

Monday 3rd March 2003

KENSINGTON MORTGAGES LAUNCHES THREE YEAR DISCOUNTS AND ITS LOWEST EVER INTEREST RATES

Kensington Mortgages, the specialist non-conforming lender, has become the first in the sector to introduce a three year stepped discount option across its entire product range. The new discount allows customers to choose to take a discount over one or three years. In addition two new products with an increased stepped discount of 2.75% spread over three years are introduced for a limited period only. Early repayment charges only apply for the first three years.

Alastair Pate, Director of Marketing and Strategy at Kensington commented, "Longer term discounts have been less common in the non conforming market. These new products provide customers with excellent choice and value and will help intermediaries offer a broad range of mortgages to their customers."

In addition Kensington has cut all its rates with initial discounted rates now starting from 3.95% and fixed rates starting from 3.99%.

"This combination of product choice and our lowest ever interest rates add up to an excellent package for both customers and mortgage intermediaries", said Pate."

ENDS

For further information:

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Notes to editors

Products and rates apply from 1 March 2003

Standard and Special Products - Three year stepped discount (1.00% to 31 May 2004, 0.50% to 31 May 2005 and 0.25% to 31 May 2006).

New limited availability products up to 80% LTV for medium and high adverse cases -

Three year stepped discount (1.75% to 31 May 2004, 0.75% to 31 May 2005 and 0.25% to 31 May 2006).

Early repayment charges of 6% of the amount repaid apply for the first three years of the loan

Kensington Variable Rate (KVR) 4.70% from 1 March 2003

Kensington Group plc

Kensington Group plc is a publicly quoted company, which listed on the London Stock Exchange (ticker symbol "KGN") on 23 November 2000. Kensington Group plc trades under the names of "Kensington Mortgage Company" and "Kensington Mortgages". The business was founded in November 1994 and commenced trading on 1 September 1995. Kensington is a market leader in the non-conforming residential mortgage sector in the

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United Kingdom. It provides loans, secured on residential property, to customers who generally do not conform to the underwriting criteria of the traditional suppliers of residential mortgage loans. The company is classified in the Mortgage Finance sub-sector of the Speciality & Other Finance Sector.

Best practice

Kensington adopts a leading role on regulation. It is a member of the Council of Mortgage Lenders, which sets out standards relating to residential mortgage lending, and subscribes to its Code, which is voluntary. It is also registered with the Mortgage Code Compliance Board, which monitors compliance by lenders and mortgage intermediaries with the Council of Mortgage Lenders code. Kensington insists that all its business introducers adopt best lending practices, subscribe to the Council of Mortgage Lenders, and are registered with the Mortgage Code Compliance Board.

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