

GENERAL FINANCE LIMITED

Key ratios and selected financial information as at 31 March 2017

KEY RATIOS

Capital

	31 March 2017	31 March 2016	31 March 2015
Our capital ratio calculated in accordance with the 2010 Regulations*	50%	47%	55%
Minimum capital ratio required by our Trust Deed	8% if we have a credit rating**, or 10% if we do not have a credit rating	8% if we have a credit rating**, or 10% if we do not have a credit rating	8% if we have a credit rating**, or 10% if we do not have a credit rating
Minimum capital ratio that must be included in the trust deed under reg 8(2) of the 2010 Regulations*	8% if we have a credit rating, or 10% if we do not have a credit rating	8% if we have a credit rating, or 10% if we do not have a credit rating	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

	31 March 2017	31 March 2016	31 March 2015
Our aggregate exposures to related parties as calculated in accordance with the 2010 Regulations*	\$nil	\$nil	\$nil
Maximum limit on aggregate exposures to related parties that we must not exceed that is included in our Trust Deed	15% of capital	15% of capital	15% of capital
Maximum limit on aggregate exposures to related parties that we must not exceed that must be included in our Trust Deed under reg 23(3)(b) of the 2010 Regulations*	15% of capital	15% of capital	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 General Finance Holdings Limited and our landlord Emortgage Limited.</p>			

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

Liquidity

	31 March 2017	31 March 2016	31 March 2015
Our liquidity calculated in accordance with the quantitative liquidity requirements included in our Trust Deed *	33.6 times	6.9 times	14.3 times
The minimum liquidity requirements required by our Trust Deed	A liquidity cover ratio of 1.25 times	A liquidity cover ratio of 1.25 times	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

	Audited For Year Ended 31 March 2017	Audited For Year Ended 31 March 2016	Audited For Year Ended 31 March 2015	Audited For Year Ended 31 March 2014	Audited For Year Ended 31 March 2013
STATEMENT OF COMPREHENSIVE INCOME					
Total Operating Revenue	1,445,890	1,457,749	1,522,993	1,375,205	1,060,904
Finance Costs	498,835	544,855	469,249	455,045	372,562
Profit from Operating Activities	431,980	321,008	432,586	284,211	260,409
Income Tax Expense	121,696	89,698	124,475	79,161	72,915
Profit After Tax Expense	310,284	231,310	308,111	205,050	187,494
Total Comprehensive Surplus	310,284	231,310	308,111	205,050	187,494
STATEMENT OF CHANGES IN EQUITY					
Total Equity at start of year	3,156,831	3,175,521	3,117,410	3,112,360	3,074,866
Issue of shares	-	-	-	-	-
Dividend	(400,000)	(250,000)	(250,000)	(200,000)	(150,000)
Total Comprehensive Surplus	310,284	231,310	308,111	205,050	187,494
Total Equity at end of year	3,067,115	3,156,831	3,175,521	3,117,410	3,112,360
<i>Total Equity at end of year consists of:</i>					
Issued and Paid Up Capital	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000
Retained Earnings	267,115	356,831	375,521	317,410	312,360
BALANCE SHEET					
Cash & Cash Equivalents	2,410,342	1,875,899	707,119	41,038	1,487,880
Short Term Bank Deposit	1,214,531	2,192,262	1,131,499	1,003,419	-
Loan Receivables	8,294,488	7,391,044	9,330,444	8,709,818	8,138,057
Other Assets	11,986	37,245	27,421	31,381	22,374
Total Assets	11,931,347	11,496,450	11,196,483	9,785,656	9,648,311
Debenture Stock	8,684,556	8,215,883	7,789,704	6,467,231	5,705,040
Other Liabilities	179,675	123,736	231,258	201,015	830,911
Total Liabilities	8,864,231	8,339,619	8,020,962	6,668,246	6,535,951
Total Equity	3,067,115	3,156,831	3,175,521	3,117,410	3,112,360
CAPITAL					
deducting deferred tax gives:	5,289	27,332	24,826	25,182	20,356
Capital (per 2010 Regulations)	3,061,826	3,129,499	3,150,695	3,092,228	3,092,004
STATEMENT OF CASH FLOWS					
Net Cash Flows From Operating Activities	(482,104)	2,092,868	(278,330)	(428,999)	(2,203,400)
Net Cash Flows From Investing Activities	-	-	-	-	-
Net Cash Flows From Financing Activities	38,816	136,675	1,072,491	(14,422)	2,086,024
Net Cash Movement for the Year	(443,288)	2,229,543	794,161	(443,423)	(117,376)

HOW THE RATIOS HAVE BEEN CALCULATED

Capital ratio

Position at 31 March 2017

Capital

Gross capital	3,067,115
Less Deductions	<u>5,289</u>
Total Capital	3,061,826

Exposures	Exposure	Risk Weight	Risk Weighted Exposures
Cash	3,624,873	20%	724,975
Tax refund due		0%	-
Residential Mortgages:			
LVR 70% and under	6,295,983	35%	2,203,594
LVR 70% - 80%	1,277,071	50%	638,536
LVR 80% - 90%	-	100%	-
LVR 90% - 100%	-	125%	-
LVR over 100%	-	150%	-
Second mortgages	712,753	150%	1,069,130
Other assets (Unsecured)	27,569	200%	55,138
Other assets	-	350%	-
Investments	-	600%	-
Total credit risk weighted exposures (A)			4,691,373
Total assets (B)	11,931,347		
Operational and Market Exposures	(A+B)/2x0.175		1,454,488
Total Exposures			<u>6,145,861</u>

Capital Ratio at 31 March 2017

(being Total Capital/Total Exposures)

50%

Capital ratio

Position at 31 March 2016

Capital

Gross capital	3,156,831
Less Deductions	<u>27,332</u>
Total Capital	3,129,499

Exposures	Exposure	Risk Weight	Risk Weighted Exposures
Cash	4,068,161	20%	813,632
Tax refund due		0%	-
Residential Mortgages:			
LVR 70% and under	4,922,981	35%	1,723,043
LVR 70% - 80%	1,197,095	50%	598,548
LVR 80% - 90%	-	100%	-
LVR 90% - 100%	-	125%	-
LVR over 100%	667,191	150%	1,000,787
Second mortgages	631,358	150%	947,037
Other assets (Unsecured)	70,032	200%	140,064
Other assets	-	350%	-
Investments	-	600%	-

Total credit risk weighted exposures (A) 5,223,111

Total assets (B) 11,496,450
 Operational and Market Exposures (A+B)/2x0.175 1,462,962

Total Exposures 6,686,073

Capital Ratio at 31 March 2016
 (being Total Capital/Total Exposures) **47%**

Position at 31 March 2015

Capital

Gross capital	3,175,521
Less Deductions	<u>24,826</u>
Total Capital	3,150,695

Exposures	Exposure	Risk Weight	Risk Weighted Exposures
Cash	1,838,618	20%	367,724
Tax refund due		0%	-
Residential Mortgages:			
LVR 70% and under	7,280,994	35%	2,548,348
LVR 70% - 80%	1,772,148	50%	886,074
LVR 80% - 90%	-	100%	-
LVR 90% - 100%	-	125%	-
LVR over 100%	107,060	150%	160,590
Second mortgages	174,744	150%	262,116
Other assets (Unsecured)	84,161	200%	168,322
Other assets	-	350%	-
Investments	-	600%	-

Total credit risk weighted exposures (A) 4,393,174

Total assets (B) 11,196,483
 Operational and Market Exposures (A+B)/2x0.175 1,364,095

Total Exposures 5,757,269

Capital Ratio at 31 March 2015 **55%**
 (being Total Capital/Total Exposures)

AGGREGATE EXPOSURE TO RELATED PARTIES

Nil.

We do not make related party loan advances.



HOW LIQUIDITY MEASURES HAVE BEEN CALCULATED

	31 March 2017	31 March 2016	31 March 2015
Liquidity	4,209,873	4,653,161	2,423,618
3 month expected loan receivables	4,661,884	1,864,647	3,239,759
3 month gross deposit redemptions	263,772	946,740	395,802
Liquidity Cover Ratio (times)*	33.6	6.9	14.3

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

