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**ASX RELEASE**

## Resimac Group Ltd 2020 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.

**For more information:**

**Peter Fitzpatrick**

Company Secretary

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**About Resimac Group:**

Resimac Group Ltd ("Resimac") is a leading non-bank residential mortgage lender and multi-channel distribution business, and was recognised as Australian Non-Bank of the Year by the Australian Mortgage Awards 2020. It operates under a fully integrated business model comprising origination, servicing and funding prime and non-conforming residential mortgages in Australia and New Zealand. With over 250 people operating across Australia, New Zealand and the Philippines, Resimac has in excess of 50,000 customers with a portfolio of home loans on balance sheet of greater than \$12 billion and assets under management of almost \$15 billion.

Resimac is proud of its securitisation program. Resimac has issued in excess of \$30 billion of mortgage-backed securities in domestic and global markets since 1987. The Group has access to a diversified funding platform with multiple warehouse lines provided by major banks for short term funding in addition to a global securitisation program to fund its assets longer term.

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Resimac Group Ltd. ABN 55 095 034 003. Australian Credit Licence 247829



## CEO's Address

### Resimac Group Ltd 2020 Annual General Meeting

Thank you, Warren.

Good morning everyone, and welcome again to our first virtual AGM.

I'm pleased to report that Resimac has had one of the strongest and most successful years in our 35-year history.

We reported a record profit while growing our home loan portfolio for the third consecutive year. We laid the groundwork for our growth into asset finance lending. We made material inroads into our digital transformation journey. And we launched our new homeloans.com.au brand.

Before I delve into the details of our accomplishments this year, I wanted to acknowledge the significant efforts and contributions of our staff across Australia, New Zealand and the Philippines. The speed at which they transitioned to a working-from-home model and the way they've embraced new ways of operating, was instrumental to our successful navigation of the disruption caused by the global pandemic.

#### Financial performance

Turning now to our financial performance.

Resimac achieved outstanding results for the year ended 30 June 2020. Our normalised net profit of \$55.7 million represents a 79% increase on the previous full year result.

This profit increase was underpinned by a 60% increase in net interest income, which was driven by strong settlements and AUM growth at a multiple to system.

The growth in our portfolio is a testament to our focus on consistent and timely credit decisioning, and our overall service offering resonating well with brokers and consumers alike.

Our continued cost discipline enabled us to significantly reduce our cost-to-income ratio from 56.6% in the previous year to 37.9%.

We were also pleased to declare a fully franked final dividend of 1.8 cents per share, resulting in a total dividend of 3.0 cents per ordinary share.

Despite the disruption to global funding and credit markets as a result of COVID-19, we successfully extended and increased our warehouse funding and capital lines by more than \$2 billion.

Complementing the support from our banking partners was the overwhelming support from our domestic and offshore investors. The Group issued two \$1 billion RMBS transactions in the first half of FY20, followed by four benchmark size transactions since the start of the pandemic.

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## Strategic investments

Resimac's strategy to diversify into asset finance lending is well underway. In July 2019, we acquired a 15% stake in Positive Group, a fintech that specialises in asset finance solutions. We followed this by acquiring a controlling 60% stake of asset finance lender International Acceptance Group (IA Group) in January 2020.

These investments enable us to gain valuable industry insights, extract synergies from our existing distribution network, and importantly provide us with immediate access to the sector.

We have also made significant headway with our digital transformation, a project that will culminate in Resimac's evolution into a digital non-bank. We have partnered with key technology and service providers to facilitate a richer digital experience for customers, brokers and other participants through automation, digitisation and AI. This will create a flexible, scalable and secure platform while driving an even lower cost operating model that will be critical to our next phase of growth.

## homeloans.com.au launch

In August we launched our new direct-to-consumer brand homeloans.com.au. With over 40% of home loan borrowers preferring to deal with lenders directly, this digitally native brand gives us access to a bigger pool of potential customers and supports our strategic objective of diversification of originations.

The reception to homeloans.com.au has been extremely positive. Customers have been thrilled by the exceptional customer service, fast turnaround times and competitive interest rates. These attributes combined with what's possibly the industry's most powerful domain name, provide a strong platform for further growth.

## Closing

In closing, I want to thank you, our shareholders, for investing in our business and supporting our mission. Thanks to our business partners – from our brokers to our bankers – for their patronage and support.

Thank you again to our staff for the invaluable role they have played, not just in the success of our business, but in the financial wellbeing of our customers through these challenging times.

Thank you also to our industry for recognising Resimac as Non-Bank of the Year at the recent 2020 Australian Mortgage Awards. We were honoured and humbled to receive this recognition, and it's a title we'll proudly live up to over the next year and beyond.

Thank you.

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