Macquarie Group Limited
Presentation to Debt Investors

August 2022
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Overview

Presentation to debt investors
August 2022
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

1. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. All numbers in this presentation have been reclassified to reflect the transfer of Cash Equities from CGM to Macquarie Capital effective 1 Jun 20. 2. Includes staff employed in certain operationally segregated subsidiaries throughout the presentation.
About Macquarie

Annuity-style activities | Net Profit Contribution

- BFS (Banking and Financial Services)
  - Macquarie’s retail banking and financial services business with total BFS deposits\(^1\) of $A98.0b\(^2\), loan portfolio\(^3\) of $A110.2b\(^2\) and funds on platform of $A118.6b\(^2\)
  - Provides a diverse range of personal banking, wealth management, and business banking products and services to retail clients, advisers, brokers and business clients

Markets-facing activities | Net Profit Contribution

- MAM (Macquarie Asset Management)
  - Global specialist asset manager with $A773.1b\(^2\) of assets under management building sustainable value for clients and communities, investing to deliver positive impact for everyone
  - Provides investment solutions to clients across a range of capabilities in Private Markets and Public Investments, including infrastructure, green investments, agriculture and natural assets, real estate, private credit, asset finance, 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
  - 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
  - Physical execution & logistics: supporting clients with access to physical commodities and facilitating their transport from production to consumption

- MacCap (Macquarie Capital)
  - Global capability in:
    - Advisory and capital raising services, investing alongside partners and clients across the capital structure, providing clients with specialist expertise, advice and flexible capital solutions across a range of sectors
    - Development and investment in infrastructure and energy projects and companies, with a focus on transport, digital and social infrastructure
    - Equities brokerage, providing clients with access to equity research, sales, execution capabilities and corporate access

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FY22 Net Profit Contribution

- BFS | ~11%
- MAM | ~23%
- CGM | ~10%
- CGM | ~31%
- MacCap | ~25%

- Risk Management Group
  - An independent and centralised function responsible for objective review and challenge, oversight, monitoring and reporting in relation to Macquarie’s material risks.

- Legal and Governance
  - Provides a full range of legal and corporate governance services, including strategic legal and governance advice and risk assessment.

- Financial Management Group
  - Provides financial, tax, treasury, corporate affairs and advisory services to all areas of Macquarie.

- Corporate Operations Group
  - Provides specialist support services through technology, operations, human resources, workplace, strategy, operational risk management, data and transformation, resilience and global security, and also includes 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 corporate/wholesale deposits. 2. As at 31 Mar 22. 3. The loan portfolio comprises home loans, loans to businesses, car loans and credit cards.

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50+ years of profitability

Above dates refer to Macquarie financial years

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Diversification by region

International income 75% of total income
Total staff1 18,133 of which 54% international. A further ~225,000 people employed across managed fund assets and investments3

**Americas**
- 48% of total income
- Total income: $A8,246m
- Assets under management: $A371.0b
- Employing 54,000+ people1

**EMEA**
- 20% of total income
- Total income: $A3,511m
- Assets under management: $A137.7b
- Employing 83,000+ people3

**Asia**
- 7% of total income
- Total income: $A1,137m
- Assets under management: $A40.0b
- Employing 75,000+ people3

**Australia4**
- 25% of total income
- Total income: $A4,390m
- Assets under management: $A226.1b
- Employing 15,000+ people3

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.

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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.

Ownership of risk at the business level

Understanding worst case outcomes

Independent sign-off by Risk Management Group

Principles stable for 30+ years

A key factor in our 53 years of unbroken profitability
Stable earnings

5 year earnings volatility relative to Macquarie

15 year earnings volatility relative to Macquarie (includes GFC)

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 13 May 2022 (Bloomberg).
Environmental, Social and Governance

Environmental and Social Risk (ESR) Policy

- 431 transactions assessed under our Environmental and Social Risk (ESR) Policy
- Alignment to net zero by 2050
- $A6.40 invested in renewable energy for every $A1 invested in conventional energy

Climate change

- Over 30 GW of green energy assets in development or construction as at 31 March 2022
- 16 GW of green energy assets in operation or under management

Environmental and social financing

- 100% renewable electricity sourced globally in FY2022
- Emissions per capita reduced by 91% from FY2010 baseline (43% reduction from FY2021)
- Carbon neutral since 2010
- Over $A16.5m spent with minority owned businesses in FY22

Sustainability in direct operations

- 2021 MFAA Excellence Awards for Major Lender of the Year
- 2022 CANSTAR Outstanding value award for Savings and Transaction Accounts
- #1 IPE Real Assets Top 100 Infrastructure Investment Managers since 2017
- 2021 Financial Standard Investment Leadership Awards Investment Manager of the Year
- No. 1 on the US Corporate Equality Index 2022

Client experience

- Australian Workplace Equality Index Platinum Employer
- 100% on the US Corporate Equality Index 2022

People and workplace

- Tailored training, workshops and leadership sessions provided to over 8,000 staff

Business conduct and ethics

- Over $A520 million donated by Macquarie staff and the Foundation since inception in 1985 ($A44 million in FY2022)

Macquarie Group Foundation

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

1. Includes (i) banking book equity investments fair valued through profit or loss; (ii) investments in which Macquarie has significant influence or joint control (investments in associates and joint ventures); and (iii) investments held through consolidated subsidiaries. Excludes off balance sheet equity commitments. 2. As at March 2022, GW of green energy assets reflect 100% generating capacity of each asset, not the proportion owned/managed by Macquarie. 3. The equivalent of 100% of our FY2023 electricity consumption was sourced from renewable sources through a combination of green tariffs (43%) and energy attribute certificates (57%). Due to a lack of availability, we were unable to source renewable energy certificates within the South Korean market, which is a requirement of the RE100 market boundary criteria. All other renewable energy purchases were assessed in line with the criteria and we are 98.4% compliant at this time. We are working towards full RE100 compliance by FY2023, ahead of our FY2025 commitment. 4. FY2022 emissions per capita are calculated as total operational market-based emissions of 14,238 tCO2e (sums Scope 1 and 2 emissions, and Scope 3 business travel) divided by the total headcount of 17,556 (based on total global workforce excluding staff employed in operationally aggregated subsidiaries as at 31 March 2022). 5. Covers scope 1 and scope 2 emissions, and business travel. 6. Tailored content focused on conduct, supervision in a hybrid working environment, integrity, speaking up and psychological safety. Macquarie also requires all staff globally to undertake mandatory online Code of Conduct training. 7. Comprises Macquarie Group Foundation matching support for staff donations and fundraising; Foundation donations to commemorate staff 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.
Driving global climate solutions
Highlights of activities over the past year

- Announced intention to support the creation of a nationwide backbone hydrogen network
- Acquired Island Green Power, a UK-based solar developer
- Reached financial close on first UK battery storage project
- Secured ScotWind leasing rights to develop the 2 GW offshore windfarm
- Backing investment in EV charging with the acquisition of Roadchef
- Launched pioneering training programme for green jobs
- £275 million debt investment in UK solar power portfolio
- Acquired Beauparc Utilities, a market leading recycling business
- Entered Irish offshore wind market
- Investing in the national electricity distribution network to support the energy transition
- Entered US hydrogen fuel cell electric truck market
- Partnered with Circularix to build and operate PET recycling plants across the USA
- Launched renewable fuels platform Aerogy
- Investing in Washington’s largest electricity utility
- Partnered with Hydro Rein to develop a 586 MW wind and solar project in Brazil
- Corio Generation plans to develop five Brazilian offshore wind projects
- Working with the UN’s Green Climate Fund to drive the adoption of electric vehicles across India
- £200m UKCI fund now fully deployed
- Co-invested in South African joint venture to develop renewable assets
- Further investment in C-Quest Capital rollout of clean cookstoves across Sub-Saharan Africa
- Exploring green hydrogen hub at the Port of Newcastle
- Created joint venture to build zero carbon emission rented housing
- Joined CFLI Colombia country pilot to accelerate the country’s transition
- Announced plans to support £12+ billion of sustainable infrastructure investment across the UK
- Launched Corio, one of the world’s largest offshore wind developers, headquartered in the UK
- Working with co-investors on floating offshore wind opportunity in the North Sea
- Acquired offshore wind project in Sweden
- Helping finance sustainable transport with Norway’s largest ferry operator Fjord
- Confirmed plans to support £12+ billion of sustainable infrastructure investment across the UK
- Launched Corio, one of the world’s largest offshore wind developers, headquartered in the UK
- Partnering with Dutch partners Nobian to create a leading green hydrogen company, HYCC
- Registered with the UN’s Green Climate Fund to drive the adoption of electric vehicles across India
- Formed strategic partnership with Edge, the world’s leading sustainable office developer
- Announced plans to develop 500 MW offshore windfarm in Vietnam
- Blueleaf working with SunAsia to develop 1.25 GW Philippine solar projects
- Joined Japan Climate Leaders’ Partnership
- Announced plans to deliver Australia’s largest privately funded utility-scale battery
- Corio Generation commits to two major Australian offshore wind projects
- Supporting the circular economy through investment in BINGO Industries
Always mindful of our impact

~100 million people use Macquarie-managed essential services daily

50 GW+ of green energy projects in development, construction, operation or financed

Carbon neutral since 2010

$A520 million community contribution since 1985

227,000+ people employed by Macquarie-managed assets

21,000 suppliers globally

100% renewable electricity across our global offices and data centres by 2025

No.1 Global Renewables Adviser

1. As at 31 March 2022. 2. Covers scope 1 and scope 2 emissions, and business travel. 3. Includes people employed through Private Markets-managed fund assets and investments where Macquarie Capital holds significant influence. 4. Information (Q3 CY21 by deal count and value).

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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\(^1\)
- MGL provides funding predominantly to the Non-Bank Group\(^2\)

\(^1\) 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. Macquarie International Finance Limited (MIFL) also operates as an external funding vehicle for certain subsidiaries within the Bank Group. 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.
Private Markets

$238.0b ▲ 22% on Mar 21
Assets under management1

$158.3b ▲ 11% on Mar 21
Equity under management7

$10.3b
Equity proceeds from asset divestments8

$31.0b
Invested across 91 new investments, a record year8

Public Investments

$535.1b ▲ 46% on Mar 21
Assets under management1

71% of assets under management outperforming respective benchmarks on a three-year basis8

Expanding Capabilities through acquisition and ongoing integration of:

- Waddell and Reed (~$US78.6b)9,
- Central Park Group ($US3.5b)10 and
- AMP Capital’s public investments business ($US43b)10.
Assets under management of $A774.8b\textsuperscript{1}

AUM increased 37% from $A563.5b\textsuperscript{1} as at 31 Mar 21

Increase due to acquisitions of Waddell & Reed Financial, AMP Capital’s public investments business and Central Park Group as well as investments made by Private Markets-managed funds and net inflows in Public Investments

1. Includes MAM and BFS AUM.
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Banking and Financial Services

Macquarie’s retail banking and financial services business

Net profit contribution
FY21 $A771m
FY22 $A1,001m

NPC ~11%

Approximately 1.7 million Australian clients

Awards

Personal Banking

$A96.9b<sup>1</sup> ▲8% on Mar 22

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

Average LVR at Origination (%)<sup>1,2</sup> 64%
Average Dynamic LVR (%)<sup>2,3</sup> 47%
% Owner Occupied<sup>4</sup> 65%
% Principal and Interest 78%

Wealth management

$A109.3b<sup>1</sup> ▲8% on Mar 22

Funds on platform

Deposits

$A106.4b<sup>1</sup> ▲9% on Mar 22

Total BFS deposits<sup>6</sup>

Car Loans

$A7.9b<sup>1</sup> ▼10% on Mar 22

Car loan portfolio. Dealer finance business to Allied Credit in FY22, ceasing originations from dealers

Business Banking

$A11.9b<sup>1</sup> ▲3% on Mar 22

Business banking loan portfolio

Awards

Australia’s 1st open banking platform gives customers control over their data

30+ years bringing innovation and competition to Australian consumers

Note: References relate to the year ended 31 Mar 22. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Bar chart is based on FY22 net profit contribution from operating groups. 1. As at 31 March 2022. 2. Based on accounts still on books. 3. Weighted by size of loan. 4. Property valuation source CoreLogic, Mar 22. 5. Assessed as owner-occupied. 6. BFS deposits include home loan offset accounts and exclude corporate/wholesale deposits.

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Banking and Financial Services

Strong growth across home loans, deposits and funds on platform

Note: Data based on spot volumes at period end.
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 2021 Winner

**House of the year** for:
- Oil and products,
- Natural Gas / LNG
- Derivatives
- Base Metals
- Commodity Research

No. 4
Physical gas marketer in North America

No. 1
Futures broker on the ASX

More than half of the top private credit funds globally trust Macquarie for their credit settlement needs

**Asset Finance**

$A6.0b portfolio up 2% from $A5.8b at 31 Mar 21

Strong origination and portfolio growth in Structured Lending and Shipping Finance

10 million+ meters provided to homes and businesses of which 5.5 million are smart meters

**Commodity Markets**

Increased revenue across Commodities with strong risk management from Gas and Power businesses, Resources, Agriculture and Global Oil driven by increased client hedging activity and trading activity as a result of elevated volatility and commodity price movements

**Financial Markets**

Foreign exchange, interest rates and credit:
- Increased client activity in foreign exchange and interest rates across all regions
- Strong client activity in UK and Australian securitisation

Equity Derivatives and Trading:
- Improved results from equity finance
- Increased activity providing solutions for corporate clients
- High levels of financing and trading with corporate clients and event driven trading
- and financing

**Futures**
- Improved commission and interest revenues due to elevated commodity price volatility and continued recovery from challenges of FY21
Strong underlying client business
Majority of income derived from underlying client business

Operating Income (excl. credit and other impairment charges)

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. 5-year CAGR of 5% from FY18 to FY22.

Client numbers (excl. Asset Finance)

1. "40+ years" of client partnerships evolving into niche activities in some markets, and scale in others
2. "Platform diversity drives earnings" stability and de-risks the portfolio
3. Dedicated specialist staff with deep sector knowledge and market insights
4. "Risk management is core"
5. Industry recognition in select markets and sectors is strong

• Client-led business with deep longstanding client relationships:
  - Diverse and growing client base
  - Strong repeat client business with ~85% of client revenue generated from existing relationships
  - Client relationships spread over a full spectrum of products and services
Underlying client activity driving regulatory capital and trading revenues

Regulatory capital (normalised)¹

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

Group Daily trading profit and loss² FY18 - FY22 ($Am)

- Consistency of shape of the curves over the years
  - Consistent framework and approach to risk management
- Mean clusters between $A0-10m
- Trading income largely derived from client franchise activities

¹ Normalised for FX (31 Mar 22) and SA-CCR impacts. Numbers will not reconcile to previously disclosed regulatory capital numbers. ² The daily profit and loss refers to results that are directly attributable to market-based activity from Macquarie’s desk.
Awards & rankings

No. 1 M&A* and IPOs*

No. 1 Financial Adviser in 11 categories*

No. 1 Best Overall Broker in Australia/New Zealand*

No. 1 Direct Investor – EMEA*

Net profit contribution
FY21 $A651m
FY22 $A2,400m

NPC ~25%

↑ 269% on FY21

476 transactions in FY22 valued at
$457 billion*


Summary

Maintained a leading market position in ANZ across M&A in 2021*

Maintained our global number one infrastructure financial adviser position for a third consecutive year*

Over $A15b Principal Finance portfolio including $A13b credit portfolio, with record deployment in FY22 through focused investment in credit markets and bespoke financing solutions

No. 1 global infrastructure financial adviser for a third consecutive year*

15+ infrastructure and energy projects under development on construction*

Maintained market leading ranking in Australia across Research, Trading, ECM and Corporate Access*

Notable deals included:

• Financial adviser to Sydney Aviation Alliance on its ~$A32b acquisition of Sydney Airport

• Exclusive financial adviser to Light & Wonder (formerly known as Scientific Games Corporation) on its $US6.05b sale of its Lottery Business

• Financial adviser to Sandfire Resources on its $US1.9b acquisition of the MATSA mine in Spain, and JLM to Sandfire on its associated $A1.2b equity raising

• Exclusive financial adviser to Manulife Investment Management on the sale of its 49% equity interest in Constellation Renewable Partners to Axium Infrastructure

• Realisation of a number of renewable assets, including: Savion (solar energy and storage developer in the US), BRUC Iberia Energy Investment Partners (solar platform in Spain), partial realisation of Green Lighthouse Development (a French solar developer), assets within the AR Wind Energy portfolio (a Japanese onshore wind development platform)

Macquarie Capital

Movement in capital

Note: Impact of foreign exchange immaterial to year ended 31 Mar 22.
1. Green Energy represents GIG.

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MGL results for the year ended 31 March 2022

Presentation to debt investors
August 2022
FY22 net profit contribution from Operating Groups
$A9,462m up 55% on FY21

### Annuity-style activities

<table>
<thead>
<tr>
<th>Non-Banking Group</th>
<th>Markets-facing activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Macquarie Asset Management (MAM)</strong></td>
<td><strong>Macquarie Capital (MacCap)</strong></td>
</tr>
<tr>
<td>Increase driven by disposition fee and equity accounted income from MIC as well as base fee growth, partially offset by gain on sale of Macquarie European Rail in the prior year and lower performance fees</td>
<td>Significantly higher fee and commission income due to M&amp;A and DCM, partially offset by lower ECM fee income and brokerage income. Investment-related income up substantially due to material asset realisations in the green energy, technology and business services sectors and an increase in the private credit portfolio</td>
</tr>
</tbody>
</table>

### Markets-facing activities

<table>
<thead>
<tr>
<th>Banking Group</th>
<th>Non-Banking Group</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Banking and Financial Services (BFS)</strong></td>
<td><strong>Commodities and Global Markets(^1) (CGM)</strong></td>
</tr>
<tr>
<td>Growth in the loan portfolio, funds on platform and total BFS deposits; net credit impairment releases, partially offset by increased technology investment and higher average headcount to support business growth and regulatory requirements</td>
<td>Increased revenue across Commodities with strong risk management from Gas and Power businesses, Resources, Agriculture and Global Oil driven by increased client hedging activity and trading activity as a result of elevated volatility and commodity price movements, partially offset by the impact of fair value adjustments across the derivatives portfolio. Commodities inventory management and trading up on FY21 - strong trading gains from supply and demand imbalances in North American Gas and Power, partially offset by unfavourable impact of timing of income recognition on Gas storage and transport contracts. Continuing strong performance from Financial Markets across major products and markets from client and trading activity</td>
</tr>
<tr>
<td><strong>Commodities and Global Markets(^1) (CGM)</strong></td>
<td></td>
</tr>
<tr>
<td>Increased contribution from Asset Finance largely related to the partial sale of the UK Meters portfolio of assets comprising the industrial and commercial portfolio in May 21 and increased activity across its other sectors. Commodities lending and financing revenue down on FY21</td>
<td></td>
</tr>
</tbody>
</table>

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.
## Result Analysis

### 2H22 result: $A2,663m up 30% on 1H22; up 31% on 2H21
- **FY22 result:** $A4,706m up 56% on FY21

<table>
<thead>
<tr>
<th></th>
<th>2H22</th>
<th>1H22</th>
<th>2H22 v 1H22</th>
<th>FY22</th>
<th>FY21</th>
<th>FY22 v FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net operating income</td>
<td>9,520</td>
<td>7,804</td>
<td>↑ 22%</td>
<td>17,324</td>
<td>12,774</td>
<td>↑ 36%</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>(5,716)</td>
<td>(5,069)</td>
<td>↑ 13%</td>
<td>(10,785)</td>
<td>(8,867)</td>
<td>↑ 22%</td>
</tr>
<tr>
<td>Operating profit before income tax</td>
<td>3,804</td>
<td>2,735</td>
<td>↑ 39%</td>
<td>6,539</td>
<td>3,907</td>
<td>↑ 67%</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(983)</td>
<td>(603)</td>
<td>↑ 63%</td>
<td>(1,586)</td>
<td>(899)</td>
<td>↑ 76%</td>
</tr>
<tr>
<td>Effective tax rate1 (%)</td>
<td>27.0</td>
<td>22.8</td>
<td></td>
<td>25.2</td>
<td>23.0</td>
<td></td>
</tr>
<tr>
<td>(Profit)/Loss attributable to non-controlling interests</td>
<td>(158)</td>
<td>(89)</td>
<td></td>
<td>(247)</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Profit attributable to MGL shareholders</td>
<td>2,663</td>
<td>2,043</td>
<td>↑ 30%</td>
<td>4,706</td>
<td>3,015</td>
<td>↑ 56%</td>
</tr>
<tr>
<td>Annualised return on equity (%)</td>
<td>19.6</td>
<td>17.8</td>
<td>↑ 10%</td>
<td>18.7</td>
<td>14.3</td>
<td>↑ 31%</td>
</tr>
<tr>
<td>Basic earnings per share</td>
<td>$A7.06</td>
<td>$5.63</td>
<td>↑ 25%</td>
<td>$A12.72</td>
<td>$8.43</td>
<td>↑ 51%</td>
</tr>
<tr>
<td>Dividend per ordinary share</td>
<td>$A3.50</td>
<td>$2.72</td>
<td>↑ 29%</td>
<td>$A6.22</td>
<td>$4.70</td>
<td>↑ 32%</td>
</tr>
</tbody>
</table>

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

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Financial performance

**Operating income**
- FY22: $17,324m
- Up 36% on FY21

**EPS**
- FY22: $12.72
- Up 51% on FY21

**Profit**
- FY22: $4,706m
- Up 56% on FY21

**DPS**
- FY22: $6.22
- Up 32% on FY21
03

1Q23 Update

Presentation to debt investors
August 2022
Favourable trading conditions with 1Q23 operating group contribution up on the prior corresponding period (pcp) (1Q22), although trading conditions did soften during the quarter

- Macquarie’s annuity-style businesses (MAM and BFS) combined 1Q23 net profit contribution¹ significantly up on pcp, primarily due to income from GIG asset realisations in MAM partially offset by the Macquarie Infrastructure Corporation disposition fee in the pcp. BFS contribution was broadly in line with pcp

- Macquarie’s markets-facing businesses (CGM and Macquarie Capital) combined 1Q23 net profit contribution¹ slightly up on pcp primarily due to strong results across the Commodities platform in CGM including the impact of timing of income recognition on gas transport and storage contracts and higher investment-related income in Macquarie Capital, partially offset by the sale of the CGM UK commercial and industrial smart meters portfolio in the pcp

¹. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Net profit contribution and prior corresponding periods above are inclusive of the GIG transfer to MAM from MacCap.
1Q23 Overview
Annuity-style businesses

Macquarie Asset Management

~32%¹
FY22 contribution²

● AUM³ of $A773.9b at Jun 22, broadly in line with Mar 22
● Private Markets: $A256.1b in AUM, up 8% on Mar 22 predominantly due to investment activity and foreign exchange impacts
● Private Markets: $A175.5b in EUM⁴, up 11% on Mar 22 predominantly driven by strong fundraising activity and foreign exchange impacts
● Private Markets: record $A12.1b in new equity raised; $A5.9b of equity invested; $A1.7b equity divested in 1Q23
● Private Markets: $A28.8b of equity to deploy at Jun 22
● Public Investments: $A517.8b in AUM, broadly in line with Mar 22, predominantly driven by unfavourable market movements offset by favourable foreign exchange impacts
● Public Investments: 71% of assets under management outperforming respective 3-year benchmarks⁵
● Effective 1 Apr 22, the Green Investment Group (GIG) transferred from Macquarie Capital and is operating as part of MAM. In 1Q23 a number of GIG assets held on balance sheet were realised

1. Based on FY22 net profit contribution from operating groups with GIG restated for its transfer to MAM from MacCap on 1 Apr 22. MAM FY22 contribution as reported on 6 May 22 is ~23%. 2. Based on FY22 net profit contribution from operating groups. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 3. 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. AUM excludes uninvested equity in Private Markets. 4. Private Markets’ total EUM 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. 5. As at 30 Jun 22. 6. BFS deposits include home loan offset accounts and exclude corporate/wholesale deposits.

Banking and Financial Services

~11%
FY22 contribution²

● Home loan portfolio of $A96.9b at Jun 22, up 8% on Mar 22
● Business Banking loan portfolio of $A11.9b at Jun 22, up 3% on Mar 22
● Total BFS deposits⁶ of $A106.4b at Jun 22, up 9% on Mar 22
● Funds on platform of $A109.3b at Jun 22, down 8% on Mar 22 as strong net flows were offset by market movements
● Car loan portfolio of $A7.9b at Jun 22, down 10% on Mar 22
1Q23 Overview
Markets-facing businesses

Commodities and Global Markets

~41%
FY22 contribution

- Elevated volatility and commodity prices contributed to strong results across the Commodities platform, driven by trading and client hedging opportunities.
- Strong client activity continued across Financial Markets businesses including foreign exchange, fixed income and credit products.
- Consistent balance sheet deployment across Asset Finance contributed to annuity revenues from the Technology, Media and Telecoms, Energy and Shipping Finance sectors.
- Maintained ranking as No.4 physical gas marketer in North America
- Named Oil and Products House of the Year as well as Natural Gas/LNG House of the Year

Macquarie Capital

~16%
FY22 contribution

- 76 transactions valued at $A90b completed globally, down on pcp and prior period
- Fee and commission income up on pcp driven by M&A and DCM, partially offset by ECM. Increased investment-related income compared to pcp, primarily due to asset realisations and an increase in the credit portfolio
- Principal Finance deployed over $A2.5b in 1Q23 through focused investment in credit markets and bespoke financing solutions, with over $A17b total portfolio including over $A15b credit portfolio.
- Equities Research ranked 1st in Institutional Investor’s 2022 Asia-Pacific (ex-Japan) Regional/Local Broker Rankings
- Effective 1 Apr 22, GIG transferred from Macquarie Capital and is operating as part of MAM

Transaction Activity

- Exclusive financial adviser to Macquarie Asset Management, Unisuper, PGGM and UBS Asset Management and others, on the $A3.6b sale of Axicom, Australia’s largest independent mobile towers owner
- Financial adviser to Ampol Limited on its ~$NZ2b acquisition of dual ASX and NZX listed Z Energy Limited, a leading fuel distributor in New Zealand
- Exclusive financial adviser to ArcLight Capital Partners on its $US857m acquisition of a 25% equity interest in Gulf Coast Express Pipeline from Targa Resources Corp. We also served as Joint Bookrunner on the senior secured credit facilities to support the acquisition
- Exclusive financial adviser to SI-UK, an international student marketing and placement platform to UK universities, on the investment by Averna Capital
- Onivia, Macquarie Capital’s wholesale fibre network in Spain introduced Arjun Infrastructure Partners as a new investor, positioning for future growth opportunities
- Growth equity investment in Autobooks, a leading provider of B2B invoicing and payments catering to small and medium businesses

1. Based on FY22 net profit contribution from operating groups with GIG restated for its transfer to MAM from MacCap on 1 Apr 22. MacCap FY22 contribution as reported on 6 May 22 is ~25%. 2. Based on FY22 net profit contribution from operating groups. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 3. Platts Q1 March 2022. 4. Energy Risk Awards 2022. 5. Source: Dealogic & IHS Markit for Macquarie Group completed M&A, investments, ECM & DCM transactions converted as at the relevant report date. Deal values reflect the full transaction value & not an attributed value. 6. Committed portfolio. 7. Ranked Top 3 in all 11 countries with 4 winning positions at firm level supported by 37 ranked analysts, up from 24 last year.
Strong regulatory ratios

Bank Group Level 2 Ratios (Jun 22)

1. Average LCR for Jun 22 quarter is based on an average of daily observations and excludes CLF allocation (221% including CLF allocation). 2. NSFR as at 30 Jun 22 excludes CLF allocation (116% including CLF allocation). 3. 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 22. The LCR Net Cash Outflow add-on increased to 25% from 1 May 22. 4. ‘Harmonised’ Basel III estimates are calculated in accordance with the BCBS Basel III Framework, noting that MBL is not regulated by the BCBS and so impacts shown are indicative only. 5. Includes the capital conservation buffer in the minimum CET1 ratio requirement. APRA released the final ‘Prudential Standard APS 110 Capital Adequacy’ on 29 Nov 21 which has a minimum requirement for the leverage ratio of 3.5% effective 1 Jan 23.
Basel III capital position

- APRA Basel III Group capital at Jun 22 of $A34.1b; Group capital surplus of $A10.1b\(^1\)\(^2\)
- APRA Basel III Level 2 CET1 ratio at Jun 22: 12.3%; Harmonised Basel III Level 2 CET1 ratio: 15.6%

**Group regulatory surplus: Basel III (Jun 22)**

1. The capital surplus shown is above regulatory minimums including the capital conservation buffer (CCB), per APRA ADI Prudential Standard 110, calculated at 8.5% RNA on a Level 2 basis for MBL. This surplus also includes provision for internal capital buffers, forthcoming regulatory changes, as well as differences between Level 2 and Level 1 capital requirements, including the $A500m Level 1 operational capital overlay imposed by APRA from 1 Apr 21. Based on materiality, the 8.5% used to calculate the Group capital surplus does not include the countercyclical buffer (CCyB) of 1bp. The individual CCyB varies by jurisdiction and the Bank Group’s CCyB is calculated as a weighted average based on exposures in different jurisdictions. 3. Basel II applies only to the Bank Group and not the Non-Bank Group. ‘Harmonised’ Basel III estimates are calculated in accordance with the BCBS Basel III framework, noting that MBL is not regulated by the BCBS and so impacts shown are indicative only. 4. Includes current quarter P&L, treasury shares, movements in foreign currency translation and share-based payment reserves and other movements. 5. APRA Basel III ‘super-equivalence’ includes the impact of changes in capital requirements in areas where APRA differs from the BCBS Basel III framework, including the treatment of mortgages $A2.3b; capitalised expenses $A0.6b; equity investments $A0.5b; investment into deconsolidated subsidiaries $A0.7b; DTAs $A0.1b; IRRBB $A0.1b.
Business capital requirements

1Q23 business capital requirement growth of $A0.4b excluding FX movements

2H22 Key drivers

MAM
• Growth in MAM balance sheet usage from new fund co-investments and underwrites to seed core and adjacent fund strategies

BFS
• Growth in home loans, partially offset by sale of dealer finance portfolio

CGM
• Driven by market movements in commodities, increased client hedging and trading activity in Commodities, and hedging activity in FIC

Macquarie Capital
• New business deployment in private credit and equity offset by investment realisations across all regions

Corporate
• Various movements, including increased liquidity holdings

1Q23 key drivers

MAM
• Includes fund underwriting activity

BFS
• Growth in home loans, partially offset by run off in vehicles financing

Macquarie Capital
• Continued Principal Finance lending activity

---

1. Regulatory capital requirements are calculated at 8.5% RWA. 2. The foreign currency translation reserve (FCTR) forms part of capital supply and broadly offsets FX movements in capital requirements. 3. Quarter-on-quarter movements do not include the impact of the transfer of the Green Investment Group from MacCap to MAM on 1 Apr 22.
Funded balance sheet remains strong

Term liabilities exceed Term assets

31 Mar 22

30 Jun 22

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, Bonds, Other loans and Net trade creditors. 2. Debt maturing beyond 12 months includes Subordinated debt, Structured notes, Secured funding (including RBA TFF), Bonds, Syndicated loan facilities, Other loans and Wholesale issued paper not maturing within next 12 months. 3. Cash and liquid assets includes self-securitisation of repo eligible Australian assets originated by Macquarie and held as contingent collateral for RBA facilities (such as the CLF). 4. Other loan assets (incl. op lease) >1 year includes Debt investments. 5. Equity investments and PPE includes Macquarie’s co-investments in Macquarie-managed funds and other equity investments. 6. Total customer deposits as per the funded balance sheet ($A110.4b) differs from total deposits as per the statutory balance sheet ($A110.6b). The funded balance sheet reclassifies certain balances to other funded balance sheet categories. 7. 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.
### Short-term outlook

#### Factors impacting short-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>Macquarie Asset Management (MAM)</td>
<td>Macquarie Capital (MacCap)</td>
</tr>
<tr>
<td>- Base fees expected to be broadly in line, with raising and deployment in Private Markets and the impact of recent Public Investments acquisitions, substantially offset by unfavourable market movements</td>
<td>Subject to market conditions:</td>
</tr>
<tr>
<td>- Net Other Operating Income(^1) expected to be down due to non repeat of MIC gains partially offset by higher performance fees</td>
<td>- Transaction activity is expected to be substantially down on a record FY22, with market conditions weakening during 1Q23 compared to the prior period</td>
</tr>
<tr>
<td>- Green Investment Group expected to be significantly down due to strong FY22 performance</td>
<td>- Investment-related income expected to be up, with increased revenue from growth in the Principal Finance credit portfolio partially offset by lower revenue from asset realisations with fewer notable realisations expected compared to FY22</td>
</tr>
</tbody>
</table>

| **Banking Group**        |                           |
| Banking and Financial Services (BFS) | Commodities and Global Markets\(^2\) (CGM) |
| - Ongoing momentum in loan portfolio and platform volumes and deposits growth | Subject to market conditions, which make forecasting difficult: |
| - Market dynamics to continue to drive margin pressure | - Commodities income including the impact of timing of income recognition on gas transport and storage contracts is expected to be down following a strong FY22, albeit volatility may create opportunities |
| - Ongoing monitoring of provisioning | - Consistent contribution from client and trading activity across the Financial Markets platform |
| - Higher expenses to support volume growth, technology investment and regulatory requirements | - Continued contribution from Asset Finance across sectors (excluding FY22 gain on disposal of certain assets) |

| **Corporate**            |                           |
| - Compensation ratio expected to be within the range of historical levels | - The FY23 effective tax rate is expected to be within the range of recent historical outcomes |

---

\(^1\) Net Other Operating Income includes all operating income excluding base fees as well as income related to GIG.  
\(^2\) 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.
Overview Result Analysis 1Q23 Update Outlook Capital and Funding Appendices

Short-term outlook

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

- Market conditions including: significant volatility events, global inflation and interest rates, and the impact of geopolitical events
- Completion of period-end reviews and the completion rate 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

Macquarie remains well-positioned to deliver superior performance in the medium term

Deep expertise in major markets

Build on our strength in business and geographic diversity and continue to adapt our portfolio mix to changing market conditions

- Annuity-style income is primarily provided by two operating groups’ businesses which are delivering superior returns following years of investment and acquisitions
  - Macquarie Asset Management and Banking and Financial Services
- Two markets-facing businesses well positioned to benefit from improvements in market conditions with strong platforms and franchise positions
  - Commodities and Global Markets and Macquarie Capital

Ongoing program to identify cost saving initiatives and efficiency

Ongoing technology spend across the group

Strong and conservative balance sheet

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

Proven risk management framework and culture
Medium term

Annuity-style businesses

Non-Banking Group

Macquarie Asset Management (MAM)
- Global specialist asset manager, well-positioned to respond to current market conditions and grow assets under management through its diversified product offering, track record and experienced investment teams
- Commitment to achieving net zero emissions across the investment portfolio by 2040; integration of Green Investment Group to provide strong momentum as the low carbon transition accelerates

Markets-facing businesses

Macquarie Capital (MacCap)
- Continues to support clients globally across themes including tech-enabled innovation, energy transition and sustainability
- 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
- Positioned to respond to changes in transaction activity

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 growth

Commodities and Global Markets¹ (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.
Diversified issuance strategy

Term funding as at 31 Mar 22 – diversified by currency\(^1\), tenor\(^2\) and type

**Currency**

USD 36%  
EUR 5%  
GBP 3%  
CHF 1%  
AUD 54%  
OTH 1%

**Tenor**

1-2yrs 9%  
2-3yrs 17%  
3-4yrs 12%  
4-5yrs 5%  
>5yrs 48%  
Securitisations >3yr 9%  
Term funding >3yr 5%

**Type**

Term Issuance and Maturity Profile

<table>
<thead>
<tr>
<th>Issuances(^3)</th>
<th>Maturities(^5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0(\text{Ab})</td>
<td>0(\text{Ab})</td>
</tr>
<tr>
<td>10(\text{Ab})</td>
<td>10(\text{Ab})</td>
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<td>40(\text{Ab})</td>
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<tr>
<td>50(\text{Ab})</td>
<td>50(\text{Ab})</td>
</tr>
<tr>
<td>60(\text{Ab})</td>
<td>60(\text{Ab})</td>
</tr>
</tbody>
</table>

Issuances\(^3\):
- Unsecured debt
- Secured facilities
- Subordinated debt
- Equity and hybrids

Maturities\(^5\):
- FY18
- FY19
- FY20
- FY21
- FY22
- <1yr
- 1-2yrs
- 2-3yrs
- 3-4yrs
- 4-5yrs
- >5yrs

5.1 years WAM\(^6\)

of Term funding excluding TFF

(4.7 years including TFF)

---

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 31 Mar 22 spot rate.  
4. Includes RBA TFF.  
5. Maturities are shown as at 31 Mar 22.  
6. WAM represents weighted average term to maturity of term funding maturing beyond one year excluding equity and securitisations.
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 deposits¹ continuing to grow, up 21% to $A101.5b as at Mar 22 from $A84.0b as at Mar 21**
- **$A2.8b of equity capital raised through institutional placement and SPP during FY22**
- **$A48.3b² of term funding raised during FY22:**
  - $A21.7b of term wholesale issued paper comprising of $A20.9b of senior unsecured debt and $A0.8b of subordinated unsecured debt
  - $A9.5b draw down of the RBA Term Funding Facility (TFF)³
  - $A6.8b of PUMA RMBS securitisation issuance
  - $A6.6b of syndicated unsecured loan facilities
  - $A3.0b refinance of secured trade finance facilities; and
  - $A0.7b of BCN3 Hybrid instrument issuance

¹ Total customer deposits as per the funded balance sheet ($A101.5b) differs from total deposits as per the statutory balance sheet ($A101.7b). 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. ³ $A9.5b of Supplementary and Additional Allowance drawn in Jun 21. $A1.7b of Initial Allowance was drawn in Sep 20.
Continued customer deposit growth

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

- Of approximately 1.7 million BFS clients, ~880,000 are depositors
- Focus on the quality and diversification of the deposit base
- CMA deposits of $A38.9b, up 23% on Mar 21

Note: Total customer deposits include total BFS deposits of $A98.0b and $A3.5b of Corporate/Wholesale deposits as at Mar 22.
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>Moody's</td>
<td>A2</td>
<td>Positive</td>
</tr>
<tr>
<td>Fitch</td>
<td>A</td>
<td>Stable</td>
</tr>
<tr>
<td>S&amp;P</td>
<td>A+</td>
<td>Stable</td>
</tr>
</tbody>
</table>
Appendix A: General Appendices

Presentation to debt investors
August 2022
Macquarie Asset Management

Increase driven by income related to the disposition of MIC assets and increased base fees, partially offset by gain on sale of Macquarie European Rail in prior year and lower performance fees

Key drivers
- Base fees up due to:
  - Investments made by Private Markets-managed funds and positive market movements in Public Investments funds
  - Partially offset by equity returns in Private Markets-managed funds
- Lower performance fees following a strong prior year. Current year includes fees from Macquarie Infrastructure Partners (MIP) III, Macquarie European Infrastructure Fund (MEIF) 4 and other Private Markets-managed funds, managed accounts and co-investors
- Lower Investment-related and other income due to non-recurrence of gains on investments in the prior year, partially offset by lower Macquarie AirFinance equity accounted losses
- MIC income includes recognition of a disposition fee and equity accounted income
- Macquarie European Rail (MER) gain on sale in prior year
- Acquisition one-offs, driven by costs which are not expected to be repeated
Banking and Financial Services

Strong home loan and deposit growth; net credit impairment releases, partially offset by increased technology investment and higher headcount to support business growth and regulatory requirements.

Key drivers

- Higher Personal Banking income driven by 27% growth in average home loans volumes.
- Higher Business Banking income driven by 20% growth in average business lending volumes and 21% growth in average business deposit volumes, partially offset by 20% lower average car loan volumes and lower business lending margins.
- Higher Wealth income driven by 24% growth in average Platform FUA and 14% growth in average CMA volumes.
- Decrease in credit and other impairment charges driven by partial release of COVID-19 overlays. Credit provisioning levels remain prudent with the combined downside macroeconomic scenarios having a higher weighting than the upside scenario.
- Higher costs due to increased technology investment and higher average headcount to support business growth and to meet regulatory requirements.
- Other includes equity investment related income and the bank levy.

1. Includes brokerage, commission and fee expenses.
Commodities and Global Markets

Strong underlying client business which benefited from elevated levels of volatility along with partial sale of UK Meters portfolio

Key drivers

- **Commodities** up significantly on FY21
  - Increased Risk Management revenue across platform particularly Gas and Power businesses, Resources, Agriculture and Global Oil driven by increased client hedging activity and trading activity as a result of elevated levels of volatility and price movements in Commodity markets, partially offset by the impact of fair value adjustments across the derivatives portfolio
  - Lending and Financing down on FY21 with reduced contributions in specific sectors
  - Inventory management and trading up on FY21 driven by trading gains from supply and demand imbalances particularly in North American Gas and Power partially offset by unfavourable impact of timing of income recognition on Gas storage and transport contracts

- **Financial Markets** up on FY21 primarily due to increased client activity in global structured foreign exchange products, growth in securitisation and credit products and improved contribution from Equity Finance

- **Asset Finance** down in the Technology, Media and Telecoms (TMT) sector due to a reduction in secondary income, partially offset by increased financing income from growth in Structured Lending and Shipping Finance portfolios

- **Investment and other income** gains primarily due to the gain on partial sale of UK Meters portfolio of assets

- Decrease in credit and other impairment charges driven by partial release of COVID-19 overlays. Credit provisioning levels remain prudent with the combined downside macroeconomic scenarios having a higher weighting than the upside scenario

- Other down on FY21 due to an increase in Operating Expenses driven by higher expenditure on technology platform and infrastructure and increasing compliance and regulatory management spend

---

1. Inventory management and trading increase includes Oil, Gas, Power and Metals trading and timing of income recognition on Oil and Gas storage contracts and transport agreements.  
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

Result reflects higher investment-related income, higher fee and commission income and higher net income on private credit portfolio

Key drivers

• Higher investment-related income primarily driven by:
  - Substantially higher revenue from material asset realisations in the green energy, technology and business services sectors and included realisations across all regions
  Partially offset by:
  - Higher impairment charges due to a small number of underperforming equity investments

• Higher fee and commission income due to higher mergers and acquisitions fee income and debt capital markets fee income, partially offset by lower equity capital markets fee income and brokerage income, which were down on a strong prior year
  - Mergers and acquisitions fee income increased across all major regions due to improved market conditions, and was up 90% compared to the prior year
  - Debt capital markets fee income was significantly up compared to the prior year
  - Fee and commission income was the highest on record, driven by record levels of mergers and acquisitions fee income in ANZ and the Americas
  - Fee income in the current year was significantly up across the Education Services, Gaming, Healthcare Services, Critical Minerals, FinTech and Aerospace & Defence sectors

• Higher net income on the private credit portfolio which more than doubled throughout the current year

• Lower operating expenses predominantly driven by lower employment costs

1. 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. 2. Represents the interest earned, net of associated funding costs and credit impairments on the private credit portfolio. 3. FY22 NPC includes approximately $A850m from GIG.
Approximate business Basel III Capital and ROE

31 Mar 22

<table>
<thead>
<tr>
<th>Operating Group</th>
<th>APRA Basel III Capital(^1) @ 8.5% ($Ab)</th>
<th>Approx. FY22 Return on Ordinary Equity(^2)</th>
<th>Approx. 16-year Average Return on Ordinary Equity(^3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annuity-style businesses</td>
<td>8.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Macquarie Asset Management</td>
<td>3.5</td>
<td>21%</td>
<td>22%</td>
</tr>
<tr>
<td>Banking and Financial Services</td>
<td>5.0</td>
<td></td>
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</tr>
<tr>
<td>Markets-facing businesses</td>
<td>12.8</td>
<td></td>
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<tr>
<td>Commodities and Global Markets</td>
<td>7.9</td>
<td>30%</td>
<td>16%</td>
</tr>
<tr>
<td>Macquarie Capital</td>
<td>4.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate</td>
<td>1.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total regulatory capital requirement @ 8.5%</td>
<td>22.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group surplus</td>
<td>10.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total APRA Basel III capital supply</td>
<td>33.6(^4)</td>
<td>18.7%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Note: Differences in totals due to rounding. 1. Operating Group capital allocations are based on 31 Dec 21 allocations adjusted for material movements over the Mar 22 quarter. 2. NPAT used in the calculation of approximate FY22 ROE is based on Operating Groups’ 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. 3. 16-year average covers FY07 to FY22, inclusive, and has not been adjusted for the impact of business restructures or changes in internal P&L and capital attribution. 4. Comprising of $A28.7b of ordinary equity and $A4.9b of hybrids.
Regulatory update

Australia

Update on prudential standards

APRA has finalised or is in the process of implementing changes to a number of prudential standards1. Macquarie notes the following key updates:

- On 27 Oct 21, APRA provided an update on the extended timelines for revisions and implementation of market risk prudential standards including APS 117 from 1 Jan 23 to 1 Jan 24; implementation of the Basel Committee on Banking Supervision’s fundamental review of the trading book (“FRTB”) through a revised APS 116 and an updated Credit Valuation Adjustment risk framework through a revised APS 180 will be conducted in parallel, with a planned effective date of 1 Jan 25 (previously 1 Jan 24)2.

- On 29 Nov 21, APRA finalised its new bank capital framework, and will continue to consult with the industry on certain areas prior to the 1 Jan 23 implementation date3. Based on current information available, the estimated pro forma impact on MGL’s capital surplus above regulatory minimums as at 30 Sep 21 is a reduction of ~$A2.2b4, largely on account of the increases to regulatory capital buffers. MGL’s capital surplus has included a provision for these regulatory changes for some time.

- On 2 Dec 21, APRA commenced consultation on two new prudential standards to strengthen the preparedness of APRA-regulated entities to respond to future financial crises5. The consultation period closed on 29 Apr 22, with a proposed effective date of 1 Jan 24.

- On 3 Mar 22, APRA commenced a consultation on the post-implementation review of Basel III liquidity reforms focusing on the core measures of the Liquidity Coverage Ratio (“LCR”) and Net Stable Funding Ratio (“NSFR”). The consultation period ended on 14 Apr 226. The review explores the impact of the measures, and determines whether a net benefit has been achieved in implementation. APRA will use outcomes of the analysis to inform a broader review of its liquidity requirements, scheduled for 2023.

- APRA’s Prudential Standard Remuneration (“CPS 511”) will come into effect for Macquarie on 1 Jan 237. Work is underway to implement changes required to Macquarie’s remuneration framework and we maintain regular dialogue with APRA on this topic. The Board undertook a review of the various components of remuneration to address certain aspects of CPS 511 (including the deferral arrangements for senior executives), as well as the evolving expectations of our stakeholders. As part of this review, the Board considered diverse perspectives, including those of shareholders and regulators, as well as global peer group benchmarking and increased global competition for talent in many of Macquarie’s areas of activity. These changes will be implemented in a phased approach from FY22. Full details are disclosed in the Remuneration Report.

Germany

- Macquarie continues to respond to requests for information about its historical activities as part of the ongoing, industry-wide investigation in Germany relating to dividend trading. 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. There are also a number of German civil claims relating to dividend trading. While Macquarie disputes any such claims, it continues to provide for these and other German dividend trading matters.

1. These changes include APS 110, APS 111, APS 112, APS 113, APS 115, APS 116, APS 117, APS 180, APS 220, APS 222. A 12-month period of transition to 1 Jan 23 in relation to APS 222 was granted by APRA on 25 Nov 21.
2. APRA releases updated timelines on the revisions to market risk standards; 30 Oct 21.
3. APRA finalises new bank capital framework designed to strengthen financial system resilience; 29 Nov 21. 4. This estimate includes the impact of finalised standards for APS 110, 112, 113 and 115. Assumes a default level Australian CCyB of 1.0%, which combined with the increase in the CCB of 1.25% gives rise to an increase in the regulatory minimum of 2.78%, based on Macquarie’s business and geographic mix as at 30 Sep 21. Also, assumes a weighted average mortgage LGD of 15% (mid-point between the existing 20% floor and post-reform 10% floor). LGDs may be more or less than 15% and will be subject to APRA approval with each +/-1% change in the weighted average LGD expected to have a +/-0.125% impact on the capital surplus. 5. CPS 190 - Financial Contingency Planning and CPS 800 - Resolution Planning, outlined in APRA moves to strengthen crisis preparedness in banking, insurance and superannuation; 2 Dec 21. 6. APRA releases discussion paper on post-implementation review of Basel III liquidity reforms; 3 Mar 22. 7. APRA releases final remuneration standard; 27 Aug 21.
Board Update

As previously noted, Macquarie has been working with APRA to strengthen the voice of MBL within the Group, and making good progress on a comprehensive remediation plan in recent months, including detailed programs of work across governance, remuneration, risk culture, regulatory reporting, prudential risk management, and a simplified group structure. The changes proposed under the plan, on which we will continue to deliver through FY23 and beyond, will have a positive impact on MBL through improved systems, frameworks, processes, and further strengthen its risk culture.

As part of the governance workstream, three bank-only non-executive directors (BONDs) are proposed to be added to the MBL Board. Consistent with similar structures in other markets where a banking entity sits within a broader group structure, this change introduces additional safeguards to better protect the interests of MBL within the Group. After these appointments, the MBL Board will comprise the MGL non-executive directors, Shemara Wikramanayake, Stuart Green and the three BONDs with all MBL Board committees benefiting from BONDs representation.

Michael Coleman has announced his intention to retire as a Voting Director of MGL and MBL after 10 years on the Boards. Mr Coleman’s retirement will be effective at the conclusion of the 2022 AGM. As previously noted, Michelle Hinchliffe joined the Macquarie Boards effective 1 March 2022 and will replace Mr Coleman as Chair of the Board Audit Committee.

We are pleased to announce Ian Saines as the first MBL BOND, subject to completion of necessary approvals. Mr Saines is an experienced leader in commercial and investment banking and asset management, having held senior roles at Commonwealth Bank of Australia, Challenger, Zurich Financial Services and Bankers Trust Australia. He began his career at the Reserve Bank of Australia and has a strong background in financial markets and highly regulated environments combined with audit, risk and investment committee experience. We expect to announce further BONDs appointments in due course.

As previously noted, Peter Warne will step down as Chair of the MGL and MBL Boards on 9 May 2022 and will be replaced by Glenn Stevens. Mr Warne has been Chair since April 2016 and a director of both entities since 2007.
Macquarie Bank Limited Board update

Enhancing Macquarie Bank Limited’s (MBL) governance, culture and structure

- Macquarie has been working with APRA to strengthen the voice of MBL within the Group, and making good progress on a comprehensive remediation plan in recent months, including detailed programs of work across governance, remuneration, risk culture, regulatory reporting, prudential risk management, and a simplified group structure.

- The changes proposed under the plan, on which we will continue to deliver through FY23 and beyond, will have a positive impact on MBL through improved systems, frameworks, processes, and further strengthen its risk culture.

- As part of the governance workstream, three bank-only non-executive directors (BONDs) are proposed to be added to the MBL Board. Consistent with similar structures in other markets where a banking entity sits within a broader group structure, this change introduces additional safeguards to better protect the interests of MBL within the Group.

- On 6 May 2022, Macquarie announced Ian Saines as the first MBL BOND, subject to completion of necessary approvals.

- As previously announced, Michael Coleman will retire from the MGL Board after today’s Annual General Meeting, however he will remain on the MBL Board as the second MBL BOND for one further two-year term to assist with the transition in governance arrangements.

- A final MBL BOND announcement to be made in due course. After these appointments, the MBL Board will comprise the MGL non-executive directors, Shemara Wikramanayake, Stuart Green and the three BONDs with all MBL Board committees benefiting from BONDs representation.
Macquarie’s ESG initiatives and standards

**Net Zero Commitments**

Macquarie joined the **Net-Zero Banking Alliance** in October 2021.
MAM joined the **Net Zero Asset Managers initiative** in March 2021.

MAM has been a signatory to the **UN Principles for Responsible Investment** since 2015.

**Formal support since 2019.**

Macquarie joined **2019** with a commitment to source 100% electricity across our global offices and data centres by 2025.
- 98.4% compliant in FY2022.
- Full compliance targeted by FY2023, ahead of FY2025 commitment.


**Sustainable Markets Initiative**

Member since 2021. Active member of the **Financial Services, Hydrogen and s30** taskforces.

Macquarie CEO, Shemara Wikramanayake, was appointed a founding member in 2019.

**MAM as member:**
- **GRESB Infrastructure** since 2016;
- **GRESB Real Estate** since 2019.

Macquarie CEO, Shemara Wikramanayake, was appointed a founding Commissioner in 2018.

Appendix B: Funding and Liquidity

Presentation to debt investors
August 2022
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.
- Given the substantial growth in Macquarie's home loan portfolio in recent years, the funded balance sheet has been revised to present home loans as its own loan asset category. As a result, external securitisations of home loans (and other relevant assets) which are a source of funding for such assets are no longer netted down on the funded balance sheet. In addition, Australian home loans and other qualifying assets originated by Macquarie that meet the RBA repurchase agreement eligibility criteria are included under Cash and liquid assets if they are held as contingent collateral for RBA facilities (such as the CLF). The remaining portion of self-securitised assets are now presented in the relevant Home loan and Other loan asset categories.
- 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>Accounting deductions:</th>
<th>Mar 22(^1)</th>
<th>Mar 21(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets per statement of financial position</td>
<td>399.2 $Ab</td>
<td>245.7 $Ab</td>
</tr>
<tr>
<td>Derivative revaluation accounting gross-ups</td>
<td>(84.5)</td>
<td>(17.4)</td>
</tr>
<tr>
<td>Segregated funds</td>
<td>(7.4)</td>
<td>(7.7)</td>
</tr>
<tr>
<td>Outstanding trade settlement balances</td>
<td>(5.8)</td>
<td>(7.5)</td>
</tr>
<tr>
<td>Working capital assets</td>
<td>(13.4)</td>
<td>(9.1)</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(0.2)</td>
<td>(0.3)</td>
</tr>
</tbody>
</table>

**Self-funded assets:**

<table>
<thead>
<tr>
<th></th>
<th>Mar 22(^1)</th>
<th>Mar 21(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-funded trading assets</td>
<td>(20.7)</td>
<td>(15.9)</td>
</tr>
<tr>
<td>Non-recourse and security backed funding</td>
<td>(1.3)</td>
<td>(1.4)</td>
</tr>
<tr>
<td>Net funded assets per funded balance sheet</td>
<td>265.9 $Ab</td>
<td>186.4 $Ab</td>
</tr>
</tbody>
</table>

Note: For an explanation of the above deductions refer to slide 61. 1. There has been a change in presentation of certain items on the funded balance sheet in the current year. Comparatives have been restated to reflect this change.
Funding for Macquarie

<table>
<thead>
<tr>
<th>Funding sources</th>
<th>Mar 22(^1)</th>
<th>Mar 21(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificates of deposit</td>
<td>0.7 $Ab</td>
<td>0.4 $Ab</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>35.1 $Ab</td>
<td>12.9 $Ab</td>
</tr>
<tr>
<td>Net trade creditors</td>
<td>2.4 $Ab</td>
<td>1.4 $Ab</td>
</tr>
<tr>
<td>Structured notes</td>
<td>1.3 $Ab</td>
<td>1.1 $Ab</td>
</tr>
<tr>
<td>Secured funding</td>
<td>27.5 $Ab</td>
<td>13.8 $Ab</td>
</tr>
<tr>
<td>Bonds</td>
<td>48.8 $Ab</td>
<td>34.3 $Ab</td>
</tr>
<tr>
<td>Other loans</td>
<td>1.4 $Ab</td>
<td>1.2 $Ab</td>
</tr>
<tr>
<td>Syndicated loan facilities</td>
<td>9.1 $Ab</td>
<td>5.8 $Ab</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>101.5 $Ab</td>
<td>84.0 $Ab</td>
</tr>
<tr>
<td>Subordinated debt</td>
<td>4.6 $Ab</td>
<td>5.1 $Ab</td>
</tr>
<tr>
<td>Equity and hybrids</td>
<td>33.5 $Ab</td>
<td>26.4 $Ab</td>
</tr>
<tr>
<td><strong>Total funding sources</strong></td>
<td>265.9 $Ab</td>
<td>186.4 $Ab</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Funded assets</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and liquid assets</td>
<td>93.8 $Ab</td>
<td>55.6 $Ab</td>
</tr>
<tr>
<td>Net trading assets</td>
<td>27.1 $Ab</td>
<td>25.6 $Ab</td>
</tr>
<tr>
<td>Other loan assets including operating lease assets less than one year</td>
<td>13.2 $Ab</td>
<td>11.4 $Ab</td>
</tr>
<tr>
<td>Home loans</td>
<td>83.0 $Ab</td>
<td>54.2 $Ab</td>
</tr>
<tr>
<td>Other loan assets including operating lease assets greater than one year</td>
<td>35.5 $Ab</td>
<td>29.1 $Ab</td>
</tr>
<tr>
<td>Debt investments</td>
<td>2.5 $Ab</td>
<td>1.9 $Ab</td>
</tr>
<tr>
<td>Co-investment in Macquarie-managed funds and other equity investments</td>
<td>6.3 $Ab</td>
<td>5.7 $Ab</td>
</tr>
<tr>
<td>Property, plant and equipment and intangibles</td>
<td>4.5 $Ab</td>
<td>2.9 $Ab</td>
</tr>
<tr>
<td><strong>Total funded assets</strong></td>
<td>265.9 $Ab</td>
<td>186.4 $Ab</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 38%\(^2\) of total funding sources
- Term funding beyond one year (excluding TFF, equity and securitisations) has a weighted average term to maturity of 5.1 years\(^2\) (including TFF 4.7 years)

Macquarie’s term funding maturing beyond one year (includes Equity and hybrids)\(^3\)

---

1. There has been a change in presentation of certain items on the funded balance sheet in the current year. Comparatives have been restated to reflect this change. Refer slide 57 for more details.  
2. As at 31 Mar 22.  
3. Includes drawn term funding facilities only.

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Funding for the Bank Group

<table>
<thead>
<tr>
<th>Funding sources</th>
<th>Mar 22(^1) $Ab</th>
<th>Mar 21(^1) $Ab</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificates of deposit</td>
<td>0.7</td>
<td>0.4</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>35.1</td>
<td>12.9</td>
</tr>
<tr>
<td>Net trade creditors</td>
<td>1.4</td>
<td>1.3</td>
</tr>
<tr>
<td>Structured notes</td>
<td>0.4</td>
<td>0.5</td>
</tr>
<tr>
<td>Secured funding</td>
<td>26.6</td>
<td>13.4</td>
</tr>
<tr>
<td>Bonds</td>
<td>21.5</td>
<td>19.0</td>
</tr>
<tr>
<td>Other loans</td>
<td>1.2</td>
<td>1.0</td>
</tr>
<tr>
<td>Syndicated loan facilities</td>
<td>2.8</td>
<td>—</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>101.5</td>
<td>84.0</td>
</tr>
<tr>
<td>Subordinated debt</td>
<td>4.6</td>
<td>5.1</td>
</tr>
<tr>
<td>Equity and hybrids</td>
<td>20.3</td>
<td>15.8</td>
</tr>
</tbody>
</table>

| Total funding sources | 216.1 | 153.4 |

<table>
<thead>
<tr>
<th>Funded assets</th>
<th>Mar 22(^1)</th>
<th>Mar 21(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and liquid assets</td>
<td>78.6</td>
<td>51.0</td>
</tr>
<tr>
<td>Net trading assets</td>
<td>24.3</td>
<td>24.4</td>
</tr>
<tr>
<td>Other loan assets including operating lease assets less than one year</td>
<td>12.2</td>
<td>10.9</td>
</tr>
<tr>
<td>Home loans</td>
<td>83.0</td>
<td>54.2</td>
</tr>
<tr>
<td>Other loan assets including operating lease assets greater than one year</td>
<td>23.5</td>
<td>22.7</td>
</tr>
<tr>
<td>Debt investments</td>
<td>1.4</td>
<td>1.3</td>
</tr>
<tr>
<td>Non-Bank Group deposit with MBL</td>
<td>(8.3)</td>
<td>(12.4)</td>
</tr>
<tr>
<td>Co-investment in Macquarie-managed funds and other equity investments</td>
<td>0.6</td>
<td>0.5</td>
</tr>
<tr>
<td>Property, plant and equipment and intangibles</td>
<td>0.8</td>
<td>0.8</td>
</tr>
</tbody>
</table>

| Total funded assets | 216.1 | 153.4 |

- Bank balance sheet remains liquid and well capitalised, with a diverse range of funding sources
- Term funding beyond one year (excluding TFF, equity and securitisations) has a weighted average term to maturity of 3.8 years\(^2\) (including TFF 3.3 years)
- Accessed term funding across a variety of products and jurisdictions

Bank Group term funding maturing beyond one year (includes Equity and hybrids)\(^3\)

---

1. There has been a change in presentation of certain items on the funded balance sheet in the current year. Comparatives have been restated to reflect this change. Refer slide 57 for more details. 2. As at 31 Mar 22. 3. Includes drawn term funding facilities only.

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Funding for the Non-Bank Group

<table>
<thead>
<tr>
<th>Funding sources</th>
<th>Mar 22 $Ab</th>
<th>Mar 21 $Ab</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net trade creditors</td>
<td>1.0</td>
<td>0.1</td>
</tr>
<tr>
<td>Structured notes</td>
<td>0.9</td>
<td>0.6</td>
</tr>
<tr>
<td>Secured funding</td>
<td>0.9</td>
<td>0.4</td>
</tr>
<tr>
<td>Bonds</td>
<td>27.3</td>
<td>15.3</td>
</tr>
<tr>
<td>Other loans</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Syndicated loan facilities</td>
<td>6.3</td>
<td>5.8</td>
</tr>
<tr>
<td>Equity and hybrids</td>
<td>13.2</td>
<td>10.6</td>
</tr>
<tr>
<td><strong>Total funding sources</strong></td>
<td><strong>49.8</strong></td>
<td><strong>33.0</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Funded assets</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and liquid assets</td>
<td>15.2</td>
<td>4.6</td>
</tr>
<tr>
<td>Non-Bank Group deposit with MBL</td>
<td>8.3</td>
<td>12.4</td>
</tr>
<tr>
<td>Net trading assets</td>
<td>2.8</td>
<td>1.2</td>
</tr>
<tr>
<td>Other loan assets including operating lease assets less than one year</td>
<td>1.0</td>
<td>0.5</td>
</tr>
<tr>
<td>Other loan assets including operating lease assets greater than one year</td>
<td>12.0</td>
<td>6.4</td>
</tr>
<tr>
<td>Debt investments</td>
<td>1.1</td>
<td>0.6</td>
</tr>
<tr>
<td>Co-investment in Macquarie-managed funds and other equity investments</td>
<td>5.7</td>
<td>5.2</td>
</tr>
<tr>
<td>Property, plant and equipment and intangibles</td>
<td>3.7</td>
<td>2.1</td>
</tr>
<tr>
<td><strong>Total funded assets</strong></td>
<td><strong>49.8</strong></td>
<td><strong>33.0</strong></td>
</tr>
</tbody>
</table>

- Non-Bank Group is predominantly term funded
- Term funding beyond one year (excluding equity) has a weighted average term to maturity of 6.1 years\(^1\)
- Accessed term funding across a variety of products and jurisdictions

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

---

1. As at 31 Mar 22.  2. Includes drawn term funding facilities only.
### Derivative revaluation accounting gross-ups

Macquarie’s derivative activities are mostly client driven with client positions hedged by offsetting positions with a variety of counterparties. The derivatives are largely matched and this adjustment reflects that the matched positions do not require funding. The associated margins paid and received are included as part of self-funded 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

• 175% average LCR for Mar 22 quarter, based on daily observations\(^1\)
  - Maintained well above regulatory minimum
  - Excludes CLF allocation\(^2\)

• Reflects longstanding conservative approach to liquidity management

• $A64.9b of unencumbered liquid assets and cash on average over the quarter to Mar 22 (post applicable haircuts)

---

MBL Unencumbered Liquid Asset Portfolio\(^3,4\)

```
<table>
<thead>
<tr>
<th>Quarter</th>
<th>Total</th>
<th>Available Cash</th>
<th>CLF(^5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar 21 Qtr</td>
<td>$A40.6b</td>
<td>11.1</td>
<td>25.4</td>
</tr>
<tr>
<td>Sep 21 Qtr</td>
<td>$A52.3b</td>
<td>37.1</td>
<td>11.1</td>
</tr>
<tr>
<td>Mar 22 Qtr</td>
<td>$A64.9b</td>
<td>51.8</td>
<td>7.3</td>
</tr>
</tbody>
</table>
```

---

MBL LCR position\(^1,3\)

```
<table>
<thead>
<tr>
<th>Quarter</th>
<th>LCR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar 21 Qtr</td>
<td>174%</td>
</tr>
<tr>
<td>Sep 21 Qtr</td>
<td>179%</td>
</tr>
<tr>
<td>Mar 22 Qtr</td>
<td>175%</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. LCR average for Mar 22 quarter excludes CLF allocation which reduced from $A9.7b to $A7.3b on 1 Jan 22 in line with APRA’s quarterly phase down timeline (195% including CLF allocation). 3. Represents quarterly average balances. 4. In addition to the portfolio in MBL, unencumbered liquid assets are also maintained in other Macquarie entities such as Macquarie Bank Europe and Macquarie Financial Holdings Pty Ltd. 5. Mar 21 quarter includes TFF allocation. 6. Mar 21 quarter includes CLF and TFF allocations, Sept 21 quarter includes CLF allocation.
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 funding requirements 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 Asset and Liability Committee and the Risk Management Group

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

Capital Raising

- Macquarie raised $A2.8b of ordinary share capital through a non-underwritten $A1.5b institutional placement and $A1.3b from a Share Purchase Plan (SPP)
  - On 4 Nov 21, Macquarie issued approximately 7.7 million new fully paid ordinary shares in respect of the institutional placement, raising $A1.5b of ordinary equity at a price of $A194 per new share
  - On 3 Dec 21, Macquarie issued approximately 6.7 million new fully paid ordinary shares in respect of the SPP, raising $A1.3b of ordinary equity at $A191.28 per new share
- The capital raised provides additional flexibility to invest in new opportunities where the expected risk-adjusted returns are attractive, while maintaining an appropriate capital surplus.
- On 14 Dec 21, 407,884 ordinary shares were issued and allocated at $A204.28 per share under the DRP for a total issuance of $A83m.

Macquarie Group Employee Retained Equity Plan (MEREP)

- The Board has resolved to purchase shares to satisfy the FY22 MEREP requirements of approximately $A870m. The buying period for MEREP will commence on 16 May 22 and is expected to be completed by 30 Jun 22.
- MQG shares sold by staff between 16 May 22 and 10 Jun 22 are expected to be acquired by the MEREP Trustee to meet the MEREP buying requirements.
- Shares sold by staff during this window are to be acquired off-market at the daily Volume Weighted Average Price (VWAP), reducing the number of shares acquired on-market to meet the MEREP requirements.

Dividend Reinvestment Plan

- The Board has resolved to issue shares to satisfy the DRP for the 2H22 dividend at a discount to the prevailing market price of 1.5%.

Other

- Macquarie notes that with the introduction of Design and Distribution Obligation legislation in Oct 21, any future hybrid offers are expected to be limited to clients of brokers who are either wholesale clients or retail clients who have received personal advice from a licensed financial adviser. While Macquarie is not currently considering making a hybrid offer, Macquarie security holders who are interested in participating in future hybrid offers should speak to a broker or financial adviser noting not all brokers and financial advisers will have access to future offers.

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1. The same price that was paid by institutional investors under the institutional placement adjusted for the 1H22 dividend. 2. The DRP price was determined in accordance with the DRP Rules, being 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 of the 5 trading days from 15 Nov 21 to 19 Nov 21 inclusive with no discount. 3. Shares may be purchased on-market and off-market. Shares will be issued if purchasing becomes impractical or inadvisable. 4. Actual buying may be completed sooner or later. On-market buying for the MEREP will be suspended during the DRP pricing period (23 May 22 to 27 May 22). 5. This date is subject to change. 6. Trades will be crossed off-market by Macquarie Securities (Australia) Limited and reported to ASX and Chi-X accordingly. 7. Determined in accordance with the DRP rules as the average of the daily volume-weighted average price over the five business days from 23 May 22 to 27 May 22. 8. Includes various Macquarie Capital Notes and Macquarie Bank Capital Notes.
Appendix C: Other Financial Information

Presentation to debt investors
August 2022
# Loan and lease portfolios1 – funded balance sheet

<table>
<thead>
<tr>
<th>Operating Group</th>
<th>Category</th>
<th>Mar 22(^2) $Ab</th>
<th>Mar 21(^2) $Ab</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BFS</td>
<td>Home loans</td>
<td>89.9</td>
<td>66.9</td>
<td>Secured by residential property</td>
</tr>
<tr>
<td>BFS</td>
<td>Business banking</td>
<td>11.8</td>
<td>10.5</td>
<td>Loan portfolio secured largely by working capital, business cash flows and real property</td>
</tr>
<tr>
<td>BFS</td>
<td>Car loans</td>
<td>8.7</td>
<td>11.3</td>
<td>Secured by motor vehicles</td>
</tr>
<tr>
<td>BFS</td>
<td>Total BFS(^3)</td>
<td>110.4</td>
<td>88.7</td>
<td></td>
</tr>
<tr>
<td>CGM</td>
<td>Loans and finance lease assets</td>
<td>3.3</td>
<td>3.9</td>
<td></td>
</tr>
<tr>
<td>CGM</td>
<td>Operating lease assets</td>
<td>1.9</td>
<td>1.8</td>
<td></td>
</tr>
<tr>
<td>CGM</td>
<td>Asset finance</td>
<td>5.2</td>
<td>5.7</td>
<td>Predominantly secured by underlying financed assets</td>
</tr>
<tr>
<td>CGM</td>
<td>Loan assets</td>
<td>2.7</td>
<td>2.1</td>
<td></td>
</tr>
<tr>
<td>CGM</td>
<td>Operating lease assets</td>
<td>0.7</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>CGM</td>
<td>Resources and commodities</td>
<td>3.4</td>
<td>2.1</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>CGM</td>
<td>Foreign exchange, interest rate and credit</td>
<td>6.5</td>
<td>4.1</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>CGM</td>
<td>Other</td>
<td>0.3</td>
<td>—</td>
<td>Equity collateralised loans</td>
</tr>
<tr>
<td>CGM</td>
<td>Total CGM</td>
<td>15.4</td>
<td>11.9</td>
<td></td>
</tr>
<tr>
<td>MAM</td>
<td>Operating lease assets</td>
<td>0.9</td>
<td>0.8</td>
<td>Secured by underlying financed assets including transportation assets</td>
</tr>
<tr>
<td>MAM</td>
<td>Total MAM</td>
<td>0.9</td>
<td>0.8</td>
<td></td>
</tr>
<tr>
<td>MacCap</td>
<td>Corporate and other lending</td>
<td>11.9</td>
<td>6.0</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>MacCap</td>
<td>Total MacCap</td>
<td>11.9</td>
<td>6.0</td>
<td></td>
</tr>
<tr>
<td><strong>Total loan and lease assets per funded balance sheet(^4)</strong></td>
<td><strong>138.6</strong></td>
<td><strong>107.4</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Loan assets per the statutory balance sheet of $A134.7b at 31 Mar 22 ($A105.0b at 31 Mar 21) 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. There has been a change in presentation of certain items on the funded balance sheet in the current year. Comparatives have been restated to reflect this change. Refer slide 57 for more details. 3. Per the funded balance sheet, figures for home loans of $A89.5b, business banking of $A111.8b and car loans of $A8.7b differ from the figures disclosed on slide 17 of $A89.5b, $A111.5b and $A8.8b respectively. The balances on slide 17 excludes capitalised costs, provisions, deferred income, accrued interest, establishment fees and credit cards business. 4. Total loan assets per funded balance sheet includes self-secured assets.
## Equity investments of $A8.3b\textsuperscript{1}

<table>
<thead>
<tr>
<th>Category</th>
<th>Carrying value Mar 22 $Ab</th>
<th>Carrying value Mar 21 $Ab</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Macquarie Asset Management Private Markets-managed funds</td>
<td>1.5</td>
<td>1.5</td>
<td>Includes Macquarie Real Estate Partners Fund, Macquarie Korea Infrastructure Fund, Macquarie Super Core Infrastructure Fund, MIC</td>
</tr>
<tr>
<td>Investments acquired to seed new Private Markets-managed products and mandates</td>
<td>0.3</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other Macquarie-managed funds</td>
<td>0.3</td>
<td>0.3</td>
<td>Includes MAM Public Investments funds as well as investments that hedge directors’ profit share plan liabilities</td>
</tr>
<tr>
<td>Transport, industrial and infrastructure</td>
<td>1.4</td>
<td>1.4</td>
<td>Over 35 separate investments</td>
</tr>
<tr>
<td>Telecommunications, IT, media and entertainment</td>
<td>1.2</td>
<td>1.2</td>
<td>Over 45 separate investments</td>
</tr>
<tr>
<td>Green energy</td>
<td>1.6</td>
<td>1.3</td>
<td>Over 65 separate investments</td>
</tr>
<tr>
<td>Conventional energy, resources and commodities</td>
<td>0.5</td>
<td>0.4</td>
<td>Over 40 separate investments</td>
</tr>
<tr>
<td>Real estate investment, property and funds management</td>
<td>1.1</td>
<td>1.0</td>
<td>Over 15 separate investments</td>
</tr>
<tr>
<td>Finance, wealth management and exchanges</td>
<td>0.4</td>
<td>0.6</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>8.3</strong></td>
<td><strong>7.7</strong></td>
<td></td>
</tr>
</tbody>
</table>

\textsuperscript{1} Equity investments have been revised to include subsidiaries and certain other assets held for investment purposes. Equity investments per the statutory balance sheet of $A6.4b (Mar 21: $A5.7b) have been adjusted to reflect the total net exposure to Macquarie. Total funded equity investments of $A6.3b as at Mar 22 (Mar 21: $A5.7b). Equity investments includes Total interests in associates and joint ventures as per Note 14 of the Financial Report, and interests in associates classified as held for sale.