Macquarie is a diversified financial services group providing clients with asset management and finance, banking, advisory, and risk and capital solutions across debt, equity and commodities.

Asset management

Banking

Advisory

Capital solutions

Further information is also available at macquarie.com/company

For more details on the operational performance of the Operating Groups, see slides 13 to 16 of the presentation to investors and analysts available at macquarie.com/fy24-investor-presentation

For internal reporting and risk management purposes, Macquarie is divided into four Operating Groups, which are supported by four Central Service Groups. The Operating Groups are split between annuity-style businesses and markets-facing businesses.

Central Service Groups

The Central Service Groups provide a range of functions supporting Macquarie's Operating Groups, ensuring they have the appropriate workplace support and systems to operate effectively and the necessary resources to meet their regulatory, compliance, financial, legal and risk management requirements.

Risk Management Group (RMG)

An independent and centralised function responsible for independent and objective review and challenge, oversight, monitoring and reporting in relation to Macquarie's material risks. RMG designs and oversees the implementation of the risk management framework.

Financial Management Group (FMG)

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

Legal and Governance Group (LGG)

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

Corporate Operations Group (COG)

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

Annuity-style businesses

Macquarie Asset Management

$A1,208m

↓ 48% on prior year

MAM is investing to deliver positive outcomes for our clients, portfolio companies and communities.

MAM provides investment solutions to clients across a range of capabilities, including real assets, real estate, credit, equities & multi-asset and secondaries.

FY2024 Highlights

MAM assets under management as at 31 March 2024 increased 7% to $A938.3 billion from $A878.6 billion as at 31 March 2023, due to favourable market movements, investments made by Private Markets-managed funds and favourable foreign exchange movements, partially offset by assets no longer managed as a result of reduction of co-investment management rights.

During the period, MAM raised $A21.9 billion in new equity from clients across a diverse range of strategies, including regional and global infrastructure and energy transition, with record raisings in private credit. MAM invested $A17.9 billion of equity across 51 new investments, including: 19 real assets, 18 real estate and 14 private credit investments.

From 1 November 2023, MAM established Credit as a division, combining the expertise and investment capabilities across Private Credit, Asset Finance and Fixed Income, to create a global integrated credit platform with broad offering to clients.

Medium-term

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

Banking and Financial Services

$A1,241m

↑ 3% on prior year

BFS serves the Australian market and is organised into the following three business divisions:

- **Personal Banking:** Provides a diverse range of retail banking products to clients with home loans, car loans, transaction and savings accounts and credit cards
- **Wealth Management:** Provides clients with a wide range of wrap platform and cash management services, investment and superannuation products, financial advice and private banking
- **Business Banking:** Provides a full range of deposit, lending and payment solutions, as well as tailored services to business clients, across a range of key industry segments.

FY2024 Highlights

For the year ended 31 March 2024, the loan portfolio increased 10% to $A140.2 billion and BFS deposits increased 10% to $A142.7 billion. Funds on platform increased 15% to $A141.8 billion driven by strong net flows of $A3.0 billion and favourable market movements.

The home loan portfolio increased 10% to $A119.3 billion driven by strong demand in lower loan-to-value ratio and owner-occupier lending tiers, while the Business Banking loan portfolio increased 22% to $A15.8 billion driven by strong client retention, an increase in client acquisition across core segments and a continued build into emerging segments.

During the year, BFS expanded the Macquarie Wrap managed accounts offering with funds under administration of $A13.8 billion, up from $A10.5 billion at 31 March 2023.

Medium-term

BFS remains focused on 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; and modernising technology to improve client experience and support scalable growth.

Markets-facing businesses

Commodities and Global Markets

$A3,213m

↓ 47% on prior year

CGM is a global business offering capital and financing, risk management, market access, physical execution and logistics solutions to its diverse client base across:

- **Commodities:** Provides capital and financing, risk management, and physical execution and logistics solutions across power, gas, emissions, agriculture, oil and resources sectors globally
- **Financial Markets:** Provides risk management, capital and financing solutions, and market access to corporate and institutional clients with exposure to foreign exchange, rates, fixed income, credit markets and listed derivatives markets
- **Asset Finance:** Global provider of specialist finance and asset management solutions across a variety of industries and asset classes.

FY2024 Highlights

CGM recorded a net profit contribution of $A3.2 billion, reflecting the diversity and strength of CGM's client platform. This result was down 47% on the prior year, which was characterised by exceptionally strong market volatility, particularly in commodities.

Commodities contribution was down on the prior year due to decreased risk management income primarily in EMEA Gas and Power, and Resources. The decrease was partially offset by an increased contribution from Agricultural markets. Inventory management and trading income substantially lower driven by a reduction in trading activity primarily in North American Gas and Power, partially offset by timing of income recognition on Gas and Power transport and storage contracts.

Financial Markets contribution was up on the prior year, driven by increased client hedging activity across foreign exchange and interest rate products and an increased contribution from the Futures business.

Asset Finance contribution was down on prior year, primarily due to an increase in operating expenses, notwithstanding strong origination and portfolio growth in Advanced Technology and Shipping Finance.

CGM continues to be recognised across the industries it operates in, with a number of awards earned during the period including House of the Year for Oil and Products, Electricity and Commodities Research at the Energy Risk Awards 2023 and House of the Year for Commodities Research, Derivatives, Environmental Products, Commodity Trade Finance, Natural Gas/LNG and Emissions at the Energy Risk Asia Awards 2023. CGM is ranked as No.1 Futures Broker on the ASX.

Medium-term

CGM remains focused on: opportunities to grow the commodities business, both organically and through adjacencies; the development of institutional and corporate coverage for specialised credit, rates and foreign exchange products; providing 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 and growing the client base across all regions.

Macquarie Capital

$A1,051m

↑ 31% on prior year

Macquarie Capital has global capability in advisory and capital raising services, providing clients with specialist expertise and flexible capital solutions across a range of sectors.

It also has global capability in specialist investing across private credit, private equity, real estate, growth equity, venture capital, and in infrastructure and energy projects and companies.

Macquarie Capital's Equities brokerage business provides clients with access to equity research, sales, execution capabilities and corporate access.

FY2024 Highlights

Macquarie Capital maintained its leading market position in ANZ across M&A (by deal count) and capital markets (by deal value) in FY2024 and No.1 Global Financial Adviser in Energy Transition on the Inspiratia FY2023 Energy Transition League Table Report (by deal volume).

Macquarie Capital acted as lead sell-side adviser to Parchment, an academic credential management platform on its sale to Instructure (NYSE: INST) for $US835 million and Joint Bookrunner on the financing to fund the acquisition.

As a market leading advisory business with global reach, Macquarie Capital acted as financial adviser to MMG Limited on its acquisition of the Khoemacau copper mine in Botswana for $A2.9 billion. Khoemacau is expected to significantly increase MMG's scale and place MMG as a Top 10 copper-focused producer globally.

As at 31 March 2024, the committed private credit portfolio grew to over $A21.5 billion, with more than $A4.5 billion deployed in FY2024 through focused investment in credit markets and bespoke financing solutions. Macquarie Capital provided bespoke financing to Ottobock, the global leader in orthotic and prosthetic solutions.

Macquarie Capital also announced the acquisition of ONYX Insight, the leading provider of wind turbine performance analytics and condition-based monitoring to the wind energy industry.

Medium-term

Macquarie Capital continues to support clients globally across long-term trends including tech-enabled innovation, the need for infrastructure and resilience and the growth in private capital. It pursues opportunities for balance sheet investment alongside clients and management teams and infrastructure project development. It continues to tailor the business offering to current opportunities and market conditions including providing flexible capital solutions across sectors and regions. Macquarie Capital is well-positioned to respond to changes in market conditions.

For more details on the financial performance of the Operating Groups, see section 3.0 Segment analysis of the Management Discussion and Analysis available at macquarie.com/results

Operating and financial review

Our businesses continued

Our business strategy

The growth of Macquarie's global operations over 55 years reflects our philosophy to expand selectively, focusing on specialist areas where we bring deep expertise to address areas of unmet need on behalf of clients and communities in line with our purpose and longstanding operating principles. We offer our teams significant operating freedom balanced by limits on risk. Alignment of interests is a longstanding feature, demonstrated by willingness to both invest alongside clients and closely align the interests of shareholders and staff.

This approach has helped us to grow into a diversified global business, conducting a broad range of activities and creating enduring franchises where we have differentiated perspectives. Our approach has not been to place big bets, but to expand adjacently, taking learnings from one market to another, or using expertise built in one part of a sector to grow into another.

This philosophy is reflected in our flexible approach to allocating capital. We rely on our teams who are close to their markets and clients to drive ideas, setting out both the opportunity they have identified but also the associated risks and how they plan to manage them, with the teams in the business remaining accountable for the long-term outcomes they deliver. Teams at the centre of the organisation assess the case being made, including second line review of risks, before allocating capital with a view to maintaining diversification across our activities while seeking an acceptable risk adjusted return for each project, based on its specific characteristics.

Our Purpose
Why we exist

Empowering people to innovate and invest for a better future

Our Principles
How we do business

Opportunity

Accountability

Integrity

Our Strategy
is developed from the bottom up

Annuity style businesses

Markets-facing businesses

MAM
Macquarie Asset Management

BFS
Banking and Financial Services

CGM
Commodities and Global Markets

Macquarie Capital

Our core business involves utilising our
human capital
to realise opportunities, backed by a strong balance sheet

Evolution driven by:

- Addressing unmet **client** and **community needs**
- Building enduring franchises from positions of **deep expertise**
- Managing **diversified** businesses across regions and service offerings to deliver consistent returns through the cycle
- Pursuing evolutionary growth opportunities **adjacent** to existing businesses
- Ensuring **accountability** and entrepreneurial endeavour from staff
- Maintaining a **strong and conservative balance sheet** with diversified sources of funding
- Adopting a disciplined approach to **risk management**, underpinned by a sound risk culture and embedded across Operating and Central Service Groups

Supported from the
centre

COG
Corporate Operations Group

FMG
Financial Management Group

RMG
Risk Management Group

LGG
Legal and Governance Group

Our purpose and principles and what we expect of our staff are set out in our *Code of Conduct*.
macquarie.com/what-we-stand-for

Risk management

A sound risk culture has been integral to Macquarie's risk management framework.

Risk culture

Macquarie sets, promotes, monitors and reflects on the effectiveness of our risk culture. Macquarie's approach to maintaining a sound risk culture is based on:

- setting behavioural expectations
- leading and executing
- monitoring, measuring and reporting.

Risk management framework

Macquarie's risk management framework is the totality of systems, structures, policies, processes and people within Macquarie that identify, measure, evaluate, monitor, report and control or mitigate all internal or external sources of material risk.

Macquarie's approach to risk management is based on stable and robust core risk management principles. These are:

- ownership of risk at the business level
- understanding worst-case outcomes
- requirement for an independent sign-off by RMG.

Macquarie's approach to risk management adopts the 'three lines of defence' model, which sets risk ownership responsibilities functionally independent from oversight and assurance:

- primary responsibility for day-to-day risk management lies with the business
- RMG forms the second line of defence
- Internal Audit, as the third line, provides independent and objective risk-based assurance.

Refer to the **Risk Management** section of this Annual Report for details on Macquarie's risk management framework, risk culture and conduct risk management

Macroeconomic factors

The key macroeconomic risks to Macquarie's short and medium term financial outlook noted on page 32 are:

Market conditions

The general condition of markets, driven by macroeconomic, climate and geopolitical factors, may have a bearing on Macquarie's businesses. Changing market conditions influence the volume and timing of client and principal transactions across businesses and the value of various equity, credit and market risk exposures held by Macquarie on its balance sheet.

The value of the Australian dollar

A significant proportion of Macquarie's net income is denominated in foreign currency. Therefore, net income will be lower in Australian dollar terms if the Australian dollar appreciates against other foreign currencies, and net income will be higher in Australian dollar terms if the Australian dollar depreciates against other foreign currencies.

Potential regulatory changes

Macquarie is affected by changes in regulation. Regulatory change continues to increase at both the global and Australian levels and has the potential to affect the regulatory capital and funding requirements and profitability of Macquarie's businesses.

Funding and liquidity

Macquarie uses deposits and debt markets, among other funding sources, to fund its assets. Macquarie is therefore exposed to the risk of an increase in the cost of funding, or of reduced access to funding sources.

Technology

Macquarie recognises that with the use of systems, technology, and platforms to support its business activities, it is exposed to risk of loss resulting from failure, inadequacy or misuse of technology and technology resources.

In determining those risks that are material to Macquarie, we assess the potential for a risk to affect our earnings resilience and financial strength across market cycles; our ability to meet regulatory obligations; our stakeholders; and our reputation. Macquarie's material risks include asset, conduct, country, credit, environmental and social, equity, financial crime, legal, liquidity, market, operational, regulatory and compliance, strategic, tax, technology and cyber, and work health and safety risks.

Further details on the management of these material risks are available at **macquarie.com/risk-management**

Review of Group performance and financial position

Overview

Profit attributable to ordinary equity holders of $A3,522 million for the year ended 31 March 2024 decreased 32% from $A5,182 million in the prior year.

	FULL YEAR TO		
	31 Mar 24 $Am	31 Mar 23 $Am	*Movement %*
Net operating income	**16,887**	19,122	*(12)*
Operating expenses	**(12,061)**	(12,130)	*(1)*
Income tax expense	**(1,291)**	(1,824)	*(29)*
(Profit)/Loss attributable to non-controlling interests[14]	**(13)**	14	*
Profit attributable to ordinary equity holders	**3,522**	5,182	*(32)*

* Indicates that the result was a gain in one period and a loss in another, or vice versa.

For more details on the financial performance of the Operating Groups, see section 3.0 Segment Analysis of the Management Discussion and Analysis available at **macquarie.com/fy24-mda**

(14) Non-controlling interests' adjusts reported consolidated profit or loss for the share that is attributable to non-controlling interests, such that the net profit or loss contribution represents the net profit or loss attributable to ordinary equity holders.

FY2024 net profit contribution by Operating Group

Summary of the Operating Groups' performance for the year ended 31 March 2024.

Annuity-style businesses

Non-Banking Activities

Macquarie Asset Management (MAM)

$A1,208m

↓ 48% on prior year due to

- decreased net income on equity, debt and other investments driven by lower asset realisations in green investments
- increased net expenditure on investments in green energy portfolio companies operating on a standalone basis
- increased net interest and trading expense primarily driven by higher funding costs due to an increase in central bank interest rates and investments.

Partially offset by:

- reversal of an impairment previously recognised on a green equity investment.

Banking Activities

Banking and Financial Services (BFS)

$A1,241m

↑ 3% on prior year due to

- higher net interest and trading income driven by growth in the loan portfolio and BFS deposits, and the full year benefit of the rising interest rate environment, partially offset by margin compression due to changes in portfolio mix, lending competition and higher funding costs
- higher fee and commission income driven by growth in average funds on platform, as well as higher lending and transaction volumes
- credit impairment reversals largely driven by improvement in the macroeconomic outlook, particularly in the home loans portfolio, partially offset by changes in composition of portfolio growth.

Partially offset by:

- higher operating expenses driven by higher employment expenses and increased technology investment to support portfolio growth, compliance and regulatory requirements.

Markets-facing businesses

Macquarie Capital

$A1,051m

↑ 31% on prior year due to

- higher net interest and trading income primarily from the private credit portfolio, benefitting from $A3.6 billion growth in average drawn loan assets with margins in line with the prior year and the non-recurrence of mark-to-market losses on certain debt underwriting positions
- lower credit provisions due to an improvement in the macroeconomic outlook and lower deployment of the private credit portfolio
- reversal of impairments on a small number of previously underperforming investments.

Partially offset by:

- lower net gains on investments including the non-recurrence of material asset realisations
- lower fee and commission income driven by lower mergers and acquisitions fee income due to weaker market activity
- higher funding costs reflecting higher central bank interest rates and investment activity
- higher operating expenses driven by higher expenditure on technology platforms, increased compliance and regulatory spend and higher employment expenses.

Commodities and Global Markets (CGM)(15)

$A3,213m

↓ 47% on prior year due to

- substantially lower inventory management and trading income driven by a reduction in trading activity, primarily in North American Gas and Power, partially offset by timing of income recognition on Gas and Power transport and storage contracts
- decreased risk management income primarily in EMEA Gas and Power, and Resources due to decreased client hedging as volatility and price movements stabilised across commodity markets following record highs in the prior year. The decrease was partially offset by an increased contribution from Agricultural markets
- higher operating expenses driven by higher expenditure on technology platform and infrastructure, compliance and regulatory spend and higher employment expenses.

Partially offset by:

- increased foreign exchange, interest rate and credit products income driven by increased client hedging activity in foreign exchange and interest rate products and an increased contribution from the Futures business
- increased operating lease income driven by increased volumes in technology and energy sectors.

Corporate

Net expenses of **$A3,191m**

↓ 38% on prior year due to

- reduced operating expenses driven by lower performance-related profit share expense as a result of the performance of the Consolidated Entity and lower expenses on certain legacy and other transaction-related charges
- increased net interest and trading income, driven by increased earnings on capital reflecting higher central bank interest rates and higher average volumes, the impact of Macquarie's previously elevated centrally held liquidity and funding surpluses being deployed into the Operating Groups, and improved returns on Group Treasury's liquid asset portfolio
- reduced income tax expense as a result of the performance of the Consolidated Entity, partially offset by a higher effective tax rate mainly driven by the geographic composition and nature of earnings.

For more details on the financial performance of the Operating Groups, see section 3.0 Segment analysis of the Management Discussion and Analysis available at **macquarie.com/results**

(15) Certain assets of the Financial 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 Activities.

Net operating income

Net operating income of $A16,887 million for the year ended 31 March 2024 decreased 12% from $A19,122 million in the prior year. The decrease was primarily driven by lower net interest and trading income and lower net other operating income, partially offset by credit and other impairment reversals in the current year.

Net interest and trading income

FULL YEAR TO	
31 Mar 24 $Am	31 Mar 23 $Am
8,907	10,601

↓ 16% on prior year

This movement was largely driven by:

- substantially lower inventory management and trading income driven by a reduction in trading activity, primarily in North American Gas and Power, partially offset by timing of income recognition on Gas and Power transport and storage contracts, in CGM
- decreased risk management income, primarily in EMEA Gas and Power, and Resources due to decreased client hedging, in CGM.

Partially offset by:

- higher net interest and trading income from the private credit portfolio and the non-recurrence of mark-to-market losses on certain debt underwriting positions, in Macquarie Capital
- higher earnings on capital reflecting higher central bank interest rates
- growth in the loan portfolio and BFS deposits, and the full year benefit of the rising interest rate environment, partially offset by margin compression due to changes in portfolio mix, lending competition and higher funding costs.

Fee and commission income

FULL YEAR TO	
31 Mar 24 $Am	31 Mar 23 $Am
6,249	6,400

↓ 2% on prior year

This movement was largely driven by:

- lower mergers and acquisitions fee income due to weaker market activity, in Macquarie Capital
- lower performance fees in MAM
- lower base fees in Public Investments primarily driven by outflows in equity strategies, partially offset by favourable market and foreign exchange movements in MAM.

Partially offset by:

- higher base fees in Private Markets which were driven by fundraising and investments made by Private Markets-managed funds and mandates, as well as favourable foreign exchange movements, in MAM.

Share of net (losses)/profits from associates and joint ventures

FULL YEAR TO	
31 Mar 24 $Am	31 Mar 23 $Am
(49)	(113)

↓ 57% on prior year

This movement was largely driven by:

- changes in the performance of the investment portfolio, in MAM.

Credit and other impairment charges

FULL YEAR TO	
31 Mar 24 $Am	31 Mar 23 $Am
369	(454)

↑ significantly on prior year

This movement was largely driven by:

- release of credit provisions due to improvement in the macroeconomic outlook
- reversal of impairments recognised on a small number of previously underperforming assets and equity investments in Macquarie Capital and MAM
- lower deployment of the private credit portfolio in Macquarie Capital.

Partially offset by:

- changes in composition of portfolio growth, in BFS.

Net other operating income

FULL YEAR TO	
31 Mar 24 $Am	31 Mar 23 $Am
1,411	2,688

↓ 48% on prior year

This movement was primarily driven by:

- lower asset realisations in green investments in MAM
- non-recurrence of material asset realisations in Macquarie Capital
- increased net expenditure on investments in green energy portfolio companies operating on a standalone basis in MAM.

Partially offset by:

- gains on a number of investments in Macquarie Capital.

Operating expenses

Total operating expenses of $A12,061 million for the year ended 31 March 2024 were broadly in line from $A12,130 million in the prior year.

Employment expenses

FULL YEAR TO	
31 Mar 24 $Am	31 Mar 23 $Am
7,723	7,703

broadly in line
with prior year

This movement was largely driven by:

- higher salary and related expenses from higher average headcount and wage inflation
- unfavourable foreign exchange movements
- higher share-based payments expense mainly driven by the prior year's performance of the Consolidated Entity
- higher one-off staff costs.

Offset by:

- lower performance-related profit share expenses as a result of the performance of the Consolidated Entity.

Brokerage, commission and trading-related expenses

FULL YEAR TO	
31 Mar 24 $Am	31 Mar 23 $Am
1,071	1,028

↑ **4%**
on prior year

This movement was largely driven by:

- unfavourable foreign exchange movements
- increased trading and brokerage activities in CGM
- increased transaction volumes in BFS.

Non-salary technology expenses

FULL YEAR TO	
31 Mar 24 $Am	31 Mar 23 $Am
1,163	1,092

↑ **7%**
on prior year

This movement was largely driven by:

- increased investment in technology initiatives, with a focus on data and digitalisation, to support business growth and compliance.

Other operating expenses

FULL YEAR TO	
31 Mar 24 $Am	31 Mar 23 $Am
2,104	2,307

↓ **9%**
on prior year

This movement was largely driven by:

- lower expenses on certain legacy and other transaction-related charges
- lower professional fees.

Income tax expense

Income tax expense of $A1,291 million for the year ended 31 March 2024 decreased 29% from $A1,824 million in the prior year. The effective tax rate for the year ended 31 March 2024 was 26.8%, up from 26.0% in the prior year.

The higher effective tax rate compared to the prior year was mainly driven by the geographic composition and nature of earnings.

Operating and financial review

Review of group performance and financial position continued

Statement of Financial Position

The Consolidated Entity's Statement of financial position was impacted during the year ended 31 March 2024 by changes resulting from a combination of business activities, Group Treasury management initiatives and macroeconomic factors.

Total assets

AS AT	
31 Mar 24 $Am	31 Mar 23 $Am
403,404	387,872

↑ 4% on 31 Mar 23

Total assets of $A403.4 billion as at 31 March 2024 increased 4% from $A387.9 billion as at 31 March 2023.

The principal drivers for the increase were as follows:

- loan assets of $A176.4 billion as at 31 March 2024 increased 11% from $A158.6 billion as at 31 March 2023, driven by volume growth in the BFS home loans and business lending portfolios and Macquarie Capital's private credit portfolio
- trading assets of $A27.9 billion as at 31 March 2024 increased 65% from $A16.9 billion as at 31 March 2023, driven by an increase in holdings of listed equity securities in CGM
- cash collateralised lending and reverse repurchase agreements of $A58.4 billion as at 31 March 2024 increased 8% from $A54.3 billion as at 31 March 2023, driven by an increase in holdings of reverse repurchase agreements as part of Group Treasury's liquid asset portfolio management
- financial investments of $A24.4 billion as at 31 March 2024 increased 11% from $A21.9 billion as at 31 March 2023, driven by an increase in holdings of debt securities as part of Group Treasury's liquid asset portfolio management
- other assets of $A12.6 billion as at 31 March 2024 increased 21% from $A10.4 billion as at 31 March 2023, driven by higher commodity-related receivables from increased volumes in CGM.

These increases were partially offset by:

- cash and bank balances of $A31.9 billion as at 31 March 2024 decreased 30% from $A45.7 billion as at 31 March 2023, driven by a reduction in the overnight deposit held with the Reserve Bank of Australia (RBA) as part of Group Treasury's liquid asset portfolio management
- derivative assets of $A24.1 billion as at 31 March 2024 decreased 33% from $A36.1 billion as at 31 March 2023, driven by volatility and price movements having stabilised across commodity markets, as well as the maturity of prior year positions. After taking into account related financial instruments, cash and other financial collateral, the residual derivative asset exposure was $A7.4 billion (31 March 2023: $A9.7 billion). The majority of the residual derivative asset exposure was short-term in nature and managed within the Consolidated Entity's market and credit risk frameworks, with a substantial portion of the exposure with investment grade counterparties.

Total liabilities

AS AT	
31 Mar 24 $Am	31 Mar 23 $Am
369,408	353,766

↑ 4% on 31 Mar 23

Total liabilities of $A369.4 billion as at 31 March 2024 increased 4% from $A353.8 billion as at 31 March 2023.

The principal drivers for the increase were as follows:

- deposits of $A148.4 billion as at 31 March 2024 increased 10% from $A134.7 billion as at 31 March 2023, driven by volume growth in retail and business banking deposits in BFS
- issued debt securities and other borrowings of $A119.9 billion as at 31 March 2024 increased 10% from $A109.5 billion as at 31 March 2023, driven by the issuance of short-term commercial paper and long-term bonds by Group Treasury
- other liabilities of $A14.5 billion as at 31 March 2024 increased 16% from $A12.5 billion as at 31 March 2023, driven by higher commodity-related payables from increased volumes in CGM
- loan capital of $A14.2 billion as at 31 March 2024 increased 10% from $A12.9 billion as at 31 March 2023 driven by the issuance of Tier 2 loan capital.

These increases were partially offset by:

- derivative liabilities of $A25.6 billion as at 31 March 2024 decreased 22% from $A32.8 billion as at 31 March 2023 commensurate with the movement in derivative assets. After taking into account related financial instruments, cash and other collateral, the residual derivative liability was $A6.8 billion (31 March 2023: $A6.6 billion)
- cash collateralised borrowing and repurchase agreements of $A12.6 billion as at 31 March 2024 decreased 33% from $A18.7 billion as at 31 March 2023, driven by a reduction in trading activity in CGM and partial maturity of the RBA Term-Funding Facility.

Total equity

AS AT	
31 Mar 24 $Am	31 Mar 23 $Am
33,996	34,106

broadly in line on 31 Mar 23

Total equity of $A34.0 billion as at 31 March 2024 has remained broadly in line with $A34.1 billion as at 31 March 2023.

The Consolidated Entity's equity was impacted by:

- $A2.7 billion in dividend payments
- $A0.6 billion of ordinary shares on-market buy-back
- $A0.4 billion decrease in non-controlling interests.

These decreases were partially offset by $A3.5 billion of earnings generated during the current year and a $A0.5 billion increase in foreign currency translation, largely driven by the depreciation of the Australian Dollar to the United States Dollar.

Funding

Macquarie's liquidity risk management framework is designed to ensure that it is able to meet its obligations as they fall due under a range of market conditions.

Macquarie has a funding base that is stable with short-term wholesale funding covered by cash, liquids and other short-term assets. As at 31 March 2024, Macquarie's term assets were covered by term funding maturing beyond one year, stable deposits, hybrids and equity.

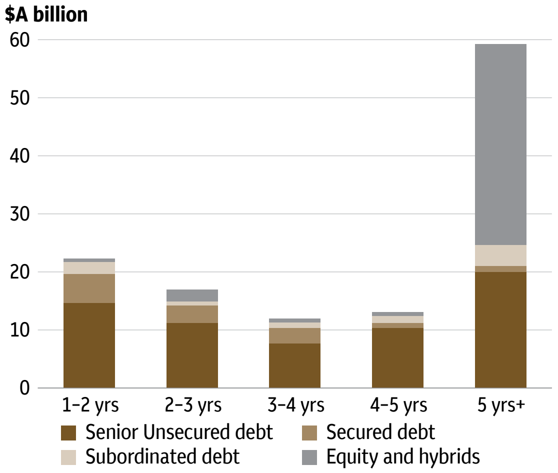
The weighted average term to maturity of term funding maturing beyond one year (excluding equity and securitisations) was 4.5 years as at 31 March 2024.

4.5 years

Weighted average maturity

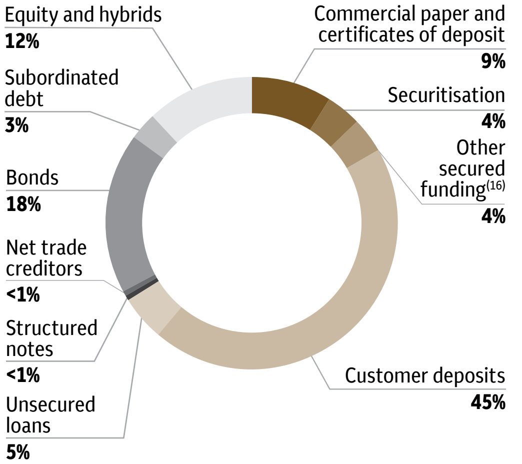
Term funding profile

Detail of drawn funding maturing beyond one year



Diversity of funding source

Detail of drawn funding sources maturing across all tenors



Macquarie has a liability-driven approach to balance sheet management, where funding is raised prior to assets being taken on to the balance sheet. Since 1 April 2023, Macquarie has continued to raise term wholesale funding across various products and currencies.

Details of term funding raised between 1 April 2023 and 31 March 2024:

		Bank Group $Ab	Non-Bank Group $Ab	**Total $Ab**
Issued paper	– Senior and subordinated	8.7	4.7	13.4
Secured funding	– Term securitisation and other secured finance	5.0	0.7	5.7
Loan facilities	– Unsecured loan facilities	1.5	0.5	2.0
Total[17]		**15.2**	**5.9**	**21.1**

Macquarie has continued to develop its major funding markets and products during the year ended 31 March 2024.

(16) Includes RBA Term Funding Facility (TFF) of $A9.6 billion.
(17) Issuances cover a range of tenors, currencies and product types and are Australian dollar equivalent based on FX rates at the time of issuance. Includes refinancing of loan facilities.

$A10.7b
Group capital surplus

Capital

As an Australian Prudential Regulation Authority (APRA) authorised and regulated Non-Operating Holding Company (NOHC), Macquarie's capital adequacy framework requires it to maintain minimum regulatory capital requirements calculated as the sum of:

- the Bank Group's minimum Tier 1 capital requirement, based on a percentage of risk-weighted assets plus Tier 1 deductions using prevailing APRA ADI Prudential Standards; and
- the Non-Bank Group's capital requirement, calculated using Macquarie's Board approved Economic Capital Adequacy Model (ECAM).

Transactions internal to Macquarie are eliminated.

The Bank Group's Level 2 minimum Common Equity Tier 1 capital ratio (CET1) in accordance with Prudential Standard APS 110 Capital Adequacy is 9%. This includes the industry minimum CET1 requirement of 4.5%, capital conservation buffer (CCB) of 3.75% and a countercyclical capital buffer (CCyB)(18) of 0.75%. The corresponding requirement for Tier 1 capital is 10.5%, inclusive of the CCB and CCyB[18]. APRA also requires ADIs to maintain a minimum leverage ratio of 3.5%. In addition, APRA may impose ADI-specific minimum ratios which may be higher than these levels.

Macquarie is well capitalised, with the following capital adequacy ratios as at 31 March 2024:

Bank Group Level 2 Basel III ratios as at 31 March 2024	APRA Basel III	Harmonised Basel III(19)
Common Equity Tier 1 Capital Ratio	13.6%	18.7%
Tier 1 Capital Ratio	15.5%	20.9%
Leverage Ratio	5.2%	5.9%

For further information relating to the capital adequacy of Macquarie, refer to section 6.0 Capital of the Management Discussion and Analysis at **macquarie.com/results**.

Outlook

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.

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

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

(18) The CCyB of the Bank Group at 31 March 24 is 0.71%, this is rounded to 0.75% for presentation purposes. The individual CCyB varies by jurisdiction and the Bank Group CCyB is calculated as a weighted average based on exposures in different jurisdictions at period end.
(19) Harmonised Basel III estimates are calculated in accordance with the updated BCBS Basel III framework, noting that MBL is not regulated by the BCBS therefore the ratios are indicative only.

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