

Pioneer Credit extends customer reach

Pioneer Credit Limited (ASX: PNC) continues to extend its customer reach, with the Company's customer base exceeding 150,000 people for the first time following the acquisition of two significant new portfolios.

The Company has secured an agreement to acquire a personal finance portfolio from one of Australia's largest providers in the sector.

The agreement, with a new vendor partner, will see Pioneer Credit secure approximately 2,000 new customers as it continues to expand from the Company's traditional major bank portfolios.

Pioneer has also settled another transaction with one of its existing banking partners to acquire an additional 6,000 customers.

Managing Director Keith John said: "We are pleased to continue to extend our reach with one of our key partners and into new, but aligned, markets with the completion of these latest agreements.

"The discipline we bring to every element of our debt purchasing program means that we have been able to make yet another investment that we believe will deliver outstanding returns for our shareholders over the coming years.

"It's important to bear in mind that when the customer's loans were originated, they were with prime credit quality characteristics. As a result, we regard them as valued customers who will emerge as 'new consumers' and in doing so, will underpin our expansion into offering a range of financial products."

These agreements follow Pioneer's announcement (22 June 2016) that it had finalised a two year agreement with one of Australia's Big 4 banks.

Pioneer continues to only invest in portfolios of accounts where it is able to develop a deep understanding of the customers. As a consequence, the Company has no exposure to payday lending, small amount credit contracts (SACC), medium amount credit contracts (MACC), 'no interest ever' type products, fast telecommunications or utility debt.

"Pioneer is built on acquiring a long term customer base, and we continue to differentiate ourselves from our competitors through an unmatched compliance and brand protection program for our vendor partners. This means we buy only accounts with the highest credit quality, and our strong reputation for customer service means we are able to do so at outstanding price points," Mr John said.

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These latest transactions complete Pioneer's purchasing program for the current financial year.

Given the timing of these transactions they will have no impact on revenue in the current financial year but will continue to underpin Pioneer's growth in FY17. As announced yesterday, the Company's portfolio investment in FY17 will be at least \$50m, of which approximately 70% is already under contract.

"Over the past 12 months, in an environment where we have seen commentary from several competitors about the increasing price of credit card and personal loan portfolios, Pioneer has managed to secure parcels of debt at reduced prices, when comparing like-for-like products," Mr John said.

"Our ability to acquire portfolios at these prices demonstrates the growing recognition on the part of major banks and other loan originators of the importance of partnering with an organisation such as Pioneer which has an exemplary compliance record and a genuine customer-oriented approach.

"Put simply – Australia's financial institutions want to ensure they are working with partners who will provide appropriate treatment for their most vulnerable customers.

"As existing agreements with other purchasers come to an end, we expect to win further market share and be in a position to substantially grow our level of investments in FY17."

Pioneer confirms its guidance for after tax profit of at least \$8.8 million for the current financial year.

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 150,000 customers Australia-wide, we continue to focus on helping people get their finances back on track and achieve their goals. In 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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