



**Macquarie's performance reflects strong results across the organisation as our operating businesses and support groups again delivered on their commitment to supporting our clients, partners and communities."**

## Letter from the Chairman

Since we last wrote to shareholders, the world has made significant progress in adjusting to COVID-19. Vaccines have become widely available, precipitating a global economic recovery that has so far proven largely resilient, notwithstanding current geo-political and inflationary challenges. While the ebb and flow of case numbers and the possibility of new variants remains, the world has increasingly adapted to a new normal of living with the virus.

Macquarie's FY2022 performance reflects strong results across the organisation as our operating and support groups again delivered on their commitment to supporting our clients, partners and communities. Macquarie Group CEO, Shemara Wikramanayake, provides further detail on Macquarie's financial performance in her letter to shareholders.

On behalf of the Board, I commend the efforts of our staff and extend our thanks for their resilience and continued outperformance in uncertain times. Globally, we have formalised an ongoing approach to hybrid working, with our teams delivering effectively as they split their working days between the office and home, in line with our hybrid working principles. This model of working is supported by the Board and Management, underpinned by significant investment in technology to ensure that staff can continue to discharge their duties to high standards, meet regulatory obligations and remain connected with their colleagues and clients.

### Macquarie culture

Our purpose of 'empowering people to innovate and invest for a better future' is deeply embedded in Macquarie's culture and is underpinned by our longstanding operating principles of Opportunity, Accountability and Integrity. These foundational aspects of our culture are further distilled in Macquarie's *Code of Conduct*, which sets out the expectations of Management and staff in managing their responsibilities and conducting themselves.

A core responsibility of Macquarie's Board and Management is ensuring the highest level of professional conduct across our operations - a commitment that has been in place since Macquarie's inception 53 years ago. We actively manage and enhance our risk culture and the Conduct Risk Management Framework in response to changes in our business operations, outcomes of our oversight activities and the expectations of regulators and communities. The Board and Management also regularly review and enhance our reporting, training, monitoring and surveillance activity. Everyone at Macquarie is accountable for their conduct, and supervisors are accountable for outcomes in their businesses with independent oversight by the Risk Management Group.

In relation to the APRA matters we noted last year, the Board has worked closely with Management on a comprehensive remediation plan. We believe the changes proposed under this plan will have a positive impact on Macquarie Bank Limited (MBL) through improved systems, frameworks and processes for regulatory reporting and prudential risk management; enhanced governance, risk culture and remuneration framework; and a simplified group structure.

## Environmental, social and governance

The Board and Management recognise the importance of sound environmental, social and governance (ESG) practices as part of our responsibility to our clients, shareholders and the communities in which we operate.

ESG considerations guide and inform the way we conduct our business operations and manage risk, and it is our responsibility to uphold these practices to build towards a better future. The ESG section of this Annual Report and our website provide further details on the part we are playing in investing to drive solutions across diverse sources of emissions, supporting our clients with their own net zero commitments and contributing to global policy formation through the roles the Macquarie Group CEO and other executives hold on a range of supranational panels and commissions.

In early FY2022, we made a commitment to reach net zero operational emissions by 2025 and to align our financing activity with the global goal of net zero emissions by 2050. While our equity and lending exposure to fossil fuels is smaller than many peers, detailed work has been underway to assess our own and our clients' activities. I am pleased to note that we are on track to release our detailed net zero plan by the end of 2022, while Macquarie Asset Management is also working on asset-level plans to the same timetable. This activity forms part of a broader suite of ESG initiatives and reporting, which we expect will continue to evolve over the coming years.

## Board changes

Towards the end of FY2022, we welcomed Michelle Hinchliffe to the MGL and MBL Boards, following the previously announced retirement of Diane Grady. Michelle's deep knowledge of finance and financial services and her global experience will be of great value to the Boards and our businesses. Furthermore, Michelle's appointment maintains gender parity on the MGL Board, which reflects our ongoing commitment to achieving gender equity at all levels of our workforce. Michael Coleman has announced his intention to retire as a Voting Director of MGL and MBL after 10 years on the Boards. Michael's retirement will be effective at the conclusion of the 2022 AGM. Gordon Cairns retired in May 2021 after six years on the Boards. I would like to reiterate my thanks to Diane, Michael and Gordon for their important contributions to Macquarie over many years.

As previously announced, I will retire as Chair with the delivery of our FY2022 results, after 15 years on the Macquarie Boards. With this letter being my last as Chairman, I want to take the opportunity to thank my Board colleagues, Management and staff for their leadership and commitment. I have immensely enjoyed my time at Macquarie and appreciated working alongside such incredibly talented people delivering tirelessly to address unmet community need. It has been a privilege to play a part in Macquarie's growth, which has seen a threefold increase in our profitability and a doubling in the size of our team since I joined the Board.

I'd like to extend my thanks and best wishes to my successor as Chair, Glenn Stevens. Glenn has already made significant contributions to our Board discussions and committees in recent years and his appointment places Macquarie in good stead thanks to his extensive experience in markets and economics after many years as a successful Governor of the Reserve Bank of Australia.

## Dividends

The Board resolved to pay a final ordinary dividend of \$A3.50 per share (40% franked). This results in a total ordinary dividend for the year ended 31 March 2022 of \$A6.22 per share, up from \$A4.70 in the prior year.

On behalf of the Board, and for my final time as Chairman, I would like to thank Macquarie's staff for their efforts, and our clients and shareholders for their considerable support, including for our capital raising in late 2021, which has enabled us to achieve this strong result in FY2022 and sustained performance over many years.



**Peter Warne**  
Independent Director and Chairman

Sydney  
6 May 2022