

**GENERAL FINANCE LIMITED**  
Quarterly report as at 30 September 2020

**KEY RATIOS**

**Capital**

	<b>30 September 2020</b>
<b>Our capital ratio calculated in accordance with the 2010 Regulations*</b>	22.26%
<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
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.	

\* 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 Stable 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**

	<b>30 September 2020</b>
<b>Our aggregate exposures to related parties as calculated in accordance with the 2010 Regulations*</b>	2.28%
<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).</p>	

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

**Liquidity**

	<b>30 September 2020</b>
<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
<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

	<b>Quarter to 30 September 2020</b>
Total Assets	51,373,781
Total Liabilities	45,374,668
Net Profit After Tax	29,866
Net Cash Flows from Operating Activities	(6,666,970)
Cash and Cash Equivalents	11,191,511
Term Deposits <sup>1</sup>	3,000,000
Capital (per 2010 Regulations)	5,920,224

<sup>1</sup>New Zealand Registered Bank deposits with original term of greater than 180 days.

## HOW THE RATIOS HAVE BEEN CALCULATED

### CAPITAL RATIO

Position at 30 September 2020

#### Capital

Gross capital	5,999,113
Less deductions	78,889
Total capital	5,920,224

Exposures	Exposure	Risk Weight	Risk Weighted Exposures
NZ Registered Bank Deposits	14,191,511	20%	2,838,302
Investments in Bonds (rated long term claims):			
with a rating grade of 1 <sup>1</sup>	3,519,165	20%	703,833
with a rating grade of 3 <sup>1</sup>	1,295,181	100%	1,295,181
Residential mortgages:			
LVR 70% and under	28,406,715	35%	9,942,350
LVR 70% - 80%	1,660,181	50%	830,090
Second mortgages	104,889	150%	157,334
Property development loans:			
LVR 60% - 100%	1,903,004	200%	3,806,008
Other assets	214,246	350%	749,861
Deductions from capital	78,889		-
Total credit risk weighted exposures (A)			20,322,959
Total assets (B)	51,373,781		
Operational and Market Exposures	(A+B)/2x0.175		6,273,465
Total Exposures			26,596,424

#### Capital Ratio

(being Total Capital/Total Exposures)

**22.26%**

<sup>1</sup>Refer to Deposit Takers (Credit Ratings, Capital Ratios, and Related Party Exposures) Regulations 2010, Schedule Table 3.



## AGGREGATE EXPOSURE TO RELATED PARTIES

Loans and other on balance sheet exposures to related parties (A)	134,976
Other related party exposures (B)	Nil
Capital	5,920,224
<b>(A + B) / C</b>	<b>2.28%</b>

\*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
<b>(A + B) / C</b>	<b>6.29 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.