MACQUARIE

Macquarie Group Limited

Presentation to Debt Investors

November 2020

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Unless otherwise specified all information is at 30 September 2020.

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This presentation provides further detail in relation to key elements of Macquarie Group Limited’s financial performance and financial position. It also provides an analysis of the funding profile of the Group because maintaining the structural integrity of the Group'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.

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Agenda

MACQUARIE

01

Overview

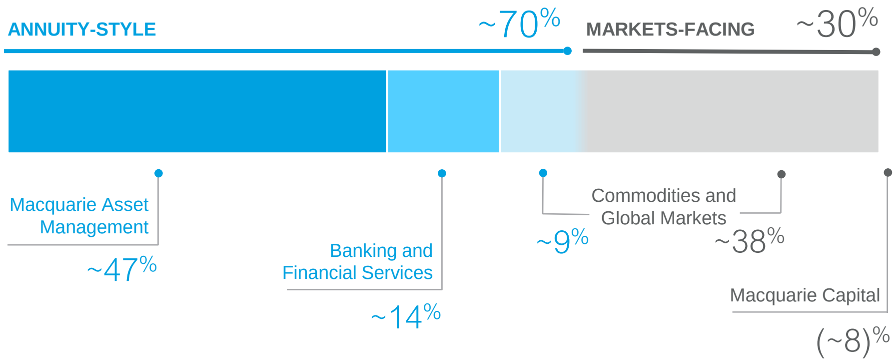
Presentation to Debt Investors

November 2020

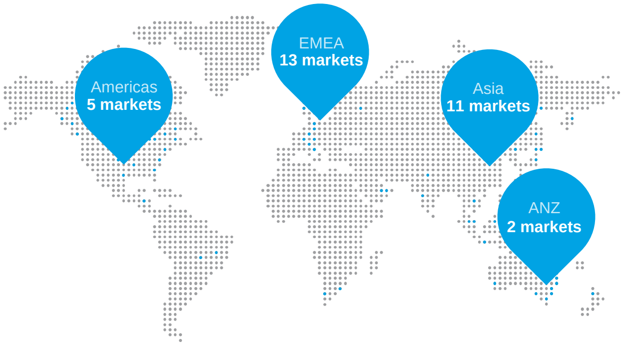
Macquarie overview

Global diversified financial group providing clients with asset management and finance, banking, advisory and risk and capital solutions across debt, equity and commodities

Macquarie Group overview[1]



Global presence[2]



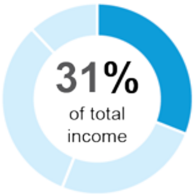
1H21 net profit **$A985m** FY20 net profit **$A2,731m**	**$A556.3b** assets under management as at 30 Sep 20	**MBL** **A/A2/A+** credit rating	**APRA** primary regulator for MBL & MGL	**16,356** employees[2], operating in 31 **markets**

1. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Bar chart is based on 1H21 net profit contribution from operating groups as reported at the results announcement on 6 November 2020. 2. Employees and global locations as at 30 Sep 20. Includes staff employed in certain operationally segregated subsidiaries throughout the presentation

Diversification by region

International income 68% of total income[1]
Total staff[2] 16,356, International staff 57% of total

Americas



2,728

TOTAL INCOME[1]
$A1,725m

Assets under management
$A277.2b

Employing **39,000+** people[4]

CANADA
Calgary
Montreal
Toronto
Vancouver

LATIN AMERICA
Mexico City
Sao Paulo
Santiago

USA
Austin
Boise
Boston
Chicago
Dallas
Houston
Jacksonville
Los Angeles
Minneapolis
Nashville
New York
Orlando
Philadelphia
San Diego
San Francisco
San Jose
Seattle
Walnut Creek

EMEA

2,448

TOTAL INCOME[1]
$A1,348m

Assets under management
$A115.5b

Employing **45,000+** people[4]

EUROPE
Amsterdam
Braintree
Coventry
Dublin
Edinburgh
Frankfurt
Geneva
Limerick
London
Luxembourg
Madrid
Munich
Paris
Reading
Solihull
Vienna
Watford
Zurich

MIDDLE-EAST
Dubai

SOUTH AFRICA
Cape Town
Johannesburg

Asia

4,104

TOTAL INCOME[1]
$A665m

Assets under management
$A38.4b

Employing **39,000+** people[4]

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

Australia[3]

7,076

TOTAL INCOME[1]
$A1,776m

Assets under management
$A125.2b

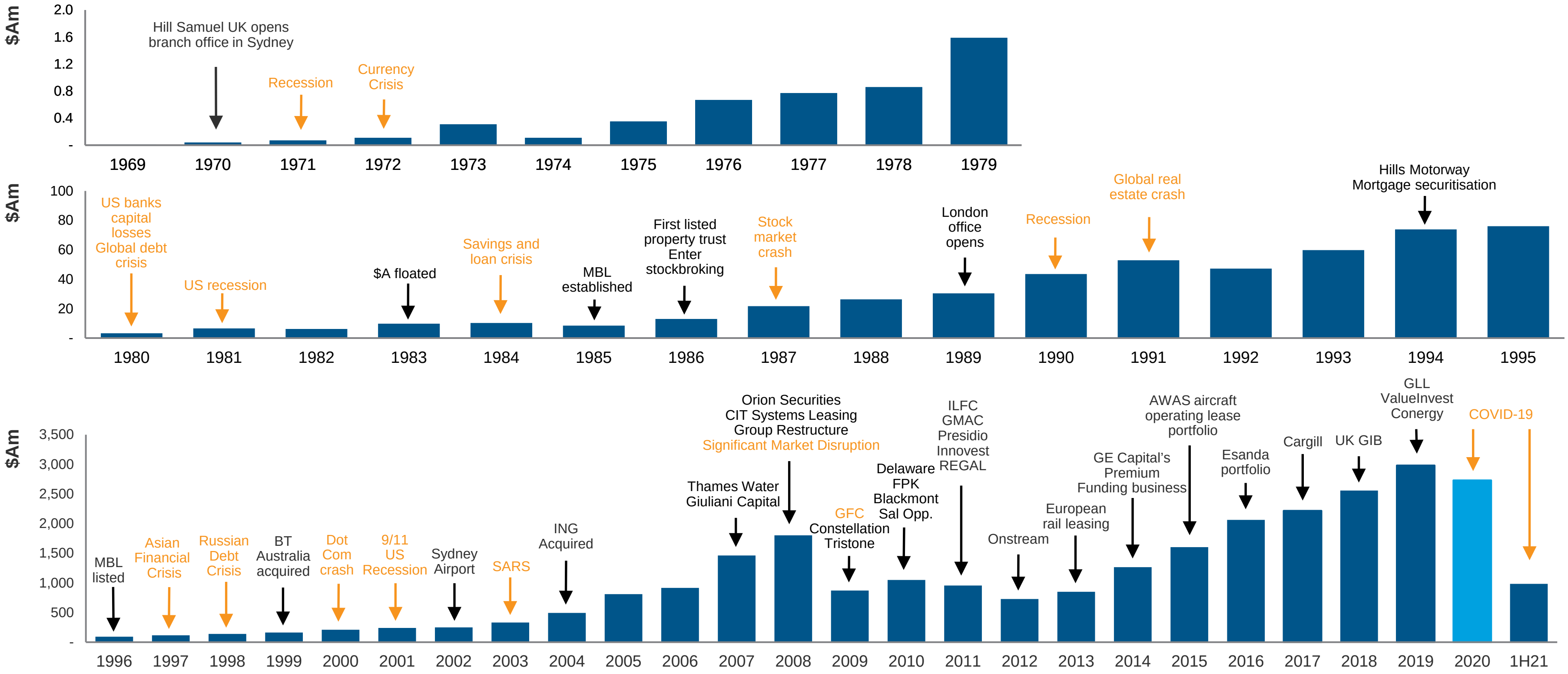
Employing **6,000+** people[4]

AUSTRALIA
Adelaide
Brisbane
Canberra
Gold Coast
Manly
Melbourne
Newcastle
Parramatta
Perth
Sydney

NEW ZEALAND
Auckland

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 New Zealand. 4. Includes people employed through MIRA-managed fund assets and investments where Macquarie Capital holds a significant influence.

50+ years of profitability



Above dates refer to Macquarie financial years.

Macquarie's response to COVID-19

Employees

- Gradual, voluntary return to office commenced in most locations where safe to do so and in numbers that allow for social distancing
- Systems and processes have been resilient to ongoing remote working, reflecting long-term investment in technology and flexible working culture
- Investment in leadership capability, technology and the workplace continues as we respond to the evolving culture of work

We have been agile in adapting our approach to a rapidly-changing environment in each location, capturing regular feedback from staff to address immediate needs and test and learn for longer-term shifts and opportunities.

Staff working remotely at peak

>98%

Staff approved to return

>60%

Clients

- Enhanced client support and lending relief maintained since March, with many clients now resuming normal payments
- Working closely with clients in the most challenged sectors on their long-term resilience and response to disruption
- Actively supporting clients in all regions in raising essential finance and capital

While COVID-19 is a short-term health crisis, we recognise the structural shift it represents for some clients, prompting near and longer-term changes in our approach to meeting their needs and ensuring their ongoing access to opportunities.

Clients accessing assistance[1]

peak **~13%**

now **2.6%**

Portfolio Companies

- Ongoing work with MIRA and Macquarie Capital portfolio companies including projects under construction to ensure business continuity, financial resilience and employee wellbeing
- Maintained essential community services and connected best practice across assets, industries and regions
- Capacity upgrades to MIRA-managed digital infrastructure assets have left them able to handle significant activity increases resulting from shift to virtual engagement

Our longstanding approach to crisis planning has underpinned the ability of assets to withstand economic impacts and maintain and extend essential services, while also identifying new ways to respond to disruption on behalf of the community.

Daily users of essential services

~100m

Portfolio company employees

~130k

Community

- $A20m allocation to Macquarie Group Foundation to help combat COVID-19. To date, $A15.2m has been allocated to 31 organisations around the world:
  - $A7.2m to 24 non-profits focused on direct relief efforts providing critical food, medical support, humanitarian relief kits and information to vulnerable groups affected by COVID-19
  - $A6.0m to five organisations supporting workers and businesses in restarting economic activity
  - $A2.0m to public health and clinical research

We balanced our support for urgent direct relief needs, research and investment while also being flexible in our support for existing community partners that have had to quickly respond to change and the increased demand on their services.

COVID-19 donation

$A20m

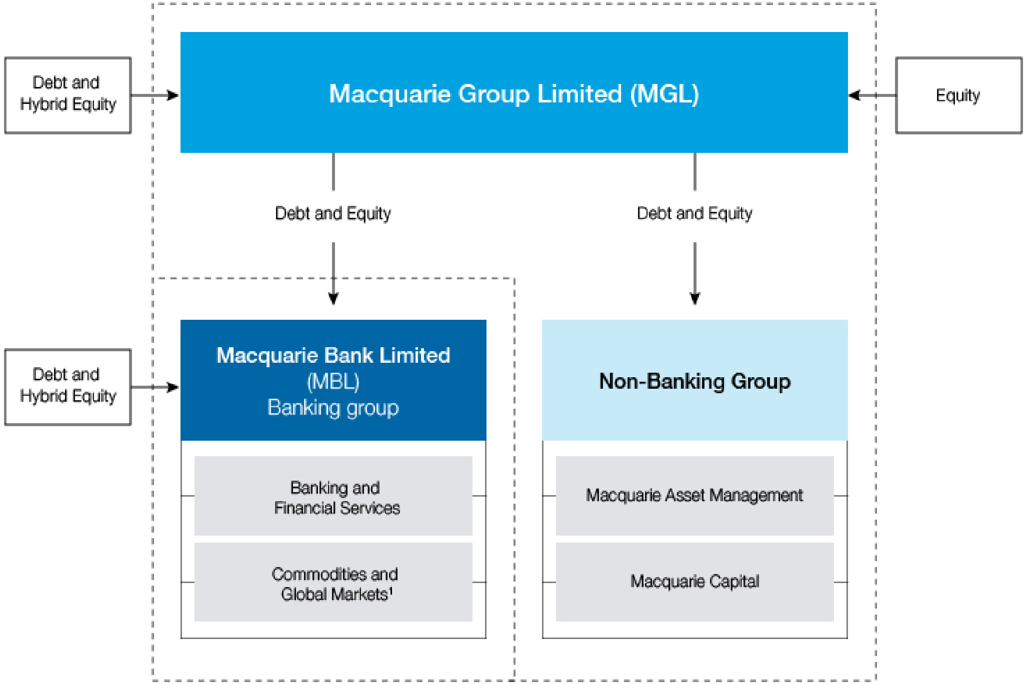
Invested

$A15.2m

1. BFS, by loan balance – peak as at 30 Jun 20, now as at 31 Oct 20.

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 Banking Group
- MGL provides funding predominantly to the Non-Bank Group



The Bank Group comprises BFS, CGM (excluding certain assets of the Credit Markets business, certain activities of the Commodity Markets and Finance business and some other less financially significant activities), and certain activities of the Equities business in Macquarie Capital. The Non-Bank Group comprises Macquarie Capital (excluding certain activities of the Equities business), MAM and certain assets of the Credit Markets business, certain activities of the Commodity Markets and Finance business and some other less financially significant activities of CGM.

Macquarie Asset Management

Actively manages money for investors across multiple asset classes

47%[2]

Net profit contribution

FY20[1] **$A2,177 million**

1H21[2] **$A1,062 million**

▼5% on 1H20

Equities | Fixed income | Multi-asset | Infrastructure | Renewables

Agriculture | Real Estate | Transportation Finance | Private Credit

$A554.9 billion

assets under management[3]

MACQUARIE

MIM AUM $A350.9b[3]

MIRA AUM $A204.0b[3]

No.1 infrastructure manager globally[4]

150+ infrastructure and real assets used by **~100 million** people every day

Top 50 global asset manager[5]

MIRA equity under management[7] **$A139.8b** ▼6% on Mar 20

$A8.9b of new equity raised in 1H21 (up on 1H20) for a diverse range of funds, products and solutions across the platform

MIRA invested over **$A8.4b** of equity in 1H21

Top 50 US active mutual fund manager[6]

$A24.1b of equity to deploy in MIRA[7]

77% of AUM outperforming their relative benchmarks on a three-year basis[7]

1. Based on reclassified FY20 net profit contribution from operating groups.
2. Based on 1H21 net profit contribution from operating groups. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax.
3. Macquarie Asset Management AUM at 30 September 2020.
4. IPE Real Assets (Jul/Aug 2020), measured by infrastructure assets under management.
5. P&I Largest Money Managers 2019 (published June 2020)
6. At 30 September 2020. Simfund Fund Family AUM (excludes passive/index funds).
7. As at 30 September 2020.

Banking and Financial Services

A technology-driven Australian retail bank and wealth manager

14%[2]

Net profit contribution
FY20[1] **$A770 million**
1H21[2] **$A317 million**
▼18% on 1H20

Personal banking
Credit cards
Home loans
Bank accounts
Bank accounts

Wealth management
Investments
Financial advice
Wrap

Business banking
Property services
Professional services
Dealer and wholesale finance

More than
1.6 million
Australian clients[3]

A leading Australian vehicle financier[3]
450,000+

$A89.3 billion ▲13% on Mar 20
Funds on platform[4]

$A74.4 billion ▲16% on Mar 20
total BFS deposits[5]

$A57.4 billion ▲10% on Mar 20
home loans[3]

$A12.4 billion ▼9% on Mar 20
Australian vehicle finance portfolio[6]

$8.9 billion ▼1% on Mar 20
Business banking loan portfolio[3]

Australia's 1st
open banking platform gives customers control over their data

Award winning
digital banking offering[7]

1. Based on reclassified FY20 net profit contribution from operating groups.
2. Based on 1H21 net profit contribution from operating groups. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax.
3. As at 30 September 2020
4. As at 30 September 2020. Funds on platform includes Macquarie Wrap and Vision.
5. As at 30 September 2020. BFS deposits exclude corporate/wholesale deposits.
6. As at 30 September 2020. Includes general plant and equipment.
7. Winner in 2020 Mozo Experts Choice Awards for Exceptional Everyday Account, Excellent Banking App and Internet Banking / Macquarie Transaction account awarded a Canstar 5 star rating for outstanding value travel debit card / Winner in the 2019 Mozo Experts Choice Awards for Internet Banking and Exceptional Everyday Account / Winner in the 2018 Mozo Experts Choice Awards in the Travel Money/International Money Transfer category

Commodities and Global Markets

Provides clients with access to markets, financing, financial hedging, physical execution, and research and market analysis

47%[2]

Net profit contribution

FY20[1] **$A1,746 million**

1H21[2] **$A1,082 million**

▼**5%** on 1H20

30+ years in metals, agriculture, equities, futures and FX

20+ years in technology, media and telecoms (TMT)

15 years in energy, renewables and sustainability

Market trading across **200+** products in **30+** market segments

No.2 physical gas marketer in North America[3]

No.1 Futures broker On the ASX[4]

Oil & Products House of the Year[5]

Derivatives House of the Year[5]

Research House of the Year[6]

$A6.7 billion asset finance portfolio[7]

10.8 million meters provided to homes and businesses[8]

2 million+ smartphones leased worldwide to telcos[9]

Environmental Products Bank of the Year[5]

1. Based on reclassified FY20 net profit contribution from operating groups.
2. Based on 1H21 net profit contribution from operating groups. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax.
3. S&P Global Platts 2Q 2020
4. ASX Futures 24 (SFE) Monthly Report Sep 20.
5. 2020 Energy Risk Awards. 6. 2019 Energy Risk Awards
7. At 30 September 2020 in the Specialised and Asset Finance division.
8. At 30 September 2020, largest independent meter funder in UK, not part of a distribution network or vertically integrated utility.
9. At 30 September 2020. SAF TMT origination data

Macquarie Capital

Advises and invests alongside clients and partners to **realise opportunity**

(8%)[2]

Net profit contribution

FY20[1] **$A755 million**

1H21[2] **($A189) million**

▼ **significantly** on 1H20

Infrastructure | Green Energy | Technology | Telecoms & Media

Resources | Real estate | Industrials | Healthcare

Financial institutions | Consumer, Gaming & Leisure | Services | Aerospace, Defence & Gov. Services

$A186 billion

completed deals in 1H20[3]

No.1 ECM for completed deals and volume raised in ANZ[4]

No.1 M&A[4] and ECM[5] in ANZ

No.1 Global Infrastructure Financial adviser[6]

No.1 Global Power Financial adviser[7]

$A1.4b

Total investment in Green Energy[7]

World's Best Investment Bank in Infrastructure for the 3rd consecutive year[8]

Global leader

in green energy

300+ green energy projects under development or construction

Green Project of the Year Formosa 2 Wind Power Company[9]

European Renewables Acquisition Deal of the Year Kisielice Onshore Wind Farm[10]

North America Ports Deal of the Year Long Beach Container Terminal[11]

1. Based on reclassified FY20 net profit contribution from operating groups.
2. Based on 1H21 net profit contribution from operating groups. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax.
3. 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. 4. Dealogic (1H21 equal No1 for completed by deal count).
5. Dealogic (1H21 all ASX raising by value and deal count). 6. Inspiratia (CY19 by deal count and transaction volume).
7. Inframation CY19 by deal value 8.Global Finance 2020, 2019 and 2018.
9. The Asset Triple A Asia Infrastructure Awards 2020 10. IJ Global Awards 2019
11. Proximo Americas Deals of the Year 2019

Environmental, Social and Governance (ESG)

Macquarie's ESG commitment reflects our responsibility to clients, shareholders, communities, our people and the environment in which we operate

Environment

- Investing in sustainability solutions and supporting the global energy transition
- Actively managing environmental risks including climate change risks
- Engaging in climate leadership initiatives such as GCA and CFLI[1]
- Supporting TCFD, UN PRI and other external ESG standards[2]
- Promoting sustainable workplaces
- Commitment to the RE100 initiative

Social

- Investing in social infrastructure
- Actively managing social risks including human rights and modern slavery risk
- Providing a diverse, inclusive workplace
- Seeking to operate harm-free environments through the maintenance of high WHS standards and performance across all our activities
- Engaging Macquarie and its staff in the wider community

Governance

- Strong corporate governance
- Ethical conduct by staff
- Customer advocacy
- Whistleblowing framework
- Anti bribery and anti corruption
- Anti money laundering
- Managing conflicts of interest
- Cyber security and data privacy
- Dealing with 3rd parties and suppliers
- Reporting transparently

1. GCA: Global Commission on Adaptation; CFLI: Climate Finance Leadership Initiative. 2. TCFD: Taskforce on Climate-related Financial Disclosures; UN PRI: United Nations Principles for Responsible Investment.

FY20 Key ESG Milestones

Environmental and social risk management

391 transactions assessed under our Environmental and Social Risk (ESR) Policy in FY20

Environmental and social financing

$A9.0b invested or arranged in renewable energy and energy efficiency projects in FY20

12,800 MW of renewable energy assets in operation or under management[1]

$A20.4b renewable energy assets under management

Climate change

13.6% of total funded equity investments exposed to renewable energy[2]

1.3% of total funded loan assets are exposed to conventional energy[3]

Sustainability in direct operations

100% renewable electricity by 2025

FY20 emissions per capita reduced by **45%** from FY10 baseline (18% reduction from FY19)

Customer and client experience

Partnerships Gold Award 2019 for Financial Advisor of the Year

Mozo Experts Choice Awards 2020 for Excellent banking app, Internet banking and Exceptional everyday account

Canstar Outstanding Value Transaction Account (2018 and 2019)

People and workplace

3,000 classroom events and **350,000** online courses and knowledge tests delivered to our staff in FY20

Women represent **41%** of Macquarie's workforce and **36%** of Board Directors at 31 Mar 2020

Business conduct and ethics

Tailored training, workshops and leadership-led sessions provided to over **8,700 staff**[4]

Code of Conduct

Appropriate Workplace Behaviour

Privacy

Financial Crime

Business Resilience

Risk in a Remote Working Environment

Anti-Bribery and Corruption

Macquarie Group Foundation

$A51m donated by Macquarie staff and the Foundation in FY20 ($A410m since inception in 1985[5])

1,600 non-profit organisations supported in FY20

46,000 hours volunteered in FY20

More information is also available at macquarie.com/ESG. 1. MW of renewable energy assets in operation or under management reflect 100% generating capacity of each asset, not the proportion owned/managed by Macquarie. 2. Equity investments are reported on a funded balance sheet basis and therefore exclude equity hedge positions and non-controlling interests. Macquarie's carrying value of its interest in East Anglia ONE Limited is $A2.8b, which has been partially funded with asset-specific borrowings of $A2.3b at 31 Mar 20. Total funded equity investments amount to $A7.4b as at 31 Mar 20 ($A5.9b at 31 Mar 19). 3. Total funded loan assets include loan assets held at amortised cost adjusted to exclude certain items such as assets that are funded by third parties with no recourse to Macquarie. In addition, loan assets at amortised cost per the statutory balance sheet are adjusted to include fundable assets not classified as loans on a statutory basis (e.g. assets subject to operating leases). Total funded loan assets amount to $A86.5b as at 31 Mar 20 ($A82.3b as at 31 Mar 19). 4. Content includes conduct and conduct risk, psychological safety (aimed at staff and supervisors) and ethical decision-making. Macquarie also requires staff to undertake mandatory online Code of Conduct training. 5. Contribution comprises Macquarie Group Foundation matching support for staff donations and fundraising; Foundation donations to commemorate staff attaining 10-year and 25-year anniversaries at Macquarie; Foundation grants to non-profit organisations to recognise 12 months of board service by a Macquarie employee; and Macquarie and Foundation grants to community organisations (including Year 1 donations for the 50th Anniversary Award).

MACQUARIE

Progress on driving solutions on all sources of emissions

European Emissions Trading Scheme

Funding deployment of **smart gas and electricity meters**
Synthetic securitisation of **£1.1b portfolio of green loans**

Funding operational **onshore wind farms** in Poland

North America **Emissions Trading**

Investing in two offshore **wind farms** in the UK

Invested in the largest residential **community solar manager** in the US

Commercial **rooftop and ground mounted solar PV systems** in the UK

Investing in German **offshore wind farm**

Commercial **EV infrastructure** solutions

Carbon neutral gas offsets

Constructing UK biogas facility, creating **energy from agricultural waste**

Developing and constructing a UK **energy-from-waste facility**

Physical LNG cargo traded out of London office

1 GW **solar backed by PPAs**

Acquired Savion – a **solar and energy storage** developer

Providing **term loan** to upgrade Sweden's largest refiner

Onshore wind portfolio in Mexico

Investing in machine learning and AI to grow presence in sustainable commodities

Developing an **onshore wind farm** in Sweden
Developing two **onshore wind farms** in Norway

Investing in **waste management**

Financing Spanish **solar plants**

Financing **clean energy projects** across South Africa

Reducing **agricultural emissions**

Financing Dutch **biomass plants**

Investing in the construction of **green affordable housing** in Kenya

Supporting the development of a nationwide network of **solar farms** in India

Working with the UN Green Climate Fund and the Government to deliver a new **green bank** in Mongolia

Installing Korea's first **floating LiDAR** wind resource

Installing five commercial and **industrial energy storage** systems in South Korean factories

Solar development in South Korea
Offshore wind development in South Korea
Integrating a solar and **energy storage facility** in South Korea

Issuing a $US300m Samurai **loan facility,** including a $US150m green tranche

Solar PV projects in Japan

Offshore wind project off the coast of Taiwan

Financing **commercial rooftop solar** in Australia

Global **LNG capability**

Funding **energy efficient assets** - Australia

Agri fund targeting on farm **emissions reduction**

Examples of activity from FY20.

Macquarie's approach to risk management

Strong focus on business accountability and risk ownership

Stable and robust core risk management principles

Supported by our longstanding approach to establishing and maintaining an appropriate risk culture

Ownership of risk at the business level

Understanding worst case outcomes

Independent sign-off by Risk Management Group

Principles stable for **30+ years**

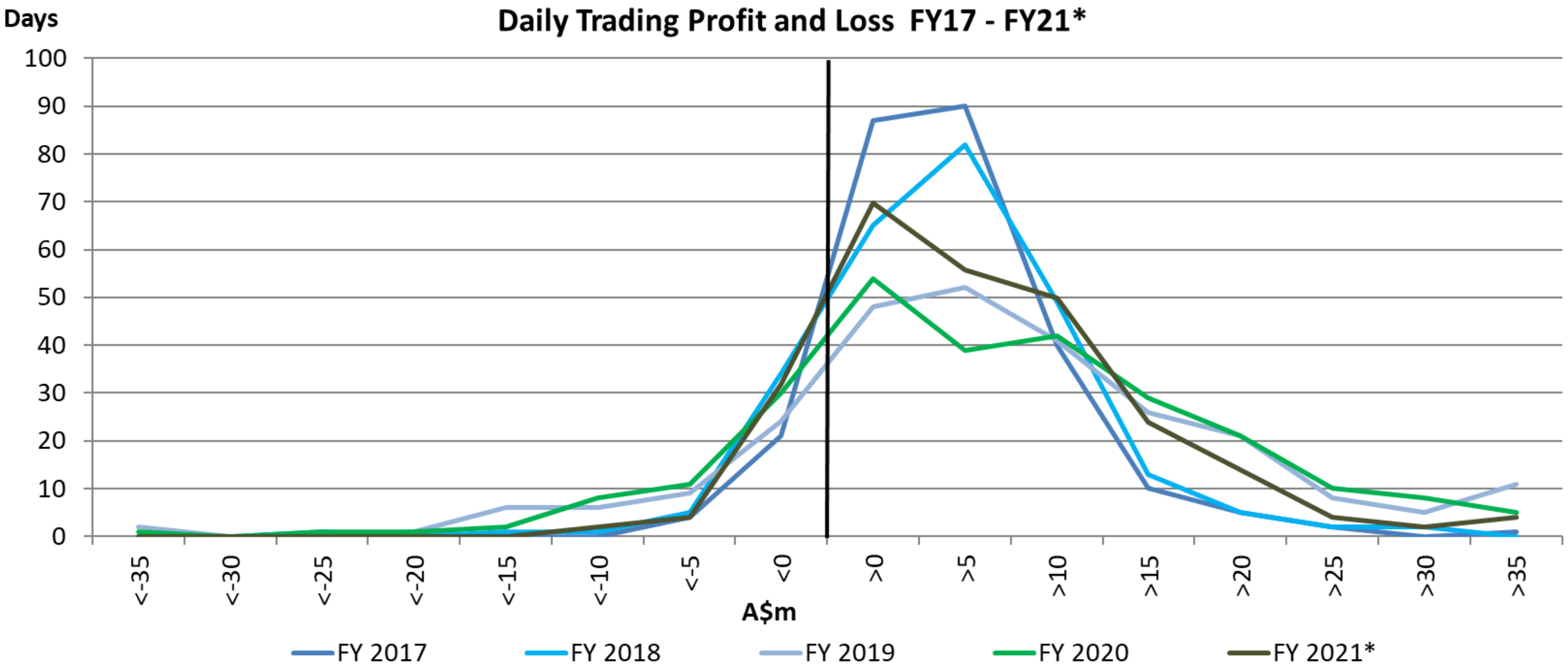
Our approach is consistent with the 'three lines of defence' model with clear accountability for risk management

The three lines of defence model, which is a widely adopted standard across the industry, sets risk ownership responsibilities functionally independent from oversight and assurance.

Line 1	Primary responsibility for risk management lies with the business.
Line 2	The Risk Management Group (RMG) forms the second line of defence and independently assesses material risks.
Line 3	Internal Audit provides independent and objective risk-based assurance on the compliance with, and effectiveness of, Macquarie's financial and risk management framework.

Trading businesses are client driven

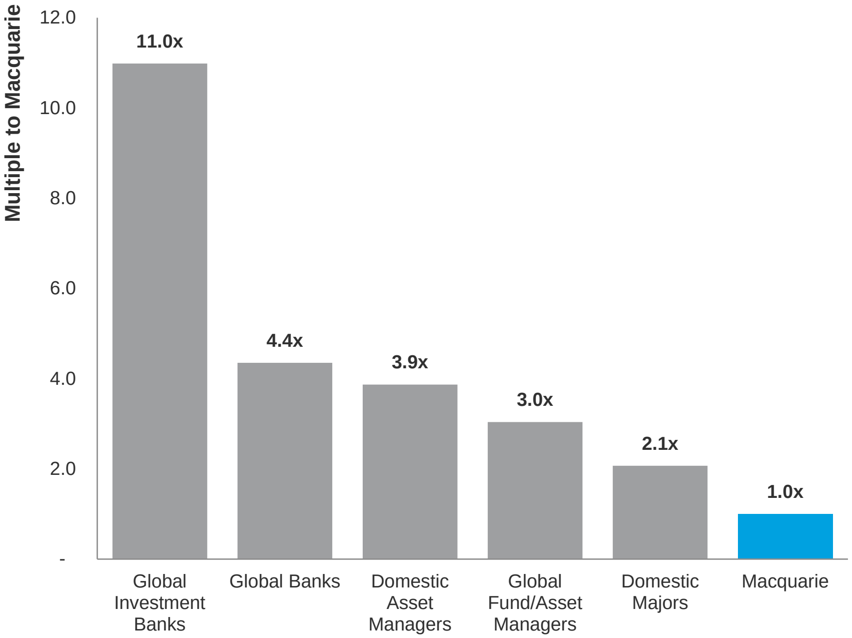
Consistent profits and low volatility of returns



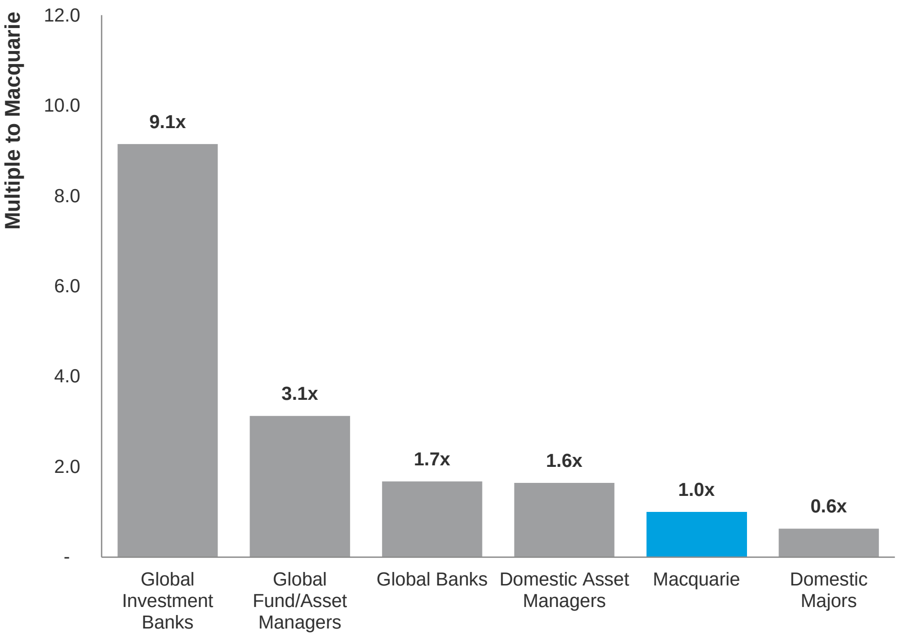
*FY21 results extrapolated based on data up to 30 September 2020

Stable earnings

5 year earnings volatility relative to Macquarie



15 year earnings volatility relative to Macquarie (includes GFC)



This page compares the historical earnings volatility among certain firms, and is not intended to represent that Macquarie has a comparable business model, risks or prospects to any other firm mentioned.
Volatility of P&L is defined as standard deviation of P&L divided by average P&L (coefficient of variation), based on most recent annual disclosures as at 24 November 2020 (Bloomberg).

02

MGL results for the half year ended 30 September 2020

Presentation to Debt Investors

November 2020

1H21 result: $A985m down 32% on 1H20; down 23% on 2H20

	1H21 $Am	2H20 $Am	1H20 $Am	1H21 v 1H20	1H21 v 2H20
Net operating income (excl. Credit and Other impairment charges)	5,966	6,906	6,459	↓ 8%	↓ 14%
Net credit impairment charges	(407)	(661)	(144)	↑ 183%	↓ 38%
Other impairment (charges)/reversals	(40)	(240)	5	↑ *	↓ 83%
Total operating expenses	(4,266)	(4,391)	(4,480)	↓ 5%	↓ 3%
Operating profit before income tax	**1,253**	**1,614**	**1,840**	↓ **32%**	↓ **22%**
Income tax expense	(275)	(352)	(376)	↓ 27%	↓ 22%
Effective tax rate[1] (%)	*21.8*	*21.6*	*20.5*		
Loss/(profit) attributable to non-controlling interests	7	12	(7)		
Profit attributable to MGL shareholders	**985**	**1,274**	**1,457**	↓ **32%**	↓ **23%**
Annualised return on equity (%)	**9.5**	**12.7**	**16.4**	↓ **42%**	↓ **25%**
Basic earnings per share	**$A2.77**	**$A3.62**	**$A4.30**	↓ **36%**	↓ **23%**
Dividend per ordinary share	**$A1.35**	**$A1.80**	**$A2.50**	↓ **46%**	↓ **25%**

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

1H21 net profit contribution from Operating Groups $A2,272m down 21% on 1H20; down 12% on 2H20

MACQUARIE

ANNUITY-STYLE ACTIVITIES

$A1,600m

▼ 7% ON 1H20

▼ 7% ON 2H20

Non-Banking Group

Macquarie Asset Management (MAM)

▼ on 1H20

Decrease due to lower Macquarie AirFinance (MAF) income and lower performance fees, partially offset by gain on sale of Macquarie European Rail

Banking Group

Banking and Financial Services (BFS)

▼ on 1H20

Margin compression on deposits; and increased credit impairment charges and costs to support clients as a result of COVID-19, partially offset by strong home loan and deposits growth

Commodities and Global Markets[3] (CGM)

▲ on 1H20

Improved performance across commodities lending and financing and Specialised and Asset Finance

MARKETS-FACING ACTIVITIES

$A672m

▼ 42% ON 1H20

▼ 22% ON 2H20

Non-Banking Group

Macquarie Capital (MacCap)[1]

▼ on 1H20

Investment-related income[2] down significantly, predominantly due to COVID-19 resulting in fewer material asset realisations. Fee and commission income down on 1H20 due to lower M&A fee income, partially offset by higher equity capital markets fee income. Increased credit and other impairment charges primarily due to a small number of underperforming loan facilities and the growth of the debt portfolio, partially offset by lower operating expenses

Banking Group

Commodities and Global Markets[3] (CGM)

▼ on 1H20

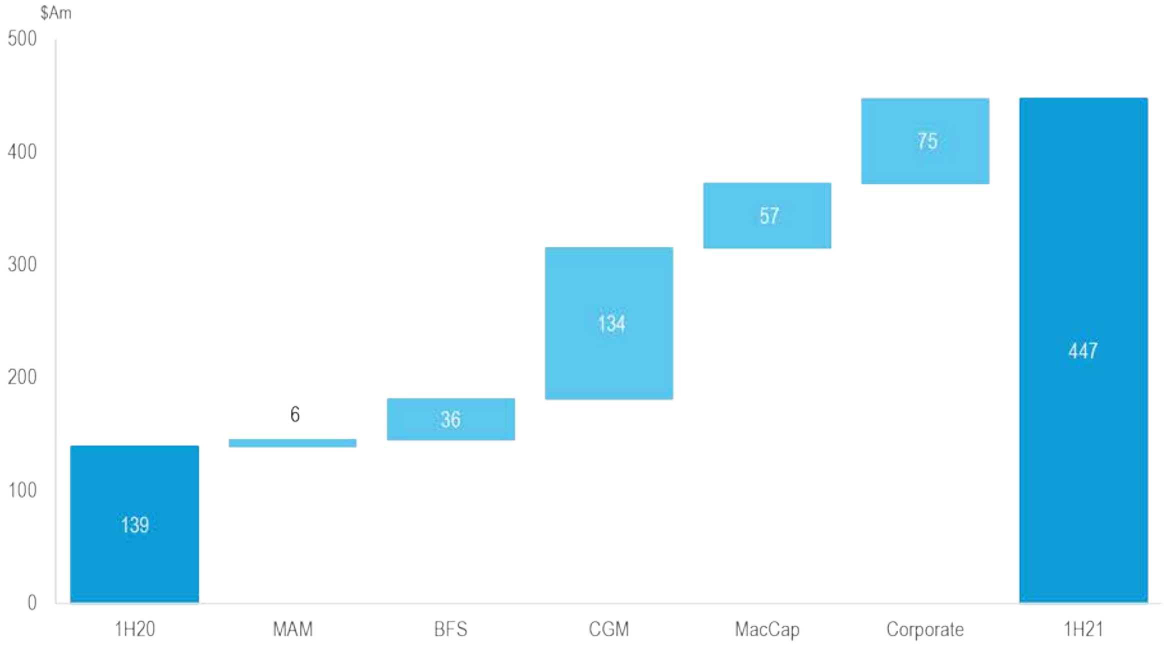
CGM's result was down on a strong 1H20. Result reflective of two distinct quarters, with 1Q21 benefiting from strong client activity and increased trading opportunities given dislocated markets and elevated volatility levels. 2Q21 saw market conditions increasingly subdued resulting in lower volatility and significantly reduced client activity. Additionally there were increased credit impairment charges in 1H21 as a result of COVID-19

1H21 Net Profit Contribution

MAM	BFS	CGM	CGM	MacCap
~47%	~14%	~9%	~38%	(~8%)

Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. All numbers in this presentation have been reclassified to reflect the transfer of Cash Equities from CGM to Macquarie Capital effective 1 Jun 20 1. Certain activities of the Equities business are undertaken from within the Banking Group. 2. Investment-related income refers to net income on equity and debt investments and share of net (losses)/profits of associates and joint ventures. 3. 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.

Credit and Other impairment charges



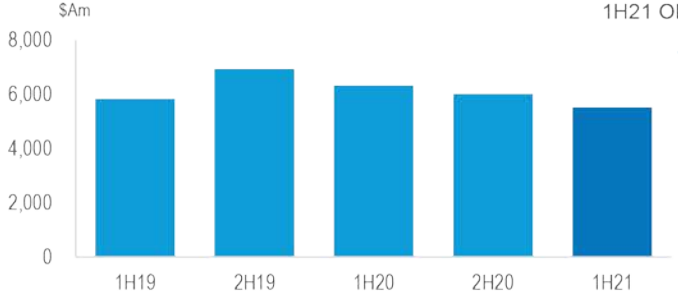
KEY DRIVERS

Credit and Other impairment charges in 1H21 reflect the ongoing impact of COVID-19 on our clients and customers. The 1H20 results were reflective of pre-pandemic economic conditions

- **MAM:** No material credit and other impairment charges
- **BFS:** Increased credit impairment charges related to portfolio growth and further provisioning as a result of COVID-19
- **CGM:** Increase reflecting deterioration in current and expected macroeconomic conditions compared to 1H20 due to COVID-19 resulting in overlays for regional and industry specific risks in addition to impairments taken on a small number of underperforming positions
- **Macquarie Capital:** Increased credit and other impairment charges primarily due to a small number of underperforming loan facilities, and the growth of the debt portfolio
- **Corporate:** Predominantly an overlay for the impact of macroeconomic uncertainty across the credit portfolio

Financial performance

Operating income



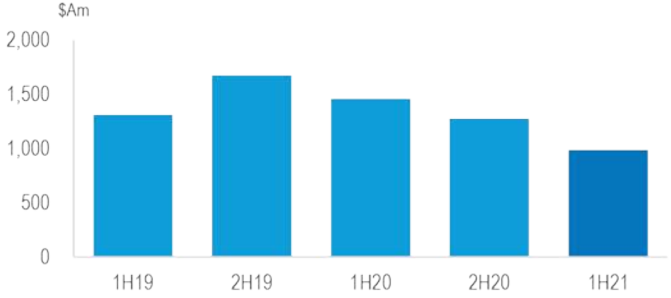
1H21 OPERATING INCOME

$A5,519m

▼13% ON 1H20

▼8% ON 2H20

Profit



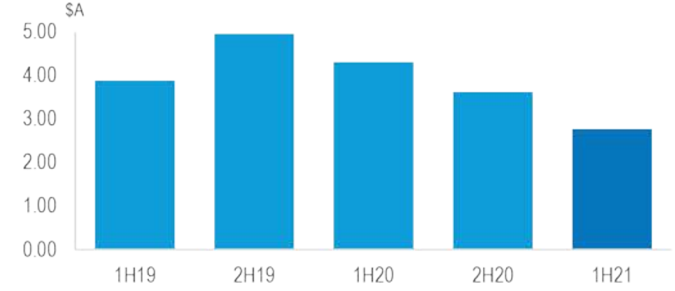
1H21 PROFIT

$A985m

▼32% ON 1H20

▼23% ON 2H20

EPS



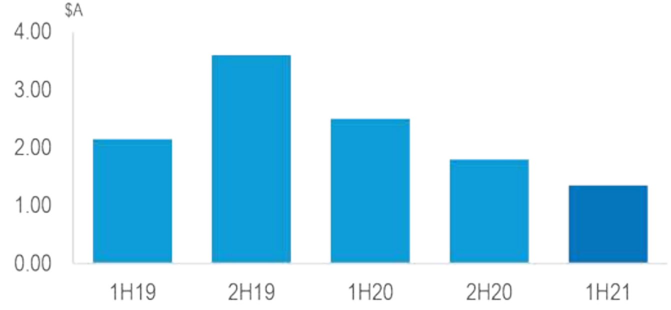
1H21 EPS

$A2.77

▼36% ON 1H20

▼23% ON 2H20

DPS



1H21 DPS

$A1.35

▼46% ON 1H20

▼25% ON 2H20

Regulatory update

Australia

- On 30 Mar 20, APRA announced the deferral of its scheduled implementation of the Basel III reforms in Australia by one year[1]. The status of the relevant regulatory changes is shown in the table below. On 10 Aug 20, APRA announced that it will recommence public consultations on select policy reforms later in 2020[2], including capital reforms incorporating the unquestionably strong framework

Regulatory Change	Status	Original compliance date	Revised compliance date
APS 110 (Leverage ratio)	Draft standard released 21 Nov 19	2022	2023
APS 111 (Capital treatment of subsidiaries)	Draft standard released 15 Oct 19	2021	No update
APS 112 (Standardised credit risk)	Draft standard released 12 Jun 19	2022	2023
APS 113 (IRB credit risk)	Draft mortgages standard released 12 Jun 19	2022	2023
APS 115 (Operational risk)	Standard finalised 11 Dec 19	2021	2023
APS 116 (FRTB)	Waiting for draft standard to be released	2023	2024
APS 117 (IRRBB)	Draft standard released 4 Sep 19	2022	2023
APS 220 (Credit risk management)	Standard finalised 12 Dec 19	2021	2022
APS 222 (Associations with related entities)[3]	Standard finalised 20 Aug 19	2021	2022
Transparency, comparability and flexibility	Waiting for draft standard to be released	2022	2023

- On 8 Jul 20, APRA extended the temporary capital treatment for bank loan repayment deferrals from six months to ten months, or until 31 Mar 21, whichever comes first[4]. On 9 Sep 20, APRA formalised the capital measures through adding Attachment E of APS 220 for loans impacted by COVID-19[5]
- On 29 Jul 20, APRA updated its guidance provided in Apr 20 on capital management. The updated guidance indicated that for the remainder of 2020, banks should seek to retain at least half of their earnings when making decisions on capital distributions (and utilise initiatives to at least partially offset the impact of capital distributions where possible), conduct regular stress testing to inform decision-making and demonstrate ongoing lending capacity; and make use of capital buffers to absorb the impacts of stress, and continue to lend to support households and businesses[6]
- As previously noted, APRA is in discussions with Macquarie on resolution planning and intragroup funding. These discussions are progressing and as part of the discussions, MGSA, the main Group shared services entity for both the Bank and Non-Bank groups, is proposed to be transferred to the Bank Group in Dec 20
- Based on the current information available, it is Macquarie's expectation that it will have sufficient capital to accommodate likely additional regulatory Tier 1 capital requirements as a result of the above changes, noting that some of them are at an early stage of review and hence the final impact is uncertain
- In Jul 19, APRA released a draft prudential standard CPS 511 aimed at clarifying and strengthening remuneration requirements in APRA-regulated entities. A three-month consultation period closed 23 Oct 2019 during which Macquarie lodged its submission. In Mar 20, APRA suspended the majority of its planned policy and supervision initiatives in response to the impact of COVID-19. APRA intends to release the CPS 511 response package before the end of 2020

1. 'APRA announces deferral of capital reform implementation'; 30 Mar 20. 2. 'APRA to recommence prudential policy program and issuing of new licences', 10 Aug 20. 3. 'APRA announces new commencement dates for prudential and reporting standards'; 16 Apr 20. 4. 'APRA updates regulatory approach to loans subject to repayment deferral'; 8 Jul 20. 5. 'Response to submissions – treatment of loans impacted by COVID-19', 9 Sep 20. 6. 'APRA updates guidance on capital management for banks and insurers'; 29 Jul 20.

Regulatory update

MACQUARIE

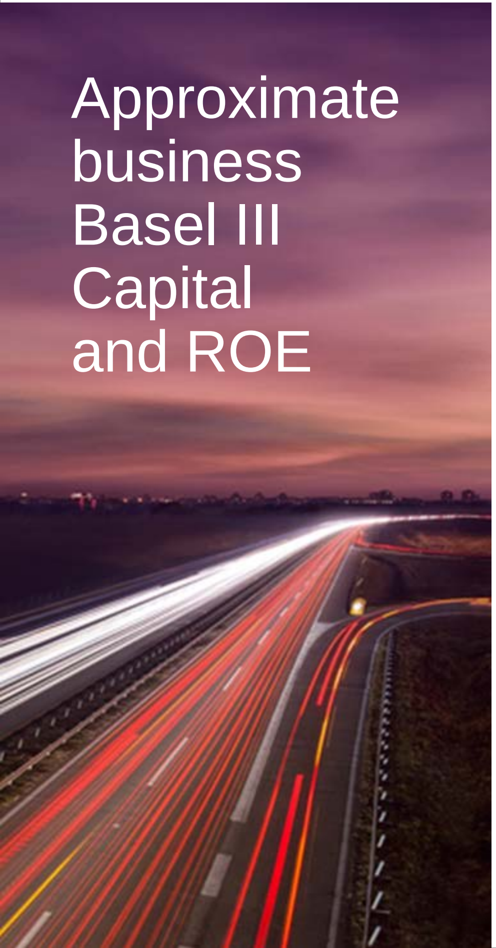
Germany

- Macquarie continues to respond to requests for information about its historical activities as part of the ongoing, industry-wide investigation in Germany relating to dividend trading
- 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
- The total amount at issue is not material and MGL has provided for the matter

Brexit

- As previously stated, Macquarie does not believe that the UK's withdrawal from the European Union (EU) will be a material event for the Group
- Alongside previously noted licences, Macquarie is progressing a new MiFID investment firm licence application in France
- Macquarie has a longstanding and deep commitment to the UK as the hub for the EMEA region's operations and this will continue to be the case. Macquarie has been in the UK for 31 years with over 1,900 staff based there as at 30 Sep 20

Approximate business Basel III Capital and ROE



As at 30 Sep 2020

Operating Group	APRA Basel III Capital[1] @ 8.5% ($Ab)	Approx. 1H21 Return on Ordinary Equity[2]	Approx. 14-year Average Return on Ordinary Equity[3]
Annuity-style businesses	**6.6**		
Macquarie Asset Management	2.2	24%	22%
Banking and Financial Services	4.4		
Markets-facing businesses	**8.0**		
Commodities and Global Markets	4.6	10%	16%
Macquarie Capital	3.4		
Corporate	**0.6**		
Total regulatory capital requirement @ 8.5%	15.2		
Group surplus	9.4		
Total APRA Basel III capital supply	**24.6[4]**	**9.5%**	**14%**

Note: Differences in totals due to rounding. 1. Operating Group capital allocations are based on 30 Jun 20 allocations adjusted for material movements over the Sep 20 quarter. 2. NPAT used in the calculation of approximately 1H21 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 regulatory capital requirements which are based on the quarterly average capital usage from FY07 to FY20, inclusive. 3. 14-year average covers FY07 to FY20, inclusive, and has not been adjusted for the impact of business restructures or changes in internal P&L and capital attribution. 4. Comprising of $A20.5b of ordinary equity and $A4.1b of hybrids.

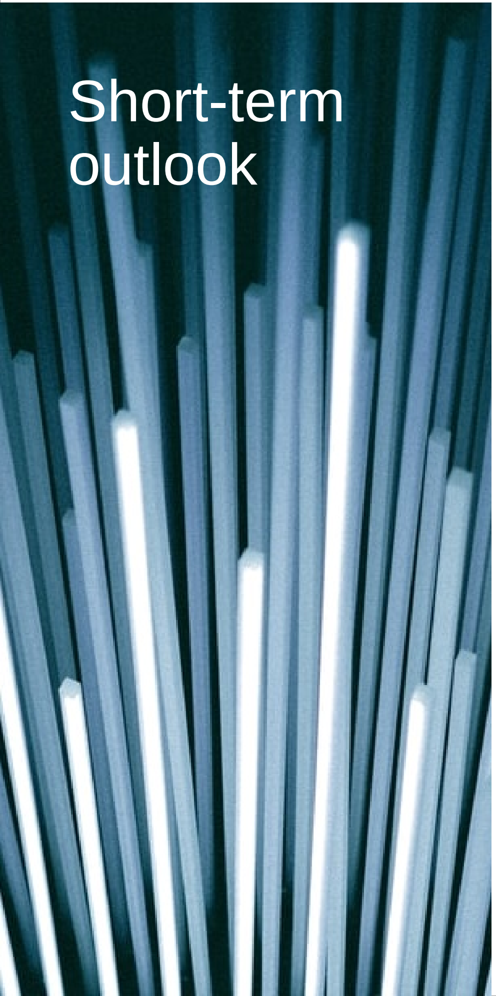
03

Outlook

Presentation to Debt Investors

November 2020

Short-term outlook



Market conditions are likely to remain challenging, especially given the significant and unprecedented uncertainty caused by the worldwide impact of COVID-19 and the uncertain speed of the global economic recovery

The extent to which these conditions will adversely impact our overall FY21 profitability is uncertain, making short-term forecasting extremely difficult. Accordingly we are currently unable to provide meaningful earnings guidance for FY21

The range of factors that will influence our short-term outlook include:

- The duration and severity of the COVID-19 pandemic
- The uncertain speed of the global economic recovery
- Global levels of government support for economies
- The completion rate of transactions and period-end reviews
- Geographic composition of income
- The impact of foreign exchange
- Potential regulatory changes and tax uncertainties
- Market conditions and the impact of geopolitical events

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

Factors impacting short-term outlook

MACQUARIE

Annuity-style businesses

Non-Banking Group

Macquarie Asset Management (MAM)

- Base fees expected to be broadly in line with FY20
- Net Other Operating Income[1] expected to be significantly down on FY20, due to timing uncertainty of asset sales and continued impact of COVID-19 on Macquarie AirFinance customers

Banking Group

Banking and Financial Services (BFS)

- Ongoing provisioning given a continued focus on supporting clients through COVID-19
- Higher deposit and loan portfolio volumes in FY21
- Platform volumes subject to market movements
- Competitive dynamics to continue to drive margin pressure

Markets-facing businesses

Non-Banking Group

Macquarie Capital[2] (MacCap)

- Transaction activity continues, with challenging markets expected to continue to reduce the number of successful transactions and increase the time to completion. Strong ECM activity in Australia through 1H21 not expected to continue
- FY21 expected to be significantly down on FY20 driven by fewer material asset realisations considering market conditions, but positioned to benefit from market recovery

Banking Group

Commodities and Global Markets[3] (CGM)

- 2H21 expected to be significantly down on 1H21
- Subdued customer activity experienced in 2Q21 anticipated to continue in 2H21, albeit volatility may create opportunities
- Consistent contribution from Specialised and Asset Finance linked to annuity flows; notwithstanding reduction in balance sheet
- Product and client sector diversity expected to provide some support through uncertain economic conditions in FY21

Corporate

- Compensation ratio expected to be within the range of historical levels
- The FY21 effective tax rate is expected to be within the range of recent outcomes

1. Net Other Operating Income includes all operating income excluding base fees. 2. Certain activities of the Equities business are undertaken from within the Banking Group. 3. 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.

Medium-term outlook

MACQUARIE

Macquarie remains well-positioned to deliver superior performance in the medium term

Deep expertise in major markets

Build on our strength in business and geographic diversity and continue to adapt our portfolio mix to changing market conditions

- Annuity-style income is primarily provided by two Operating Groups' businesses which are delivering superior returns following years of investment and acquisitions
  - Macquarie Asset Management and Banking and Financial Services
- Two markets-facing businesses well positioned to benefit from improvements in market conditions with strong platforms and franchise positions
  - Commodities and Global Markets and Macquarie Capital

Ongoing program to identify cost saving initiatives and efficiency

Strong and conservative balance sheet

- Well-matched funding profile with minimal reliance on short-term wholesale funding
- Surplus funding and capital available to support growth

Proven risk management framework and culture

Medium term

Annuity-style businesses

Non-Banking Group

Macquarie Asset Management (MAM)

- Leading specialist global asset manager, well-positioned to respond to current market conditions. Strongly placed to grow assets under management through its diversified product offering, track record and experienced local investment teams

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 growth

Markets-facing businesses

Non-Banking Group

Macquarie Capital[1] (MacCap)

- Positioned to benefit from recovery in M&A and capital markets activity
- Continues to tailor the business offering to current opportunities and market conditions including providing flexible capital solutions across sectors and regions
- Opportunities for project development and balance sheet investment by the group and in support of partners and clients subject to market conditions

Banking Group

Commodities and Global Markets[2] (CGM)

- Opportunities to grow 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 asset finance portfolio
- Growing client base across all regions

1. Certain activities of the Equities business are undertaken from within the Banking Group. 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.

MACQUARIE

04

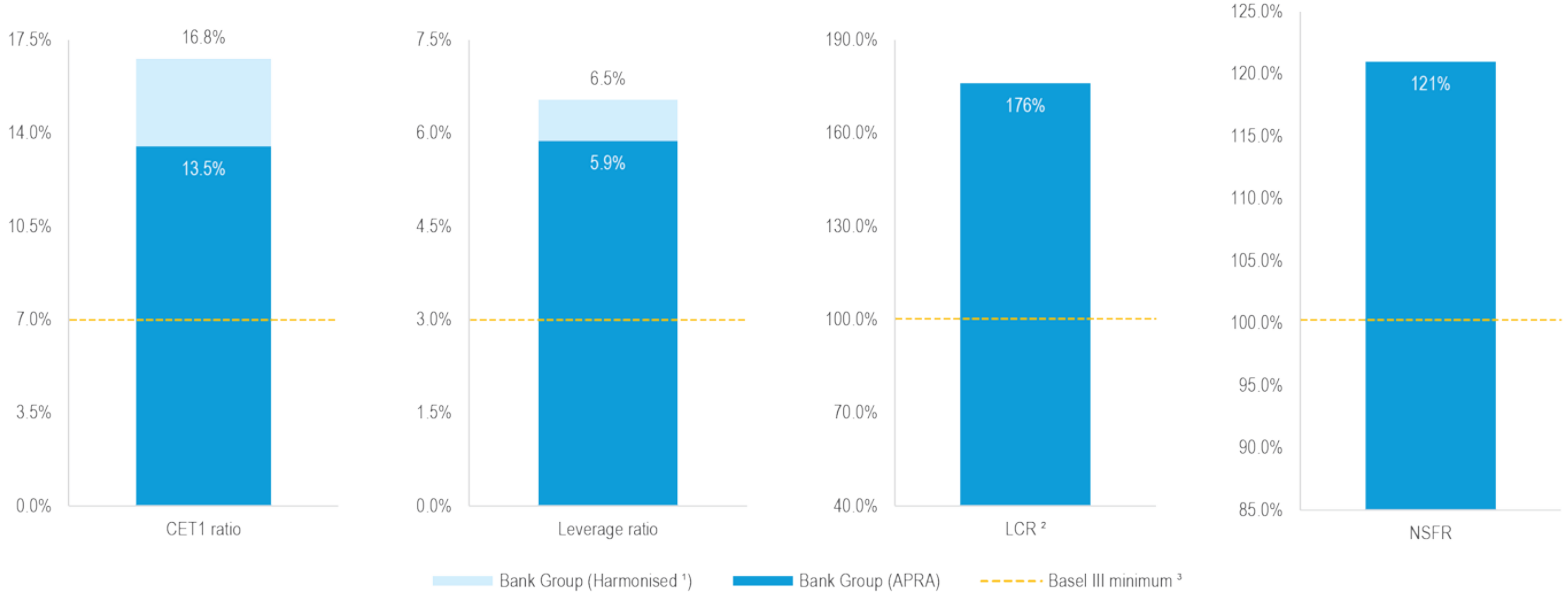
Capital and Funding

Presentation to Debt Investors

November 2020

Strong regulatory ratios

Bank Group (Sep 20)

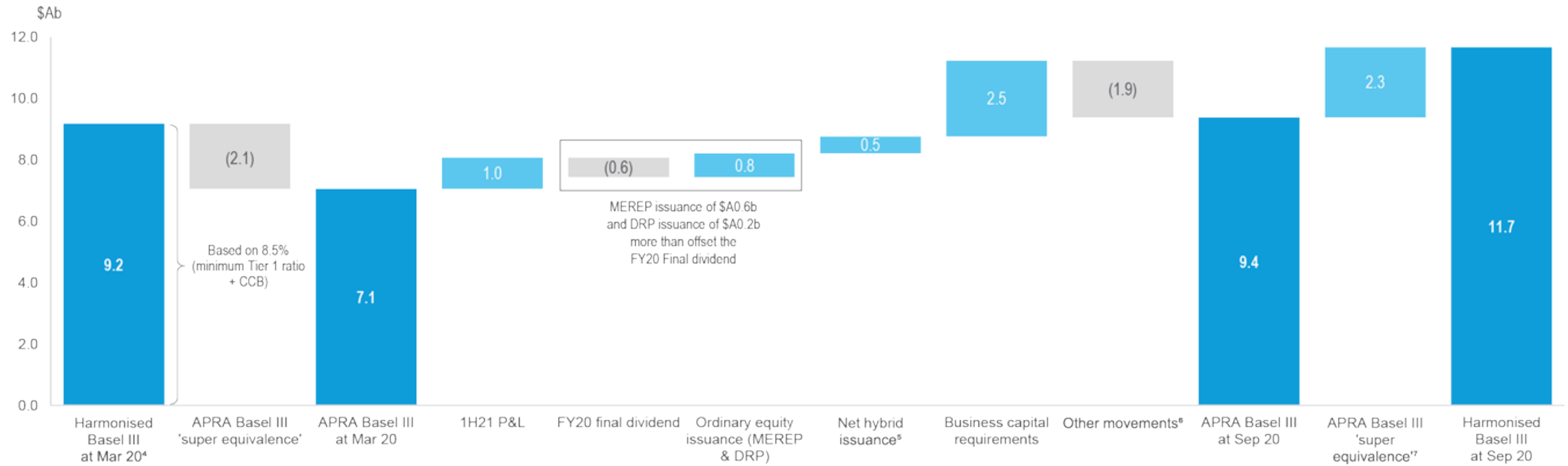


1. 'Harmonised' Basel III estimates are calculated in accordance with the BCBS Basel III framework. 2. Average LCR for Sep 20 quarter is based on an average of daily observations. 3. Includes the capital conservation buffer in the minimum CET1 ratio requirement. APRA has released a draft update to 'Prudential Standard APS 110 Capital Adequacy' proposing a minimum requirement for the leverage ratio of 3.5% effective Jan 23.

Basel III capital position

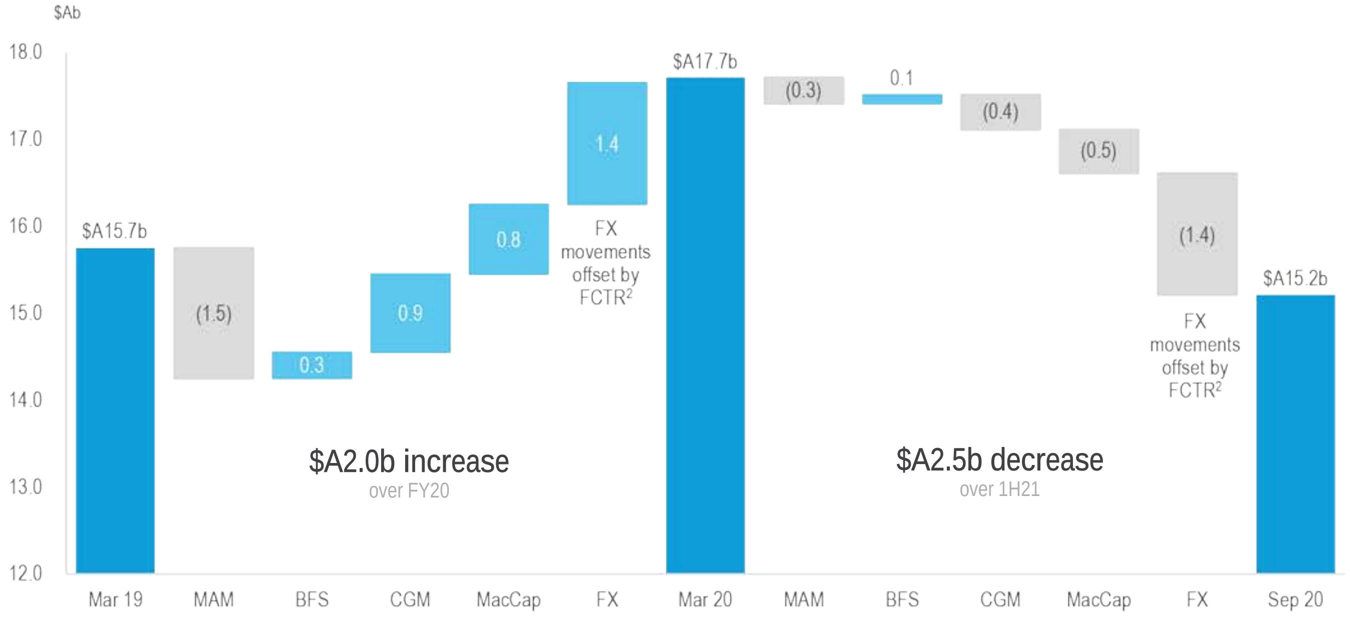
- APRA Basel III Group capital at Sep 20 of $A24.6b; Group capital surplus of $A9.4b[1,2]
- APRA Basel III CET1 ratio: 13.5%, *pro forma* 12.5%[2,3]; Harmonised Basel III CET1 ratio: 16.8%
- Other movements include a reduction in the Foreign Currency Translation reserve (FCTR), which substantially offsets the FX component of the movement in business capital requirements

Group regulatory surplus: Basel III (Sep 20)



1. Calculated at 8.5% RWA including the capital conservation buffer (CCB), per APRA ADI Prudential Standard 110. Based on materiality, the 8.5% used to calculate the Group capital surplus does not include the countercyclical capital buffer (CCyB) of ~1bps. The individual CCyB varies by jurisdiction and the Bank Group's CCyB is calculated as a weighted average based on exposures in different jurisdictions. 2. Group shared services entities are proposed to be transferred to the Bank Group in Dec 20. Pro forma CET1 ratio impact is a decrease of 0.5%, Group capital surplus impact is a decrease of $A0.2b. 3. In Nov 20, MBL paid a dividend to its parent MGL. Pro forma CET1 ratio impact is a decrease of 0.5%. 4. Basel III applies only to the Bank Group and not the Non-Bank Group. 'Harmonised' Basel III estimates are calculated in accordance with the BCBS Basel III framework. 5. Bank Capital Notes 2 issuance net of Macquarie Income Securities redemption. 6. Includes movements in foreign currency translation reserve, treasury shares, share-based payment reserve and other movements. 7. APRA Basel III 'super-equivalence' includes the impact of changes in capital requirements in areas where APRA differs from the BCBS Basel III framework, including the treatment of mortgages $A1.0b; capitalised expenses $A0.5b; equity investments $A0.3b; investment into deconsolidated subsidiaries $A0.1b; DTAs $A0.4b.

Business capital requirements[1]



1H21 KEY DRIVERS

MAM
- Decreased requirements primarily due to sell-down of Macquarie European rail business and performance fees

BFS
- Increase in home loans portfolio; business banking downgrades[3] partially offset by run-off in vehicles financing portfolio

CGM
- Decreased requirements from reduced derivative exposures due to market movements, loans and trade debtors, partially offset by increase in credit liquidity solutions

Macquarie Capital
- Decreased requirements primarily due to asset realisations, settlement of DCM underwriting positions

1. Regulatory capital requirements are calculated at 8.5% RWA. 2. The foreign currency translation reserve (FCTR) forms part of capital supply and substantially offsets FX movements in capital requirements. 3. Counterparties downgraded per Macquarie's internal ratings framework.

Balance sheet highlights and initiatives

- Balance sheet remains solid and conservative
  - Term assets covered by term funding, stable deposits and equity
  - Minimal reliance on short-term wholesale funding markets
- Total customer deposits[1] continuing to grow, up 15% to $A77.1b as at Sep 20 from $A67.1b as at Mar 20
- $A7.2b[2] of term funding raised during 1H21:
  - $A2.3b of term wholesale issued paper comprising of $A1.9b of subordinated unsecured debt issuance and $A0.4b of structured notes
  - $A2.3b refinance of secured trade finance facilities
  - $A1.7b drawdown of the RBA Term Funding Facility[3]
  - $A0.6b of Macquarie Bank Capital Notes 2 issuance; and
  - $A0.3b of PUMA RMBS securitisation issuance

1. Total customer deposits as per the funded balance sheet ($A77.1b) differs from total deposits as per the statutory balance sheet ($A77.3b). 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 and include undrawn facilities (does not include undrawn accessible TFF Allowances). 3. Initial Allowance drawn as at 30 Sep 20. MBL has $A1.3b of undrawn TFF Supplementary Allowance. MBL has access to the TFF Additional Allowance, the volume of which will be determined by business lending growth to Apr 21.

Conservative long standing liquidity risk management framework

MACQUARIE

Liquidity Policy

- The key requirement of the MGL and MBL liquidity policies is that the entities are able to meet all 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 franchise businesses
- Term assets are funded by term funding, stable deposits, hybrids and equity

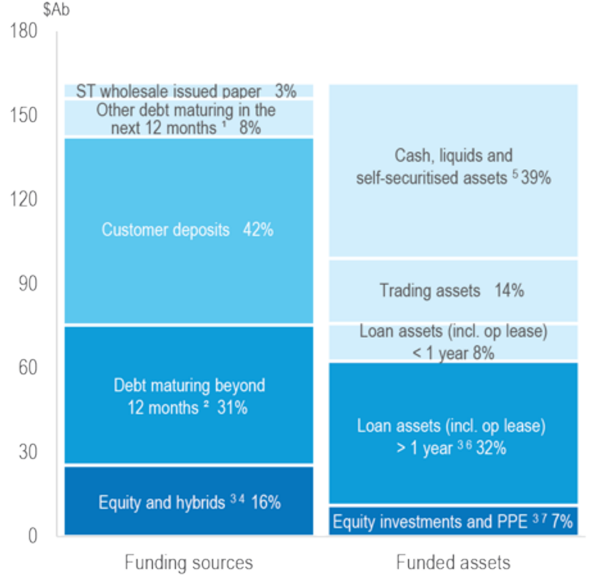
Liquidity Framework

- A robust liquidity risk management framework is designed to ensure that both MGL and MBL are able to meet their funding requirements 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 Asset and Liability Committee and the Risk Management Group
- The MGL and MBL Boards approve the liquidity policies and are provided with liquidity reporting on a regular basis

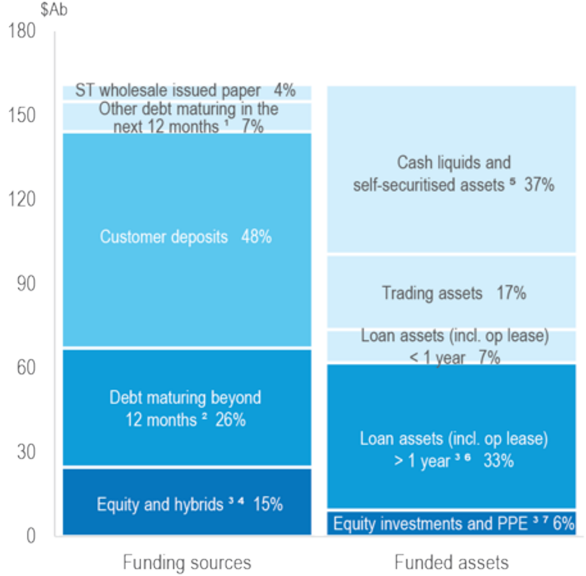
Funded balance sheet remains strong

Term liabilities exceed term assets

31 Mar 20



30 Sep 20



TOTAL CUSTOMER DEPOSITS[8]

$A77.1b

▲15% FROM MAR 20

TERM FUNDING RAISED[9]

$A7.2b

SINCE MAR 20

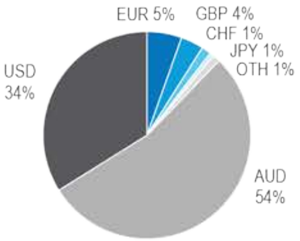
These charts represent Macquarie's funded balance sheets at the respective dates noted above. For details regarding reconciliation of the funded balance sheet to Macquarie's statutory balance sheet refer to slide 51. 1. 'Other debt maturing in the next 12 months' includes Secured funding, Bonds, Other loans, Subordinated debt and Net trade creditors. 2. 'Debt maturing beyond 12 months' includes Subordinated debt, Structured notes, Secured funding (including drawn RBA Term Funding Facility), Bonds, Syndicated loan facilities and Other loans not maturing within next 12 months. 3. Non-controlling interests are netted down in 'Equity and hybrids', 'Equity investments and PPE' and 'Loan assets (incl. op lease) > 1 year'. 4. Hybrid instruments include Macquarie Additional Capital Securities, Macquarie Capital Notes 2, 3 and 4, Macquarie Bank Capital Notes 2 (BCN2) and Macquarie Income Securities (MIS) (MIS were redeemed in April 2020). 5. 'Cash, liquids and self-securitised assets' includes self-securitisation of repo eligible Australian assets originated by Macquarie, a portion of which Macquarie can utilise as collateral in the Reserve Bank of Australia's Committed Liquidity Facility (CLF) and RBA Term Funding Facility (TFF). 6. 'Loan Assets (incl. op lease) > 1 year' includes Debt investment securities. 7. 'Equity investments and PPE' includes Macquarie's co-investments in Macquarie-managed funds and other equity investments. 8. Total customer deposits as per the funded balance sheet ($A77.1b) differs from total deposits as per the statutory balance sheet ($A77.3b). The funded balance sheet reclassifies certain balances to other funded balance sheet categories. 9. Issuances cover a range of tenors, currencies and product types and are AUD equivalent based on FX rates at the time of issuance and include undrawn facilities (does not include undrawn accessible TFF Allowances).

MACQUARIE

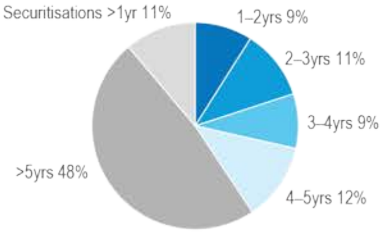
Diversified issuance strategy

Term funding as at 30 Sep 20 – diversified by currency[1], tenor[2] and type

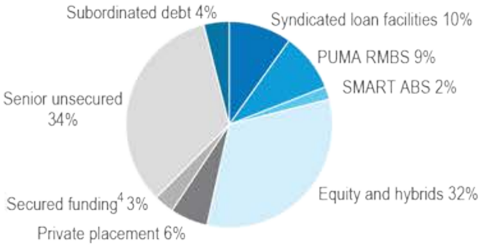
Currency



Tenor

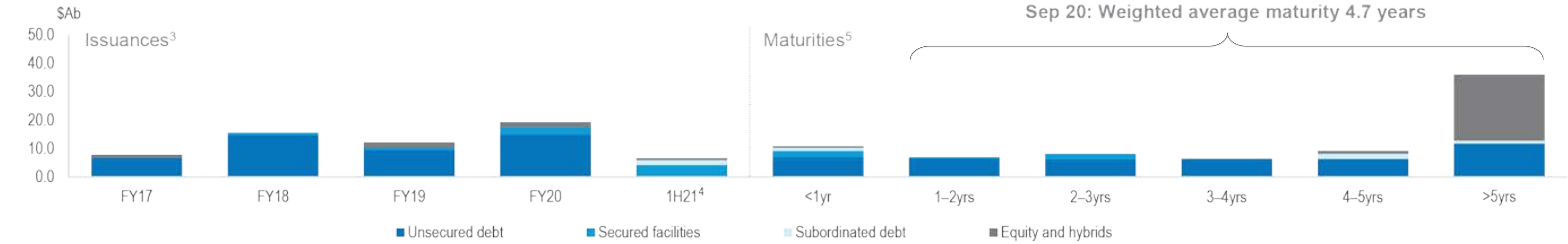


Type



- Well-diversified issuance and funding sources
- Term funding beyond 1 year (including drawn TFF, excluding equity and securitisations) has a weighted average maturity of 4.7 years

Term Issuance and Maturity Profile



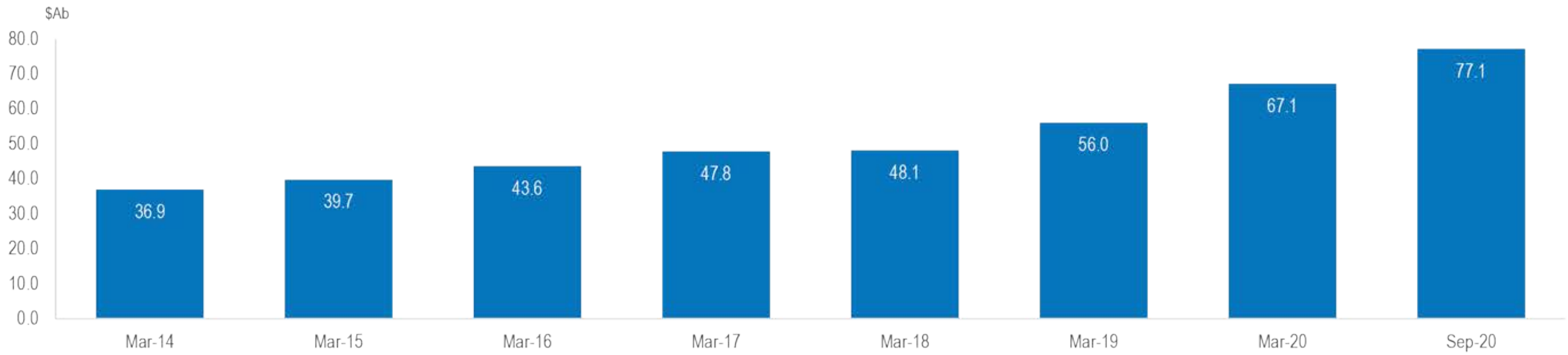
1. Equity has been allocated to the AUD currency category. 2. Securitisations have been presented on a behavioural basis and represent funding expected to mature in >1yr. 3. Issuances exclude securitisations and include undrawn facilities. Issuance are converted to AUD at the 30 Sep 20 spot rate. 4. Includes drawn TFF Initial Allowance of $A1.7b. 5. Maturities excludes securitisations and are shown as at 30 Sep 20.

Continued customer deposit growth

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

- Of more than 1.6 million BFS clients, circa 720,000 are depositors
- Focus on the quality and composition of the deposit base
- Continue to grow deposits, CMA product has an average account balance of circa $A42,000

Deposits



Note: Total customer deposits include total BFS deposits of $A74.4b and $A2.7b of Corporate/Wholesale deposits.

Current credit ratings

	Macquarie Bank Limited			Macquarie Group Limited		
	Long-term rating	**Long-term rating outlook**	**Short-term rating**	**Long-term rating**	**Long-term rating outlook**	**Short-term rating**
Moody's	A2	Stable	P-1	A3	Stable	P-2
Fitch	A	Negative	F-1	A-	Negative	F-2
S&P	A+	Negative	A-1	BBB+	Stable	A-2

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Appendices

Presentation to Debt Investors

November 2020

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A

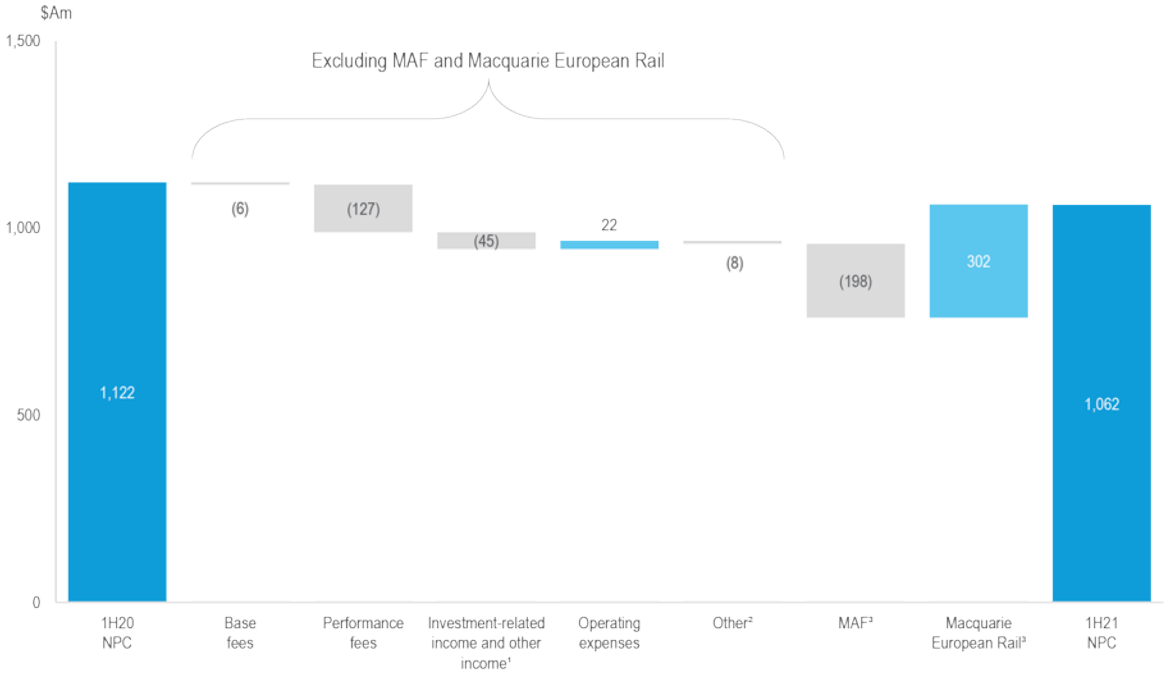
Appendix: General Appendices

Presentation to Debt Investors

November 2020

Macquarie Asset Management

Decrease due to lower Macquarie AirFinance (MAF) income and lower performance fees, partially offset by gain on sale of Macquarie European Rail



KEY DRIVERS

- Base fees broadly in line with 1H20
- Lower performance fees in 1H21 following a strong 1H20. The current period included fees from a range of funds including MIP II, MEIF4 and other MIRA-managed funds and accounts
- Lower investment-related and other income included in 1H21. The current period included share of net profits from the sale of underlying assets within equity accounted investments and revaluation of property investments, partially offset by equity accounted losses in a small number of MIRA-managed funds
- Lower operating expenses primarily driven by lower professional fees including Aladdin platform implementation costs and reduced travel on account of COVID-19
- Other includes lower income from True Index products and private capital markets
- Lower MAF income primarily driven by the impact of COVID-19 on equity accounted aircraft leasing income, due to deferrals and non-payments and related aircraft impairments, as well as the sell down of 50%[4] of the business during FY20
- Macquarie European Rail driven by gain on sale in 1H21

1. Includes net income on equity and debt investments, share of net (losses)/profits of associates and joint ventures and other income. 2. Other includes net interest and trading expense, other fee and commission income, net operating lease income, credit and other impairments, internal management revenue and non-controlling interests. 3. MAF and Macquarie European Rail includes the net impact of operating income and expenses excluded from the other categories. 4. Macquarie sold the MAF business into a newly formed joint venture in 1H20 in which Macquarie held a 75% interest. In 2H20, Macquarie sold a 25% interest in the joint venture.

Banking and Financial Services

Margin compression on deposits and increased credit impairment charges, partially offset by strong home loan growth and deposits growth

KEY DRIVERS

- Higher Personal Banking income driven by 31% growth in average home loan volumes, partially offset by margin compression on deposits and vehicle finance, and lower vehicle finance average volumes
- Lower Business Banking income driven by deposit margin compression and 21% lower average vehicle finance volumes, partially offset by growth in average Business Banking loan volumes of 13% and average business deposit volumes growth of 8%
- Wealth income driven by 28% growth in average CMA volumes, partially offset by margin compression, lower advisor fees in the current environment and higher deposit origination costs
- Increased credit impairment charges related to portfolio growth and further provisioning as a result of COVID-19
- Higher Expenses and Other primarily due to higher leave provisions driven by less holiday entitlements being taken by staff and additional headcount to support customers impacted by COVID-19, increased costs associated with investment in technology to support business growth and meet regulatory requirements, partially offset by revaluation of an equity investment

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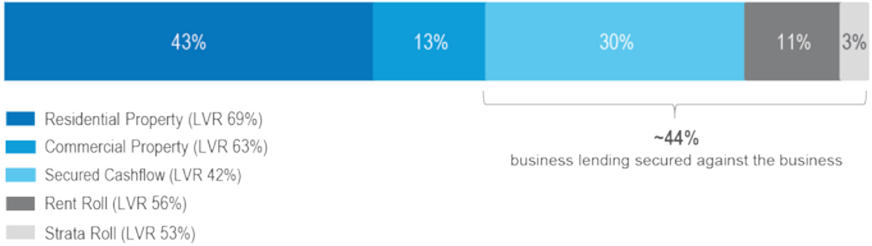
Banking and Financial Services

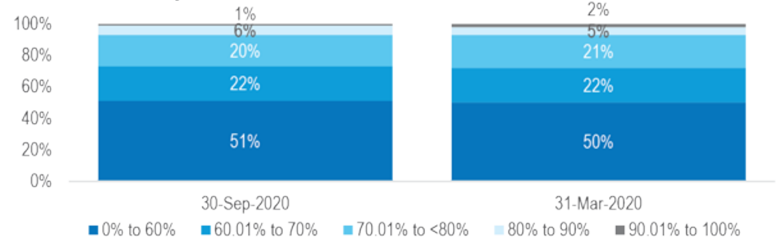
Portfolio and credit overview

Portfolio dynamic	30-Sep-20	31-Mar-20	% change
Gross Loan Assets ($Am)	79,103	75,320	5%
% Business Banking (incl. Business Bank Home Loans)	11%	12%	-1%
% Personal Banking (Home Loans + Credit Cards)	73%	70%	3%
% Asset Finance (incl Wholesale)	16%	18%	-2%
Credit Risk Weighted Assets (CRWA) ($Ab)	36.5	35.7	2%
Total provisions ($Am)	522	470	11%
% ECL/CRWA (post-COVID adjustment)	1.43%	1.32%	11bps

Business lending security type and LVR[1] (%)



Home Loan Dynamic LVR Distribution



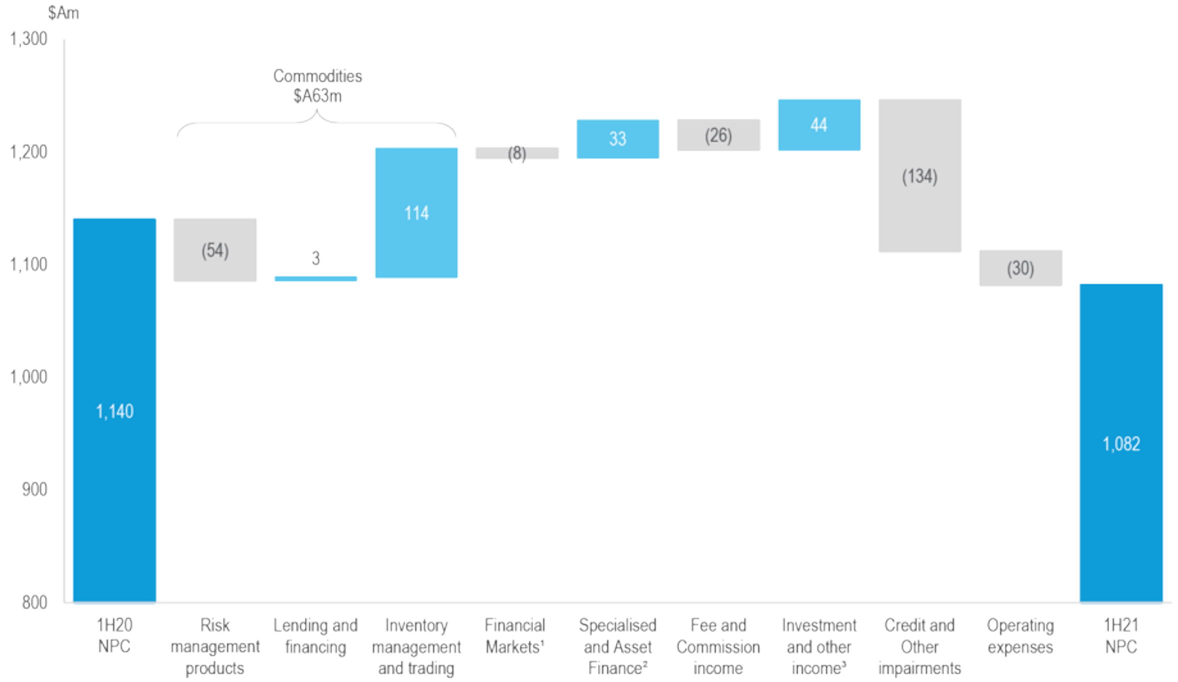
Home Loan portfolio[2] dynamic	30-Sep-20	31-Mar-20
Average LVR at Origination (%)[3,4]	68%	69%
Average Dynamic LVR (%)[4,5]	57%	57%
% Owner Occupied	63%	63%
% Principal and Interest	75%	74%
90+ days delinquent (%)	0.59%	0.55%
Loss rates (bps)	0	1
% ahead of repayments[6]	75%	73%

COVID-19 Payment Pause (% of balances)[7]	31-Oct-20	30-Apr-20
Personal Banking (Home Loans + Credit Cards)	2.8%	11.2%
Business Banking (incl Business Bank Home Loans)	0.7%	16.2%
Vehicle Finance (incl Wholesale)	3.3%	13.5%

1. At 30 Sep 20. 2. Home Loans originated in Personal Banking. 3. Based on accounts still on book. 4. Weighted by size of loan. 5. House price index (HPI) as at Jun 20. 6. Taken as a % of loans with more than 0.5% of limit available ~1 monthly payment ahead net of offset and redraw balances. 7. Excludes natural expiries and early cancellations.

Commodities and Global Markets

Result reflective of two distinct quarters: 1Q21 characterised by dislocated markets and elevated volatility. 2Q21 activity increasingly subdued



KEY DRIVERS

- Commodities recorded a strong result;
  - Solid client hedging activity across the commodities platform particularly in Resources, Agriculture, North American Gas & Power, Global Oil and EMEA Gas & Power linked to elevated volatility, primarily in 1Q21
  - Lending and financing income broadly in line with prior corresponding period
  - Increased opportunities in inventory management and trading in 1Q21 driven by market dislocations and increased volatility particularly across Oil and Precious Metals markets as well as gains associated with the timing of income recognition on Oil and Gas storage contracts and transport agreements
- Consistent performance from financial markets driven by client activity
- Increased Specialised and Asset Finance income primarily driven by higher secondary income in comparison to 1H20
- Reduction in fee and commission income primarily due to a reduction in demand for commodity risk premia products
- Increased investment and other income primarily reflected gains on listed equity investments in the commodities sector
- Credit and other impairment charges have increased reflecting deterioration in current and expected macroeconomic conditions compared to 1H20 due to COVID-19 resulting in overlays for regional and industry specific risks in addition to impairments taken on a small number of underperforming positions
- Increased operating expenses primarily driven by higher employment costs, expenditure on technology infrastructure as well as increasing compliance and regulatory requirements

1. Financial Markets includes FX, interest rates and credit and equities. 2. Specialised and Asset Finance includes net interest and trading income and net operating lease income. 3. Includes net income on equity and debt investments, share of net profits of associates and joint ventures, internal management revenue and other income.

Macquarie Capital

Result driven by lower investment-related income, lower fee and commission income and higher credit and other impairment charges partially offset by lower operating expenses

KEY DRIVERS

- Lower investment-related income[1] predominantly due to:
  - Fewer material asset realisations mainly due to the impact of COVID-19
  - Partially offset by lower share of net losses of associates and joint ventures due to small number of underperforming assets in the prior corresponding period
- Lower fee and commission income due to lower mergers and acquisitions fee income, partially offset by higher equity capital markets fee income
- Increased credit and other impairment charges primarily due to a small number of underperforming loan facilities and the growth of the debt portfolio
- Lower operating expenses driven by the structural change in the prior period to refocus Equities on the Asia-Pacific region and lower travel and entertainment expenses due to COVID-19

1. Includes net income on equity and debt investments, share of net losses of associates and joint ventures, net interest and trading income/(expense) (which represents the interest earned from debt investments and the funding costs associated with Macquarie Capital's balance sheet positions), other expenses, internal management revenue and non-controlling interests.

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B

Appendix: Funding

Presentation to Debt Investors

November 2020

Funded balance sheet reconciliation

- Macquarie's statement of financial position is prepared in accordance with Australian accounting standards which do not represent actual funding requirements
- A funded balance sheet reconciliation has been prepared to reconcile the reported assets of Macquarie to the assets that require funding

	Sep 20 $Ab	Mar 20 $Ab	Sep 19[1] $Ab
Total assets per Statement of Financial Position	**230.7**	**255.8**	**213.3**
Accounting deductions:			
Self-funded trading assets	(17.1)	(17.7)	(19.1)
Derivative revaluation accounting gross-ups	(16.4)	(38.0)	(14.3)
Segregated funds	(7.4)	(7.0)	(4.9)
Outstanding trade settlement balances	(5.6)	(6.8)	(8.2)
Short-term working capital assets	(7.7)	(8.4)	(9.7)
Non-controlling interests	(0.3)	(0.3)	(0.3)
Non-recourse funded assets:			
Securitised assets and other non-recourse funding	(15.2)	(16.0)	(10.4)
Net funded assets per Funded balance sheet	**161.0**	**161.6**	**146.4**

For an explanation of the above deductions refer to slide 55. 1. Refer to Note 1(ii) Comparatives of the Financial Report for an explanation of the re-presentation of certain comparative financial information.

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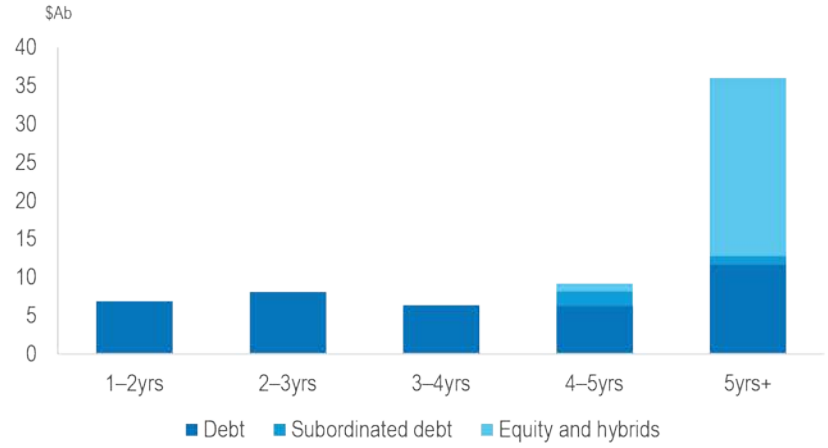
Funding for Macquarie

	Sep 20 $Ab	Mar 20 $Ab	Sep 19[1] $Ab
Funding sources			
Certificates of deposit	0.4	0.6	1.0
Commercial paper	5.7	5.0	7.8
Net trade creditors	0.4	2.0	0.6
Structured notes	1.9	2.0	2.4
Secured funding	4.6	3.8	3.6
Bonds	33.7	40.9	34.8
Other loans	1.0	1.2	1.5
Syndicated loan facilities	7.3	10.1	8.7
Customer deposits	77.1	67.1	58.8
Subordinated debt	4.2	3.5	3.1
Equity and hybrids	24.7	25.4	24.1
Total funding sources	**161.0**	**161.6**	**146.4**
Funded assets			
Cash and liquid assets	37.3	38.9	23.7
Self-securitisation	23.1	23.5	23.6
Net trading assets	26.9	23.2	29.8
Loan assets including operating lease assets less than one year	11.8	13.4	11.7
Loan assets including operating lease assets greater than one year	50.3	49.6	44.0
Debt investment securities	2.2	1.9	1.7
Co-investment in Macquarie-managed funds and other equity investments	6.3	7.4	8.4
Property, plant and equipment and intangibles	3.1	3.7	3.5
Total funded assets	**161.0**	**161.6**	**146.4**

- Well diversified funding sources
- Minimal reliance on short-term wholesale funding markets
- Deposit base represents 48%[2] of total funding sources
- Term funding beyond one year (including drawn TFF, excluding equity and securitisations) has a weighted average term to maturity of 4.7 years[2]

Macquarie's term funding maturing beyond one year (includes Equity and hybrids)[3]



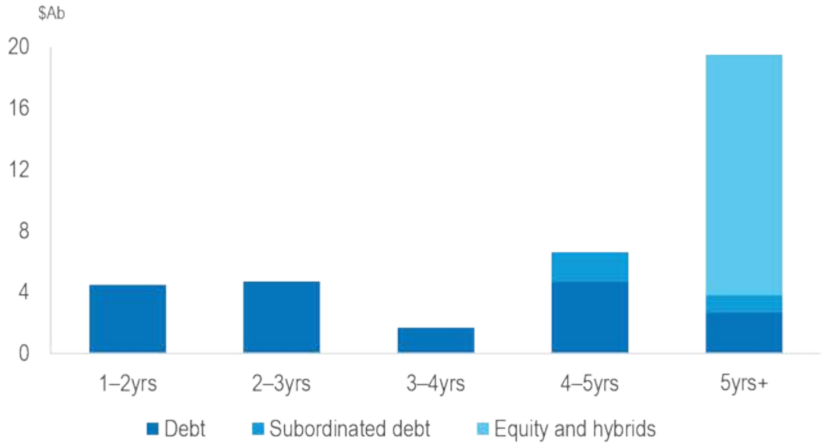
1. Refer to Note 1(ii) Comparatives of the Financial Report for an explanation of the re-presentation of certain comparative financial information. 2. As at 30 Sep 20. 3. Includes drawn term funding facilities only.

Funding for the Bank Group

	Sep 20 $Ab	Mar 20 $Ab	Sep 19[1] $Ab
Funding sources			
Certificates of deposit	0.4	0.6	1.0
Commercial paper	5.7	5.0	7.8
Net trade creditors	0.1	1.1	1.1
Structured notes	1.3	1.9	2.0
Secured funding	4.1	3.2	2.5
Bonds	19.3	24.4	18.9
Other loans	0.9	0.9	1.0
Customer deposits	77.1	67.1	58.8
Subordinated debt	4.2	3.5	3.1
Equity and hybrids	15.7	15.8	14.0
Total funding sources	**128.8**	**123.5**	**110.2**
Funded assets			
Cash and liquid assets	31.8	33.6	21.9
Self-securitisation	23.1	23.5	23.6
Net trading assets	25.7	22.0	27.7
Loan assets including operating lease assets less than one year	11.2	12.2	10.8
Loan assets including operating lease assets greater than one year	44.1	41.7	38.3
Debt investment securities	1.8	1.7	1.1
Non-Bank Group deposit with MBL	(9.9)	(12.2)	(14.2)
Co-investment in Macquarie-managed funds and other equity investments	0.4	0.4	0.4
Property, plant and equipment and intangibles	0.6	0.6	0.6
Total funded assets	**128.8**	**123.5**	**110.2**

- Bank balance sheet remains liquid and well capitalised, with a diverse range of funding sources
- Term funding beyond one year (including drawn TFF, excluding equity and securitisations) has a weighted average term to maturity of 4.1 years[2]
- Accessed term funding across a variety of products and jurisdictions

Bank Group term funding maturing beyond one year (includes Equity and hybrids)[3]



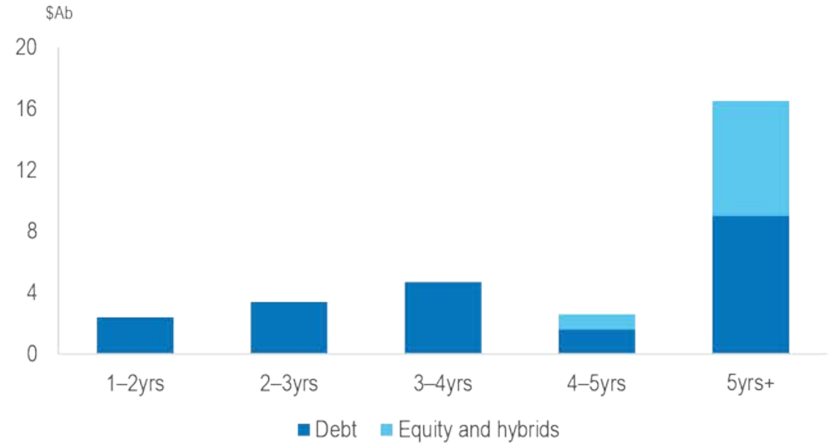
1. Refer to Note 1(ii) Comparatives of the Financial Report for an explanation of the re-presentation of certain comparative financial information. 2. As at 30 Sep 20. 3. Includes drawn term funding facilities only.

Funding for the Non-Bank Group

	Sep 20 $Ab	Mar 20 $Ab	Sep 19 $Ab
Funding sources			
Net trade creditors/(debtors)	0.3	0.9	(0.5)
Structured notes	0.6	0.1	0.4
Secured funding	0.5	0.6	1.1
Bonds	14.4	16.5	15.9
Other loans	0.1	0.3	0.5
Syndicated loan facilities	7.3	10.1	8.7
Equity and hybrids	9.0	9.6	10.1
Total funding sources	**32.2**	**38.1**	**36.2**
Funded assets			
Cash and liquid assets	5.5	5.3	1.8
Non-Bank Group deposit with MBL	9.9	12.2	14.2
Net trading assets	1.2	1.2	2.1
Loan assets including operating lease assets less than one year	0.6	1.2	0.9
Loan assets including operating lease assets greater than one year	6.2	7.9	5.7
Debt investment securities	0.4	0.2	0.6
Co-investment in Macquarie-managed funds and other equity investments	5.9	7.0	8.0
Property, plant and equipment and intangibles	2.5	3.1	2.9
Total funded assets	**32.2**	**38.1**	**36.2**

- Non-Bank Group is predominantly term funded
- Term funding beyond one year (excluding equity) has a weighted average term to maturity of 5.4 years[1]
- 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 20. 2. Includes drawn term funding facilities only.

Explanation of funded balance sheet reconciling items

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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. Also as part of its trading activities, Macquarie pays and receives margin collateral on its outstanding derivative positions. These trading-related asset and liability positions are presented gross on the statement of financial position but are viewed as being self-funded to the extent that they offset one another and, therefore, are netted as part of this adjustment.

Derivative revaluation accounting gross-ups: Macquarie's derivative activities are mostly client driven with client positions hedged by offsetting positions with a variety of counterparties. The derivatives are largely matched and this adjustment reflects that the matched positions do not require funding.

Segregated funds: These represent the assets and liabilities that are recognised where Macquarie provides products such as investment-linked policy contracts or where Macquarie holds segregated client monies. The policy (contract) liability and client monies will be matched by assets held to the same amount.

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).

Short-term working capital assets: As with the outstanding trade settlement balances above, 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 represent 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.

Securitised assets and other non-recourse funding: These include assets funded by third party debt with no recourse to Macquarie beyond the borrowing entity and lending assets (mortgages and leasing) sold down into external securitisation entities.

C

Appendix: Other Financial Information

Presentation to Debt Investors

November 2020

Costs of compliance

Total compliance spend[1] approximately $A300m in 1H21, up 12% on 1H20

Regulatory project spend	1H21 $Am	2H20 $Am	1H20 $Am
IBOR Reforms	5	4	1
Brexit	8	9	7
Counterparty Data Project	3	3	1
Enterprise Data Management	6	4	4
Transaction Reporting & Data-related Projects for CGM Trading Portfolio	11	10	14
Other Regulatory Projects (e.g. Code of Banking Practice, Payment pause functionality)	56	48	43
Total	**89**	**77**	**70**

Business as usual compliance spend	1H21 $Am	2H20 $Am	1H20 $Am
Financial, Regulatory & Tax Reporting and Compliance	65	55	58
Risk oversight	49	40	54
Financial Crime Risk	15	16	19
Regulatory Capital Management	13	12	12
National Consumer Credit Protection (NCCP)	4	4	4
Privacy & Data Management	7	6	5
Monitoring & Surveillance	5	4	5
Regulator Levies	7	8	6
Other regulatory compliance activities (e.g. APRA resilience, Advice Licensee standards compliance, IRIS Maintenance and Support)	49	52	36
Total	**214**	**197**	**200**
Total compliance spend	**303**	**275**	**270**

- The industry continues to see an increase in regulatory initiatives, resulting in increased compliance requirements across all levels of the organisation
- Direct cost of compliance is approximately $A303m in 1H21 (excluding indirect costs), up 12% on 1H20
- Regulatory project spend increased 27% from 1H20 as a result of a number of technology projects, IBOR Reforms
- Business as usual spend increased 7% from 1H20 driven by regulatory projects transitioned to business as usual functions, increased global regulatory environment and continued focus of management on a range of compliance activities

1. Excluding indirect costs.

Loan and lease portfolios[1] – funded balance sheet

Operating Group	Category	Sep 20 $Ab	Mar 20 $Ab	Description
BFS	Home loans[2]	48.8	43.2	Secured by Australian residential property
	Business banking	9.2	9.4	Loan portfolio secured largely by working capital, business cash flows and real property
	Vehicle finance	9.7	10.6	Secured by Australian motor vehicles
	Total BFS	**67.7**	**63.2**	
CGM	*Loans and finance lease assets*	4.9	6.2	
	Operating lease assets	1.8	2.2	
	Specialised and Asset Finance	6.7	8.4	Predominantly secured by underlying financed assets
	Resources and commodities	2.0	3.0	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	2.2	3.2	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
	Total CGM	**10.9**	**14.6**	
MAM	Operating lease assets	0.9	1.7	Secured by underlying financed assets including transportation assets
	Other	0.3	0.3	Secured by underlying financed assets
	Total MAM	**1.2**	**2.0**	
Macquarie Capital	Corporate and other lending	5.4	6.7	Diversified corporate and real estate lending portfolio, predominantly consisting of loans which are senior, secured, covenanted and with a hold to maturity horizon. Includes diversified secured corporate lending
	Total Macquarie Capital	**5.4**	**6.7**	
Total loan and lease assets per funded balance sheet[3]		**85.2**	**86.5**	

1. Loan assets are reported on a funded balance sheet basis and therefore exclude certain items such as assets that are funded by third party debt with no recourse to Macquarie beyond the borrowing entity. In addition, loan assets per the statutory balance sheet of $A93.4b at 30 Sep 20 ($A94.1b at 31 Mar 20) 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. Home loans per the funded balance sheet of $A48.8b differs from the figure disclosed on slide 11 of $A57.4b. The funded balance sheet nets down loans and funding liabilities of non-recourse securitisation and warehouse vehicles (PUMA RMBS and SMART auto ABS) to show the net funding requirement. 3. Total loan assets per funded balance sheet includes self-securitised assets.

Equity investments of $A6.5b[1]

Category	Carrying value[2] Sep 20 $Ab	Carrying value[2] Mar 20 $Ab	Description
Macquarie Asset Management (MIRA) managed funds	1.6	1.8	Includes Macquarie Infrastructure Corporation, Macquarie Korea Infrastructure Fund, Macquarie SBI Infrastructure Fund, Macquarie European Infrastructure Fund 5, Macquarie Asia infrastructure Fund, Macquarie Asia infrastructure Fund 2
Other Macquarie-managed funds	0.4	0.3	Includes MIM funds as well as investments that hedge directors' profit share plan liabilities
Transport, industrial and infrastructure	1.0	1.3	Over 25 separate investments
Telecommunications, IT, media and entertainment	1.0	1.2	Over 55 separate investments
Green energy[3]	0.9	1.0	Over 35 separate investments
Conventional energy, resources and commodities	0.4	0.4	Over 35 separate investments
Real estate investment, property and funds management	0.7	1.0	Over 15 separate investments
Finance, wealth management and exchanges	0.5	0.5	Includes investments in fund managers, investment companies, securities exchanges and other corporations in the financial services industry
	6.5	**7.5**	

1. Equity investments per the statutory balance sheet of $A8.6b (Mar 20: $A9.7b) have been adjusted to reflect the total economic exposure to Macquarie. 2. Total funded equity investments of $A6.3b (Mar 20: $A7.4b). 3. Green energy includes Macquarie's associate investment in East Anglia ONE Limited. The investment was partially funded with asset-specific borrowings.

Macquarie Basel III regulatory capital

Surplus calculation

30 Sep 20	Harmonised Basel III $Am	APRA Basel III $Am	
Macquarie eligible capital			
Bank Group Gross Tier 1 capital	15,535	15,535	
Non-Bank Group eligible capital	9,075	9,075	
Eligible capital	**24,610**	**24,610**	**(a)**
Macquarie capital requirement			
Bank Group capital requirement			
Risk-Weighted Assets (RWA)[1]	80,342	87,821	
Capital required to cover RWA[2] at 8.5%	6,829	7,465	
Tier 1 deductions	184	1,836	
Total Bank Group capital requirement	7,013	9,301	
Total Non-Bank Group capital requirement	5,928	5,928	
Total Macquarie capital requirement (at 8.5%[2] of the Bank Group RWA)	12,941	15,229	(b)
Macquarie regulatory capital surplus (at 8.5%[2] of the Bank Group RWA)	**11,669**	**9,381**	**(a)-(b)**

1. In calculating the Bank Group's contribution to Macquarie's capital requirement, RWA internal to Macquarie are eliminated (30 Sep 20: $A946 million; 31 Mar 20: $A642 million). 2. Calculated at 8.5% RWA including capital conservation buffer (CCB), per APRA ADI Prudential Standard 110. Based on materiality, the countercyclical capital buffer (CCyB) of ~1bps has not been included. The individual CCyB varies by jurisdiction and the Bank Group's CCyB is calculated as a weighted average based on exposures in different jurisdictions.

Credit and other impairment charge considerations

In assessing Macquarie's expected credit loss provisioning on the loan portfolio, current and expected macroeconomic conditions are taken into account

The total ECL provision on balance sheet at 30 Sep 20 is $A1,653m. A 100% weighting to the baseline scenario would result in an ECL provision of ~$A1,600m, a 100% weighting to the downside scenario would result in an ECL provision of ~$A1,850m and a 100% weighting to the upside scenario would result in an ECL provision of ~$A1,500m[1]

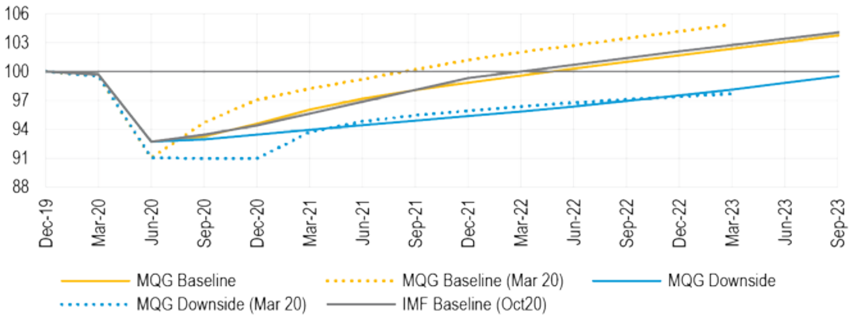
Baseline: Our updated economic data and expectations for Australia and the US used for provisioning are as follows:

- Australia – unemployment to peak at ~9% in Q1 2021, GDP contracted ~7% during H1 2020 with a slow recovery observed through Q3 and Q4 of 2020. House prices decline ~6% in the year to Q1 2021
- US – unemployment has peaked at ~13% in Q2 2020, GDP contracted ~10% during H1 2020 with a partial recovery observed through Q3 and Q4 of 2020

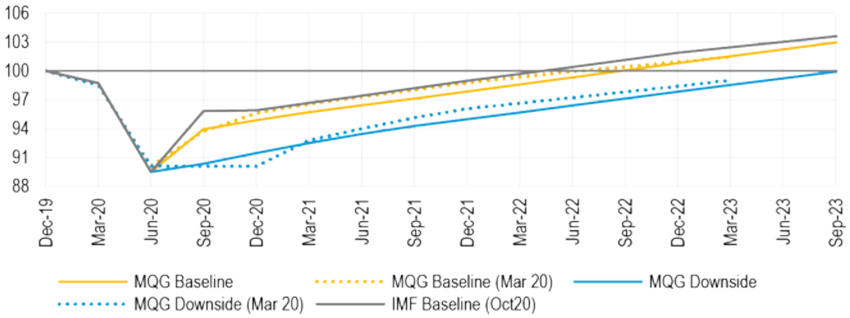
Downside: a more severe and protracted COVID-19 scenario resulting from the virus taking longer to be contained. Our updated economic data and expectations for Australia and the US used for provisioning are as follows:

- Australia – unemployment rate to peak at ~9.5% in Q1 2021, GDP contracted ~7% during H1 2020 with a slower recovery. House prices decline ~19% by Q3 2021
- US – unemployment has peaked at ~13% in mid-2020 and to remain at ~12% until Q1 2021. GDP contracted by ~10% during H1 2020 with a slower recovery observed

Australia – Real GDP Indexed Dec 19



US – Real GDP Indexed Dec 19



Further detail on the scenarios used for the ECL are contained in Note 12 of the Financial report. Quarterly periods above represent calendar periods. 1. These numbers provide comparative ECL provision information as at the reporting date assuming the scenarios outlined. These numbers reflect neither changes in the credit rating of the counterparty nor changes in post model adjustments that may occur if these scenarios were to occur. Changes in credit rating and post model adjustments may have a material impact on these ECL provisions.

Expected Credit Loss – key indicators

- Under the AASB 9 credit impairment model, losses are recognised on an Expected Credit Loss (ECL) basis. ECLs are required to incorporate Forward-Looking Information (FLI), reflecting Macquarie's view of potential future economic scenarios including a weighted baseline, upside case, and downside case
- Macquarie calculates its ECL provisions using predictive models and probability weighted forward looking economic views. As a result of the continuing economic uncertainty created by the COVID-19 pandemic, Macquarie has exercised judgement in applying post model adjustments through management overlays. Further information is set out within the notes to the Financial report
- Baseline – updated for impact of COVID-19 through key indicators used in modelling: gross domestic product (GDP), the unemployment rate and the level of house prices, interest rates and commodity prices
- Downside – a more severe and protracted COVID-19 scenario resulting from the virus taking longer to be contained

Snapshot of key indicator variables	Current (30 Sep - 3Q 2020)	31 Dec - 4Q 2020	31 Mar - 1Q 2021	30 Jun - 2Q 2021	30 Sep - 3Q 2021	30 Sep - 3Q 2022	30 Sep - 3Q 2023
Baseline							
Australia Real GDP (indexed at 100 = Dec 19)	93.3	94.6	96.0	97.2	98.1	101.0	103.7
Australia Unemployment Rate	8.0%	8.8%	9.1%	8.9%	8.3%	6.7%	5.8%
Australia Property Prices (indexed at 100 = Dec 19)	96.8	95.7	94.8	94.7	94.9	101.8	108.9
US Real GDP (indexed at 100 = Dec 19)	94.0	94.9	95.7	96.4	97.1	100.1	103.0
US Unemployment Rate	10.8%	9.6%	9.5%	8.9%	8.3%	6.5%	5.6%
Euro Area Real GDP (indexed at 100 = Dec 19)	92.2	94.5	95.7	96.9	97.8	100.4	102.4
Euro Area Unemployment Rate	8.5%	9.1%	9.0%	9.0%	8.9%	8.3%	7.9%
Downside							
Australia Real GDP (indexed at 100 = Dec 19)	93.0	93.4	94.0	94.4	94.9	96.9	99.5
Australia Unemployment Rate	8.2%	9.1%	9.5%	9.4%	9.1%	7.7%	6.9%
Australia Property Prices (indexed at 100 = Dec 19)	95.0	90.8	86.6	83.4	81.3	82.4	88.0
US Real GDP (indexed at 100 = Dec 19)	90.4	91.5	92.5	93.5	94.3	97.1	99.9
US Unemployment Rate	12.9%	12.1%	11.5%	10.9%	10.1%	7.9%	6.8%
Euro Area Real GDP (indexed at 100 = Dec 19)	85.9	88.4	91.2	93.3	95.1	99.0	100.9
Euro Area Unemployment Rate	8.8%	9.9%	9.9%	9.8%	9.6%	9.1%	8.7%

Further detail on the scenarios used for the Expected Credit Loss are contained in Note 12 of the Financial report.

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Macquarie Group Limited

Presentation to Debt Investors

November 2020