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RESIMAC GROUP LTD

Appendix 4E (rule 4.3A)

Preliminary final report
for the year ended 30 June 2024

ABN: 55 095 034 003

ASX CODE: RMC

APPENDIX 4E (rule 4.3A)

PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons to year ended 30 June 2023)	FY24 \$'000	Up/ down	Movement from FY23 %
Revenue from ordinary activities	1,006,677	Up	11%
Profit from ordinary activities after tax attributable to members	34,590	Down	(48%)
Net comprehensive income for the year attributable to members	31,466	Down	(57%)

DIVIDENDS	Amount per share (cents)	Franked amount per share (cents)
Final FY24 dividend declared (28 August 2024)	3.50	3.50
Interim FY24 dividend paid (19 March 2024)	3.50	3.50
	7.00	7.00
<i>Previous corresponding period:</i>		
Final FY23 dividend declared (28 August 2023)	4.00	4.00
Interim FY23 dividend paid (24 March 2023)	4.00	4.00
	8.00	8.00

Record date for determining entitlements to the dividend
Date the final dividend is payable

6 September 2024
20 September 2024

Dividend Reinvestment Plan

The Company's Dividend Reinvestment Plan (DRP) was suspended in April 2022 and does not apply to the FY24 interim and final dividend payments.

APPENDIX 4E (rule 4.3A)

PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

1) Previous corresponding period

The previous corresponding period is the year ended 30 June 2023.

2) Net tangible assets per share

Net tangible assets per share is \$1.15 (FY23: \$0.93).

3) Explanation of results

This information should be read in conjunction with any public announcements made in the period by the Group in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

The information provided in this report contains all the information required by ASX Listing rule 4.3A.

Normalised earnings

To reflect the Group's normalised earnings, the net profit after tax (NPAT) has been adjusted to remove non-recurring costs and one-off gains/losses, as per below:

	FY24 \$'000
Statutory NPAT	34,791
Dividend income from listed equity investments	(377)
Operating segment restructuring cost	458
Tax effect of normalised items	(15)
Normalised NPAT	34,857

FY24 normalised NPAT excluding fair value gains/losses on derivatives (net of tax) is \$43,078,000.

4) Details of entities over which control has been gained or lost during the year

Gained: Thorn ABS Warehouse Series No.1

Lost: None

5) Details of associates and joint venture entities

The company does not have any associates or joint venture entities during the year.

6) Set of accounting standards used for foreign entities in compiling this report

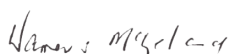
The foreign entities of the company comply with Australian Accounting Standards (AASB).

7) Audit

This report is based on the financial report audited by Deloitte Touche Tohmatsu.

8) Commentary on results for the year

Commentary on results for the year are contained in the ASX release accompanying this statement.



Warren McLeland
Chairman

Sydney
28 August 2024

APPENDIX 4E (rule 4.3A)

PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

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FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2024

	Note	FY24 \$'000	FY23 \$'000
Interest income	1	995,320	902,131
Interest expense	2	(835,730)	(679,624)
Net interest income		159,590	222,507
Fee and commission income	1	6,598	2,670
Fee and commission expense	2	(16,053)	(34,055)
Fair value gains on derivatives	1	426	-
Fair value losses on derivatives	2	(12,081)	(12,255)
Fair value write-down on unlisted equity investment	3	-	(3,600)
Other income	1	4,334	6,215
Employee benefits expense	2	(51,881)	(51,226)
Other expenses	2	(29,220)	(32,631)
Loan impairment expense	2	(11,602)	(2,240)
Profit before tax		50,111	95,385
Income tax expense		(15,320)	(28,926)
PROFIT AFTER TAX		34,791	66,459
Attributable to:			
Owners of the parent		34,590	66,446
Non-controlling interest		201	13
		34,791	66,459

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	Note	FY24 \$'000	FY23 \$'000
PROFIT AFTER TAX		34,791	66,459
Other comprehensive income, net of income tax			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Fair value movement on equity investment in listed companies through OCI, net of tax		(2,382)	(1,614)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Changes in fair value of cash flow hedges		(728)	11,618
Tax effect		205	(3,477)
Currency translation differences		(219)	789
Other comprehensive (expense)/income, net of tax		(3,124)	7,316
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		31,667	73,775
Attributable to:			
Owners of the parent		31,466	73,762
Non-controlling interest		201	13
		31,667	73,775
		FY24 cents per share	FY23 cents per share
Earnings per share			
Basic	8	8.65	16.52
Diluted	8	8.64	16.48

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	FY24 \$'000	FY23 \$'000
ASSETS			
Cash and cash equivalents	3	870,999	1,085,417
Trade and other receivables		5,061	3,472
Current tax receivable		6,309	8,115
Loans and advances	4	14,097,505	13,735,635
Contract assets		9,569	13,877
Other financial assets		18,655	28,587
Derivative financial assets	5	47,597	25,196
Right-of-use assets		5,554	7,323
Plant and equipment		735	1,320
Other assets		870	4,683
Deferred tax assets		3,472	34
Goodwill and intangible assets		28,379	28,379
		15,094,705	14,942,038
LIABILITIES			
Trade and other payables		27,192	27,146
Interest-bearing liabilities	6	14,415,581	14,471,070
Lease liabilities		7,368	9,369
Other financial liabilities	7	85,864	6,850
Derivative financial liabilities	5	135,639	426
Other liabilities		596	4,455
Provisions		6,104	7,339
		14,678,344	14,526,655
NET ASSETS			
		416,361	415,383
EQUITY			
Share capital		173,916	173,531
Reverse acquisition reserve		(61,541)	(61,541)
Total issued capital		112,375	111,990
Reserves		(23,686)	(19,589)
Retained earnings		327,361	322,872
Equity attributable to owners of the parent		416,050	415,273
Non-controlling interest		311	110
		416,361	415,383

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

	Share capital	Reverse acquisition reserve ¹	Total issued capital	Reserves ²	Retained earnings	Attributable to owners of the parent	Non-controlling interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2023	173,531	(61,541)	111,990	(19,589)	322,872	415,273	110	415,383
Profit for the year	-	-	-	-	34,590	34,590	201	34,791
Other comprehensive income, net of income tax	-	-	-	(3,124)	-	(3,124)	-	(3,124)
Total comprehensive income for the year	-	-	-	(3,124)	34,590	31,466	201	31,667
Transactions with owners in their capacity as owners								
Share buyback	(1,475)	-	(1,475)	-	-	(1,475)	-	(1,475)
Equity dividends	-	-	-	-	(30,101)	(30,101)	-	(30,101)
Treasury shares	1,860	-	1,860	-	-	1,860	-	1,860
Share-based payments	-	-	-	(973)	-	(973)	-	(973)
Balance at 30 June 2024	173,916	(61,541)	112,375	(23,686)	327,361	416,050	311	416,361

1. As a result of reverse acquisition accounting on the Resimac/Homeloan merger, an equity account was created as a component of equity. This account called 'Reverse acquisition reserve' is similar in nature to share capital. The Reverse acquisition reserve is not available for distribution.

2. Comprises cash flow hedge reserve, foreign currency translation reserve, fair value reserve, share-based payments reserve and other reserves.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

	Share capital	Reverse acquisition reserve ¹	Total issued capital	Reserves ²	Retained earnings	Attributable to owners of the parent	Non-controlling interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2022	176,476	(61,541)	114,935	(25,466)	288,599	378,068	-	378,068
Profit for the year	-	-	-	-	66,446	66,446	13	66,459
Other comprehensive income, net of income tax	-	-	-	7,316	-	7,316	-	7,316
Total comprehensive income for the year	-	-	-	7,316	66,446	73,762	13	73,775
Transactions with owners in their capacity as owners								
Acquisition of non-controlling interest	-	-	-	-	-	-	97	97
Share buyback	(5,192)	-	(5,192)	-	-	(5,192)	-	(5,192)
Equity dividends	-	-	-	-	(32,173)	(32,173)	-	(32,173)
Treasury shares	2,247	-	2,247	-	-	2,247	-	2,247
Share-based payments	-	-	-	(1,439)	-	(1,439)	-	(1,439)
Balance at 30 June 2023	173,531	(61,541)	111,990	(19,589)	322,872	415,273	110	415,383

1. As a result of reverse acquisition accounting on the Resimac/Homeloan merger, an equity account was created as a component of equity. This account called 'Reverse acquisition reserve' is similar in nature to share capital. The Reverse acquisition reserve is not available for distribution.

2. Comprises cash flow hedge reserve, foreign currency translation reserve, fair value reserve, share-based payments reserve and other reserves.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Note	FY24 \$'000	FY23 \$'000
Cash flows from operating activities			
Interest received		1,036,123	900,834
Interest paid		(834,680)	(658,365)
Receipts from loan fees and other income		28,715	28,918
Payments to suppliers and employees		(168,888)	(160,918)
(Payments)/receipts of net loans to/from borrowers		(152,967)	1,948,495
Income tax paid		(15,764)	(41,596)
Net cash (used in) / from operating activities		(107,461)	2,017,368
Cash flows from investing activities			
Payment for plant and equipment		(68)	(176)
Payment for acquisition of subsidiary		(14,799)	(900)
Cash acquired on acquisition of subsidiary		6,773	220
Payments for new investments		(1,471)	(5,000)
Proceeds on disposal of investments		-	260
Return of capital from listed equity investment		-	1,581
Dividend income from listed equity investments		277	3,780
Net cash used in investing activities		(9,288)	(235)
Cash flows from financing activities			
Proceeds from borrowings		11,245,868	7,839,034
Repayment of borrowings		(11,334,096)	(9,670,882)
Proceeds from exercise of options		702	675
Payment of lease liabilities		(1,852)	(1,753)
Swap receipts		15,156	13,588
Payment of dividends		(30,101)	(32,173)
Repayment/(draw down) of loan to related party		8,000	(8,000)
Payment for share buybacks		(1,475)	(5,192)
Net cash used in financing activities		(97,798)	(1,864,703)
Net (decrease)/increase in cash and cash equivalents		(214,547)	152,430
Cash and cash equivalents at the beginning of the financial year (1 July)		1,085,417	932,781
Effects of exchange rate changes on cash balances held in foreign currencies		129	206
Cash and cash equivalents at end of year	3	870,999	1,085,417

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS | SEGMENT INFORMATION
FOR THE YEAR ENDED 30 JUNE 2024

The following is an analysis of the Group's revenue and results by reportable operating segments:

	HOME LOAN LENDING		NEW ZEALAND LENDING		ASSET FINANCE LENDING		CONSOLIDATED	
	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	857,056	817,669	53,158	50,766	96,464	42,581	1,006,678	911,016
Total segment revenue	857,056	817,669	53,158	50,766	96,464	42,581	1,006,678	911,016
<i>Segment results before fair value (losses)/gains on derivatives, interest, tax, depreciation, amortisation, finance costs and impairment</i>	795,087	727,874	47,753	44,530	84,196	34,235	927,036	806,639
Fair value gain/(losses) on derivatives	(9,786)	(8,824)	(3,168)	(3,431)	873	-	(12,081)	(12,255)
Interest expense	(727,627)	(608,287)	(45,625)	(42,421)	(62,478)	(28,916)	(835,730)	(679,624)
Depreciation and amortisation	(2,196)	(2,333)	(83)	(86)	(1)	(4)	(2,280)	(2,423)
Loan impairment	3,519	(220)	(467)	(85)	(14,654)	(1,935)	(11,602)	(2,240)
Financing costs	(10,777)	(12,261)	(828)	(759)	(3,627)	(1,692)	(15,232)	(14,712)
Segment results before income tax	48,220	95,949	(2,418)	(2,252)	4,309	1,688	50,111	95,385
Income tax expense ¹							(15,320)	(28,926)
PROFIT AFTER TAX							34,791	66,459

1. Income tax expense is grouped on a consolidated basis, not by reportable operating segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS | SEGMENT INFORMATION
FOR THE YEAR ENDED 30 JUNE 2024

The following is an analysis of the Group's assets and liabilities by reportable operating segment:

	HOME LOAN LENDING		NEW ZEALAND LENDING		ASSET FINANCE LENDING		CONSOLIDATED	
	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment assets excl. tax	13,302,511	13,431,345	634,641	839,655	1,147,772	662,889	15,084,924	14,933,889
	13,302,511	13,431,345	634,641	839,655	1,147,772	662,889	15,084,924	14,933,889
Segment liabilities excl. tax	(12,950,325)	(13,071,935)	(584,503)	(790,426)	(1,143,516)	(664,294)	(14,678,344)	(14,526,655)
Net assets/(liabilities) excl. tax	352,186	359,410	50,138	49,229	4,256	(1,405)	406,580	407,234
Tax assets ²							9,781	8,149
Tax liabilities ²							-	-
NET ASSETS							416,361	415,383

2. Tax assets and liabilities are grouped on a consolidated basis, not by reportable operating segment.

1. Revenue

	HOME LOAN LENDING		NEW ZEALAND LENDING		ASSET FINANCE LENDING		CONSOLIDATED	
	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fee and commission income								
Mortgage origination	(31)	41	-	-	143	104	112	145
Loan management	29	(4,531)	-	-	-	-	29	(4,531)
Lending fee income	2,595	3,663	481	1,565	3,381	1,828	6,457	7,056
	2,593	(827)	481	1,565	3,524	1,932	6,598	2,670
Timing of revenue recognition								
Service transferred at a point in time	2,593	(827)	481	1,565	3,524	1,932	6,598	2,670
Revenue from contracts with customers	2,593	(827)	481	1,565	3,524	1,932	6,598	2,670
Interest income	852,057	813,210	52,665	48,995	90,598	39,926	995,320	902,131
Fair value gains on derivatives	426	-	-	-	-	-	426	-
Other income	1,980	5,286	12	206	2,342	723	4,334	6,215
External revenue as reported in segment information	857,056	817,669	53,158	50,766	96,464	42,581	1,006,678	911,016

2. Expenses

	FY24 \$'000	FY23 \$'000
Interest		
Bond and warehouse facilities	822,601	662,613
Amortisation – bond issue costs	10,077	10,583
Discount unwind on NPV of trail commission	(2,369)	558
Corporate facility	5,115	5,459
Interest on lease liabilities	306	411
	835,730	679,624
Fee and commission		
Loan management	921	19,872
Borrowing costs	4,851	5,801
RMBS financing costs	10,381	8,911
Discharge fee refund provision	(100)	(529)
	16,053	34,055
Employee benefits		
Remuneration, superannuation and on-costs	51,683	50,394
Share-based payments	198	832
	51,881	51,226
Fair value losses on derivatives		
Fair value losses on interest rate swaps	12,081	11,829
Fair value losses on overnight index swaps	-	426
	12,081	12,255
Fair value write-down on unlisted equity investment	-	3,600
Other		
Audit and other professional fees	3,267	2,640
Depreciation and amortisation	654	780
Depreciation of right-of-use assets	1,626	1,643
Insurance	2,512	2,562
Marketing	2,028	5,036
Rent and occupancy costs	1,099	1,154
Technology expenses ¹	12,323	12,762
Unrecoverable GST	2,846	2,469
Other	2,865	3,585
	29,220	32,631
Loan impairment expense	11,602	2,240
	956,567	815,631

1. Includes core banking IT project costs (FY24: \$2.0 million; FY23: \$2.0 million).

3. Cash and cash equivalents

	FY24 \$'000	FY23 \$'000
Cash at bank and on hand	53,904	22,732
Cash collections account ¹	817,095	1,062,685
	870,999	1,085,417

1. Cash collections account includes monies in the Special Purpose Vehicles and securitisation trusts on behalf of members in those trusts and various clearing accounts. These funds are not available for operational use.

4. Loans and advances

	FY24 \$'000	FY23 \$'000
Gross loans and advances		
Loans and advances	14,022,237	13,750,051
Capitalised upfront commissions	55,003	50,238
Capitalised trail commissions	80,822	-
Deferred mortgage fee	(3,363)	(5,740)
Unallocated customer repayments	(7,185)	(13,070)
	14,147,514	13,781,479
Less: allowance for impairment	(50,009)	(45,844)
	14,097,505	13,735,635
Current	4,244,254	4,341,166
Non-current	9,903,260	9,440,313
	14,147,514	13,781,479

5. Derivatives

	FY24 \$'000	FY23 \$'000
Derivative assets		
Derivative financial assets – Cross currency swaps	41,545	4,474
Derivative financial assets – Interest rate swaps	2,153	4,760
Derivative financial assets – Interest rate swaps	3,899	15,962
	47,597	25,196
Derivative liabilities		
Derivative financial liabilities – Cross currency swaps	135,029	-
Derivative financial liabilities – Interest rate swaps	610	-
Derivative financial Liabilities – Overnight index swaps	-	426
	135,639	426

6. Interest-bearing liabilities

	FY24 \$'000	FY23 \$'000
Debt securities on issue	14,082,694	14,125,154
Corporate debt facilities	39,000	50,000
Issuance facilities	293,887	295,916
	14,415,581	14,471,070
Current	4,324,674	4,558,387
Non-current	10,090,907	9,912,683
	14,415,581	14,471,070

7. Other financial liabilities

	FY24 \$'000	FY23 \$'000
Present value of future trail commission payable:		
White label loans	5,042	6,850
On balance sheet loans	80,822	-
	85,864	6,850
Current	22,342	2,267
Non-current	63,522	4,583
	85,864	6,850

During the year ended 30 June 2024, the Resimac Group revised its accounting treatment of ongoing trail commission payable to mortgage brokers. The Group has recognised a liability within 'Other financial liabilities' equal to the present value of expected future trail commission payments, and a corresponding increase in capitalised brokerage costs/transactions costs within 'Loans and Advances'. This change in presentation has also resulted in the impact of payments to mortgage brokers being included in the effective interest rate applied in 'Interest Income'. Such payments were previously disclosed in Fee and Commission expense in the Statement of Profit and Loss.

Comparatives have not been revised for this change in accounting presentation as the impact is not material to the financial statements.

8. Earnings per share

	FY24	FY23
Profit attributable to ordinary equity holders of the parent (\$'000)	34,590	66,446
WANOS ¹ used in the calculation of basic EPS (shares, thousands)	399,664	402,215
Dilutive effect of share options	563	1,054
WANOS ¹ used in the calculation of diluted EPS (shares, thousands)	400,227	403,269
Earnings per share		
Basic (cents per share)	8.65	16.52
Diluted (cents per share)	8.64	16.48

1. Weighted average number of shares

Calculation of earnings per share

8.1 Basic earnings per share

Basic earnings per share is calculated as net profit attributable to the ordinary equity holders of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the WANOS adjusted for any bonus element.

8.2 Diluted earnings per share

Diluted earnings per share is calculated by:

- dividing the net profit attributable to ordinary equity holders of the parent; by the
- WANOS outstanding during the year; plus
- the WANOS that would be issued on the conversion of all the dilutive potential ordinary options or rights into ordinary shares.

9. Subsequent events

9.1 Acquisition of shares in 23 Degrees Capital Partners Pty Ltd

On 25 January 2024 Resimac entered in a sale and purchase agreement to acquire the remaining 49% shares in 23 Degrees Capital Partners Pty Ltd (operating as Sonder) on 1 July 2024. This increased Resimac's interest in 23 Degrees Capital Partners Pty Ltd from 51% to 100%.

9.2 Resignation of Chief Executive Officer

On 9 July 2024, Mr. Scott McWilliam resigned from his role as the Chief Executive Officer of Resimac. Mr. Scott McWilliam has taken a period of leave before his employment contract ends on 1 September 2024. Non-Executive Director, Ms Susan Hansen, has been appointed as interim CEO until a permanent CEO is appointed.

9.3 Final dividend declared

The Board of Resimac Group Ltd declared a fully-franked final dividend of \$0.035 per share. The record date will be 6 September 2024. The payment date will be 20 September 2024. The dividend has not been provided for in this financial report.

Other than the above events, there have been no circumstances arising since 30 June 2024 that have significantly affected or may significantly affect:

- (a) The operations,
- (b) The results of those operations, or
- (c) The state of affairs of the Group in future financial years.