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2021

20

Operational Briefing

Presentation to Investors and Analysts

9 February 2021



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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



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 Samo



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

AMERICAS

491
staff

ASIA

1,790
staff

EMEA

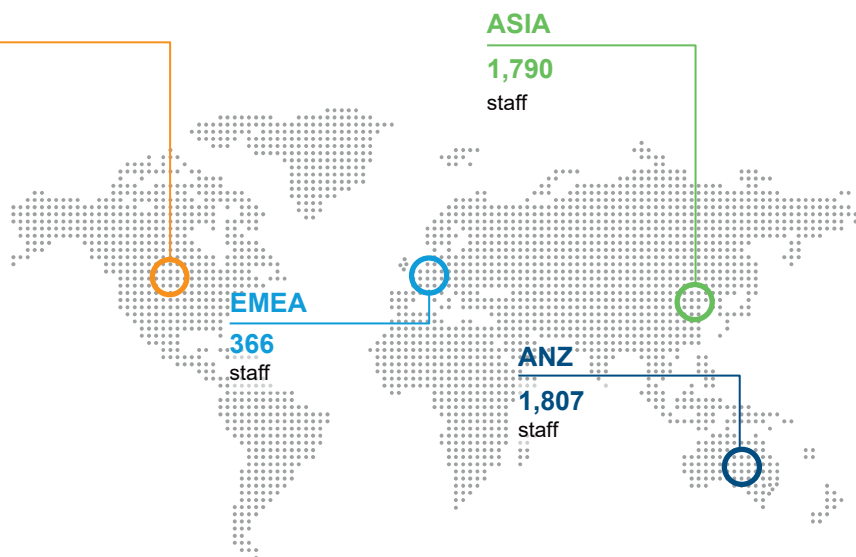
366
staff

ANZ

1,807
staff

TOTAL

4,454
staff¹



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	



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		<ul style="list-style-type: none"> New leadership program 	<ul style="list-style-type: none"> Enhanced cyber security capabilities New Futures Clearing team 	<ul style="list-style-type: none"> New CIO Appointed Chief Data Officer Enterprise Data Management strategy DevOps established Agile methodologies 	<ul style="list-style-type: none"> ED Leadership Program COG Directors Leadership Program COG Future Skilling Program 	<ul style="list-style-type: none"> New Digital Transformation and Data Division Global Security function 	<ul style="list-style-type: none"> Diversity & Inclusion refresh Macquarie Group Foundation 50th Anniversary Award 	<ul style="list-style-type: none"> Director Masterclasses Work from home workplace health and safety training Technology Certification Program Macquarie Purpose
Investment in workplace		<ul style="list-style-type: none"> Award winning workplace experience at 50 Martin Place 	<ul style="list-style-type: none"> Enterprise social networking Third Party Risk Framework 	<ul style="list-style-type: none"> Office 365 Webex video conferencing 	<ul style="list-style-type: none"> Workplace by Facebook 	<ul style="list-style-type: none"> Commence Sydney Metro Martin Place 	<ul style="list-style-type: none"> Macquarie Virtual Desktop 	<ul style="list-style-type: none"> Zoom virtual video technology Human Resources on-demand digital services for employees Digital procurement self-service
Investment in technology		<ul style="list-style-type: none"> Cloud-first strategy 	<ul style="list-style-type: none"> Private cloud (Asia) AWS public cloud (Global) 	<ul style="list-style-type: none"> New Tech Assist support model 	<ul style="list-style-type: none"> Network insource management Private cloud (Australia) 	<ul style="list-style-type: none"> Private cloud (Americas and EMEA) 	<ul style="list-style-type: none"> Significant global network upgrades 	<ul style="list-style-type: none"> Macquarie.com and staff intranet refresh Google public cloud
Partnering with Groups	<ul style="list-style-type: none"> BFS Core banking platform CGM Global oil platform 	<ul style="list-style-type: none"> CGM Front office strategic technology program 	<ul style="list-style-type: none"> BFS Mobile Banking RMG, FMG Expanded regulatory reporting platform 	<ul style="list-style-type: none"> BFS Transaction and savings accounts BFS New digital banking experience 	<ul style="list-style-type: none"> BFS Apple Pay and Android Pay MacCap Green Investment Bank CGM Cargill 	<ul style="list-style-type: none"> MAM Global platform strategy BFS New payments platform FMG: Corporate Data Hub 	<ul style="list-style-type: none"> RMG Credit risk transformation CGM Risk management platform BFS Data transformation MOD Client Lifecycle Management System CGM Data analytics platform 	<ul style="list-style-type: none"> 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





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 MacCap¹ 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



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 | Data Science
Innovation & Human Centred Design | Leading Change
Technology & Digitalisation | 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

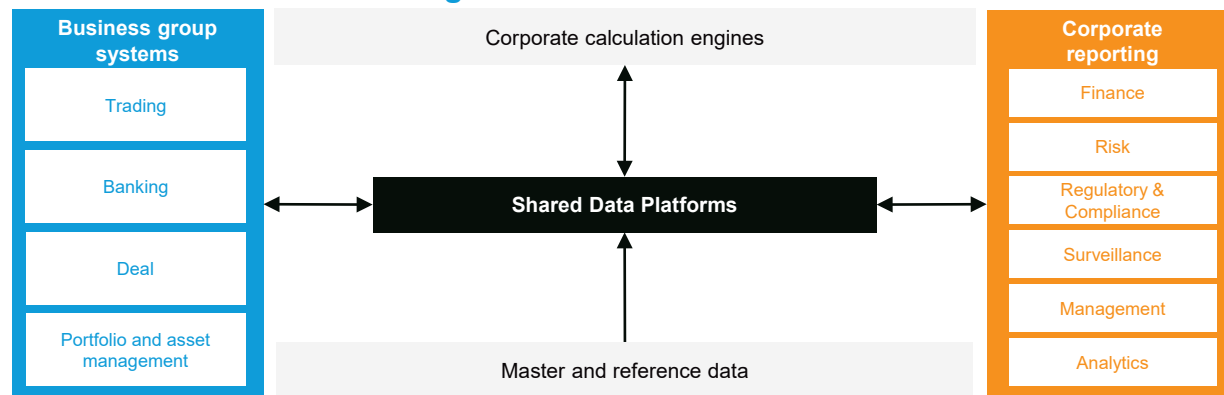
- Using data and digital technology to create a unified and single data platform to manage investments



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**



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