MACQUARIE

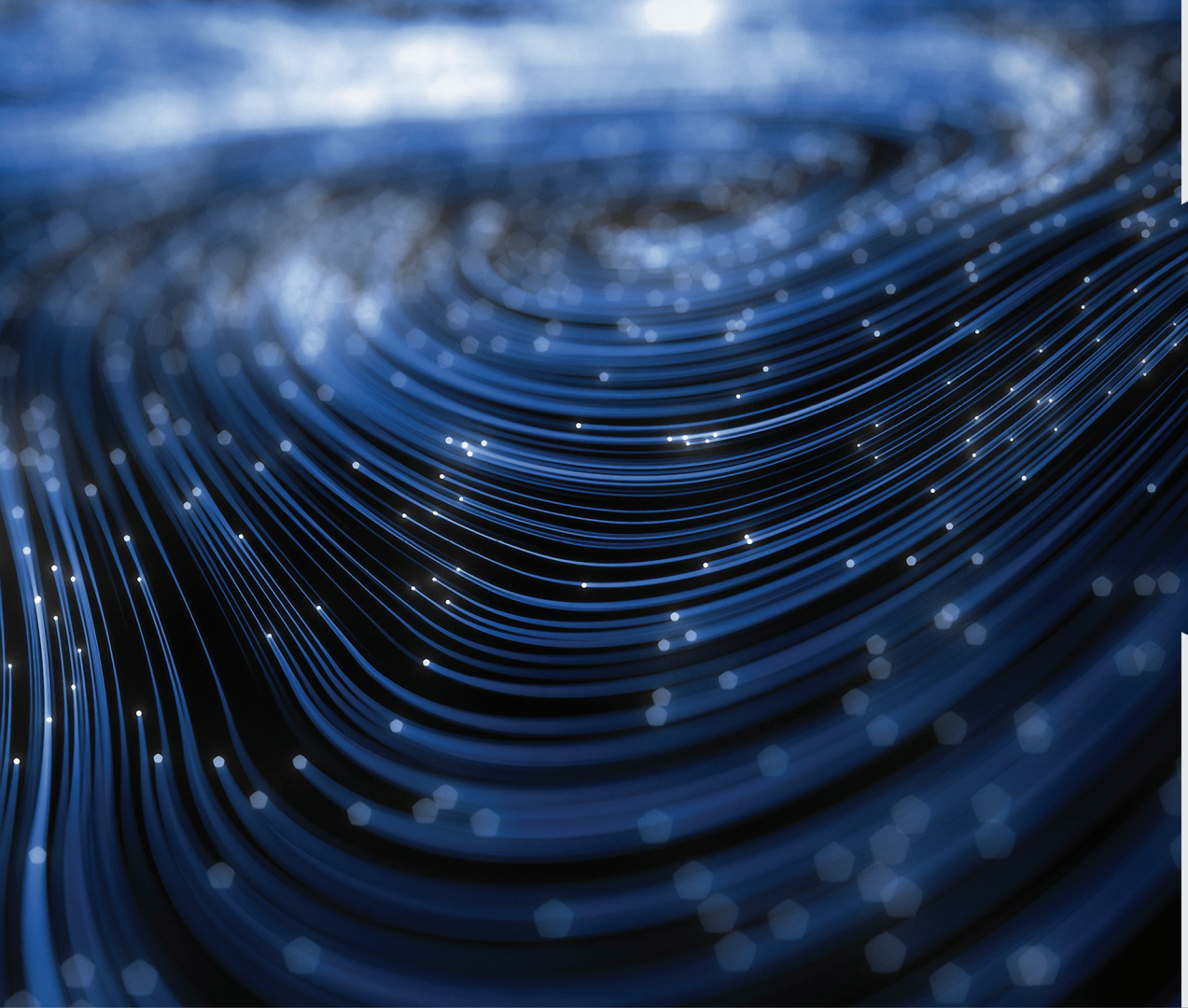
MACQUARIE



Operational Briefing

Presentation to Investors and Analysts

9 February 2021



05

Corporate Operations Group

Nicole Sorbara, Group Head, Chief Operating Officer

Justin Moffitt, Chief Information Officer

Adam Prettejohn, Head of Digital Transformation and Data



Delivering service excellence and transformational change, we empower people to innovate and invest for a better future

MACQUARIE

Corporate Operations Group
Nicole Sorbara



Digital Transformation & Data
Adam Prettejohn



Partners with divisions and groups to deliver digital solutions whilst future skilling employees with capabilities in data analytics, innovation, human centred design and eliminating failure demand.

Technology
Justin Moffitt



Manages core technology infrastructure including reliability and resilience of services, deploys digital and cloud-based applications, manages enterprise information, supports workplace and collaboration tools, manages cyber security, global security and fraud, and identifies emerging technology trends.

Operations
Ian Beasley



Delivers critical operational trade support services to enable the trade lifecycle for a wide range of products and businesses.

Provides operational services to support our global workforce including payroll, leave processing, staff queries, and learning and development administration.

Human Resources
Lynnette Sarno



Our most important asset is our people and HR works in close partnership with each group to attract the best, reward success, develop and retain talent and support complex regulatory and organisational change.

Business Services
Tracey Macdonald



Creates workplace experiences - including Sydney Metro Martin Place - that enable people, clients and communities to connect, learn, collaborate and innovate together. Delivers group procurement services and builds business resilience across the organisation.

Business Improvement & Strategy
Mura Ryan



Partners with Macquarie businesses and support areas to discover opportunities, solve problems and make change happen. Brings external insights and connections, understandings of Macquarie's businesses and builds strong cross-group relationships.

Macquarie Group Foundation
Mura Ryan



Macquarie Group Foundation is a diverse team of experienced social impact professionals who support community organisations with funding, volunteering and skill sharing.

The Foundation's strategic funding is targeted at education and employment initiatives, as well as game-changing ideas.

COG Central
Kellie Vinn



Supports the day-to-day operations of COG including specialist accounting and financial reporting services, operational risk services and staff communication and engagement activities.

Regional COOs
Ange Burt (Americas), Scott Harmer (Asia) and Tim Mulvihill (EMEA)



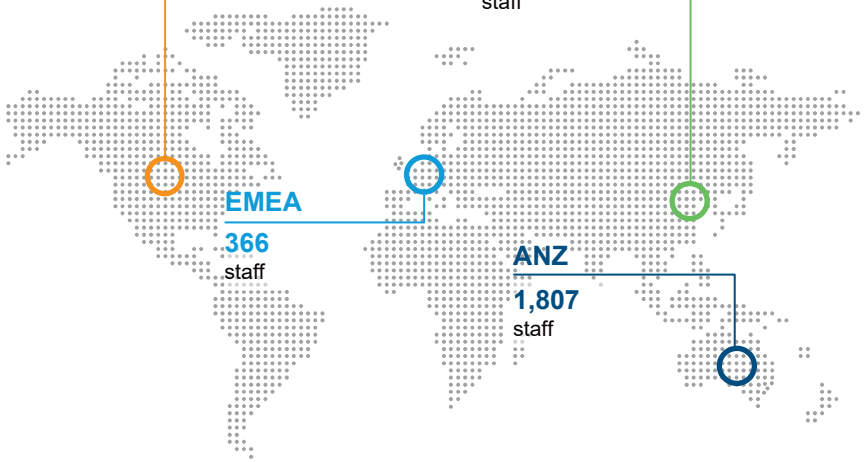




Supports the day-to-day management of the Group within region.

Global team with specialist expertise

The organisation has access to a global network of more than 4,400 staff across 19 markets that provide a wide range of specialist services



TOTAL

4,454
staff[1]

Diverse team

Global staff

39
citizenship countries

54+
languages spoken

Specialist expertise

30
Digital transformation and data

2,945
Technology

751
Operations

313
Human resources

233
Business services

19
Business improvement and strategy

17
Social impact and community

146
Finance, operational risk and communications

1. Headcount statistics as at 31 Dec 20.

Transforming our services

Over the past eight years COG has fundamentally improved and changed the services delivered – establishing new Group-wide services and enhancing existing services to increase quality, risk and agility

	2013	2014	2015	2016	2017	2018	2019	2020
Investment in people and capability	**Formation of Corporate Operations Group**	• New leadership program	• Enhanced cyber security capabilities • New Futures Clearing team	• New CIO • Appointed Chief Data Officer • Enterprise Data Management strategy • DevOps established • Agile methodologies	• ED Leadership Program • COG Directors Leadership Program • COG Future Skilling Program	• New Digital Transformation and Data Division • Global Security function	• Diversity & Inclusion refresh • Macquarie Group Foundation 50th Anniversary Award	• Director Masterclasses • Work from home workplace health and safety training • Technology Certification Program • Macquarie Purpose
Investment in workplace		• Award winning workplace experience at 50 Martin Place	• Enterprise social networking • Third Party Risk Framework	• Office 365 • Webex video conferencing	• Workplace by Facebook	• Commence Sydney Metro Martin Place	• Macquarie Virtual Desktop	• Zoom virtual video technology • Human Resources on-demand digital services for employees • Digital procurement self-service
Investment in technology		• Cloud-first strategy	• Private cloud (Asia) • AWS public cloud (Global)	• New Tech Assist support model	• Network insource management • Private cloud (Australia)	• Private cloud (Americas and EMEA)	• Significant global network upgrades	• Macquarie.com and staff intranet refresh • Google public cloud
Partnering with Groups	• **BFS** Core banking platform • **CGM** Global oil platform	• **CGM** Front office strategic technology program	• **BFS** Mobile Banking • **RMG, FMG** Expanded regulatory reporting platform	• **BFS** Transaction and savings accounts • **BFS** New digital banking experience	• **BFS** Apple Pay and Android Pay • **MacCap** Green Investment Bank • **CGM** Cargill	• **MAM** Global platform strategy • **BFS** New payments platform • **FMG:** Corporate Data Hub	• **RMG** Credit risk transformation • **CGM** Risk management platform • **BFS** Data transformation • **MOD** Client Lifecyle Management System • **CGM** Data analytics platform	• **FMG** Accounts payable, receivable and fixed assets platform • **MacCap** Transaction Management System • **MAM** Waddell & Reed

Self-funding transformation and investing in technology

Core to success has been our ability to transform ourselves, our significant investment in technology and maintaining strong operational risk culture

Reinvestment of operating efficiencies
$A132m
since FY15

Cumulative years of generating operating efficiencies has enabled COG to self-fund transformation

Investment in technology
$A1.3b
FY20

19% of total technology investment is in change activity

Risk management
↓42%
in high rated incidents (since FY15)

Effective management of organisational change, regulatory complexity and risk

COG leading Macquarie's response to COVID-19

Our long-term focus on building resilience in our people and technology enabled a global workforce of over 16,400 employees across 34 markets to work from home

Corporate Operations Group

Technology

>98%
staff enabled to work from home

2,400,000+
virtual meetings

x4
increase in our internet capacity

Global Security
providing insights and proactive risk assessments

Operations

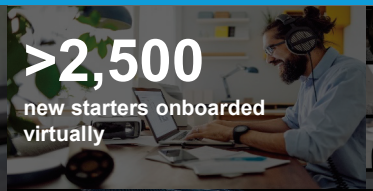


50%
increase in trade volumes during the transition to working from home[1]



50%
decrease in high rated incidents to trade volume

Human Resources



>2,500
new starters onboarded virtually

100+
Executive Directors (ED) attended virtual ED Leadership Program masterclass

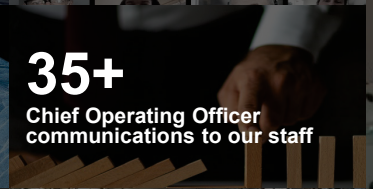


x2
increase in virtual technology learning

Business Services



70+
global and regional Crisis Management Team meetings

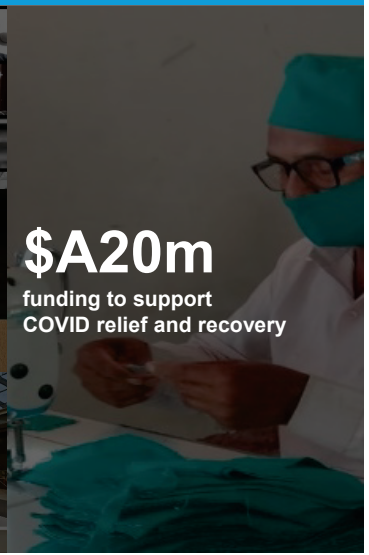


35+
Chief Operating Officer communications to our staff



82%
office locations approved for return to office

Macquarie Group Foundation



$A20m
funding to support COVID relief and recovery

Unless marked otherwise, data represented from Mar 20 through to Dec 20. 1. Trade Volume increase from Feb 20 to Mar 20.

COG leading Macquarie's response to COVID-19

Our response enabled the business to continue to deliver for our clients despite global market disruption

Enabled results to be delivered

- 32,400 Mortgages originated for BFS, up 17% from prior corresponding period
- 22.1m trades settled, up 10% from prior corresponding period
- 259 MacCap[1] transactions valued at $A244b

Stayed connected with our clients

- 3,200 MIRA Investor Contacts provided with direct access to new investor portal
- 250,000 new cash, business banking and wrap accounts for BFS, up 71% from prior corresponding period
- 1,900+ New clients onboarded to CGM

Empowered our people to innovate and invest for a better future

- 92% of employees feel as or more productive than before COVID-19
- 92% of employees feel same or greater belonging in their team than before COVID-19
- 2,500 charities supported worldwide

Unless marked otherwise, data represented from Mar 20 through to Dec 20. 1. Apr 20 – Dec 20. Dealogic and IJGlobal for Macquarie Group completed M&A, investments, ECM and DCM transactions converted as at the relevant report date. Deal values reflect the full transaction value and not an attributed value.

Accelerating the digital future

Developing leadership, culture and technology skills in our people has been a priority because we know these capabilities empower everyone to innovate and invest for a better future

Leadership

Deeply embedding strategic and cultural alignment

+

Skills

Future skilling our people

Eliminating Failure Demand I Data Science
Innovation & Human Centred Design I Leading Change
Technology & Digitalisation I Critical Thinking

+

Technology

Innovative data-driven digital clients experiences with cloud-based infrastructure

=

TRANSFORMATION

Digital Transformation and Data Division

We partner with Groups to realise client-led opportunities and accelerate delivery of COG's digital transformation

Equipping our people with the skills to deliver transformation outcomes

1,500+
staff enabled with data literacy skills

1,000+
deeply trained in human centred design and eliminating failure demand

Digitalising COG services to enable clients and deliver operational efficiencies

35+
transformation programs initiated in 2020

Established COG data science capability

Partnering with Groups to realise 'front-to-back' enterprise opportunities

Enterprise Digitalisation Strategy

Corporate Connected Data

CASE STUDY

Partnering with HR and Technology to deliver The HUB

- Accelerating on-demand digital Human Resource services to deliver client centric outcomes, operational efficiencies and employee lifecycle transformations

Partnering with Operations to automate processes using machine learning

- Leveraging eliminating failure demand, data science and human centred design practices to streamline our services

Technology Division

Investing in accelerating cloud adoption, modernising systems and increasing agility, automation and scale of our services

Transforming Macquarie's technology risk profile, increasing network resilience and modernising our systems

- 99.9% system availability
- ↓24% decline in legacy servers (FY19 to FY20)

Accelerating public cloud adoption, leveraging the benefits of agility, automation, scale and cost

- 750+ people with industry recognised agile and cloud certifications
- 775+ production apps in public cloud

Using data-driven insights to deliver innovative digital solutions for our clients

- 1b+ rows of international trade data analysed for CGM
- $A15m+ invested in automation to deliver efficiencies and improved BFS client self-service

CASE STUDY

Data and machine learning driving opportunities for CGM

- Using open-source software and public cloud to analyse data and develop machine learning models to make data-driven decisions

Partnering with BFS to accelerate data transformation

- Investing in public cloud technology to meet the needs of the next generation of banking technology

Technology Division

Supporting new ways of working, investing in Cyber Security to detect and prevent threats and delivering front to bank transformation

Deploying web-based applications and virtual desktops across our business

>5,000
virtualised desktops in use

>1,500
staff using virtual application supporting the breadth of our businesses

Continuing to develop cyber security capabilities and deploying tools to detect and prevent threats

1,750+
cyber security assessments completed

50,000+
devices security scanned every week

Delivering transformational change by eliminating failure demand and automating manual processes and controls

Targeting elimination of
12,500+
manual data changes per year

↓26%
decrease in Tech Assist support tickets

CASE STUDY

Automating front-to-back processes in MacCap

- Investing in software-as-a-service solutions to accelerate business process digitalisation and automation

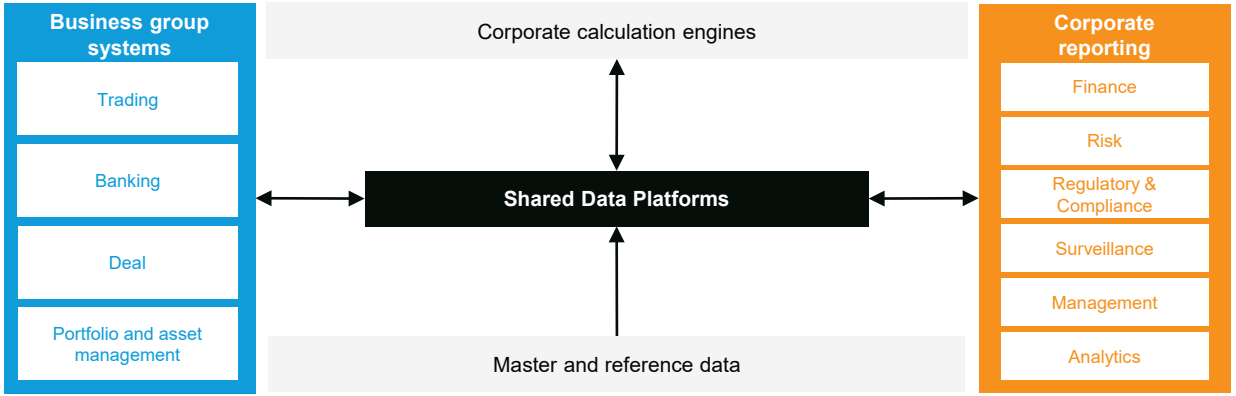
Data and digital technology driving opportunities for MAM

- Using data and digital technology to create a unified and single data platform to manage investments

What's next: Accelerating our enterprise data and digitalisation strategy

Macquarie's enterprise data and digitalisation strategy will enable us to better serve clients, adapt to changing regulations and transform front-to-back efficiency and risk

Target State Data Architecture



Data principles

- **True to source representation** provides data to meet different consumer perspectives
- **Timely data delivery** to meet increasing requirements for more timely reporting
- **Embedded data quality** to ensure consistency and quality of data and outcomes
- **Centrally shared** to increase data availability and reduce duplication
- **Calculations at point of expertise** to ensure correct application of business rules
- **Shared data models and definitions** to ensure consistency of data understanding
- **Authoritative sources** to increase consistency and accuracy of data

Enabled by:

- Empowering our people to identify and deliver transformation opportunities through a data-centric culture, future skilling and talent acquisition
- Delivering enterprise digitalisation through aligned initiatives, shared metrics and end-to-end solution architecture
- Leveraging Eliminating Failure Demand techniques and the enterprise change portfolio to incrementally re-engineer processes and technologies
- Investing in our common data 'building blocks' to accelerate how we manage, share and leverage data in the future

We are well positioned

We will continue to invest in our people, systems and operations to enable business outcomes and accelerate digitalisation for Macquarie

Investment in people and technology + **Resilience and adaptability** = **Strong business results**

2021: INVESTMENT TO ACCELERATE DIGITALISATION

MACQUARIE

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