USX ANNOUNCEMENT: GENEVA FINANCE – 27 May 2025

Quarterly trading update: March 2025 (Q4, 31 March 2025 financial year)

Group Financial Performance

The Geneva Group reported an unaudited pretax profit of $6.0 million, an increase of $2.4 million (+66%) compared to the previous year. The improved result is attributed to enhanced performance from the Insurance and Tonga operations. New Zealand Lending operations were impacted by high loan delinquencies which saw an increased impairment charge for the year matching the 2024 charge.

The March 2025 result is similar to the December 2024 USX announced result, principally due to late year-end adjustments in loan loss provisioning of $1.8million in NZ Lending operations, and late adjustments to Quest for accruals not previously recognised.

Quest Insurance

Quest Insurance Group Limited (Quest) continues to perform well with NPBT of $7.3 million. Although this is $1.2 million down on the previous year, this includes an overheads recharge of $2.2 million of operating costs paid at the Group level on behalf of Quest.

The 2025 year saw Quest continuing its year-on-year double digit growth trend. Gross written premiums grew by 20.4% to $55.8 million, driven by robust market demand and expanding distribution channels. Claims costs remained stable compared to the prior year, reflecting continued underwriting discipline.

Investment income rose 13.7% to $2.1 million, supported by strong cash flows and positive term deposit rates. Quest also maintained a solid liquidity position, with cash on hand increasing by 7.1% to $42.1 million. Quest's solvency ratios remain strong, underscoring the company's sound financial position and commitment to long-term stability.

This year's result demonstrates Quests continued momentum in the market, underpinned by prudent financial management and a deliberate focus on strengthening operational foundations to support future growth. In 2025, the positions of Financial Controller and Manager Risk and Compliance were created to ensure a specific focus on these areas was enhanced. Both position report directly to the CEO of Quest Insurance.

NZ Lending Operations

New Zealand lending operations reported a $3.4 million loss for the fiscal year ending March 2025, which is an improvement of $3.2 million from the $6.6 million loss recorded in the prior year. This improvement reflects the recharge of insurance related costs now being passed on to the insurance operations from the beginning of the current year. Loan loss provisioning hit $4.9m million in 2025, similar to the 2024 year. Lending for the full year increased by 4.6%, totalling $55.6 million. Additionally, dealer Floorplan funding grew by 4.5%, reaching $15.1 million for the year. Net Group receivables increased from $110 million to $117.3 million, reflecting a 6.4% growth for the year.

The key focus for lending is now improving the quality of loans approved and at the same time growing the loan book. Recent changes to lending processes, including the appointment of a new credit manager in January 2025, will support this objective. Furthermore, the launch of a new lending onboarding platform is underway and expected to be completed within the next Quarter.

Tonga Lending Operations

The Tonga operation reported a $2.1 million pretax profit, up $0.3m (18.9%) on last year.

Funding

The Group's Westpac Funding facility increased to $87.3 million, up $5.8 million. Kiwi Bank Facility is being repaid and has $0.6 million remaining at year-end. Over the last year, $1.7 million was repaid to Kiwibank. Funding from wholesale investors at year-end was $16.3 million, with $0.7 million repaid during the period.

Highlights / Key Events 2025 financial year

Group

- Group delisted from NZX, listed on the USX, July 2024
- Restructure of Lending and appointment of a separate Manager Credit, Jan 2025

Quest

- RBNZ investigation into two potential IPSA breaches resulted in a public censure with no fines in November 2024.
- Appointment of Quest focused positions, Manager Risk and Compliance and Financial Controller.
- COFI licence granted effective 31 March 2025
- Insurance business exceeding $50m gross written premiums
- Launched new insurance software on 1 April 2025

END.