Santander UK

Factsheet, March 2019

Here to help you prosper

About us

We are a large customer-focused bank and possess the scale and breadth of proposition to challenge the big four UK banks. With our omni-channel approach, we serve our customers through digital channels, in particular mobile, alongside a network of branches and Corporate Business Centres all supported by telephone call centres.

We play an important role in the UK economy and in the communities in which we operate. We help people purchase their home, save for the future and support business growth. We employ c23,800 people and we paid £445m of corporation tax and £86m through the UK Bank Levy in 2018.

Our purpose is to help people and businesses prosper.

Our aim is to be the best open financial services platform by acting responsibly and earning the lasting loyalty of our stakeholders.

Our strategic priorities

Customers
- Grow customer loyalty and market share
- Deliver operational and digital excellence

Shareholders
- Achieve consistent, growing profitability and a strong balance sheet

People
- Live The Santander Way through our behaviours

Communities
- Support communities through skills, knowledge and innovation

2018 at a glance

- 79% mortgages
- 12% Corporate loans
- other

- 40% current accounts
- 33% savings
- 20% corporate deposits
- other

15 million
active customers
(stable vs 2017)

£158.0bn
UK mortgage loans
(2017: £154.7bn)

£24.1bn
UK corporate loans
(2017: £27.3bn)

5.5 million
digital customers
(2017: 5.0 million)

1,385
new active mobile users per day
(2017: 1,400)

55%
mortgage loans refinanced online
(2017: 49%)

£1,567m
profit before tax
(2017: £1,814m)

13.2%
CET1 capital ratio
(2017: 12.2%)

56%
cost-to-income ratio
(2017: 51%)

(1) Digital corporate customers includes active business banking users (from our Retail Banking segment) as well as Commercial Banking users of our Connect platform

For more on our financial results see:
www.santander.co.uk/uk/about-santander-uk/investor-relations/santander-uk-group-holdings-plc

For a glossary of terms see:
www.santander.co.uk/uk/about-santander-uk/investor-relations-glossary

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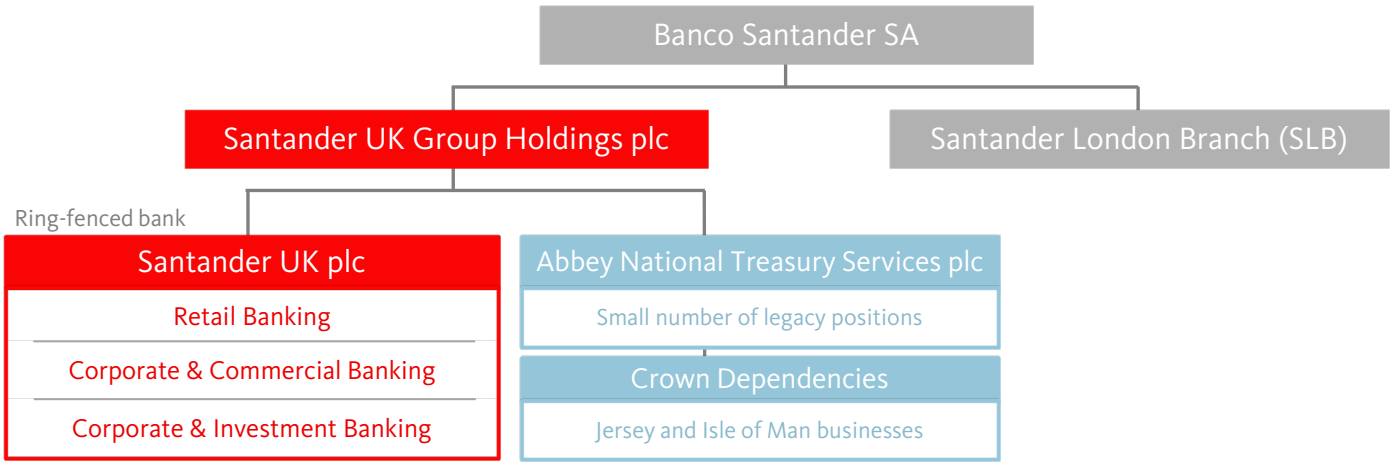
2018 business and financial highlights

Profit before tax	£1,567m	-14%	Financial results were impacted by income pressure from lower new mortgage margins and SVR attrition and higher regulatory, risk and control costs
Digital customers	5.5m	+10%	43% of total openings made digitally (+4pp) 55% of mortgages retained online (+6pp)
Net lending	+£3.3bn mortgages	-£3.2bn[1] corporates	Strongest growth in mortgages in over three years, despite the highly competitive market. Growth in lending to non-CRE trading businesses, ahead of the market
NPL ratio	1.20%	-22bps	Credit quality remains strong with our prudent approach to risk, proactive management actions and the ongoing resilience of the UK economy
CET1 ratio / Leverage ratio	13.2% 4.5%	+100bps +10bps	Improved CET1 capital ratio with ongoing capital accretion and risk management initiatives, leaving us strongly capitalised in the current environment

(1) As part of ring-fence transfers and a risk management initiative in Q318, £2.7bn of customer loans were transferred from Santander UK plc to Banco Santander London Branch

Our ring-fence structure



Credit ratings

at March 2019

	Standard & Poor's			Moody's			Fitch		
Santander UK plc	A	Stable	A-1	Aa3	Positive	P-1	A+	RWN	F1
Santander UK Group Holdings plc	BBB	Stable	-	Baa1	Positive	-	A	RWN	-

RWN = Rating watch negative

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For more information see:
www.santander.co.uk/uk/about-santander-uk/

Important information for readers

Santander UK Group Holdings plc (the Company) and its subsidiaries (collectively Santander UK or the Santander UK group) operate primarily in the UK, and are part of Banco Santander (comprising Banco Santander SA and its subsidiaries). Santander UK plc is regulated by the UK Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) and certain other companies within the Santander UK group are regulated by the FCA.

The information contained in this factsheet is unaudited and does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 or interim financial statements in accordance with International Accounting Standard 34 'Interim Financial Reporting'. This factsheet provides a summary of the unaudited business and financial trends for the year ended 31 December 2018 for Santander UK.

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