

# Santander UK plc

## Investor Update

April 2013

United Kingdom



# Disclaimer

1

**Santander UK plc and Banco Santander, S.A.** Santander UK plc ("**Santander UK**") is a subsidiary of Banco Santander, S.A. ("**Santander**").

Santander has a standard listing of its ordinary shares on the London Stock Exchange and Santander UK continues to have its preference shares listed on the London Stock Exchange. Further information in relation to Santander UK can be found at: [www.aboutsantander.co.uk](http://www.aboutsantander.co.uk) Neither the content of Santander UK's website nor any website accessible by hyperlinks on Santander UK's website is incorporated in, or forms part of, this presentation.

This presentation does not constitute an offer to sell, or a solicitation of an offer to subscribe for, any securities, in any jurisdiction in which such offer or solicitation is unlawful. No offering of securities shall be made in the United States except pursuant to registration under the U.S. Securities Act of 1933, as amended, (the "**Securities Act**") or an exemption therefrom. Nothing contained in this presentation is intended to constitute an invitation or inducement to engage in investment activity for the purposes of the prohibition on financial promotion in the U.K. Financial Services and Markets Act 2000.

This presentation is not, and is not intended to be, a prospectus or other offering document in relation to any securities of Santander UK, Santander or any other person and should not be relied on as such by any recipient for the purposes of an investment decision in relation to such securities or any other security. No transaction or services related thereto is contemplated without a subsequent formal agreement with Santander UK and/or Santander. In making this presentation available, both Santander UK and Santander give no advice and make no recommendation to buy, sell or otherwise deal in shares in Santander UK or Santander, or in any other securities or investments whatsoever.

Santander UK and Santander both caution that this presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. These forward-looking statements are found in various places throughout this presentation and include, without limitation, statements concerning our future business development and economic performance. While these forward-looking statements represent our judgment and future expectations concerning the development of our business a number of risks, uncertainties, and other important factors could cause actual developments and results to differ materially from our expectations. Factors that may affect Santander UK's operations are described under 'Risk Factors' in Santander UK's latest set of Annual and/or Half Year Report and Accounts. A more detailed cautionary statement is also given in Santander UK's Annual Report and Accounts on Form 20-F for 2012. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. This presentation has not been examined, reviewed or compiled by Santander's independent auditors. No representation or warranty of any kind is made with respect to the accuracy or completeness of any forward-looking statement, any assumptions underlying them, the future operations or the amount of any future income or loss.

The information contained in this presentation is subject to, and must be read in conjunction with, all other publicly available information, including, where relevant any fuller disclosure document published by Santander UK or Santander. The information in this presentation is subject to updating, revision and amendment. It does not purport to be comprehensive and has not been independently verified. Any person at any time acquiring securities must do so only on the basis of such person's own judgment as to the merits or the suitability of the securities for its purpose and only on such information as is contained in such public information having taken all such professional or other advice as it considers necessary or appropriate in the circumstances and not in reliance on the information contained in the presentation. Any prospective investor should conduct their own due diligence on the accuracy of the information contained in this presentation.

No representation or warranty, express or implied, is given by Santander UK, Santander or any of its advisers, officers, employees or agents, as to the accuracy, reliability or completeness of the information or opinions contained in this presentation or in any revision of the presentation or of any other written or oral information made or to be made available to any interested party or its advisers and, save in the case of fraud, no responsibility or liability is accepted (and all such liability is hereby excluded for any such information or opinions). No liability is accepted by any of them for any such information or opinions (which should not be relied upon) and no responsibility is accepted for any errors, misstatements in or omissions from this presentation or for any loss howsoever arising, directly or indirectly, from any use of this presentation or its contents.

To the fullest extent permitted by law, neither Santander UK nor Santander accept any liability whatsoever for any direct or consequential loss arising from any use of or reliance on this presentation. Please note the publication date of this document. It may contain specific information that is no longer current and should not be used to make an investment decision. Unless otherwise indicated, there is no intention to update this document.

Information contained in this presentation is not intended to lead to the conclusion of any contract of whatsoever nature within any jurisdiction. Furthermore, this presentation has not been filed, reviewed or approved by any regulator, governmental regulatory body or securities exchange in any jurisdiction or territory.

Santander UK plc. Registered Office: 2 Triton Square, Regent's Place, London, NW1 3AN, United Kingdom. Registered Number 2294747. Registered in England. [www.santander.co.uk](http://www.santander.co.uk). Telephone 0870 607 6000. Calls may be recorded or monitored. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, except in respect of its consumer credit products for which Santander UK plc is licensed and regulated by the Office of Fair Trading. Our Financial Services Register number is 106054. Santander UK plc is also licensed by the Financial Supervision Commission of the Isle of Man for its branch in the Isle of Man. Deposits held with the Isle of Man branch are covered by the Isle of Man Depositors' Compensation Scheme as set out in the Isle of Man Depositors' Compensation Scheme Regulations 2010. In the Isle of Man, Santander UK plc's principal place of business is at 19/21 Prospect Hill, Douglas, Isle of Man, IM1 1ET. Santander and the flame logo are registered trademarks. Banco Santander, S.A., London Branch is regulated by the Financial Conduct Authority.

Note: Statements as to historical performance, historical share price or financial accretion are not intended to mean that future performance, historical share price or future earnings (including earnings per share) for any period will necessarily match or exceed those of any prior year. Nothing in this presentation should be construed as a profit forecast.

By attending / reading the presentation you agree to be bound by these provisions.

Source: Santander UK Q1 results "Quarterly Management Statement for the year ended 31 March 2013" or Santander UK Management ('MI')

United Kingdom



# Strengths of Santander UK

**Key UK retail and corporate banking market participant**

**Consistent profitability**

**Prudent risk management**

**Strong liquidity, funding and capital positions**

**Strengthening our commercial franchise**

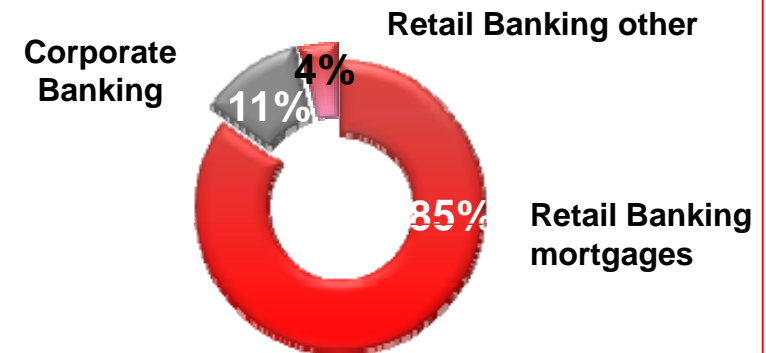
# Key UK market player

## Key Metrics

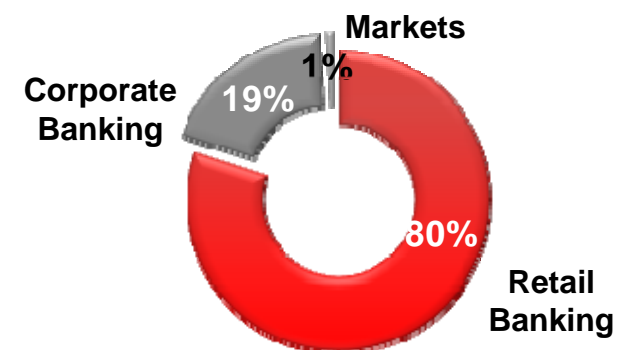
	Q1'13	Q4'12	Q1'12
Employees <sup>1</sup>	23,862	23,981	25,395
Branches (inc. agencies)	1,187	1,186	1,360
Corporate Business Centres	36	35	28
Relationship Managers	749	713	600
	£bn	£bn	£bn
Residential Mortgages	161.6	164.1	173.7
Corporate Banking Assets	20.4	19.6	18.3
Inc. SME	10.7	10.6	9.3
Retail Banking Liability	127.0	127.2	122.7
Corporate Banking Liability	13.9	12.8	12.7
Market Share of Stock % <sup>3</sup>	Q1'13	Q4'12	Q1'12
Residential Mortgages	12.8	13.0	13.9
SME lending <sup>4</sup>	5.3	5.3	4.7
Deposits	9.3	9.4	9.5
Bank Accounts	9.3	9.3	9.2

## Business Mix<sup>2</sup>

### Customer loan balances



### Profit before tax



United Kingdom

<sup>1</sup> On a Group basis

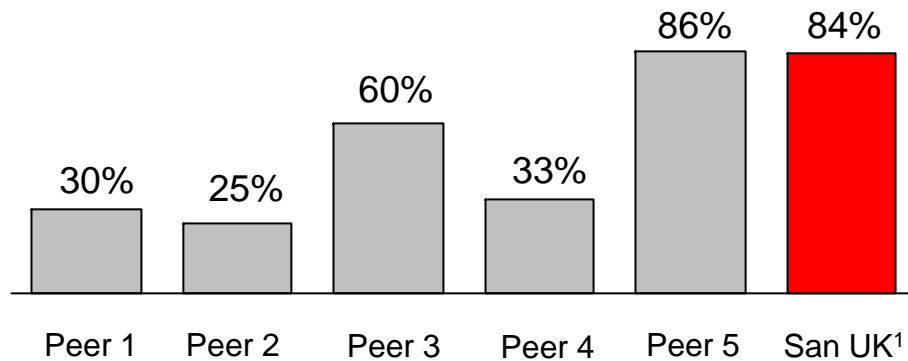
<sup>2</sup> Business mix excludes the impact of the Corporate Centre

<sup>3</sup> Market share sources: Residential Mortgages, SME lending and Deposits (BOE); Bank Accounts (CACI)

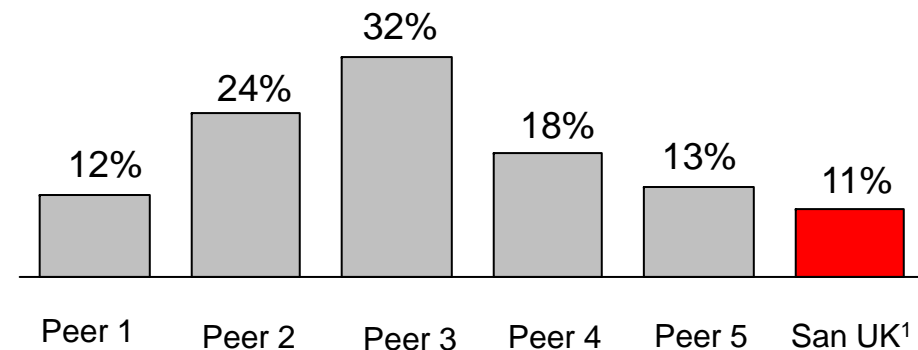
<sup>4</sup> SME lending market share includes assets held in Corporate Banking and Corporate Centre. SME assets totaled £12.1bn in Mar'13, £12.1bn in Dec'12, £11.0bn in Mar'12

# Current retail banking focus of the business

UK Retail, % of customer loans mix



UK Corporate (core), % of customer loans mix



United Kingdom

<sup>1</sup> Mortgages make up c. 95% of the Retail Banking customer loans mix of Santander UK. Retail Banking customer loans of £161.4bn; Corporate Banking customer loans of £20.4bn  
 Source: Company accounts  
 Peer data includes Barclays plc, HSBC Bank plc, Lloyds Banking Group, Nationwide and RBS plc. Latest peer data available: 30 September 2012 (Nationwide) or 31 December 2012 for other peers



# Strengths of Santander UK

Key UK retail and corporate banking market participant

**Consistent profitability**

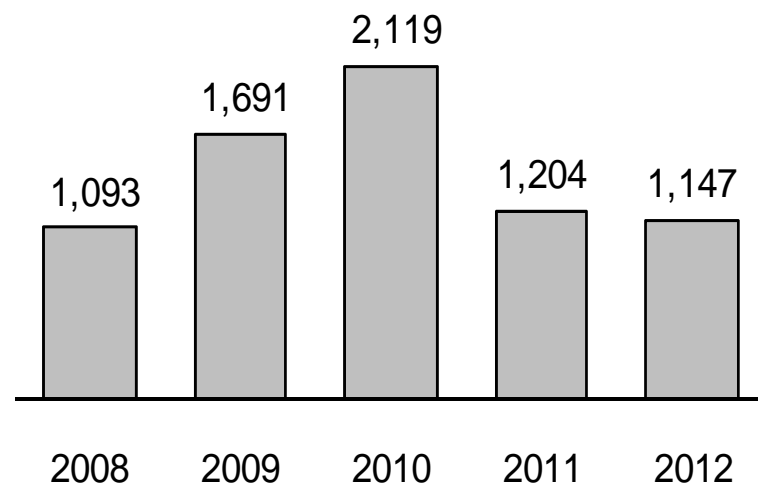
Prudent risk management

Strong liquidity, funding and capital positions

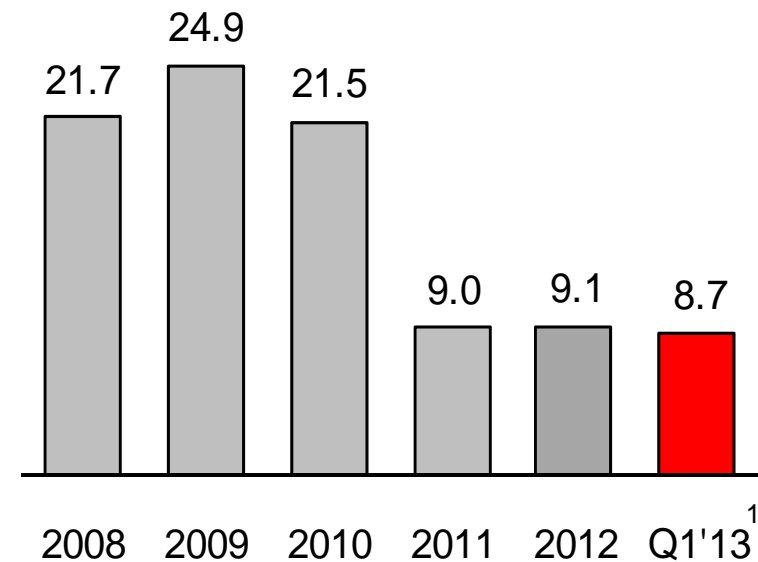
Strengthening our commercial franchise

# Lower cyclicality of profits than the industry...built on business mix

Statutory Profit Before Tax (£m)



RoTBV (%)



<sup>1</sup> Annualised cumulative year to date rate

# In Q1'13, we delivered PBT of £282m from continuing operations<sup>1</sup>

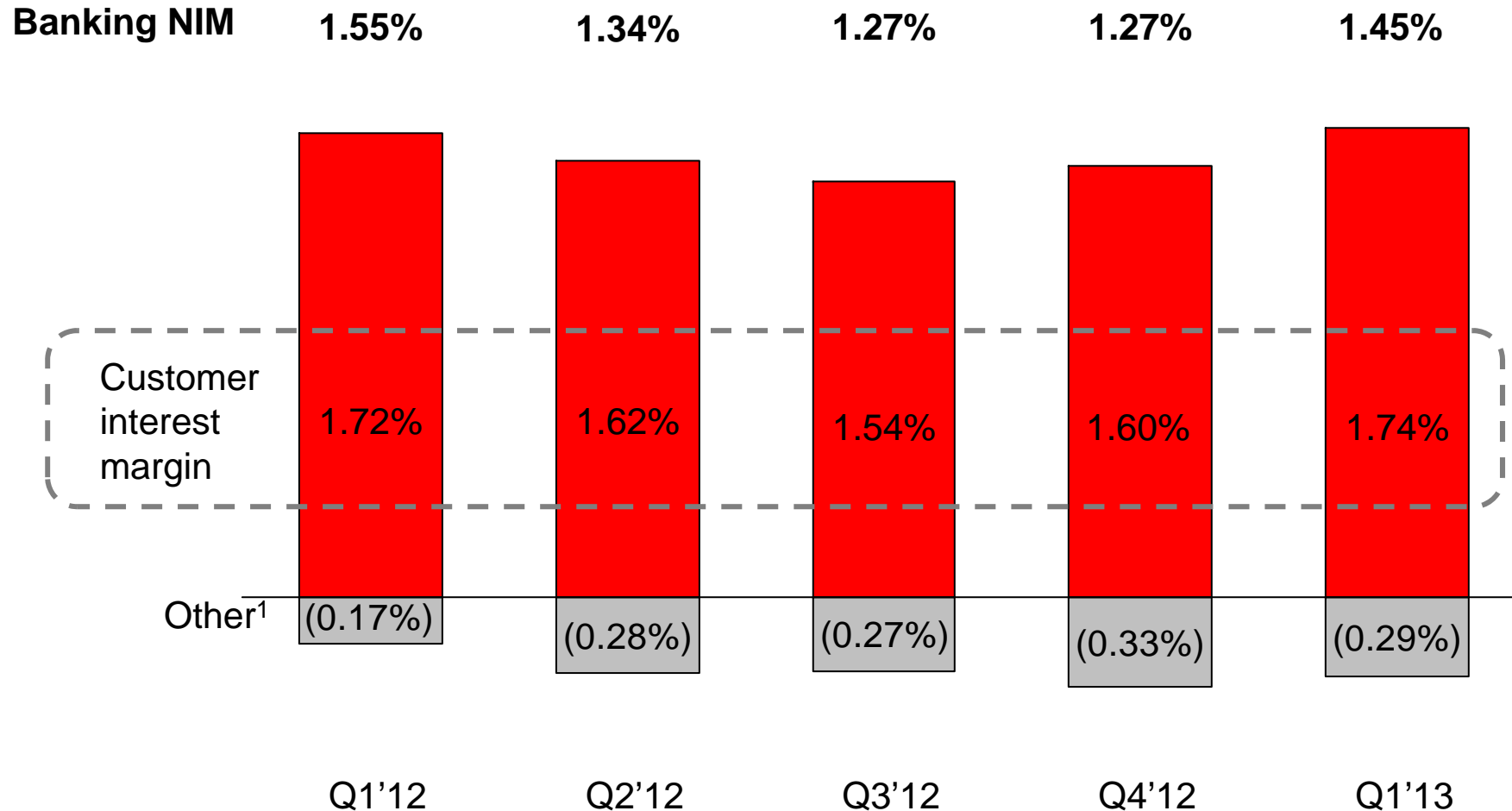
Key financial highlights	Three months ended		
	31.03.13	31.12.12	31.03.12
	£m	£m	£m
Total operating income	971	922	1,078
Operating expenses	(553)	(508)	(535)
Total operating provisions and charges	(136)	(307)	(180)
Profit before tax	282	107	363
Profit after tax	225	93	275

- Income pressures eased in the first quarter of 2013, reflecting improved asset margins and reduced deposit pressures, resulting in an improved Banking NIM
- Costs slightly higher than in Q1'12, with inflation, continuing investment in the business and increased regulatory compliance and control costs
- Good credit quality maintained across the Retail Banking and Corporate Banking portfolios

<sup>1</sup> Prior periods data has been amended to reflect discontinued operations relating to the agreement in principle to sell the Santander UK storecards business

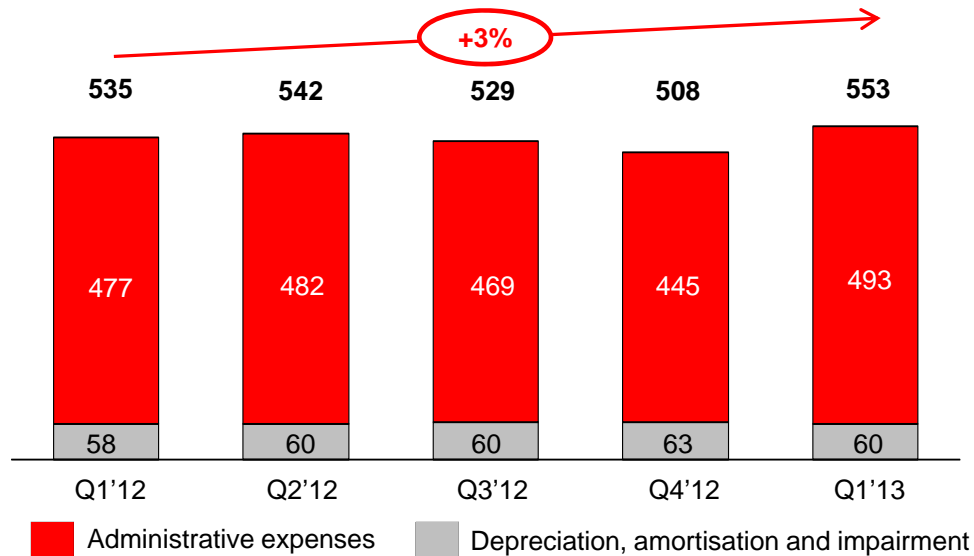


# Upturn in Banking NIM underpinned by strength of customer interest margin



# Cost well controlled, despite inflation, investment and regulatory expenses

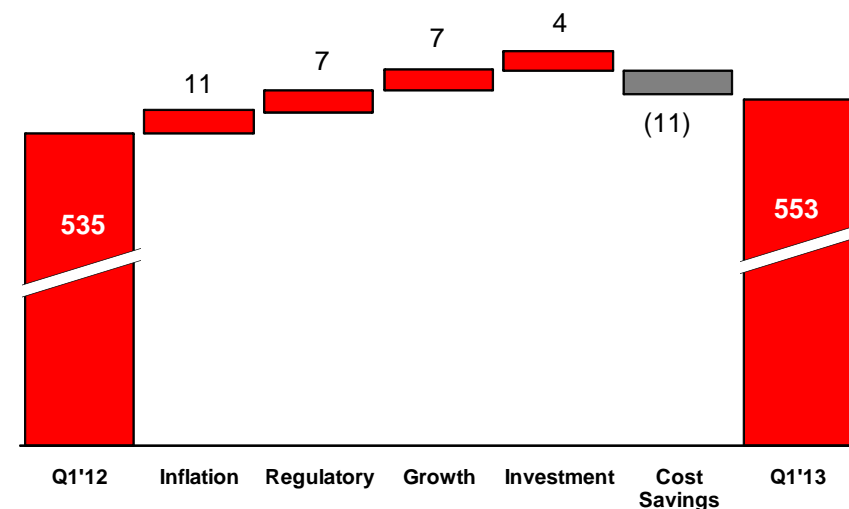
## Operating expenses (£m)



### Cost Efficiency Programmes

- Property and branch optimisation
- Headcount optimisation
- Decommissioning of legacy systems
- Increased use of customer e-comms

## Key movements in operating expenses (£m)

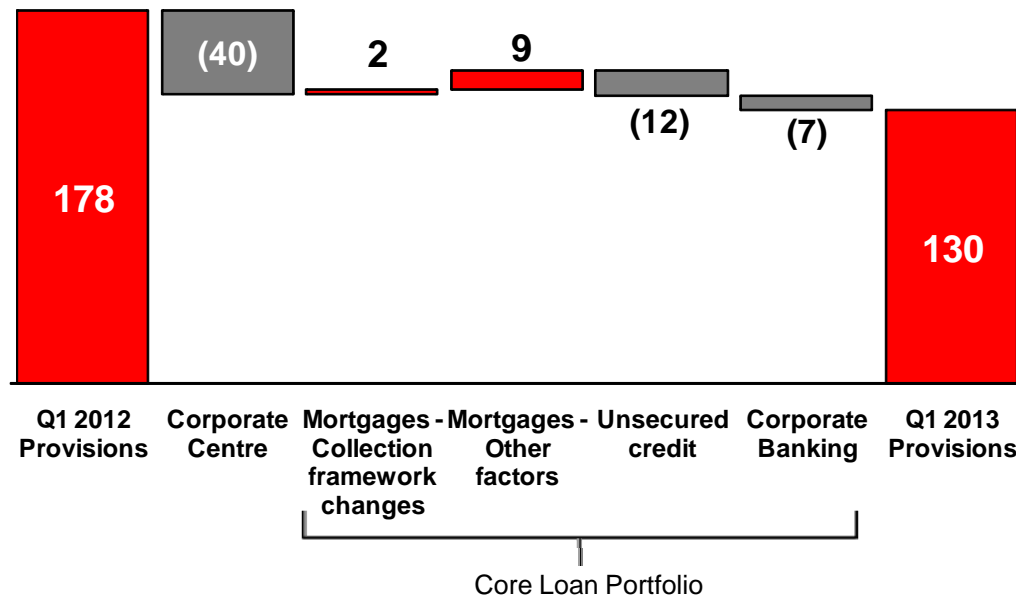


### Invest and Grow Programmes

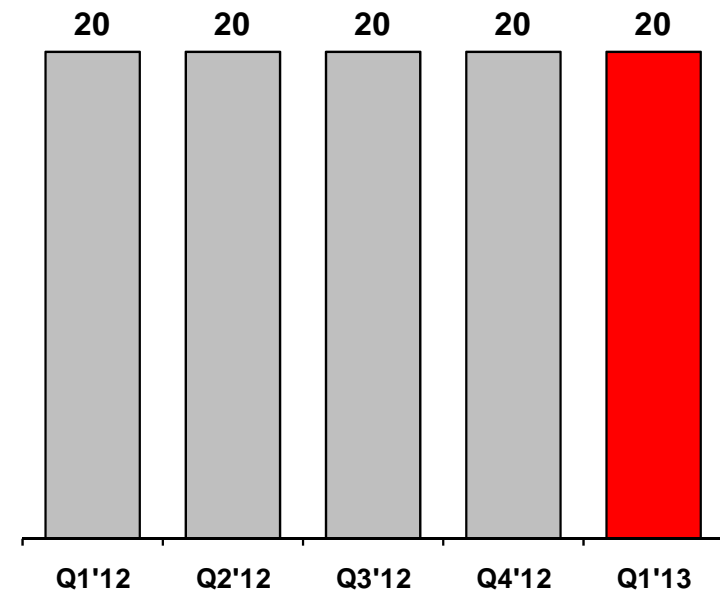
- Corporate Partenon platform
- Branch refurbishment and improvements
- Corporate Business Centre expansion
- Deployment of Corporate relationship directors
- 'Select' proposition rollout

# Good credit quality maintained on quality core portfolio<sup>10</sup>

Credit provisions movement (£m)



Mortgages NPL coverage (%)



Source: Santander UK Finance

United Kingdom



# Strengths of Santander UK

Key UK retail and corporate banking market participant

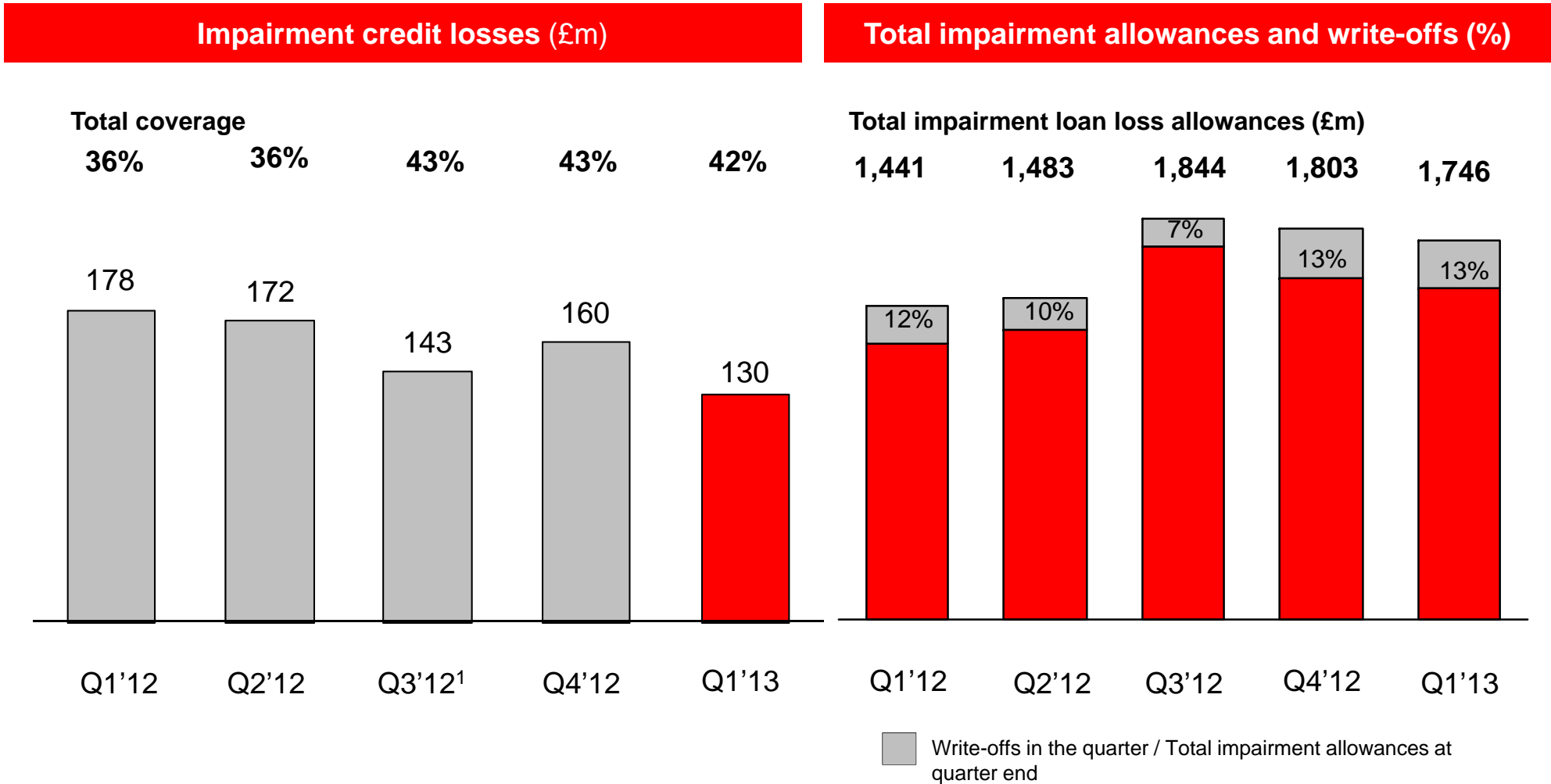
Consistent profitability

**Prudent risk management**

Strong liquidity, funding and capital positions

Strengthening our commercial franchise

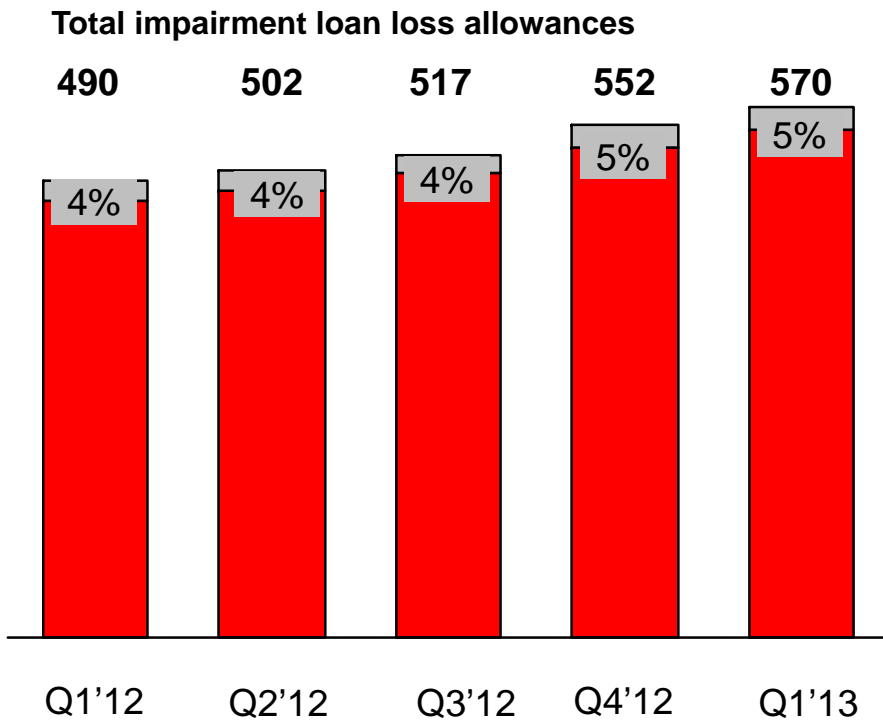
# Maintaining prudent write-off coverage



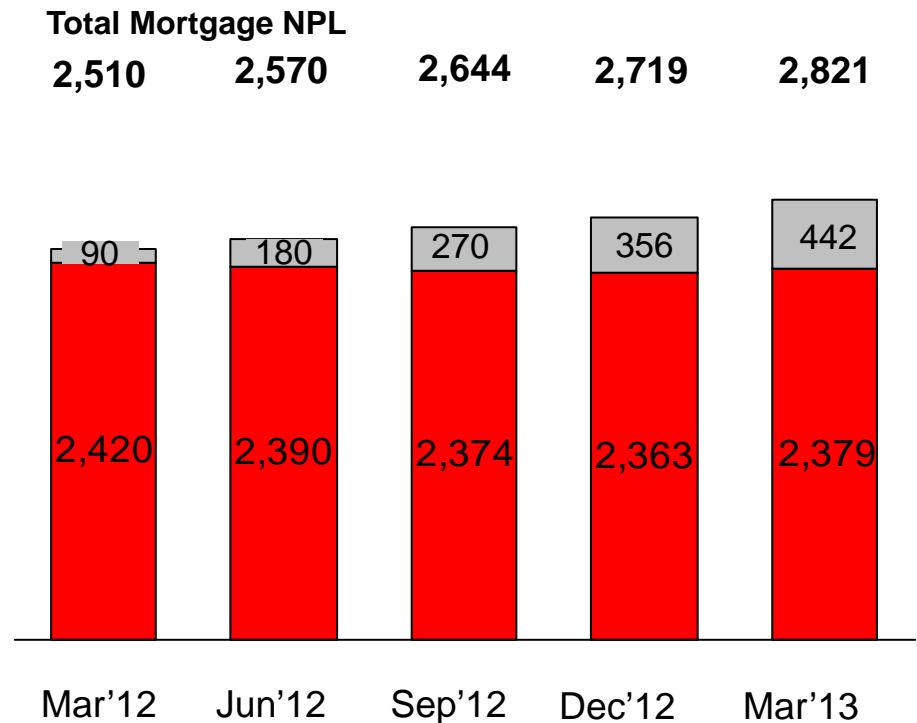
<sup>1</sup> Excludes significant item of £335m for the impairment of the non-core corporate and legacy portfolios taken in Q3'12

# Mortgage write-offs and underlying mortgage NPL remain resilient

Mortgage impairment allowances and write-offs (£m)



Mortgage NPL by component (£m)

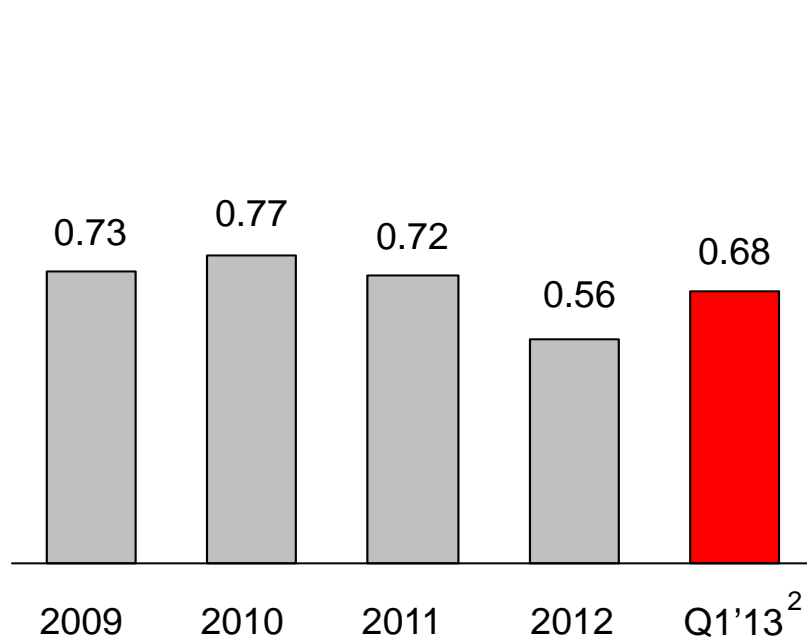


Mortgage write-offs in the quarter / Total mortgage impairment allowances at quarter end

Regulatory collections changes
  Underlying NPL including classification changes

# Maintaining asset quality in the expanding Corporate Banking business

Impairment charge (%)<sup>1</sup>



NPL stock by deal vintage (£m)



<sup>1</sup> Calculated as Corporate Banking impairment divided by the average Corporate Banking lending balance for the year  
<sup>2</sup> Annualised

# Strengths of Santander UK

Key UK retail and corporate banking market participant

Consistent profitability

Prudent risk management

**Strong liquidity, funding and capital positions**

Strengthening our commercial franchise



# UK focus, strong capital and funding, prudent risk management

## UK Based Business

98% of customer assets are UK related

- **£161.6bn** residential retail mortgage and social housing loans<sup>1</sup>; **£20.4bn** Corporate Banking loans
- UK focused; net exposure of c. **0.4%** of total assets to eurozone peripheral countries

## Strong Funding and Liquidity

Reducing the customer funding gap

- **Positive retail deposit flows**
- **Lending criteria tightened**, to improve credit quality and profitability of mortgage book
- Focus on **relationship** banking opportunities
- Customer deposits and MTF<sup>2</sup> to customer loans ratio of **114%**<sup>3</sup>

Wholesale funding

- **Short-term funding down** 16%, improving the management of the balance sheet and maintaining our prudent liquidity profile
- **Lower wholesale issuance required**; EUR 1bn senior unsecured in Q1'13 well received by investors

## Credit Quality and Capital Strength

Prudent risk management

- Mortgage stock LTV of **52%**
- Strong mortgage coverage levels maintained at **20%**
- Core Tier 1 capital ratio of **12.5%**; Basel III fully loaded **11.4%**<sup>4</sup>
- Total capital ratio of **18.7%**

Strong core capital

United Kingdom

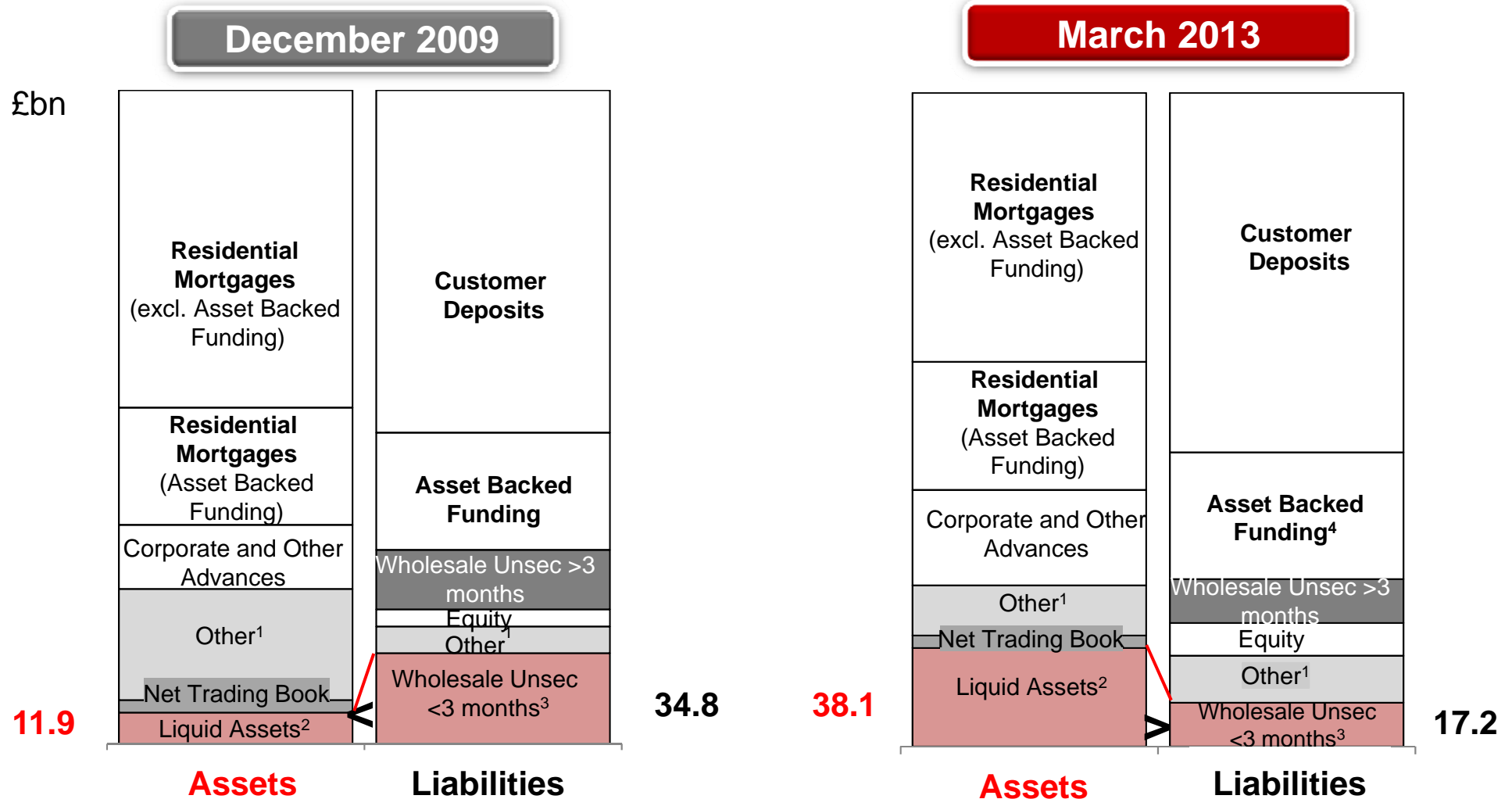
<sup>1</sup> Excludes Social Housing bonds

<sup>2</sup> 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

<sup>3</sup> Calculated as the sum of deposits by customers (excl. repos) and MTF divided by loans and advances to customers (excl. reverse repos)

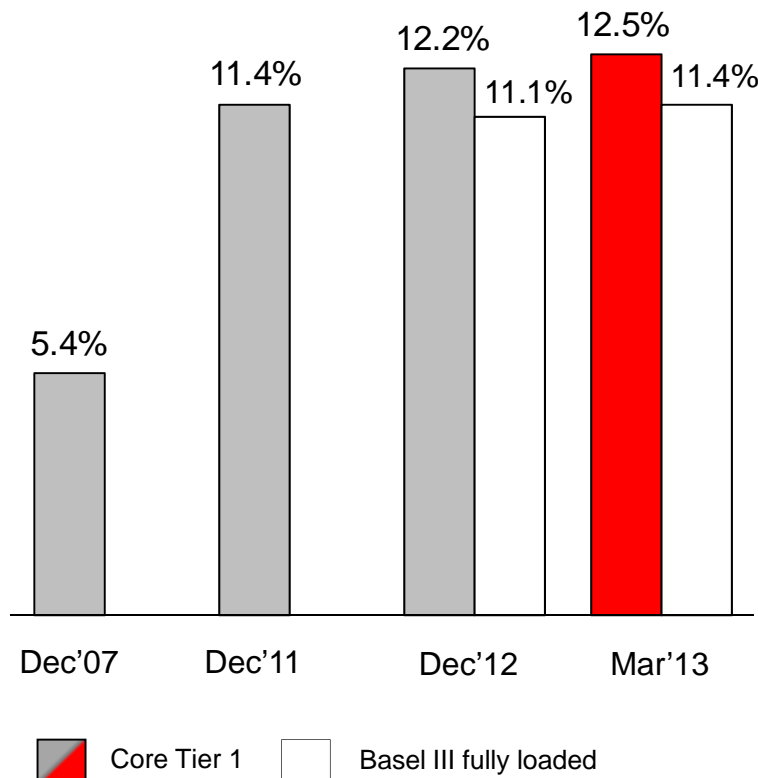
<sup>4</sup> Proforma 31 March 2013 CRD IV End Point / Fully loaded

# Liquidity well in excess of short term unsecured wholesale maturing liabilities

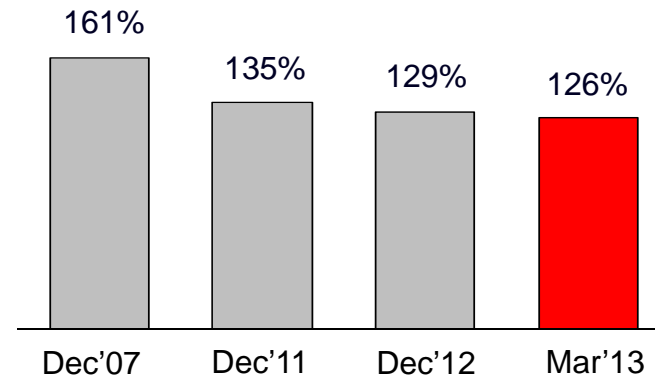


# Strong capital and funding position maintained

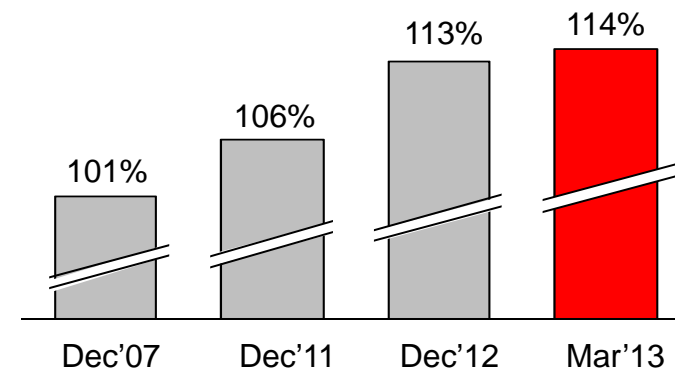
Evolution of Core Tier 1 Capital Ratio<sup>1,2,3</sup>



Loan-to-Deposit Ratio<sup>4</sup>



Customer deposits and MTF to customer loans<sup>5</sup>



<sup>1</sup> Santander SA injected £4.5bn of capital into Santander UK in August 2010  
<sup>2</sup> UK regulatory reporting  
<sup>3</sup> Dec'11 and Dec'12 are reported on a Basel 2 basis. Dec'07 is reported on Basel 1 basis  
<sup>4</sup> Calculated as loans and advances to customers (excl. reverse repos) divided by deposits by customers (excl. repos).  
<sup>5</sup> Calculated as the sum of deposits by customers (excl. repos) and MTF divided by loans and advances to customers (excl. reverse repos)

# Strengths of Santander UK

Key UK retail and corporate banking market participant

Consistent profitability

Prudent risk management

Strong liquidity, funding and capital positions

**Strengthening our commercial franchise**

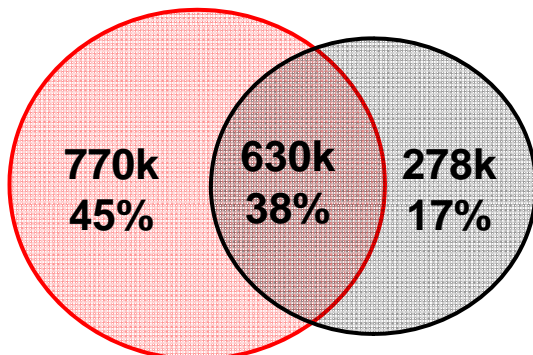
# The execution of our strategy rests on our strategic priorities...



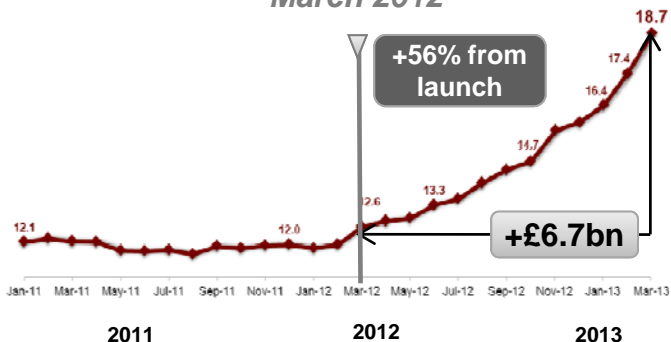
# 1|2|3 World has some 1.7m customers

More transactional and more satisfied customers

## Customer numbers



Launch of 123 CA  
March 2012



More transactional

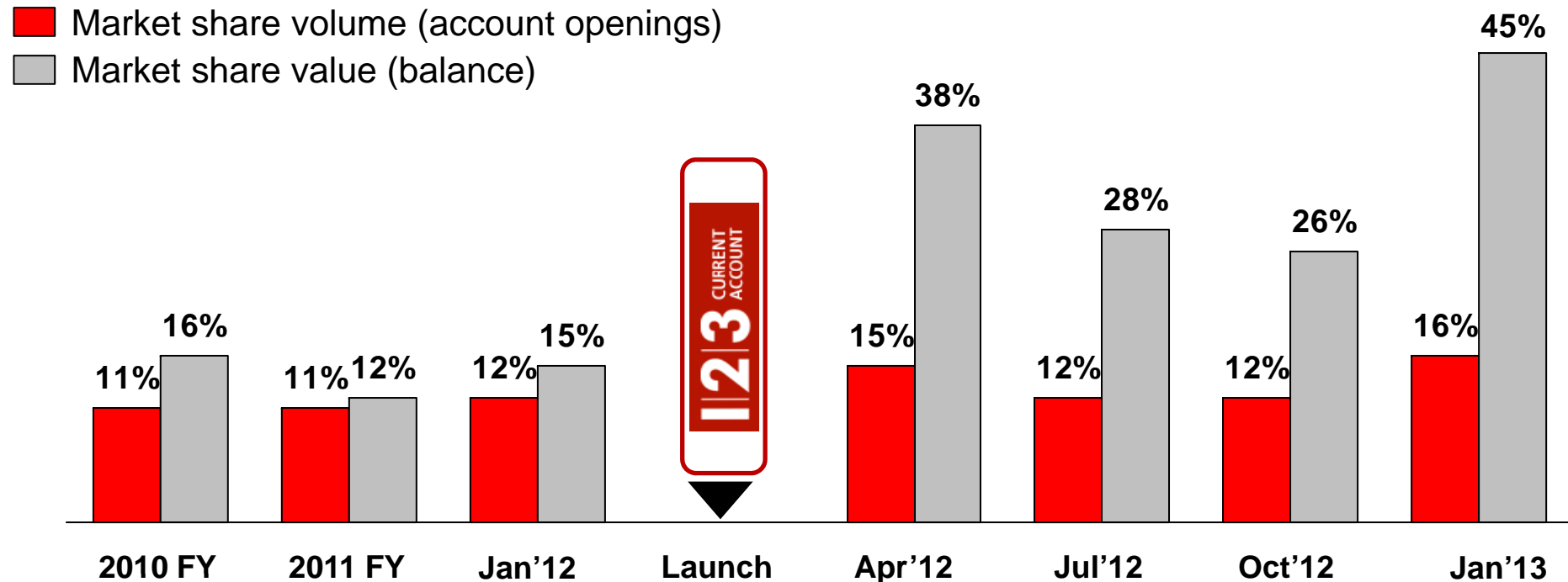
Better quality and more satisfied

Opportunity

- 71% with 4+ Direct Debits vs. 42% of active customer base
- x4 more 1|2|3 Credit Card transactions vs. non 1|2|3
- x2.3 in banking and savings liabilities vs. active base
- 27% affluent vs. 12% of active customer base
- 82% would recommend the product
- 1|2|3 Current Account customers hold on average 3 products vs. 1.6 of active customer base
- Average retail customer product holdings c. 1.6 vs. top clearing banks at c. 2
- Some 13m non-1|2|3 customers

# 1 We are attracting higher quality customers

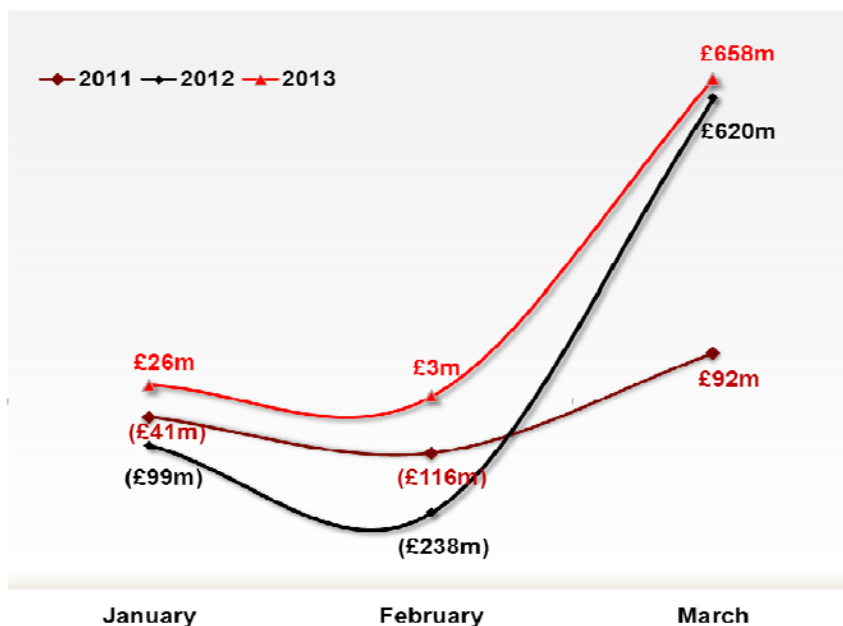
## Santander UK new business market share of current accounts



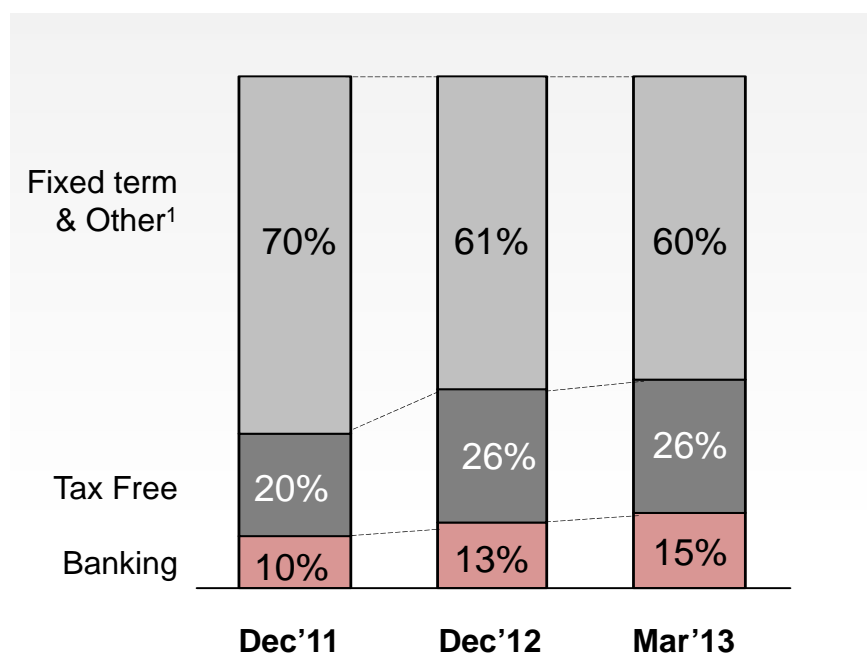
- CACI report includes 95% the UK of current account market

# 1 Retail deposits mix continues to evolve

Tax Free Accumulated Net Flows (£m)



Mix of retail deposits (%)



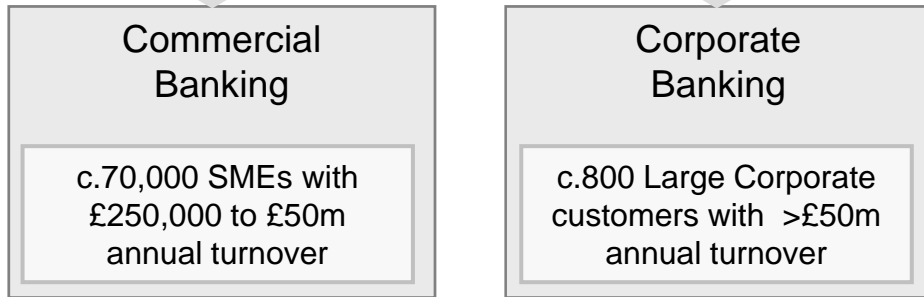
- Continued growth in relationship-based deposits as a result of cross tax year ISA campaign and 1|2|3 current accounts





# 2 Corporate Banking: differentiating ourselves through customer approach and innovation...

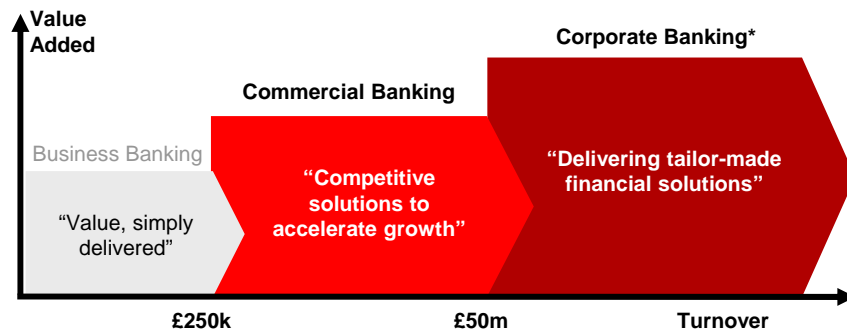
## Proposition for different customer needs



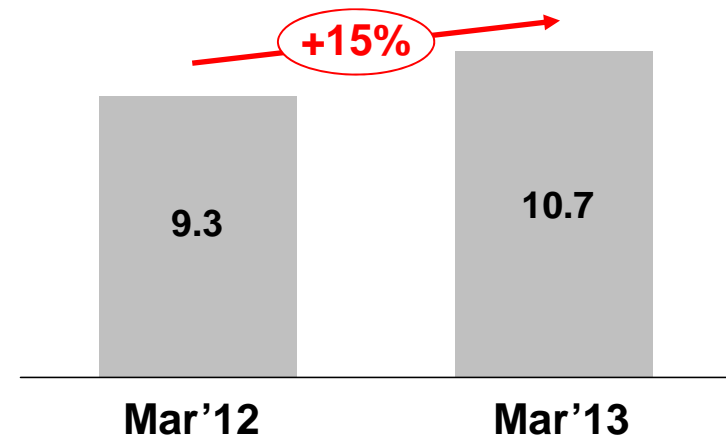
## Putting our customers at the heart of our growth

Relationship Managers:	2011	2012	Q1'13
Business Banking	-	210	231
Commercial Banking	548	433 <sup>1</sup>	442
Corporate Banking	52	70	76
<b>Total</b>	<b>600</b>	<b>713</b>	<b>749</b>

## Helping our customers to find the right solutions



## Strong SME lending growth (£bn)<sup>2</sup>



**TARGET: Grow market share from 5% to 8% in the medium-term**

<sup>1</sup> Restructure – Business Banking separated from Commercial Banking and moved to Retail Banking

<sup>2</sup> Corporate SME excludes non core corporate portfolio and legacy assets in run-off managed in the Corporate Centre

## 2 ...making good progress against our key strategic objectives...

### 1. Competitive Client Proposition

Accelerated **product and channel development** including **enhanced day to day banking** services for sales, payments and self service banking.

- Corporate Partenon roll out
- New US\$ and € currency products launched
- Introduced new online service platform

### 2. Full UK Coverage Model

Expand our **CBC footprint** in key markets in order to deliver full UK coverage. Growing from 36 today to more than 70 in the medium-term.

- 1 new CBC opened in Q1'13
- Continued leverage of counter services in c.600 branches and 11,500 Post Offices

### 3. Prudent Credit Risk Management

Continue balance sheet **growth within Group Risk Appetite** supported by system development and expansion of proven local Credit Partner model

- New semi-automated credit admissions process

### 4. Investing in the Best People

**Accelerated recruitment** of over 500 high calibre Relationship Directors and Specialist Support Partners.

- Bespoke training programmes implemented
- Corporate platform CRM and MIS performance and productivity tools launched

### 5. Commitment to Customer Service

Enhanced **customer service** centres, commercial and specialised, providing day to day support to achieve **top quartile customer satisfaction**.

- Launched 'Fuelling Ambition' organising idea
- 7% improvement in customer satisfaction<sup>1</sup>

<sup>1</sup> Source: Santander UK Customer Satisfaction Survey Feb 2013

## 2 ...whilst growing a sustainable Corporate Banking business since 2008

### The making of the leading challenger bank

- **Established in 2008; on the foundation of Abbey and Alliance & Leicester**
- Consolidation and rebuilding these businesses; a **challenger bank** with a market share of c. 5%
- **Corporate Business Centre network has grown; 36 UK locations** and continues to expand
- **Staff levels have doubled**, focus on recruiting experienced bankers
- Significant **investment in new product and service** functionality; remains key to growth
- **Rebalancing the business mix**, to achieve a more balanced Corporate/Retail portfolio of 30%:70%
- **Segmentation of largest corporates**; tailored relationship management and product offerings

**OBJECTIVE: Becoming the UK's SME and Corporate Bank of Choice**

### Continuing the Breakthrough initiative

- **10 events** held in **9 cities** across the UK
- **Over 2,500** SMEs reached
- **483** direct jobs created (more indirectly)
- **£9m** of Growth Capital made available alongside **£14.5m** of senior debt facilities
- **4** trade missions completed with **40** SMEs
- **9** Growth Capital deals completed
- **6** Masterclasses for **90** SMEs, visiting Google, Saatchi & Saatchi, LoveFilm, Innocent, GE Aviation and McLaren

### Prudent risk management

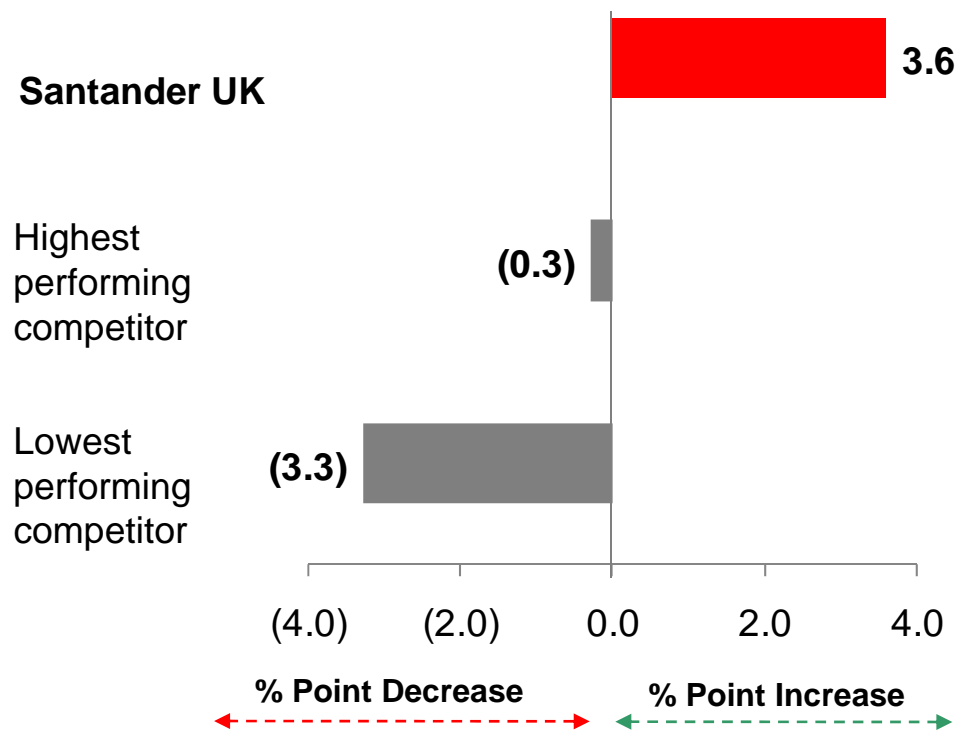
- **Unique Credit Partner model** to differentiate on risk management in all customer engagement
- Credit Partners work with customers alongside Relationship Directors to tailor the **best suitable solution**
- Focus on **high asset quality** and **strong customer relationships**
- **Improved funding position** to achieve our growth targets

### 3 High quality service at the core of our business model



**FRS<sup>1</sup>: Change in Overall Satisfaction<sup>2</sup>  
(March '12- March '13)**

**Investing in service and delivering results**



- Santander UK made the only significant improvement in overall customer satisfaction compared to competitors, March '12 – March '13
- Our 2012 investment in service improvements and comprehensive training programmes continue to increase customer satisfaction
- An extensive change programme of customer-centric initiatives is now under way, to deliver a customer experience that is 'Simple, Personal and Fair'

<sup>1</sup> Financial Research Survey (FRS) is an independent monthly survey of circa 5,000 consumers covering the personal finance sector, run by GfK

<sup>2</sup> Overall Satisfaction: 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 and competitor brands. 3 months ending data March 2012 and March 2013. Competitor set includes Barclays, Halifax, HSBC, Lloyds TSB, Nationwide and NatWest.

# 2013 Outlook

- **Macro and regulatory downside risks** remain
- **Positive trends on the Banking NIM developing**; growth focus on profitability vs volumes
- **Improvement in customer experience** whilst **tightly managing BAU costs** and **investing in new products and services**
- Continued focus on **business diversification** towards **SME/corporates**
- **Deposit growth built on relationship enhancing/sticky products**
- Medium term **target RoTBV of 13-15%**, with **rising interest rates**

## Retail: Delivering value to our customers

- **Building profitable primary banking relationships** through **1|2|3 World** and grow fee income
- **Non-1|2|3 Santander UK customer opportunity** of c. 13 million
- In 2013 introducing **customer segmentation**; target c. **300,000 Select customers**

## Corporate: SME bank of choice

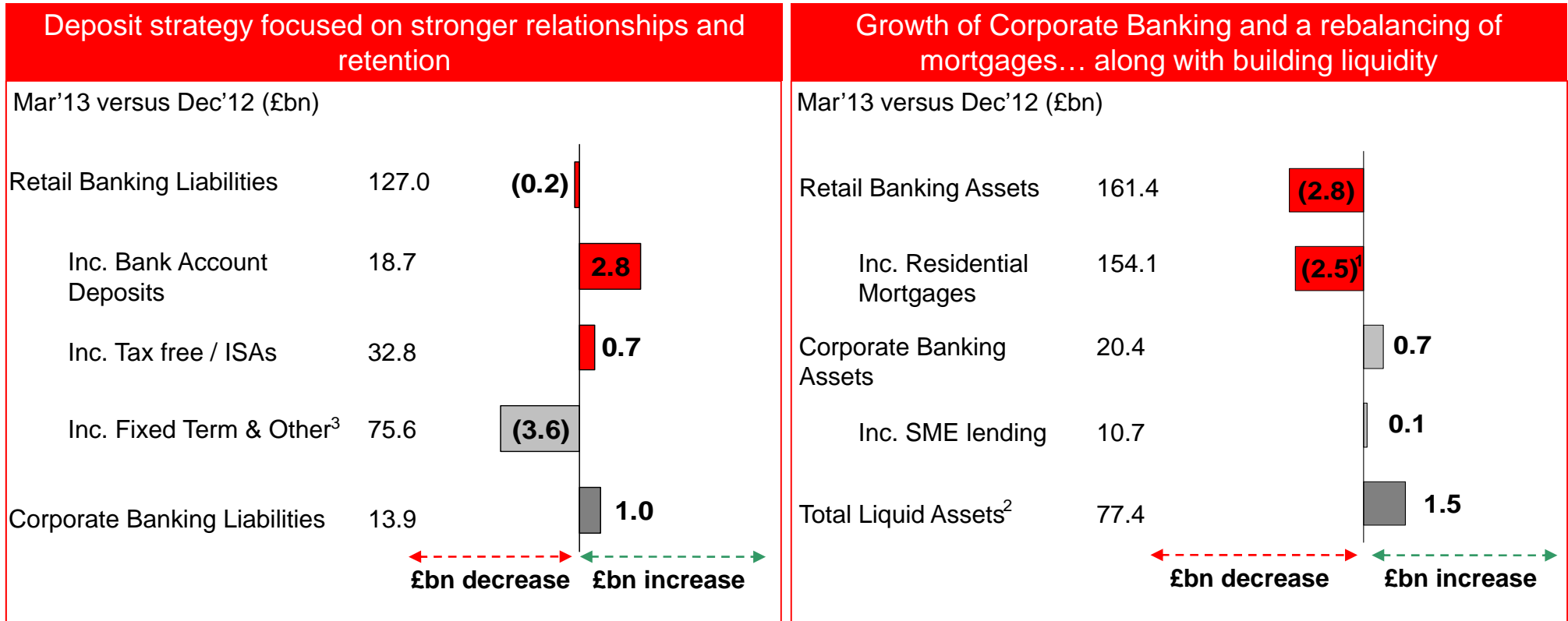
- **Continue organic growth**, moving towards a **8% market share in the medium term**
- Increase revenues from **ancillary services/fee based products**
- **Manage risk and RoE**

## Customer Experience

- Develop our **internet/multi-channel capabilities** and **optimise the network**
- **Invest in processes**, supported by our world-class technology
- Priority as to further **enhancement of the customer experience**

# Appendix

# Continued targeted deleveraging of loans... improving quality of deposits base



- Continued shift in qualitative mix of deposits base towards relationship and term deposits. Maintained successful rollout of 1|2|3 Current Accounts
- Growth in Corporate Banking liabilities and asset franchise
- Rebalancing away from higher risk mortgage segments to growth opportunities in corporate lending

<sup>1</sup> Of the deleveraging of residential mortgages £1.5bn was interest only mortgages

<sup>2</sup> Total liquid assets consists of: FSA eligible assets; 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 (December 2012 £35.7bn, December 2011 £24.4bn)

<sup>3</sup> Other includes: Fixed term, esaver, Reward, Structured products and Deposits, Cahoot and Private Banking, Cater Allen and offshore balances

# PAT reconciliation between Group and Statutory view

(£m)

	Q1'13	Q1'12	Var %
<b>PAT Group United Kingdom view</b>	<b>191</b>	<b>243</b>	<b>(22%)</b>
<b>Bank levy &amp; FSCS group accrual<sup>1</sup></b>	<b>32</b>	<b>36</b>	
<b>Differences in perimeter and other adjustments</b>	<b>2</b>	<b>10</b>	
<b>PAT Statutory Santander UK plc view</b>	<b>225</b>	<b>289</b>	<b>(22%)</b>

Other reporting differences arise between Group United Kingdom and Santander UK plc in relation to: intragroup charges; accounting treatments; and currency factors.



# Key risk indicators - strong sustained performance

32

	2008	2009	2010	2011	2012	Q1'13
Average LTV new lending	65%	61%	62%	65%	63%	N/A
Weighted Average LTV new lending	N/A	N/A	60%	61%	60%	57%
Indexed LTV on book	50%	52%	51%	52%	52%	52%
% new business LTV > 90%	2%	0%	0%	0%	0%	1% <sup>1</sup>
LTV 90%-100%	7%	10%	7%	7%	7%	6%
LTV > 100%	4%	7%	4%	5%	5%	5%

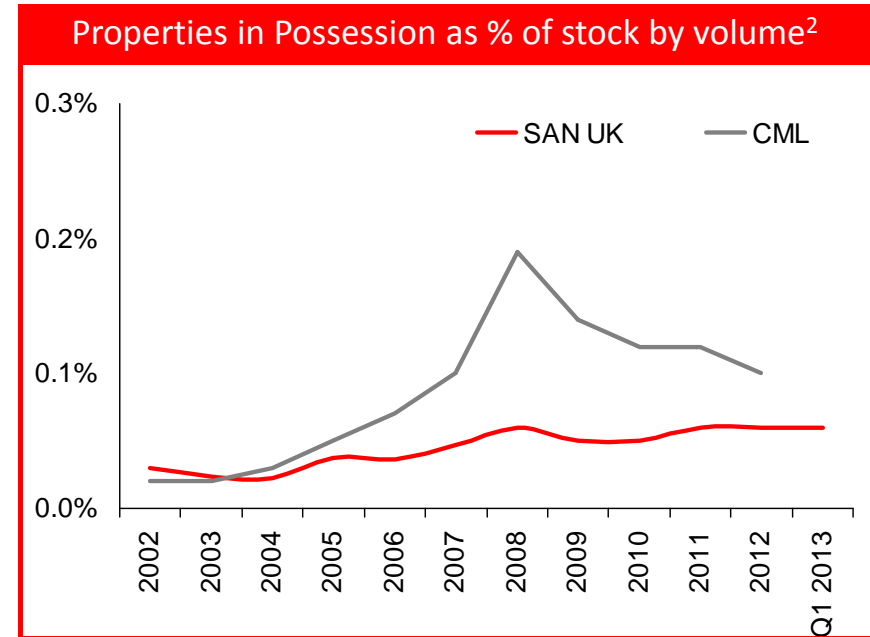
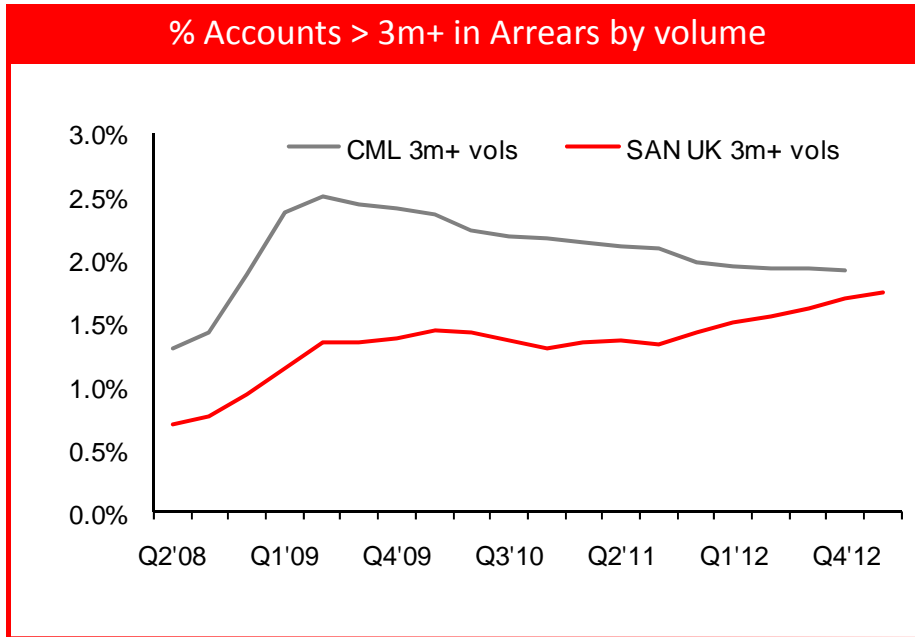
Source: Santander UK MI

United Kingdom

<sup>1</sup> In support of 2012 UK Government Scheme 'NewBuy', which enabled Santander UK to provide 95% LTV mortgages on new-build properties as the Government provides an indemnity guarantee.



# Three month plus arrears and repossessions and UK average<sup>1</sup>



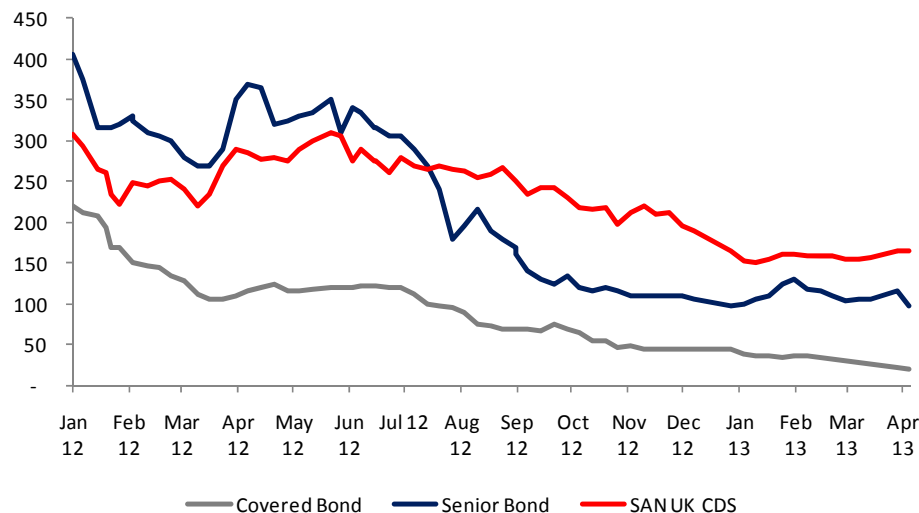
- The recent deterioration in NPL performance reflects the revised approach to classification and collections

- Santander UK's mortgage repossessions have outperformed the rest of the industry

No sub-prime or self-certified mortgages. Geographically spread portfolio

# Funding costs fallen progressively

## 5yr new issue indicative bond spreads evolution<sup>1</sup> (bps over MS)



- Improved investor sentiment has resulted in key issuance market spreads tightening to their lowest levels since 2007
- US/Europe central bank critical drivers of the rally
- Substantially lower refinancing costs from tightening of MTF spreads
- Relative illiquidity of trading in Santander UK CDS is resulting in the CDS trading at a dislocated premium to our secondary spreads
- On 7 January 2013, Santander UK priced a 5 year €1bn senior unsecured transaction at Mid Swap +97bps. This was significantly inside Santander UK's last senior unsecured trade in February 2012, a €750mm 18-month transaction that priced at 3m € +190bps

## Volume of CDS traded YTD<sup>2</sup> (up to Mar'13)

Institution	Volume traded (US\$bn)	Rank out of top 1,000
Santander UK	0.21	721
Barclays	6.85	25
Lloyds	5.80	36
RBS	5.70	39

<sup>1</sup> Source: Santander UK MI

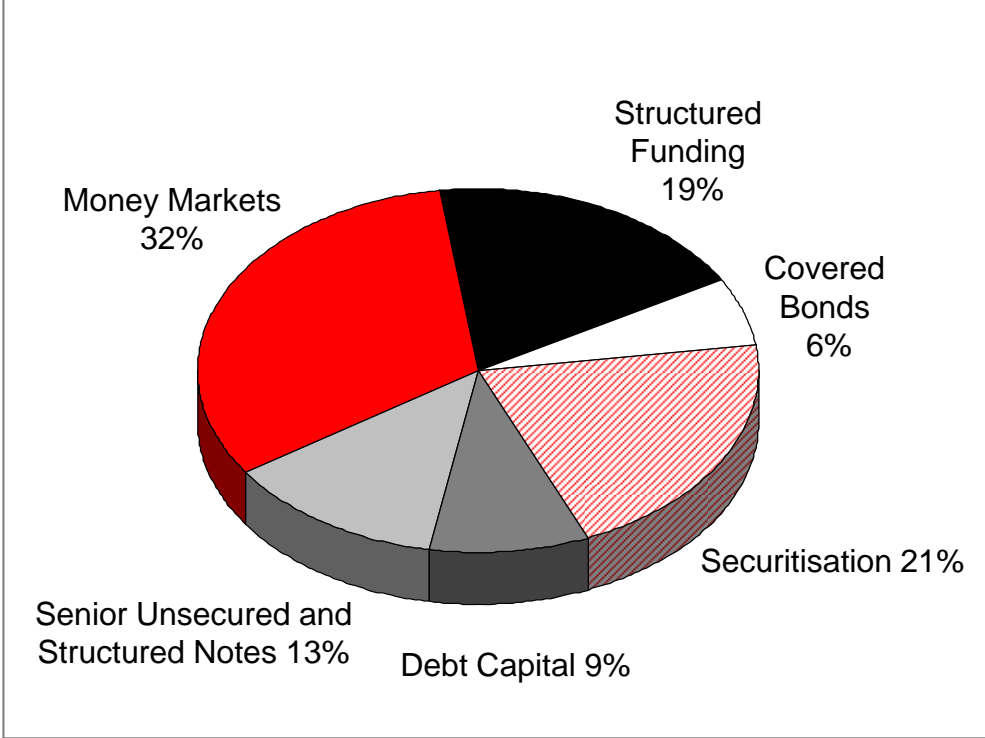
<sup>2</sup> Source: DTCC

Note: DTCC (The Depository Trust & Clearing Corporation) centralizes the volume traded in 1,000 counterparts from all dealers on a weekly basis

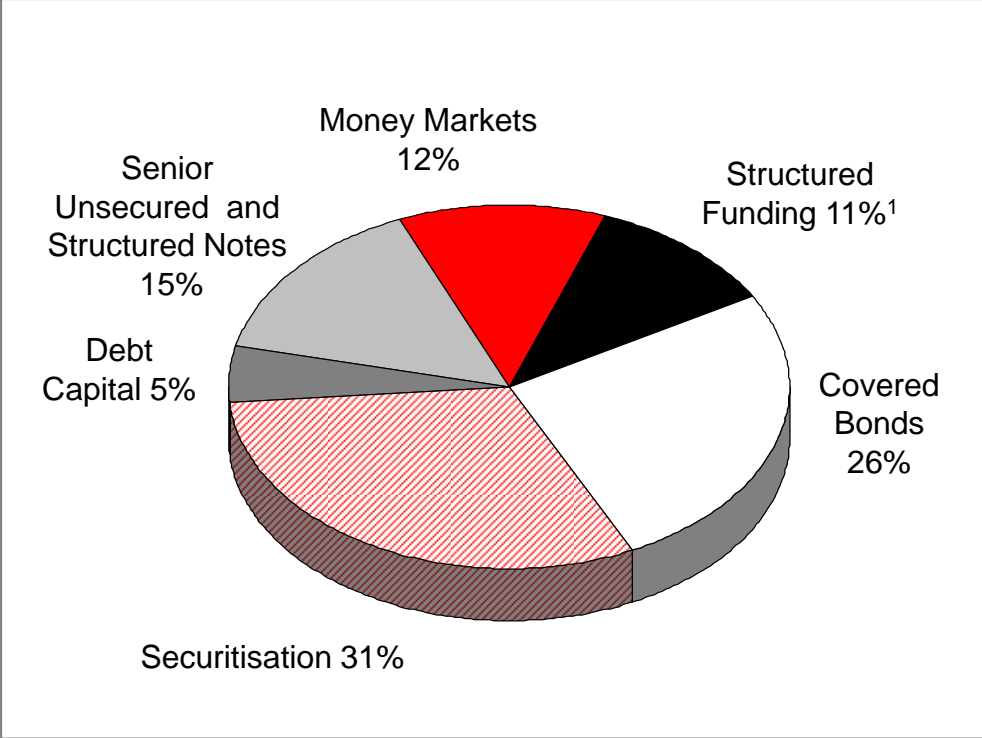
# Diverse funding sources and prudent funding profile

€1bn of MTF issuance in Q1'13

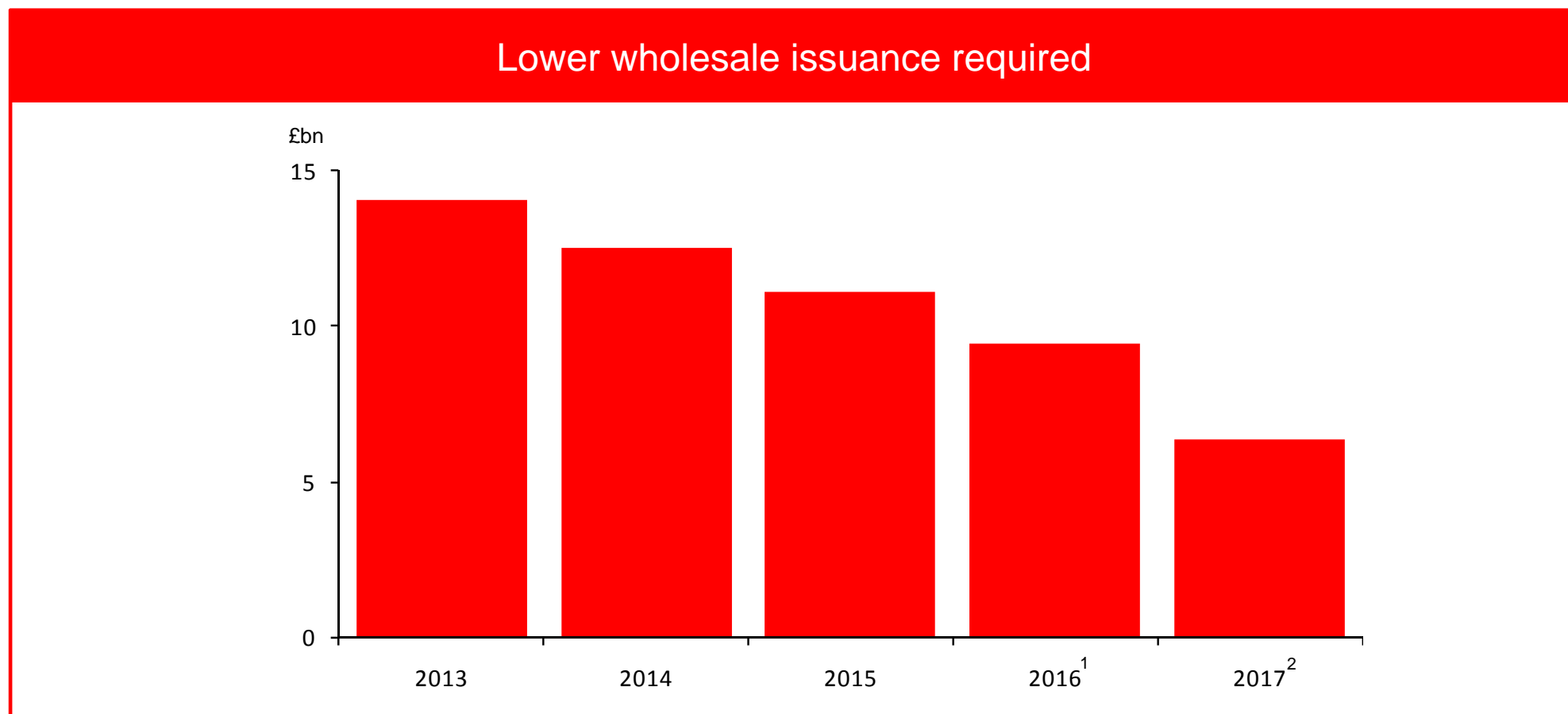
Wholesale funding stock composition at December 2009



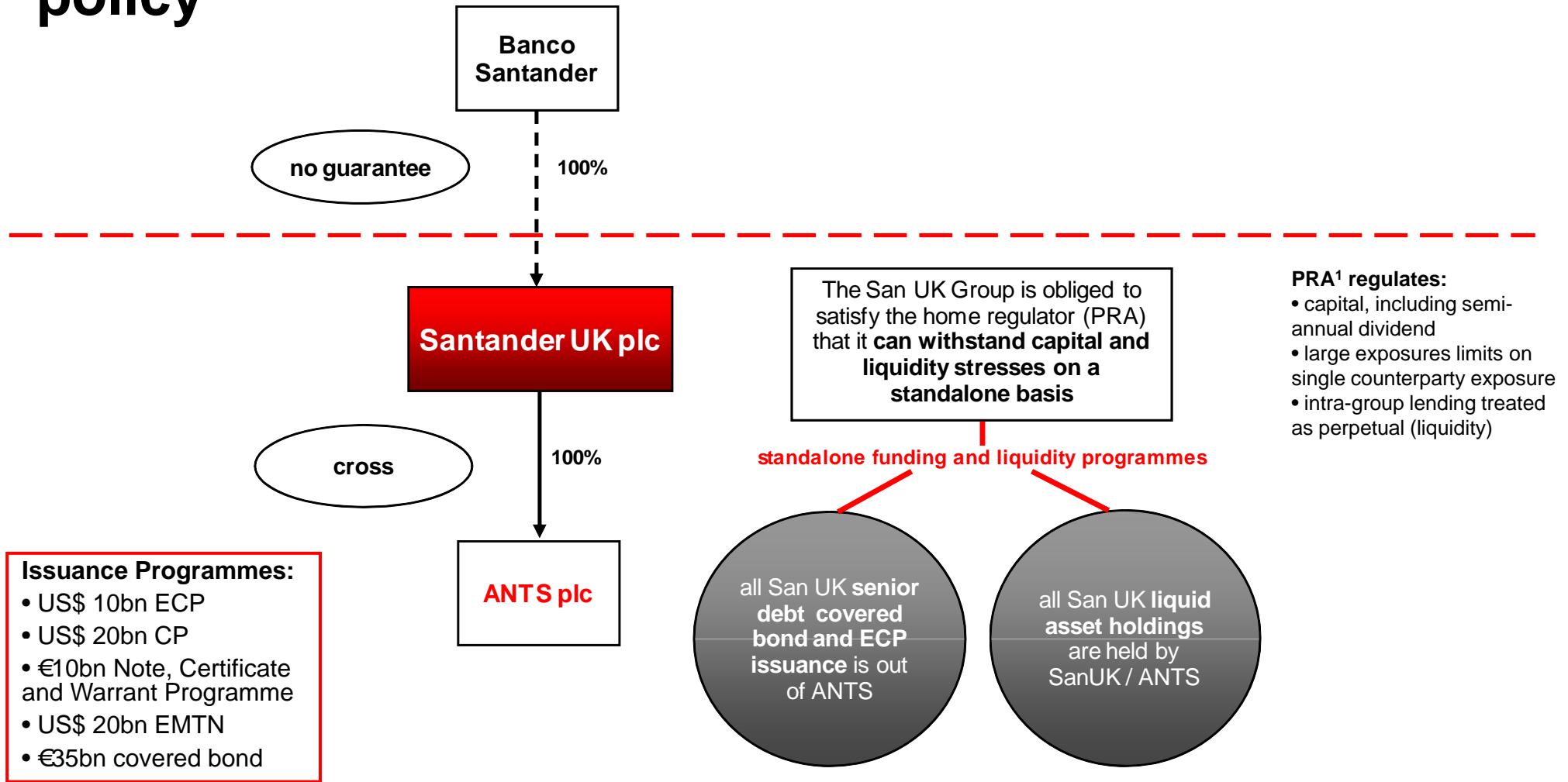
Wholesale funding stock composition at March 2013



# Medium term funding maturities profile



# Santander UK operates on a standalone basis, following Banco Santander independent subsidiaries policy



# Santander UK credit ratings

	<b>S&amp;P</b>	<b>Moody's</b>	<b>Fitch</b>
<b>Long Term</b>	<b>A</b>	<b>A2</b>	<b>A</b>
<b>Short Term</b>	<b>A-1</b>	<b>P-1</b>	<b>F1</b>
<b>Outlook</b>	<b>Negative</b>	<b>Negative</b>	<b>Stable</b>

- **Investors page:**
  - includes results and presentations pages
- **Debt Investors page:**
  - includes links to covered bond and securitisation programme sites
- **Investor Relations Contacts**
  - **James S Johnson** **+44 20 7756 5014**  
Head of Investor Relations
  
  - **Bojana Flint** **+44 20 7756 6474**  
Deputy Head of Investor Relations



# Santander UK

United Kingdom

