



14 November 2023

**ASX RELEASE**

**Resimac Group Ltd – 2023 Annual General Meeting  
CEO'S Address**

Please see attached the address to be delivered by Resimac Chief Executive Officer, Scott McWilliam, to shareholders at the Annual General Meeting.

-ENDS-

**Peter Fitzpatrick**

Company Secretary

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**About Resimac Group (as at 29 August 2023):**

Resimac Group Ltd ("Resimac Group") is a leading non-bank lender and multi-channel distribution business. Its fully integrated business model comprises originating, servicing and funding prime, non-conforming residential mortgages and asset finance products in Australia and New Zealand. With over 300 people operating across Australia, New Zealand and the Philippines, Resimac Group has in excess of 55,000 customers with a portfolio of home loans on balance sheet of over \$13 billion, an asset finance portfolio over \$600 million, and total assets under management of over \$14 billion.

Resimac Group has issued over \$45 billion of mortgage-backed securities in domestic and global markets since 1987. It has access to a diversified funding platform with multiple warehouse lines provided by domestic and offshore banks for short-term funding in addition to a global securitisation program to fund its assets longer term.

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## CEO's Address

### RESIMAC GROUP LTD – 2023 ANNUAL GENERAL MEETING

Good morning everyone. To echo Warren's sentiments, it is my pleasure to welcome you to Resimac Group's annual general meeting.

It's no secret that FY23 was a challenging year, for all the reasons Warren mentioned in his address. What I'm going to take you through are the achievements and milestones our Group has had over this period, as well as how we're tracking for FY24 and our strategy moving forward.

#### Financial performance for the year ended 30 June 2023

I will start with our financial performance for the year ended 30 June 2023.

I am pleased we were able to continue delivering strong returns to you, our shareholders.

The Group posted a normalised net profit after tax of \$73.7 million in a market dominated by fierce competition and lower demand for consumer credit as a result of higher interest rates.

I can also report that mortgage arrears stabilised in the second half of FY23. Our prudent approach to credit risk gives us confidence that our balance sheet is conservatively provisioned and contains low loss exposure.

While the home loan market softened, our asset finance business continued to thrive. With more brokers seeing the benefits of our equipment and vehicle loans, we increased asset finance settlements by 19% YoY to \$482 million.

#### Outlook

Regarding the year ahead, I am cautiously optimistic about the Group's outlook.

The competition for prime customers continues, but with most of the major banks winding back their cashback offers and new business incentives, this should see more of a level playing field moving forward.

We are seeing increased system activity as we come through the Spring sales season, particularly for refinancing, with many borrowers rolling off fixed rates.

These macroeconomic factors should help increase prime and non-prime settlements in FY24. We strive to offer competitive products to consumers and be a meaningful alternative to the banks, and I'm pleased to say that we're already seeing lending activity pick up again.

## **FY24 momentum**

Our residential mortgage numbers are tracking well into the second quarter of FY24. Home loan applications in September were the highest they've been in 12 months, and this momentum has continued into October off the back of targeted product offerings.

There is also material growth potential in our asset finance business. Our market share has increased among brokers, and with new additions to the team and a new originations platform, I'm confident we're well-resourced to support a greater volume of asset finance settlements in the year ahead.

## **Technology**

Our progress in FY24 is bolstered by the key technology initiatives we delivered on in FY23, including the aforementioned asset finance origination platform, a new mortgage origination platform, and a new digital loan management portal for customers. We will continue to deploy technology throughout the company where it will deliver volume or efficiency benefits, and I am excited by these prospects.

Achieving our growth targets while continuing to exercise a strong cost discipline means embracing a digital operating model, and we've done this in a way that ensures our customers and brokers receive a better user experience.

## **Funding program**

Our global funding program, which underpins all of our lending activity, has also made a solid start to FY24, with domestic and offshore investors demonstrating a healthy appetite for our RMBS issuances.

In August, we priced a \$750 million Prime RMBS deal at a lower cost of funds than the previous issuance, quickly followed by a \$1.5 billion non-conforming RMBS deal in October. This marks four Resimac RMBS deals for the 2023 calendar year.

Here, too, we've invested in technology, and recently went live with a new platform that digitises core funding processes. This provides the Treasury team with greater operational efficiency and scalability when working on RMBS transactions.

We also increased the number of our warehouse facilities in FY23, with new banking partners to support our home loans and asset businesses, providing us with strong funding capabilities for the year ahead.

## **Strategy**

Resimac Group's mission remains unchanged. We focus on being a customer-centred company that makes home ownership, financial freedom and business success more accessible to everyone.

Our Resimac-branded home loan businesses in Australia and New Zealand are renowned for offering a comprehensive suite of flexible lending solutions that cater for a broad audience, particularly niche segments that are underserved in the market. Our home loan business also includes products that are adaptable to different phases of economic cycles to manage both risk and returns. This strategy has continued to serve us well throughout difficult and uncertain economic conditions.

Our asset finance business follows the same model, providing the Group with a logical and adjacent opportunity to offer higher-margin products to new and existing audiences. I am encouraged by the market opportunities in this space and the ability to create a meaningful presence for Resimac.

Leveraging the strength of our brands across home loans and asset finance enables us to originate and manage a diversified pool of loan assets at sustainable margins, facilitated predominantly through our broker channel.

### **Closing**

In closing, I would like to express my thanks to our brokers, business partners and customers for their loyalty throughout a challenging period. We are grateful for your support.

I want to acknowledge our board of directors and senior management team for their steadfast support and guidance, ensuring the Group continues adapting to rapidly changing market conditions.

Our people across Australia, New Zealand and the Philippines have been instrumental to our success, with their dedication to the Group and belief in our overall mission ensuring the quality of our products and services.

Finally, my personal thanks to you, our shareholders, for your contributions. Our success would not be possible without your faith and investment in the Group's continued viability, and I look forward to continuing our mutually beneficial partnership in the future.

**Scott McWilliam**