



# Firstfolio grabs online broker

## Takeovers

HOME loan provider Firstfolio has agreed to buy Australia's biggest online mortgage broker, eChoice, for \$4.68 million in shares and cash, as well as income from the mortgage book.

Firstfolio said it would pay eChoice's shareholders, including funds managed by Allen & Buckeridge and Macquarie Group, 60 million shares and \$3 million in cash over four years, the company said in a statement.

Shares in Firstfolio rose 1c to close at 3c.

Firstfolio will also pay a yet-to-be agreed share of income from eChoice's \$2.6 billion loan book.

The takeover, expected to settle on October 31, will increase Firstfolio's loan book to more than \$10.5 billion and the Sydney-based company will gain eChoice's online sales and processing platform.

Firstfolio's loan portfolio has grown from \$2 billion in 2006.

Established in 1998, eChoice, recorded a net profit of \$1.9 million in 2007-08 and has had positive earnings for the past

five years. Firstfolio said the takeover had the potential to deliver significant cost efficiencies from a combined operating base.

"The acquisition of eChoice will immediately position Firstfolio as a leader in the online mortgage sales segment," Firstfolio chief executive Mark Forsyth said. "We believe the online segment has untapped potential in Australia."

He said eChoice had 60,000 clients and there was scope to grow that number.

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