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Disclaimer
Agenda

01 Overview
02 MGL Results Half Year 30 September 2023
03 Outlook
04 Capital and Funding
05 Appendices
01
Overview
Presentation to Debt Investors
November 2023
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

- Americas: 16 markets
- EMEA: 16 markets
- Asia: 11 markets
- ANZ: 2 markets

- Macquarie Asset Management: ~14%
- Banking and Financial Services: ~22%
- Commodities and Global Markets: ~9%
- Macquarie Capital: ~15%
- Markets-Facing: ~55%
- Annuity-Style: ~45%

1H24 net profit: $A1,415m
FY23 net profit: $A5,182m
$A892b\(^1\) assets under management as at 30 Sep 23

MBL A+/A1/A credit rating
APRA primary regulator for MBL & MGL
21,270 employees\(^2\), operating in 34 markets

Empowering people to innovate and invest for a better future

© Macquarie Group Limited

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 staff employed in certain operationally segregated subsidiaries throughout the presentation.
# About Macquarie

<table>
<thead>
<tr>
<th>Annuity-style activities</th>
<th>Markets-facing activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>BFS Banking and Financial Services</td>
<td>CGM Commodities and Global Markets</td>
</tr>
<tr>
<td>MAM Macquarie Asset Management</td>
<td>MacCap Macquarie Capital</td>
</tr>
</tbody>
</table>

Macquarie’s retail banking and financial services business with BFS deposits\(^1\) of \$A131.2b\(^2\), loan portfolio\(^3\) of \$A134.4b\(^2\) and funds on platform of \$A125.1b\(^2\) provides a diverse range of personal banking, wealth management and business banking products and services to retail clients, advisers, brokers and business clients.

$A892.0b\(^4\) 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.

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.

### 1H24 Net Profit Contribution

| BFS | ~22% |
| MAM | ~14% |
| CGM | ~9% |
| 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.

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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 corporate/wholesale deposits. 2. As at 30 Sep 23. 3. The loan portfolio comprises home loans, loans to businesses, car loans and credit cards. 4. As at 30 Sep 23. 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.
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
- MGL provides funding predominantly to the Non-Bank Group

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 equity business in Macquarie Capital 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

International income 65% of total income\(^1\)
Total staff\(^2\) 21,270 of which 50% international. A further ~237,000 people employed across managed fund assets and investments\(^3\)

**Americas**
- Total income: $A2,340m
- Assets under management: $A382.8b
- 32% of total income
- Employing ~61,000 people\(^3\)

**EMEA**
- Total income: $A1,732m
- Assets under management: $A186.2b
- 23% of total income
- Employing ~94,000 people\(^3\)

**Asia**
- Total income: $A748m
- Assets under management: $A49.5b
- 10% of total income
- Employing ~66,000 people\(^3\)

**Australia\(^4\)**
- Total income: $A2,618m
- Assets under management: $A273.5b
- 35% of total income
- Employing ~16,000 people\(^3\)

---

1. Net operating income excluding earnings on capital and other corporate items.
2. Includes staff employed in certain operationally segregated subsidiaries throughout the presentation.
3. Includes people employed through Private Markets-managed fund assets and investments where Macquarie Capital holds significant influence.
4. Includes New Zealand.
5. MAM Private Markets Assets under Management (AUM) includes equity yet to deploy and equity committed to assets but not yet deployed.

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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

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.

Principles stable for **30+ years**
A key factor in our **54 years** of unbroken profitability
Stable earnings

5 year earnings volatility relative to Macquarie

<table>
<thead>
<tr>
<th>Multiple to Macquarie</th>
<th>Domestic Asset Managers</th>
<th>Global Investment Banks</th>
<th>Global Fund/Asset Managers</th>
<th>Global Banks</th>
<th>Macquarie</th>
<th>Domestic Majors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4.0 x</td>
<td>3.2 x</td>
<td>1.8 x</td>
<td>1.4 x</td>
<td>1.0 x</td>
<td>0.8 x</td>
</tr>
</tbody>
</table>

Earnings volatility relative to Macquarie from GFC to present

<table>
<thead>
<tr>
<th>Multiple to Macquarie</th>
<th>Global Investment Banks</th>
<th>Domestic Asset Managers</th>
<th>Global Fund/Asset Managers</th>
<th>Global Banks</th>
<th>Macquarie</th>
<th>Domestic Majors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4.0 x</td>
<td>1.6 x</td>
<td>1.3 x</td>
<td>1.3 x</td>
<td>1.0 x</td>
<td>0.5 x</td>
</tr>
</tbody>
</table>

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).

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Macquarie Asset Management

Actively manages funds for investors across multiple asset classes

<table>
<thead>
<tr>
<th>Metric</th>
<th>1H24</th>
<th>Change</th>
<th>2H23</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income</td>
<td>$A1,693m</td>
<td>▼ 71%</td>
<td>$A407m</td>
<td>▼ 57%</td>
</tr>
<tr>
<td>Net profit contribution</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NPC</td>
<td>▼ 14%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$A892.0 billion assets under management

<table>
<thead>
<tr>
<th>Awards &amp; rankings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Infrastructure Investment Manager globally since ranking inception^1</td>
</tr>
<tr>
<td>2. No. 4 infrastructure debt manager^1 with $A28.7b of AUM^2</td>
</tr>
<tr>
<td>3. Australia, Winner of the 2023 Investment Manager of the Year^3</td>
</tr>
<tr>
<td>4. No. 4 infrastructure debt manager^4 with $A28.7b of AUM^5</td>
</tr>
<tr>
<td>5. 67% of assets under management outperforming their respective 3-year benchmarks^6</td>
</tr>
</tbody>
</table>

Private Markets

**$A345.1b**
Assets under management\^1
Broadly in line with March 23

**$A210.0b**
Equity under management\^2

**$A7.8b**
Invested across 22 new investments, including: 10 real assets, 10 real estate and two private credit investments

Public Investments

**$A546.9b**
Assets under management\^1,6

- **$A309.4b** AUM\^3 in Fixed income
- **$A213.6b** AUM\^3 in Equities
- **$A23.9b** AUM\^3 in Alternatives and Multi-Assets

© Macquarie Group Limited

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 mandates 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 be deployed and equity committed to assets but not yet deployed. Prior periods have been restated to reflect the change. 2. Macquarie’s 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. 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. Infrastructure Investor (Nov 22), ranking is based on the amount of infrastructure direct investment capital raised by firms between 1 Jan 17 and 31 Aug 22. 5. IPE Real Assets (Jul 23), ranking is based on the amount of infrastructure direct investment capital raised by firms from 1 Jan 17 and 31 Aug 22. 6. 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. 7. 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. 8. Public 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. 9. Financial Standard Investment Leadership Awards. 10. 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.
Assets under management of $A892.0b

AUM increased 2% from $A878.6b\(^1\) 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

Macquarie’s retail banking and financial services business

### Operating Income

<table>
<thead>
<tr>
<th></th>
<th>1H24</th>
<th>2H24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit contribution</td>
<td>$A638m</td>
<td>$A1,609m</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$A1,609m</td>
<td>$A638m</td>
</tr>
<tr>
<td>NPC</td>
<td>~22%</td>
<td></td>
</tr>
</tbody>
</table>

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

**Home loan portfolio**

- **$A114.2b** on Mar 23, up 6% on 1H23

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 (%)\(^1\,^2\): 65 %
- Average Dynamic LVR (%)\(^3\,^2\): 52 %
- % Owner Occupied: 66 %
- % Principal and Interest: 77 %
- % Fixed Rate\(^4\): 17 %

Macquarie Transaction Account named Canstar’s Outstanding Value Transaction Account 2023.

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 loan portfolio continues to be in runoff 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 loan portfolio. 6. BFS deposits include home loan offset accounts and exclude corporate/wholesale deposits.

#### Wealth management

**$A125.1b** up 2% on Mar 23

Funds on platform.

**$A131.2b** up 1% on Mar 23

Total BFS deposits.

**$A5.2b** down 15% on Mar 23

Car loan portfolio. Continued growth in electric vehicle settlement volumes and launched the Macquarie Electric Vehicle Savings Calculator.

#### Business Banking

**Business banking loan portfolio**

- **$A14.6b** on Mar 23, up 12% on 1H23

Macquarie’s retail banking and financial services business

Macquarie Savings Account awarded Canstar’s Outstanding Value Savings Account 2023.

Australia’s 1st banking group with a specialised electric vehicle buying service.

30+ years bringing innovation and competition to Australian consumers.
Home loan portfolio composition

- **77%** Principal and interest
- **23%** Interest only
- **66%** Owner occupied
- **34%** Investor

A$114.2 bn\(^1\) Total Home Loans under management

1. As at 30th September 2023. Figures are based on overall portfolio of home loans originated by MBL.

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Banking and Financial Services

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

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

### Awards & rankings

#### Energy Risk Awards
- Oil and products house of the year
- Electricity house of the year
- Commodity research house of the year
- Commodities trade finance house of the year
- Commodity trade finance house of the year Macquarie Group

#### Energy Risk Asia Awards
- Commodity research house of the year Macquarie Group

### Asset Finance (11%¹)

$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%¹)

- 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%¹)

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

### Operating Income

1H24 $A2,929m

- ▼ 10% on 1H23
- ▼ 47% on 2H23

### Net profit contribution

1H24 $A1,383m

- ▼ 31% on 1H23
- ▼ 66% on 2H23

NPC ~49%

### Note:

Strong underlying client business

Consistent levels of income derived from underlying client business

Operating Income
(excl. credit and other impairment charges)

Client numbers²
(excl. Asset Finance)

Regulatory capital (normalised)³

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 CQM 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.

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Macquarie Capital

Advises and invests alongside clients and partners to realise opportunity

Net profit contribution
1H24 $A430m ▼ 28% on 1H23 ▲ 109% on 2H23

Operating Income
1H24 $A1,220m ▼ 5% on 1H23 ▲ 30% on 2H23

NPC ~15%

130 transactions in 1H24 valued at $172 billion


Awards & rankings
No. 1 in ANZ for M&A² over the past decade
No. 1 in ANZ for ECM³ YTD
No. 1 Global Infrastructure Financial Adviser 1HCY23⁴
Government Partnerships Excellence Award, ANZ – VicRoads⁵
Mid-Market M&A Deal of the Year, US - Streetlight Data⁶
Best Equities Conference for Australasian Listed Entities⁷
Best International Investor Access for Australasian Listed Entities⁸

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

$A4.2b

1. Exposures shown follow the economic capital adequacy methodology.

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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

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

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

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

Commodities and Global Markets\(^1\) (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

Commodities and Global Markets\(^1\) (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

\(^1\) 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

<table>
<thead>
<tr>
<th></th>
<th>1H24 $Am</th>
<th>2H23 $Am</th>
<th>1H23 $Am</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net operating income</td>
<td>7,910</td>
<td>10,498</td>
<td>8,624</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>(5,919)</td>
<td>(6,534)</td>
<td>(5,596)</td>
</tr>
<tr>
<td>Operating profit before income tax</td>
<td>1,991</td>
<td>3,964</td>
<td>3,028</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(587)</td>
<td>(1,089)</td>
<td>(735)</td>
</tr>
<tr>
<td>Effective tax rate (%)</td>
<td>29.3</td>
<td>27.5</td>
<td>24.2</td>
</tr>
<tr>
<td>Loss attributable to non-controlling interests</td>
<td>11</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>Profit attributable to MGL shareholders</td>
<td>1,415</td>
<td>2,877</td>
<td>2,305</td>
</tr>
<tr>
<td>Annualised return on equity (%)</td>
<td>8.7</td>
<td>18.1</td>
<td>15.6</td>
</tr>
<tr>
<td>Basic earnings per share</td>
<td>$A3.69</td>
<td>$A7.46</td>
<td>$A6.03</td>
</tr>
<tr>
<td>Dividend per ordinary share</td>
<td>$A2.55</td>
<td>$A4.50</td>
<td>$A3.00</td>
</tr>
</tbody>
</table>

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

Operating income

- **$A7,910m** in 1H24, down 8% from 1H23 and down 25% from 2H23.

EPS

- **$A3.69** in 1H24, down 39% from 1H23 and down 51% from 2H23.

Profit

- **$A1,415m** in 1H24, down 39% from 1H23 and down 51% from 2H23.

DPS

- **$A2.55** in 1H24, down 15% from 1H23 and down 43% from 2H23.
Outlook

Presentation to Debt Investors
November 2023
Short-term outlook

Factors impacting short-term outlook

### Annuity-style businesses

#### Non-Banking Group

**Macquarie Asset Management (MAM)**
- Base fees expected to be broadly in line
- Subject to market conditions, FY24 Net Other Operating Income¹ substantially down on FY23 mainly due to lower investment-related income from green energy investments, with asset realisations predominately in 2H24. Net Other Operating Income in 2H24 to be broadly in line with 2H23

### Markets-facing businesses

**Macquarie Capital (MacCap)**
Subject to market conditions:
- Transaction activity is expected to be broadly in line with FY23
- Investment-related income for 2H24 expected to be broadly in line with 1H24, with increased FY24 revenue from growth in the private credit portfolio partially offset by lower revenue due to the timing of asset realisations
- Continued balance sheet deployment in both debt and equity investments

### 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

**Commodities and Global Markets² (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

<table>
<thead>
<tr>
<th>Annuity-style businesses</th>
<th>Markets-facing businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-Banking Group</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Macquarie Asset Management (MAM)</strong></td>
<td><strong>Macquarie Capital (MacCap)</strong></td>
</tr>
<tr>
<td>• Well-positioned to respond to current market conditions and grow assets under management through its diversified product offering, track record and experienced investment teams</td>
<td>• Continues to support clients globally across long-term trends including tech-enabled innovation, the need for infrastructure and the growth in private capital</td>
</tr>
<tr>
<td>• Continuing to invest in existing and new green platforms as MAM Green Investments transitions to a fiduciary business</td>
<td>• Opportunities for balance sheet investment alongside clients and infrastructure project development</td>
</tr>
<tr>
<td>• Well-positioned to respond to changes in market conditions</td>
<td>• Continues to tailor the business offering to current opportunities and market conditions including providing flexible capital solutions across sectors and regions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Banking Group</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Banking and Financial Services (BFS)</strong></td>
</tr>
<tr>
<td>• Growth opportunities through intermediary and direct retail client distribution, platforms and client service</td>
</tr>
<tr>
<td>• Opportunities to increase financial services engagement with existing business banking clients and extend into adjacent segments</td>
</tr>
<tr>
<td>• Modernising technology to improve client experience and support scalable growth</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

---

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 focussed 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
November 2023
Strong regulatory ratios

Bank Group Level 2 Ratios (Sep 23)

1. Average LCR for Sep 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 Sep 23 is 0.72%, 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.
Basel III Group capital position

- 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\(^1,2\)
- APRA Basel III Level 2 CET1 ratio: 13.2%; Harmonised Basel III Level 2 CET1 ratio: 18.0\(^3\)

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.
Business capital requirements

1H24 business capital requirement growth of $A1.1b excluding FX movements

1. Regulatory capital requirements are calculated in accordance with APS 110, at 10.5% of RWA (Mar 23: 10.25%; Sep 22: 8.5%). 2. The FCTR forms part of capital supply and broadly offsets FX movements in capital requirements. 3. 2H23 business capital requirement reduced by $A0.8b excluding FX movements and regulatory changes. 4. Relates to APRA’s new “Unquestionably Strong” bank capital framework which came into effect from 1 Jan 23. 5. 1H24 movement includes $A0.3b increase driven by higher CCyB requirement (Sep 23: 0.75%; Mar 23: 0.50%).
On-market share buyback

Macquarie has a strong capital position, with a Group capital surplus of $A10.5b at 30 Sep 23, and intends to buy back up to $A2b\(^1\) of ordinary shares on-market

On-market share buyback

- To provide additional flexibility to manage the Group's capital position, the MGL Board has approved an on-market share buyback of up to $A2b\(^1\).
- The timing and actual number of shares purchased under the buyback will be subject to a number of factors including the Group’s surplus capital position, market conditions and opportunities to deploy capital by the businesses.

Capital update

- Macquarie's disciplined approach to capital management combined with exceptional FY22 and FY23 operating performance, generated $A10.5b in surplus capital after investing $A1.7b for growth in 1H24.
- Strong and conservative balance sheet settings enable the Group to navigate the current economic environment, whilst returning a portion of surplus capital to shareholders.
- Macquarie maintains an appropriate surplus capital position to support business activity and invest in new opportunities where expected risk adjusted returns are attractive.

\(^1\) Macquarie retains the ability to vary, pause or terminate the buyback at any time.
Balance sheet highlights

- **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** continuing to grow, up 1% to $A135.8b as at Sep 23 from $A134.5b as at Mar 23

- **$A8.3b** 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 ($A135.8b) differs from total deposits as per the statutory balance sheet ($A136.0b). 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

### 31 Mar 23

<table>
<thead>
<tr>
<th>Funding sources</th>
<th>Funded assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial paper and certificates of deposit 10%</td>
<td>Cash and liquid assets 28%</td>
</tr>
<tr>
<td>Customer deposits 43%</td>
<td>Cash and liquid assets $Ab</td>
</tr>
<tr>
<td>Debt maturing beyond 12 months 28%</td>
<td>Cash and liquid assets 28%</td>
</tr>
<tr>
<td>Equity and hybrids 13%</td>
<td>Equity investments and PPP 4%</td>
</tr>
</tbody>
</table>

### 30 Sep 23

<table>
<thead>
<tr>
<th>Funding sources</th>
<th>Funded assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial paper and certificates of deposit 12%</td>
<td>Cash and liquid assets 27%</td>
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<td>Cash and liquid assets 27%</td>
</tr>
<tr>
<td>Equity and hybrids 12%</td>
<td>Equity investments and PPP 4%</td>
</tr>
</tbody>
</table>

### Total customer deposits

- **31 Mar 23**: $A135.8b
- **30 Sep 23**: $A135.8b

### Term funding raised

- **31 Mar 23**: $A8.3b
- **30 Sep 23**: $A8.3b

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. For details regarding reconciliation of the funded balance sheet to Macquarie’s statutory balance sheet refer to slide 56.  

1. Other debt maturing in the next 12 months includes Secured Funding (including RBA TFF) and Bond maturing within 1 year.  
2. Debt maturing beyond 12 months includes Subordinated debt, Structured notes, Secured funding (including RBA TFF as at 31 Mar 23), 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 PPP includes Macquarie's co-investments in Macquarie-managed funds and other equity investments.  
5. Total customer deposits as per the funded balance sheet ($A135.8b) differs from total deposits as per the statutory balance sheet ($A135.8b). 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

Term funding as at 30 Sep 23 - diversified by currency\(^1\), tenor\(^2\) and type

**Currency**

- USD 42%
- EUR 5%
- EURP 4%
- CHF 1%
- JPY 2%
- OTH 2%
- AUD 44%

**Tenor**

- 1-2yrs 15%
- 2-3yrs 13%
- 3-4yrs 10%
- 4-5yrs 5%
- >5yrs 49%
- Securitisations >3yr 8%

**Type**

- Equity and hybrids 31%
- Other secured funding 2%
- Securitisations 8%
- Unsecured loans 10%
- Subordinated debt 6%
- Structured notes 1%
- Bonds 42%

**Term Issuance and Maturity Profile**

- Issuances\(^3\)
- Maturities\(^6\)

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.
Diversified deposit base

Macquarie has seen continued success in its long-term strategy of diversifying funding sources by growing its customer deposit base

- Of approximately 1.8 million BFS clients, ~1.3 million are depositors
- Further diversification of the deposit base with growth in CMA Accelerator as well as transactions and savings accounts, underpinned by CMA and business bank deposit platforms

Composition of customer deposits

1. Total customer deposits includes BFS deposits of $A131.2b and $A4.6b of corporate/wholesale deposits, including those taken by MBE as at 30 Sep 23. 2. Includes corporate/wholesale deposits. 3. As at 30 Sep 23 for Total Residents Deposits on Australian books per APRA Monthly Authorised Deposit-Taking Institution Statistics (MADIS). 4. Predominantly Self-Managed Super Funds. 5. Predominantly Private Enterprises and Trusts.
Current credit ratings

<table>
<thead>
<tr>
<th></th>
<th>Macquarie Bank Limited</th>
<th>Macquarie Group Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Long-term rating</td>
<td>Long-term rating</td>
</tr>
<tr>
<td><strong>S&amp;P</strong></td>
<td>A+</td>
<td>Stable</td>
</tr>
<tr>
<td><strong>Moody’s</strong></td>
<td>A1</td>
<td>Stable</td>
</tr>
<tr>
<td><strong>Fitch</strong></td>
<td>A</td>
<td>Stable</td>
</tr>
</tbody>
</table>
 Decrease primarily driven by substantially lower investment-related and other income in green investments, due to timing of asset realisations

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

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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.
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

Key drivers

- Higher Personal Banking income driven by above system growth of 14% in average home loan volumes\(^3\), 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

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.
## 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.

### Commodities and Global Markets

**Strong underlying client business, well-positioned for upside opportunities**

<table>
<thead>
<tr>
<th>Segment</th>
<th>1H23 NPC</th>
<th>Risk management</th>
<th>Lending and financing</th>
<th>Inventory management and trading</th>
<th>Financial Markets</th>
<th>Asset Finance</th>
<th>Investment and other income</th>
<th>Operating expenses</th>
<th>Other</th>
<th>1H24 NPC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commodities ($A421m)</td>
<td>1,996</td>
<td>(380)</td>
<td>(55)</td>
<td>10</td>
<td>44</td>
<td>(302)</td>
<td></td>
<td>83</td>
<td></td>
<td>1,383</td>
</tr>
</tbody>
</table>

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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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.

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

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.
Approximate business Basel III Capital and ROE

30 Sep 23

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

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 $A32.8b of ordinary equity and $A5.8b 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 10 Aug 23, APRA informed ADIs that the key focus areas for the remainder of 2023 are Liquidity, Interest rate risk, Additional Tier 1 and Capital framework updates1. APRA will provide a further comprehensive update on the policy agenda in 2024.

• APS 117 Capital Adequacy: Interest Rate Risk in the Banking Book (IRRBB) is to be finalised in 20231. The revisions aim to simplify the IRRBB framework, reduce volatility in the IRRBB capital charge and create better incentives for managing IRRBB risk. The revised standard will come into effect in 2025.

• APRA advised it will undertake a review of the prudential framework for groups2 including those that have a NOHC3 in their structure, such as Macquarie Group. APRA expects to consult on any revisions to the relevant standards over 2024. The key topics are financial resilience, governance, risk management, resolution and competition issues.

• 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 2023 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.

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Board update

Effective 1 Feb 24, subject to completion of necessary approvals, Wayne Byres will be appointed as a non-executive director of Macquarie Bank Limited (MBL). Following the retirement of Michael Coleman, expected by mid-2024, Mr Byres will be one of three bank-only non-executive directors (BONDs) alongside Ian Saines and David Whiteing and will contribute to strengthening the voice of MBL within the Group.

Mr Byres brings significant experience in domestic and international bank regulation and governance as a former Chair of the Australian Prudential Regulation Authority (APRA) and Secretary General of the Basel Committee on Banking Supervision. He also served as APRA’s representative on the Reserve Bank of Australia’s Payments System Board. More recently, Mr Byres has been working in an advisory capacity with the International Monetary Fund.
Loan and lease portfolios\(^1\) – funded balance sheet

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

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 statistical 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 19 (BFS BU $Ab 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\(^1\)

<table>
<thead>
<tr>
<th>Category</th>
<th>Carrying value Sep 23 $Ab</th>
<th>Carrying value Mar 23 $Ab</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Macquarie Asset Management Private Markets-managed funds</td>
<td>1.9</td>
<td>1.8</td>
<td>Includes investments in regional infrastructure and new core infrastructure, real estate, and energy transition funds</td>
</tr>
<tr>
<td>Investments acquired to seed new Private Markets-managed products and mandates</td>
<td>1.2</td>
<td>1.1</td>
<td>Includes investments acquired to seed new initiatives in the green energy sector ($A0.3b at Sep 23) and alternative adjacencies</td>
</tr>
<tr>
<td>Other Macquarie-managed funds</td>
<td>0.4</td>
<td>0.5</td>
<td>Includes investments in MAM Public Investments funds</td>
</tr>
<tr>
<td>Transport, industrial and infrastructure</td>
<td>2.1</td>
<td>1.7</td>
<td>Over 25 separate investments</td>
</tr>
<tr>
<td>Telecommunications, IT, media and entertainment</td>
<td>1.6</td>
<td>1.3</td>
<td>Over 45 separate investments</td>
</tr>
<tr>
<td>Green energy</td>
<td>2.1</td>
<td>1.4</td>
<td>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(^2)</td>
</tr>
<tr>
<td>Conventional energy, resources and commodities</td>
<td>0.5</td>
<td>0.5</td>
<td>Over 35 separate investments</td>
</tr>
<tr>
<td>Real estate investment, property and funds management</td>
<td>1.0</td>
<td>0.8</td>
<td>Over 20 separate investments</td>
</tr>
<tr>
<td>Finance, wealth management and exchanges</td>
<td>0.6</td>
<td>0.5</td>
<td>Includes investments in fund managers, investment companies, securities exchanges and other corporations in the financial services industry</td>
</tr>
<tr>
<td><strong>Total equity investments</strong></td>
<td><strong>1.4</strong></td>
<td><strong>9.6</strong></td>
<td></td>
</tr>
</tbody>
</table>

---

1. Equity investments include 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: $A8.3b) 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).  
2. Balances presented are approximate.
Appendix B: Funding and Liquidity
Presentation to Debt Investors
November 2023
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.

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

Note: For an explanation of the above deductions refer to slide 60.

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Funding for Macquarie

<table>
<thead>
<tr>
<th>Funding sources</th>
<th>Sep 23 $Ab</th>
<th>Mar 23 $Ab</th>
<th>Sep 22 $Ab</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial paper and certificates of deposit</td>
<td>37.4</td>
<td>29.8</td>
<td>39.1</td>
</tr>
<tr>
<td>Net trade creditors</td>
<td>1.2</td>
<td>2.7</td>
<td>—</td>
</tr>
<tr>
<td>Structured notes</td>
<td>1.6</td>
<td>1.5</td>
<td>1.4</td>
</tr>
<tr>
<td>Securitisation</td>
<td>12.9</td>
<td>13.2</td>
<td>14.2</td>
</tr>
<tr>
<td>Other secured funding</td>
<td>13.3</td>
<td>15.1</td>
<td>14.5</td>
</tr>
<tr>
<td>Bonds</td>
<td>55.1</td>
<td>52.8</td>
<td>60.6</td>
</tr>
<tr>
<td>Unsecured loans</td>
<td>14.2</td>
<td>13.3</td>
<td>11.9</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>135.8</td>
<td>134.5</td>
<td>122.0</td>
</tr>
<tr>
<td>Subordinated debt</td>
<td>7.1</td>
<td>7.2</td>
<td>5.7</td>
</tr>
<tr>
<td>Equity and hybrids</td>
<td>38.4</td>
<td>38.9</td>
<td>37.1</td>
</tr>
<tr>
<td><strong>Total funding sources</strong></td>
<td><strong>317.0</strong></td>
<td><strong>309.0</strong></td>
<td><strong>306.5</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Funded assets</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and liquid assets</td>
<td>86.6</td>
<td>85.4</td>
<td>101.0</td>
</tr>
<tr>
<td>Net trading assets</td>
<td>38.4</td>
<td>42.9</td>
<td>36.1</td>
</tr>
<tr>
<td>Net trade debentors</td>
<td>—</td>
<td>—</td>
<td>0.2</td>
</tr>
<tr>
<td>Other loan assets including operating lease assets less than one year</td>
<td>13.9</td>
<td>14.7</td>
<td>12.6</td>
</tr>
<tr>
<td>Home loans</td>
<td>115.2</td>
<td>109.0</td>
<td>99.5</td>
</tr>
<tr>
<td>Other loan assets including operating lease assets greater than one year</td>
<td>43.5</td>
<td>39.8</td>
<td>38.7</td>
</tr>
<tr>
<td>Debt investments</td>
<td>5.0</td>
<td>4.7</td>
<td>6.0</td>
</tr>
<tr>
<td>Co-investment in Macquarie-managed funds and other equity investments</td>
<td>8.5</td>
<td>7.4</td>
<td>7.4</td>
</tr>
<tr>
<td>Property, plant and equipment and intangibles</td>
<td>5.9</td>
<td>5.1</td>
<td>5.0</td>
</tr>
<tr>
<td><strong>Total funded assets</strong></td>
<td><strong>317.0</strong></td>
<td><strong>309.0</strong></td>
<td><strong>306.5</strong></td>
</tr>
</tbody>
</table>

- 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\% of total funding sources
- Term funding beyond one year (excluding equity and securitisations) has a weighted average term to maturity of 4.4 years

Macquarie’s term funding maturing beyond one year (includes Equity and hybrids)

---

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

- 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\(^1\).
- Accessed term funding across a variety of products and jurisdictions.

### Funding for the Bank Group

<table>
<thead>
<tr>
<th>Funding sources</th>
<th>Sep 23 $Ab</th>
<th>Mar 23 $Ab</th>
<th>Sep 22 $Ab</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial paper and certificates of deposit</td>
<td>37.4</td>
<td>29.8</td>
<td>39.1</td>
</tr>
<tr>
<td>Net trade creditors</td>
<td>2.2</td>
<td>2.7</td>
<td>—</td>
</tr>
<tr>
<td>Structured notes</td>
<td>0.4</td>
<td>0.5</td>
<td>0.4</td>
</tr>
<tr>
<td>Securitisation</td>
<td>10.9</td>
<td>11.4</td>
<td>14.2</td>
</tr>
<tr>
<td>Other secured funding</td>
<td>12.4</td>
<td>14.5</td>
<td>14.0</td>
</tr>
<tr>
<td>Bonds</td>
<td>18.8</td>
<td>18.9</td>
<td>23.2</td>
</tr>
<tr>
<td>Unsecured loans</td>
<td>6.8</td>
<td>6.1</td>
<td>4.8</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>135.8</td>
<td>134.5</td>
<td>122.0</td>
</tr>
<tr>
<td>Subordinated debt</td>
<td>7.1</td>
<td>7.2</td>
<td>5.7</td>
</tr>
<tr>
<td>Equity and hybrids</td>
<td>22.5</td>
<td>22.7</td>
<td>23.1</td>
</tr>
<tr>
<td><strong>Total funding sources</strong></td>
<td><strong>254.3</strong></td>
<td><strong>248.3</strong></td>
<td><strong>246.5</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Funded assets</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and liquid assets</td>
<td>72.0</td>
<td>70.0</td>
<td>85.0</td>
</tr>
<tr>
<td>Net trading assets</td>
<td>33.4</td>
<td>39.1</td>
<td>32.2</td>
</tr>
<tr>
<td>Net trade debtors/(creditors)</td>
<td>—</td>
<td>—</td>
<td>(1.3)</td>
</tr>
<tr>
<td>Other loan assets including operating lease assets less than one year</td>
<td>12.6</td>
<td>13.5</td>
<td>11.6</td>
</tr>
<tr>
<td>Home loans</td>
<td>115.2</td>
<td>109.0</td>
<td>99.5</td>
</tr>
<tr>
<td>Other loan assets including operating lease assets greater than one year</td>
<td>24.9</td>
<td>22.5</td>
<td>23.4</td>
</tr>
<tr>
<td>Debt investments</td>
<td>2.5</td>
<td>2.4</td>
<td>3.6</td>
</tr>
<tr>
<td>Non-Bank Group balances with the Bank Group</td>
<td>(8.5)</td>
<td>(10.0)</td>
<td>(9.1)</td>
</tr>
<tr>
<td>Co-investment in Macquarie-managed funds and other equity investments</td>
<td>0.7</td>
<td>0.7</td>
<td>0.7</td>
</tr>
<tr>
<td>Property, plant and equipment and intangibles</td>
<td>1.5</td>
<td>1.1</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Total funded assets</strong></td>
<td><strong>254.3</strong></td>
<td><strong>248.3</strong></td>
<td><strong>246.5</strong></td>
</tr>
</tbody>
</table>

Bank Group term funding maturing beyond one year (includes Equity and hybrids)\(^2\)

\(^1\) As at 30 Sep 23. \(^2\) Includes drawn term funding only.
### Funding for the Non-Bank Group

<table>
<thead>
<tr>
<th>Funding sources</th>
<th>Sep 23 $Ab</th>
<th>Mar 23 $Ab</th>
<th>Sep 22 $Ab</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net trade (debtors)/creditors</td>
<td>(1.0)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Structured notes</td>
<td>1.2</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Securitisation</td>
<td>2.0</td>
<td>1.8</td>
<td>—</td>
</tr>
<tr>
<td>Other secured funding</td>
<td>0.9</td>
<td>0.6</td>
<td>0.5</td>
</tr>
<tr>
<td>Bonds</td>
<td>36.3</td>
<td>35.9</td>
<td>37.4</td>
</tr>
<tr>
<td>Unsecured loans</td>
<td>7.4</td>
<td>7.2</td>
<td>7.1</td>
</tr>
<tr>
<td>Equity and hybrids</td>
<td>15.9</td>
<td>16.2</td>
<td>14.0</td>
</tr>
<tr>
<td><strong>Total funding sources</strong></td>
<td><strong>62.7</strong></td>
<td><strong>60.7</strong></td>
<td><strong>60.0</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Funded assets</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and liquid assets</td>
<td>14.6</td>
<td>15.4</td>
<td>16.0</td>
</tr>
<tr>
<td>Non-Bank Group balances with the Bank Group</td>
<td>8.5</td>
<td>10.0</td>
<td>9.1</td>
</tr>
<tr>
<td>Net trading assets</td>
<td>5.0</td>
<td>3.8</td>
<td>3.9</td>
</tr>
<tr>
<td>Net trade debtors</td>
<td>—</td>
<td>—</td>
<td>1.5</td>
</tr>
<tr>
<td>Other loan assets including operating lease assets less than one year</td>
<td>1.3</td>
<td>1.2</td>
<td>1.0</td>
</tr>
<tr>
<td>Other loan assets including operating lease assets greater than one year</td>
<td>18.6</td>
<td>17.3</td>
<td>15.3</td>
</tr>
<tr>
<td>Debt investments</td>
<td>2.5</td>
<td>2.3</td>
<td>2.4</td>
</tr>
<tr>
<td>Co-investment in Macquarie-managed funds and other equity investments</td>
<td>7.8</td>
<td>6.7</td>
<td>6.7</td>
</tr>
<tr>
<td>Property, plant and equipment and intangibles</td>
<td>4.4</td>
<td>4.0</td>
<td>4.1</td>
</tr>
<tr>
<td><strong>Total funded assets</strong></td>
<td><strong>62.7</strong></td>
<td><strong>60.7</strong></td>
<td><strong>60.0</strong></td>
</tr>
</tbody>
</table>

- 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\(^1\)
- Accessed term funding across a variety of products and jurisdictions

---

\(^1\) As at 30 Sep 23.  \(^2\) Includes drawn term funding only.

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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.
199% average LCR for Sep 23 quarter, based on daily observations\(^1\)
- 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\(^2,3\)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>HQLA</th>
<th>Liquid Assets</th>
<th>Cash</th>
<th>CLF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep 22 Qtr</td>
<td>$75.8b</td>
<td>$4.1b</td>
<td>$5.9b</td>
<td></td>
</tr>
<tr>
<td>Mar 23 Qtr</td>
<td>$65.6b</td>
<td>$8.3b</td>
<td>$10.2b</td>
<td></td>
</tr>
<tr>
<td>Sep 23 Qtr</td>
<td>$58.6b</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**MBL LCR position\(^1,2\)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>LCR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep 22 Qtr</td>
<td>170%</td>
</tr>
<tr>
<td>Mar 23 Qtr</td>
<td>214%</td>
</tr>
<tr>
<td>Sep 23 Qtr</td>
<td>199%</td>
</tr>
</tbody>
</table>

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 (MFINP) and Macquarie Group Limited (MSL). 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

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

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
Capital management update

On-market share buyback

• On 3 Nov 23, Macquarie announced that it intends to buy back up to $A2b 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.
• The timing and actual number of ordinary shares purchased under the buyback will be subject to a number of factors including the Group’s surplus capital position, market conditions and opportunities to deploy capital by the businesses.

Dividend Reinvestment Plan

• On 4 Jul 23, the DRP in respect of the 2H23 dividend was satisfied through the allocation of 1,319,291 ordinary shares at a price of $A176.37 per share1. The shares allocated under the DRP were acquired on-market.
• The Board has resolved that no discount will apply for the 1H24 DRP and the shares are to be acquired on-market2.

Macquarie Group Employee Retained Equity Plan (MEREP)

• On 22 Jun 23, the acquisition of ordinary shares pursuant to the Macquarie Group Employee Retained Equity Plan (MEREP) was completed. A total of $A1,028m in shares were purchased at a weighted average price of $A179.17 per share3.

1. 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 22 May 23 to 26 May 23. 2. Shares will be issued if purchasing becomes impractical or inadvisable. 3. Comprising $A446m off-market and $A582m on-market purchases.
Appendix C: ESG & Net Zero
Presentation to Debt Investors
November 2023
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
- $A2.2 billion invested, committed or arranged in green energy assets in FY23

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
- Sourced the equivalent of 100% of our global electricity consumption from renewable sources in FY23
- Energy intensity per capita reduced by 57% from FY14 (14% reduction from FY22)

More detailed information is also available at macquarie.com/ESG

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. It excludes financed emissions (Scope 3, Category 15). 4. 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
- 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
- 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
- 11,800 attendances at tailored training, workshops and leadership sessions

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)

More detailed information is also available at macquarie.com/ESG

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 by insitriata 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. 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. 9. 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.
Net Zero and Climate Risk Report

Macquarie has been driving practical climate solutions for almost 20 years, with our first investments in renewables dating back to 2005. Since then, we have evolved our approach year by year, building capabilities to support the global transition to net zero. We published our first combined Group Net Zero and Climate Risk Report in Dec 22.

Four areas of action

- Increase our investment in climate mitigation and adaptation solutions
- Strengthen our support for clients and portfolio companies to help achieve their decarbonisation ambitions
- Continue to reduce the emissions of our own business operations
- Align our financing activity with the global goal of net zero emissions by 2050

Underpinned by three overarching principles

- The science on our changing climate is clear and unequivocal
- Our greatest contribution will come through positive and practical climate solutions driven by our core capabilities
- We believe in a managed, orderly, and just transition
Timeline of Macquarie climate activities

- **2005**
  - First investments in onshore wind, hydro, biomass and biogas

- **2008**
  - First investments in solar

- **2009**
  - First investments in offshore wind

- **2010**
  - Carbon neutral since
  - First investments in onshore wind

- **2012**
  - First investments in low emissions precision agriculture
  - First investments in geo-thermal

- **2013**
  - Investment in world leading anaerobic digestion company

- **2015**
  - Signed United Nations Principles for Responsible Investment (UN PRI)

- **2017**
  - Green Investment Bank acquisition

- **2018**
  - First green loan
  - First investments in battery storage

- **2019**
  - 100% renewable energy commitment by 2025

- **2020**
  - First standalone TCFD Report
  - 2°C transition risk scenario analysis
  - 1.5°C and 3-4°C physical and transition risk heat mapping and scenario analysis

- **2021**
  - First investment in carbon capture and storage
  - Group net zero commitment
  - Net Zero Asset Managers initiative signatory

- **2022**
  - First combined Net Zero and Climate Risk Report
  - First large asset manager to make The Climate Pledge

- **2023**
  - Emissions House of the Year*
We are supporting climate solutions across the world

Highlights of recent activities

Financial advisor on the acquisition of Amp US, a renewable energy generation and battery storage business
Financed a facility recycling electronic waste to produce precious metals
Executed a renewable supply and offtake agreement with US-based renewable fuel business
Invested in EP Carbon, a leading carbon offset project consultancy
Financed the operation of renewable natural gas (RNG) facilities in the US

Launching Fleete, an EV infrastructure business for operators of electric commercial vehicles
Launched partnership with Bluestone Energy to develop UK battery storage projects
Launched Eku Energy, a global battery storage platform
Developing a 400 MW offshore wind farm in Ireland
Involved in Inspiration Mobility Group, a sustainable infrastructure platform dedicated to transport electrification
Financed fuel cell microgrid for Bloom Energy, a distributed electricity generation company
Partnering with Circularix to build and operate PET recycling plants across the US
Invested in Galehead, a leading US-based renewable energy development platform
Acquired Treaty Oak Clean Energy, a renewables development platform focused on co-located solar and storage
Acquired DTG Recycle, a vertically integrated non-MSW recycling business
Announced plans to develop five Brazilian offshore wind projects
Partnering with Hydro Rein to develop a 586 MW wind and solar project in Brazil
Supporting the development of the 26 GW Australian Renewable Energy Hub
Selected by the Australia Capital Territory Government to build a utility-scale battery storage system
Launched Project H2era to construct a 500 MW green hydrogen plant in collaboration with the Port of Amsterdam
Launched VORN Bioenergy, a specialist European biomethane platform
Acquired Forliance, a leading nature-based carbon project developer

Equity investment into the development of a lithium mine in West Africa
Financed the continued development and ramp up of battery chemicals production facilities in Finland
Helping finance sustainable transport with Norway’s largest ferry operator
Fjord1
Financed 100 million debt investment into Italian renewable energy portfolio developer
Released our first Groupwide Net Zero report, with sector-specific targets included
Working with the UN’s Green Climate Fund to drive the adoption of electric vehicles across India
Announced plans to develop 500 MW offshore wind farm in Vietnam
Advised on the initial public offering of PT Merdeka Battery Materials on the Indonesian Stock Exchange
Launched partnership with Ontario Teachers’ Pension Plan to support development of up to 9 GW of offshore wind globally
Launched partnership with Hydro Rein to develop a 586 MW wind and solar project in Brazil

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