



Firstfolio to swallow Apple

Firstfolio is showing no signs of slowing down the buying spree that has seen it acquire LeaseChoice, Xplore Capital, Loan Services Australia and First Chartered Capital. It announced that it plans to buy Tasmania's Apple Group for \$4.25m.

Firstfolio will acquire all of Apple Group's assets, which include a \$600m loan book. The deal for the wholesale mortgage distribution and financial services company follows on from a joint venture signed between the two companies in March 2008, under which Apple was the exclusive distributor of Firstfolio's mortgage products and services,

including new Loan-branded mortgages.

"Over the past 15 years the owners have built a client portfolio of near to 6,000 small and medium-sized businesses and high-net-worth individuals," Firstfolio chief executive officer Mark Forsyth said. He added that it was Apple's long-term growth strategy that Firstfolio found attractive.

"Under our ownership and with secure access to a greater scale of wholesale funding, we will look to accelerate Apple's expansion ambitions across Victoria, Queensland and NSW," he said.

Apple managing director Rob De Soza said that he expects the industry to "rapidly consolidate" over the next 18 months.

"Economies of scale, funding and the ability to provide tailored financial solutions and seamless service are where the industry is headed," he said.

As part of the transaction, Apple Group directors Rob De Soza and Gary Cumberbatch will join Firstfolio's executive committee. Firstfolio said the transaction, once completed, would add \$1.1m in pre-tax earnings this year.

