

MARKET NOTICE OF REDEMPTION

IMPORTANT NOTICE TO THE HOLDERS OF THE

£50,000,000 Fixed/Floating Rate Subordinated Notes due 18 January 2018
(ISIN: XS0279212210)
(the "Notes")

Issued by
SKIPTON BUILDING SOCIETY

(a building society incorporated under the Building Societies Act 1986, as amended, under number 153706)

(the "Issuer")

on 18 December 2006

under its 2,000,000,000 Euro Medium Term Note Programme

Notice of Redemption to the Holders of the Notes

Notice is hereby given that, pursuant to Condition 7(c) of the Notes, the Issuer will redeem all of the Notes outstanding on 18 April 2017 (the "**Redemption Date**"), at the Optional Redemption Amount (being £50,000 per Note of £50,000 Specified Denomination) with interest accrued to (but excluding) the Redemption Date.

Following redemption, the Notes will be cancelled pursuant to Condition 7(i) of the Notes.

The Issuer will apply to the Financial Conduct Authority in its capacity as competent authority (the "**UK Listing Authority**") to cancel the listing of the Notes on the Official List of the UK Listing Authority, and on the London Stock Exchange, with effect from (and including) the Redemption Date.

This Notice contains inside information and has been made by Anthony Chapman, Group Treasurer, on behalf of the Issuer, at 9:30am on 20 March 2017.

Skipton Building Society

The Bailey, Skipton, North Yorkshire, BD23 1DN

Date: 20 March 2017