



27 February 2024

ASX RELEASE

Resimac announces 1H24 normalised NPAT of \$26 million

Non-bank lender Resimac Group Ltd (ASX: RMC) ("the Group") today announced its results for the six months period ended 31 December 2023, reporting a normalised NPAT of \$26 million (excluding the impact of FV gains/losses on derivatives).

The Board declared a fully franked interim dividend of 3.5 cents per ordinary share, a payout ratio of 53.8 per cent.

Scott McWilliam, Chief Executive Officer, commented on the Group's performance.

"I'm pleased to report that we've performed well in a challenging half year period. We have now stabilised our home loan portfolio and driven strong AUM growth in our asset finance business.

"The major banks have essentially ceased their cashback offers and increased new business rates, so the playing field is starting to level out somewhat. This was the right moment for us to step up with some highly targeted product offerings that enabled us to capture the market for certain customer niches. It was a well-timed manoeuvre that drove a 79% increase in broker applications compared to the six months prior, which resulted in a material increase in our home loan settlements.

"Our asset finance business continues to thrive, with settlements increasing by 36% to \$380 million and AUM growing by 52% compared to 2H23. This is an important step in the strategic diversification of our portfolio as we expand our share of this market.

"The Group is focussed on supporting customers as cost-of-living pressures persist, and he highlighted the crucial role of technology for improving the customer experience and optimising operational efficiency.

"We've made some major changes to the way we service and support our customers in 1H24. Both new and existing customers receive a significantly better experience whenever they engage with us, particularly those in hardship and needing financial assistance. I'm proud to note that our customer service satisfaction metrics are now at their highest recorded levels.

"Technology has played a big part in helping us overhaul our customer service operations, and we've continued to drive this digital transformation throughout the rest of the organisation. Many of the initiatives that we've been developing and testing over the past year went live in 1H24, including a new treasury management system, a new originations platform for asset finance brokers, and a mobile app for home loan customers that is set to launch over the next few weeks.

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“We’ve also made several automation and digitalisation improvements to our home loan processes, which have contributed to a 50% increase in the number of mortgage brokers submitting their first applications compared with 2H23.”

“We are cautiously optimistic about the outlook into CY24, buoyed by more favourable funding markets and the Australian macroeconomic and rates outlook.

“Looking ahead, we have a far more predictable and positive operating environment than in previous periods. The resilience and quality of our portfolio sets us up well for the future, with the average loan-to-value-ratio of our home loans at less than 65%, and more than a third with repayment buffers of at least 12 months. Mortgage arrears are trending in-line with the industry, and our balance sheet remains conservatively provisioned against any credit losses.

“In funding markets, new issuance margins are improving in our favour. We continue to manage NIM prudently, and our loan book is backed by a diversified and capital-efficient global funding program. The Group has a stable platform for growth, with sizeable investor appetite for our bond issuances. We’re optimistic that RMBS deals in the 2H24 will be priced at a lower cost of funds than 1H24.

“Our home loan and asset finance books are in great shape. I’m enthused by the growth opportunities in the second half; we’re on track to start growing our home loan AUM thanks to a solid pipeline of applications, and our asset finance business has hit the ground running with its recent milestone of \$1 billion in AUM. With a particularly strong second quarter, I’m optimistic that we’ll carry this momentum forward into 2H24.”

-ENDS-

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Company Secretary
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Scott McWilliam
Chief Executive Officer
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**This release is authorised by the Resimac Group Company Secretary.*

About Resimac Group (as at 31 December 2023):

Resimac Group Ltd (“Resimac Group”) is a leading non-bank lender and multi-channel distribution business. 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 300 people operating across Australia, New Zealand and the Philippines, Resimac Group has in excess of 55,000 customers with a portfolio of home loans on balance sheet of over \$12 billion, an asset finance portfolio over \$950 million, and total assets under management of over \$13 billion.

Resimac Group has issued over \$45 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.