Credit Ratings & Research

# Credit Rating Report
# General Finance Limited

NZBN: 9429038072994

## Credit Rating Report

**Date:** 28 July 2026

**Prepared for:** General Finance Limited

**Report prepared by:** Equifax Australasia Credit Ratings Pty Ltd ("Equifax")

**Primary Analyst:** Brock Ackerley, BCom

**Secondary Analyst:** Paul Gao, Ph.D.

**Job Number:** 413772

**Currency used in this report:** This report is presented in New Zealand Dollars unless otherwise noted.

# Contents

# 1. Executive Summary

## General Finance Limited ('GF', or 'the Company')

GF is a Non-Bank Deposit Taking (NBDT) organisation that is licenced by the Reserve Bank of New Zealand (the RBNZ) and domiciled in New Zealand ('NZ'). The Company offers secured and unsecured lending and accepts customer deposits.

Equifax Credit Ratings Australasia Pty Ltd ('Equifax') has assigned GF a credit rating of 'BB+' at Mar26, which is a near-prime classification with a low to moderate level of risk. The outlook for the rating is 'Stable'. The rating was upgraded from 'BB' at Mar25, supported by strong growth of the loan book, improved asset quality, and sustained healthy profitability.

GF's credit rating benefits from its healthy competitive position as a specialised bridging loans provider with a long trading history, its large loan book and asset base, healthy asset quality and earnings profile, sound capital ratio, and benefit to its ability to attract deposits by regulatory reforms. The risks to GF's credit rating arise from the challenging macroeconomic environment in the Auckland region, which together with concentration risks pose a threat to asset quality, potential income pressures from a challenging operating environment with a high level of competition, as well as a high reliance on key executives' expertise, thereby exposing it to keyperson and business continuity risks.

**Strengths**

- GF's healthy competitive position is supported by its long trading history since 1997 as a specialist bridging loans provider catering to a market underserved by major banks. GF's market position is further evidenced by a rapid expansion of its loan book, which achieved a 24.8% CAGR between Mar22 and Mar26. This growth was further highlighted by a recent 60.5% surge in a single year, with the loan book climbing from $151.5m at Mar25 to $243.1m at Mar26. GF has also demonstrated a healthy capacity to attract deposits, as evidenced by a substantial increase to $248.0m at Mar26 from $184.7m at Mar25, thereby reinforcing the Company's robust funding and liquidity profile.

- Alongside its rapid loan book expansion, GF has maintained healthy operating flexibility. This operational resilience is underpinned by a healthy Profit Before Tax to Operating Income margin of 43.7% for FY26, better than industry efficiency driven by a relatively low Cost-to-Income ratio, and a consistently healthy Return on Equity.

- In the presence of notable loan book growth during FY26, the Company improved its asset quality, which is reflected in a decline across key credit risk metrics expressed as a percentage of gross loans at Mar26. Specifically, write-offs decreased to 0.14% at Mar26 (Mar25: 0.35%), past due but not impaired loans reduced to 1.8% (Mar25: 5.8%), and impaired loans were Nil (Mar25: 1.15%).

- A healthy capital adequacy ratio (CAR) of 16.4% at Mar26 (Mar25: 17.8%) enables GF to maintain adequate headroom above the regulatory minimum capital ratio threshold (8.0%). The Company's capitalisation has been supported by earnings retention along with incremental capital injection, including a further $2.0m infused in FY26. This holds GF in good stead to withstand some moderate shocks and also provides balance sheet flexibility to support potential inorganic growth opportunities, such as expanding its Insurance Premium Funding (IPF) portfolio through book acquisitions. Moreover, management intends to structure any significant future IPF expansion externally, ensuring the core entity's capital buffers remain protected.

- The RBNZ's regulation of all deposit takers under the Deposit Takers Act 2023 (DTA) by 2028 serves as a strong sector tailwind. The newly implemented Depositor Compensation Scheme (DCS) has already delivered tangible funding benefits, channelling new deposit inflows into the non-bank sector at a compressed pricing premium over traditional banks, as highlighted in the RBNZ's May 2026 Financial Stability Report. Also, RBNZ is expected to introduce granular risk weights potentially lowering capital requirements for non-banking deposit takers, and free up capital for asset growth.

**Constraints**

- Although GF has successfully navigated recent macroeconomic headwinds to date, its operations remain inherently vulnerable to broader economic volatility. This persistent risk is driven by a wider slowdown across the New Zealand economy, particularly in the Auckland region, where the property market is being negatively impacted by high unemployment, muted construction activity, and weak consumer confidence. Although the current performance of the loan book is healthy, the challenging market environment and potential shrinking of existing and/or future collateral cover due to the subdued property values, puts pressure on the loan value ratio (LVR) of existing loans and may constrain the Company's ability to continually grow in accordance with the management's conservative lending approach that focuses on lower LVR loans. These risks are to some degree exacerbated by GF's moderate to high concentration to a few larger borrowers with the top 10 loans ($45.6m) accounting for 18.8% of GF's loan book at Mar26 (Mar25: 21.7%).

- While GF maintains healthy profitability, its margins face pressure from heightened market competition and a low-interest-rate environment. This climate has intensified competition to deploy capital, driving downward pressure on loan yields. On the funding side, management anticipates potential relief via a lower cost of funds following the introduction of the DCS, however, in the low-rate environment, GF faces intense market competition for yield-seeking investors. Navigating this combination of compressed loan yields and heightened deposit competition remains critical to sustaining GF's profitability. In addition, near-term profitability may be constrained by rising DTA regulatory costs, along with the operational investments and integration risks tied to planned scaling of the IPF portfolio.

- GF has a high dependence on its Managing Director, Mr. Brent King, which exposes business operations to keyperson risks. As the public face of the Company, Mr. King has an active involvement in regulatory developments, liaises with key stakeholders and lends his commercial expertise and business acumen as the final sign-off authority for all property loans. In our view, GF's ability to execute its future growth strategy and successfully navigate through a challenging macroeconomic environment has a high reliance on Mr. King's expertise. That said, current GF staff have upskilled with experience in the business, which decreases operational reliance on Mr. King, to some degree.

The outlook for the rating is currently 'Stable'. An upgrade, while unlikely in the near-term, would require a demonstrated sustained improvement in scale and market position, combined with healthy profitability, and material reduction in keyperson and business continuity risks through an increase in the pool of key executives. The rating may be revised downward if there is material deterioration in either GF's earnings, scale, or asset quality.

## Risk Rating

**BB+**

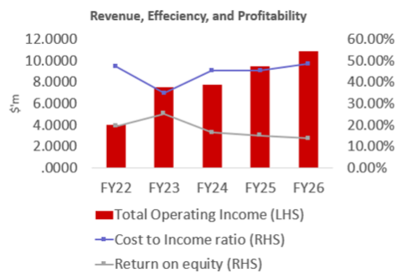
**Outlook: Stable**

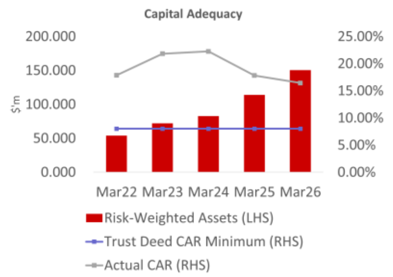
**Type: Public, Monitored**

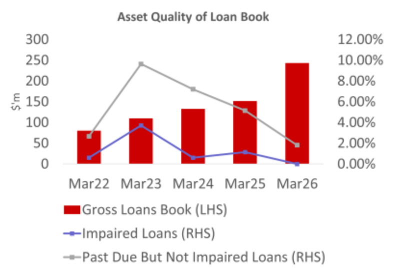
## Industry Percentiles

| | Percentile |
|---|---|
| **Scale:** | |
| Total Assets | 72% |
| Gross Loans | 81% |
| **Profitability:** | |
| NIM | 62% |
| ROE | 89% |
| ROA | 77% |
| Efficiency Ratio | 78% |
| **Capitalisation:** | |
| Leverage (Gross loans to Equity) | 29% |
| Capital Ratio | 55% |
| Capital to Total Assets | 29% |
| **Funding and liquidity:** | |
| Loan to Deposit Ratio | 16% |
| Liquid Assets to Total Assets | 7% |
| **Asset Quality:** | |
| Net Charge-offs | 39% |
| Impaired Loans | 100% |
| Provision for Loan Losses | 83% |

## Key Trends



## 2. Scope of Report

The purpose of this report is to provide an overview of the credit rating and associated rationale of General Finance Limited ('GF, or 'the Company').

We have complied with our rating services guidelines in order to derive the credit rating on General Finance Limited. The credit ratings and observations contained herein are solely statements of opinion and not statements of fact or recommendations to purchase, hold, or sell any securities or make any other investment decisions. The details pertaining to this report are outlined below:

| Report Details | |
|---|---|
| Date of Report | **28 July 2026** |
| Request Type | **Issuer** |
| Assessment Type | **Under Ongoing Monitoring** |
| Rating Initiation | **Issuer based (solicited)** |
| Rating Distribution | **Public Rating** |
| Report Distribution | **Unrestricted** |
| Purchased by | **General Finance Limited** |
| Report Fee | **Fixed Price** |
| Ancillary fees | **Nil** |
| Issuer Name | **General Finance Limited** |
| Issue Name | **Not Applicable** |
| Issuer First Time Rated | **No** |
| Issue First Time Rated | **Not Applicable** |
| Financial Scope | **Consolidated Entity** |
| Structure | **Limited Company** |
| Industry | **Financial Services** |
| Sector | **Non-Bank Deposit Takers** |

This report should be read within the context of Corporate Scorecard's Rating Services Guide. This Report should be taken as a whole and cannot be abridged or excerpted for any reason.

We have conducted this assessment on the basis of the information provided to us by General Finance Limited, publicly available information and from our own enquiries. We have derived a credit rating on the Company based on the understanding that General Finance Limited has no contingent liabilities, cross guarantees or other liabilities to any other entity other than as disclosed to us or as detailed in the financial statements. Our duty does not include auditing the financial statements.

| Information Sources | |
|---|---|
| Financial statements | **- Management accounts for the 2-month period ended 31 May 2026,<br>- Audited Financial Statements for the years ended 31 March 2026, 2025, and 2024,<br>- Audited Financial Statements for the six months ended 30 September 2025.** |
| Name of auditor | **Grant Thornton New Zealand Audit Limited** |
| Other Information Sources | **The Company's response to our Request for Information, the Company website, industry and regulatory websites, management interviews, media articles, adverse searches and internet searches.** |
| Subject participation | **Full** |
| Material financial adjustments | **None. Refer below for Non-Material Adjustments** |
| Limitations of assessment | **None** |
| Outsourced rating activities | **No** |
| Confidentiality agreement | **No** |
| Material client | **No** |
| Rating amended post issuer disclosure | **No** |
| Potential conflict of interest | **GF is also a user of other Equifax products which are procured on commercial terms.** |
| Rating methodology | **Financial Institution Rating Criteria** |

**Financial Adjustments:**

- In-line with Equifax's analytical framework, loans and total assets are presented on a gross basis, reclassifying impairment provisions from a net loan reduction to a liability. For example, at Mar26, the loan book is reported at $243.1m gross (Mar25: $151.5m) compared to the statutory net figure of $242.5m (Mar25: $151.1m) reported in the financial statements, after removing the $0.6m provision (Mar25: $0.4m). This presentation grosses up total assets and liabilities equally, leaving net assets unchanged.

These adjustments are not considered material to the assessment outcome.

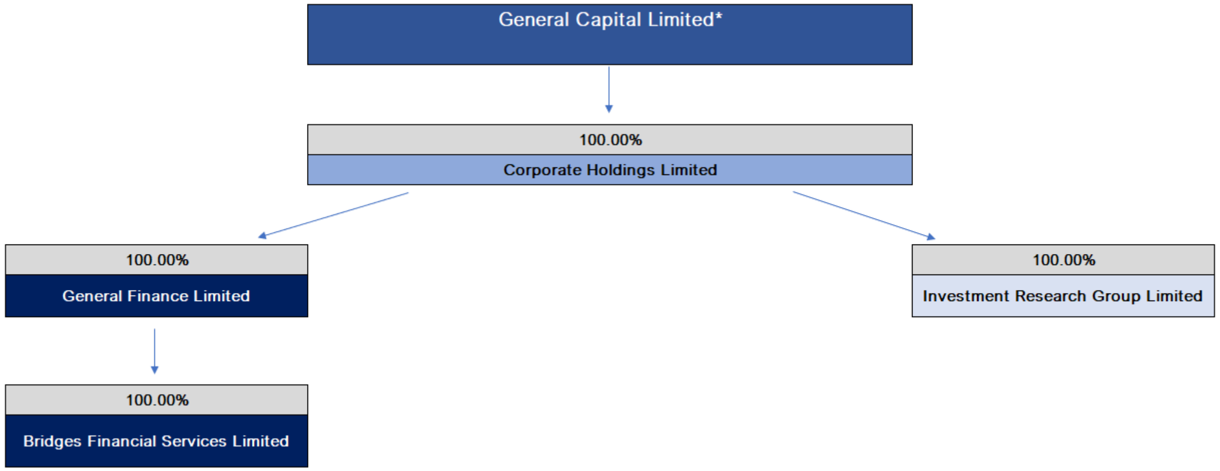
This report should be read within the context of Equifax's Ratings Services Guide.

# 3. General Background of the Subject

## 3.1 Subject Overview

| Subject Name | General Finance Limited |
|---|---|
| **Type of Entity** | Licensed as a Non-Bank Deposit Taker (NBDT) with the Reserve Bank of New Zealand (the RBNZ) |
| **Head Office Address** | Level 8, 'General Capital House', 115 Queen Street, Auckland CBD, Auckland 1010, New Zealand. |
| **Date of Incorporation** | 13 June 1997 |
| **Principal Activities** | General Finance Limited is a finance company operating as a residential mortgage and a commercial lender. The Company provides loans for a variety of purposes, generally enabling borrowers to complete a short-term transaction (such as preparing a property for sale, bridging a property acquisition, enhancing, developing, subdividing, building, constructing on and improving a property), or funding a business purchase or expansion (including working capital). |
| **History** | Incorporated in 1997, General Finance Limited initially focused its offering as a second mortgage lender and later expanded to provide a range of secured loan products. In November 2004, the Company registered its first prospectus for the issuance of debenture stock (term deposits).<br><br>In December 2017, Corporate Holdings Limited (CHL) acquired General Finance Limited and Investment Research Group Limited (IRG). CHL was then listed on the New Zealand stock exchange in Aug18 via a reverse listing transaction, whereby General Capital Limited (GC, previously named Mykco Limited) purchased all of the shares of CHL by issuing GC's shares to CHL's Shareholders.<br><br>In November 2024, the Company announced that it has completed the purchase of 100% of the shares in Bridges Financial Services Limited, a Waikato based insurance premium funding business. |

## 3.2 Corporate Structure




** General Capital Limited's top 10 shareholdings as of 25 May 2026:*
*- Borneo Capital Limited: 34.54%*
*- FNZ Custodians Limited: 6.73%*
*- RB New Zealand Pty Ltd: 6.23%*
*- Brent King: 6.02%*
*- Citibank Nominees (New Zealand) Limited: 5.99%*
*- Joanna Jackson & Malcolm Jackson: 4.73%*
*- Snowdon Peak Investments Limited: 4.05%*
*- New Zealand Depository Nominee Limited: 3.39%*
*- HSBC Nominees (New Zealand) Limited: 2.46%*
*- Custodial Services Limited: 2.37%*

*Brent King is currently the Managing Director of General Capital Limited, General Finance Limited, and Investment Research Group. He also owns 100% of the shares in Snowdon Peak Investments Ltd.*

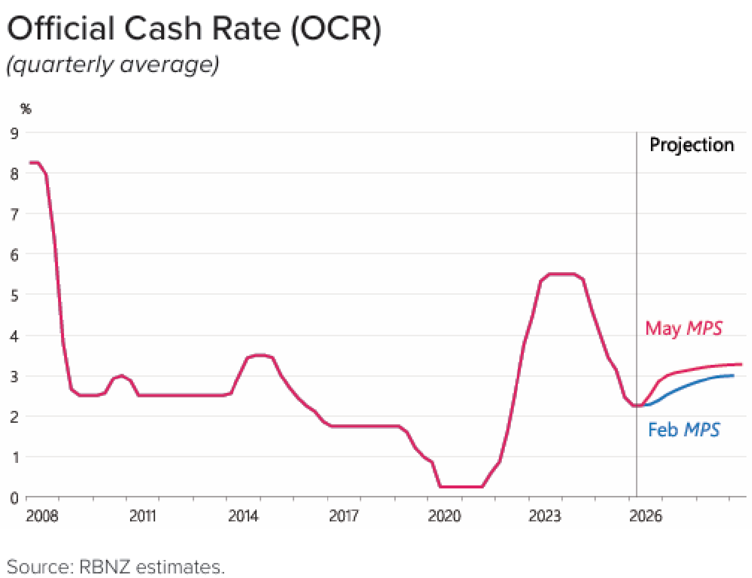
*In November 2024, the Company announced that it has completed the purchase of 100% of the shares in Bridges Financial Services Limited.*

## 4. Economic Implications

Annual consumers price inflation was 3.1% in the March quarter. The Middle East conflict is increasing near-term inflation and weakening economic activity. Inflation is expected to peak at 4.3% in the September quarter and to return to the 2.0% target mid-point in mid-2027. Currently, core inflation, wage growth, and medium- to long-term inflation expectations remain consistent with inflation returning to the 2.0% target mid-point over the medium term.

The global economic backdrop remains uncertain. Supply chain disruptions, higher prices for petrochemicals, and a more fragmented global trading environment are impacting the outlook. Growth will vary across countries, reflecting differences in energy intensity, fiscal support, and exposure to AI investment. On balance, New Zealand's trading partners are expected to see weaker growth and higher inflation.

The outlook for medium-term inflation pressures is also uncertain. These could remain elevated if households and businesses expect higher costs in future and build those expectations into price- and wage-setting decisions today. However, weak demand and elevated unemployment will dampen medium-term inflation pressures. The Committee remains focused on ensuring that increased costs do not lead to elevated inflation over the medium term, while avoiding unnecessary economic volatility. On balance, the OCR will most likely need to increase sooner and by more than envisaged in the February Monetary Policy Statement. The pace of OCR increases will depend on the relative influence of persistent wage- and price-setting behaviour versus weaker economic activity on medium-term inflation pressures.



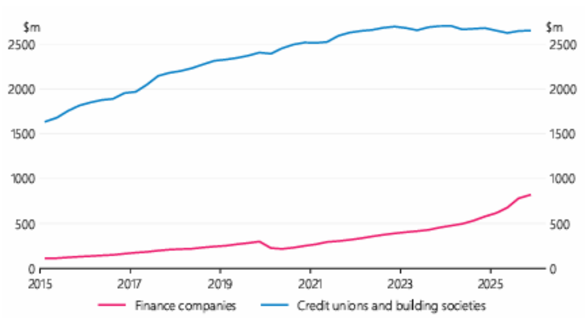

*Source: Monetary Policy Statement, RBNZ - May 2026*

## 5. Market Overview

New Zealand's NBDT sector consists of building societies, credit unions and deposit-taking finance companies. With total lending of around $2.30bn or 0.4% of total bank lending, the sector is very small relative to the banking sector but provides services to a relatively large and diverse customer base.

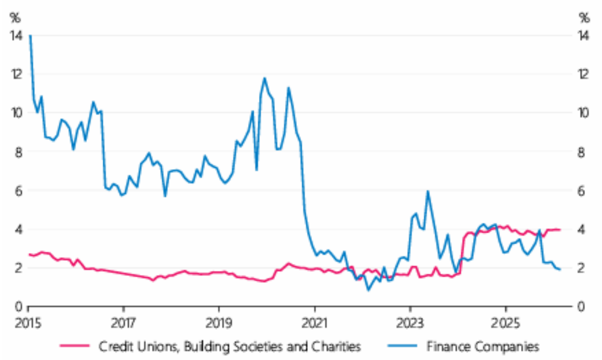
Lending by finance companies has continued to grow during the past 6 months, supported by increased deposit inflows since the introduction of the Depositor Compensation Scheme (DCS) in July 2025. In contrast, lending by credit unions and building societies has remained subdued due to weak credit demand and strong competition from banks.

NBDT lending by sector



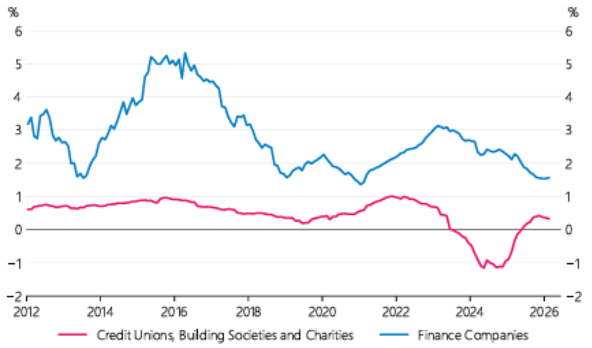

Non-performing loan ratios for building societies, credit unions and charities remain elevated, relative to their historical level, but the ratio for finance companies decreased in recent months. Overall, non-performing loan ratios for the NBDT sector have been higher than for registered banks recently.

NBDT non-performing loan ratio

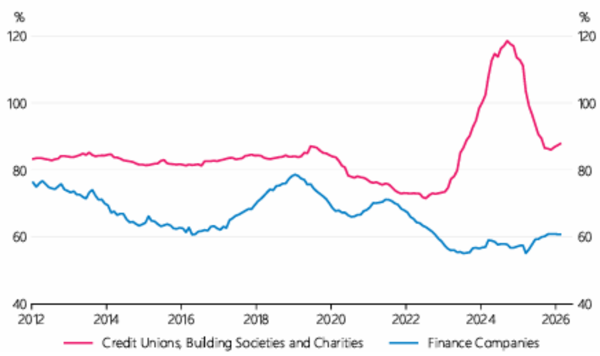



Resilience remains a concern in parts of the NBDT sector. The return on assets has declined for finance companies, while there has been some stabilisation in credit unions and building societies. High operating costs relative to income remain a concern for many entities. During the past 6 months, costs have stabilised relative to income. This may have been partly driven by a period of consolidation, notably in the credit union sector. The number of credit unions has declined from 15 to 3 over the past decade.

NBDT return on assets ratio




NBDT cost-to-income ratio




*Source: RBNZ Financial Stability Report- May26*

## 6. Prudential Framework

The Reserve Bank regulates non-bank deposit takers (NBDTs) in New Zealand for the purposes of promoting the maintenance of a sound and efficient financial system and avoiding significant damage to the financial system that could result from the failure of an NBDT. NBDTs are entities that make an NBDT regulated offer (as defined in section 5 of the Non-bank Deposit Takers Act 2013) and carry on the business of borrowing and lending money, or providing financial services, or both. The prudential regulation of NBDTs is provided under the Non-bank Deposit Takers Act 2013 and associated regulations. Trustee companies also have obligations under the Act. These include ensuring certain prudential content is included in licensed NBDTs' trust deeds. Trustees must report to RBNZ any non-compliance with the Act and regulations by the licensed NBDT. Trustees are licensed by the Financial Markets Authority under the Financial Markets Supervisors Act 2011. The table summarises certain key prudential requirements [1]for NBDTs currently in force.

| | |
|---|---|
| Credit Rating | Licensed NBDTs are required to have a local currency (New Zealand dollar), long-term, issuer rating given by approved rating agencies. |
| Governance | Licensed NBDTs that are companies or building societies must have a chairperson who is not an employee of either the licensed NBDT or a related party and must have at least two independent directors.<br>Licensed NBDTs that are subsidiaries of another person are prohibited from including provisions in their constitutions that would allow directors to act otherwise than in the best interests of the NBDT. |
| Risk Management | Licensed NBDTs are required to have a risk management programme that outlines how the licensed NBDT identifies and manages its credit, liquidity, market and operational risks. This programme is to be submitted to, and approved by, the licensed NBDT's trustee. |
| Capital Ratio | A minimum capital ratio (the level of capital in relation to the credit exposures and other risks of the NBDT or its borrowing group) is required to be included in licensed NBDTs' trust deeds. This ratio must be at least 8% for licensed NBDTs with a credit rating from an approved credit rating agency. For licensed NBDTs without a credit rating from an approved rating agency, the minimum capital ratio specified in the trust deed must be at least 10%. |
| Related party exposure limits | The exposures to related party, as defined in the Act, shall not exceed a maximum limit of 15% of capital. |
| Liquidity | Liquidity regulations require every licensed NBDT and its trustee to ensure that the licensed NBDT's trust deed include one or more quantitative liquidity requirements that are appropriate to the characteristics of the licensed NBDT's business, and that take into account the liquidity of the licensed NBDT and the liquidity of any borrowing group. |
| Suitability assessment of certain directors and senior officers | Licensed NBDTs must notify the Reserve Bank when one of its directors or senior officers (or a person who is proposed to be appointed as a director or senior officer) raises a "suitability concern". |
| Change in ownership | An application must be made to the Reserve Bank to approve a transaction that will result in a person:<br>1. having the direct or indirect ability to appoint 25% or more of a licensed NBDT's governing body; or<br>2. having a qualifying interest in 20% or more of the voting securities issued by the licensed NBDT. |

[1] RBNZ

**The Deposit Takers Act 2023**

The Deposit Takers Bill ('DTA') will replace the existing prudential regulatory regime contained in the Banking (Prudential Supervision) Act 1989 and the Non-bank Deposit Takers Act 2013. The integration of these previously separate regimes will create a single, consistent framework for the regulation and supervision of financial institutions that essentially engage in the same activity – the business of taking 'deposits' from the public, and lending to individuals, households, and businesses.

It will take some years for the Reserve Bank to develop and consult on the secondary legislation that will implement the regulatory requirements for the new regime and complete a licensing process for deposit takers to operate under the regime. The parts of the current Reserve Bank Act relating to the regulation and supervision of registered banks and the Non-bank Deposit Takers Act 2013 will remain in force until the remaining parts of the DTA have been fully implemented.

**2025 Review of Deposit Taker Capital Settings**

The Reserve Bank of New Zealand (RBNZ) recently concluded its 2025 Review of deposit taker capital settings, marking a significant step in the transition to a new suite of prudential standards under the Deposit Takers Act 2023 (DTA). The updated framework aims to balance financial stability with operational efficiency, competition, and a proportionate approach to regulation for smaller entities. For NBDTs—which generally fall under the "Group 3" classification (entities with total assets under NZ$2.00bn)—these changes will materially impact risk weighting, capital minimums, and capital composition.

**Key Regulatory Changes for NBDTs:**

- **More Granular Risk Weights:** The RBNZ is introducing more granular, and in many cases lower, standardised risk weights to better align capital requirements with actual lending risks. Key reductions include lower risk weights for low-LVR residential mortgages, SME retail (75%), SME corporate (85%), and agricultural lending (50% to 100% depending on LVR).
- **Increase in Minimum Total Capital Ratio:** Because the updated risk weights are expected to significantly reduce the raw amount of capital certain NBDTs are required to hold, the RBNZ is offsetting this reduction by increasing the minimum total capital ratio for NBDTs from 8% to 9%. (Note: Higher capital minimums of 10% to 12% will continue to apply for NBDTs operating with credit rating exemptions).
- **Removal of Additional Tier 1 (AT1) Capital and Transition for PPS:** To simplify the capital stack, the RBNZ is removing AT1 capital as a recognized form of regulatory capital. For NBDTs that utilise Perpetual Preference Shares (PPS), the RBNZ is implementing a proportional phase-out. When the new Capital Standard takes effect in Dec28, half of an NBDT's existing issued PPS will be recognized as Tier 1 capital, with the remainder recognized as Tier 2. By Dec32, PPS will no longer qualify as Tier 1 capital and will exclusively be treated as Tier 2.

- **Prudential Capital Buffer (PCB) Implementation:** NBDTs will face a phased, slower transition to higher capital ratios. Starting in Dec28, a PCB of 1.0% (which must be met entirely with Common Equity Tier 1 capital) will be introduced for Group 3 deposit takers, scaling up gradually to 4.0% by Dec31.
- **Exemption from the Counter-Cyclical Capital Buffer (CCyB):** Consistent with a proportionate approach to regulation, the RBNZ has decided not to apply the CCyB to Group 3 deposit takers. This limits the macroprudential burden on NBDTs, aligning with their exemption from other tools like strict loan-to-value (LVR) and debt-to-income (DTI) restrictions.

**Implementation Timeline:** The RBNZ intends to "fast-track" the updated risk weights and the shift to the 9.0% minimum total capital ratio for NBDTs by modifying their conditions of licence, targeted for Oct26. The broader formal requirements, including the phase-out of Tier 1 PPS and the introduction of the PCB, will commence when the final Capital Standard comes into force on Dec28.

***Source:*** *RBNZ 2025 Review of deposit taker capital settings*

# 7. Business Risks

## 7.1 Market Risk Exposures and Controls

GF's exposure to market risk is mainly in the form of interest rate risk. The Company currently has no exposure to foreign currencies or to equity investments.

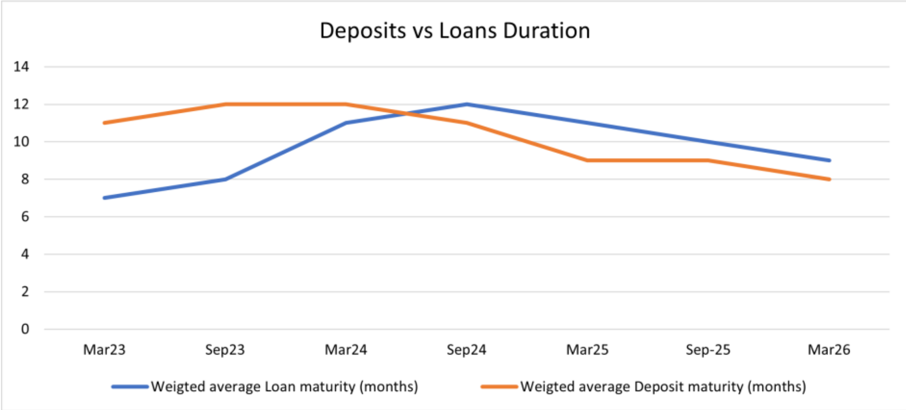
**Interest rate**: Interest rate risk is the possibility that the value of an asset or liability will adversely change as a result of an unexpected change in market interest rates. The Company is exposed to the effects of fluctuations in the prevailing levels of market interest rates on the cash flows relating to its financial instruments. In managing interest rate risk, management focuses on mismatches between the repricing dates of interest-bearing assets and liabilities; and the investment of capital and other non-interest-bearing liabilities in interest bearing assets.

GF's loan portfolio and product suite substantially consists of fixed interest rate loans which are secured by residential properties. The Company primarily offers funds for shorter-term requirements such as bridging finance for property purchase or renovation before sale. Most loans (Mar26: 76.2%; Mar25: 69.3%) will mature within the next 12 months, with renewal/extension at the sole discretion of management.

In FY26, GF's deposits with banks attracted a weighted average interest rate of 2.5% (FY25: 4.2%). The Company noted that a 1% decrease in the weighted average interest rate would reduce the annual interest income by $344k (FY25: $558k). All deposits and loans have fixed interest rates for their terms, and as such, the Company noted that it had minimal interest rate risk on these items.

**Repricing Gap Analysis at Mar26 (Undiscounted cashflows)**

| $000's | Total | 0-6 months | 7-12 months | 13-24 months | 24+ months |
|---|---|---|---|---|---|
| ***Assets*** | | | | | |
| Cash | 34,406 | 33,906 | 500 | | |
| Other Assets | 279 | 279 | | | |
| Loans | 245,601 | 94,631 | 92,571 | 49,393 | 9,007 |
| **Total** | **280,286** | **128,816** | **93,071** | **49,393** | **9,007** |
| | | | | | |
| ***Liabilities*** | | | | | |
| Payables | 1,573 | 1,573 | | | |
| Leases | | | | | |
| Deposits | 244,902 | 127,143 | 70,801 | 37,944 | 9,014 |
| **Total** | **246,475** | **128,716** | **70,801** | **37,944** | **9,014** |
| **Difference** | **33,811** | **100** | **22,269** | **11,449** | **-7** |




As depicted above, GF improved its balance sheet efficiency between Mar25 and Mar26 by matching the maturity dates of its loans and deposits more closely. The average timeline gap narrowed from two months at Mar25 (11-month loans vs. 9-month deposits) to one month at Mar26 (9-month loans vs. 8-month deposits). This change helped to rectify the issue of holding excess, low-yielding cash, as the Company successfully deployed the short–term cash surplus from Mar25 into active loan assets. By Mar26, short–term assets and liabilities were evenly matched, with a thin surplus of ~$0.1m.

This close alignment between maturing loans and deposits partly insulates GF's earnings from interest rate volatility. Despite the recent (July 2026) 0.25% increase in the Official Cash Rate (OCR), the slight short-term (0–6-month bucket) asset surplus at Mar26 supports the Company's ability to reprice its mortgage rates upward as loans mature, offsetting the increased funding costs. Furthermore, the substantial surplus in the 7–12-month bucket, where maturing assets exceed liabilities by $22.3m, provides an adequate buffer to manage possible further increase in the OCR, and absorb any timing delays in loan repayments, in the near term.

**Liquidity Risk:** Liquidity risk is the risk that the Company encounters difficulty in meeting payment obligations associated with its financial liabilities when they fall due. It includes the risk that the Company may not have sufficient liquid funds or be able to raise sufficient funds at short notice, to meet its payment obligations associated with financial liabilities when they fall due. This situation can arise if there is a significant mismatch of its financial assets and financial liabilities. As per the Trust Deed, the Company must maintain a three-month liquidity cover ratio (LCR) of not less than 1.25 times[1] (Actual LCR at Mar26: 2.98 times; Mar25: 5.82 times). The Company's LCR decreased due to lower cash levels driven by increased loan deployment. That said, the LCR remains healthy.

In terms of cash flow management, the Company prepares a twelve-week cash flow projection on a weekly basis while projections for longer time frames (up to 2 years) are prepared on a monthly basis for the trustee.

[1] Calculated as (Existing Liquid Assets + Expected loan receivables within 3 months)/expected gross deposit redemptions within 3 months

The statements include cash inflows indicating loan maturities, interest and principal receipts together with term deposit inflows. Cash outflows indicate proposed loan advances, term deposit repayments and other payments such as taxation or salaries.

The Company's primary funding source is term deposits from customers. The management monitors and reports on maturing deposits, reinvestment rates and new funding inflows monthly. The directors regularly review and adjust interest rates with reference to market rates and funding requirements while depositors are contacted by a director or a senior manager in the month preceding the maturity of their deposit.

As described above, the Company maintains a healthy level of cash and LCR, underpins its healthy liquidity profile.

## 7.2 Credit Risk Exposures and Controls

Credit risk is the risk that the counterparty will be unable to meet obligations to the Company under the terms of any loan or deposits (with banks). GF is exposed to credit risk on both, term deposits held with NZ registered banks and loans granted to customers.

**Term deposits with banks** – At Mar26, the Company's total cash holdings of $34.4m ($22.4m on call and $12.0m in short-term deposits) were held with Bank of New Zealand Limited (BNZ), Westpac New Zealand Limited, Heartland Bank, Forsyth Barr, custodial account with ANZ Bank New Zealand, and ASB. The deposits with BNZ, Westpac New Zealand, and ANZ Bank New Zealand are expected to have a low counterparty risk, on account of their systemic importance in the New Zealand economy and investment grade rating from international credit rating agencies. Whilst the deposits with Heartland Bank present a higher counterparty risk, given it is a lower-tier lender with less systemic importance, the risk remains relatively low in our view, as it also maintains an investment grade rating.

**Loans to borrowers** – GF's lending policy aims to manage and balance the Company's return on capital and counterparty risk on its loan receivables. All loans are made in accordance with GF's lending policy. Key features of this policy are,

- Advancing loans based on first or second mortgages – with a preference for first mortgage advances. The Company aims to extend 85%-100% of its overall portfolio as first mortgage loans. As at Mar26, first mortgage loans continued to represent 97.5% of total loans (Mar25: 95.9%).
- Provision of regulated and unregulated loans to borrowers – regulated loans are loans provided to individuals predominantly for personal, domestic, or household purposes. These loans are governed by the Credit Contracts and Consumer Finance Act 2003. At Mar26, the Company's loan book did not include any regulated loans (Mar25: nil).

- GF provides loans for all types of residential property including residential investment/rental property, rural and lifestyle blocks.
- The Company commenced lending on commercial properties during FY21. GF's lending policy allows for a maximum of 30% of total lending to be secured over commercial properties. At Mar26, 0% (Mar25: 1.1%) of GF's loan-book comprised of loans backed by commercial property. In line with the Company's conservative risk management, all lending is secured against property collateral.
- GF's maximum loan-to-value ratios/lending margins for residential/commercial property are as follows:

| Residential | Commercial |
| --- | --- |
| Bare land: 65.0% | Bare land: 50.0% |
| Development property: 67.5% | Vacant: 60.0% |
| Apartments: 70.0% | Owner Occupied: 65.0% |
| House property: 75.0% | Leased: 70.0% |
| The maximum LVR's for locations with population under 20,000 were to be lower by at least 5%. | The maximum LVR's for locations with population under 50,000 were to be lower by at least 5%. |

- Within these maximum LVR limits, management has the discretion to reduce the acceptable level of LVR at its discretion, based on market conditions.
- The Company noted that the highest LVR of the Company loan book at Mar26 was 70.5% (Mar25: 74.0%) while the overall weighted average LVR of the loan book was 57.8% (Mar25: 57.6%).
- Loan terms range from 3 months to 3 years. Longer terms are to be considered in specific circumstances. At Mar26, the weighted average tenure for the loan-book remained within the approved terms, at 9 months (Mar25: 11 months).
- Loan sizes range from $20,000 up to 10% of Total Tangible Assets (TTA) - as specified in the Trust Deed. The trust deed also restricts maximum borrower group exposure at 10% of TTA. As at Mar26, the largest loan balance outstanding was 2.0% (Mar25: 2.3%) of TTA.
- GF's product suite includes the following loans:
    - Interest only - interest advanced upfront at loan establishment
    - Interest only – interest paid monthly in arrears
    - Fully amortising – with principal and interest
    - Partially amortising - interest paid monthly and principal reductions made on specified dates
    - Interest capitalised loans - interest is capitalised monthly

  As at Mar26, 97.1% (Mar25: 94.6%) of total loans were on interest-only basis while the remainder were fully amortising (2.5%) and interest-capitalised loans (0.4%).

- All loans are approved by a credit committee which comprises the Managing Director and the Head of Lending and Credit. This committee also has the ability to determine lending rates and fees. If either of the credit committee members are unavailable - loans of up to $750k may be approved by one credit committee member or one Non-Executive Director if recommended by a Lending Manager. Loans over $750k may be approved by one credit committee member and one Non-Executive Director, or two Non-Executive Directors, if recommended by a Lending Manager.
- Loan rollovers are approved by one credit committee member or one Non-Executive Director, if recommended by a Lending Manager. The approver considers whether updated valuations, statements of position, credit reports or other information is necessary, prior to, or as a condition of approval.
- GF may also perform Insurance Premium Financing, which involves providing a loan to fund payment of an insurance premium payable by the borrower. The total loans advanced for Insurance Premium Financing will not exceed 20% of the total loan book. As of Mar26, the Company extended insurance premium funding of $6.1m (Mar25: $6.3m), representing 2.5% (Mar25: 4.2%) of the total loan book.

### 7.3 Structure and Service Delivery Platform

General Finance Limited is governed by a four member board consisting of three Non-Executive Directors and one Executive Director. In order to accept term deposits, the Company entered into a Trust Deed with Covenant Trustee Services Limited ("the Supervisor") on 2 November 2004, which has been amended and restated in a Deed of Amendment and Restatement dated 16 December 2015 and a Deed of Amendment of Debenture Trust Deed dated 19 December 2017 (together referred to as the "Trust Deed"). Under the terms of the Trust Deed, term deposits are secured by a security interest over all of the Company's present and future assets and undertakings, to Covenant Trustee Services Limited, as the Supervisor. The security interest secures all amounts payable by the Company on the term deposits and all other moneys payable under the terms of the Trust Deed. In the event of liquidation of General Finance Limited, the term deposits will rank behind all preferential creditors and any permitted prior securities. Customer term deposits will rank equally with all other term deposits from other investors.

The Supervisor reviews, on a monthly basis, the management accounts of GF to determine whether the total value of the assets subject to the security interest are in excess of the amount of the liability secured by the security interest. The Company is also required to provide the Supervisor, on a monthly basis, with a liquidity report, a capital adequacy report, and a Trust Deed financial ratio compliance report.

The Company's Trust Deed covenants that its total liabilities will not exceed 95% of the value of total tangible assets, where total tangible assets are defined in the Trust Deed as the aggregate of;

a) 75% of the market value of any real property, and
b) the market value of any shares, or other equity securities or units in any company, or unit trust, and

c) the book values of all other tangible assets. At Mar26, GF did not carry any external debt and hence, there is minimal risk of structural subordination or double leverage to increase its asset portfolio.

### 7.4 Strategic Vision

GF's main strategic objective is to generate sustainable returns by providing services to an underserved market segment. This means that the Company has largely focused on short-term interest only loans secured by residential and commercial properties. The Company's depositor base primarily consists of investors focused on achieving consistent and above average deposit returns. The Company has continued to focus on building its depositor base through market outreach and to that effect has been successful in achieving an annual growth rate of 34.3% in FY26 (FY25: 36.7%), while total number of depositors increased to 1,818 at Mar26 (Mar25: 1,266).

### 7.5 Execution of Strategy

GF's business model fundamentally revolves around the provision of short-term mortgage-based loans for various customer requirements. The Company generates higher than average yields on its loan book while simultaneously reducing credit risks, by focusing on quality and adequacy of the underlying collateral relative to the loan exposure. While many traditional lenders may place greater focus on cash flow and serviceability metrics and serve customers' long-term funding requirements, the Company provides event or project specific funding solutions for customers. In line with its scale and limited franchise, the Company offers deposit rates that are higher than other larger, more established players.

During FY26, GF reported rapid loan book growth of 60.5% when compared to FY25, with the loan book increasing from $151.5m at Mar25 to $243.1m at Mar26. GF has also demonstrated a healthy capacity to attract deposit funding, as evidenced by a substantial increase in deposits to $248.0m at Mar26 from $184.7m at Mar25. This rapid growth reinforces the Company's robust funding and liquidity profile. GF has maintained healthy operating flexibility. This operational resilience is reflected by a healthy, albeit reduced, NIM of 3.9% at Mar26 (Mar25: 4.8%) and Profit Before Tax to Operating Income margin of 43.7% for FY26 (FY25: 45.2%).

## 7.6 Management

| Board Member | Position | Date Appointed |
|---|---|---|
| Donald Frederick Hattaway | Chairman and Independent Non-Executive Director | 19 Dec 2017 |
| Gregory John Pearce | Independent Non-Executive Director | 19 Dec 2017 |
| Geoffrey W Sinclair | Independent Non-Executive Director | 01 Aug 2024 |
| Brent Douglas King | Executive Director (Managing Director) | 19 Dec 2017 |

### Board of Directors:

**Donald Hattaway CA, ACG**

***Chairman and Independent Non-Executive Director***

Don is a member of Chartered Accountants Australia and New Zealand (CAANZ) and practised as a Chartered Accountant in public practice from 1980 until April 2023. He retired as a Partner in Price Waterhouse in 1996 and specialised in acting for small or medium-sized enterprise businesses since then often fulfilling the role of finance director for those companies. Don was the Chairman of listed banking software technology company Finzsoft Solutions Ltd. Don is a previous Chairman of the Board of Directors of the Auckland Cricket Association. He has held previous directorships with a number of public and private companies.

**Gregory Pearce B.Com.**

***Independent Non-Executive Director***

Greg is a lending and credit specialist having held roles with large companies (Telecom and Air New Zealand) and a senior role with Dorchester Finance Limited being General Manager Lending and Credit. He subsequently consulted and contracted to receivers in relation to loan recoveries and in 2017 joined General Finance as Executive Director Lending and Credit. He retired from this role in 2020 and has continued with the company as an independent non-executive Director.

**Geoffrey William Sinclair B.Com., NZIMDipMgt**

***Independent Non-Executive Director***

Geoff is a founding Director/Shareholder of Blackbird Finance Limited a specialist trade/asset finance lender to the wholesale motor vehicle industry. He also sits on the board of Japanese owned Autobridge Limited and has held a number of senior roles within the finance sector. After starting in investment banking/finance in the late 90’s with Bankers Trust in London, the majority of Geoff’s focus has been in and around the motor vehicle industry; where he has extensive experience in import, wholesale, retail finance, and operations. Geoff specialises in start-ups and building on existing business operations, broad experience including governance, general management, marketing, strategic planning, product development, lending, compliance, and credit control.

**Brent King B.Com., CA, CMA**

***Executive Director (Managing Director)***

Brent has been the Managing Director of General Capital Limited and its subsidiaries since 3 August 2018. Prior to that date, Mr King was a non- executive Director since 30 September 2011. He was also the founder and Managing Director of the Dorchester Group of Companies for seventeen years until he resigned in 2005. He holds a number of public and private company directorships. He has more than twenty-five years' experience in financial, investment banking, underwriting, capital raising and accounting areas and has assisted a number of public and private companies. Brent is also a member of the New Zealand Institute of Directors.

## Senior Management:

**Vikraant (Vik) Singh, B.Com, CA**

***Chief Financial Officer***

Mr Singh is a Chartered Accountant with over 17 years' experience having obtained a Bachelor of Commerce (BCom) from Victoria University. He joined the Company in 2025, having most recently having worked at PWC in Auckland as Director – Management Consulting. Prior to that he was the Group Financial Controller at Jarden, the Finance Director/CFO at MedAccess in the UK and was the Head of Finance and Operations at M&G Plc also in the UK. He has also held finance roles at HSBC and Deloitte.

**Yolinda Freimond**

***Corporate Counsel and Company Secretary***

Yolinda brings more than 25 years of legal and compliance experience, with extensive expertise across commercial, regulatory and high-risk matters within highly regulated environments. Yolinda was appointed on 15 Jun 2026.

**Michelle Nel**

***Senior Manager (Lending)***

Michelle joined the Company in 2019 as Loan Administration Manager, following earlier migration to New Zealand from South Africa, and was promoted to the role of Senior Manager (Lending) in early 2022. Prior to joining GF, Michelle spent 2 years as Loans Administration Manager at a New Zealand legal firm, gaining experience in AML, loan onboarding, investor management and processing broker applications. Michelle has completed level 5 Certificate in Financial Services specialising in Residential Property Lending.

**Ricky Tseng**

***Senior Manager Deposits***

Ricky has a Bachelor of Commerce (B.Com) from the University of Otago, and a M.B.A from Melbourne Business School. Ricky's academic record also includes a master's degree in Finance and he is also a qualified Financial Adviser. He has an extensive background in the commercial and finance sectors including experience in China, Hong Kong, Taiwan and New Zealand. Ricky joined General Finance in April 2021.

Note:

- Chris Dorn, former Head of Corporate Finance at Investment Research Group Limited, recently resigned.
- Richard McIntosh, former Legal Counsel and Company Secretary, resigned on 27 January 2026.

## 7.7 Governance and Oversight

### Internal

GF adopts methodology consistent with the Risk Management Standard (AS/NZS ISO 31000:2009) for identifying, assessing, and managing risks. This methodology is the basis of the GF's risk management program. The program considers a broad range of operational, governance, and financial risks. The framework provides a structure for communicating, mitigating, and escalating risks, and incorporating risk management principles and objectives into strategic and resource planning activities. As part of the program, GF conducts risk assessments across the business. The assessments are undertaken at operational and management levels, and involve an assessment of the extent, impact and likelihood of risk, and the development of risk mitigation strategies to address specific risks.

GF's Board of Directors have overall responsibility for risk management and delegate responsibility for oversight of risk management activities to its Audit and Risk Committee, and responsibility for the implementation of the risk management framework to the Managing Director.

The Audit and Risk Committee provides oversight to risk management activities across the Company, monitors the implementation of remedial actions to minimise or eliminate adverse risk, and reports at least quarterly to the Board of Directors on the performance of risk management activities. The following table outlines the specific roles and responsibilities for risk management:

| | |
|---|---|
| **Board** | • Governance responsibility for risk management; compliance; solvency; liquidity; capital adequacy of GF;<br>• Establish risk appetite and tolerances;<br>• Approve the reporting requirements, policies procedures and controls;<br>• Monitor the risk exposures to check that they are consistent with established risk tolerances;<br>• Monitor compliance with legal requirements and internal policies and procedures;<br>• Approve the Code of Ethics, including the policy on managing conflicts of interest; |

| | |
|---|---|
| | • Ensure that any exposures to, and transactions with, related parties are on arm's length terms and conditions. |
| **Senior Management** | • Reports to the Board;<br>• Ensure risks are taken within limits set by the Board;<br>• Implement the policies, procedures, controls and reporting mechanisms set out in this Risk Management Programme;<br>• Ensure that the Risk Management Programme includes:<br>○ a requirement that an action that is contrary to GCL or GFL's policies is reported to senior management and, depending on materiality, to the Board; and<br>○ a requirement that in such cases corrective measures are triggered;<br>• Ensure staff are well-trained and have experience appropriate to their roles. |
| **Chief Financial Officer / Risk and Compliance Manager** | • Responsibility for risk management (e.g. risk policy, policy compliance);<br>• Reports to the CEO;<br>• Monitoring and regular reporting on risk management issues;<br>• Management of the process of identifying and monitoring risk;<br>• Maintenance of the Risk Register;<br>• Development of tools to assist GF to implement risk and compliance solutions;<br>• Provision of regular training for all staff to promote the risk culture;<br>• Oversight of internal audit and compliance activity;<br>• Monitor compliance with the policy on conflict of interest.<br>• Monitor transactions with related parties to meet the requirements of being undertaken at an arm's length terms and conditions |
| **All Staff** | • Each business area should be aware, accountable and responsible for the risks it exposes the GC Group through its operations;<br>• Should understand the risks they encounter in conducting their part of the business via training by the Risk and Compliance Manager;<br>• Where appropriate identify and report increases in risks or new risks in a timely manner. |

GF maintains a risk register which records the following:

- The risks across the business, or specify to an entity;
- Linkage of risks to processes and people (risk owners);
- Assessment of inherent risks;
- Controls in place;
- Assessment of residual risk;
- Risk Tolerance
- Treatment of risks; and
- Monitoring of risks.

The Risk Register is reviewed in full at least annually by the Risk Owners, with the Risk & Compliance Manager being responsible for updating the register and presenting to the Boards for review and approval.

### External

The Trust deed and the prudential norms prescribed by the RBNZ are key source of external governance measures which GF must comply with. The details of the RBNZ's prudential requirements are mentioned in Section 5 and the table below summarises GF's compliance with select requirements of the trust deed and the RBNZ's prudential norms.

| Ratio | Calculation | Mar26 | Mar25 | Mar24 | Mar23 | Trust deed | Regulatory |
|---|---|---|---|---|---|---|---|
| **Risk weighted capital ratio** | Tier 1 capital as a percentage of risk weighted assets | 16.4% | 17.8% | 22.3% | 21.8% | 8% or more if rated<br>15% or more if unrated | 8% or more if rated<br>10% or more if unrated |
| **Liquidity ratio** | Liquidity + Expected loan receivables within the relevant quarterly period divided by Expected gross deposit redemptions within the relevant quarterly period. | 2.98 times | 5.82 times | 4.98 times | 3.96 times | >1.25 times | As appropriate |
| **Related party ratio** | Aggregate credit exposures to all the related parties as a percentage of tier 1 capital | 3.0% | 5.9% | 2.0% | 0.1% | <10% | <15% |

Grant Thornton New Zealand Audit Limited functions as GF's external auditor. The Company engages in semi-annual external audits as a part of its ongoing commitment to compliance and governance.

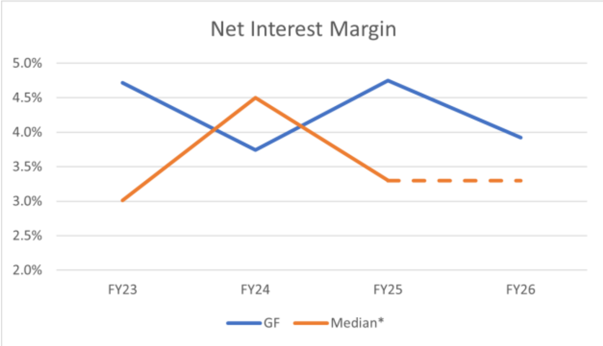
# 8. Financial Overview

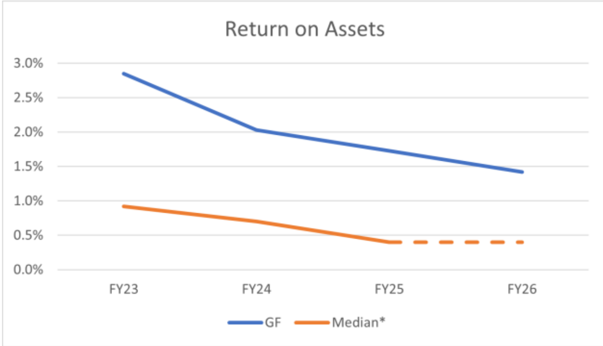
## 8.1 Summary Financial Data

| General Finance Limited | | | | | |
|---|---|---|---|---|---|
| **$'000s** | Trend | | | | |
| **Income Statement** | | FY23 | FY24 | FY25 | FY26 |
| Net Interest Income | | 5,356 | 5,303 | 8,660 | 9,548 |
| Non Interest Income | | 2,199 | 2,465 | 850 | 1,360 |
| Operating Income | | 7,555 | 7,768 | 9,510 | 10,908 |
| Operating Expense | | 2,652 | 3,528 | 4,311 | 5,295 |
| Pre Provision Operating Profit | | 4,926 | 4,243 | 5,260 | 5,688 |
| Credit Impairment Charge / (Reversal) | | 574 | 422 | 961 | 921 |
| Operating Profit Before Tax | | 4,352 | 3,821 | 4,299 | 4,767 |
| Other non Operating Income / (Expense) | | 23 | 3 | 61 | 75 |
| Net Profit | | 3,245 | 2,883 | 3,175 | 3,502 |
| | | | | | |
| **Financial Position** | | Mar23 | Mar24 | Mar25 | Mar26 |
| Total Assets | | 128,462 | 155,869 | 212,293 | 280,361 |
| Customer Deposits | | 109,886 | 135,119 | 184,680 | 248,021 |
| Gross Loans | | 109,611 | 132,693 | 151,505 | 243,120 |
| Liquid Assets | | 18,368 | 22,572 | 57,796 | 34,406 |
| | | | | | |
| **Ratios** | | | | | |
| Profit Before Tax to Operating Income Margin (%) | | 57.6% | 49.2% | 45.2% | 43.7% |
| Net Interest Margin (%) | | 4.7% | 3.7% | 4.8% | 3.9% |
| Cost to Income (%) | | 35.1% | 45.4% | 45.3% | 48.5% |
| Return on Asset (%) | | 2.8% | 2.0% | 1.7% | 1.4% |
| Return on Equity (%) | | 25.2% | 16.5% | 15.1% | 13.8% |
| Capital Ratio (%) | | 21.8% | 22.3% | 17.8% | 16.4% |
| Capital to Total Asset Ratio (%) | | 12.4% | 12.1% | 10.9% | 9.8% |
| Leverage Ratio - (Gross Loans / Equity) (x) | | 6.9 | 7.0 | 6.6 | 8.8 |
| Charges-offs / Gross Loans (%) | | 0.0% | 0.3% | 0.4% | 0.1% |
| Neither Impaired or Past Due to Gross Loans (%) | | 86.7% | 92.2% | 93.0% | 98.2% |
| Non-Performing Loans to Gross Loans (%) * | | 3.7% | 0.6% | 1.8% | 0.0% |
| Loan Loss Provision / Gross Loans (%) | | 0.7% | 0.4% | 0.2% | 0.2% |
| Deposits to Gross Loans (%) | | 100.3% | 101.8% | 121.9% | 102.0% |
| Liquid Assets to Total Assets (%) | | 14.3% | 14.5% | 27.2% | 12.3% |

**Non-performing Loans = Impaired loans + Loans past due for more than 90 days*

## 8.2 Profitability



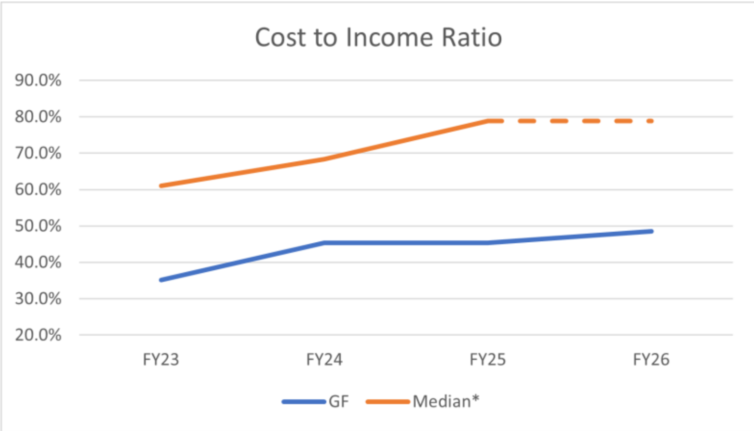

*Source: Reported financial statements of Peer Group from FY23 – FY25. *Median figure for FY26 is an extrapolation of FY25 data, as there was insufficient FY26 financial information available to form a reliable dataset at Jul26.*

Overall, GF has maintained a healthy Net Interest Margin (NIM) over recent years. The FY26 financial report states that the Company reclassified certain income and expense items to better align with the requirements of NZ IFRS 7 (Financial Instruments: Disclosures) and NZ IFRS 9 (Financial Instruments). Therefore, certain items previously presented under 'Fee and commission income/expense' have been reclassified to 'Interest income/expense' in the Statement of Comprehensive Income. For FY25, $3.4m of fee and commission income and $1.0m of fee and commission expense were reclassified as interest income and interest expense, respectively, contributing to the increase in NIM for that year (compared to FY24).

While GF's NIM remains healthy, margins face pressure from heightened market competition and a low-interest-rate environment. This climate has intensified competition to deploy capital, driving downward pressure on loan yields and resulting in a reduced NIM for FY26.

GF's ROA decreased in FY26, reflecting the rapid growth of assets and the decline in NIMs, however remained better than the sector and reflective of its healthy overall earnings.

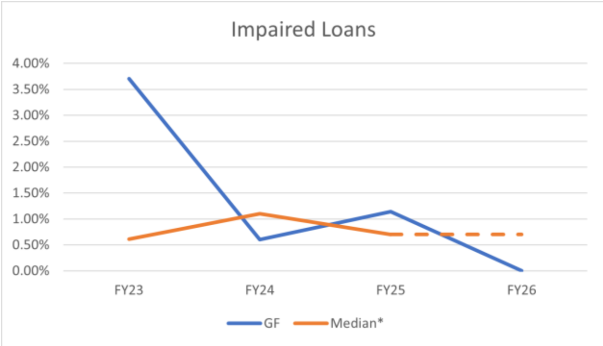
## Operating Efficiency

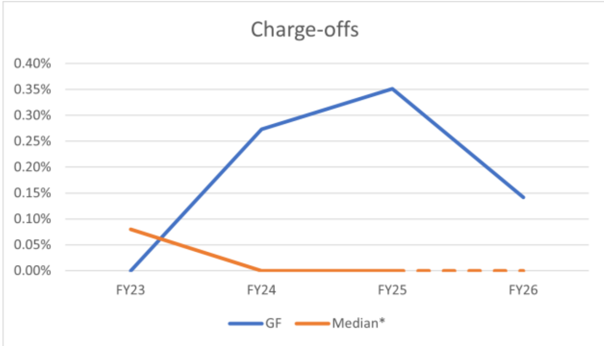



*Source: Reported financial statements of Peer Group from FY23 – FY25. *Median figure for FY26 is an extrapolation of FY25 data, as there was insufficient FY26 financial information available to form a reliable dataset at Jul26.*

In FY26, GF's overall cost-to-income ratio rose to 48.5%, up from 45.3% in FY25. Despite this uptick, the Company's cost efficiency remains highly competitive, tracking comfortably below the sector median. This incremental rise in operating expenses is primarily attributed to a strategic increase in headcount, an investment aimed at bolstering GF's long-term operational capacity and scaling its platform. While these upfront personnel costs have caused a temporary softening in the efficiency metric, the expansion positions the Company well to support future revenue growth.

## 8.3. Asset Quality



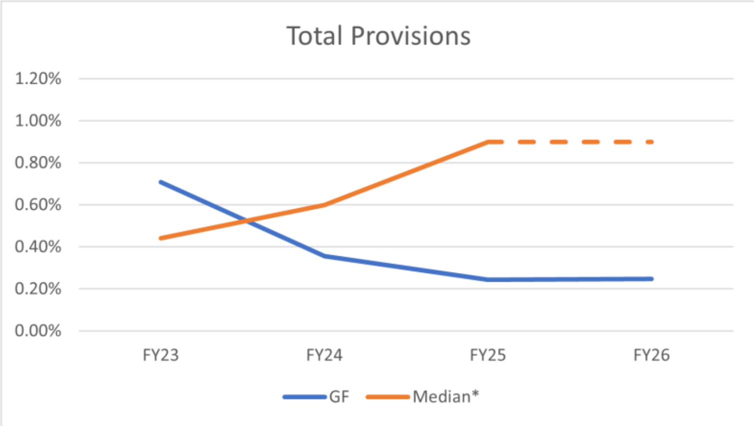

*Source: Reported financial statements of Peer Group from FY23 – FY25. *Median figure for FY26 is an extrapolation of FY25 data, as there was insufficient FY26 financial information available to form a reliable dataset at Jul26.*

GF's loan portfolio has historically exhibited low delinquency levels and high recovery rates. At Mar26, 97.5% (Mar25: 95.9%) of the total loan book was secured against first mortgages. Despite the expansion of GF's loan book and deposit base since Mar25, the Company improved its asset quality, which is reflected in a decline across key credit risk metrics expressed as a percentage of gross loans. Specifically, write-offs decreased to 0.14% at Mar26 (Mar25: 0.35%), and impaired loans decreased to Nil (Mar25: 1.15%).

As of Mar26, past due but not impaired loans decreased to $4.4m (Mar25: $7.8m) across four loan accounts. Post balance date, as at May26, two of these loans with combined value of $1.8m became impaired (outstanding 90+ days) and a process of recovery initiated. Subsequently the secured properties for both loans were sold. While recovery across both properties is expected to fall below 100%, yielding minor loan losses that reflect the subdued NZ property market and softer collateral values, overall net losses remain minimal and pose no material threat to the Company's balance sheet or earnings capacity.

Based on sensitivity testing of the loan portfolio at Mar26 the Company estimates it has a $72k (Mar25: $0.2m) exposure on secured mortgages to a property downturn of up to 25.0% (including the cost of realisation) from most recent valuations. A total of $0.6m (Mar25: $0.4m) has been provided for expected credit losses in the financial statements at Mar26.

### 8.4 Provisioning

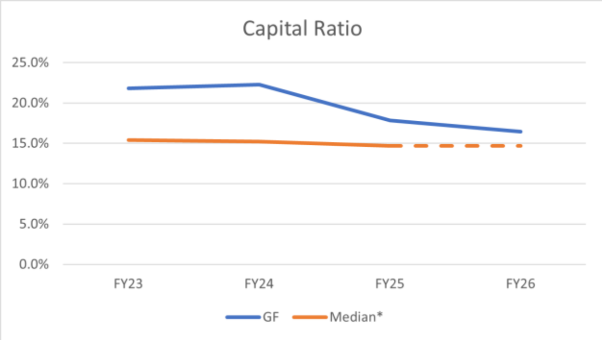


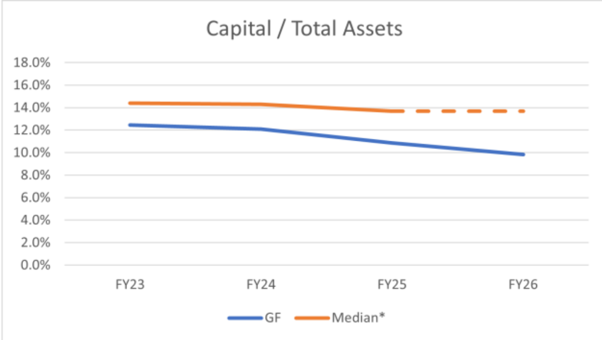

*Source: Reported financial statements of Peer Group from FY23 – FY25. *Median figure for FY26 is an extrapolation of FY25 data, as there was insufficient FY26 financial information available to form a reliable dataset at Jul26.*

The Company recognised the subdued economic environment, particularly in the Auckland region, slow recovery in the property market, and financial market uncertainties. GF's total provisions as a percentage of gross loans spiked and were 0.71% at Mar23, marginally higher (worse) than the sector median. Positively, following the mortgagee sale of an individual impaired secured property, the underperforming loan was settled and the corresponding provisions reversed. As a result, the provision ratio decreased and became better than the sector median from Mar24.

We expect GF's asset quality metrics to remain under pressure due to a slow housing market recovery. This sluggishness poses a dual risk; declining property prices erode collateral coverage and delay borrowers' asset liquidations for loan repayment. Furthermore, as general credit quality remains constrained, GF will face competition for high-quality borrowers.

## 8.5 Capitalisation



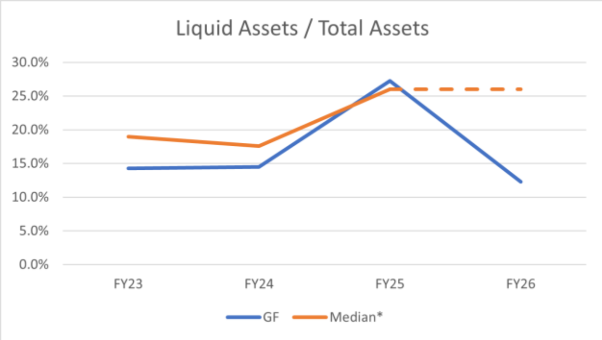


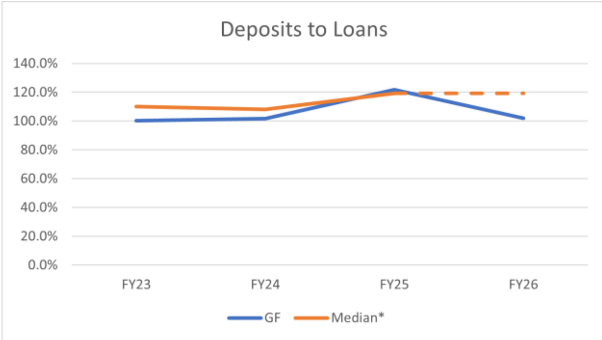

*Source: Reported financial statements of Peer Group from FY23 – FY25. *Median figure for FY26 is an extrapolation of FY25 data, as there was insufficient FY26 financial information available to form a reliable dataset at Jul26.*

In accordance with the Non-bank Deposit Takers Act 2013 and NZ capital regulations, licensed NBDTs with a credit rating from an approved rating agency are mandated to maintain a minimum capital ratio of 8.0%. The capital ratio is a function of gross capital to the Company's aggregated risk-weighted asset (RWA) portfolio which has been adjusted for credit, market, and operational risk. The Company's healthy, albeit reduced, capital ratio of 16.4% at Mar26 (Mar25: 17.8%, Mar24: 22.3%) enables GF to maintain adequate headroom above the regulatory minimum capital ratio threshold (8.0%) and has remained better than the sector median. The decrease in the capital ratio from Mar24 to Mar25 was primarily due to the addition (in November 2024) of unsecured loans (insurance premium lending) in GF's portfolio, that carry a higher risk weight. Positively, management has confirmed that any large-scale portfolio acquisition will be housed in an external entity, preserving the core capital position.

The Company's healthy capital ratio, amidst sustained loan book growth, has been supported by strong earnings' retention, together with incremental capital injection (FY26: $2.0m; FY25: $2.0m; FY23: $3.0m; FY22: $2.2m), and holds it in good stead to support further loan book growth and/or cushion the impact of any adverse trading performance on its capital ratio.

## 8.6 Funding and Liquidity




*Source: Reported financial statements of Peer Group from FY23 – FY25. *Median figure for FY26 is an extrapolation of FY25 data, as there was insufficient FY26 financial information available to form a reliable dataset at Jul26.*

The Company's liquid assets to total assets ratio decreased from a high of 27.2% at Mar25 to 12.3% at Mar26, placing it below the sector median. This decrease does not appear to indicate tight liquidity, but is more likely reflective of a deliberate operational decision to deploy excess cash. In March 2025, the Company held a high level of liquid funds, which appear to have been deployed into the loan book over the following year to generate better returns. Although this has pushed the liquidity ratio below the sector median, current cash reserves remain adequate to support the business.

A similar trend is reflected in the Deposits to Loans ratio, which declined from 121.9% at Mar25 to 102.0% at Mar26, moving below the steady sector median. This change was also likely the result of excess funds being deployed over the year. Despite the lower ratio, GF maintains a healthy capacity to attract deposits, with total deposits increasing to $248.0m at Mar26 (Mar25: $184.7m), thereby supporting the Company's funding and liquidity profile, which further backed by the DCS and a satisfactory deposit renewal rate, with the term deposit reinvestment rate holding steady at ~60.0% at Mar26 (Mar25: ~60.0%).

The Company's LCR calculated according to its trust deed at Mar26 was acceptable at 2.98 times (Mar25: 5.82 times), against the stipulated minimum LCR of >1.25 times. As part of its liquidity policy, GF endeavours to maintain cash or short-term deposits equivalent to at least 10% of Total Tangible Assets. GF was assessed as having sufficient headroom within above metrics to enable the Company to withstand some level of funding volatility.

## 9. Financial Benchmarks

| 2025 | Sector Median* | General Finance Limited | Percentile |
|---|---|---|---|
| | | At Mar26 | |
| **Scale:** | | | |
| Operating income ($ 000s) | 6,091 | 10,908 | 78% |
| Total Assets ($ 000s) | 184,089 | 280,361 | 72% |
| Gross loans ($ 000s) | 128,730 | 243,120 | 81% |
| **Profitability:** | | | |
| Net Interest Margin (%) | 3.3% | 3.9% | 62% |
| Non Interest Income to total income (%) | 21.4% | 12.5% | 38% |
| ROE (%) | 2.7% | 13.8% | 89% |
| Return on total assets (%) | 0.4% | 1.4% | 77% |
| Cost to Income (%) | 78.9% | 48.5% | 78% |
| **Capitalisation:** | | | |
| Leverage (Gross loans to Equity) (x) | 5.9 | 8.8 | 29% |
| Capital ratio - risk adjusted (%) | 14.7% | 16.4% | 55% |
| Capital to total assets ratio (%) | 13.7% | 9.8% | 29% |
| **Funding and liquidity:** | | | |
| Gross loans as a % of total assets (%) | 71.4% | 86.7% | 96% |
| Gross loans to deposit (%) | 83.9% | 98.0% | 16% |
| Liquid assets to total assets (%) | 26.0% | 12.3% | 7% |
| **Asset Quality:** | | | |
| Write-offs to gross loans (%) | 0.0% | 0.1% | 39% |
| Impaired loans to gross loans (%) | 0.7% | 0.0% | 100% |
| Total provision to gross loans (%) | 0.9% | 0.3% | 83% |

** Sector Median calculated on the basis of publicly available financial information (financial year 2025) of 13 established NBDTs in the sector.*

# APPENDICES

## 1. Explanation of the Equifax's credit rating

### 1.1 What is a rating?

Credit ratings provide an Agency's opinion as to the capacity, viability and willingness of an entity, issuer, or counterparty to meet their respective financial commitments. As such, Equifax assigns ratings based on the credit worthiness of an entity, commitment, or product, and provides probabilistic assessments of default over the short, medium, and long-term.

Credit ratings are a critical measure used extensively in commercial, financial, and capital markets to support key business decisions. Equifax's credit ratings are used to support debt and bonding decisions, loan origination and recovery, insurance and warranty, funds management, portfolio management, tendering and procurement, counterparty risk assessments and other commercial contracts.

Equifax provides credit ratings on government and commercial agencies, international conglomerates, infrastructure consortia, financial institutions, publicly listed entities, private corporations, and small-to-medium sized enterprises across a range of industry sectors both domestically and internationally. As such, Equifax is also able to provide detailed industry intelligence, benchmarking reports and analysis across a wide range of sectors.

### 1.2 Equifax's credit rating

Equifax and other credit rating agencies all attempt to measure the probability of an entity being able to honour its financial commitments as and when they fall due. The most recognised credit rating is that based on Bond Rating Equivalents (BRE) used over the past eighty years to determine the proximity of an entity's securities to default (non-payment of interest or principal). The accuracy of this method has been extensively tested and is accepted worldwide.

The Equifax's database contains more than 100,000 financial years of information spanning more than twenty-five years. As such Equifax is in a unique position, having developed a large and empirical data source on entities across various industry sectors with long data histories covering a range of economic conditions and one or more complete business cycles. Equifax has therefore been able to use a variety of quantitative validation tools and comparisons using this information to adequately verify the stability, accuracy, and consistency of its rating models.

Equifax's rating models have been designed to assess the proximity of an entity to defaulting on its financial commitments and obligations. Proprietary risk analytics are used to evaluate the multivariate interrelationship of key risk indicators using scientifically based and empirically derived risk metrics. These models evaluate the financial performance, position, and profile of an entity in the context of its industry, size, and structure. They have been validated on Australian and international data with the assistance of Professor Edward Altman, an internationally recognised leader in the field of credit risk analysis and bankruptcy prediction.

Equifax uses its comprehensive benchmarking database to evaluate the financial position, performance and credit quality of an agency, institution, corporation, or entity relative to an industry and its peers. This enables the identification of key sensitivities, trends, cautionary alerts, and exception reports based on identified anomalies and/or outliers across key credit indicators of a select benchmarking group.

While there is no single method to discriminate unambiguously between firms that will default and those that will not, Equifax can make probabilistic assessments of default. This requires a large database of actual defaults to enable an assessment of default probabilities and actual default rates from empirical evidence. The Australasian market has a comparatively small number of corporate bond issues and a relatively benign credit climate over recent decades, and as such empirical data on Australian default rates is limited. Therefore, Equifax considers it is more appropriate to apply default probabilities using empirical data from international markets over several economic cycles.

Equifax's default statistics have been derived from nearly twenty years' experience analysing mainly US non-financial, non-utility corporate bond issuers. The analysis covered a relatively large number of companies (approximately 1,000 rated each year) and follows the well-established static pool approach used by Credit Rating Agencies to report their default experience. Static pools were created for bond issuers each year by both notch and grade, and the history of these bond issuers was then analysed over the period. The pools were then combined so that long-term average default experience by duration could be calculated, and both annual and cumulative default experience was calculated from the pools.

Equifax's risk analytics enable analysts to evaluate the most critical and sensitive financial and risk items through the Risk Assessment Platform by analysing key indicators to derive a definitive credit risk score and Bond Rating Equivalent (BRE), providing Probabilities of Default (PoD) over the short-, medium- and long-term horizon.

## 1.3 Rating Definitions

Credit ratings provide an Agency's opinion as to the capacity, viability, and willingness of an entity to meet their respective financial and contractual commitments. As such credit ratings are assigned in accordance with the entity, commitment, or product's proximity to default. Equifax adheres to internationally recognised grades and are similar to other agency classifications, providing ratings across twenty-two credit notches from 'D' (in default) to 'AAA' (extremely strong).

| Moody's | Fitch | S&P | Rating | Default rates (5 years) | Classification | Risk Level |
|---|---|---|---|---|---|---|
| Aaa | AAA | AAA | AAA | 0.17 | High Grade | Negligible |
| Aa1 | AA+ | AA+ | AA+ | 0.31 | | |
| Aa2 | AA | AA | AA | 0.44 | | |
| Aa3 | AA- | AA- | AA- | 0.55 | | |
| A1 | A+ | A+ | A+ | 0.76 | Investment Grade | Very Low |
| A2 | A | A | A | 0.81 | | |
| A3 | A- | A- | A- | 1.47 | | |
| Baa1 | BBB+ | BBB+ | BBB+ | 2.08 | | Low |
| Baa2 | BBB | BBB | BBB | 3.19 | | |
| Baa3 | BBB- | BBB- | BBB- | 4.37 | | |
| Ba1 | BB+ | BB+ | BB+ | 7.13 | Near Prime | Low to Moderate |
| Ba2 | BB | BB | BB | 7.49 | | |
| Ba3 | BB- | BB- | BB- | 10.52 | | |
| B1 | B+ | B+ | B+ | 16.34 | Sub Prime | Moderate |
| B2 | B | B | B | 22.21 | | |
| B3 | B- | B- | B- | 24.16 | | High |
| Caa1 | CCC | CCC+ | CCC+ | 28.16 | Credit Watch | Very High |
| Caa2 | | CCC | CCC | 29.90 | | |
| Caa3 | | CCC- | CCC- | 39.16 | | |
| Ca | | CC | CC | 52.87 | Distressed | Extremely High |
| | | C | C | 55.00 | | |
| C | D | D | D | 100.00 | | |

Equifax assigns ratings based on the credit worthiness of an entity or a specific financial commitment, and provides probabilistic assessments of default over the short, medium, and long-term. Every entity or commitment has some probability of default over a period of time, even those assigned with the strongest of ratings. An Investment Grade classification is attributed to credits that exhibit a lower probability of default, while a Sub-Prime classification has a greater expectancy of default.

An Equifax's credit rating may also be assigned additional clarification markers (symbols) to qualify the credit risk assessment. These may include:

**Conditional Rating** (#)
A Conditional Rating is used where Equifax has rated an entity on the basis of significant risk factors and/or report qualifications, with recommendations providing one or more conditions precedent and/or mitigation action(s) to reduce identified uncertainty and risk.

**Provisional Rating** (*)
A Provisional Rating is used when the most recent financial figures are based on draft management accounts or are deemed out-of-date. Entities with a provisional rating should be re-evaluated as soon as finalised financial statements become available.

**Indicative Rating** (^)
An Indicative Rating is used where Equifax is engaged to conduct preliminary analysis only, and as such an official rating assignment would require a more detailed and comprehensive investigation and due diligence assessment prior to the provision of our professional opinion.

## 1.4 Rating Outlooks

Equifax's forward estimates help ascertain the trajectory of ratings as well as the risks to ratings. Ratings with a positive trajectory are assigned 'Positive Outlooks'. Ratings with a negative trajectory are assigned 'Negative Outlooks'. Where Ratings are expected to remain unchanged, a 'Stable Outlook' assigned.

Rating trajectories are closely related to the outlook for the corporate's earnings. Earnings growth that is within sustainable growth parameters together with an attenuation of earnings volatility provide upward rating pressure and so may warrant the assignment of a Positive Outlook.

## Credit Concepts measured

The main credit concepts measured against Australian and New Zealand Standard Industry Classifications (ANZSIC) and specific Peer Groups based on entity size are available in Corporate Scorecard's Rating methodology, which can be found at the below-mentioned links

http://www.corporatescorecard.co.nz/services_credit_ratings.php
https://www.corporatescorecard.co.nz/docs/RatingMethodologyFinancial.pdf

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The credit rating issued by Equifax Credit Ratings reflects our current opinion of the relative credit risk of the institution. This opinion has been formed in accordance with Equifax's published credit ratings methodology - financial institution rating criteria (Issue 8, November 2021).

https://www.corporatescorecard.co.nz/docs/RatingMethodologyFinancial.pdf

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