

## Key Information Document

### Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

### Product

**Product name:** Interest Rate Swap - Fixed Rate Payer

**PRIP manufacturer:**

Santander UK plc

**Contact number for PRIP manufacturer:**

**Call** +44 20 7756 7186

**Website:**

<https://www.santandercb.co.uk/rsgterms>

**Competent Authority:** Authorised by the UK Financial Conduct Authority

**Date:** 01-Mar-2023

**You are about to purchase a product that is not simple and may be difficult to understand.**

### What is this product?

**Type:** An Over the Counter (OTC) contract - Interest Rate Swap - Fixed Rate Payer

#### Objectives:

The objective of this product is to provide you with a regular cash flow linked to a floating interest rate, in return for you making regular fixed payments.

The product achieves its objective by Santander UK plc agreeing on the Trade Date the terms of the Interest Rate Swap - Fixed Rate Payer with you under which: (1) you agree to pay Santander UK plc fixed interest amount and (2) in return, Santander UK plc agrees to pay you a floating interest amount.

The fixed interest amount is paid on pre-agreed dates and is calculated on the basis of a **Fixed Per Annum Interest rate** applied to a **Notional Amount**.

The floating interest amount is paid on pre-agreed dates and is calculated on the basis of a **Benchmark Rate**, which may fluctuate over time, applied to the same **Notional Amount**.

Typically on each pre-agreed date:

- if the floating interest amount is greater than the fixed interest amount, you will receive from Santander UK plc the difference between the two; or
- if the floating interest amount is below the fixed interest amount, you will pay Santander UK plc on the relevant payment date the difference between the two. If the floating interest rate turns negative you will have to pay Santander UK plc the fixed interest amount and the floating interest amount.

The exact terms will be set out in an individual trade confirmation.

#### Intended retail investor:

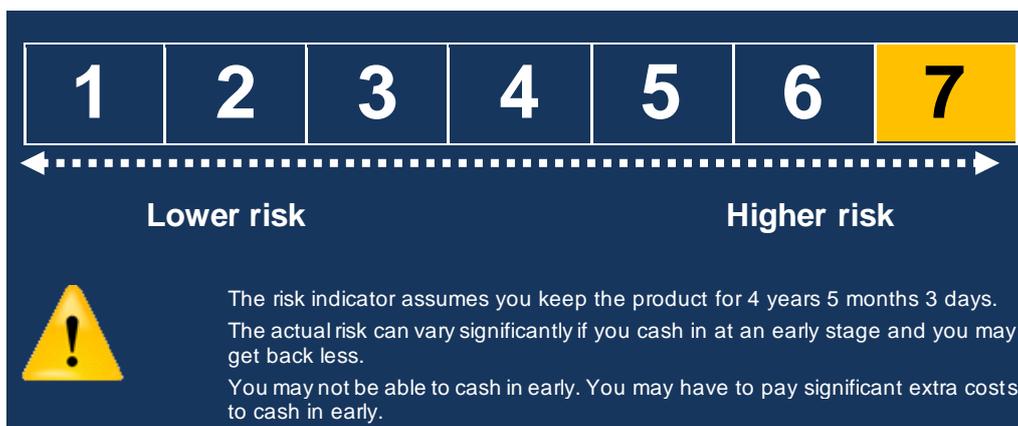
- This product is intended for retail investors who have an exposure to interest rates and who wish to pay a fixed rate of interest to mitigate the risk of an adverse movement in interest rates, and do not wish to benefit from a favourable movement.
- Investors who are prepared to stay invested until the Maturity Date.
- This product is intended for retail investors with the view that the floating interest rate will rise during the term of the product.

#### Term

The Maturity Date of the Interest Rate Swap - Fixed Rate Payer will be set out in the confirmation for the product. The Interest Rate Swap - Fixed Rate Payer is a bilateral agreement that cannot ordinarily be terminated unilaterally by either you or Santander UK plc. The product terms provide that if certain exceptional events occur Santander UK plc or you may terminate the product early. These events are specified in more detail in your ISDA master agreement/confirmation. The amount (if any) you pay or receive on such early termination is likely to be different from the scenarios described in this document.

## What are the risks and what could I get in return?

### Risk indicator:



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 7 out of 7, which is the highest risk class.

This rates the potential losses from future performance at a very high level.

In some circumstances you may be required to make further payments to pay for losses. **The total loss you may incur may significantly exceed the amount invested.**

This product does not include any protection from future market performance so you could lose some or all of your investment.

If we are not able to pay you what is owed, you could lose your entire investment.

### Performance Information:

This product can be used to hedge your exposure to the volatility of interest rates, and the main factor that can affect the way this product performs is the movement of the floating interest rate and your returns will depend on how the floating interest rate performs against the fixed interest rate on each rollover date. The most relevant index is the specific floating interest rate benchmark for this product such as the Base Rate or SONIA compounded.

### What could affect my return positively?

If the floating interest rate is higher than the fixed interest rate on each rollover date, then you will receive a payment from the bank and the higher the floating interest rate is above the fixed interest rate, the higher the payment will be, and thus your returns would be higher.

### What could affect my return negatively?

If the floating interest rate is lower than the fixed interest rate on each rollover date, then you would need to make a payment to the bank and the lower the floating interest rate is below the fixed interest rate, the higher the payment you will have to make. Therefore, your return with this product would be lower.

It is important to note that severely adverse market conditions are difficult to predict, and floating interest rates can be zero or even negative. Therefore, it could result in you paying the fixed interest rate (or more if the floating interest rate is negative) and receive nothing in exchange on each rollover date.

## What happens if Santander UK plc is unable to pay out?

The product is not protected by the Financial Services Compensation Scheme or any other investor compensation or guarantee scheme. This means that if Santander UK plc is unable to pay out, you may not receive any amount from Santander UK plc under Interest Rate Swap - Fixed Rate Payer.

## What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for the recommended holding period. They include potential early exit penalties. The figures assume you invest GBP 10,000. The figures are estimates and may change in the future.

### Costs over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Investment of GBP 10,000	If you cash in at the recommended holding period
Total costs	GBP 250
Impact on return (RIY) per year	0.50 %

### Composition of costs

The table below shows:

- the impact each year of the different types of costs on the investment return you might get at the end of the term.
- the meaning of the different cost categories.

### This table shows the impact on return per year

One-off costs	Entry costs	0.50 %	The impact of the costs you pay when entering your investment. This is the most you will pay, and you could pay less.
	Exit costs	0.00 %	The impact of the costs of exiting your investment when it matures.

Ongoing costs	Portfolio transaction costs	0.00 %	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	0.00 %	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance fees	0.00%	The impact of the performance fee. We take these from your investment if the product outperforms its benchmark.
	Carried interests	0.00%	The impact of carried interests. We take these when the investment has [performed better than x %]. [A payment of y % of the final return will take place subsequently to the exit of the investment.]

### How long should I hold it and can I take money out early?

**Recommended holding period:** When entering into an Interest Rate Swap - Fixed Rate Payer the term will be defined by you. This product is designed to be held until the Maturity Date. This product cannot easily be early terminated. You will either be unable to cancel early or you will have to pay high costs or make a large loss if you do so.

### How can I complain?

Complaints about the product, the conduct of Santander UK plc and/or the person advising on, or selling the product, should be addressed in writing to us at Santander Corporate and Commercial Complaints Team at Santander UK plc, Zone 1/3 South, 301 St Vincent Street, Glasgow, UK, G2 5NB. For more information on how to make a complaint, please see <https://www.santandercb.co.uk/contact-us/complaints>.

### Other relevant information

This document sets out the generic risks of the PRIIP that you may be considering as a financial investment, in order that you can compare it to other products. The specific terms of the product that you enter into will be set out in the confirmation in relation to that product.

The full terms and conditions of the product are set out in your ISDA master agreement with Santander UK plc, as supplemented and amended by the confirmation. These documents are made available to you on your request.