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ASX RELEASE

Resimac’s normalised NPAT increases to a record \$104.0 million, up 87% on FY20

Leading non-bank lender Resimac Group Ltd (ASX: RMC) (“the Group”) today announced its results for the year ended 30 June 2021, reporting a normalised NPAT of \$104.0 million, up 87% on the prior year. The statutory NPAT of \$107.6 million also increased 92% on the prior year.

The Board declared a fully franked final dividend of 4.0 cents per ordinary share. The full year dividend is 6.4 cents per ordinary share, a payout ratio of 24.3%.

FY21 Results Summary	FY21	FY20	Change
Net interest income (\$m)	242.7	188.6	up 29%
Statutory NPAT (\$m)	107.6	56.0	up 92%
Normalised NPAT* (\$m)	104.0	55.7	up 87%
Home loan settlements (\$b)	4.8	4.7	up 3%
Home loan AUM (\$b)	13.8	12.4	up 11%
Earnings per share (cents)	26.4	13.8	up 92%
Return on equity (%) (normalised NPAT)	36.9	25.5	up 1,140 bps
Cost to income ratio** (normalised) (%)	32.1	37.9	down 580 bps
Full year dividend per share (cents)	6.4	3.0	up 113%

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

Mr Scott McWilliam, Resimac Group’s Chief Executive Officer, said the organisation was proud to maximise returns to shareholders while continuing to support the needs of customers and third party distribution partners.

"These results reflect the momentum of our business, driven by growth across our prime and specialist portfolios in Australia and New Zealand, development of our broker and direct-to-consumer brands, strong investor demand for our bonds, and ongoing investments into our digital transformation.

“Resimac Group has reported another record profit, underpinned by home loan assets under management that have increased by 11% on the prior year to \$13.8 billion. Record second half settlements of \$2.7 billion drove our settlements figure to \$4.8 billion, which is an increase of 25% compared to the first half.

“Furthermore, we have achieved a record profit of \$104 million by consistently delivering above system AUM growth – a clear indication that the Resimac brand continues to resonate well with both brokers and consumers alike. Our cost-to-income ratio has also decreased significantly to 32.1% as our continued focus on process and technology drives scale in the business.

resimac.com.au

p 1300 764 447 e info@resimac.com.au

PO Box H284 Australia Square NSW 1215

Resimac Group Ltd. ABN 55 095 034 003. Australian Credit Licence 247829

“The Group’s global funding program continues to provide our business with a platform for future growth. During FY21, we issued close to \$6 billion of prime and non-conforming RMBS at the lowest senior margins since pre-GFC. Investor demand continues to be strong for our bonds with AUD and NZD prime transactions executed,” he said.

Outlook

Whilst the economic uncertainty from lockdowns is expected to continue for the first half of FY22, Mr McWilliam said he remained optimistic the economy would recover relatively quickly after vaccinations reached the target rollout, and that the strength in the Australian property market would carry forward.

“To continue our growth, we must meet the needs of current and prospective customers, which remains a key focus. Support for brokers and customers impacted by COVID-19 and other adverse events is ongoing. Our investment in digital transformation will transform the digital customer experience and deliver a platform for sustainable and scalable growth. The upgrade has commenced with a staged rollout and is expected to complete in early 2022.

“Diversity of our product portfolio is another area that is ramping up quickly. We expect to grow our Asset Finance division materially over the next three years, and we will shortly announce the launch of alternative loan products focused on sustainability.

“Stable funding markets and lower cost of funds provide us with a runway to aggressively target further growth in FY22 and beyond, as we double-down on the development of our broker and direct-to-consumer brands in Australia and New Zealand,” added Mr McWilliam.

-ENDS-

Scott McWilliam

Chief Executive Officer
P: 9248 0300

Jason Azzopardi

Chief Financial Officer
P: 9248 0300

**This release is authorised by the Resimac Group Company Secretary*

About Resimac Group:

Resimac Group Ltd (“Resimac Group”) is a leading non-bank lender and multi-channel distribution business, recognised as Non-Bank of the Year by the Australian Mortgage Awards 2020. Its fully integrated business model comprises originating, servicing and funding prime, non-conforming residential mortgages and asset finance products in Australia and New Zealand. With over 250 people operating across Australia, New Zealand and the Philippines, Resimac Group has in excess of 50,000 customers with a portfolio of home loans on balance sheet of close to \$14 billion and assets under management of over \$15 billion.

Resimac Group has issued over \$35 billion of mortgage-backed securities in domestic and global markets since 1987. It has access to a diversified funding platform with multiple warehouse lines provided by domestic and offshore banks for short term funding in addition to a global securitisation program to fund its assets longer term.