Press Release

Checkmate
Brilliant Mortgages

For immediate release

22 July 2008

CHECKMATE CONFIRMS INVESTMENT BACKING
Lending launch planned for early 2009

Stephen Knight, Executive Chairman of Checkmate Mortgages Limited, today confirmed plans to launch the new lender in early 2009 following news that the business has received investment backing to support the final launch phase.

The capital-raising was led by Lazard and Co. Limited, acting as sole financial adviser and placement agent, and the majority of the capital has been provided by RIT Capital Partners Plc and Lord Rothschild's family interests (the "Investors"), and by Stephen Knight himself, who is the largest shareholder-individual. Spencer House Partners LLP acted as financial adviser to the Investors.

Funding for the mortgages themselves will be via flow agreements with other financial institutions, and agreement in principle has already been reached with two flow funders. It is intended that in due course, warehouse funding lines will be added when available.

Distribution will be via intermediaries and packagers. Feedback received by the company indicates that Checkmate's launch is eagerly anticipated and will be widely supported.

Prior to the lending launch, the company will be developing and testing its market-leading point of sale offer system whilst processing its FSA application, recruiting, and putting the required infrastructure in place. Confirmation of the exact launch date will be announced next year.

Commenting, Stephen Knight, Executive Chairman of Checkmate Mortgages, said: "It is testament to the reputation of our team, and to the foresight of our investors, that we have been able to raise capital for a new lender in such bad, and still-deteriorating, market conditions.

Of course, if you think about it, the time to be recruiting and building a computer system is when others are shedding staff and reducing their IT investment. And the time to be launching into new lending is when the liquidity freeze starts to thaw, about 18-20 months since it started in August 2007.

We believe that we have the timing right".

The Board of Checkmate Mortgages will comprise Stephen Knight (Executive Chairman); Barry Searle (Managing Director, Operations); Roger Brown (Managing Director, Distribution), a Finance Director to be recruited plus non-executive directors proposed by the investor consortium. Further appointment announcements will be made in due course.

- Ends -

For further information contact:

Helen Gee
Marketing Manager
Checkmate Mortgages
Tel: 020 7938 5803/07960 317 292
helen.gee@checkmatemortgages.co.uk

Alison Merrigan
Lansons Communications
Tel: 020 7187 2000
07912 887 250
alisonm@lansons.com

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Paul Gismondi
Lazard
Tel : 020 7187 2000
paul.gismondi@lazard.com

Notes to editors:

- Checkmate Mortgages was launched in October 2007 with capital funding initially by Stephen Knight and Martin Finegold. In 2008, Stephen Knight became the sole capital provider. Through his family trusts, Martin Finegold has retained a shareholding in Checkmate.
- Stephen Knight continues to provide capital for the company, and remains the largest shareholder-individual. The investors (RIT Capital Partners Plc and Lord Rothschild's family interests) have provided the remaining capital required.
- In the coming months, prior to the new lending launch, Checkmate will develop and test a market-leading point of sale offer system, while building an operations centre and applying for FSA authorisation.
- Checkmate already has senior employees covering sales, marketing, operations, risk, IT and compliance and intends to be engaged in substantial further recruiting prior to the new launch.
- The name "Checkmate" was chosen because it implies "one move ahead" and "ahead of the game".
- **Stephen Knight** founded the UK's first packager (Private Label) in 1987. It grew it to be the UK's largest privately owned distributor of mortgages by the time the company was sold to GMAC RFC in 1998, creating the packager industry, now represented by an estimated 500 companies distributing £30bn of mortgages per annum. Stephen was then appointed as Executive Chairman of GMAC RFC UK and grew the lender to top ten status in just five years from a virtual standing start, delivering gross lending of £12.1bn in 2006, and pioneering many innovations.
- **Barry Searle** was Managing Director, Operations at GMAC-RFC UK, and Private Label before that. Barry is an award-winner in his key disciplines of Operations, IT and HR. For example, in 2006 alone, GMAC-RFC UK won the coveted *Financial Adviser 5 Star Service Award* for operational excellence, *Technology Innovator of the Year* (for the ground-breaking, market-leading POSO system) from *Mortgage Strategy* plus *Top 100 UK Employer Award* from both *The Sunday Times* and *The Guardian*
- **Roger Brown** was Director, Packaging Division at GMAC-RFC UK. Prior to that he was head of Corporate Accounts, and also previously held a senior distribution role at Private Label. Roger grew the GMAC-RFC Corporate Accounts into the largest volume contributor, and then turned round declining volumes in the packager division to achieve record volumes for that distribution channel.
- **Lazard & Co. Limited** is acting solely for Checkmate Mortgages Limited and no one else in connection with the capital raising referred to in this announcement and will not be responsible to any other person for providing the protections afforded to clients of Lazard & Co. Limited or for providing advice in relation to the capital raising referred to in this announcement.
- **Spencer House Partners LLP** is acting solely for the Investors and no one else in connection with the capital raising referred to in this announcement and will not be responsible to any other person for providing the protections afforded to clients of Spencer House Partners LLP or for providing advice in relation to the capital raising referred to in this announcement.
- For more information please visit www.checkmatemortgages.co.uk