

A Leading Voice of Mutual Banking

Media Release

Thursday, 7 July 2022

NEWCASTLE PERMANENT CHANGES VARIABLE HOME LOAN RATES AND DEPOSIT RATES

Newcastle Permanent today announced it will increase interest rates for our variable loans and on a number of savings products.

This announcement follows the RBA's decision on Tuesday to increase interest rates by 0.50%, from 0.85% to 1.35%.

Our variable home loan rates and business loan rates will increase by up to 0.50% p.a. and take effect from 15 July 2022, applying to new and existing customers. Rates will also be increased on a number of deposit products, including an increase of 0.90% p.a. on selected term deposit offers.

Newcastle Permanent CEO, Bernadette Inglis, said the decision was made after reviewing the customer-owned organisation's interest rates and the broader market.

"A third rate-increase in as many months is obviously a challenging proposition for our borrowing customers but it's an action that the Reserve Bank has undertaken to manage inflation," said Ms Inglis.

"Passing the increase on to our 45,000 home loan customers is not a decision we make lightly but one that is necessary in order to maintain a competitive position in the marketplace, while ensuring we offer the best possible outcome for all 330,000 of our customers.

"Today we have also announced an increase to interest rates across a range of our deposit products, including our popular Smart Saver Account, Special Monthly Interest Account and term deposit offers, including an increase of 0.90% on selected term deposit offers.

"Combined, these changes will see more than 85,000 of our loyal customers experience an improved return on their funds.

"Newcastle Permanent started as a better way for our customers to achieve home ownership and almost 120 years later, this remains absolutely central to our ethos. For any customers who may be experiencing hardship or who may have concerns about their ability to meet their home loan repayments, we are here to support you and we urge you to speak with our Customer Assist team who will discuss your individual circumstances and options available to you."

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Newcastle Permanent will directly contact impacted variable home loan customers, through email or letter, whose accounts have been affected by today's announcement.

Newcastle Permanent has a range of home loan options available for customers including splitting loans between fixed and variable rates as well as range of competitive fixed-rate options. Customers are encouraged to discuss their banking needs, including customers who are experiencing financial difficulty, with their local branch manager or contact the Customer Contact Centre on 13 19 87 to ensure they have the right home loan, savings or deposit account for their individual needs.