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General Capital announces solid growth despite Covid-19

General Capital, the listed financial services Group, today announced a solid financial result for the six months to 30 September 2020.

The Chairman, Mr. Rewi Bugo said, “Like most businesses, General Capital faced challenges through the Covid-19 lockdown period and took a conservative approach to risk during time. The basic way that financial services entities reduce risk is to move assets to low-risk assets, particularly cash. We made the decision to increase our cash holdings to 50% of our assets. In hindsight, that was conservative. At the time no one could accurately predict when the lockdown would finish and what impact the lockdown would have on asset values. The key is that we all have been surprised at the strength of assets values. We are pleased with the position the Group is in and the strong trading we have had over the last two months.”

Mr. Brent King, The Group Managing Director said “We have growth in all areas:

- Revenue up 44%
- Loss down to only \$34k
- Total assets up 7.5%
- The research and advisory segment had a NPAT of \$95k
- Corporate overheads down \$25k (after tax).

We have continued to increase our loan book over the last two months, which has reduced the cost of holding cash and has increased earnings. We have also had strong deposit growth which has given us further growth in our loan book and total assets. We are looking forward to a positive second six-months.”

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