

Annual General Meeting
15th SEPTEMBER 2021

Geneva Finance Limited

***geneva*FINANCE**

AGM Agenda ² (RK)

1. Chairman's address (RK);
2. Review of March 2021 year (DOC);
3. Update since 1 April 2021 (DOC);
4. Forecast: September 2021 Result (DOC);
5. Questions on Financial Statements (Board Panel);
6. Ordinary Business to be considered (RK);
7. Questions on Ordinary Business (Board Panel);
8. Voting on Resolutions for Ordinary Business (RK).
9. Confirmation of voting results (RK)

Review of March 21 year ³ (DOC)

2. Financial Overview- GROUP:

Consolidated Income Statement For the year ending 31 March 2021								
	GFSL / GFL	Quest	SCL	GCL	FPT	Group	Mar 2020 Group	Variance
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	%
Operating Revenue	13.7	15.8	1.6	1.8	1.9	34.8	31.1	12.1%
Interest Expense	(3.0)	0.0	(0.2)	(0.8)	(0.0)	(4.0)	(4.4)	-9.3%
Impaired Asset Expense	(1.4)	0.0	0.7	(0.1)	(0.1)	(0.8)	(1.9)	-55.5%
Operating cost	(4.6)	(12.6)	(1.8)	(0.8)	(0.4)	(20.2)	(18.0)	12.0%
Trading Company Contribution	4.8	3.2	0.3	0.1	1.4	9.9	6.8	44.7%
Non trading operating costs						(3.1)	(2.7)	14.0%
Net profit before Tax						6.8	4.1	64.9%
Tax benefit / Tax expense						(0.1)	0.0	-1223.1%
Net profit after Tax						6.6	4.1	60.9%
<u>Attributable to:</u>								
Group						6.2	3.7	66.9%
Non- controlling interest						0.4	0.4	6.1%
						6.6	4.1	60.9%

Review of March 21 year ⁴ (DOC)

2. Financial Overview- GROUP (continued):

Consolidated Balance Sheet									
As at 31 March 2021									
	Mar 21	Mar 21	Mar 21	Mar 21	Mar 21	*	Mar 21	Mar 20	Var
	GFSL	Quest	SCL	GCL	FPT		Group	Group	
	\$M	\$M	\$M	\$M	\$M		\$M	\$M	%
Assets									
Net Receivables	75.3	0.0	2.9	9.7	3.9		91.9	82.9	10.9%
Net Other	16.6	30.6	6.4	4.6	0.5		50.6	42.6	18.7%
Total assets	91.9	30.6	9.4	14.3	4.4		142.5	125.5	13.6%
Total Liabilities	71.2	22.3	3.8	12.4	0.6		108.3	94.1	15.0%
Net Equity	20.7	8.3	5.6	1.9	3.9		34.2	31.3	9.2%
* Group consolidation entries are excluded where applicable									

Review of March 21 year ⁵ (DOC)

2. Financial Overview- GROUP (continued):

- Group pre-tax profit up \$2.7m. +65%.
- After tax profit attributable to Group was \$6.2m up \$2.5m (67%).
- Geneva earnings per share increases to 8.48cps (up 67%).
- Quest premium sales up 53% to \$21.5m.
- GFSL lending volumes up 21% to \$60m.

Review of March 21 year ⁶ (DOC)

2. Financial Overview- GROUP (continued):

- The turnaround into profit of the invoice factoring and debt litigation operations.
- Received a cash distribution from Quest's investment in AMPL of \$3.5m.
- Total group assets increased by 14% to \$142m.
- Group equity increased by 9.2% to \$34.2m.
- Dividend (FYE Mar 2021) increased to 3.75 cps, up 36.4% on FYE Mar 2020

Review of March 21 year ⁷ (DOC)

2. Financial Overview- CREDIT RATING:

Quest Insurance Group Limited credit rating issued by AM Best was again affirmed at current ratings being:

- a. Financial Strength Rating of B outlook stable and
- b. Issuer credit rating of bb+ outlook stable

Review of March 21 year ⁸ (DOC)

2. Financial Overview- FUNDING:

- Securitisation Facility of \$70m, drawn to \$63.6m
 - Utilised by the lending and invoice financing businesses
- Stellar's banking facility remained unchanged at \$3.4m
 - Current maturity date is set for 30 June 2022
- Professional investor debt funding totals \$13.9m
 - Includes loans from Directors

Review of March 21 year ⁹ (DOC)

2. Financial Overview- DIVIDENDS:

- Final dividend declared of 2.50 cents per share for the March 21 year was a 67% increase on the prior year's final dividend of 1.5cps paid in July 2020. This was direct result of the increased profit for the Mar 21 year.

Dividend Payments by Financial Period			
FYE Period	Date Paid	Date Paid	Total
Mar 16		Aug16 (1.50 cps)	1.50 cps
Mar 17		Jun 17 (2.00 cps)	2.00 cps
Mar 18	Dec 17: (1.00 cps)	Jun 18 (2.25 cps)	3.00 cps
Mar 19	Dec 18: (1.25 cps)	Jun 19 (2.25 cps)	3.50 cps
Mar 20	Dec 19: (1.25 cps)	Jul 20 (1.50cps)	2.75 cps
Mar 21	Dec 20: (1.25 cps)	Jun 21 (2.50cps)	3.75 cps

Review of March 21 year ¹⁰ (DOC)

2. Financial Overview- Individual Trading Operations:

- Geneva Financial Services Limited: Pretax profit \$4.8m, up 14%
- Quest Insurance Group Limited: Pretax profit \$3.2m, up 89%
- Federal Pacific Finance Tonga Limited: Pretax profit \$1.4m, equal prior year result
- Stellar Collections Limited (Including MFL operations): Pretax profit \$0.3m, up \$0.2m
- Geneva Capital Limited: Pretax profit \$0.1m, up \$0.7m from prior year \$0.6m loss

Review of March 21 year ¹¹ (DOC)

2. Financial Overview- Geneva Financial Services:

- Lending business pre-tax profit result \$4.8m (up 14%)
- Increased focus on “Tier 1” lending business has resulted in good lending growth
- Asset quality was maintained.
- Provision levels are maintained as uncertainty of COVID still remains and this will be reviewed in the coming year.

Review of March 21 year ¹² (DOC)

2. Financial Overview- QUEST INSURANCE:

- Reported profit of \$3.2m (up 89%)
- Premiums totalled \$21.5m for the year (up 53.2%)
- Direct channel continue previous year growth (up 107%)
- Underlying asset in AMPL investment was sold during period and generated circa \$3.5m cash
- Overall pleasing result for this operation
- Well positioned to further improve on what has been a very good year

Review of March 21 year ¹³ (DOC)

2. Financial Overview- FP Tonga:

- 60% owned
- Pre-tax profit of NZD \$1.4m, equal to last year result
- Group's share amounted to \$0.8m pre-tax profit (\$0.6m after tax) similar to prior year
- This operation managed to perform well during COVID restrictions to post a result equal to the prior year
- Net dividends of circa NZ\$0.4m was paid to the group during the period.

Review of March 21 year ¹⁴ (DOC)

2. Financial Overview- Stellar Collections (Including MFL Operations):

- Comprise consumer collection and debt litigation business
- Consolidated profit of \$0.3m, up \$0.2m
- 2022 expectation:
 - Debt litigation is well placed to take advantage when economy recovers from COVID
 - Consumer collection to continue to build on good results for coming year

Review of March 21 year ¹⁵ (DOC)

2. Financial Overview- Geneva Capital:

- Reported \$100k profit compared to prior year \$0.6m loss

- Ledger size

	Mar-20	Mar-21	% Increase
Ledger Closing Value	8,196	9,407	14.8%
Average Ledger Balance for the month	9,419	11,274	19.7%

- Migration to more cost-effective cloud-based system
- 2022 expectation:
 - Continue on progress made on servicing the SME market

Update Since 1 April 2021 16 (DOC)

3. Events Subsequent to Balance Date:

- GFSL
 - Asset quality remain strong and is streamlining its processes for the new regulation coming into force later in the year.
- QUEST
 - Continue the growth in new premiums from all channels. Also started to move insurance onto new dedicated insurance purpose software as this business has now outgrown its legacy systems.
- SCL
 - Impact of lockdowns continues to impact this business operation in the first half
- GCL
 - Starting to see an increase in new business applications, next step for this segment is to convert these
- Tonga
 - Trading results to date are slightly up on prior year.

Update Since 1 April 2021 17 (DOC)

3. Events Subsequent to Balance Date (continued):

COVID-19:

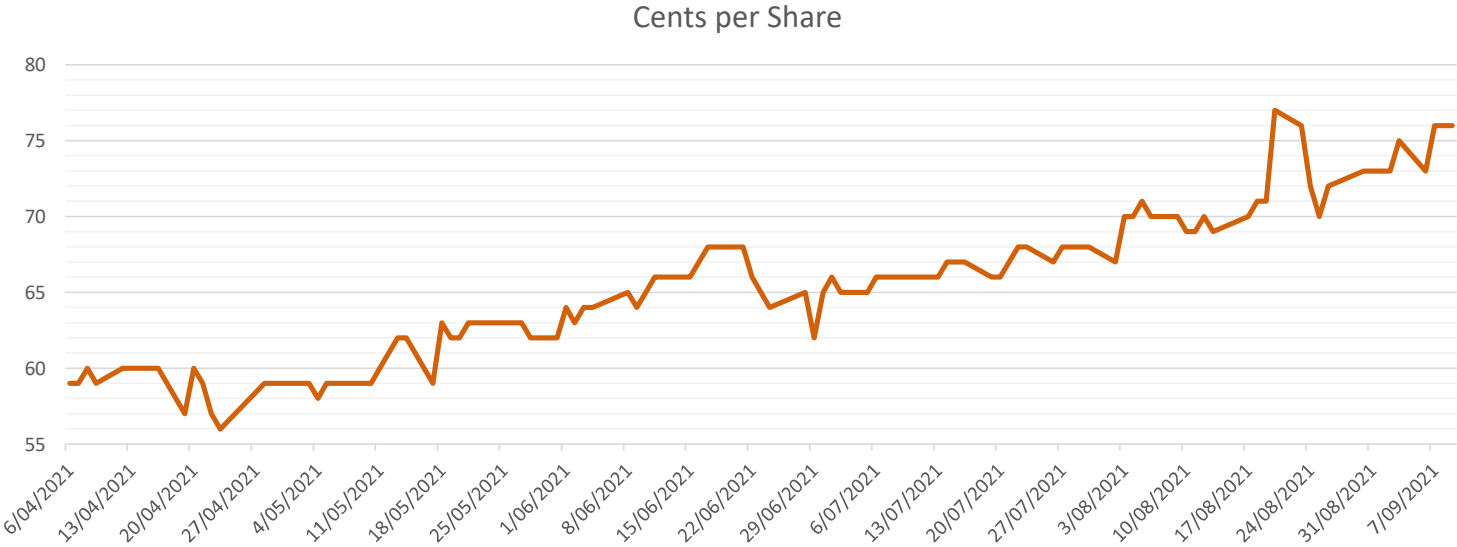
- The current Level 4 Lockdown again caused interruption for all business operations and the relaxation of lockdowns level outside Auckland is helpful, but uncertainty still remains on the full impact these recent lockdowns and possible future lockdowns will have on New Zealand businesses.

- REGULATORY UPDATE
 - Insurance Culture and Conduct Review
 - Responsible Lending Code

Update Since 1 April 2021 18 (DOC)

4. Share Price:

Started at 59 cents in April 21 and is currently trading circa 76 cents per share



Update Since 1 April 2021 19 (DOC)

4. Share price (continued):

- Share price data from 31 March 2015:

Share Price	Listed Price Cents	Incr (Decr)		Pre-Tax Earnings per share cps	Dividends per Share cps	Return to Shareholders	
		p.a. %	Cum %			Pre- tax Earnings % per share	Pre- tax Div % per share
Mar-15	20.30			2.20		10.8%	0.0%
Mar-16	35.00	72.4%	72.4%	3.05	1.50	8.7%	4.3%
Mar-17	43.00	22.9%	111.8%	5.42	2.00	12.6%	4.7%
Mar-18	61.00	41.9%	200.5%	6.42	3.00	10.5%	4.9%
Mar-19	60.00	-1.6%	195.6%	7.45	3.50	12.4%	5.8%
Mar-20	41.00	-31.7%	102.0%	5.62	2.75	13.7%	6.7%
Mar-21	60.00	46.3%	195.6%	9.28	3.75	15.5%	6.3%

Update on Performance to September 2021 20 (DOC)

5. Forecast to 30 September 2021:

Consolidated Income Statement				
For the 6 month forecast to 30 September 2021				
	Forecast SEPT 21	Actual SEPT 20	VAR	VAR
	\$M	\$M	\$M	%
Pretax profit:				
Geneva Financial Services Limited	2.6	2.1	0.5	23.8%
Quest Insurance Group Limited	2.0 [▼]	1.8	0.2	11.6%
Stellar Collections Limited	0.2	0.2	0.0	14.1%
Federal Pacific Finance Limited (Tonga)	0.7	0.7	0.0	3.0%
Geneva Capital Limited	0.0	(0.0)	0.0 [▼]	304.9%
	5.6	4.6	1.0	21.0%
GFNZ Group Limited (Gp Overheads)	(1.8)	(1.4)	(0.4)	32.0%
Group Trading Result before Tax	3.8	3.3	0.5	16.4%
Taxation	(0.5)	0.0	(0.5)	
<u>Less Non-Controlling Interest:</u>				
Federal Pacific Finance Limited (Tonga)	(0.2)	(0.2)	(0.0)	3.0%
Group Trading Result after tax	3.0	3.0	0.0	0.1%

Update on Performance since April 2021 21 (DOC)

6. Outlook and Summary:

- It was successful year despite COVID interruptions
- Demand for lending
- Despite the impact of the recent lockdowns the company is in a position to weather these challenges and remains committed to maintaining profit growth and a strong balance sheet
- Receivables ledgers are well provisioned
- The board is looking forward to taking advantage of the opportunities the coming market will offer.

Questions on Accounts 22 (Board)

Questions relating to the accounts
are now invited

Ordinary Business to be considered ²³

The following ordinary resolutions will now be considered:

Ordinary Business to be considered 24

Resolution 1: Election of Director

- To re-elect Alan Leighton Maiai Hutchison as a Director of Geneva Finance Limited.

Ordinary Business to be considered 25

Resolution 2: Auditor Remuneration

- That the Board be authorised to determine the auditor's fees and expenses for the 2022 financial year.

Ordinary Business ²⁶

Annual Report and Financial Statements

The Annual Report and the Financial Statements for the year ended 31 March 2021 and the audit report thereon have been considered and accepted by the Board.

GENEVA FINANCE LIMITED

Geneva Finance Limited

Annual General Meeting

15th SEPTEMBER 2021

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