



26 August 2020

## ASX RELEASE

### Resimac reports record normalised NPAT of \$55.7 million

Leading non-bank mortgage lender Resimac Group Ltd (ASX: RMC) today announced its results for the year ended 30 June 2020, reporting a normalised NPAT of \$55.7 million, up 79% on the prior year. The statutory NPAT of \$56.0 million also increased 19% on the prior year. The Board declared a fully franked final dividend of 1.8 cents per ordinary share. The full year dividend is 3.0 cents per ordinary share, a payout ratio of 21.9% on a normalised basis.

FY20 Results Summary	FY20	FY19	Change
Net interest income (\$m)	188.6	117.9	up 60%
Statutory NPAT (\$m)	56.0	47.2	up 19%
Normalised NPAT* (\$m)	55.7	31.1	up 79%
Home loan settlements (\$b)	4.7	3.6	up 30%
Assets under management (\$b)	14.9	13.4	up 11%
Earnings per share (cents)	13.75	11.75	up 17%
Return on equity (%) (normalised NPAT)	25.5	17.3	up 820 bps
Cost to income ratio** (normalised) (%)	37.9	56.6	down 1,870 bps
Full year dividend per share (cents)	3.0	2.5	up 20%

\*Excluding one-off items \*\*C:I Ratio = total expenses (excl LIE)/total revenue

Mr Scott McWilliam, Resimac Chief Executive Officer, said the organisation is proud to have recorded another record profit, underpinned by home loan settlements of \$4.7 billion, up 30% on the prior year.

"Profit growth was driven by strong home loan portfolio growth of 21% to \$12.4 billion. Furthermore, the cost-to-income ratio decreased significantly to 37.9%, driving a Return on Equity of 25.5%, an increase of 820 bps," he said.

"Our portfolio growth is testament to our focus on consistent and timely credit decisioning, with our overall service offering resonating well with both brokers and consumers alike. Our investment in process improvement and digital automation of the home loan process continues to reap rewards."

The Group continued to strengthen its funding capabilities with successful diversification of banking and warehouse facilities. In 2H20, the group increased and extended over \$2 billion of warehouse facilities despite the economic uncertainty arising from COVID-19. Furthermore, the Group issued two benchmark sized and oversubscribed public RMBS deals in June and July.

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## Outlook

Whilst the economic uncertainty from COVID-19 is expected to continue for the foreseeable future, Mr McWilliam said Resimac is committed to supporting its customers.

"We are proud of the assistance we've been able to provide our customers through the challenges that 2020 has presented, first with the devastating bushfires and then the COVID-19 pandemic, and we're committed to continuing to offer this support. At 31 July 2020, 7% of our customers were in active payment deferrals. We expect this number to materially decrease at completion of the 6 month deferral period" he said.

"The historical performance of our portfolio and long-standing funding relationships, provide a strong base to navigate the current economic environment and position the Group for future growth"

"Our investment in digital transformation continues, as we build a platform for sustainable and scalable growth. Our core system upgrade has commenced with expected completion in FY22, positively transforming the Resimac consumer and broker experience.

"It is difficult to forecast the impact COVID-19 will have on the Australian housing market. However during periods of historical macroeconomic instability, the Group maintained strong portfolio and profit growth whilst maintaining low arrears. We believe opportunity remains to increase market share through both the third party and direct channels," Mr McWilliam said.

-ENDS-

### Scott McWilliam

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### Jason Azzopardi

Chief Financial Officer  
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*\*This release is authorised by the Resimac Group Company Secretary*

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## About Resimac Group:

Resimac Group Ltd ("Resimac") is a leading non-bank residential mortgage lender and multi-channel distribution business. It operates under a fully integrated business model comprising origination, servicing and funding prime and non-conforming residential mortgages in Australia and New Zealand. With over 250 people operating across Australia, New Zealand and the Philippines, Resimac has in excess of 50,000 customers with a portfolio of home loans on balance sheet of greater than \$12 billion and assets under management of almost \$15 billion.

Resimac is proud of its securitisation program. Resimac has issued in excess of \$30 billion of mortgage-backed securities in domestic and global markets since 1987. The Group has access to a diversified funding platform with multiple warehouse lines provided by major banks for short term funding in addition to a global securitisation program to fund its assets longer term.