

## MEDIA RELEASE

24 August 2005

### **Pioneer delivers record profit of \$2.79 million**

Pioneer Permanent Building Society [NSX: PBS] has delivered a record result for the year ending 30 June 2005, reporting net profit before tax of \$2.79 million, an increase of 44.5% on the \$1.93 million reported in the previous year.

The profit benefited by a reduction in the General Provision for Doubtful Debts of \$396,221, the result of continued prudent management of the Society's loan portfolio.

Prior to the write-back from the General Provision, the profit before tax was \$2.4 million.

The result was underpinned by a 3.2% increase in the number of accounts together with record lending across Queensland.

"We are very pleased with this result. Good growth in the number of new customers for Pioneer shows our personalised banking services continue to appeal to customers in regional Queensland," said Pioneer Chairman Mr Clifford Flor.

Despite general tightening in market conditions and increasing competition, the Society was able to generate a record level of new loan approvals, which totalled \$131.36 million for the year.

The Society's Balance Sheet remains strong with capital adequacy at 30 June 2005 increasing to 16.5%, which is well in excess of regulatory requirements. With liquidity holdings of more than \$150 million, the Society expects continued expansion in its loan portfolio in the year ahead.

"During the year, we have endorsed a three-year plan for the Society to strengthen its capacity to offer value to regional customers and to provide continued improvement in shareholder value. The year ahead represents a challenge for the Society in light of slowing home buying activity, but the Board is confident that Pioneer has the people and the will to continue our strong performance," said Mr Flor.

On the basis of a strong financial performance, the Board has declared a final dividend of 6 cents per share fully franked, payable on 27 September 2005 with shares trading ex-dividend from 7 September 2005. Together with the interim dividend of 4 cents per share that was paid in March 2005, this gives a total fully franked dividend of 10 cents per share, a 25% increase from last year.

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For more information:

Mr Allan Richardson  
General Manager  
07 4951 2344

*Pioneer Permanent was established as a Mackay-based Building Society in 1967 and now has a network of over 50 outlets across regional Queensland. The Society listed on the Stock Exchange of Newcastle Limited (NSX) in March 2004. Pioneer provides a full range of banking and financial services and continues to reinvest funds into the communities in which it operates.*