

ASX Release  
1 December 2023

## Leading non-bank lender Pepper Money completes the acquisition of HSBC's mortgage portfolio in New Zealand

**Pepper Money Limited** (ASX: PPM) today announces that it has completed the acquisition of the New Zealand prime residential mortgage portfolio of The Hongkong and Shanghai Banking Corporation Limited (HSBC), a wholly owned subsidiary of HSBC Holdings plc.

Pepper Money announced it had entered into a binding agreement to acquire HSBC's New Zealand mortgage portfolio on 1 September 2023. Pepper Money and HSBC have worked together to ensure a smooth and efficient transition for existing customers. The mortgages portfolio acquired by Pepper Money, at completion, is NZ\$1.2 billion in outstanding balance, delivering scale to Pepper Money's existing New Zealand home loan business.

Pepper Money has funded the transaction in a similar way to the Company's loan origination activity, namely, through a combination of senior and mezzanine funding with Pepper Money contributing the first loss equity. The portfolio acquired is a prime, seasoned and well performing portfolio, and the level of first loss required reflects this.

Pepper Money has been servicing mortgages in New Zealand since 2011 when it acquired GE Capital's Australian and New Zealand Home Lending business. Since then, Pepper Money has continued to grow its presence in this market with the establishment of an end-to-end mortgage platform and nationwide rollout of a full suite of residential home loans (Prime, Near Prime and Specialist loans) in 2019.

Pepper Money's CEO, Mario Rehayem said, *"I am delighted to announce the successful completion of HSBC's NZ\$1.2 billion mortgage portfolio in New Zealand. Today's announcement marks another milestone in Pepper Money's strategy. Pepper Money has built strong & proven capabilities in loan portfolio acquisition and management. We have been able to acquire HSBC's mortgage portfolio and integrate seamlessly within our existing operations, given our scaled technology and customer support. I am excited as this acquisition sees Pepper Money build scale in New Zealand, a market which we understand well having serviced mortgages and delivered compelling customer service since 2011. Acquisitions are complex endeavours that require meticulous planning and execution, and I would like to take this opportunity to thank both the Pepper Money and HSBC teams who worked tirelessly throughout the entire process."*

**CY2023 Results**

Pepper Money will release its CY2023 results on 29 February 2024, and will provide further details on the New Zealand loan portfolio with the full year CY2023 results.

ENDS

This announcement was authorised for release by the Board.

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**Note to editors:****About Pepper Money**

Pepper Money is one of Australia and New Zealand's leading non-bank lenders. It was established in 2000 as a specialist residential home loan lender in Australia with a focus on providing innovative home loan solutions to customers underserved by traditional lenders. Pepper Money today has a broad product offering of residential home loans, asset finance, commercial real estate and novated leases in Australia and residential home loans in New Zealand. For more information visit <https://www.pepper.com.au>.