



Strength, resilience, foresight.

Pallas Capital
Overview
2022



Pallas House Melbourne

Pallas Capital provide finance solutions to borrowers seeking a reliable and commercial credit process.

Pallas Capital Pty Ltd (ACN 616 130 913) (Pallas Capital) is a leading non-bank commercial real estate (CRE) lender in the mid-market segment, servicing SME borrowers in all key real estate asset classes, with focus on major metropolitan areas of Australia. As a specialist non-bank lender, our core lending products are pre-development, construction, residual stock and commercial SME. Preferred locations include major metro as well as major regional on a case by case basis, for loans from \$1 million upwards.

Pallas Capital has been established for five years and is a wholly owned subsidiary of Pallas Group Pty Ltd (Pallas Group). Pallas Capital is an authorised corporate representative (#1257625) under Pallas Funds Pty. Limited (ACN 604 352 347) AFS Licence 473475.

\$1.44b

LOANS SETTLED SINCE INCEPTION

\$795m

LOANS SETTLED IN 2021

\$880m

CURRENT LOAN BOOK

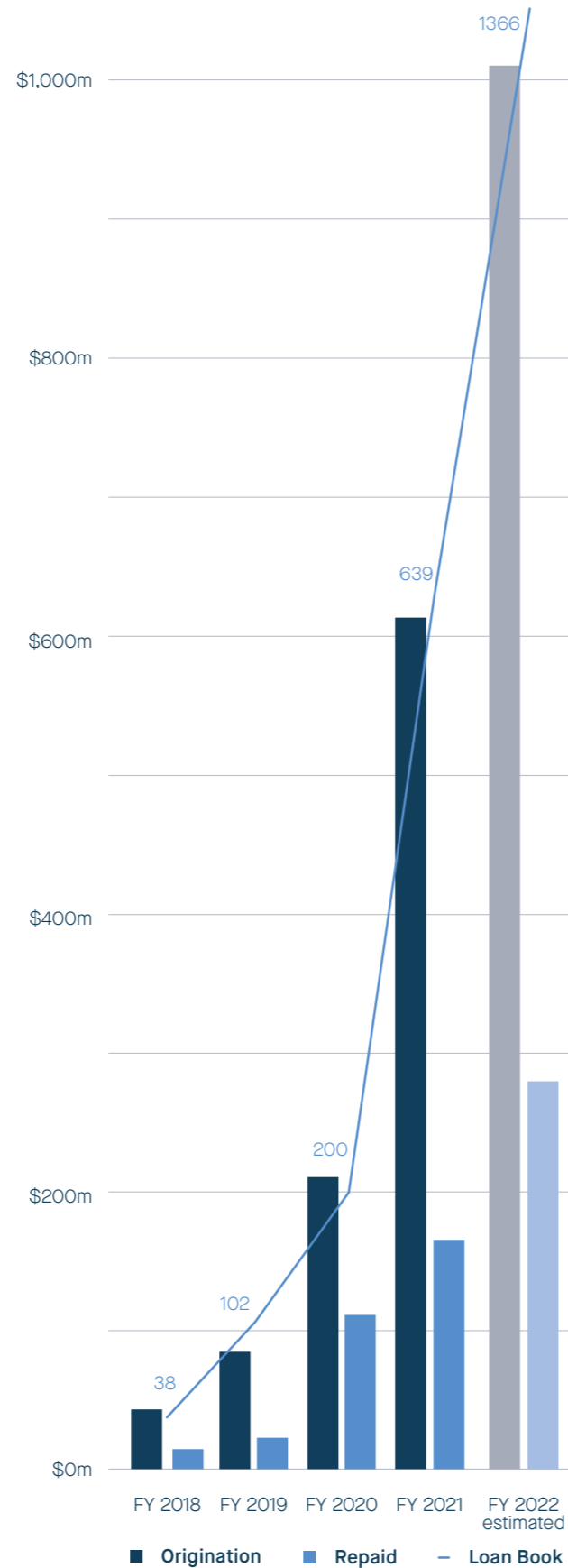
Funding Capability & Pallas Loan Book

Pallas Capital has access to various funding sources from HNW individual and Family Office capital, Wealth Manager/Financial Planner channels as well as institutional investors.

Pallas Capital currently has in excess of \$200m under discretionary management. Last financial year (FY20/21), Pallas Capital settled a record \$608 million transactions: a testimony to our capability as a lender and asset class expert in uncertain economic times.

Pallas Capital has recently settled a line of funds of \$530 million (Pallas Funding Trust 'PFT'). Launched in Q4 2021, this warehouse is expected to double in its first 18 months of operation.

Since launch in December 2016, Pallas' loan book has grown at 75%+ p.a.



Pallas Points of Difference

Pallas Capital has four main points of difference that it offers its borrower customers in the lending markets in which we operate.

1. Trust Through Integrity

Reliability and consistency are central to the way we approach our broker and borrower relationships. If we say we can do the deal, we do it. Direct access to our decision makers, backed by an in-depth understanding of the borrower's project and funding objectives, means that brokers can always have complete confidence in their clients' credit arrangements.

2. Non-Bank Flexibility

We appreciate no two opportunities are ever quite the same. As a non-bank lender, each application is assessed on its individual merits against a robust, yet flexible criteria. The experience and reputation of the borrower and underlying sponsor is considered just as carefully as the value of the primary security asset itself.

3. Service Excellence

We are committed to assisting those who are under-served in the current market. By fostering high-quality relationships with excellent speed to market, our priority is providing the certainty to borrowers and brokers to ensure their financial requirements are serviced in a professional, prompt and commercial manner, at all times.

4. Intrinsic Borrower Understanding

Unique to Pallas Capital's service offering and executive team background, is the rare insight and commerciality it brings to its customers, given the symbiotic relationship with development business Fortis, a wholly owned subsidiary of Pallas Group. The management team intimately understand the finance needs of borrowers and challenges they face, given they operate in the industry themselves. Indeed, Pallas has tended to lend to borrowers in the same areas that Fortis develops, drawing on specific market knowledge.



Marmont by Fortis

“Pallas Capital has been a valued lending partner of Stamford Capital Australia, being a reputable non-bank lender that is both responsive and a pleasure to work with. For a recently settled commercial facility, we dealt with Steve Lawrence, who delivered on all promises and ensured a smooth transaction for our client. As a result, we highly recommend dealing with Pallas.”

Domenic Lo Surdo
Joint Managing Director,
Stamford Capital

“The calibre of staff at Pallas Capital is impressive. The level of communication and responsiveness is consistently high and their approach is flexible; if a problem arises, they work with me to find a solution. It’s a genuine partnership which builds trust, certainty and confidence.”

Jason Arnold,
Managing Director,
Quattro Finance & Advisory

Pallas Capital Lending Product Guide

We offer five core lending products, detailed below, with our preferred locations being metro Sydney, Melbourne and Brisbane with Adelaide and Canberra on a case by case basis. Our funding focus is generally loans up to \$50 million.

Residual Stock



Current Interest Rate*	From 6.75% p.a.
Security Type	Residential, commercial & industrial security
Loan Purpose	Refinance / equity release
Minimum Loan Amount	\$2,000,000
Maximum Loan Amount	Up to \$10,000,000 POA > \$10m
Maximum LVR	65% of the "as is" value (excl. GST), of each individual security property on a First Mortgage basis, up to 75% on a Second Mortgage basis
Maximum Loan Term	18 months
Repayment Type	Interest only
Application Fee*	From 1.50% of the loan amount

*Interest rates are variable. Market commission and trail to apply with no clawbacks.

Commercial



Current Interest Rate*	From 6.50% p.a.
Security Type	Residential, commercial & industrial security
Loan Purpose	Purchase, refinance & equity release
Minimum Loan Amount	\$1,000,000
Maximum Loan Amount	Up to \$10,000,000 POA > \$10m
Maximum LVR	70% (excl. GST) on a First Mortgage basis, up to 75% on a Second Mortgage basis
Maximum Loan Term	3 years
Repayment Type	Interest only
Application Fee*	From 1.50% of the loan amount

Pre-Development



Current Interest Rate*	From 7.50% p.a.
Security Type	Residential, commercial & industrial security
Loan Purpose	Purchase, refinance & equity release
Minimum Loan Amount	\$1,000,000
Maximum Loan Amount	Up to \$10,000,000 POA > \$10m
Maximum LVR	65% of the "as is" highest and best use value on a First Mortgage basis, up to 75% on a Second Mortgage basis
Maximum Loan Term	18 months
Repayment Type	Interest only
Application Fee*	From 1.50% of the loan amount

Construction



Current Interest Rate*	POA
Total Development Costs	Up to 80% of total development costs will be allowed
Security Type	Residential, commercial & industrial security
Loan Purpose	Purchase, refinance & then moving into a construction loan
Minimum Loan Amount	\$2,500,000
Maximum LVR	65% of the gross realisable value (excl. GST where applicable) on a First Mortgage basis, up to 75% on a Second Mortgage basis
Maximum Loan Term	2 years
Pre-sales	Nil to minimal
Repayment Type	Interest only
Application Fee*	From 1.75% of the loan amount

Vacant Land



Current Interest Rate*	From 8.50% p.a.
Security Type	Vacant land for future development
Loan Purpose	Purchase, refinance & equity release
Minimum Loan Amount	\$1,000,000
Maximum Loan Amount	POA > \$5m
Maximum LVR	50% of the "as is" value, on a First Mortgage basis, up to 65% on a Second Mortgage basis
Maximum Loan Term	18 months
Repayment Type	Interest only
Application Fee*	From 1.50% of the loan amount



Pallas House Sydney

Recent Transactions

Pre-Development Loan



Suburb	Broadbeach, Gold Coast
Loan Amount	\$4,387,500
LVR	65% of the "as is" highest and best use value (excl. GST)
Term	12 Months

Construction Loan



Suburb	Sunshine, Melbourne
Loan Amount	\$24,765,000
LVR	65% of the "as if complete" value (excl. GST)
LCR	78% of costs
Pre-sales	Minimal
Term	16 Months

Construction Loan



Suburb	Rose Bay, Sydney
Loan Amount	\$20,795,000
LVR	70% of the "as if complete" value (excl. GST)
LCR	85% of costs
Pre-sales	NIL
Term	21 Months

Commercial Construction Loan



Suburb	Alexandria, Sydney
Loan Amount	\$6,825,000
LVR	65% on individual apartment values "on completion" (excl. GST) on a First Mortgage basis.
Pre-leases	NIL

Development Site Loan



Suburb	Kangaroo Point, Brisbane
Loan Amount	\$21,080,000
LVR	62% on a "as is highest and best use, future development site basis" of the security property.

Residual Stock Loan



Suburb	Double Bay, Sydney
Loan Amount	\$23,768,000
LVR	65% on individual apartment values (excl. GST) on a First Mortgage basis. 75% on individual apartment values (excl. GST) on a Second Mortgage basis.

Term Debt Loan



Suburb	Chipping Norton, Sydney
Loan Amount	\$6,500,000
LVR	65% of the "as is" value (excl. GST)
Term	12 Months

Residual Stock Loan



Suburb	South Yarra, Melbourne
Loan Amount	\$9,900,000
LVR	75% of the "as is" value (excl. GST)
Term	9 Months

Residual Stock Loan



Suburb	Rockdale, Sydney
Loan Amount	\$11,335,000
LVR	75% of the "as is" value (excl. GST)
Term	12 Months

Residential Construction Loan



Suburb	Rose Bay, Sydney
Loan Amount	\$24,755,000
LVR	70% on individual apartment values "on completion" (excl. GST) on a First Mortgage basis.

Development Site Loan



Suburb	South Yarra, Melbourne
Loan Amount	\$15,700,000
LVR	65% on a "highest and best use, future development site basis" of the security property.

Development Site Loan



Suburb	Double Bay, Sydney
Loan Amount	\$13,500,000
LVR	68% of the 'as is' Security Property valuation.

Contact & Disclaimer

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