



RESIMAC GROUP LTD

Appendix 4E (rule 4.3A)

Preliminary final report
for the year ended 30 June 2022

ABN: 55 095 034 003

ASX CODE: RMC

APPENDIX 4E (rule 4.3A)

PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons to year ended 30 June 2021)	FY22 \$'000	Up/ down	Movement from FY21 %
Revenue from ordinary activities	527,435	Up	9%
Profit from ordinary activities after tax attributable to members	102,147	Down	(5%)
Net comprehensive income for the year attributable to members	96,514	Down	(6%)

DIVIDENDS	Amount per share (cents)	Franked amount per share (cents)
Final FY22 dividend declared (25 August 2022)	4.00	4.00
Interim FY22 dividend paid (24 March 2022)	4.00	4.00
	8.00	8.00
<i>Previous corresponding period:</i>		
Final FY21 dividend paid (21 September 2021)	4.00	4.00
Interim FY21 dividend paid (31 March 2021)	2.40	2.40
	6.40	6.40

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

9 September 2022
23 September 2022

Dividend Reinvestment Plan

The Company's Dividend Reinvestment Plan (DRP) was suspended in April 2022 and will not apply to the final dividend payment.

APPENDIX 4E (rule 4.3A)

PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

1) Previous corresponding period

The previous corresponding period is the year ended 30 June 2021.

2) Net tangible assets per share

Net tangible assets per share is \$0.81 (FY21: \$0.65).

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 separate the following items:

	FY22 \$'000
Statutory NPAT	102,147
Historical discharge fee refund	3,940
Dividend income from listed equity investment	(748)
Tax effect of normalised items	(958)
Normalised NPAT	104,381

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

Gained: None

Lost: None

5) Details of associates and joint venture entities

The company does not have any significant 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

Warren McLeland
Chairman

Sydney
25 August 2022

APPENDIX 4E (rule 4.3A)

PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

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FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2022

	Note	FY22 \$'000	FY21 \$'000
Interest income	1	490,695	467,637
Interest expense	2	(252,617)	(224,893)
Net interest income		238,078	242,744
Fee and commission income	1	8,178	9,856
Fee and commission expense	2	(40,477)	(35,193)
Other income	1	28,562	8,022
Employee benefits expense	2	(45,267)	(37,489)
Other expenses	2	(34,168)	(33,188)
Loan impairment expense	2	(11,446)	(2,676)
Profit before tax		143,460	152,076
Income tax expense		(41,313)	(44,270)
PROFIT AFTER TAX		102,147	107,806
Attributable to:			
Owners of the parent		102,147	107,557
Non-controlling interest		-	249
		102,147	107,806

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Note	FY22 \$'000	FY21 \$'000
PROFIT AFTER TAX		102,147	107,806
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		(1,683)	126
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Changes in fair value of cash flow hedges		(3,877)	(6,294)
Tax effect		1,163	1,888
Currency translation differences		(1,236)	(204)
Other comprehensive income, net of tax		(5,633)	(4,484)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		96,514	103,322
Attributable to:			
Owners of the parent		96,514	103,072
Non-controlling interest		-	250
		96,514	103,322
		FY22 cents per share	FY21 cents per share
Earnings per share			
Basic	8	25.05	26.37
Diluted	8	24.90	26.21

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	FY22 \$'000	FY21 \$'000
ASSETS			
Cash and cash equivalents	3	932,781	619,809
Trade and other receivables		5,661	4,581
Loans and advances	4	15,669,860	13,914,628
Contract assets		24,077	33,299
Other financial assets		23,483	15,083
Derivative financial assets		39,220	2,256
Other assets		3,707	3,773
Plant and equipment		1,928	1,919
Right-of-use assets	5	8,959	10,638
Deferred tax assets		-	482
Goodwill and intangible assets		27,496	27,566
		16,737,172	14,634,034
LIABILITIES			
Trade and other payables		30,062	23,405
Current tax payable		1,464	20,437
Provisions		10,449	5,218
Interest-bearing liabilities	6	16,288,455	14,170,651
Lease liabilities	7	11,097	12,482
Other financial liabilities		11,750	15,789
Derivative financial liabilities		235	60,976
Other liabilities		3,476	3,545
Deferred tax liabilities		2,116	392
		16,359,104	14,312,895
NET ASSETS		378,068	321,139
EQUITY			
Share capital		176,476	181,675
Reverse acquisition reserve		(61,541)	(61,541)
Total issued capital		114,935	120,134
Reserves		(25,466)	(18,126)
Retained earnings		288,599	219,131
Equity attributable to owners of the parent		378,068	321,139
Non-controlling interest		-	-
		378,068	321,139

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	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 2021	181,675	(61,541)	120,134	(18,126)	219,131	321,139	-	321,139
Profit for the year	-	-	-	-	102,147	102,147	-	102,147
Other comprehensive income, net of income tax	-	-	-	(5,633)	-	(5,633)	-	(5,633)
Total comprehensive income for the year	-	-	-	(5,633)	102,147	96,514	-	96,514
Transactions with owners in their capacity as owners								
Issue of shares under the Dividend Reinvestment Plan	1,794	-	1,794	-	-	1,794	-	1,794
Share buyback	(3,807)	-	(3,807)	-	-	(3,807)	-	(3,807)
Equity dividends	-	-	-	-	(32,679)	(32,679)	-	(32,679)
Treasury shares	(3,186)	-	(3,186)	-	-	(3,186)	-	(3,186)
Share-based payments	-	-	-	(1,707)	-	(1,707)	-	(1,707)
Balance at 30 June 2022	176,476	(61,541)	114,935	(25,466)	288,599	378,068	-	378,068

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 2022

	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 2020	181,895	(61,541)	120,354	(7,556)	128,694	241,492	194	241,686
Profit for the year	-	-	-	-	107,557	107,557	249	107,806
Other comprehensive income, net of income tax	-	-	-	(4,485)	-	(4,485)	1	(4,484)
Total comprehensive income for the year	-	-	-	(4,485)	107,557	103,072	250	103,322
Transactions with owners in their capacity as owners								
Acquisition of non-controlling interest without a change in control	-	-	-	(7,984)	-	(7,984)	(444)	(8,428)
Option to acquire the shares of subsidiary	-	-	-	188	-	188	-	188
Issue of shares under the Dividend Reinvestment Plan	951	-	951	-	-	951	-	951
Exercise of share options	165	-	165	-	-	165	-	165
Equity dividends	-	-	-	-	(17,120)	(17,120)	-	(17,120)
Treasury shares	(1,336)	-	(1,336)	-	-	(1,336)	-	(1,336)
Share-based payments	-	-	-	1,711	-	1,711	-	1,711
Balance at 30 June 2021	181,675	(61,541)	120,134	(18,126)	219,131	321,139	-	321,139

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 2022

	Note	FY22 \$'000	FY21 \$'000
Cash flows from operating activities			
Interest received		500,523	478,160
Interest paid		(227,173)	(211,859)
Receipts from loan fees and other income		38,934	49,781
Payments to suppliers and employees		(180,708)	(167,742)
Payments of net loans to borrowers		(1,660,033)	(1,545,974)
Income tax paid		(56,977)	(49,827)
Net cash used in operating activities		(1,585,434)	(1,447,461)
Cash flows from investing activities			
Payment for plant, equipment and intangible assets		(533)	(200)
Repayment of loans to related parties		-	(2)
Payments for new investments		(20,696)	(1,403)
Proceeds on disposal of investments		9,891	-
Payment for acquisition of residential loan book (Volt Bank)		(83,594)	-
Proceeds on disposal of white label loan tranche		1,756	-
Acquisition of subsidiary (RAF)		-	(8,240)
Balance of proceeds on disposal of Paywise		-	1,700
Dividend income from listed equity investments		800	-
Net cash used in investing activities		(92,376)	(8,145)
Cash flows from financing activities			
Proceeds from borrowings		14,597,019	11,793,151
Repayment of borrowings		(12,561,948)	(10,201,002)
Proceeds of loans sold to external party (Athena)		-	138,849
Proceeds from exercise of options		165	165
Payment of lease liabilities		(1,629)	(1,679)
Swap payments		(3,489)	(2,502)
Payment of dividends		(30,886)	(16,169)
Payment for acquisition of treasury shares		(4,118)	(1,336)
Payment for share buybacks		(3,807)	-
Net cash provided by financing activities		1,991,307	1,709,477
Net increase in cash and cash equivalents		313,497	253,871
Cash and cash equivalents at the beginning of the financial year (1 July)		619,809	365,987
Effects of exchange rate changes on cash balances held in foreign currencies		(525)	(49)
Cash and cash equivalents at end of year	3	932,781	619,809

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS | SEGMENT INFORMATION
FOR THE YEAR ENDED 30 JUNE 2022

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

	AUSTRALIAN LENDING		NEW ZEALAND LENDING		CONSOLIDATED	
	FY22	FY21	FY22	FY21	FY22	FY21
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	489,688	456,616	37,747	28,899	527,435	485,515
Total segment revenue	489,688	456,616	37,747	28,899	527,435	485,515
Segment results before tax, depreciation, amortisation, finance costs and impairment	160,543	164,391	10,916	8,400	171,459	172,791
Depreciation and amortisation	(2,374)	(3,009)	(86)	(85)	(2,460)	(3,094)
Loan impairment	(11,426)	(2,750)	(20)	74	(11,446)	(2,676)
Finance costs	(13,318)	(14,377)	(775)	(568)	(14,093)	(14,945)
Segment results before income tax	133,425	144,255	10,035	7,821	143,460	152,076
Income tax expense ¹					(41,313)	(44,270)
PROFIT AFTER TAX					102,147	107,806

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 2022

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

	AUSTRALIAN LENDING		NEW ZEALAND LENDING		CONSOLIDATED	
	FY22 \$'000	FY21 \$'000	FY22 \$'000	FY21 \$'000	FY22 \$'000	FY21 \$'000
Segment assets	15,889,429	13,857,991	847,743	786,693	16,737,172	14,633,552
	15,889,429	13,857,991	847,743	786,693	16,737,172	14,633,552
Segment liabilities excl. tax	(15,548,901)	(13,547,634)	(806,623)	(755,564)	(16,355,524)	(14,292,066)
Net assets excl. tax	340,528	310,357	41,120	31,129	381,648	341,486
Tax assets ²					-	482
Tax liabilities ²					(3,580)	(20,829)
NET ASSETS					378,068	321,139

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

1. Revenue

	AUSTRALIAN LENDING		NEW ZEALAND LENDING		CONSOLIDATED	
	FY22	FY21	FY22	FY21	FY22	FY21
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Major service lines						
Mortgage origination	1,564	2,375	-	-	1,564	2,375
Loan management	78	2,243	-	-	78	2,243
Lending fee income	5,380	4,310	1,156	928	6,536	5,238
	7,022	8,928	1,156	928	8,178	9,856
Timing of revenue recognition						
Service transferred at a point in time	7,022	8,928	1,156	928	8,178	9,856
Revenue from contracts with customers	7,022	8,928	1,156	928	8,178	9,856
Interest income	462,442	442,483	28,253	25,154	490,695	467,637
Other income	20,224	5,205	8,338	2,817	28,562	8,022
External revenue as reported in segment information	489,688	456,616	37,747	28,899	527,435	485,515

2. Expenses

	FY22 \$'000	FY21 \$'000
Interest		
Bond and warehouse facilities	237,975	213,675
Amortisation – bond issue costs	11,524	9,154
Discount unwind on NPV of trail commission	826	1,098
Corporate facility	1,832	440
Interest on lease liabilities	460	526
	252,617	224,893
Fee and commission		
Mortgage origination	444	279
Loan management	22,460	20,495
Borrowing costs	5,184	7,144
RMBS financing costs	8,449	7,275
Discharge fee refund provision	3,940	-
	40,477	35,193
Employee benefits		
Remuneration, superannuation and on-costs	44,477	36,697
Share-based payments	790	792
	45,267	37,489
Other		
Marketing	6,477	4,805
Technology expenses ¹	14,629	15,722
Audit and other professional fees	2,500	2,399
Rent and occupancy costs	961	1,294
Insurance	2,291	1,801
Depreciation and amortisation	791	1,199
Depreciation charge of right-of-use assets	1,669	1,895
Other	4,850	4,073
	34,168	33,188
Loan impairment expense	11,446	2,676
	383,975	333,439

1. Core banking IT project costs (FY22: \$5.1 million; FY21: \$7.8 million).

3. Cash and cash equivalents

	FY22 \$'000	FY21 \$'000
Cash at bank and on hand	18,996	50,622
Cash collections account ¹	912,283	567,687
Restricted cash ²	1,502	1,500
	932,781	619,809

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.
2. Cash held in trust as collateral.

4. Loans and advances

	FY22 \$'000	FY21 \$'000
Gross loans and advances		
Loans and advances	15,684,500	13,934,440
Capitalised upfront commissions	54,564	45,125
Deferred mortgage fee	(10,107)	(16,240)
Collections owed to trusts	(12,056)	(11,132)
	15,716,901	13,952,193
Less: allowance for impairment	(47,041)	(37,565)
	15,669,860	13,914,628

5. Right-of-use assets

	FY22 \$'000	FY21 \$'000
Balance at 1 July	10,638	12,279
Additions	-	256
Depreciation	(1,669)	(1,895)
Foreign exchange	(10)	(2)
Balance at 30 June	8,959	10,638
Right-of-use assets at cost	14,234	14,510
Less: accumulated depreciation	(5,275)	(3,872)
Total right-of-use assets	8,959	10,638

6. Interest-bearing liabilities

	FY22 \$'000	FY21 \$'000
Debt securities on issue	15,840,773	13,780,348
Corporate debt facilities	70,000	-
Issuance facilities	377,682	390,303
	16,288,455	14,170,651
Current	4,723,652	3,684,369
Non-current	11,564,803	10,486,282
	16,288,455	14,170,651

7. Lease liabilities

	FY22 \$'000	FY21 \$'000
<i>Lease liabilities included in the Statement of Financial Position</i>		
Balance at 1 July	12,482	13,622
Addition	251	541
Interest incurred	460	526
Payment of lease liabilities	(2,089)	(2,205)
Foreign exchange	(7)	(2)
Balance at 30 June	11,097	12,482
Current	1,700	1,520
Non-current	9,397	10,962
	11,097	12,482

8. Earnings per share

	FY22	FY21
Profit attributable to ordinary equity holders of the parent (\$'000)	102,147	107,557
WANOS ¹ used in the calculation of basic EPS (shares, thousands)	407,743	407,824
Dilutive effect of share options	2,498	2,592
WANOS ¹ used in the calculation of diluted EPS (shares, thousands)	410,241	410,416
Earnings per share		
Basic (cents per share)	25.05	26.37
Diluted (cents per share)	24.90	26.21

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 Final dividend declared

The Board of Resimac Group Ltd declared a fully-franked final dividend of \$0.04 per share. The record date will be 9 September 2022. The payment date will be 23 September 2022. The dividend has not been provided for in this financial report.

10.2 Investment in 23 Degrees Capital Partners Pty Ltd

On 1 August 2022, Resimac exercised the option to acquire a controlling stake in 23 Degrees Capital Partners Pty Ltd (operating as Sonder) for a purchase consideration of \$0.9 million, increasing Resimac's interest in 23 Degrees Capital Partners Pty Ltd to 51%.

Other than the above, there have been no circumstances arising since 30 June 2022 that have significantly affected or may significantly affect:

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