



PRESS RELEASE

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HM GOG regrets Newcastle Building Society Decision to Close Branch in Gibraltar

HM GOG was informed at noon today, by a senior Director from the United Kingdom, of the decision by the Newcastle Building Society to close their branch in Gibraltar following what they say was an 18 month review. HM GOG regrets the news that Newcastle has following a strategic review closed a number of branches, including Gibraltar.

The Government notes that it was not aware this review was taking place and will look into the circumstances as to why it was not informed of this fact earlier allowing it an opportunity to influence the outcome.

HM GOG also regrets that a press release was issued without time for the Government to be able to react proactively in any way.

There are three pressing priorities that arise from this situation:

- 1) It has been made clear to the Newcastle Building Society that a closure date for the branch of October, is insufficient especially in the context of a 27 year history on the Rock. They have an obligation to their loyal and faithful customers to give them significantly more time to where necessary make alternative arrangements.
- 2) Whilst the Building Society has stated that it will naturally continue to honour existing mortgages, the Government feels that clients of the branch in these circumstances should have access to as broad a product base as possible, especially when fixed terms expire and not have to rely exclusively on either taking a variable rate or finding another provider.
- 3) One of the Government's main concerns is with the 8 staff of the branch and will work closely with them and offer as much support and assistance as possible; starting from today.

HM GOG trusts that the Newcastle Building Society will reconsider its position in respect of these points where it is in a position to offer flexibility.

The Government notes that there are no Gibraltar specific circumstances that have prompted the decision to close but remains disappointed by the decision.