

## **Amendment to Program Information**

**Santander UK Group Holdings plc**

## AMENDMENT TO PROGRAM INFORMATION

Type of Information:	Amendment to Program Information
Date of Announcement:	2 February 2017
Issuer Name:	Santander UK Group Holdings plc (the " <b>Issuer</b> ")
Name and Title of Representative:	William Perkins Head of Medium Term Funding
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Type of Securities:	Notes (the " <b>Notes</b> ")
Address of Website for Announcement:	<a href="http://www.jpix.co.jp/english/equities/products/tpbm/announcement/index.html">http://www.jpix.co.jp/english/equities/products/tpbm/announcement/index.html</a>
Information on initial Program Information:	
Date of Filing:	5 October 2016
Scheduled Issuance Period:	5 October 2016 to 4 October 2017
Maximum Outstanding Issuance Amount:	€30,000,000,000

This amendment, consisting of this cover page and the Supplement dated 31 January 2017 to the Base Prospectus dated 31 August 2016, is filed to update the information included in the Program Information dated 5 October 2016 as amended by the amendment dated 28 October 2016 (the "**Program Information**"). This constitutes an integral part of the Program Information and shall be read together with it.

To the extent that there is any inconsistency between (a) any statement in this amendment and (b) any other statement in the Program Information (and its amendments, if any) prior to the date of this amendment, the statement in (a) above will prevail.

**SUPPLEMENT DATED 31 JANUARY 2017  
TO THE PROSPECTUS RELATING TO THE €30,000,000,000 EURO MEDIUM TERM NOTE  
PROGRAMME OF:**



**Santander UK Group Holdings plc**

*(incorporated in England and Wales with limited liability, registered number 08700698)*

This supplement (the "**Supplement**", which definition shall also include all information incorporated by reference herein) to the prospectus dated 31 August 2016, listed in the Schedule hereto as supplemented at the date hereof relating to the €30,000,000,000 Euro Medium Term Note Programme (the "**EMTN Programme**"), (the "**Prospectus**") (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**").

Unless otherwise defined herein, capitalised terms used in this Supplement have the meanings given to them in the Prospectus.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus and any other supplements to the Prospectus prepared by Santander UK Group Holdings plc, as issuer (the "**Issuer**") under the EMTN Programme.

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 the EMTN Programme.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (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 Prospectus (i) the unaudited quarterly management statement of the Issuer for the year ended 31 December 2016 (the "**Quarterly Management Statement**") 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 Prospectus, 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 Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Prospectus 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 Prospectus 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 Prospectus to which this Supplement relates.

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

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](mailto:treasurylegal@santander.co.uk).

## **PUBLICATION OF QUARTERLY MANAGEMENT STATEMENT**

On 25 January 2017, the Issuer published its Quarterly Management Statement.

Such Quarterly Management Statement, except for the contents of Appendix 4 appearing on page 22, is hereby incorporated in, and forms part of, the 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 Quarterly Management Statement is also available for viewing at: <http://www.santander.co.uk/uk/about-santander-uk/investor-relations/santander-uk-group-holdings-plc>.

## **GLOSSARY**

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 the EMTN Prospectus:

112I3 World	The 112I3 World is the marketing name for a suite of products offering customers a range of benefits such as cashback and tiered interest, house insurance and special deals. The products include the 112I3 Current Account, the 112I3 Credit Card, and additional current accounts tailored to specific stages in a person's life, such as the 112I3 Mini (for children, in Trust), Student, Graduate, and Postgraduate accounts.
112I3 World customer	A customer who holds one of our 112I3 current accounts, 112I3 Credit Card (including additional card holders) or the 112I3 Mini Account (in Trust). Trustees are not classed as 112I3 World customers. All customers must meet the eligibility for each product and 112I3 World offer.
Arrears	Customers are said to be in arrears when they are behind in fulfilling their obligations with the result that an outstanding loan is unpaid or overdue. Such a customer is also said to be in a state of delinquency. When a customer is in arrears, his entire outstanding balance is said to be delinquent, meaning that delinquent balances are the total outstanding loans on which payments are overdue.
Banking NIM	Banking net interest margin. Net interest income divided by average customer assets.
Business Banking	Division serving enterprises with a turnover of up to £6.5m per annum.

Colleague engagement	Colleague engagement is measured on annual basis in the Group Engagement Survey (GES), conducted by Korn Ferry for Banco Santander. Results are benchmarked against other firms in the UK financial sector and other high performing firms.
Commercial Real Estate (CRE)	Lending to UK customers, primarily on tenanted property assets, with a focus on the office, retail, industrial and residential sectors.
Common Equity Tier 1 (CET1) capital	The called-up share capital and eligible reserves less deductions calculated in accordance with the CRD IV implementation rules as per the PRA Policy Statement PS7/13. CET1 capital ratio is CET1 capital as a percentage of risk-weighted assets.
CET1 capital ratio	CET1 capital as a percentage of risk weighted assets.
Corporate customer satisfaction	Measured by the Charterhouse UK Business Banking Survey, an ongoing telephone based survey designed to monitor usage and attitude of UK businesses towards banks. 17,000 structured telephone interviews are conducted each year among businesses of all sizes from new start-ups to large corporates with annual sales of £1bn.
Corporates	The sum of SMEs with an annual turnover of between £6.5m and £50m, mid corporate customers between £50m and £500m and large corporate customers above £500m.
Cost-to-income ratio	Total operating expenses as a percentage of total income.
Coverage ratio	Impairment loss allowances as a percentage of total non-performing loans and advances. See non-performing loans and advances tables in the Risk review for industry specific definitions of individual products.
Capital Requirements Directive IV (CRD IV)	An EU legislative package covering prudential rules for banks, building societies and investment firms.
Current Account Switch Service (CASS) guarantee	On 16 September 2013, Bacs (previously Payments Council) launched CASS. The service is free-to-use for consumers, small charities, small businesses and small trusts, and is designed to make switching current accounts from one bank or building society to another, simpler, reliable and hassle-free, thus removing customers' perceived barriers to switching. The new service is backed by a customer guarantee and aims to increase competition in the high street, support the entry of new banks in the current account marketplace and give customers greater choice if they want to switch.

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.
Customer satisfaction	See ‘Corporate customer satisfaction’ and ‘Retail customer satisfaction’.
Defined benefit plan	A pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation. The employer's obligation can be more or less than its contributions to the fund.
Derivative	A contract or agreement whose value changes with changes in an underlying index such as interest rates, foreign exchange rates, share prices or indices and which requires no initial investment or an initial investment that is smaller than would be required for other types of contracts with a similar response to market factors. The principal types of derivatives are: swaps, forwards, futures and options.
Digital customers	Digital customers reflect the number of customers who have logged onto Retail or Business online banking or mobile app at least once in the month.
Distributable items	Equivalent to distributable profits under the Companies Act 2006.
Dividend payout ratio	Equity dividend declared as a percentage of earnings attributable to ordinary shareholders (profit after tax less payment of dividend on equity accounted instruments and non-controlling interests). The payment of each dividend is subject to regulatory approval.
Exposure	The maximum loss that a financial institution might suffer if a borrower, counterparty or group fails to meet their obligations or assets and off-balance sheet positions have to be realised.
Financial Conduct Authority (FCA)	A UK quasi-governmental agency formed as one of the successors to the Financial Services Authority (FSA). The FCA regulates financial firms providing services to UK consumers and maintains the integrity of the UK's financial markets. It focuses on the regulation of conduct by both retail and wholesale financial services firms.
Financial Services Compensation Scheme (FSCS)	The UK's statutory fund of last resort for customers of authorised financial services firms, established under the Financial Services and Markets Act (FSMA) 2000. The FSCS can pay compensation to customers if a UK PRA authorised firm is unable, or likely to be unable, to pay

	claims against it (for instance, an authorised bank is unable to pay claims by depositors). The FSCS is funded by levies on firms authorised by the PRA, including Santander UK plc and other members of the Santander UK group.
Funded/unfunded	Exposures where the notional amount of the transaction is either funded or unfunded. Represents exposures where a commitment to provide future funding has been made and the funds have been released/not released.
Funding for Lending Scheme (FLS)	A scheme designed by the Bank of England and HM Treasury to incentivise banks and building societies to boost their lending to UK households and non-financial companies. It aims to do this by providing funding to banks and building societies for an extended period, with both the price and quantity of funding provided linked to their performance in lending to the UK non-financial sector.
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.
Large corporate	Enterprises which have a turnover above £500m per annum.
Lending to corporates	The sum of our Business banking, Commercial Banking and Global Corporate Banking loan balances.
Liquid assets coverage of wholesale funding of less than one year	LCR eligible liquidity pool divided by wholesale funding with a residual maturity of less than one year.
Liquidity Coverage Ratio (LCR)	The LCR is intended to ensure that a bank maintains an adequate level of unencumbered, high quality liquid assets which can be used to offset the net cash outflows the bank could encounter under a short-term significant liquidity stress scenario.
LCR eligible liquidity pool	Assets eligible for inclusion in the LCR as high quality liquid assets. The LCR eligible liquidity pool also covers both Pillar 1 and Pillar 2 risks.
Loan loss rate	Defined as a rolling twelve months impairment charge on loans and advances divided by average loans and advances.
Loan-to-deposit ratio (LDR)	LDR is calculated as loans and advances to customers

	(excluding reverse repos) divided by deposits by customers (excluding repos).
Loan to value ratio (LTV)	The amount of a first mortgage charge as a percentage of the total appraised value of real property. The LTV ratio is used in determining the appropriate level of risk for the loan and therefore the price of the loan to the borrower. LTV ratios may be expressed in a number of ways, including origination LTV and indexed LTV.
Loyal retail customers	Primary banking current account customers (those who have a minimum credit turnover of at least £500 per month and at least two direct debits on the account) who hold an additional product.
Loyal SME and corporate customers	Business banking and corporate customers that hold at least three products. Corporate customers in the trade business must also have a current account with a minimum activity threshold specific to their customer segment.
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).
Mortgages	Refers to residential retail mortgages only and excludes social housing and commercial mortgage assets.
Mortgage retention	The proportion of customers with a maturing mortgage that remain with Santander. Applied to mortgages four months post maturity and is calculated as a twelve-month average of retention rates.
n.m.	Not meaningful when the change is above 100%.
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.
Net Interest Margin (NIM)	Net interest income as a percentage of average interest-



	earning assets.
Non-performing loans (NPLs)	Loans and advances are classified as non-performing typically when the counterparty fails to make payments when contractually due for three months or longer, although there can be additional qualifying criteria depending upon the business segment and product. For additional information on the definition of NPLs, see ‘Santander UK Group Level - Credit risk management – risk measurement and control’ in the Risk review section of the Annual Report.
NPL ratio	NPLs as a percentage of loans and advances to customers.
Other retail products	Other Retail products include Business Banking, Cater Allen, Structured Products, cahoot and the branch in Jersey.
People Supported	People supported through our charity partnerships and leading Explorer, Transformer and Changemaker programmes. Employee volunteer activities are organised through our flagship Discovery Project programme, the Santander Foundation and Santander Universities.
Pillar 2	The part of the CRD IV Accord which sets out the process by which a bank should review its overall capital adequacy and the processes under which the supervisors evaluate how well financial institutions are assessing their risks and take appropriate actions in response to the assessments.
PRA end-point Tier 1 leverage ratio	CRD IV end-point Tier 1 capital divided by exposures as defined by the European Commission Delegated Regulation 2015/62 of October 2014. In July 2016, the definition was amended to exclude from the calculation for total exposure those assets held against central banks that are matched by deposits in the same currency and of equal or longer maturity.
Prudential Regulation Authority (PRA)	The UK financial services regulator formed as one of the successors to the FSA. The PRA is part of the Bank of England and is responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers and major investment firms. It sets standards and supervises financial institutions at the level of the individual firm.
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.
Retail customer satisfaction	Measured through the Financial Research Survey (FRS), a monthly personal finance survey of around 5,000

	<p>consumers prepared by the independent market research agency, GfK. The ‘Overall 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 UK and competitor brands.</p>
Retail loans	<p>Loans to individuals rather than institutions, including residential mortgage lending and banking and consumer credit.</p>
Return on average tangible equity (RoTE)	<p>The profit after tax attributable to equity holders of the parent, divided by average shareholders’ equity less non-controlling interests, other equity instruments and average goodwill and other intangible assets.</p>
Risk-weighted assets (RWA)	<p>A measure of a bank’s assets adjusted for their associated risks. Risk weightings are established in accordance with the Basel Capital Accord as implemented by the PRA.</p>
Santander UK	<p>Refers to Santander UK Group Holdings plc and its subsidiaries.</p>
Securitisation	<p>A process by which a group of assets, usually loans, are aggregated into a pool, which is used to back the issuance of new securities. A company sells assets to a structured entity which then issues securities backed by the assets, based on their value. This allows the credit quality of the assets to be separated from the credit rating of the original company and transfers risk to external investors. Assets used in securitisations include mortgages to create mortgage-backed securities. Santander UK has established securitisation structures as part of its funding and capital management activities.</p>
Small and medium enterprises (SMEs)	<p>Enterprises with a turnover of between £6.5m and £50m per annum.</p>
SVR	<p>Standard Variable Rate for mortgages.</p>
Tier 1 capital	<p>A measure of a bank's financial strength defined by the PRA. It captures Core Tier 1 capital plus other Tier 1 securities in issue, but is subject to a deduction in respect of material holdings in financial companies.</p>
Total operating income	<p>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.</p>
Total wholesale funding	<p>Comprises the sum of all outstanding debt securities, structured issuance (including firm financing repurchase agreements), subordinated debt and capital issuance, TFS and non-customer deposits. Total wholesale funding</p>

	excludes any collateral received as part of the FLS.
Wholesale funding with a residual maturity of less than one year	Wholesale funding which has a residual maturity of less than one year at the balance sheet date.
Write-down	After an advance has been identified as impaired and is subject to an impairment allowance, the stage may be reached whereby it is concluded that there is no realistic prospect of further recovery. Write-downs will occur when, and to the extent that, the whole or part of a debt is considered irrecoverable.

## RECENT DEVELOPMENTS

The following wording shall, by virtue of this Supplement, be added on page 181 of the EMTN Programme Prospectus:

On December 22, 2016, the Issuer announced that the Board of the Issuer (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 our customers would be provided with a ‘wide’ ring-fence structure, rather than the ‘narrow’ ring-fence originally envisaged. Under this revised model Santander UK plc, the ring-fenced bank, will serve our retail, commercial and corporate customers. Abbey National Treasury Services plc will no longer constitute the non ring-fenced bank. Its 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**

### **EMTN PROGRAMME PROSPECTUS**

1. Prospectus dated 31 August 2016 relating to the €30,000,000,000 Euro Medium Term Note Programme (the "**EMTN Programme**") and the supplement to it dated 26 October 2016.