

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.

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

Product name

FTSE 100/S&P 500 Defensive Income Plan 1- Santander UK Option

ISIN	Manufacturer of the product	Competent Authority	Production Date of the KID
XS1772839160	Santander UK plc www.santander.co.uk/uk 0800 328 1328	Financial Conduct Authority	19 Feb 2018

What is this product?

This product is a structured investment. Your money will be used to buy securities issued by Investec Bank plc

Objective

This product is denominated in GBP and is designed to return your initial investment as well as delivering quarterly income payments linked to the performance of the S&P 500 and FTSE 100 (the 'Underlyings') over the term of 7 years. This product also has the potential to mature early ("Kick Out"), returning your initial investment, depending on the performance of the Underlyings.

Income Payments

At the end of each quarterly period, if the worst performing Underlying is above 62.5% of its starting level, this product will pay you an income payment of 1.5%. If the worst performing Underlying is equal to or below 62.5% of its starting level, the income payment for that quarterly period will be missed.

Early Maturity

This product will 'Kick Out' at the end of any quarter from the 2nd year onwards, returning your initial investment plus an income payment of 1.5%, if the worst performing Underlying is above 105% of its starting level.

Maturity after 7 years

If no Kick Out occurs and the product runs to the end of the recommended holding period, your return will be determined accordingly:

- If the worst performing Underlying is equal to or above 60% of its starting level the product will return your initial investment. If the worst performing underlying is above 62.5% of its starting level, you will also receive a final income payment of 1.5%
- However, if the worst performing underlying is below 60% of its starting level, your investment will be reduced by 1% for every 1% fall in the worst performing Underlying.

Intended Retail Investor

This product has been designed for investors who are looking to potentially achieve a high level of contingent income over a term of 7 years but can accommodate receiving their money back before the end of the term. Investors will have a medium-low appetite to risk. They will be prepared to risk their capital in order to achieve higher returns. Investors will understand that the potential returns of this product are linked to the performance of the FTSE 100 and S&P 500. Additionally, investors will have knowledge and understanding of this structured product and experience of financial markets.

Table of key dates

Start Date	Final Maturity Date	Kick Out Dates
29 Mar 2018	31 Mar 2025	30 Mar 2020, 29 Jun 2020, 29 Sep 2020, 29 Dec 2020, 29 Mar 2021, 29 Jun 2021, 29 Sep 2021, 29 Dec 2021, 29 Mar 2022, 29 Jun 2022, 29 Sep 2022, 29 Dec 2022, 29 Mar 2023, 29 Jun 2023, 29 Sep 2023, 29 Dec 2023, 02 Apr 2024, 01 Jul 2024, 30 Sep 2024, 30 Dec 2024, 31 Mar 25

The product may be terminated in certain limited circumstances. These are as follows:

- If it is impossible to administer the product in accordance with the ISA regulations or you are in breach of the ISA regulations.
- If you are in breach of any material obligation under the product's Terms and Conditions and you have failed to remedy the breach within a reasonable time of us requesting you to do so, or if you have given us inaccurate information and, had we received accurate information, we would not have accepted your application.
- If certain events arise, including but not limited to, illegality, amendments or disruption to the Underlying(s).

What are the risks and what can I get in return

Risk Indicator



Low Risk ◀-----▶ High Risk



The risk indicator assumes you keep the product until 31 Mar 2025. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may not be able to sell your product easily or you may have to sell at a price that significantly impacts how much you get back.

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 3 out of 7, representing a medium-low risk class. This classification rates the potential losses from market movements during the term of the product as medium-low. Poor market conditions are unlikely to impact the capacity of Santander UK plc to pay you.

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.

If Santander UK plc experiences a credit event (i.e. becomes insolvent, defaults on its payment obligations, experiences a restructuring of its debt obligations or becomes the subject of governmental intervention), 100% of your investment and future income payments will be at risk.

Performance Scenarios

Investment Scenarios		1 Year	4 Year	Maturity	Duration (years)
Stress Scenario	What you might get back after costs	£3,457	£3,589	£3,813	7
	Average return each year	-65.43%	-16.03%	-8.82%	
Unfavourable Scenario	What you might get back after costs	*	n/a	£11,200	2
	Average return each year	*	n/a	5.96%	
Moderate Scenario	What you might get back after costs	*	n/a	£11,800	3
	Average return each year	*	n/a	5.97%	
Favourable Scenario	What you might get back after costs	*	*	£14,200	7
	Average return each year	*	*	5.99%	

*These performance scenarios are based on the investment being held for the Duration shown in the final column. The value at this point would be subject to the availability of a secondary market, the availability of which is not guaranteed. Values are therefore not given for these scenarios as they could potentially be misleading

This table shows the money you could get back over the next 7 years, under different scenarios, assuming that you invest £10,000. The scenarios shown illustrate how your investment could perform. You can compare them with scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you will get will vary depending on how the market performs and how long you keep the product. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

The figures shown include all the costs of the product itself but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may affect how much you get back.

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

In the unlikely event that Santander UK plc becomes insolvent, you may lose some or all of your money invested in this product. This product is not protected under the Financial Services Compensation Scheme (FSCS). If you lose money solely because Santander UK plc fails to meet its obligations due to insolvency or for any other reason, you will not be able to claim against the FSCS for loss caused by such failure.

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. They include potential early exit penalties. The figures assume you invest £10,000. The figures are estimates and may change in the future.

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.

Costs over time

The table below shows how much the expected costs of the product would affect your return, assuming the product performs in line with the moderate performance scenario which indicates the product has matured after 3 years. If you cash in at the end of the recommended holding period of 7 years, the RIY is 0.3%.

Investment [£10,000] Scenarios	If you cash in after 1 year	If you cash in after maturity of 3 years	If you cash in at the end of the recommended holding period
Total costs	£251	£201	£201
Impact on return (RIY) per year	*	0.9%	0.3%

*A moderate performance scenario value is not given for this period therefore an RIY cannot be calculated..

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 recommended holding period.
- What the different cost categories mean

This Table shows the impact on return per year

One-off costs	Entry Costs	0.3%	The impact of the costs already included in the price. This is the most you will pay and you could pay less.
	Exit Costs	0%	The impact of the costs of exiting your investment when it matures.

The table above shows the split of the reduction in yield shown in the costs over time table at the end of the recommended holding period. The split of the actual estimated costs of the product as a percentage of the product notional amount is estimated to be as follows: entry costs: 2.01% and exit costs prior to the end of the recommended holding period: 0.5%.

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

Recommended holding period: 7 years

If you believe you may need your money before the maturity date, you should not invest in this product as you may get back less than you originally invested. If, after investing, your circumstances have changed and you decide that you need to withdraw money from the product before the end of the fixed term, you should only consider withdrawal as a last resort. Only whole numbers of units can be cashed in. You can also change your mind and cancel your product within 14 days.

How can I complain?

Any complaint about the sale of this product should be made to your intermediary or distributor. A complaint about any other aspect of this Plan should be made to Investec Structured Products, PO Box 914, Newport NP20 9PE (Telephone no. 0344 892 0942). Alternatively, contact us at 0207 597 4065 or via email at FPComplaints@investec.co.uk

If your complaint is not dealt with to your satisfaction you can complain to The Financial Ombudsman Service, Exchange Tower, London E14 9SR. Making a complaint will not prejudice your right to take legal proceedings.

Other relevant information

The full terms and conditions of the product are set out in the Base Prospectus and Final Terms relating to the issue of the product as supplemented and amended from time to time. The Base Prospectus and Final Terms can be found here:

www.santander.co.uk/uk/about-santander-uk/investor-relations/abbey-notes-certificates-and-warrants-programme.

Index provider disclosure

The Securities have not been sponsored or endorsed in any way, nor have the providers of the Underlyings undertaken any obligation to perform any regulated activity in relation to the Securities. Please see www.investec.com for details of any disclaimers in relation to the Underlying.



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