

MEDIA RELEASE

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Clydesdale and Yorkshire Banks announce Standard Variable Rate (SVR) change

Clydesdale and Yorkshire Banks have today announced a change to their Standard Variable Rate (SVR) for residential mortgage customers.

With effect from 1 May 2012, the Banks' SVR will move from 4.59% to 4.95%. The change will affect less than a third (30,000) of existing mortgage customers.

The change will mean an average increase in repayments of less than £30 per month.

This is the first change to the Banks' SVR in over three years, and reflects the increased cost of borrowing associated with the provision of mortgages.

Until 31 July 2012, our standard Mortgage Exit Administration Fees will be waived for impacted customers wishing to re-mortgage to another provider.

Steve Reid, Retail Director, said:

"While our SVR will continue to remain competitively below a number of other UK mortgage providers, the market and costs associated with providing mortgages have changed significantly in the three years since the rate last moved.

"We don't take such decisions lightly and fully appreciate the impact this will have on some customers but you only have to look at the narrow gap between longer-term savings rates and mortgage borrowing rates to see how things have changed. For instance, on our market-leading five year savings account we are offering interest rates that are just 0.7%* below the new SVR. With significantly more savers than borrowers, it is important that we balance the needs of all of our customers

"This change will help enable us to continue to support savers and maintain the competitiveness of our deposit rates. Our commitment to the mortgage market, including strong support for first-time buyers as one of only a handful of lenders who have consistently offered 95% LTV mortgages, remains as strong as ever."

Note to editors

Loan	Repayment Type	Current Monthly Payment	New Monthly Payment	Difference
£100K 25 year term	Capital & Interest	£560.95	£581.68	£20.73
£100K 25 year term	Interest Only	£382.50	£412.50	£30.00

* Our current 5 year term deposit offers 4.63% Gross/ 4.25% AER

Clydesdale Bank was established in 1838 in Glasgow and has a proud history of innovation and support for Scottish industry and communities as well as a significant presence in London and the south of England. Yorkshire Bank, which has a strong personal customer base and a growing business capability in the North of England and the Midlands, was founded in 1859 in Halifax, West Yorkshire. With a combined network of 337 retail branches and 72 Financial Solutions Centres, both Clydesdale and Yorkshire Banks are members of the National Australia Bank Group.

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