

United Kingdom

Quarter 3 2013

London, 24 October 2013

Disclaimer

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Source: Santander UK Q3 2013 results “Quarterly Management Statement for the nine months ended 30 September 2013” or Santander UK Management (‘MI’)
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Overview – Nine Months to September 2013

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Financial highlights

- Attributable profit of £675m before significant items, rose 7% against 9M'12, supported by income growth, continued cost control and resilient credit quality
- Q3'13 saw a further rise in net interest income, its highest since Q1'12, and an improvement in the Banking NIM to 1.59% in the quarter¹
- Costs remain tightly controlled with our focus on business as usual expenses. Operating expenses broadly flat, despite higher operational, technology, and regulatory compliance and control costs
- Recent retail and corporate loan vintages performing well
- Strong balance sheet: Core Tier 1 Capital ratio of 12.6%¹ enhanced through organic profit generation; loan to deposit ratio improved to 120%

Acceleration in the transformation of the UK business

- 2.2 million 1|2|3 World customers in Retail Banking, an increase of 900,000; with a continued focus on building primary banking relationships
- Targeted growth in retail relationship deposits; current account balances up £8.7bn to £24.6bn
- Residential mortgage gross lending of £12.9bn, 10.4% share
- Corporate lending up 10% from December 2012, despite a subdued economic environment
- Significant improvement in customer satisfaction since December 2011, as measured by the independent Financial Research Survey ('FRS')²

¹ Banking NIM and Core Tier 1 Capital ratio (Basel 2.5) calculated on a UK statutory basis

² See slide 15 for full details

Agenda

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- **Market Environment**

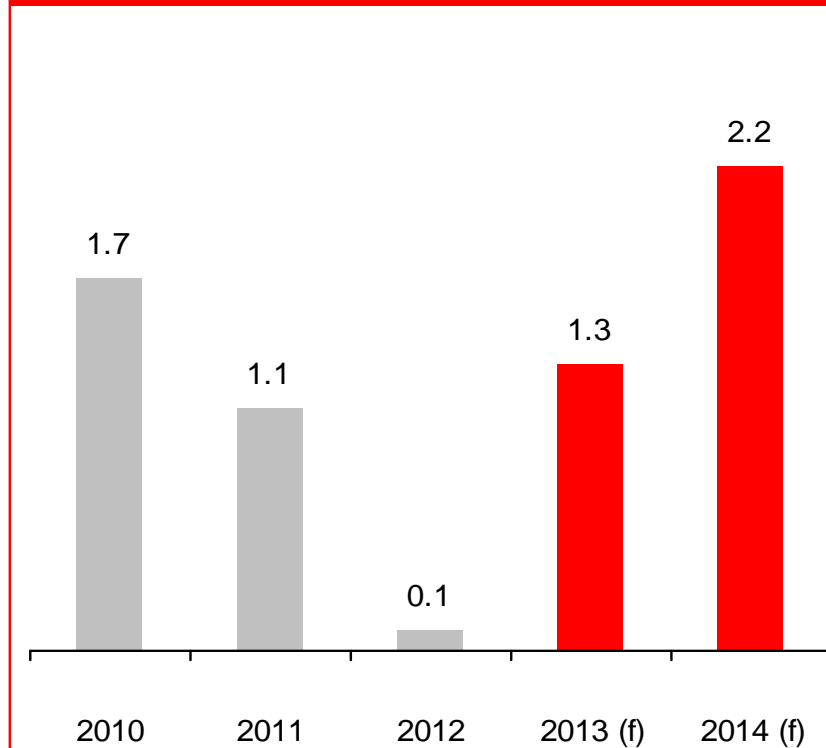
- **Quarter 3 2013**

- **Strategic and Business Update**
- **Results**

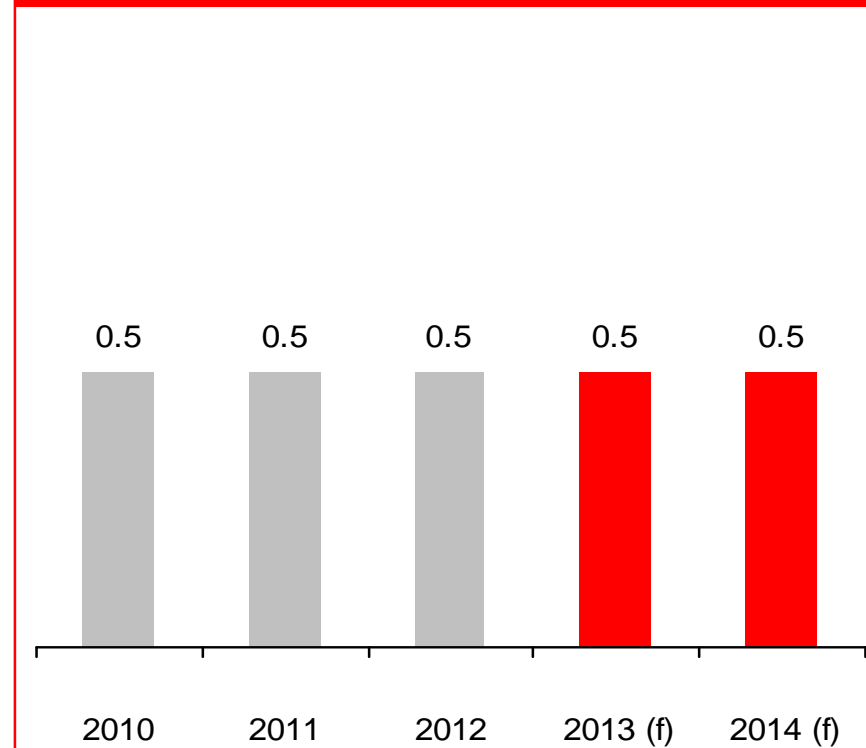
Market Environment – GDP and Interest Rates

Consumer and business confidence improving, but recovery in early stages

Annual GDP Growth (% , annual average)



Interest Rates (% , annual average)



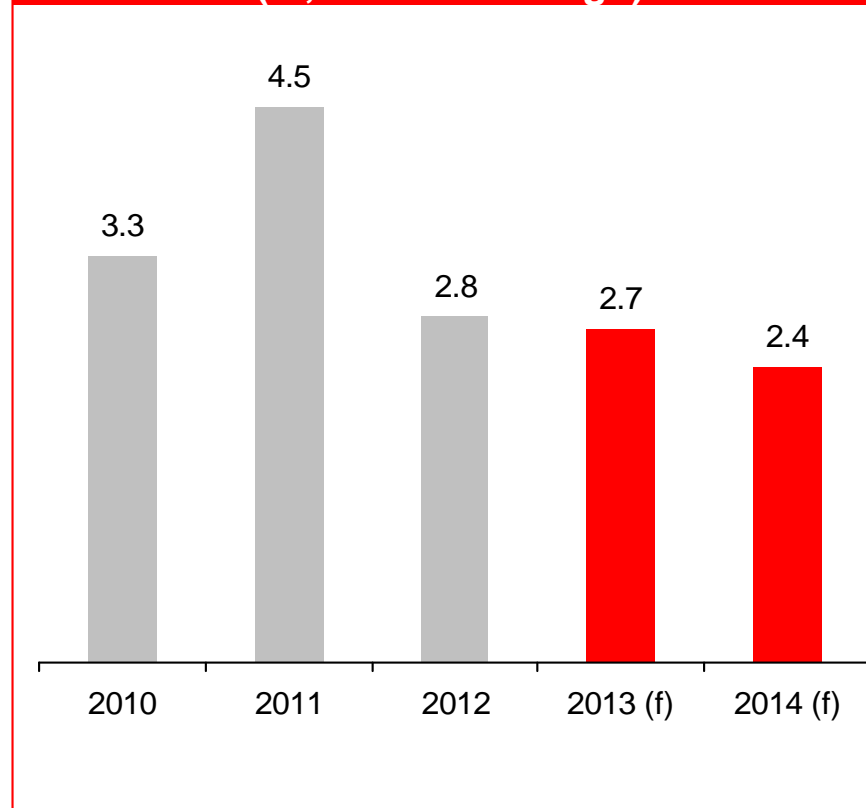
Source: Office for National Statistics and Bank of England
(f): Santander UK September 2013 forecast

Market Environment – Inflation and Exchange Rates

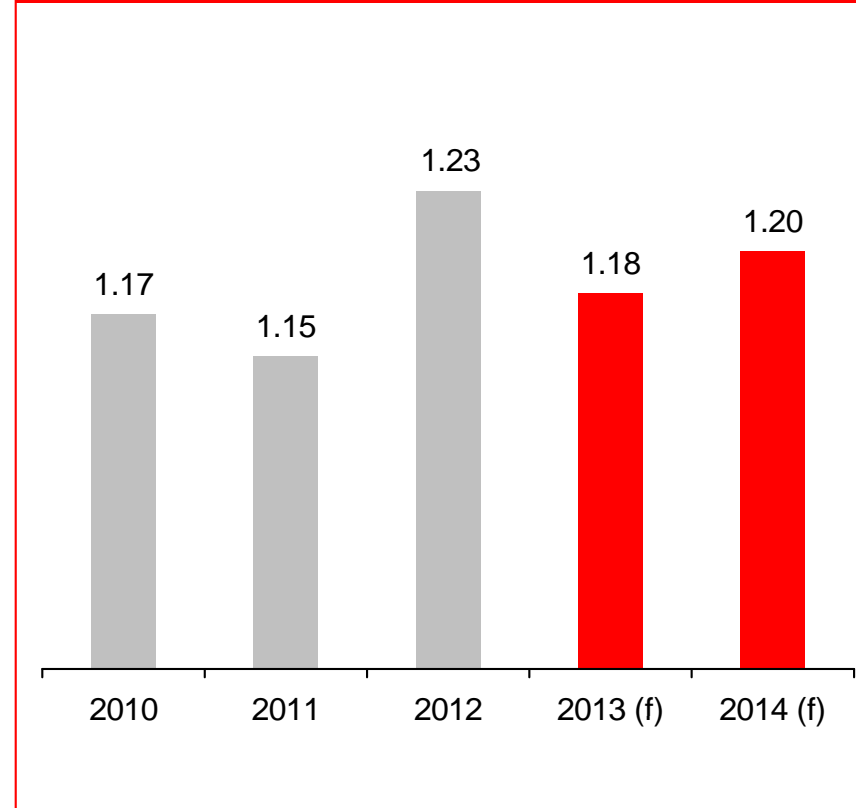
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Inflation still elevated relative to 2% target

**Annual CPI¹ inflation rate
(%, annual average)**



**GBP : EUR exchange rates
(annual average)**

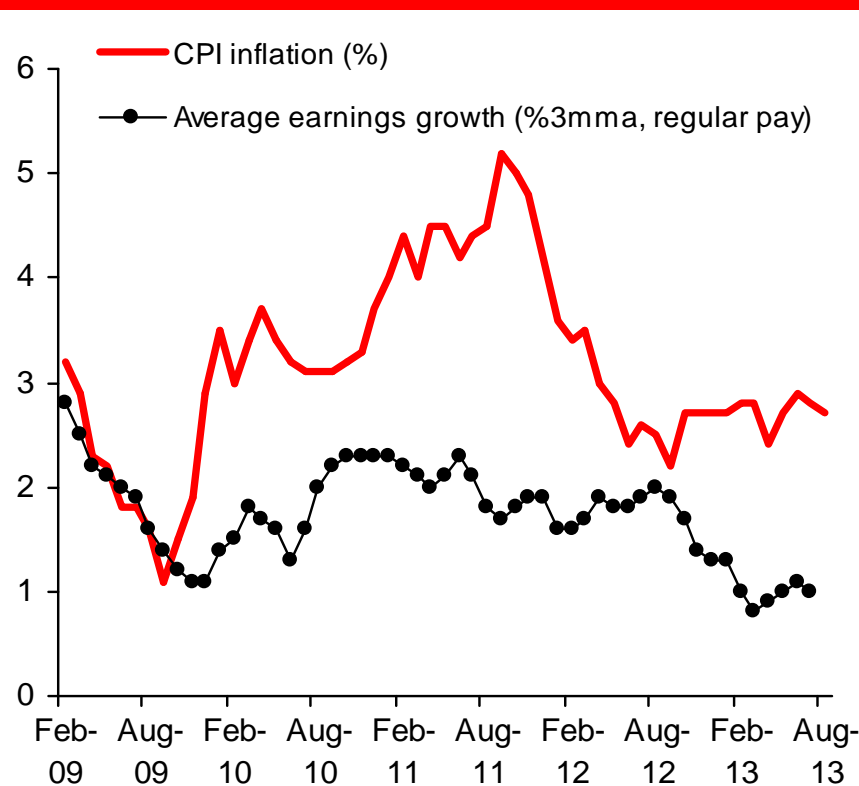


Source: Office for National Statistics and Bank of England
(f): Santander UK September 2013 forecast
¹CPI: Consumer price index

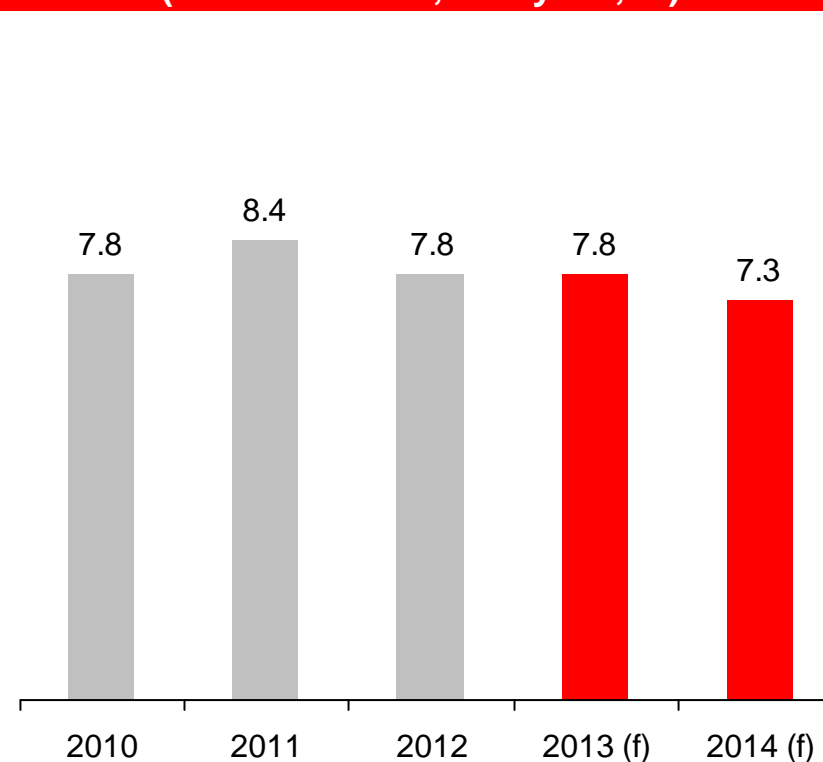
Market Environment – Earnings Growth and Unemployment⁷

Real earnings still falling ... unemployment broadly steady in 2013

Inflation and average earnings growth



**Unemployment rate
(ILO¹ definition, end year, %)**

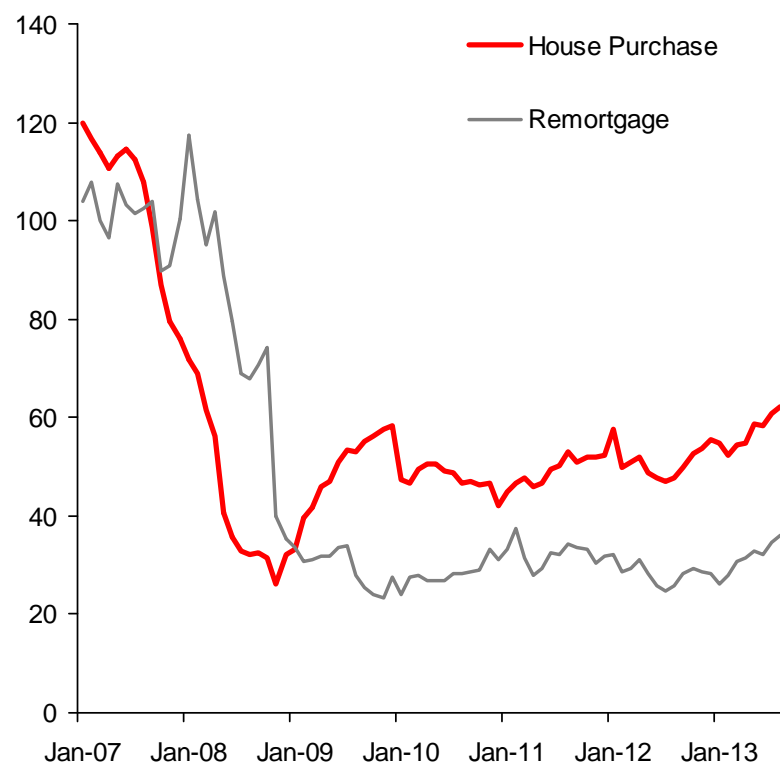


Market Environment – Housing Market Activity

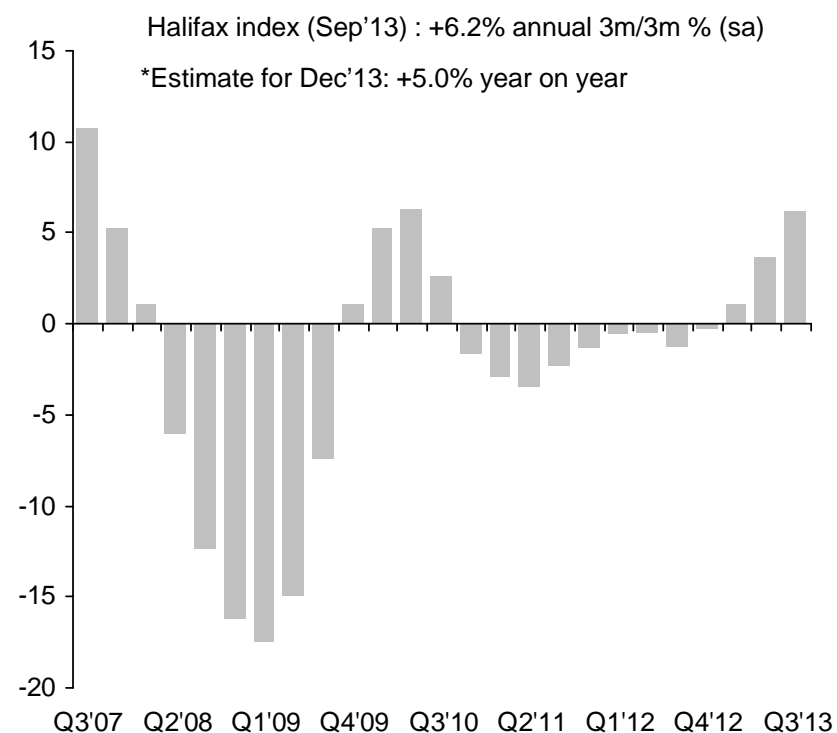
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Housing market volumes and house prices rising steadily

House purchase and remortgage approvals
(000s, sa)¹



UK house price inflation (annual %, sa)²



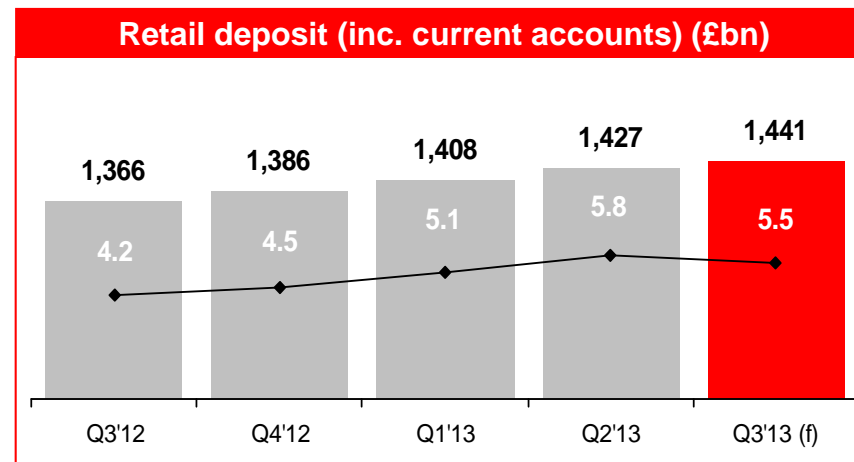
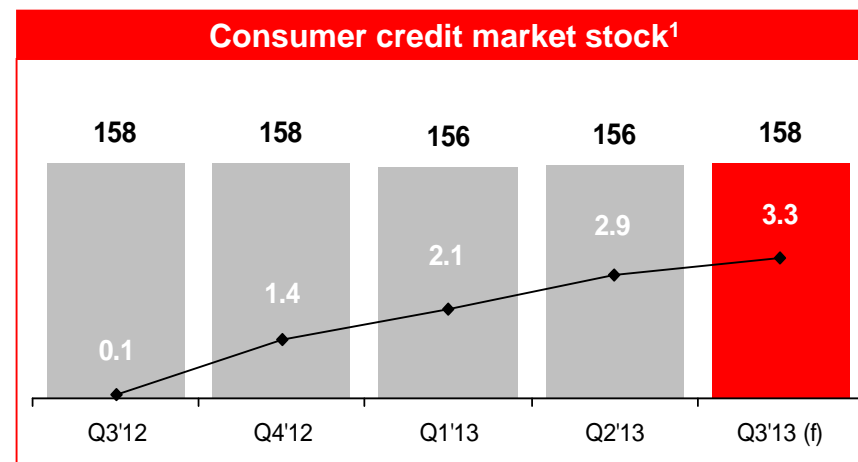
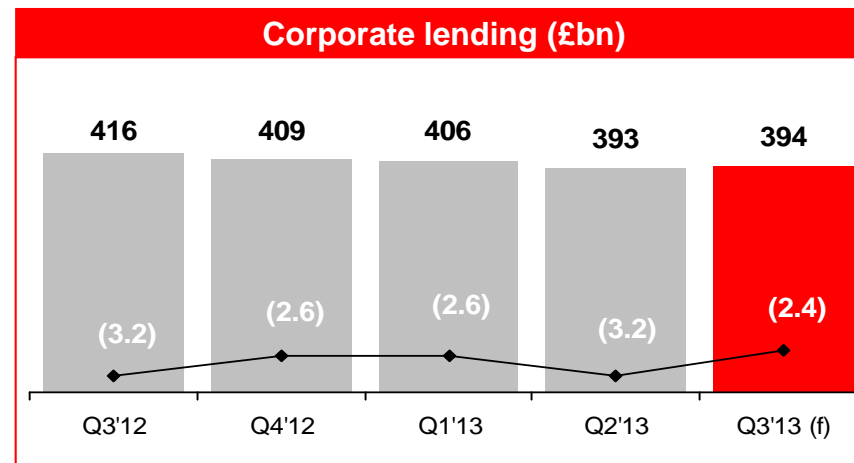
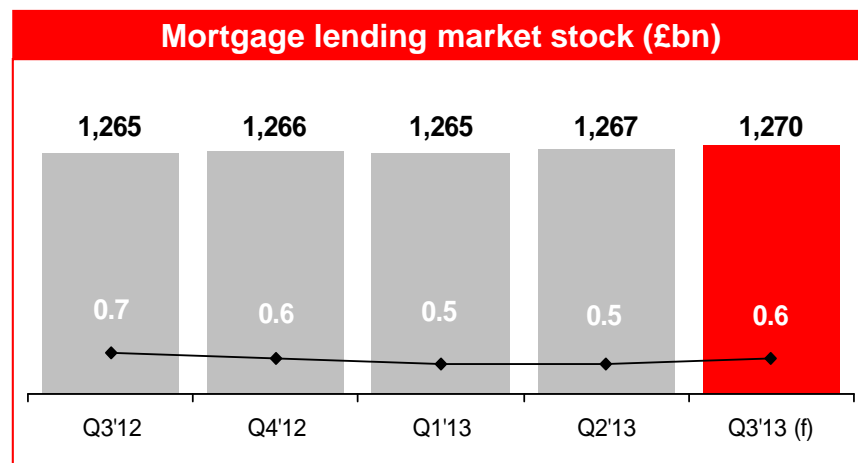
¹ Source: Bank of England

² Source: Lloyds Banking Group/Halifax House Price Index

(*) Estimated by Santander UK, September 2013, end period data

Market Environment – Credit and Deposit Growth

Mortgage and corporate loan growth remain weak. Consumer credit growth stronger



Retail deposit growth maintained ... ahead of retail loan growth

Source: Bank of England

(f): Estimated by Santander UK, September 2013

¹ The Bank of England now excludes student loans from consumer credit data

◆ Annual growth rates (%)

Agenda

- Market Environment

- **Quarter 3 2013**

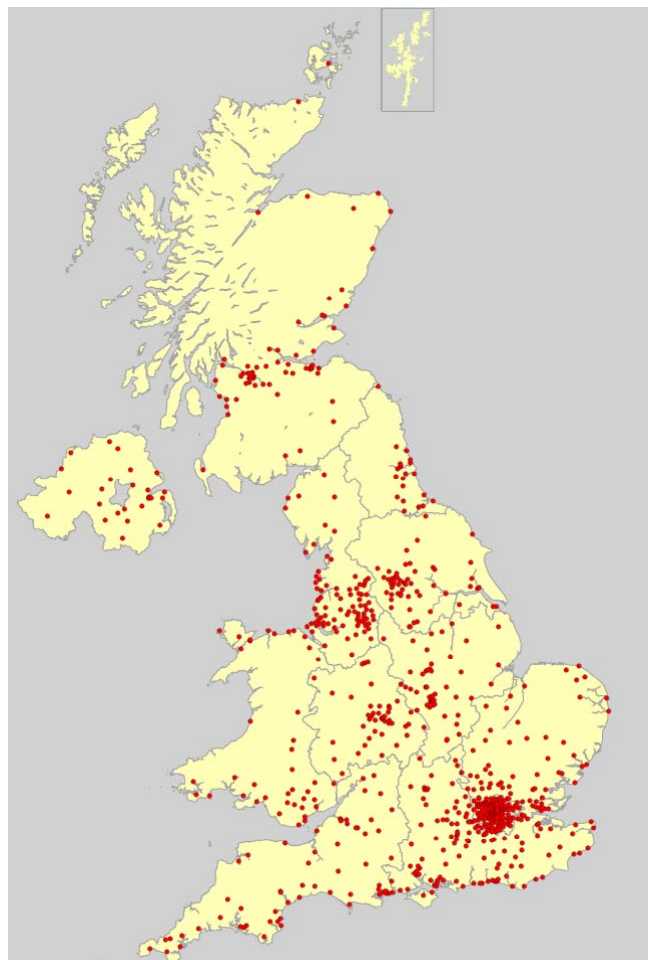
- **Strategic and Business Update**

- Results

Snapshot – United Kingdom, as at 30 September 2013

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Santander UK's Branches



Balance Sheet and Key Metrics

		Change from Dec'12	Change from Sep'12
	£bn	%	%
Residential Mortgages ¹	157.4	(4)	(6)
Corporate Banking Assets ²	21.5	10	11
of which SME loans ³	11.2	6	11
UK Banking Assets ⁴	178.8	(3)	(4)
Customer Loans	188.7	(3)	(5)
Customer Deposits	148.5	-	(3)
UK Banking Liabilities ⁴	137.8	(2)	(1)
Medium Term Funding	58.1	(11)	(19)
	%	p.p.	p.p.
Total NPLs	1.98	(0.07)	0.04
Mortgage Coverage Ratio	21	1	1
Total Coverage Ratio	42	(3)	(3)
Loan-to-Deposit Ratio	120	(8)	(6)

Key Market Shares - Stock

		Change from Dec'12	Change from Sep'12
	%	p.p.	p.p.
Residential Mortgages	12.4	(0.6)	(0.8)
SME Lending ³	5.7	0.4	0.7
Deposits	8.8	(0.6)	(0.7)
Bank Accounts ⁵	9.4	0.1	0.1

¹ Residential mortgages includes residential retail mortgages and Social Housing loans, to align with UK mortgage industry CML reporting

² Corporate Banking excludes non-core corporate portfolio and legacy assets in run-off managed in the Corporate Centre

³ SME lending market share includes assets held in Corporate Banking, Retail Banking and Corporate Centre. SME assets totalled £12.5bn in Sep'13; £12.1bn in Dec'12; £11.7bn in Sep'12. Following a periodic review of Corporate Banking customers' annual turnover, a number of SME customers were reclassified in Q1'13 as larger corporates. Prior periods have not been restated. Excluding this reclassification SME lending growth would have been 8% versus 31 December 2012.

⁴ UK Banking consists of the reported Retail Banking and Corporate Banking segments

⁵ As at 30 June 2013

Our Strategic Priorities

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1

Loyal and satisfied customers

2

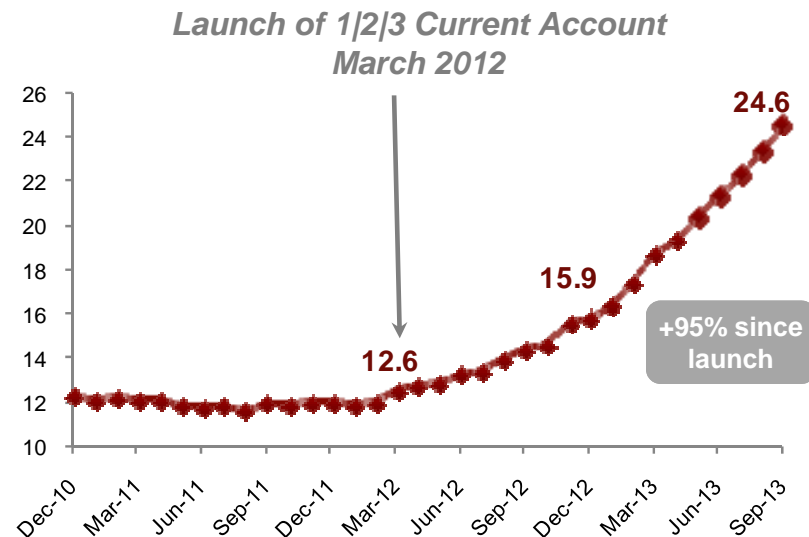
'Bank of Choice' for UK companies

3

Consistent profitability and strong balance sheet

In 9M'13, 183,000 customers moved their current account to Santander UK

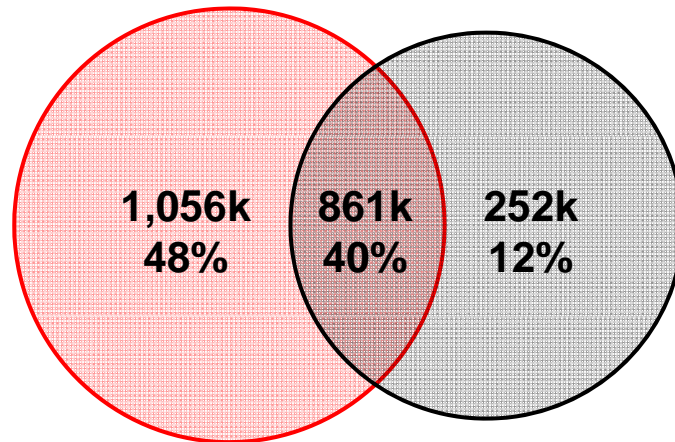
Total current account balances (£bn)



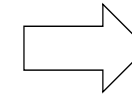
- Total current account balances increased £8.7bn YTD, +55%; evidence of the considerable progress with our retail relationship-centred banking proposition
- 2.2 million customers with 1|2|3 World products: 1,056,000 with 1|2|3 Current Accounts; 252,000 with 1|2|3 Credit Cards; and 861,000 customers holding both products
- 1|2|3 World has driven increased balances and activity
- 1|2|3 Current Account customers typically have 3x bigger average account balances, nearly double the number of products, significantly lower attrition and a much better risk profile

1|2|3 proposition is transforming the customer profile ...

Customer numbers



Non 1|2|3
Current Account



1|2|3
Current Account

9%	affluent ¹	25%
17%	primary banking ²	86%
1.5	products per customer	2.8
1x	average account balance	3x
42%	4+ direct debits	71%
<4,000	staff with a current account	19,000

1|2|3 CURRENT ACCOUNT

1|2|3 CREDIT CARD

... and improving customer satisfaction³

95% satisfied with 1|2|3 Current Account

91% satisfied with 1|2|3 Credit Card

Source: Santander UK plc Marketing MI

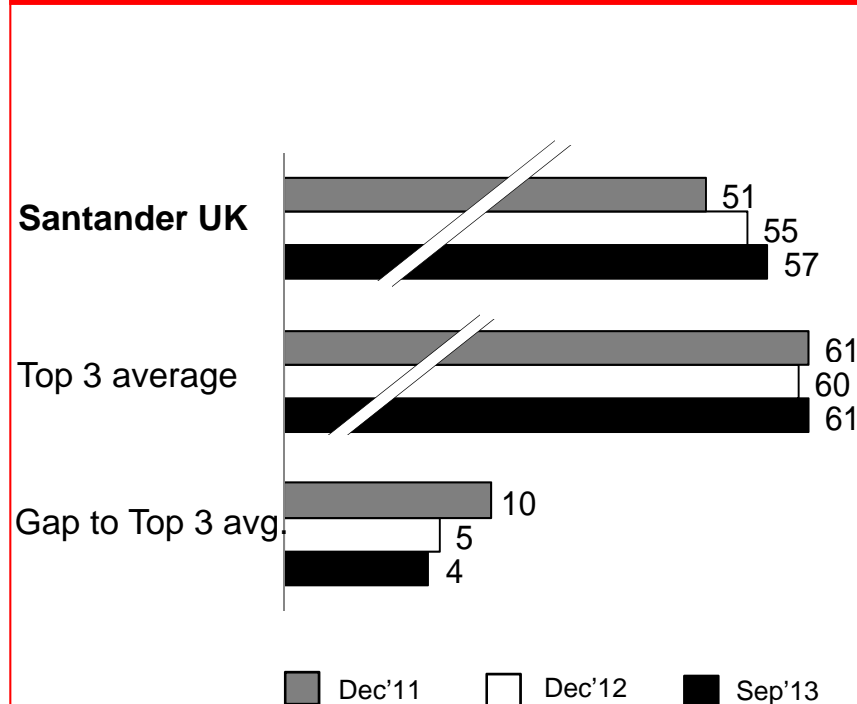
¹ Customers with significantly higher current account and savings balances

² Primary banking customers have a minimum credit turnover of at least £500 per month and at least two direct debits set up on the account

³ 1|2|3 Current Account result as published by Moneysavingexpert.com in August 2013, based on customer rating of "great" and "ok". 1|2|3 Credit Card result as published by Moneysavingexpert.com in February 2013

We aim to be a top 3 bank for customer satisfaction by 2015

FRS¹: Overall Satisfaction (%)



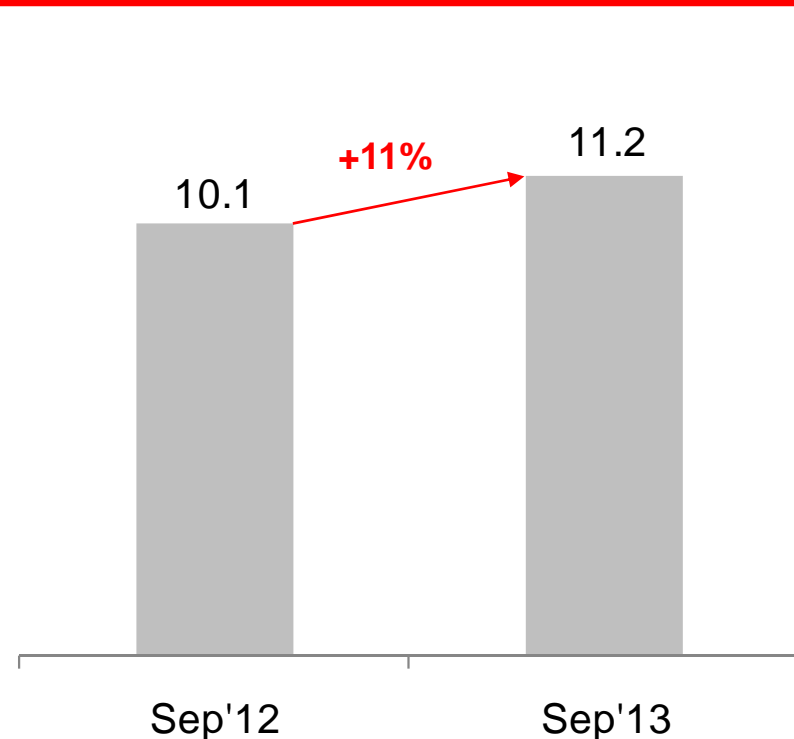
Investing in service and delivering results

- Santander UK made a significant improvement in customer satisfaction since December 2011, with our score rising to 57%
- An ongoing programme to transform the branch network continued with optimisation of the geographic footprint, branch refurbishment and further investment in channels and self-service terminals
- We continue to work on customer segmentation, underpinning the roll-out of our affluent proposition 'Select', and our ability to offer more targeted financial services to our customers

¹ Financial Research Survey (FRS) is an independent monthly survey of circa 5,000 consumers covering the personal finance sector, run by GfK NOP. Overall Satisfaction score refers to proportion of extremely and very satisfied customers across mortgages, savings, main current accounts, home insurance, UPLs and credit cards, based on a weighting of those products calculated to reflect the average product distribution across Santander UK plc and competitor brands. Competitor set includes Barclays, Halifax, HSBC Bank plc, Lloyds TSB and NatWest. Data shown is for the three months ending 31 December 2011, 31 December 2012 and 30 September 2013

11% SME lending growth since September 2012

SME customer assets¹ (£bn)



Actively supporting SME lending

- Added to our network of 37 regional Corporate Business Centres whilst further developing our capacity to support our SME customers as we expand into new financial centres across the UK
- Started the roll-out of our new, more advanced, online banking facility in Q3'13 to offer additional functionality to our SME customers and further develop our service offering
- Continued to develop our range of ancillary business services to larger corporate customers with a turnover of more than £500m. Our link with the wider Banco Santander Group allows us to provide these new and existing customers with access to international expertise and foreign exchange services
- Lending to SMEs increased 11% over the year; that to larger corporates grew 12%

¹ Corporate Banking SME is commercial lending excluding Business Banking (reported in Retail Banking) and non-core portfolio and legacy assets in run-off managed in the Corporate Centre. Following a periodic review in Q1'13, a number of customers were transferred from SME lending to larger corporate lending as the annual turnover of their businesses had increased. Prior periods have not been restated. Excluding this reclassification, SME lending growth would have been 8% versus 31 December 2012

UK based business

97% of customer assets are UK based

- **£149.9bn** residential retail mortgages; **£21.5bn** Corporate Banking loans
- UK focused; net exposure¹ of c. **0.6%** of total assets to eurozone peripheral countries²

Strong funding and liquidity

Targeted improvement to the quality of the deposits mix

Diverse funding sources

- **Customer deposits increasing**, with a focus on **better customer relationships**
- Customer deposits and MTF³ to customer loans ratio of **113%**; LDR of **120%**, improved eight percentage points from Dec'12
- Wholesale funding of less than one year broadly stable at **£24.7bn**
- **Lower wholesale issuance required**; MTF issuance of **£4.0bn** year to date

Good credit quality and capital strength

Prudent risk management

Strong capital and prudent liquidity

- Mortgage stock LTV of **51%**; **strong mortgage coverage levels maintained**
- **Lending criteria tightened in 2012**, to improve credit quality and profitability of mortgage book; Corporate Banking **NPL vintage remains benign**
- Core Tier 1 capital ratio⁴ of **12.6%**; Total Capital ratio of **17.9%**; CRD IV end point Common Equity Tier 1 ('CET 1') Capital ratio of **11.6%**
- Eligible liquid assets of **£33.1bn**, **134%** of wholesale funding of less than one year, as we actively manage our requirements; Total liquid assets of **£79.6bn**⁵

¹ Net of collateralised repos and reverse repos and derivatives subject to ISDA Master Agreements

² Greece, Italy, Ireland, Portugal, Spain and Cyprus

³ MTF is term funding at nominal value with an original maturity of greater than one year. MTF excludes any unencumbered collateral received as part of FLS

⁴ Core Tier 1 capital ratio (Basel 2.5) calculated on a UK statutory basis

⁵ Total liquid assets consist of: PRA eligible assets (BIPRU 12.7); other highly liquid debt securities and bonds; equities; and debt securities and asset-backed securities issued by subsidiaries and retained by Santander UK and loans which are eligible at central bank operations

Strategic and Business Update – Risk Management

**Prime
mortgage
book ...
corporate
risk appetite
modest**

- Lending secured on UK prime residential property is 84%¹ of customer loans
- Strong coverage levels maintained: mortgage coverage 21%; unsecured Retail Banking portfolio above 100%; total 42%
- Mortgage NPL ratio increased to 1.89%, largely due to regulatory-driven policy and reporting changes as well as the impact of lower mortgage balances. These policy and reporting changes are not expected to result in significant additional write offs
- Corporate loan growth to focus on maintaining moderate risk appetite

**Targeted
asset
reduction**

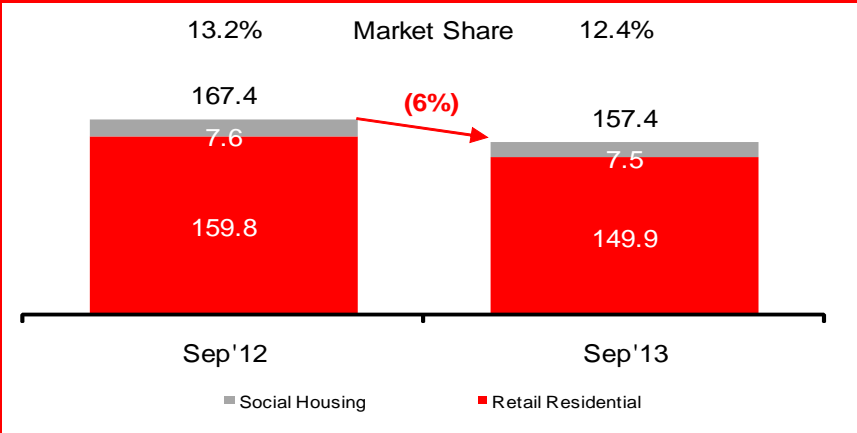
- Action taken to manage the risks associated with interest only and higher LTV mortgages, whilst continuing to grow corporate loans
- Mortgage lending expected to stabilise at year end
- New retail unsecured lending at favourable risk adjusted returns written through direct channels and by way of 1|2|3 World
- Reduction in non-core portfolio to £9.9bn, from £11.3bn in September 2012

¹ Retail Banking mortgages and Social Housing loans in Corporate Banking and Corporate Centre

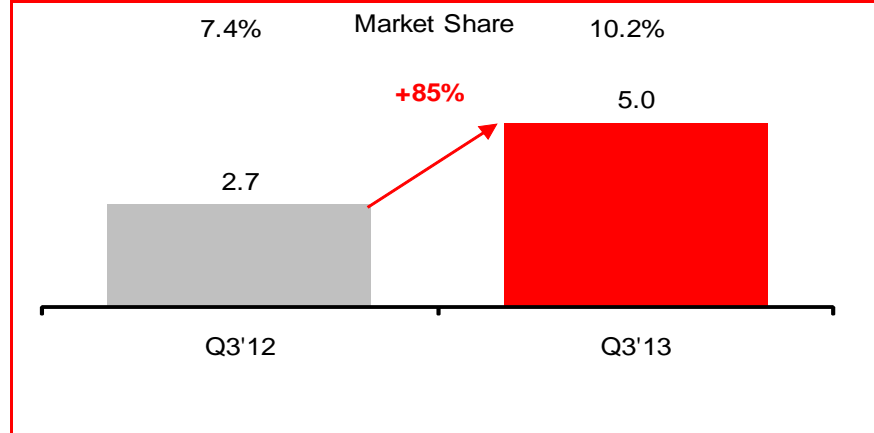
Business Update – Customer Lending

**Mortgage lending focused on preferred segments;
Corporate Banking growth rebalancing portfolio**

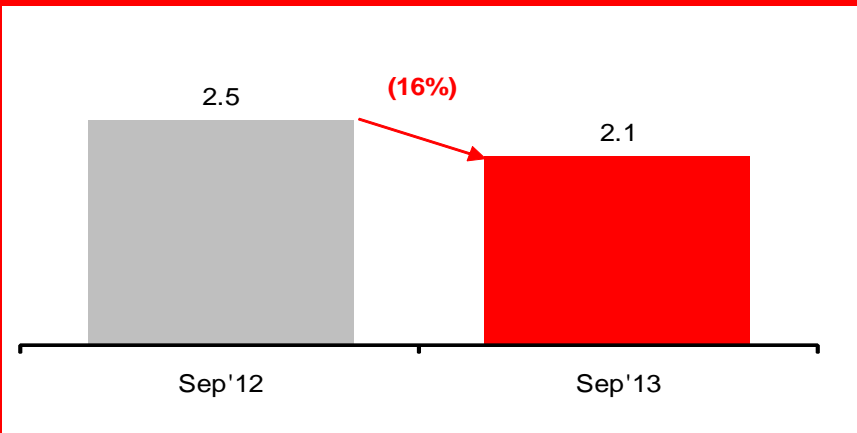
Residential mortgage stock (£bn)



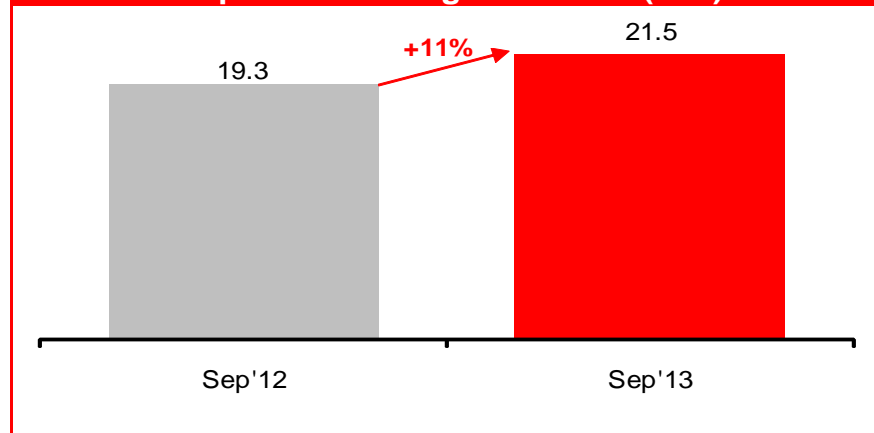
Residential mortgage gross lending (£bn)



Unsecured personal loan stock (£bn)



Corporate Banking loan stock (£bn)¹



¹ Corporate Banking excludes the non-core corporate portfolio and legacy assets in run-off managed in the Corporate Centre

Business Update – Customer Lending

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**Mortgage lending performance in line with management expectations ...
whilst growing core corporate lending**

Total Residential Mortgages (£bn)				
Sep'12	Dec'12	Mar'13	Jun'13	Sep'13
159.8	156.6	154.1	152.3	149.9
7.6	7.5	7.5	7.5	7.5
167.4	164.1	161.6	159.8	157.4
13.2%	13.0%	12.8%	12.6%	12.4%

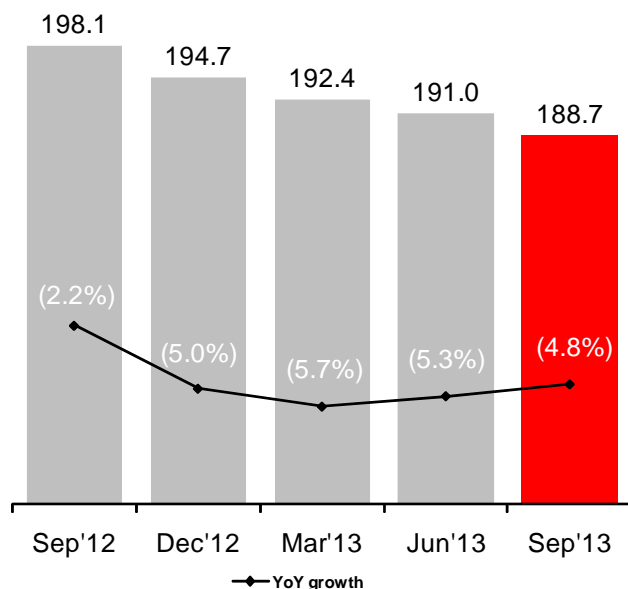
Residential Retail Mortgage Stock

Social Housing Stock

Residential Mortgage Stock

Mortgage market stock share (%)

Total Customer Loans



£bn	Sep'13	Sep'13 v Sep'12
Residential Retail Mortgages	149.9	(6%)
Consumer Lending ¹	7.4	(4%)
Retail Banking	157.3	(6%)
Corporate Banking	21.5	11%
UK Banking	178.8	(4%)
Non-core corporate	9.9	(12%)
Total Customer Loans	188.7	(5%)

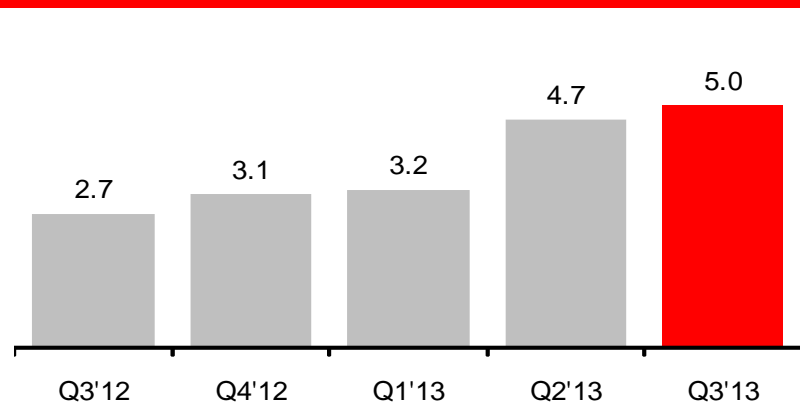
¹ Consumer lending includes UPLs, Retail Banking overdrafts, Cahoot, Santander Cards, Santander Consumer Finance and Business Banking

Business Update – Mortgage Lending

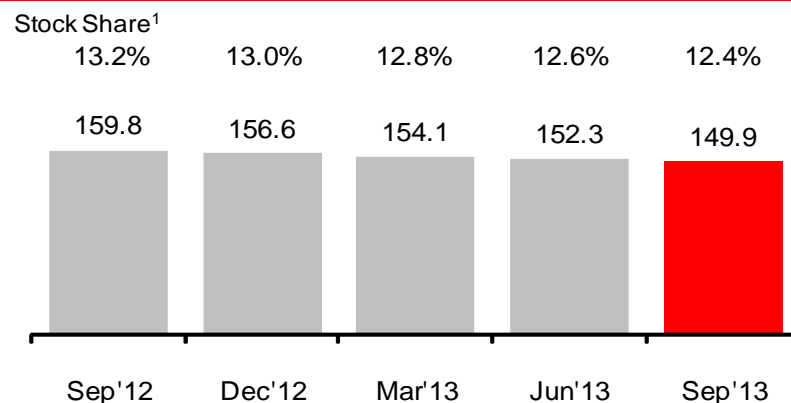
21

Mortgages rebalanced to lower risk segments ... starting to stabilise

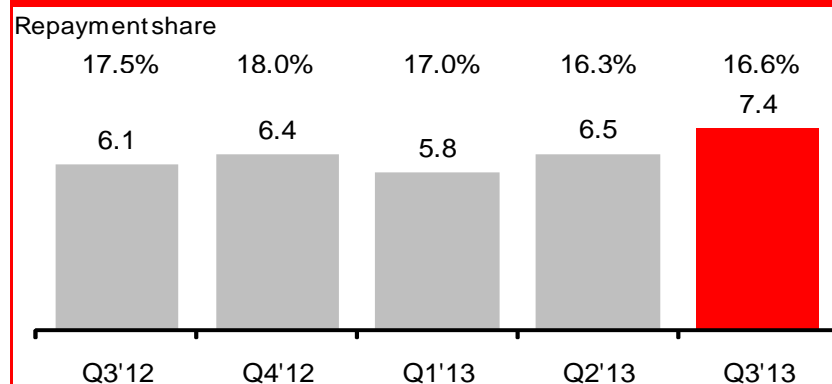
Residential mortgage gross lending¹ (£bn)



Residential retail mortgage stock² (£bn)



Residential mortgage repayments¹ (£bn)



Commentary

- Mortgage gross lending of £12.9bn for the first nine months, a market share of 10.4%
- Residential retail mortgage loan stock decreased £6.7bn since December 2012, following the tightening of lending criteria on interest-only and higher LTV mortgages in early 2012
- Interest only mortgage balances fell £4bn in the period
- SVR balances continued to grow in the low interest rate environment, and now represent 36% of the residential retail mortgage book

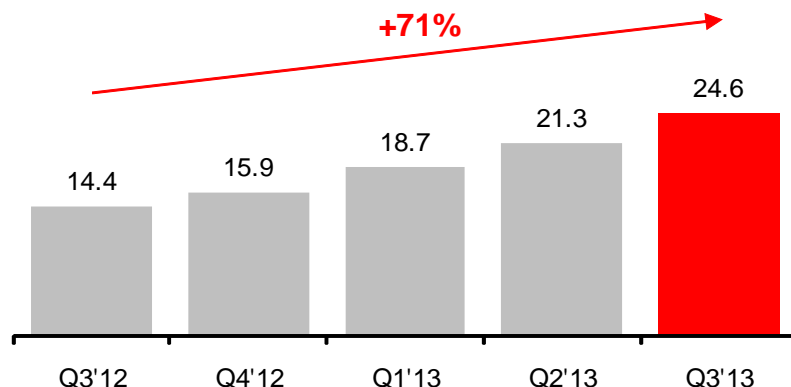
¹ Includes Social Housing loans as per CML market data

² Excludes Social Housing loans

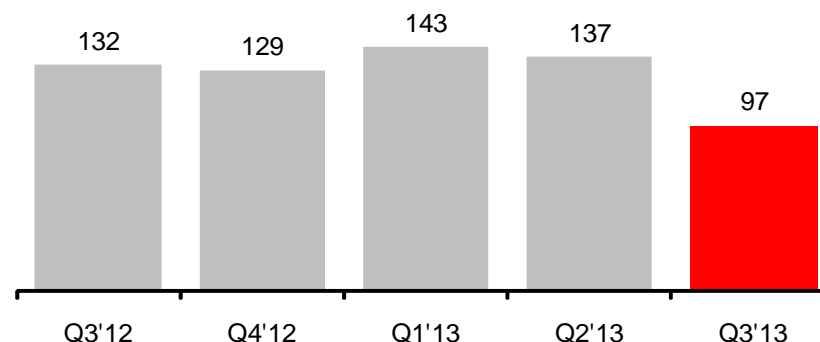
Business Update – Current Accounts, Credit Cards and UPL²²

Developing loyal and satisfied primary customer relationships

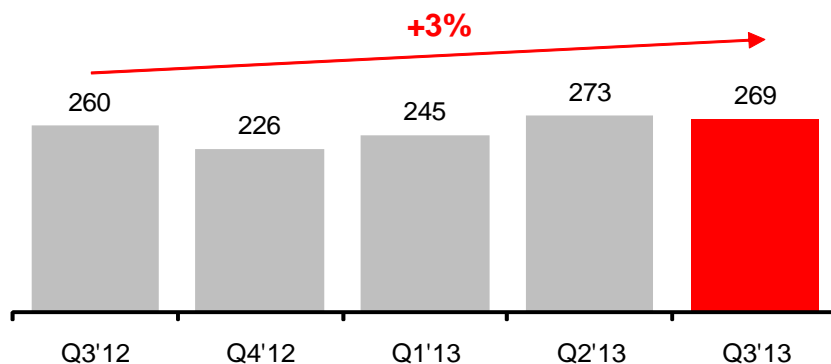
Current account liabilities (£bn)¹



Credit card openings ('000s)



UPL gross lending (£m)



Commentary

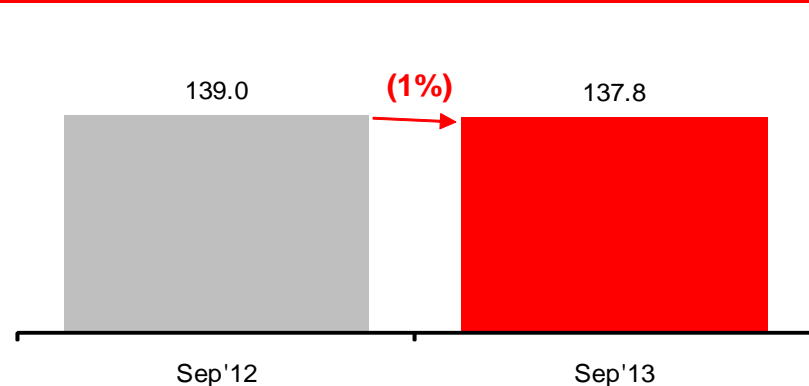
- The 1|2|3 Current Account remains central to our retail customer relationship model and was the main driver of the 71% increase in current account balances from a year ago
- Continued focus on unsecured lending only to higher quality personal customer segments, particularly those with an existing relationship with the bank
- Credit card openings reflect timing of marketing campaigns

¹ Excludes cahoot, Business Banking, Cater Allen and offshore

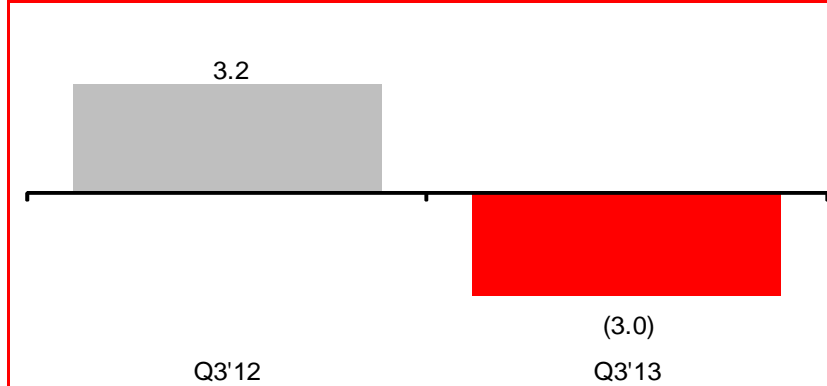
Business Update – Customer Deposits

Better quality mix of deposits

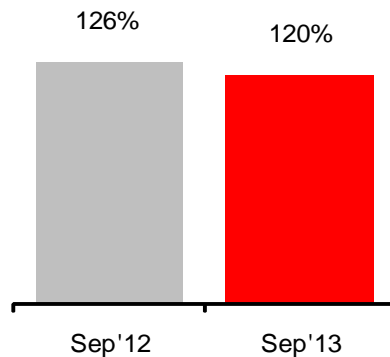
UK Banking deposit stock (£bn)



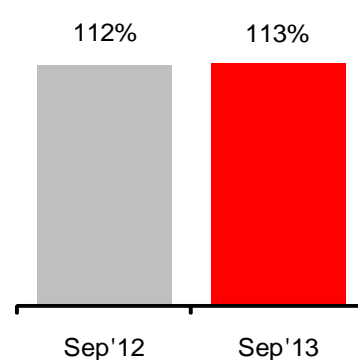
Retail deposit flows (£bn)



Loan-to-deposit ratio¹



Customer deposits and MTF to customer loans²



Commentary

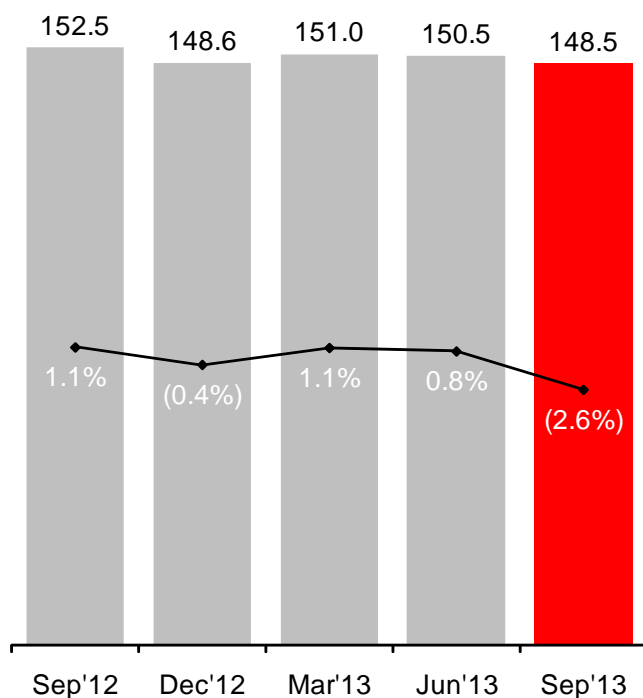
- Retail banking deposits declined £3.0bn in the quarter, as a consequence of our shift towards accounts offering better customer relationships and away from higher cost eSaver accounts
- Corporate Centre customer deposits rose in the first nine months, reflecting market activity
- The loan-to-deposit ratio of 120% improved six percentage points since September 2012

¹ Calculated as Loans and Credits divided by Customer Deposits on the face of the balance sheet in slide 39

² Calculated as Customer Deposits and MTF divided by loans and credits

Business Update – Customer Deposits and Funds Under Management

Focus on building relationship based core UK Banking deposits



£bn	Sep'13	Sep'13 v Sep'12
Retail Banking	123.7	(3%)
Corporate Banking	14.1	23%
UK Banking	137.8	(1%)
Non-core corporate	10.7	(21%)
Total customer deposits	148.5	(3%)
FUM¹	7.5	5%
Total funds under management	156.0	(2%)

¹ Managed through Santander Asset Management
 Growth rates (%)

Agenda

- Market Environment

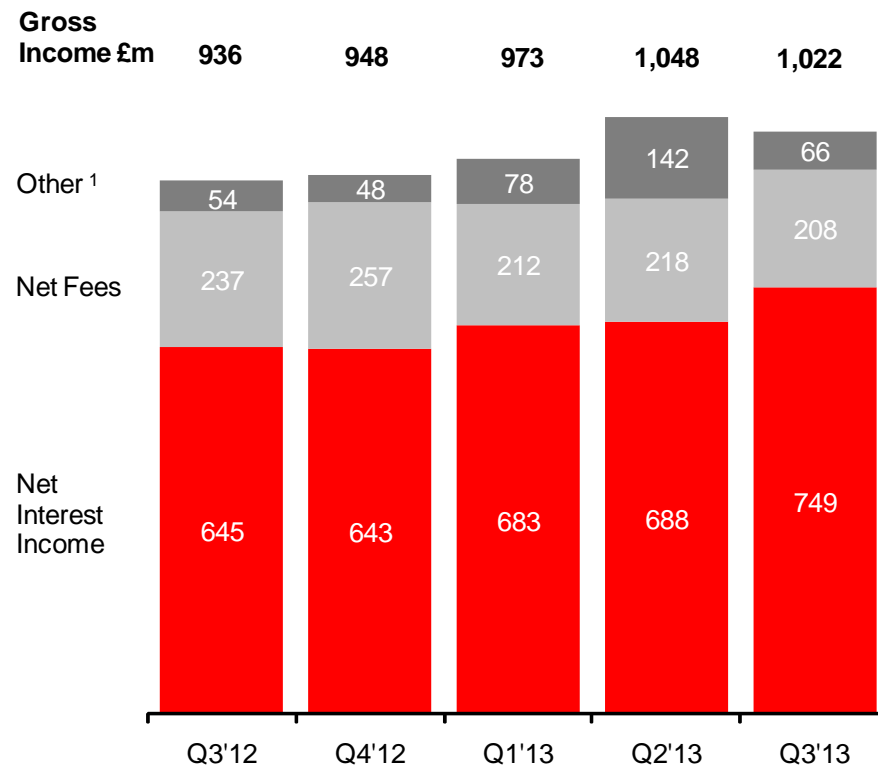
- **Quarter 3 2013**

- Strategic and Business Update

- **Results**

Results – Gross Income

Quarterly recovery in Net Interest Income, despite the impact of persistent low interest rates



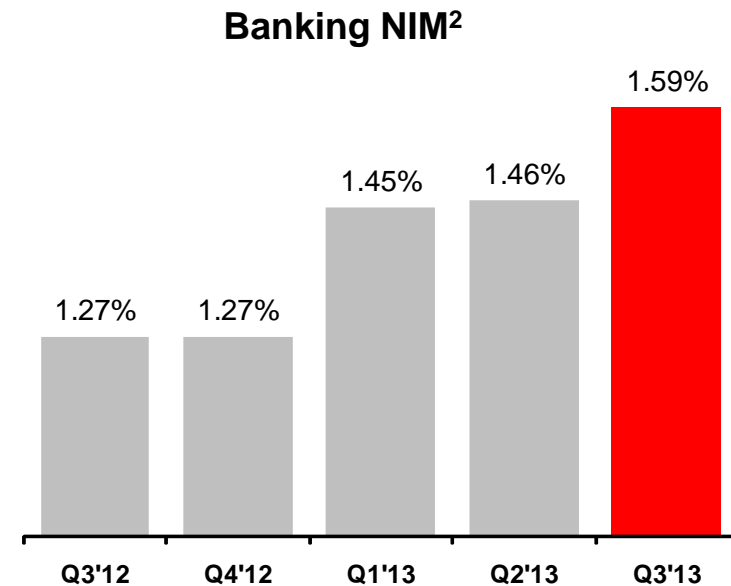
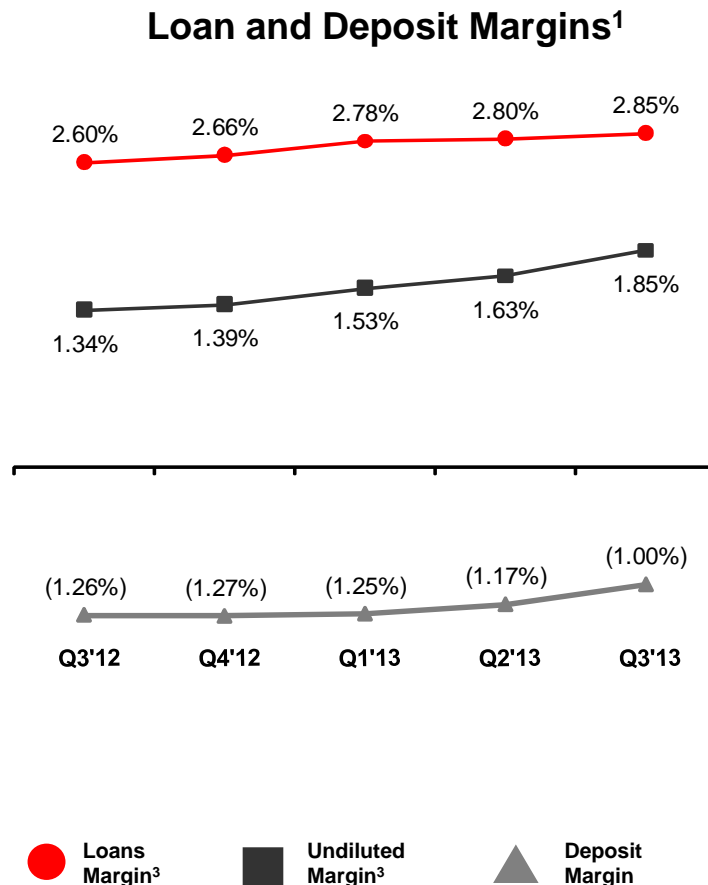
£m	Q3'13 YTD	Q3'13 YTD v Q3'12 YTD
Net Interest Income	2,120	3%
Net Fees	638	(10%)
Subtotal	2,758	(0%)
Other ¹	286	10%
Gross Income	3,044	0%

- Net interest income was 3% higher, due to an improved mortgage stock interest margin and increased lending in Corporate Banking
- In part, this was offset by the continued impact of structural market conditions. Customer funding pressures eased from mid 2013
- Net fees were down 10%, due to reduced investment fee income and lower demand for interest rate and foreign exchange risk management products
- Gross income also included an improved gain on financial transactions

¹ Other includes gains on financial transactions and other operating income

Results – Banking NIM

**Loan margins rising ... easing of deposit margin pressures
... step up in Banking NIM**



- Banking NIM up 13 bps in the quarter to 1.59%. This increase resulted from improving asset stock margins and lower customer deposit and wholesale funding costs
- The cost of retail savings deposits fell following the maturity of higher cost eSaver products in Q2'13 and Q3'13
- New mortgage loan margins are declining in response to market competition and easing conditions

¹ Undiluted Spread: Sum of Loan Margin and Deposit Margin (annualised)

Loan margin calculated as 'Net Interest Income (including benchmark funding) on customer loans divided by average customer loans'

Deposit margin calculated as 'Net Interest Income (including benchmark funding) on customer deposits divided by average customer deposits'

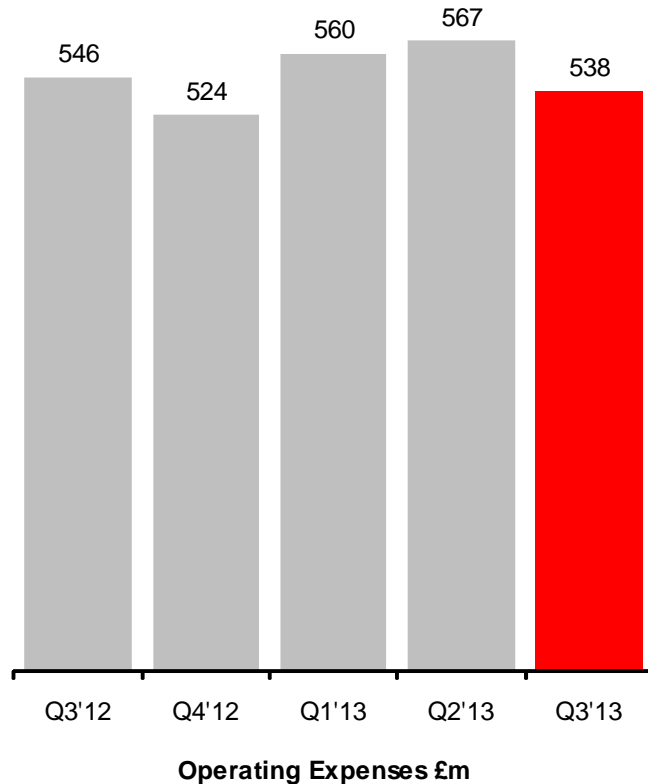
² 'Banking NIM' is calculated as annualised net interest income divided by average customer loans (previously known as commercial assets). In prior publications, net interest income from the Treasury Asset portfolio was excluded from the calculation of Banking NIM, given these assets have been in run down for some years they are now no longer significant

³ Loans and Undiluted margins restated for the impact of the co-brands credit cards discontinued operations

Results – Operating Expenses

Continuing to fund investments ... primarily through efficiency gains

24,585	23,981	23,862	23,801	23,538	FTE ¹
--------	--------	--------	--------	--------	------------------



£m	Q3'13 YTD	Q3'13 YTD v Q3'12 YTD
General & administrative expenses	1,415	(0%)
Investment (depreciation)	251	5%
Operating Expenses	1,665	1%

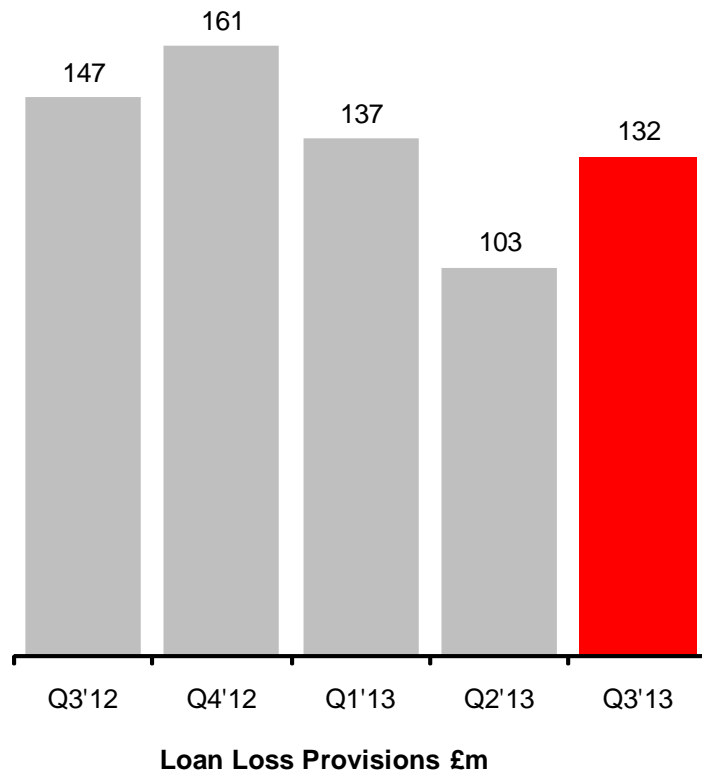
- Operating expenses broadly flat. Costs remained tightly controlled with our focus on business as usual expenses
- Investments included initiatives focused on improving customer experience, the branch network, our affluent proposition 'Select', our Corporate Banking platform and regional Corporate Business Centres
- The cost to income ratio was 53% in the quarter, largely driven by revenue pressures

¹ FTE: Full-time equivalent employee numbers

Results – Net Loan Loss Provisions

Credit provisions fell 10% vs Q3'12

45%	44%	42%	42%	42%	Total Coverage (Reserves / NPL)
1.94%	2.05%	2.03%	2.01%	1.98%	Total NPL (NPL / Customer Loans)

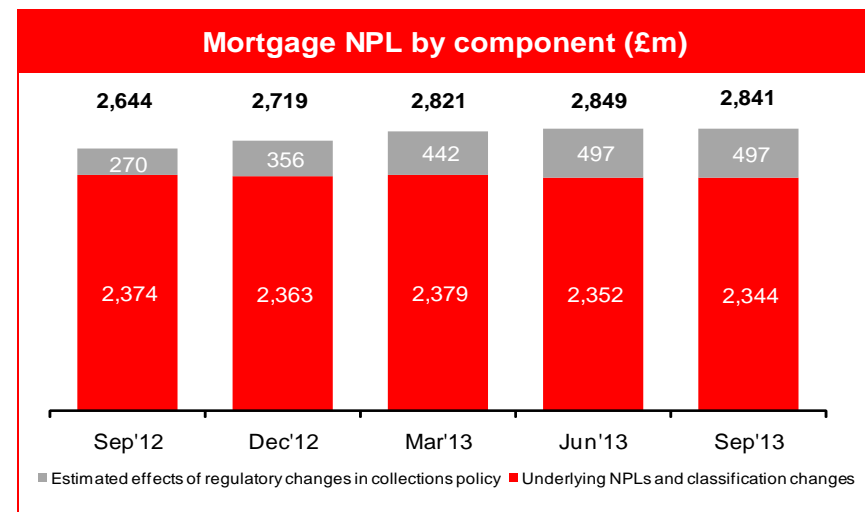
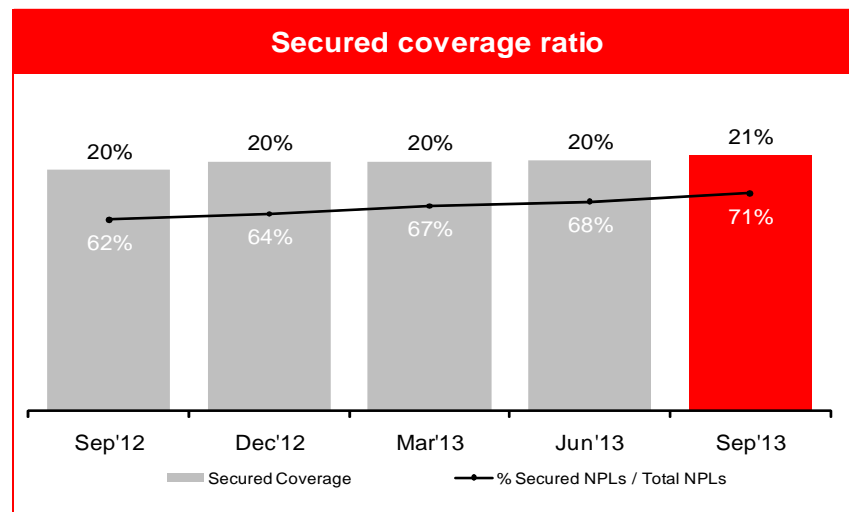
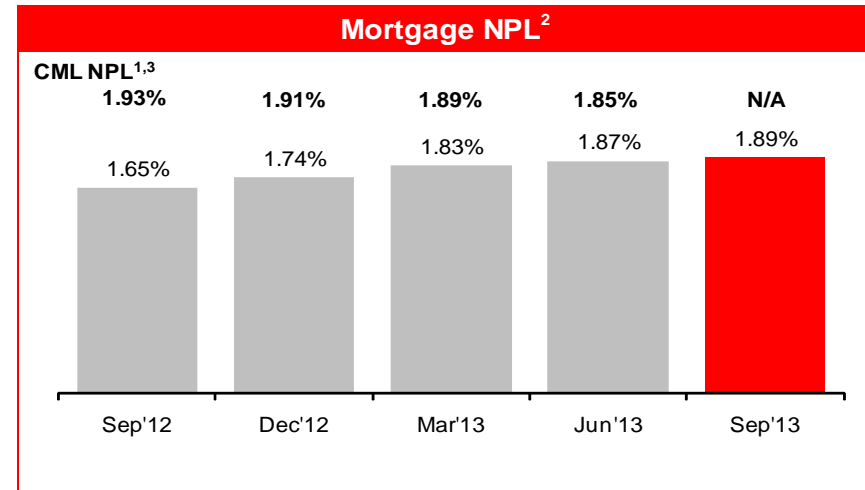
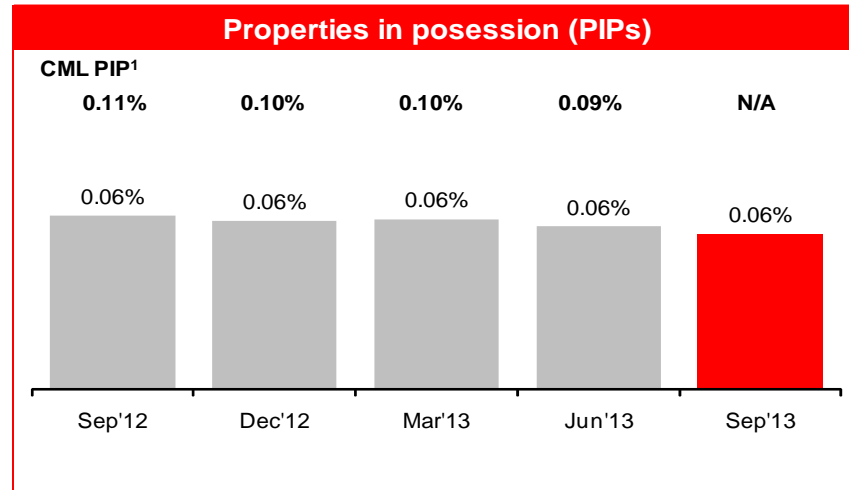


Comments

- Impairment losses on loans and advances fell 10% vs Q3'12. The reduction reflected lower provisions on the non-core corporate and legacy portfolios
- Credit quality on other Retail Banking loans was good, with a particular improvement seen in unsecured personal lending where the NPL ratio has reduced since December 2011
- Benign credit conditions in Retail Banking and Corporate Banking
- Tightened lending criteria in Q1'12 on interest only and higher loan to value mortgages
- Mortgage NPL increased slightly to 21%
- Underlying mortgage NPL broadly stable; headline NPL rose on regulatory collection changes made in 2012

Results – Mortgage Credit Quality

Strong mortgage NPL coverage levels maintained



¹ CML UK industry mortgage data for September 2013 not available at time of reporting

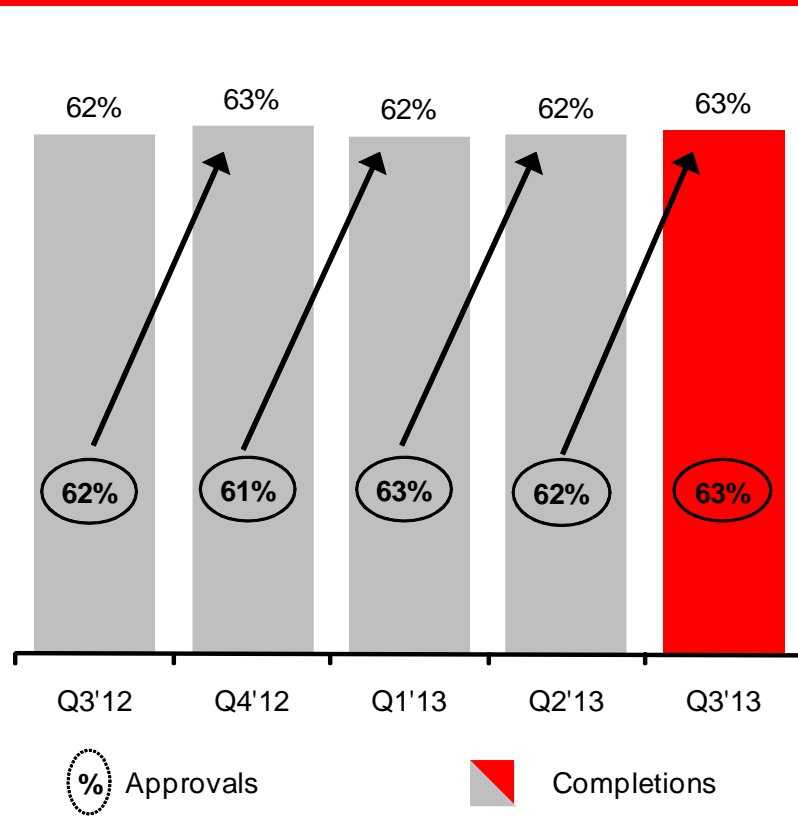
² Santander UK mortgage NPL on a value basis

³ CML NPL relates to the UK banking sector's residential mortgages on a volume basis

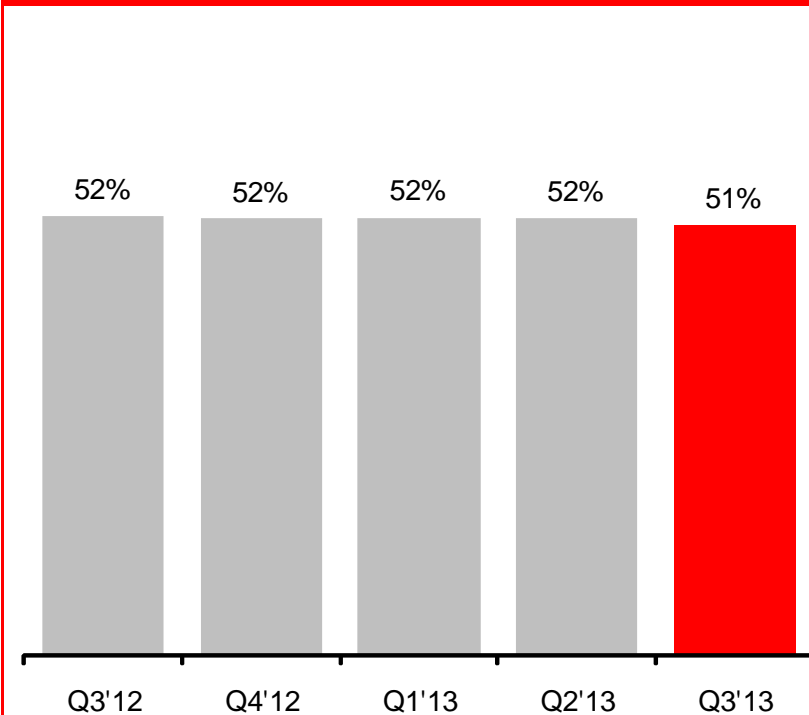
Results – Mortgage Credit Quality

New business and stock LTVs confirm our mortgage credit quality

Average new business mortgage LTV¹



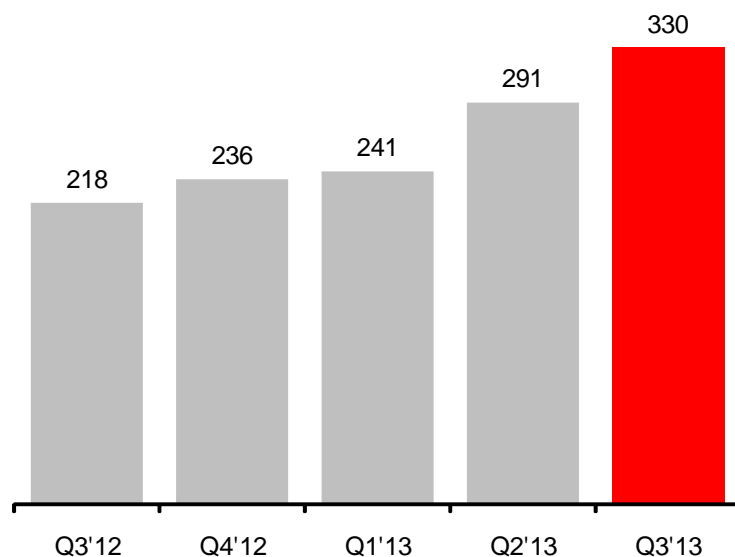
Average indexed mortgage LTV on stock



¹ Based on mortgage completions

Results – Profit Before Tax

Profits now evidencing a recovery



£m	Q3'13 YTD	Q3'13 YTD v Q3'12 YTD
PBT	863	12%
Provision for income tax	(176)	(4%)
Recurrent PAT	687	17%
Non-recurring PAT	(12)	n.m.
Profit after tax	675	(3%)

¹ Results have been amended to reflect the sale of the co-brand credit cards business

Loyal and satisfied customers

- Continued focus on **transforming the business** towards a relationship-centred retail and commercial bank, **enhancing the quality of the balance sheet and earnings**
- Building profitable **primary banking relationships** through 1|2|3 World
- Non-1|2|3 Santander UK **revenue growth opportunity of c. 13 million active customers**
- Further **enhancement of the customer experience**, and **development of the omni-channel model** (all channels - available everywhere - to all customers)

'Bank of Choice' for UK companies

- Continued **corporate loan growth**, diversifying the business mix towards a **8% SME market share** and **20% core corporate loan share**
- **Increasing revenues from ancillary services/fee based products**, with the roll-out of our new online Corporate Banking capability
- Improve overall **segment profitability**

Consistent profitability and strong balance sheet

- **Modest positive trends evident in the Banking NIM**; focus on profitability over volumes
- Management of BAU costs whilst **continuing to invest in products and services**
- Credit conditions to **gradually improve**
- **Mortgage book** to stabilise in 2014; qualitative shift towards deposits offering **better relationships**
- **Further strengthening** of our capital position
- Medium term **target RoTBV of 13% - 15%**, with rising interest rates¹

¹ Assuming short-term and long-term interest rates increase by at least 150 bps by 2015

APPENDIX

- **Financial Results**
- **Balance Sheet**

Financial Results

Financial Results – United Kingdom Profit and Loss

£ million

			Variation	
	9M'13	9M'12	Amount	%
Net interest income	2,120	2,062	59	2.9
Net fees	638	707	(70)	(9.9)
Gains (losses) on financial transactions	271	248	23	9.2
Other operating income*	15	13	2	19.6
Gross income	3,044	3,030	14	0.5
Operating expenses	(1,665)	(1,656)	(9)	0.5
General administrative expenses	(1,415)	(1,416)	2	(0.1)
<i>Personnel</i>	(880)	(918)	38	(4.1)
<i>Other administrative expenses</i>	(534)	(498)	(36)	7.3
Depreciation and amortisation	(251)	(240)	(11)	4.5
Net income	1,379	1,373	5	0.4
Net loan loss provisions	(371)	(492)	121	(24.6)
Other income	(145)	(109)	(36)	33.2
Ordinary profit before taxes	863	772	91	11.7
Tax on profit	(176)	(183)	7	(3.9)
Ordinary profit from continuing operations	687	590	98	16.6
Net profit from discontinued operations ¹	(12)	42	(54)	n.m.
Ordinary consolidated profit	675	632	44	6.9
Minority interests	—	—	—	—
Ordinary attributable profit to the Group	675	632	44	6.9
Net capital gains and provisions	—	65	(65)	n.m.
Attributable profit to the Group after significant items	675	697	(22)	(3.1)

* Including dividends, income from equity-accounted method and other operating income/expenses

¹ Results have been amended to reflect the sale of the co-brand credit cards business

Financial Results – United Kingdom Profit and Loss

37

£ million

	Q1'12	Q2'12	Q3'12	Q4'12	Q1'13	Q2'13	Q3'13
Net interest income	752	664	645	643	683	688	749
Net fees	236	235	237	257	212	218	208
Gains (losses) on financial transactions	93	102	54	44	73	137	61
Other operating income*	7	5	0	4	5	6	5
Gross income	1,088	1,006	936	948	973	1,048	1,022
Operating expenses	(552)	(558)	(546)	(524)	(560)	(567)	(538)
General administrative expenses	(475)	(485)	(456)	(457)	(476)	(486)	(452)
<i>Personnel</i>	(304)	(304)	(310)	(291)	(301)	(300)	(279)
<i>Other administrative expenses</i>	(171)	(181)	(146)	(165)	(175)	(186)	(173)
Depreciation and amortisation	(77)	(72)	(90)	(67)	(83)	(81)	(86)
Net income	535	448	390	423	413	481	484
Net loan loss provisions	(172)	(173)	(147)	(161)	(137)	(103)	(132)
Other income	(53)	(32)	(24)	(27)	(35)	(87)	(22)
Ordinary profit before taxes	311	244	218	236	241	291	330
Tax on profit	(81)	(57)	(44)	(49)	(51)	(56)	(69)
Ordinary profit from continuing operations	229	186	174	187	191	235	261
Net profit from discontinued operations	14	12	16	20	—	(12)	(0)
Ordinary consolidated profit	243	198	190	207	191	224	261
Minority interests	—	—	—	—	—	—	—
Ordinary attributable profit to the Group	243	198	190	207	191	224	261
Net capital gains and provisions	—	—	65	—	—	—	—
Attributable profit to the Group after significant items	243	198	256	207	191	224	261

* Including dividends, income from equity-accounted method and other operating income/expenses

Balance Sheet

Financial Results – United Kingdom Balance Sheet

£ million			Variation	
	30.09.13	30.09.12	Amount	%
Loans and credits	198,259	215,514	(17,255)	(8.0)
Trading portfolio (w/o loans)	29,801	34,784	(4,982)	(14.3)
Available-for-sale financial assets	4,504	5,407	(903)	(16.7)
Due from credit institutions	19,910	16,415	3,495	21.3
Intangible assets and property and equipment	2,012	1,973	39	2.0
Other assets	39,611	37,669	1,943	5.2
Total assets	294,097	311,761	(17,664)	(5.7)
Customer deposits	164,913	170,390	(5,477)	(3.2)
Marketable debt securities	56,087	60,622	(4,535)	(7.5)
Subordinated debt	3,879	4,565	(686)	(15.0)
Insurance liabilities	—	—	—	—
Due to credit institutions	27,116	27,729	(613)	(2.2)
Other liabilities	31,119	37,664	(6,545)	(17.4)
Shareholders' equity*	10,984	10,792	191	1.8
Total liabilities & shareholders' equity	294,097	311,761	(17,664)	(5.7)
Mutual funds	8,003	12,963	(4,960)	(38.3)
Pension funds	—	—	—	—
Managed portfolios	—	—	—	—
Savings-insurance policies	—	—	—	—
Customer funds under management	232,881	248,539	(15,657)	(6.3)
Commercial Loans included above**	188,700	198,100	(9,400)	(4.7)
Commercial deposits included above	148,500	152,500	(4,000)	(2.6)

* Includes all stock of concept classified in the balance sheet

** Not including profit of the year

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