

GENERAL FINANCE LIMITED
Key ratios and selected financial information as at 31 March 2022

KEY RATIOS

Capital Ratio

	31 March 2022	31 March 2021	31 March 2020
Our capital ratio calculated in accordance with the 2010 Regulations¹	18%	16%	20%
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 2022	31 March 2021	31 March 2020
Our aggregate exposures to related parties as calculated in accordance with the 2010 Regulations¹	0.1%	0.2%	1.9%
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 2022	31 March 2021	31 March 2020
Our liquidity calculated in accordance with the quantitative liquidity requirements included in our Trust Deed *	4.5 times	3.6 times	3.8 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 22 (Audited) \$	Year Ended 31 Mar 21 (Audited) \$	Year Ended 31 Mar 20 (Audited) \$
STATEMENT OF COMPREHENSIVE INCOME (EXTRACT)			
Total interest, fee and commission income	7,503,222	4,468,796	3,480,508
Interest expense	2,970,937	2,245,554	1,440,704
Profit before income tax	2,062,466	283,017	502,608
Net profit after tax	1,536,878	223,430	441,716
Total comprehensive income	1,536,878	223,430	441,716
STATEMENT OF CHANGES IN EQUITY (EXTRACT)			
Total equity at start of year	6,056,124	5,832,694	5,090,978
Shares issued	2,150,000	0	300,000
Profit for the period	1,536,878	223,430	441,716
Total equity at end of year	9,743,002	6,056,124	5,832,694
STATEMENT OF FINANCIAL POSITION (EXTRACT)			
Cash and cash equivalents	16,394,852	7,248,075	12,472,062
Bank deposits	2,450,000	3,000,000	-
Loan receivables	80,027,661	53,775,171	34,855,849
Other assets	278,706	489,259	350,201
Total assets	99,151,219	64,512,505	47,678,112
Term deposits	88,047,219	57,863,184	41,450,497
Other liabilities	1,360,998	593,197	394,921
Total liabilities	89,408,217	58,456,381	41,845,418
Share capital	7,100,000	4,950,000	4,950,000
Retained earnings	2,643,002	1,106,124	882,694
Total equity	9,743,002	6,056,124	5,832,694
CAPITAL			
less deferred tax asset and intangible assets	-89,068	-63,808	-76,942
Capital (per 2010 Regulations)	9,653,934	5,992,316	5,755,752
STATEMENT OF CASH FLOWS (EXTRACT)			
Net Cash Flows from Operating Activities	6,346,765	-1,839,885	9,362,398
Net Cash Flows from Investing Activities	744,018	-3,384,103	-4,444
Net Cash Flows from Financing Activities	2,055,995	0	300,000
Net Cash Movement for the Year	9,146,778	-5,223,988	9,657,954

HOW THE RATIOS HAVE BEEN CALCULATED

Capital ratio

Position at 31 March 2022

Capital

Gross capital	9,743,002
Less deductions	89,068
Total capital	9,653,934

Exposures	Exposure	Risk Weight	Risk Weighted Exposures
NZ Registered Bank Deposits	18,844,852	20%	3,768,970
Residential mortgages:			
LVR 70% and under	65,045,254	35%	22,765,839
LVR 70% - 80%	1,093,982	50%	546,991
Second mortgages			
Other loans with qualifying security over land and buildings:			
LVR 70% and under	13,888,425	100%	13,888,425
Other assets	189,638	350%	663,733
Deductions from capital	89,068		-
Total credit risk weighted exposures (A)			41,633,958
Total assets (B)	99,151,219		
Operational and Market Exposures	(A+B)/2x0.175		12,318,703
Total Exposures			53,952,661

Capital Ratio at 31 March 2022

(being Total Capital/Total Exposures)

18%

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%

Capital ratio

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%

AGGREGATE EXPOSURE TO RELATED PARTIES

	31 March 2022	31 March 2021	31 March 2020
Loans to related parties (A)	13,337	10,635	110,537
Other related party exposures (B)	-	-	-
Capital	9,653,934	5,992,316	5,755,752
(A + B) / C	0.1%	0.2%	1.9%

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

HOW LIQUIDITY MEASURES HAVE BEEN CALCULATED

	31 March 2022	31 March 2021	31 March 2020
Liquidity	18,844,852	10,248,075	12,472,062
3 month expected loan receivables	10,732,433	8,632,475	13,767,757
3 month gross deposit redemptions	6,519,455	5,317,605	6,914,030
Liquidity Cover Ratio (times)¹	4.5	3.6	3.8

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