



General Capital Limited
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General Capital (GEN:NZ) Announces Record result for the year ended 31 March 2024

The Directors of General Capital Limited (GEN), the NZX listed Financial Services Group, are pleased to present another record financial result for the year ended 31 March 2024. This year, we have achieved significant milestones and delivered a strong financial performance, with a 25% increase in revenue to \$17.17 million and a 17% rise in Net Profit After Tax to \$2.63 million. These results reflect our dedicated efforts and strategic initiatives in a challenging and dynamic market environment.

Our total assets have grown by 20%, reaching \$163.33 million, underscoring our solid financial foundation. Despite the prevailing headwinds faced by the New Zealand economy, our commitment to prudent financial management has enabled us to maintain stability and foster growth. We recognise the vital role of our stakeholders, whose unwavering support and trust have been instrumental in achieving these results.

As previously announced, Equifax reaffirmed the credit rating of General Finance Limited, a wholly owned subsidiary of General Capital, as BB with a Stable Outlook on 6 December 2023. This reaffirmation reflects our robust financial health and our ability to navigate through regulatory and market changes effectively.

Key Financial Highlights

	FY24 (31 Mar 2024)	FY23 (31 Mar 2023)	Change
Revenue	\$17,171,443	\$13,709,253	+25%
Net Profit After Tax	\$2,633,161	\$2,258,243	+17%
Total Assets	\$163,330,631	\$136,087,859	+20%
Total Equity	\$26,811,417	\$24,252,770	+11%
Net Tangible Assets (NTA) per Share	6.65 cps	5.94 cps	+12%

Strong Management of Arrears, Net Interest Margin and Costs

The wholly owned subsidiary General Finance, through prudent financial management, was able to successfully navigate a challenging economic environment to effectively manage and reduce both its credit losses and arrears, whilst maintaining a stable cost to income ratio and a healthy Net Interest Margin (NIM).

	FY24 (31 Mar 2024)	FY23 (31 Mar 2023)	Change
NIM (%)	2.90%	4.48%	-35%
Credit Losses (%)	0.35%	0.70%	-50%
Arrears (%)	0.74%	11.61%	-94%
Cost to Income Ratio (%)	56.25%	56.57%	-1%

Rewi Bugo, Chairman, said "This is an outstanding result for the business in light of the economic environment. The General Capital management team continues to focus on growing the business

organically whilst navigating the economic headwinds and regulatory changes. We are also in a position to leverage any suitable inorganic opportunities as they present themselves.”

Regulatory Update

The significant regulatory changes being driven by the Deposit Takers Act 2023 and the Deposit Compensation Scheme (“DCS”) have been a focus of both the Board and Management due to its impact on General Finance.

As a RBNZ-regulated non-bank deposit taker General Finance is eligible to apply to be included in the DCS and it is our intention to do so. The Board and Management believe that, whilst General Finance will be required to pay a levy to be part of the scheme and be subject to enhanced prudential regulation by the RBNZ, the benefits of having a guarantee for the first \$100,000 of deposits will likely result in a significant net benefit for General Finance that will drive a significant increase in term deposits once it comes into force in mid-2025 impacting the 2026 financial year and beyond.

Outlook

Looking ahead to 2025 financial year, we anticipate a continuation of the growth and profitability trends driven by our strategic initiatives and market conditions. Our priorities include expanding our loan book, enhancing our research and advisory services, and maintaining strong liquidity. We expect to see further growth in secured term deposits and a continued focus on sustainable value creation for our shareholders.

About General Capital

General Capital Limited is a financial services group listed on the NZX Main Board (NZSX). Our core activities include financial services and research and advisory services. Adopting a strategy of secured lending via conservative Loan-to-Value Ratio (LVR) loans, General Capital protects itself from significant risks of bad debts.

This announcement was approved by the Directors of General Capital Limited.

ENDS

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27 May 2024