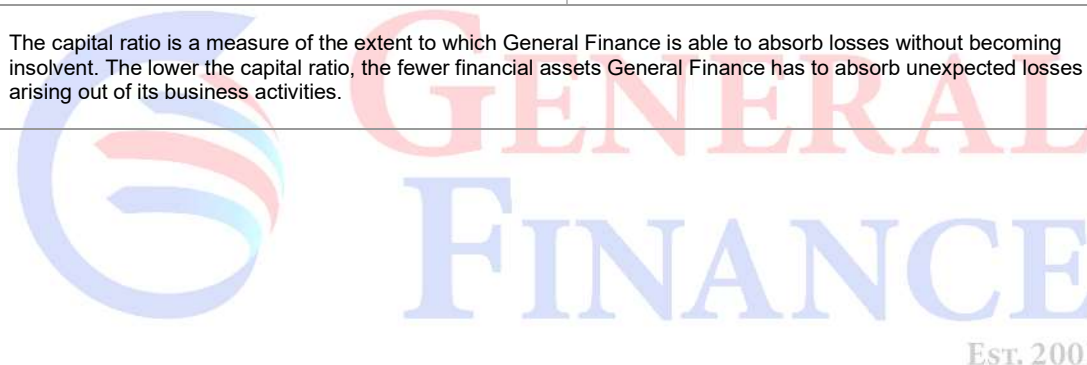


GENERAL FINANCE LIMITED  
 Quarterly report as at 31 December 2019

**KEY RATIOS**

**Capital**

	<b>31 December 2019</b>
<b>Our capital ratio calculated in accordance with the 2010 Regulations*</b>	22.99%
<b>Minimum capital ratio required by our Trust Deed</b>	8% if we have a credit rating**, or 15% if we do not have a credit rating
<b>Minimum capital ratio that must be included in the trust deed under reg 8(2) of the 2010 Regulations*</b>	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](http://www.business.govt.nz/disclose).

## Related Party Exposures

	31 December 2019
<b>Our aggregate exposures to related parties as calculated in accordance with the 2010 Regulations*</b>	Nil
<b>Maximum limit on aggregate exposures to related parties that we must not exceed that is included in our Trust Deed</b>	10% of capital
<b>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*</b>	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). These related parties include our directors, our parent company Corporate Holdings Limited and Investment Research Group Limited.</p>	



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

## Liquidity

	31 December 2019
<b>Our liquidity calculated in accordance with the quantitative liquidity requirements included in our Trust Deed</b>	7.54 times
<b>The minimum liquidity requirements required by our Trust Deed</b>	A liquidity cover ratio of 1.25 times
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.	



## SELECTED FINANCIAL INFORMATION

	<b>Quarter to 31 Dec 2019</b>
Total Assets	40,182,503
Total Liabilities	34,461,965
Net Profit After Tax	173,876
Net Cash Flows from Operating Activities	(3,945,931)
Cash and Cash Equivalents	12,024,775
Capital (per 2010 Regulations)	5,644,028



## HOW THE RATIOS HAVE BEEN CALCULATED

### CAPITAL RATIO

Position at 31 December 2019

#### Capital

Gross capital	5,720,538
Less deductions	76,510
Total capital	<u>5,644,028</u>

Exposures	Exposure	Risk Weight	Risk
			Weighted Exposures
Cash	12,024,775	20%	2,404,955
Residential mortgages:			
LVR 70% and under	18,794,549	35%	6,578,092
LVR 70% - 80%	4,262,574	50%	2,131,287
LVR 80% - 90%	-	100%	-
LVR 90% - 100%	-	125%	-
LVR over 100%	-	150%	-
Second mortgages	1,677,545	150%	2,516,318
Property development loans:			
LVR 60% and under	2,416,651	150%	3,624,977
LVR 60% - 100%	776,990	200%	1,553,980
Other assets (Unsecured)	-	200%	-
Other assets	152,909	350%	535,182
Investments	-	600%	-
Deductions from capital	76,510		-
Total credit risk weighted exposures (A)			19,344,791
Total assets (B)	40,182,503		
Operational and Market Exposures	(A+B)/2x0.175		5,208,638
Total Exposures			<u>24,553,429</u>
<b>Capital Ratio</b>			<b>22.99%</b>
(being Total Capital/Total Exposures)			

## AGGREGATE EXPOSURE TO RELATED PARTIES

Loans to related parties (A)	Nil
Other related party exposures (B)	-
Capital	5,644,028
<b>(A + B) / C</b>	<b>Nil</b>

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

## LIQUIDITY

Liquidity (A)	12,024,775
3 month expected loan receivables (B)	3,812,947
3 month expected gross deposit redemptions (C)	2,100,638
<b>(A + B) / C</b>	<b>7.54 times</b>

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

