



19 November 2024

ASX RELEASE

**Resimac Group Ltd – 2024 Annual General Meeting
Chairman’s Address**

Please see attached the address to be delivered by Resimac Chairman, Warren McLeland, to shareholders at the Annual General Meeting.

-ENDS-

Peter Fitzpatrick

Company Secretary
P: 02 9248 0304

About Resimac Group (as at 29 August 2024):

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. 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 almost \$13 billion, an asset finance portfolio over \$1 billion, and total assets under management of over \$14 billion.

Resimac Group has issued almost \$50 billion in bonds 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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CHAIRMAN'S ADDRESS

RESIMAC GROUP LIMITED - 2024 Annual General Meeting

Welcome to the 39th Annual general meeting of Resimac Group Limited (hereinafter Resimac).

During our history which goes back to 1985, our sector has endured performance highs and lows due to volatile economic and industry conditions such as the Asian currency meltdown, the Global Financial Crisis, the COVID pandemic, and now persistent relatively high inflation. Resimac has come through all in a stronger financial position than when entering.

However, FY 2024 has unequivocally been the most fiercely competitive year during our history. Principally it was an unintended consequence of the RBA's attempt to stimulate bank lending to retail borrowers following the COVID 19 pandemic, through the provision of low-cost funding (\$220b at 10 basis points per annum for up to 3 years). Disappointingly, the non-banks did not receive a dollar of this finance, with the banks using it to create the most aggressive pricing the industry has ever experienced.

This was reflected in our FY24 operating and financial results and to which I referred in my letter to shareholders in our FY24 Annual Report.

- NPAT fell to \$43.1 million on a normalised basis 42% lower vs prior year (\$43.1m v \$73.7m) driven by:
 - Average home loans aum lower by \$1.2bn or 22% (although spot aum recovered to prior year balance: \$12.9bn v \$13.1bn)
 - Our NIM was 12 basis points lower (1.56% v 1.68%), reflecting a higher cost of funds for the home loan business.
 - Higher loss provision coverage for asset finance business accompanied with portfolio growth.
- We declared our final year dividend at 3.5 cents per share (7 cents for fy24).

Fortuitously the worst of that competition has entered the history books and as a consequence we have been able to return to actively promoting growth in new business in our prime lending product from the end of 2023. We are now in second quarter FY25, and our most recent months are producing volume of new business back to the levels of 2019. We have increasing confidence that with the cash rate from the RBA of 4.35% at a cyclical peak, the next move in the rate will be down by 25 basis points most likely in the first half of calendar year 2025 followed by a further 25 basis points in the subsequent half. Such declines will also stimulate lending in our asset finance business as well as all our home lending products.

FY 2024 has been a year of change in our employee team. our CEO Scott McWilliam resigned from Resimac in July. Scott was pivotal in the company's ability to navigate the COVID 19 battles, and to commencing our business transformation into the digital era.

To that end, our capital investments in technology which commenced in 2022, are starting to yield results from a productivity and customer service standpoint. As we go forward, we will continue to embrace the opportunities technology presents across all functions of our business to facilitate improvements for our service offering to our customers and brokers.



Also, to address the tougher conditions in FY24 we introduced a cost reduction programme including a reorganisation of our business. Following Scott's departure, we appointed Mrs. Susan Hansen as interim CEO. Susan's knowledge of the business from her experience as a non-executive director for Resimac has been invaluable in this transition period.

During this period, the Board has had the opportunity to reassess our strategy and leadership needs and expect to be imminently making an announcement regarding an appointment for the commencement of our new CEO in the first half of calendar year 2025. Resimac's 39 years of pedigree has consistently been categorised by its culture. A collaborative high-performance culture from top to bottom which has been a major contributor to success. Culture of course changes over time reflecting the dynamics of business strategy and the need to adapt to environmental innovations. Our objective is to ensure that such changes are embraced by our Board and Management team to build on the principal features of our culture especially with respect to collaborative teamwork, respect for each other, and our principal focus on our diversifying customer groups. That way the probability of continued business success becomes and remains very high.

As announced in October, we successfully entered into a major transaction for the purchase of the remainder of Westpac's auto financing business. While this occurred in FY25, we consider it evidences our positive attitude to achieving significant growth in the coming three years. Mrs Hansen will briefly provide an early update of this transaction and its future impact on Resimac's Asset Financing business.

Our business outlook therefore for FY 2025 is one of improvement and modest growth from the lows of 2023, followed by accelerated growth in FY 2026.

I also announce that this is my last annual general meeting as Chairman having served a four-year term. Your board has unanimously agreed to appoint Wayne Spanner, a four-year Resimac Non-Executive Director as my replacement with immediate effect. I shall remain on the board as Deputy Chair.

I retain full confidence in the future prosperity of Resimac going forward. I extend my gratitude to my Director colleagues and all Resimac team employees for their support and loyalty and am truly delighted to pass the baton to Wayne as your next chairman.

Warren McLeland