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ASX RELEASE

Resimac reports record normalised NPAT \$31.1 million

Leading non-bank mortgage lender Resimac Group Ltd (ASX: RMC) today announced a normalised net profit of \$31.1 million for the financial year ended 30 June 2019, up 19% on the prior year. Statutory NPAT of \$47.2 million increased 86% on the prior year.

The Board declared a fully franked final dividend of 1.0 cents per share, and a one off fully franked special dividend of 0.5 cents per share. The one off special dividend reflects capital proceeds from the Paywise sale. The DRP will be available for this dividend. The full year dividend is 2.5 cents per share.

FY19 Results Summary	FY19	FY18	Change
Net interest income (\$m)	117.9	102.5	up 15 %
Statutory NPAT (\$m)	47.2	25.3	up 86 %
Normalised NPAT* (\$m)	31.1	26.2	up 19 %
Earnings per share (cents)	11.75	6.37	up 85 %
Return on equity (%) (normalised NPAT)	17.3	17.2	Flat
Cost to income ratio (normalised) (%)	56.6	61.7	down 510 bps
Final dividend per share (cents)	1.0	0.9	up 11 %
Special dividend per share (cents)	0.5	0.0	N/A
Total dividends per share	2.5	1.8	up 39 %
*Excluding one-off items			

Mr Scott McWilliam, Resimac Chief Executive Officer said the organisation successfully achieved above system principally funded portfolio growth while starting to realise the benefits of increased efficiency from process improvement and digital automation.

“Strong earnings momentum and improved organisational cost efficiencies contributed to a record result. Principally funded assets under management grew 19% during the year to \$10.2 billion, driving substantial net interest income growth despite higher bank bill swap rates during the year. Furthermore, we achieved positive JAWS of 9% driving a 510bps decrease in the cost to income ratio to 56.6%.”

The Group continued to strengthen its funding capabilities by establishing new warehouse lines with UOB (Singapore), MUFG (Sydney branch) and Deutsche Bank (Sydney branch) with longer duration profiles. An inaugural 144a issuance in the US market helped provide a deeper investor base for specialist asset class lending. The Group issued four public RMBS deals totalling \$2.6 billion in FY19.

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

On 3 July 2019, Resimac acquired 15% of Adelaide-based fintech Positive Group which specialises in asset finance solutions for consumers, mortgage brokers and small businesses, with an option to acquire a further 10%. This partnership supports two of Resimac's strategic priorities – focusing on diversification of asset classes, and improving our customer experience using digital technologies.

Outlook

Mr McWilliam said the non-bank market share continues to grow given customers' preference for the mortgage broker channel, which originates over 55% of all home loans.

"Our strategic priorities to increase market share include a strong focus on building brand awareness capitalising on our single corporate brand, and developing a market leading broker service proposition. We continue to invest in digital automation and focus on growing our direct channel to access more of the market."

"Although the last 18 months experienced house price declines, our robust risk regime underpins the quality of our portfolio and we continue to see growth opportunities in the market," Mr McWilliam said.

Scott McWilliam
Chief Executive Officer
Tel: 02 9248 0300

Jason Azzopardi
Chief Financial Officer
Tel: 02 9248 0300

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 staff operating across Australia, New Zealand and Philippines, the Resimac Group has in excess of 50,000 customers with a portfolio of mortgages on balance sheet of greater than \$10b and assets under management in excess of \$13b.

The Resimac Group is proud of its securitisation program. To date, Resimac has issued over \$28b in bonds across 47 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.