

GE Capital New Zealand

Financial results & company highlights

31 May 2012

Aaron Baxter, Managing Director

Kerry McGuire, Chief Financial Officer



imagination at work

GE Capital New Zealand

Cards



Largest provider of sales finance

Custom Fleet



More than 30,000 vehicles under management

Equipment Finance



Full suite of funding & leasing options

Distribution Finance



Leading inventory financier

Insurance



Credit insurance provider

Direct



Largest non-bank personal loan provider

Pacific Premium Funding



Supporting Kiwi businesses

Growth company ...

- Strong pipeline of new products, unique value proposition & part of GE, one of the world's most innovative companies

Scale consumer business ...

- Servicing 550,000 customers ... touching 1 in 4 Kiwis

Mid-market commercial specialist ...

- Servicing +5,500 mid-market companies

World class operator ...

- Disciplined focus on processes, costs & revenues. Engaged in regulatory change. Consistent service delivery, highly rated by customers, & constantly improving

Inspiring careers ...

- Forbes - GE rated 'best company for leadership' in 2011, 2012

2011 ... Strong business performance

- 1 Innovation and growth**
 - ✓ Gem Visa launch ... 80,000 new accounts, spend > expectation
 - ✓ Strengthened key NZ partnerships
 - ✓ \$100 million FACE Finance acquisition
 - ✓ Increased Capex for growth
 - ✓ Consumer volume up 18%; Commercial volume up 15%

- 2 Customer focus**
 - ✓ Improved customer service quality, with agent NPS up on all consumer products
 - ✓ Partner centric: Access GE ... 12 engagements agreed for 2012

- 3 Regulatory engagement**
 - ✓ Comprehensive credit reporting
 - ✓ Anti-Money Laundering

- 4 Business performance**
 - ✓ Operating costs remained flat, despite double digit growth, Gem Visa launch & integration of FACE Finance portfolio
 - ✓ Improved consumer asset quality ... coverage rate down 70BP to 2.9%
 - ✓ Accelerated discontinued asset run-off

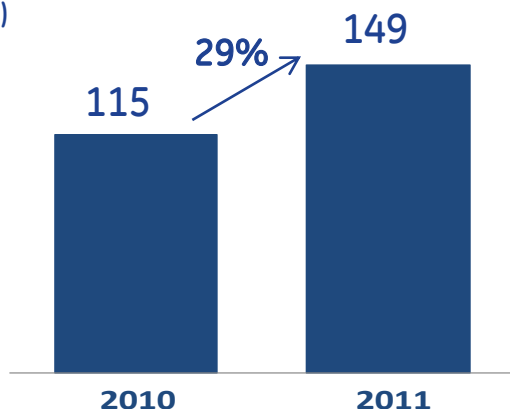
- 5 Inspiring careers**
 - ✓ Improved employee engagement across our business

2011 Finance performance

Solid core profit growth

Headline Profit¹

(\$NZ millions)



Broad strength in business continues

- ✓ 2011 aggregated net income up 29% to \$149 million
- ✓ Strong business volume growth ... commercial finance volumes up 15%, consumer up 18%
- ✓ Opex on continuing operations remained flat
- ✓ Loan impairment charges down 58% ... effective portfolio management & consumer deleveraging

<u>Key metrics</u>	<u>2010</u>	<u>2011</u>	<u>V%</u>
Business Volumes	1,515	1,769	17
Net Lending Assets	2,330	2,350	1
Operating Income	428	412	(4)
Cost / Income ratio	55%	56%	

Sound Balance Sheet

- ✓ Core business net lending assets up 6%
- ✓ Total net lending assets flat due to run-off of Auto business
- ✓ Coverage ratio and delinquency improved

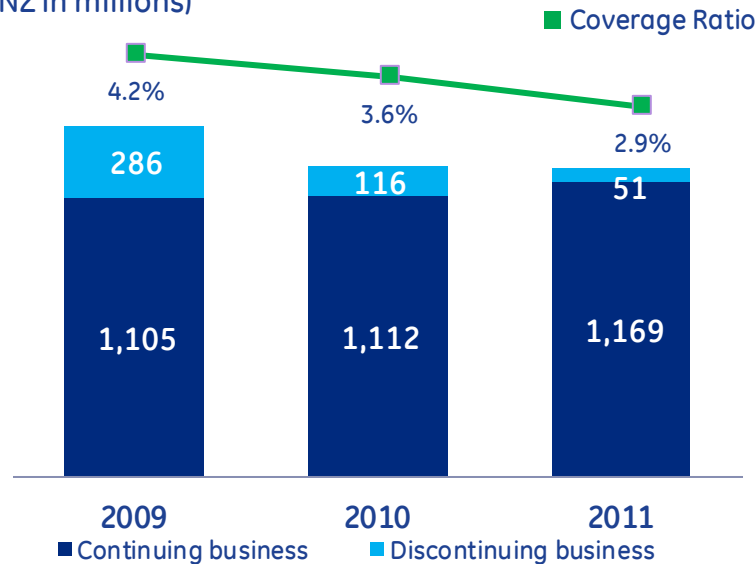
¹ Unaudited aggregate of GE Capital New Zealand statutory accounts, as lodged with the NZ companies house
Excludes \$15 million non-recurring item

Despite volatility, our business continues to perform

Sound asset & loan quality

Consumer Net Lending Assets

(\$NZ in millions)



Strong core lending asset growth

- ✓ Commercial finance & equipment leasing growth driven by solid mid market demand
- ✓ Consumer deleveraging mitigated by successful launch of new products & renewal of key deals

Business portfolio optimisation

- ✓ Auto portfolio continues to run off

Favourable delinquency & coverage ratio trends

- ✓ Effective risk management
- ✓ Customer deleveraging

Asset quality

	2010	2011	Δ
30+ days	5.8%	5.7%	10bps
Loan impairments (\$m)	(78)	(33)	58%

Consumer & commercial deleveraging and strong management

Summary & Outlook

Priorities for 2012

- 1 **Innovation and growth**
 - Leading from the middle – mid-market research launch
 - Focus on government, agriculture and Christchurch
 - Introduce new products & adjacencies across consumer and commercial
- 2 **Customer focus**
 - Invest in front-end sales effectiveness, marketing and CRM
 - Enhance partnerships
- 3 **Regulatory engagement**
 - Prepare for introduction of comprehensive credit reporting
 - AML
 - CCCFA
- 4 **Business performance**
 - Invest in platforms for the future
 - Drive volume and segment share 3x system growth and strong returns
 - Continue to improve asset quality
- 5 **Inspiring careers**
 - One Capital ... local decision making, new roles, bigger careers
 - Build on strong engagement
 - Emphasis on diversity and innovation

Q&A