

General Capital Limited **(NZX:GEN)**

NZSA Investor Presentation

14 February 2024



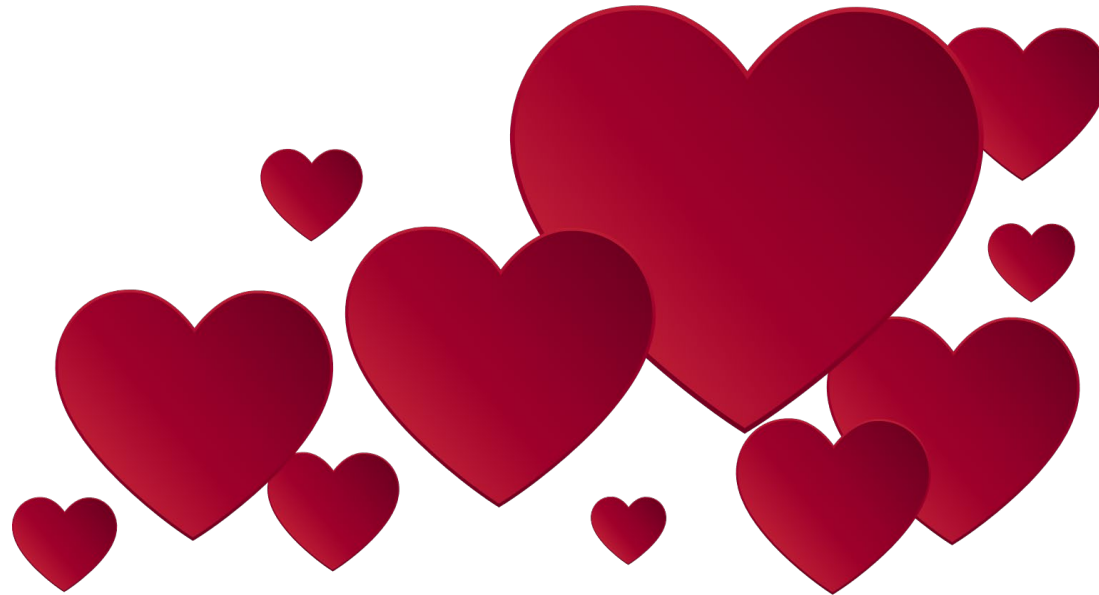
Managing Director Brent King



Non-executive
Independent
Director Greg
James



Happy Valentines Day from the team at
General Capital



General Capital Subsidiaries

General Capital Limited is the NZX listed parent of a financial services group comprising of 2 wholly owned subsidiaries:



General Finance Limited is a Non-bank Deposit Taker licensed by Reserve Bank of New Zealand. It accepts deposits from the public and it lends funds to borrowers secured by a registered first mortgage over residential or commercial property.



Investment Research Group Limited is an NZX sponsor, an investment research house, publisher of the IRG Yearbook and a boutique firm of investment bankers. It has extensive experience in compliance and reverse listings.



Rating	Default rates (5 years)	Classification	Risk Level
AAA	0.17	High Grade	Negligible
AA+	0.31		
AA	0.44		
AA-	0.55		
A+	0.76	Investment Grade	Very low
A	0.81		
A-	1.47		
BBB+	2.08		
BBB	3.19		
BBB-	4.37		
BB+	7.13	Near Prime	Low to Moderate
BB	7.49		
BB-	10.52		
B+	16.34	Sub Prime	Moderate
B	22.21		
B-	24.16		
CCC+	28.16	Credit watch	Very High
CCC	29.90		
CCC-	39.16		
CC	52.87	Distressed	Extremely High
C	55.00		
D	100.00		

Credit Rating

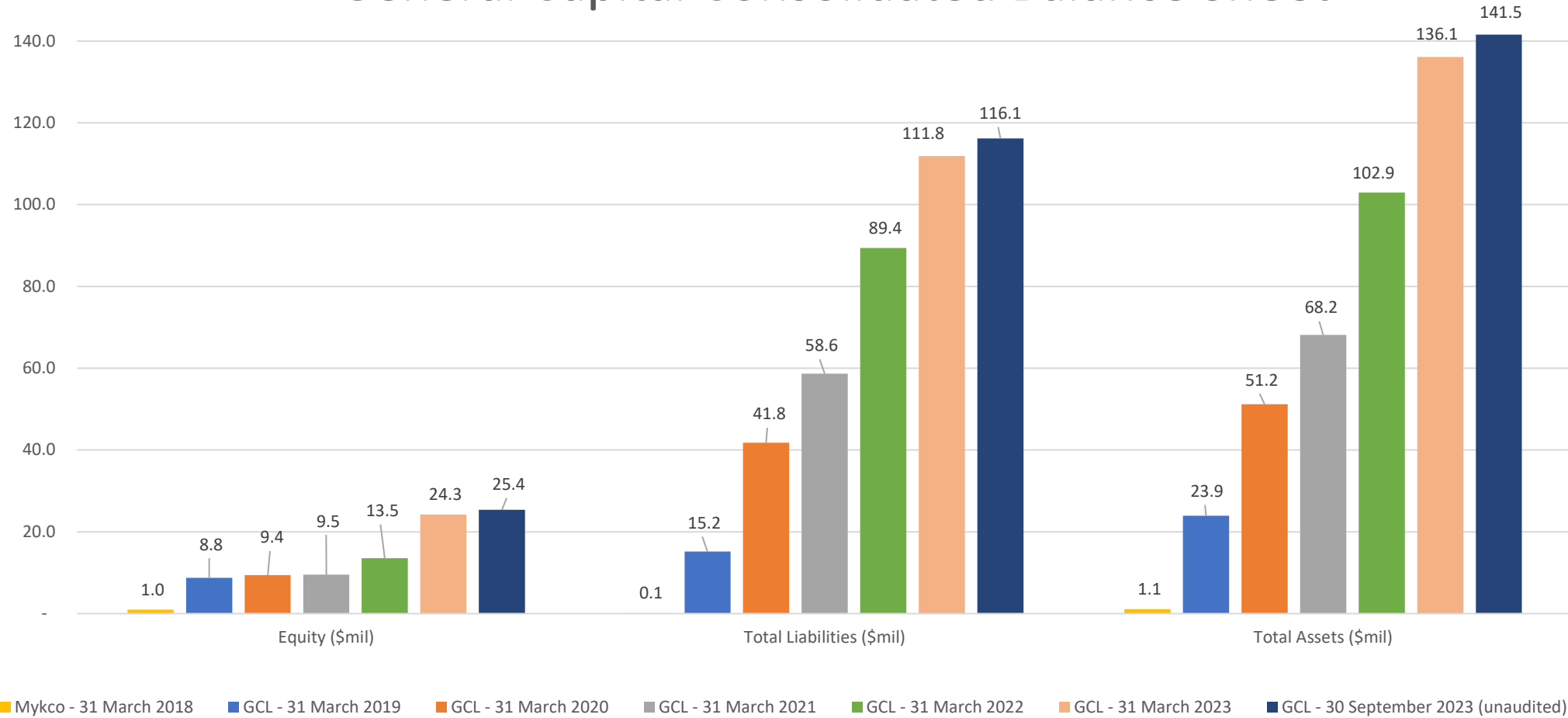
On 6 December 2023, Equifax reaffirmed the credit rating of General Finance Limited as BB with a Stable Outlook. According to Equifax's criteria, this rating is classified as "Near Prime" and has "Low to Moderate" risk level

General Finance Credit Rating Trend

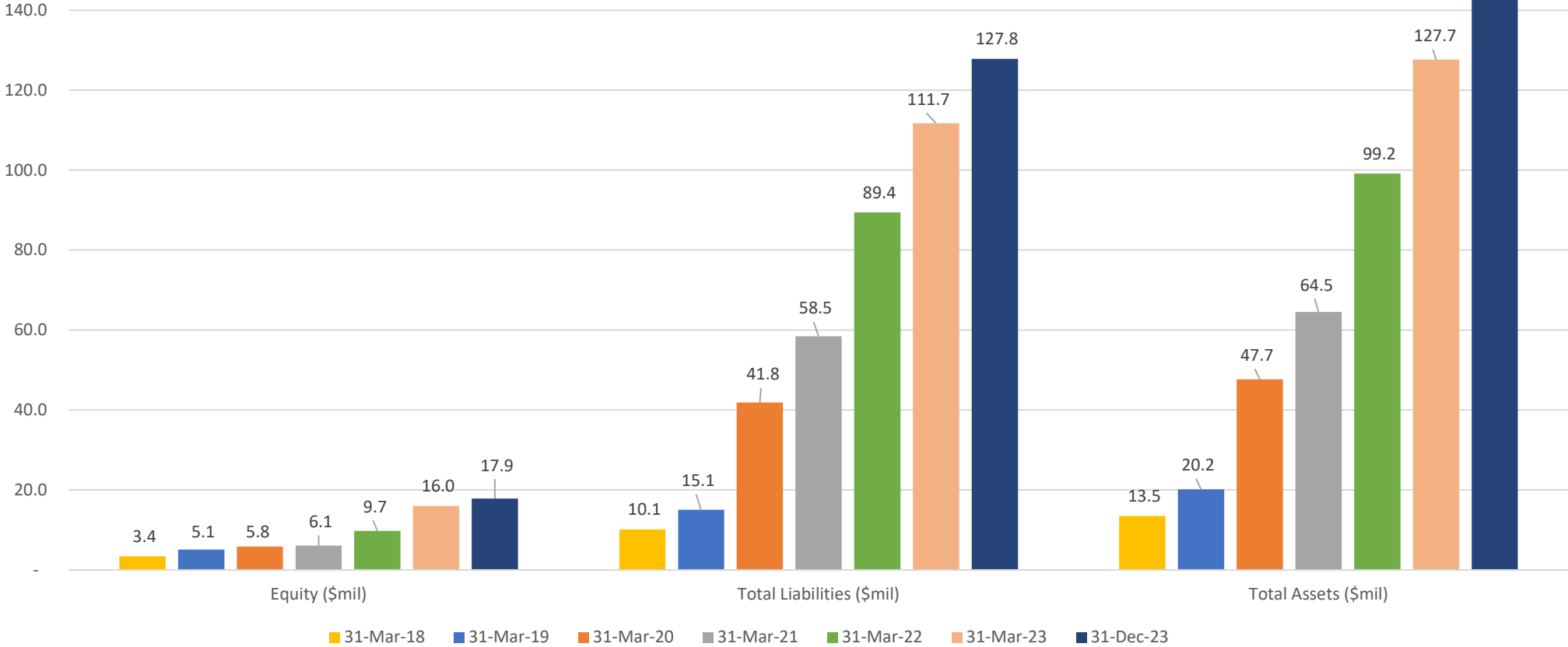
Rating Date highlighted in "Green" based on Accounts To:										
Accounts To:	Mar-19	Sep-19	Mar-20	Sep-20	Mar-21	Sep-21	Mar-22	Sep-22	Mar-23	Sep-23
BB Positive										
BB Stable								20/12/2022	24/07/2023	6/12/2023
BB Negative										
BB- Positive	16/09/2019	10/01/2020					31/08/2022			
BB- Stable			8/09/2020*	18/02/2021	31/08/2021	28/02/2022				
BB- Negative										

* The outlook for the rating has been revised to stable, from positive at Sep 19, due to the challenging market conditions brought upon by COVID19.

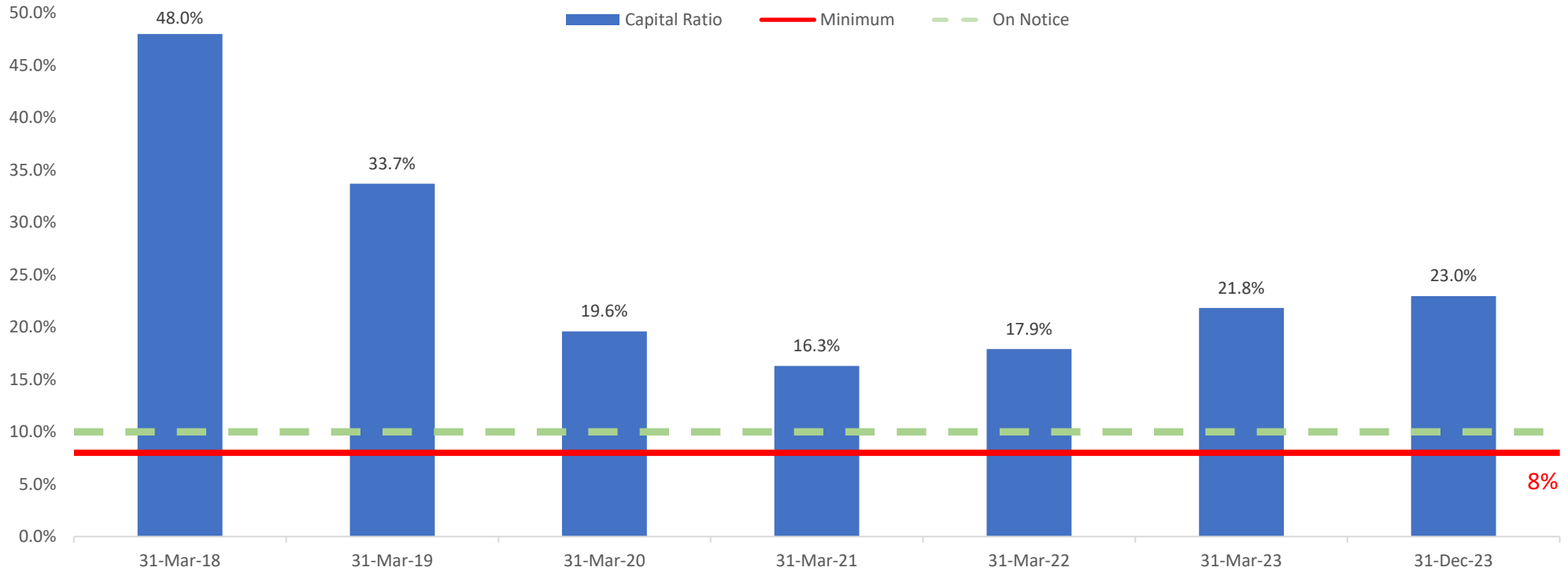
General Capital Consolidated Balance Sheet



General Finance Balance Sheet



General Finance Capital Ratio



Deposit Compensation Scheme

- The NBDT sector is to be included in the scheme
- The final levies are not yet known.
- The scheme should make Investors more confident when making investment allocations.
- There will be a ripple effect, investors will move funds out of Banks to other Banks and also to other entities.
- Investors will move funds out of other entities to similar entities (e.g. NBS to General Finance and vice versa)
- It is likely New NBDT's will seek registration

Major unknowns

- What will the cost to entities be?
- What will the interest reduction be?
- How many investors will change their current investment policies.



Market Regulation

- Costs of regulation increasing e.g. DTA, DCS, CoFI for fully regulated financial institutions
- Significant differences in level of regulation between entities offering similar looking products to that of NBDT's which offer attractive yields and are aggressively sold e.g. wholesale lenders, wholesale deposits takers, Unit Trusts, "Private" Offerings, Placements and Peer to Peer.
- Many of these entities are poorly understood, do not have credit ratings, have low profile Directors, poor disclosure documents, focus mainly on return, have little or no equity and are relatively new.



Proud to be participant in the Financial Institution Performance Survey for 2023.

As per the KPMG FIPS December 2023:

“Of the nine survey participants who achieved an increase in NPAT, the largest percentage growth was seen by General Finance Limited (General Finance), with a positive movement of 111.16% (\$1.71 million)”

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Questions