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**ASX RELEASE**

**Resimac Group Ltd 2020 Annual General Meeting: Chairman's Address**

Please see attached the address to be delivered by Resimac Chairman, Warren J McLeland, 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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## Chairman's Address

### Resimac Group Ltd 2020 Annual General Meeting

Good morning Ladies and Gentlemen and welcome to Resimac Group Ltd's 35<sup>th</sup> Annual General Meeting. Thank you for your attendance today.

When your company began operations, the internet as we know it did not exist. Like the internet, we have certainly come a long way during our history. We confidently expect the coming decade will witness an even faster rate of change, and in parallel, will present even more opportunities and growth for our group.

The ongoing challenge we have set for Resimac is to keep pace with the speed of evolutionary change. Our three- to five-year ambition is to aggressively and purposefully grow our success by embracing the fintech revolution and digitisation.

2020 was a challenging year for many reasons. I am delighted to advise that despite the adverse impact on Australian business activity due to COVID-19, the destructive spring and summer bushfires across the country, the continuation of the drought and the combined hit to the economy as a whole, your company produced record financial results for the year to June 30.

This is a position that only a few Australian and New Zealand publicly listed companies can claim.

What have been the key business drivers for success in 2020?

First, we acknowledge the extensive support provided by the Australian government to our non-bank industry segment during the coronavirus market meltdown. This is in stark contrast to the GFC in the years 2007 to 2010, when the focus from the government was on the banking sector, with the non-banks being left to survive as best they could.

By the end of the GFC, the non-banks' share of the residential housing market had dropped by 85%. However, in 2020, which was arguably more significant in economic decline, our segment experienced double-digit growth.

With increasing competition from the major banks in the second half of the year, conversely, our segment growth rate slipped back to a single digit.

Financial support has been provided by the government through the direct financial assistance of the Australian Office of Financial Management, and an accommodative interest rate policy implemented by the Reserve Bank of Australia (RBA) through a series of interest rate reductions.

Most recently, the RBA has announced an extension of its government bond purchasing plans (in size and tenor of the bonds purchased out to 10 years). This is likely to be extended to a large quantitative easing programme.

While Resimac will be a beneficiary from these policies, a distinct uneven playing field has emerged between the pricing of financial support received by the major banks over the non-banks. Given the scale of the non-bank sector's contribution to the Australian residential home lending market, we consider this is grossly unfair and disproportionate.

Our long-term securitisation financing programme has continued to be pivotal to our planning success, evidencing Resimac's proven leadership in the non-bank sector. Our pedigree, history and unparalleled track record over 30 years of issuing bonds has provided us with a long term and sustainable competitive advantage.

Resimac's funding partners, Australian and overseas major banks and institutional professional investors, have been loyal and supportive throughout 2020, with the strength of these partnerships again being demonstrated during the peak of the COVID crisis. Resimac continued to lend throughout the year, even while other lenders were not so fortunate.

Our essential move to a work-from-home policy this year was achieved promptly and successfully thanks to a rapid response by our management team.

The well-thought-out strategy permitted a seamless continuation of our origination of new business while maintaining our industry-leading turnaround times. This enabled record levels of new lending to be generated for Resimac without any deterioration in service quality. This is testament to the quality of our employees and the strength of our cross-organisation teamwork, notwithstanding the challenges of working remotely. The growth in new business was achieved without any weakening in our credit standards, while retaining a very high-quality book of loans overall.

Our constant attention to process improvement, automation and the build-up of our offshore servicing centre (now numbering 75 people in Manila) has directly contributed to our results. The planning for this investment began six years ago, and it has demonstrated its value to the group from the first days of operations in 2016. Our management of costs is paramount, and the evidence of its success is our low cost to income ratio being the envy of the market.

I emphasise my comments are applicable to our wholly owned New Zealand subsidiary. While operating independently with a discrete board of directors (in accordance with New Zealand government requirements) and management team, the company has faced similar macro challenges in 2020. The company's conservatism, governance, overarching culture ambitions and objectives also parallel Resimac's in Australia.

We are proud to report that notwithstanding a severely competitive market, Resimac New Zealand enjoyed considerable growth in 2020.

At Resimac's last AGM, we foreshadowed our plans to ensure our board and management team would continue to be refreshed. Wayne Spanner was appointed as director in first quarter 2020, and he has made a significant contribution to the board in the short time he has been with us. Wayne brings with him a truly successful career in law both in Australia and overseas, and an in-depth understanding of commercial governance and compliance standards.

The search for an additional non-executive director has been successful, and now that all necessary checks and documentation has been completed, we will be appointing our selection at the Board meeting which follows the AGM. A subsequent announcement will be made to the ASX.

Our CEO Scott McWilliam has strengthened his senior management team, who in turn have cascaded change to team members, upgrading the skills and competencies of our total workforce. Overall, our retention of key people remains one of the highest amongst our competitors. Our collegiate culture, which encapsulates conservatism but with a strong measure of ambition for growth, has continued to augment our cross functional skills.

On behalf of my director colleagues, I congratulate our CEO, Scott McWilliam, for leading our team through the most demanding of years. To each of our employees, I extend our gratitude for their extraordinary work ethic and dedication to the business.

It has been a real privilege to chair Resimac during this unprecedented time.

I now ask Scott to provide a selection of specific highlights achieved during the 2020 financial year.