MACQUARIE

2024 Operational Briefing

Macquarie Group Limited

13 February 2024



MACQUARIE

04

Banking and Financial Services

Greg Ward

Head of Banking and Financial Services



Banking and Financial Services

We are a technology-driven Australian retail bank and wealth manager

~1.85m
customers

3,807
BFS staff

$A135.6b
BFS deposits[1]

$A117.9b
home loan portfolio

$A15.5b
business banking loan portfolio

$A4.8b
car loans portfolio

$A132.8b
funds on platform[2]

Offerings

Personal Banking
Retail banking products including home loans and car loans

Business Banking
Deposit, lending and payment solutions

Wealth Management
Wrap platform, cash management solutions and Private Banking

Deposits & Payments
Deposit and payment solutions including transactions & savings accounts, term deposits, business at call accounts, business savings accounts, cash management accounts and credit cards

Expertise and awards

- Award winning **digital banking offering**
- 40+ years bringing **innovation and competition** to Australian consumers
- **Rebuilt our technology stack** to become the first bank with lending and retail deposits powered by **one cloud-based core banking system**

Bank of the Year - Savings

Everyday and Savings Bank of the Year two years in a row

Best Savings Account & Award-winning Term Deposits

Award-winning CX and AI capabilities

Major Home Lender award four years in a row

Broker Bank of the Year two years in a row

Outstanding Private Bank ($A10m+) six years in a row

Award-winning Cash Management Account

As at 31 Dec 23 unless otherwise stated. 1. BFS deposits include home loan offset accounts and exclude certain corporate/wholesale deposits. 2. Funds on platform includes Macquarie Wrap, FUM in relation to institutional relationships and Macquarie Vision (used by Macquarie Private Bank).

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Evolution of Macquarie's retail banking business

Early foundations

1980 First CMT

1985 Australian Banking licence

1992 First Australian home loan

1993 First PUMA securitisation transaction

Established Private Bank

Commenced vehicle financing

1995 Introduced DEFT[1]

1999 Macquarie Wrap platform

2007 Credit cards

2008 Launched CMA

Investing for growth

2014 Core Banking transformation

2015 Launched digital banking

2016 Sale of Macquarie Life

2017 One-click savings account

2019 Private Bank transformation

Launch of Macquarie Authenticator

Ceased white label home loan originations

2019-2023 New Adviser Online portal and Business Online portals

2020 5th largest home lender

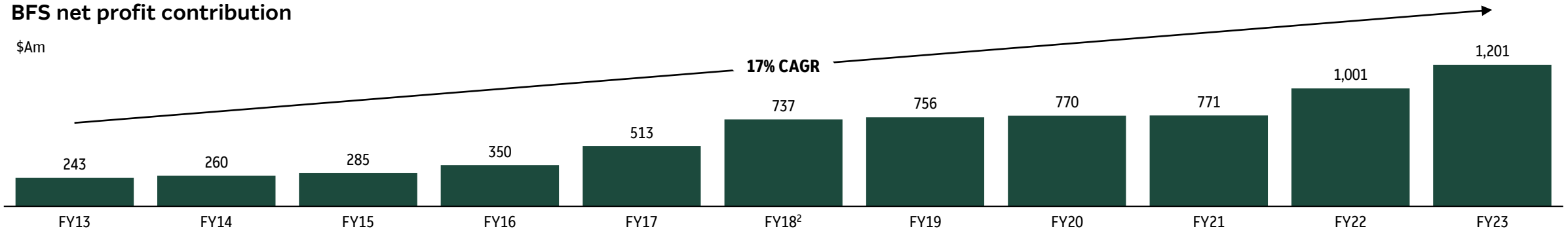
2021 Sale of dealer finance business

2022 Under 3 minutes transaction account opening times

2023 ~96% of BFS technology infrastructure on public cloud

One-click term deposits

BFS net profit contribution



1. Macquarie Business Banking DEFT Payment Solution. 2. Reflects a reorganisation between Operating Groups (vehicle finance moved from Corporate and Asset Finance to BFS).

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Strong and long-term leadership



BFS Group Head
Greg Ward
28 years at Macquarie



Personal Banking
Ben Perham
27 years at Macquarie



Deposits & Payments
Olivia McArdle
19 years at Macquarie



Chief Information Officer
Richard Heeley
10 years at Macquarie



Business Banking
Dean Firth
31 years at Macquarie



Chief Financial Officer
Lisa Fraser
30 years at Macquarie



Wealth Management
Sean West
13 years at Macquarie



D3E[1]
Tony Graham
25 years at Macquarie



BFS Credit
Carolyn Bray
27 years at Macquarie



People & Culture, Client Service & Support
Rosalind Coffey
10 years at Macquarie



Banking Product & Treasury
Drew Hall
11 years at Macquarie



Chief Data Officer
Ashwin Sinha
5 years at Macquarie



Corporate Development & Strategy
Mura Ryan
19 years at Macquarie



Chief Operating Officer
Bruce Phipson
23 years at Macquarie



Chief Digital Officer
Luis Uguina
9 years at Macquarie



Business Banking Product
Kirk Kileff
19 years at Macquarie

Experienced team with average tenure of 19 years



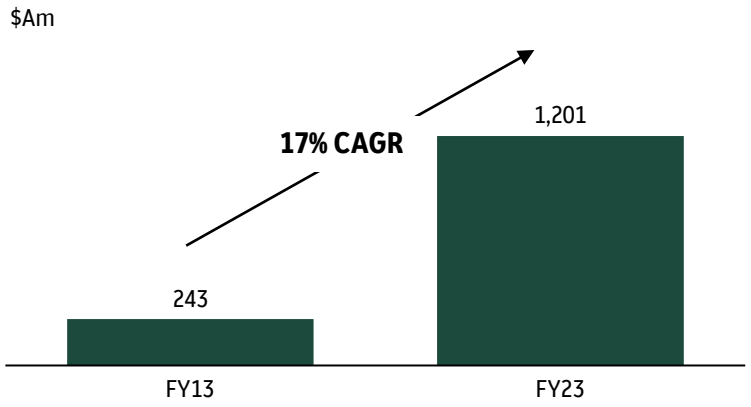
1. Digital, Data, Design & Engineering.

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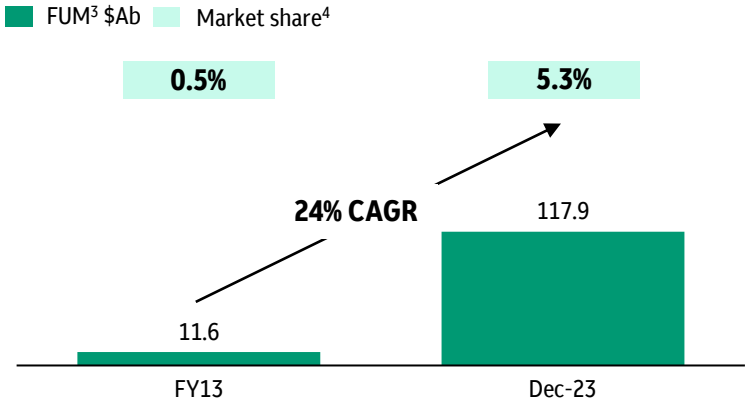
BFS then and now

We have come a long way in the past decade, growing retail awareness and market share through our digital proposition

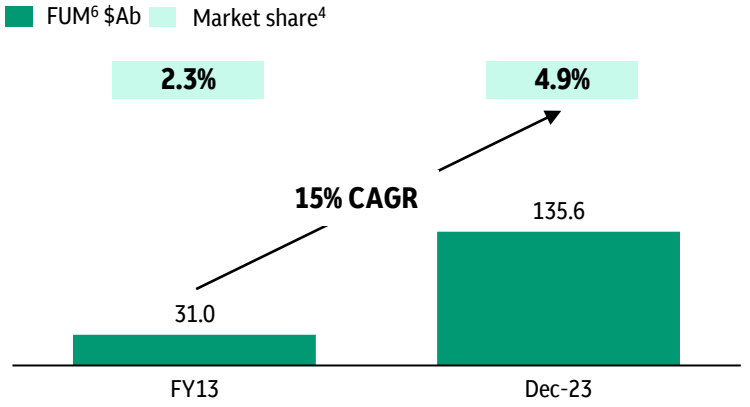
Net profit contribution



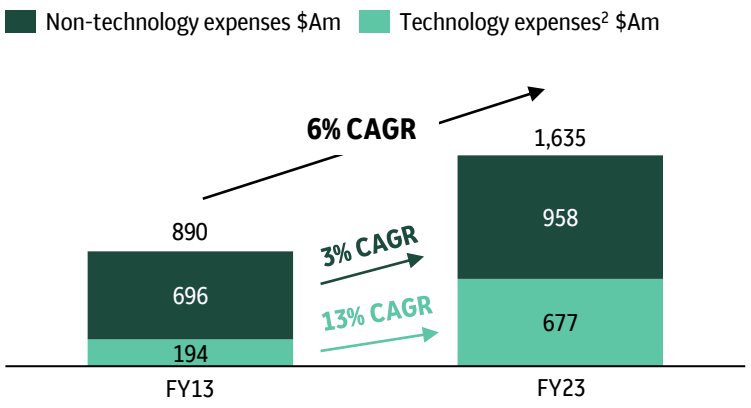
Home loan portfolio



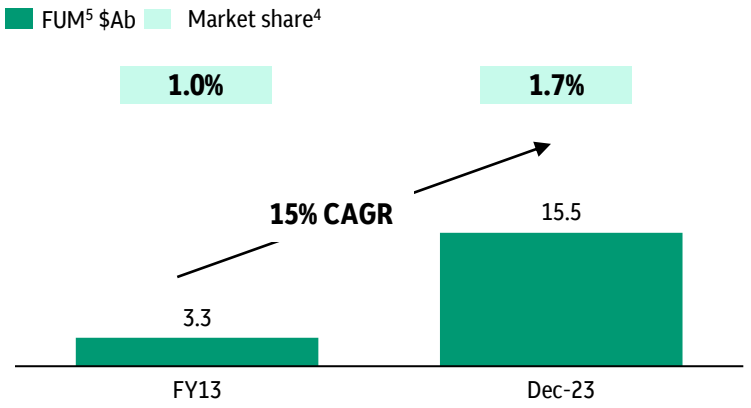
BFS deposits



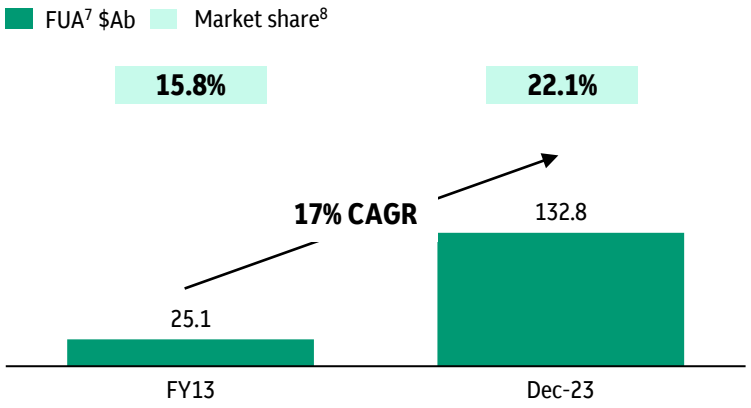
Operating expenses[1]



Business Banking loan portfolio



Funds on platform



1. Excludes brokerage, commission and fee expenses. 2. Refers to Digital, Data, Design and Engineering related expenses as internally defined. 3. Loans originated from the Personal Banking channel, excluding offsets. 4. Market share for Dec 23 based on reported APRA Monthly Authorised Deposit-taking Institution Statistics for MBL. FY13 market share based on the APRA Monthly Banking Statistics back series for MBL. 5. Loans originated from the Business Banking channel. 6. BFS deposits include home loan offset accounts and exclude certain corporate/wholesale deposits. 7. Wrap Funds on Platform include custodial and non-custodial FUA. 8. Wrap market, as at Mar 13 and Sep 23 respectively, based on latest available market data, Plan for Life Research.

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Market opportunity

Strong runway for continued growth

$A2.2tn **6% CAGR**
Total home loans market in Australia[1,2]

$A1.2tn **7% CAGR**
Total business lending market in Australia[1,2]

$A2.9tn **6% CAGR**
Total deposits market in Australia[1,2]

$A559b **11% CAGR**
Total Wrap FUM in Australia[2,3]

$A175b
Wealth transfer p.a. from Australians aged over 60[4]

Opportunity areas

Continued market share growth in home loans
Enhanced digital first customer experiences, building towards greater scale

Continued market share growth in business lending
Driving scale through platform uplifts and credit transformation

Continued market share growth in deposits
Compelling digital offering and software integrations

Improving efficiency of our Wrap platforms
Efficiency through investment in digitisation and simplification

High Net Worth customer growth in Private Bank
Servicing a broader range of customer needs and leveraging the broader Macquarie Group

1. Reported APRA Monthly Authorised Deposit-taking Institution Statistics as at 31 Dec 23. APRA Monthly Banking Statistics back series as at 31 Dec 13. 2. CAGR represents 10-year compound annual growth rate. 3. Plan for Life Research, Sep 13 – Sep 23. 4. Estimated average, Productivity Commission Wealth transfers and their economic effects Nov 21.

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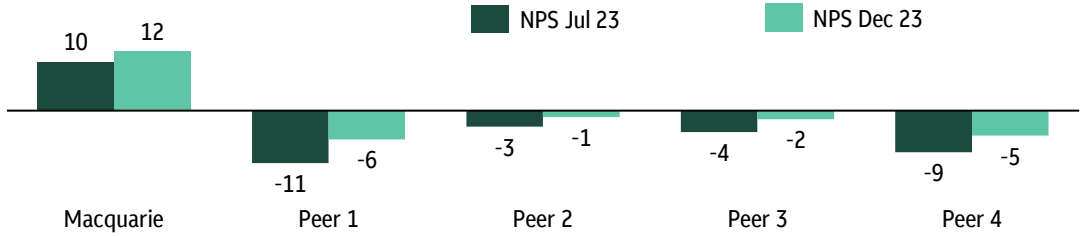
Our areas of focus

We are delivering for our customers with a strong focus on our key strategic priorities

Deliver world class end-to-end customer experiences

- Seamless origination experiences
- One-click account opening
- Fastest approvals in market
- Fully digital self-service variable rate reviews

Net Promoter Scores (NPS)[1]



Through strong technology and data foundations

- Market-leading velocity and reliability
- Simplification to further reduce technology debt and deliver scale
- Award-winning functionality through a digital first approach

96.4%
Applications on cloud[2]

50.9
Mobile banking NPS[3]

43.4
Internet banking NPS[3]

Built on a strong risk culture

- Strong risk discipline and mindset
- Significant investment in financial crime identification, mitigation and management

- Lowest external dispute resolution complaint ratio by $Am of FUM relative to peers[4]
- Among the lowest home loan arrears rates in industry[5]

1. Based on Australian consumers aged 18 years and over who have any financial relationship with the specified bank, rating their likelihood to recommend that bank. Data sourced from RFI-DBM Atlas. 2. As at 31 Dec 23. 3. Six months to 31 Dec 23, Macquarie User Digital Platform Transactional NPS. 4. Jul 22 - Jun 23, AFCA Annual Review. Data is specific to the MBL entity. Peer defined as an APRA "Significant Financial Institution (SFI)" and peer data includes subsidiaries in the same markets. 5. FY23 results presentations for major Australian banks.

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Wealth Management

We continue our focus on digitisation and investing in integrated wealth solutions for advisers & customers

Wrap

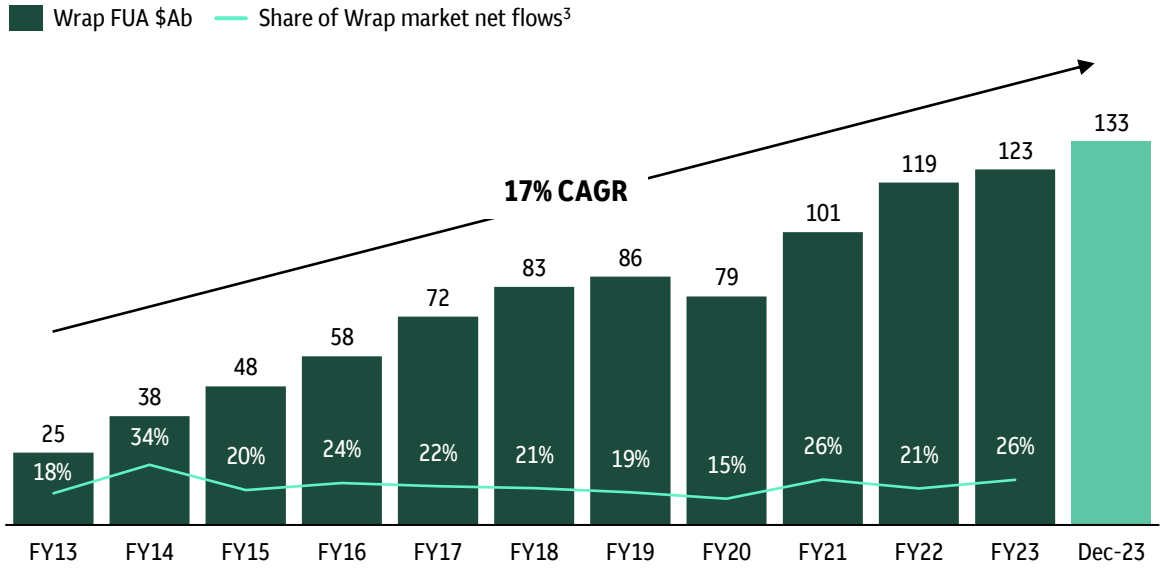
- More than 20 years of Wrap and more than 40 years of wealth-linked cash management
- Australia's 2nd largest Wrap platform serving financial advisers and customers
- Continued investment in delivering seamless adviser and customer experiences through our digital portals, including Adviser Online (AO)
- Use of multi-factor Macquarie Authenticator security application to protect advisers and customers
- Leveraging our scale to drive further efficiency through simplification and digitisation

2nd
Largest Wrap provider[1]

22%
Wrap market Share[1]

$A12.8b
SMA[2] FUM

Wrap FUA and share of market net flows



Private Bank

- Private Bank service proposition focused on a broad range of High Net Worth customer needs, including market-leading investing and banking services, and access to the broader Macquarie Group

10k+
Households

Outstanding Private Bank ($A10m+), six years in a row

1. Plan for Life Research Sep 23. 2. Separately Managed Accounts. 3. Plan for Life Research Mar 13 – Mar 23.

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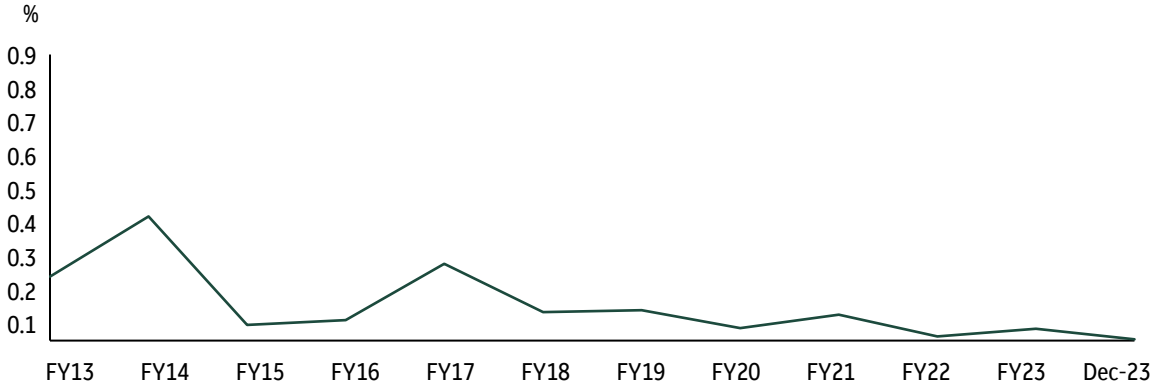
Business Banking

We have an opportunity to grow through our deep industry expertise, strong relationship model and investment in technology

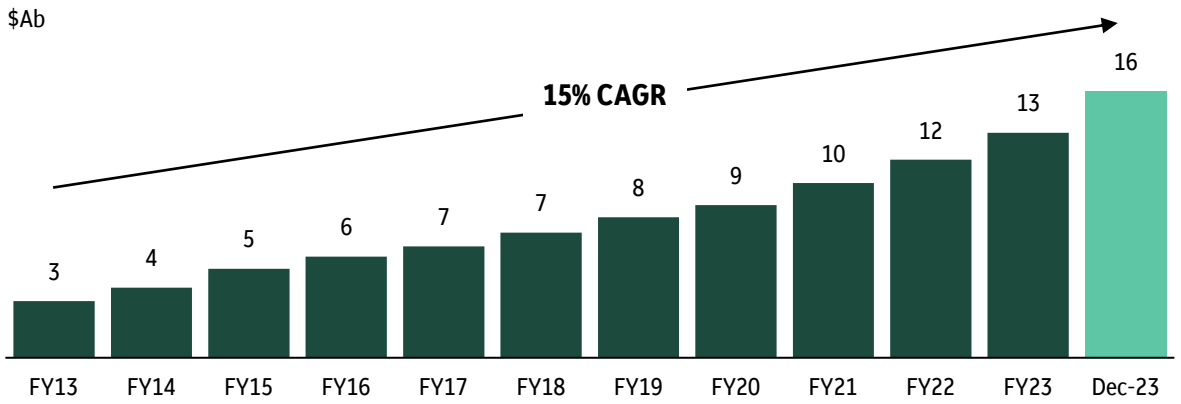
- Leveraging deep industry expertise to deliver strong lending and deposit growth within segments with below average loss rates
- Delivering operational efficiencies through deep connectivity between our platforms and customers' operating systems
- Investing to deliver best in class originations (nCino) and online banking capabilities (Macquarie Business Online)

8% of customers are New to Bank customers[1]

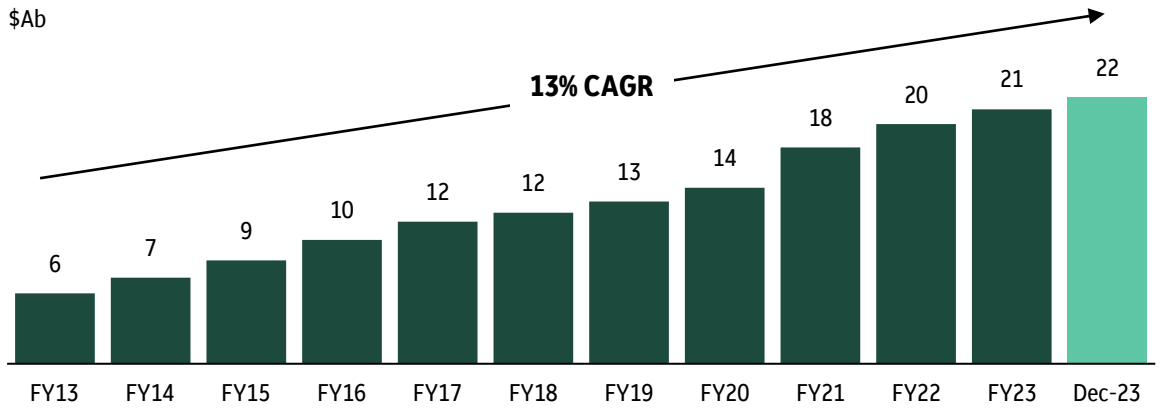
Business Banking loans realised losses[2]



Business Banking loan portfolio



Business Banking deposits[3]



1. Originated in the 12 months to Dec 23. 2. Percentage on average lending book. 3. Includes business at call deposits and term deposits and excludes certain corporate/wholesale deposits.

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Platform uplift and digitisation

We have invested in uplifting our Business Banking platforms to enhance the customer experience and improve efficiency and scalability

Business Banking

Macquarie Business Online (MBO)

- Enhanced digital capability, enabling more customer self-service with 87% of key customer functions[1] now completed online
- Inbuilt fraud controls and state of the art monitoring, supported by Macquarie Authenticator
- Multiple payment solutions including direct file uploads, group payments, funds transfers, BPAY and direct debits
- Increase in the NPS for MBO from 18.8 to 26.5[2]

Originations via nCino

- Centralised single platform enabling real-time risk and portfolio management and industry benchmarking
- Seamless servicing and 15% improvement in time to formal approval[3]
- Reduction in manual processes and enhanced risk management
- 65% of lending customers migrated onto nCino[4]



1. Refers to single account openings, closures, withdrawals and international payments. 2. Six months to 31 Dec 23. 3. For new to bank case types of comparable complexity, for the period 1 Sep 23 to 30 Nov 23. 4. As at 31 Dec 23.

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Home Loans

We have had strong market share growth underpinned by focus on customer and broker experience

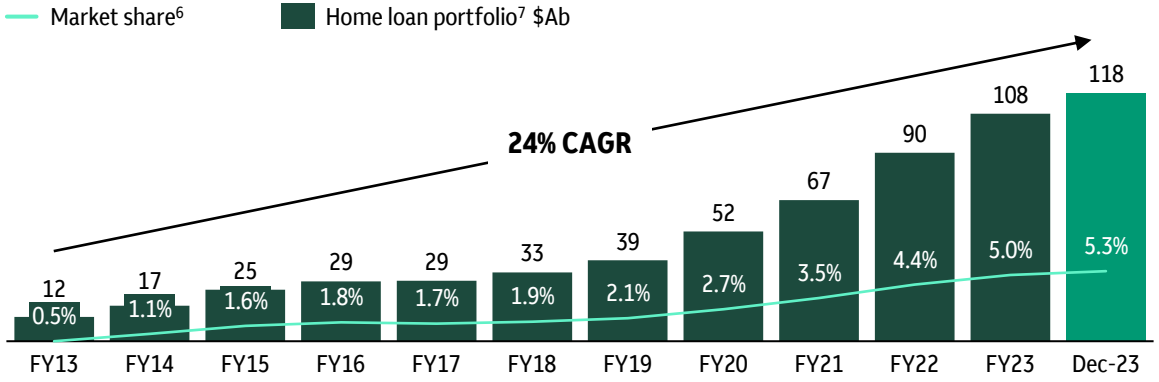
- Success to date driven by the broker channel (94% broker flow / 6% direct flow in FY24[1])
- Home loan growth driven by strong demand in lower loan-to-value ratio (LVR) and owner-occupier lending segments
- Investing in best-in-class digital experiences, both at origination and in-life, with market leading approval times and digital self-service features
- Prudent and disciplined approach to pricing (never offered cashbacks)

5.3%
Market share[2]

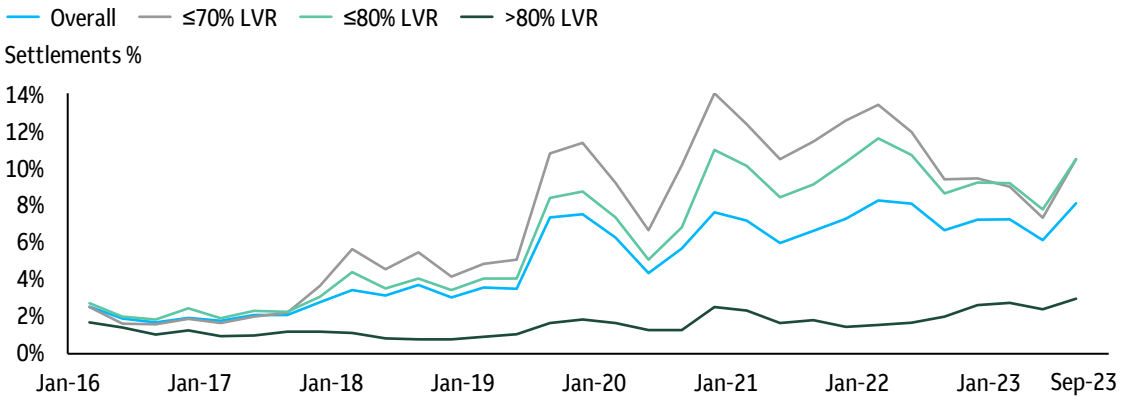
8.8%
Net book growth[3]

$A607k
Average facility limit[4]

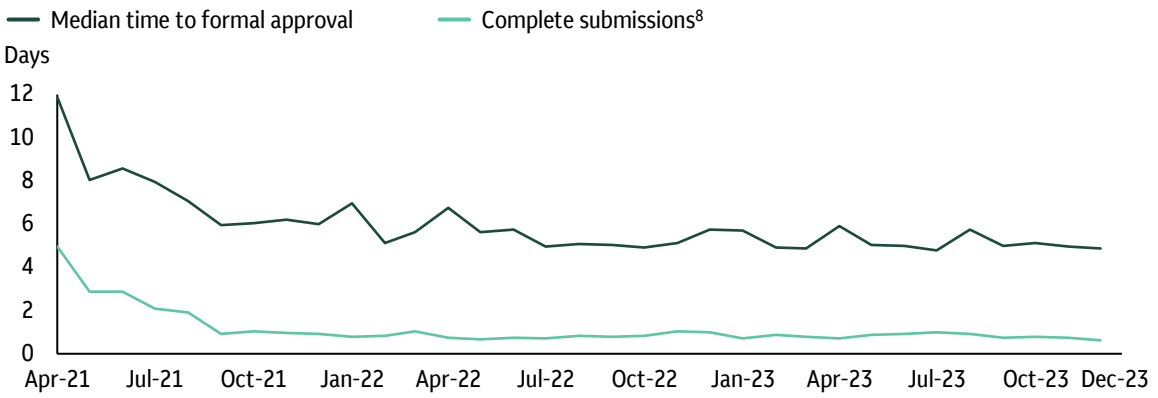
Home loan portfolio



Home loan market share[5]



Median time to formal approval



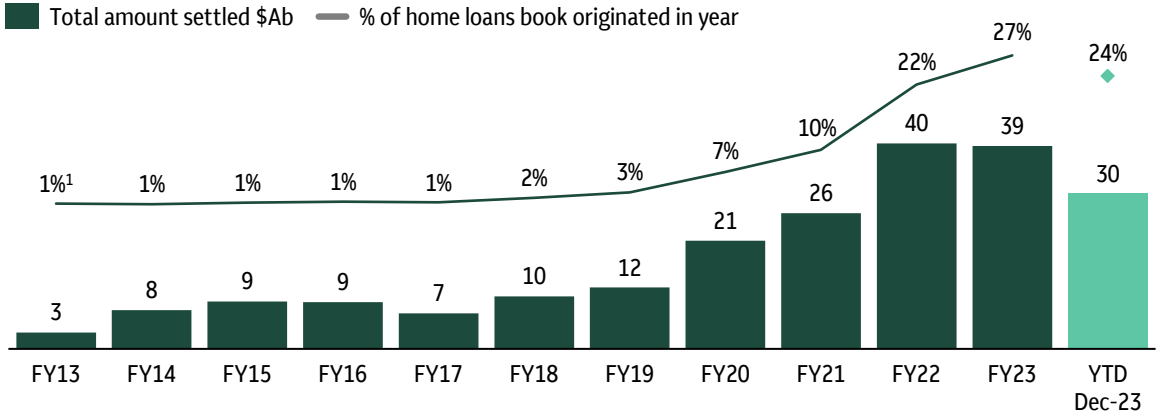
1. For the period 1 Apr 23 to 31 Dec 23. 2. As at 31 Dec 23, based on reported APRA Monthly Authorised Deposit-taking Institution Statistics for MBL. 3. For the period 31 Mar 23 to 31 Dec 23, including offsets. 4. As at 31 Dec 23. 5. Comparator Quarterly Market Diagnostic September quarter 2023. 6. Market share figures from FY19 onwards based on reported APRA Monthly Authorised Deposit-taking Institution Statistics as at 31 Dec 23 for MBL. Historical data prior to FY19 based on the APRA Monthly Banking Statistics back series for MBL. 7. Loans originated from the Personal Banking channel, excluding offsets. 8. Refers to applications where all information needed to assess the loan is provided.

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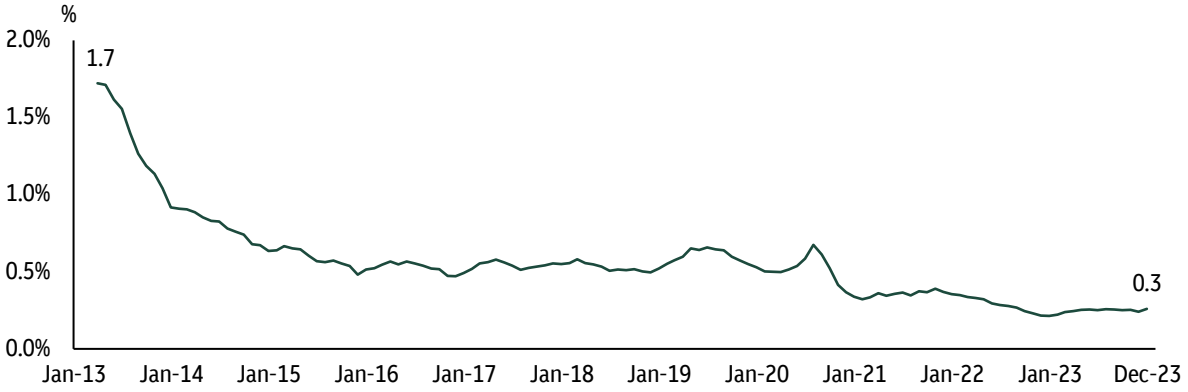
Home Loans

We have maintained strong growth in low-LVR, high credit-quality lending

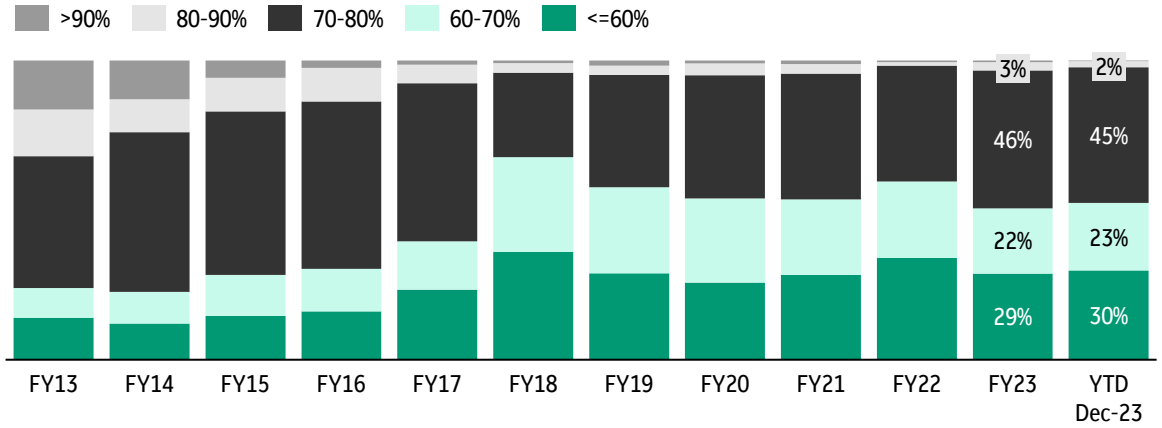
Annual settlements



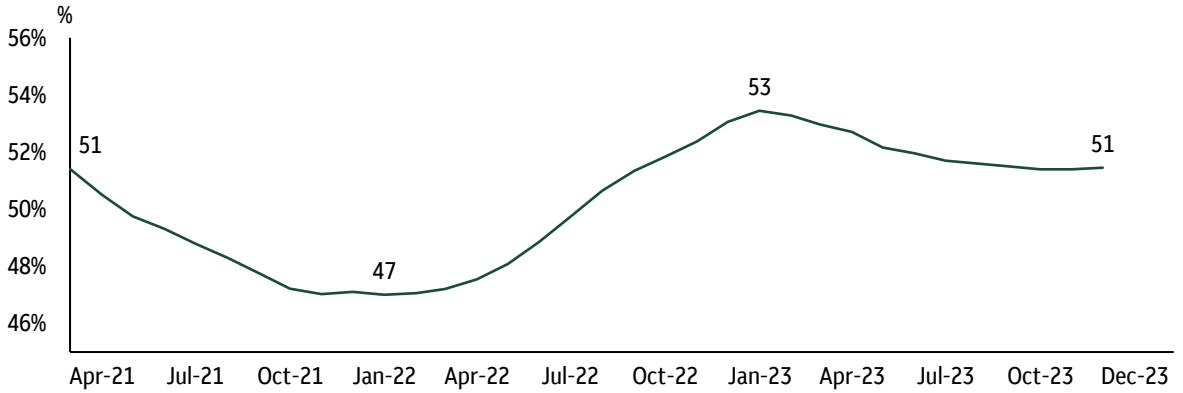
90+ days arrears[3]



Home loan settlements by origination LVR[2]



Dynamic LVR[4]



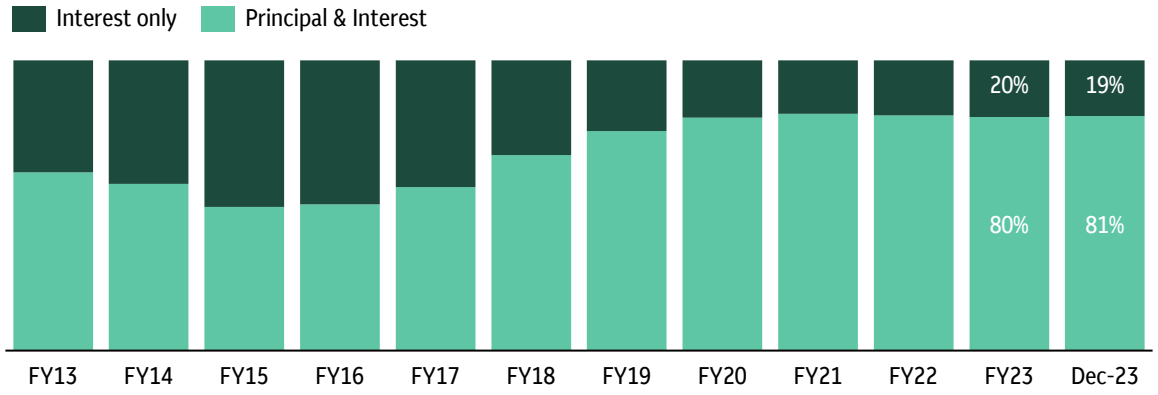
1. FY13 and prior. 2. LVR at origination, by settlement year. 3. Loans originated from the Personal Banking channel, current balance excluding offsets, includes hardships. Excludes 2020 COVID-19 payment pause freezes consistent with industry treatment. 4. Weighted by size of loan balance Including offsets. Property valuation source is CoreLogic, with Dec 23 valuations applied.

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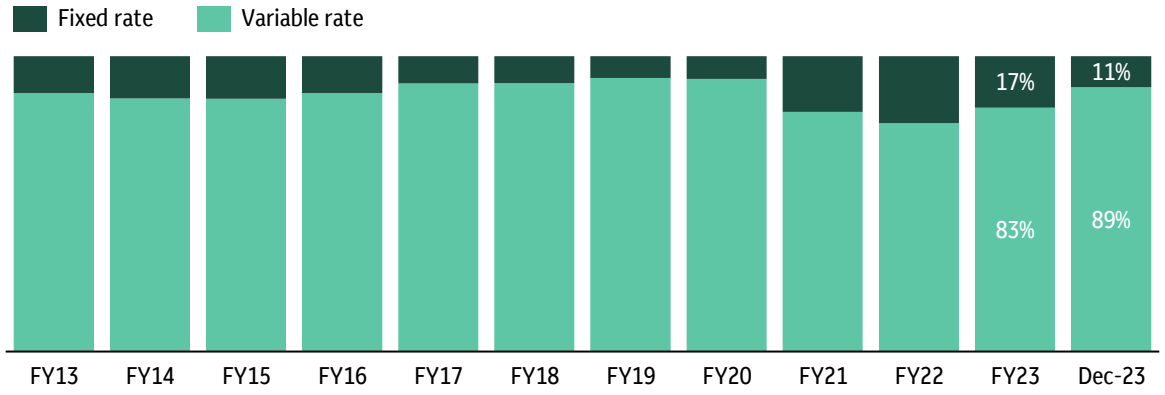
Home Loans

Composition of our home lending portfolio remains strong

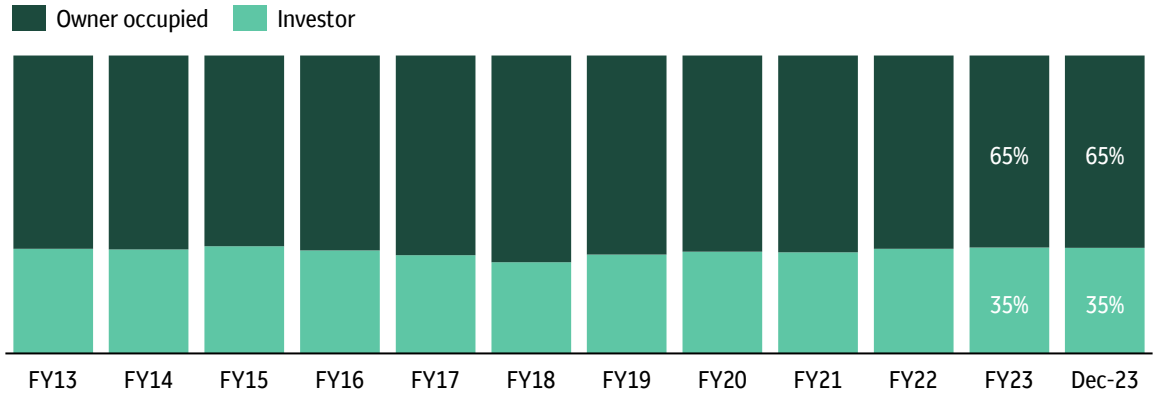
Repayment type[1,2]



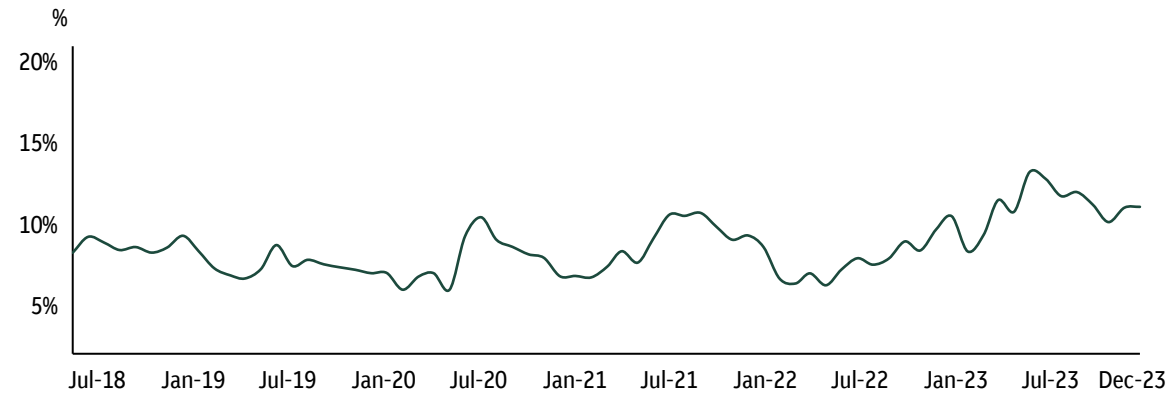
Fixed vs. variable rate[1,2]



Owner occupied vs. investor[1,2]



Annualised external refinance rate[1]



1. Loans originated from the Personal Banking channel. 2. Excluding offsets, for the portfolio.

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Deposits

Deposits are key to our liability-led strategy, providing efficient funding for our lending businesses

- Strong growth in our deposits, representing ~4.9% of the Australian market[1] with continued diversification of our deposits base
- Award-winning digital features and unique multi-factor Macquarie Authenticator application
- ~1.4m out of ~1.85m BFS customers are depositors[2]
- 5th largest household depositholder[1]

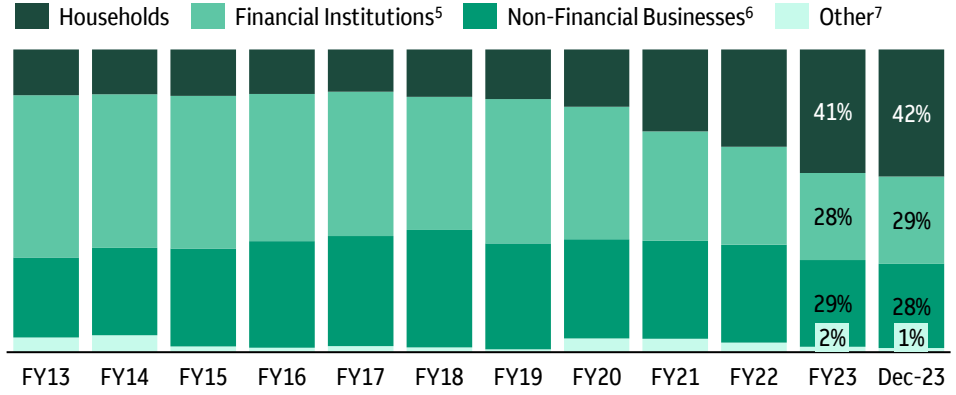
Business Banking

- Strong deposit growth evident across property and professional industries
- Deep customer relationships formed through industry expertise and connectivity between our payments and banking platforms, and our customers' operating systems

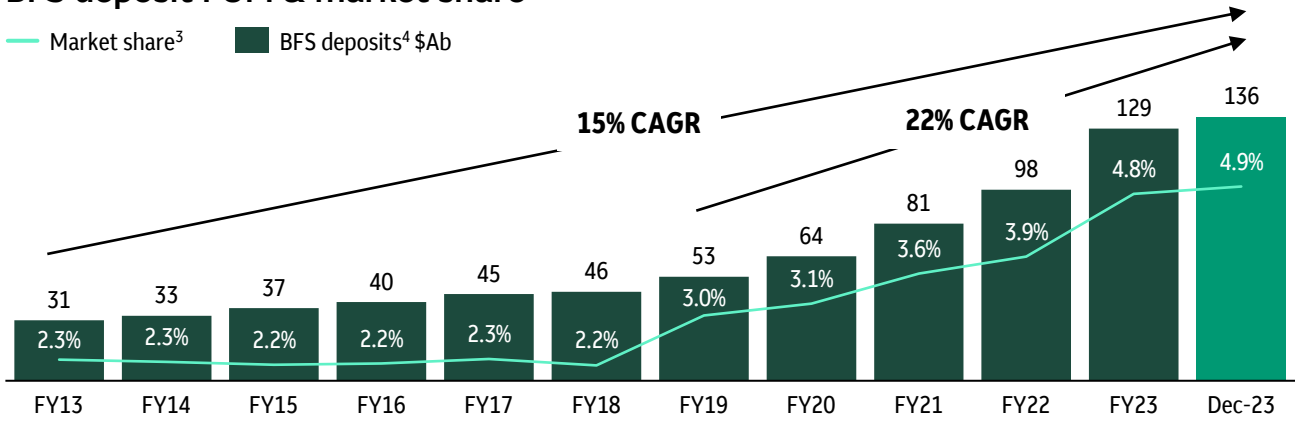
Wealth

- Market leading cash hub
- Seamless management of wealth by advisers through CMA connectivity features

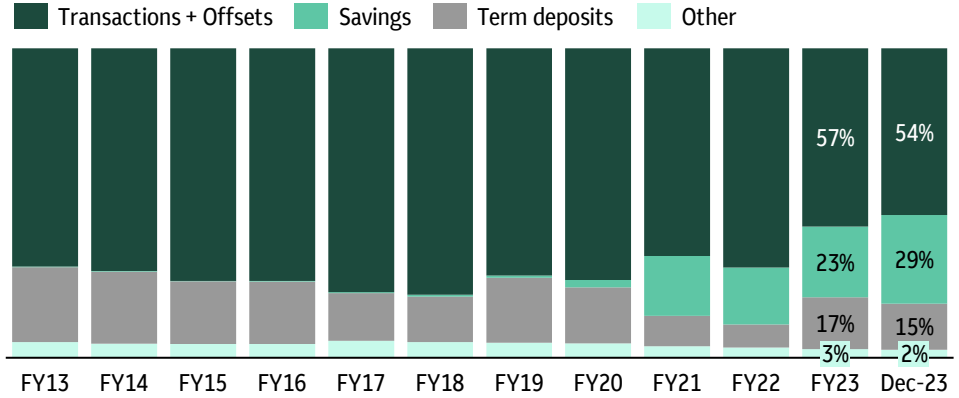
Customer deposits counterparty composition[3]



BFS deposit FUM & market share



BFS deposit type



1. APRA Monthly Authorised Deposit-taking Institution Statistics as at 31 Dec 23 for MBL. 2. As at 31 Dec 23. 3. Figures from FY19 onwards based on reported APRA Monthly Authorised Deposit-taking Institution Statistics as at 31 Dec 23 for MBL. Historical data prior to FY19 based on the APRA Monthly Banking Statistics back series for MBL. 4. BFS deposits include home loan offset accounts and exclude certain corporate/wholesale deposits. 5. Includes superannuation funds and SMSFs. 6. Predominantly Private Enterprises and Trusts. 7. Includes Government, Community Service Organisations and Not-for-profits.

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Deposits

We have a balanced and sustainable deposit portfolio

+58%
Increase in Transaction accounts[1]

1 in 3 SMSFs
use the Macquarie CMA[2]

~138
Integrations delivering operational efficiency for our customers[3]

DEFT[1]
$A35.2b
Total transaction value
24m
Total no. transactions

57%
Financial Claims Scheme coverage[3]

1. For the 12 months ending 31 Dec 23. 2. As at 30 Sep 23. 3. As at 31 Dec 23.

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Technology foundational capabilities

Our investment across technology capabilities has laid a strong foundation for scalable future growth

Origination platform

Pega and nCino originations to achieve market leading approval times

Digital experience

Award-winning mobile banking app and web banking
Unique standalone authentication application, Macquarie Authenticator

Data & analytics

Single consolidated data platform on Cloud delivering personalised, real-time insights and information

Multi-cloud

Multi-vendor cloud strategy, leveraging Artificial Intelligence and digital capabilities of Google Cloud and Amazon Web Services

Technologies utilised

PEGA ncino SAP twilio Akamai elastic Google Cloud aws

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Building the culture to support our vision

We are bringing the culture of technology companies to financial services, by focusing on digital, data, design and engineering (D3E)

~340
Digital staff

~380
Data staff

~55
Design staff

~610
Engineering staff



- Digital first approach, delivering a leading end-to-end experience
- Organising our data efficiently to personalise experiences and scale at speed
- Design led, ensuring we're solving the right problems for our customers
- Best engineering capability, with a culture that attracts the best talent and enables them to perform

Aligned on priorities with the greatest impact, through Objectives and Key Results (OKRs) and a formalised annual and quarterly planning process

As at 31 Dec 23.

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Our future technology focus

We will continue to leverage our investment in technology and culture to deliver leading experiences

Reliability & Availability

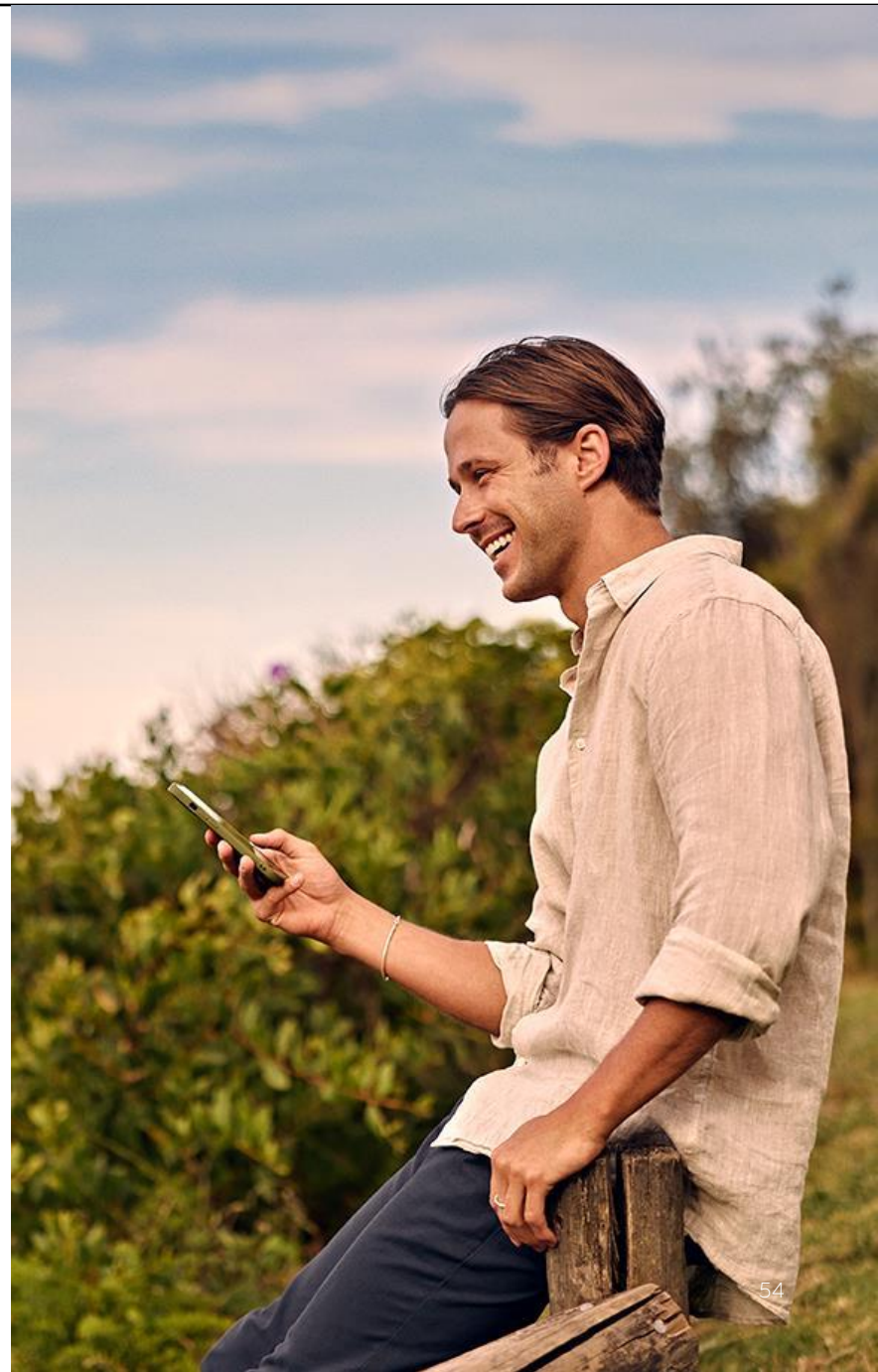
- Market leading reliability and availability for customers through continued reduction of technology debt, system simplification and public cloud strategy

Safety & Security

- Enhanced customer protection leveraging Artificial Intelligence and Machine Learning to detect fraud and cyber threats and provide real-time responses

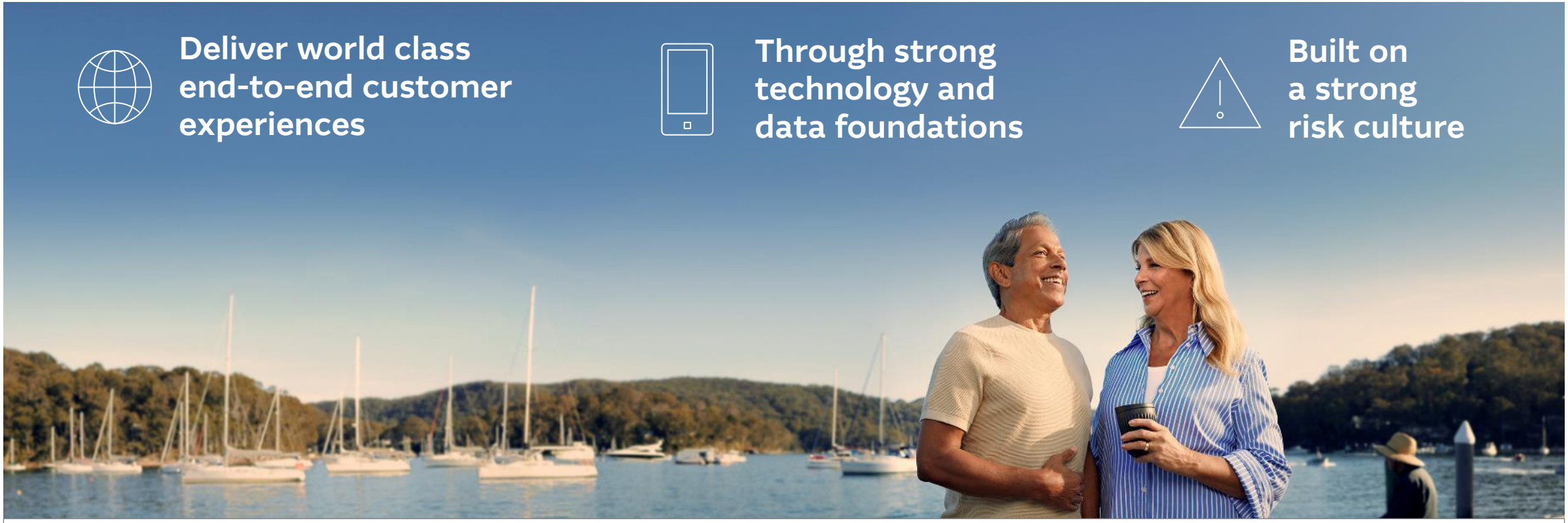
Banking of the Future

- Next generation banking experience leveraging all technology capabilities to provide insights, alerts, offers, and comprehensive history in a true omni-channel service offering



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Well positioned for the future



Continued execution of our strategy, building on our strong foundations and market position to capture further market share and build towards scale

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2024 Operational Briefing

Macquarie Group Limited

13 February 2024

