

For immediate release: 13 May 2009

NEWCASTLE PREDICTS INCREASING DEMAND FROM INTERMEDIARIES FOR STRUCTURED PRODUCTS AS CONSUMERS LOOK FOR SAFETY

'Newcastle figures show sharp increase in popularity of structured deposit products'

One year since the launch of Newcastle Intermediary Services (IS), the first Guaranteed Structured Deposits website dedicated to Independent Financial Advisers and intermediary networks, the Newcastle is advising intermediaries to prepare for an upswing in the demand for structured products. It is also offering extensive sales tips and competitive rates of commission via its interactive website, www.newcastleis.co.uk.

Recent figures from Newcastle Building Society show that its direct sales of structured deposit products have surpassed the predicted sales for Q1 2009 by more than 50%, demonstrating the growing consumer demand for these accounts as people look for safe ways to increase their savings rate.

These figures are also reflected in the wider market. In 2008 the UK structured products market as a whole was worth £8.5bn in sales, a 26% increase on 2007. Figures from 2009 so far show £4.3bn worth in sales, which, if continued, could see total sales of £13bn by the end of the year.

Steven Marks, Intermediary Services Executive, at Newcastle Building Society, commented:

"The low interest rate environment, combined with the feeling that markets are at or near the bottom of the cycle has seen an increased demand in the marketplace, and means that customers are generally happy to invest over the medium-term in stock market linked products.

"Our structured Products guarantee that customers will get their initial investment back and it is the security offered by these products that is especially attractive in the current environment. Their protection is also enhanced by the Financial Services Compensation Scheme (FSCS) and Newcastle's 100% capital guarantee which protects against falls in equity markets.

“IFAs dealing with structured products need comprehensive information to hand, which we provide via our interactive website, www.newcastleis.co.uk. The site allows you to submit online applications, staged application and commission tracking, a sales toolkit, literature library and an online ordering system, all designed to provide advisers with a fully functional and reliable service. In addition, Newcastle IS can provide flexible support to portfolio planning, allowing for bespoke products.”

For more information please contact Newcastle IS on 0845 603 9299, e-mail intermediarysales@newcastle.co.uk or visit www.newcastleis.co.uk.

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