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ASX RELEASE

Resimac reports record normalised NPAT \$26.9 million

Leading non-bank mortgage lender Resimac Group Ltd (ASX: RMC) today announced a normalised net profit of \$26.9 million for the 6 months to 31 December 2019, up 85% on the previous corresponding period (pcp). Statutory NPAT of \$27.2 million increased 44% on the pcp. The Board declared a fully franked interim dividend of 1.2 cents per share, up 20% on the pcp.

1H20 Results Summary	1H20	1H19	Change
Net interest income (\$m)	84.3	55.1	up 53%
Statutory NPAT (\$m)	27.2	18.9	up 44%
Normalised NPAT* (\$m)	26.9	14.5	up 85%
Earnings per share (cents)	6.69	4.73	up 41%
Return on equity (%) (normalised NPAT)	26.0	17.6	up 840 bps
Cost to income ratio (normalised) (%)	42.1	57.8	down 1,570 bps
Interim dividend per share (cents)	1.2	1.0	up 20%

**Excluding one-off items*

Mr Scott McWilliam, Resimac Chief Executive Officer said the organisation successfully achieved home loan portfolio growth significantly above system while starting to realise the benefits of its investment in process improvement and digital automation.

“Profit growth was driven by strong home loan portfolio growth of 20% to \$11.3 billion. Furthermore, the cost to income ratio decreased significantly to 42.1%, despite commencing investment in our digital and technology transformation project,” he said

The Group continued to strengthen its funding capabilities with successful diversification of banking and warehouse facilities. The Group expanded its US investor base, with a number of key new accounts participating in 1H20 transactions. Resimac issued three public RMBS deals totaling \$2.5 billion in 1H20.

On 6 January 2020, the Group acquired a 60% stake in asset finance company IA Group, with an option to purchase the remaining 40% within two years. This investment provides exciting diversification into a segment offering tremendous opportunity given Resimac's distribution and funding expertise.

Outlook

Mr McWilliam said Resimac continues to benefit from the trend of consumers originating home loans away from the Big 4 via the Broker channel. Resimac originated a record \$2.4b of home loans in 1H20.

“Our investment in digital transformation continues, building a platform for long term sustainable growth. We expect to commence our core system upgrade in the second half, positively transforming the Resimac consumer and broker experience.

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“The Australian housing market remains resilient with a strong rebound over the last six months. Whilst Resimac recorded its highest settlements in 1H20, we represent less than two per cent of the home loan market. A huge opportunity exists to grow market share via our third party and digital direct channels,” Mr McWilliam said.

-ENDS-

Scott McWilliam

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

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, the Resimac Group has in excess of 50,000 customers with a portfolio of mortgages on balance sheet of greater than \$11b and assets under management in excess of \$14b.

The Resimac Group is proud of its securitisation program. To date, Resimac has issued almost \$35b in bonds across 53 transactions in the global fixed income markets. 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.