MOODY'S
INVESTORS SERVICE

CREDIT OPINION
28 October 2020

Update

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RATINGS

Santander UK Group Holdings plc

Domicile	London, United Kingdom
Long Term CRR	Not Assigned
Long Term Debt	Baa1
Type	Senior Unsecured - Fgn Curr
Outlook	Negative
Long Term Deposit	Not Assigned

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Santander UK Group Holdings plc

Update post rating action

Summary

The A1 long-term deposit and senior debt ratings of Santander UK plc (Santander UK) incorporate: (1) the bank's standalone creditworthiness, reflected in its a3 Baseline Credit Assessment (BCA); (2) limited financial and operational connections to its parent, Banco Santander S.A. (Banco Santander, A2/A2 stable, baa1), which shields Santander UK from a potential deterioration in its parent's creditworthiness; (3) very low loss-given-failure, which provides two notches of uplift under our Advanced Loss Given Failure (LGF) analysis; and (4) our assessment of a moderate probability of support from the Government of United Kingdom (Aa3 stable), which provides no uplift to the ratings due to the proximity to the sovereign rating.

On 20 October we downgraded the long-term deposit ratings, senior unsecured debt ratings, and issuer ratings of Santander UK to A1 with stable outlook from Aa3 with negative outlook, and the long-term CRRs and CR Assessments to Aa3 and Aa3(cr) from Aa2 and Aa2(cr), respectively.

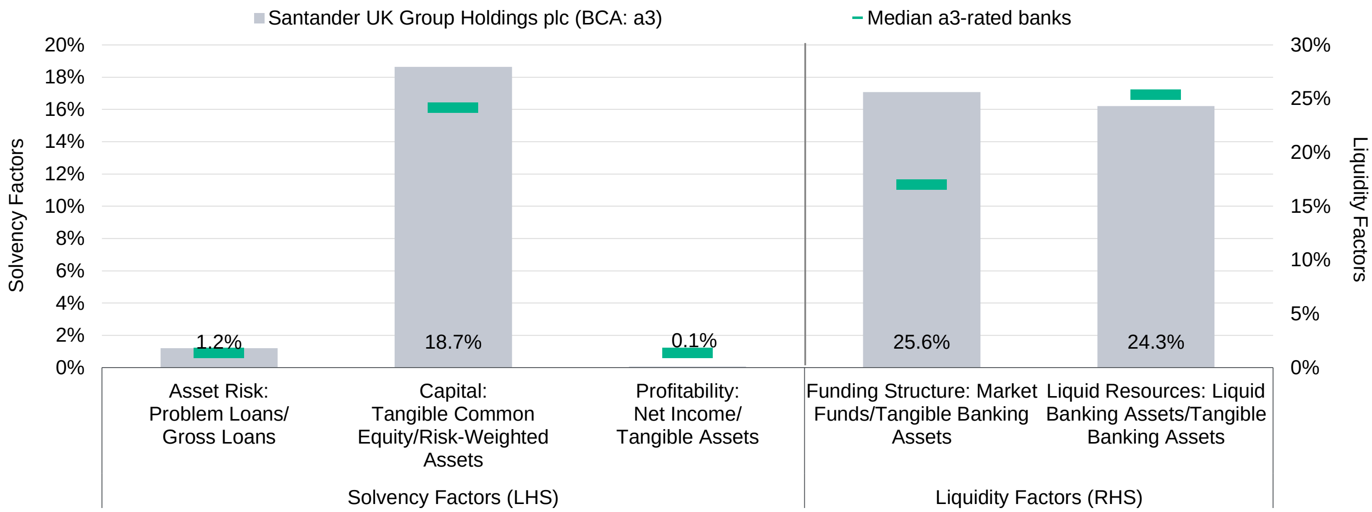
The Baa1 senior unsecured debt ratings of the group holding company Santander UK Group Holdings plc (Santander UK Group) incorporate: 1) its notional BCA of a3; 2) the instrument's high loss-given-failure, resulting in a rating one notch below the BCA; and 3) low probability of government support, which does not provide any uplift.

We align the ratings of the group's non-ring-fenced bank Santander Financial Services plc (SFS) with those of Santander UK, reflecting the predominance of Santander UK.

Santander UK's a3 BCA reflects: 1) low stock of problem loans; 2) good risk-weighted capitalisation; 3) low earnings volatility, which mitigate 4) profitability under pressure and 5) a weak leverage ratio.

The outlook on the long-term deposit and senior debt ratings of Santander UK and SFS is stable, while the outlook on Santander UK Group's senior unsecured holdco debt rating is negative.

Exhibit 1
Rating Scorecard - Key financial ratios



We assign a BCA to Santander UK based on the consolidated financials of Santander UK Group. The chart above shows the financial ratios of Santander UK Group.
Source: Moody's Investors Service

Credit strengths

» Track record of low stock of problem loans

» Good risk-weighted capitalisation

» Low earnings volatility

Credit challenges

» Weak leverage ratio

» Profitability under pressure, with trends exacerbated by the coronavirus outbreak

Outlook

The outlook on Santander UK's long-term deposit and senior unsecured debt ratings is stable, reflecting the fact that a deterioration in its bank financial profile leading to a one notch decrease in our Baseline Credit Assessment (BCA) would be neutralised by an incremental one notch of government support due to increased distance to the UK Government rating.

The outlook on Santander UK Group's senior unsecured debt rating is negative, reflecting our view that (1) asset quality and profitability will deteriorate in the weakening operating environment, and (2) the UK's economic and fiscal strength are likely to be weaker going forward.

The rapid and widening spread of the pandemic, the deteriorating global economic outlook, subdued oil prices and asset price declines are creating a severe and extensive credit shock across many sectors, regions and markets. Banking is one of the sectors that have been affected by the shock, given the likely impact on asset quality and profitability. Although the initial shock from the pandemic has been similar across countries, the economic outcomes will differ because of the different capacities of nations to withstand the shock. The overall risks to our baseline forecasts[1] for all countries are skewed to the downside.

Factors that could lead to an upgrade of the ratings

Santander UK's BCA could be upgraded if (1) the UK's economy either stabilises or improves, and (2) the bank improves its profitability while maintaining a low level of problem loans and reduces its moderate reliance on market funding. An upgrade of Santander UK's BCA would likely lead to an upgrade of the bank's and the holding company's ratings.

Similarly, an increase in the debt issuance from the holding company will likely lead to an upgrade of the bank's long-term deposit and senior debt ratings and of the holdings' senior rating.

Factors that could lead to a downgrade of the ratings

Santander UK's BCA could be downgraded because of (1) a deterioration of the UK operating environment beyond our current expectations, or (2) a significant deterioration in the bank's asset-quality metrics, a material weakening in profitability that would reduce the bank's going-concern loss-absorption capacity or a deterioration in the bank's funding and liquidity position, including a further reduction in the quantity or quality of its liquidity buffer. A one notch downgrade of the bank's BCA would not lead to a downgrade of its senior ratings, as government support would increase by one notch, neutralising the BCA decrease.

Santander UK Group's senior holdco debt rating could be downgraded following a downgrade of Santander UK's BCA or following a material reduction in the volume of bail-in-able debt; this latter scenario is, however, unlikely because of the forthcoming issuance to meet the minimum requirement for own funds and eligible liabilities (MREL).

Key indicators

Exhibit 2

Santander UK Group Holdings plc (Consolidated Financials) [1]

	06-20[2]	12-19[2]	12-18[2]	12-17[2]	12-16[2]	CAGR/Avg.[3]
Total Assets (GBP Billion)	301.7	285.2	286.0	295.3	280.1	2.1[4]
Total Assets (USD Billion)	372.8	377.9	364.3	399.4	346.2	2.1[4]
Tangible Common Equity (GBP Billion)	13.6	13.8	13.7	13.8	12.8	1.6[4]
Tangible Common Equity (USD Billion)	16.8	18.2	17.5	18.6	15.9	1.6[4]
Problem Loans / Gross Loans (%)	1.1	1.1	1.2	1.3	1.4	1.2[5]
Tangible Common Equity / Risk Weighted Assets (%)	18.6	18.8	17.5	15.8	14.6	17.1[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	16.4	15.6	17.1	17.7	19.6	17.3[5]
Net Interest Margin (%)	1.1	1.2	1.3	1.3	1.3	1.2[5]
PPI / Average RWA (%)	1.6	2.3	2.3	2.8	2.6	2.3[6]
Net Income / Tangible Assets (%)	0.1	0.5	0.5	0.5	0.9	0.5[5]
Cost / Income Ratio (%)	68.0	59.5	56.6	50.7	50.9	57.1[5]
Market Funds / Tangible Banking Assets (%)	26.6	25.6	27.8	28.7	25.9	26.9[5]
Liquid Banking Assets / Tangible Banking Assets (%)	25.7	24.3	24.9	28.9	24.7	25.7[5]
Gross Loans / Due to Customers (%)	112.6	113.4	113.3	109.4	112.2	112.2[5]

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.

Sources: Moody's Investors Service and company filings

Profile

Santander UK is a retail and commercial bank that operates exclusively in the UK. It is a large subsidiary of Banco Santander, accounting for 24% of the group's assets as of June 2020 and contributing around 10% of the group's 2019 net profit.

In the UK, Santander UK is the third-largest residential mortgage provider and is the fourth-largest current account provider.

As part of the implementation of the ring-fencing legislation in the UK, in 2018, Santander UK transferred its small corporate and investment banking division to the London branch of Banco Santander, and its branches in the Crown Dependencies to its sister company SFS, which became the non-ring-fenced bank of Santander UK Group. At present, in addition to the branches in the Crown Dependencies, SFS retains a small portfolio of legacy assets.

Detailed credit considerations

We assign a BCA to Santander UK based on the consolidated financials of Santander UK Group. The financial data in the following sections are sourced from Santander UK Group's consolidated financial statements, unless otherwise stated.

Low stock of problem loans

The assigned a1 Asset Risk score is one notch below the aa3 Macro-Adjusted score, reflecting our expectation that problem loans will increase moderately, due to a weakening operating environment in the UK, primarily driven by the coronavirus-induced shock.

Santander UK's loan book has a low risk profile, largely comprising residential mortgages (80% of the total loan book), with a relatively low average loan-to-value ratio of 43% at end-September 2020. Buy-to-let mortgages are low, representing just 5% of Santander UK's loan book.

Lending to corporate and small and medium-sized enterprises at 10% of total loans is relatively low compared with that of its peers, although the bank aims to gradually increase its market share.

Consumer finance lending is small when compared with other large UK banks, representing 6% of total lending (4% auto finance and 2% unsecured lending). The remainder of Santander UK's loan book (1%) is largely composed of legacy assets and portfolios in run-off booked under the bank's corporate centre.

Both Stage 2 and Stage 3 loans increased during the year: Stage 2 loans increased to 8.1% of loans at end-September 2020 from 5.7% at end-2019 and Stage 3 loans increased to 1.4% from 1.1%. We expect the coronavirus outbreak to lead to a deterioration of Santander UK's loan book; however, the residential mortgage book will be more resilient than corporate and consumer lending.

Good risk-weighted capitalisation, but weak leverage ratio

The assigned aa3 Capital score is one notch below the aa2 Macro-Adjusted score, reflecting Santander UK's weak leverage ratio.

We expect the coronavirus outbreak to have a modest impact on Santander UK's capital, as we expect the bank to remain profitable (albeit with weaker returns on tangible assets), and risk-weighted assets and tangible assets to remain broadly stable.

Santander UK regulatory capital ratio is solid: its Common Equity Tier 1 (CET1) capital ratio was 14.4% at end-September 2020 in-line with 14.3% reported at end-2019. The firm's CET1 ratio has been improving in recent years (it was 13.2% an end-2018 and 12.2% at end-2017), reflecting low but stable retained earnings and a material decrease in risk-weighted assets, driven by a reduction in the exposure towards commercial real estate companies, together with ring-fencing transfers and securitisations.

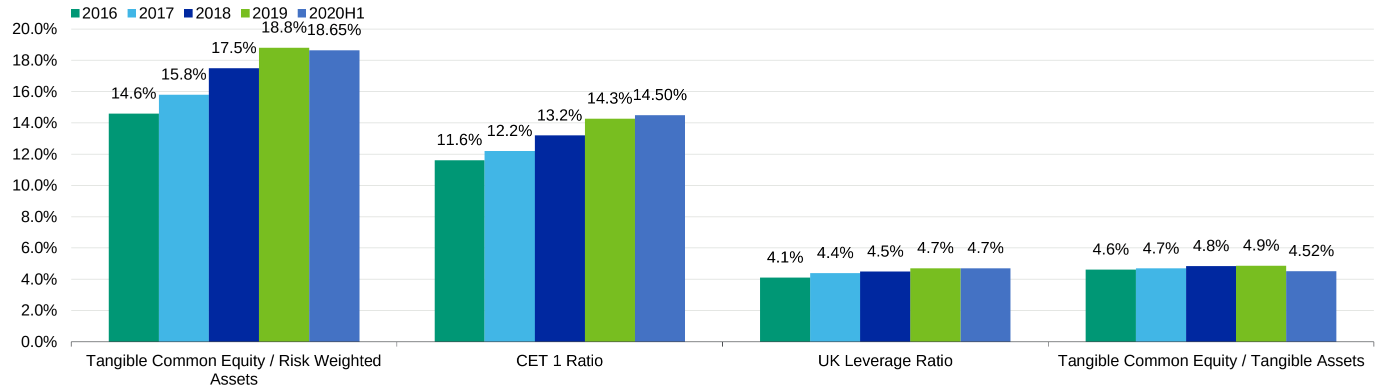
Santander UK's CET1 buffer above its Maximum Distributable Amount (MDA) was 470 basis points (bps) at end-June 2020, benefiting from the reduction of the Countercyclical Capital Buffer for UK exposures to 0% made by the Bank of England at the onset of the coronavirus economic shock.

Nevertheless, Santander UK's leverage ratio is weaker than some peers: its leverage ratio calculated according to the UK Prudential Regulation Authority's recommendations (the so-called UK leverage ratio) was 4.9% at end-September 2020[2]

Exhibit 3

Santander UK's increase in CET1 ratio mainly reflects lower risk-weighted assets

Santander UK's main capital ratios



Regulatory ratios on a fully loaded basis.

Sources: Moody's Investors Service, company reports

Low earnings volatility, but profitability under pressure

The assigned ba3 Profitability score is 3 notches above the b3 Macro-Adjusted score, based on our expectation that profitability will recover next year following the impact of the coronavirus economic shock.

Santander UK's profitability has been relatively stable in recent years, due to its concentration in residential mortgages and a smaller-than-peers impact from legacy issues such as payment protection insurance (PPI) redress. Between 2016 and the first half of 2020 the average return on tangible assets has been around 0.5%.

In the first nine months of 2020, Santander UK reported a modest £242 million profit after tax, down 57% from the prior year, largely due to higher credit impairment and charges and lower revenue. Higher credit provisions mostly reflected change in macroeconomic scenario assumptions following the coronavirus outbreak. The reduction in retail transaction and banking fees was largely due to the implementation of regulatory changes to overdrafts. The net interest margin (NIM) for the nine months of 2020 declined to 1.56% from 1.64% in 2019FY, although Q3 2020 NIM of 1.67% was the highest over the last five quarters, driven by deposit repricing actions. Its cost-to-income ratio was higher than peers at 61%.

We expect Santander UK's profits to remain under pressure in coming quarters, due to elevated credit charges and continuing pressure on its net interest income.

Stable retail funding profile

The baa2 Funding Structure score and the baa1 Liquid Resources score are in line with their respective Macro-Adjusted scores.

Being primarily a retail bank, customer deposits are Santander UK's main source of funding, accounting for about 65% of total funding as of June 2020; the bank's net loan-to-deposit ratio was 112% at the same time. Santander UK has been replacing more price-sensitive deposit customers with current accounts, which are generally more stable and usually have more than one product with the bank.

Wholesale funding reliance is moderate and broadly stable, representing 22% of tangible banking assets as of June 2020. We expect the bank will replace its cheap central bank Term Funding Scheme (TFS) facility with the new Term Funding Scheme introduced by the Bank of England in March 2020 (TFSME); additional MREL issuance to meet 2022 requirements are relatively small[3], likely to be offset by maturing non-MREL funding.

Santander UK has a good stock of liquid assets, representing 24% of the bank's tangible banking assets as of June 2020. The bank reported a strong 152% liquidity coverage ratio as of September 2020. The liquidity coverage ratio-eligible liquidity pool was £47 billion as of the same date, covering 1.6 times the wholesale funds with a residual maturity of less than one year.

ESG Considerations

In line with our general view for the banking sector, Santander UK has a low exposure to Environmental risks and moderate exposure to Social risks. See our Environmental risks heatmap and Social risks heatmap for further information.

Our assessment of moderate Social risk for Santander UK also takes into account the bank's exposure to the coronavirus-induced economic shock.

Governance is highly relevant for Santander UK, as it is to all banks. Corporate governance weaknesses can lead to a deterioration in a company's credit quality, while governance strengths can benefit its credit profile. Governance risks are largely internal rather than externally driven, and for Santander UK we do not have any particular governance concern. Nonetheless, corporate governance remains a key credit consideration and requires ongoing monitoring.

Support and structural considerations

Affiliate support

We expect a high probability of support coming from Banco Santander, based on the size of Santander UK within the group and reputational risk to its parent. Our assumptions do not lead to any uplift, because the BCA of Santander UK is higher than that of Banco Santander.

Loss Given Failure (LGF) analysis

Santander UK is subject to the UK implementation of the EU Bank Recovery and Resolution Directive, which we consider to be an operational resolution regime. Our analysis assumes residual tangible common equity of 3%, post-failure losses of 8% of tangible banking assets, a 25% run-off in junior wholesale deposits and a 5% run-off in preferred deposits, and it assigns a 25% probability to deposits being preferred to senior unsecured debt. These assumptions are in line with our standard assumptions. We also assume the proportion of deposits considered junior at 10%, relative to our standard assumption of 26%, because of the more retail, and small and medium-sized enterprise-oriented depositor base.

Our LGF analysis indicates that Santander UK's junior deposits and senior debt are likely to face very low loss-given-failure because of the loss absorption provided by limited subordinated debt and the volume of deposits and senior debt. This results in a two-notch uplift from the bank's BCA. For the senior unsecured debt of the holding company Santander UK Group, our LGF analysis shows high loss-given-failure, resulting from the combination of its own limited volume of debt and the amount of debt subordinated to it. This results in ratings that are one notch below Santander UK Group's BCA.

The Additional Tier 1 high-trigger contingent convertible perpetual preferred securities issued by Santander UK Group are rated Ba1(hyb), reflecting our approach to the rating of high-trigger contingent capital securities, under which we rate the lower of a model-based outcome and the bank's non-viability security rating, which is positioned based on our LGF analysis. This method captures the credit risk associated with the distance to trigger breach and the credit risk of these securities' non-viability component, which also captures the risk of coupon suspension on a non-cumulative basis. In 2019 the distance to trigger increased, and it is now consistent with a model-based outcome of Baa3(hyb); maintaining the current CET1 ratio could lead to a higher rating for the Additional Tier 1 high-trigger contingent convertible perpetual preferred securities issued by Santander UK Group, provided that the a3 BCA does not change.

Government support

We expect a moderate probability of government support for Santander UK's deposits and senior debt, reflecting the bank's high market share for deposits and residential mortgages in the UK. This results in no notches of uplift to the long-term deposit and senior unsecured ratings due to the proximity to the sovereign rating.

For junior securities, and for the senior debt of the holding company, we believe that potential government support is low, and these ratings do not include any related uplift.

Counterparty Risk (CR) Assessment

Santander UK's CR Assessment is positioned at Aa3(cr)/Prime-1(cr), reflecting the bank's BCA, three notches of advanced LGF support and a moderate probability of government support resulting in no uplift. The CR Assessment captures the probability of default on certain senior obligations, rather than the expected loss: therefore, we focus purely on subordination and take no account of the volume of the instrument class in our advanced LGF analysis.

CR Assessments are opinions of how counterparty obligations are likely to be treated if a bank fails, and are distinct from debt and deposit ratings in that they (1) consider only the risk of default rather than both the likelihood of default and the expected financial loss suffered in the event of default, and (2) apply counterparty obligations and contractual commitments rather than debt or deposit instruments. The CR Assessment is an opinion of the counterparty risk related to a bank's covered bonds, contractual performance obligations (servicing), derivatives (for example, swaps), letters of credit, guarantees and liquidity facilities.

Counterparty Risk Ratings (CRRs)

Santander UK's CRRs are positioned at Aa3/Prime-1, also reflecting the bank's BCA, three notches of advanced LGF support and a moderate probability of government support resulting in no uplift.

CRRs are opinions on the ability of entities to honour the uncollateralised portion of non-debt counterparty financial liabilities (CRR liabilities) and also reflect the expected financial losses in the event that such liabilities are not honoured. CRR liabilities typically relate to transactions with unrelated parties. Examples of CRR liabilities include the uncollateralised portion of payables arising from derivative transactions and the uncollateralised portion of liabilities under sale and repurchase agreements. CRRs are not applicable to funding commitments or other obligations associated with covered bonds, letters of credit, guarantees, servicer and trustee obligations, and other similar obligations that arise from a bank performing its essential operating functions.

About Moody's Bank Scorecard

Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 4

Santander UK Group Holdings plc

Macro Factors							
Weighted Macro Profile	**Strong +**	**100%**					

Factor	Historic Ratio	Initial Score	Expected Trend	Assigned Score	Key driver #1	Key driver #2
Solvency						
Asset Risk						
Problem Loans / Gross Loans	1.2%	aa3	↓	a1	Expected trend	
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - fully loaded)	18.6%	aa2	↔	aa3	Nominal leverage	
Profitability						
Net Income / Tangible Assets	0.1%	b3	↑↑	ba3	Earnings quality	
Combined Solvency Score		a2		a2		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	25.6%	baa2	↔	baa2	Market funding quality	
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	24.3%	baa1	↔	baa1	Quality of liquid assets	
Combined Liquidity Score		baa2		baa2		
Financial Profile				a3		
Qualitative Adjustments				Adjustment		
Business Diversification				0		
Opacity and Complexity				0		
Corporate Behavior				0		
Total Qualitative Adjustments				0		
Sovereign or Affiliate constraint				Aa3		
BCA Scorecard-indicated Outcome - Range				a2 - baa1		
Assigned BCA				a3		
Affiliate Support notching				0		
Adjusted BCA				a3		

Balance Sheet	in-scope (GBP Million)	% in-scope	at-failure (GBP Million)	% at-failure
Other liabilities	67,889	24.0%	86,434	30.5%
Deposits	181,812	64.1%	163,267	57.6%
Preferred deposits	134,541	47.5%	127,814	45.1%
Junior deposits	47,271	16.7%	35,453	12.5%
Senior unsecured bank debt	12,466	4.4%	12,466	4.4%
Dated subordinated bank debt	1,461	0.5%	1,461	0.5%
Junior subordinated bank debt	581	0.2%	581	0.2%
Preference shares (bank)	560	0.2%	560	0.2%
Senior unsecured holding company debt	9,042	3.2%	9,042	3.2%
Dated subordinated holding company debt	1,142	0.4%	1,142	0.4%
Equity	8,504	3.0%	8,504	3.0%
Total Tangible Banking Assets	283,457	100.0%	283,457	100.0%

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	24.4%	24.4%	24.4%	24.4%	3	3	3	3	0	aa3
Counterparty Risk Assessment	24.4%	24.4%	24.4%	24.4%	3	3	3	3	0	aa3 (cr)
Deposits	24.4%	7.5%	24.4%	11.9%	2	3	2	2	0	a1
Senior unsecured bank debt	24.4%	7.5%	11.9%	7.5%	2	1	2	2	0	a1
Senior unsecured holding company debt	7.5%	4.3%	7.5%	4.3%	-1	-1	-1	-1	0	baa1
Dated subordinated bank debt	4.3%	3.4%	4.3%	3.4%	-1	-1	-1	-1	0	baa1
Dated subordinated holding company debt	4.3%	3.4%	4.3%	3.4%	-1	-1	-1	-1	0	baa1
Junior subordinated bank debt	3.4%	3.2%	3.4%	3.2%	-1	-1	-1	-1	-1	baa2
Cumulative bank preference shares	3.2%	3.0%	3.2%	3.0%	-1	-1	-1	-1	-1	baa2
Non-cumulative bank preference shares	3.2%	3.0%	3.2%	3.0%	-1	-1	-1	-1	-2	baa3
Holding company non-cumulative preference shares	3.2%	3.0%	3.2%	3.0%	-1	-1	-1	-1	-3	ba1

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	3	0	aa3	0	Aa3	Aa3
Counterparty Risk Assessment	3	0	aa3 (cr)	0	Aa3(cr)	
Deposits	2	0	a1	0	A1	A1
Senior unsecured bank debt	2	0	a1	0	A1	A1
Senior unsecured holding company debt	-1	0	baa1	0	Baa1	Baa1
Dated subordinated bank debt	-1	0	baa1	0	Baa1	Baa1
Dated subordinated holding company debt	-1	0	baa1	0		Baa1
Junior subordinated bank debt	-1	-1	baa2	0	Baa2 (hyb)	Baa2 (hyb)
Cumulative bank preference shares	-1	-1	baa2	0	Baa2 (hyb)	
Non-cumulative bank preference shares	-1	-2	baa3	0	Baa3 (hyb)	
Holding company non-cumulative preference shares	-1	-3	ba1	0	Ba1 (hyb)	(P)Ba1

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Investors Service

Ratings

Exhibit 5

Category	Moody's Rating
SANTANDER UK GROUP HOLDINGS PLC	
Outlook	Negative
Baseline Credit Assessment	a3
Adjusted Baseline Credit Assessment	a3
Issuer Rating -Dom Curr	Baa1
Senior Unsecured	Baa1
Subordinate	Baa1
Pref. Stock Non-cumulative -Dom Curr	Ba1 (hyb)
Pref. Shelf Non-cumulative	(P)Ba1
Other Short Term	(P)P-2
SANTANDER FINANCIAL SERVICES PLC	
Outlook	Stable
Counterparty Risk Rating	Aa3/P-1
Bank Deposits	A1/P-1
Baseline Credit Assessment	a3
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	Aa3(cr)/P-1(cr)
Issuer Rating	A1
ST Issuer Rating	P-1
SANTANDER UK PLC	
Outlook	Stable
Counterparty Risk Rating	Aa3/P-1
Bank Deposits	A1/P-1
Baseline Credit Assessment	a3
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	Aa3(cr)/P-1(cr)
Issuer Rating	A1
Senior Unsecured	A1
Subordinate	Baa1
Jr Subordinate	Baa2 (hyb)
Pref. Stock -Dom Curr	Baa2 (hyb)
Pref. Stock Non-cumulative -Dom Curr	Baa3 (hyb)
Commercial Paper	P-1
Other Short Term	(P)P-1

Source: Moody's Investors Service

Endnotes

1 Our latest macroeconomic forecasts are included in our Global Macro Outlook 2020-21 (August 2020 Update): Economic recovery remains tenuous as fear persists, published on 25 August 2020.

2 We make one notch negative adjustment to the capital score to reflect that its "tangible common equity over tangible assets" ratio is below 5%.

3 Santander UK expects to need to issue an additional £3.6 billion of senior debt from its holding company to meet its 2022 MREL requirement

REPORT NUMBER 1248035

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

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