

## Pioneer finalises memorandum of understanding for development of banking products

- **Framework settled with Goldfields Money for collaboration and product development**
- **Significant step towards offering customers a range of financial products**
- **Unique structure will see Pioneer develop and host all systems**
- **Pioneer to provide other services to Goldfields Money, including legal services**

Pioneer Credit Limited (ASX: PNC) (Pioneer) has finalised a memorandum of understanding (“Memorandum”) with Goldfields Money Limited (ASX: GMY) (Goldfields) for the development and management of a range of new financial products.

The Memorandum provides for:

- The development of a debit card product, issued by Goldfields, under the Pioneer Credit brand to be marketed to Pioneer’s 110,000 strong customer base
- The development of a credit card product, issued by Goldfields, under the Pioneer Credit brand to be marketed to a broad range of customers, commencing with Pioneer customers who have paid their accounts in full
- Placing customer acquisition and operational development within Pioneer, while any credit risk will reside with Goldfields
- The engagement by Goldfields of Pioneer subsidiary Sphere Legal for the provision of legal services, at standard commercial rates

The signing of the Memorandum is significant to both organisations. It will deliver growth opportunities to Goldfields and a range of longer-term strategic options to Pioneer.

Pioneer acquired a 14.1% stake in Goldfields, an ASX-listed financial institution based in Western Australia, in April 2015. The two companies then immediately commenced detailed discussions on how they will achieve mutual benefits.

Managing Director Keith John said: “This is a significant step towards our long-term goal of offering a range of financial products to our customers. It fits our core strategy of creating options for growth while protecting our capital base.

“This agreement with Goldfields will create a material new revenue stream for Pioneer over the short to medium term.

“We intend commencing the rollout of our card products later this calendar year. With a customer base that is expanding at the rate of approximately 2,500 per month, we believe there is a great opportunity to grow Pioneer through this initiative.”

### **Growth of Legal Services**

The Memorandum also enables Pioneer to leverage the resources of its wholly owned subsidiary Sphere Legal (Sphere).

“Sphere is a small firm which consistently punches above its weight, including being on the legal panel of several financial institutions, typically the preserve of large, multinational law firms,” Mr John said.

“During FY16 we intend fully exploring these relationships, developed through Pioneer’s debt purchase arm, commencing with the work for Goldfields. Additionally, Sphere will aim to grow its litigation services, which are focused on its core competency of financial services, while seeking to deepen relationships with our banking partners.”

### **About Pioneer Credit**

Pioneer is an Australian financial services provider, specialising in acquiring and servicing unsecured retail debt portfolios.

These portfolios consist of people with financial obligations to Pioneer. These people become the cornerstone of Pioneer’s business and are our customers.

We work closely with our customers who – for a range of reasons – have found themselves in financial difficulty. In the great majority of cases this has come about through a significant life event such as loss of job, serious health issues, marriage breakdown or domestic violence.

A key goal at Pioneer, as we work with our customers, is to see them achieve financial recovery and evolve as a ‘new consumer’.

For further information about Pioneer see [www.pioneercredit.com.au](http://www.pioneercredit.com.au)

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