

A photograph of an industrial facility, likely a water treatment plant, at sunset. The sky is a mix of blue, orange, and yellow. In the foreground, two large, parallel pipes run across a gravel-covered ground. In the background, a long row of large, cylindrical tanks is visible, supported by a metal structure. A person can be seen standing on a platform near the tanks.

# Macquarie Group Limited

**Presentation to Debt Investors**  
February 2024

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# Agenda

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# 01

## Overview

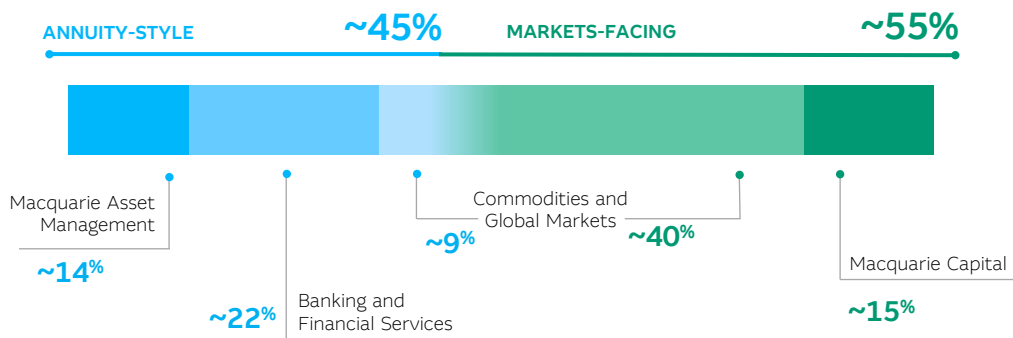
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February 2024



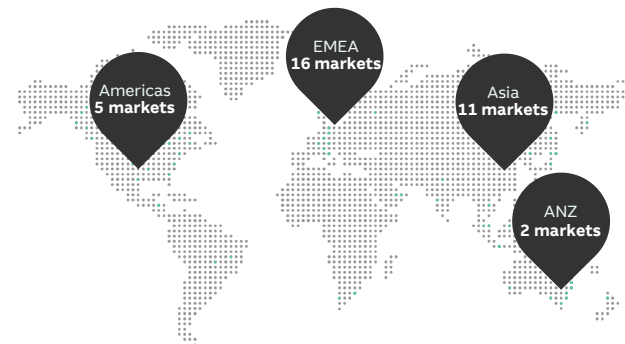
# Introduction to Macquarie

Global diversified financial group providing clients with asset management and finance, banking, advisory and risk and capital solutions across debt, equity and commodities

## Macquarie Group Overview



## Global presence



1H24 net profit **\$A1,415m**  
FY23 net profit **\$A5,182m**

**\$A882.5b<sup>1</sup>**  
assets under management  
as at 31 Dec 23

**MBL**  
**A+ / A1 / A**  
credit rating

**APRA** primary regulator  
for MBL & MGL

**20,892 employees<sup>2</sup>,**  
operating in  
**34 markets**

*Empowering people to innovate and invest for a better future*

# About Macquarie

~45%

~55%

Annuity-style activities | Net Profit Contribution

Markets-facing activities | Net Profit Contribution

## BFS

### Banking and Financial Services

- Macquarie's retail banking and financial services business with BFS deposits<sup>1</sup> of \$A135.6b<sup>2</sup>, loan portfolio<sup>3</sup> of \$A138.6b<sup>2</sup> and funds on platform of \$A132.8b<sup>2</sup>
- Provides a diverse range of personal banking, wealth management and business banking products and services to retail clients, advisers, brokers and business clients

## MAM

### Macquarie Asset Management

- \$A882.5b<sup>4</sup> of assets under management, investing to deliver positive impact for everyone
- Provides investment solutions to clients across a range of capabilities, including infrastructure, green investments, agriculture and natural assets, real estate, private credit, asset finance, secondaries, equities, fixed income and multi-asset solutions

## CGM

### Commodities and Global Markets

Global business offering capital and financing, risk management, market access, physical execution and logistics solutions to its diverse client base across Commodities, Financial Markets and Asset Finance

- Capital and financing: provides clients with financing and asset management solutions across the capital structure
- Risk management: helping clients manage exposure to price changes in commodities, currencies, credit and equity markets
- Market access: helping clients access assets and prices via liquidity and electronic markets globally
- Physical execution and logistics: supporting clients with access to physical commodities and facilitating their transport from production to consumption

CGM's deep expertise and physical presence allow us to optimise how we manage both our clients' risk exposures and trading opportunities we see which are conducted within Macquarie's strong internal risk management framework

## MacCap

### Macquarie Capital

Global capability in:

- Advisory and capital raising services, providing clients with specialist expertise and flexible capital solutions across a range of sectors
- Specialist investing across private credit, private equity, real estate, growth equity, venture capital and in infrastructure and energy projects and companies
- Equities brokerage, providing clients with access to equity research, sales, execution capabilities and corporate access

## 1H24 Net Profit Contribution

BFS | ~22%

MAM | ~14%

CGM | ~9%

CGM | ~40%

MacCap | ~15%

### Risk Management Group

An independent and centralised function responsible for independent and objective review and challenge, oversight, monitoring and reporting in relation to Macquarie's material risks.

### Legal and Governance Group

Provides a full range of legal and corporate governance services, including strategic legal and governance advice and risk assessment on corporate transactions, treasury and funding, insurance, regulatory enquiries and litigation.

### Financial Management Group

Responsible for capital, funding, liquidity, tax and strategic analysis and advice to support growth of the business. Ensures compliance with financial, regulatory and tax reporting obligations, as well as maintaining relationships with a range of significant external stakeholders.

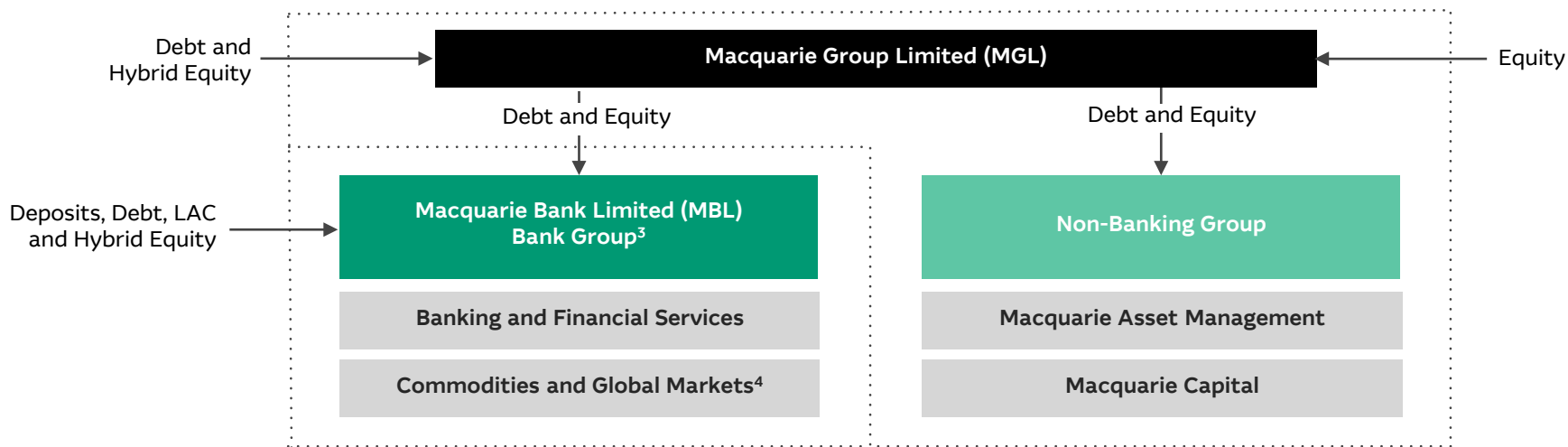
### Corporate Operations Group

Provides specialist services in technology, operations, human resources, workplace, data and transformation, strategy, operational risk management, business resilience and global security, and the Macquarie Group Foundation.

Note: Where referenced in this document, net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 1. BFS deposits include home loan offset accounts and exclude certain corporate/wholesale deposits. 2. As at 31 Dec 23. 3. The loan portfolio comprises home loans, loans to businesses, car loans and credit cards. 4. As at 31 Dec 23. Private Markets Assets under Management (AUM) includes equity yet to deploy and equity committed to assets but not yet deployed.

# Macquarie funding structure

- MGL and MBL are Macquarie's two primary external funding vehicles which have separate and distinct funding, capital and liquidity management arrangements
- MBL provides funding to the Bank Group<sup>1</sup>
- MGL provides funding predominantly to the Non-Bank Group<sup>2</sup>



1. The Bank Group comprises BFS and CGM (excluding certain assets of the Credit Markets business, certain activities of the Commodity Markets and Finance business and some other less financially significant activities which are undertaken from within the Non-Bank Group). 2. The Non-Bank Group comprises Macquarie Capital, MAM and certain assets of the Credit Markets business, certain activities of the Commodity Markets and Finance business and some other less financially significant activities of CGM. 3. MBL is the primary external funding vehicle for the Bank Group. Macquarie International Finance Limited (MIFL) also operates as an external funding vehicle for certain subsidiaries within the Bank Group. 4. The Bank Group comprises BFS, CGM (excluding certain assets of the Credit Markets business, certain activities of the Commodity Markets and Finance business and some other less financially significant activities), and certain activities of the Equities business in Macquarie Capital. The Non-Bank Group comprises Macquarie Capital (excluding certain activities of the Equities business), MAM and certain assets of the Credit Markets business, certain activities of the Commodity Markets and Finance business and some other less financially significant activities of CGM.

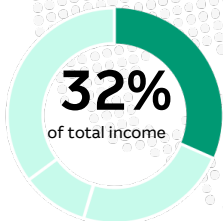


# Diversification by region<sup>1</sup>

International income 65% of total income<sup>2</sup>

Total staff<sup>3</sup> 20,892<sup>1</sup> of which 50% international. A further ~237,000 people employed across managed fund assets and investments<sup>4</sup>

## Americas



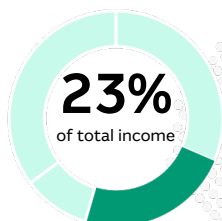
Total income  
3,260 \$A2,340m

Assets under management<sup>6</sup>  
\$A382.8b

Employing ~61,000 people<sup>4</sup>

CANADA	USA	
Calgary	Boise	New York
Toronto	Boston	Orlando
Vancouver	Chicago	Philadelphia
	Dallas	San Diego
	Houston	San Francisco
<b>LATIN AMERICA</b>	Jacksonville	San Jose
Mexico City	Kansas	Walnut Creek
Santiago	Los Angeles	
Sao Paulo	Minneapolis	
	Nashville	

## EMEA



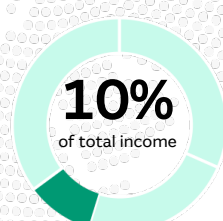
Total income  
3,005 \$A1,732m

Assets under management<sup>6</sup>  
\$A186.2b

Employing ~94,000 people<sup>4</sup>

EUROPE		MIDDLE EAST
Amsterdam	Luxembourg	Dubai
Braintree	Madrid	
Brussels	Milan	<b>SOUTH AFRICA</b>
Coventry	Munich	Johannesburg
Dublin	Paris	
Edinburgh	Prague	
Frankfurt	Solihull	
Geneva	Vienna	
Limerick	Watford	
London	Zurich	

## Asia



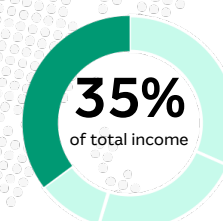
Total income  
4,250 \$A748m

Assets under management<sup>6</sup>  
\$A49.5b

Employing ~66,000 people<sup>4</sup>

ASIA	
Bangkok	Manila
Beijing	Mumbai
Dongguan	Seoul
Gurugram	Shanghai
Hong Kong	Singapore
Hsin-Chu	Taipei
Jakarta	Tokyo
Kuala Lumpur	

## Australia<sup>5</sup>



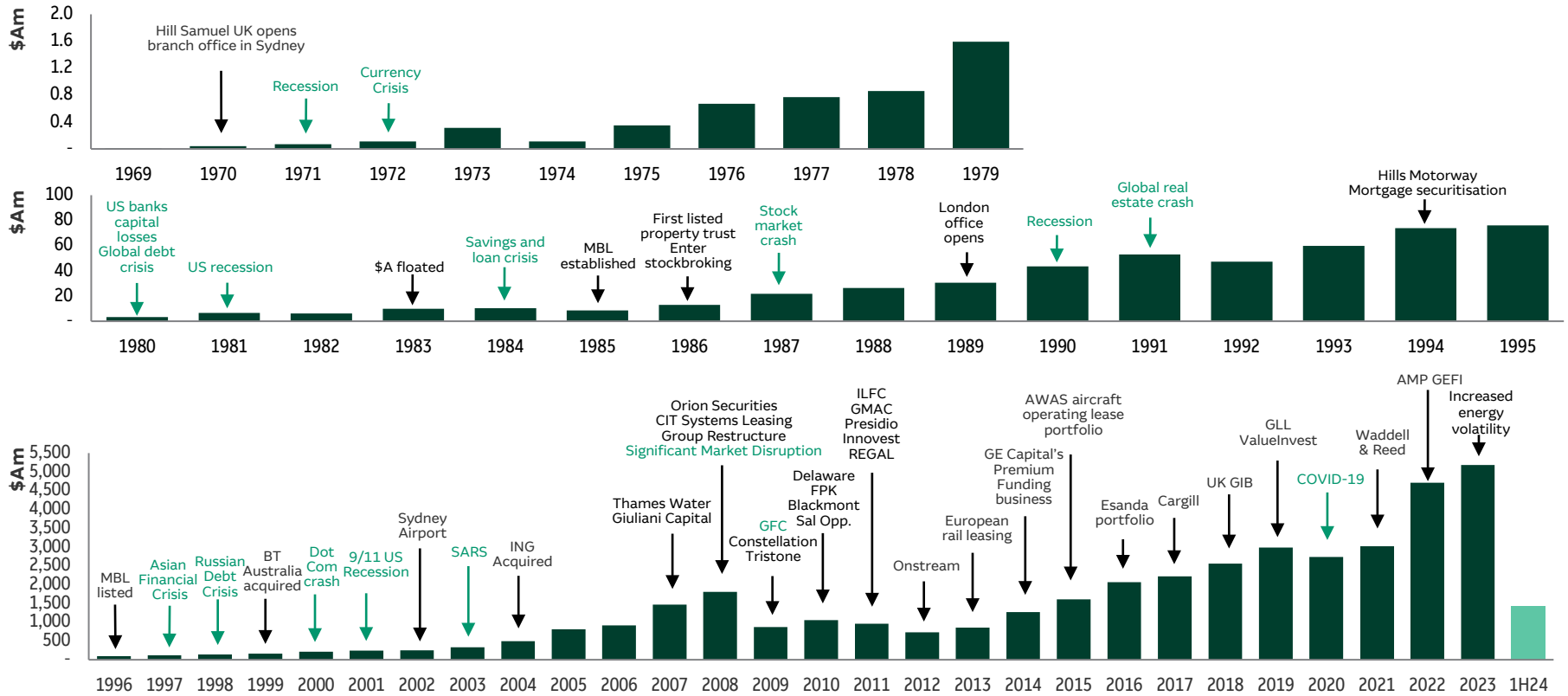
Total income  
10,377 \$A2,618m

Assets under management<sup>6</sup>  
\$A273.5b

Employing ~16,000 people<sup>4</sup>

AUSTRALIA		NEW ZEALAND
Adelaide	Melbourne	Auckland
Brisbane	Newcastle	Wellington
Canberra	Perth	
Gold Coast	Sydney	
Manly		

# 50+ years of profitability



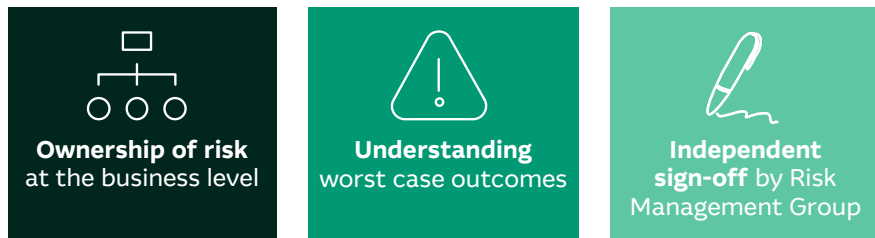
Above dates refer to Macquarie financial years  
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# Macquarie's approach to risk management

Strong focus on business accountability and risk ownership

## Stable and robust core risk management principles

Supported by our longstanding approach to establishing and maintaining an appropriate risk culture



Principles stable for **30+ years**

A key factor in our **54 years** of unbroken profitability

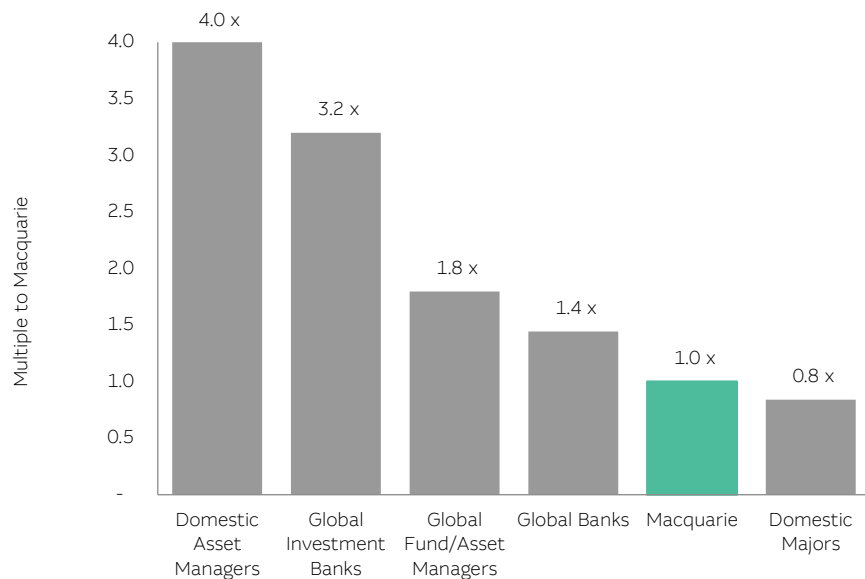
## Our approach is consistent with the 'three lines of defence' model with clear accountability for risk management

The three lines of defence model, which is a widely adopted standard across the industry, sets risk ownership responsibilities functionally independent from oversight and assurance.

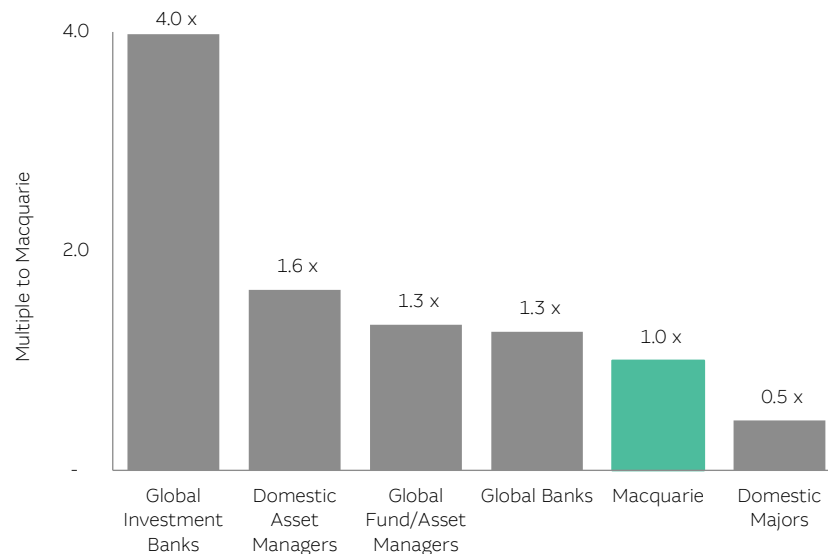
<b>Line 1</b>	Primary responsibility for risk management lies with the business.
<b>Line 2</b>	The Risk Management Group (RMG) forms the second line of defence and independently assesses material risks.
<b>Line 3</b>	Internal Audit provides independent and objective risk-based assurance on the compliance with, and effectiveness of, Macquarie's financial and risk management framework.

# Stable earnings

## 5 year earnings volatility relative to Macquarie



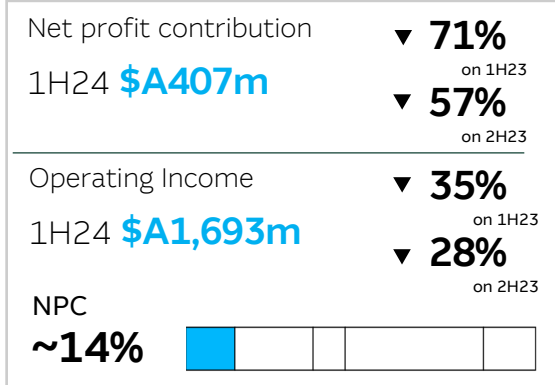
## Earnings volatility relative to Macquarie From the Global Financial Crisis<sup>1</sup> to present



Note: This page compares the historical earnings volatility among certain firms and is not intended to represent that Macquarie has a comparable business model, risks or prospects to any other firm mentioned. Volatility of P&L is defined as standard deviation of P&L divided by average P&L (coefficient of variation), based on most recent annual disclosures as at 1 November 2023 (Bloomberg). 1. This is inclusive of annual disclosures of comparative firms from 2008 to November 2023.

# Macquarie Asset Management 1H24

Actively manages funds for investors across multiple asset classes



**\$A892.0 billion**  
assets under management<sup>1</sup>

Note: Note: Chart is based on 1H24 net profit contribution from Operating Groups. 1. As at 30 Sep 23. Private Markets Assets under Management (AUM) is calculated as the proportional ownership interest in the underlying assets of funds and mandated assets that Macquarie actively manages or advises for the purpose of wealth creation, adjusted to exclude cross-holdings in funds and reflect Macquarie's proportional ownership interest of the fund manager. Private Markets AUM includes equity yet to deploy and equity committed to assets but not yet deployed. Prior periods have been restated to reflect the change. 2. Private Markets' total Equity under Management includes market capitalisation at measurement date for listed funds, the sum of original committed capital less capital subsequently returned for unlisted funds and mandates as well as invested capital for managed businesses. 3. IPE Real Assets (Jul 23), ranking is based on infrastructure AUM as at 31 Mar 23. 4. Infrastructure Investor (Nov 22). The ranking is based on the amount of infrastructure direct investment capital raised by firms between 1 Jan 17 and 31 Aug 22. 5. As at 30 Sep 23. 6. IPE Real Assets (Jul 23), ranking is based on infrastructure AUM as at 31 Mar 23. 7. Infrastructure Investor (Nov 22). The ranking is based on the amount of infrastructure direct investment capital raised by firms between 1 Jan 17 and 31 Aug 22. 8. Financial Standard Investment Leadership Awards. 9. Delaware National High-Yield Municipal Bond Fund was the recipient of the With Intelligence Mutual Fund & ETF Awards 2022 for Active Fixed Income Mutual Fund of the Year.

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## Awards & rankings



No. 1 Infrastructure Investment Manager globally since ranking inception<sup>3</sup>



No. 4 infrastructure debt manager<sup>7</sup> with \$A28.7b of AUM<sup>1</sup>



Australia, Winner of the 2023 Investment Manager of the Year Award<sup>8</sup>



Active Fixed Income Mutual Fund of the Year 2022<sup>9</sup>

## Private Markets

**\$A345.1b**

Assets under management<sup>1</sup>

Broadly in line with March 23

**\$A210.0b**

Equity under management<sup>2</sup>

▲ 2% on Mar 23

**\$A7.8b**

Invested across 22 new investments, including: 10 real assets, 10 real estate and two private credit investments

**\$A8.0b**

Equity raised

**\$A35.3b**

Equity to deploy

**\$A3.1b**

Equity proceeds from asset divestments

**\$US1.7b**

Raised from initial close of Macquarie's first energy transition fund, Macquarie Green Investment Group Energy Transition Solutions (MGETS)

## Public Investments

**\$A546.9b**

Assets under management<sup>1,5</sup>

▲ 2% Mar 23

- \$A309.4b AUM<sup>5</sup> in Fixed income ▲ 6% Mar 23
- \$A213.6b AUM<sup>5</sup> in Equities ▼ 3% Mar 23
- \$A23.9b AUM<sup>5</sup> in Alternatives and Multi-Assets ▲ 1% Mar 23

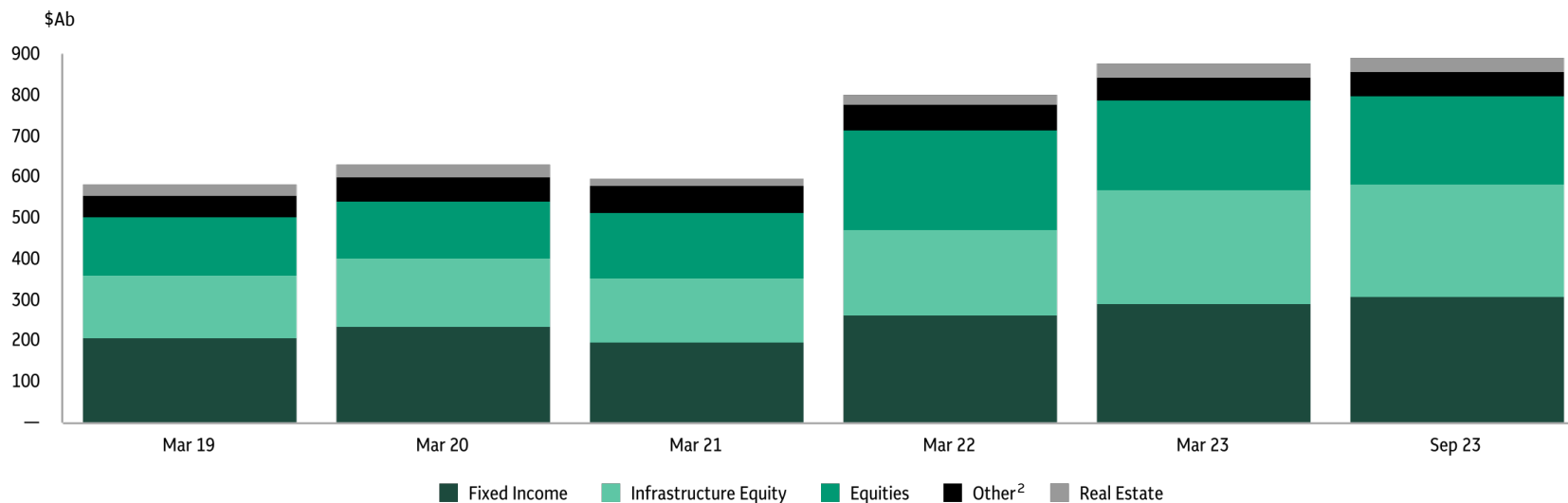
**67%**

of assets under management outperforming their respective 3-year benchmarks<sup>5</sup>

# Assets under management of \$A892.0b 1H24

AUM increased 2% from \$A878.6b<sup>1</sup> as at 31 Mar 23

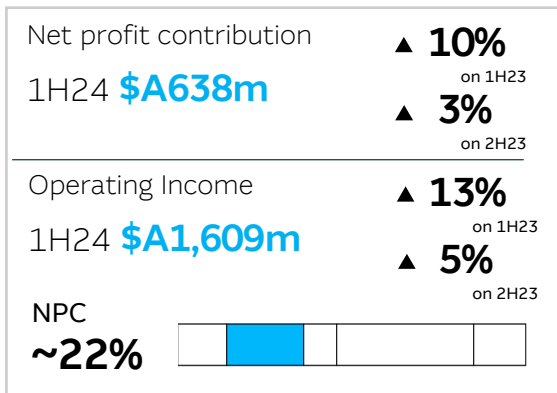
Increase due to investments made by Private Markets-managed funds and favourable foreign exchange movements, partially offset by reduction of co-investment management rights



1. MAM Private Markets Assets under Management (AUM) includes equity yet to deploy and equity committed to assets but not yet deployed. Prior periods have been restated to reflect the change. 2. Includes equity yet to deploy and equity committed to assets but not yet deployed.

# Banking and Financial Services 1H24

Macquarie's **retail banking and financial services business**



**Approximately 1.8 million** Australian clients

Personal Banking  
 Wealth Management

Business Banking

## Awards

The Macquarie Savings Account awarded Canstar's Outstanding Value Savings Account 2023



Macquarie Transaction Account named Canstar's Outstanding Value Transaction Account 2023



Macquarie named the MFAA's Major Lender of the Year at the 2023 MFAA National Excellence Awards for the fourth year in a row

## Personal Banking

**\$A114.2b** ▲ 6% on Mar 23  
Home loan portfolio

Home loan growth driven by strong demand in lower loan-to-value ratio (LVR) and owner-occupier lending tiers

### Home loan portfolio summary 30 Sep 23

Average LVR at Origination (%) <sup>1,2</sup>	<b>65 %</b>
Average Dynamic LVR (%) <sup>2,3</sup>	<b>52 %</b>
% Owner Occupied	<b>66 %</b>
% Principal and Interest	<b>77 %</b>
% Fixed Rate <sup>4</sup>	<b>17 %</b>

## Business Banking

**\$A14.6b** ▲ 12% on Mar 23  
Business banking loan portfolio

**Australia's 1st** banking group with a specialised electric vehicle buying service

## Wealth management

**\$A125.1b** ▲ 2% on Mar 23  
Funds on platform

## Deposits<sup>6</sup>

**\$A131.2b** ▲ 1% on Mar 23  
Total BFS deposits<sup>6</sup>

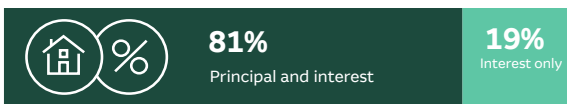
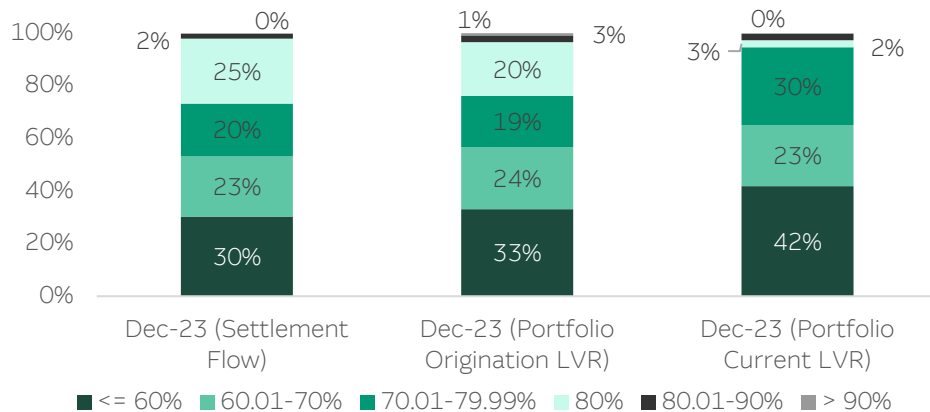
## Car Loans

**\$A5.2b** ▼ 15% on Mar 23<sup>5</sup>  
Car loan portfolio. Continued growth in electric vehicle settlement volumes and launched the Macquarie Electric Vehicle Savings Calculator

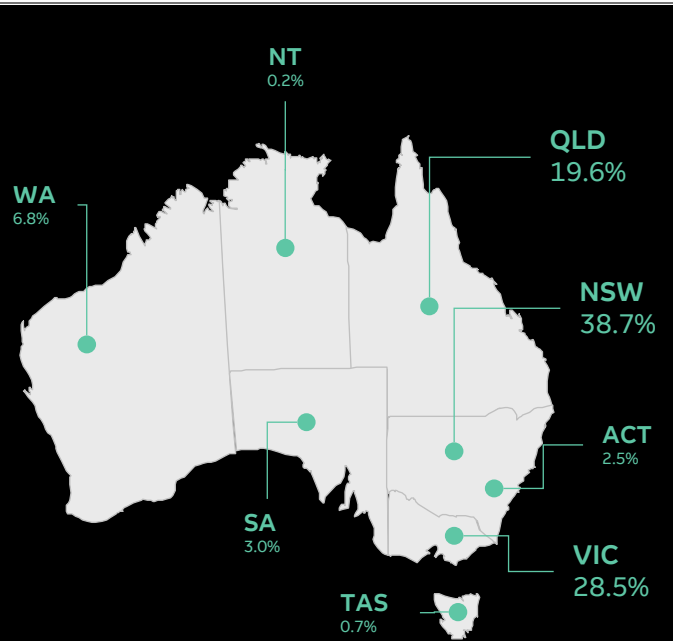
**30+ years** bringing innovation and competition to Australian consumers

Note: Chart is based on 1H24 net profit contribution from Operating Groups. 1. Based on accounts still on books as at 30 Sep 23. 2. Weighted by size of loan. 3. Property valuation source is CoreLogic, with Aug valuations applied to Sep reporting. 4. Net current balance basis. 5. Business Banking car loan portfolio continues to be in run-off following the sale of the dealer finance business in Dec 21. As the residual balance is immaterial, it has been consolidated in the Personal Banking car loan portfolio. 6. BFS deposits include home loan offset accounts and exclude corporate/wholesale deposits.

# Home loan portfolio composition as at Dec 23



**A\$ 117.9 bn<sup>1</sup>**  
Total Home Loans under management

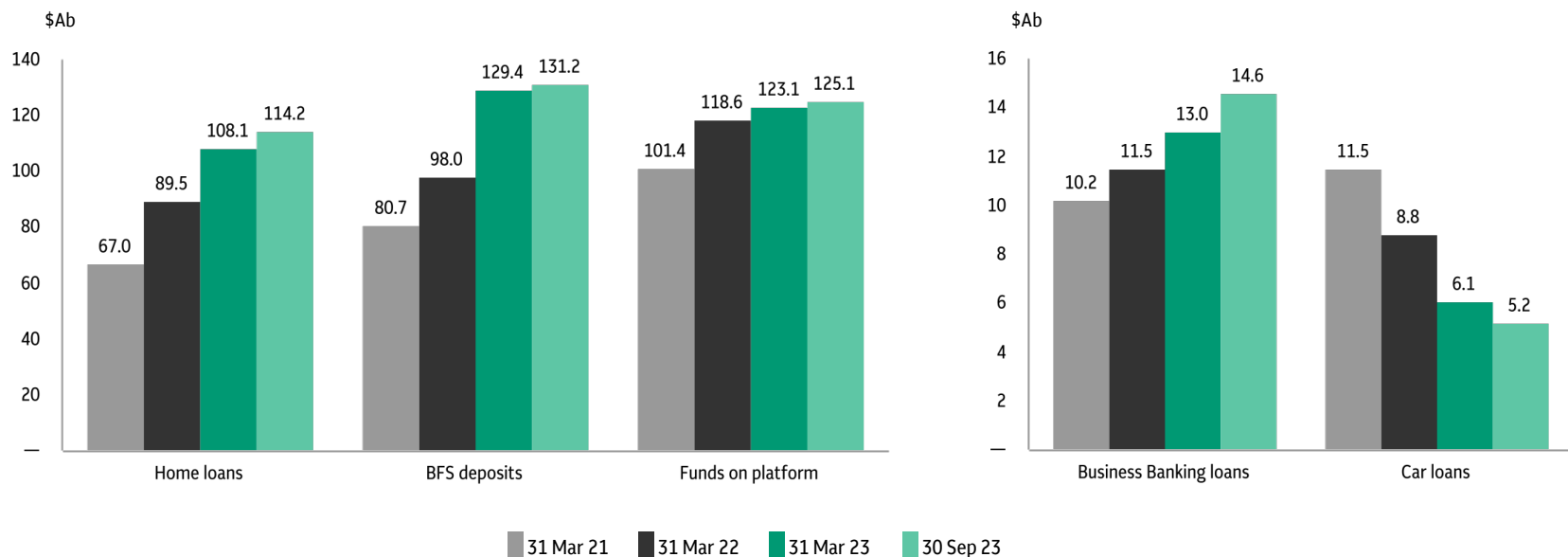


1. Figures are based on overall portfolio of home loans originated by MBL. 2. Calculated based on the predominate usage at a facility level across the home loan portfolio.



# Banking and Financial Services 1H24

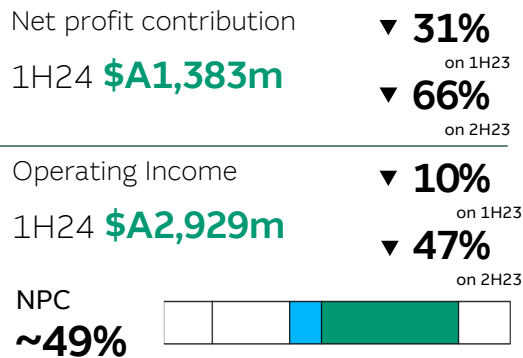
## Growth in Home loans, Deposits, Funds on Platform and Business Banking loans



Note: Data based on spot volumes at period end.  
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# Commodities and Global Markets 1H24

CGM is a **global business** offering capital and financing, risk management, market access and physical execution across Commodities, Financial Markets and Asset Finance



40+ years  
in metals,  
futures and foreign  
exchange



20+ years  
in agriculture and  
technology,  
media and  
telecoms (TMT)



20+ years  
in energy,  
renewables and  
sustainability

Note: Chart is based on 1H24 net profit contribution from Operating Groups. 1. Percentages are based on net profit contribution before impairment charges. 2. Energy Risk Awards 2023. 3. Energy Risk Awards Asia 2023. 4. ASX Futures (SFE) Monthly Report Sep 23.

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## Awards & rankings

**EnergyRisk** Oil and products  
Awards 2023 house of the year  
Winner Macquarie

**EnergyRisk** Electricity house  
Awards 2023 of the year  
Winner Macquarie

**EnergyRisk** Commodities research  
Awards 2023 house of the year  
Winner Macquarie

**EnergyRisk** Commodity trade finance  
Asia Awards 2022 house of the year  
Winner Macquarie Group

### Named House of the Year for:

- Oil and Products<sup>2</sup>
- Electricity<sup>2</sup>
- Commodities Research<sup>2,3</sup>
- Derivatives<sup>3</sup>
- Environmental Products<sup>3</sup>
- Commodity Trade Finance<sup>3</sup>
- Natural Gas/LNG<sup>3</sup>
- Emissions<sup>3</sup>

**No.1**  
Futures broker  
on the ASX<sup>4</sup>

## Asset Finance (11%<sup>1</sup>)

**\$A6.7b** portfolio up 8% from \$A6.2b at 31 Mar 23

Particularly strong origination and portfolio growth in Advanced Technology and Shipping Finance

## Financial Markets (33%<sup>1</sup>)

### Foreign exchange, interest rates and credit

- Strong client activity globally driven by increased volatility across FX and rates
- Consistent contribution from financing activity with continued strong performance from the Americas and growth in European client engagement

### Futures

- Improved commission and interest revenues across all regions driven by increased global interest rates

## Commodity Markets (56%<sup>1</sup>)

Decreased Commodities risk management income particularly from Resources and EMEA Gas, Power and Emissions due to decreased client hedging and trading activity as volatility and price movements stabilised across commodity markets following record highs in the prior corresponding period. These reductions were partially offset by an increased contribution across Agricultural markets

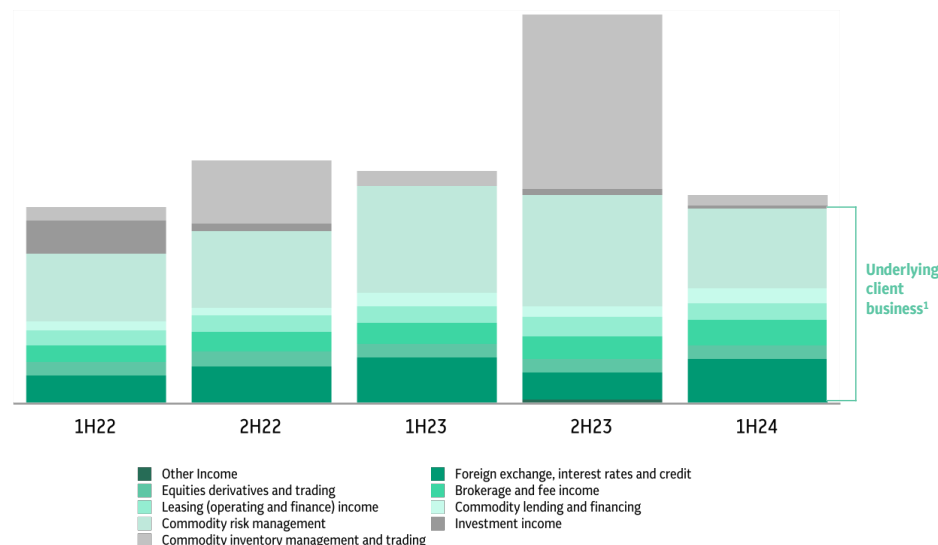
Decreased Commodities inventory management and trading income driven by a reduction in trading activity in North American Gas and Power. This was largely offset by the favourable impact of timing of income recognition primarily on North American and EMEA Gas and Power storage and transport contracts

# Strong underlying client business

Consistent levels of income derived from underlying client business

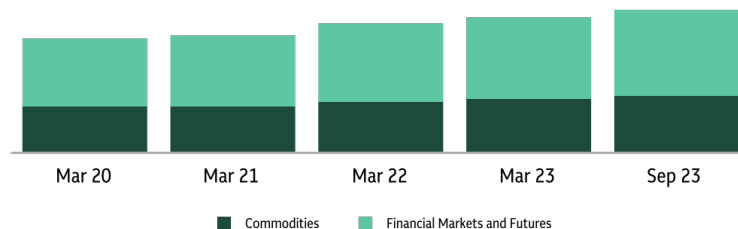
## Operating Income

(excl. credit and other impairment charges)

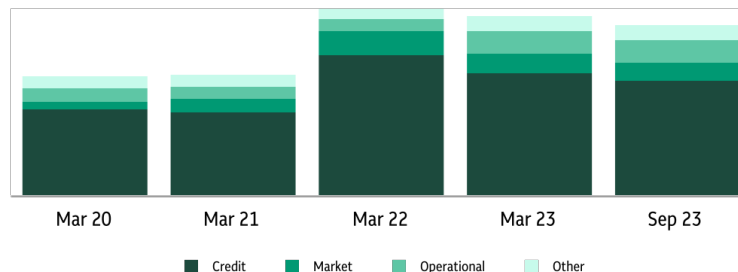


## Client numbers<sup>2</sup>

(excl. Asset Finance)



## Regulatory capital (normalised)<sup>3</sup>

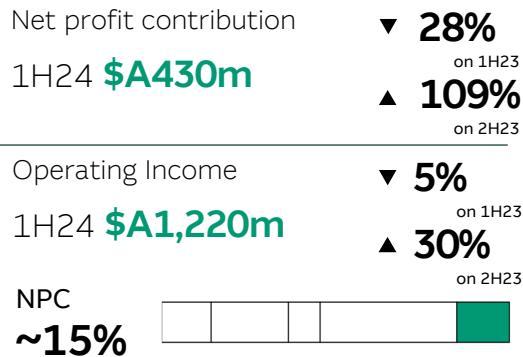


- Majority of capital relates to **credit risk** reflecting **client focussed business**
- Risk management is **core: built on 50+ years of accumulated experience** in managing risk for our clients and our business

1. Included within underlying client business is a relatively small (~5%) amount of FX, IR, Credit and EDT trading activity not related to clients. 2. Financial Markets and Futures client numbers will differ to previously reported numbers with the inclusion of Equity Derivatives and Trading clients and the transfer of Cash Equities to Macquarie Capital effective 1 Jun 20. 3. Mar 23 and Sep 23 include the impact of APRA's new "Unquestionably Strong" bank capital framework which came into effect from 1 Jan 23. Implementation of UQS resulted in an increase in CGM capital requirements, largely on account of higher regulatory buffers, along with RWA calculation changes. All periods are normalised for FX (30 Sep 23) and shown at the post-UQS 10.5% of RWA. Prior periods have not been normalised for RWA calculation changes, including the implementation of the Standardised Measurement Approach to Operational Risk.

# Macquarie Capital 1H24

Advises and invests alongside clients and partners **to realise opportunity**



130 transactions in 1H24 valued at

**\$172 billion<sup>1</sup>**

Note: Chart is based on 1H24 net profit contribution from Operating Groups. 1. Source: Dealogic and UGlobal for Macquarie Group completed M&A, investments, ECM and DCM transactions converted as at the relevant report date. Deal values reflect the full transaction value and not an attributed value. Comparatives are presented as previously reported. 2. Dealogic (1 Oct 13 to 30 Sep 23 completed and announced by deal count). 3. Dealogic (1 Jan 23 to 30 Sep 23 by value). 4. Inspiratia (1 Jan 23 to 30 Jun 23, by deal value). 5. IPA National Infrastructure Awards 2023. 6. M&A Mid-Market Awards 2023. 7. Australasian Investor Relations Association 2023 Sell-Side Awards - Macquarie Australia Conference - Sydney. 8. Australasian Investor Relations Association 2023 Sell-Side Awards (equal first place).

## Awards & rankings

No. 1 in ANZ for M&A<sup>2</sup> over the past decade

No. 1 in ANZ for ECM<sup>3</sup> YTD

No. 1 Global Infrastructure Financial Adviser 1HCY23<sup>4</sup>

Government Partnerships Excellence Award, ANZ - VicRoads<sup>5</sup>

Mid-Market M&A Deal of the Year, US - Streetlight Data<sup>6</sup>

Best Equities Conference for Australasian Listed Entities<sup>7</sup>

Best International Investor Access for Australasian Listed Entities<sup>8</sup>

## Summary

Investing in areas of deep expertise. During 1H24, investments completed in sub-sectors such as Digital Infrastructure, Energy Transition, Fibre Optic Networks, FinTech, Government Services, IT Services and Software Services

Investment-related income down on 1H23 due to the non-recurrence of material asset realisations, partially offset by higher net interest income and gains on a small number of investments

As at 30 Sep 23, committed private credit portfolio grew to over **\$A20b**, with more than **\$A1.5b** deployed in the period through focussed investment in credit markets and bespoke financing solutions

Equities business is well-positioned to leverage returning capital flow to Equity Markets, delivering as a specialist APAC broker

## Notable deals included:

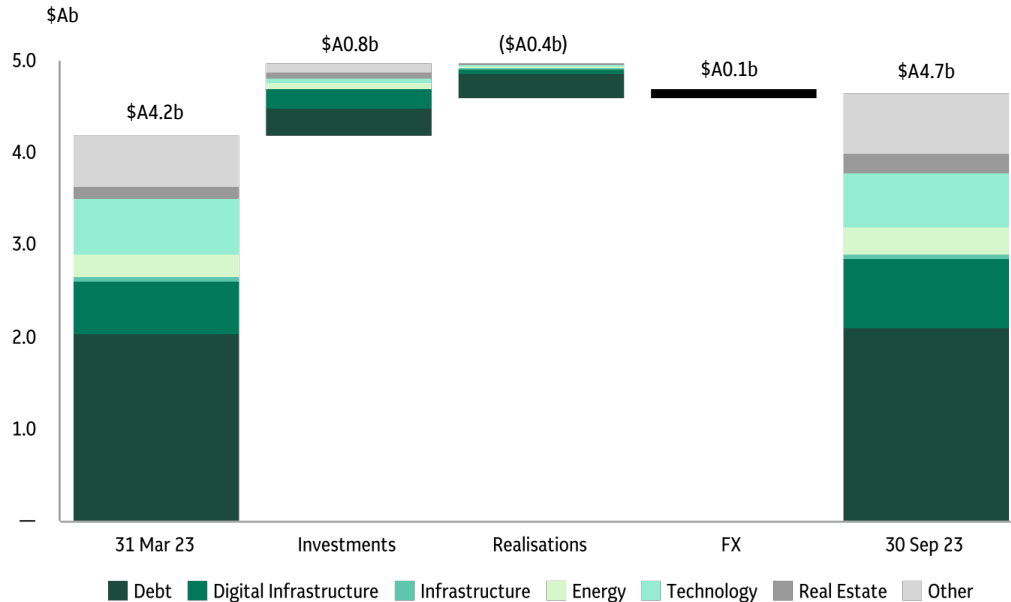
Exclusive Financial Adviser to Light & Wonder on its \$US500m acquisition of the publicly-traded shares of SciPlay (implied enterprise value of ~\$US2.5b), a leading developer and publisher of digital games on mobile and web platforms

Advised I Squared Capital on its acquisition of Enva, a leading provider of recycling and resource recovery solutions for specialised and general waste streams in the UK and Ireland

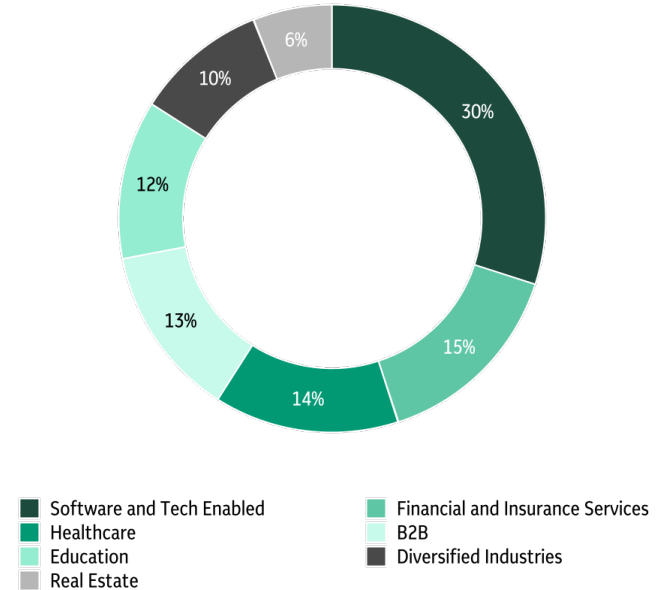
Lead Financial Adviser to Impala Platinum on its acquisition of Royal Bafokeng Platinum Ltd for **~\$US2.1b** in South Africa

# Macquarie Capital

## Movement in capital



## Private Credit sector exposures<sup>1</sup>



<sup>1</sup> Exposures shown follow the economic capital adequacy methodology.

A photograph of an industrial facility, likely a recycling plant, with large blue machinery and yellow safety railings. Several workers wearing hard hats and safety vests are visible in the background. The scene is brightly lit, and the overall color palette is dominated by blue and yellow.

# 02

## MGL Results

Presentation to Debt Investors  
February 2024

# 1H24 net profit contribution from Operating Groups

## \$A2,858m down 38% on 1H23

### Annuity-style activities

**\$A1,296m**

↓ 43%  
ON 1H23

### Markets-facing activities

**\$A1,562m**

↓ 32%  
ON 1H23

### Non-Banking Group



on 1H23

#### Macquarie Asset Management (MAM)

Decrease driven by timing of asset realisations in green investments and increase in operating expenses. Base and performance fees broadly in line with the prior corresponding period



on 1H23

#### Macquarie Capital (MacCap)

Fee income broadly in line with the prior corresponding period. Lower investment-related income due to the non-recurrence of material asset realisations, partially offset by higher net interest income and gains on a small number of investments. Higher operating expenses in the current period

### Banking Group



on 1H23

#### Banking and Financial Services (BFS)

Growth in the loan portfolio and BFS deposits and improved average margins; partially offset by higher credit impairment charges and increased headcount and technology investment to support business growth and regulatory requirements as well as inflationary pressure



on 1H23

#### Commodities and Global Markets<sup>1</sup> (CGM)

Decreased revenue from Commodities lending and financing businesses due to specific credits in the energy sector partially offset by an increased contribution from Asset Finance driven by portfolio growth in TMT, Shipping Finance and Structured Lending



on 1H23

#### Commodities and Global Markets<sup>1</sup> (CGM)

Decreased contribution from Commodities risk management, particularly from Resources and EMEA Gas, Power and Emissions as volatility and price movements stabilised across commodity markets following record highs in the prior corresponding period, in addition to higher operating expenses

1. Note certain assets of the Credit Markets business, certain activities of the Commodity Markets and Finance business, and some other less financially significant activities are undertaken from within the Non-Banking Group.

1H24 result: \$A1,415m down 39% on 1H23;  
down 51% on 2H23

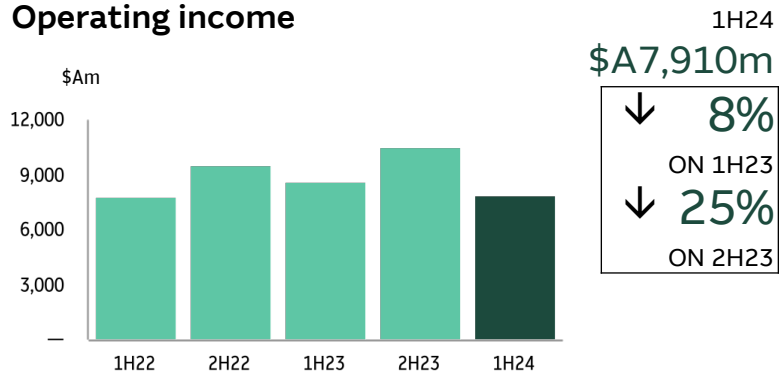
	1H24 \$Am	2H23 \$Am	1H23 \$Am		1H24 v 1H23		1H24 v 2H23
Net operating income	7,910	10,498	8,624	↓	8%	↓	25%
Total operating expenses	(5,919)	(6,534)	(5,596)	↑	6%	↓	9%
<b>Operating profit before income tax</b>	<b>1,991</b>	<b>3,964</b>	<b>3,028</b>	<b>↓</b>	<b>34%</b>	<b>↓</b>	<b>50%</b>
Income tax expense	(587)	(1,089)	(735)	↓	20%	↓	46%
Effective tax rate <sup>1</sup> (%)	29.3	27.5	24.2				
Loss attributable to non-controlling interests	11	2	12				
<b>Profit attributable to MGL shareholders</b>	<b>1,415</b>	<b>2,877</b>	<b>2,305</b>	<b>↓</b>	<b>39%</b>	<b>↓</b>	<b>51%</b>
Annualised return on equity (%)	8.7	18.1	15.6	↓	44%	↓	52%
Basic earnings per share	\$A3.69	\$A7.46	\$A6.03	↓	39%	↓	51%
Dividend per ordinary share	\$A2.55	\$A4.50	\$A3.00	↓	15%	↓	43%

1. Calculation of the effective tax rate is after adjusting for the impact of non-controlling interests.

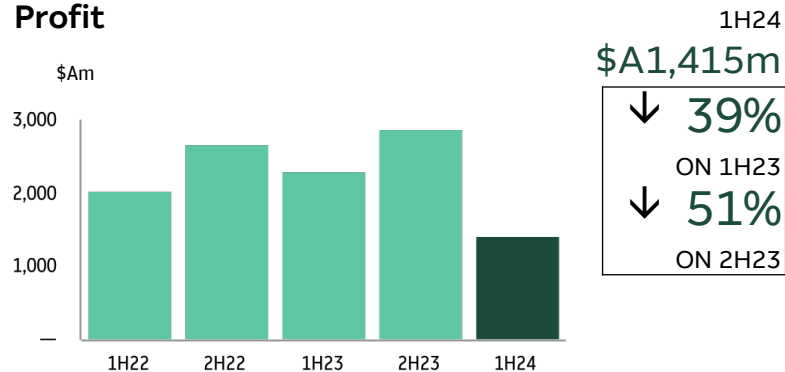


# Financial performance

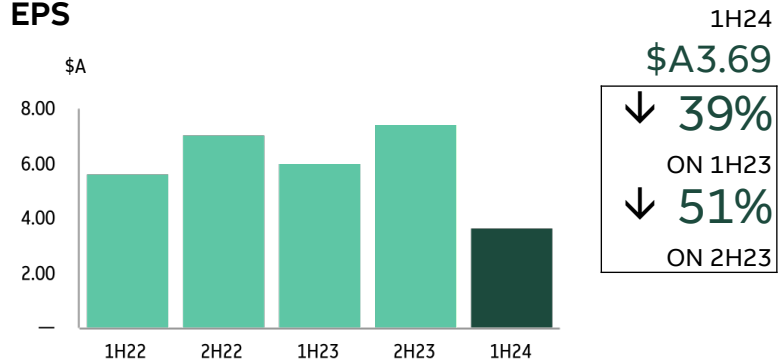
## Operating income



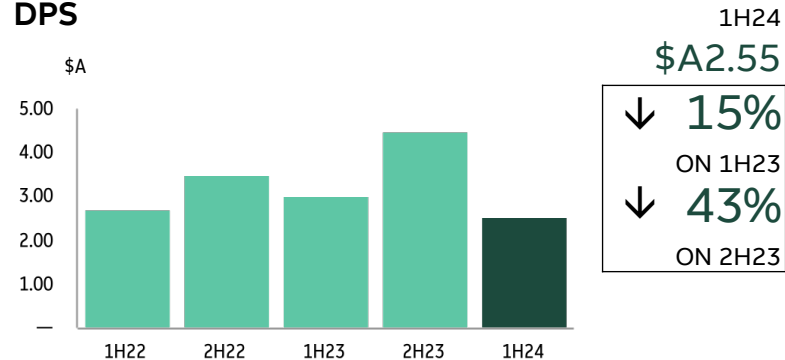
## Profit



## EPS



## DPS



# 3Q24

## Overview



- FY24 year to date (YTD) NPAT substantially down on FY23 YTD which included an exceptional quarterly result in 3Q23, however underlying client franchises were resilient in ongoing uncertain conditions
- Macquarie's annuity-style businesses' (MAM and BFS) combined December 2023 quarter (3Q24) net profit contribution was down on the prior corresponding period (pcp) (3Q23) mainly due to lower asset realisations in green investments in MAM and margin compression along with run off in the car loan portfolio, partially offset by volume growth across home loans and business lending in BFS
  - FY24 YTD net profit contribution substantially down on FY23 YTD primarily due to lower asset realisations in green investments and continued investment in the development of green energy portfolio companies in MAM
- Macquarie's markets-facing businesses' (CGM and Macquarie Capital) combined 3Q24 net profit contribution was substantially down on the pcp primarily due to exceptionally strong results in Commodities including gas and power in the pcp in CGM and lower fee and commission income, partially offset by investment-related income in Macquarie Capital
  - FY24 YTD net profit contribution substantially down on FY23 YTD mainly due to exceptionally strong results in Commodities including gas and power in the pcp in CGM and non-recurrence of material asset realisations and lower fee and commission income, partially offset by higher net interest income from portfolio growth and gains from a small number of investments in Macquarie Capital

# 3Q24 Overview

## Annuity-style businesses

### Macquarie Asset Management

# ~14%

1H24 contribution<sup>1</sup>

- AUM<sup>2</sup> of \$A882.5b at Dec 23, down 1% on Sep 23
- Private Markets: \$A347.4b in AUM<sup>3</sup>, up 1% on Sep 23, primarily driven by fund investments and increase in asset valuations, partially offset by unfavourable foreign exchange movements
- Private Markets: \$A210.6b in EUM<sup>3</sup>, \$A6.7b in new equity raised; \$A6.0b of equity invested; \$A0.1b equity divested in 3Q24; \$A35.4b of equity to deploy at Dec 23
- Public Investments: \$A535.1b in AUM<sup>4</sup>, down 2% on Sep 23, primarily driven by net flows and unfavourable foreign exchange movements, partially offset by positive market movements
  - \$A294.9b AUM<sup>4</sup> in Fixed income, down 5% on Sep 23
  - \$A215.8b AUM<sup>4</sup> in Equities, up 1% on Sep 23
  - \$A24.4b AUM<sup>4</sup> in Alternatives and Multi-Assets, up 2% on Sep 23
- Reached final close of fundraising for Macquarie European Infrastructure Fund 7 (MEIF7), with over €8b of investor commitments
- Reached first close of Macquarie's first energy transition fund, Macquarie Green Investment Group Energy Transition Solutions (MGETS) with ~\$US1.9b raised. The fund will target the next phase of the energy transition
- Continuing to invest in existing and new green platforms, including a core renewables platform, as MAM Green Investments transitions to a fiduciary business

### Banking and Financial Services

# ~22%

1H24 contribution<sup>1</sup>

- BFS deposits<sup>5</sup> of \$A135.6b at Dec 23, up 3% on Sep 23
- Home loan portfolio of \$A117.9b at Dec 23, up 3% on Sep 23
- Funds on platform<sup>6</sup> of \$A132.8b at Dec 23, up 6% on Sep 23
- Business banking loan portfolio of \$A15.5b at Dec 23, up 6% on Sep 23
- Car loans portfolio of \$A4.8b at Dec 23, down 8% on Sep 23

1. Based on 1H24 net profit contribution from operating groups as reported on 3 Nov 23. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 2. Private Markets Assets under Management (AUM) is calculated as the proportional ownership interest in the underlying assets of funds and mandated assets that Macquarie actively manages or advises for the purpose of wealth creation, adjusted to exclude cross-holdings in funds and reflect Macquarie's proportional ownership interest of the fund manager. Private Markets AUM includes equity yet to deploy and equity committed to assets but not yet deployed. 3. Private Markets' total Equity under Management includes market capitalisation at measurement date for listed funds, the sum of original committed capital less capital subsequently returned for unlisted funds and mandates as well as invested capital for managed businesses. 4. As at 31 Dec 23. 5. BFS deposits include home loan offset accounts and exclude certain corporate/wholesale deposits. 6. Funds on platform includes Macquarie Wrap, FUM in relation to institutional relationships and Macquarie Vision (used by Macquarie Private Bank).

# 3Q24 Overview

## Markets-facing businesses

### Commodities and Global Markets

# ~49%

1H24 contribution<sup>1</sup>

- Commodities contribution was down on the pcp, primarily due to decreased inventory management and trading revenues in North American Gas, Power and Emissions. The result also included a reduced contribution from risk management revenue, primarily in Resources and Gas, Power and Emissions sectors as volatility and price movements stabilised across commodity markets following previous record highs
- Consistent contribution from client risk management, market access and financing activity across the Financial Markets businesses including fixed income, foreign exchange, credit and futures
- Continued positive performance across all industries in Asset Finance with portfolio growth being driven by Advanced Technology and Shipping Finance sectors
- ~9 billion cubic feet of natural gas volume traded across North America daily<sup>2</sup>
- House of the Year: Oil and Products<sup>3</sup>, Electricity<sup>3</sup>, Commodities Research<sup>3,4</sup>, Commodity Trade Finance<sup>4</sup>, Derivatives<sup>4</sup>, Emissions<sup>4</sup>, Environmental Products<sup>4</sup>, Natural Gas/LNG<sup>4</sup>
- Maintained ranking as No.1 Futures Broker on ASX<sup>5</sup>
- \$A6.7b asset finance and loan portfolio<sup>6</sup>

### Macquarie Capital

# ~15%

1H24 contribution<sup>1</sup>

- 59 transactions valued at \$A65b completed globally<sup>7</sup>, down on pcp
- Investment-related income significantly up on pcp and down on prior period. Fee revenue down on both pcp and prior period, driven by lower M&A fees
- Notable deals:
  - Exclusive financial adviser to United Malt Group Ltd on its ~\$A2.1b acquisition by Malteries Soufflet SAS
  - Joint lead manager, underwriter, bookrunner and financial adviser to Treasury Wine Estates Ltd on its ~\$US1b acquisition of DAOU Vineyards LLC and associated \$A825m equity raising
  - Sole financial adviser to Apex Partners on their acquisition of Bazoooka Candy Brands
  - Investment in Mereo Networks, a leading bulk internet service provider offering internet, video content and Internet of Things solutions to multi-dwelling unit properties
  - Investment in BioCatch Ltd, a global leader in behavioural biometrics, leveraging device and behavioural data to protect global organisations against fraud
  - Equity investment in Envest, the fourth largest independent insurance broker and underwriting agency business in Australia
- Private Credit portfolio of over \$A20b<sup>8</sup>, with \$A1.5b deployed in 3Q24 through focused investment in credit markets and bespoke financing solutions
- No.1 in Australia for Trading and No.2 in Sales and Research<sup>9</sup>

1. Based on 1H24 net profit contribution from operating groups as reported on 3 Nov 23. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 2. Platts as at 30 Sep 23. 3. Energy Risk Awards 2023. 4. Energy Risk Asia Awards 2023. 5. ASX Futures (SFE) Monthly Report Sep 23. 6. As at 30 Sep 23. 7. Dealogic & IJ Global for Macquarie Group completed M&A, investments, ECM & DCM transactions converted as at the relevant report date. Deal values reflect the full transaction value and not an attributed value. Comparatives are presented as previously reported. 8. Committed portfolio as at 31 Dec 23. 9. Peter Lee Associates 2023 Survey of Australian Institutional Investors.

# 03

## Outlook

Presentation to Debt Investors

February 2024



# Short-term outlook

## Factors impacting short-term outlook

### Annuity-style businesses

### Markets-facing businesses

#### Non-Banking Group

##### Macquarie Asset Management (MAM)

- Base fees expected to be broadly in line
- Subject to market conditions and the completion of a number of transactions in 4Q24, Net Other Operating Income<sup>1</sup> for 2H24 is expected to be substantially down on 2H23

#### Banking Group

##### Banking and Financial Services (BFS)

- Growth in loan portfolio, deposits and platform volumes
- Market dynamics to continue to drive margins
- Ongoing monitoring of provisioning
- Higher expenses to support volume growth, technology investment, compliance and regulatory requirements

##### Macquarie Capital (MacCap)

Subject to market conditions:

- Transaction activity in FY24 is expected to be slightly down on FY23
- Investment-related income for 2H24 expected to be significantly up on 1H24, with increased FY24 revenue from growth in the private credit portfolio and gains on a small number of investments partially offset by lower revenue due to the timing of asset realisations
- Continued balance sheet deployment in both debt and equity investments

##### Commodities and Global Markets<sup>2</sup> (CGM)

Subject to market conditions, which make forecasting difficult:

- Commodities income benefitted from exceptionally strong trading conditions in FY23. Commodities income is expected to be broadly in line with the prior FY22, albeit volatility may create opportunities
- Consistent contribution from client and trading activity across the Financial Markets platform
- Continued contribution from Asset Finance across sectors

#### Corporate

- Compensation ratio expected to be broadly in line with historical levels
- The FY24 effective tax rate is expected to be broadly in line with historical levels

1. Net Other Operating Income includes all operating income excluding base fees. 2. Certain assets of the Credit Markets business and certain activities of the Commodity Markets and Finance business, and some other less financially significant activities are undertaken from within the Non-Banking Group.



## Short-term outlook

The range of factors that may influence our short-term outlook include:

- Market conditions including: global economic conditions, inflation and interest rates, significant volatility events, and the impact of geopolitical events
- Completion of period-end reviews and the completion of transactions
- The geographic composition of income and the impact of foreign exchange
- Potential tax or regulatory changes and tax uncertainties

We continue to maintain a cautious stance, with a conservative approach to capital, funding and liquidity that positions us well to respond to the current environment

# Medium-term outlook

## Annuity-style businesses

### Non-Banking Group

#### Macquarie Asset Management (MAM)

- Well-positioned to respond to current market conditions and grow assets under management through its diversified product offering, track record and experienced investment teams
- Continuing to invest in existing and new green platforms as MAM Green Investments transitions to a fiduciary business

### Banking Group

#### Banking and Financial Services (BFS)

- Growth opportunities through intermediary and direct retail client distribution, platforms and client service
- Opportunities to increase financial services engagement with existing business banking clients and extend into adjacent segments
- Modernising technology to improve client experience and support scalable growth

## Markets-facing businesses

#### Macquarie Capital (MacCap)

- Continues to support clients globally across long-term trends including tech-enabled innovation, the need for infrastructure and resilience and the growth in private capital
- Opportunities for balance sheet investment alongside clients and infrastructure project development
- Continues to tailor the business offering to current opportunities and market conditions including providing flexible capital solutions across sectors and regions
- Well-positioned to respond to changes in market conditions

#### Commodities and Global Markets<sup>1</sup> (CGM)

- Opportunities to grow the commodities business, both organically and through acquisition
- Development of institutional and corporate coverage for specialised credit, rates and foreign exchange products
- Tailored financing solutions globally across a variety of industries and asset classes
- Continued investment in the asset finance portfolio
- Supporting the client franchise as markets evolve, particularly as it relates to the energy transition
- Growing the client base across all regions

1. Certain assets of the Credit Markets business and certain activities of the Commodity Markets and Finance business, and some other less financially significant activities are undertaken from within the Non-Banking Group.





## Medium-term outlook

Macquarie remains well-positioned to deliver superior performance in the medium term with its diverse business mix across annuity-style and markets-facing businesses

Deep expertise across diverse sectors in major markets with structural growth tailwinds

- Customer focused digital bank
- Private Markets and Public Investments
- Commodities, Financial Markets and Asset Finance
- Specialist advice, capital solutions and investment

Patient adjacent growth across new products and new markets

Ongoing technology and regulatory spend to support the Group

Strong and conservative balance sheet

- Well-matched funding profile with short-term wholesale funding covered by short-term assets and cash and liquid assets
- Surplus funding and capital available to support growth

Proven risk management framework and culture

Empowering people to innovate and invest for a better future

# 04

## Capital and Funding

Presentation to Debt Investors  
February 2024

# Capital management update

## Group capital position as at Dec 23

- APRA Basel III Group capital surplus of \$A9.7b<sup>1,2</sup>. Reduction in surplus of \$A0.8b from Sep 23 predominantly driven by the 1H24 dividend, growth in BU requirements and the on-market share buyback, partially offset by 3Q24 net profit after tax.
- APRA Basel III Level 2 CET1 ratio of 13.4%; Harmonised Basel III Level 2 CET1 ratio: 18.2%<sup>3</sup>.

## Dividend Reinvestment Plan (DRP)

- On 19 Dec 23, the DRP in respect of the 1H24 dividend was satisfied through the allocation of ordinary shares at a price of \$A167.04 per share<sup>4</sup>. The shares allocated under the DRP were acquired on-market.

## On-market share buyback

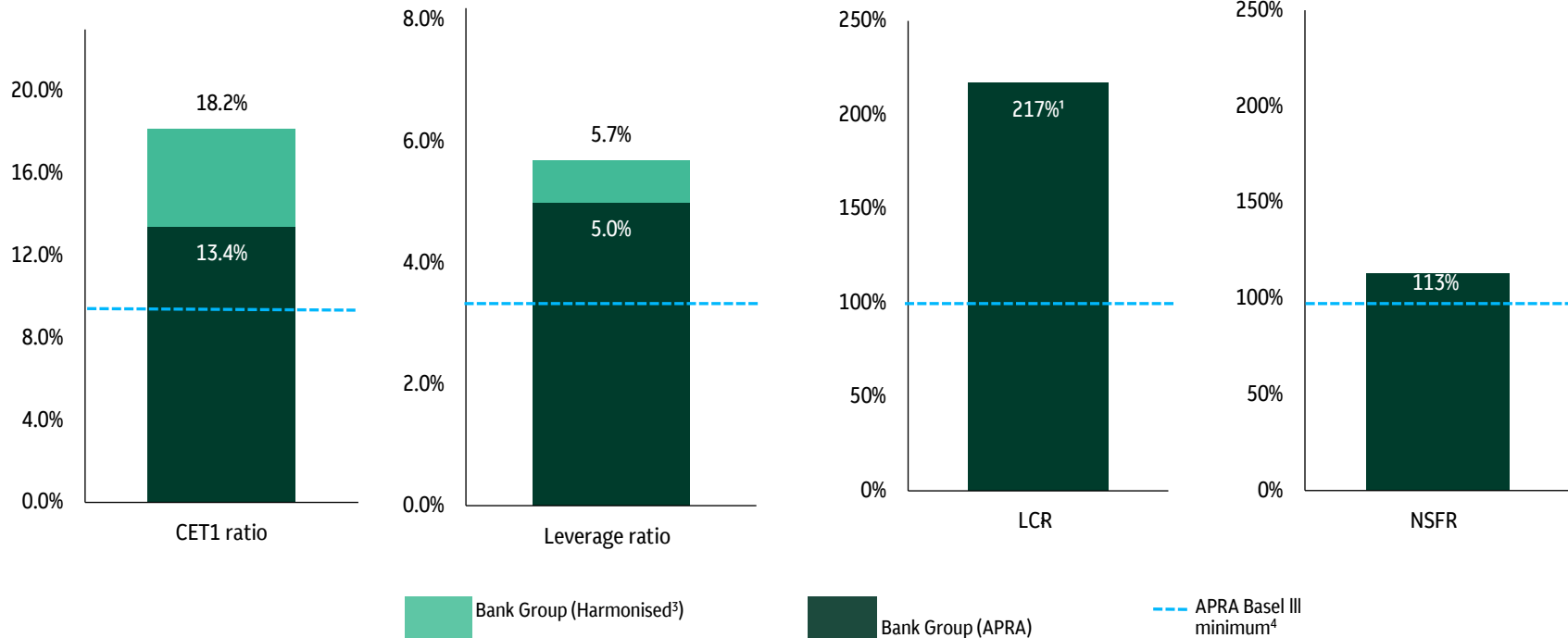
- On 3 Nov 23, Macquarie announced that it intends to buy back up to \$A2.0b of ordinary shares on-market.
- The buyback provides additional flexibility to manage the Group's capital position and Macquarie retains the ability to vary, pause or terminate the buyback at any time.
- As at 31 Dec 23, a total of \$A235.8m of ordinary shares have been acquired on-market at an average price of \$A168.74 per share.

1. The Group capital surplus is the amount of capital above APRA regulatory requirements. Bank Group regulatory requirements are calculated in accordance with Prudential Standard APS 110 - Capital Adequacy, at 10.50% of RWA. This includes the industry minimum Tier 1 requirement of 6.0%, CCB of 3.75% and a CCyB. The CCyB of the Bank Group at Dec 23 is 0.71% (Sep 23: 0.71%; Mar 23: 0.61%), this is rounded to 0.75% (Sep 23: 0.75%, Mar 23: 0.5%) for presentation purposes. The individual CCyB varies by jurisdiction and the Bank Group CCyB is calculated as a weighted average based on exposures in different jurisdictions at period end. 2. The surplus reported includes provisions for internal capital buffers and differences between Level 1 and Level 2 requirements, including the \$A500m operational capital overlay imposed by APRA. 3. 'Harmonised' Basel III estimates are calculated in accordance with the updated BCBS Basel III framework, noting that MBL is not regulated by the BCBS and so impacts shown are indicative only. 4. The DRP price was determined in accordance with the DRP Rules and is the arithmetic average of the daily volume-weighted average price of all Macquarie Group shares sold through a Normal Trade on the ASX automated trading system over the five trading days from 21 Nov 23 to 27 Nov 23.



# Strong regulatory ratios as at Dec 23

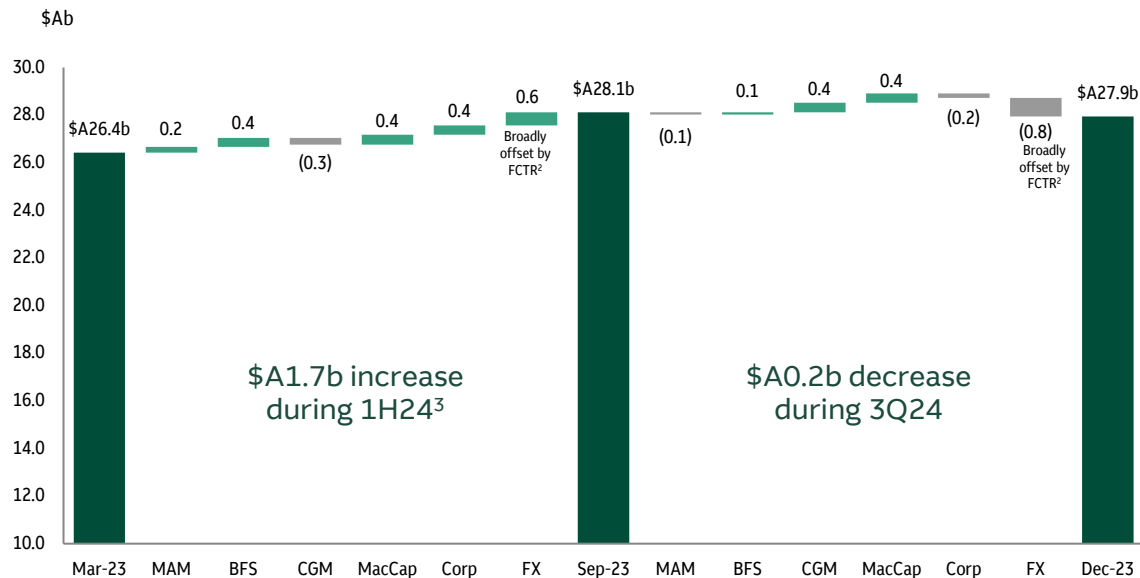
## Bank Group Level 2 Ratios (Dec 23)



1. Average LCR for Dec 23 quarter is based on an average of daily observations. 2. APRA imposed a 15% add-on to the Net Cash Outflow component of the LCR calculation, and a 1% decrease to the Available Stable Funding component of the NSFR calculation, effective from 1 Apr 21. The LCR Net Cash Outflow add-on increased to 25% from 1 May 22. 3. 'Harmonised' Basel III estimates are calculated in accordance with the updated BCBS Basel III framework, noting that MBL is not regulated by the BCBS and so impacts shown are indicative only. 4. The minimum requirement for CET1 ratio per APS 110 is 9.0% which includes the industry minimum CET1 requirement of 4.5%, CCB of 3.75% and a CCyB. The CCyB of the Bank Group at Dec 23 is 0.71%, which is rounded to 0.75% for presentation purposes. The minimum leverage ratio requirement is 3.5% per APS 110. The minimum requirement for LCR and NSFR is 100% per APS 210 Liquidity.

# Business capital requirements<sup>1</sup> 3Q24

3Q24 business capital requirement growth of \$A0.6b excluding FX movements



1. Regulatory capital requirements are calculated in accordance with APRA regulatory requirements. Bank Group regulatory requirements are calculated in accordance with APS 110 at 10.5% of RWA (Sep 23: 10.5%; Mar 23: 10.25%). 2. The FCTR forms part of capital supply and broadly offsets FX movements in capital requirements. 3. 1H24 movement includes \$A0.3b increase driven by higher CCyB requirements (Sep 23: 0.75%; Mar 23: 0.50%).

## 3Q24 Key drivers

### MAM

- Net movements in fund co-investments, underwrites and divestments

### BFS

- Growth in home loans and business banking

### CGM

- Growth in credit risk capital primarily driven by an increase in FX and interest rate derivative exposures

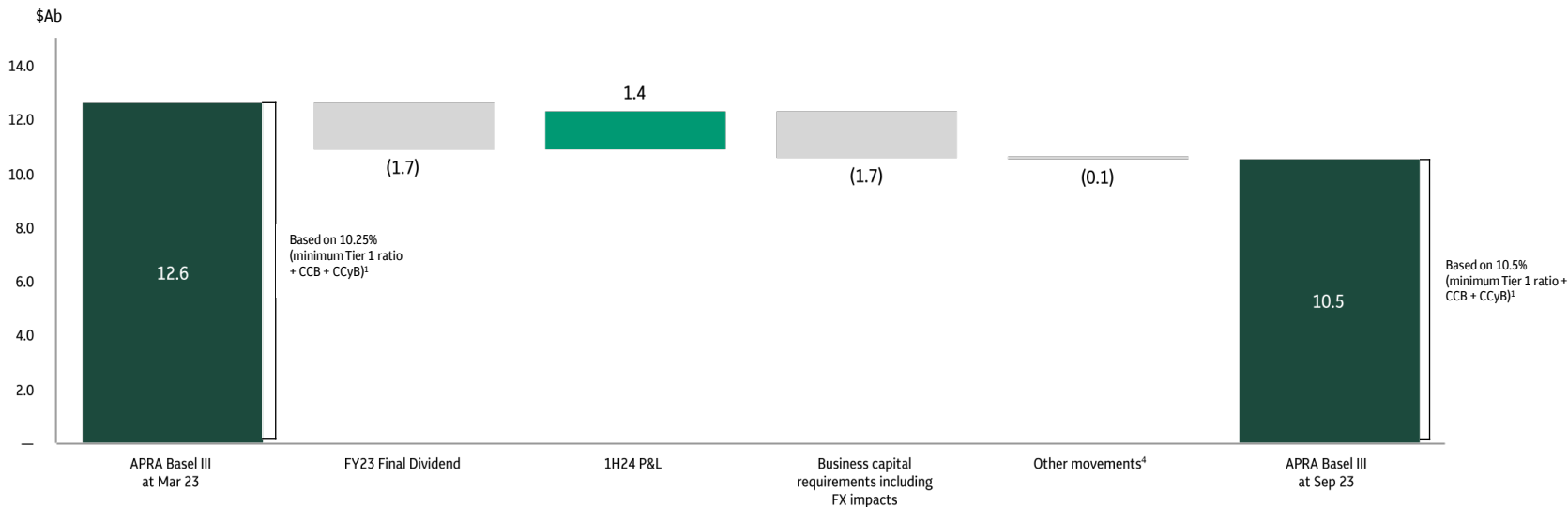
### Macquarie Capital

- Growth in equity and private credit deployment

# Basel III Group capital position 1H24

- Strong capital position to support business activity and invest in new opportunities where expected risk adjusted returns are attractive
- APRA Basel III Group capital surplus of \$A10.5b<sup>1,2</sup>
- APRA Basel III Level 2 CET1 ratio: 13.2%; Harmonised Basel III Level 2 CET1 ratio: 18.0%<sup>3</sup>

## Group capital surplus



1. The Group capital surplus is the amount of capital above APRA regulatory requirements. Bank Group regulatory requirements are calculated in accordance with Prudential Standard APS 110 Capital Adequacy (APS 110), at 10.5% of RWA (Mar 23: 10.25%). This includes the industry minimum Tier 1 requirement of 6.0%, capital conservation buffer (CCB) of 3.75% and a countercyclical capital buffer (CCyB). The CCyB of the Bank Group at Sep 23 is 0.71% (Mar 23: 0.61%), this is rounded to 0.75% (Mar 23: 0.5%) for presentation purposes. The individual CCyB varies by jurisdiction and the Bank Group CCyB is calculated as a weighted average based on exposures in different jurisdictions at period end. 2. The surplus reported includes provisions for internal capital buffers and differences between Level 1 and Level 2 requirements, including the \$A500m operational capital overlay imposed by APRA.

3. 'Harmonised' Basel III estimates are calculated in accordance with the updated BCBS Basel III framework, noting that MBL is not regulated by the BCBS and so impacts shown are indicative only. 4. Includes treasury shares purchase for Macquarie Group Employee Retained Equity Plan, movements in foreign currency translation reserve (FCTR), share-based payment reserve and other movements.

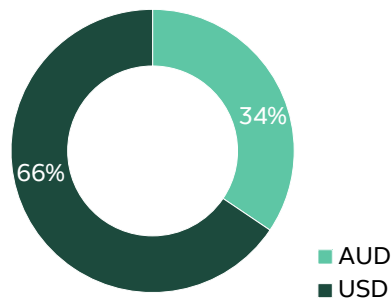
# Tier 2 Capital Profile

## MBL Tier 2

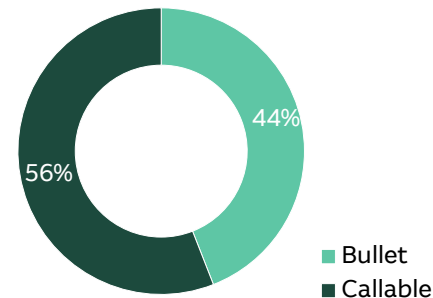
- As at Dec-23, MBL has \$A6.8b of eligible Tier 2 capital on issue<sup>1,2</sup>
- APRA announced Australian major banks will be subject to an additional loss absorbing capital (“LAC”) requirement of 6.5% of RWA by 1 January 2026<sup>3</sup>
- MBL is subject to additional LAC requirements in line with the major banks
- Based on Dec-23 disclosures, MBL Tier 2 on issue represented 5.4% of RWAs<sup>4</sup>

## Eligible Tier 2 Capital<sup>1,2</sup>

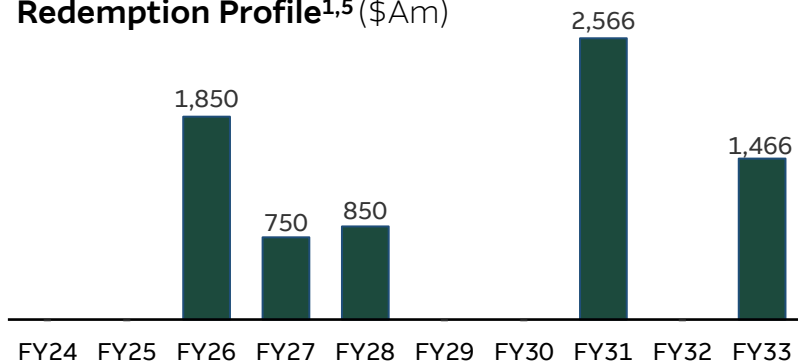
Composition by currency



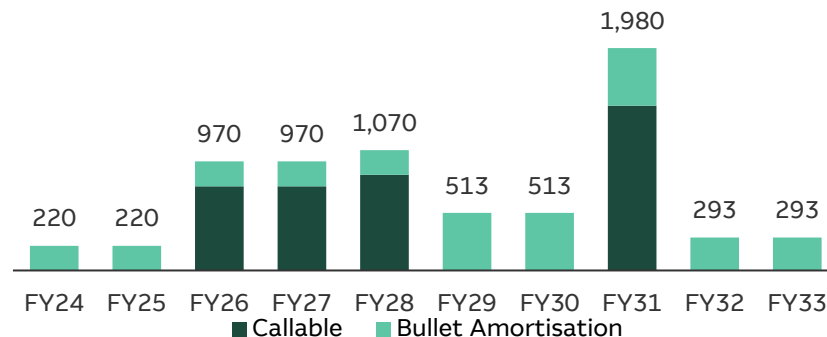
Composition by format



## Redemption Profile<sup>1,5</sup> (\$Am)



## Tier 2 Capital Amortisation Profile<sup>1,2,5</sup> (\$Am)



1. FX rates as at 31 Dec 23.

2. Amortisation of bullet structures in line with APRA’s requirements outlined in *APS 111 Capital Adequacy: Measurement of Capital*.

3. *Finalising loss-absorbing capacity requirements for domestic systemically important banks*; 2 Dec 2021.

4. MBL Level 2 RWAs are \$A127.5b at 31 Dec 23.

5. First call date used for modelling the profile of callable instruments. Redemption of instruments is subject to APRA approval (which may or may not be provided). Holders should not expect that APRA’s approval will be given if requested by MBL.

# Balance sheet highlights Dec 23

- **Balance sheet remains solid and conservative**
  - Term assets covered by term funding, stable deposits, hybrids and equity
  - Short-term wholesale funding covered by cash, liquids and other short-term assets
- **Total customer deposits<sup>1</sup> is \$A139.6b as at Dec 23, up 3% compared to Sep 23 \$A135.8b (1H24 up 1% from \$A134.5b as at Mar 23)**
- **\$A10.7b<sup>2</sup> of term funding raised during 3Q24:**
  - \$A6.9b of senior unsecured debt
  - \$A1.8b of securitisation issuance
  - \$A0.7b refinance of secured trade finance facilities; and
  - \$A1.3b of unsecured loan facilities.
- **\$A8.3b<sup>2</sup> of term funding raised during 1H24:**
  - \$A5.2b of senior unsecured debt
  - \$A1.5b of securitisation issuance
  - \$A1.3b refinance of secured trade finance facilities; and
  - \$A0.3b of unsecured loan facilities.
- **Credit ratings** - On 2 Jun 23, Moody's upgraded MBL's long-term rating from A2/Positive to A1/Stable and MGL's long-term rating from A3/Positive to A2/Stable.

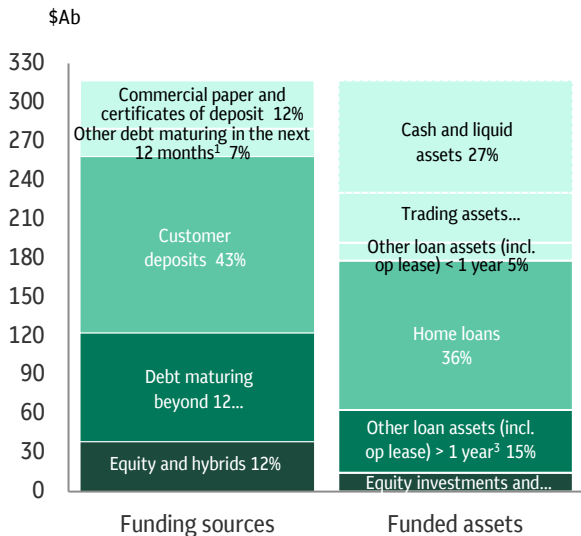
1. Total customer deposits as per the funded balance sheet (\$A139.6b) differs from total deposits as per the statutory balance sheet (\$A135.6b). The funded balance sheet reclassifies certain balances to other funded balance sheet categories. 2. Issuances cover a range of tenors, currencies and product types and are AUD equivalent based on FX rates at the time of issuance. Includes refinancing of loan facilities.



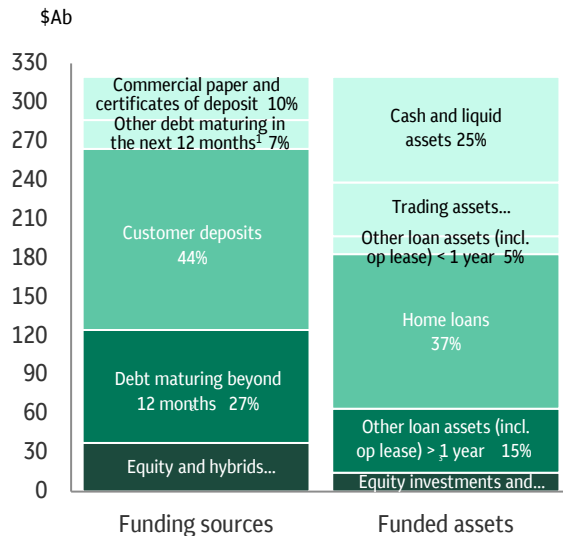
# Funded balance sheet remains strong

## Term liabilities exceed term assets

### 30 Sep 23



### 31 Dec 23



**Total customer deposits<sup>5</sup>**  
**\$A139.6b** ↑ 3%  
FROM SEP 23

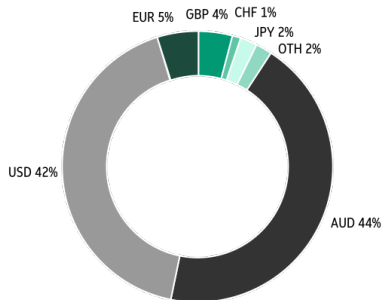
**Term funding raised<sup>6</sup>**  
**\$A10.7b** Since  
SEP 23

These charts represent Macquarie's funded balance sheets at the respective dates noted above. The funded balance sheet is a simple representation of Macquarie's funding requirements once accounting related gross-ups and self-funded assets have been netted down from the statement of financial position. The funded balance sheet is not a liquidity risk management tool, as it does not consider the granular liquidity profiling of all on and off-balance sheet components considered in both Macquarie's internal liquidity framework and the regulatory liquidity metrics. 1. Other debt maturing in the next 12 months includes Secured funding (including RBA TFF), Bonds, Structured notes, Unsecured loans and Net trade creditors. 2. Debt maturing beyond 12 months includes Subordinated debt, Structured notes, Secured funding, Bonds and Unsecured loans not maturing within next 12 months. 3. Other loan assets (incl. op lease) > 1 year includes Debt investments. 4. Equity investments and PPE includes Macquarie's co-investments in Macquarie-managed funds and other equity investments. 5. Total customer deposits as per the funded balance sheet (\$A139.6b) differs from total deposits as per the statutory balance sheet (\$A139.7b). The funded balance sheet reclassifies certain balances to other funded balance sheet categories. 6. Issuances cover a range of tenors, currencies and product types and are AUD equivalent based on FX rates at the time of issuance. Includes refinancing of loan facilities.

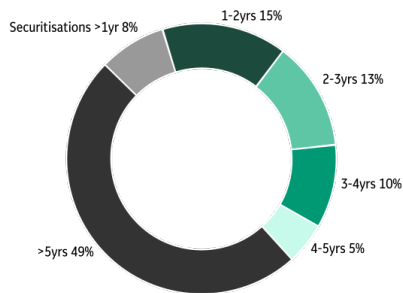
# Diversified issuance strategy 1H24

Term funding as at 30 Sep 23 - diversified by currency<sup>1</sup>, tenor<sup>2</sup> and type

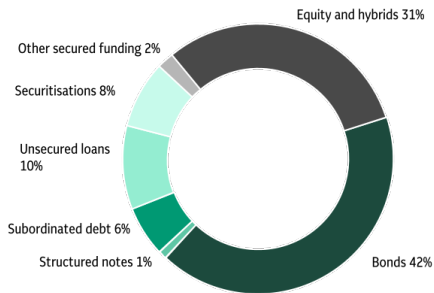
## Currency



## Tenor

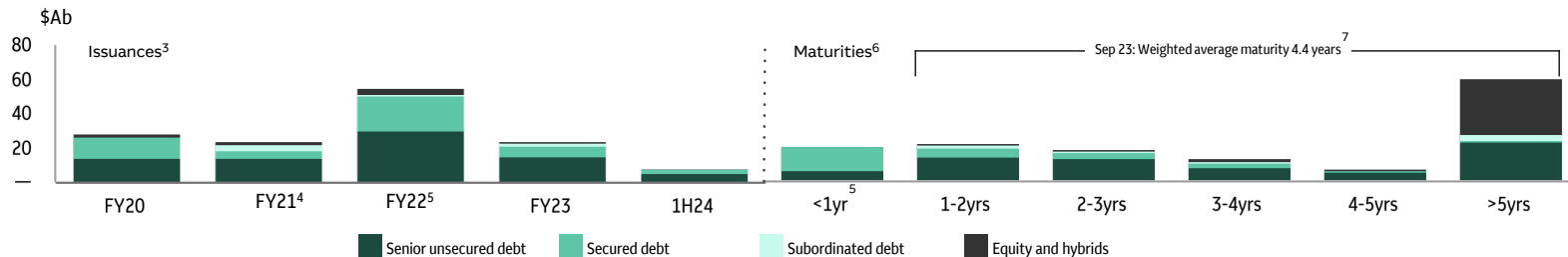


## Type



**4.4 years WAM<sup>7</sup>**  
of Term funding

## Term Issuance and Maturity Profile



1. Equity has been allocated to the AUD currency category. 2. Securitisations have been presented on a behavioural basis and represent funding expected to mature in >1yr. 3. Issuances include refinancing of loan facilities and are converted to AUD at the 30 Sep 23 spot rate. 4. Includes RBA TFF of \$A1.72b. 5. Includes RBA TFF of \$A9.53b. 6. Maturities are shown as at 30 Sep 23. 7. WAM represents weighted average term to maturity of term funding maturing beyond one year excluding equity and securitisations.

# Deposits 3Q24

Deposits are key to our liability-led strategy, providing efficient funding for our lending businesses

- Strong growth in our deposits, representing ~4.9% of the Australian market<sup>1</sup> with continued diversification of our deposits base
- Award-winning digital features and unique multi-factor Macquarie Authenticator application
- ~1.4m out of ~1.85m BFS customers are depositors<sup>2</sup>
- 5<sup>th</sup> largest household deposit holder<sup>1</sup>

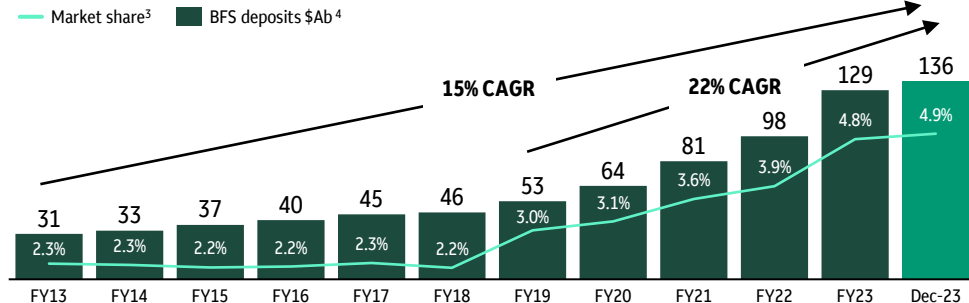
## Business Banking

- Strong deposit growth evident across property and professional industries
- Deep customer relationships formed through industry expertise and connectivity between our payments and banking platforms, and our customers' operating systems

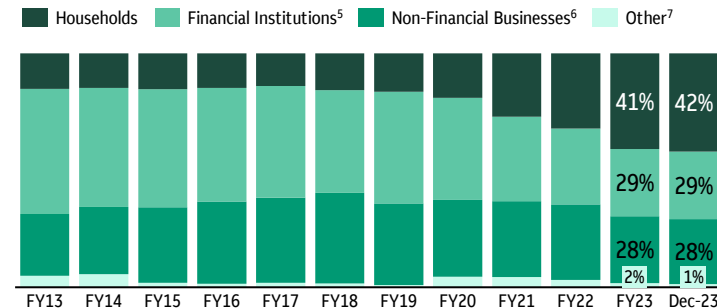
## Wealth

- Market leading cash hub
- Seamless management of wealth by advisers through CMA connectivity features

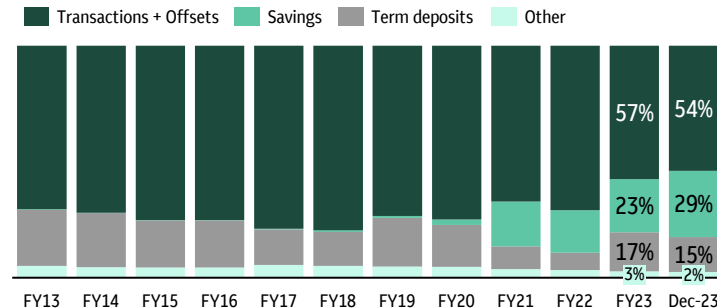
## BFS deposit FUM & market share



## Customer deposits counterparty composition<sup>3</sup>



## BFS deposit type



1. APRA Monthly Authorised Deposit-taking Institution Statistics as at 31 Dec 23 for Macquarie Bank Limited. 2. As at 31 Dec 23. 3. Figures from FY19 onwards based on reported APRA Monthly Authorised Deposit-taking Institution Statistics as at 31 Dec 23 for Macquarie Bank Limited. Historical data prior to FY19 based on the APRA Monthly Banking Statistics back series for Macquarie Bank Limited. 4. BFS deposits includes home loan offset accounts and exclude certain corporate/wholesale deposits. 5. Includes superannuation funds and SMSFs. 6. Predominantly Private Enterprises and Trusts. 7. Includes Government, Community Service Organisations and Not-for-profits.

# Current credit ratings

	Macquarie Bank Limited			Macquarie Group Limited		
	Long-term rating	Long-term rating outlook	Short-term rating	Long-term rating	Long-term rating outlook	Short-term rating
<b>S&amp;P</b>	A+	Stable	A-1	BBB+	Stable	A-2
<b>Moody's</b>	A1	Stable	P-1	A2	Stable	P-1
<b>Fitch</b>	A	Stable	F-1	A	Stable	F-1

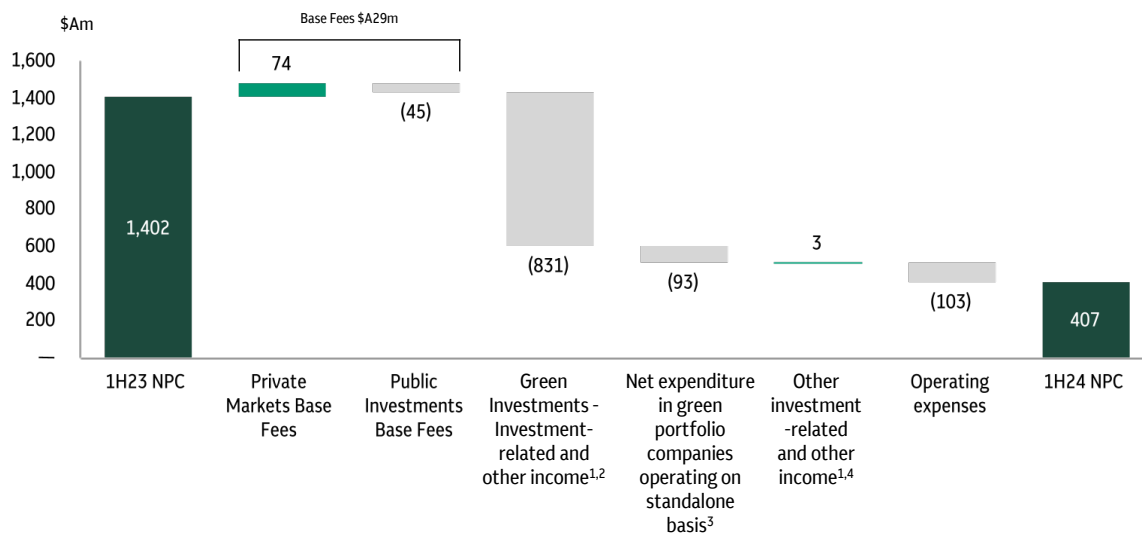
# 05

**Appendix A: Further Financial  
Information 1H24 and  
Governance**  
Presentation to Debt Investors  
February 2024

Asia | Singapore - Airtrunk

# Macquarie Asset Management

Decrease primarily driven by substantially lower investment-related and other income in green investments, due to timing of asset realisations



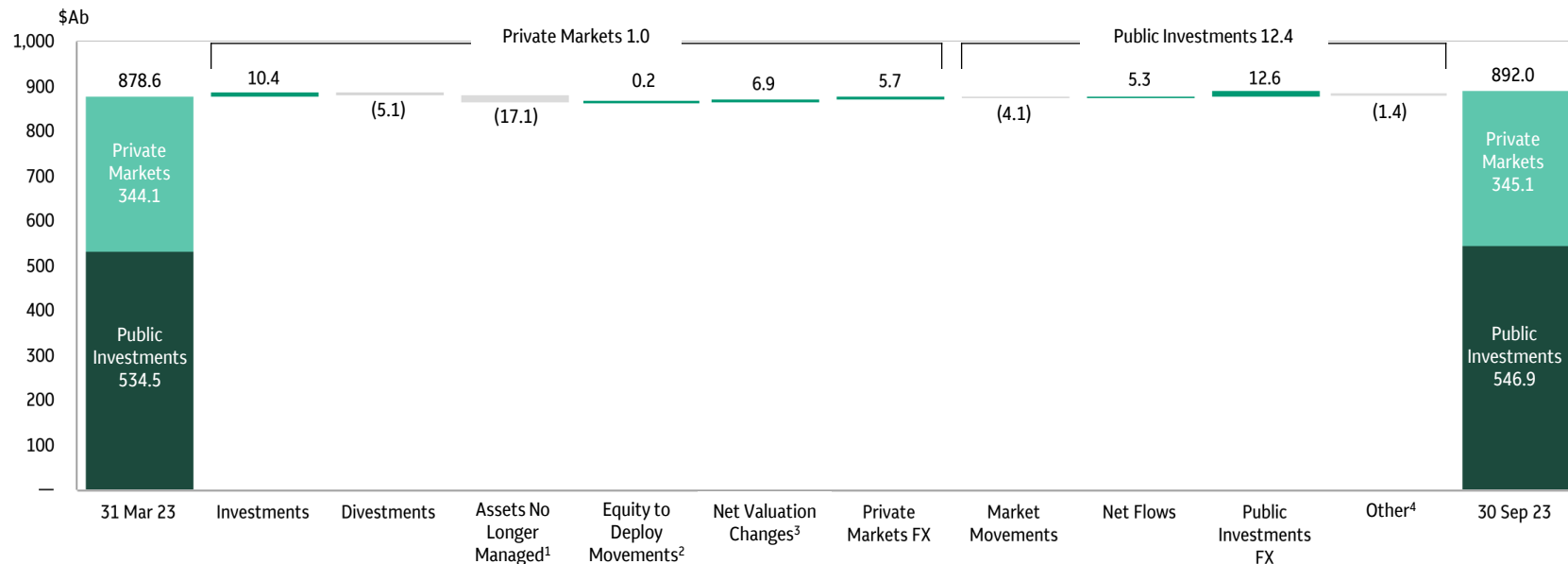
1. Investment-related income includes net income on equity, debt and other investments, share of net profits/(losses) from associates and joint ventures, credit and other impairment reversals/(charges). Other income includes net interest and trading expense, other fee and commission income, performance fees, other (expenses)/income, internal management revenue and non-controlling interests. 2. Excludes Net expenditure in green portfolio companies operating on a standalone basis being disclosed separately. 3. Represents net profit/(losses) from subsidiaries held for investment purposes held within the green investment portfolio as recognised in other (expenses)/income. 4. Other investment-related and other income includes total MAM investment-related and other income excluding green investments - investment-related and other income.

## Key drivers

- Higher Private Markets base fees primarily due to fundraising and investments made by Private Markets-managed funds and mandates as well as favourable foreign exchange movements, partially offset by asset realisations in Private Markets-managed funds
- Lower Public Investments base fees primarily due to outflows in Public Investments equity strategies, partially offset by favourable foreign exchange movements
- Substantially lower green investments investment-related and other income primarily driven by the timing of asset realisations
- Increased net expenditure in investments in green energy portfolio companies operating on a standalone basis primarily driven by increased activity
- Higher operating expenses primarily driven by foreign exchange movements, a one-off legacy matter, technology investment and employment costs

# MAM AUM movement

Increase due to investments made by Private Markets-managed funds and favourable foreign exchange movements, partially offset by reduction of co-investment management rights

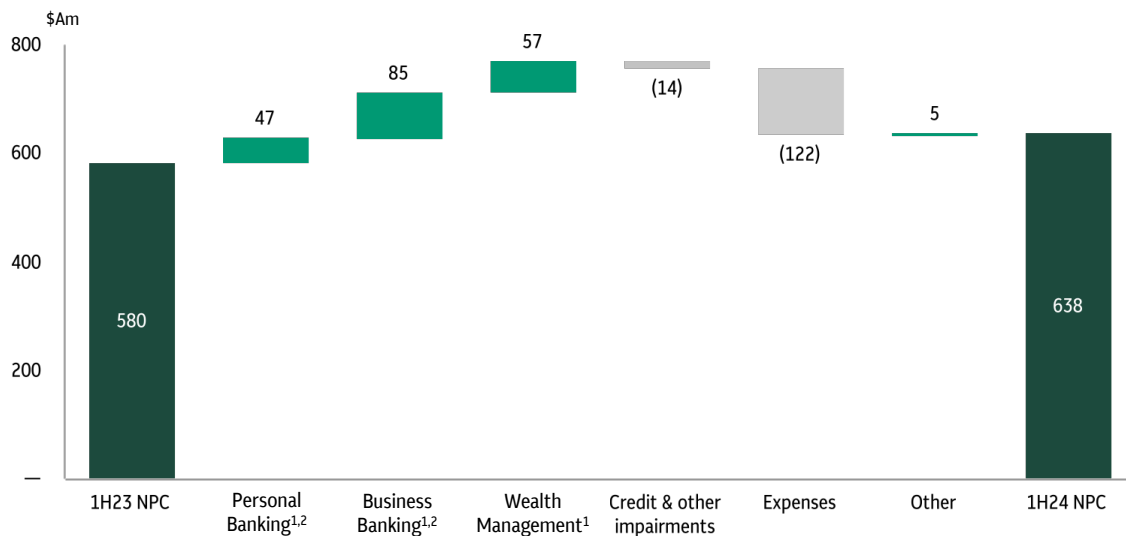


Note: 31 Mar 23 AUM has been restated to include equity committed to assets but not yet deployed. 1. Assets no longer managed represents reduction of co-investment management rights. 2. Includes equity committed to assets but not yet deployed. 3. Net valuation changes include net movements in unlisted valuations of portfolio assets, post distributions paid in the period, and listed share price movements. 4. Other includes movements in contractual insurance assets and divestitures.

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# Banking and Financial Services

Growth in the loan portfolio and BFS deposits, together with improved average margins, partially offset by higher expenses and credit impairments



1. Includes brokerage, commission and fee expenses. 2. Business Banking car loan portfolio continues to be in run-off following the sale of the dealer finance business in Dec 21. As the residual balance is immaterial, it has been consolidated in the Personal Banking car loan portfolio 3. Calculated based on average volumes net of offsets.

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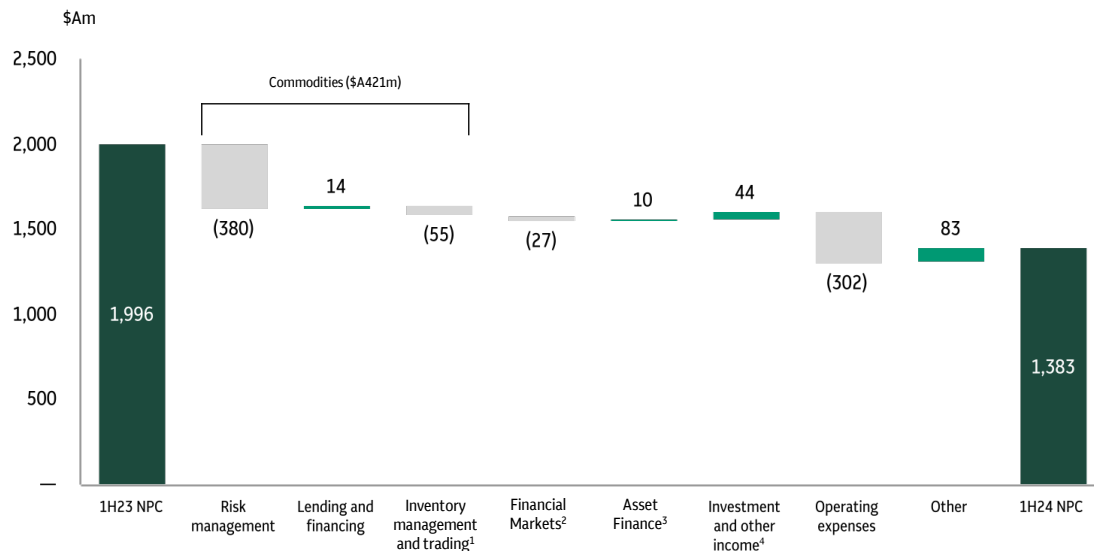
## Key drivers

- Higher Personal Banking income driven by above system growth of 14% in average home loan volumes<sup>3</sup>, partially offset by changes in portfolio mix and ongoing lending competition
- Higher Business Banking income driven by improved average margins from the rising interest rate environment, with 18% growth in average business lending volumes and 4% growth in average deposit volumes
- Higher Wealth income driven by improved average margins from the rising interest rate environment and 10% growth in average funds on platform driven by client net flows
- Higher credit impairment charges driven by portfolio growth
- Higher costs due to increased headcount and technology investment to support business growth and regulatory requirements as well as inflationary pressure



# Commodities and Global Markets

Strong underlying client business, well-positioned for upside opportunities



1. Inventory management and trading increase includes Oil, Gas, Power and Resources trading and timing of income recognition on Oil, Gas and Power storage and transport contracts. 2. Financial Markets includes FX, interest rates and credit and equities. 3. Asset Finance includes net interest and trading income and net operating lease income. 4. Includes net income on equity, debt and other investments, share of net profits from associates and joint ventures, internal management revenue and other income.

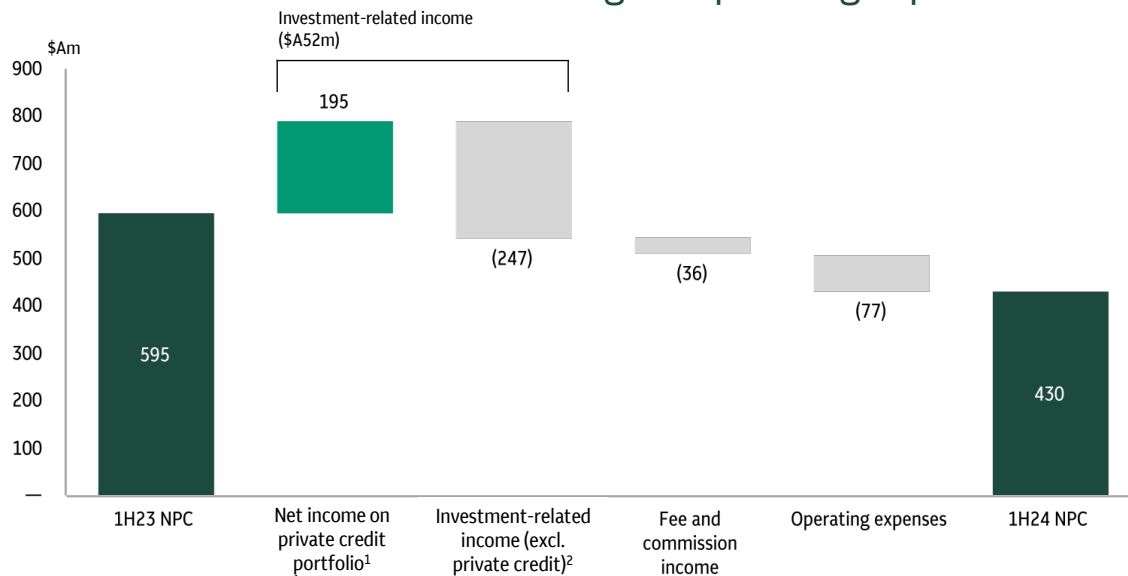
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## Key drivers

- **Commodities** down on 1H23
  - Risk management income decreased 25% on a strong 1H23 particularly from Resources and EMEA Gas, Power and Emissions due to decreased client hedging and trading activity as volatility and price movements stabilised across commodity markets following record highs in the prior corresponding period. These reductions were partially offset by an increased contribution across Agricultural markets
  - Lending and financing up 8% on 1H23 due to increased volumes in the energy and resources sectors
  - Inventory management and trading down 26% on 1H23 driven by a reduction in trading activity in North American Gas and Power, largely offset by the favourable impact of timing of income recognition primarily on North American and EMEA Gas and Power storage and transport contracts
- Financial Markets slightly down on 1H23 driven by decreased activity across foreign exchange and credit products
- Asset Finance up on 1H23 due to increased volumes in the technology and shipping sectors, partially offset by a reduced contribution from end of lease income
- Investment and other income up on 1H23 primarily driven by a gain on sale of unlisted equity investments
- Increase in Operating Expenses driven by higher expenditure on employment, technology platform and infrastructure, compliance and regulatory management spend and the impact of unfavourable foreign exchange movements
- Increase in Other driven by increased fee and commission income due to increased activity in futures and risk premia products

# Macquarie Capital

Reflects higher net income from growth in the private credit portfolio partially offsetting lower net investment income, lower fee and commission income and higher operating expenses



1. Represents the interest earned, net of associated funding costs and net credit impairment charges (including origination ECL) on the private credit portfolio. 2. Includes gains and losses from sale and revaluation of equity, debt and other investments, net interest and trading income (which represents the interest earned from debt investments and the funding costs associated with Macquarie Capital's balance sheet positions), share of net losses from associates and joint ventures, credit and other impairments, other income/(expenses), internal management revenue and non-controlling interests and excludes net income on the private credit portfolio.

## Key drivers

- Lower investment-related income primarily due to:
  - Non-recurrence of material asset realisations in the Americas and Europe
 Partially offset by:
  - Gains on a small number of investments
  - Higher net interest income from the private credit portfolio, benefiting from \$A3.8b of growth in average drawn loan assets
  - Non-recurrence of mark-to-market losses on certain debt underwriting positions
  - Reversals of impairments on previously underperforming investments
  - Lower origination credit provisions on the private credit portfolio due to lower deployment in the current period
- Fee and commission income broadly in line with:
  - Lower capital markets fee income, which decreased 31% compared to the prior corresponding period due to weaker market activity
 Partially offset by:
  - Higher brokerage income, which increased 6% compared to the prior corresponding period due to increased market activity, particularly in Asia
- Higher operating expenses predominantly driven by higher expenditure on technology platform and infrastructure, increased compliance and regulatory spend and higher employment costs

# Approximate business Basel III Capital and ROE

30 Sep 23

Operating Group	APRA Basel III Capital @ 10.5% (\$Ab)	1H24 Return on Ordinary Equity <sup>1</sup>	17-year Average Return on Ordinary Equity <sup>2</sup>
<b>Annuity-style businesses</b>	<b>11.8</b>		
Macquarie Asset Management	6.2		
Banking and Financial Services	5.6	11%	22%
<b>Markets-facing businesses</b>	<b>14.1</b>		
Commodities and Global Markets	9.4		
Macquarie Capital	4.7	13%	17%
<b>Corporate</b>	<b>2.2</b>		
Total regulatory capital requirement @ 10.5%	28.1		
Group surplus	10.5		
<b>Total APRA Basel III capital supply</b>	<b>38.6<sup>3</sup></b>	<b>8.7%</b>	<b>14%</b>

Note: Differences in totals due to rounding. 1. NPAT used in the calculation of 1H24 ROE is based on Operating Groups' annualised net profit contribution adjusted for indicative allocations of profit share, tax and other corporate items. Accounting equity is attributed to businesses based on quarterly average allocated ordinary equity. 2. 17-year average covers FY07 to FY23, inclusive, and has not been adjusted for the impact of business restructures or changes in internal P&L and capital attribution. 3. Comprising \$432.8b of ordinary equity and \$45.8b of hybrids.

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# Regulatory update

## Australia

APRA has finalised or is in the process of implementing changes to a number of prudential standards. Macquarie notes the following key updates:

- On 31 Jan 24, APRA informed ADI's of its supervision priorities for the upcoming six months<sup>1</sup>. The key focus areas include operational and cyber resilience, comprehensive review of Prudential Standard APS 210 Liquidity and banking stress test to be conducted in mid-2024. Additionally, following the discussion paper in 2023 on improving the effectiveness of Additional Tier 1 capital, APRA intends to undertake a formal consultation on proposals in the first half of 2024.
- On 12 Dec 23, APRA released an updated version of APS 117 Capital Adequacy: Interest Rate Risk in the Banking Book (IRRBB)<sup>2</sup>. This was in response to the most recent consultation focusing on reducing volatility in the IRRBB capital charge, creating better incentives for managing IRRBB risk and simplifying the IRRBB framework. APRA intends to finalise APS 117 in 2024 ahead of the revised standard coming into effect from 1 Oct 25.
- On 5 Dec 23, APRA released for consultation minor amendments to the revised bank capital framework (UQS) in response to specific implementation issues raised by the industry<sup>3</sup>. APRA will also be conducting a quantitative impact study with selected ADIs to ensure appropriate calibration of the capital framework.
- Macquarie has been working with APRA on a remediation plan that strengthens MBL's governance, culture, structure and remuneration to ensure full and ongoing compliance with prudential standards and management of MBL-specific risks. The changes under the plan, on which we will continue to deliver through 2024 and beyond, will have a positive impact on MBL through improved systems, frameworks, processes, and further strengthen its risk culture.

## Germany

- The ongoing, industry-wide investigation in Germany relating to dividend trading has progressed in recent months. Nearly a dozen criminal trials related to cum-ex have been or are being prosecuted against individuals in German courts and there have been convictions. Under German law, companies cannot be criminally prosecuted, but they can be added as ancillary parties to the trials of certain individuals. Ancillary parties may be subject to confiscation orders requiring the disgorgement of profits. Macquarie has provided for German dividend trading matters. As previously noted, in total, the German authorities have designated as suspects approximately 100 current and former Macquarie staff, most of whom are no longer at Macquarie and there are a number of civil claims against Macquarie. Macquarie has been responding to requests for information about its historical activities and expects former and current Macquarie employees to participate in interviews with German authorities over the coming months.

1. 'Interim Policy and Supervision Priorities update'; 31 Jan 24. 2. 'APRA moves to reinforce requirements for banks to manage interest rate risk'; 12 Dec 23. 3. 'ADI capital reforms: Minor updates'; 5 Dec 23.

# Management update



**Nicholas O'Kane**

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After 28 years with Macquarie and five years as Group Head, Nicholas O'Kane has decided to step down as Head of Commodities and Global Markets (CGM) and from Macquarie's Executive Committee, effective 27 February 2024, to pursue opportunities outside Macquarie.



**Simon Wright**

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Simon Wright, currently Global Head of CGM's Financial Markets division, becomes Group Head of CGM and following the completion of necessary procedures will join the Executive Committee from 1 April 2024. Mr Wright has been with Macquarie for 35 years, leading the build and oversight of Macquarie's global Financial Markets platform and as a senior member of the CGM leadership team.

# Loan and lease portfolios<sup>1</sup> – funded balance sheet

Operating Group	Category	Sep 23 \$Ab	Mar 23 \$Ab	Description
BFS	Home loans	115.2	109.0	Secured by residential property
	Business banking	14.4	12.9	Loan portfolio secured largely by working capital, business cash flows and real property
	Car loans	5.1	6.0	Secured by motor vehicles
	Other	0.4	0.4	Includes credit cards
	<b>Total BFS<sup>2</sup></b>	<b>135.1</b>	<b>128.3</b>	
	Loans and finance lease assets	3.7	3.4	
	Operating lease assets	2.2	2.2	
	<b>Asset finance</b>	<b>5.9</b>	<b>5.6</b>	<b>Predominantly secured by underlying financed assets</b>
	Loan assets	3.8	3.3	
	Operating lease assets	0.9	1.0	
CGM	Resources and commodities	4.7	4.3	Diversified loan portfolio primarily to the resources sector that are secured by the underlying assets with associated price hedging to mitigate risk
	Foreign exchange, interest rate and credit	7.1	7.0	Diversified lending predominantly consisting of loans which are secured by other loan collateral, assets including rights and receivables and warehoused security from mortgages and auto loans
	Other	0.1	0.1	Equity collateralised loans
	<b>Total CGM</b>	<b>17.8</b>	<b>17.0</b>	
MAM	Operating lease assets	1.4	1.1	Secured by underlying financed assets including transportation assets
	Other	0.1	-	Secured by underlying financed assets
	<b>Total MAM</b>	<b>1.5</b>	<b>1.1</b>	
MacCap	Corporate and other lending	18.2	17.1	Diversified corporate and real estate lending portfolio, predominantly consisting of loans which are senior, secured, covenanted and with a hold to maturity horizon
	<b>Total MacCap</b>	<b>18.2</b>	<b>17.1</b>	
<b>Total loan and lease assets per funded balance sheet<sup>3</sup></b>		<b>172.6</b>	<b>163.5</b>	

1. Loan assets per the statutory balance sheet of \$A167.5b at 30 Sep 23 (\$A158.6b at 31 Mar 23) are adjusted to include fundable assets not classified as loans on a statutory basis (e.g. assets subject to operating leases which are recorded in Property, Plant and Equipment in the statutory balance sheet). 2. Per the funded balance sheet, figures for home loans of \$A115.2b, business banking of \$A14.4b and car loans of \$A5.1b differ from the figures disclosed on slide 15 of \$A114.2b, \$A14.6b and \$A5.2b, respectively. The balances on slide 19 exclude capitalised costs, provisions, deferred income, accrued interest and establishment fees. 3. Total loan assets per funded balance sheet include self-securitised assets.

# Equity investments of \$A11.4b<sup>1</sup>

Category	Carrying value Sep 23 \$Ab	Carrying value Mar 23 \$Ab	Description
Macquarie Asset Management Private Markets-managed funds	1.9	1.8	Includes investments in regional infrastructure and new core infrastructure, real estate, and energy transition funds
Investments acquired to seed new Private Markets-managed products and mandates	1.2	1.1	Includes investments acquired to seed new initiatives in in the green energy sector (\$A0.3b at Sep 23) and alternative adjacencies
Other Macquarie-managed funds	0.4	0.5	Includes investments in MAM Public Investments funds
Transport, industrial and infrastructure	2.1	1.7	Over 25 separate investments
Telecommunications, IT, media and entertainment	1.6	1.3	Over 45 separate investments
Green energy	2.1	1.4	Over 55 separate investments. MAM Green Investments includes 63% at development stage, 30% at operational stage and 7% at construction stage, with 60% offshore wind, 37% solar, 2% battery storage and 1% onshore wind <sup>2</sup>
Conventional energy, resources and commodities	0.5	0.5	Over 35 separate investments
Real estate investment, property and funds management	1.0	0.8	Over 20 separate investments
Finance, wealth management and exchanges	0.6	0.5	Includes investments in fund managers, investment companies, securities exchanges and other corporations in the financial services industry
<b>Total equity investments</b>	<b>11.4</b>	<b>9.6</b>	

<sup>1</sup> Equity investments includes interests in associates, joint ventures and other assets classified as held for sale, subsidiaries and certain other assets held for investment purposes and financial investments excluding trading equities. Equity investments per the statutory balance sheet of \$A8.6b (Mar 23: \$A8.1b) have been adjusted to reflect the total net exposure to Macquarie. Total funded equity investments of \$A8.5b as at Sep 23 (Mar 23: \$A7.4b). <sup>2</sup> Balances presented are approximate.

# 05

**Appendix B: Funding  
and Liquidity 1H24**  
Presentation to Debt Investors  
February 2024





# Funded balance sheet reconciliation

- The funded balance sheet is a simple representation of Macquarie's funding requirements once accounting related gross-ups and self-funded assets have been netted down from the statement of financial position. The funded balance sheet is not a liquidity risk management tool, as it does not consider the granular liquidity profiling of all on and off-balance sheet components considered in both Macquarie's internal liquidity framework and the regulatory liquidity metrics
- A funded balance sheet reconciliation has been prepared to reconcile the reported assets of Macquarie to the assets that require funding

	Sep 23 \$Ab	Mar 23 \$Ab	Sep 22 \$Ab
<b>Total assets per statement of financial position</b>	<b>394.6</b>	<b>387.9</b>	<b>486.6</b>
<b>Accounting deductions:</b>			
Derivative revaluation	(29.5)	(32.8)	(111.7)
Segregated funds	(8.3)	(8.7)	(12.4)
Outstanding trade settlement balances	(6.5)	(6.4)	(5.6)
Working capital assets	(16.6)	(13.9)	(15.5)
Non-controlling interests	(0.5)	(1.0)	(0.3)
<b>Self-funded assets:</b>			
Self-funded trading assets	(14.8)	(14.8)	(33.5)
Non-recourse and security backed funding	(1.4)	(1.3)	(1.1)
<b>Net funded assets per funded balance sheet</b>	<b>317.0</b>	<b>309.0</b>	<b>306.5</b>

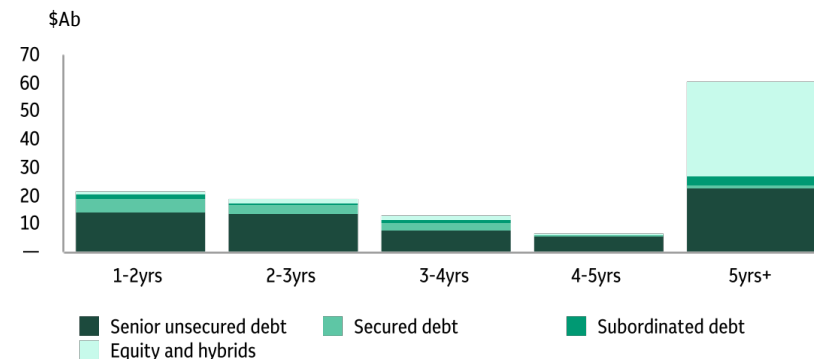
Note: For an explanation of the above deductions refer to slide 57.

# Funding for Macquarie

	Sep 23 \$Ab	Mar 23 \$Ab	Sep 22 \$Ab
<b>Funding sources</b>			
Commercial paper and certificates of deposit	37.4	29.8	39.1
Net trade creditors	1.2	2.7	—
Structured notes	1.6	1.5	1.4
Securitisation	12.9	13.2	14.2
Other secured funding	13.3	15.1	14.5
Bonds	55.1	52.8	60.6
Unsecured loans	14.2	13.3	11.9
Customer deposits	135.8	134.5	122.0
Subordinated debt	7.1	7.2	5.7
Equity and hybrids	38.4	38.9	37.1
<b>Total funding sources</b>	<b>317.0</b>	<b>309.0</b>	<b>306.5</b>
<b>Funded assets</b>			
Cash and liquid assets	86.6	85.4	101.0
Net trading assets	38.4	42.9	36.1
Net trade debtors	—	—	0.2
Other loan assets including operating lease assets less than one year	13.9	14.7	12.6
Home loans	115.2	109.0	99.5
Other loan assets including operating lease assets greater than one year	43.5	39.8	38.7
Debt investments	5.0	4.7	6.0
Co-investment in Macquarie-managed funds and other equity investments	8.5	7.4	7.4
Property, plant and equipment and intangibles	5.9	5.1	5.0
<b>Total funded assets</b>	<b>317.0</b>	<b>309.0</b>	<b>306.5</b>

- Well diversified funding sources
- Term assets covered by term funding, stable deposits, hybrids and equity
- Short-term wholesale funding covered by cash, liquids and other short-term assets
- Deposit base represents 43%<sup>1</sup> of total funding sources
- Term funding beyond one year (excluding equity and securitisations) has a weighted average term to maturity of 4.4 years<sup>1</sup>

## Macquarie's term funding maturing beyond one year (includes Equity and hybrids)<sup>2</sup>



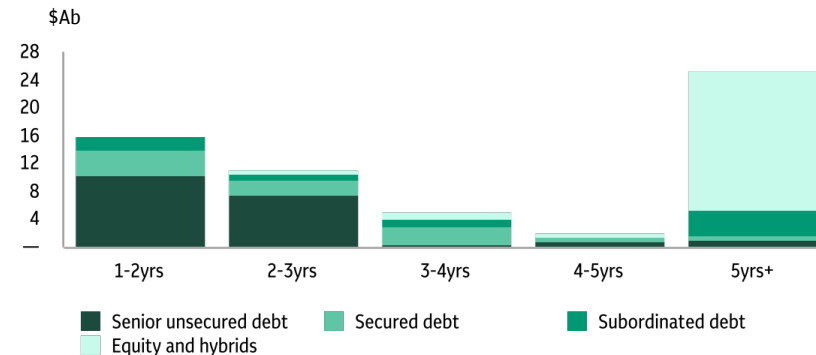
1. As at 30 Sep 23. 2. Includes drawn term funding only.  
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# Funding for the Bank Group

	Sep 23 \$Ab	Mar 23 \$Ab	Sep 22 \$Ab
<b>Funding sources</b>			
Commercial paper and certificates of deposit	37.4	29.8	39.1
Net trade creditors	2.2	2.7	—
Structured notes	0.4	0.5	0.4
Securitisation	10.9	11.4	14.2
Other secured funding	12.4	14.5	14.0
Bonds	18.8	18.9	23.2
Unsecured loans	6.8	6.1	4.8
Customer deposits	135.8	134.5	122.0
Subordinated debt	7.1	7.2	5.7
Equity and hybrids	22.5	22.7	23.1
<b>Total funding sources</b>	<b>254.3</b>	<b>248.3</b>	<b>246.5</b>
<b>Funded assets</b>			
Cash and liquid assets	72.0	70.0	85.0
Net trading assets	33.4	39.1	32.2
Net trade debtors/(creditors)	—	—	(1.3)
Other loan assets including operating lease assets less than one year	12.6	13.5	11.6
Home loans	115.2	109.0	99.5
Other loan assets including operating lease assets greater than one year	24.9	22.5	23.4
Debt investments	2.5	2.4	3.6
Non-Bank Group balances with the Bank Group	(8.5)	(10.0)	(9.1)
Co-investment in Macquarie-managed funds and other equity investments	0.7	0.7	0.7
Property, plant and equipment and intangibles	1.5	1.1	0.9
<b>Total funded assets</b>	<b>254.3</b>	<b>248.3</b>	<b>246.5</b>

- Bank balance sheet remains liquid and well capitalised, with a diverse range of funding sources
- Term funding beyond one year (excluding equity and securitisations) has a weighted average term to maturity of 3.2 years<sup>1</sup>
- Accessed term funding across a variety of products and jurisdictions

## Bank Group term funding maturing beyond one year (includes Equity and hybrids)<sup>2</sup>



# Funding for the Non-Bank Group

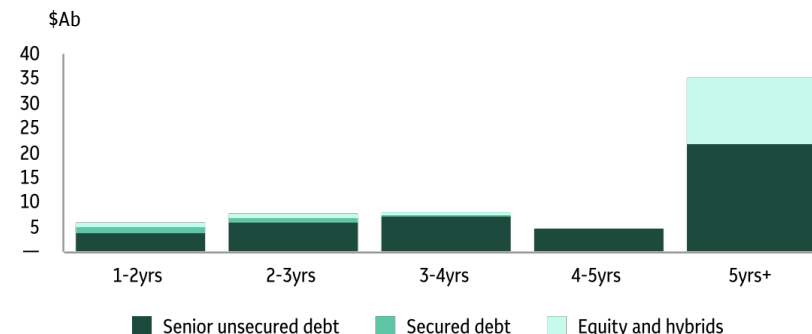
	Sep 23 \$Ab	Mar 23 \$Ab	Sep 22 \$Ab
<b>Funding sources</b>			
Net trade (debtors)/creditors	(1.0)	—	—
Structured notes	1.2	1.0	1.0
Securitisation	2.0	1.8	—
Other secured funding	0.9	0.6	0.5
Bonds	36.3	33.9	37.4
Unsecured loans	7.4	7.2	7.1
Equity and hybrids	15.9	16.2	14.0
<b>Total funding sources</b>	<b>62.7</b>	<b>60.7</b>	<b>60.0</b>
<b>Funded assets</b>			
Cash and liquid assets	14.6	15.4	16.0
Non-Bank Group balances with the Bank Group	8.5	10.0	9.1
Net trading assets	5.0	3.8	3.9
Net trade debtors	—	—	1.5
Other loan assets including operating lease assets less than one year	1.3	1.2	1.0
Other loan assets including operating lease assets greater than one year	18.6	17.3	15.3
Debt investments	2.5	2.3	2.4
Co-investment in Macquarie-managed funds and other equity investments	7.8	6.7	6.7
Property, plant and equipment and intangibles	4.4	4.0	4.1
<b>Total funded assets</b>	<b>62.7</b>	<b>60.7</b>	<b>60.0</b>

1. As at 30 Sep 23. 2. Includes drawn term funding only.

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- Non-Bank Group is predominantly term funded
- Term funding beyond one year (excluding equity and securitisations) has a weighted average term to maturity of 5.3 years<sup>1</sup>
- Accessed term funding across a variety of products and jurisdictions

## Non-Bank Group term funding maturing beyond one year (includes Equity and hybrids)<sup>2</sup>



# Explanation of funded balance sheet reconciling items

## Derivative revaluation

Offsetting derivative positions do not generally require funding and therefore gross revaluations are netted in the funded balance sheet. Derivative positions that result in a funding requirement are included as part of net trading assets.

## Segregated funds

These represent the assets and liabilities that are recognised where Macquarie holds segregated client monies. The client monies will be matched by assets held to the same amount. Any excess client funds placed with Macquarie are netted down against cash and liquid assets.

## Outstanding trade settlement balances

At any particular time Macquarie will have outstanding trades to be settled as part of its brokering business and trading activities. These amounts (payables) can be offset in terms of funding by amounts that Macquarie is owed on other trades (receivables).

## Working capital assets

As with the outstanding trade settlement balances, Macquarie through its day-to-day operations generates working capital assets (e.g. receivables and prepayments) and working capital liabilities (e.g. creditors and accruals) that produce a 'net balance' that either requires or provides funding.

## Non-controlling interests

These include the portion of equity ownership in subsidiaries not attributable to Macquarie. As this is not a position that Macquarie is required to fund, it is netted against the consolidated assets and liabilities in preparing the funded balance sheet.

## Self-funded trading assets

Macquarie enters into stock borrowing and lending as well as repurchase agreements and reverse repurchase agreements in the normal course of trading activity that it conducts with its clients and counterparties, as well as for liquidity management purposes. Also as part of its trading activities, Macquarie pays and receives margin collateral on its outstanding derivative positions. These trading and liquidity management related asset and liability positions are viewed as being self-funded to the extent that they offset one another and, therefore, are netted as part of this adjustment.

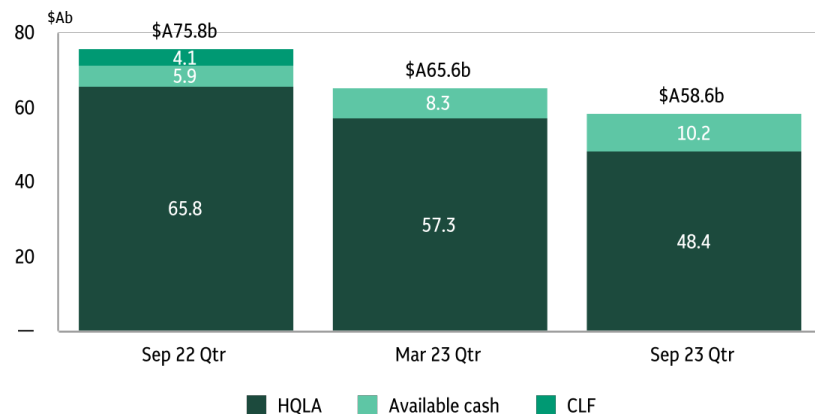
## Non-recourse and security backed funding

These include assets funded by third party debt with no recourse to Macquarie beyond the borrowing entity.

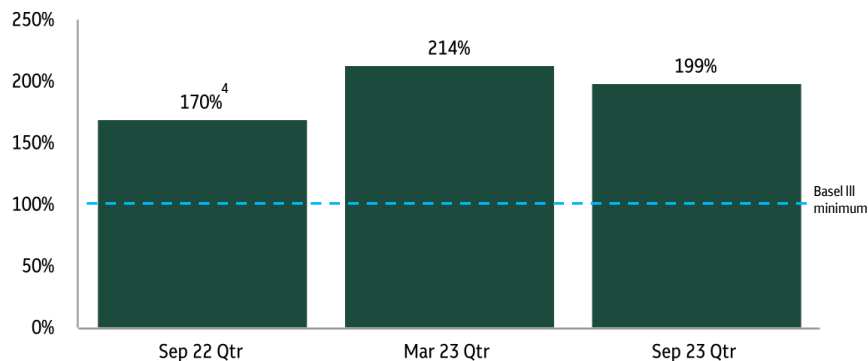
# Strong liquidity position maintained 1H24

- 199% average LCR for Sep 23 quarter, based on daily observations<sup>1</sup>
  - Maintained well above regulatory minimum
- Reflects longstanding conservative approach to liquidity management
- \$A58.6b of unencumbered liquid assets and cash on average over the quarter to Sep 23 (post applicable haircuts). This excludes additional liquid assets held in entities outside MBL
- MBL hedges its cash and liquid asset portfolio to a minimal residual interest rate risk position, in accordance with the non-traded market risk policy

## MBL Unencumbered Liquid Asset Portfolio<sup>2,3</sup>



## MBL LCR position<sup>1,2</sup>



1. APRA imposed a 15% add-on to the Net Cash Outflow component of Macquarie Bank's LCR calculation effective from 1 Apr 21. This add-on increased to 25% from 1 May 22. 2. Represents quarterly average balances. 3. In addition to the unencumbered liquid asset portfolio in MBL, unencumbered liquid assets are also maintained in other Macquarie entities such as Macquarie Bank Europe (MBE), Macquarie Financial Holdings Pty Limited (MFHPL) and Macquarie Group Limited (MGL). 4. LCR average for Sep 22 quarter has been restated to conform to the MBL Basel III Pillar 3 Disclosures Restatements issued on 28 Feb 23 and excludes CLF allocation. Consistent with the industry-wide phase out of the CLF, Macquarie's CLF allocation reduced to zero as at Dec 22.

# Conservative long standing liquidity risk management framework

## Liquidity Policy

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The liquidity risk appetite is intended to ensure that Macquarie is able to meet all of its liquidity obligations during a period of liquidity stress:

- A twelve month period with constrained access to funding markets for MBL, no access to funding markets for MGL and with only a limited reduction in Macquarie's franchise businesses

Term assets are funded by term funding, stable deposits, hybrids and equity

## Liquidity Framework

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A robust liquidity risk management framework is designed to ensure that both MGL and MBL are able to meet their obligations as they fall due under a range of market conditions.

Key tools include:

- Liability driven approach to balance sheet management
- Scenario analysis
- Maintenance of unencumbered liquid asset holdings

Liquidity management is performed centrally by Group Treasury, with oversight from the MGL and MBL Asset and Liability Committees, the MGL and MBL Boards and the Risk Management Group (RMG)

The MGL and MBL Boards approve the liquidity policies and are provided with liquidity reporting on a regular basis



05

**Appendix C: ESG & Net  
Zero**

Presentation to Debt Investors

February 2024



# Environmental, Social and Governance

Macquarie's ESG approach is structured around eight focus areas considered to be material to our business and stakeholders.



## Environmental and social risk management

- **1,094 reviews** completed under the Environmental and Social Risk (ESR) Policy in FY23
- Macquarie Asset Management (MAM) became a signatory to the **UK Stewardship Code 2020** in September 2022



## Climate change

- Commitment to align Macquarie's financing activity with the global goal of **net zero emissions by 2050**
- **Science-based targets** set for three carbon-intensive sectors: oil/gas, motor vehicles and coal
- Commitment to invest and manage MAM's portfolio in line with **net zero emissions by 2040**



## Environmental and social financing

- Macquarie now has **90+ GW** of green energy assets in development as at 31 March 2023 measured using 100% of generating capacity for assets managed/owned (including partially) by Macquarie<sup>1</sup>
- **\$A2.2 billion** invested, committed or arranged in green energy assets in FY23<sup>2</sup>



## Sustainability in direct operations

- Commitment to reach net zero in Scope 1 and Scope 2 emissions by FY25, while developing emissions reduction strategies for Scope 3<sup>3</sup>
- Sourced the equivalent of **100%** of our global electricity consumption from renewable sources in FY23<sup>4</sup>
- Energy intensity per capita reduced by **57%** from FY14 (14% reduction from FY22)<sup>5</sup>

Data points as at 31 March 2023 unless stated otherwise. 1. On our balance sheet or under Macquarie management. Excludes lending and private credit funds. GW of green energy assets reflect 100% generating capacity of each asset, not the proportion owned/managed by Macquarie. Refer to the Basis of Preparation for ESG Reporting for the definition of 'green energy assets'. 2. On our balance sheet or under Macquarie management. Refer to the Basis of Preparation for ESG Reporting for the definition of 'green energy assets'. 3. Covers Categories 1-8 Scope 3 operational value chain emissions as defined by the Greenhouse Gas Protocol. 4. Excludes financed emissions (Scope 3, Category 15). 5. The equivalent of 100% of our FY23 electricity consumption was sourced from renewable sources through a combination of purchased green energy from landlords or utilities (46.5%) and energy attribute certificates (53.5%) which will be retired by 30 June 2023. Based on RE100 boundary criteria, the equivalent of our FY23 electricity consumption sourced from renewable sources is 99.6% due to insufficient renewable energy certificates in the South Korean market to meet our requirements. However, renewable energy certificates were purchased from other international markets to account for the 100% renewable electricity. 5. FY23 energy intensity per capita is calculated as 40.5 GWh total electricity used across our premises and data centres divided by the total headcount of 20,144 (based on total global workforce as at 31 March 2023, excluding employees in operationally segregated subsidiaries and investments where Macquarie does not have a controlling interest).

# Environmental, Social and Governance

Macquarie's ESG approach is structured around eight focus areas considered to be material to our business and stakeholders.



## Client experience

- **#1** infrastructure investment manager globally<sup>6</sup>
- 2022 MFAA Excellence Awards for **Major Lender of the Year** for the third year in a row
- **Emissions House of Year** at the 2022 Energy Risk Asia Awards
- **#1** Global Renewables Infrastructure Financial Adviser and Global Infrastructure Financial Adviser<sup>7</sup>
- **Top rating** for Australian ESG research by institutional investors in 2022 Peter Lee survey



## Business conduct and ethics

- **61** disclosures received and managed by the Integrity Office in FY23<sup>8</sup>
- **11,800** attendances at tailored training, workshops and leadership sessions<sup>9</sup>



## People and workplace

- **63%** of MGL Board directors are women
- **30%** of Macquarie's Executive Committee are women
- **Inaugural Reconciliation Action Plan** launched in ANZ



## Community

- Over **\$A52.0 million** contributed by Macquarie employees and the Foundation in FY23 (\$A570.0 million since inception<sup>10</sup>)

Data points as at 31 March 2023 unless stated otherwise. 6. The ranking was awarded to MAM in July 2022 and is the opinion of IPE Real Assets. The ranking is based on Assets Under Management (AUM) at 31 December 2021. There can be no assurance that other providers or surveys would reach the same conclusions. 7. Macquarie Capital is the #1 renewables infrastructure financial adviser globally and #1 infrastructure financial adviser globally based on information for the 2022 calendar year by deal value. There can be no assurance that other providers would reach the same conclusions. 8. Covers all disclosures made to the Integrity Office, including whistleblower disclosures, and includes disclosures made through the anonymous reporting channel. 9. Tailored content focused on conduct, supervision in a hybrid working environment, integrity, speaking up and psychological safety. Macquarie also requires all employees globally to undertake mandatory online Code of Conduct training. Some employees may have attended more than one training session, in which case their attendance was counted for each session. 10. Contribution figures comprise Macquarie employees' donations and fundraising; Foundation matching support for employees' donations and fundraising; Foundation donations to commemorate employees attaining 10-year and 25-year anniversaries at Macquarie; Foundation grants to non-profit organisations to recognise 12 months of board service by a Macquarie employee; and Macquarie and Foundation grants to community organisations since inception in 1985 to 31 March 2023.

# Our climate commitments

## Macquarie's commitments include:

### Align our financing activity with the global goal of net zero emissions by 2050

We have financed emissions targets in place for the following sectors<sup>1</sup>



Oil / Gas



Motor vehicles



Coal



Residential mortgages

### Continue to reduce the emissions of our own business operations

- Commitment to reach **net zero** in Scope 1 and Scope 2 emissions by FY25, while developing emissions reduction strategies for Scope 3<sup>2</sup>
- Sourced the equivalent of 100% of our global electricity consumption from **renewable sources** in FY23<sup>3</sup>
- Energy intensity per capita **reduced by 57%** from FY14 (14% reduction from FY22)<sup>4</sup>

1. We consider activities across all four of our Operating Groups and, in line with the Net-Zero Banking Alliance (NZBA) Guidelines, include our on-balance sheet lending and equity investment exposures when determining our financed emissions. Refer to our Net Zero & Climate Risk Report for further information. 2. Covers Categories 1-8 Scope 3 operational value chain emissions as defined by the Greenhouse Gas Protocol. It excludes financed emissions (Scope 3, Category 15). 3. The equivalent of 100% of our FY23 electricity consumption was sourced from renewable sources through a combination of purchased green energy from landlords or utilities (46.5%) and energy attribute certificates (53.5%) which will be retired by 30 June 2023. Based on RE100 boundary criteria, the equivalent of our FY23 electricity consumption sourced from renewable sources is 99.6% due to insufficient renewable energy certificates in the South Korean market to meet our requirements. However, renewable energy certificates were purchased from other international markets to account for the 100% renewable electricity. 4. FY23 energy intensity per capita is calculated as 40.5 GWh total electricity used across our premises and data centres divided by the total headcount of 20,144 (based on total global workforce as at 31 March 2023, excluding employees in operationally segregated subsidiaries and investments where Macquarie does not have a controlling interest).

# Our climate capabilities

Our operating groups have specialised expertise in a range of climate related solutions.

## Macquarie Asset Management (MAM)

Provides a diverse range of investment solutions to clients across a range of sectors including real assets, real estate, credit and equities & multi-asset. MAM is the largest infrastructure manager globally<sup>1</sup>, with one of the world's largest team of specialist green investors.

## Macquarie Capital (MacCap)

Advises and invests the group's balance sheet alongside clients and partners to realise opportunity in strategic sectors including infrastructure, energy, technology, critical minerals and industrials.

## Commodities and Global Markets (CGM)

Offers capital and financing, risk management, market access, physical execution and logistics solutions to a diverse, global client base. CGM has been active in renewables and energy markets for two decades.

## Banking and Financial Services (BFS)

Is committed to supporting our clients' efforts to achieve their decarbonisation goals through empowering them to make more sustainable daily choices, ranging from the cars they drive to connecting them with energy experts to discuss energy-saving solutions.



## No. 1

Global Renewables Infrastructure Financial Adviser<sup>2</sup>



## \$A2.2 billion

Invested, committed or arranged in green energy assets in FY23<sup>3</sup>



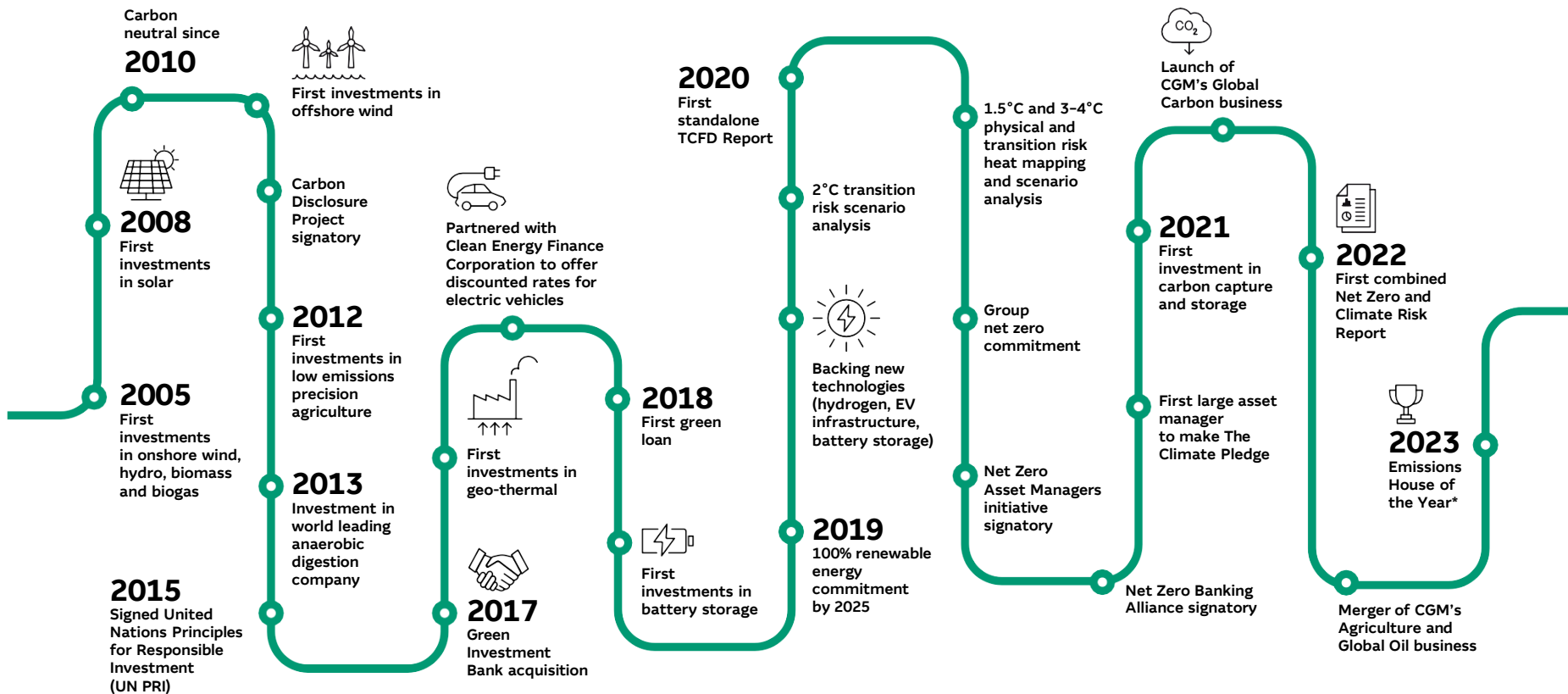
Macquarie now has

## 90+GW

of green energy capacity projects in development<sup>4</sup>

Data points as at 31 March 2023 unless stated otherwise. 1. IPE Real Assets 2023 Top 100 Infrastructure Investment Managers 2023, published in July/August 2023. The ranking is the opinion of IPE Real Assets and not Macquarie. No such person creating the ranking is affiliated with Macquarie or is an investor in Macquarie-sponsored vehicles. IPE Real Assets surveyed and ranked global infrastructure investment managers. The ranking is based on infrastructure AUM as at 31 March 2023. AUM is defined by IPE Real Assets as the total gross asset value of all assets managed and committed capital (including uncalled). There can be no assurance that other providers or surveys would reach the same conclusions as the foregoing. 2. Inspiratia (CY22 by deal value). 3. On our balance sheet or under Macquarie management. Refer to the Basis of Preparation for ESG Reporting for the definition of 'green energy assets'. 4. On our balance sheet or under Macquarie management. Excludes lending and private credit funds. GW of green energy assets reflect 100% generating capacity of each asset, not the proportion owned/managed by Macquarie. Refer to the Basis of Preparation for ESG Reporting for the definition of 'green energy assets'.

## Timeline of Macquarie climate activities



\* Energy Risk Asia Awards 2022

# We are supporting climate solutions across the world

## Highlights of recent activities



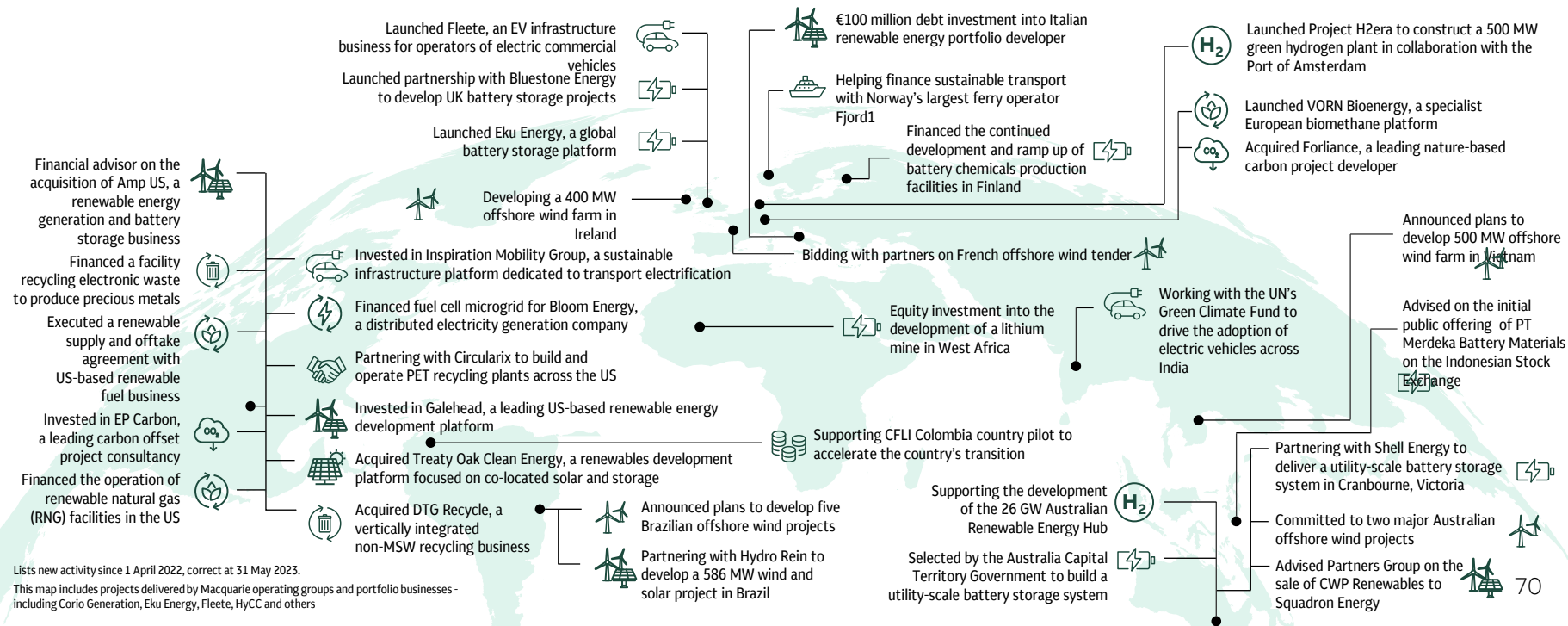
Supporting the Just Energy Transition Partnerships in Indonesia and Vietnam as part of GFANZ



Launched partnership with Ontario Teachers' Pension Plan to support development of up to 9 GW of offshore wind globally



Released our first Groupwide Net Zero report, with sector-specific targets included



Lists new activity since 1 April 2022, correct as at 31 May 2023.  
 This map includes projects delivered by Macquarie operating groups and portfolio businesses - including Corio Generation, Eku Energy, Fleete, HyCC and others

A photograph of an industrial facility, likely a soda ash plant, at sunset. The sky is a mix of blue, orange, and yellow. In the foreground, two large, parallel pipes run towards the background. In the background, there are several large, cylindrical storage tanks and a complex network of pipes and structural steel. The ground is a dark, gravelly surface.

# Macquarie Group Limited

**Presentation to Debt Investors**  
February 2024