



## Pepper Appointed by Danske Bank to Manage Significant Irish Commercial Real Estate Assets

Portfolio comprises 270 properties with outstanding principal loan balance of €600 million. This marks second collaboration between Pepper and Arrow Asset Management.

Dublin, 19 March 2013: Pepper Finance Corporation (Ireland), which trades as Pepper Asset Servicing, has been appointed by Danske Bank (Danske) to provide special servicing and asset management on a significant portfolio of Irish commercial property with an aggregate outstanding principal loan balance of over €600 million.

This is the second major commercial real estate asset management contract won by Pepper Asset Servicing ("Pepper") since the company was established in Ireland in September last year and follows an announcement made in January 2013 that Pepper had been appointed to manage the €380 million Pittsburgh portfolio of Irish loans on behalf of Carval Investors. The deal also marks the second collaboration between Pepper and Irish commercial real estate management firm, Arrow Asset Management.

The 270 properties in the portfolio are currently in receivership and under the deal, Pepper, in conjunction with Arrow Asset Management, will oversee the rationalisation of the receivership process for the portfolio and special servicing on behalf of Danske. In addition, the company will provide asset management on the portfolio.

Paul Doddrell, CEO of Pepper Ireland, said the deal marks another significant development in the company's growth strategy for Ireland. "We're delighted to be partnering with Danske and this contract win represents a further endorsement of our expertise to provide a unique approach to managing commercial portfolios in this market. We continue to be very focussed on growing the business in Ireland to establish it as a leading European loan servicing and real estate asset management operation and have recently invested significantly in our people and systems to help us realise this ambition."

Peter Hughes, Head of Danske Bank's non-core unit said, "Since establishing our non-core unit in 2012, we have worked to identify the right strategy for each element of our loan book as we manage down our exposure to the Irish property market. This partnership with Pepper Asset Servicing allows us to bring additional specialist expertise to the management of certain properties already in receivership."

Brian Berg, Head of Commercial Property at Pepper said: "We continue to see significant servicing and asset management opportunities in the Irish market and to reflect this have invested significantly in expanding our real estate and asset management team. Our strategic partnership with Arrow has also given us the unique ability to provide end-to-end commercial real estate asset management services, which will be invaluable in capitalising on the current market opportunities."

Established in September 2012, Pepper Asset Servicing is Ireland's leading servicer of third-party loan portfolios, asset management and advisory services spanning a range of asset classes including residential mortgages, commercial mortgages, auto finance, unsecured loans and equipment finance. The company currently has portfolios with over €1 billion in receivables under management. Pepper in Ireland is part of the Pepper Group, a global financial services business, specialising in Lending, Advisory and Asset Management Services. The Group currently has over €5 billion of assets under management. Pepper is ranked by S&P as a "STRONG" Residential Loan Servicer and is included on S&P's Global Select Servicer List.

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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 Group Managing Director & 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. Pepper Finance Corporation (Ireland) is regulated by 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.