

Monday 15th July 2002

KENSINGTON ACQUIRES THE MORTGAGE LENDER

Kensington Group plc ('Kensington') today announces the acquisition of The Mortgage Lender Limited ('The Mortgage Lender') a leading sub-prime direct to consumer mortgage originator, thereby further extending Kensington's reach to a wider range of non-conforming borrowers in the specialist mortgage market.

As the UK's leading independent mortgage specialist, the alliance will ensure that Kensington becomes even more accessible to the consumer, whilst the company continues to build on its existing strong and growing intermediary relationships.

Kensington will now be able to offer mortgages through three key channels

- the Intermediary channel via mortgage packagers where Kensington will continue to build on its strong business relationships
- the National Accounts channel through relationships with national chains and lenders such as Alliance & Leicester and Prudential Mortgage Services
- the Direct to Consumer channel through The Mortgage Lender

This will allow Kensington to maximise value from its existing strengths in specialist underwriting, product innovation, customer administration and securitisation.

Kensington's newly launched product range will create more opportunity for all of the distribution channels ensuring that more borrowers can benefit from Kensington's renowned levels of service.



The recently expanded product range covers potential borrowers' needs from those who may just fail a credit score to those who have more extensive credit histories. It is available to all borrowers whether through an intermediary or direct through The Mortgage Lender.

Kensington Chief Executive, John Maltby, said:

"The alliance is a positive step forward for Kensington, and by bringing together the complimentary strengths of both companies, we will be in a stronger position to respond to a larger range of potential borrowers. We expect significant growth in lending for the enlarged Kensington Group as we explore the opportunities created by combining two leading companies in the non-conforming sector."

-Ends –

For further information:

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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 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.