RESIMAC GROUP LTD

Appendix 4D

Financial report
for the half-year ended 31 December 2021

ABN: 55 095 034 003

ASX : RMC

RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons to half-year ended 31 December 2020 "HY21")	$'000	Up/ down	Movement from HY21 %
Revenue from ordinary activities	**253,606**	Up	5%
Profit from ordinary activities after tax attributable to members	**53,506**	Up	6%
Net comprehensive income for the period attributable to members	**57,495**	Up	28%

DIVIDENDS	Amount per share (cents)	Franked amount per security (cents)
Interim FY22 dividend declared (24 February 2022)	**4.00**	**4.00**
Final FY21 dividend paid (21 September 2021)	**4.00**	**4.00**
	8.00	**8.00**
Previous corresponding period:		
Interim FY21 dividend paid (31 March 2021)	2.40	2.40
Final FY20 dividend paid (25 September 2020)	1.80	1.80
	4.20	4.20

Record date for determining entitlements to the dividend	3 March 2022
Date the interim dividend is payable	24 March 2022

Dividend Reinvestment Plan

The Company's Dividend Reinvestment Plan (DRP) will apply to the interim dividend payment. The allocation price for shares under the DRP will be calculated at the average of the daily volume weighted average price of Resimac Group Ltd ordinary shares traded on the ASX over the 5 day trading period commencing on the second business day after the record date. The shares will be issued at a discount of 2.5%. Dividend elections can be made via the Computershare online portal.

1) Previous corresponding period

The previous corresponding period is the half-year ended 31 December 2020, unless otherwise stated.

2) Net tangible assets per security

Net tangible assets per security is $0.76 (HY21: $0.54).

3) Explanation of results

This information should be read in conjunction with the Resimac Group Ltd 2021 Annual Report and 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 4.2A.

Normalised earnings

The Group generated a net profit after tax (NPAT) of $53,506,000 for the period ended 31 December 2021. To reflect the Group's normalised earnings, management may exclude one-off, non-recurring items. No one-off items were normalised in the period.

4) Details of associates and joint venture entities

The Company does not have any associates and joint venture entities during the period.

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

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

6) Review

This report is based on the condensed consolidated half-year financial report reviewed by Deloitte Touche Tohmatsu.

7) Commentary on results for the period

Commentary on results for the period is contained in the press release accompanying this statement.

Warren McLeland
Chairman

Sydney
24 February 2022

Financial statements

Notes to the condensed consolidated financial statements

Key numbers

Capital

Risk

Other

Signed reports

DIRECTORS' REPORT
RESIMAC GROUP LTD AND ITS CONTROLLED ENTITIES

The Directors of Resimac Group Ltd ("Resimac" or "the Company") submit herewith the financial report of Resimac and its controlled entities ("the Group") for the half-year ended 31 December 2021. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Directors

The names of the Directors holding office at any time during or since the end of the half-year are:

- **Mr Warren McLeland**
  Chairman and Non-Executive Director
- **Mrs Susan Hansen**
  Independent Non-Executive Director
- **Mr Wayne Spanner**
  Independent Non-Executive Director
- **Mr Duncan Saville**
  Non-Executive Director
- **Mrs Caroline Waldron**
  Independent Non-Executive Director

Key management personnel

The key management personnel are all of the above directors and:

- **Mr Scott McWilliam**
  Chief Executive Officer
- **Mr Jason Azzopardi**
  Chief Financial Officer
- **Ms Danielle Corcoran**
  Chief Operating Officer
- **Mr Majid Muhammad**
  Chief Information Officer
- **Mr Andrew Marsden**
  Chief Treasury Officer

DIRECTORS' REPORT
RESIMAC GROUP LTD AND ITS CONTROLLED ENTITIES

Review of operations

Net interest income increased 2% to $124,319,000 on the previous corresponding period (PCP) driven by assets under management growth.

Operating expenses increased 13% to $38,782,000 on the PCP driven by our transformational core banking and origination IT project, higher employment and marketing costs.

Loan impairment expense decreased 49% to $1,888,000 on the PCP driven by our high quality portfolio and low arrears.

Total home loan settlements across the Group's direct and third party distribution channels increased 63% on the PCP to $3.5 billion.

The Group's assets under management at 31 December 2021 comprise:

- On balance sheet home loans and advances to customers of $14.6 billion, up 6% compared to 30 June 2021;
- On balance sheet asset finance loans of $0.3 billion;
- White label portfolio of $1.4 billion, down 28% compared to 30 June 2021 in line with the Group's strategy to cease originating white label loans; and
- Total assets under management of $16.3 billion.

COVID-19 impact

The impact of COVID-19 on customer serviceability continues to impact a small portion of our loan portfolio. Resimac's robust credit risk framework continue to insulate the impacts of COVID-19. Resimac remains committed to the safety of employees and supporting customers and the broader community through the ongoing challenges COVID-19 poses.

Due to the extensive lockdowns in Victoria, NSW and Auckland regions during the period, Resimac rendered support to those customers requiring hardship assistance as a result of one-off events. The number of customers under a hardship arrangement at 31 December 2021 was 174 (30 June 2021: 224).

Funding programmes

During the period ended 31 December 2021, the following new Residential Mortgage Backed Securities (RMBS) and Medium Term Notes (MTNS) were issued to facilitate assets under management growth, optimise term duration and funding costs:

- The RESIMAC Triomphe Trust - Premier Series 2021-2 transaction was settled on 2 September 2021 and is a domestic prime issue with a total issuance size of $1 billion.
- The RESIMAC Prime Series 2021-1 transaction was settled on 16 September 2021 and is a New Zealand prime issue with a total issuance size of NZD$300 million.
- The RESIMAC Bastille Series 2021-2NC transaction was settled on 28 October 2021 and is a multi-currency non-conforming issue with a total issuance of $1.5 billion equivalent.
- The RESIMAC Triomphe Trust - Premier Series 2021-3 transaction was settled on 16 December 2021 and is a multi-currency prime issue with a total issuance size of $1 billion equivalent.
- The RESIMAC Bastille Trust – Warehouse Series No.3 was settled on 23 December 2021 and is a domestic non-conforming warehouse with an initial facility limit of $571m.

The Group undertook a working capital raise during the period by issuing $50m in debt securities with a tenor of three years.

DIRECTORS' REPORT
RESIMAC GROUP LTD AND ITS CONTROLLED ENTITIES

Auditor's independence declaration

The auditor's independence declaration is included on page 40 of this financial report.

Subsequent events

Financial dividend declared

The Board of Resimac Group Ltd declared a fully-franked interim dividend of 4.00 cents per share. The Record Date is 3 March 2022. The payment date will be 24 March 2022. The dividend has not been provided for in this financial report.

Share buy-back

On 13th December 2021, the Group announced to the ASX the intention to commence a share buy back scheme commencing 29th December 2021. As at 24th February, 224,796 shares have been acquired of which 205,680 shares were cancelled.

Rounding off of amounts

Unless otherwise indicated, the Company has rounded off amounts in this Directors' report and the half-year financial report to the nearest thousand dollars in accordance with *ASIC Corporations Instrument 2016/191*.

Signed in accordance with a resolution of the directors made pursuant to s.306 (3) of the *Corporations Act 2001.*

On behalf of the Directors of Resimac Group Ltd.

Warren McLeland

Warren McLeland
Chairman

Sydney
24 February 2022

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	**HY22 $'000**	HY21 $'000
Interest income	1	**241,750**	235,586
Interest expense	2	**(117,431)**	(113,514)
Net interest income		**124,319**	122,072
Fee and commission income	1	**5,255**	4,860
Fee and commission expense	2	**(19,928)**	(17,773)
Other income	1	**6,601**	1,746
Employee benefits expense	2	**(22,710)**	(19,048)
Other expenses	2	**(16,072)**	(15,413)
Loan impairment expense	2	**(1,888)**	(3,711)
Profit before tax		**75,577**	72,733
Income tax expense		**(22,071)**	(22,048)
PROFIT AFTER TAX		**53,506**	50,685
Attributable to:			
Owners of the parent		**53,506**	50,468
Non-controlling interest		**-**	217
		53,506	50,685

		HY22 cents per share	HY21 cents per share
Earnings per share			
Basic	14	**13.11**	12.38
Diluted	14	**13.03**	12.31

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	**HY22 $'000**	HY21 $'000
PROFIT AFTER TAX		**53,506**	50,685
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss:			
Fair value movement on investments through OCI, net of tax		**3,591**	845
Items that may be reclassified subsequently to profit or loss:			
Changes in fair value of cash flow hedges		**154**	(9,090)
Tax effect		**(46)**	2,727
Currency translation differences		**290**	(15)
Other comprehensive income for the period, net of tax		**3,989**	(5,533)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**57,495**	45,152
Attributable to:			
Owners of the parent		**57,495**	44,935
Non-controlling interest		**-**	217
		57,495	45,152

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	**HY22 $'000**	FY21 $'000
ASSETS			
Cash and cash equivalents	3	**963,786**	619,809
Trade and other receivables		**4,831**	4,581
Loans and advances	4	**14,920,314**	13,925,760
Contract assets	1	**28,749**	33,299
Other financial assets	5	**28,146**	15,083
Derivative financial assets	17	**7,843**	2,256
Plant and equipment		**1,857**	1,919
Right-of-use assets	6	**9,796**	10,638
Other assets		**3,724**	3,773
Deferred tax assets		**-**	482
Goodwill and intangible assets	7	**27,518**	27,566
		15,996,564	14,645,166
LIABILITIES			
Trade and other payables	8	**32,843**	34,537
Current tax payable		**5,412**	20,437
Provisions		**6,159**	5,218
Interest-bearing liabilities	9	**15,542,971**	14,170,651
Lease liabilities	10	**11,858**	12,482
Other financial liabilities	11	**14,689**	15,789
Derivative financial liabilities	17	**12,226**	60,976
Other liabilities		**3,497**	3,545
Deferred tax liabilities		**4,062**	392
		15,633,717	14,324,027
NET ASSETS		**362,847**	321,139
EQUITY			
Share capital	15	**183,102**	181,675
Reverse acquisition reserve	15	**(61,541)**	(61,541)
Total issued capital		**121,561**	120,134
Reserves	13	**(15,015)**	(18,126)
Retained earnings	13	**256,301**	219,131
Equity attributable to owners of the parent		**362,847**	321,139
Non-controlling interest	13	**-**	-
		362,847	321,139

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Share capital $'000	Reverse acquisition reserve[1] $'000	Total issued capital $'000	Reserves[2] $'000	Retained earnings $'000	Attributable to owners of the parent $'000	Non-controlling interest $'000	Total $'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 period	-	-	-	-	50,468	50,468	217	50,685
Other comprehensive income, net of income tax	-	-	-	(5,533)	-	(5,533)	-	(5,533)
Total comprehensive income for the period	-	-	-	(5,533)	50,468	44,935	217	45,152
Issue of shares under the Dividend Reinvestment Plan	398	-	398	-	-	398	-	398
Equity dividends	-	-	-	-	(7,334)	(7,334)	-	(7,334)
Share-based payments	-	-	-	1,046	-	1,046	-	1,046
Balance at 31 December 2020	182,293	(61,541)	120,752	(12,043)	171,828	280,537	411	280,948
Balance as at 1 July 2021	**181,675**	**(61,541)**	**120,134**	**(18,126)**	**219,131**	**321,139**	**-**	**321,139**
Profit for the period	**-**	**-**	**-**	**-**	**53,506**	**53,506**	**-**	**53,506**
Other comprehensive income, net of income tax	**-**	**-**	**-**	**3,989**	**-**	**3,989**	**-**	**3,989**
Total comprehensive income for the period	**-**	**-**	**-**	**3,989**	**53,506**	**57,495**	**-**	**57,495**
Issue of shares under the Dividend Reinvestment Plan	**837**	**-**	**837**	**-**	**-**	**837**	**-**	**837**
Equity dividends	**-**	**-**	**-**	**-**	**(16,336)**	**(16,336)**	**-**	**(16,336)**
Treasury shares	**590**	**-**	**590**	**-**	**-**	**590**	**-**	**590**
Share-based payments	**-**	**-**	**-**	**(878)**	**-**	**(878)**	**-**	**(878)**
Balance at 31 December 2021	**183,102**	**(61,541)**	**121,561**	**(15,015)**	**256,301**	**362,847**	**-**	**362,847**

1 As a result of reverse acquisition accounting, 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 payment reserve and other reserve. Refer to note 13 for more detail.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	HY22 $'000	HY21 $'000
Cash flows from operating activities			
Interest received		**246,677**	239,787
Interest paid		**(108,079)**	(106,279)
Receipts from loan fees and other income		**21,454**	23,519
Payments to suppliers and employees		**(97,639)**	(83,890)
Payments of net loans to borrowers		**(985,155)**	(630,525)
Income tax paid		**(35,078)**	(33,679)
Net cash used in operating activities		**(957,820)**	(591,067)
Cash flows from investing activities			
Payment for plant and equipment		**(164)**	(93)
Proceeds on disposal of White Label loan tranche		**1,756**	-
Payment for new investments		**(7,933)**	-
Balance of proceeds on disposal of Paywise		**-**	1,700
Net cash (used in) / from investing activities		**(6,341)**	1,607
Cash flows from financing activities			
Proceeds from borrowings		**8,741,688**	5,389,541
Repayment of borrowings		**(7,416,007)**	(4,758,343)
Proceeds of loans sold to external party (Athena)		**-**	138,849
Proceeds from exercise of options		**165**	-
Payment of lease liabilities		**(796)**	(884)
Swap payments		**(1,485)**	(1,254)
Payment of dividends		**(15,499)**	(6,936)
Payment for acquisition of treasury shares		**(342)**	-
Net cash from financing activities		**1,307,724**	760,973
Net increase in cash and cash equivalents		**343,563**	171,513
Cash and cash equivalents at the beginning of the period (1 July)		**619,809**	365,987
Effects of exchange rate changes on cash balances held in foreign currencies		**414**	88
Cash and cash equivalents at the end of the period	3	**963,786**	537,588

Statement of compliance

The half-year financial report is a general purpose condensed financial report which:

- has been prepared in accordance with the requirements of the *Corporations Act 2001*, and AASB 134 *Interim Financial Reporting;*
- compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*; and
- does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for certain financial instruments which have been measured at fair value. All amounts are presented in Australian dollars unless otherwise noted.

The Company is an entity of the kind referred to in *ASIC Corporations* (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that amounts in the Directors' Report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's 2021 annual financial report for the financial year ended 30 June 2021, except for the impact of the Standards and Interpretations described below. The changes in accounting policies will also be reflected in the Group's consolidated financial statements as at and for the year ending 30 June 2022. These accounting policies are consistent with Australian Accounting Standards (AAS) and with International Financial Reporting Standards (IFRS).

Amendments to Accounting Standards that are mandatorily effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to the Group's operations and mandatorily effective on or after 1 July 2021, including:

AASB 2020-8 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*

The new and revised Standards and Interpretations adopted during the period do not materially affect the Group's accounting policies or any of the amounts recognised in the condensed consolidated financial statements.

Standards and Interpretations in issue not yet adopted

Certain new accounting standards and interpretations have been published that are not effective for the 31 December 2021 reporting period and have not been early adopted by the Group.

Standard/amendment	Effective for annual reporting periods beginning on or after
AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*	1 January 2022
AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*	1 January 2022
AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*	1 January 2023

The condensed notes to the condensed consolidated financial statements

The notes include information required to understand the financial statements and is material and relevant to the operations, financial position and performance of the Group. Information is considered material and relevant if, for example:

- the amount in question is significant because of its size or nature;
- it is important for understanding the results of the Group;
- it helps to explain the impact of significant changes in the Group's business – for example, acquisitions and impairment write-downs; or
- it relates to an aspect of the Group's operations that is important to its future performance.

The notes are organised into the following sections:

Key numbers: provides a breakdown of individual line items in the financial statements that the Group consider most relevant and summarises the accounting policies, judgements and estimates relevant to understanding these line items;

Capital: provides information about the capital management practices of the Group and shareholder returns for the year;

Risk: details the Group's exposure to various financial risks, explains how these affect the Group's financial position and performance and what the Group does to manage these risks;

Group structure: explains aspects of the Group structure and how changes have affected the financial position and performance of the Group;

Unrecognised items: provides information regarding items not recognised in the financial statements but could potentially have an impact on the Group's financial position and performance; and

Other: provides information on items which require disclosure to comply with AAS and other regulatory pronouncements however, are not considered critical in understanding the financial performance or position of the Group.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Group is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements. Actual results may differ from these estimates.

a) Critical judgements in applying the entity's accounting policies

The following are the critical judgements and estimates that the Group has made in the process of applying the Group's accounting policies and have the most significant effect on the amounts recognised in the financial statements. The critical judgements and estimates adopted in the preparation of the half-year financial report are consistent with those adopted in the Group's 2021 annual financial report for the financial year ended 30 June 2021.

- Impairment of financial assets;
- Goodwill impairment; and
- Net present value (NPV) of future trail commission: recognition of future commission receivable and payable.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year.

Impairment of financial assets

The calculation of the impairment provision on financial assets is based on:

- objective evidence of impairment for a portfolio of financial assets using the Group's future expected credit loss model; and
- observable changes in economic conditions that correlate with default on receivables.

Judgements are required on key concepts such as whether there has been a significant increase in credit risk, measurement of lifetime expected credit loss and forward-looking assumptions. Difference in key judgements and estimates may impact the amount of provision on financial assets recognised in the statement of financial position and impairment expense recognised in the statement of profit and loss.

Goodwill impairment

The Group has performed an assessment of the indicators of impairment of goodwill at the reporting date, which included consideration of the impact of COVID-19. Refer to note 7.

NPV of future trail commission

The recognition of the future trailing commission receivable and payable in the statement of financial position is an area of judgment due to the valuation techniques and prepayment rates applied in line with the accounting standards. The key assumption underlying the estimation of present value of future cash flows is prepayment rates.

COVID-19 impact

COVID-19 has significantly impacted equity, debt, commodity markets and the overall global economy. The Group has considered the impact of COVID-19 and other market volatility in preparing its financial statements.

The Group's process to determine the impact of COVID-19 for these financial statements is consistent with the process disclosed and applied in the 30 June 2021 financial statements. While the specific areas of judgements as noted on page 15 remains unchanged, COVID-19 resulted in the application of further judgement within those identified areas. Expected credit losses (Note 4) required continued judgement as a result of the impact of COVID-19.

Given the uncertainty associated with these assumptions and estimates, actual outcomes may differ to those forecasted which may impact the accounting estimates included in these financial statements. Other than adjustment events that provide evidence of conditions that existed at the end of the reporting period, the impact of events that arise after the reporting period will be accounted for in future reporting periods. The impact of COVID-19 has been discussed further in each of the related notes.

The Group has identified two reportable segments based on the nature of the products and services provided, the type of customers for those products and services, the geographies where the business operates and the existence of discrete and separate reporting and management teams. The internal reports about reportable segments are regularly reviewed by the Board and executive management team (the Chief Operating Decision makers).

The Group's reportable segments under AASB 8 *Operating Segments* are:

1. Australian Lending business

Represents the distribution and lending business currently captured under the Resimac, Resimac Asset Finance and homeloans.com.au brands.

The segment contains the bulk of the Australian based income and expense. It incorporates the new business settled through the various distribution channels, the margin net of funding costs of the on balance sheet loans and advances, and the upfront and trail commission on the white label loan portfolio.

The Group's fully owned subsidiary Resimac Asset Finance (RAF) specialises in both Australian based secured commercial and consumer lending. Management have assessed the impact of the RAF business on its Group results as not material, and therefore does not represent a reportable segment for the period ended 31 December 2021, notwithstanding RAF is considered a separate operating segment by Management.

2. New Zealand Lending business

Whilst the nature of the customers and products are similar to the Australian Lending segment, given the different jurisdiction and market conditions, management believe it is appropriate to distinguish the result of New Zealand from Australia.

Separating the Australian and New Zealand trading business is supported by the operation of a dedicated NZ board, NZ segment monthly management reporting, separate regulatory requirements/oversight, and staff solely accountable for the NZ business including a locally based Head of New Zealand.

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

	AUSTRALIAN LENDING		**NEW ZEALAND LENDING**		**CONSOLIDATED**	
	HY22	HY21	**HY22**	HY21	**HY22**	HY21
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Revenue and other income	**236,160**	227,207	**17,446**	14,985	**253,606**	242,192
Total segment revenue	**236,160**	227,207	**17,446**	14,985	**253,606**	242,192
Segment results before tax, depreciation, amortisation, finance costs and impairment	**78,030**	76,828	**5,076**	4,311	**83,106**	81,139
Depreciation and amortisation	**(1,194)**	(1,516)	**(43)**	(42)	**(1,237)**	(1,558)
Loan impairment	**(1,868)**	(3,711)	**(20)**	-	**(1,888)**	(3,711)
Finance costs	**(4,142)**	(2,943)	**(262)**	(194)	**(4,404)**	(3,137)
Segment results before income tax	**70,826**	68,658	**4,751**	4,075	**75,577**	72,733
Income tax expense [1]					**(22,071)**	(22,048)
PROFIT AFTER TAX					**53,506**	50,685

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

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

	AUSTRALIAN LENDING		**NEW ZEALAND LENDING**		**CONSOLIDATED**	
	HY22	FY21	**HY22**	FY21	**HY22**	FY21
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Segment assets	**15,164,674**	13,857,991	**831,890**	786,693	**15,996,564**	14,644,684
	15,164,674	13,857,991	**831,890**	786,693	**15,996,564**	14,644,684
Segment liabilities	**(14,826,433)**	(13,547,634)	**(797,810)**	(755,564)	**(15,624,243)**	(14,303,198)
Net assets excluding tax	**338,241**	310,357	**34,080**	31,129	**372,321**	341,486
Tax assets[2]					**-**	482
Tax liabilities[2]					**(9,474)**	(20,829)
NET ASSETS					**362,847**	321,139

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

1. Revenue

1.1 Revenue streams

The Group generates revenue primarily from net interest income, annuity trail income on white label loans and other fee income. White label loans are those loans funded through white-label channel and do not sit on the Group's balance sheet.

	HY22 $'000	HY21 $'000
Revenue from contracts with customers	**5,255**	4,860
Interest income		
Loans and advances	**240,815**	233,857
Bank deposits	**25**	526
Discount unwind on NPV of trail commission	**910**	1,203
	241,750	235,586
Other income		
Fair value gains on interest rate swaps	**6,087**	1,129
Other	**514**	617
	6,601	1,746
Total revenue	**253,606**	242,192

1.2 Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (See "Segment Information" on page 18).

1. **Revenue** (continuation)

	AUSTRALIAN LENDING		NEW ZEALAND LENDING		CONSOLIDATED	
	HY22	HY21	**HY22**	HY21	**HY22**	HY21
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Primary geographical markets						
Australia	**4,808**	4,353	**-**	-	**4,808**	4,353
New Zealand	**-**	-	**447**	507	**447**	507
	4,808	4,353	**447**	507	**5,255**	4,860
Major service lines						
Mortgage origination	**850**	-	**-**	-	**850**	-
Loan management	**1,295**	2,104	**-**	-	**1,295**	2,104
Lending fee income	**2,663**	2,249	**447**	507	**3,110**	2,756
	4,808	4,353	**447**	507	**5,255**	4,860
Timing of revenue recognition						
Service transferred at a point in time	**4,808**	4,353	**447**	507	**5,255**	4,860
Revenue from contracts with customers	**4,808**	4,353	**447**	507	**5,255**	4,860
Interest income	**228,153**	222,563	**13,597**	13,023	**241,750**	235,586
Other income	**3,199**	291	**3,402**	1,455	**6,601**	1,746
External revenue as reported in segment information	**236,160**	227,207	**17,446**	14,985	**253,606**	242,192

1. **Revenue** (continuation)

1.3 Assets related to contract with customers

The Group has recognised the following assets related to contracts with customers.

	HY22 **$'000**	FY21 $'000
Contract assets – present value of future trail commission receivable		
Current	**7,897**	9,093
Non-current	**20,852**	24,206
	28,749	33,299

Key estimates and assumptions

The key estimates and assumptions underlying the remeasurement of the estimated future cash flows is prepayment rate.

	HY22	FY21
Weighted average loan life (years)	**3.4**	3.4

Weighted average loan life

The methodology in calculating the weighted average loan life continues usage of the commonly accepted Standard and Poor's definition.

Prepayment rate

In order to manage both volatility of rates over time and the uncertainty associated with this modelling, a conservative run-off overlay of 25% is included in the valuation by management, and remains unchanged compared with FY21.

2. Expenses

	HY22	HY21
	$'000	$'000
Interest		
Bond and warehouse facilities	**111,281**	108,006
Amortisation – bond issue costs	**5,143**	4,494
Discount unwind on net present value of trail commission	**457**	597
Corporate facility	**317**	147
Interest on lease liabilities	**233**	270
	117,431	113,514
Fee and commission		
Mortgage origination	**612**	-
Loan management	**12,222**	11,126
Borrowing commitment costs	**2,923**	3,780
Other financing costs	**4,171**	2,867
	19,928	17,773
Employee benefits		
Remuneration, bonus, superannuation and on-costs	**22,224**	18,745
Share-based payments	**486**	303
	22,710	19,048
Other		
Marketing	**3,093**	2,346
IT	**6,420**	7,176
Audit and other professional fees	**1,335**	1,116
Rent and occupancy costs	**470**	692
Insurance	**1,103**	704
Depreciation and amortisation	**390**	599
Depreciation charge of right-of-use assets	**847**	959
Other	**2,414**	1,821
	16,072	15,413
Loan impairment	**1,888**	3,711
	178,029	169,459

Resimac paid an annual insurance premium to a related party in relation to Directors & Officers (D&O) Liability insurance, the insurance premiums charged were at arm's length market terms and conditions.

3. Cash and cash equivalents

	HY22 $'000	FY21 $'000
Cash at bank and on hand	**84,435**	50,622
Cash collections account [1]	**877,851**	567,687
Restricted cash [2]	**1,500**	1,500
	963,786	619,809

1. Cash collections account includes monies in the Special Purpose Vehicles and securitisation trusts on behalf of Funders 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

	HY22 $'000	FY21 $'000
Gross loans and advances	**14,959,064**	13,963,325
Less: allowance for impairment	**(38,750)**	(37,565)
	14,920,314	13,925,760
Current	**5,086,082**	3,630,465
Non-current	**9,872,982**	10,332,860
	14,959,064	13,963,325
Impairment allowances		
Collective allowance	**33,640**	32,126
Specific allowance	**5,110**	5,439
	38,750	37,565
Movement in impairment allowances		
Balance at 1 July	**37,565**	36,698
Provided for during the period		
- Specific	**388**	1,096
- Collective	**1,500**	1,580
Written off	**(703)**	(1,809)
Balance at end of the period	**38,750**	37,565

4. Loans and advances (continuation)

Impairment and provisioning

AASB 9 requires an Expected Credit Loss model (ECL) at each reporting date to reflect changes in credit risk since initial recognition of the trade receivables. The ECL model forecasts expected credit loss incorporating macroeconomic forecasts and portfolio performance over the previous 48 months. The Group provisioning policy and methodology is referenced in Note 22 and 23 of the FY21 annual report. As at 31 December 2021, the Group added $1.5m to the Collective Provision balance compared to 30 June 2021, predominantly driven by growth in the Group's Asset Under Management. This represents a 23bps collective provision coverage of home loans assets under management.

Whilst we remain cautious on the economic recovery post lockdowns with small pockets of stress evident, portfolio quality remains strong with lead indicators of economic loss trending positively. At 31 December 2021, 174 customers were in active hardship arrangements (224 at 30 June 2021), Prime 90 days arrears were 10 bps (11 bps at 30 June 2021), and Specialist 90 days arrears were 66 bps (70 bps at 30 June 2021).

5. Other financial assets

	Note	**HY22 $'000**	FY21 $'000
Equity in ASX Listed Companies (FVTOCI)	16	**17,626**	4,713
Equity in Unlisted Companies (FVTPL)	16	**10,260**	10,110
Term Deposit (Amortised cost)		**260**	260
		28,146	15,083
Current		**260**	260
Non-current		**27,886**	14,823
		28,146	15,083

6. Right-of-use assets

	HY22 $'000	FY21 $'000
Lease - buildings		
Balance at the beginning of the period	**10,638**	12,279
Additions	**-**	256
Depreciation	**(847)**	(1,895)
Foreign exchange	**5**	(2)
Balance at the end of the period	**9,796**	10,638
Lease - buildings		
Right-of-use assets at cost	**14,257**	14,510
Less: accumulated depreciation	**(4,461)**	(3,872)
Total right-of-use assets	**9,796**	10,638

The Group lease offices with lease terms between 3 to 8 years. The Group recognises a right-of-use asset and a lease liability at the lease commencement date in the consolidated statement of financial position. The right-of-use asset is initially measured at cost, and subsequently at cost less accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. Depreciation of right-of-use asset is recognised in the consolidated statement of profit and loss. Under AASB 16 *Leases*, right-of-use assets are tested for impairment in accordance with AASB 136 *Impairment of Assets*.

7. Goodwill and intangible assets

	HY22 $'000	FY21 $'000
Goodwill		
Balance at beginning of the period	**27,430**	27,430
Additional accounts recognised from business combinations	**-**	-
Balance at end of the period	**27,430**	27,430
Other intangible assets		
Balance at beginning of the period	**136**	1,463
Amortisation	**(48)**	(448)
Write-offs	**-**	(879)
Balance at end of the period	**88**	136
Total goodwill and other intangible assets	**27,518**	27,566

Impairment of goodwill

At 31 December 2021, the Group has performed an assessment of the indicators of impairment of goodwill, which included consideration of the impact of COVID-19. Goodwill of $21.7m has been allocated to the Australian Lending Business segment and goodwill of $5.7m has been allocated to RAF CGU for impairment assessment purposes.

Indicators of impairment

The indicators of impairment have been considered by management. These include both internal and external sources of information such as:

- significant changes (historical and future) in the market, economic, legal or technological environment which would have an adverse impact on the Group;
- interest rate changes which impact the discount rate used in modelling;
- evidence of a worsening financial position;
- plans to discontinue operations; and
- economic conditions as a result of COVID-19.

At 31 December 2021, based on the factors listed above, management have not identified any indicators of impairment and there has been no further developments which would change or impair the goodwill balance as at 31 December 2021.

8. Trade and other payables

	HY22	FY21
	$'000	$'000
Revenue collected in advance	**848**	436
Collection owed to trusts	**7,382**	11,132
Other creditors and accruals	**19,446**	17,654
Commissions	**5,167**	5,315
	32,843	34,537
Current	**32,843**	34,537

9. Interest-bearing liabilities

	HY22	FY21
	$'000	$'000
Debt securities on issue	**15,084,791**	13,780,348
Issuance facilities	**458,180**	390,303
	15,542,971	14,170,651
Current	**5,284,610**	3,684,369
Non-current	**10,258,361**	10,486,282
	15,542,971	14,170,651

The amounts due and payable on the secured debt facilities within the next 12 months are disclosed as current based on the amortisation profile of the underlying loan receivables.

During the period, the Group issued $50 million in debt securities with a 3 year tenor. The $50m liability is disclosed under Issuance Facilities. Proceeds will be used to fund growth in our home loan and asset finance portfolios.

Debt securities on issue consist of RMBS bonds issued and warehouse facilities. All of the drawn interest-bearing liabilities are secured on cashflows derived from the underlying loan receivable portfolio.

Additionally at 31 December 2021, the Group had an undrawn Corporate Debt facility (FY21: nil).

10. Lease liabilities

Lease liabilities included in the Statement of Financial Position	**HY22 $'000**	FY21 $'000
Balance at beginning of the period	**12,482**	13,622
Addition	**168**	541
Interest incurred	**233**	526
Payment of lease liabilities	**(1,029)**	(2,205)
Foreign exchange	**4**	(2)
Balance at the end of the financial period	**11,858**	12,482
Current	**1,600**	1,520
Non-current	**10,258**	10,962
	11,858	12,482
Maturity analysis – contractual undiscounted cashflows		
Less than one year	**2,149**	2,101
One to five years	**8,881**	8,629
More than five years	**2,529**	3,677
Total undiscounted lease liabilities at the end of the financial period	**13,559**	14,407

Amounts recognised in Statement of Comprehensive Income	**HY22 $'000**	HY21 $'000
Depreciation charge of right-of-use assets	**847**	959
Interest expense on lease liabilities	**233**	270
Amounts recognised in Statement of Cash Flows		
Total cash outflows for leases	**(1,029)**	(1,154)

11. Other financial liabilities

	HY22 $'000	FY21 $'000
Present value of future trail commission payable	**14,689**	15,789
	14,689	15,789
Current	**4,032**	4,528
Non-current	**10,657**	11,261
	14,689	15,789

12. Dividends

	HY22	HY21
	$'000	$'000
Declared and paid during the period (fully-franked at 30 per cent)		
Final FY21 dividend: $0.04 (FY20: $0.018)	**16,336**	7,334
	16,336	7,334
Proposed and unrecognised as a liability (fully-franked at 30 per cent)		
Interim FY22 dividend: $0.040 (Interim FY21: $0.024)	**16,352**	9,786

The Group operates a DRP which allows eligible shareholders to invest dividends in ordinary shares. All holders of Resimac Group Ltd ordinary shares are eligible to participate in the DRP. The allocation price for shares under the DRP will be calculated at the average of the daily volume weighted average price of Resimac Group Ltd ordinary shares traded on the ASX over the 5 day trading period commencing on the second business day after the record date.

An issue of shares under the DRP results in an increase in issued capital.

13. Reserves and retained earnings

		Reserves						
	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Fair value reserve	Share-based payment reserve	Other reserve	Total reserves	Non-controlling interest
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2020	128,964	(5,511)	152	(2,499)	490	(188)	(7,556)	194
Profit after tax	50,468	-	-	-	-	-	-	217
Changes in fair value of cash flow hedges, net of tax	-	(6,363)	-	-	-	-	(6,363)	-
Currency translation differences	-	-	(15)	-	-	-	(15)	-
Fair value movement on investment through OCI, net of tax	-	-	-	845	-	-	845	-
Equity dividends	(7,334)	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	1,046	-	1,046	-
Balance at 31 December 2020	171,828	(11,874)	137	(1,654)	1,536	(188)	(12,043)	411
Balance at 1 July 2021	**219,131**	**(9,917)**	**(55)**	**(2,373)**	**2,201**	**(7,982)**	**(18,126)**	**-**
Profit after tax	**53,506**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Changes in fair value of cash flow hedges, net of tax	**-**	**108**	**-**	**-**	**-**	**-**	**108**	**-**
Currency translation differences	**-**	**-**	**290**	**-**	**-**	**-**	**290**	**-**
Fair value movement on investments through OCI, net of tax	**-**	**-**	**-**	**3,591**	**-**	**-**	**3,591**	**-**
Equity dividends	**(16,336)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Share-based payments	**-**	**-**	**-**	**-**	**(878)**	**-**	**(878)**	**-**
Balance at 31 December 2021	**256,301**	**(9,809)**	**235**	**1,218**	**1,323**	**(7,982)**	**(15,015)**	**-**

14. Earnings per share

	HY22	HY21
Profit attributable to ordinary equity holders of the parent ($'000)	**53,506**	50,468
WANOS[1] used in the calculation of basic EPS (shares, thousands)	**408,189**	407,607
Dilutive effect of share options	**2,570**	2,247
WANOS[1] used in the calculation of diluted EPS (shares, thousands)	**410,759**	409,854
Earnings per share		
Basic (cents per share)	**13.11**	12.38
Diluted (cents per share)	**13.03**	12.31

1. Weighted average number of shares.

15. Issues of equity securities

	HY22 $'000	FY21 $'000
Issued capital	**183,848**	183,011
Treasury shares	**(746)**	(1,336)
Share capital	**183,102**	181,675
Reverse acquisition reserve [1]	**(61,541)**	(61,541)
Total issued capital	**121,561**	120,134

1. As a result of reverse acquisition accounting in the Resimac/Homeloans merger, an 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.

Issued capital as at 31 December 2021 was $183,847,704 (408,792,525 ordinary shares).

During the period, the Company issued 388,064 shares for $836,507 in respect of the Resimac Dividend Reinvestment Plan (DRP).

15. Issued of equity securities (continuation)

15.1 Issued capital

	No. of shares – Thousands	$'000
Balance at 1 July 2020	407,449	181,895
Issue of shares under a dividend reinvestment plan		
• FY20 Dividend on 25 September 2020	312	398
• HY21 Dividend on 31 March 2021	256	553
Exercise of options – proceeds received	300	165
Employee shares vested	87	-
Balance at 30 June 2021	408,404	183,011
Issue of shares under the DRP:		
• FY21 Dividend on 21 September 2021	**388**	**837**
Balance at 31 December 2021	**408,792**	**183,848**

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends.

15.2 Treasury shares

Treasury shares held in Resimac Group Ltd by Resimac EST Pty Ltd as Trustee for the Resimac Group Limited Employee Share Trust, are for the benefit of eligible employees of the Resimac Group Employee Share Option and Rights Plan. Shares issued to employees are recognised on a first-in-first-out basis.

	No. of shares – Thousands	$'000
Balance at 1 July 2020	-	-
Subscription of shares by the Trust (average price: $2.13 per share)	300	639
Allocation of shares under Long-Term Incentive Share Options	(300)	(639)
Acquisition of shares under Long-Term Incentive Share Options	540	1,336
Balance at 30 June 2021	540	1,336
Acquisition of shares under Long-Term Incentive Share Options (average price: $2.50)	**60**	**149**
Acquisition of shares under Employee Share Plan (average price: $1.93)	**100**	**193**
Allocation of shares under Long-Term Incentive Share Options	**(300)**	**(740)**
Allocation of shares under Employee Share Plan	**(100)**	**(192)**
Balance at 31 December 2021	**300**	**746**

16. Fair value of financial instruments

This note provides information about how the Group determines the fair value of various financial assets and liabilities.

16.1 Fair value of financial assets and liabilities that are measured at fair value on a recurring basis

Financial assets and liabilities are disclosed in accordance with AASB 9 *Financial Instruments*.

A number of the Group's financial assets and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of those financial assets and liabilities are determined (in particular, the valuation technique(s) and inputs used).

The following assets and liabilities are measured at fair value by the Group for financial reporting purposes:

	Fair value hierarchy	Valuation technique(s) and key inputs (s)	HY22 $'000	FY21 $'000
Financial assets				
Equity in ASX Listed Companies	Level 1	Most recent traded price and other available market information	**17,626**	4,713
Equity in Unlisted Companies	Level 3	Acquisition value, financial performance since acquisition and subsequent capital rise since acquisition (if applicable)	**10,260**	10,110
Interest rate swaps	Level 2	Discounted cash flow Forward interest rates, contract interest rates	**7,843**	2,256
Financial liabilities				
Interest rate swaps	Level 2	Discounted cash flow Forward interest rates, contract interest rates	**-**	472
Cross currency swaps	Level 2	Discounted cash flow Forward interest rates, contract interest rates	**12,226**	60,504

17. Derivative financial assets and liabilities

The carrying values are as follows:

	HY22	FY21
	$'000	$'000
Derivative financial assets		
Interest rate swaps	**7,843**	2,256
	7,843	2,256
Derivative financial liabilities		
Cross currency swaps	**12,226**	60,504
Interest rate swaps	**-**	472
	12,226	60,976

The Group seeks to minimise the effects of currency and interest rate risks by using derivative financial instruments to hedge risk exposures. Derivatives are initially recognised at fair value at the date derivative contracts are entered into, and subsequently measured at their fair value at each reporting period.

All interest rate swaps are not designated as hedging instruments for accounting purposes, the changes in the fair value are recognised immediately in profit or loss.

Majority of cross currency swaps have been designated as cash flow hedges which are linked to the securitisation activity. The Group has entered into a cross currency swap agreement that has been designated as cash flow and fair value hedges. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the cash flow hedge reserve.

During the period, USD/AUD volatility drove material movement in our cross currency swaps hedged to the Group's US RMBS bonds. These movements in our derivative balances are matched with the Group's USD bond liabilities, with the profit/(loss) on swaps recognised in Other Comprehensive Income.

18. Share based payments

18.1 Employee share option plan of the Company

The Company has a share option scheme (pursuant to the Resimac Group Employee Share Option and Rights Plan) for senior employees of the Company. In accordance with the terms of the Plan, as approved by shareholders at the 2017 Annual General Meeting, senior employees may be granted options to purchase ordinary shares.

Each employee share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

Long-Term Incentive (LTI#1) Share Options - CEO

Resimac offered the CEO Scott McWilliam the opportunity to purchase 900,000 share options vesting in three equal tranches on each anniversary of the grant date. The options were granted on 18 August 2017 and all options vest within 12 months, 24 months and 36 months of respective grant date associated with each tranche. The options expire within 36 months of their vesting, or one month after resignation, whichever is the earlier. The sole vesting condition of the options is the employee remain employed with the Company to the respective vesting date associated with each tranche.

Long-Term Incentive (LTI#2) Share Options – CEO and Senior Management

Under the Group’s LTI share options and rights plan, the CEO and members of the senior management team receive options over ordinary shares and a potential cash component of $2.4m. The options were granted on 15 August 2019 and the vesting date for all options is 31 August 2022, subject to the Group achieving Net Profit After Tax (NPAT) growth hurdles, digital transformation hurdles, compliance hurdles and remaining employed with the Group until the vesting date.

Employee Share Plan (ESP)

The Group commenced the Resimac Group Employee Share Scheme (ESS) in March 2021 whereby each financial year eligible employees are offered up to $1,000 worth of fully paid Resimac ordinary shares for no cash consideration.

Shares allocated under the ESS cannot be sold until the earlier of three years after allocation or the time when the participant is no longer employed by the Group.

18.2 Movements in share options during the period

The following reconciles the share options outstanding at the beginning and the end of the period:

	Number of LTI options – LTI#1	Number of LTI options – LTI#2	Number of ESP options	Number of options total	Weighted average fair value$ - LTI#1	Weighted average fair value$ - LTI#2	Weighted average fair value$ - ESP
Unvested options at 1 July 2021	-	3,525,000	-	3,525,000	-	0.20	-
Vested options at 1 July 2021	600,000	-	-	600,000	0.09	-	-
Options held at 1 July 2021	**600,000**	**3,525,000**	**-**	**4,125,000**	**0.09**	**0.20**	**-**
Granted during the year	-	-	99,560	99,560	-	-	1.84
Exercised during the year	(300,000)	-	(99,560)	(399,560)	0.55	-	1.84
Unvested options at 31 December 2021	-	3,525,000	-	3,525,000	-	0.20	-
Vested options at 31 December 2021	300,000	-	-	300,000	0.09	-	-
Options held at 31 December 2021	**300,000**	**3,525,000**	**-**	**3,825,000**	**0.09**	**0.20**	**-**

19. Subsequent events

19.1 Financial dividend declared

The Board of Resimac Group Ltd declared a fully-franked interim dividend of 4.00 cents per share. The Record Date is 3 March 2022. The payment date will be 24 March 2022. The dividend has not been provided for in this financial report.

19.2 Share buy-back

On 13th December 2021, the Group announced to the ASX the intention to commence a share buy back scheme over a 12 month period commencing 29th December 2021. As at 24th February, 224,796 shares have been acquired of which 205,680 shares were cancelled.

DIRECTORS' DECLARATION

RESIMAC GROUP LTD AND ITS CONTROLLED ENTITIES

The Directors declare that:

(a) in the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001,* including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the Directors made pursuant to s.303 (5) of the *Corporations Act 2001.*

On behalf of the Directors

Warren McLeland
Chairman

Sydney
24 February 2022

Deloitte.

Deloitte Touche Tohmatsu
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24 February 2022

The Board of Directors
Resimac Group Limited
Level 9, 45 Clarence Street
Sydney, NSW 2000

Dear Board Members,

Auditor's Independence Declaration to Resimac Group Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Resimac Group Limited and its controlled entities.

As lead audit partner for the review of the half year financial report of Resimac Group Limited for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Heather Baister
Partner
Chartered Accountants

Deloitte.

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Independent Auditor's Review Report to the Members of Resimac Group Limited

Conclusion

We have reviewed the half-year financial report of Resimac Group Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2021, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors declaration as set out on pages 13 to 39.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a *Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Deloitte.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Heather Baister
Partner
Chartered Accountants

Sydney, 24 February 2022