

GENERAL FINANCE LIMITED

Key ratios and selected financial information as at 31 March 2023

KEY RATIOS

Capital Ratio

	31 March 2023	31 March 2022	31 March 2021
Our capital ratio calculated in accordance with the 2010 Regulations¹	22%	18%	16%
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 2023	31 March 2022	31 March 2021
Our aggregate exposures to related parties as calculated in accordance with the 2010 Regulations¹	0.1%	0.1%	0.2%
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 2023	31 March 2022	31 March 2021
Our liquidity calculated in accordance with the quantitative liquidity requirements included in our Trust Deed *	4.0 times	4.5 times	3.6 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 23 (Audited) \$	Year Ended 31 Mar 22 (Audited) \$	Year Ended 31 Mar 21 (Audited) \$
STATEMENT OF COMPREHENSIVE INCOME (EXTRACT)			
Total interest, fee and commission income	13,560,197	7,503,222	4,468,796
Interest expense	5,224,192	2,970,937	2,245,554
Profit before income tax	4,352,080	2,062,466	283,017
Net profit after tax	3,245,320	1,536,878	223,430
Total comprehensive income	3,245,320	1,536,878	223,430
STATEMENT OF CHANGES IN EQUITY (EXTRACT)			
Total equity at start of year	9,743,002	6,056,124	5,832,694
Shares issued	3,000,000	2,150,000	0
Profit for the period	3,245,320	1,536,878	223,430
Total equity at end of year	15,988,322	9,743,002	6,056,124
STATEMENT OF FINANCIAL POSITION (EXTRACT)			
Cash and cash equivalents	9,443,743	16,394,852	7,248,075
Bank deposits	8,924,560	2,450,000	3,000,000
Loan receivables	108,834,304	80,027,661	53,775,171
Other assets	483,197	278,706	489,259
Total assets	127,685,804	99,151,219	64,512,505
Term deposits	109,886,032	88,047,219	57,863,184
Other liabilities	1,811,450	1,360,998	593,197
Total liabilities	111,697,482	89,408,217	58,456,381
Share capital	12,574,234	7,100,000	4,950,000
Retained earnings	3,414,088	2,643,002	1,106,124
Total equity	15,988,322	9,743,002	6,056,124
CAPITAL			
less deferred tax asset and intangible assets	-245,922	-89,068	-63,808
Capital (per 2010 Regulations)	15,742,400	9,653,934	5,992,316
STATEMENT OF CASH FLOWS (EXTRACT)			
Net Cash Flows from Operating Activities	-3,360,464	6,346,765	-1,839,885
Net Cash Flows from Investing Activities	-6,476,044	744,018	-3,384,103
Net Cash Flows from Financing Activities	2,885,399	2,055,995	0
Net Cash Movement for the Year	-6,951,109	9,146,778	-5,223,988

HOW THE RATIOS HAVE BEEN CALCULATED

Capital ratio

Position at 31 March 2023

Capital

Gross capital	15,988,321
Less deductions	245,922
Total capital	<u>15,742,400</u>

Exposures	Exposure	Risk Weight	Weighted Exposures
NZ Registered Bank Deposits	18,368,303	20%	3,673,661
Residential mortgages:			
LVR 70% and under	91,396,891	35%	31,988,912
Property development loans:			
LVR over 60% and under 100%	2,102,061	200%	4,204,121
Other loans with qualifying security over land and buildings:			
LVR 70% and under	15,335,353	100%	15,335,353
Other assets	237,274	350%	830,460
Deductions from capital	245,922		-
Total credit risk weighted exposures (A)			56,032,507
Total assets (B)	127,685,803		
Operational and Market Exposures	(A+B)/2x0.175		16,075,352
Total Exposures			72,107,859

Capital Ratio at 31 March 2023

(being Total Capital/Total Exposures)

22%

Capital ratio

Position at 31 March 2022

Capital

Gross capital	9,743,002
Less deductions	89,068
Total capital	<u>9,653,934</u>

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			<u>53,952,661</u>
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%

AGGREGATE EXPOSURE TO RELATED PARTIES

	31 March 2023	31 March 2022	31 March 2021
Loans to related parties (A)	12,608	13,337	10,635
Other related party exposures (B)	-	-	-
Capital	15,742,400	9,653,934	5,992,316
(A + B) / C	0.1%	0.1%	0.2%

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

HOW LIQUIDITY MEASURES HAVE BEEN CALCULATED

	31 March 2023	31 March 2022	31 March 2021
Liquidity	18,368,303	18,844,852	10,248,075
3 month expected loan receivables	15,817,551	10,732,433	8,632,475
3 month gross deposit redemptions	8,626,193	6,519,455	5,317,605
Liquidity Cover Ratio (times)¹	4.0	4.5	3.6

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