

MEDIA RELEASE

07 July 2010

Pioneer Credit bullish about debt acquisition market

Onshore service provider Pioneer Credit has expanded its national debt Acquisition Services division following investment by independent, private equity firm Banksia Capital.

The move coincides with Commonwealth changes to national regulation of the credit industry which come into effect on 1 July.

Pioneer Credit Managing Director Keith R John said he expected the debt purchase market to open up in the next twelve months as continued pressure on pricing coincides with an increased flow of banks seeking to sell debt.

“With this capital investment we have increased financial muscle to purchase and service these debts, the sale volume of which we firmly believe will outstrip the current forecasts of the major international consumer finance companies,” said Mr John.

“Our balance sheet is substantially improved, yet remains unleveraged, as we navigate through this challenging environment with the backing of Banksia Capital whose focus is on growing Western Australian businesses.

“Our strategic goal is to increase the business’s capacity to purchase unsecured retail debt portfolios from leading financial institutions and consumer credit companies over the long-term.”

Part of the National Consumer Credit Protection Act 2009 requires providers of consumer credit to have applied for a licence by the Australian Securities and Investments Commission by 1 July.

Under the new legislation credit licence holders will be subject to a broad range of general obligations to do all things necessary to ensure that credit activities are engaged in efficiently, honestly and fairly.

Mr John said the receivables management group welcomed the new set of uniform national consumer credit laws for an industry where transparency, fairness and accessibility are essential for success.

“The new legislation will mean sweeping changes for the Australian credit industry, yet we anticipate it will not impact on the way we operate at Pioneer Credit,” he said.

“Since inception we committed to adhering to standards which exceed legal requirements because we recognised the importance of utmost integrity to protect the reputation of our partners as well as our own.

“Our sophisticated negotiation-based methodology means we achieve the best outcomes for our partners and account holders – we are well respected for building long-term relationships to enable customers to meet their obligations in a mutually beneficial way.”

ENDS

Media contact: Gemma Bogue – 0414 552 497