



Media Advisory

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FirstMac Acquires HSBC's Australian Broker Book

Brisbane, Australia (December 15, 2006) – Leading wholesale residential mortgage provider, FirstMac, is buying the loan assets of HSBC Bank Australia's residential mortgage broker origination book, which is valued at \$2.26 billion. The acquisition will create new business opportunities for FirstMac and the brokers, and give more Australian homebuyers access to its diversified portfolio of mortgage products.

FirstMac has offered residential mortgages through the broker channel since 1988 and presently funds more than 24,600 home loans worth in excess of \$5 billion. The Australian company has a national network of offices and representatives, and launched into the US market in 2005.

The transition period for the HSBC acquisition will run until March 2007. During the transition phase the brokers and existing mortgagees will continue to deal with HSBC as FirstMac puts the systems and people in place to ensure a smooth transfer of the business. HSBC will continue to accept new applications from brokers until February 16, 2007.

Terms and conditions of existing mortgages will remain the same.

"FirstMac is an Australian company providing mortgages for residential properties via brokers and originators," said Kim Cannon, Managing Director, FirstMac. "While some banks no longer offer home loans via the broker channel, FirstMac remains fully committed to brokers and originators. We are able to make a success of this very competitive market due to our third-party sales model, low overheads, high-tech support systems and established reputation. We have an in-depth knowledge of the products and services the brokers and originators need to maximise their business opportunities and performance.

"With the acquisition of the loan assets from HSBC's broker book we will be able to rapidly expand our own business while at the same time offer those brokers new opportunities to expand their own customer base with a wide range of products from prime / full-doc mortgages through to low-doc and no-doc mortgages.

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“We will also be able to offer new borrowers finance for up to 100 per cent of the value of a property.”

The assets from HSBC's broker book will greatly expand FirstMac's business and give it a greater share of the aggregator market. The deal will also mean significant increases in staff for FirstMac.

FirstMac will also be able to provide brokers with a national service having offices in Brisbane, the Gold Coast, Sydney, Melbourne, Adelaide and Perth.

The acquisition of the loan assets of HSBC's residential mortgage broker book caps off a year of growth for FirstMac which saw the company complete its first European Class A bond issue, worth Euro 500.1 million, in April, and become the first lender in Australia to securitise construction loans, based on credit ratings agency Standard and Poor's construction loans criteria.

“We have seen significant growth in 2006 with our investor base expanding to include Asia and Europe and with the growth of our business not just in Australia but also in the US,” Cannon said.

About FirstMac Limited

FirstMac Limited is part of the FirstMac Group, one of the largest non-institutional mortgage finance funders in Australia. It delivers a comprehensive range of loan funding, loan servicing and portfolio management services. FirstMac initially originated and managed home loans through major third-party providers, but in 2002 entered the securitisation market and began self-funding its own loan business, by issuing AAA-rated bonds on global capital markets.

FirstMac's presence has been growing through the provision of wholesale funding to the Australian and US markets via a distribution network of mortgage originators and brokers.

FirstMac has an above average Standard & Poor's servicer rating.

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