



Pepper Australia is pleased to announce that Standard & Poor's ("S&P") has affirmed its "STRONG" Sub-prime Residential Loan Servicer Ranking

Media Release

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Pepper Australia Pty Limited ("Pepper") is pleased to announce that Standard & Poor's ("S&P") has affirmed its "STRONG" Sub-prime Residential Loan Servicer Ranking and has also assigned a "STRONG" Prime Residential Loan Servicer Ranking to the Company for the first time. This is the highest loan servicer ranking assigned by Standard & Poor's. They have also assigned "STRONG" sub-rankings for Pepper's "Management and Organisation" and "Loan Administration".

S&P commented: "The STRONG subprime and prime residential loan servicer rankings reflect Pepper's continued solid servicing quality and key servicer strengths, which include its:

Well-established position as a primary servicer of subprime residential mortgage loans, with a high degree of industry knowledge and proficiency in the Australian servicing market; Experienced senior management team that leads a well-qualified and skilled workforce; Solid loan-processing and servicing infrastructure, which provides Pepper with an end-to-end integrated approach to loan origination, servicing, and management; and Robust internal audit framework and quality assurance program." S&P also highlighted the extensive experience of Pepper's board of directors and key members of its senior management team in residential mortgage origination and servicing in Australia and various offshore markets. "Standard & Poor's believes the company's high levels of internal controls and astute processing, underwriting and servicing performance objectives are aligned with its servicing philosophy. Pepper has maintained superior arrears-management and loss-mitigation strategies", S&P added.

"We welcome S&P's acknowledgment of the quality and strength of our residential loan servicing operations and are especially pleased that we now have a STRONG Prime loan servicer ranking to complement our STRONG non-conforming ranking. These rankings are a reflection of our professionalism and commitment to high standards in all aspects of our loan origination and servicing processes and to the quality and experience of our staff" said Pepper's Co-Group Chief Executive Officer, Patrick Tuttle.

Pepper is a diversified financial services business with specialist experience in lending, advisory and asset management across the residential and commercial property sectors in Australasia and Europe. Commencing operations in 2001, Pepper has over 13 years of experience as a specialist servicer of prime and non-conforming residential mortgages and consumer loan and lease receivables. Pepper is a regular issuer of residential mortgage-backed securities backed by Pepper-owned and serviced mortgages, having completed 13 publicly distributed RMBS issues totalling A\$4.4 billion since 2003.

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