

SUPPLEMENT DATED 26 JANUARY 2017
TO THE PROSPECTUSES SET OUT IN THE SCHEDULE HERETO



Santander UK plc

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

This supplement (the "**Supplement**", which definition shall also include all information incorporated by reference herein) to the prospectuses each dated 1 June 2016 and listed in the Schedule hereto (the "**Prospectuses**") (each of which comprises a base prospectus for the purpose of Article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**")), constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 ("**FSMA**"). Terms defined in the Prospectuses have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectuses and any other supplements to the Prospectuses prepared by Santander UK plc, as issuer (the "**Issuer**") under the EMTN Programme and the Global Covered Bond Programme (each as defined in the Schedule hereto).

This Supplement has been approved by the United Kingdom Financial Conduct Authority (the "**FCA**"), which is the United Kingdom competent authority for the purposes of the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of instruments under each of the programmes described in the Prospectuses.

The Issuer and, in the case of the Covered Bond Programme only, Abbey Covered Bonds LLP (each an "**Obligor**") accept responsibility for the information contained in this Supplement. To the best of the knowledge of each Obligor (each 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 incorporating by reference into the Prospectuses (i) the unaudited consolidated financial information of the Issuer for the year ended 31 December 2016 (the "**Quarterly Financial Information**") and (ii) to add a section regarding recent developments in relation to the Issuer ("**Recent Developments**") as described in further detail below.

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 Prospectuses to which this Supplement relates.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference in the Prospectuses by this Supplement and (b) any other statement in or incorporated by reference in the Prospectuses prior to the date of this Supplement, the statement in (a) above will prevail.

If any document which is incorporated by reference itself incorporates any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement or the Prospectuses 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 information in the documents incorporated by reference which is not incorporated in and does not form part of this Supplement is not relevant for investors or is contained elsewhere in the Prospectuses to which this Supplement relates.

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

In circumstances where Sections 87Q(4) – (6) of the FSMA 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 treasurylegal@santander.co.uk.

PUBLICATION OF QUARTERLY MANAGEMENT STATEMENT

On 25 January 2017, Santander UK Group Holdings plc, the immediate parent company of the Issuer, published its unaudited quarterly management statement for the year ended 31 December 2016 (the “**Quarterly Management Statement**”).

The content of Appendix 4 appearing on page 22 of such Quarterly Management Statement, which contains the Quarterly Financial Information of the Issuer, is hereby incorporated in, and forms part of, each 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 listed above are also available for viewing at: <http://www.santander.co.uk/uk/about-santander-uk/investor-relations/santander-uk-plc/>.

The following terms from the glossary of financial services industry terms as used in the Quarterly Management Statement are incorporated in, and form part of, each Prospectus:

Customer loans / customer deposits

Money lent to or deposited by all individuals and companies that are not credit institutions. Such funds are predominantly recorded as assets and liabilities in the balance sheet under Loans and advances to customers and Deposits by customers, respectively.

Impairment losses

The raising of a charge against profit for the incurred loss inherent in the lending book following an impairment review. For financial assets carried at amortised cost, impairment losses are recognised in the income statement and the carrying amount of the financial asset or group of financial assets is reduced by establishing an allowance for impairment losses. For available-for-sale financial assets, the cumulative loss including impairment losses is removed from equity and recognised in the income statement.

Medium-Term Funding (MTF)

Shown at a sterling equivalent value. Consists of senior debt issuance, asset-backed issuance (including securitisation and covered bond issuance) and structured issuance (including firm financing repurchase agreements). MTF excludes any collateral received from the Bank of England’s Funding for Lending Scheme (FLS) or Term Funding Scheme (TFS).

Net fee and commission income

Fee and commission income minus other fees paid that are not an integral part of the effective interest rate. For retail and corporate products, fee and commission income consists principally of collection services fees, commission on foreign currencies, commission and other fees received from retailers for processing credit card transactions, fees received from other credit card issuers for providing cash advances for their customers through

	the Santander UK group's branch and ATM networks, annual fees payable by credit card holders and fees for non-banking financial products.
Net interest income	The difference between interest received on assets and interest paid on liabilities.
Regulatory capital	The amount of capital that the Santander UK group holds, determined in accordance with rules established by the UK PRA for the consolidated Santander UK group and by local regulators for individual Santander UK group companies.
Risk-weighted assets (RWA)	Risk-weighted assets (RWA).
Total operating income	Total operating income comprises net interest and similar income, net fee and commission income and net trading and other income, as described in Notes 3, 4 and 5, respectively, of the Consolidated Financial Statements.

RECENT DEVELOPMENTS

The following wording shall, by virtue of this Supplement, be added on page 153 of the EMTN Programme Prospectus and page 155 of the Covered Bond Prospectus:

On December 22, 2016, Santander UK Group Holdings plc announced that the Board of Santander UK Group Holdings plc (the "**Board**") had approved a revised business model and legal entity structure to comply with the ring-fencing requirements in the UK (specifically, the Banking Reform Act), which must be implemented by January 1, 2019. In this context, and in light of the changeable macro environment, the Board concluded that greater certainty for the UK group customers would be provided with a 'wide' ring-fence structure, rather than the 'narrow' ring-fence originally envisaged. Under this revised model the Issuer, the ring-fenced bank, will serve all retail, commercial and corporate customers of the UK group. Abbey National Treasury Services plc, a fully owned subsidiary of the Issuer, will no longer become the non ring-fenced bank. Abbey National Treasury Services plc's activities will be revised as part of the new ring-fencing model. It is intended to complete all necessary actions to implement ring-fencing well in advance of the legislative implementation deadline of January 1, 2019.

Implementation remains subject to regulatory and court approvals and various other authorizations.

GENERAL

This Supplement will be published on the website of the London Stock Exchange at the following link: <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

SCHEDULE

LIST OF PROSPECTUSES

EMTN PROGRAMME PROSPECTUS

1. Prospectus dated 1 June 2016 relating to the US\$30,000,000,000 Euro Medium Term Note Programme (the "**EMTN Programme**") and the supplements to it dated 27 July 2016, 16 August 2016 and 26 October 2016.

GLOBAL COVERED BOND PROGRAMME PROSPECTUS

2. Prospectus dated 1 June 2016 relating to the €35,000,000,000 Global Covered Bond Programme (the "**Global Covered Bond Programme**"), and the supplements to it dated 30 June 2016, 27 July 2016, 16 August 2016 and 26 October 2016.