



Pepper Agrees to Acquire GE Capital's Irish Mortgage Business and Operating Platform

Sydney, Australia – 15 June 2012: Pepper Home Loans Group (“Pepper”) today announces that it has reached agreement with GE Capital to acquire its Irish residential mortgage business, GE Capital Woodchester Home Loans Limited.

The deal will see Pepper acquire all of the share capital of GE Capital Woodchester Home Loans Limited. Following completion of the sale, the company will be renamed Pepper Ireland Limited.

Under a separate agreement, Pepper will take over the servicing of GE Capital's Irish portfolio of personal, small enterprise and auto loans, maintaining an ongoing working relationship between the two organisations.

Pepper's Executive Chairman, Mike Culhane, said: “We're delighted to have this opportunity to acquire the Irish mortgage business of GE Capital, and to continue our strong working relationship with GE Capital following the transaction. This acquisition provides Pepper with a strong platform for future acquisitions and third-party servicing opportunities in both Ireland and across Europe”.

Pepper's CEO, Patrick Tuttle, added: “We have been looking for opportunities to expand our successful business model from Australia and New Zealand into Europe, and see Ireland as an ideal base. In the medium-term, market conditions permitting, we will also consider originating new mortgage business in Ireland, thereby helping to rebuild a competitive marketplace and broaden the choice of home lending options for Irish consumers”.

GE Capital's Irish mortgage business has over 3,500 mortgage customers. The current portfolio size is around €600 Million. The company ceased writing new mortgage business in Ireland in 2008 as part of its strategy to scale back the Irish business. GE Capital retained experienced staff and kept strong processes in place to service the mortgage portfolio and other legacy consumer finance assets.

Following completion of the sale of GE Capital Woodchester Home Loans Limited, most of the 192 GE Capital employees will transfer to Pepper where they will continue to service existing mortgages and other consumers.

Patrick Tuttle said: “This is a milestone transaction for Pepper and our first foray into Europe. The deal also marks a significant investment by Pepper in the Irish market, which should be good news for Ireland”.

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Notes to editors:

About Pepper – Key Facts

- ▶ Pepper Home Loans 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 financing and a highly experienced third-party loan servicer and asset manager.
- ▶ The company currently has approximately A\$5.2 Billion of loan and lease assets under management (comprising residential mortgages, commercial mortgages, equipment leases, small business 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 \$3.5 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.
- ▶ Pepper’s current wholesale funding partners 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 & 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 under-served markets in Europe and Asia.
- ▶ Pepper is regulated by the Australian Securities & Investments Commission (“ASIC”).
- ▶ Pepper is ranked by S&P as a “STRONG” Residential Loan Servicer and is included on S&P’s Global Select Servicer List.