

GENERAL FINANCE LIMITED
Quarterly report as at 30 June 2020

KEY RATIOS

Capital

	30 June 2020
Our capital ratio calculated in accordance with the 2010 Regulations*	25.21%
Minimum capital ratio required by our Trust Deed	8% if we have a credit rating**, or 15% if we do not have a credit rating
Minimum capital ratio that must be included in the trust deed under reg 8(2) of the 2010 Regulations*	8% if we have a credit rating**, or 10% if we do not have a credit rating
<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>	

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

** General Finance has been rated by Equifax Australasia Credit Ratings Pty Ltd ("Equifax"). Equifax gives ratings from AAA through to C (excluding ratings attaching to entities in default).

Equifax has issued General Finance a credit rating of BB- with a Positive Outlook. According to Equifax's criteria, this rating is classified as "Near Prime" and has "Low to Moderate" risk level. Equifax's credit rating report for General Finance can be accessed at www.business.govt.nz/disclose.

Related Party Exposures

	30 June 2020
Our aggregate exposures to related parties as calculated in accordance with the 2010 Regulations*	2.05%
Maximum limit on aggregate exposures to related parties that we must not exceed that is included in our Trust Deed	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 Regulations*	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>	

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

Liquidity

	30 June 2020
Our liquidity calculated in accordance with the quantitative liquidity requirements included in our Trust Deed	6.29 times
The minimum liquidity requirements required by our Trust Deed	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>	



SELECTED FINANCIAL INFORMATION

	Quarter to 30 June 2020
Total Assets	47,076,580
Total Liabilities	41,172,967
Net Profit After Tax	70,919
Net Cash Flows from Operating Activities	9,596,799
Cash and Cash Equivalents	21,459,871
Capital (per 2010 Regulations)	5,828,400

HOW THE RATIOS HAVE BEEN CALCULATED

CAPITAL RATIO

Position at 30 June 2020

Capital

Gross capital	5,903,613
Less deductions	75,213
Total capital	5,828,400

Exposures	Exposure	Risk Weight	Risk Weighted Exposures
Cash	20,000	0%	-
Cash at bank	21,439,871	20%	4,287,974
Residential mortgages:			
LVR 70% and under	21,294,331	35%	7,453,016
LVR 70% - 80%	1,609,125	50%	804,562
LVR 80% - 90%	-	100%	-
LVR 90% - 100%	-	125%	-
LVR over 100%	-	150%	-
Second mortgages	1,336,287	150%	2,004,431
Property development loans:			
LVR 60% and under	-	150%	-
LVR 60% - 100%	1,091,701	200%	2,183,402
Other assets (Unsecured)	-	200%	-
Other assets	210,052	350%	735,182
Investments	-	600%	-
Deductions from capital	75,213		-
Total credit risk weighted exposures (A)			17,468,567
Total assets (B)	47,076,580		
Operational and Market Exposures	(A+B)/2x0.175		5,647,700
Total Exposures			23,116,267
Capital Ratio (being Total Capital/Total Exposures)			25.21%

AGGREGATE EXPOSURE TO RELATED PARTIES

Loans and other on balance sheet exposures to related parties (A)	119,717
Other related party exposures (B)	Nil
Capital	5,828,400
(A + B) / C	2.05%

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

LIQUIDITY

Liquidity (A)	21,459,871
3 month expected loan receivables (B)	11,469,616
3 month expected gross deposit redemptions (C)	5,232,550
(A + B) / C	6.29 times

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