

7th October 2015

Pepper Group's Ireland business signs third party asset servicing contract

Pepper Ireland, a subsidiary of Pepper Group Limited (ASX:PEP), has signed a contract with Lloyds Banking Group to provide third party asset servicing services on the group's Irish residential loan portfolio worth A\$8.8 billion¹ on undisclosed terms. The vast majority of the portfolio is performing.

This is the second asset servicing contract Pepper's Irish business has won since Pepper Group listed on the Australian Securities Exchange on 31 July 2015.

Commenting on this contract, Co Group Chief Executive Officer, Mike Culhane said "This was a detailed and competitive tender process. Pepper's 20 years' experience in asset servicing, coupled with its unique and innovative approach, where we service these loans as if we owned them ourselves has been, and will continue to be, crucial to our success."

Co Group Chief Executive Officer, Patrick Tuttle continued "Contract wins like these means Pepper can grow and diversify its business strategically. Pepper continues to capitalise on opportunities stemming from large, traditional players, such as Lloyds Banking Group, exiting from segments of the market that we are targeting."

It is expected that Pepper Ireland will begin servicing these assets by the end of the 2nd quarter of calendar 2016, following a suitable transition process.

Pepper Group's loan servicing platform had A\$36.8 billion in total Assets Under Management (AUM) as at 30 June 2015. This contract increases current AUM by approximately A\$8.8 billion when boarded.

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¹ Approximately €5.6bn based on AUD:EUR exchange rate of 0.63



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 30 June 2015, Pepper had \$36.8 billion of assets under management (AUM).