

USX ANNOUNCEMENT: GENEVA FINANCE – 13 February 2025

Quarterly trading update: December 2024 (Q3, 31 March 2025 financial year)

Group Financial Performance

Geneva reports a pretax profit of \$5.9 million for the nine months to 31 December 2024, up \$2.9 million (97%) over the same period last year.

Quest Insurance

Quest achieved a pretax profit of \$6.5 million for the same period, up by \$2.6 million (67%) from the September 2024 YTD result. This result is mainly due to increased premium sales and static claim volumes over the period. Total YTD premiums amounted to \$41.7 million, up \$7.8 million (+22.8%) on the prior year. Quest maintained strong solvency and solid cash holdings during the period.

NZ Lending Operations

NZ Lending operations posted a pretax loss of \$2.3 million, an additional \$1.0 million (76%) loss from the September 2024 result. Loan arrears continued to rise in the third quarter and for the full 12 months will likely be at similar levels to the previous financial year. The provisioning increase is mainly due to the additional impairment charges taken up against potentially uncollectable loans, based on current and projected arrears. While the finance industry is seeing an increase in arrears levels and the economy is showing increases in unemployment, we have moved to do what we can internally to address controllable factors. In January 2025, in a move to directly address arrears levels, the management functions and responsibilities for credit sales and credit approvals were separated. These roles are now managed under (1) Head of Sales - tasked with driving up lending volumes and new business acquisitions, and (2) Manager Credit – tasked with overseeing credit assessment and approvals to ensure all lending meets our credit policy standards and to improve the quality of the overall loan book. Lending volumes compared to last year increased by 8.0%, totaling \$44.0 million, with \$14.5 million lent over the last quarter, compared to \$11.4 million lent over the same period last year. The total net receivable ledger (after provisioning) increased to \$107.5 million, up \$5.2 million on last year.

Tonga Lending Operations (FPF Tonga)

The Tonga operation performed well and is experiencing strong lending demand and reported a pretax profit of \$1.6 million, up \$0.3 million on last year.

Funding

The Group's Westpac Funding facility increased to \$87.3 million, up \$2 million from September and up \$7 million on last year. The Kiwi Bank Facility is being repaid, with a further \$0.5 million repaid during the quarter, bringing the total outstanding to \$1.0 million. Funding from wholesale investors amounted to \$17.1 million and was unchanged from the last quarter.

Summary

The Group's overall results continue to improve over last year, but higher loan book impairment charges and lingering high funding costs remain the main impediments to a much-improved performance for NZ lending operations. It is expected that increased impairment provisioning will continue over the fourth quarter and will have an impact on the group's full-year result.

The recent and impending OCR interest rate reductions are expected to positively impact on the Group's funding costs but will have a minimal impact in the current financial period.

On 11 February, Quest received official notification from the Financial Markets Authority that its Financial Institutions Licence (COFI licence) had been granted, effective 31 March 2025.

The Group continues to refine its management control and reporting systems which will benefit the company in the 2026 financial year and those that follow. We remain on target to launch in Q4, the newly acquired Lending onboarding software system 'Credisense', and Quests' newly acquired core insurance software system 'Insured HQ'. Management is also in the process of recommending an upgrade to the company's general ledger and financial reporting systems, moving away from the existing and outdated legacy GL software system, and looking to upgrade the group-wide phone management system to streamline business processes.

Quarterly featured executive profile:

For our Q3 executive profile we feature Lou Coetzer, Manager HR and Policy



Lou Coetzer joined Geneva Finance in February of 2020 managing MFL, Geneva's debt litigation subsidiary. After the closure of MFL in 2024, Lou was seconded to various management support activities including special projects assisting the Managing Director. In 2025, Lou was appointed to oversee the Human Resources and Policy function.

Lou, born and raised in the Free State province of South Africa, grew up on a farm where he developed a deep love for the outdoors and animals. He believes farm life taught him the perseverance and determination needed to study law and run his own law firm where he worked as a commercial solicitor before moving to New Zealand in 2017.

Lou enjoys connecting with people from all walks of life. His upbringing and professional background helped mold him and enable him to form and maintain strong business and professional relationships. His ability to adapt and support others is now one of his most valuable attributes in the workplace.

Lou believes he is more than up to the challenge that his new role provides. Lou stated, “Geneva has a supportive and family-oriented culture, one which aligns well with his beliefs and management style.” He also believes that people are a business’s greatest asset, and the more proactive we are in developing our staff, the better our results will be. Lou enjoys following all sports but in particular Rugby Union and Cricket and loves family time with his wife and two sons.