

**Briefing to Brokers
Unaudited March 17
Financial Results**

Geneva Finance Limited - Market update May 17

MARCH 17 PROFIT & FINANCIAL POSITION GUIDANCE						
			Mar-17	Mar-16		Increase
			Unaudited	Audited		%
			\$M	\$M		
Pre-tax Profit			3.8	2.4		59%
After Tax Profit			5.1	3.5		45%
Cash on Hand			11.0	8.0		37%
Total Assets			84.4	69.6		21%
Net Assets			24.7	20.3		22%
Dividends		Aug 16		1.1		
		Jun 17	1.4			33%

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ABOUT GENEVA	
NZ Owned: Formed in 2002, Entered Moratorium in 2007, exited moratorium in 2013 / Based in Mt Wellington	
3 Businesses Activities:	
LENDING:	
Provides Motor Vehicle and Personal Loans: Ledger now \$59m yielding 18%, Bad Debts 3.5% over 4 years = 0.9% p.a.	
Profile Lender - Profile Clients on Age, Credit, Stability Residence, Stability Employment, Affordability	
We categorise Clients into 4 groups (Gold+, Gold, Silver, Bronze)	
E.G.	Gold+ (Bank Client) 32% of our business, Average Yield 15%, Max Lend \$65k
	Bronze (Poor Credit and or Beneficiary) 9.0% of our business, Average Yield 25%, Max Lend \$7k
INSURANCE:	
Full Insurance Licence	
Four Products	Comprehensive MV Insurance, GAP, Mechanical breakdown Insurance, Lifestyle Protection Insurance
Historically, Primarily supporting Geneva's lending operations / Now expanding into other areas	
DEBT COLLECTION:	
Historically, collecting Geneva's OLD ledgers	
Now expanding into other debt collection services	
STAFF: Employ 34 Staff	
MAJOR SHAREHOLDER: Federal Pacific Group Ltd 58% / Owned by Alistair and Alan Hutchison	
FPG were founding shareholder in CBL and are still a major shareholder / Have extensive finance / Insurance sector investments and experience.	

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SHARE ANALYSIS				Mar-17	Mar-16		
				Unaudited	Audited		Increase
				cps	cps		%
				5.4	3.4		59.2%
				7.2	5.0		44.6%
				35.0	28.8		21.8%
				30.4	26.0		17.1%
Dividends	Special Maiden Dividend	Aug 16			1.5		
	YE Mar 17	Jun 17		2.0			33.3%
				56.0			
				10.4			
				7.7			
Key issues:	PERCEPTION	Communication with Market					
		NZAX Listing					
	PERFORMANCE						

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BUSINESS STRENGTHS/ WEAKNESSES/ OPPORTUNITIES / RISKS						
STRENGTHS:						
a	Low Market Share in all areas of operation	Lending / Insurance / Debt Collections				
b	Experienced / Good Management					
c	Strong Balance sheet	Equity to Total Assets ratio is currently			29.2%	
	Data is as at Mar 17 (Unaudited)	With a	\$ 56.4	Macquisition	17.5%	
		With a	\$ 38.8	Macquisition	20.0%	
d	Strong Cornerstone Shareholder	Federal Pacific Group Ltd (58%)				
WEAKNESSES						
a	Concentration of business in Auckland					
b	Small Size/ Depth of management may be perceived as aweakness / This is not the case					

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BUSINESS STRENGTHS/ WEAKNESSES/ OPPORTUNITIES / RISKS	
OPPORTUNITIES:	
a	Lending: Expansion "up the food chain" and "geographically"
b	Insurance: Into the 3rd party sector
c	Debt Collection: Contingent debt collection/ Distressed asset purchases
d	Acquisitions/ Partnerships: - E.G. Janssens - Looking for right opportunity, Typically assets are overvalued.
e	Amount of "increasingly higher risk debt" being issued.
RISKS:	
a	Geneva Balance Sheet Risk Low
b	Geneva Earnings Risk Expected Mar 18 Growth is largely a function of Mar 17 performance Beyond Mar 18 is a function of the Market and how we react
c	Market: Amount of "increasingly higher risk debt" being issued.

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TRADING	Geneva Financial Services Ltd	
	Unaudited Lending \$M	Increase %
Mar 14	17.5	
Mar 15	28.2	61%
Mar 16	35.5	26%
Mar 17	40.0	13%
Commentary:	<ul style="list-style-type: none"> - Contribution pre Group Overheads \$4.5m up 52% on last year - Lending growth has driven profit Increase - Mix Change is into lower margin / lower risk - Predominantly Auckland and in particular South Auckland - 18% Average yield - Bad Debts 3.5% over 4 years, equates to 0.9% p.a. yield loss - Currently finance circa 0.4% of Motor Vehicle sales - Securitisation Funding line of \$45m with ability to expand 	
Future:	<ul style="list-style-type: none"> - Expand both geographically and up the food chain - Improve customer Service experience - Continued conservative lending, remain well positioned for acquisitions / partnerships 	

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TRADING		Quest Insurance Group Ltd			
Gross Written Premium		Premium Sales	Increase %	Premium Released	Increase %
		\$M		\$M	
Mar 14	Audited	1.4		1.4	
Mar 15	Audited	1.4	2%	1.5	9%
Mar 16	Audited	2.6	87%	1.5	0%
Mar 17	Unaudited	3.0	14%	2.5	61%
Commentary:		- Contribution pre Group Overheads \$0.9m up 81% on last year. Expect continued growth - Partnership agreement with "Janssens Insurance" from 1 Apr 17. - Development of Quest own distributional Channel (When Geneva is not providing the finance) - March 18 Gross Written Premium expected to grow by 120% - Premium Deferral will delay full impact being reflected in the Revenue Statement - A&M Best "B" Financial Strength Rating and "bb" Issuer Rating - Solvency Capital \$7.1m, \$2.1m above Reserve Bank requirement			

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TRADING	Stellar Collections Ltd			
Historically Stellar has been responsible for collecting the "old ledger(s)"				
This task is largely complete				
	Total Old Ledgers BV	\$	3.2 M	Unaudited
	Face Value of Accounts that have paid in last 30 days	\$	12.8 M	Unaudited
	Cash collected from these accounts in the Mar 17 year	\$	2.1 M	Unaudited
In process of building management infrastructure to expand this operation to include:				
	Contingent debt collections			
	Purchase of 3rd Party distressed debt			
	Benefits to be gained in latter part of 2018 and in 2019			

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HISTORIC PERFORMANCE						HIGHLIGHTS	
Oct 02: - Company began trading							
Mar 07: - Period of rapid growth - 22 Branches, \$180m of Assets, 325 staff.							
Nov 07: - Entered Moratorium.							
Changed direction/ Up food chain, developed customer profiles, max lends, rate for risk.							*
Aug 13: - Exited Moratorium:		Having repaid investors \$143m incl \$40m of interest.					*
		1 Branch, \$43m of Assets and 31 staff					
Aug 13: - Securitisation facility \$30m.							*
Apr 14: - Rights issue \$6.1m fully subscribed.							*
Jun 15: - Securitisation Facility increased to \$35m							*
Feb 16: - Quest Insurance financial strength credit Rating "B", Issuer rating "bb"							*
Apr 16: - Quest exits small insurer regime							*
Jun 16: - Securitisation Facility increased to \$45m							*
Jun 16: - 7:1 Share consolidation							

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HISTORIC PERFORMANCE						HIGHLIGHTS	
Aug 16: - Paid maiden dividend 1.5 cps.							*
Nov 16: - Systems upgrade - Finpower Connect (Latest Version)							*
Jan17: - Raised \$3.1m additional professional Investor funding to build cash reserves.							*
Mar 17: - 1 Branch, \$84m of Assets and 34 staff.							
Apr 17: - Quest JV with Janssens, Quest underwrites all Janssens MV related products.							*
Geneva Finance Ltd		Pre-Tax		After Tax			
Audited Profit		\$000		\$000			
Mar 14	Audited	(4.2)		(4.2)			
Mar 15	Audited	1.5		2.2			
Mar 16	Audited	2.4	54%	3.5	61%		*
Mar 17	Unaudited	3.8	59%	5.1	45%		*

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LISTING ON THE MAIN BOARD							
Exploring the options in respect of moving to the main board							
Minimum criteria is \$50.0m Market Capitalisation							
Market Capitalisation is a function of				PERCEPTION			
				PERFORMANCE			
PERCEPTION:							
Historically, Geneva has NOT actively promoted itself to the Investment community							
PERFORMANCE:							
Maintaining profit growth patterns of the last three years would see the market capitalisation grow through the \$50m threshold.							

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