



25 February 2022

ASX RELEASE

Resimac Group increases 1H22 NPAT by 6% to a record \$53.5 million

Leading non-bank lender Resimac Group Ltd (ASX: RMC) (“the Group”) today announced its results for the first half of the 2022 financial year. Up by 6% on 1H21, the Group’s net profit after tax of \$53.5 million has been driven by record settlements and AUM growth across home loans and asset finance.

The Board declared a fully franked interim dividend of 4.0 cents per ordinary share, up by 67% on 1H21 and represents a payout ratio of 31% to shareholders.

1H22 Results Summary	1H22	1H21	Change
Net Profit After Tax (NPAT) (\$m)	53.5	50.5	up 6%
Home loan settlements (\$b)	3.5	2.1	up 63%
Home loan AUM (\$b)	14.6	12.9	up 13%
Asset finance settlements (\$b)	0.2	0.0	Lge
Asset finance AUM (\$b)	0.3	0.1	Lge
Cost to income ratio* (%)	33.4	31.1	up 230 bps
Interim dividend per share (cents)	4.0	2.4	up 67%

*C:I Ratio = total expenses (excl LIE)/total revenue

Scott McWilliam, the Group’s Chief Executive Officer, commented on the continued strong performance across a number of key metrics.

“I’m pleased to report the Resimac brand continues to grow from strength to strength, settling a record \$3.5 billion worth of home loans in 1H22. Home loan assets under management are up 13% annualised compared to 30 June 2021, underpinned by the market leading products in our Specialist segment that continue to resonate with our brokers and customers looking for flexible financial solutions. Settlements for our Specialist products alone were up by 190%.

“Our Resimac Asset Finance division has grown rapidly, with asset finance settlements of close to \$200 million. Resimac New Zealand has also grown its assets under management by 20% as it continues its trajectory as the leading NZ non-bank, with its specialist and direct settlements increasing by 117% and 68% respectively compared to 1H21.

“These record settlements and above system AUM growth underpin our record interim NPAT of \$53.5 million – a pleasing result given the continued industry pressure on net interest margin, which has largely been driven by the aggressive pricing strategies of the big four banks.

“The Group’s global funding program continues to provide the business with the platform and flexibility to take market share where opportunities exist. In 1H22, we issued \$3.8 billion of prime and non-conforming RMBS, originated new low margin warehouse facilities, and issued \$50 million of debt securities to fuel growth in both home loans and asset finance,” he said.

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Outlook

Competition in the Australian home loan market remains intense, particularly in the Prime segment, with aggressive fixed and variable pricing from the big four banks and regional lenders.

Mr McWilliam said the Group saw opportunities for growth in all segments as fixed rate home loan pricing increases and its market share grows in the asset finance segment.

“Technology continues to help level the playing field, and as a deeply customer-focused organisation, it’s an area we’re consistently investing in to drive operational efficiencies and elevate the digital experience for our customers and brokers.

“Our digital transformation via our core banking project is nearing completion, providing us with a powerful platform for sustainable and scalable growth. The full rollout in NZ is already finished and go-live for our Australian customers is on track for the second half of the calendar year.

“We have also invested in a new loan origination system for our Asset Finance division, which is expected to go live in the first quarter of FY23, and will underpin its next phase of growth.

“Our portfolio quality and balance sheet provisioning ensure we are well positioned to withstand any potential changes in the macroeconomic environment. Notwithstanding, we believe the Australian home loan market remains robust as the economy continues to recover, and can absorb impending interest rate tightening,” added Mr McWilliam.

-ENDS-

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**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 over \$14 billion and assets under management of over \$16 billion.

Resimac Group is approaching \$40 billion of mortgage-backed securities issuance 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.