

HEADLINE: Firstfolio eyes \$6bn in loan assets

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Specialist mortgage and financial services company Firstfolio is looking to increase its \$12 billion loan book by about \$6 billion to enhance its capacity to compete with the Big Four banks.

Firstfolio has commenced due diligence to buy the \$3.5 billion loan book of finance broker First Chartered Capital, the \$2 billion loan book of wholesale mortgage manager Loan Services Australia, and the \$400 million mortgage portfolio of wealth adviser Xplore.

Firstfolio's chief executive Mark Forsyth said, 'Some form of consolidation had to occur in the market, there were too many players.'

Since the onset of the global financial crisis Commonwealth Bank of Australia has taken a 33 percent stake in Aussie Home Loans; National Australia Bank has bought the mortgage operations of diversified financial services company Challenger; and Westpac Banking Corporation bought the RAMS brand.

A private company of Tony Wales, non-executive director of Firstfolio, has supplied a \$25 million facility to Firstfolio to help fund the acquisitions.

Over the last year ING and Resimac are among the funders that have reduced the number of lenders on their panels.

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