



Pepper Acquires Spanish Loan Business of Celeris

Media Release

Pepper Group

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Consumer Loan Business and 121 Celeris employees will transfer to Pepper when transaction closes. New business to trade as Pepper Finance Corporation (Spain) SL. Investment in Spain marks a significant milestone in Pepper's ongoing European expansion and growth. Pepper was supported by Goldman Sachs International ("GS") as funding partner and exclusive financial advisor for the transaction. Madrid, Spain - 12 February 2013: Pepper Group ("Pepper") today announced that it has agreed to acquire the Spanish consumer loan business of Celeris, including a portfolio of approximately 164,000 performing consumer loans and a small non-performing loan book, representing in aggregate approximately €290 million in receivables.

Founded in 2006, Celeris is a leading Spanish provider of personal loans and sales finance, owned by a consortium of leading Spanish savings banks and financial institutions. In addition to acquiring the consumer loan business and operating platform, Pepper will, under a separate agreement, also take over the servicing of Celeris' portfolio of residential mortgages.

The transaction, which is scheduled to be completed on February 28th, 2013, will result in 121 highly experienced Celeris employees transferring to Pepper, where they will continue to service existing customers. Current Celeris customers are in no way affected by the transaction. Pepper's Spanish business will trade as "Pepper Finance Corporation (Spain) SL".

Established in 2001, Pepper is one of Australia's leading providers of specialist residential mortgage finance and servicer of third-party asset portfolios, including residential and commercial mortgages, equipment and auto leases, and unsecured small business and personal loans. The company currently has approximately EUR 4.0 billion of loan and lease assets under management and is ranked by Standard and Poor's as a "STRONG" Residential Loan Servicer.

In June 2012, the company announced its ambitious European expansion plans, when it acquired the mortgage business of GE Capital in Ireland in a transaction that saw about 150 GE employees transfer to Pepper. Since then, Pepper has continued to invest in and expand the Irish operation.

Pepper worked in partnership on the transaction with Goldman Sachs, who provided funding and acted as exclusive financial advisor to the consortium. Goldman Sachs acted in a similar capacity in Pepper's acquisition of GE Capital's Irish residential mortgage business.

Pepper's Executive Chairman, Mike Culhane, said: "We're delighted to announce the acquisition of the Celeris business which provides Pepper with a strong platform to grow our business in Spain and positions us for future acquisitions and third-party servicing opportunities in Spain and elsewhere in Europe. In Spain, we intend to provide an extensive range of loan management, administration, and collection services to third parties, as well as detailed due diligence and portfolio pricing services to sophisticated financial investors looking to participate in the deleveraging of bank balance sheets across Europe."

Pepper's Group CEO, Patrick Tuttle, added: "This announcement represents a very significant milestone in Pepper's European expansion strategy and in achieving our ambition of establishing Pepper as a best-in-class pan-European loan servicing and real estate manager, spanning a range of asset classes including residential mortgages, commercial mortgages, consumer finance and unsecured small business and personal loans. As we've successfully done in Ireland, we look forward to growing the business in Spain where we have already identified a number of potential new business and third-party loan servicing opportunities."

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About Pepper – Key Facts

Pepper Group ("Pepper") is Australia's largest non-bank residential mortgage lender (as measured by total assets under management), a leading provider of specialty residential mortgage and consumer financing and a highly experienced third-party loan servicer and asset manager. Worldwide, the company currently has approximately €4 Billion of loan and lease assets under management (comprising residential mortgages, commercial mortgages, equipment leases, small business loans unsecured consumer loans and car loans). Since establishing itself as a specialist residential mortgage lender in the Australian market in March 2001, Pepper has originated more than A\$3.8 billion of specialist residential mortgages in Australia. In 2011 Pepper acquired GE Capital's Australian and New Zealand mortgage lending businesses, which comprised a portfolio of approximately A\$5.0 billion of Australian and New Zealand residential mortgages. This transaction was one of the largest whole loan transactions in Australian history. In June 2012, Pepper established Pepper Asset Servicing in Ireland, having acquired the Irish mortgage business of GE Capital which included 3,500 Irish mortgage accounts and €600 million in receivables. At the time the company also assumed responsibility for the servicing of GE Capital's Irish portfolio of personal, small enterprise and auto loans. Since then the company has invested significantly in the Irish operation and recently announced it had been appointed by CarVal Investors to provide special servicing, master servicing and asset management on the €380 million Pittsburgh portfolio of loans CarVal Investors acquired from Lloyds in December 2012. Pepper's current wholesale funding partners in Australia include Commonwealth Bank of Australia, National Australia Bank and Westpac Banking Corporation. In addition to lending and servicing its own mortgage portfolio, Pepper provides third party servicing of various types of mortgages, leases and unsecured loan products. Pepper is jointly led by Executive Chairman, Mike Culhane, and Managing Director & Group CEO, Patrick Tuttle. Mike and Patrick are focused on ensuring Pepper continues to leverage its core credit underwriting and loan servicing expertise both in its home market of Australia and other underserved markets in Europe and Asia. Pepper is regulated by the Australian Securities & Investments Commission ("ASIC") in Australia and the Central Bank of Ireland (CBI) in Ireland. Pepper is ranked by S&P as a "STRONG" Residential Loan Servicer and is included on S&P's Global Select Servicer List.