

SUPPLEMENT TO THE OFFERING MEMORANDUM DATED 12 JUNE 2020

MACQUARIE GROUP LIMITED

(ABN 94 122 169 279)

(incorporated with limited liability in the Commonwealth of Australia)



U.S.\$10,000,000,000

(or equivalent in other currencies)

Debt Instrument Programme

ISSUER

Macquarie Group Limited

DEALERS

Australia and New Zealand Banking Group Limited

BofA Securities

Bank of China Limited

Citigroup

Commonwealth Bank of Australia

Goldman Sachs International

HSBC

ING

J.P. Morgan

Macquarie Bank International Limited

Macquarie Bank Limited

National Australia Bank Limited

SMBC Nikko

Wells Fargo Securities

Westpac Banking Corporation

ISSUING & PAYING AGENT

Citibank, N.A., London Branch

CMU LODGING AGENT

Citicorp International Limited

The date of this Supplement is 16 November 2020

Pages 1 to 124 (inclusive) and pages 203 to 205 (inclusive) of the Offering Memorandum dated 12 June 2020 (“**Offering Memorandum**”) comprise a base prospectus of Macquarie Group Limited (ABN 94 122 169 279) (“**Issuer**” or “**MGL**”) (the “**Base Prospectus**”) for the purposes of Article 8 of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) in respect of unsecured and unsubordinated debt instruments to be admitted to the Official List of the Financial Conduct Authority (the “**FCA**”) and to be admitted to trading on the London Stock Exchange’s Regulated Market (“**PR Debt Instruments**”). Non-PR Debt Instruments (as defined below) may not and will not be issued under the Base Prospectus. The Base Prospectus was approved by the FCA in its capacity as competent authority under the Financial Services and Markets Act 2000 (UK) (“**FSMA**”) for the purposes of the Prospectus Regulation on 12 June 2020.

Pages 125 to 205 (inclusive) of the Offering Memorandum comprise an offering circular (the “**Offering Circular**”) and has been prepared by MGL in connection with the issuance of unsecured, unsubordinated or subordinated debt instruments other than PR Debt Instruments (“**Non-PR Debt Instruments**”) and, together with the PR Debt Instruments, the “**Debt Instruments**”). The Offering Circular has not been reviewed or approved by the FCA and does not constitute a prospectus for the purposes of the Prospectus Regulation. The Offering Circular does not form part of the Base Prospectus.

Supplementary Prospectus

Pages 1 to 4 (inclusive) of this supplement (the “**Supplementary Prospectus**”) are supplemental to, and must be read in conjunction with, the Base Prospectus and all documents which are deemed to be incorporated in, and to form part of, the Base Prospectus. This Supplementary Prospectus constitutes a supplementary prospectus for the purposes of Section 87G of the FSMA. The information on page 5 of this supplement constitutes a supplementary offering circular and does not form part of the Base Prospectus or this Supplementary Prospectus. Unless specified otherwise, terms used herein shall be deemed to have the meanings given to them in the Base Prospectus.

MGL accepts responsibility for the information contained in this Supplementary Prospectus. To the best of MGL’s knowledge (after having taken reasonable care to ensure that such is the case), the information contained in this Supplementary Prospectus is in accordance with the facts and this Supplementary Prospectus makes no omission likely to affect its import.

The purpose of this Supplementary Prospectus is to (a) incorporate by reference into the Base Prospectus information included in the MGL Interim Director’s Report and Financial Report for the Half-year ended 30 September 2020 (“**Interim Financial Report**”); (b) amend the risk factor titled “The Macquarie Group is subject to global economic, market and business risks with respect to the COVID-19 pandemic”; (c) insert a new risk factor titled “The Macquarie Group may not manage risks associated with the replacement of benchmark indices effectively”; and (d) amend the risk factor titled “MGL and the Macquarie Group may experience write-downs of their funds management assets, investments, loans and other assets”.

Investors should be aware of their rights under section 87Q(4) to (6) of the FSMA.

(a) Additional Financial Information

MGL Interim Director’s Report and Financial Report for the Half-year ended 30 September 2020

<https://www.macquarie.com/assets/macq/investor/reports/2021/mgl-2021-half-year-interim-financial-report.pdf>

On 6 November 2020, MGL published its Interim Financial Report, which includes the unaudited financial statements of MGL consolidated with its controlled entities for the half years ended 30 September 2020, 31 March 2020 and 30 September 2019, and the Independent Auditor’s Review Report in respect of such financial statements. The information in the Interim Financial Report specified below shall be deemed to be incorporated in, and to form part of, the Base Prospectus.

The unaudited financial statements of MGL consolidated with its controlled entities for the half years ended 30 September 2020, 31 March 2020 and 30 September 2019, includes the Consolidated Income Statements, Consolidated Statements of Comprehensive Income, Consolidated Statements of Financial Position, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flow, Notes to the Consolidated Financial Statements, Directors’ Declaration and the Independent Auditor’s Review Report. These can be located in the Interim Financial Report on the following pages:

	Interim Financial Report (page)
Consolidated Income Statement	21
Consolidated Statement of Comprehensive Income	22
Consolidated Statement of Financial Position	23
Consolidated Statement of Changes in Equity	24-25
Consolidated Statement of Cash Flows	26
Notes to the Consolidated Financial Statements	27 - 79
Directors' Declaration	80
Independent Auditor's Review Report	81

If any information listed in the table above itself incorporates any information or other documents therein, either expressly or implicitly, such information or other documents will not be incorporated in, or form part of, the Base Prospectus, except where such information or other documents are specifically incorporated by reference in, or attached to, the Base Prospectus by virtue of this Supplementary Prospectus. The non-incorporated parts of the Interim Financial Report are either not relevant or are covered elsewhere in the Base Prospectus to which this Supplementary Prospectus relates.

(b) Amendment to risk factor titled "The Macquarie Group is subject to global economic, market and business risks with respect to the COVID-19 pandemic"

The risk factor titled "The Macquarie Group is subject to global economic, market and business risks with respect to the COVID-19 pandemic" on page 11 of the Base Prospectus is deleted in its entirety and replaced with the following:

"The Macquarie Group is subject to global economic, market and business risks with respect to the COVID-19 pandemic"

The COVID-19 pandemic has caused, and will likely continue to cause, severe impact on global, regional and national economies and disruptions to international trade and business activity. The COVID-19 pandemic has already caused increased unemployment and the levels of equity and other financial markets to decline sharply and to become volatile, and such effects may continue or worsen in the future. This may in turn reduce the level of activity in sectors in which certain of the Macquarie Group's businesses operate and thus have a negative impact on such businesses' ability to generate revenues or profits.

Governments and central banks around the world have reacted to the economic crisis caused by the pandemic by implementing stimulus and liquidity programs and cutting interest rates, however it is unclear whether these actions or any future actions taken by governments and central banks will be successful in mitigating the economic disruption. Additionally, any such fiscal and monetary actions are subject to withdrawal by the relevant governments or central banks or may lapse without renewal. If the COVID-19 pandemic is prolonged and/or actions of governments and central banks are unsuccessful in mitigating the economic disruption, the negative impact on global growth and global financial markets could be amplified, and may lead to recessions in national, regional or global economies.

The Macquarie Bank Group has implemented a range of support measures to provide short term financial assistance to customers who are facing difficulties as a consequence of COVID-19. For example, in March 2020, as part of financial accommodation measures announced by the Australian Prudential Regulation Authority ("APRA"), the Macquarie Bank Group provided various individual and business customers of the Macquarie Bank Group's Personal and Banking businesses who were experiencing financial difficulties due to COVID-19 the ability to defer their loan repayments for an initial six-month period until 30 September 2020. In July 2020, APRA announced the ability for ADIs to extend this deferral for a further four months to cover a maximum period of 10 months from the start of a repayment deferral, or until 31 March 2021, whichever comes first. The Macquarie Group has implemented, and may continue to implement, a range of other support measures, including short term deferrals and payment plans for some of its other businesses.

The impact of COVID-19 has and may lead to further reduced client activity and demand for the Macquarie Group's products and services, higher credit and valuation losses in Macquarie Group loan and investment portfolios, impairments of financial assets, trading losses and other negative impacts on the Macquarie Group's financial position, including possible constraints on capital and liquidity, as well as higher costs of capital, and possible changes or downgrades to MGL's credit ratings. If conditions deteriorate or remain uncertain for a prolonged period, the Macquarie Group's funding

costs may increase and its ability to replace maturing liabilities may be limited, which could adversely affect the Macquarie Group's ability to fund and grow its business. Please refer to the financial statements in the Interim Financial Report of MGL incorporated by reference into this Base Prospectus, for further information on the financial statement impact of COVID-19, including, but not limited to, Note 12 which discusses its impact on MGL's expected credit losses.

Additionally, despite the business continuity and crisis management policies currently in place, travel restrictions or potential impacts on personnel and operations may disrupt the Macquarie Group's business and increase operational risk losses. The expected duration and magnitude of the COVID-19 pandemic and its potential impacts on the economy and the Macquarie Group's personnel and operations are unclear. Should the impact of COVID-19 be prolonged or increasingly widespread and severe and the actions taken to control its spread be unsuccessful, the Macquarie Group's results of operations and financial condition may be adversely affected."

(c) Insertion of a new risk factor titled "The Macquarie Group may not manage risks associated with the replacement of benchmark indices effectively"

A new risk factor titled "The Macquarie Group may not manage risks associated with the replacement of benchmark indices effectively" as set out below is to be inserted to immediately follow the risk factor titled "Litigation and regulatory actions may adversely impact MGL and the Macquarie Group's results of operations" as appearing on page 14 of the Base Prospectus:

"The Macquarie Group may not manage risks associated with the replacement of benchmark indices effectively

The expected discontinuation of LIBOR or any other interest rate benchmarks (collectively, the "IBORs") and the adoption of "risk-free" rates ("RFR") by the market introduce a number of risks for the Macquarie Group, its clients, and the financial services industry more widely. These include, but are not limited to:

- *Conduct risks*: where, by undertaking actions to transition away from using the IBORs, the Macquarie Group faces conduct risks which may lead to customer complaints, regulatory sanctions or reputational impact if the Macquarie Group is (i) considered to be undertaking market activities that are manipulative or create a false or misleading impression, (ii) misusing sensitive information or not identifying or appropriately managing or mitigating conflicts of interest, (iii) not taking an appropriate or consistent response to remediation activity or customer complaints or (iv) providing regulators with inaccurate regulatory reporting;
- *Legal and execution risks*, relating to documentation changes required for new RFR products and for the transition of legacy contracts to RFRs, which transition will, in turn, depend, to a certain extent, on the availability of RFR products and on the participation of customers and third-party market participants in the transition process, legal proceedings or other actions regarding the interpretation and enforceability of provisions in IBOR-based contracts and regulatory investigations or reviews in respect of the Macquarie Group's preparation and readiness for the replacement of IBOR with alternative reference rates;
- *Financial risks and pricing risks* arising from:
 - any changes in the pricing mechanisms of financial instruments linked to RFRs which could impact the valuation of these instruments; and
 - the implementation of the International Swaps and Derivatives Association's protocol for the transition of derivatives contracts and similar guidance for cash products, which could cause earnings volatility depending on the nature of contract modifications and changes in hedge accounting; and
- *Operational risks*, due to the potential need for the Macquarie Group, its customers and the market to adapt IT systems, operational processes and controls to accommodate one or more RFRs for a large volume of trades.

Any of these factors may have a material adverse effect on Macquarie Group's business, results of operations, financial condition and prospects."

(d) Amendment to risk factor titled "MGL and the Macquarie Group may experience write-downs of their funds management assets, investments, loans and other assets."

The risk factor titled “MGL and the Macquarie Group may experience write-downs of their funds management assets, investments, loans and other assets” on page 15 and 16 of the Base Prospectus is deleted in its entirety and replaced with the following:

“MGL and the Macquarie Group may experience write-downs of their funds management assets, investments, loans and other assets

The Macquarie Group recorded A\$447 million of credit and other impairment charges for the half year ended 30 September 2020, including A\$407 million for net credit impairment charges, and A\$40 million for other impairment charges on interests in associates and joint ventures, intangible assets and other non-financial assets. Further credit and other impairments may be required in future periods if the market value of assets similar to those held were to decline or with any change to the inputs or forward looking information used in the determination of expected credit losses (“ECL”). Please refer to Note 12 of the Interim Financial Report for further information on the determination of ECL.

Sudden declines and significant volatility in the prices of assets may substantially curtail or eliminate the trading markets for certain assets, which may make it very difficult to sell, hedge or value such assets. The inability to sell or effectively hedge assets reduces MGL’s and the Macquarie Group’s ability to limit losses in such positions and the difficulty in valuing assets may negatively affect their capital, liquidity or leverage ratios, increase their funding costs and generally require them to maintain additional capital.

In addition, market volatility impacts the value of the Macquarie Group’s funds. Future valuations, in light of factors then prevailing, may result in further impairments to the Macquarie Group’s investments in its funds. At the time of any sale of the Macquarie Group’s investments in its funds, the price it ultimately realises will depend on the demand in the market at the time and may be materially lower than their current market value. Any of these factors could require the Macquarie Group to make further write-downs on their investments in their funds management assets and other investments and assets, which may be significant and may have an adverse effect on their businesses, prospects, results of operations and financial condition in future periods.”

Additional General Information

To the extent that there is any inconsistency between (a) any statement in this Supplementary Prospectus or any statement incorporated by reference into the Base Prospectus by this Supplementary Prospectus and (b) any other statement in, or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Copies of this Supplementary Prospectus and the Interim Financial Report will also be published on the internet site www.macquarie.com.

All information which MGL has published or made available to the public in compliance with its obligations under the laws of the Commonwealth of Australia dealing with the regulation of securities, issuers of securities and securities markets has been released to ASX Limited (“ASX”) in compliance with the continuous disclosure requirements of the ASX Listing Rules. Announcements made by MGL under such rules are available on the ASX’s internet site www.asx.com.au (MGL’s ASX code is “MQG”).

Internet site addresses in this Supplementary Prospectus are included for reference only and the contents of any such internet sites are not incorporated by reference into, and do not form part of, the Base Prospectus.

There has been no significant change in the financial performance or financial position of MGL or MGL and its controlled entities (“**Macquarie Group**”) since 30 September 2020, being the end date for the last financial period for which unaudited financial statements of Macquarie Group have been published, and no material adverse change in the financial position or prospects of MGL or the Macquarie Group since 31 March 2020, being the end date for the last financial period for which audited financial statements of the Macquarie Group have been published.

Save as disclosed in this Supplementary Prospectus and the information which is incorporated in this Supplementary Prospectus by reference, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

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Supplementary Offering Circular

NEITHER THE OFFERING CIRCULAR NOR THIS SUPPLEMENTARY OFFERING CIRCULAR HAVE BEEN REVIEWED OR APPROVED BY THE FINANCIAL CONDUCT AUTHORITY AND THE OFFERING CIRCULAR DOES NOT CONSTITUTE A PROSPECTUS FOR THE PURPOSES OF REGULATION (EU) 2017/1129.

This page 5 of this supplement (“**Supplementary Offering Circular**”) is supplemental to, and must be read in conjunction with, the Offering Circular and all documents which are deemed to be incorporated in, and to form part of, the Offering Circular. This Supplementary Offering Circular is to be read in conjunction with the following sections of the Supplementary Prospectus (save as amended herein):

- Additional Financial Information;
- Amendment to risk factor titled “The Macquarie Group is subject to global economic, market and business risks with respect to the COVID-19 pandemic”;
- Insertion of a new risk factor titled “The Macquarie Group may not manage risks associated with the replacement of benchmark indices effectively”;
- Amendment to the risk factor titled “MGL and the Macquarie Group may experience write-downs of their funds management assets, investments, loans and other assets”; and
- Additional General Information,

which will be deemed to be incorporated by reference herein, save that references to “Base Prospectus” shall be deemed to be to the “Offering Circular” and references to “Supplementary Prospectus” shall be deemed to be to this “Supplementary Offering Circular”.