

**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		%
	Pre-tax Earnings per Share			5.4	3.4		59.2%
	After Tax Earnings per Share			7.2	5.0		44.6%
	Net Assets per share			35.0	28.8		21.8%
	Net Tangible Assets per share			30.4	26.0		17.1%
Dividends	Special Maiden Dividend	Aug 16			1.5		
	YE Mar 17	Jun 17		2.0			33.3%
	Geneva Finance Market price (5 May 17)			56.0			
	Market PE On Pre-tax Earnings			10.4			
	Market PE On After-tax Earnings			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	Increase
			\$M	%
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	Increase	Premium	Increase		
		Sales	%	Released	%		
		\$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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