 December 2017 £m 31 December 2016 £m ⁽¹⁾
	Assets
	Cash and balances at central banks 32,771 17,107
	Trading assets 30,555 30,035
	Derivative financial instruments 19,942 25,471
	Financial assets designated at fair value 2,096 2,140
	Loans and advances to banks 5,927 4,348
	Loans and advances to customers 199,490 199,738
	Financial investments 17,611 17,466
	Interests in other entities 73 61
	Intangible assets 1,742 1,685
	Property, plant and equipment 1,598 1,491
	Retirement benefit assets 499 398
	Other assets 2,511 2,571
	Total assets 314,765 302,511
	Liabilities
	Deposits by banks 13,784 9,769
	Deposits by customers 183,648 177,172
	Trading liabilities 31,109 15,560
	Derivative financial instruments 17,613 23,103
	Financial liabilities designated at fair value 2,315 2,440
	Debt securities in issue 42,633 50,346
	Subordinated liabilities 3,793 4,303
	Other liabilities 2,730 3,221
	Provisions 558 700
	Current tax liabilities 3 54
	Deferred tax liabilities 88 128
	Retirement benefit obligations 286 262
	Total liabilities 298,560 287,058
	Equity
	Share capital 3,119 3,119
	Share premium 5,620 5,620
	Other equity instruments 2,281 1,785
	Retained earnings 4,732 4,225
	Other reserves 301 524
	Total shareholders' equity 16,053 15,303
	Non-controlling interests 152 150
	Total equity 16,205 15,453
	Total liabilities and equity 314,765 302,511
	(1) Restated to reflect the change in accounting policy to business combinations between entries under common control.
	Consolidated Income Statement (extracted from the Issuer's annual report for the year ended 31 December 2017)
	31 December 2017 31 December 2016
	£m £m
	Interest and similar income 5,905 6,467

Interest expense and similar charges	(2,102)	(2,885)
Net interest income	3,803	3,582
Fee and commission income	1,222	1,188
Fee and commission expense	(415)	(418)
Net fee and commission income	807	770
Net trading and other income	302	443
Total operating income	4,912	4,795
operating expenses before impairment losses, provisions and charges	(2,499)	(2,414)
Impairment losses on loans and advances	(203)	(67)
Provisions for other liabilities and charges	(393)	(397)
Total operating impairment losses, provisions and charges	(596)	(464)
Profit before tax	1,817	1,917
Tax on profit	(561)	(598)
Profit after tax for the year	1,256	1,319
Attributable to:		
Equity holders of the parent	1,235	1,292
Non-controlling interests	21	27
Profit after tax	1,256	1,319
1. Summary of segmental balance sheet assets and liabilities (extracted from the Quarterly Management Statement)		
	Nine months ended 30 September 2018 (unaudited) £bn	Year ended 31 December 2017 (unaudited) £bn
Assets		
Customer loans		
Retail Banking	171.3	169.0
Corporate & Commercial Banking	17.9	19.4
Corporate & Investment Banking	4.6	6.0
Corporate Centre	5.0	5.9
Total customer loans	198.8	200.3
Other assets	95.9	114.5
Total assets	294.7	314.8
Liabilities		
Customer deposits		
Retail Banking	146.9	149.3
Corporate & Commercial Banking	17.2	18.7
Corporate & Investment Banking	4.8	4.5
Corporate Centre	3.2	3.4
Total customer deposits	172.1	175.9
Medium Term Funding	47.4	40.6
Other liabilities	59.2	82.0
Total Liabilities	278.7	298.5
Shareholders' equity	15.9	16.1
Non-controlling interest	0.1	0.2
Total liabilities and equity	294.7	314.8
Summary consolidated income statement (extracted from the Quarterly Management Statement)		
	Nine Months Ended 30 September 2018 (unaudited) £m	Nine Months Ended 30 September 2017 (unaudited) £m
Net interest income	2,718	2,878
Non-interest income	743	859
Total operating income	3,461	3,737
Total operating expenses before credit impairment losses, provisions and charges	(1,912)	(1,825)
Credit impairment losses	(115)	(105)
Provisions for other liabilities and charges	(62)	(237)
Total operating impairment losses, provisions and charges	(177)	(342)
Profit/(loss) before tax	1,372	1,570

	Tax on profit	(393)	(477)
	Profit/(loss) after tax for the period	979	1,093
	<i>Statements of no significant or material adverse change</i> There has been no significant change in the financial position of the Issuer since 30 September 2018 and there has been no material adverse change in the prospects of the Issuer since 31 December 2017.		

SCHEDULE 3

UPDATE TO RISK FACTOR

Risk Factor 5.28 (*The Group is exposed to risk of loss and damage from legal and regulatory proceedings (civil and/or criminal)*) shall be supplemented by deleting the paragraph commencing with the wording “The Group is from time to time subject to [...]” and ending with the wording “[...] income for that period” with the following language:

“The Group is from time to time subject to certain legal or regulatory investigations, inquiries or proceedings in the normal course of the Group’s business, including in connection with the Group’s lending activities, relationships with the Group’s employees and other commercial or tax matters. These may be brought against the Group under UK legal or regulatory processes, or under legal or regulatory processes in other jurisdictions, such as the EU and the U.S., where overseas regulators and authorities may have jurisdiction by virtue of the Group’s activities or operations. For example, the Group is cooperating with an FCA investigation in respect of certain historical issues concerning the operation of deceased customers’ accounts. The Group is in an ongoing dialogue with the FCA to resolve the matter. In addition, Santander UK, as well as Abbey National Treasury Services plc (a subsidiary of Santander UK) and Cater Allen International Limited (an indirect subsidiary of Santander UK Group Holdings plc), and three of their former employees are currently under investigation by the Cologne Criminal Prosecution Office and the German Federal Tax Office in relation to historical involvement in German dividend tax arbitrage transactions (known as cum/ex transactions). The Group is cooperating with the German authorities and are conducting its own internal investigation into the matters in question. There are factual issues to be resolved in both cases which may have legal consequences including financial penalties. In view of the inherent difficulty of predicting the outcome of legal or regulatory, investigations, inquiries or proceedings, particularly where opportunistic claimants seek very large or indeterminate damages, cases present novel legal theories, involve a large number of parties or are in the early stages of discovery, or where the approaches of regulators or authorities to legal or regulatory issues and sanctions applied are subject to change, the Group cannot state with confidence what the eventual outcome of any pending matters will be and, save as noted above, any such pending matters are not disclosed by name because they are under assessment. The Group’s provisions in respect of any pending legal or regulatory proceedings are made in accordance with relevant accounting requirements and are reviewed periodically. However, in light of the uncertainties involved in such claims and proceedings, there can be no assurance that the ultimate resolution of these matters will not exceed the provisions currently accrued by the Group. As a result, the outcome of a particular matter may be material to the Group’s operating results for a particular period, depending upon, among other factors, the size of the loss or liability imposed and the Group’s level of income for that period. ”