

MEDIA RELEASE

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Pioneer Permanent Building Society forecasts strong growth to continue

Shareholders in Pioneer Permanent Building Society have been told the company, which services Queensland, is on track for continued growth in assets and profitability in the current financial year.

Speaking at Pioneer's Annual General Meeting, Chairman Mr Clifford Flor said managers and directors were pleased with the financial performance of the company, which posted a profit before tax of \$1.9 million for 2003/04 and declared a fully franked dividend of 8 cents per share.

"Pioneer's growth is underpinned by our strong balance sheet, provisions and reserves, and an excellent team of management and staff," Mr Flor said.

"I am pleased to report the positive trend from the last financial year has continued into the current period."

Mr Flor said unaudited figures for the first four months of 2004/05 to 31 October had revealed net profit, growth in deposit funds and loan approvals were all ahead of results this time last year and were in line with budget expectations.

In the same period Pioneer's capital adequacy – the standard measure of a banking institution's financial health – has risen to 16.32%, which is well above the level of most of Australia's major banks.

Operationally, the company is moving ahead with a major computer upgrade that will reduce costs and improve service levels for customers.

"Looking ahead and taking into account proposed cost reductions, a strong financial position, a healthy regional Queensland economy and an expert management team delivering our strategy, we expect Pioneer should continue to see strengthening future results," Mr Flor said.

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For more information:

Mr Larry Voltz
Company Secretary
07 4951 2344

Pioneer Permanent Building Society Limited 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.