

Pioneer Credit acquires mortgage broking innovator switchmyloan.com.au

Pioneer Credit Limited (ASX: PNC) ('Pioneer') is pleased to announce it has acquired Switchmyloan Pty Ltd ('Switch'), a leading innovator in the online mortgage broking industry.

The acquisition is an important part of the Company's expansion into the mortgage broking sector, following its announcement last month that it had launched a full-service broking offering.

Founded in 2013, Switch is a disrupter of traditional broking and has introducer agreements with 19 financiers, including all of Australia's major banks. As an introducer Switch is able to negotiate upfront terms with its panel of financiers and then provide those terms to its customers, generally at a significant saving.

"Pioneer Credit's mortgage broking service is all about providing value based options to our customers," said Managing Director Keith John.

"With its online model, Switch offers consumers lower fees, while our full-service mortgage broking capability is available for those who prefer to tap into the know-how of an expert."

Under its introducer model, Switch assesses a customer and then matches them to three different lenders with appropriate but competing offers before connecting the consumer through to the bank. The business's core competencies are principally around digital innovation and an impressive presence in the on-line market place.

"The online market place is becoming extremely popular with consumers looking for ease and speed of transaction," said Mr John.

"Gaining a presence in this space would have taken Pioneer significant time, effort and capital to develop from the ground up."

Switch will sit under the Pioneer Credit Connect brand which the Company presented at its 2015 AGM. Pioneer Credit Connect's focus is to offer a range of financial products to its customers.

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“Switch will now allow us to introduce an entirely new customer base to Pioneer which is timed to increase our customer growth with the launch of our new credit card products later this year.

“This acquisition allows us to grow that offering as it opens up a range of new customers to Pioneer” said Mr John.

The acquisition comes following an extensive assessment and due diligence process to ensure it would align with the Company’s strong customer service culture objectives and that it would add value to Pioneer’s vendor partners.

While the transaction is not material in value and will be funded out of cash reserves, Switch has the potential to be transformational over the coming years.

The transaction is expected to be earnings accretive in FY17.

“As we seek to build our ‘Connect’ brand, we remain alert to capturing opportunities in the market as they arise. Our key criteria when considering such opportunities are set within adding value to our customers and to our vendor partners,” Mr John said.

About Pioneer Credit

Pioneer Credit is an Australian company bringing a fresh new approach to financial services. We began life as a financial services provider to people in financial difficulty. Today, with more than 140,000 customers Australia-wide, we continue to focus on helping people get their finances back on track and achieve their goals. In early 2016 we will embark on the next chapter in our growth story, with the launch of a range of products to our customers. Ultimately, our aim is to help customers achieve home ownership, using loans we will broker back through our valued banking partners.

For further information about Pioneer see www.pioneercredit.com.au

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