

CHAIR'S ADDRESS

MACQUARIE GROUP LIMITED ANNUAL GENERAL MEETING 2024

25 JULY 2024

SHERATON GRAND SYDNEY HYDE PARK, SYDNEY

Check against delivery

Introduction

Good morning, everyone and welcome to Macquarie Group's 2024 Annual General Meeting. I am Glenn Stevens, and it is my privilege to chair the board of your company and today's proceedings. I note that a quorum is present and declare the meeting open. Today's meeting is also a hybrid meeting which allows us also to welcome shareholders electronically from around the world.

I acknowledge the traditional owners of the lands from where I speak to you today, the Gadigal people of the Eora nation, and pay my respects to their elders, past, present and emerging.

With me here on the stage are our non-executive directors Rebecca McGrath, Phil Coffey, Susan Lloyd-Hurwitz, Jillian Broadbent, Mike Roche and Michelle Hinchliffe, our CEO Shemara Wikramanayake, CFO Alex Harvey and Company Secretary Simone Kovacic. Wayne Byres, Michael Coleman, Ian Saines and David Whiteing, our Bank-only Directors, are also present in the room. Present in person or online are Macquarie Bank CEO Stuart Green and Group Heads Greg Ward, Ben Way, Michael Silverton, Simon Wright, Nicole Sorbara, Andrew Cassidy and Evie Bruce.

The order of proceedings is as set out in the documents. After some brief remarks from me, Shemara will take you through the 2024 full year results, provide a first quarter 2025 update and speak to the outlook for the 2025 financial year. We will then hear from Directors who are seeking re-election to the Board today including Rebecca McGrath, Mike Roche and myself. Following that, I will formally open the polls, and then we will take a break. We look forward to meeting those of you who are here in person during the break.

After the break, we will re-convene to address the formal items of business on the agenda. As has been our custom, we will take questions on all matters at that time. Please note that recording devices, photographic equipment and mobile phones cannot be used during the meeting. The meeting is being webcast live on the Macquarie Group website and you will also be able to view a recording of the meeting from later today.

Those of you attending online can send in your questions from now by clicking on the speech icon on your screen and we will address them during the formal business of the meeting. We will try to ensure that all topics of interest are addressed in our responses. Questions submitted online may be moderated or amalgamated if there are multiple questions on the same topic.

FY24 Financial Performance

Macquarie Group delivered a profit of \$3.5 billion in FY24, a decline from the exceptional results of the previous two years. The volatility in global energy markets that had previously increased customer demand for services and presented trading opportunities gave way to much quieter conditions, and hence lower earnings for the Commodities and Global Markets business.

For much of the year, less active financial markets also constrained other areas of the Group's business, particularly in Macquarie Asset Management. However, as long-term investments in growth paid off, Banking and Financial Services and Macquarie Capital both generated higher profits than in the preceding year.

The company earned a return on shareholders' funds of 10.8 per cent, a bit below the level Macquarie typically seeks to achieve. Over the past five years, Macquarie has earned around 15 per cent for shareholders on average.

Increases in headcount and in the broader cost base have been difficult to avoid in recent years given the extent of business growth, the volume of project work and particularly the increase in regulatory requirements. As some of these projects now deliver planned productivity benefits, management has heightened its focus on costs and is working to ensure value for shareholders.

The company finished the year in a strong financial position, with surplus capital both at Group and Bank levels. The Board declared a final dividend of \$A3.85 per share, making for a total dividend of \$A6.40 per share for the full year. This was in keeping with the Board's policy of paying between 50 and 70 per cent of earnings in dividends. In November 2023, the Board also approved an on-market buy-back for Macquarie Group shares of up to \$A2 billion as an efficient means of returning the surplus capital from the exceptional 2022 and 2023 financial years to shareholders. To date, a total of \$A908 million ordinary shares have been acquired on-market. Macquarie remains well placed to respond to opportunities - and to manage the associated risks - thanks to the diversity of our businesses, enduring client franchises, a strong balance sheet and our disciplined approach to risk management.

ESG

The pace at which the world will be able to lessen the use of fossil fuels will be determined by the pace at which it can add renewable capacity. Macquarie continues to support the development of clean energy infrastructure, with 110 GW of clean energy capacity in development, construction, or operation at the end of FY24. To put that 110 GW into perspective, Australia's National Electricity Market currently has about 50 GW of renewable energy capacity installed predominantly on Australia's east coast.

Within our field of influence and capability, and with around 20 years' experience in advancing climate solutions, Macquarie is well-positioned to continue playing a constructive role as a financier, adviser, investor and fiduciary in this space. We expect this to be to the benefit of shareholders.

During FY24, the Macquarie Group Foundation contributed \$A67 million to 3,000 non-profit organisations around the world through employee donations and fundraising, Foundation matching and donations, grants and social impact investments. This marked a significant increase on FY23 and a record year of giving. In total, \$A641 million has been contributed to philanthropic causes by the Foundation and Macquarie employees since its establishment in 1985.

New Headquarters

Macquarie's new global headquarters at 1 Elizabeth St, Sydney will open next week. This was part of an ambitious project in partnership with the State Government that integrates a major interchange for the city's new Metro transport system with two state-of-the-art office buildings and a regenerated public precinct with community facilities. The project is one of Macquarie's largest balance sheet infrastructure undertakings to date and an example of identifying an opportunity to connect capital with community need. You'll hear more on this project in a short video after this morning's break for refreshments.

Risk Culture

As well as identifying opportunity, managing risk is an equally important part of everyone's role at Macquarie. Staff understand that their performance includes the identification and management of risk, and that there are consequences for non-compliance with Macquarie's behavioural expectations. The Board recognises the importance of continually assessing Macquarie's culture formally through Board reporting and updates and informally through direct interactions with staff.

Macquarie's approach to remuneration also plays an important role in promoting its culture. The remuneration framework supports Macquarie's purpose by motivating staff to be innovative and to build businesses but also to be accountable for their decisions, and behaviour.

Board Update

Turning to the Boards, during the year, Susan Lloyd-Hurwitz joined the Macquarie Group and Macquarie Bank Boards as an independent director, bringing her significant expertise in the global investment and real estate sectors and is already making a valued contribution. In February 2024, having served for ten years, Nicola Wakefield Evans AM retired from the Board. Nicola made an important contribution to Macquarie, including for over seven years as Chair of the Board Governance and Compliance Committee, a responsibility that has now been taken on by Rebecca McGrath.

I am pleased Rebecca McGrath and Mike Roche are offering themselves for re-election. Rebecca's extensive experience in the energy and industrial sectors and Mike's extensive experience as a corporate finance adviser and in structured finance, both continue to be of significant benefit to Macquarie.

The process of appointing Bank-only Non-Executive Directors (BONDS) to the MBL Board was completed with the appointment of David Whiteing in September 2023 and Wayne Byres in February 2024. Both bring highly valued skills and experience to the Macquarie Bank Board and contribute to strengthening the voice of MBL within the Group. After 12 years of association with Macquarie as a Director, Michael Coleman will tomorrow retire from the Macquarie Bank Board after his two-year term as a BOND and 10 years as a Macquarie Group Director prior to that.

On the Board's behalf, it remains for me to thank the staff and management of Macquarie, for their efforts in a more challenging year. This is a high-performing team that remains focused on delivering the best possible results for shareholders.

Fellow shareholders, that concludes my opening remarks. Thank you for your attention and for your ongoing support of Macquarie. I now invite Shemara to discuss the results in more detail and to update you on recent performance.