

NEWCASTLE BUILDING SOCIETY REACHES ONE MILLION LIVE SAVINGS ACCOUNTS

- £14bn assets in total under management
- Savings growth creates 120 jobs at new office base

Newcastle Building Society has reached the milestone of one million live customer savings accounts across its business - and is set to increase this number rapidly off the back of rapid growth and recent expansion of its business solutions outsourcing arm, Newcastle Strategic Solutions Limited (NSSL).

The one million figure includes assets under management across both its core member business and its successful savings administration offering, which manages balances for its clients in excess of £10bn.

Newcastle Building Society has adopted an innovative strategy of diversification to offer business solutions based on its core IT, processing and administration skills and state of the art systems. NSSL now boasts a client base including names such as Bradford & Bingley, Landsbanki with Icesave and Cattles.

Colin Seccombe, Chief Executive of Newcastle Building Society, said: "One million live savings accounts is a significant achievement for the society. We have increased our number of savers with our core member business by 14% over the past eighteen months and remain committed to making available products with competitive rates, operated over the phone, in branch or via the internet.

"We are also seeing NSSL go from strength to strength, particularly savings outsourcing. Successes this year include new contracts for Cattles and another major bank, which has led to at least 120 new job opportunities with the Society."

Phil Grand, Customer Service Executive, said: "The growth of our savings offering is testimony to the emphasis we place on customer service at the Newcastle. This is borne out through the recent acquisition of a brand new office in North

Tyneside, specifically to house the expanding NSSL operation and continue improving the standards of service we offer.

“We anticipate creating up to 500 new jobs at this new site by 2012, and growth this year, particularly in the area of savings management, means we are over half way towards this target, with around 150 of these positions filled, and a further 175 vacancies.”

-ENDS-

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About Newcastle Strategic Solutions Ltd:

In May 1997 Newcastle Building Society launched the first component of its Solutions business - Building Society Systems (formerly known as Newton Facilities Management Limited or NFML) - which aimed to provide modern, cost efficient computer systems and support to like minded building societies. Since its beginnings Newcastle Solutions business has grown in line with the Society and expanded its operation to include specific savings and mortgage system expertise - Card Solutions forms the most recent addition to the operation. www.nssl.co.info

About Newcastle Building Society

Newcastle Building Society is the biggest building society based in the North East and one of the strongest mutual building societies in the country. With assets under management of over £4.82bn we are certainly large enough to cope but small enough to care deeply about the needs of our members. We are committed to providing a range of innovative and attractive products and services. www.newcastle.co.uk

The Newcastle Building Society is committed to remaining mutual and by doing so we feel we are better placed to continue to provide our investors with the quality of service expected from one of the country's strongest building societies.