

31 July 2015

## **Pepper Group's Ireland business wins Third Party Asset Servicing Contract**

Pepper Asset Servicing (Pepper Ireland), part of the Pepper Group Limited (ASX:PEP) (Pepper), has been awarded the contract to provide Third Party asset servicing on a A\$5.6<sup>1</sup> billion loan portfolio, recently acquired by Carval Investors and Goldman Sachs affiliated entities from Lloyds Banking Group. The size of the total portfolio has been reduced by a small amount that will be purchased and serviced by the Bank of Ireland.

The portfolio comprises a mix of Residential, Commercial and Unsecured loans and was part of the Pepper Group's pipeline of potential new third party servicing contracts across Europe that was identified in its recent prospectus.

Pepper Ireland will begin servicing these assets late in CY15, and as such Pepper Group expects this contract will be earnings accretive from FY16 and will generate approximately A\$20m in revenue over the life of the 4 year contract. Pepper Group has a 31 December Financial Year end.

The deal is evidence of Pepper Group's growth strategy aimed at winning new third party servicing contracts across a diverse range of asset classes and organically building new lending volumes through targeted multiple distribution channels.

Commenting on this win, Pepper Group's Co Group CEO, Mike Culhane said "This is a fantastic win for Pepper Group so early in its life as a listed entity, and shows the depth and quality of the pipeline available to Pepper in key European locations, where the trend of bank balance sheet deleveraging continues."

Pepper Group's Co Group CEO, Patrick Tuttle continued, "Financial buyers across the globe are recognising the importance of the specialist loan servicing capabilities that Pepper brings to the management of legacy, non-core bank loan portfolios."

Pepper Group's loan servicing business has grown into an international scale platform with A\$24.4 billion of Servicing AUM as at 31 December 2014. This transaction will increase current AUM by approximately A\$5.6 billion when completed.

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<sup>1</sup> Approximately €3.7 billion based on an AUD:EUR exchange rate of 0.46



### **About Pepper Group Limited**

Pepper Group Limited (Pepper) is a specialist residential mortgage and consumer lender and loan servicer, operating in targeted market segments in Australia and internationally, many of which are underserved by traditional bank and other prime lenders. Pepper was established in 2000 and commenced lending as a specialist residential mortgage lender in the Australian market in March 2001.

Pepper offers a broad range of lending products including residential mortgages, auto and equipment finance, point-of-sale finance and personal loans. Pepper also provides loan servicing for its own products as well as for third parties across residential mortgages, consumer unsecured and secured loans and commercial real estate (CRE) backed loans. Pepper has become a specialist lending and loan servicing group through a combination of organic growth and targeted acquisitions across Australia, New Zealand, Ireland, the United Kingdom, Spain, South Korea, and Hong Kong and China through its 12% equity interest in PrimeCredit.

At 31 December 2014, Pepper had \$28.6 billion of assets under management (AUM).

### **About Pepper Ireland**

Pepper Ireland is a leading servicer of third-party loan portfolios, asset management and advisory services spanning a range of asset classes included residential mortgages, commercial mortgages, auto finance, unsecured loans and equipment finance.

At 31 December 2014, Pepper had over €12 billion of loan and commercial real estate assets under management (AUM).