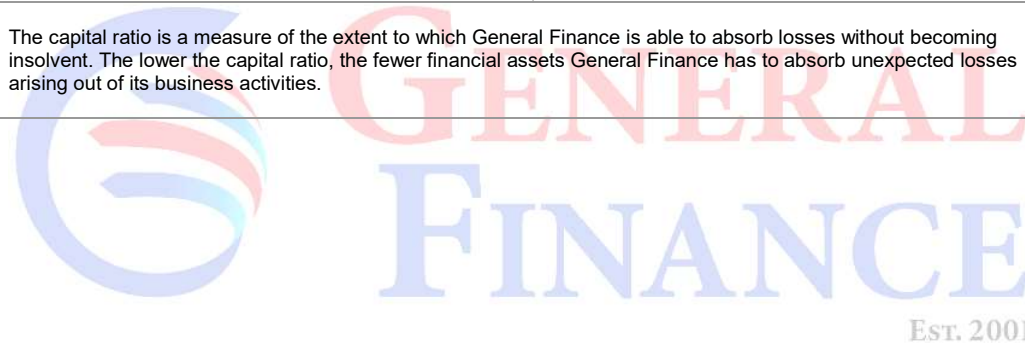


**GENERAL FINANCE LIMITED**  
 Quarterly report as at 31 December 2018

**KEY RATIOS**

**Capital**

	<b>31 December 2018</b>
<b>Our capital ratio calculated in accordance with the 2010 Regulations*</b>	42%
<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

\*\* The creditworthiness of the General Finance is not rated by an approved rating agency. This is because we operate under the Deposit Takers (Credit Ratings Minimum Threshold) Exemption Notice 2016, exempting us from the Non-bank Deposit Taker Act 2013 requirement to have a credit rating. The exemption applies because we have liabilities of less than \$20 million, making it unduly onerous to comply with the requirement have a credit rating, and because we maintain a capital ratio of at least 10%. This means that General Finance has not received an independent opinion, from an approved source, of its capability and willingness to repay its debts.

## Related Party Exposures

	<b>31 December 2018</b>
<b>Our aggregate exposures to related parties as calculated in accordance with the 2010 Regulations*</b>	7%
<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 2018
<b>Our liquidity calculated in accordance with the quantitative liquidity requirements included in our Trust Deed</b>	3.88 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

	Quarter to 31 Dec 2018
Total Assets	17,245,923
Total Liabilities	12,231,364
Net Profit After Tax	22,586
Net Cash Flows from Operating Activities	(3,422,410)
Cash and Cash Equivalents	2,731,990
Capital (per 2010 Regulations)	4,940,242



## HOW THE RATIOS HAVE BEEN CALCULATED

### CAPITAL RATIO

Position at 31 December 2018

#### Capital

Gross capital	5,014,559
Less deductions	<u>74,317</u>
Total capital	4,940,242

Exposures	Exposure	Risk	
		Weight	Weighted Exposures
Cash	2,731,990	20%	546,398
Residential mortgages:			
LVR 70% and under	10,974,145	35%	3,840,951
LVR 70% - 80%	707,896	50%	353,948
LVR 80% - 90%	-	100%	-
LVR 90% - 100%	-	125%	-
LVR over 100%	-	150%	-
Second mortgages	1,214,979	150%	1,822,469
Property development loans:			
LVR 60% and under	372,929	150%	559,394
LVR 60% - 100%	1,112,383	200%	2,224,766
Other assets (Unsecured)	-	200%	-
Other assets	57,284	350%	200,494
Investments	-	600%	-
Deductions from capital	74,317		-

Total credit risk weighted exposures (A) 9,548,420

Total assets (B) 17,245,923

Operational and Market Exposures (A+B)/2x0.175 2,344,505

Total Exposures 11,892,925

**Capital Ratio at 31 December 2018**  
(being Total Capital/Total Exposures)

**42%**

## AGGREGATE EXPOSURE TO RELATED PARTIES

Loans to related parties (A)	353,385
Other related party exposures (B)	-
Capital	4,940,242
<b>(A + B) / C</b>	<b>7.2%</b>

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

## LIQUIDITY

Liquidity (A)	2,731,990
3 month expected loan receivables (B)	2,511,847
3 month gross deposit redemptions (C)	1,351,972
<b>(A + B) / C</b>	<b>3.88 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.

