

Presentation to investors and analysts

Result announcement for the half
year ended 30 September 2023

3 November 2023



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Unless otherwise specified all information is for the half year ended 30 September 2023.

Certain financial information in this presentation is prepared on a different basis to the Financial Report within the Macquarie Group Financial Report (“the Financial Report”) for the half year ended 30 September 2023, which is prepared in accordance with Australian Accounting Standards. Where financial information presented within this presentation does not comply with Australian Accounting Standards, a reconciliation to the statutory information is provided.

This presentation provides further detail in relation to key elements of Macquarie’s financial performance and financial position. It also provides an analysis of the funding profile of Macquarie because maintaining the structural integrity of Macquarie’s balance sheet requires active management of both asset and liability portfolios. Active management of the funded balance sheet enables the Group to strengthen its liquidity and funding position.

Any additional financial information in this presentation which is not included in the Financial Report was not subject to independent audit or review by PricewaterhouseCoopers. Numbers are subject to rounding and may not fully reconcile.

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Agenda

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Introduction

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Overview of
Result

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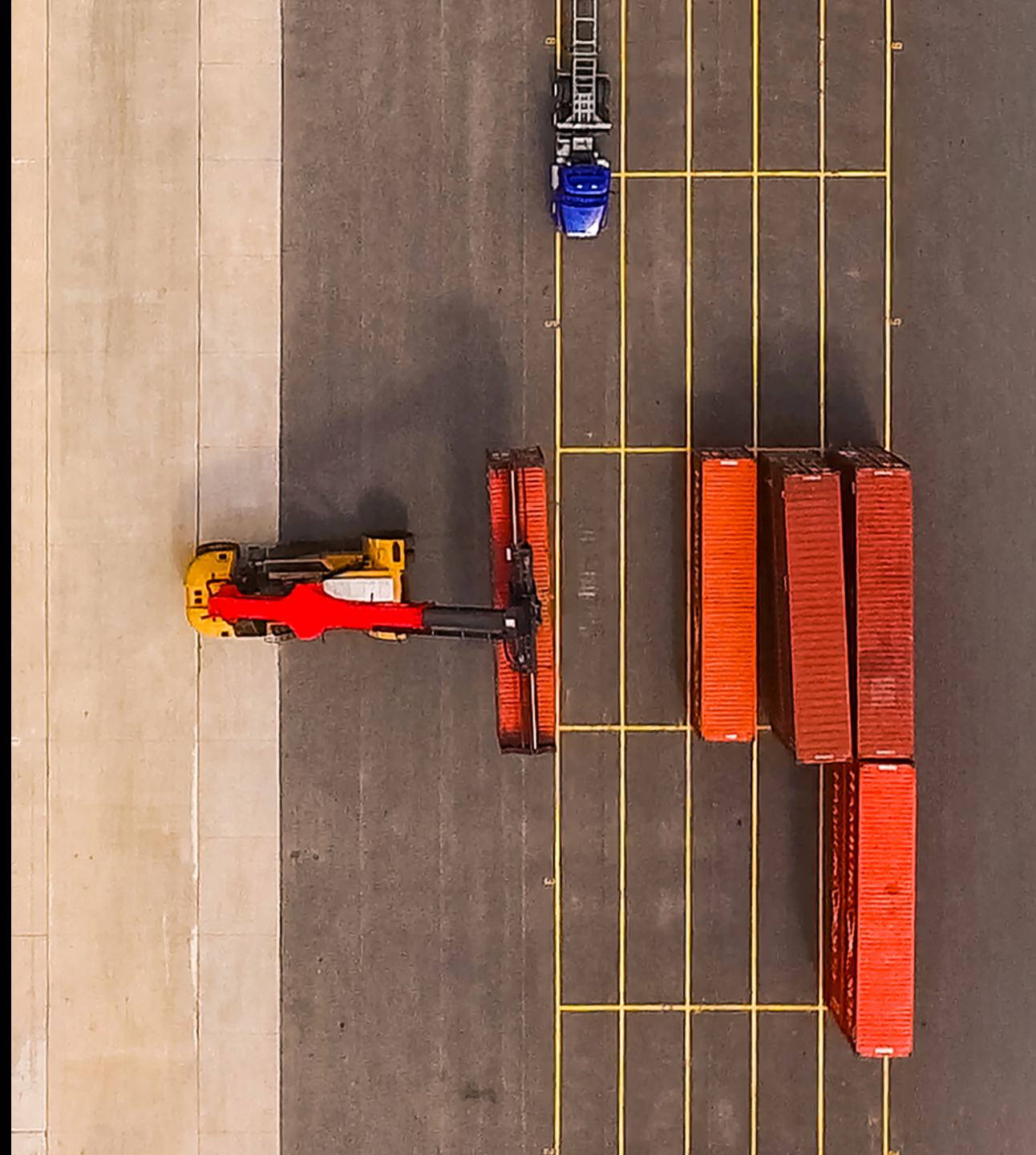
Result Analysis
and Financial
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Appendices



01

Introduction

Sam Dobson

Head of Investor Relations

Sapphire Wind Farm and Squadron Energy,
New South Wales, Australia



Overview of Result

**Shemara
Wikramanayake**

Managing Director and
Chief Executive Officer

About Macquarie

~45%

~55%

Annuity-style activities | Net Profit Contribution

Markets-facing activities | Net Profit Contribution

BFS

Banking and Financial Services

- Macquarie's retail banking and financial services business with BFS deposits¹ of \$A131.2b², loan portfolio³ of \$A134.4b² and funds on platform of \$A125.1b²
- Provides a diverse range of personal banking, wealth management and business banking products and services to retail clients, advisers, brokers and business clients

MAM

Macquarie Asset Management

- \$A892.0b⁴ of assets under management, investing to deliver positive impact for everyone
- Provides investment solutions to clients across a range of capabilities, including infrastructure, green investments, agriculture and natural assets, real estate, private credit, asset finance, secondaries, 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 across Commodities, Financial Markets and Asset Finance

- 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
- Market access: helping clients access assets and prices via liquidity and electronic markets globally
- Physical execution and logistics: supporting clients with access to physical commodities and facilitating their transport from production to consumption

CGM's deep expertise and physical presence allow us to optimise how we manage both our clients' risk exposures and trading opportunities we see which are conducted within Macquarie's strong internal risk management framework

MacCap

Macquarie Capital

Global capability in:

- Advisory and capital raising services, providing clients with specialist expertise and flexible capital solutions across a range of sectors
- Specialist investing across private credit, private equity, real estate, growth equity, venture capital and in infrastructure and energy projects and companies
- Equities brokerage, providing clients with access to equity research, sales, execution capabilities and corporate access

1H24 Net Profit Contribution

BFS | ~22%

MAM | ~14%

CGM | ~9%

CGM | ~40%

MacCap | ~15%

Risk Management Group

An independent and centralised function responsible for independent and objective review and challenge, oversight, monitoring and reporting in relation to Macquarie's material risks.

Legal and Governance Group

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.

Financial Management Group

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

Corporate Operations Group

Provides specialist services in technology, operations, human resources, workplace, data and transformation, strategy, operational risk management, business resilience and global security, and 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 30 Sep 23. 3. The loan portfolio comprises home loans, loans to businesses, car loans and credit cards. 4. As at 30 Sep 23. Private Markets Assets under Management (AUM) includes equity yet to deploy and equity committed to assets but not yet deployed. Prior periods have been restated to reflect the change.

1H24 result: \$A1,415m down 39% on 1H23;
down 51% on 2H23

	1H24 \$Am	2H23 \$Am	1H23 \$Am	1H24 v 1H23	1H24 v 2H23
Net operating income	7,910	10,498	8,624	↓ 8%	↓ 25%
Total operating expenses	(5,919)	(6,534)	(5,596)	↑ 6%	↓ 9%
Operating profit before income tax	1,991	3,964	3,028	↓ 34%	↓ 50%
Income tax expense	(587)	(1,089)	(735)	↓ 20%	↓ 46%
Effective tax rate ¹ (%)	29.3	27.5	24.2		
Loss attributable to non-controlling interests	11	2	12		
Profit attributable to MGL shareholders	1,415	2,877	2,305	↓ 39%	↓ 51%
Annualised return on equity (%)	8.7	18.1	15.6	↓ 44%	↓ 52%
Basic earnings per share	\$A3.69	\$A7.46	\$A6.03	↓ 39%	↓ 51%
Dividend per ordinary share	\$A2.55	\$A4.50	\$A3.00	↓ 15%	↓ 43%

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

1H24 net profit contribution from Operating Groups

\$A2,858m down 38% on 1H23

Annuity-style activities

\$A1,296m  **↓ 43%**
ON 1H23

Markets-facing activities

\$A1,562m  **↓ 32%**
ON 1H23

Non-Banking Group



on 1H23

Macquarie Asset Management (MAM)

Decrease driven by timing of asset realisations in green investments and increase in operating expenses. Base and performance fees broadly in line with the prior corresponding period



on 1H23

Macquarie Capital (MacCap)

Fee income broadly in line with the prior corresponding period. Lower investment-related income due to the non-recurrence of material asset realisations, partially offset by higher net interest income and gains on a small number of investments. Higher operating expenses in the current period

Banking Group



on 1H23

Banking and Financial Services (BFS)

Growth in the loan portfolio and BFS deposits and improved average margins; partially offset by higher credit impairment charges and increased headcount and technology investment to support business growth and regulatory requirements as well as inflationary pressure



on 1H23

Commodities and Global Markets¹ (CGM)

Decreased revenue from Commodities lending and financing businesses due to specific credits in the energy sector partially offset by an increased contribution from Asset Finance driven by portfolio growth in TMT, Shipping Finance and Structured Lending



on 1H23

Commodities and Global Markets¹ (CGM)

Decreased contribution from Commodities risk management, particularly from Resources and EMEA Gas, Power and Emissions as volatility and price movements stabilised across commodity markets following record highs in the prior corresponding period, in addition to higher operating expenses

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.

1H24 net profit contribution from Operating Groups

\$A2,858m down 51% on 2H23

Annuity-style activities

\$A1,296m  **↓ 30%**
ON 2H23

Markets-facing activities

\$A1,562m  **↓ 60%**
ON 2H23

Non-Banking Group



on 2H23

Macquarie Asset Management (MAM)

Decrease driven by timing of asset realisations in green investments and lower performance fees partially offset by lower operating expenses. Base fees in line with the prior period



on 2H23

Macquarie Capital (MacCap)

Higher investment-related income driven by net interest income, gains on a small number of investments and lower credit and other impairment charges. Advisory fee income down, partially offset by higher capital markets fee income. Higher operating expenses in the current period

Banking Group



on 2H23

Banking and Financial Services (BFS)

Growth in the loan portfolio and BFS deposits; partially offset by margin compression and increased headcount and technology investment to support business growth and regulatory requirements as well as inflationary pressure



on 2H23

Commodities and Global Markets¹ (CGM)

Decreased revenue from Commodities lending and financing businesses due to specific credits in the energy sector and a decreased contribution from Asset Finance due to the timing of modelled provision releases in the prior period



on 2H23

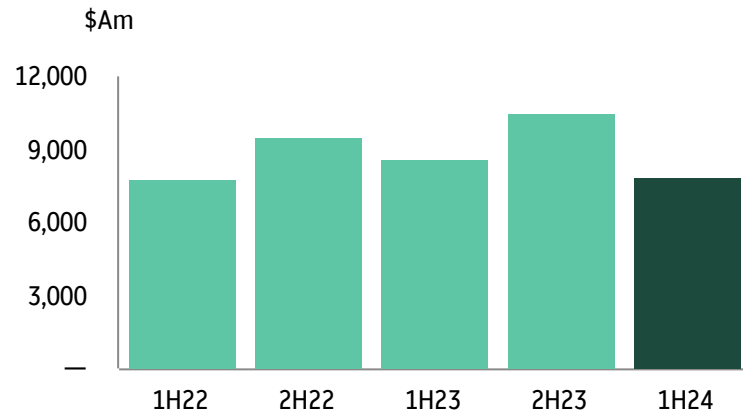
Commodities and Global Markets¹ (CGM)

Decreased contribution from Commodities inventory management and trading and risk management largely driven by significant trading gains in North American Gas, Power and Emissions in the prior period. Risk management revenue decreased in EMEA Gas, Power and Emissions and Resources. Decrease in Commodities revenues were partially offset by a strong performance from Financial Markets across major products and markets from client hedging and financing activity

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.

Financial performance

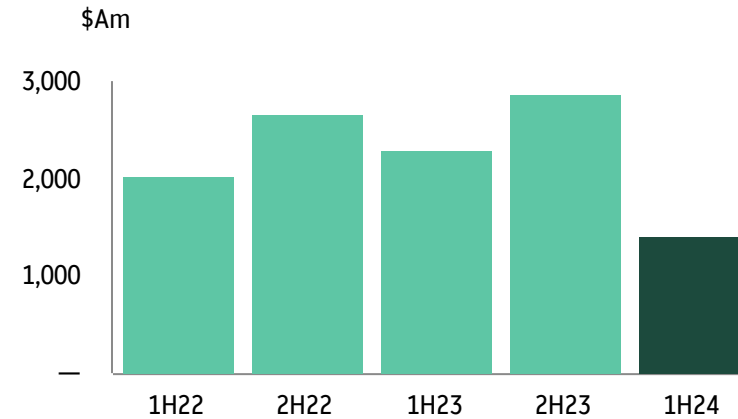
Operating income



1H24
\$A7,910m

↓ 8%
ON 1H23
↓ 25%
ON 2H23

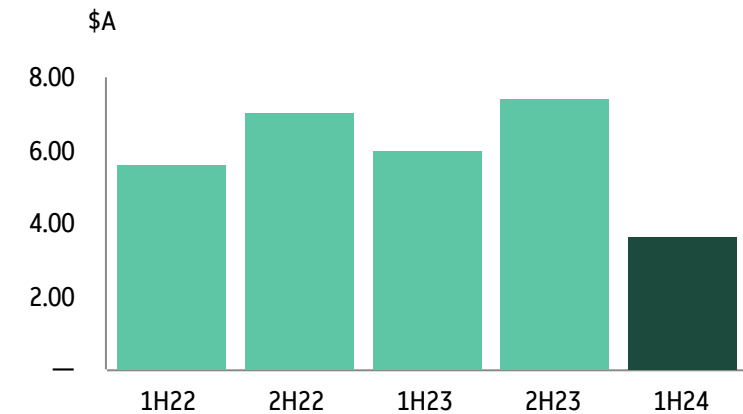
Profit



1H24
\$A1,415m

↓ 39%
ON 1H23
↓ 51%
ON 2H23

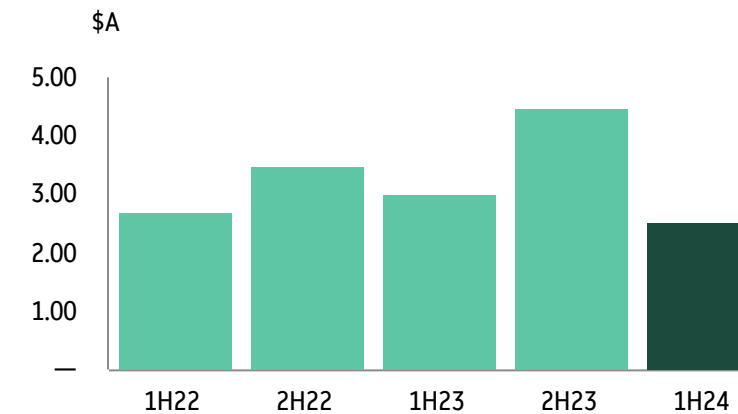
EPS



1H24
\$A3.69

↓ 39%
ON 1H23
↓ 51%
ON 2H23

DPS



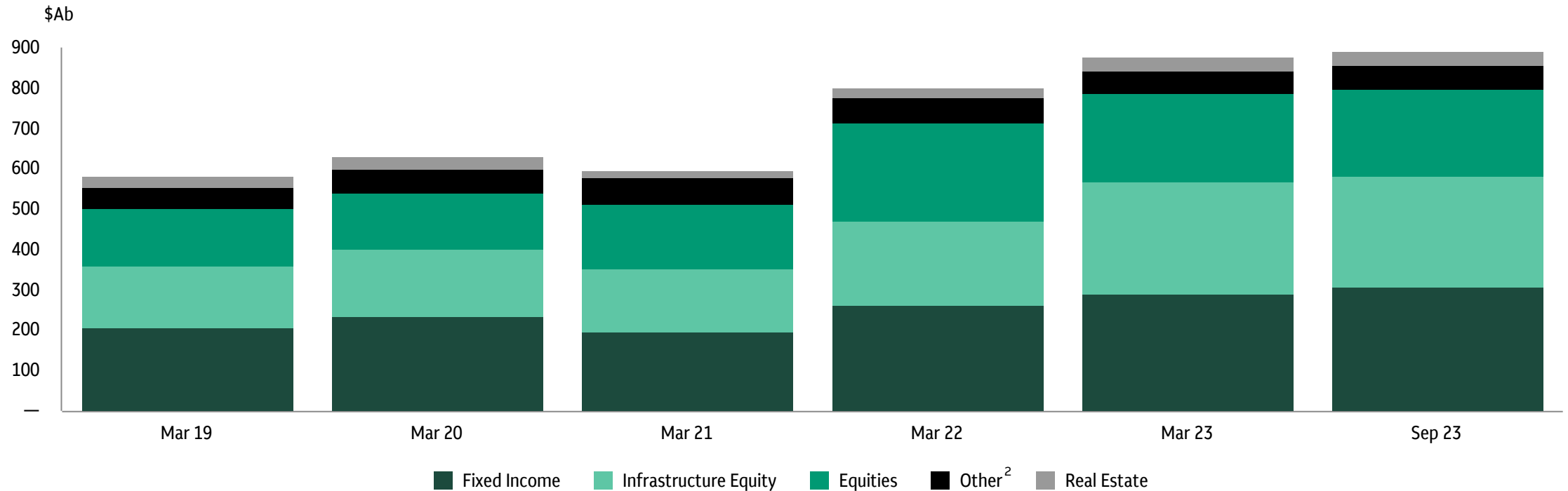
1H24
\$A2.55

↓ 15%
ON 1H23
↓ 43%
ON 2H23

Assets under management of \$A892.0b

AUM increased 2% from \$A878.6b¹ as at 31 Mar 23

Increase due to investments made by Private Markets-managed funds and favourable foreign exchange movements, partially offset by reduction of co-investment management rights



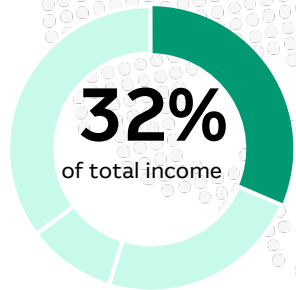
1. MAM Private Markets Assets under Management (AUM) includes equity yet to deploy and equity committed to assets but not yet deployed. Prior periods have been restated to reflect the change. 2. Includes equity yet to deploy and equity committed to assets but not yet deployed.
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Diversification by region

International income 65% of total income¹

Total staff² 21,270 of which 50% international. A further ~237,000 people employed across managed fund assets and investments³

Americas



3,320

Total income
\$A2,340m

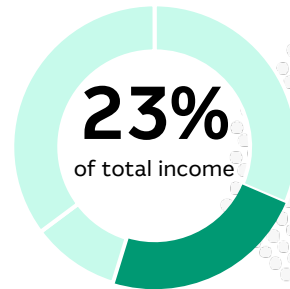
Assets under management⁵

\$A382.8b

Employing ~61,000 people³

CANADA	USA	
Calgary	Boise	New York
Montreal	Boston	Orlando
Toronto	Chicago	Philadelphia
Vancouver	Dallas	San Diego
	Houston	San Francisco
LATIN AMERICA	Jacksonville	San Jose
Mexico City	Kansas	Seattle
Santiago	Los Angeles	Walnut Creek
Sao Paulo	Minneapolis	
	Nashville	

EMEA



3,055

Total income
\$A1,732m

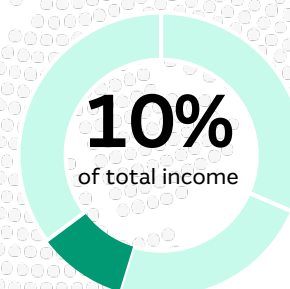
Assets under management⁵

\$A186.2b

Employing ~94,000 people³

EUROPE		MIDDLE EAST
Amsterdam	Luxembourg	Dubai
Braintree	Madrid	
Brussels	Milan	SOUTH AFRICA
Coventry	Munich	Johannesburg
Dublin	Paris	
Edinburgh	Prague	
Frankfurt	Solihull	
Geneva	Vienna	
Limerick	Watford	
London	Zurich	

Asia



4,363

Total income
\$A748m

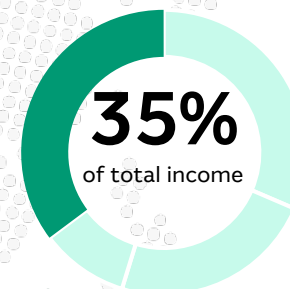
Assets under management⁵

\$A49.5b

Employing ~66,000 people³

ASIA	
Bangkok	Manila
Beijing	Mumbai
Dongguan	Seoul
Gurugram	Shanghai
Hong Kong	Singapore
Hsin-Chu	Taipei
Jakarta	Tokyo
Kuala Lumpur	

Australia⁴



10,532

Total income
\$A2,618m

Assets under management⁵

\$A273.5b

Employing ~16,000 people³

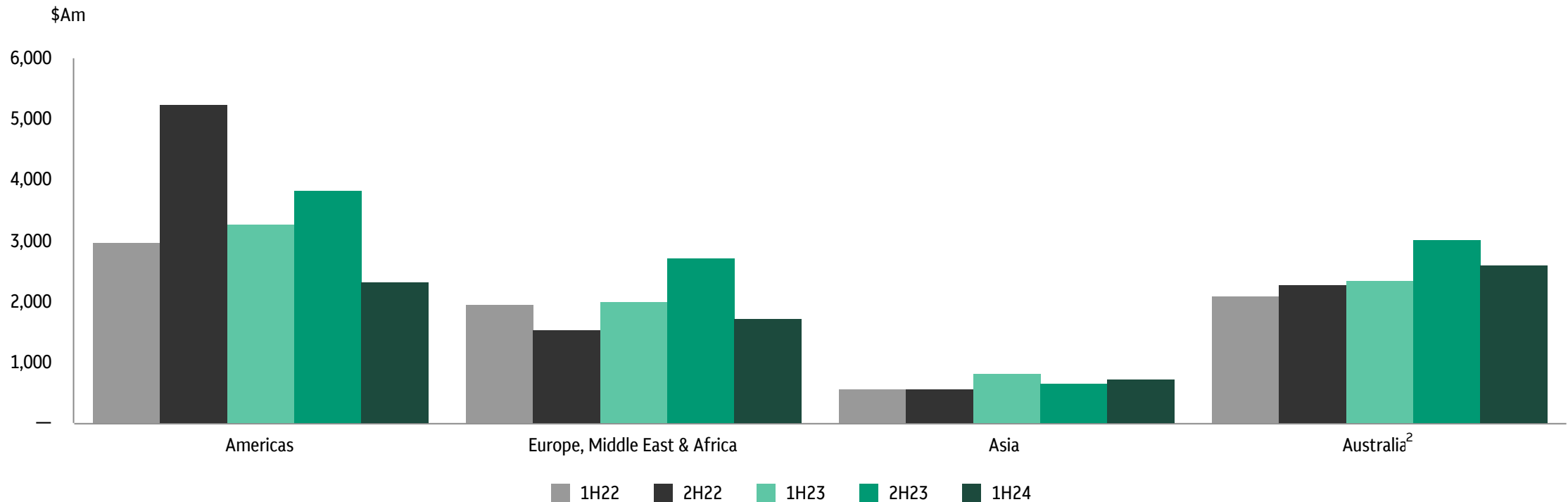
AUSTRALIA		NEW ZEALAND
Adelaide	Melbourne	Auckland
Brisbane	Newcastle	Wellington
Canberra	Perth	
Gold Coast	Sydney	
Manly		

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. 5. MAM Private Markets Assets under Management (AUM) includes equity yet to deploy and equity committed to assets but not yet deployed.

Diversification by region

65% of total income¹ in 1H24 was generated offshore

Total income



1. Net operating income excluding earnings on capital and other corporate items. 2. Includes New Zealand

Macquarie Asset Management

Operating income
\$A1,693m

↓ **35%**

ON 1H23

↓ **28%**

ON 2H23

Net profit contribution
\$A407m

↓ **71%**

ON 1H23

↓ **57%**

ON 2H23

AUM¹
\$A892.0b

↑ **2%**

ON Mar 23

MAM
~14%



MAM

- Broadened and deepened client relationships with growth across institutional and wealth channels, including increasing private wealth capital access to alternative asset classes and expanding our insurance partnerships
- Continued focus on delivering the energy transition with 14GW of green energy assets in operation, 2GW under construction and 90GW+ in development²
- From 1 Nov 23, establishing Credit as a division, combining the expertise and investment capabilities across Private Credit, Asset Finance and Public Investments Fixed Income, to create a global integrated credit platform with broad offering to clients

Private Markets

- **\$A345.1b in assets under management¹, broadly in line with 31 Mar 23**, with increases due to investments made by Private Markets-managed funds and favourable foreign exchange movements, offset by reduction of co-investment management rights
- **\$A210.0b in equity under management³, up 2% on 31 Mar 23**, primarily driven by raisings and foreign exchange movements, partially offset by reduction of co-investment management rights
- **Raised \$A8.0b in new equity** from clients across a diverse range of strategies, including regional and global infrastructure, energy transition and secondaries funds
- Reached initial close of Macquarie's first energy transition fund, Macquarie Green Investment Group Energy Transition Solutions (MGETS) in Oct 23 with \$US1.7b raised. The fund will target the next phase of the energy transition
- Continuing to invest in existing and new green platforms as MAM Green Investments transitions to a fiduciary business
- **Invested \$A7.8b of equity**, across 22 new investments, including: 10 real assets, 10 real estate and 2 private credit investments
- **\$A3.1b of equity returned to clients from divestments**, including the sale of Ceres, SK Shieldus and Offshore Wind Company
- **\$A35.3b of equity to deploy**
- **No. 1 infrastructure investment manager** globally since ranking inception⁴
- **No. 4 infrastructure debt manager⁵** with \$A28.7b of AUM¹

Public Investments

- **\$A546.9b in assets under management⁶, up 2% on 31 Mar 23**, primarily driven by favourable foreign exchange movements and net flows, partially offset by market movements. Public Investments AUM includes
 - **\$A309.4b AUM⁶ in Fixed income**, up 6% on 31 Mar 23
 - **\$A213.6b AUM⁶ in Equities**, down 3% on 31 Mar 23
 - **\$A23.9b AUM⁶ in Alternatives and Multi-Assets**, up 1% on 31 Mar 23
- Continued strong fund performance, with 67% of assets under management outperforming their respective 3-year benchmarks⁶
- Ongoing focus on digitalisation, data and automation of Global Equity trading platform to improve efficiency
- Australia, Winner of the 2023 Investment Manager of the Year Award⁷
- Active Fixed Income Mutual Fund of the Year 2022⁸

Note: Chart is based on 1H24 net profit contribution from Operating Groups. 1. As at 30 Sep 23. Private Markets Assets under Management (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. Private Markets AUM includes equity yet to deploy and equity committed to assets but not yet deployed. Prior periods have been restated to reflect the change. 2. As at 31 Mar 23 on our balance sheet or under Macquarie management. Excludes lending and private credit funds. GW of green energy assets reflect 100% generating capacity of each asset, not the proportion owned or managed by Macquarie. 3. Private Markets' total Equity under Management 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. 4. IPE Real Assets (Jul 23), ranking is based on infrastructure AUM as at 31 Mar 23. 5. Infrastructure Investor (Nov 22). The ranking is based on the amount of infrastructure direct investment capital raised by firms between 1 Jan 17 and 31 Aug 22. 6. As at 30 Sep 23. 7. Financial Standard Investment Leadership Awards. 8. Delaware National High-Yield Municipal Bond Fund was the recipient of the With Intelligence Mutual Fund & ETF Awards 2022 for Active Fixed Income Mutual Fund of the Year.

Banking and Financial Services

Operating income

\$A1,609m

↑ **13%**

ON 1H23

↑ **5%**

ON 2H23

Net profit contribution

\$A638m

↑ **10%**

ON 1H23

↑ **3%**

ON 2H23

Home loan portfolio summary 30 Sep 23

Average LVR at Origination (%)^{1,2} **65 %**

Average Dynamic LVR (%)^{2,3} **52 %**

% Owner Occupied **66 %**

% Principal and Interest **77 %**

% Fixed Rate⁴ **17 %**

BFS
~22%



Personal Banking

- **Home loan portfolio of \$A114.2b**, up 6% on Mar 23, representing approximately 5.1% of the Australian market
- Home loan growth driven by strong demand in lower loan-to-value ratio (LVR) and owner-occupier lending tiers
- Macquarie named the MFAA's Major Lender of the Year at the 2023 MFAA National Excellence Awards for the fourth year in a row
- Car loan portfolio of \$A5.2b, down 15% on Mar 23⁵
- Continued growth in electric vehicle settlement volumes and launched the Macquarie Electric Vehicle Savings Calculator

Business Banking

- **Business Banking loan portfolio of \$A14.6b**, up 12% on Mar 23
- Business Banking loan growth driven by an increase in client acquisition across core segments and a continued build into emerging segments
- Continued investment in digital solutions for enhanced client experience and to serve clients more efficiently

Wealth Management

- **Funds on platform of \$A125.1b**, up 2% on Mar 23, as strong net flows of \$A1.7b⁶ were partially offset by adverse market movements
- Continued expansion of the Macquarie Wrap managed accounts offering, with managed accounts funds under administration of \$A11.8b, up from \$A10.5b at Mar 23
- Continued new client growth in Macquarie's Private Bank, with an ongoing focus on the high net worth segment

Deposits

- **BFS deposits⁷ of \$A131.2b**, up 1% on Mar 23, representing approximately 4.8% of the Australian market, with continued diversification of deposits base
- The Macquarie Savings Account awarded Canstar's Outstanding Value Savings Account 2023 and the Macquarie Transaction Account named Canstar's Outstanding Value Transaction Account 2023
- The Macquarie Business Savings Account awarded Canstar's 2023 Outstanding Value - Business Savings Account

Client numbers approximately **1.8 million**

Note: Chart is based on 1H24 net profit contribution from Operating Groups. 1. Based on accounts still on books as at 30 Sep 23. 2. Weighted by size of loan. 3. Property valuation source is CoreLogic, with Aug valuations applied to Sep reporting. 4. Net current balance basis. 5. Business Banking car loan portfolio continues to be in run-off following the sale of the dealer finance business in Dec 21. As the residual balance is immaterial, it has been consolidated in the Personal Banking car loan portfolio. 6. For the half year to 30 Sep 23, Administrator view. 7. BFS deposits include home loan offset accounts and exclude corporate/wholesale deposits.

Commodities and Global Markets

Operating income
\$A2,929m ↓ **10%**
ON 1H23

↓ **47%**
ON 2H23

Net profit contribution
\$A1,383m ↓ **31%**
ON 1H23

↓ **66%**
ON 2H23

40+ years of client partnership

CGM
 ~49%



Asset Finance 11%¹

- Continued positive performance and contribution across all industries
- Total portfolio of \$A6.7b, up 8% from \$A6.2b at 31 Mar 23
- Particularly strong origination and portfolio growth in Advanced Technology and Shipping Finance

Commodity Markets 56%¹

- Decreased Commodities risk management income particularly from Resources and EMEA Gas, Power and Emissions due to decreased client hedging and trading activity as volatility and price movements stabilised across commodity markets following record highs in the prior corresponding period. These reductions were partially offset by an increased contribution across Agricultural markets
- Decreased Commodities inventory management and trading income driven by a reduction in trading activity in North American Gas and Power. This was largely offset by the favourable impact of timing of income recognition primarily on North American and EMEA Gas and Power storage and transport contracts
- Named House of the Year for Oil and Products², Electricity², Commodities Research^{2,3}, Derivatives³, Environmental Products³, Commodity Trade Finance³, Natural Gas/LNG³, and Emissions³

- Increased Lending and Financing income due to increased volumes across Energy and Resources sectors

Financial Markets 33%¹

Foreign exchange, interest rates and credit

- Strong client activity globally driven by increased volatility across FX and rates
- Consistent contribution from financing activity with continued strong performance from the Americas and growth in European client engagement

Futures

- Improved commission and interest revenues across all regions driven by increased global interest rates
- No. 1 Futures Broker on the ASX⁴

Note: Chart is based on 1H24 net profit contribution from Operating Groups. 1. Percentages are based on net profit contribution before impairment charges. 2. Energy Risk Awards 2023. 3. Energy Risk Awards Asia 2023. 4. ASX Futures (SFE) Monthly Report Sep 23.

Macquarie Capital

Operating income
\$A1,220m

↓ **5%**
ON 1H23

↑ **30%**
ON 2H23

Net profit contribution
\$A430m

↓ **28%**
ON 1H23

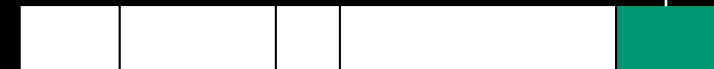
↑ **109%**
ON 2H23

130 transactions
valued at
\$A172b

150 transactions
\$A164b
IN 1H23¹

in 1H24¹

MacCap
~15%



MacCap

- Investing in areas of deep expertise. During 1H24, investments completed in sub-sectors such as Digital Infrastructure, Energy Transition, Fibre Optic Networks, FinTech, Government Services, IT Services and Software Services
- As at 30 Sep 23, committed private credit portfolio grew to over \$A20b, with more than \$A1.5b deployed in the period through focussed investment in credit markets and bespoke financing solutions
- Equities business is well-positioned to leverage returning capital flow to Equity Markets, delivering as a specialist APAC broker
- No. 1 in ANZ for M&A² over the past decade
- No. 1 in ANZ for ECM³ YTD
- No. 1 Global Infrastructure Financial Adviser 1HCY23⁴
- Government Partnerships Excellence Award, ANZ - VicRoads⁵
- Mid-Market M&A Deal of the Year, US - Streetlight Data⁶
- Best Equities Conference for Australasian Listed Entities⁷
- Best International Investor Access for Australasian Listed Entities⁸

Advisory and Capital Markets

Principal

Global advisory and principal investing business providing integrated solutions leveraging our expertise, client networks and reach, along with our ability to invest across the capital structure with our clients and partners.

Fee income broadly in line with 1H23

- Financial Adviser to NextDecade Corporation in connection with the equity financing for the total \$US18.4b commitment for Phase 1 of the Rio Grande LNG export facility, the largest greenfield energy project financing in US history
- Joint Lead Manager, Underwriter and Bookrunner for the largest ASX capital raising this year, Orora Limited's ~\$A1.3b equity raising to support their ~\$A2.2b acquisition of Saverglass SAS
- Exclusive Financial Adviser to Light & Wonder on its \$US500m acquisition of the publicly-traded shares of SciPlay (implied enterprise value of ~\$US2.5b), a leading developer and publisher of digital games on mobile and web platforms
- Advised I Squared Capital on its acquisition of Enva, a leading provider of recycling and resource recovery solutions for specialised and general waste streams in the UK and Ireland
- Lead Financial Adviser to Impala Platinum on its acquisition of Royal Bafokeng Platinum Ltd for ~\$US2.1b in South Africa

Investment-related income down on 1H23 due to the non-recurrence of material asset realisations, partially offset by higher net interest income and gains on a small number of investments

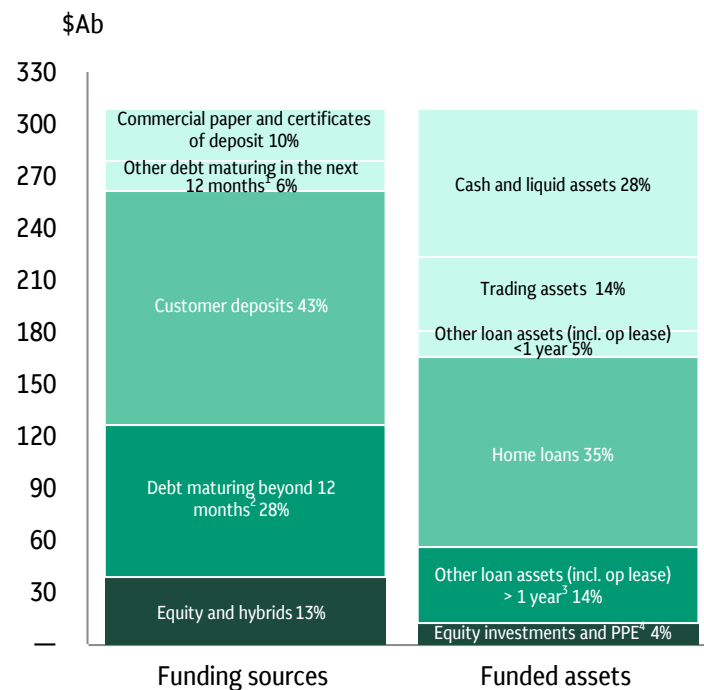
- Supported Partners Group's refinancing of Civica, a leading GovTech company serving customers across government, healthcare and education in the UK, APAC and US
- Acquired Zenzero, a managed and professional services provider of IT support (including cloud and security services) across the UK
- Invested in KevlinX, a pan-European data centre platform that develops and operates high-performance data centres for large enterprises, governments and cloud companies
- Invested in Simon Data, a customer data platform offering marketing technology solutions, to support its continued customer growth and expand its product offerings
- Supported PayIt, in its acquisition of S3 to expand PayIt's government focussed payments offering into outdoor recreation licensing and permitting solutions

Note: Chart is based on 1H24 net profit contribution from Operating Groups. 1. Source: 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. Comparatives are presented as previously reported. 2. Dealogic (1 Oct 13 to 30 Sep 23 completed and announced by deal count). 3. Dealogic (1 Jan 23 to 30 Sep 23 by value). 4. Inspiratia (1 Jan 23 to 30 Jun 23, by deal value). 5. IPA National Infrastructure Awards 2023. 6. M&A Mid-Market Awards 2023. 7. Australasian Investor Relations Association 2023 Sell-Side Awards - Macquarie Australia Conference - Sydney. 8. Australasian Investor Relations Association 2023 Sell-Side Awards (equal first place).

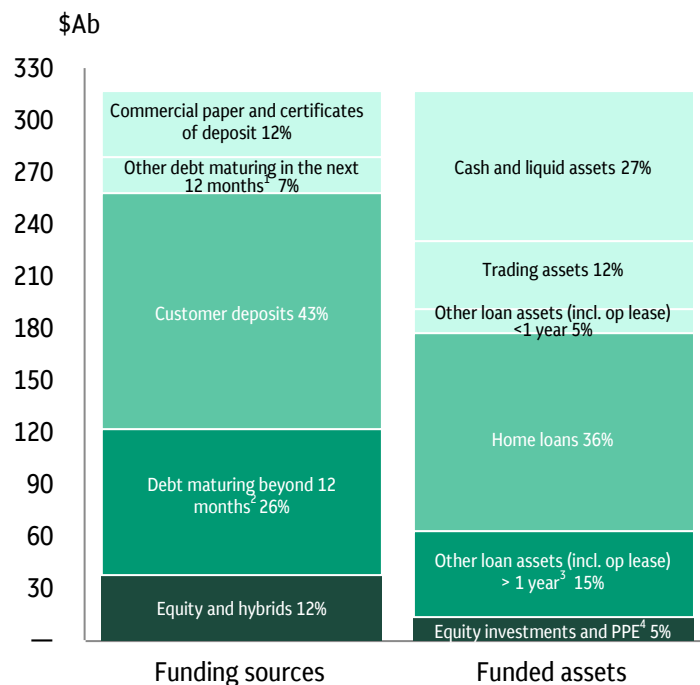
Funded balance sheet remains strong

Term liabilities exceed term assets

31 Mar 23



30 Sep 23



Total customer deposits⁵
\$A135.8b ↑ 1%
FROM MAR 23

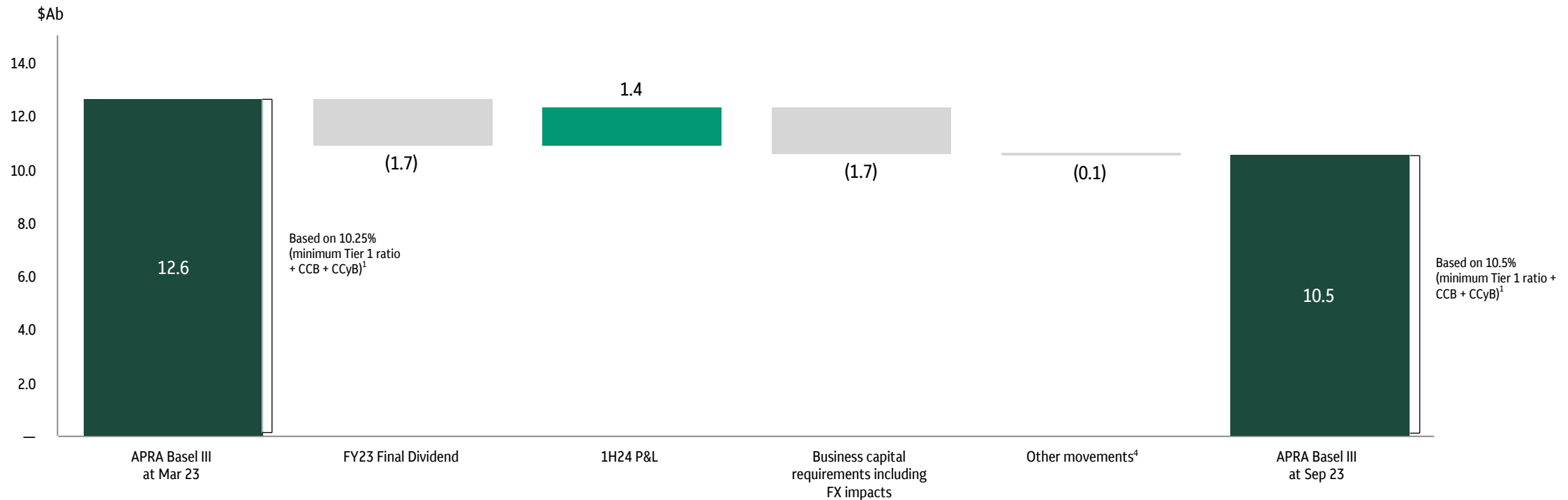
Term funding raised⁶
\$A8.3b Since
MAR 23

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. For details regarding reconciliation of the funded balance sheet to Macquarie's statutory balance sheet refer to slide 60. 1. Other debt maturing in the next 12 months includes Secured funding (including RBA TFF), Bonds, Structured notes, Unsecured loans and Net trade creditors. 2. Debt maturing beyond 12 months includes Subordinated debt, Structured notes, Secured funding (including RBA TFF as at 31 Mar 23), Bonds and Unsecured loans not maturing within next 12 months. 3. Other loan assets (incl. op lease) > 1 year includes Debt investments. 4. Equity investments and PPE includes Macquarie's co-investments in Macquarie-managed funds and other equity investments. 5. Total customer deposits as per the funded balance sheet (\$A135.8b) differs from total deposits as per the statutory balance sheet (\$A136.0b). The funded balance sheet reclassifies certain balances to other funded balance sheet categories. 6. 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.

Basel III Group capital position

- Strong capital position to support business activity and invest in new opportunities where expected risk adjusted returns are attractive
- APRA Basel III Group capital surplus of \$A10.5b^{1,2}
- APRA Basel III Level 2 CET1 ratio: 13.2%; Harmonised Basel III Level 2 CET1 ratio: 18.0%³

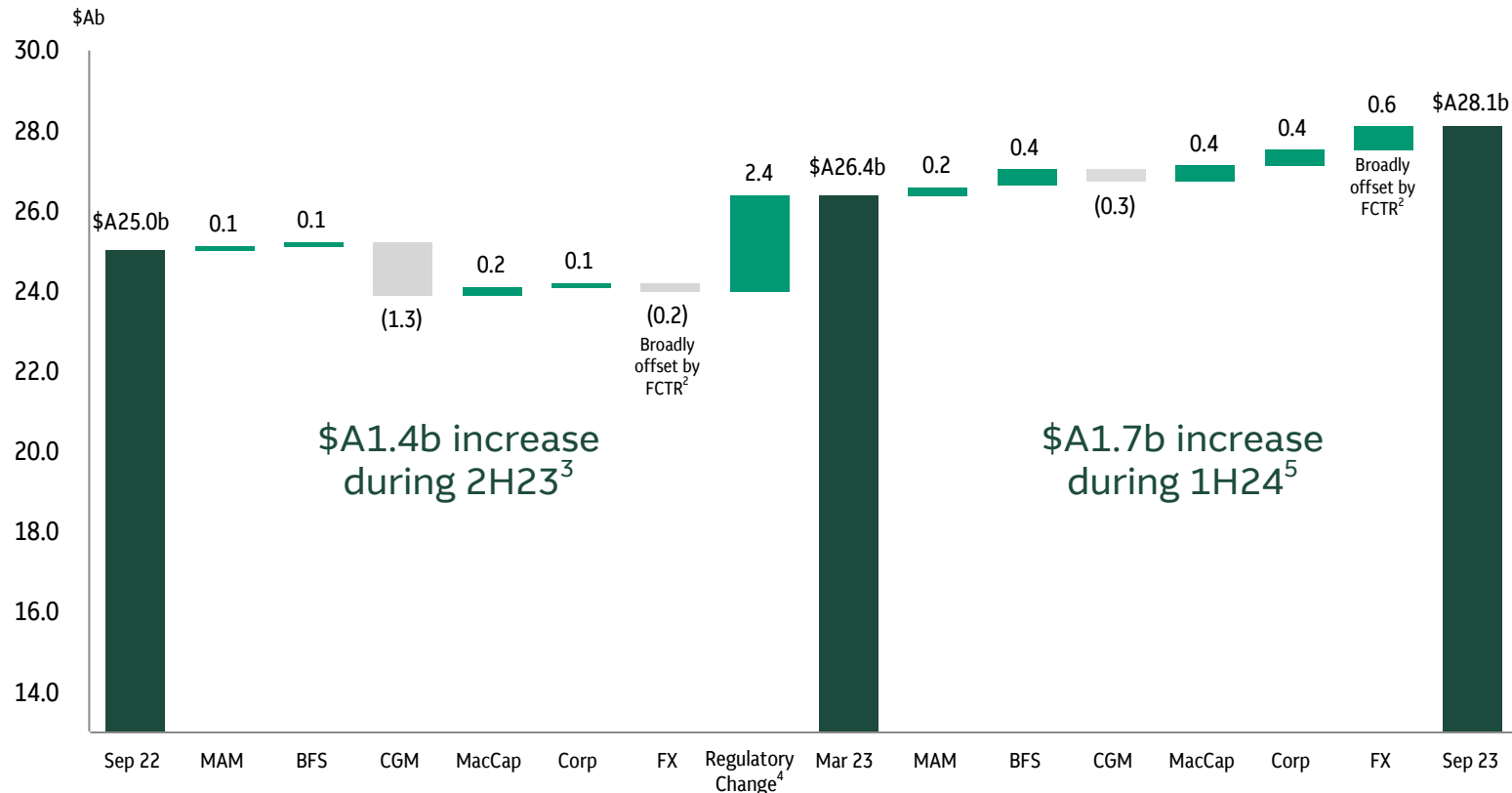
Group capital surplus



1. The Group capital surplus is the amount of capital above APRA regulatory requirements. Bank Group regulatory requirements are calculated in accordance with Prudential Standard APS 110 Capital Adequacy (APS 110), at 10.5% of RWA (Mar 23: 10.25%). This includes the industry minimum Tier 1 requirement of 6.0%, capital conservation buffer (CCB) of 3.75% and a countercyclical capital buffer (CCyB). The CCyB of the Bank Group at Sep 23 is 0.71% (Mar 23: 0.61%), this is rounded to 0.75% (Mar 23: 0.5%) 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. 2. The surplus reported includes provisions for internal capital buffers and differences between Level 1 and Level 2 requirements, including the \$A500m operational capital overlay imposed by APRA. 3. 'Harmonised' Basel III estimates are calculated in accordance with the updated BCBS Basel III framework, noting that MBL is not regulated by the BCBS and so impacts shown are indicative only. 4. Includes treasury shares purchase for Macquarie Group Employee Retained Equity Plan, movements in foreign currency translation reserve (FCTR), share-based payment reserve and other movements.

Business capital requirements¹

1H24 business capital requirement growth of \$A1.1b excluding FX movements



1H24 Key drivers

MAM

- Growth in fund co-investments and underwrites to seed core and adjacent fund opportunities

BFS

- Growth in home loans and business banking

CGM

- Reduction in credit risk exposures driven by movement in commodity prices

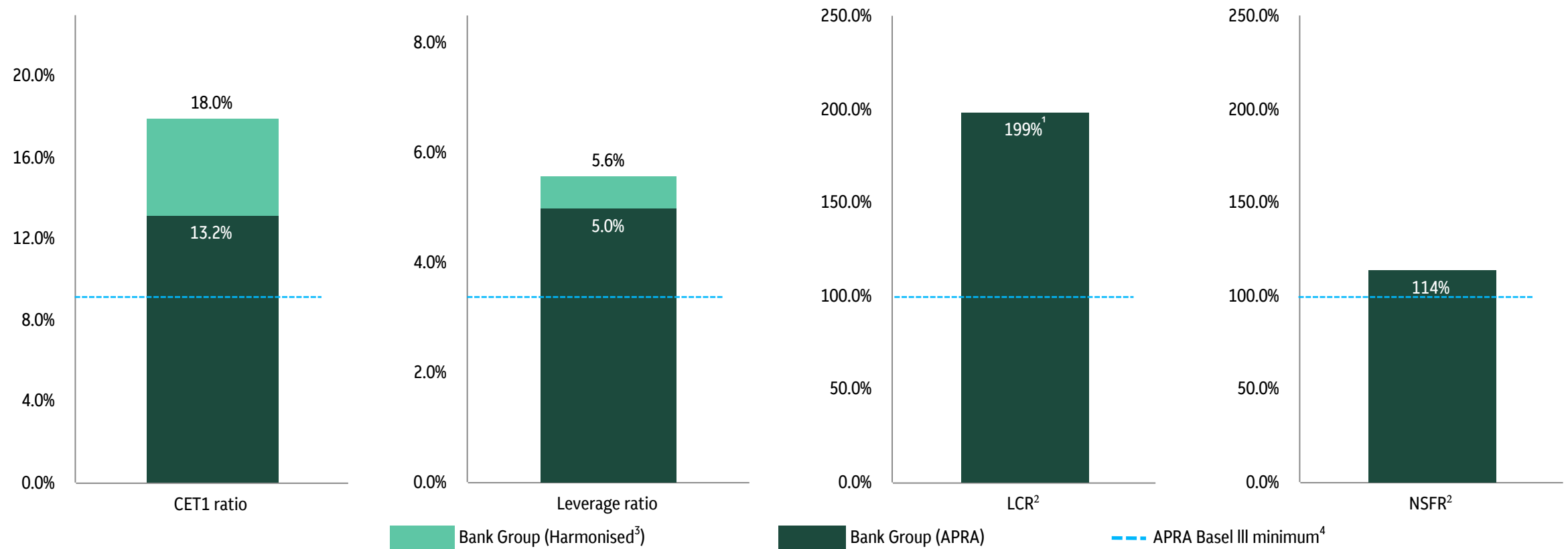
Macquarie Capital

- Increase due to equity and private credit deployment

1. Regulatory capital requirements are calculated in accordance with APS 110, at 10.5% of RWA (Mar 23: 10.25%; Sep 22: 8.5%). 2. The FCTR forms part of capital supply and broadly offsets FX movements in capital requirements. 3. 2H23 business capital requirement reduced by \$A0.8b excluding FX movements and regulatory changes. 4. Relates to APRA's new "Unquestionably Strong" bank capital framework which came into effect from 1 Jan 23. 5. 1H24 movement includes \$A0.3b increase driven by higher CCyB requirement (Sep 23: 0.75%; Mar 23: 0.50%).

Strong regulatory ratios

Bank Group Level 2 Ratios (Sep 23)



1. Average LCR for Sep 23 quarter is based on an average of daily observations. 2. 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 21. The LCR Net Cash Outflow add-on increased to 25% from 1 May 22. 3. 'Harmonised' Basel III estimates are calculated in accordance with the updated BCBS Basel III framework, noting that MBL is not regulated by the BCBS and so impacts shown are indicative only. 4. The minimum requirement for CET1 ratio per APS 110 is 9.0% which includes the industry minimum CET1 requirement of 4.5%, CCB of 3.75% and a CCyB. The CCyB of the Bank Group at Sep 23 is 0.71%, which is rounded to 0.75% for presentation purposes. The minimum leverage ratio requirement is 3.5% per APS 110. The minimum requirement for LCR and NSFR is 100% per APS 210 Liquidity.

On-market share buyback

Macquarie has a strong capital position, with a Group capital surplus of \$A10.5b at 30 Sep 23, and intends to buy back up to \$A2b¹ of ordinary shares on-market

On-market share buyback

- To provide additional flexibility to manage the Group's capital position, the MGL Board has approved an on-market share buyback of up to \$A2b¹
- The timing and actual number of shares purchased under the buyback will be subject to a number of factors including the Group's surplus capital position, market conditions and opportunities to deploy capital by the businesses

Capital update

- Macquarie's disciplined approach to capital management combined with exceptional FY22 and FY23 operating performance, generated \$A10.5b in surplus capital after investing \$A1.7b for growth in 1H24
- Strong and conservative balance sheet settings enable the Group to navigate the current economic environment, whilst returning a portion of surplus capital to shareholders
- Macquarie maintains an appropriate surplus capital position to support business activity and invest in new opportunities where expected risk adjusted returns are attractive

1. Macquarie retains the ability to vary, pause or terminate the buyback at any time.
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Interim dividend

1H24 Ordinary Dividend

\$A2.55

(40% franked)

From
 ↓ **\$A3.00**

(40% franked)
 in 1H23

From
 ↓ **\$A4.50**

(40% franked)
 in 2H23

1H24 Record Date

14 Nov 23

1H24 Payment Date

19 Dec 23

DRP shares for
 the 1H24 dividend
 to be sourced
 on-market¹

Payout Ratio²
 1H24

70%

Dividend
 policy remains
 50-70% annual
 payout ratio

1. The DRP pricing period is from 21 Nov 23 to 27 Nov 23. Shares will be issued if purchasing becomes impractical or inadvisable. 2. Payout ratio calculated as estimated number of eligible shares multiplied by dividend per share, divided by profit attributable to MGL shareholders.
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Board update



Wayne Byres

Effective 1 Feb 24, subject to completion of necessary approvals, Wayne Byres will be appointed as a non-executive director of Macquarie Bank Limited (MBL). Following the retirement of Michael Coleman, expected by mid-2024, Mr Byres will be one of three bank-only non-executive directors (BONDs) alongside Ian Saines and David Whiteing and will contribute to strengthening the voice of MBL within the Group.

Mr Byres brings significant experience in domestic and international bank regulation and governance as a former Chair of the Australian Prudential Regulation Authority (APRA) and Secretary General of the Basel Committee on Banking Supervision. He also served as APRA's representative on the Reserve Bank of Australia's Payments System Board. More recently, Mr Byres has been working in an advisory capacity with the International Monetary Fund.

03

Result Analysis and Financial Management

Alex Harvey

Chief Financial Officer

Income statement key drivers

	1H24 \$Am	2H23 \$Am	1H23 \$Am
Net interest and trading income	4,179	6,353	4,170
Fee and commission income	3,119	3,472	3,055
Share of net (losses)/profits from associates and joint ventures	(5)	(52)	(61)
Net credit impairment charges	(6)	(213)	(175)
Other impairment reversals/(charges)	123	45	(111)
Investment income	366	619	1,549
Other income and charges	134	274	197
Net operating income	7,910	10,498	8,624
Employment expenses	(3,734)	(4,090)	(3,613)
Brokerage, commission and fee expenses	(529)	(528)	(500)
Other operating expenses	(1,656)	(1,916)	(1,483)
Total operating expenses	(5,919)	(6,534)	(5,596)
Operating profit before tax and non-controlling interests	1,991	3,964	3,028
Income tax expense	(587)	(1,089)	(735)
Loss attributable to non-controlling interests	11	2	12
Profit attributable to MGL shareholders	1,415	2,877	2,305

Net interest and trading income of \$A4,179m, broadly in line with 1H23

- Growth in the loan portfolio and BFS deposits, and improved average margins from the rising interest rate environment, partially offset by changes in portfolio mix and ongoing lending competition in BFS
- Higher net interest income from the private credit portfolio and non-recurrence of mark-to-market losses on certain debt underwriting positions in Macquarie Capital
- Higher earnings on capital reflecting higher central bank rates

Partially offset by:

- Lower risk management revenue on a strong prior corresponding period, primarily in Resources and EMEA Gas, Power and Emissions, partially offset by an increased contribution across Agricultural markets in CGM

Fee and commission income of \$A3,119m, up 2% on 1H23

- Higher base fees in Private Markets due to fundraising and investments made by Private Markets-managed funds and mandates as well as favourable foreign exchange movements, partially offset by asset realisations in Private Markets-managed funds in MAM
- Higher fee and commission income due to increased activity in futures and risk premia products in CGM
- Higher fee income due to increased administration fees from growth in average funds on platform and higher lending and transaction volumes in BFS

Partially offset by:

- Lower base fees in Public Investments primarily driven by outflows in equity strategies, partially offset by foreign exchange movements in MAM
- Lower capital markets fee income due to weaker market activity in Macquarie Capital

Credit and other impairment reversals of \$A117m, significantly up on 1H23

- Reversal of impairments recognised on a small number of previously underperforming assets and equity investments in MAM and Macquarie Capital
- Release of credit provisions reflecting normalisation in sector and counterparty exposures as certain commodity prices normalised in CGM
- Lower origination credit provisions on the private credit portfolio in Macquarie Capital due to lower deployment in the current period

Partially offset by:

- Increase in specific provisions on a small number of underperforming positions
- Portfolio growth in BFS

Investment income of \$A366m, down 76% on 1H23

- Substantially lower gains on sale of investments in the green energy sector due to timing of asset realisations in MAM
- Non-recurrence of material asset realisations in the Americas and Europe in Macquarie Capital

Partially offset by:

- Gains on a small number of investments in Macquarie Capital

Total operating expenses of \$A5,919m, up 6% on 1H23

- Higher salary and related expenses from higher average headcount and wage inflation
- Unfavourable foreign exchange movements
- Increased investment in technology initiatives, with focus on data and digitalisation to support business activity and compliance

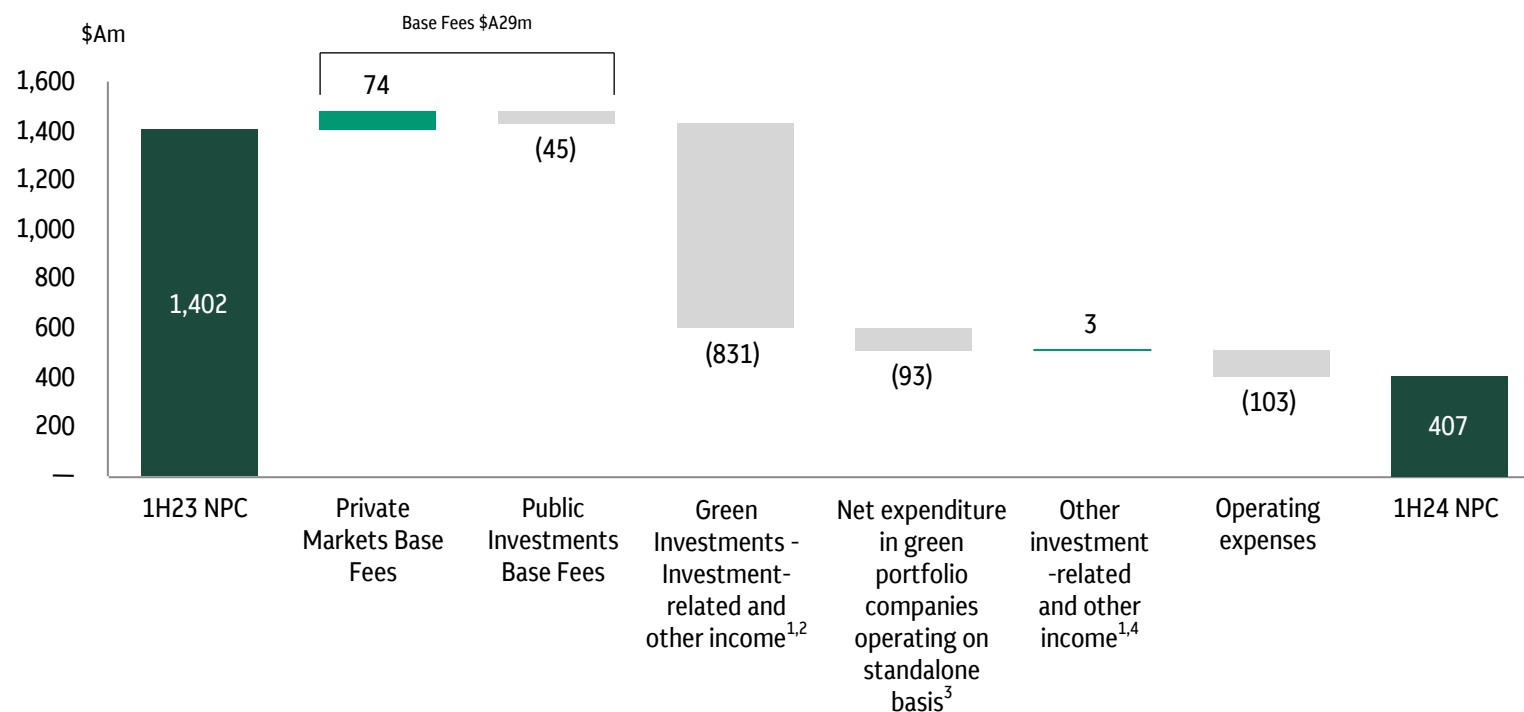
Partially offset by:

- Lower profit share expense mainly as a result of the performance of the Group

Income tax expense of \$A587m. The higher effective tax rate on 1H23 was mainly driven by the geographic composition and nature of earnings

Macquarie Asset Management

Decrease primarily driven by substantially lower investment-related and other income in green investments, due to timing of asset realisations



1. Investment-related income includes net income on equity, debt and other investments, share of net profits/(losses) from associates and joint ventures, credit and other impairment reversals/(charges). Other income includes net interest and trading expense, other fee and commission income, performance fees, other (expenses)/income, internal management revenue and non-controlling interests. 2. Excludes Net expenditure in green portfolio companies operating on a standalone basis being disclosed separately. 3. Represents net profit/(losses) from subsidiaries held for investment purposes held within the green investment portfolio as recognised in other (expenses)/income. 4. Other investment-related and other income includes total MAM investment-related and other income excluding green investments - investment-related and other income.

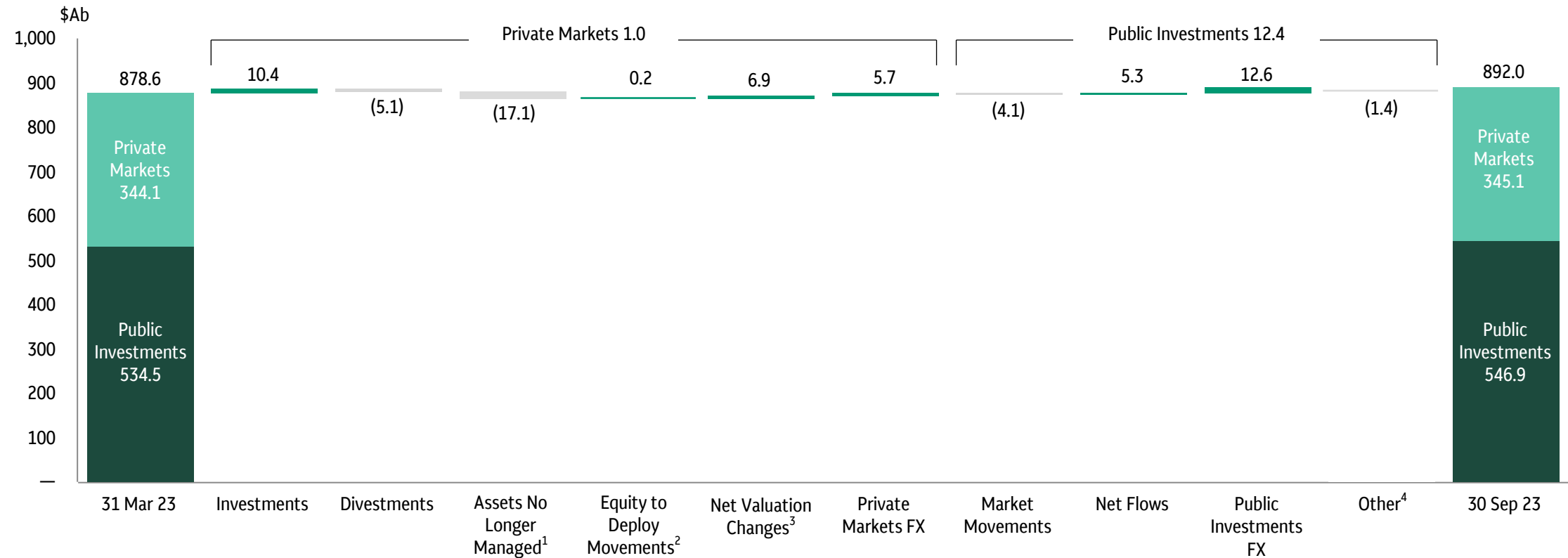
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Key drivers

- Higher Private Markets base fees primarily due to fundraising and investments made by Private Markets-managed funds and mandates as well as favourable foreign exchange movements, partially offset by asset realisations in Private Markets-managed funds
- Lower Public Investments base fees primarily due to outflows in Public Investments equity strategies, partially offset by favourable foreign exchange movements
- Substantially lower green investments investment-related and other income primarily driven by the timing of asset realisations
- Increased net expenditure in investments in green energy portfolio companies operating on a standalone basis primarily driven by increased activity
- Higher operating expenses primarily driven by foreign exchange movements, a one-off legacy matter, technology investment and employment costs

MAM AUM movement

Increase due to investments made by Private Markets-managed funds and favourable foreign exchange movements, partially offset by reduction of co-investment management rights

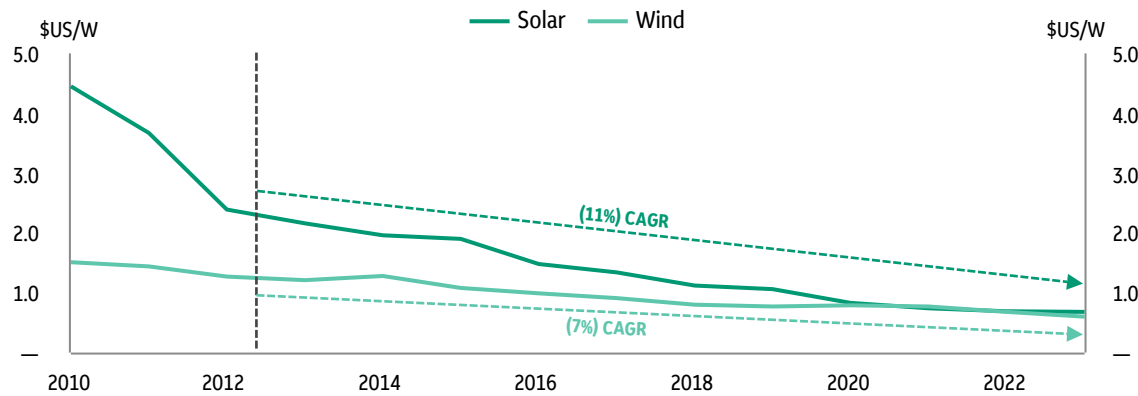


Note: 31 Mar 23 AUM has been restated to include equity committed to assets but not yet deployed. 1. Assets no longer managed represents reduction of co-investment management rights. 2. Includes equity committed to assets but not yet deployed. 3. Net valuation changes include net movements in unlisted valuations of portfolio assets, post distributions paid in the period, and listed share price movements. 4. Other includes movements in contractual insurance assets and divestitures.

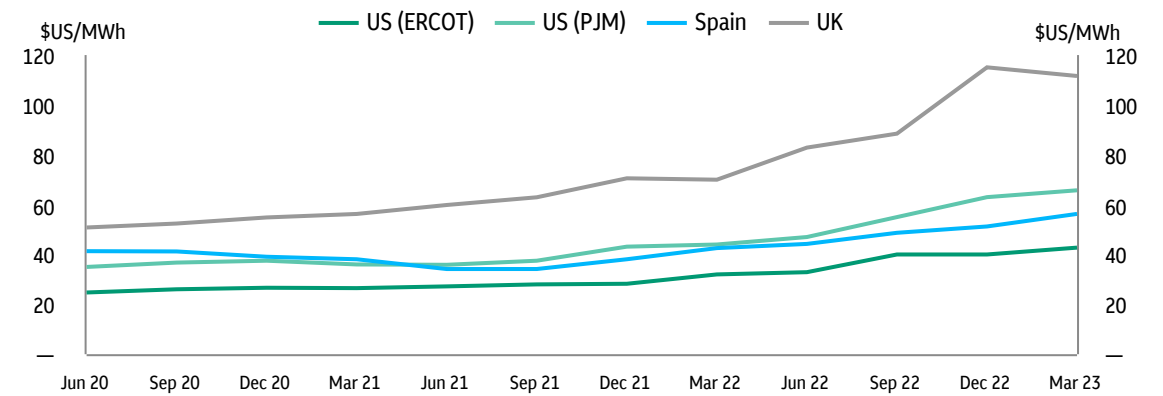
Green investments capex and PPA trends

Recent flattening or increase in capex has been counterbalanced by rising solar and wind PPA prices, supporting required level of returns for investors

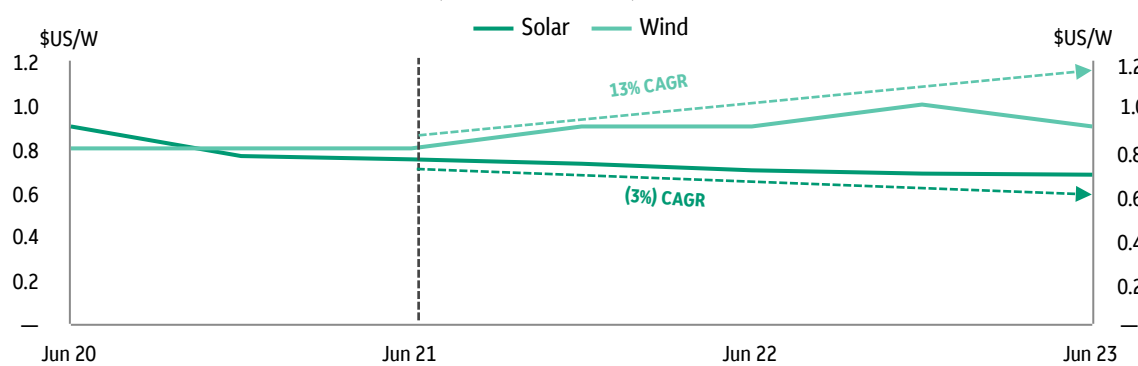
Long-term capex prices are declining



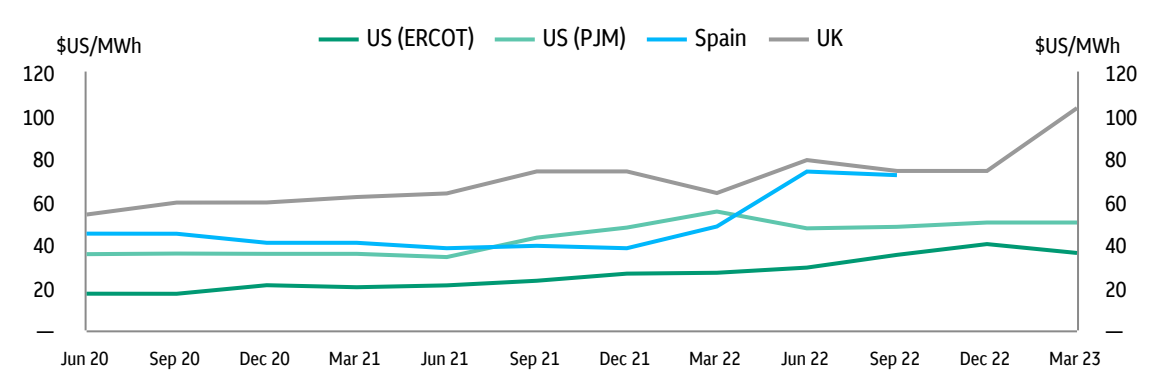
Global solar PPA prices¹



Short-term capex volatility particularly in wind



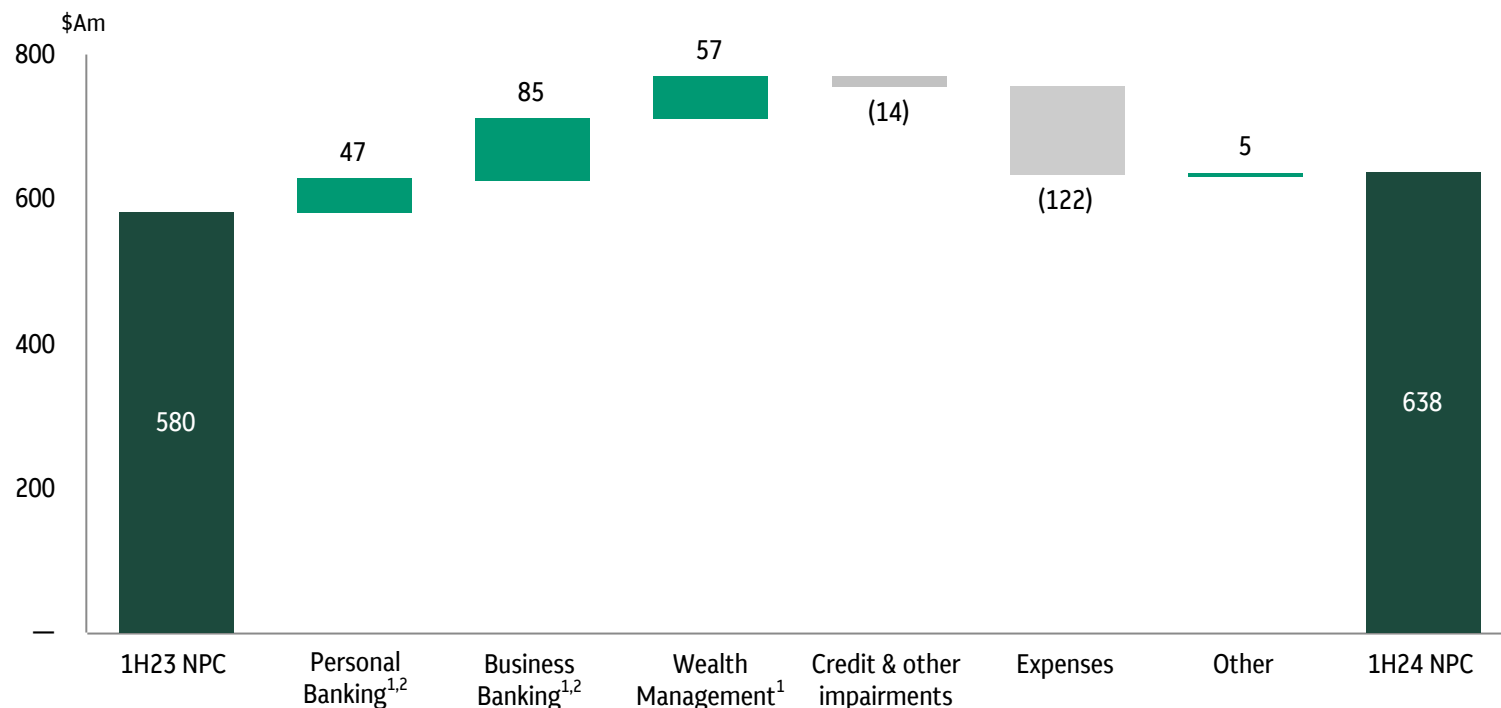
Global wind PPA prices¹



Source: Bloomberg New Energy Finance, LevelTen. 1. Represents corporate power purchase agreement prices.
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Banking and Financial Services

Growth in the loan portfolio and BFS deposits, together with improved average margins, partially offset by higher expenses and credit impairments



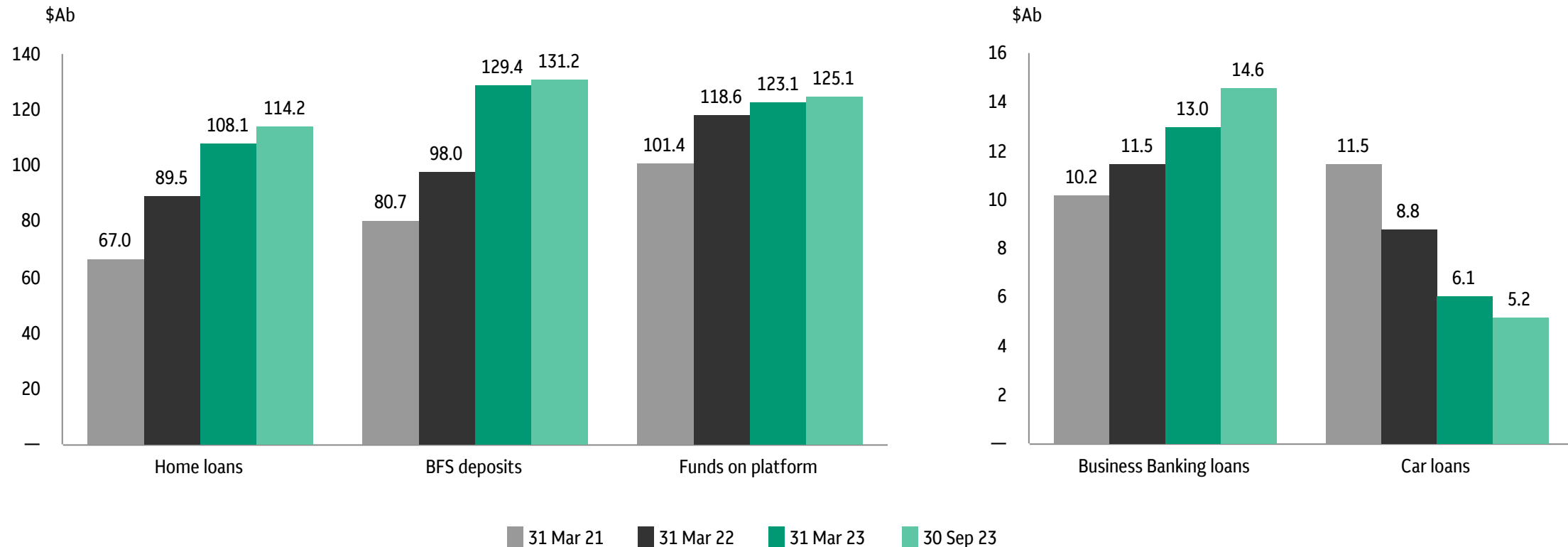
Key drivers

- Higher Personal Banking income driven by above system growth of 14% in average home loan volumes³, partially offset by changes in portfolio mix and ongoing lending competition
- Higher Business Banking income driven by improved average margins from the rising interest rate environment, with 18% growth in average business lending volumes and 4% growth in average deposit volumes
- Higher Wealth income driven by improved average margins from the rising interest rate environment and 10% growth in average funds on platform driven by client net flows
- Higher credit impairment charges driven by portfolio growth
- Higher costs due to increased headcount and technology investment to support business growth and regulatory requirements as well as inflationary pressure

1. Includes brokerage, commission and fee expenses. 2. Business Banking car loan portfolio continues to be in run-off following the sale of the dealer finance business in Dec 21. As the residual balance is immaterial, it has been consolidated in the Personal Banking car loan portfolio 3. Calculated based on average volumes net of offsets.

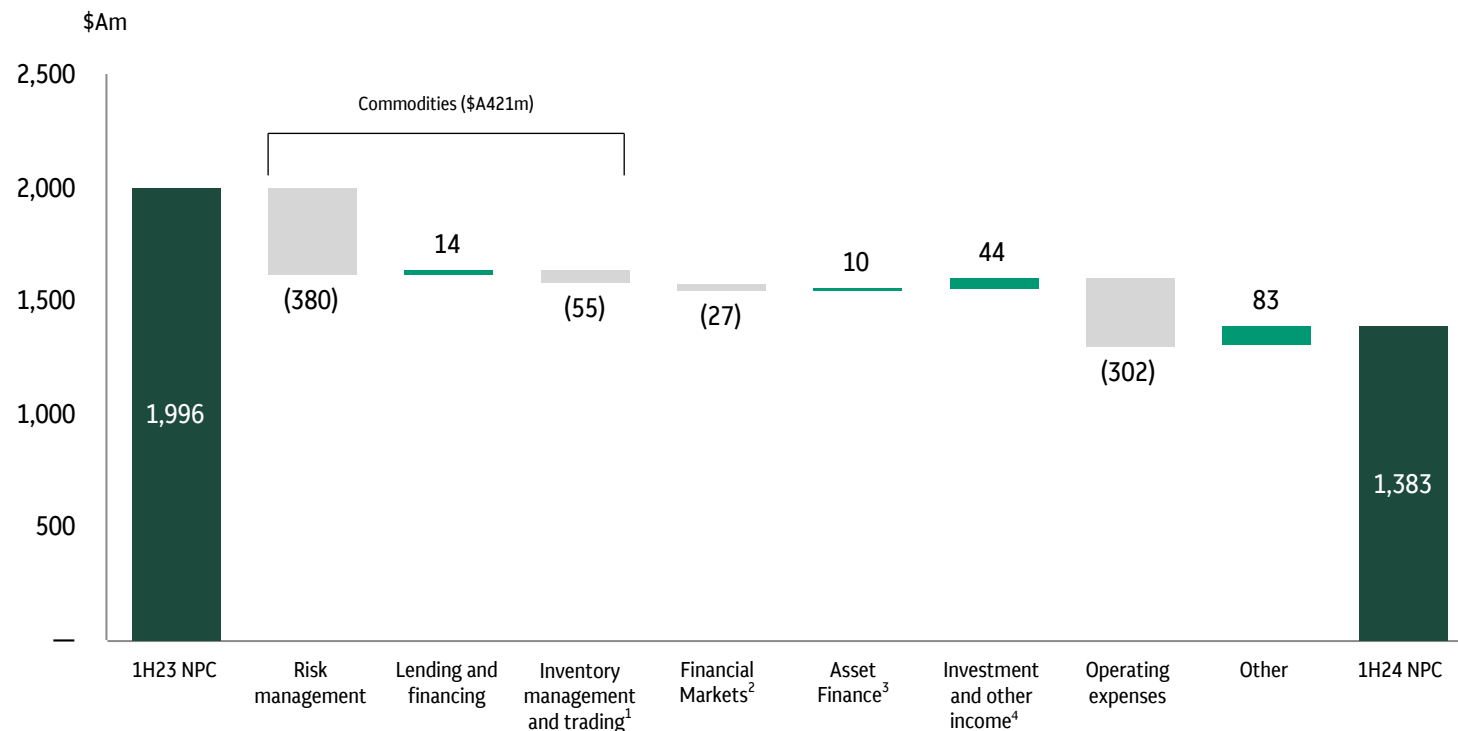
Banking and Financial Services

Growth in Home loans, Deposits, Funds on Platform and Business Banking loans



Commodities and Global Markets

Strong underlying client business, well-positioned for upside opportunities



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

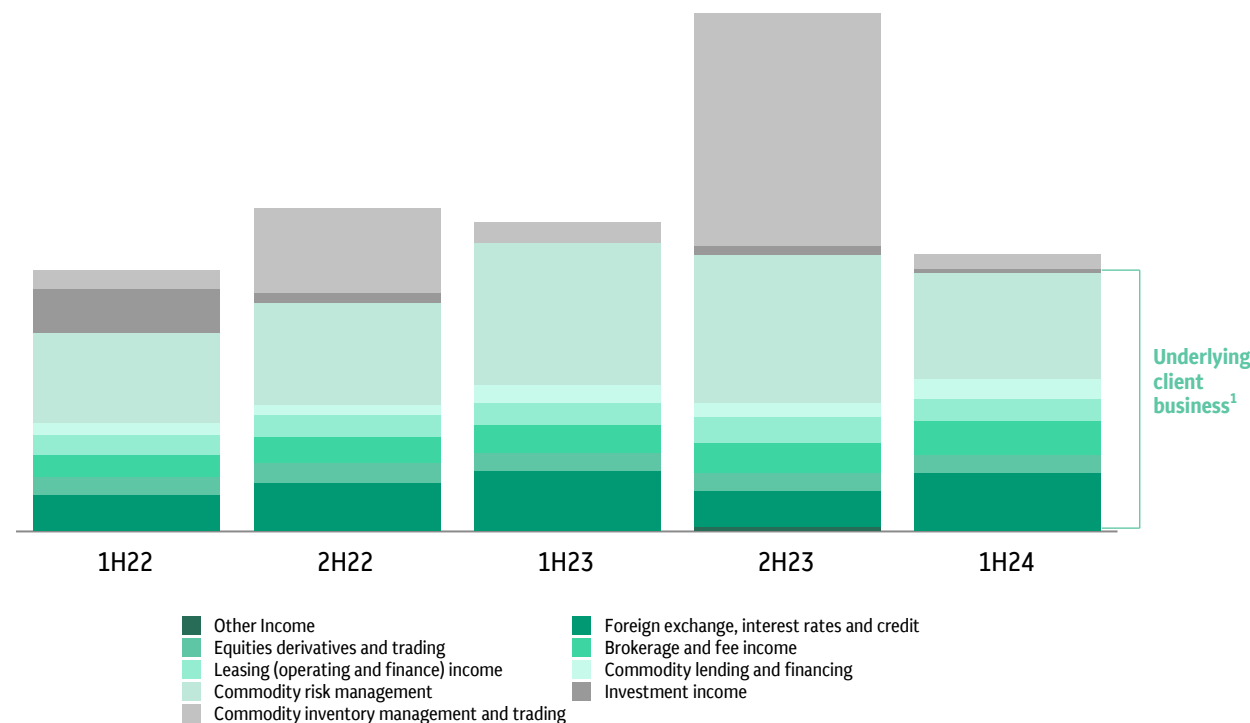
- **Commodities** down on 1H23
 - Risk management income decreased 25% on a strong 1H23 particularly from Resources and EMEA Gas, Power and Emissions due to decreased client hedging and trading activity as volatility and price movements stabilised across commodity markets following record highs in the prior corresponding period. These reductions were partially offset by an increased contribution across Agricultural markets
 - Lending and financing up 8% on 1H23 due to increased volumes in the energy and resources sectors
 - Inventory management and trading down 26% on 1H23 driven by a reduction in trading activity in North American Gas and Power, largely offset by the favourable impact of timing of income recognition primarily on North American and EMEA Gas and Power storage and transport contracts
- Financial Markets slightly down on 1H23 driven by decreased activity across foreign exchange and credit products
- Asset Finance up on 1H23 due to increased volumes in the technology and shipping sectors, partially offset by a reduced contribution from end of lease income
- Investment and other income up on 1H23 primarily driven by a gain on sale of unlisted equity investments
- Increase in Operating Expenses driven by higher expenditure on employment, technology platform and infrastructure, compliance and regulatory management spend and the impact of unfavourable foreign exchange movements
- Increase in Other driven by increased fee and commission income due to increased activity in futures and risk premia products

Strong underlying client business

Consistent levels of income derived from underlying client business

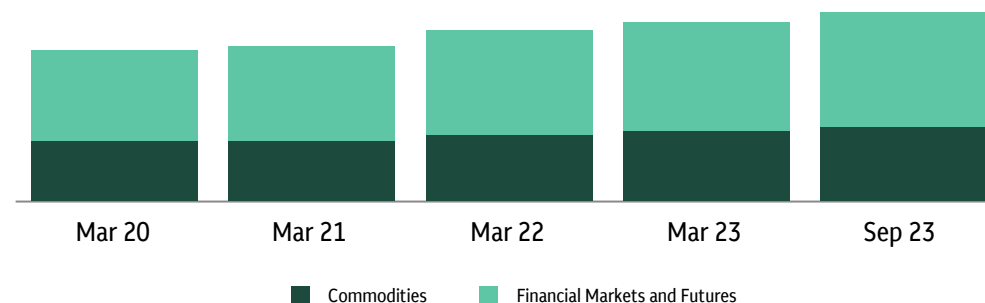
Operating Income

(excl. credit and other impairment charges)

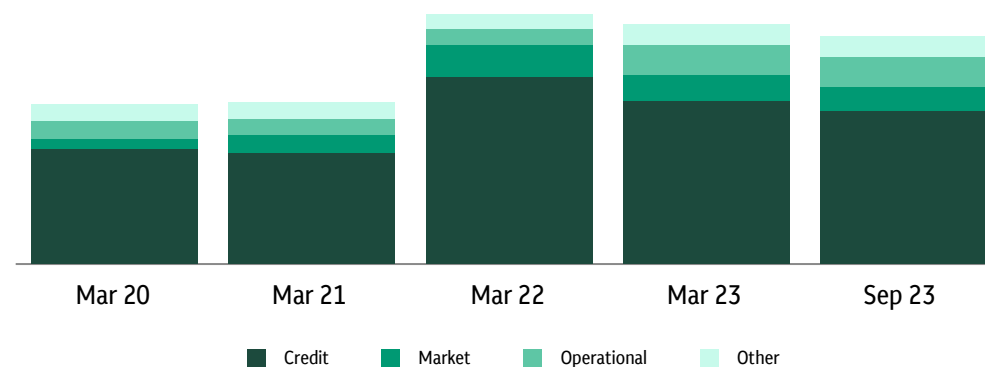


Client numbers²

(excl. Asset Finance)



Regulatory capital (normalised)³

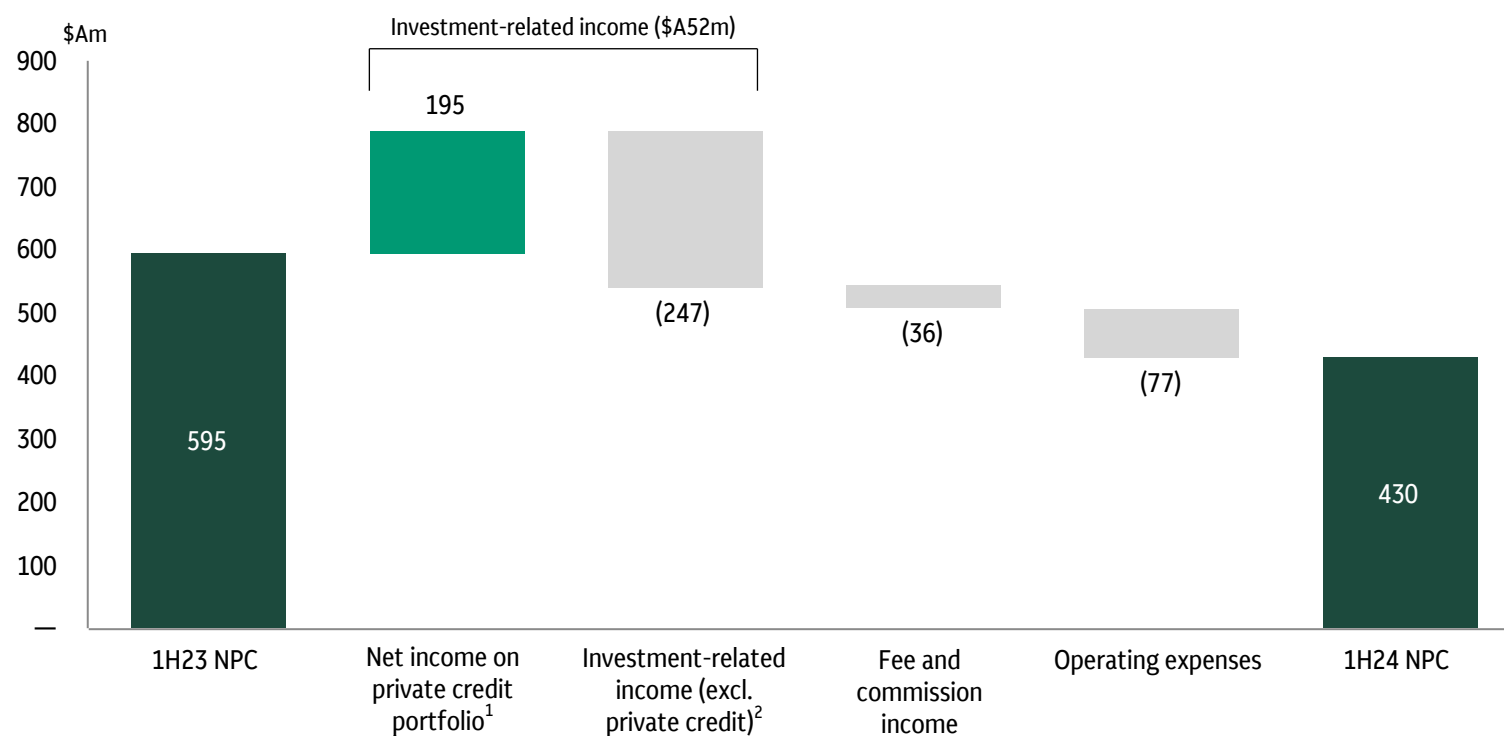


- Majority of capital relates to **credit risk** reflecting **client focussed business**
- Risk management is **core: built on 50+ years of accumulated experience** in managing risk for our clients and our business

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. Financial Markets and Futures client numbers will differ to previously reported numbers with the inclusion of Equity Derivatives and Trading clients and the transfer of Cash Equities to Macquarie Capital effective 1 Jun 20. 3. Mar 23 and Sep 23 include the impact of APRA's new "Unquestionably Strong" bank capital framework which came into effect from 1 Jan 23. Implementation of UQS resulted in an increase in CGM capital requirements, largely on account of higher regulatory buffers, along with RWA calculation changes. All periods are normalised for FX (30 Sep 23) and shown at the post-UQS 10.5% of RWA. Prior periods have not been normalised for RWA calculation changes, including the implementation of the Standardised Measurement Approach to Operational Risk.

Macquarie Capital

Reflects higher net income from growth in the private credit portfolio partially offsetting lower net investment income, lower fee and commission income and higher operating expenses



1. Represents the interest earned, net of associated funding costs and net credit impairment charges (including origination ECL) on the private credit portfolio. 2. 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.

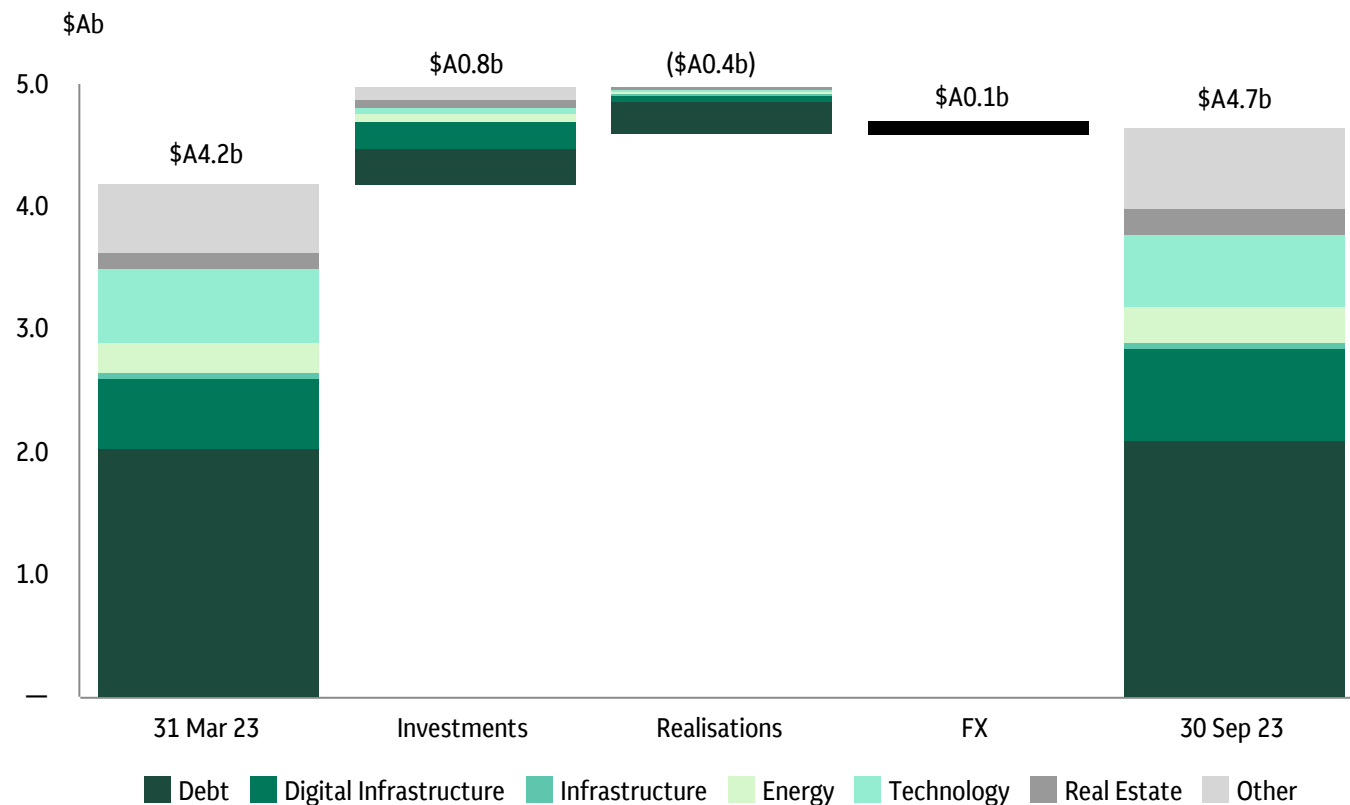
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Key drivers

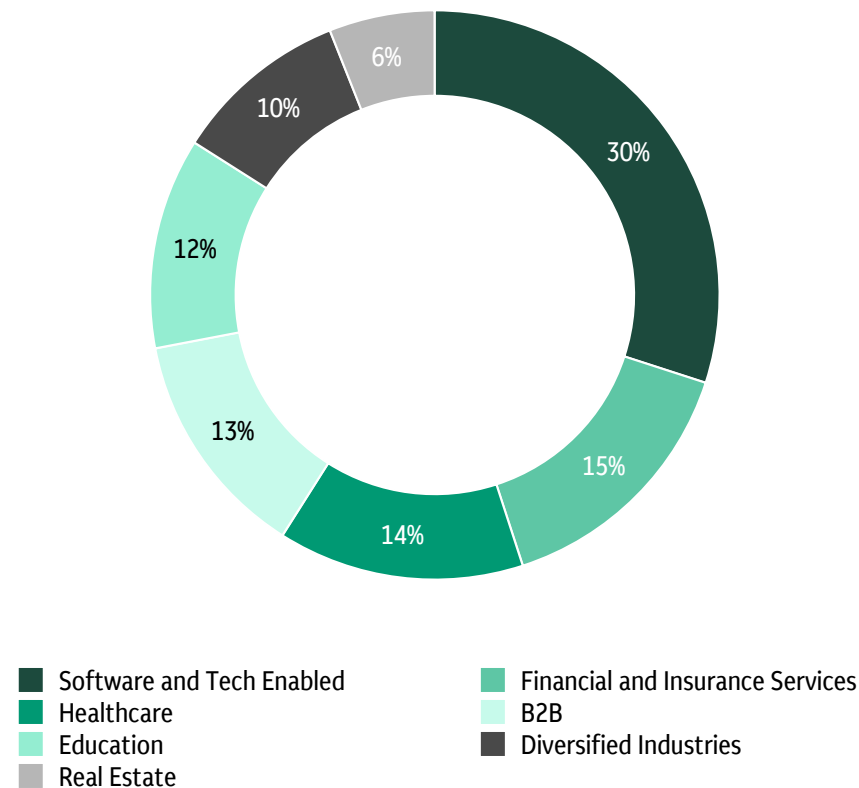
- Lower investment-related income primarily due to:
 - Non-recurrence of material asset realisations in the Americas and Europe
 Partially offset by:
 - Gains on a small number of investments
 - Higher net interest income from the private credit portfolio, benefiting from \$A3.8b of growth in average drawn loan assets
 - Non-recurrence of mark-to-market losses on certain debt underwriting positions
 - Reversals of impairments on previously underperforming investments
 - Lower origination credit provisions on the private credit portfolio due to lower deployment in the current period
- Fee and commission income broadly in line with:
 - Lower capital markets fee income, which decreased 31% compared to the prior corresponding period due to weaker market activity
 Partially offset by:
 - Higher brokerage income, which increased 6% compared to the prior corresponding period due to increased market activity, particularly in Asia
- Higher operating expenses predominantly driven by higher expenditure on technology platform and infrastructure, increased compliance and regulatory spend and higher employment costs

Macquarie Capital

Movement in capital



Private Credit sector exposures¹



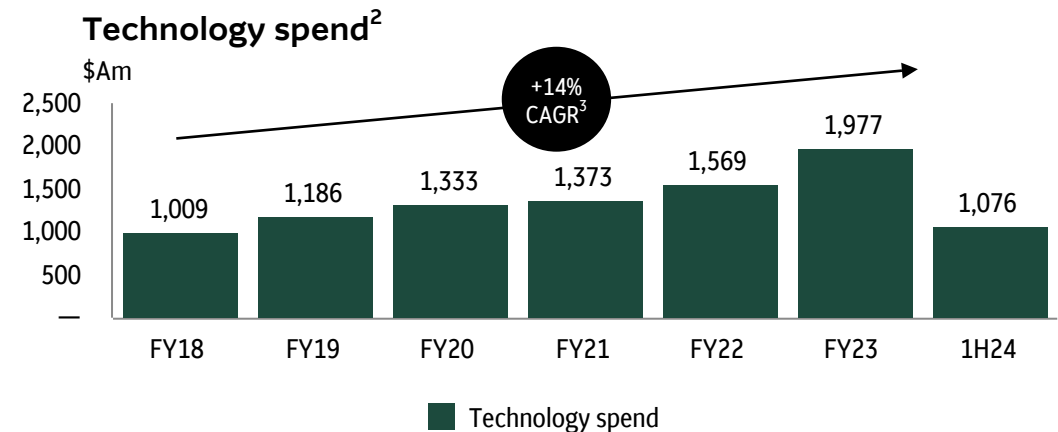
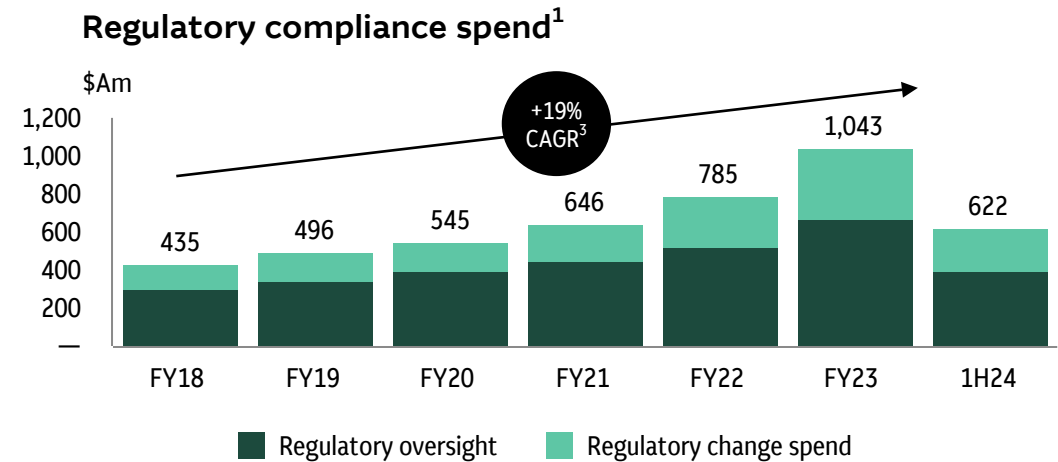
1. Exposures shown follow the economic capital adequacy methodology.
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Cost of regulatory compliance and technology spend

While compliance and technology spend increases, we have made progress on a number of initiatives to support regulatory changes

	1H24 \$Am	2H23 \$Am	1H23 \$Am
Regulatory compliance spend			
Regulatory change spend	135	102	78
Regulatory project spend	89	103	84
BAU regulatory compliance spend	398	364	312
Total regulatory compliance spend	622	569	474
Technology spend			
Total technology spend²	1,076	1,066	911

- The industry continues to see an increase in regulatory initiatives, resulting in increased compliance requirements across all levels of the organisation
 - Costs include the implementation of the new “Unquestionably Strong” bank capital framework APS 110, APS 111, APS 112, APS 113, APS 115, and Basel Committee on Banking Supervision Harmonised and Pillar 3 revised disclosures, which were all reported in the March 2023 quarter end reporting period
- Regulatory compliance spend up 31% from 1H23 as a result of new and ongoing regulatory change projects, projects being completed and moved to BAU functions, increased employment costs, together with increased expectations including regulators globally
- Total technology spend up 18% from 1H23 driven by increased business investment in platforms and digitalisation to support business growth, drive efficiencies and increased agility and improve customer experience. There is also continued focus on delivering key regulatory and compliance programs
- Change the bank⁴ activities represents 35% of total technology spend in 1H24, up from 22% at FY18



1. Excluding indirect costs. 2. Total technology spend across the Group includes spend related to regulatory compliance. It includes remuneration paid to staff in the technology division, spend with technology vendors including market data and software licences and maintenance. 3. 5-year CAGR from FY18 to FY23. 4. Change the bank is spend incurred to implement new platforms and to make significant enhancements to existing platforms and services.

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 1% to \$A135.8b as at Sep 23 from \$A134.5b as at Mar 23**
- **\$A8.3b² of term funding raised during 1H24:**
 - \$A5.2b of senior unsecured debt
 - \$A1.5b of securitisation issuance
 - \$A1.3b refinance of secured trade finance facilities; and
 - \$A0.3b of unsecured loan facilities.
- **Credit ratings** - On 2 Jun 23, Moody's upgraded MBL's long-term rating from A2/Positive to A1/Stable and MGL's long-term rating from A3/Positive to A2/Stable.

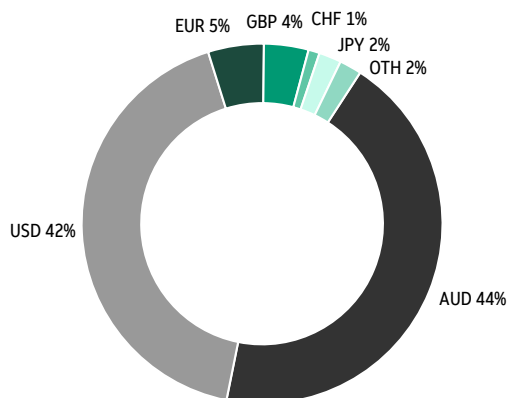
	MACQUARIE BANK LIMITED	MACQUARIE GROUP LIMITED
	Long-term rating	Long-term rating
Moody's Investors Service	A1/Stable	A2/Stable
Standard and Poor's	A+/Stable	BBB+/Stable
Fitch Ratings	A/Stable	A/Stable

1. Total customer deposits as per the funded balance sheet (\$A135.8b) differs from total deposits as per the statutory balance sheet (\$A136.0b). 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.

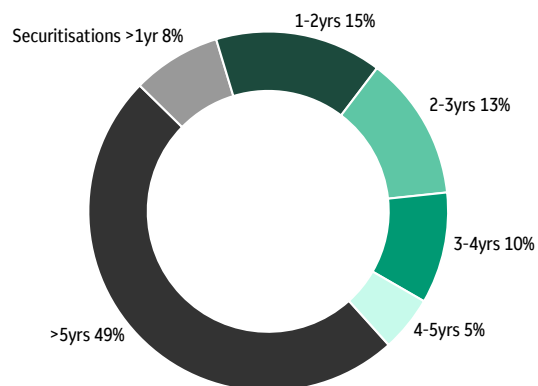
Diversified issuance strategy

Term funding as at 30 Sep 23 - diversified by currency¹, tenor² and type

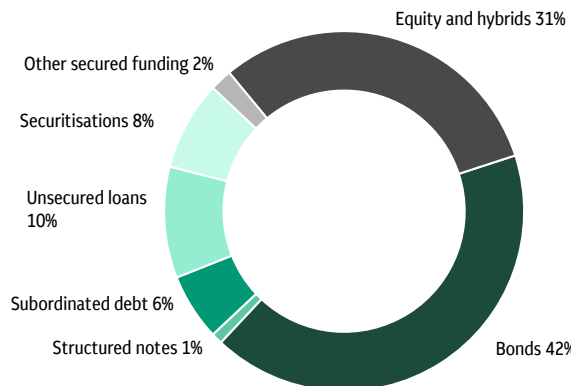
Currency



Tenor

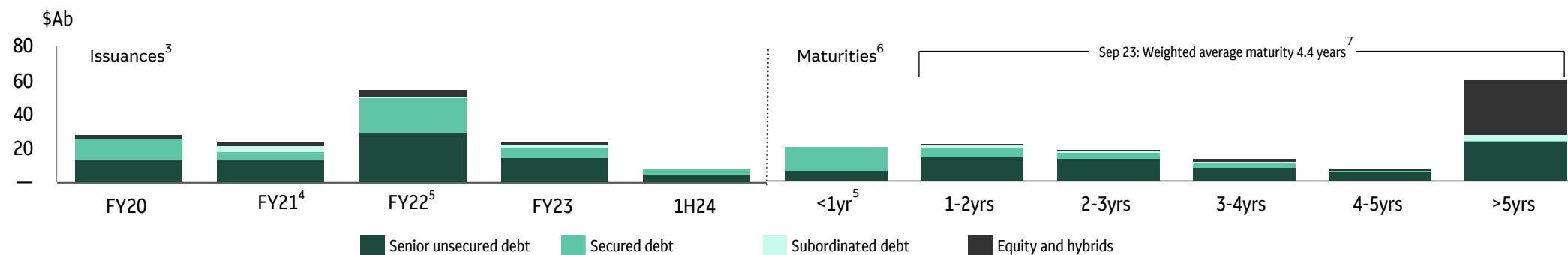


Type



4.4 years WAM⁷
of Term funding

Term Issuance and Maturity Profile

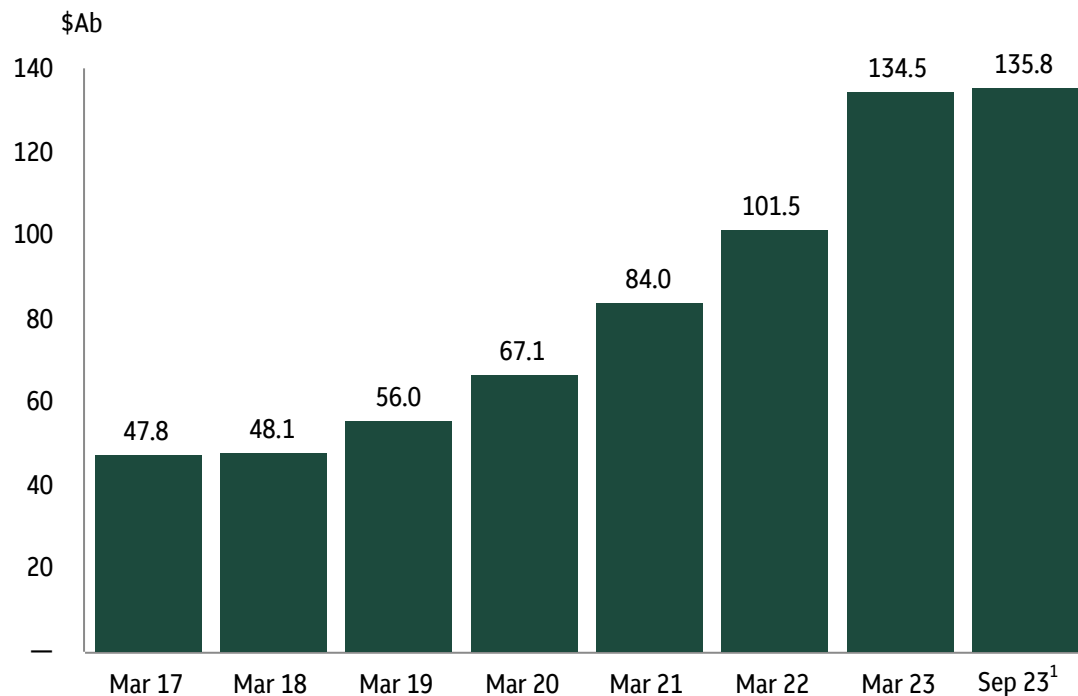


1. Equity has been allocated to the AUD currency category. 2. Securitisations have been presented on a behavioural basis and represent funding expected to mature in >1yr. 3. Issuances include refinancing of loan facilities and are converted to AUD at the 30 Sep 23 spot rate. 4. Includes RBA TFF of \$A1.72b. 5. Includes RBA TFF of \$A9.53b. 6. Maturities are shown as at 30 Sep 23. 7. WAM represents weighted average term to maturity of term funding maturing beyond one year excluding equity and securitisations.

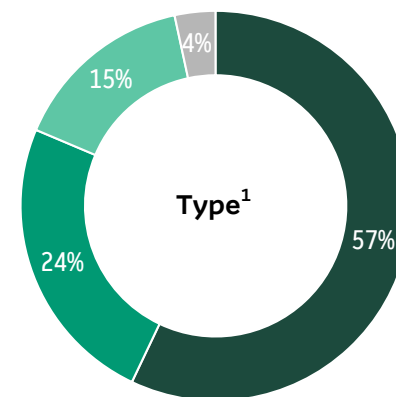
Diversified deposit base

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

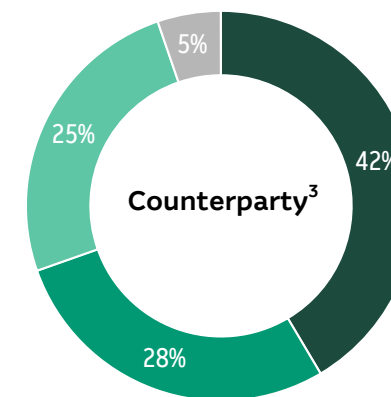
- Of approximately 1.8 million BFS clients, ~1.3 million are depositors
- Further diversification of the deposit base with growth in CMA Accelerator as well as transactions and savings accounts, underpinned by CMA and business bank deposit platforms



Composition of customer deposits



Transaction
Savings
Term Deposits
Other²



Households
Non-Financial Businesses⁵
Superannuation⁴
Institutions & Other

1. Total customer deposits includes BFS deposits of \$A131.2b and \$A4.6b of corporate/wholesale deposits, including those taken by MBE as at 30 Sep 23. 2. Includes corporate/wholesale deposits. 3. As at 30 Sep 23 for Total Residents Deposits on Australian books per APRA Monthly Authorised Deposit-Taking Institution Statistics (MADIS). 4. Predominantly Self-Managed Super Funds. 5. Predominantly Private Enterprises and Trusts.

Loan and lease portfolios¹ – funded balance sheet

Operating Group	Category	Sep 23 \$Ab	Mar 23 \$Ab	Description
BFS	Home loans	115.2	109.0	Secured by residential property
	Business banking	14.4	12.9	Loan portfolio secured largely by working capital, business cash flows and real property
	Car loans	5.1	6.0	Secured by motor vehicles
	Other	0.4	0.4	Includes credit cards
	Total BFS²	135.1	128.3	
CGM	Loans and finance lease assets	3.7	3.4	
	Operating lease assets	2.2	2.2	
	Asset finance	5.9	5.6	Predominantly secured by underlying financed assets
	Loan assets	3.8	3.3	
	Operating lease assets	0.9	1.0	
	Resources and commodities	4.7	4.3	Diversified loan portfolio primarily to the resources sector that are secured by the underlying assets with associated price hedging to mitigate risk
	Foreign exchange, interest rate and credit	7.1	7.0	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
Other	0.1	0.1	Equity collateralised loans	
Total CGM	17.8	17.0		
MAM	Operating lease assets	1.4	1.1	Secured by underlying financed assets including transportation assets
	Other	0.1	—	Secured by underlying financed assets
	Total MAM	1.5	1.1	
MacCap	Corporate and other lending	18.2	17.1	Diversified corporate and real estate lending portfolio, predominantly consisting of loans which are senior, secured, covenanted and with a hold to maturity horizon
	Total MacCap	18.2	17.1	
Total loan and lease assets per funded balance sheet³		172.6	163.5	

1. Loan assets per the statutory balance sheet of \$A167.5b at 30 Sep 23 (\$A158.6b at 31 Mar 23) 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. Per the funded balance sheet, figures for home loans of \$A115.2b, business banking of \$A14.4b and car loans of \$A5.1b differ from the figures disclosed on slide 15 of \$A114.2b, \$A14.6b and \$A5.2b, respectively. The balances on slide 15 exclude capitalised costs, provisions, deferred income, accrued interest and establishment fees. 3. Total loan assets per funded balance sheet include self-securitised assets.

Equity investments of \$A11.4b¹

Category	Carrying value Sep 23 \$Ab	Carrying value Mar 23 \$Ab	Description
Macquarie Asset Management Private Markets-managed funds	1.9	1.8	Includes investments in regional infrastructure and new core infrastructure, real estate, and energy transition funds
Investments acquired to seed new Private Markets-managed products and mandates	1.2	1.1	Includes investments acquired to seed new initiatives in the green energy sector (\$A0.3b at Sep 23) and alternative adjacencies
Other Macquarie-managed funds	0.4	0.5	Includes investments in MAM Public Investments funds
Transport, industrial and infrastructure	2.1	1.7	Over 25 separate investments
Telecommunications, IT, media and entertainment	1.6	1.3	Over 45 separate investments
Green energy	2.1	1.4	Over 55 separate investments. MAM Green Investments includes 63% at development stage, 30% at operational stage and 7% at construction stage, with 60% offshore wind, 37% solar, 2% battery storage and 1% onshore wind ²
Conventional energy, resources and commodities	0.5	0.5	Over 35 separate investments
Real estate investment, property and funds management	1.0	0.8	Over 20 separate investments
Finance, wealth management and exchanges	0.6	0.5	Includes investments in fund managers, investment companies, securities exchanges and other corporations in the financial services industry
Total equity investments	11.4	9.6	

1. Equity investments includes interests in associates, joint ventures and other assets classified as held for sale, subsidiaries and certain other assets held for investment purposes and financial investments excluding trading equities. Equity investments per the statutory balance sheet of \$A8.6b (Mar 23: \$A8.1b) have been adjusted to reflect the total net exposure to Macquarie. Total funded equity investments of \$A8.5b as at Sep 23 (Mar 23: \$A7.4b). 2. Balances presented are approximate.

Regulatory update

Australia

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

- On 10 Aug 23, APRA informed ADIs that the key focus areas for the remainder of 2023 are Liquidity, Interest rate risk, Additional Tier 1 and Capital framework updates¹. APRA will provide a further comprehensive update on the policy agenda in 2024.
- APS 117 Capital Adequacy: Interest Rate Risk in the Banking Book (IRRBB) is to be finalised in 2023¹. The revisions aim to simplify the IRRBB framework, reduce volatility in the IRRBB capital charge and create better incentives for managing IRRBB risk. The revised standard will come into effect in 2025.
- APRA advised it will undertake a review of the prudential framework for groups² including those that have a NOHC³ in their structure, such as Macquarie Group. APRA expects to consult on any revisions to the relevant standards over 2024. The key topics are financial resilience, governance, risk management, resolution and competition issues.
- Macquarie has been working with APRA on a remediation plan that strengthens MBL's governance, culture, structure and remuneration to ensure full and ongoing compliance with prudential standards and management of MBL-specific risks. The changes under the plan, on which we will continue to deliver through 2023 and beyond, will have a positive impact on MBL through improved systems, frameworks, processes, and further strengthen its risk culture.

Germany

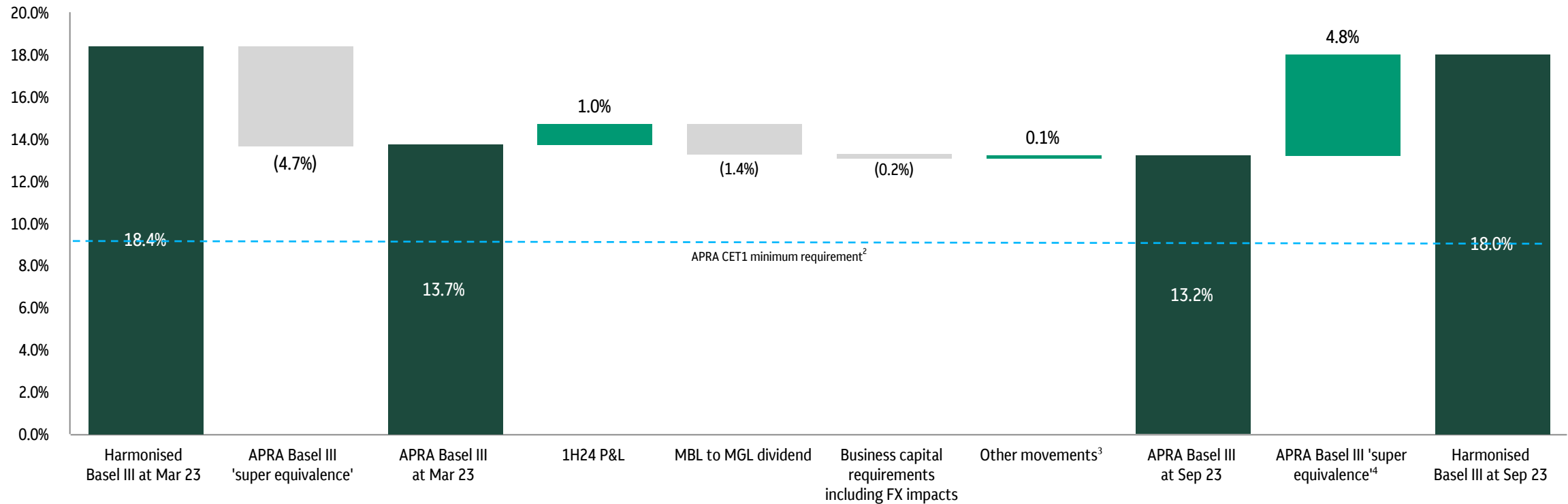
- The ongoing, industry-wide investigation in Germany relating to dividend trading has progressed in recent months. Nearly a dozen criminal trials related to cum-ex have been or are being prosecuted against individuals in German courts and there have been convictions. Under German law, companies cannot be criminally prosecuted, but they can be added as ancillary parties to the trials of certain individuals. Ancillary parties may be subject to confiscation orders requiring the disgorgement of profits. Macquarie has provided for German dividend trading matters. 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 and there are a number of civil claims against Macquarie. Macquarie has been responding to requests for information about its historical activities and expects former and current Macquarie employees to participate in interviews with German authorities over the coming months.

1. 'APRA policy priorities: Interim update'; 10 Aug 23. 2. 'APRA releases letter on a review of the prudential framework for groups'; 24 Oct 22. 3. Non-Operating Holding Company.

Basel III Bank Group Common Equity Tier 1 (CET1) Ratio

- APRA Basel III Level 2 CET1 ratio: 13.2%
- Harmonised Basel III Level 2 CET1 ratio: 18.0%¹

Bank Group Level 2 CET 1 Ratio

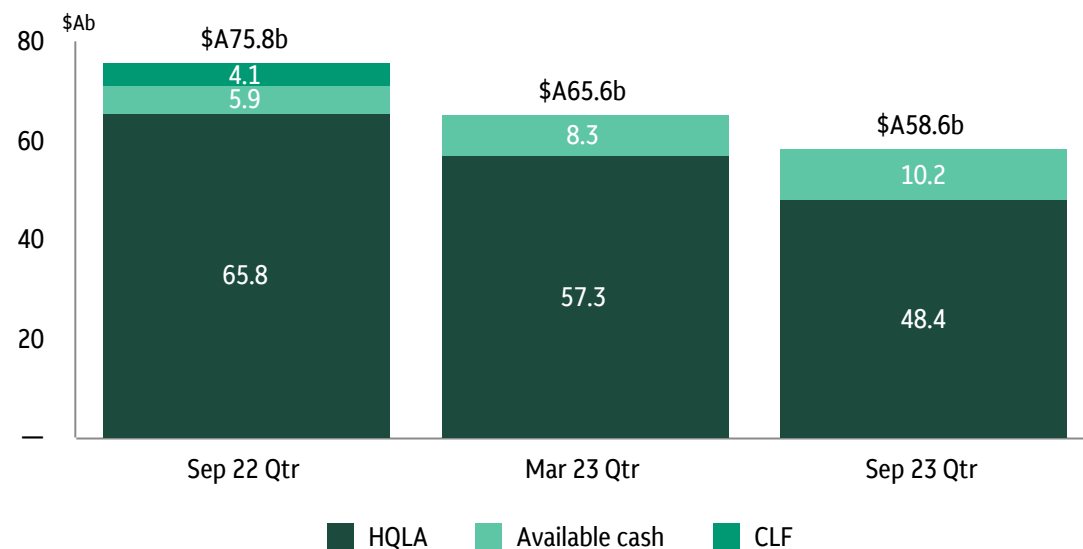


1. 'Harmonised' Basel III estimates are calculated in accordance with the updated BCBS Basel III framework, noting that MBL is not regulated by the BCBS and so impacts shown are indicative only. 2. The minimum requirement for the CET1 ratio per APS 110 is 9.0% (Mar 23: 8.75%) which includes the industry minimum CET1 requirement of 4.5%, CCB of 3.75% and a CCyB. The CCyB of the Bank Group at Sep 23 is 0.71% (Mar 23: 0.61%), this is rounded to 0.75% (Mar 23: 0.50%) for presentation purposes. 3. Includes movements in the foreign currency translation reserve and other movements. 4. APRA Basel III 'super-equivalence' includes the impact of changes in capital requirements in areas where APRA differs from the updated BCBS Basel III framework, including: residential mortgages LGD adjustment 1.2%; wholesale LGD adjustment 0.9%; IRB scaling factor adjustment 0.7%; IRRBB 0.6%; capitalised expenses 0.6%; equity investments 0.6%; DTAs 0.4% and others (0.2%).

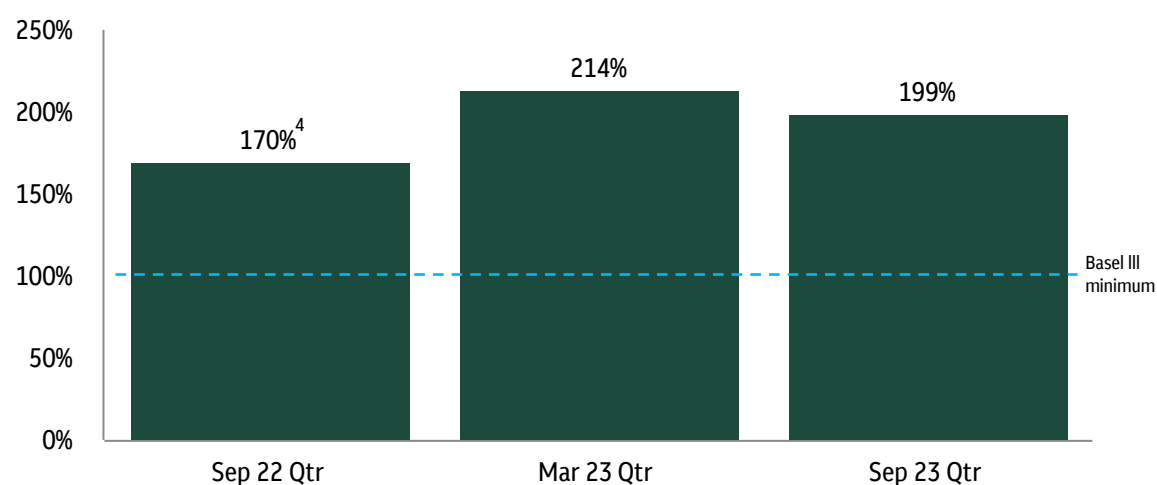
Strong liquidity position maintained

- 199% average LCR for Sep 23 quarter, based on daily observations¹
 - Maintained well above regulatory minimum
- Reflects longstanding conservative approach to liquidity management
- \$A58.6b of unencumbered liquid assets and cash on average over the quarter to Sep 23 (post applicable haircuts). This excludes additional liquid assets held in entities outside MBL
- MBL hedges its cash and liquid asset portfolio to a minimal residual interest rate risk position, in accordance with the non-traded market risk policy

MBL Unencumbered Liquid Asset Portfolio^{2,3}



MBL LCR position^{1,2}



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. Represents quarterly average balances. 3. In addition to the unencumbered liquid asset portfolio in MBL, unencumbered liquid assets are also maintained in other Macquarie entities such as Macquarie Bank Europe (MBE), Macquarie Financial Holdings Pty Limited (MFHPL) and Macquarie Group Limited (MGL). 4. LCR average for Sep 22 quarter has been restated to conform to the MBL Basel III Pillar 3 Disclosures Restatements issued on 28 Feb 23 and excludes CLF allocation. Consistent with the industry-wide phase out of the CLF, Macquarie's CLF allocation reduced to zero as at Dec 22.

Capital management update

On-market share buyback

- On 3 Nov 23, Macquarie announced that it intends to buy back up to \$A2b of ordinary shares on-market.
- The buyback provides additional flexibility to manage the Group's capital position and Macquarie retains the ability to vary, pause or terminate the buyback at any time.
- The timing and actual number of ordinary shares purchased under the buyback will be subject to a number of factors including the Group's surplus capital position, market conditions and opportunities to deploy capital by the businesses.

Dividend Reinvestment Plan

- On 4 Jul 23, the DRP in respect of the 2H23 dividend was satisfied through the allocation of 1,319,291 ordinary shares at a price of \$A176.37 per share¹. The shares allocated under the DRP were acquired on-market.
- The Board has resolved that no discount will apply for the 1H24 DRP and the shares are to be acquired on-market².

Macquarie Group Employee Retained Equity Plan (MEREP)

- On 22 Jun 23, the acquisition of ordinary shares pursuant to the Macquarie Group Employee Retained Equity Plan (MEREP) was completed. A total of \$A1,028m in shares were purchased at a weighted average price of \$A179.17 per share³.

1. The DRP price was determined in accordance with the DRP Rules and is 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 over the five trading days from 22 May 23 to 26 May 23.
2. Shares will be issued if purchasing becomes impractical or inadvisable. 3. Comprising \$A446m off-market and \$A582m on-market purchases.

04



Outlook

**Shemara
Wikramanayake**

Managing Director and
Chief Executive Officer



Short-term outlook

Factors impacting short-term outlook

Annuity-style businesses

Non-Banking Group

Macquarie Asset Management (MAM)

- Base fees expected to be broadly in line
- Subject to market conditions, FY24 Net Other Operating Income¹ substantially down on FY23 mainly due to lower investment-related income from green energy investments, with asset realisations predominately in 2H24. Net Other Operating Income in 2H24 to be broadly in line with 2H23

Banking Group

Banking and Financial Services (BFS)

- Growth in loan portfolio, deposits and platform volumes
- Market dynamics to continue to drive margins
- Ongoing monitoring of provisioning
- Higher expenses to support volume growth, technology investment, compliance and regulatory requirements

Corporate

- Compensation ratio expected to be broadly in line with historical levels

Markets-facing businesses

Macquarie Capital (MacCap)

Subject to market conditions:

- Transaction activity is expected to be broadly in line with FY23
- Investment-related income for 2H24 expected to be broadly in line with 1H24, with increased FY24 revenue from growth in the private credit portfolio partially offset by lower revenue due to the timing of asset realisations
- Continued balance sheet deployment in both debt and equity investments

Commodities and Global Markets² (CGM)

Subject to market conditions, which make forecasting difficult:

- Commodities income benefitted from exceptionally strong trading conditions in FY23. Commodities income is expected to be broadly in line with the prior FY22, albeit volatility may create opportunities
- Consistent contribution from client and trading activity across the Financial Markets platform
- Continued contribution from Asset Finance across sectors

- The FY24 effective tax rate is expected to be broadly in line with historical levels

¹ Net Other Operating Income includes all operating income excluding base fees. 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.

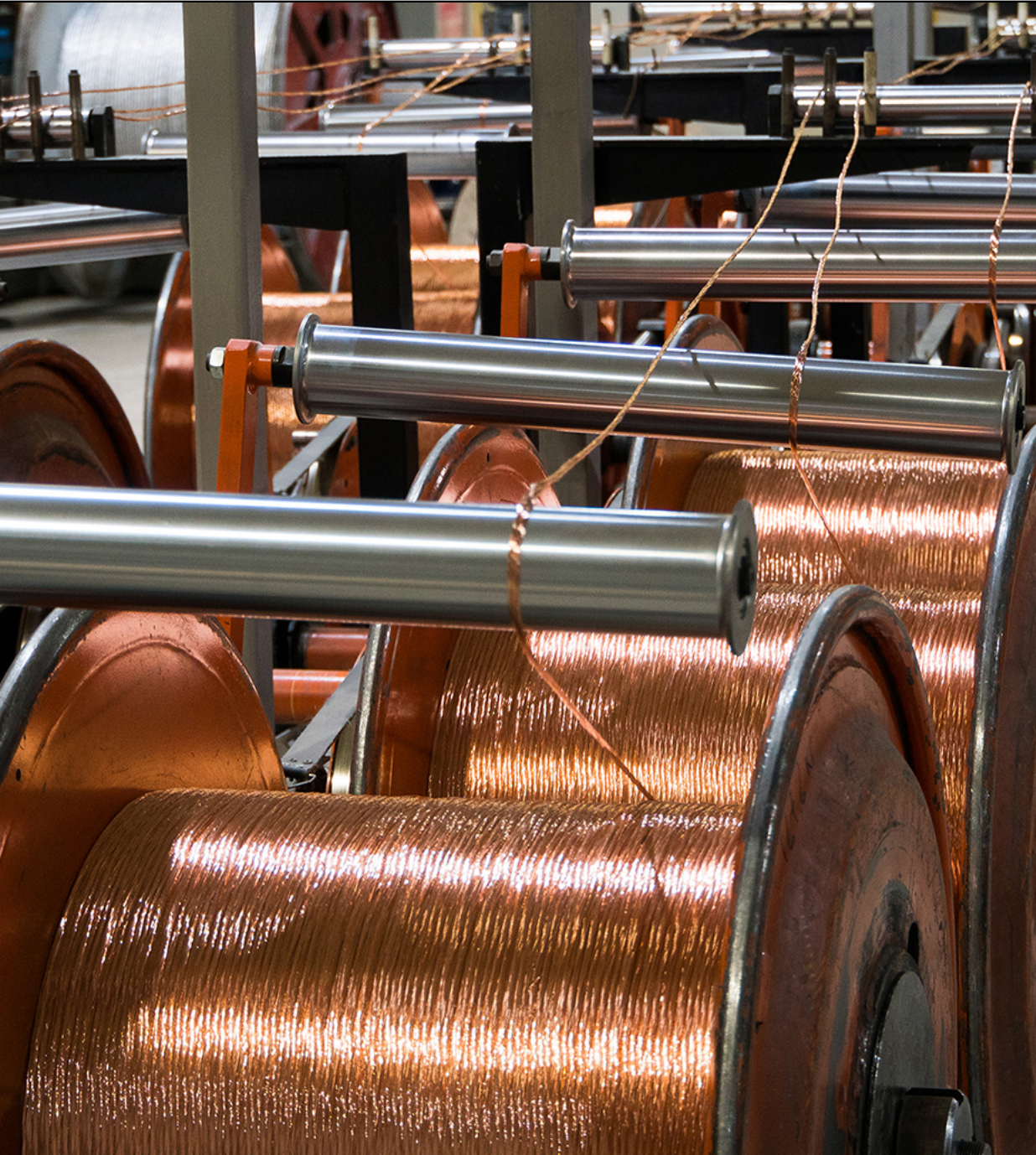


Short-term outlook

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

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 with its diverse business mix across annuity-style and markets-facing businesses

Deep expertise across diverse sectors in major markets with structural growth tailwinds

- Customer focussed digital bank
- Private Markets and Public Investments
- Commodities, Financial Markets and Asset Finance
- Specialist advice, capital solutions and investment

Patient adjacent growth across new products and new markets

Ongoing technology and regulatory spend to support the Group

Strong and conservative balance sheet

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

Proven risk management framework and culture

Empowering people to innovate and invest for a better future

Medium-term outlook

Annuity-style businesses

Non-Banking Group

Macquarie Asset Management (MAM)

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

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 scalable growth

Markets-facing businesses

Macquarie Capital (MacCap)

- Continues to support clients globally across long-term trends including tech-enabled innovation, the need for infrastructure and the growth in private capital
- 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
- Well-positioned to respond to changes in market conditions

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.

Approximate business Basel III Capital and ROE

30 Sep 23

Operating Group	APRA Basel III Capital @ 10.5% (\$Ab)	1H24 Return on Ordinary Equity ¹	17-year Average Return on Ordinary Equity ²
Annuity-style businesses	11.8		
Macquarie Asset Management	6.2		
Banking and Financial Services	5.6	11%	22%
Markets-facing businesses	14.1		
Commodities and Global Markets	9.4		
Macquarie Capital	4.7	13%	17%
Corporate	2.2		
Total regulatory capital requirement @ 10.5%	28.1		
Group surplus	10.5		
Total APRA Basel III capital supply	38.6³	8.7%	14%

Note: Differences in totals due to rounding. 1. NPAT used in the calculation of 1H24 ROE is based on Operating Groups' annualised 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. 2. 17-year average covers FY07 to FY23, inclusive, and has not been adjusted for the impact of business restructures or changes in internal P&L and capital attribution. 3. Comprising \$A32.8b of ordinary equity and \$A5.8b of hybrids.

Presentation to investors and analysts

Result announcement for the half
year ended 30 September 2023

3 November 2023





Appendix A

Detailed Result Commentary

Macquarie Asset Management

Result

	1H24 \$Am	2H23 \$Am	1H23 \$Am
Base fees	1,407	1,404	1,378
Performance fees	236	455	237
Investment-related and other (expense)/income ¹	(60)	498	993
Credit and other impairment reversals/(charges)	110	(11)	(3)
Net operating income	1,693	2,346	2,605
Brokerage, commission and fee expenses	(194)	(206)	(193)
Other operating expenses	(1,106)	(1,192)	(1,004)
Total operating expenses	(1,300)	(1,398)	(1,197)
Non-controlling interests	14	(8)	(6)
Net profit contribution	407	940	1,402
AUM (\$Ab)	892.0	878.6	832.9
Private Markets EUM (\$Ab)	210.0	205.8	188.5
Headcount	2,548	2,509	2,607

- Base fees of \$A1,407m, broadly in line with 1H23 with offsetting impacts across MAM
 - Base fees in Private Markets were higher due to fundraising and investments made by Private Markets-managed funds and mandates, as well as favourable foreign exchange movements, partially offset by asset realisations in Private Markets-managed funds
 - This was offset by lower base fees in Public Investments primarily due to outflows in Public Investments equity strategies, partially offset by favourable foreign exchange movements
- Performance fees of \$A236m, in line with 1H23
 - 1H24 included performance fees from a range of funds including MIP III, MEIF4, MKOF3, MKOF4 and other Private Markets-managed funds and managed accounts
 - 1H23 included performance fees from MIP III, MEIF4 and other Private Markets-managed funds and managed accounts and co-investors
- Investment-related and other expense of \$A60m, substantially down on 1H23 primarily driven by timing of asset realisations in green investments
- Credit and other impairment reversals of \$A110m, compared to charges of \$A3m in 1H23. The current period included the reversal of an impairment previously recognised on a green equity investment
- Total operating expenses of \$A1,300m, up on 1H23 primarily driven by foreign exchange movements, a one-off legacy matter, technology investment and employment costs

1. Investment-related income includes net income on equity, debt and other investments and share of net profits/(losses) from associates and joint ventures. Other income includes other fee and commission income, net interest and trading expense, other (expenses)/income and internal management revenue.

Banking and Financial Services

Result

	1H24 \$Am	2H23 \$Am	1H23 \$Am
Net interest and trading income ¹	1,360	1,323	1,197
Fee and commission income	273	255	249
Wealth management fee income	184	173	167
Banking and lending fee income	89	82	82
Credit and other impairment charges	(23)	(25)	(9)
Other (expenses)/income ²	(1)	(16)	(14)
Net operating income	1,609	1,537	1,423
Total operating expenses	(971)	(916)	(843)
Net profit contribution	638	621	580
Funds on platform (\$Ab)	125.1	123.1	111.4
Loan portfolio ³ (\$Ab)	134.4	127.7	121.0
BFS Deposits ⁴ (\$Ab)	131.2	129.4	116.7
Headcount	4,016	3,820	3,512

- Net interest and trading income of \$A1,360m, up 14% on 1H23
 - 11% growth in the average loan portfolio and 21% growth in the average BFS deposit volumes⁵
 - Improved average margins from the rising interest rate environment, partially offset by changes in portfolio mix and ongoing lending competition
- Fee and commission income of \$A273m, up 10% on 1H23
 - 10% growth in average platform FUA resulting in higher administration fees, together with higher volume-driven lending and transaction fee income
- Credit and other impairment charges of \$A23m, increased from \$A9m in 1H23, driven by portfolio growth
- Other expenses decreased from an expense of \$A14m in 1H23, mainly driven by the non-recurrence of a negative revaluation of an equity investment
- Total operating expenses of \$A971m, up 15% on 1H23
 - Increased headcount and technology investment to support business growth and regulatory requirements as well as inflationary pressure

1. Includes net internal transfer pricing on funding between Group Treasury and BFS that is eliminated on consolidation in the Group's statutory P&L. 2. Includes share of net losses from associates and joint ventures, internal management revenue and other (expenses)/income. 3. Loan portfolio comprises home loans, loans to businesses, car loans and credit cards. 4. BFS deposits include home loan offset accounts and exclude corporate/wholesale deposits. 5. Calculated based on average volumes net of offsets.

Commodities and Global Markets

Result

	1H24 \$Am	2H23 \$Am	1H23 \$Am
Commodities	1,468	4,154	1,889
Risk management	1,116	1,555	1,496
Lending and financing	198	153	184
Inventory management and trading	154	2,446	209
Foreign exchange, interest rates and credit	605	381	644
Equities	190	193	178
Asset Finance	34	59	63
Net interest and trading income¹	2,297	4,787	2,774
Fee and commission income	349	338	279
Net operating lease income ²	213	203	174
Investment and other income ³	91	172	47
Credit and other impairment charges	(21)	(22)	(35)
Net operating income	2,929	5,478	3,239
Brokerage, commission and fee expenses	(222)	(222)	(193)
Other operating expenses	(1,323)	(1,245)	(1,050)
Total operating expenses	(1,545)	(1,467)	(1,243)
Non-controlling interests	(1)	—	—
Net profit contribution	1,383	4,011	1,996
Headcount	2,469	2,378	2,272

- Commodities income of \$A1,468m, down 22% on 1H23:
 - Risk management down 25% on a strong 1H23 particularly from Resources and EMEA Gas, Power and Emissions due to decreased client hedging and trading activity as volatility and price movements stabilised across commodity markets following record highs in 1H23. These reductions were partially offset by an increased contribution across Agricultural markets
 - Lending and financing up 8% on 1H23 due to increased volumes in the energy and resources sectors
 - Inventory management and trading down 26% on 1H23 driven by a reduction in trading activity in North American Gas and Power. These were largely offset by the favourable impact of timing of income recognition primarily on North American and EMEA Gas and Power storage and transport contracts
- Foreign exchange, interest rates and credit income of \$A605m, down 6% on 1H23 driven by decreased activity across foreign exchange and credit products
- Equities income of \$A190m, up 7% on 1H23 due to increased contributions from equity financing activities
- Asset Finance income of \$A34m, down 46% on 1H23 due in part to a reduced contribution from end of lease income
- Fee and commission income of \$A349m, up 25% on 1H23 primarily due to increased activity in futures and risk premia products
- Net operating lease income of \$A213m, up 22% on 1H23 primarily driven by contributions from the technology sector and the impact of favourable foreign exchange movements
- Investment and other income of \$A91m up 93% on 1H23 primarily driven by a gain on sale of unlisted equity investments
- Credit and other impairment charges down 40% on 1H23 due to release of credit provisions reflecting normalisation in sector and counterparty exposures as certain commodity prices normalised, partially offset by an increase in specific provisions in the energy sector
- Brokerage, commission and fee expenses of \$A222m, increased 15% on 1H23 driven by increased trading and brokerage activities
- Other operating expenses of \$A1,323m, up 26% on 1H23 driven by higher expenditure on employment, technology platform and infrastructure, increased compliance and regulatory management spend and the impact of unfavourable foreign exchange movements

1. Includes internal net interest expense and transfer pricing on funding provided by Group Treasury that is eliminated on consolidation in the Group's statutory P&L. 2. Generated from Asset Finance. 3. Includes net income on equity, debt and other investments, share of net profits from associates and joint ventures, internal management revenue and other income.

Macquarie Capital

Result

	1H24 \$Am	2H23 \$Am	1H23 \$Am
Net interest and trading income ¹	334	256	154
Fee and commission income	628	692	664
Investment-related income ² (excl. non-controlling interests)	212	114	652
Net credit and other impairment reversals/(charges)	33	(99)	(195)
Internal management revenue ³	13	(23)	12
Net operating income	1,220	940	1,287
Total operating expenses	(788)	(745)	(711)
Non-controlling interests	(2)	11	19
Net profit contribution	430	206	595
Capital markets activity ⁴ :			
Number of transactions	130	156	150
Transactions value (\$Ab)	172	174	164
Headcount	1,638	1,630	1,625

- Net interest and trading income of \$A334m, up 117% on 1H23 primarily due to higher net interest income from the private credit portfolio, up 26% on 1H23, benefitting from \$A3.8b of growth in average drawn loan assets and non-recurrence of mark-to-market losses on certain debt underwriting positions
- Fee and commission income of \$A628m, down 5% on 1H23 primarily driven by lower capital markets fee income due to weaker market activity, partially offset by higher brokerage income due to increased market activity, particularly in Asia
- Investment-related income of \$A212m, down 67% on 1H23 primarily due to the non-recurrence of material asset realisations in the Americas and Europe. This was partially offset by gains on a small number of investments
- Net credit and other impairment reversals of \$A33m compared to a charge of \$A195m in 1H23. The current period included reversals of impairments on previously underperforming investments and lower origination credit provisions on the private credit portfolio due to lower deployment. 1H23 included impairments of a small number of underperforming investments
- Total operating expenses of \$A788m, up 11% on 1H23 were predominantly driven by higher expenditure on technology platform and infrastructure, increased compliance and regulatory spend and higher employment costs

1. Represents the interest earned from debt investments and the funding costs associated with Macquarie Capital's balance sheet positions. 2. Includes gains and losses from sale and revaluation of equity, debt and other investments, share of net losses from associates and joint ventures and, other income/(expenses). 3. Internal revenue allocations are eliminated on consolidation in the Group's statutory P&L. 4. Source: Dealogic and IJGlobal for Macquarie Group completed M&A, investments, ECM and DCM transactions converted as at the relevant reporting date. Deal values reflect the full transaction value and not an attributed value.

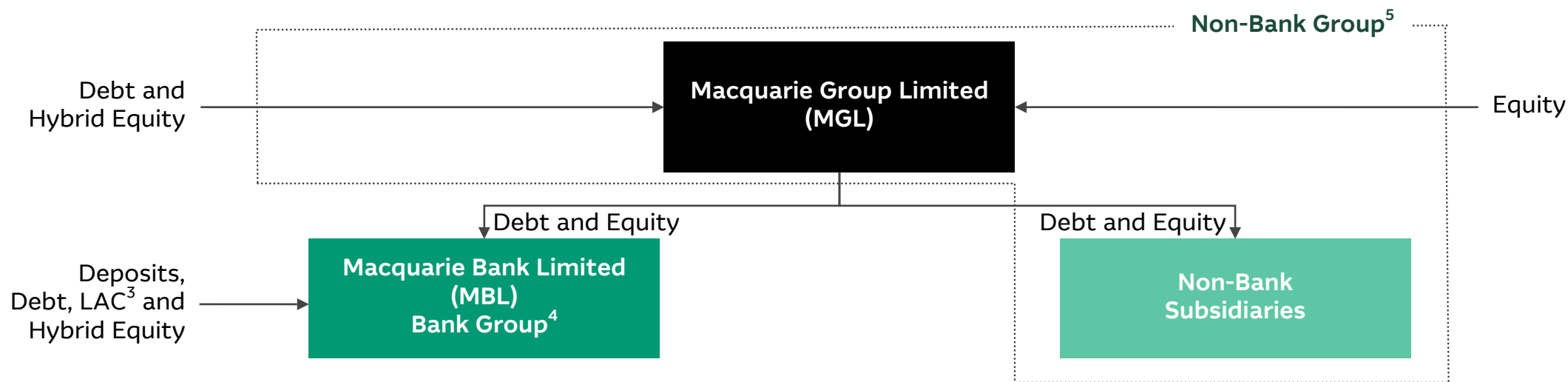


Appendix B

Additional Information
Funding

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 Group¹
- MGL provides funding predominantly to the Non-Bank Group²



1. The Bank Group comprises BFS and CGM (excluding certain assets of the Financial 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 Financial Markets business, certain activities of the Commodity Markets and Finance business and some other less financially significant activities of CGM. 3. Subordinated debt to meet APRA's Loss-Absorbing Capacity (LAC) requirements. 4. MBL is the primary external funding vehicle for the Bank Group. Macquarie International Finance Limited (MIFL) and Macquarie Bank Europe (MBE) also operate as external funding vehicles for certain subsidiaries within the Bank Group. 5. MGL is the primary external funding vehicle for the Non-Bank Group.

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
- A funded balance sheet reconciliation has been prepared to reconcile the reported assets of Macquarie to the assets that require funding

	Sep 23 \$Ab	Mar 23 \$Ab	Sep 22 \$Ab
Total assets per statement of financial position	394.6	387.9	486.6
Accounting deductions:			
Derivative revaluation	(29.5)	(32.8)	(111.7)
Segregated funds	(8.3)	(8.7)	(12.4)
Outstanding trade settlement balances	(6.5)	(6.4)	(5.6)
Working capital assets	(16.6)	(13.9)	(15.5)
Non-controlling interests	(0.5)	(1.0)	(0.3)
Self-funded assets:			
Self-funded trading assets	(14.8)	(14.8)	(33.5)
Non-recourse and security backed funding	(1.4)	(1.3)	(1.1)
Net funded assets per funded balance sheet	317.0	309.0	306.5

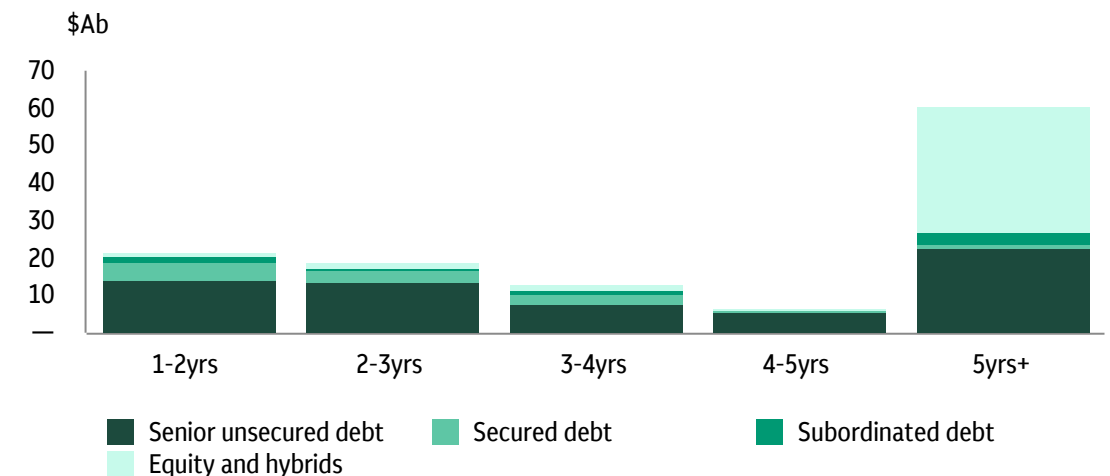
Note: For an explanation of the above deductions refer to slide 64.

Funding for Macquarie

	Sep 23 \$Ab	Mar 23 \$Ab	Sep 22 \$Ab
Funding sources			
Commercial paper and certificates of deposit	37.4	29.8	39.1
Net trade creditors	1.2	2.7	—
Structured notes	1.6	1.5	1.4
Securitisation	12.9	13.2	14.2
Other secured funding	13.3	15.1	14.5
Bonds	55.1	52.8	60.6
Unsecured loans	14.2	13.3	11.9
Customer deposits	135.8	134.5	122.0
Subordinated debt	7.1	7.2	5.7
Equity and hybrids	38.4	38.9	37.1
Total funding sources	317.0	309.0	306.5
Funded assets			
Cash and liquid assets	86.6	85.4	101.0
Net trading assets	38.4	42.9	36.1
Net trade debtors	—	—	0.2
Other loan assets including operating lease assets less than one year	13.9	14.7	12.6
Home loans	115.2	109.0	99.5
Other loan assets including operating lease assets greater than one year	43.5	39.8	38.7
Debt investments	5.0	4.7	6.0
Co-investment in Macquarie-managed funds and other equity investments	8.5	7.4	7.4
Property, plant and equipment and intangibles	5.9	5.1	5.0
Total funded assets	317.0	309.0	306.5

- 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 43%¹ of total funding sources
- Term funding beyond one year (excluding equity and securitisations) has a weighted average term to maturity of 4.4 years¹

Macquarie's term funding maturing beyond one year (includes Equity and hybrids)²



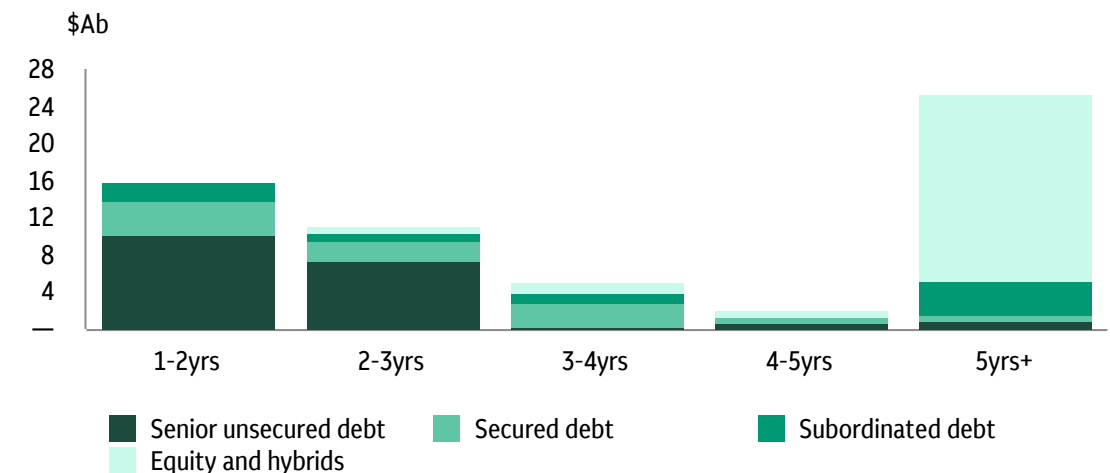
1. As at 30 Sep 23. 2. Includes drawn term funding only.

Funding for the Bank Group

	Sep 23 \$Ab	Mar 23 \$Ab	Sep 22 \$Ab
Funding sources			
Commercial paper and certificates of deposit	37.4	29.8	39.1
Net trade creditors	2.2	2.7	—
Structured notes	0.4	0.5	0.4
Securitisation	10.9	11.4	14.2
Other secured funding	12.4	14.5	14.0
Bonds	18.8	18.9	23.2
Unsecured loans	6.8	6.1	4.8
Customer deposits	135.8	134.5	122.0
Subordinated debt	7.1	7.2	5.7
Equity and hybrids	22.5	22.7	23.1
Total funding sources	254.3	248.3	246.5
Funded assets			
Cash and liquid assets	72.0	70.0	85.0
Net trading assets	33.4	39.1	32.2
Net trade debtors/(creditors)	—	—	(1.3)
Other loan assets including operating lease assets less than one year	12.6	13.5	11.6
Home loans	115.2	109.0	99.5
Other loan assets including operating lease assets greater than one year	24.9	22.5	23.4
Debt investments	2.5	2.4	3.6
Non-Bank Group balances with the Bank Group	(8.5)	(10.0)	(9.1)
Co-investment in Macquarie-managed funds and other equity investments	0.7	0.7	0.7
Property, plant and equipment and intangibles	1.5	1.1	0.9
Total funded assets	254.3	248.3	246.5

- Bank balance sheet remains liquid and well capitalised, with a diverse range of funding sources
- Term funding beyond one year (excluding equity and securitisations) has a weighted average term to maturity of 3.2 years¹
- Accessed term funding across a variety of products and jurisdictions

Bank Group term funding maturing beyond one year (includes Equity and hybrids)²



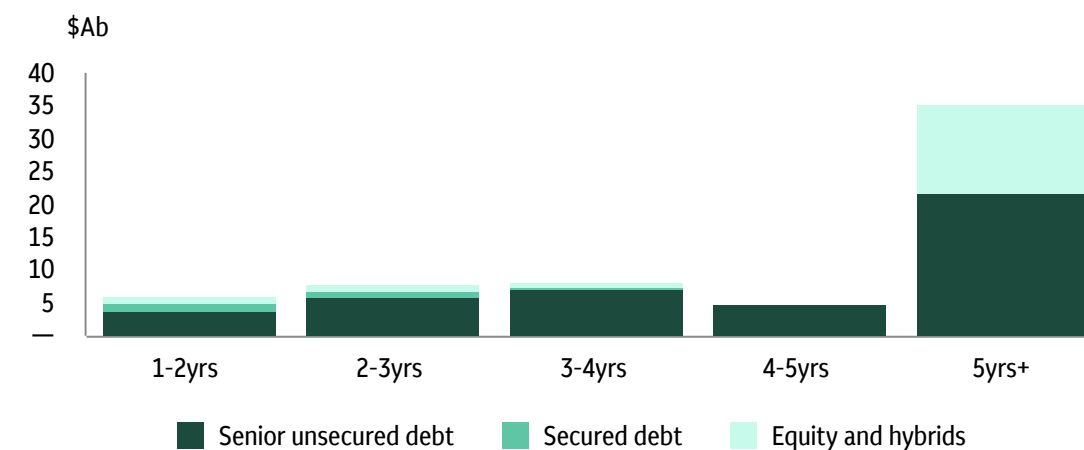
1. As at 30 Sep 23. 2. Includes drawn term funding only.

Funding for the Non-Bank Group

	Sep 23 \$Ab	Mar 23 \$Ab	Sep 22 \$Ab
Funding sources			
Net trade (debtors)/creditors	(1.0)	—	—
Structured notes	1.2	1.0	1.0
Securitisation	2.0	1.8	—
Other secured funding	0.9	0.6	0.5
Bonds	36.3	33.9	37.4
Unsecured loans	7.4	7.2	7.1
Equity and hybrids	15.9	16.2	14.0
Total funding sources	62.7	60.7	60.0
Funded assets			
Cash and liquid assets	14.6	15.4	16.0
Non-Bank Group balances with the Bank Group	8.5	10.0	9.1
Net trading assets	5.0	3.8	3.9
Net trade debtors	—	—	1.5
Other loan assets including operating lease assets less than one year	1.3	1.2	1.0
Other loan assets including operating lease assets greater than one year	18.6	17.3	15.3
Debt investments	2.5	2.3	2.4
Co-investment in Macquarie-managed funds and other equity investments	7.8	6.7	6.7
Property, plant and equipment and intangibles	4.4	4.0	4.1
Total funded assets	62.7	60.7	60.0

- Non-Bank Group is predominantly term funded
- Term funding beyond one year (excluding equity and securitisations) has a weighted average term to maturity of 5.3 years¹
- 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 30 Sep 23. 2. Includes drawn term funding only.

Explanation of funded balance sheet reconciling items

Derivative revaluation

Offsetting derivative positions do not generally require funding and therefore gross revaluations are netted in the funded balance sheet. Derivative positions that result in a funding requirement are included as part of net 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.

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 obligations 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 MGL and MBL Asset and Liability Committees, the MGL and MBL Boards and the Risk Management Group (RMG)

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



Appendix C

Additional Information
Capital

Macquarie Basel III regulatory capital

Surplus calculation

30 Sep 23	APRA Basel III \$Am	
Macquarie eligible capital		
Bank Group Gross Tier 1 capital	22,611	
Non-Bank Group eligible capital	16,000	
Eligible capital	38,611	(a)
Macquarie capital requirement:		
Bank Group capital requirement		
Risk-Weighted Assets (RWA) ¹	125,358	
Capital required to cover RWA at 10.5% ²	13,163	
Tier 1 deductions	3,436	
Total Bank Group capital requirement	16,599	
Total Non-Bank Group capital requirement	11,524	
Total Macquarie capital requirement	28,123	(b)
Macquarie regulatory capital surplus	10,488	(a)-(b)

1. In calculating the Bank Group's contribution to Macquarie's capital requirement, \$A970m of RWA internal to Macquarie are eliminated. 2. This includes the industry minimum Tier 1 requirement of 6.0%, CCB of 3.75% and a CCyB. The CCyB of the Bank Group at Sep 23 is 0.71%, this is rounded to 0.75% for presentation purposes.

Macquarie APRA Basel III regulatory capital

Bank Group contribution

30 Sep 23	Risk-weighted assets \$Am	Tier 1 Deductions \$Am	Capital Requirement ¹ \$Am
Credit risk			
On balance sheet	55,409		5,818
Off balance sheet	41,404		4,348
Credit risk total²	96,813		10,166
Market risk	9,011		946
Operational risk	15,828		1,662
Interest rate risk in the banking book	3,706		389
Tier 1 deductions	—	3,436	3,436
Contribution to Group capital calculation²	125,358	3,436	16,599

1. Calculated at 10.5% of the Bank Group's RWA. This includes the industry minimum Tier 1 requirement of 6.0%, CCB of 3.75% and a CCyB. The CCyB of the Bank Group at Sep 23 is 0.71%, this is rounded to 0.75% for presentation purposes. 2. In calculating the Bank Group's contribution to Macquarie's capital requirement, \$A970m of RWA internal to Macquarie are eliminated.

Macquarie regulatory capital

Non-Bank Group contribution

- APRA has specified a regulatory capital framework for Macquarie
- A dollar capital surplus is produced; no capital ratio calculation is specified
- The Non-Bank Group's capital is calculated using Macquarie's ECAM
- The ECAM is based on similar principles and models as the Basel III regulatory capital framework for banks, with both calculating capital at a one year 99.9% confidence level

Risk ¹	Basel III ²	ECAM
Credit	<ul style="list-style-type: none"> • Capital requirement generally determined by Basel III IRB formula, with some parameters specified by the regulator (e.g. loss given default) 	<ul style="list-style-type: none"> • Capital requirement generally determined by Basel III IRB formula, but with internal estimates of key parameters
Equity	<ul style="list-style-type: none"> • Harmonised Basel III: 250% or 400% risk weight, depending on the type of investment. Deduction from Common Equity Tier 1 above a threshold • APRA Basel III: 100% Common Equity Tier 1 deduction³ 	<ul style="list-style-type: none"> • Extension of Basel III credit model to cover equity exposures. Capital requirement between 34% and 84% of face value; average 55%
Market	<ul style="list-style-type: none"> • 3 times 10 day 99% Value at Risk (VaR) plus 3 times 10 day 99% Stressed VaR plus a specific risk charge 	<ul style="list-style-type: none"> • Scenario-based approach
Operational	<ul style="list-style-type: none"> • Standardised Measurement Approach 	<ul style="list-style-type: none"> • Advanced Measurement Approach

1. The ECAM also covers non-traded interest rate risk and the risk on assets held as part of business operations, including: fixed assets, goodwill, intangible assets and capitalised expenses. 2. Basel III requirements shown. APRA has implemented the Basel III framework (APRA Basel III), and in some areas has introduced stricter requirements. 3. Includes all Banking Book equity investments, plus net long Trading Book holdings in financial institutions.

Macquarie regulatory capital

Non-Bank Group contribution

30 Sep 23	Assets \$Ab	Capital Requirement \$Am	Equivalent Risk Weight
Funded assets			
Cash and liquid assets	14.6	305	26%
Loan assets ¹	19.9	1,980	124%
Debt investments	2.5	302	151%
Co-investment in Macquarie-managed funds and other equity investments	7.1	4,008	706%
Co-investment in Macquarie-managed funds and other equity investments (relating to investments that hedge DPS plan liabilities)	0.7		
Property, plant & equipment and intangibles	4.4	2,107	598%
Non-Bank Group balances with the Bank Group	8.5		
Net trading assets	5.0		
Total funded assets	62.7	8,702	
Accounting Deductions			
Derivative revaluation	0.2		
Segregated funds	0.2		
Outstanding trade settlement balances	5.2		
Working capital assets	12.6		
Non-controlling interests	0.5		
Self-funded assets			
Self funded trading assets	(3.2)		
Assets funded non-recourse	1.4		
Total self-funded and non-recourse assets	16.9		
Total Non-Bank Group assets	79.6		
Equity commitments		1,305	
Off balance sheet exposures, operational, market & other risk, and diversification offset ²		1,517	
Non-Bank Group capital requirement		11,524	

1. Includes operating lease assets. 2. Capital associated with net trading assets (including market risk capital) and net trade debtors has been included here.

Macquarie has a robust framework to manage & limit interest rate risk in the banking book (“IRRBB”)

Risk appetite & framework

Macquarie has **limited appetite** for market risk in non-traded portfolios, including interest rate risk in the banking book.

- This appetite has been quantified by the MBL & MGL Boards
- Aggregate limits are supported by limit frameworks for each of the operating divisions

Responsibility for managing exposures rests with individual businesses, with **independent monitoring** performed by RMG

- Interest rate risks arise as part of the normal course of Macquarie's banking book business activity
- These risks are transferred to the trading books for management within the traded market risk framework
- Group Treasury also manage the earnings volatility that arises where shareholders equity is invested in interest bearing assets. This is achieved by holding a portfolio of ‘receive fixed’ interest rate swaps

Aggregate exposures

IRRBB exposures are constrained by three measures:

- **Economic Value Sensitivity (EVS)**: measures the change in net present value of the interest bearing portfolios in the banking book as a result of changes in interest rates
- **Weighted Average Life (WAL)**: measures the duration of interest bearing hedging or funding behind non-interest bearing portfolios (shareholders equity, equity investments)
- **Earnings at Risk (EaR)**: measures the impact on reported income over 12 months for a change in interest rates¹

The EVS and EaR metrics are calculated using parallel and non-parallel interest rate shocks which are calibrated to 99th percentile moves over a 1 year holding period.

	As at 30 Sep 23	As at 31 Mar 23	As at 30 Sep 22
Aggregate IRRBB exposures - MGL	\$Am	\$Am	\$Am
Economic Value Sensitivity	44	38	31
Earnings at Risk	144	200	167

1. Covers interest bearing and non-interest bearing portfolios.
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Appendix D

Glossary

Glossary

\$A / AUD	Australian Dollar
\$US / USD	United States Dollar
£ / GBP	Pound Sterling
€ / EUR	Euro
CHF	Swiss Franc
¥ / JPY	Japanese Yen
\$NZ / NZD	New Zealand Dollar
1H23	Half Year ended 30 September 2022
2H23	Half Year ending 31 March 2023
1H24	Half Year ended 30 September 2023
2H24	Half Year ending 31 March 2024
ABN	Australian Business Number
ADI	Authorised Deposit-Taking Institution
AML	Anti-Money Laundering
ANZ	Australia and New Zealand
APAC	Asia-Pacific
Approx.	Approximately
APRA	Australian Prudential Regulation Authority
ASX	Australian Securities Exchange
AUM	Assets under Management
BCBS	Basel Committee on Banking Supervision
BFS	Banking and Financial Services
CAGR	Compound Annual Growth Rate
CCB	Capital Conservation Buffer
CCyB	Countercyclical Capital Buffer
CET1	Common Equity Tier 1

CGM	Commodities and Global Markets
CLF	Committed Liquidity Facility
CMA	Cash Management Account
DCM	Debt Capital Markets
DPS	Dividends Per Share
DRP	Dividend Reinvestment Plan
DTA	Deferred Tax Asset
ECAM	Economic Capital Adequacy Model
ECM	Equity Capital Markets
EMEA	Europe, the Middle East and Africa
EPS	Earnings Per Share
ERCOT	Electric Reliability Council of Texas
ESG	Environmental, Social and Governance
EUM	Equity Under Management
FCTR	Foreign currency translation reserve and net investment hedge reserve
FinTech	Financial Technology
FUA	Funds under Administration
FX	Foreign Exchange
FY	Full Year ended 31 March
GIG	Green Investment Group
GovTech	Government Technology
GW	Gigawatt
HQLA	High-Quality Liquid Assets
IPO	Initial Public Offering
IRB	Internal Ratings-Based
IRRBB	Interest Rate Risk in the Banking Book

Glossary

IFRS	International Financial Reporting Standards
IT	Information Technology
LAC	Loss-Absorbing Capacity
LCR	Liquidity Coverage Ratio
LGD	Loss Given Default
LVR	Loan-to-Value Ratio
M&A	Mergers and Acquisitions
MacCap	Macquarie Capital
MAM	Macquarie Asset Management
MBL	Macquarie Bank Limited
MBE	Macquarie Bank Europe
MD&A	Management Discussion & Analysis
MEIF4	Macquarie European Infrastructure Fund 4
MEREP	Macquarie Group Employee Retained Equity Plan
MFAA	Mortgage and Finance Association of Australia
MFHPL	Macquarie Financial Holdings Pty Ltd
MGETS	Macquarie Green Investment Group Energy Transition Solutions
MGL / MQG	Macquarie Group Limited
MGSA	Macquarie Group Services Australia
MiFID	Markets in Financial Instruments Directive
MIFL	Macquarie International Finance Limited
MIP III	Macquarie Infrastructure Partners Fund 3
MKOF3	Macquarie Korea Opportunities Fund 3
MKOF4	Macquarie Korea Opportunities Fund 4
MPA	Mortgage Professional Australia

MWh	Mega Watt hour
No.	Number
NPAT	Net Profit After Tax
NPC	Net Profit Contribution
NSFR	Net Stable Funding Ratio
P&L	Profit and Loss
PCP	Prior Corresponding Period
PPA	Purchase Price Agreement
PPE	Property, Plant and Equipment
PJM	Pennsylvania-New Jersey-Maryland Interconnection
PPP/P3	Public Private Partnership
RBA	Reserve Bank of Australia
RegTech	Regulatory Technology
ROE	Return on Equity
RWA	Risk Weighted Assets
SA-CCR	Standardised Approach (Counterparty Credit Risk)
SMA	Standardised Measurement Approach
SME	Small and Medium Enterprise
SMSF	Self Managed Super Fund
TFF	Term Funding Facility
TMT	Technology, Media and Telecoms
UK	United Kingdom
UQS	Unquestionably Strong
US	United States of America
WAM	Weighted Average Term to Maturity
YTD	Year to Date

Presentation to investors and analysts

Result announcement for the half
year ended 30 September 2023

3 November 2023

