



Firstfolio continues expansion

Firstfolio has continued on its aggressive expansion path after agreeing to make an off-market takeover of Xplore Capital, a direct retailer and marketer of mortgage services.

The deal includes Xplore's financial planning business – a corporate authorised representative of ComCorp Financial Advice which was purchased by MMC Contrarian in March 2009.

“The acquisition of Xplore Capital would consolidate Firstfolio as one of Australia's leading non-bank mortgage managers and financial services companies,” Firstfolio said.

“Firstfolio and Xplore Capital operate complementary businesses that focus on the mortgage management and financial services market.

“The acquisition of Xplore Capital will achieve long-term synergy benefits by reducing or eliminating costs incurred by Xplore Capital as a public company and related overheads.”

Xplore's directors unanimously recommended its shareholders to accept Firstfolio's offer.

Xplore investors have been offered either 19 cents cash or two Firstfolio shares plus 5 cents cash. The all-cash deal

values Xplore at \$3.08m. The offer is subject to a number of conditions, including acceptance of the deal by 75% of issued shares and regulatory approvals.

In December last year, Firstfolio settled \$5.5bn worth of loan acquisitions taking the ASX-listed group's mortgage-managed and aggregation portfolio to \$18bn.

This followed Firstfolio completing its acquisitions of First Chartered Capital (\$3.5bn loan portfolio and 35 retail franchise outlets) and Loan Services Australia (\$2bn in mortgage managed loans).

Also in December last year, Firstfolio signed an agreement with Medibank Private to provide its members with free home loan health checks and discounts on mortgage products.

The deal with the health insurer marked the third financial services partner to sign up to BLOOM, its proprietary B2B software application, following agreements with AV Jennings and Virgin Money.

The platform allows Medibank to offer a customised mortgage and financial services offering to their own customers.