

GENERAL FINANCE LIMITED

Key ratios and selected financial information as at 31 March 2021

KEY RATIOS

Capital Ratio

	31 March 2021	31 March 2020	31 March 2019
Our capital ratio calculated in accordance with the 2010 Regulations¹	16%	20%	34%
Minimum capital ratio required by our Trust Deed if the issuer has a credit rating	8%	8%	8%
Minimum capital ratio that must be included in the trust deed under reg 8(2) of the 2010 Regulations¹ if the issuer has a credit rating	8%	8%	8%
<p>The capital ratio is a measure of the extent to which General Finance is able to absorb losses without becoming insolvent. The lower the capital ratio, the fewer financial assets General Finance has to absorb unexpected losses arising out of its business activities.</p>			

¹Deposit Takers (Credit Ratings, Capital Ratios, and Related Party Exposures) Regulations 2010

Related Party Exposures

	31 March 2021	31 March 2020	31 March 2019
Our aggregate exposures to related parties as calculated in accordance with the 2010 Regulations¹	0.2%	1.9%	6.1%
Maximum limit on aggregate exposures to related parties that we must not exceed that is included in our Trust Deed²	10% of capital	10% of capital	10% of capital
Maximum limit on aggregate exposures to related parties that we must not exceed that must be included in our Trust Deed under reg 23(3)(b) of the 2010 Regulations¹	15% of capital	15% of capital	15% of capital
<p>Related party exposures are financial exposures that General Finance has to related parties. A related party is an entity that is related to General Finance through common control or some other connection that may give the party influence over General Finance (or General Finance over the related party).</p>			

Liquidity

	31 March 2021	31 March 2020	31 March 2019
Our liquidity calculated in accordance with the quantitative liquidity requirements included in our Trust Deed *	3.6 times	3.8 times	22.5 times
The minimum liquidity requirements required by our Trust Deed	A liquidity cover ratio of 1.25 times	A liquidity cover ratio of 1.25 times	A liquidity cover ratio of 1.25 times
<p>Liquidity requirements help to ensure that General Finance has sufficient realisable assets on hand to pay its debts as they become due in the ordinary course of business. Failure to comply with liquidity requirements may mean that General Finance is unable to repay investors on time and may indicate other financial problems in its business.</p>			

¹Deposit Takers (Credit Ratings, Capital Ratios, and Related Party Exposures) Regulations 2010

SELECTED FINANCIAL INFORMATION

	Year Ended 31 Mar 21 (Audited) \$	Year Ended 31 Mar 20 (Audited) \$	Year Ended 31 Mar 19 (Audited) \$
STATEMENT OF COMPREHENSIVE INCOME (EXTRACT)			
Total interest, fee and commission income	4,468,796	3,480,508	1,780,343
Interest expense	2,245,554	1,440,704	592,791
Profit before income tax	283,017	502,608	159,470
Net profit after tax	223,430	441,716	124,765
Total comprehensive income	223,430	441,716	124,765
STATEMENT OF CHANGES IN EQUITY (EXTRACT)			
Total equity at start of year	6,082,694	5,340,978	3,616,213
Shares issued	0	300,000	1,600,000
Profit for the period	223,430	441,716	124,765
Total equity at end of year	6,306,124	6,082,694	5,340,978
STATEMENT OF FINANCIAL POSITION (EXTRACT)			
Cash and cash equivalents	7,248,075	12,472,062	2,814,108
Bank deposits	3,000,000	-	-
Loan receivables	53,775,171	34,855,849	17,196,205
Other assets	489,259	350,201	146,381
Total assets	64,512,505	47,678,112	20,156,694
Term deposits	57,863,184	41,450,497	14,900,458
Other liabilities	593,197	394,921	165,258
Total liabilities	58,456,381	41,845,418	15,065,716
Share capital	4,950,000	4,950,000	4,650,000
Retained earnings	1,106,124	882,694	440,978
Total equity	6,056,124	5,832,694	5,090,978
CAPITAL			
less deferred tax asset and intangible assets	-63,808	-76,942	-80,952
Capital (per 2010 Regulations)	5,992,316	5,755,752	5,010,026
STATEMENT OF CASH FLOWS (EXTRACT)			
Net Cash Flows from Operating Activities	-18,160,026	-17,030,984	-8,646,518
Net Cash Flows from Investing Activities	-3,384,103	-4,444	-42,136
Net Cash Flows from Financing Activities	16,320,142	26,693,382	6,658,474
Net Cash Movement for the Year	-5,223,987	9,657,954	-2,030,180

HOW THE RATIOS HAVE BEEN CALCULATED

Capital ratio

Position at 31 March 2021

Capital

Gross capital	6,056,124
Less deductions	63,808
Total capital	5,992,316

Exposures	Exposure	Risk Weight	Risk Weighted Exposures
NZ Registered Bank Deposits	10,248,075	20%	2,049,615
Residential mortgages:			
LVR 70% and under	39,366,442	35%	13,778,255
LVR 70% - 80%	6,687,119	50%	3,343,560
Second mortgages	107,018	150%	160,527
Other loans with qualifying security over land and buildings:			
LVR 70% and under	7,614,612	100%	7,614,612
Other assets	425,431	350%	1,489,009
Deductions from capital	63,808		-
Total credit risk weighted exposures (A)			28,435,578
Total assets (B)	64,512,505		
Operational and Market Exposures	(A+B)/2x0.175		8,132,957
Total Exposures			36,568,535

Capital Ratio at 31 March 2021

(being Total Capital/Total Exposures)

16%

Position at 31 March 2020

Capital

Gross capital	5,832,694
Less deductions	76,942
Total capital	5,755,752

Exposures	Exposure	Risk Weight	Risk Weighted Exposures
Cash	20,000	0%	-
Cash at bank	12,452,062	20%	2,490,412
Residential mortgages:			
LVR 70% and under	25,051,385	35%	8,767,985
LVR 70% - 80%	4,550,142	50%	2,275,071
LVR 80% - 90%	-	100%	-
LVR 90% - 100%	-	125%	-
LVR over 100%	-	150%	-
Second mortgages	1,377,479	150%	2,066,219
Property development loans:			
LVR 60% and under	2,170,726	150%	3,256,089
LVR 60% - 100%	1,706,117	200%	3,412,234
Other assets (Unsecured)	-	200%	-
Other assets	273,259	350%	956,407
Investments	-	600%	-
Deductions from capital	76,942		-
Total credit risk weighted exposures (A)			23,224,417
Total assets (B)	47,678,112		
Operational and Market Exposures	(A+B)/2x0.175		6,203,971
Total Exposures			29,428,388

Capital Ratio at 31 March 2020

(being Total Capital/Total Exposures)

20%

Capital ratio

Position at 31 March 2019

Capital

Gross capital	5,090,978
Less deductions	80,952
Total capital	5,010,026

Exposures	Exposure	Risk Weight	Risk Weighted Exposures
Cash	2,814,108	20%	562,822
Residential mortgages:			
LVR 70% and under	12,059,087	35%	4,220,680
LVR 70% - 80%	926,038	50%	463,019
LVR 80% - 90%	-	100%	-
LVR 90% - 100%	-	125%	-
LVR over 100%	-	150%	-
Second mortgages	2,192,186	150%	3,288,279
Property development loans:			
LVR 60% and under	1,416,483	150%	2,124,725
LVR 60% - 100%	602,411	200%	1,204,822
Other assets (Unsecured)	-	200%	-
Other assets	65,429	350%	229,002
Investments	-	600%	-
Deductions from capital	80,952		-
Total credit risk weighted exposures (A)			12,093,349
Total assets (B)	20,156,694		
Operational and Market Exposures	(A+B)/2x0.175		2,821,879
Total Exposures			14,915,228

Capital Ratio at 31 March 2019

(being Total Capital/Total Exposures)

34%

AGGREGATE EXPOSURE TO RELATED PARTIES

	31 March 2021	31 March 2020	31 March 2019
Loans to related parties (A)	10,635	110,537	307,254
Other related party exposures (B)	-	-	-
Capital	5,992,316	5,755,752	5,010,026
(A + B) / C	0.2%	1.9%	6.1%

*Related party exposures are calculated by dividing total related party exposures by Capital (per 2010 Regulations).

HOW LIQUIDITY MEASURES HAVE BEEN CALCULATED

	31 March 2021	31 March 2020	31 March 2019
Liquidity	10,248,075	12,472,062	2,814,108
3 month expected loan receivables	8,632,475	13,767,757	4,579,319
3 month gross deposit redemptions	5,317,605	6,914,030	328,080
Liquidity Cover Ratio (times)¹	3.6	3.8	22.5

¹The Liquidity Cover Ratio is calculated by dividing Liquidity plus the 3 month expected loan receivables, by the 3 month expected gross deposit redemptions.