

25 July 2018

Increases in funding costs impacts variable loan rates

Newcastle Permanent has announced today changes to its variable interest rates for both new and existing loans.

These changes are necessary to meet the significant increases in wholesale and retail funding costs. The increase in funding costs is impacting on the entire banking sector with many significant financial institutions already passing on rate changes to home loan customers recently.

At Newcastle Permanent we regularly review lending and deposit interest rates to ensure we are operating sustainably for the ongoing benefit of all our customers. The decision to increase rates is not taken lightly and careful consideration is given to all Newcastle Permanent's 325,000 customers including the approximately 45,000 customers that have a variable loan.

From 1 August 2018, the following changes will be made:

Variable Rate Home Loan Product type	Rate Change p.a.
Owner occupiers (principal and interest repayments)	0.08%
Owner occupiers (interest based repayments)	0.12%
Investors (principal and interest and interest based repayments)	0.12%
Owner occupier and investor lines of credit (credit facilities)	0.12%

To allow customers time to plan, the new repayment amounts will not come into effect until September 2018.

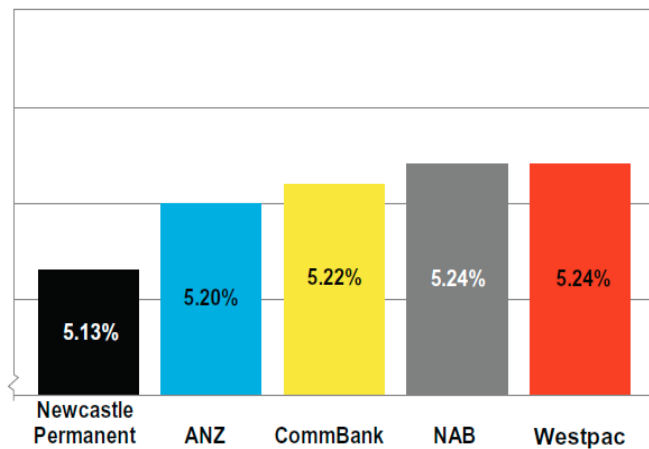
A rate rise of 0.08% p.a. increases repayments by approximately **\$5 per month** for each \$100,000 of loan balance, based on a 30-year loan term with principal and interest repayments.

An interest rate increase of 0.12% p.a. increases repayments by approximately **\$8 per month** for each \$100,000 of loan balance, based on a 30-year loan term with principal and interest repayments.

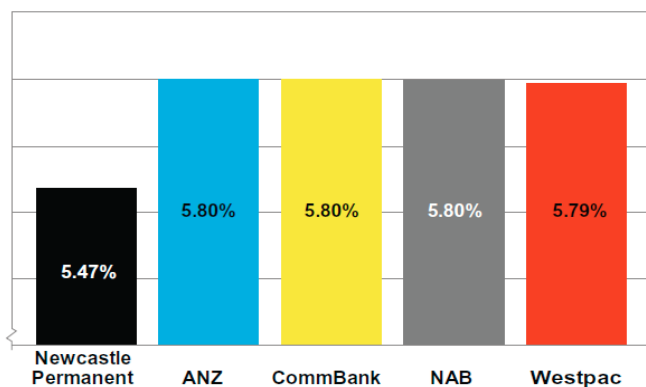
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Even after these increases in interest rates take effect, our variable home loans will still be some of the most competitive in the country, as shown in the charts below:



Standard Variable Owner Occupied
Principal and Interest Rates including
increases announced as at 17 July 2018.



Standard Variable Investment Principal
and Interest Rates including increases
announced as at 17 July 2018.

Customers who would like more certainty about their repayments, or to find out what other options are available, are encouraged to speak to one of our home loan experts by emailing enquiries@npbs.com.au or calling us on **13 19 87**.

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