RESIMAC GROUP LTD

Appendix 4D

Financial report
for the half-year ended 31 December 2023

ABN: 55 095 034 003

ASX : RMC

RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons to half-year ended 31 December 2022 "HY23")	$'000	Up/ down	Movement from HY23 %
Revenue from ordinary activities	**508,635**	Up	19%
Statutory profit from ordinary activities after tax attributable to members	**20,265**	Down	48%
Net comprehensive income for the period attributable to members	**16,763**	Down	63%

DIVIDENDS	Amount per share (cents)	Franked amount per security (cents)
Interim FY24 dividend declared (26 February 2024)	**3.50**	**3.50**
Final FY23 dividend paid (20 September 2023)	**4.00**	**4.00**
	7.50	**7.50**
Previous corresponding period:		
Interim FY23 dividend paid (24 March 2023)	4.00	4.00
Final FY22 dividend paid (23 September 2022)	4.00	4.00
	8.00	8.00

Record date for determining entitlements to the dividend	5 March 2024
Date the interim dividend is payable	19 March 2024

Dividend Reinvestment Plan

The Company's Dividend Reinvestment Plan (DRP) was suspended in April 2022 and did not apply to any interim and final dividends proposed or paid since April 2022.

1) Previous corresponding period

The previous corresponding period is the half-year ended 31 December 2022, unless otherwise stated.

2) Net tangible assets per security

Net tangible assets per security is $0.94 (HY23: $0.89).

3) Explanation of results

This information should be read in conjunction with the Resimac Group Ltd 2023 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 statutory net profit after tax (NPAT) of $20,265,000 for the period ended 31 December 2023. To reflect the Group's normalised earnings, the NPAT has been adjusted to remove non-recurring costs and one-off gains/losses. Management believe the disclosure of the normalised NPAT provides additional insight into the underlying performance for the year, by excluding one off, non-recurring items.

The following table reconciles the normalised earnings to the statutory NPAT for the year in accordance with International Financial Reporting Standards (IFRS).

	HY24 $'000
Statutory NPAT	**20,265**
Dividend income from listed equity investment	**(208)**
Tax effect of normalised items	**62**
Normalised NPAT	**20,119**

HY24 normalised NPAT excluding net fair value losses on derivatives (net of tax) is $26,019,000.

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
26 February 2024

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 2023. 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 Majid Muhammad**
  Chief Information Officer
- **Mr Andrew Marsden**
  Chief Treasury Officer
- **Mr Jason Azzopardi** (Resigned with effect from 12 January 2024)
  Chief Financial Officer

DIRECTORS' REPORT
RESIMAC GROUP LTD AND ITS CONTROLLED ENTITIES

Review of operations

Net interest income decreased 21% to $92,470,000 on the previous corresponding period (PCP) driven by lower home loan assets under management and higher cost of funds over non-conforming assets.

Operating expenses decreased 10% to $38,507,000 on PCP driven by lower employment costs and other operating expenses.

The Group's total home loan settlements were $2.0 billion, down 17% on PCP. Settlements were impacted by competitive market pricing and lower system activity, particularly in the Prime market. However, compared to 2H23, home loan settlements were up by 54%.

The Group's total assets under management of $14.2 billion at 31 December 2023 comprise:

- On balance sheet home loans and advances to customers of $12.5 billion, down 5% compared to 30 June 2023;
- On balance sheet asset finance loans of $1.0 billion (inclusive of $134 million portfolio acquired during the period, see Note 18), up 52% compared to 30 June 2023; and
- White label off-balance sheet portfolio of $0.7 billion, down 12% compared to 30 June 2023 in line with the Group's strategy to cease originating white label loans.

Macroeconomic environment

During FY23, global supply chain disruptions and geopolitical conflicts contributed to inflationary pressures worldwide, prompting central banks to implement unprecedented cash rate increases to counter inflation. However, the last 6 months have exhibited a sense of stability, evident in the recent performance of both credit and equity markets. Whilst ongoing geopolitical tensions may create market uncertainty, there is optimism for a positive cycle in Australia as the inflation rate is anticipated to return within the RBA's target range of 2 to 3 percent, leading to an expected easing of the cash rate.

The Group has navigated through these macroeconomic challenges and recorded portfolio growth in the December 2023 quarter coinciding with the removal of refinancing cash backs by major banks earlier in the year. Our home loans portfolio quality remains resilient demonstrated by lower arrears rates compared to industry, and coverage for bad debts has only increased marginally. Furthermore, the Group's asset finance portfolio has reached $1 Billion AUM, being 90% increase over the past 12 months. This strategic diversification positions the Group to generate new product streams and ensures a robust response to evolving market dynamics.

Funding programmes

During the period ended 31 December 2023, the following new Residential Mortgage Backed Securities (RMBS) were issued to facilitate assets under management, optimise term duration and funding costs:

- The RESIMAC Premier Series 2023-1 transaction was settled on 6 September 2023 and is a multi-currency prime issue with a total issuance size of AUD 750 million equivalent.
- The RESIMAC Bastille Series 2023-2NC transaction was settled on 29 September 2023 and is a multi-currency non-conforming issue with a total issuance size of AUD 1.5 billion equivalent.

Additionally a new warehouse facility was established to facilitate the acquisition of a portfolio of asset finance receivables (see note 18).

Auditor's independence declaration

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

DIRECTORS' REPORT
RESIMAC GROUP LTD AND ITS CONTROLLED ENTITIES

Subsequent events

Appointment of Chief Financial Officer

Mr. Jason Azzopardi resigned from his role as the Chief Financial Officer of Resimac with effect from 12 January 2024.

On 1 February 2024, Resimac announced the appointment of Mr. James Spurway as the new Chief Financial Officer, effective from 1 May 2024.

Financial dividend declared

The Board of Resimac Group Ltd declared a fully-franked interim dividend of 3.50 cents per share. The Record Date is 5 March 2024. The payment date will be 19 March 2024. The dividend has not been provided for in this financial report.

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
26 February 2024

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	**HY24 $'000**	HY23 $'000
Interest income	1	**504,686**	419,481
Interest expense	2	**(412,216)**	(302,241)
Net interest income		**92,470**	117,240
Fee and commission income	1	**2,575**	1,133
Fee and commission expense	2	**(16,715)**	(16,793)
Fair value gains on derivatives	1	**419**	-
Fair value losses on derivatives	2	**(8,780)**	(4,530)
Fair value write-down on unlisted equity investment	2	**-**	(3,600)
Other income	1	**955**	6,049
Employee benefits expense	2	**(24,776)**	(26,109)
Other expenses	2	**(13,731)**	(16,901)
Loan impairment expense	2	**(3,004)**	(564)
Profit before tax		**29,413**	55,925
Income tax expense		**(9,038)**	(16,973)
PROFIT AFTER TAX		**20,375**	38,952
Attributable to:			
Owners of the parent		**20,265**	38,936
Non-controlling interest		**110**	16
		20,375	38,952

		HY24 cents per share	HY23 cents per share
Earnings per share			
Basic	13	**5.07**	9.66
Diluted	13	**5.06**	9.63

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	HY24 $'000	HY23 $'000
PROFIT AFTER TAX		**20,375**	38,952
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss:			
Fair value movement on equity investments in listed companies through OCI, net of tax		**(219)**	(208)
Items that may be reclassified subsequently to profit or loss:			
Changes in fair value of cash flow hedges		**(5,424)**	7,412
Tax effect		**1,607**	(2,218)
Currency translation differences		**534**	1,500
Other comprehensive income for the period, net of tax		**(3,502)**	6,486
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**16,873**	45,438
Attributable to:			
Owners of the parent		**16,763**	45,422
Non-controlling interest		**110**	16
		16,873	45,438

FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	HY24 $'000	FY23 $'000
ASSETS			
Cash and cash equivalents	3	**1,080,016**	1,085,417
Trade and other receivables		**5,513**	3,472
Current tax receivable		**6,959**	8,115
Loans and advances	4	**13,458,739**	13,735,635
Contract assets	1	**10,727**	13,877
Other financial assets	5	**30,255**	28,587
Derivative financial assets	17	**6,793**	25,196
Right-of-use assets	6	**6,364**	7,323
Plant and equipment		**986**	1,320
Other assets		**727**	4,683
Deferred tax assets		**3,118**	34
Goodwill and intangible assets	7	**28,379**	28,379
		14,638,576	14,942,038
LIABILITIES			
Trade and other payables	8	**25,721**	27,146
Interest-bearing liabilities	9	**14,110,878**	14,471,070
Lease liabilities	10	**8,299**	9,369
Other financial liabilities	11	**5,100**	6,850
Derivative financial liabilities	17	**67,082**	426
Other liabilities		**479**	4,455
Provisions		**5,490**	7,339
		14,223,049	14,526,655
NET ASSETS		**415,527**	415,383
EQUITY			
Share capital	14	**173,465**	173,531
Reverse acquisition reserve	14	**(61,541)**	(61,541)
Total issued capital		**111,924**	111,990
Reserves	12	**(23,727)**	(19,589)
Retained earnings	12	**327,110**	322,872
Equity attributable to owners of the parent		**415,307**	415,273
Non-controlling interest	12	**220**	110
		415,527	415,383

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	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 period	-	-	-	-	38,936	38,936	16	38,952
Other comprehensive income, net of income tax	-	-	-	6,486	-	6,486	-	6,486
Total comprehensive income for the period	**-**	**-**	**-**	**6,486**	**38,936**	**45,422**	**16**	**45,438**
Acquisition of non-controlling interest	-	-	-	-	-	-	97	97
Share buyback	(2,873)	-	(2,873)	-	-	(2,873)	-	(2,873)
Equity dividends	-	-	-	-	(16,116)	(16,116)	-	(16,116)
Treasury shares	1,789	-	1,789	-	-	1,789	-	1,789
Share-based payments	-	-	-	(1,070)	-	(1,070)	-	(1,070)
Balance at 31 December 2022	**175,392**	**(61,541)**	**113,851**	**(20,050)**	**311,419**	**405,220**	**113**	**405,333**
Balance as at 1 July 2023	**173,531**	**(61,541)**	**111,990**	**(19,589)**	**322,872**	**415,273**	**110**	**415,383**
Profit for the period	**-**	**-**	**-**	**-**	**20,265**	**20,265**	**110**	**20,375**
Other comprehensive income, net of income tax	**-**	**-**	**-**	**(3,502)**	**-**	**(3,502)**	**-**	**(3,502)**
Total comprehensive income for the period	**-**	**-**	**-**	**(3,502)**	**20,265**	**16,763**	**110**	**16,873**
Share buyback	**(1,474)**	**-**	**(1,474)**	**-**	**-**	**(1,474)**	**-**	**(1,474)**
Equity dividends	**-**	**-**	**-**	**-**	**(16,027)**	**(16,027)**	**-**	**(16,027)**
Treasury shares	**1,408**	**-**	**1,408**	**-**	**-**	**1,408**	**-**	**1,408**
Share-based payments	**-**	**-**	**-**	**(636)**	**-**	**(636)**	**-**	**(636)**
Balance at 31 December 2023	**173,465**	**(61,541)**	**111,924**	**(23,727)**	**327,110**	**415,307**	**220**	**415,527**

1 As a result of reverse acquisition accounting on the Resimac/Homeloans 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 payment reserve and other reserve. Refer to note 12 for more detail.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	HY24 $'000	HY23 $'000
Cash flows from operating activities			
Interest received		**511,456**	409,124
Interest paid		**(410,711)**	(280,547)
Receipts from loan fees and other income		**12,419**	16,169
Payments to suppliers and employees		**(83,953)**	(91,302)
Receipts of net loans from borrowers		**411,520**	576,838
Income tax paid		**(8,910)**	(26,261)
Net cash from operating activities		**431,821**	604,021
Cash flows from investing activities			
Payment for plant and equipment		**-**	(138)
Payment for acquisition of loan portfolio/subsidiary	18	**(14,799)**	(900)
Cash acquired on acquisition of loan portfolio/subsidiary		**6,773**	220
Payment for new investments (short term deposit)		**(1,982)**	-
Return of capital from listed equity investment		**-**	1,581
Dividend income from listed equity investments		**158**	3,622
Net cash (used in) / from investing activities		**(9,850)**	4,385
Cash flows from financing activities			
Proceeds from borrowings		**5,164,360**	3,305,330
Repayment of borrowings		**(5,582,894)**	(3,660,183)
Proceeds from exercise of share options		**488**	510
Payment of lease liabilities		**(928)**	(838)
Swap receipts		**8,600**	5,305
Payment of dividends		**(16,027)**	(16,116)
Loan to related entity		**-**	(12,000)
Payment for share buybacks		**(1,474)**	(2,873)
Payment for acquisition of treasury shares		**-**	-
Net cash used in financing activities		**(427,875)**	(380,865)
Net (decrease) / increase in cash and cash equivalents		**(5,904)**	227,541
Cash and cash equivalents at the beginning of the period (1 July)		**1,085,417**	932,781
Effects of exchange rate changes on cash balances held in foreign currencies		**503**	727
Cash and cash equivalents at the end of the period	3	**1,080,016**	1,161,049

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, 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 2023 annual financial report for the financial year ended 30 June 2023, 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 2024. 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 2023.

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 2023 reporting period and have not been early adopted by the Group.

Standard/amendment	Effective for annual reporting periods beginning on or after
AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current;* AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of effective date;* and IASB Amendment *Non-current Liabilities with Covenants*	1 July 2024
On 23 October 2023, the Australian Accounting Standards Board released its Exposure Draft outlining the proposed implementation of climate-related financial disclosure in Australia. While the effective date is yet to be confirmed, these standards are expected to impact the Group's financial reporting in the future, with Resimac being considered in Group 1 for reporting purposes	Yet to be confirmed

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 2023 annual financial report for the financial year ended 30 June 2023.

- Impairment of financial assets; and
- Goodwill impairment.

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. Refer to note 7.

Key judgements and assumptions used for assessing the recoverable amount of the Cash Generating Units (CGUs) to which the goodwill relates to is referenced in Note 11 of the FY23 annual report.

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 home loan portfolios, and the upfront and trail commission from funders on the non-principally funded loans (white label loan portfolio).

The Group's fully owned subsidiary Resimac Asset Finance (RAF) specialises in both Australian based secured commercial lending. Management have assessed the impact of the RAF business on its Group results as not representing a reportable segment for the period ended 31 December 2023, 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 NZ.

The financial information of the Australian Lending and New Zealand Lending reportable segments are prepared using accounting policies consistent with the Group.

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

	AUSTRALIAN LENDING		NEW ZEALAND LENDING		CONSOLIDATED	
	HY24	HY23	**HY24**	HY23	**HY24**	HY23
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Revenue from external customers	**480,385**	403,379	**28,250**	23,284	**508,635**	426,663
Total segment revenue	**480,385**	403,379	**28,250**	23,284	**508,635**	426,663
Segment results before fair value (losses)/gains on derivatives, interest, tax, depreciation, amortisation, finance costs and impairment	**436,602**	351,375	**25,405**	20,084	**462,007**	371,459
Fair value (losses)/gains on derivatives	**(6,430)**	(4,769)	**(2,350)**	239	**(8,780)**	(4,530)
Interest expense	**(387,564)**	(283,838)	**(24,652)**	(18,403)	**(412,216)**	(302,241)
Depreciation and amortisation	**(1,113)**	(1,168)	**(39)**	(43)	**(1,152)**	(1,211)
Loan impairment	**(2,820)**	(564)	**(184)**	-	**(3,004)**	(564)
Finance costs	**(7,015)**	(6,652)	**(427)**	(336)	**(7,442)**	(6,988)
Segment results before income tax	**31,660**	54,384	**(2,247)**	1,541	**29,413**	55,925
Income tax expense [1]					**(9,038)**	(16,973)
PROFIT AFTER TAX					**20,375**	38,952

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	
	HY24	FY23	**HY24**	FY23	**HY24**	FY23
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Segment assets	**13,942,288**	14,094,234	**686,211**	839,655	**14,628,499**	14,933,889
	13,942,288	14,094,234	**686,211**	839,655	**14,628,499**	14,933,889
Segment liabilities	**(13,584,329)**	(13,736,229)	**(638,720)**	(790,426)	**(14,223,049)**	(14,526,655)
Net assets excluding tax	**357,959**	358,005	**47,491**	49,229	**405,450**	407,234
Tax assets[2]					**10,077**	8,149
NET ASSETS					**415,527**	415,383

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

1. Revenue

1.1 Revenue streams

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

	HY24 $'000	HY23 $'000
Interest income		
Loans and advances	**488,577**	411,449
Bank deposits	**15,744**	7,400
Discount unwind on NPV of trail commission	**365**	632
	504,686	419,481
Fee and commission income (Revenue from contracts with customers)	**2,575**	1,133
Fair value gains on derivatives		
Fair value gains on overnight index swaps	**419**	-
	419	-
Other income		
Dividend income	**208**	5,175
Other	**747**	874
	955	6,049
Total revenue	**508,635**	426,663

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 16).

1. **Revenue** (continuation)

	AUSTRALIAN LENDING		NEW ZEALAND LENDING		CONSOLIDATED	
	HY24	HY23	**HY24**	HY23	**HY24**	HY23
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Major service lines						
Mortgage origination	**40**	53	**-**	-	**40**	53
Loan management	**(878)**	(2,661)	**-**	-	**(878)**	(2,661)
Lending fee income	**3,263**	2,347	**150**	1,394	**3,413**	3,741
	2,425	(261)	**150**	1,394	**2,575**	1,133
Timing of revenue recognition						
Service transferred at a point in time	**2,425**	(261)	**150**	1,394	**2,575**	1,133
Revenue from contracts with customers	**2,425**	(261)	**150**	1,394	**2,575**	1,133
Interest income	**476,594**	397,896	**28,092**	21,585	**504,686**	419,481
Fair value gains on derivatives	**419**	-	**-**	-	**419**	-
Other income	**947**	5,744	**8**	305	**955**	6,049
External revenue as reported in segment information	**480,385**	403,379	**28,250**	23,284	**508,635**	426,663

1. **Revenue** (continuation)

1.3 Assets related to contract with customers

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

	HY24 $'000	FY23 $'000
Contract assets – present value of future trail commission receivable		
Current	**3,746**	4,724
Non-current	**6,981**	9,153
	10,727	13,877

2. Expenses

	HY24 $'000	HY23 $'000
Interest		
Bond and warehouse facilities	**404,649**	293,583
Amortisation – facility issuance costs	**4,761**	5,240
Discount unwind on NPV of trail commission	**179**	311
Corporate facility	**2,480**	2,894
Interest on lease liabilities	**147**	213
	412,216	302,241
Fee and commission		
Loan management	**9,373**	10,234
Borrowing commitment costs	**2,154**	2,510
RMBS costs	**5,288**	4,478
Discharge fee refund provision release	**(100)**	(429)
	16,715	16,793
Employee benefits		
Remuneration, bonus, superannuation and on-costs	**24,578**	25,277
Share-based payments	**198**	832
	24,776	26,109
Fair value losses on derivatives		
Fair value losses on interest rate swaps	**8,780**	3,477
Fair value losses on overnight index swaps	**-**	1,053
	8,780	4,530
Fair value write-down on unlisted equity investment	**-**	3,600
Other		
Marketing	**1,070**	3,542
Technology expenses	**5,545**	5,837
Audit and other professional fees	**1,348**	1,620
Rent and occupancy costs	**537**	525
Insurance[1]	**1,308**	1,291
Depreciation and amortisation	**335**	390
Depreciation charge of right-of-use assets	**817**	821
Unrecoverable GST	**1,384**	1,421
Other	**1,387**	1,454
	13,731	16,901
Loan impairment expense	**3,004**	564
	479,222	370,738

1. 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

	HY24 $'000	FY23 $'000
Cash at bank and on hand	**18,792**	22,732
Cash collections account [1]	**1,061,224**	1,062,685
	1,080,016	1,085,417

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.

4. Loans and advances

	HY24 $'000	FY23 $'000
Gross loans and advances	**13,506,185**	13,781,479
Less: allowance for impairment	**(47,446)**	(45,844)
	13,458,739	13,735,635
Current	**4,862,227**	4,341,166
Non-current	**8,643,958**	9,440,313
	13,506,185	13,781,479
Impairment allowances		
Collective allowance	**44,284**	43,294
Specific allowance	**3,162**	2,550
	47,446	45,844
Movement in impairment allowances [2]		
Balance at 1 July	**45,844**	47,041
Provided for during the period		
- Specific	**2,027**	1,660
- Collective	**977**	580
Written off	**(1,402)**	(3,437)
Balance at end of the period	**47,446**	45,844

2. Comparative movement in impairment allowances are for a 12 month period.

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 loans and advances. 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 FY23 annual report. As at 31 December 2023, the Group held the Collective Provision balance relatively consistent with the provision at 30 June 2023. This represents a 32bps (33bps including asset finance portfolio) collective provision coverage of home loans assets under management (FY23: 31bps).

Whilst we remain cautious of the current economic environment with a small portion of our loan portfolio experiencing stress, our overall portfolio quality remains strong and our credit risk management continues to limit the economic losses. At 31 December 2023, 339 home loan customers were in active hardship arrangements (268 at 30 June 2023), Prime 90 days arrears were 69 bps (57 bps at 30 June 2023), and Specialist 90 days arrears were 162 bps (131 bps at 30 June 2023). Despite this increase, home loan specific provision at 31 December 2023 remain low at $1.7 million (30 June 2023: $1.8 million).

The following table summarises the loans and advances and the expected credit loss by stage and risk category:

Maximum exposure to credit risk[1]	Stage 1 - Collective $'000	Stage 2 - Collective $'000	Stage 3 - Collective $'000	Stage 3 - Specific $'000	Total $'000
Balance as at 31 December 2023					
Loans and advances					
- Mortgage lending	**11,883,779**	**470,012**	**139,550**	**4,820**	**12,498,161**
- Asset finance lending	**944,306**	**13,771**	**231**	**7,975**	**966,283**
- Commercial lending	**255**	**-**	**-**	**-**	**255**
Total	**12,828,340**	**483,783**	**139,781**	**12,795**	**13,464,699**
Balance as at 30 June 2023					
Loans and advances					
- Mortgage lending	12,614,816	365,141	126,574	6,084	13,112,615
- Asset finance lending	629,738	6,106	99	1,228	637,171
- Commercial lending	265	-	-	-	265
Total	13,244,819	371,247	126,673	7,312	13,750,051

[1] Excludes capitalised upfront commissions, deferred mortgage fees and collections owed to trusts.

Expected credit loss	Stage 1 - Collective $'000	Stage 2 - Collective $'000	Stage 3 - Collective $'000	Stage 3 - Specific $'000	Total $'000
Balance as at 31 December 2023					
Loans and advances					
- Mortgage lending	**9,853**	**17,904**	**12,212**	**1,742**	**41,711**
- Asset finance lending	**2,843**	**1,418**	**54**	**1,420**	**5,735**
- Commercial lending	**-**	**-**	**-**	**-**	**-**
Total	**12,696**	**19,322**	**12,266**	**3,162**	**47,446**
Balance as at 30 June 2023					
Loans and advances					
- Mortgage lending	15,448	13,244	11,936	1,838	42,466
- Asset finance lending	1,846	763	57	712	3,378
- Commercial lending	-	-	-	-	-
Total	17,294	14,007	11,993	2,550	45,844

The majority of the Group's exposure to loans and advances is limited, as they are legally owned by special purpose vehicles (trusts) with limited recourse to the Group. Losses on mortgage loans in these entities are therefore limited to the Group's investment in notes in these trusts and the residual income rights of trusts. The trust structures are designed such that losses are covered by the income generated from the assets within the trust before the investment notes are impaired.

4. Loans and advances (continuation)

The following table summarises the movement in credit exposures:

	Stage 1 - Collective $'000	Stage 2 - Collective $'000	Stage 3 - Collective $'000	Stage 3 - Specific $'000	Total $'000
Provision for impairment losses					
Balance as at 30 June 2023	**17,294**	**14,007**	**11,993**	**2,550**	**45,844**
Net transfer between stages	**6,537**	**(489)**	**(6,276)**	**228**	**-**
Stage 1 - Collective	**-**	**(2,565)**	**(3,694)**	**(278)**	**(6,537)**
Stage 2 - Collective	**2,565**	**-**	**(2,504)**	**428**	**489**
Stage 3 - Collective	**3,694**	**2,435**	**(21)**	**78**	**6,186**
Stage 3 - Impaired	**278**	**(359)**	**(57)**	**-**	**(138)**
Net re-measurement on transfers between stages	**(14,514)**	**5,155**	**6,495**	**1,506**	**(1,358)**
Impact of transfers between stages and re-measurement	**9,317**	**18,673**	**12,212**	**4,284**	**44,486**
Net Financial Assets Originated	**3,883**	**820**	**54**	**974**	**5,731**
Movements in existing individually assessed provisions and write-backs	**-**	**-**	**-**	**(19)**	**(19)**
Write-offs	**-**	**-**	**-**	**(1,402)**	**(1,402)**
Discharges/Other	**(504)**	**(171)**	**-**	**(675)**	**(1,350)**
Balance as at 31 December 2023	**12,696**	**19,322**	**12,266**	**3,162**	**47,446**
Credit Exposure					
Balance as at 1 July 2023	**13,244,819**	**371,247**	**126,673**	**7,312**	**13,750,051**
Net transfers between stages and financial assets originated/repaid	**(416,480)**	**112,536**	**13,109**	**6,885**	**(283,950)**
Write-offs	**-**	**-**	**-**	**(1,402)**	**(1,402)**
Balance as at 31 December 2023	**12,828,339**	**483,783**	**139,782**	**12,795**	**13,464,699**

5. Other financial assets

	Note	**HY24 $'000**	FY23 $'000
Equity in ASX Listed Companies (FVTOCI)	16	**16,763**	17,077
Equity in Unlisted Companies (FVTPL)	16	**3,510**	3,510
Loan to related entity[1]	16	**8,000**	8,000
Term Deposit (Amortised cost)		**1,982**	-
		30,255	28,587
Current		**9,982**	8,000
Non-current		**20,273**	20,587
		30,255	28,587

1. Resimac provided a short-term interest bearing loan of $8 million to a related party. Interest is charged on arm's length terms. Accrued interest at 31 December 2023 of $0.04 million is presented within trade and other receivables in this financial report.

6. Right-of-use assets

	HY24 $'000	FY23 $'000
Lease - buildings		
Balance at the beginning of the period	**7,323**	8,959
Addition/modification	**(156)**	-
Depreciation	**(817)**	(1,643)
Foreign exchange	**14**	7
Balance at the end of the period	**6,364**	7,323
Lease - buildings		
Right-of-use assets at cost	**14,106**	14,244
Less: accumulated depreciation	**(7,742)**	(6,921)
Total right-of-use assets	**6,364**	7,323

The Group lease offices with lease terms between 2 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

	HY24 $'000	FY23 $'000
Goodwill		
Balance at beginning of the period	**28,379**	27,430
Additional accounts recognised from business combinations	**-**	949
Balance at end of the period	**28,379**	28,379
Other intangible assets		
Balance at beginning of the period	**-**	66
Amortisation	**-**	(28)
Write-off	**-**	(38)
Balance at end of the period	**-**	-
Total goodwill and other intangible assets	**28,379**	28,379

Impairment of goodwill

At 31 December 2023, the Group has performed an assessment of the indicators of impairment of goodwill, which included consideration of the impact of the macroeconomic environment. Goodwill of $21.7 million has been allocated for impairment assessment purposes to the Australian Lending Business segment. This segment is considered to be the group of cash-generating units (CGU) that are expected to benefit from the synergies of the business combination to which that goodwill relates. RAF goodwill of $6.7 million is considered a separate CGU and has been separately assessed for impairment testing.

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;
- decline in market capitalisation below the carrying value of net assets;
- interest rate changes which impact the discount rate used in modelling;
- evidence of a worsening financial position;
- plans to discontinue operations; and
- macro economic conditions.

There were no indicators of impairment as at 31 December 2023.

8. Trade and other payables

	HY24 $'000	FY23 $'000
Current		
Revenue collected in advance	**4,733**	2,234
Commissions payable	**5,651**	644
Accruals	**8,725**	14,594
Other creditors	**6,612**	9,674
	25,721	27,146

9. Interest-bearing liabilities

	HY24 $'000	FY23 $'000
Debt securities on issue	**13,752,890**	14,125,154
Corporate debt facilities	**62,500**	50,000
Issuance facilities	**295,488**	295,916
	14,110,878	14,471,070
Current	**5,079,916**	4,558,387
Non-current	**9,030,962**	9,912,683
	14,110,878	14,471,070

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

Debt securities on issue

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

Corporate debt facilities

Corporate debt facilities consists of $45 million of Secured Capital Note with a 3 year tenor (FY23: $50 million). Additionally at 31 December 2023, the Group had drawn $17.5 million from its Corporate Debt facility (FY23: $nil).

Issuance facilities

The Group maintains a series of subsidiary SPV's for the purpose of raising financing for its RMBS-related credit risk retention ("CRR") obligations. CRR is a mandatory requirement for the Group's RMBS issuance activities in the U.S., European, Japanese and U.K. jurisdictions where, in general, the Group is required to hold an economic interest of at least 5% in value of an RMBS issuance. The subsidiary SPV's hold a 5% vertical strip of bonds of an individual RMBS issuance and raises secured financing from banks and credit investors.

10. Lease liabilities

Lease liabilities included in the Statement of Financial Position	**HY24 $'000**	FY23 $'000
Balance at beginning of the period	**9,369**	11,097
Addition/modification	**(156)**	12
Interest incurred	**147**	411
Payment of lease liabilities	**(1,075)**	(2,164)
Foreign exchange	**14**	13
Balance at the end of the financial period	**8,299**	9,369
Current	**1,693**	1,703
Non-current	**6,606**	7,666
	8,299	9,369
Maturity analysis – contractual undiscounted cashflows		
Less than one year	**2,167**	2,176
One to five years	**7,413**	8,368
More than five years	**-**	-
Total undiscounted lease liabilities at the end of the financial period	**9,580**	10,544

Amounts recognised in Statement of Comprehensive Income	**HY24 $'000**	HY23 $'000
Depreciation charge of right-of-use assets	**817**	821
Interest expense on lease liabilities	**147**	213
Amounts recognised in Statement of Cash Flows		
Interest paid	**(147)**	(213)
Payment of lease liabilities	**(928)**	(838)

11. Other financial liabilities

	HY24 $'000	FY23 $'000
Present value of future trail commission payable	**5,100**	6,850
	5,100	6,850
Current	**1,842**	2,267
Non-current	**3,258**	4,583
	5,100	6,850

12. Reserves and retained earnings

	Retained earnings	Reserves: Cash flow hedge reserve	Reserves: Foreign currency translation reserve	Reserves: Fair value reserve	Reserves: Share-based payment reserve	Reserves: Other reserve	Reserves: Total reserves	Non-controlling interest
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2022	288,599	(12,631)	(1,291)	(4,056)	494	(7,982)	(25,466)	-
	-	-	-	-	-	-	-	97
Profit after tax	38,936	-	-	-	-	-	-	16
Changes in fair value of cash flow hedges, net of tax	-	5,194	-	-	-	-	5,194	-
Currency translation differences	-	-	1,500	-	-	-	1,500	-
Fair value movement on investment through OCI, net of tax	-	-	-	(208)	-	-	(208)	-
Equity dividends	(16,116)	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	(1,070)	-	(1,070)	-
Balance at 31 December 2022	311,419	(7,437)	209	(4,264)	(576)	(7,982)	(20,050)	113
Balance at 1 July 2023	**322,872**	**(4,490)**	**(502)**	**(5,670)**	**(945)**	**(7,982)**	**(19,589)**	**110**
Profit after tax	**20,265**	**-**	**-**	**-**	**-**	**-**	**-**	**110**
Changes in fair value of cash flow hedges, net of tax	**-**	**(3,817)**	**-**	**-**	**-**	**-**	**(3,817)**	**-**
Currency translation differences	**-**	**-**	**534**	**-**	**-**	**-**	**534**	**-**
Fair value movement on investments through OCI, net of tax	**-**	**-**	**-**	**(219)**	**-**	**-**	**(219)**	**-**
Equity dividends	**(16,027)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Share-based payments	**-**	**-**	**-**	**-**	**(636)**	**-**	**(636)**	**-**
Balance at 31 December 2023	**327,110**	**(8,307)**	**32**	**(5,889)**	**(1,581)**	**(7,982)**	**(23,727)**	**220**

13. Earnings per share

	HY24	HY23
Profit attributable to ordinary equity holders of the parent ($'000)	**20,265**	38,936
WANOS[1] used in the calculation of basic EPS (shares, thousands)	**399,966**	403,190
Dilutive effect of share options	**610**	1,257
WANOS[1] used in the calculation of diluted EPS (shares, thousands)	**400,576**	404,447
Earnings per share		
Basic (cents per share)	**5.07**	9.66
Diluted (cents per share)	**5.06**	9.63

1. Weighted average number of shares.

14. Issues of equity securities

	HY24 $'000	FY23 $'000
Issued capital	**174,332**	175,806
Treasury shares	**(867)**	(2,275)
Share capital	**173,465**	173,531
Reverse acquisition reserve [1]	**(61,541)**	(61,541)
Total issued capital	**111,924**	111,990

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 2023 was $174,331,944 (400,000,000 ordinary shares). During the period, the Company acquired 1,622,340 shares for $1,473,744 (average price of $0.91 per share) under the Group's on market share buyback scheme. These shares were cancelled prior to 31 December 2023.

14. Issues of equity securities (continuation)

14.1 Issued capital

	No. of shares – Thousands	$'000
Balance at 1 July 2022	406,912	180,998
Share buyback cancelled shares (average price: $0.98 per share)	(5,290)	(5,192)
Balance at 30 June 2023	**401,622**	**175,806**
Share buyback cancelled shares (average price: $0.91 per share)	(1,622)	(1,474)
Balance at 31 December 2023	**400,000**	**174,332**

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

14.2 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 2022	2,925	4,522
Allocation of shares under LTI#2	(785)	(1,485)
Allocation of shares under Employee Share Plan	(200)	(305)
Allocation of shares under LTI#1 Tranche 3	(300)	(457)
Balance at 30 June 2023	**1,640**	**2,275**
Allocation of shares under LTI#2	(750)	(1,083)
Allocation of shares under Employee Share Plan	(227)	(325)
Balance at 31 December 2023	**663**	**867**

15. Dividends

	HY24 $'000	HY23 $'000
Declared and paid during the period (fully-franked at 30 per cent)		
Final FY23 dividend[1]: $0.04 (FY22: $0.04)	**15,993**	16,116
Dividend declared and paid in relation to non-controlling interest	**34**	-
	16,027	16,116
Proposed and unrecognised as a liability (fully-franked at 30 per cent)		
Interim FY24 dividend: $0.035 (Interim FY23: $0.04)	**14,000**	16,057

1. The final FY23 dividend paid is net of dividend paid to treasury shares held by the Group of $72,466 (FY22: $122,286), eliminated on consolidation.

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)**	**HY24 $'000**	FY23 $'000
Financial assets				
Equity in ASX Listed Companies	Level 1	Most recent traded price and other available market information	**16,763**	17,077
Equity in Unlisted Company	Level 3	Acquisition value, financial performance since acquisition and subsequent capital rise since acquisition (if applicable)	**3,510**	3,510
Interest rate swaps	Level 2	Discounted cash flow Forward interest rates, contract interest rates	**6,793**	20,722
Cross currency swaps	Level 2	Discounted cash flow Forward interest rates, contract interest rates	**-**	4,474
Financial liabilities				
Interest rate swaps	Level 2	Discounted cash flow Forward interest rates, contract interest rates	**2,156**	
Cross currency swaps	Level 2	Discounted cash flow Forward interest rates, contract interest rates	**64,919**	
Overnight index swaps	Level 2	Discounted cash flow Forward interest rates, contract interest rates	**7**	426

17. Derivative financial assets and liabilities

The carrying values are as follows:

	HY24 $'000	FY23 $'000
Derivative financial assets		
Interest rate swaps	**6,793**	20,722
Cross currency swaps	**-**	4,474
	6,793	25,196
Derivative financial liabilities		
Interest rate swaps	**2,156**	-
Cross currency swaps	**64,919**	-
Overnight index swaps	**7**	426
	67,082	426

The Group seeks to minimise the effects of foreign currency and some interest rate exposures by using derivative instruments to hedge these positions. 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.

Hedge accounting

The Group designates certain hedging instruments, which includes derivatives in respect of foreign currency and interest rate risks, as cash flow hedges.

At the inception of the hedge relationship the Group documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions.

Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge value is largely reflective of the hedged item.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Some of the Group's 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 for these interest rate swaps.

18. Asset acquisition

On 20 June 2023, Resimac entered into a sale and purchase deed with Thorn Australia Pty Limited and Thornmoney Pty Limited (collectively "Thorn") in relation to the purchase of Thorn's Asset Finance portfolio. The transaction was completed on 1 September 2023. Thorn and Resimac are related entities with common Shareholders and Directors.

This portfolio acquisition transaction has been accounted as an asset acquisition in line with the requirements of AASB 9 *Financial Instrument*.

The fair value assets and liabilities recognised as a result of the portfolio acquisition are as follows:

	Fair value $'000
Assets	
Cash and cash equivalents	**6,773**
Loans and advances	**133,980**
Other assets	**408**
Total assets	**141,161**
Liabilities	
Interest bearing liabilities	**(124,780)**
Other liabilities	**(1,582)**
Total liabilities	**(126,362)**
Fair value of identified net assets	**14,799**
Gain/loss on acquisition	**-**
Purchase consideration	**14,799**

19. Share based payments

19.1 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 to remain employed with the Company to the respective vesting date associated with each tranche.

All tranches of the share options were exercised prior to June 2023.

Long-Term Incentive (LTI#2) Share Options – CEO and General Managers (GMs)

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 $2.4 million. 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.

A cash component LTI of $1.7 million was paid to the CEO and senior management in September 2022. Furthermore, a total of 1,535,000 share options were exercised as of 31 December 2023.

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.

19.2 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#2	Number of ESP options	Number of options total	Weighted average fair value$ - LTI#2	Weighted average fair value$ - ESP
Unvested options at 1 July 2023	-	-	-	-	-
Vested options at 1 July 2023	2,740,000	-	2,740,000	0.20	-
Options held at 1 July 2023	**2,740,000**	**-**	**2,740,000**	**0.20**	**-**
Granted during the period	-	226,730	226,730	-	0.92
Exercised during the period	(750,000)	(226,730)	(976,730)	0.95	0.92
Unvested options at 31 Dec 2023	-	-	-	-	-
Vested options at 31 Dec 2023	1,990,000	-	1,990,000	0.20	-
Options held at 31 Dec 2023	**1,990,000**	**-**	**1,990,000**	**0.20**	**-**

20. Commitment

On 25 January 2024, Resimac entered into a share purchase and sale agreement with 23 Degrees Capital Partners Pty Ltd, to increase Resimac's interest in 23 Degrees Capital Partners Pty Ltd to 100% with effect from 1 July 2024 for a purchase consideration of $1.4 million.

21. Subsequent events

21.1 Appointment of Chief Financial Officer

Mr. Jason Azzopardi resigned from his role as the Chief Financial Officer of Resimac with effect from 12 January 2024.

On 1 February 2024, Resimac announced the appointment of Mr. James Spurway as the new Chief Financial Officer, effective from 1 May 2024.

21.2 Financial dividend declared

The Board of Resimac Group Ltd declared a fully-franked interim dividend of 3.50 cents per share. The Record Date is 5 March 2024. The payment date will be 19 March 2024. The dividend has not been provided for in this financial report.

There have been no other circumstances arising since 31 December 2023 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 periods.

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
26 February 2024

Deloitte Touche Tohmatsu
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26 February 2024

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 Board of 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 2023, 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 2023, and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information 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 accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2023 and of 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.*

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 auditor independence requirements of the *Corporations Act 2001* and 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.

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 2023 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*.

Deloitte.

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

Heather Baister
Partner
Chartered Accountants

Sydney, 26 February 2024