MACQUARIE

Jefferies Asia Forum

Presentation to Investors and Analysts
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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

01 Macquarie’s response to COVID-19

Macquarie's response to COVID-19

MACQUARIE

Employees

- Gradual, voluntary return to office commenced in certain locations where safe to do so and in limited numbers to allow for social distancing
- Globally consistent and coordinated move to working remotely, supported by ongoing commitment to flexible working
- Over 98%[1] of staff worked remotely with no notable interruption to client service
- Existing systems have been resilient to large-scale remote working, reflecting long-term investment in technology
- Candidate engagement, selection, onboarding and training of new hires (including graduates and interns) has continued without interruption through virtual communications
- Flexible leave options available to staff to ensure remote working can be balanced with family and carer responsibilities
- Enhanced wellbeing, communications and training programs to support staff

Staff working remotely

>98%

Clients

- Personal Banking and vehicle lease clients have access to a comprehensive support package, which includes payment pause options without penalty or impact to credit score
- Business Banking clients able to defer loan repayments for all loans up to $A10m
- Commenced a holistic communication approach, including a 3 month check-in, with clients over the term of their payment pause to provide support at this time
- Enhanced approaches to support vulnerable customers
- CGM's Specialised and Asset Finance (SAF) division provided access to lending relief for 30k+ SME clients to support business cash flows
  - Continued support to all clients from March to June, with asset funding of $A440m+
- Macquarie Capital supporting clients in raising more than $A11.1b of equity[3]
- Providing expertise, advice and capital solutions to assist clients and partners in navigating COVID-19 and related market disruption

Clients accessing assistance[2]

~13%

1. As at 31 Mar 20. 2. BFS, by loan balance as at 30 Jun 20. 3. Dealogic Macquarie Group completed ASX raisings, 1 Apr 20 to 30 Jun 20. Deal values reflect the full transaction value and not an attributed value.

Macquarie's response to COVID-19

MACQUARIE

Portfolio Companies

- Working with MIRA and Macquarie Capital portfolio companies to ensure robustness of business continuity planning, financial resilience & employee wellbeing, including projects under construction
- Maximising remote working while maintaining essential community services and connecting 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 widespread remote working
- Examples of portfolio company initiatives: AGS Airport's carparks repurposed as COVID-19 testing centres in the UK; Spain's healthcare workers receiving Personal Protective Equipment from CLH and free parking from Empark; Penn Foster training nurses in COVID-19 testing, and Dovel Technologies using analytics to review antiviral clinical trials

Daily users of essential services

~100m

Community

- $A20m allocation to Macquarie Group Foundation to help combat COVID-19 and provide relief for its impacts
- To date, the Foundation has allocated $A7.3m to 24 non-profits focused on direct relief efforts providing critical food, medical support, humanitarian relief kits and information to a range of vulnerable groups affected by COVID-19 around the world; and a further $A2m has been directed to public health and clinical research
- The Foundation continues to match staff giving and fundraising to maintain support for the non-profit community. Additionally, a $A1m fund was created to assist staff-supported non-profits impacted by COVID-19
- BFS engaging and hiring workers furloughed by other employers to meet increased short-term customer service demand
- CGM, SAF sourcing computer equipment for North American educators
- Macquarie portfolio companies: Achieve3000 offering 2m low income students in the US free access to its education platform; INEA providing free internet to teachers in Poland

COVID-19 donation

$A20m

02 Overview of Macquarie

Macquarie at a glance

Empowering people to innovate and invest for a better future

Global financial group

- **Headquartered** and listed in Australia
- **Top 10** Australian company
- **~$A46 billion** market capitalisation[1]
- **15,849 employees** in 31 markets
- **$A598.9 billion** assets under management

Diverse business mix

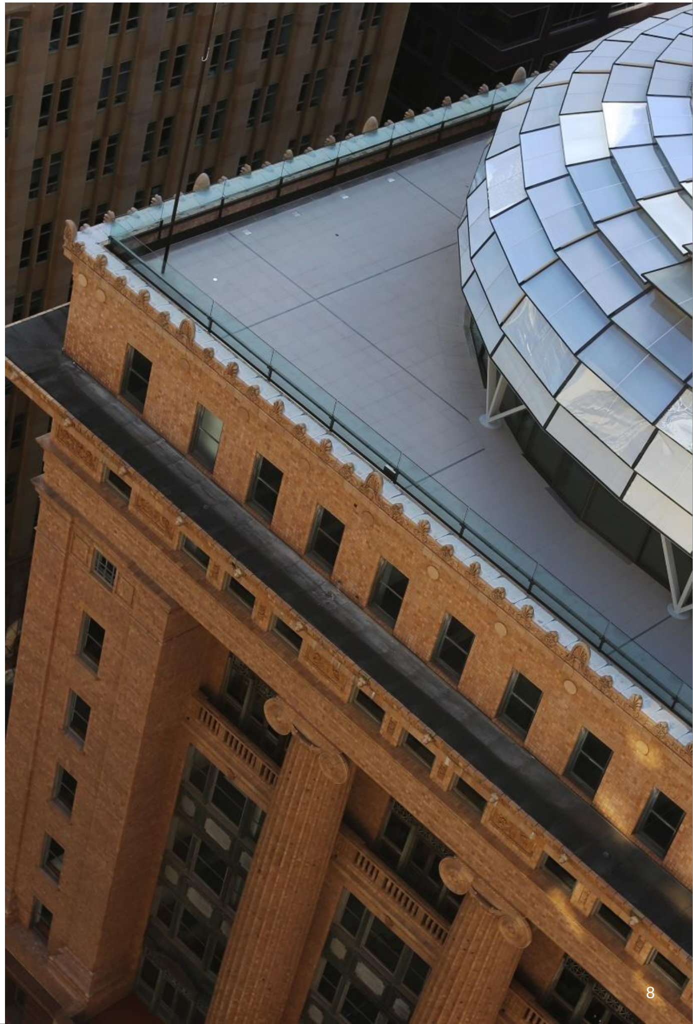
Located in **31 markets**, we conduct a mix of annuity-style and markets-facing activities that deliver solid returns in a **range of market conditions**

Long-term orientation

- **51 years of unbroken profitability**
- 29 years MBL S&P 'A' credit rating, **upgraded to 'A+' Dec 19**
- **Strong funding and capital** position

Outcome-focused culture

- **Opportunity** for our clients, communities and staff
- **Accountability** for outcomes
- **Integrity** in everything we do



All figures on this slide as at 31 Mar 20, unless otherwise stated. 1. Sourced from Bloomberg, 8 Sep 20.

MACQUARIE

Why Macquarie?

Unbroken profitability
FY20 net profit:
$A2,731m
down 8% on FY19
FY19 net profit: **$A2,982m**
up 17% on FY18

Earnings growth
10%
5yr EPS CAGR

Consistent dividend growth
5%
5yr DPS CAGR

Strong return on equity
FY20:
14.5%
down from 18.0% in FY19

Diverse business mix
FY20 net profit contribution[1]
~63% by annuity-style activities
~37% by markets-facing activities

Geographically diverse
67% international income in FY20[2]
66% in FY19; two-thirds of income generated outside of Australia

Group capital surplus
$A8.1b[3]
at 30 Jun 20

Strong shareholder returns
Consistently outperformed major indices since listing
ASX 20[4] – 3rd highest returns since listing
Diversified Financials[4] – 1st
MSCI World Capital Markets[4] – 2nd
MSCI World Banks[4] – 1st

Underpinned by a long standing conservative risk management framework

1. Based on net profit contribution from operating groups. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 2. International income is calculated using net operating income excluding earnings on capital and other corporate items. 3. 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. 4. As at 31 Jul 20. Based on companies that have been continuously listed since Macquarie's date of listing (29 Jul 96).

Macquarie's evolution is driven by our people

Our people are closest to client needs and markets

We seek to identify **opportunity** and realise it for our clients, community, shareholders and our people

From positions of **deep expertise**, we pursue opportunities **adjacent** to existing businesses, largely via organic growth

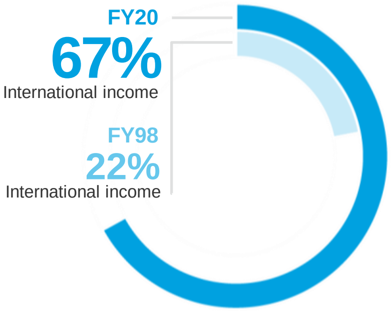
We are **accountable** for all our actions to our clients, our community, our shareholders and each other

We act with **integrity** and earn the trust of our clients, colleagues, community and shareholders through the quality of our work and our high ethical standards

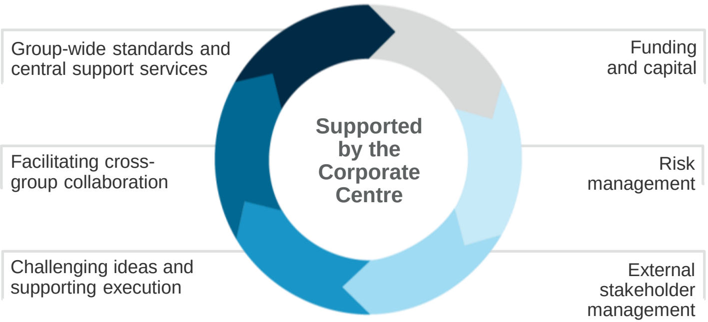
We pursue opportunities that deliver real outcomes to achieve an appropriate and resilient **long-term return on capital**

Evolution in the business

Macquarie has a **global presence** across operating groups



Share of total income



Diversification by region

Business mix[1]
Annuity-style activities

FY20
~63%
FY07
25%

International income[2]

FY20
67%
FY07
53%

International staff[3]

FY20
58%
FY07
34%

Americas
$A3,018m total income[4]
2,756 staff
$A293.0b AUM[5]
Employing 27,000+ people[6]

EMEA
$A3,470m total income[4]
2,409 staff
$A122.2b AUM[5]
Employing 57,000+ people[6]

Asia
$A1,573m total income[4]
4,014 staff
$A67.3b AUM[5]
Employing 50,000+ people[6]

Australia[7]
$A3,892m total income[4]
6,670 staff
$A116.4b AUM[5]
Employing 7,000+ people[6]

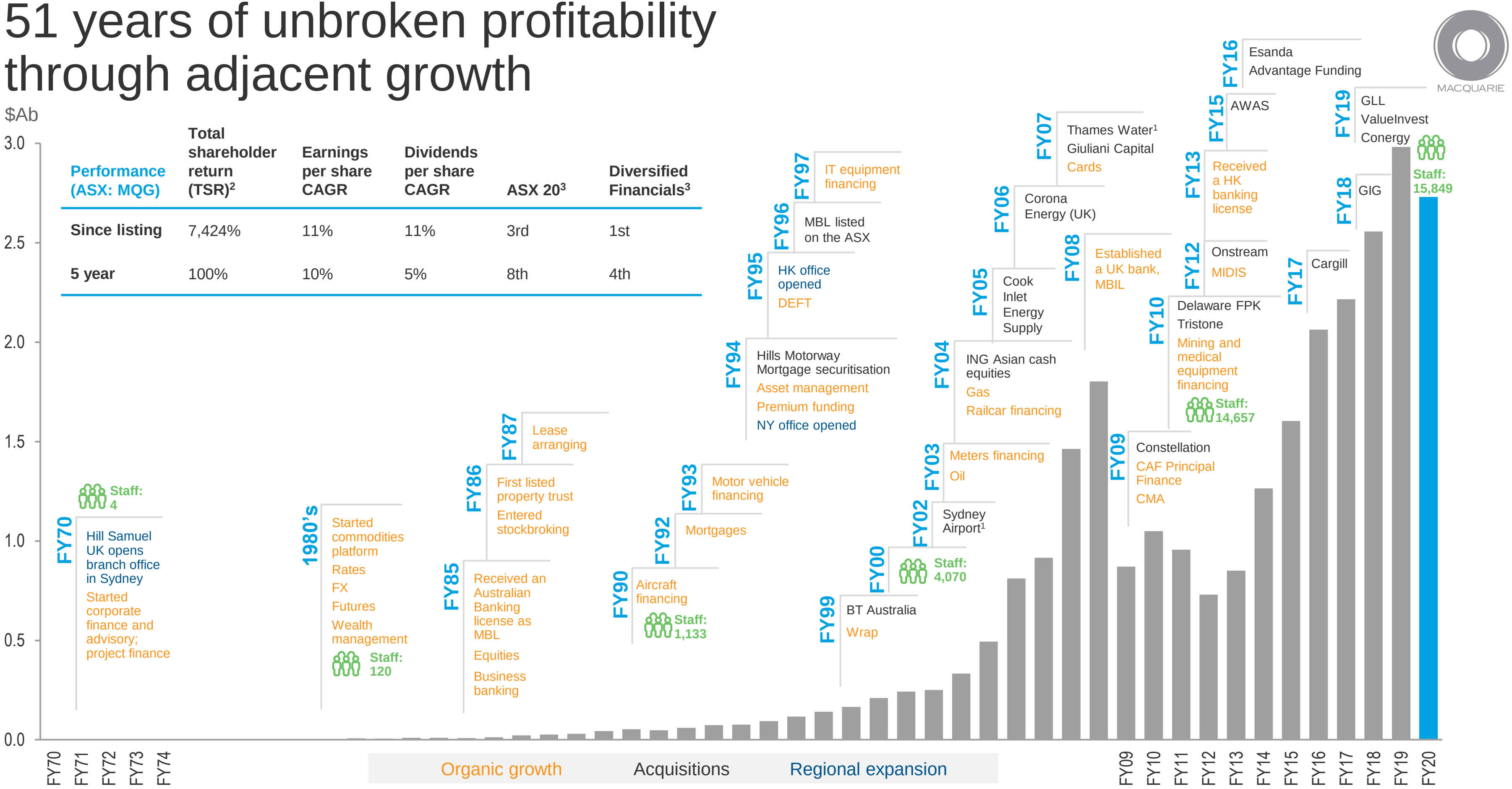
Total income by geographic split

Americas 25%	EMEA 29%	Asia 13%	Australia 33%

1. Annuity-style income includes income derived from Macquarie Asset Management, Banking and Financial Services and parts of Commodities and Global Markets. % split is based on FY20 net profit contribution from Operating Groups. 2. International income includes income generated outside of Australia and New Zealand based on net operating income excluding earnings on capital and other corporate items. 3. Headcount includes certain staff employed in operationally segregated subsidiaries. 4. Net operating income excluding earnings on capital and other corporate items. 5. AUM at 31 Mar 20 has been restated to reflect an immaterial misstatement in total MAM AUM reported on 8 May 20. 6. Includes people employed through MIRA-managed fund assets and investments where Macquarie Capital holds a significant influence. 7. Includes New Zealand.

51 years of unbroken profitability through adjacent growth

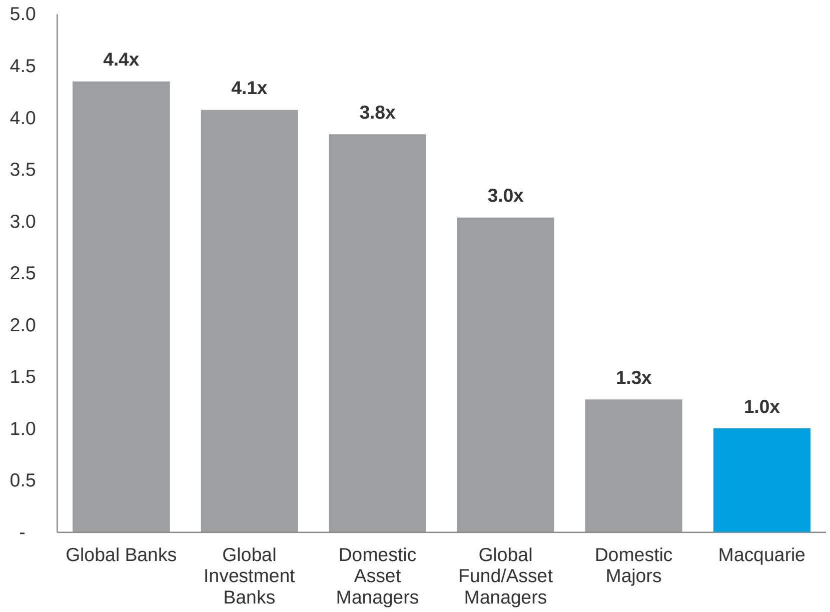
Performance (ASX: MQG)	Total shareholder return (TSR)[2]	Earnings per share CAGR	Dividends per share CAGR	ASX 20[3]	Diversified Financials[3]
Since listing	7,424%	11%	11%	3rd	1st
5 year	100%	10%	5%	8th	4th



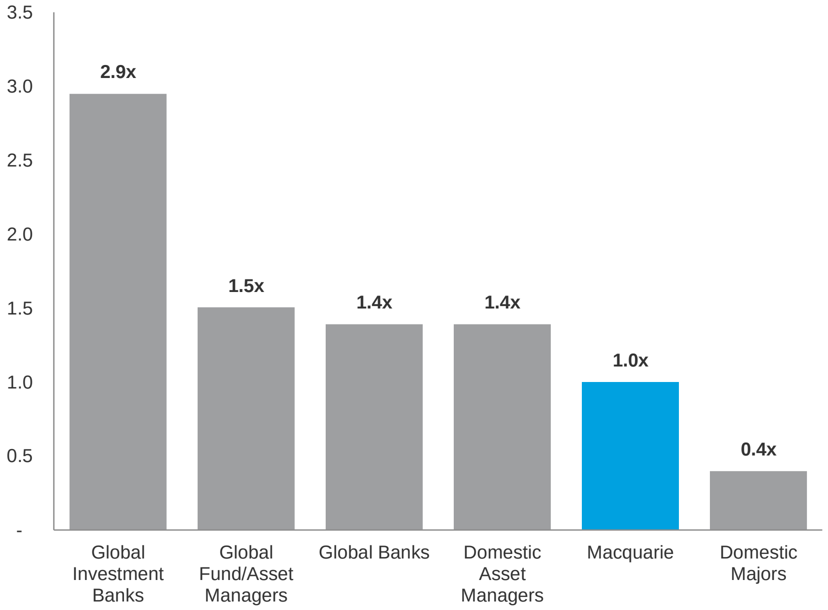
Note: the above list is not exhaustive. 1. Acquired on behalf of managed funds and accounts. 2. At 31 Jul 20. 3. Ranking refers to TSR against the respective index constituents that have been continuously listed since Macquarie's inclusion. Source: Bloomberg. Data to 31 Jul 20.

Stable earnings

5 year earnings volatility relative to Macquarie
(since GFC)



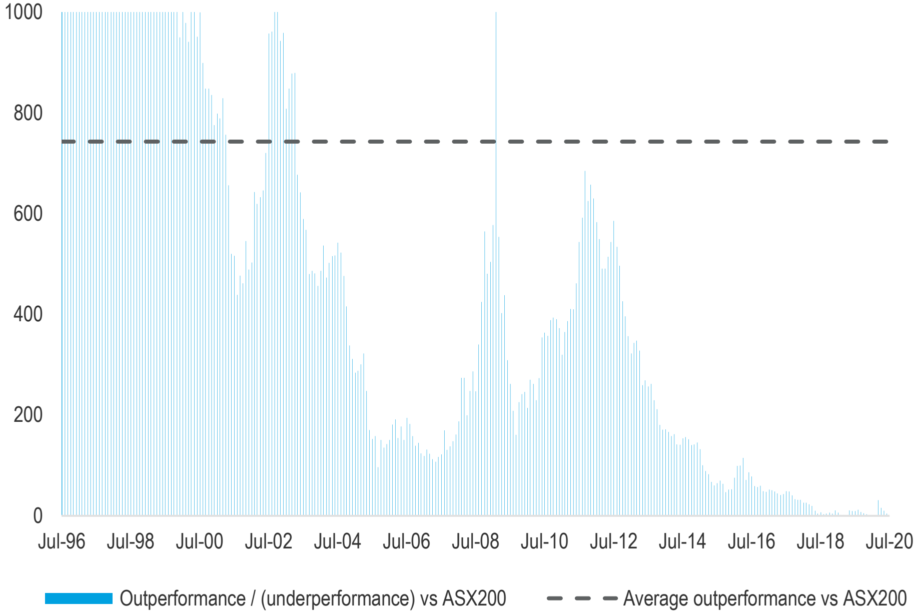
10 year earnings volatility relative to Macquarie
(includes GFC)



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. Source: Bloomberg as at 7 Sep 20.

Strong shareholder returns

For purchases made and held to sale Macquarie has consistently outperformed the ASX 200, Diversified Financials and MSCI World Capital Markets Index



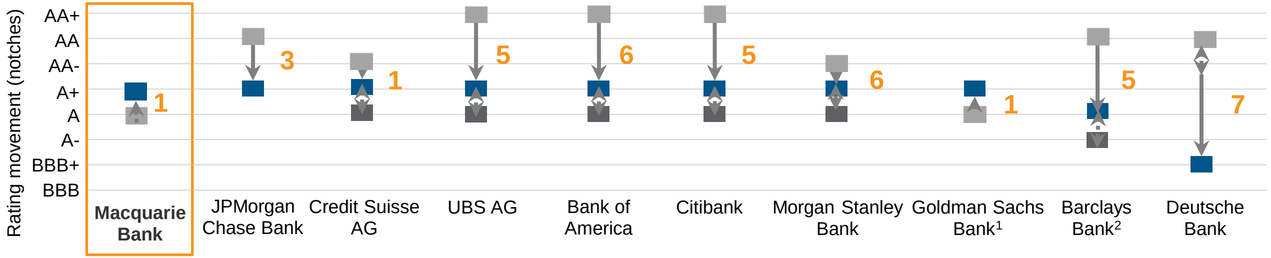
	Outperformance Vs ASX 200[1]	Outperformance vs ASX 200 Diversified Financials[1]	Outperformance vs MSCI World Capital Markets Index[1]
Since listing	6,881%	n/a[2]	n/a[2]
10 years	357%	223%	402%
5 years	70%	67%	83%
3 years	48%	51%	46%

Data to 31 Aug 20 for purchases made at different purchase points on a monthly basis. Source: Bloomberg, as at 31 Aug 20. 1. Total shareholder returns. 2. Macquarie was listed prior to the formation of the MSCI World Capital Markets Index and ASX 200 Diversified Financials Index.

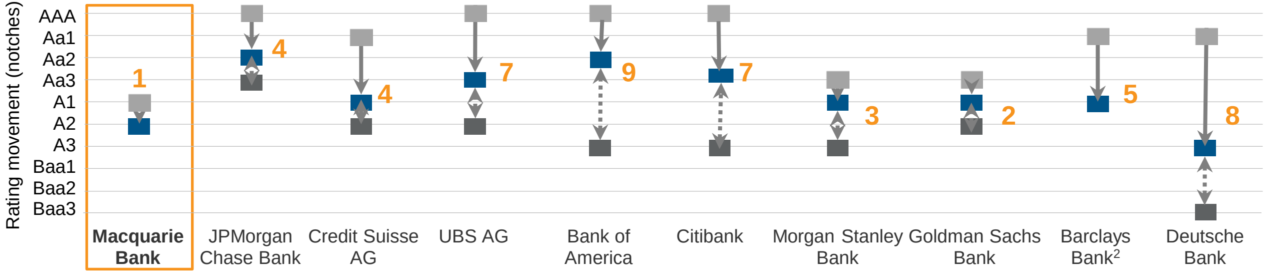
MACQUARIE BANK LIMITED

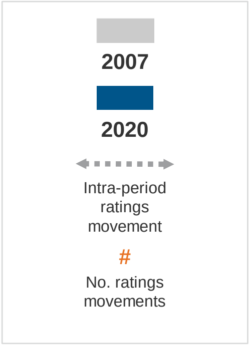
Long term ratings stability

Standard & Poor's Ratings Movements from 2007



Moody's Ratings Movements from 2007





As at 5 May 20. 1. Goldman Sachs bank only rated by Standard & Poor's from 2012. 2. Barclays Bank PLC.

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.

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

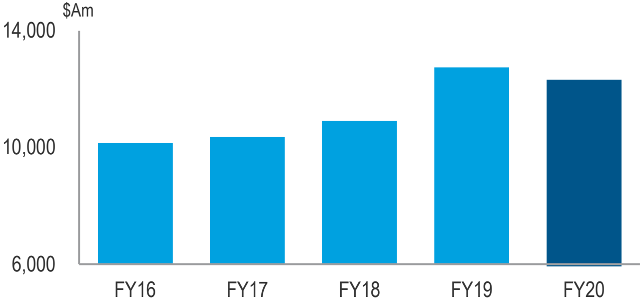
46,000 hours volunteered in FY20

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).

03 FY20 Overview

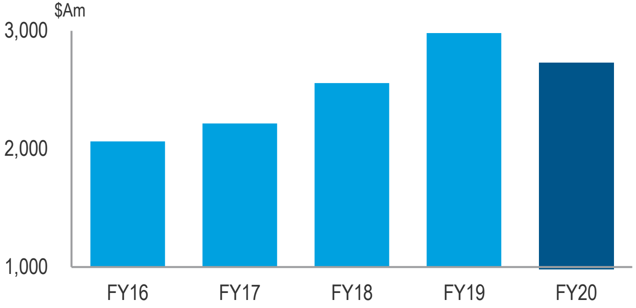
Financial performance

Operating income



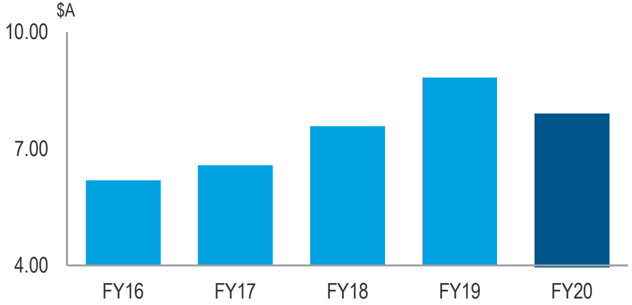
FY20
$A12,325m
▼3% ON FY19

Profit



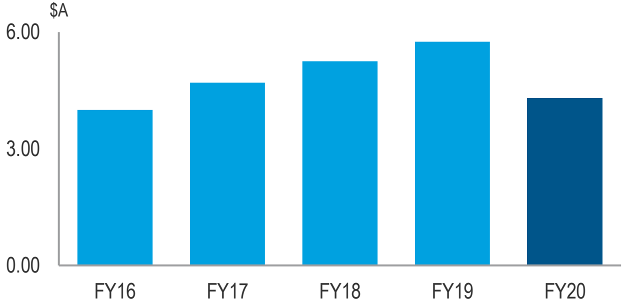
FY20
$A2,731m
▼8% ON FY19

EPS



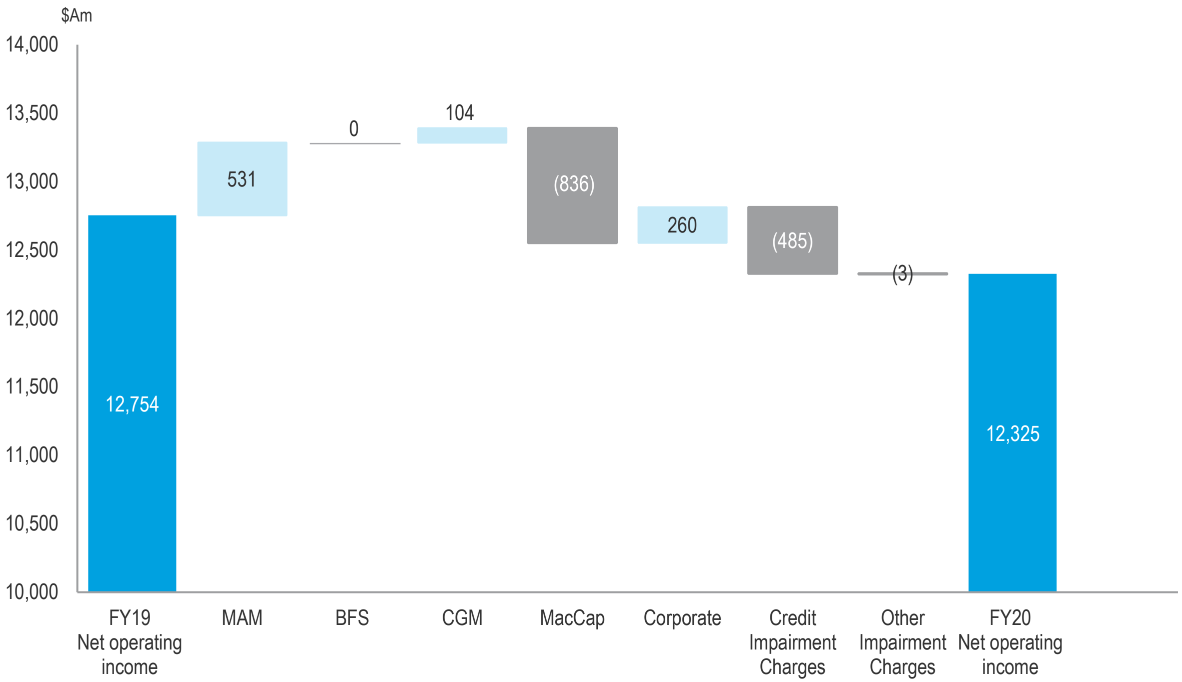
FY20
$A7.91
▼10% ON FY19

DPS



FY20
$A4.30
▼25% ON FY19

Net operating income movement



KEY DRIVERS

- **MAM:** Increased base fees, performance fees, investment-related & other income, partially offset by lower net operating lease income
- **BFS:** Growth in average volumes for BFS deposits, loan portfolio, and funds on platform offset by margin compression on deposits and the impact of realigning the wealth advice business to focus on the high net worth segment
- **CGM:** Strong global client contribution across all products and sectors and higher revenue from Specialised and Asset Finance and Commodities' lending and financing activities, partially offset by a reduction in inventory management and trading revenues
- **Macquarie Capital:** DCM fee revenue down, partially offset by higher M&A fee revenue. Investment-related income down on strong asset realisations in FY19
- **Corporate:** Includes accounting volatility from changes in fair value on economic hedges and higher funding usage by Operating Groups driving increased interest income
- **Credit impairment charges:** Increased significantly primarily due to a deterioration in current and expected macroeconomic conditions as a result of COVID-19

MACQUARIE

Credit and other impairment charge considerations

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

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, downside case and upside case

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. Our expectations for Australia and the US are as follows:

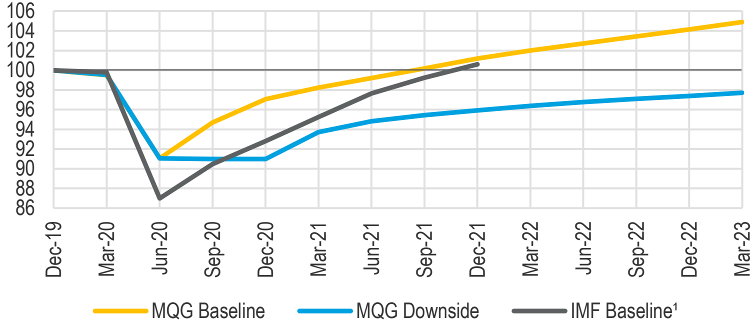
- Australia – unemployment to rise to ~9% in mid-2020, GDP contracts ~9% year on year to mid-2020 and house prices decline ~15% by mid-2020 with a recovery in 2H 2020
- US – unemployment to rise to ~14% by mid-2020, GDP contracts ~9% year on year by mid-2020

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

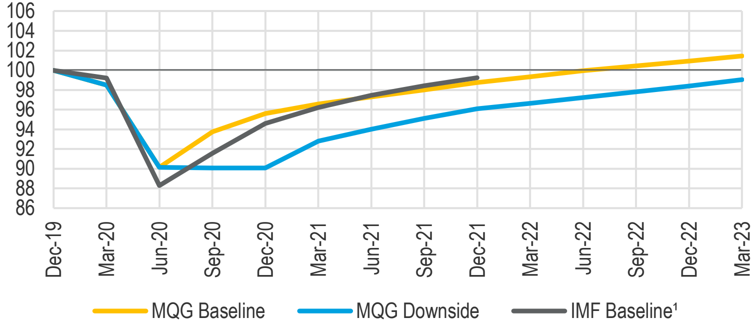
- Australia – unemployment rate to rise to ~11% in early 2021, GDP contracts ~9% year on year by the end of 2020 and house prices decline ~29% by Mar 2021
- US – unemployment to rise to ~17% by mid-2020 and GDP contracts by ~10% year on year by late 2020

The total ECL provision on balance sheet at 31 Mar 20 is $A1,541m. A 100% weighting to the baseline scenario would result in a ECL provision on balance sheet of ~$A1,400m. A 100% weighting to the downside scenario would result in a ECL provision on balance sheet of ~$A1,900m and a 100% weighting to the upside scenario would result in a ECL provision on balance sheet of ~$A1,200m

Australia – Real GDP Indexed Dec 19

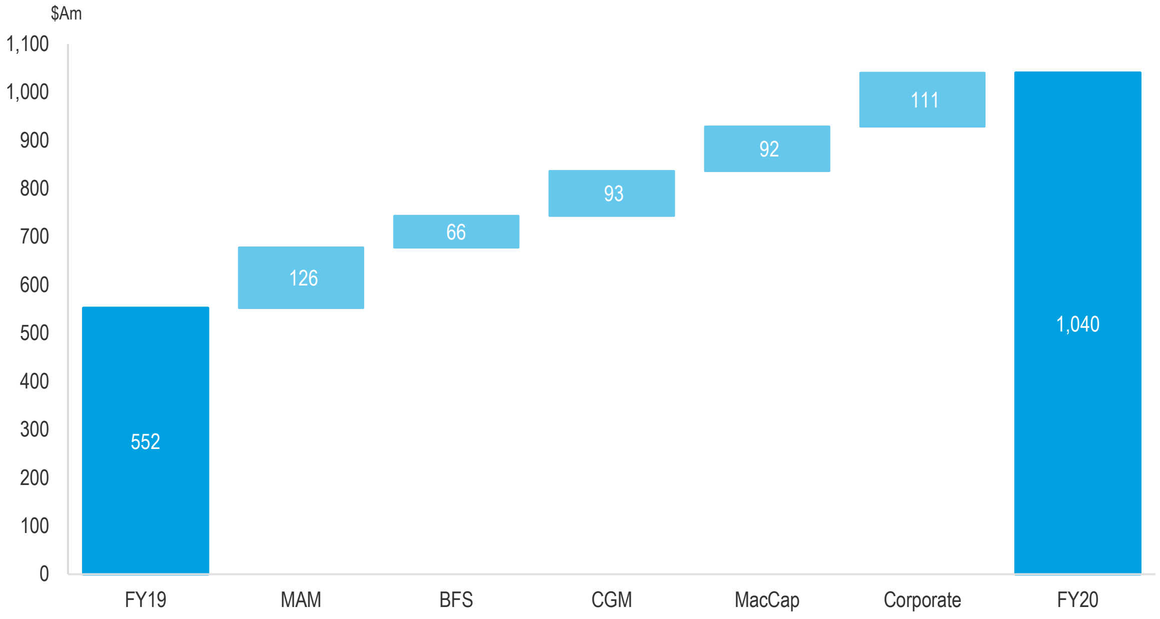


US – Real GDP Indexed Dec 19



Further detail on the scenarios used for the Expected Credit Loss are contained in note 12 of the financial statements. Australia and Americas cover 77% of Macquarie's total credit risk exposures. 1. IMF GDP profiles are implied/estimated based on IMF year-ended and year-average GDP forecasts.

Credit and Other impairment charges



KEY DRIVERS

- **MAM:** Higher credit and other impairment charges mainly due to a deterioration in current and expected macroeconomic conditions as a result of COVID-19, including an impairment charge on the investment in Macquarie Infrastructure Corporation (MIC) and a small number of other investments
- **BFS:** Increased specific provisions in Business banking and Vehicle finance together with increased credit impairment charges on the performing portfolios related to a deterioration in current and expected macroeconomic conditions as a result of COVID-19
- **CGM:** Driven by increased impairment charges on a small number of counterparties in Futures and FI&C, together with increased credit impairment charges on the performing loan and lease portfolio related to a deterioration in current and expected macroeconomic conditions as a result of COVID-19
- **Macquarie Capital:** Increased credit impairment charges primarily related to a small number of loan facilities in the debt portfolio and a deterioration in current and expected macroeconomic conditions as a result of COVID-19 impacting the performing loan portfolio
- **Corporate:** Higher central overlay provisions for expected credit losses on the performing portfolio due to a higher weighting to the ECL downside scenario

Approximate business Basel III Capital and ROE

As at 31 Mar 20

Operating Group	APRA Basel III Capital[1] @ 8.5% ($Ab)	Approx. FY20 Return on Ordinary Equity[2]	Approx. 14-year Average Return on Ordinary Equity[3]
Annuity-style businesses	**7.1**		
Macquarie Asset Management	2.8	24%	22%
Banking and Financial Services	4.3		
Markets-facing businesses	**10.0**		
Commodities and Global Markets	5.9	14%	16%
Macquarie Capital	4.2		
Corporate	**0.6**		
Total regulatory capital requirement @ 8.5%	17.7		
Group surplus	7.1		
Total APRA Basel III capital supply	**24.8[4]**	**14.5%**	**14%**

Note: Differences in totals due to rounding. 1. Operating Group capital allocations are based on 31 Dec 20 allocations adjusted for material movements over the Mar 20 quarter. 2. NPAT used in the calculation of approximately FY20 ROE is based on Operating Groups' annualised net profit contribution adjusted for indicative allocations of profit share, tax and other corporate expenses. 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 $A21.0b of ordinary equity and $A3.7b of hybrids.

04 | Operating Groups

MACQUARIE

Net Profit Contribution by activity[1]

Annuity-style activities

Net Profit Contribution ~63%

Markets-facing activities

Net Profit Contribution ~37%

Macquarie Asset Management (MAM)

- Top 50[2] global specialist asset manager with $A568.0b[3] of assets under management, diversified across regions, products, asset classes and investor types
- Provides investment solutions to clients across a range of capabilities, including infrastructure & renewables, real estate, agriculture, transportation finance, private credit, equities, fixed income and multi-asset solutions

Banking and Financial Services (BFS)

- Macquarie's retail banking and financial services business with total BFS deposits[4] of $A69.0b[3], loan and lease portfolio[5] of $A76.9b[3] and funds on platform[6] of $A86.6b[3]
- Provides a diverse range of personal banking, wealth management, business banking and vehicle finance[6] products and services to retail clients, advisers, brokers and business clients

Commodities and Global Markets (CGM)

Diverse platform covering more than 25 market segments, with more than 200 products

- Delivers a range of tailored specialised asset finance solutions across a variety of industries and asset classes
- Commodity market lending and financing provides clients with loans and working capital finance across a range of commodity sectors including metals, energy and agriculture
- Integrated, end-to-end offering across global markets including equities, fixed income, foreign exchange, commodities and technology
- Provides clients with risk and capital solutions across physical and financial markets

Macquarie Capital (MacCap)

Global capability in:

- Advisory and capital raising services, investing alongside partners and clients across the capital structure, providing clients with specialist expertise, advice and flexible capital solutions across a range of sectors
- Development and construction of infrastructure and energy projects, and in relation to renewable energy projects, the supply of green energy solutions to corporate clients

FY20 Net Profit Contribution

MAM	BFS	CGM	CGM	MacCap
~40%	~14%	~9%	~23%	~14%

Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. All numbers have been reclassified to reflect the reorganisation between Operating Groups effective 1 Jul 19 and 1 Sep 19. Principal Finance is now classified under markets-facing activities within Macquarie Capital following the change in nature of the business and consolidating all principal investing activity. 1. Net Profit Contribution by activity as at 31 Mar 20. 2. P&I Largest Money Managers 2019. 3. As at 30 Jun 20. 4. BFS deposits exclude corporate/wholesale deposits. 5. The loan and lease portfolio comprises home loans in Australia, loans to Australian businesses, vehicle finance and credit cards. 6. Funds on platform includes Macquarie Wrap and Vision. 6. Includes general plant & equipment.

Macquarie Asset Management

Actively manages funds for investors across multiple asset classes

FY20 Net profit contribution
$A2,177m

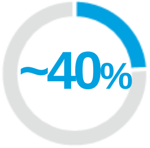
▲**16%** on FY19

1,890+ people

22 markets

150+ infrastructure and real assets[1]

Net profit contribution



$A568.0b assets under management[2]

FY20 awards

#1 Infrastructure Investment Manager globally[3]

World's largest infrastructure manager (No.1 Position)[4]

European Ports Deal of the Year (Gdansk Port) & European Utility Deal of the Year (Elenia)[5]

Investment Manager of the Year 2020[6]

Best Investment Manager 2020[7]

MIRA

$A140.2b ▼ 6% on Mar 20
Equity under management[2]

$A5.4b
Invested equity in 1Q21

Sale of Macquarie AirFinance to a joint venture and entered into an agreement to provide ongoing management support services[8]

$A5.6b
Equity raised in 1Q21

$A25.3b
Equity to deploy[2]

MIM

$A362.4b ▼ 5% on Mar 20
Assets under management[2]

81%
of assets under management outperforming respective benchmarks on a three-year basis[9]

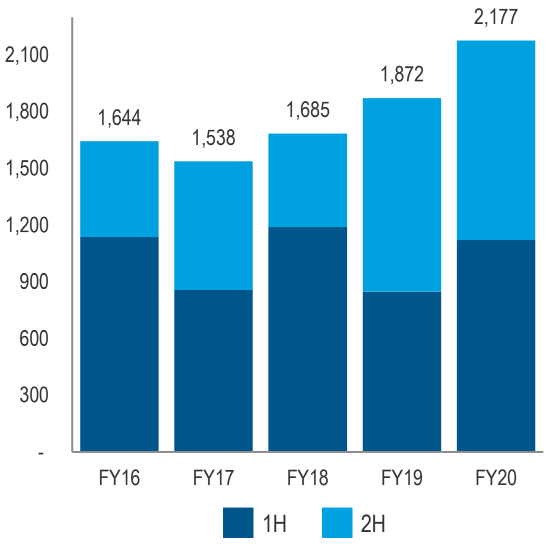
Completed the Foresters assets acquisition, adding ~$US11b in First Investors Funds and ~$US1b in assets transitioned to the recently launched Delaware Funds by Macquarie Premier Advisor Platform

Note: References relate to the full year ended 31 Mar 20. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on FY20 net profit contribution from operating groups.
1. Excludes real estate assets. 2. at 30 Jun 20. 3. IPE Real Assets (Jul/Aug 20). 4. Infrastructure Investor 50 2019 (Nov 19). 5. IJ Global Awards Jul 20. 6. Winner of the 2020 Investment Manager of the Year in Australia at the Financial Standard Investment Leadership Awards. 7. *Money* magazine's Best of the Best 2020 Awards in Australia. 8. Macquarie held a 50% interest at 31 Mar 20. 9. As at 30 Jun 20, gross of fees.

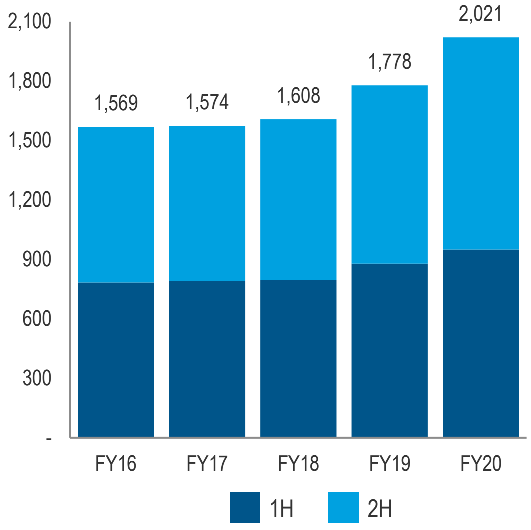
Macquarie Asset Management

Actively manages funds for investors across multiple asset classes

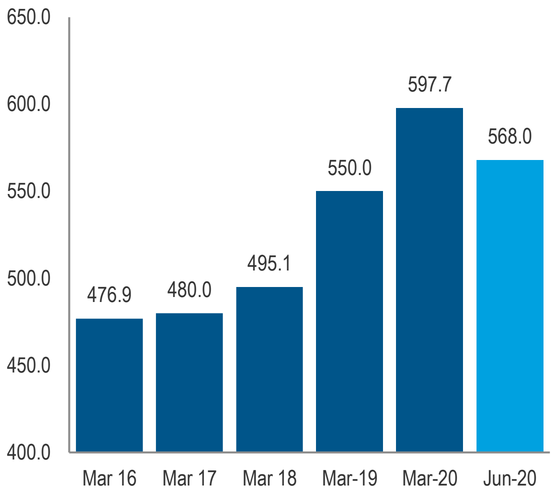
Net Profit Contribution[1] ($Am)



Base Fees ($Am)

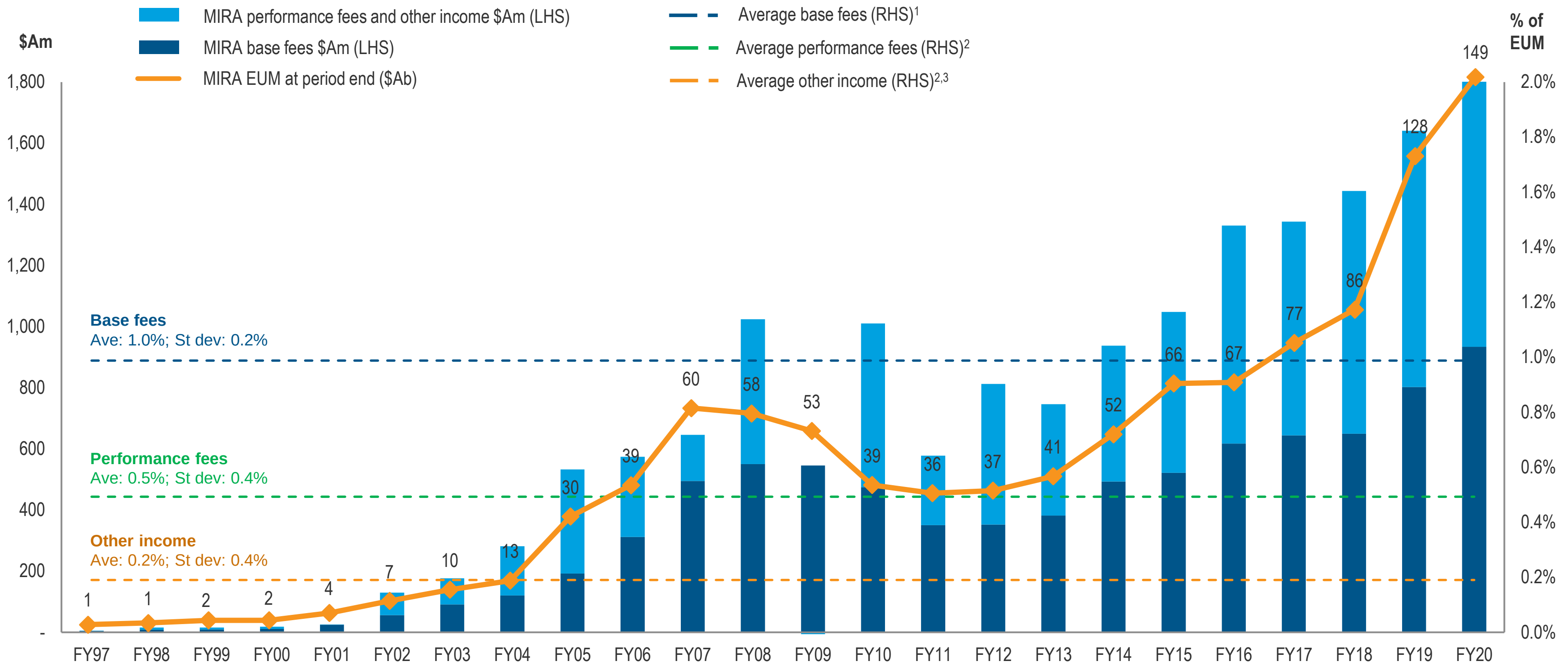


AUM ($Ab)



1. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax.

MIRA: Historical Income



1. Average base fees (%) calculated as base fees per financial year / average EUM (Invested). 2. Average performance fees and other income (%) calculated as performance fees and other income per financial year / period end EUM. 3. Other income represents net operating income less base and performance fees for each financial year and includes other income relating to certain MIRA fund assets historically included in the Corporate segment. Base fees and performance fees for real estate funds included from FY05 onwards.

Banking and Financial Services

Macquarie's **retail banking and financial services business**

FY20 Net profit contribution
$A770m

▲2% on FY19

2,660 people

Personal Banking

Business Banking

Wealth Management

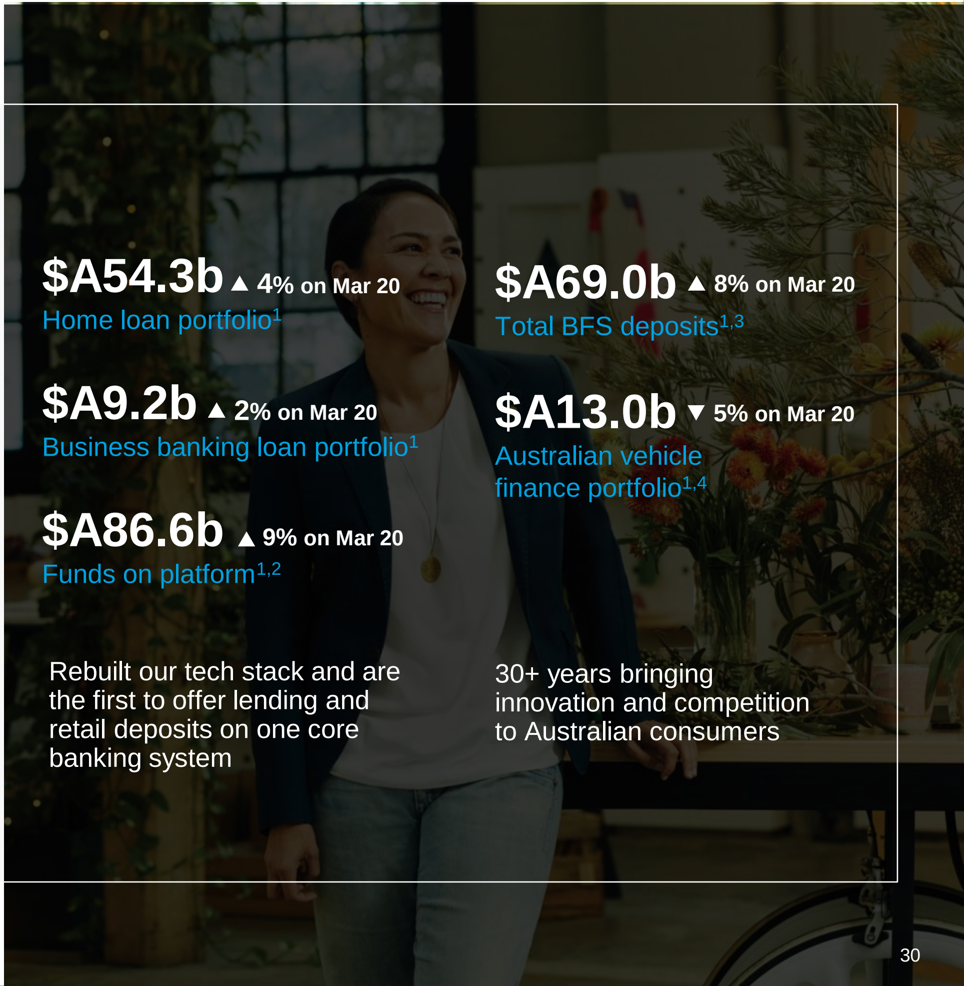
Leasing

Net profit contribution

~14%

More than
1.6m
Australian clients

FY20 awards



$A54.3b ▲ 4% on Mar 20
Home loan portfolio[1]

$A69.0b ▲ 8% on Mar 20
Total BFS deposits[1,3]

$A9.2b ▲ 2% on Mar 20
Business banking loan portfolio[1]

$A13.0b ▼ 5% on Mar 20
Australian vehicle finance portfolio[1,4]

$A86.6b ▲ 9% on Mar 20
Funds on platform[1,2]

Rebuilt our tech stack and are the first to offer lending and retail deposits on one core banking system

30+ years bringing innovation and competition to Australian consumers

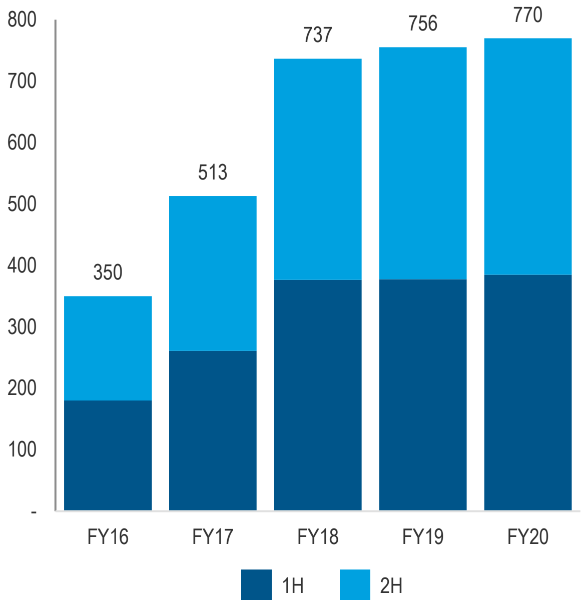
Note: References relate to the full year ended 31 Mar 20. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on FY20 net profit contribution from operating groups.
1. As at 30 June 20. 2. Funds on platform includes Macquarie Wrap and Vision. 3. BFS deposits exclude corporate/wholesale deposits. 4. Includes general plant & equipment.

MACQUARIE

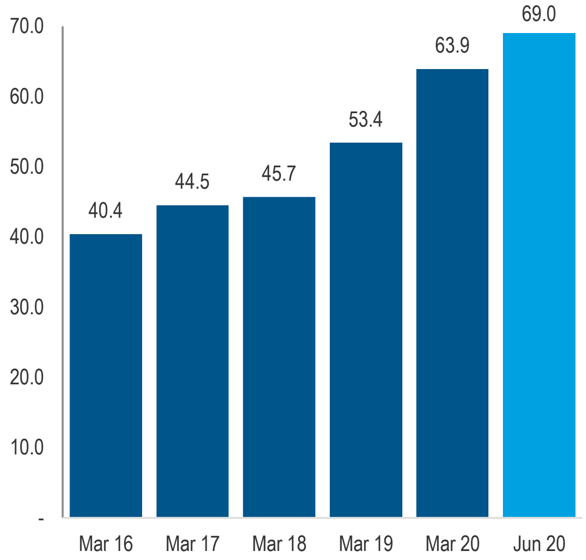
Banking and Financial Services

A technology-driven Australian retail bank and wealth manager

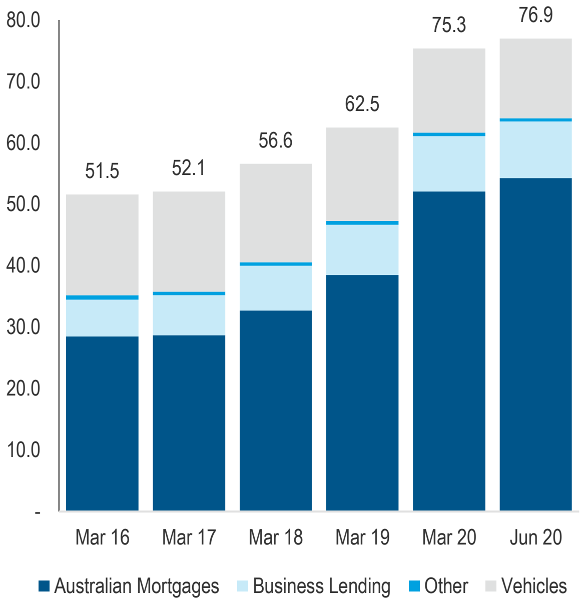
Net Profit Contribution[1] ($Am)



BFS Deposits[2] ($Ab)



Loan and lease portfolio[3] ($Ab)



1. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 2. BFS deposits exclude any Corporate/Wholesale deposit balances. 3. The loan and lease portfolio comprises home loans in Australia, loans to Australian businesses, vehicle finance and credit cards.

Commodities and Global Markets

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

FY20 Net profit contribution
$A1,746m

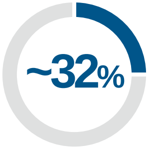
Flat
on FY19

2,630+
people

24
markets

200+
products

Net profit contribution



No. 2
Physical gas marketer in North America[1]

FY20 awards

2020
Oil and products House of the Year[2]

2020
Environmental Products, Bank of the Year[2]

2020
Derivatives House of the Year[2]

NO. 1
2019 Fund Financier of the Year (Americas)[3]

SGX
Top 5 Commodities and Top 3 Electricity General Clearing Member[4]

Strong contribution from client activity across all divisions reflecting the strength of the platform and benefits of portfolio diversity; offset by reduced inventory management and trading against a strong prior year as well as an increase in credit provisions

Commodity Markets

Strong results across the commodities platform from increased client hedging activity particularly in Global Oil, EMEA Gas and Power, Agriculture, Metals and Mining; partially offset by reduced inventory management and trading

Financial Markets

Increased revenue contribution across all regions driven by expansion of expertise in new markets as well as favourable equity markets and associated client activity

Specialised and Asset Finance

Stable portfolio of $A8.5b with strong growth in lease income from Technology, Media and Telecoms

Futures

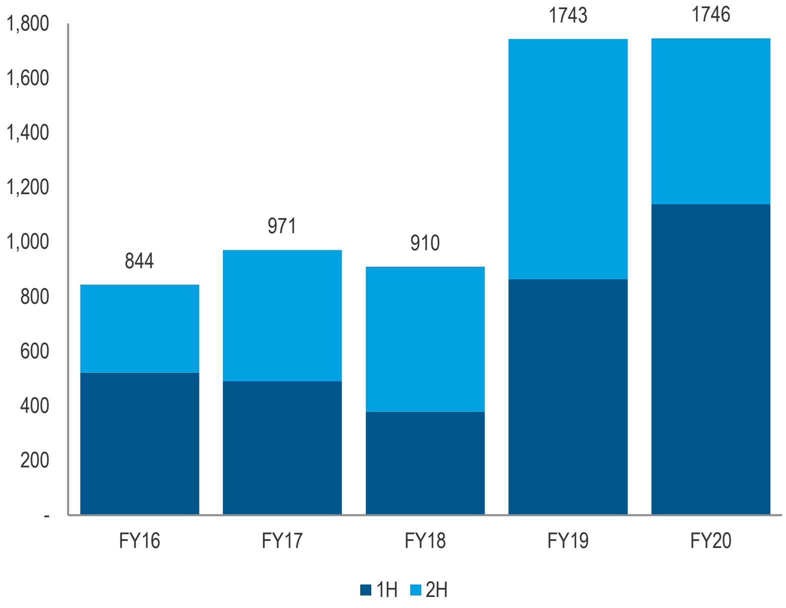
Client activity up, with increased commission in ANZ and the Americas partially offset by impairments on a small number of counterparties

Note: References relate to the full year ended 31 Mar 20, and do not account for the transfer of Cash Equities from Commodities and Global Markets to Macquarie Capital on 1 Jun 20. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on FY20 net profit contribution from operating groups.
1. Platts Q4 CY19. 2. 2020 Energy Risk Awards. 3. Private Debt Investor Awards. 4. SGX General Clearing Member rankings.

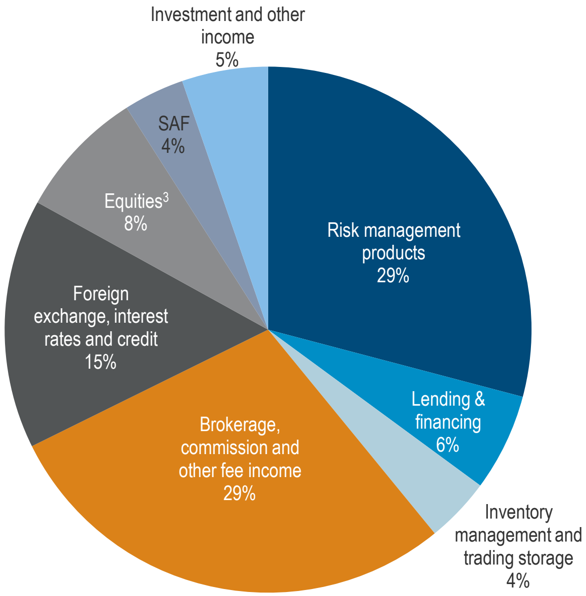
Commodities and Global Markets

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

Net Profit Contribution[1] ($Am)



Net Operating Income[2]



1. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 2. For the full year ended 31 Mar 20, based on the Management Discussion & Analysis income classifications. 3. Does not reflect the transfer of Cash Equities from Commodities and Global Markets to Macquarie Capital on 1 Jun 20.

Macquarie Capital

Advises and invests alongside clients and partners **to realise opportunity**; develops and invests in infrastructure and energy projects

FY20 Net profit contribution
$A755m

▼**57%**
on FY19

1,540+
people

19
markets

$A4.2b
Capital invested

Net profit contribution

~14%

$A319b
completed deals in FY20[1]

FY20 awards

Renewable Energy Deal of the year
Formosa 1 Offshore Wind Farm[2]

INFRASTRUCTURE PARTNERSHIPS AUSTRALIA
Advisory Excellence Award
Sydney Metro Martin Place Integrated Station Development[3]

NO. 1
Global Infrastructure Financial Advisor[4]

NO. 1
Global Renewables Financial Advisor[4]

PFI
Asia-Pacific Transport Deal of the year
Cross River Rail[5]

Advisory and Capital Solutions

Maintained a leading market position in ANZ M&A[6], with established niches in other regions and businesses

Notable deals included:

- Advisor to the supervisory board of thyssenkrupp AG on the €17.2b (~$A29b) sale of its Elevator Technology business to a consortium led by Advent, Cinven and RAG
- Sole Financial Advisor to DuluxGroup on its acquisition by Nippon Paint Holdings Co for an enterprise value of $A4.2b

Infrastructure and Energy Group

Continued focus on green energy with over 250 projects under development or construction, with a development pipeline of >25GW at 31 Mar 20

Notable deals included:

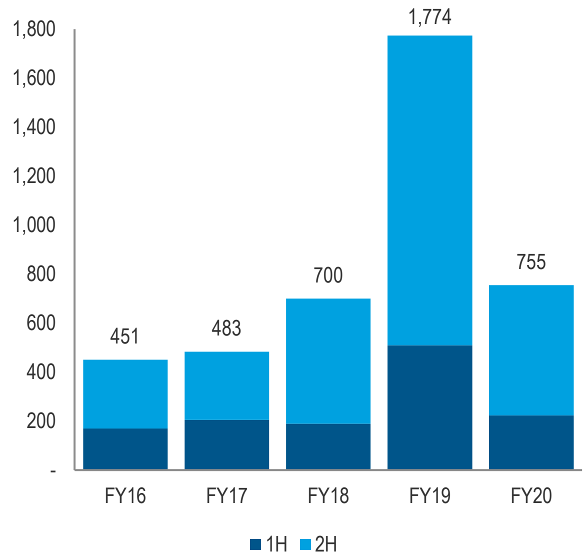
- Macquarie helped deliver Taiwan's first commercial scale offshore windfarm, Formosa 1. Macquarie is a developer and equity investor in Formosa 2 which is currently under construction. Together these projects will generate 504MW of clean electricity

Note: References relate to the full year ended 31 Mar 20, and do not account for the transfer of Cash Equities from Commodities and Global Markets to Macquarie Capital on 1 Jun 20. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on FY20 net profit contribution from operating groups. 1. 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. 2. The Asset Triple A Infrastructure Awards 2019. 3. Infrastructure Partnerships Australia (IPA) 2019 National Infrastructure Awards. 4. Inspiratia (CY19 by deal count and transaction volume). 5. PFI Awards 2019. 6. Dealogic (CY19 announced and completed by deal count).

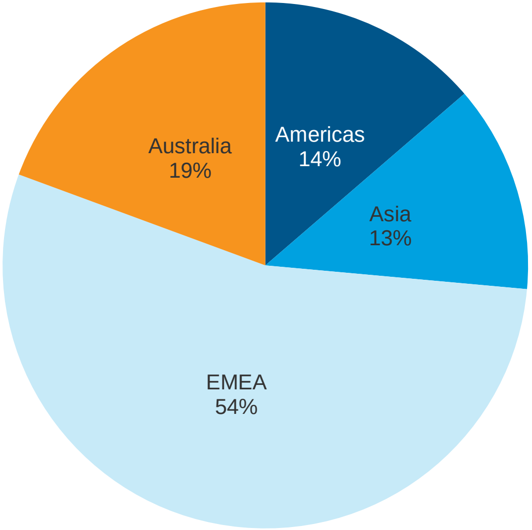
Macquarie Capital

Advises and invests alongside clients and partners to realise opportunity; develops and invests in infrastructure and energy projects

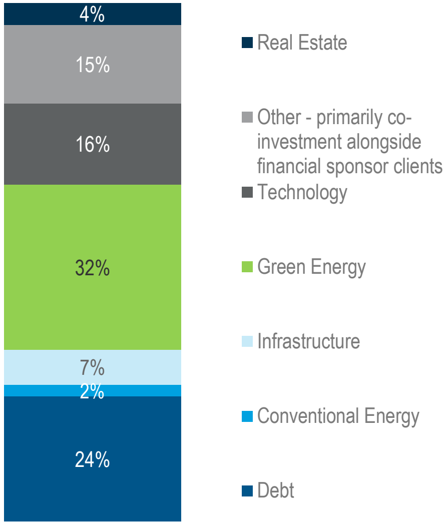
Net Profit Contribution[1] ($Am)



Income by region[2]



Regulatory capital ($4.2b)[3]



Note: References relate to the full year ended 31 Mar 20, and do not account for the transfer of Cash Equities from Commodities and Global Markets to Macquarie Capital on 1 Jun 20. 1. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 2. Income by region reflects FY20 net operating income excluding internal management revenue/(charge). 3. As at 31 Mar 20.

05 | 1Q21 Update

1Q21
Overview

Mixed trading conditions with 1Q21 operating group contribution slightly down on the prior corresponding period (pcp) (1Q20)

- Macquarie's annuity-style businesses' (MAM and BFS) combined 1Q21 net profit contribution[1] up on pcp primarily due to the sale of the rail operating lease business in MAM, partially offset by lower income in BFS which included higher provisions
- Macquarie's markets-facing businesses' (CGM and Macquarie Capital) combined 1Q21 net profit contribution[1] down on pcp primarily due to significantly lower investment–related income in Macquarie Capital, partially offset by stronger contributions from certain divisions in CGM

1. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax.

1Q21 Overview

Annuity-style businesses

MACQUARIE

Macquarie Asset Management

~40%

FY20 contribution[1]

- AUM of $A568.0b at Jun 20, down 5% on Mar 20 predominantly driven by FX movements, partially offset by MIM market appreciation
  - MIM $A362.4b in AUM, down 5% on Mar 20, predominantly driven by FX movements and a reduction in contractual insurance assets partially offset by market appreciation
  - MIRA: $A140.2b in EUM[2], down 6% on Mar 20 predominantly driven by FX movements;
  - MIRA: $A5.6b in new equity raised in 1Q21; $A5.4b of equity invested;
  - MIRA: $A25.3b of equity to deploy at Jun 20
- Sale of the rail operating lease business to Akiem, a French rail operator in Europe in Apr 20
- Macquarie AirFinance investment (50% owned by MQG) - actively working with airlines to provide temporary relief to reflect their near-term revenue challenges, due to ongoing stress in the airline industry
- Continued strong MIM performance with three-year basis benchmarks outperformance increasing from 69% to 81%[3]

Banking and Financial Services

~14%

FY20 contribution[1]

- Total BFS deposits[4] of $A69.0b at Jun 20, up 8% on Mar 20
- Home loan portfolio of $A54.3b at Jun 20, up 4% on Mar 20
- Funds on platform[5] of $A86.6b at Jun 20, up 9% on Mar 20
- Business banking loan portfolio of $A9.2b at Jun 20, up 2% on Mar 20
- Australian vehicle finance portfolio of $A13.0b at Jun 20, down 5% on Mar 20
- Continued provisioning, with 13% of BFS clients accessing assistance at 30 Jun 20[6]
- Personal Banking and vehicle lease clients have been able to access a comprehensive support package throughout 1Q21, including payment pause options
- Business Banking clients have been able to defer loan repayments for all loans up to $A10m
- COVID-19 Payment Pause (% of balances) at Jun 20
  - Personal Banking (Home Loans + Credit Cards) 12.1%
  - Business Banking (incl Business Bank Home Loans) 16.2%
  - Vehicle Finance (incl Wholesale) 14.0%

1. Based on FY20 net profit contribution from operating groups as reported on 8 May 20. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 2. MIRA's total EUM includes market capitalisation at measurement date for listed funds, the sum of original committed capital less capital subsequently returned for unlisted funds and mandates as well as invested capital for managed businesses. 3. As at 30 Jun 20, gross of fees. 4. BFS deposits exclude corporate/wholesale deposits. 5. Funds on platform includes Macquarie Wrap and Vision. 6. BFS, by % of loan balance as at 30 Jun 20.

1Q21 Overview

Markets-facing businesses

Commodities and Global Markets

~32%

FY20 contribution[1]

- Increased activity as clients sought to rebalance their portfolios to manage risk in a volatile environment. Notwithstanding the strong start, trading conditions more subdued towards the end of the quarter
- Strong contribution from client hedging and trading opportunities across the commodities platform
- Continued client activity in foreign exchange across all regions
- Renewed Commodity Markets and Finance borrowing base facility
- Continued funding education technology infrastructure in Australia and healthcare assets, including robotics, in UK
- Product and client sector diversity continues to be an area of strength
- Maintained ranking as No. 2 physical gas marketer in North America[2]

Macquarie Capital

~14%

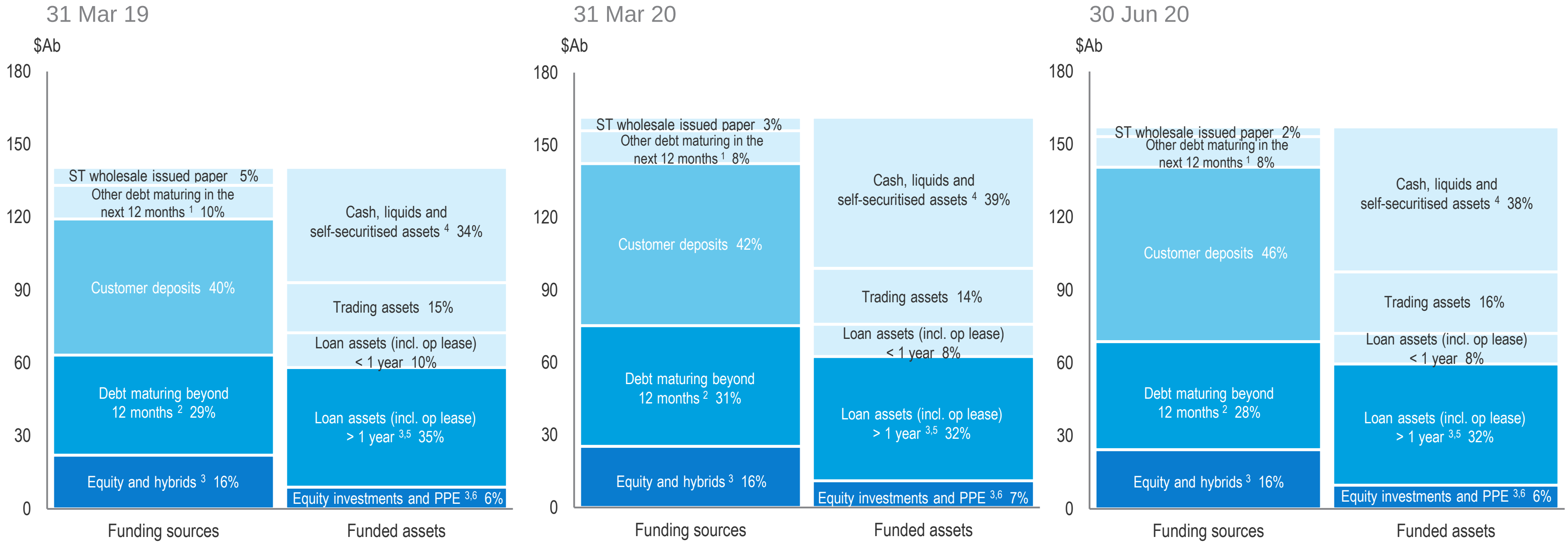
FY20 contribution[1]

- 95 transactions valued at $A77.7b completed globally[3], transaction volume up on pcp, with transaction value down on pcp
- Fee revenue down on pcp due to lower fee revenue from M&A and DCM, largely offset by increased ECM activity and strong performance of Equities platform[4]
- Investment-related income down significantly predominantly due to lower revenue from asset realisations
- No 1 in ANZ for ECM[5], supporting clients in raising more than $A11.1b of equity[6]. Since 1 Apr, the ASX has been the most active exchange in the world[7], with more than $A23.4b equity raised[8]
- Exclusive financial adviser to TPG Telecom Limited on the $A21.3b merger of equals with Vodafone Hutchison Australia, and the demerger of Tuas Limited, TPG's Singapore mobile business
- ACS Principal Finance committed over $A500m in 1Q21 through focused investing in credit markets and bespoke financing solutions
- Green Investment Group finalised development activities for its first onshore wind project in Norway, the 47 MW Tysvaer Wind Farm, and reached financial close on a portfolio of three onshore wind farms in the Nordics totalling 170 MW capacity. GIG has now supported over 1 GW of onshore wind capacity in the Nordics with Power Purchase Agreements
- World's Best Investment Bank in Infrastructure for the 3rd consecutive year[9]
- ESG data initiative of the year: GIG and BNEF's Carbon Score[10]

1. Based on FY20 net profit contribution from operating groups. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 2. Platts Q1 CY20. 3. 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. 4. Cash Equities transferred from Commodities and Global Markets to Macquarie Capital on 1 Jun 20. 5. 1 Apr to 30 Jun 20 (Dealogic, by value). 6. Dealogic Macquarie Group completed ASX raisings, 1 Apr 20 to 30 Jun 20. Deal values reflect the full transaction value and not an attributed value. 7. Dealogic all exchange raisings completed, 1 Apr 20 to 30 Jun 20. 8. Dealogic completed ASX raisings, 1 Apr 20 to 30 Jun 20. 9. Global Finance 2020, 2019 and 2018. 10. Environmental Finance Sustainable Investment Awards 2020.

Funded balance sheet remains strong

Term liabilities exceed term assets

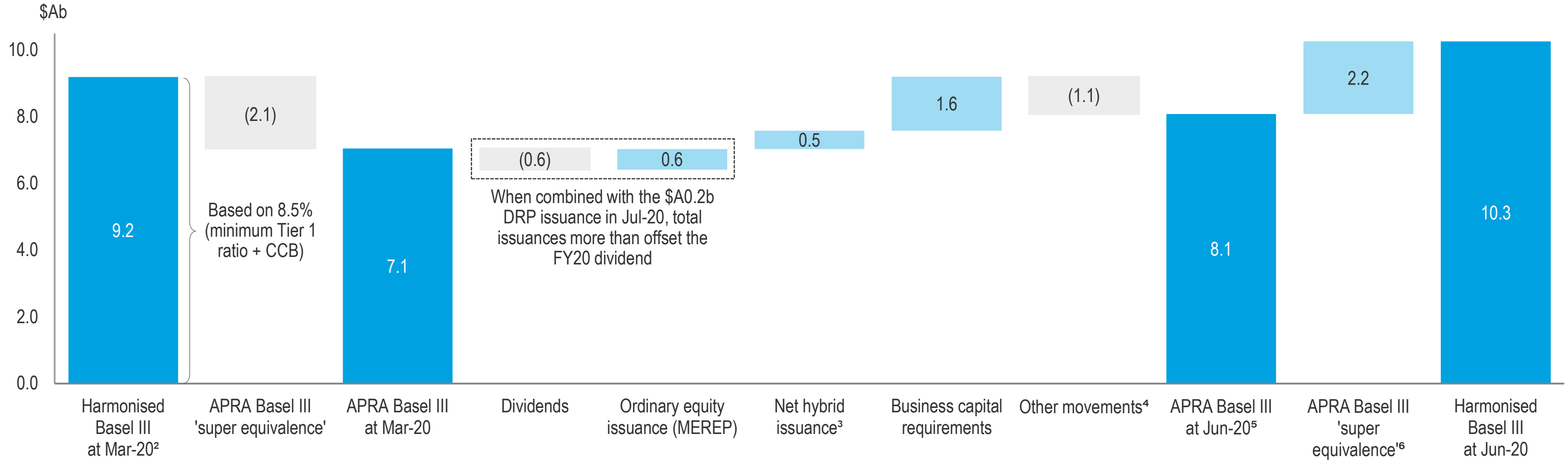


These charts represent Macquarie's funded balance sheets at the respective dates noted above. 1. 'Other debt maturing in the next 12 months' includes Structured notes, Secured funding, Bonds, Other loans, Subordinated debt and Net trade creditors. 2. 'Debt maturing beyond 12 months' includes Subordinated debt. 3. Non-controlling interests are netted down in 'Equity and hybrids' and 'Equity investments and PPE' and 'Loan assets (incl. op lease) > 1 year'. 4. '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. 5. 'Loan Assets (incl. op lease) > 1 year' includes Debt investment securities. 6. 'Equity investments and PPE' includes Macquarie's co-investments in Macquarie-managed funds and equity investments.

Basel III capital position

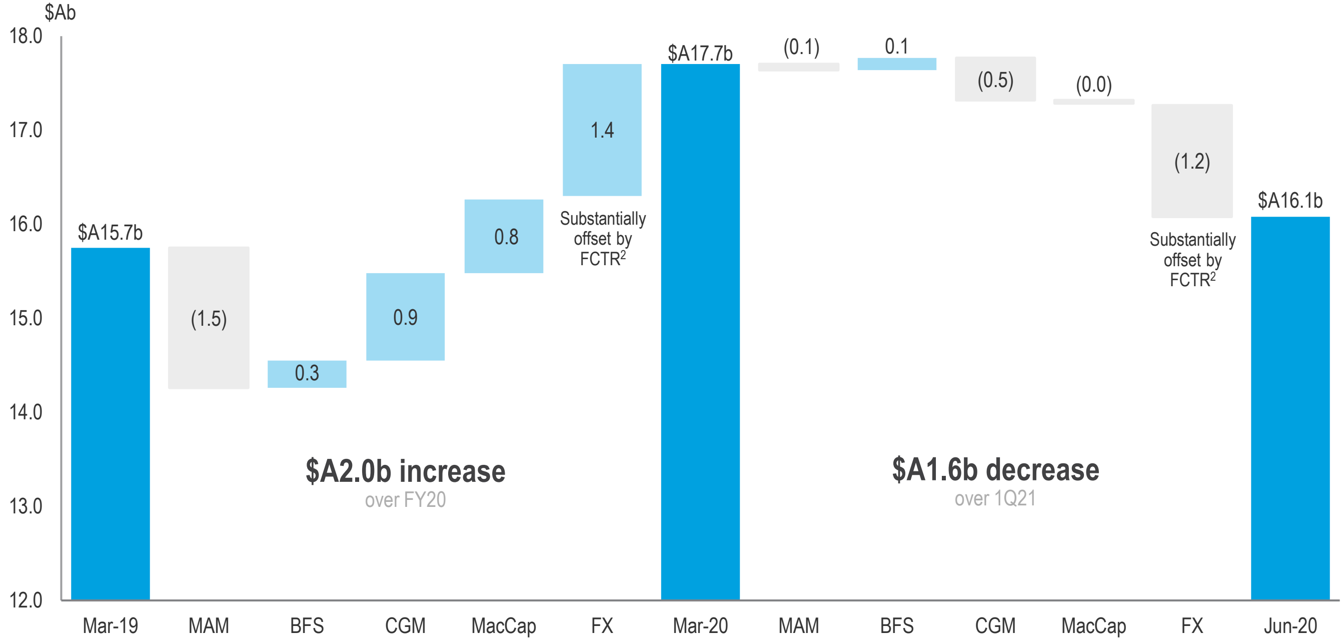
- APRA Basel III Group capital at Jun 20 of $A24.2b; Group capital surplus of $A8.1b[1]
- APRA Basel III CET1 ratio: 13.2%; Harmonised Basel III CET1 ratio: 16.3%
- Other movements include a reduction in the Foreign Currency Translation reserve, which substantially offsets the FX component of the movement in business capital requirements

Group regulatory surplus: Basel III (Jun 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. 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. 3. Bank Capital Notes 2 issuance net of Macquarie Income Securities redemption. 4. Includes current quarter P&L, movements in foreign currency translation and share-based payment reserves and other movements. 5. Pro forma APRA Basel III surplus of $A8.3b, including shares issued on 3 Jul 20 to satisfy the dividend reinvestment plan. 6. APRA Basel III 'super-equivalence' includes the impact of changes in capital requirements in areas where APRA differs from the BCBS Basel III framework. Differences include the treatment of mortgages $A1.0b; capitalised expenses $A0.4b; equity investments $A0.3b; investment into deconsolidated subsidiaries $A0.1b; DTAs and other impacts $A0.4b.

Business capital requirements[1]



1Q21 key drivers

MAM

- Mainly sell-down of European rail business

BFS

- Growth in home loan book and business banking downgrades[3], partially offset by run-off in vehicles portfolio

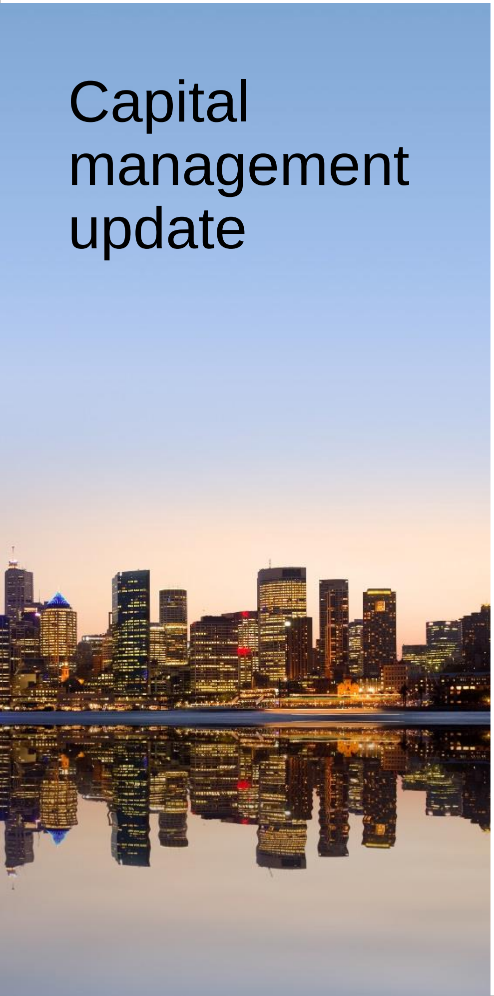
CGM

- Reduced derivative and loan exposures, partially offset by downgrades[3]

Macquarie Capital

- Asset realisations and successful syndication of DCM underwriting positions, largely offset by downgrades[3]

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.



Capital management update

Dividend Reinvestment Plan (DRP)

- The Board determined that a 1.5% discount would apply to shares allocated under the DRP for the 2H20 dividend
- On 3 Jul 20, ordinary shares were issued and allocated at $A110.47 per share[1] to shareholders participating in the DRP. Shareholders participating in the DRP held approx. 33.9% of Macquarie's ordinary shares

Macquarie Group Employee Retained Equity Plan (MEREP)

- On 9 Jun 20, a total of 5,024,608 Macquarie ordinary shares were issued pursuant to the Macquarie Group Employee Retained Equity Plan (MEREP). The shares were issued and allocated at $A112.15[1] per share

Additional Tier 1 Capital

- MBL repaid $A400m of Macquarie Income Securities (MIS) on 15 Apr 20
  - MIS were issued in 1999 and receive transitional treatment under APRA's prudential standards that results in reducing capital recognition. The repayment reduced Tier 1 capital by $A93m
- On 2 Jun 20, MBL issued 6,410,270 Macquarie Bank Capital Notes 2 (BCN2) at an issue price of $A100 each, raising $A641m
- The BCN2 offer included the Securityholder Offer which received applications exceeding $A420m. This strong demand necessitated the scaling of the applications to approximately 33% which is in line with the average scaling applied to applications received under the Broker Firm Offer. The total allocation for the Securityholder Offer was $A141m

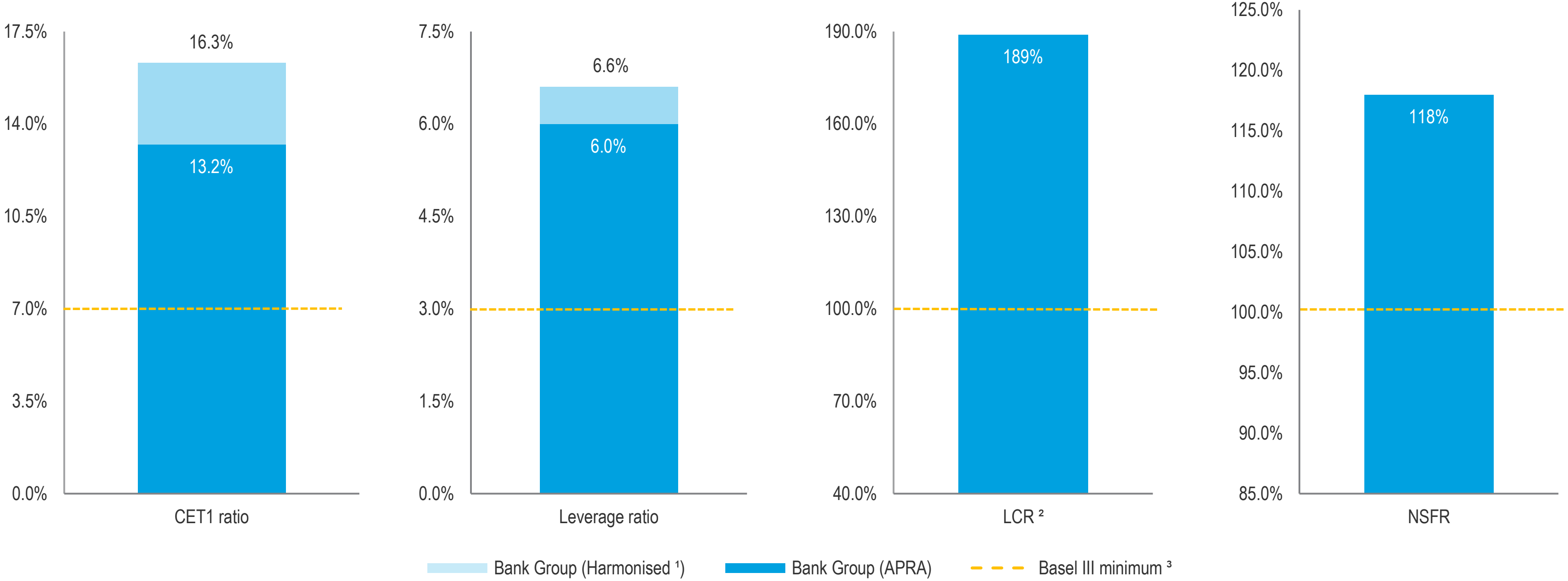
Loss Absorbing Capital - Tier 2 Capital

- On 28 May 20, Macquarie Bank Limited issued $A750m of 10 year subordinated notes with a 5-year non-call period
- On 3 Jun 20, Macquarie Bank Limited issued $US750m of 10 year subordinated notes

1. The DRP price was determined in accordance with the DRP Rules, being the arithmetic average of the daily volume-weighted average price of all Macquarie Group shares sold through a normal trade on the ASX automated trading system of the 10 business days from 25 May 20 to 5 Jun 20 inclusive, less a discount of 1.5%. The price at which the shares to satisfy the MEREP requirements were issued was calculated in the same manner and over the same pricing period as the DRP shares, excluding the 1.5% discount.

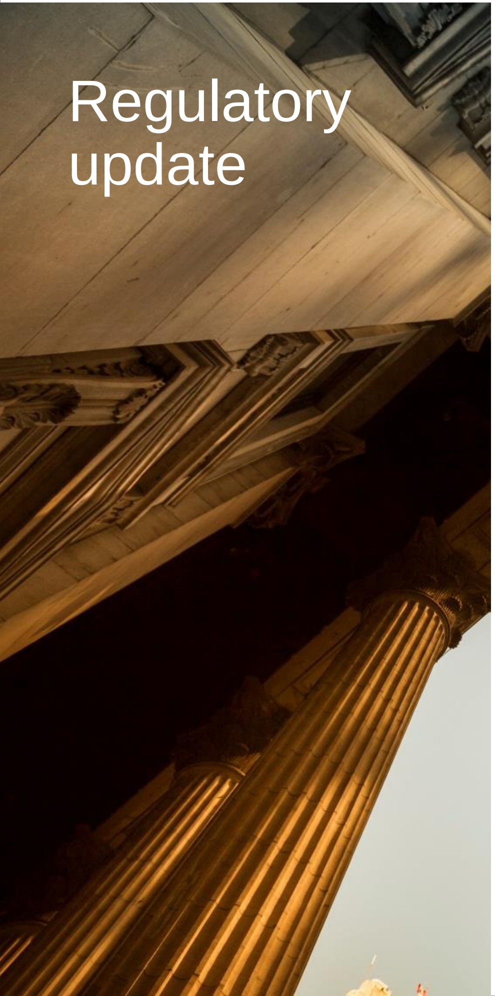
Strong regulatory ratios

Bank Group (Jun 20)



1. 'Harmonised' Basel III estimates are calculated in accordance with the BCBS Basel III. 2. Average LCR for Jun 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.

Regulatory update



MACQUARIE

Australia

- On 30 Mar 20, APRA announced the deferral of its scheduled implementation of the Basel III reforms in Australia by one year to allow ADIs to focus on maintaining operations and providing credit to the Australian economy[1]
- The status of the relevant regulatory changes is shown in the table below, noting that APRA announced (on 23 Mar 20) that it does not plan to recommence consultation on any non-essential matters to finalise revisions to the prudential framework before 30 Sep 20[2]

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 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. Under the temporary capital treatment, repayment deferral periods are not treated as periods of arrears for capital adequacy purposes[4]
- On 29 Jul 20, APRA updated its guidance provided in April 2020 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[5]
- As previously noted, APRA is in discussions with Macquarie on resolution planning and intragroup funding. These discussions are progressing and Macquarie will continue working on these initiatives in consultation with APRA
- 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

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
- 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

1. 'APRA announces deferral of capital reform implementation'; 30 Mar 20. 2. 'APRA adapts 2020 agenda to prioritise COVID-19 response'; 23 Mar 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. 'APRA updates guidance on capital management for banks and insurers'; 29 Jul 20.

06 | Outlook

MACQUARIE

Factors impacting short-term outlook

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 expected delays in timing of asset sales
- Increased support for some airline clients of Macquarie AirFinance

Banking Group

Banking and Financial Services (BFS)

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

Markets-facing businesses

Non-Banking Group

Macquarie Capital (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
- 1H21 investment-related income significantly down on 1H20 and 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

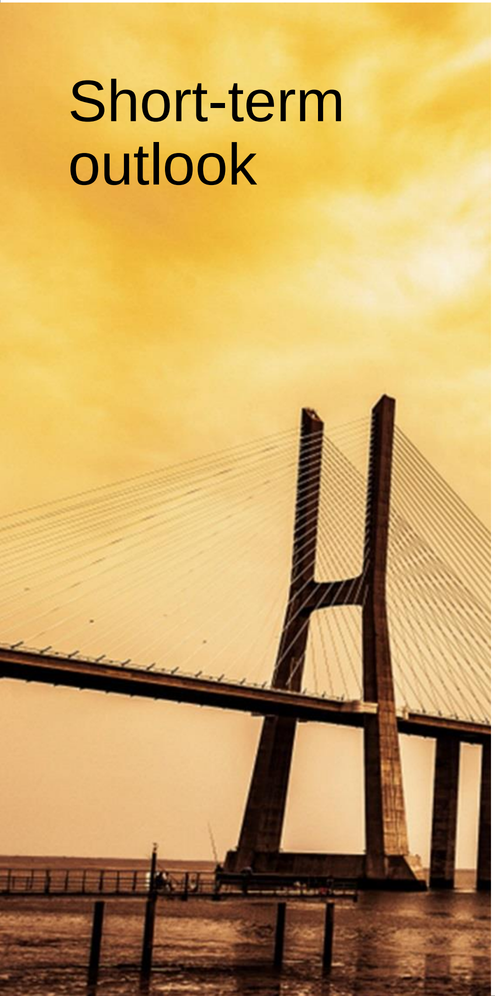
Commodities and Global Markets[2] (CGM)

- Strong client activity experienced in 1Q21 did not continue in 2Q21 and not expected to continue in 2H21, albeit volatility may continue to create opportunities
- Consistent contribution from Specialised and Asset Finance linked to stable balance sheet and annuity flows
- 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. Note certain assets of the Credit Markets business and certain activities of the Commodity Markets and Finance business, and some other less financially significant activities are undertaken from within the Non-Banking Group.



Short-term outlook

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

- We currently anticipate the 1H21 result to be down approximately 35% on 1H20 and down approximately 25% on 2H20

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

Medium-term outlook

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

MACQUARIE

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 (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[1] (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. Note 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.

07 | Appendix

A

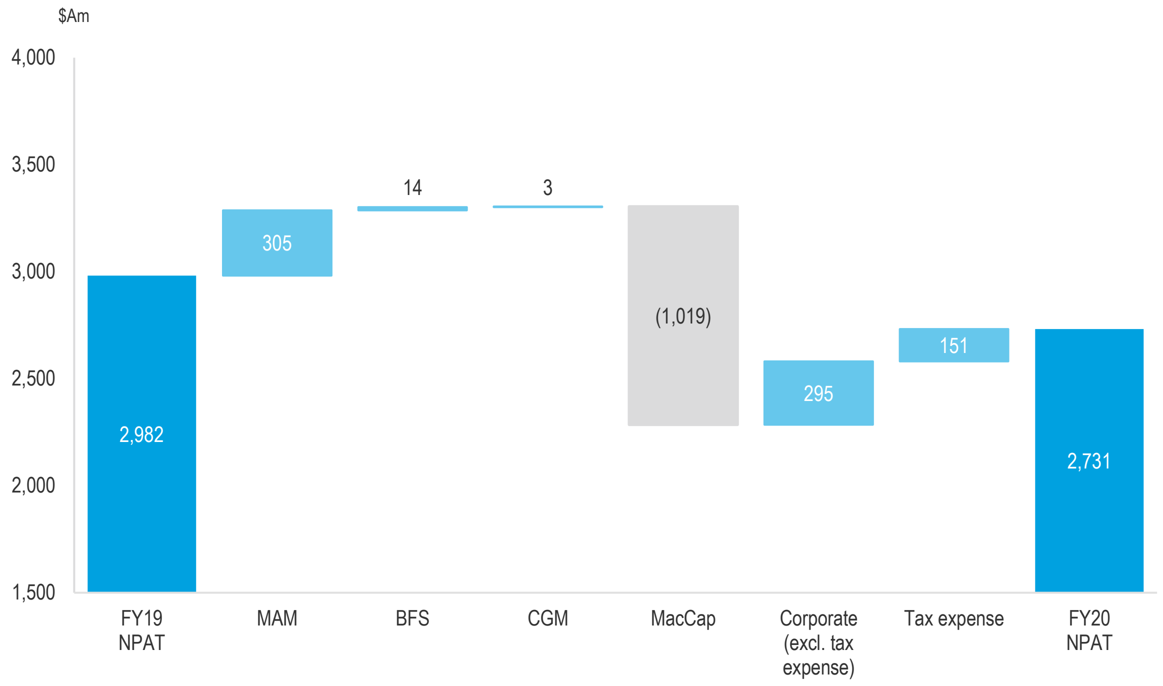
Select slides from Macquarie’s result announcement for the year ended 31 March 2020

Income statement key drivers

	2H20 $Am	1H20 $Am	FY20 $Am	FY19 $Am
Net interest and trading income	2,303	2,417	4,720	4,551
Fee and commission income	2,963	2,874	5,837	5,526
Net operating lease income	284	461	745	950
Share of net profits/(losses) of associates and joint ventures	144	(49)	95	(56)
Net credit impairment charges	(661)	(144)	(805)	(320)
Other impairment (charges)/reversals	(240)	5	(235)	(232)
Investment income	1,007	670	1,677	2,102
Other income	205	86	291	233
Net operating income	**6,005**	**6,320**	**12,325**	**12,754**
Employment expenses	(2,547)	(2,776)	(5,323)	(5,217)
Brokerage, commission and trading-related expenses	(482)	(482)	(964)	(1,140)
Other operating expenses	(1,362)	(1,222)	(2,584)	(2,530)
Total operating expenses	**(4,391)**	**(4,480)**	**(8,871)**	**(8,887)**
Operating profit before tax and non-controlling interests	**1,614**	**1,840**	**3,454**	**3,867**
Income tax expense	(352)	(376)	(728)	(879)
Non-controlling interests	12	(7)	5	(6)
Profit attributable to MGL shareholders	**1,274**	**1,457**	**2,731**	**2,982**

- Net interest and trading income of $A4,720m, up 4% on FY19
  - Lower net interest and trading expenses in MAM driven by the sale of MAF to a joint venture during the first half
  - Higher interest and trading income in BFS mainly driven by growth in home loans partially offset by the sale of an investment in Macquarie Pacific Funding (MPF)
- Fee and commission income of $A5,837m, up 6% on FY19
  - Increase in base fees from foreign exchange movements, fees earned on the MAF joint venture, investments made by MIRA-managed funds and mandates and contributions as a result of assets acquired from Foresters during the year
  - Lower debt capital markets and other fee income, partially offset by higher mergers and acquisitions fee income in Macquarie Capital
- Net operating lease income of $A745m, down 22% on FY19 primarily driven by the sale of MAF to a joint venture during the first half, partially offset by the acquisition of rotorcraft assets during the prior year in MAM
- Share of net profits of associates and joint ventures of $A95m, significantly up on FY19, primarily driven by the sale of a number of underlying assets within equity accounted investments and income from the MAF joint venture during the year in MAM
- Higher Credit and Other impairment charges recognised across the Group compared to FY19 mainly due to a deterioration in current and expected macroeconomic conditions as a result of COVID-19
- Investment income of $A1,677m, down 20% on FY19, primarily due to strong asset realisations in the prior year in Macquarie Capital, partially offset by gains on sale of investments in MAM
- Total operating expenses of $A8,871m, in line with FY19
  - Higher Employment expenses due to foreign exchange movements, an increase in average headcount in central service groups and higher share-based payment expense from accelerated amortisation of prior years' equity awards to retiring key management personnel, partially offset by lower performance-related profit share expense as a result of lower Group performance and higher retention rates being applied, and a reduction in average headcount in the BFS wealth advice business
  - Lower Brokerage, commission and trading-related expenses primarily due to Equities structural change to refocus on the Asia-Pacific region in CGM and the sale of an investment in MPF in BFS

Income statement by Operating Group NPC

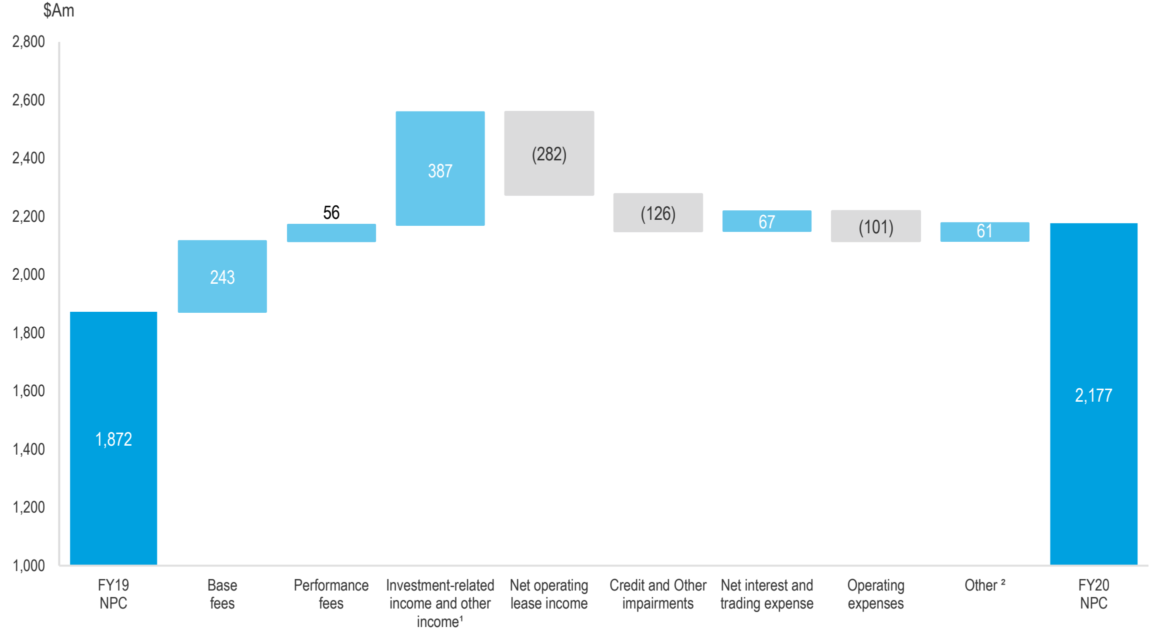


KEY DRIVERS

- **MAM:** Increased base fees, performance fees, investment-related and other income, partially offset by lower net operating lease income, higher operating expenses and higher credit and other impairment charges
- **BFS:** Growth in average volumes for BFS deposits, loan portfolio, funds on platform and the impact of realigning the wealth advice business to focus on the high net worth segment, offset by margin compression on deposits, and higher credit provisions
- **CGM:** Strong global client contribution across all products and sectors and higher revenue from Specialised and Asset Finance and Commodities' lending and financing activities, offset by a reduction in inventory management and trading revenues and an increase in credit provisions
- **Macquarie Capital:** DCM fee revenue down, partially offset by higher M&A fee revenue. Investment-related income down given strong asset realisations in FY19. Higher operating expenses, funding costs and increased credit and other impairment charges
- **Corporate:** Includes higher funding usage by Operating Groups driving increased interest income and lower performance-related profit share expense
- **Tax expense:** Lower tax expense mainly driven by the geographic composition and nature of earnings

Macquarie Asset Management

Increased base fees, investment-related and other income, partially offset by lower net operating lease income and higher impairments



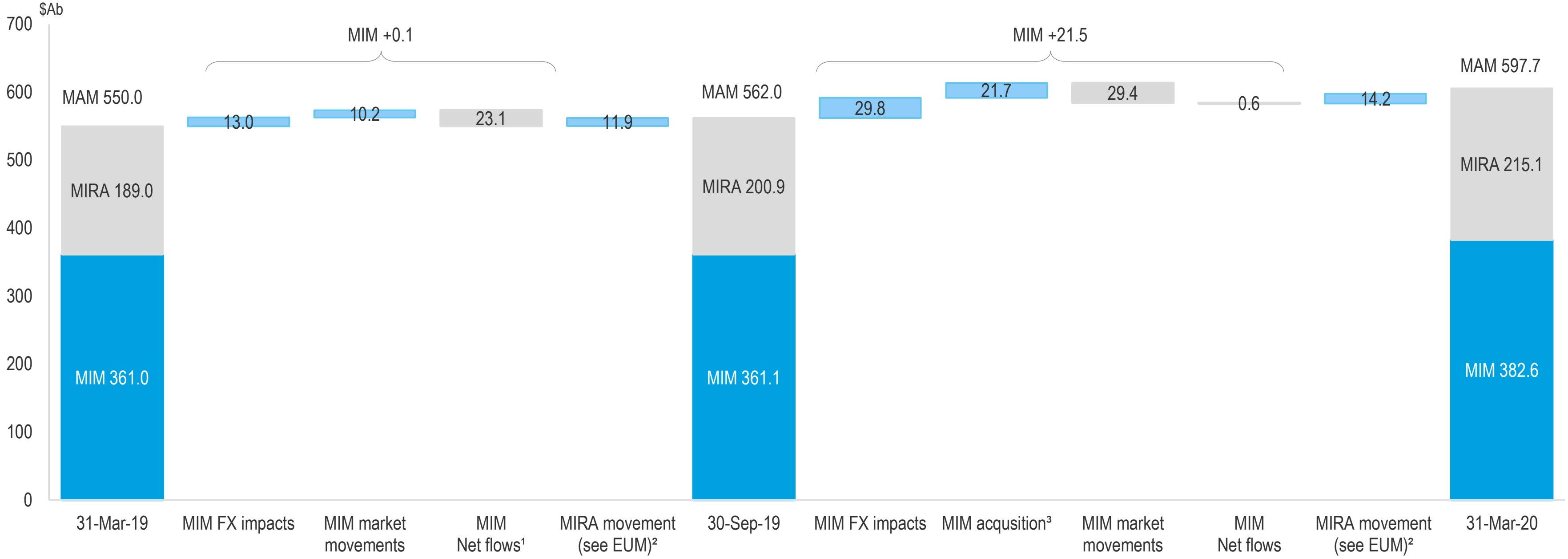
KEY DRIVERS

- Base fees up due to:
  - Foreign exchange movements, fees earned on the MAF joint venture, investments made by MIRA-managed funds and mandates as well as contributions as a result of assets acquired from Foresters during the year
  - partially offset by the internalisation of ALX and asset realisations in MIRA-managed funds
- Higher performance fees with FY20 benefiting from a broad range of funds including MEIF, MEIF3, MEIF4, MIP, MIP II, GIF II, GIF III, MSCIF and other MIRA-managed funds, managed accounts and co-investors
- Higher investment-related and other income driven by gains on sale of investments, higher equity accounted income from the sale of a number of underlying assets and income from the MAF joint venture during the year, as well as a one-off payment from ALX for the termination of management rights related to APRR
- Lower net operating lease income driven by the sale of MAF to a joint venture during the first half, partially offset by the acquisition of rotorcraft assets during the prior year
- Higher credit and other impairment charges mainly due to a deterioration in current and expected macroeconomic conditions as a result of COVID-19, including an impairment charge on the investment in MIC and a small number of other investments
- Lower net interest and trading expense driven by sale of MAF to a joint venture during the year, partially offset by an increase in investments
- Higher operating expenses mainly driven by foreign exchange movements, the impact of new business acquired during the year (Foresters) and the full year impact of the GLL and ValueInvest acquisitions completed in the prior year, partially offset by cost savings initiatives
- Other includes higher income from private capital markets, transaction fees and True Index Products

1. Includes net income on equity and debt investments, share of net profits of associates and joint ventures and other income. 2. Other includes other fee and commission income, internal management revenue and non-controlling interests.

MAM AUM movement

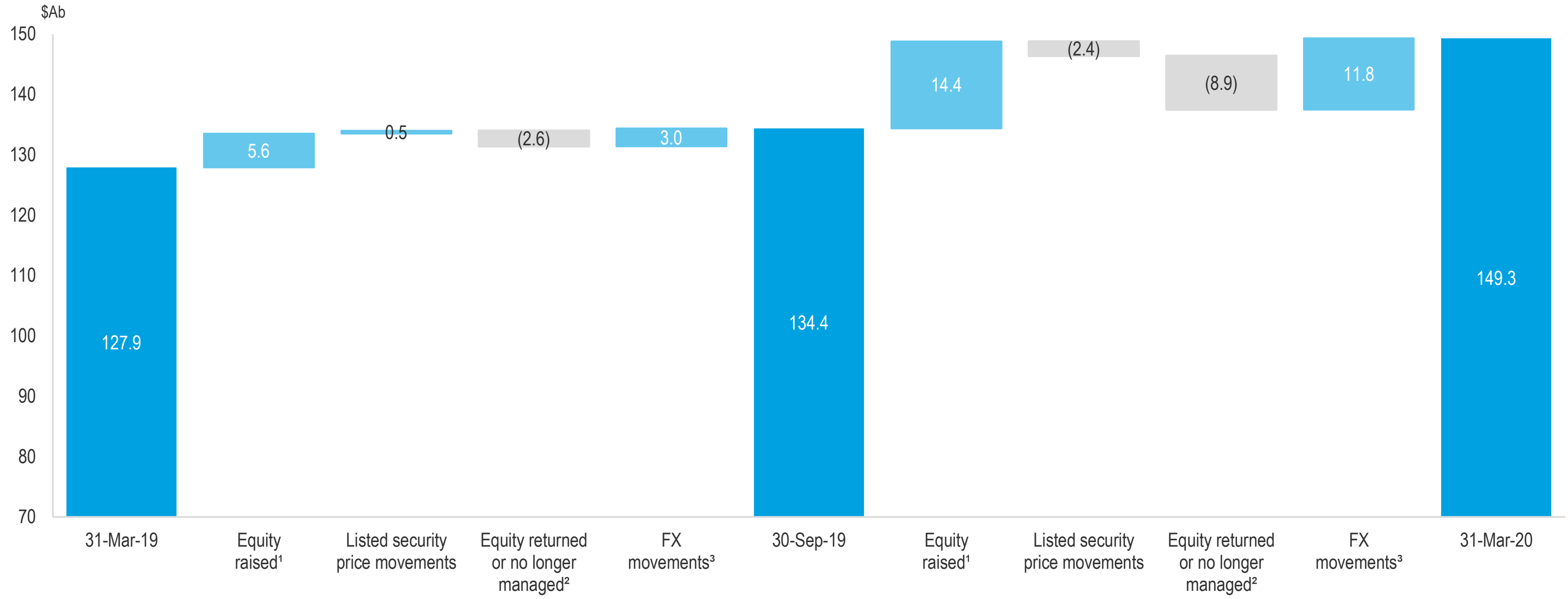
Increase due to investments by MIRA-managed funds, MIM acquisition and FX movements partially offset by recent market movements and a reduction in contractual insurance assets in MIM and divestments by MIRA-managed funds



1. $A23.1b of MIM net outflows were primarily driven by contractual fixed income insurance assets and other short-term fixed income allocations. 2. MIRA tracks its funds under management using an EUM measure as base management fee income is typically aligned with EUM. EUM and AUM are calculated under different methodologies and as such, EUM movement is the more relevant metric for analysis purposes – refer to MIRA EUM movement on slide 34. MIRA's total EUM includes market capitalisation at measurement date plus underwritten or committed future capital raisings for listed funds, the sum of original committed capital less capital subsequently returned for unlisted funds and mandates as well as invested capital for managed businesses. AUM is calculated as proportional enterprise value at measurement date including equity value and net debt of the underlying assets of funds and managed assets. AUM excludes uninvested equity in MIRA. Refer MD&A s7 for further information with respect to EUM and AUM measures. 3. Acquisition of the assets related to the mutual fund management business of Foresters Investment Management Company Inc. as well as approximately $US4b of contractual insurance assets.

MIRA EUM movement

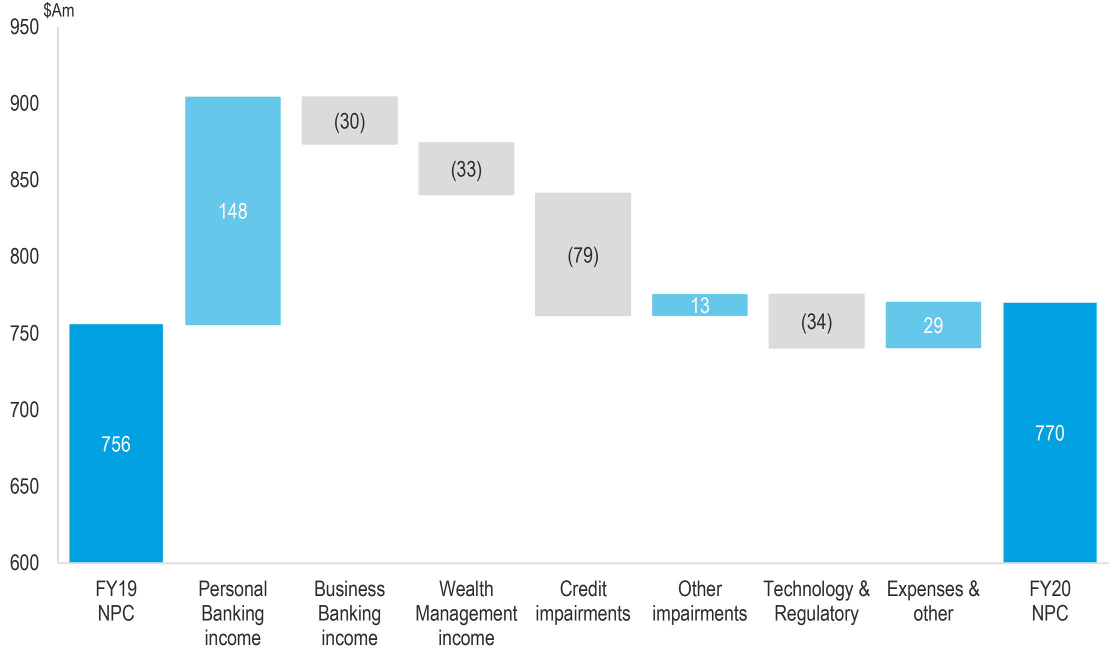
Increase of 17% due to new equity raised and FX movements partially offset by equity returned



1. Includes equity under management in relation to 50% of the MAF investment: following the sale of MAF to a joint venture of which Macquarie held a 75% interest in 1H20 and the sale of 25% of the joint venture in 2H20. 2. Committed capital returned by unlisted funds or under mandates due to asset divestments, redemption or other capital distributions as well as capital no longer managed due to sale of management rights or expiry of asset management agreements. Includes an offset of equity managed on behalf of ALX following internalisation. 3. FX reflects the movement in EUM driven by changes in FX rates.

Banking and Financial Services

Increase in Personal Banking income and lower expenses partially offset by Credit impairment charges and margin compression on deposits

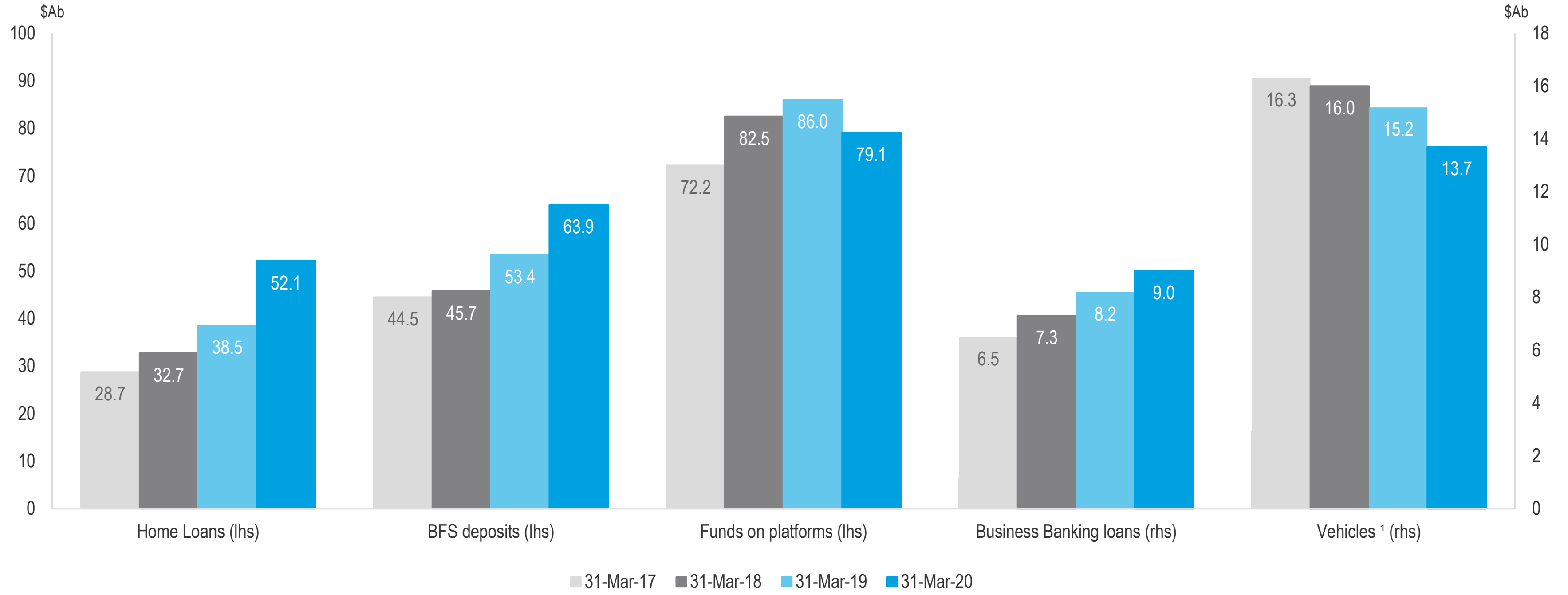


KEY DRIVERS

- Higher Personal Banking income driven by 20% growth in average home loan volumes
- Lower Business Banking income driven by margin compression on Business deposits, partially offset by 14% growth in average business banking loan volumes and a 2% growth in average business deposit volumes
- Lower Wealth Management income as the wealth advice business realigned to focus on the high net worth segment, and margin compression partially offset by 10% average platform volume growth
- Increased specific provisions in Business banking and Vehicle finance together with increased credit impairment charges on the performing portfolios related to a deterioration in current and expected macroeconomic conditions as a result of COVID-19
- Higher Technology and Regulatory expenses driven by investment to support business growth and to meet regulatory requirements
- Lower Expenses and Other due to lower headcount in Wealth Management as the wealth advice business realigned to focus on the high net-worth segment and the net impact of sale of investment in MPF

Banking and Financial Services

Strong growth across deposit and loan products



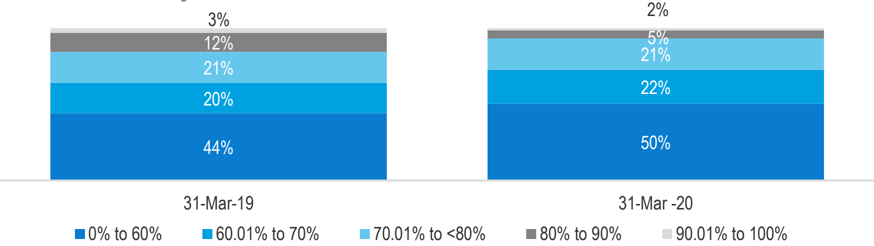
Data based on spot volumes at period end. 1. Includes dealer, wholesale, retail and general plant and equipment.

Banking and Financial Services

Portfolio and credit overview

Portfolio dynamic	31-Mar-20	31-Mar-19	% change
Funds Under Management/Gross Loan Assets ($Am)	75,320	62,453	21%
% Business Banking (incl. Business Bank Home Loans)	12%	13%	-8%
% Personal Banking (Home Loans + Credit Cards)	70%	63%	11%
% Asset Finance (incl Wholesale)	18%	24%	-25%
Credit Risk Weighted Assets (CRWA) ($Ab)	35.7	32.2	11%
Total provisions ($Am)[2]	470	399	18%
% ECL/CRWA (pre-COVID adjustment)	1.07%	1.24%	
% ECL/CRWA (post-COVID adjustment)	1.32%		

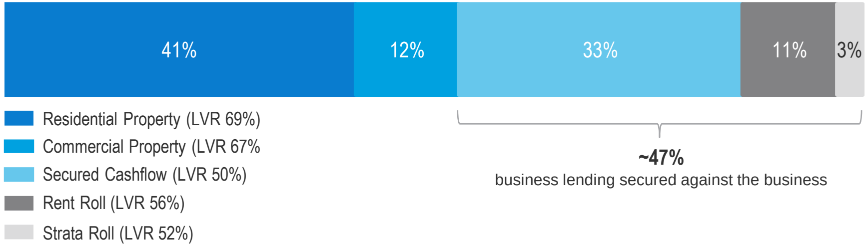
Home Loan Dynamic LVR Distribution



Home Loan portfolio[1] dynamic	31-Mar-20	31-Mar-19
Average LVR at Origination (%)[3, 4]	69%	70%
Average Dynamic LVR (%)[4, 5]	57%	60%
% Owner Occupied	63%	63%
% Principal and Interest	74%	70%
90+ days delinquent (%)	0.55%	0.65%
Loss rates (bps)	1bp	0bp
% ahead of repayments[6]	73%	74%

COVID-19 Payment Pause (% of balances)	30-Apr-20
Personal Banking (Home Loans + Credit Cards)	11.2%
Business Banking (incl Business Bank Home Loans)	16.2%
Vehicle Finance (incl Wholesale)	13.5%

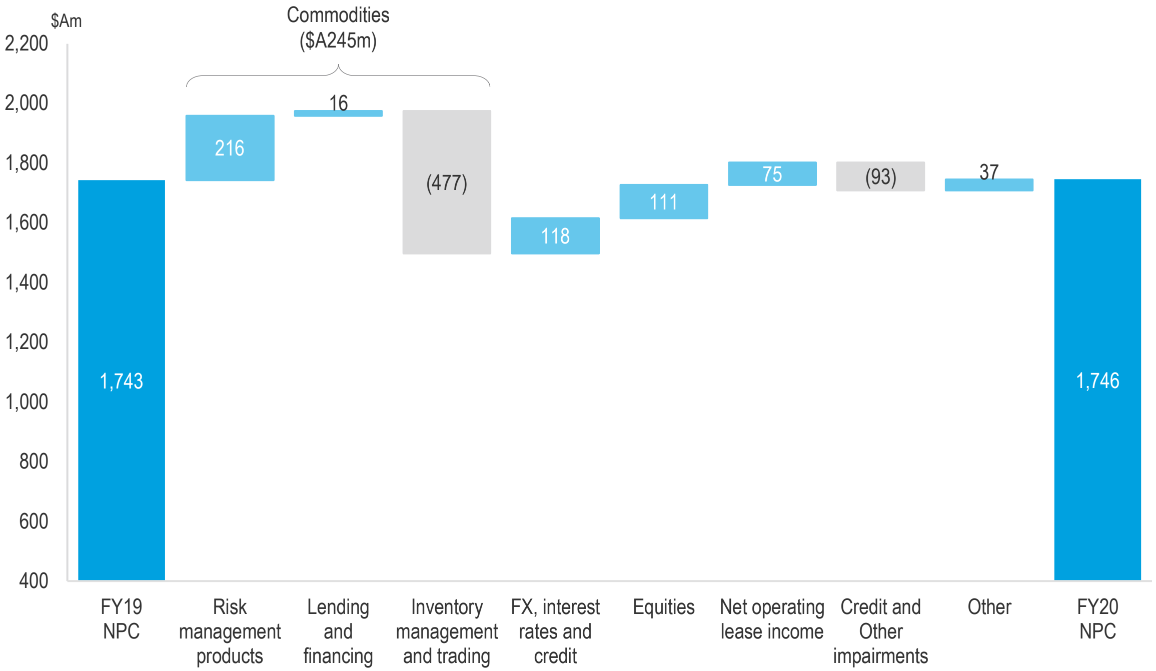
Business lending security type and LVR[7] (%)



1. Home Loans originated in Personal Banking. 2. 31 Mar 20 provision include $87m of COVID overlay. 3. Based on accounts still on book. 4. Weighted by size of loan. 5. House price index (HPI) as at Dec'19. 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. At 31 Mar 20.

Commodities and Global Markets

Consistent performance driven by strong client activity



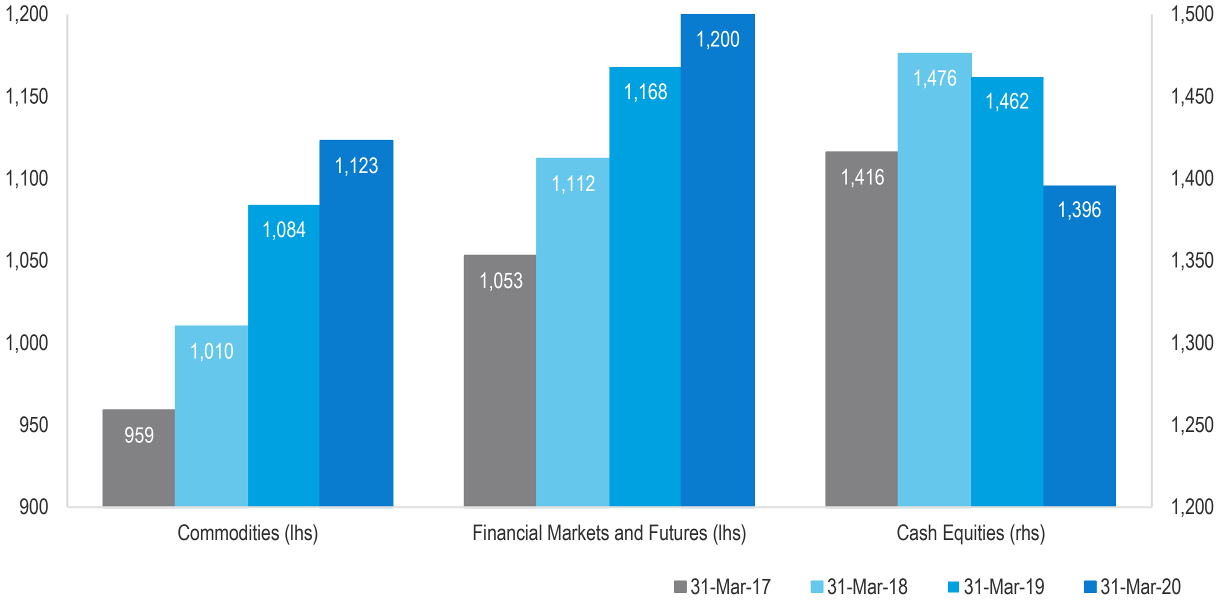
KEY DRIVERS

- Commodities
  - Strong results across the commodities platform from increased client hedging activity particularly in Global Oil, EMEA Gas and Power, Agriculture, and Metals & Mining partially offset by the impact of fair value adjustments
  - Higher Lending and financing income driven by increased physical oil financing activity
  - Inventory management and trading driven by reduced opportunities in North American Gas markets following a strong FY19 partially offset by the timing of income recognition on transport agreements. 1H20 benefited from opportunities across a range of energy sectors which were partially offset by more challenging markets in Fuel oil (related to changing regulations) and North American gas markets in 2H20
- Higher foreign exchange, interest rates and credit result driven by increased client activity in structured foreign exchange and interest rate products across all regions
- Improved Equities income due to increased opportunities in Asian markets and reduced trading losses following the structural change announced in 2H20 to refocus equities on the Asia-Pacific region
- Higher net operating lease income driven by higher secondary income from the Technology, Media and Telecoms portfolio in addition to favourable foreign exchange movements
- Increased impairment charges on a small number of counterparties in Futures and FI&C, together with increased credit impairment charges on the performing loan and lease portfolio related to a deterioration in current and expected macroeconomic conditions as a result of COVID-19
- Other includes an increase in fee and commission income from commodity related fees partially offset by a reduction in brokerage income following the structural change announced in 2H20 to refocus equities on the Asia-Pacific region

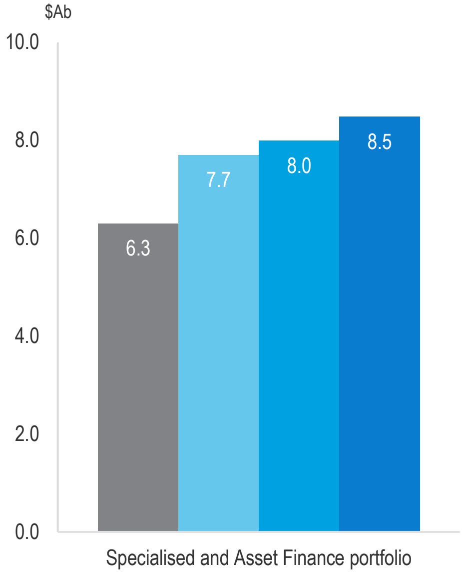
Commodities and Global Markets

Growing client base

Client numbers



Specialised & Asset Finance portfolio[1]



1. Numbers are reported in AUD equivalent and include fluctuations in foreign exchange.

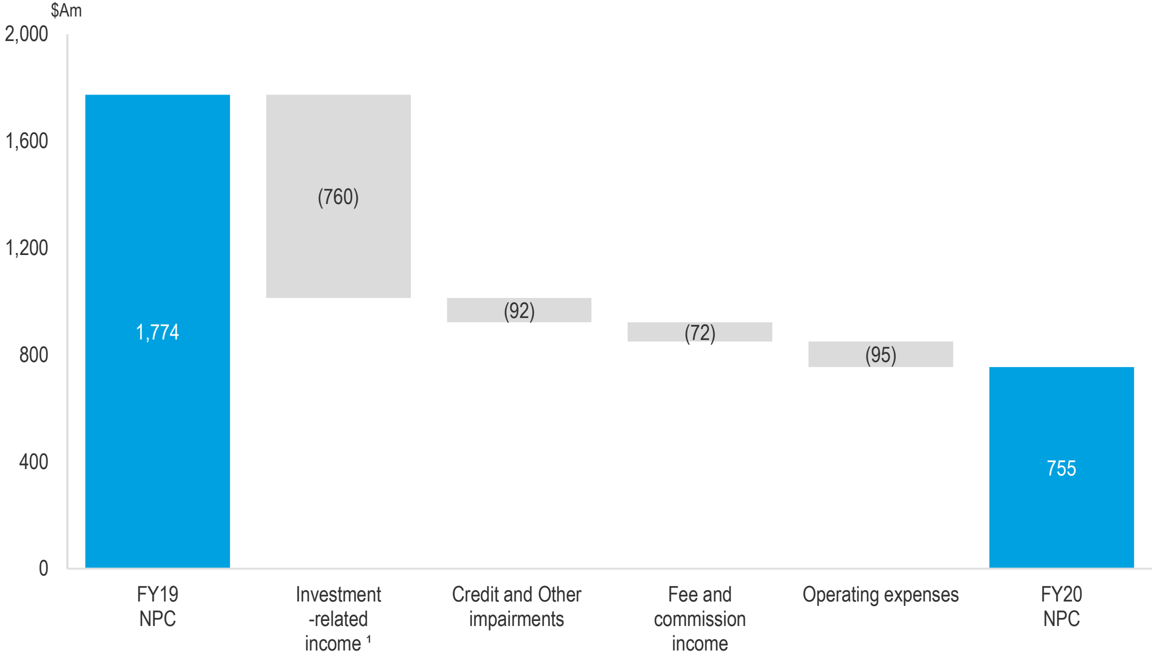
Commodities and Global Markets

Movement in regulatory capital[1]

1. Calculated at 8.5% RWA.

Macquarie Capital

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



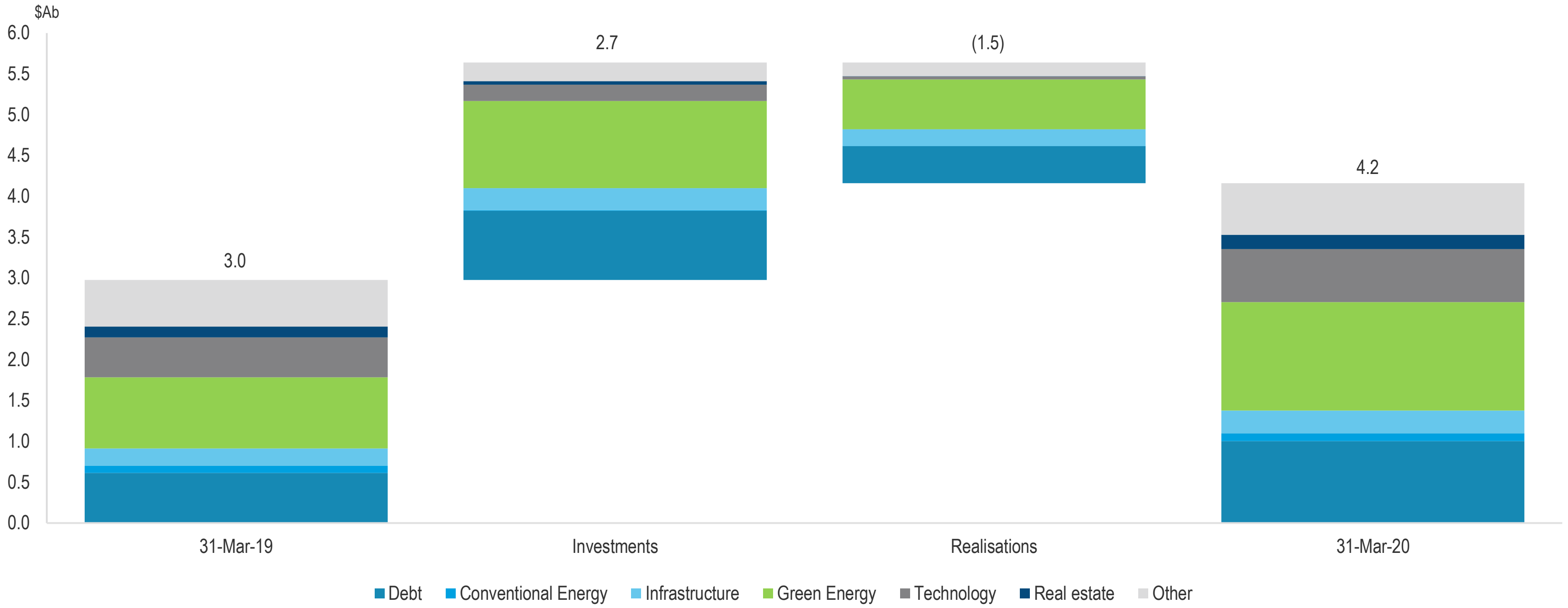
KEY DRIVERS

- Lower investment-related income predominantly due to:
  - Lower revenue from asset realisations compared to a strong prior year
  - Lower interest and trading income primarily due to higher funding costs for balance sheet positions reflecting increased activity
  - A change in the composition of investments in the portfolio including increased development expenditure in relation to green energy projects
- Increased Credit impairment charges primarily related to a small number of loan facilities in the debt portfolio and a deterioration in current and expected macroeconomic conditions as a result of COVID-19 impacting the performing loan portfolio
- Lower fee and commission income due to lower debt capital markets fee income and other fee income, partially offset by higher mergers and acquisitions fee income
- Higher operating expenses relating to additional headcount in the US and Europe to support future business growth and unfavourable foreign exchange movements

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

Macquarie Capital

Movement in regulatory capital[1]



1. Calculated at 8.5% RWA.

Costs of compliance

Regulatory project spend	FY20 $Am	FY19 $Am
IFRS 9	1	10
MiFID II	5	10
OTC Reform	5	7
IBOR reforms	5	1
Brexit	16	11
Transaction Reporting & Data related Projects for CGM Trading Portfolio	20	12
Other Regulatory Projects (e.g. Enterprise Data Management, Code of Banking Practice, APRA Reviews)	95	92
Total	**147**	**142**

Business as usual compliance spend	FY20 $Am	FY19 $Am
Financial, Regulatory & Tax Reporting and Compliance	113	104
Compliance Oversight	94	86
AML Compliance	35	35
Regulatory Capital Management	24	21
National Consumer Credit Protection (NCCP)	8	15
Regulator Levies	14	12
Other Compliance functions (e.g. Monitoring & Surveillance, Privacy & Data Management, APRA resilience, Advice Licensee standards compliance)	108	79
Total	**398**	**354**
Total compliance spend	**545**	**496**

- The finance industry continues to see an increase in regulatory initiatives, resulting in increased compliance requirements across all levels of the organisation
- Total compliance spend (excluding indirect costs) approximately $A545m in FY20, up 10% on FY19
- Regulatory project spend increased 3% from FY19 as a result of a number of technology projects and the impact of Brexit
- Business as usual spend increased 12% from FY19 from continuing spend on a range of compliance functions

Loan and lease portfolios[1] – funded balance sheet

Operating Group	Category	Mar 20 $Ab	Sep 19 $Ab	Mar 19 $Ab	Description
BFS	Home loans[2]	43.2	38.8	35.6	Secured by Australian residential property
	Business banking	9.4	9.0	8.7	Loan portfolio secured largely by working capital, business cash flows and real property
	Vehicle finance	10.6	11.9	11.5	Secured by Australian motor vehicles
	Total BFS	**63.2**	**59.7**	**55.8**	
CGM	Asset Finance	8.4	8.0	7.9	Predominantly secured by underlying financed assets
	Loans and finance lease assets	6.2	5.7	5.6	
	Operating lease assets	2.2	2.3	2.3	
	Resources and commodities	3.0	3.6	2.6	Diversified loan portfolio primarily to the resources sector that is secured by the underlying assets with associated price hedging to mitigate risk
	Other	3.2	2.6	2.5	Predominantly relates to recourse loans to financial institutions, as well as financing for other sectors
	Total CGM	**14.6**	**14.2**	**13.0**	
MAM	Operating lease assets[3]	1.7	1.6	8.9	Secured by underlying financed assets including transportation assets
	Structured investments	-	0.2	0.2	Loans to retail and wholesale counterparties that are secured against equities, investment funds or cash or are protected by capital guarantees at maturity
	Other	0.3	0.4	0.3	Secured by underlying financed assets
	Total MAM	**2.0**	**2.2**	**9.4**	
Macquarie Capital	Corporate and other lending	6.7	4.2	4.1	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	**6.7**	**4.2**	**4.1**	
Total loan and lease assets per funded balance sheet[4]		**86.5**	**80.3**	**82.3**	

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 $A94.1b at 31 Mar 20 ($A84.2b at 30 Sep 19 and $A77.8b at 31 Mar 19) 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 $A43.2b differs from the figure disclosed on slide 18 of $A52.1b. 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. Movement includes the sale of Macquarie AirFinance to a joint venture. 4. Total loan assets per funded balance sheet includes self-securitised assets.

MACQUARIE

Equity investments of $A7.5b[1]

Category	Carrying value[2] Mar 20 $Ab	Carrying value[2] Mar 19 $Ab	Description
Macquarie Asset Management (MIRA) managed funds	1.8	1.9	Includes Macquarie Infrastructure Corporation, Macquarie Asia Infrastructure Fund, Macquarie SBI Infrastructure Fund, Macquarie Korea Infrastructure Fund, Macquarie European Infrastructure Fund 5, Macquarie Infrastructure Partners III
Investments held to seed new MIRA products and mandates	-	-	
Other Macquarie-managed funds	0.3	0.3	Includes MIM funds as well as investments that hedge directors' profit share plan liabilities
Transport, industrial and infrastructure	1.3	0.6	Includes a 50% interest in Macquarie AirFinance investment following the sale of MAF to a joint venture of which Macquarie held a 75% interest in 1H20 and the sale of 25% of the joint venture in 2H20.
Telcos, IT, media and entertainment	1.2	0.5	Over 50 separate investments
Green energy[3]	1.0	1.0	Over 30 separate investments
Conventional energy, resources and commodities	0.4	0.4	Over 45 separate investments
Real estate investment, property and funds management	1.0	0.7	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
	7.5	**5.9**	

1. Equity investments per the statutory balance sheet of $A9.7b (Mar 19: $A6.1b) have been adjusted to reflect the total economic exposure to Macquarie. 2. Total funded equity investments of $A7.4b (Mar 19: $A5.9b). 3. Green energy includes Macquarie's investment in East Anglia ONE Limited. The investment was partially funded with asset-specific borrowings of $A2.3b as at 31 Mar 20.

B | Detailed result commentary

Macquarie Asset Management

Result

	FY20 $Am	FY19 $Am
Base fees	2,021	1,778
Performance fees	821	765
Net operating lease income	380	662
Investment-related and other income[1]	741	227
Credit and Other impairment charges	(231)	(105)
Net operating income	**3,732**	**3,327**
Brokerage, commission and trading-related expenses	(267)	(248)
Other operating expenses	(1,287)	(1,205)
Total operating expenses	**(1,554)**	**(1,453)**
Non-controlling interests	(1)	(2)
Net profit contribution[2]	**2,177**	**1,872**
AUM ($Ab)	605.7	550.0
MIRA EUM ($Ab)	149.3	127.9
Headcount	1,899	1,900

- Base fees of $A2,021m, up on FY19
  - Foreign exchange movements, fees earned on the MAF joint venture, investments made by MIRA-managed funds and mandates as well as contributions as a result of assets acquired from Foresters during the year
  - partially offset by the internalisation of ALX and asset realisations in MIRA-managed funds
- Performance fees of $A821m, up on FY19
  - FY20 included performance fees from a broad range of funds including MEIF, MEIF3, MEIF4, MIP, MIP II, GIF II, GIF III, MSCIF and other MIRA-managed funds, managed accounts and co-investors
  - FY19 included performance fees from MEIF, MEIF3, ALX, MIP, GIF II, KMGF and other MIRA-managed funds, managed accounts and co-investors
- Net operating lease income of $A380m, down on FY19 driven by the sale of MAF to a joint venture during the first half, partially offset by the acquisition of rotorcraft assets during the prior year
- Investment-related and other income[1] of $A741m, up on FY19, primarily driven by gains on sale of investments, higher equity accounted income from the sale of a number of underlying assets and income from the MAF joint venture during the year, as well as a one-off payment from ALX for the termination of management rights related to APRR
- Credit and other impairment charges of $A231m were higher due to a deterioration in current and expected macroeconomic conditions as a result of COVID-19, including an impairment charge on the investment in MIC and a small number of other investments
- Total operating expenses of $A1,554m up 7% on FY19 mainly driven by foreign exchange movements, the impact of a new business acquired during the year (Foresters) and the full year impact of the GLL and ValueInvest acquisitions completed in the prior year, partially offset by cost savings initiatives

1. Investment-related income includes net income on equity and debt investments and share of net profits of associates and joint ventures. Other income includes other fee and commission income, net interest and trading expense, other income and internal management revenue. 2. Management accounting profit before unallocated corporate costs, profit share and income tax.

MACQUARIE

Banking and Financial Services

Result

	FY20 $Am	FY19 $Am
Net interest and trading income[1]	1,728	1,678
Fee and commission income	445	476
Wealth management fee income	*284*	*315*
Banking and leasing fee income	*161*	*161*
Credit impairment charges	(146)	(67)
Other impairment charges	(2)	(15)
Other income[2]	12	31
Net operating income	**2,037**	**2,103**
Total operating expenses	**(1,267)**	**(1,347)**
Net profit contribution[3]	**770**	**756**
Funds on platform[4] ($Ab)	79.1	86.0
Loan and lease portfolio[5] ($Ab)	75.3	62.5
BFS Deposits[6] ($Ab)	63.9	53.4
Headcount	2,660	2,772

- Net interest and trading income of $A1,728m, up 3% on FY19
  - 10% growth in the average BFS deposit balance and a 10% growth in average loan and lease portfolio volumes
  - partially offset by margin compression on deposits and the sale of an investment in Macquarie Pacific Funding
- Fee and commission income of $A445m, down 7% on FY19 driven by lower wealth management fee income as the wealth advice business realigned to focus on the high net worth segment
- Credit impairment charges of $A146m, up 118% on FY19 with increased specific provisions in Business banking and Vehicle finance together with increased credit impairment charges on the performing portfolios related to a deterioration in current and expected macroeconomic conditions as a result of COVID-19
- Other income of $A12m, down 61% on FY19 driven by equity investment dividends and revaluations in the prior year
- Total operating expenses of $A1,267m, down 6% on FY19
  - reduced staff as the wealth advice business realigned to focus on the high net worth segment
  - lower brokerage, commission and trading related expenses due to the sale of Macquarie Pacific Funding

1. Includes internal net interest expense and transfer pricing on funding provided by Group Treasury and deposit premium paid to BFS by Group Treasury for the generation of deposits, that are eliminated on consolidation in the Group's statutory P&L. 2. Includes share of net profits/(losses) of associates and joint ventures, internal management revenue and other income. 3. Management accounting profit before unallocated corporate costs, profit share and income tax. 4. Funds on platform includes Macquarie Wrap and Vision. 5. Loan and lease portfolio comprises home loans, loans to Australian businesses, vehicle finance and credit cards. 6. BFS deposits excludes corporate/wholesale deposits.

MACQUARIE

Commodities and Global Markets

Result

	FY20 $Am	FY19 $Am
Commodities	1,738	1,983
Risk management products	*1,294*	*1,078*
Lending and financing	*266*	*250*
Inventory management and trading	*178*	*655*
Foreign exchange, interest rates and credit	682	564
Equities	353	242
Specialised and Asset Finance	166	151
Net interest and trading income[1]	**2,939**	**2,940**
Fee and commission income	1,271	1,222
Net operating lease income[2]	360	285
Investment and other income[3]	133	152
Credit and Other impairment charges	(258)	(165)
Net operating income	**4,445**	**4,434**
Brokerage, commission and trading-related expenses	(499)	(636)
Other operating expenses	(2,200)	(2,053)
Total operating expenses	**(2,699)**	**(2,689)**
Non-controlling interests	**-**	**(2)**
Net profit contribution[4]	**1,746**	**1,743**
Headcount	2,636	2,866

- Commodities income of $A1,738m, down 12% on FY19
  - Risk management products up 20% on FY19 reflecting strong results across the commodities platform particularly in Global Oil, EMEA Gas and Power, Agriculture, and Metals and Mining from increased client hedging activity as a result of volatility and commodity price movements, partially offset by the impact of fair value adjustments
  - Lending and financing up 6% on FY19 driven by increased physical oil financing activity
  - Inventory Management and trading driven by reduced opportunities in North American Gas markets following a strong FY19 partially offset by the timing of income recognition on transport agreements. 1H20 benefited from opportunities across a range of energy sectors which were partially offset by more challenging markets in Fuel oil (related to changing regulations) and North American gas markets in 2H20
- Foreign exchange, interest rates and credit income of $A682m, up 21% driven by increased client activity in structured foreign exchange and interest rate products across all regions
- Equities income of $A353m, up 46% on FY19 driven by increased opportunities in Asian markets and reduced trading losses following the structural changes announced in 2H20 to refocus equities on the Asia-Pacific region
- Specialised and Asset Finance interest and trading income of $A166m, up 10% on FY19 driven by net proceeds from end of lease asset sales and favourable foreign exchange movements
- Fee and commission income of $A1,271m, up 4% on FY19 driven by higher income from commodity related fees partially offset by a reduction in brokerage following the structural change announced in 2H20 to refocus equities on the Asia-Pacific region
- Net operating lease income of $A360m, up 26% on FY19 primarily driven by higher secondary income from the Technology, Media and Telecoms portfolio in addition to favourable foreign exchange movements
- Investment and other income of $A133m, down 13% on FY19 which included the gain on sale on a small number of investments in the commodities sector which were not repeated
- Credit and other impairment charges of $A258m, up 56% on FY19 with increased impairment charges on a small number of counterparties in Futures and FI&C, together with increased Credit impairment charges on the performing loan and lease portfolio related to a deterioration in current and expected macroeconomic conditions as a result of COVID-19
- Total operating expenses of $A2,699m, broadly in line with FY19, driven by foreign exchange movements, expenditure on technology infrastructure as well as increasing compliance and regulatory requirements partially offset by a reduction in brokerage, commission and trading-related expenses due to the equities structural change to refocus on the Asia-Pacific region

1. Includes internal net interest expense and transfer pricing on funding provided by Group Treasury that is eliminated on consolidation in the Group's statutory P&L. 2. Generated from Specialised and Asset Finance. 3. Includes net income on equity and debt investments, share of net profits of associates and joint ventures, internal management revenue/(charge) and other income. 4. Management accounting profit before unallocated corporate costs, profit share and income tax.

Macquarie Capital

Result

	FY20 $Am	FY19 $Am
Fee and commission income	951	1,023
Investment-related income (ex non-controlling interests)	1,158	1,945
Investment and other income[1]	*1,199*	*1,858*
Net interest and trading (expense)/income[2]	*(41)*	*87*
Credit and Other impairment charges	(267)	(175)
Internal management revenue[3]	64	41
Net operating income	**1,906**	**2,834**
Total operating expenses	**(1,168)**	**(1,073)**
Non-controlling interests	17	13
Net profit contribution[4]	**755**	**1,774**
Capital markets activity[5]:		
Number of transactions	376	417
Transactions value ($Ab)	319	478
Headcount	1,547	1,369

- Lower fee and commission income of $A951m, down 7% on FY19 due to lower debt capital markets fee income and other fee income, partially offset by higher mergers and acquisitions fee income
- Investment-related income of $A1,158m, down 40% on FY19 predominantly due to:
  - Lower revenue from asset realisations compared to a strong prior year
  - Lower interest and trading income due to higher funding costs for balance sheet positions reflecting increased activity
  - A change in the composition of investments in the portfolio including increased development expenditure in relation to green energy projects
- Credit and other impairment charges of $A267m, up 53% on FY19 primarily related to a small number of loan facilities in the debt portfolio and a deterioration in current and expected macroeconomic conditions as a result of COVID-19 impacting the performing loan portfolio
- Total operating expenses of $A1,168m, up 9% on FY19 primarily driven by additional headcount in the US and Europe to support future business growth and unfavourable foreign exchange movements

1. Includes net income on equity and debt investments, share of net losses of associates and joint ventures and other (expenses)/income. 2. Includes internal net interest expense and transfer pricing on funding provided by Group Treasury that is eliminated on consolidation in the Group's statutory P&L. 3. Internal revenue allocations are eliminated on consolidation in the Group's statutory P&L. 4. Management accounting profit before unallocated corporate costs, profit share and income tax. 5. 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.

C | Glossary

Glossary

$A / AUD	Australian Dollar
$US / USD	United States Dollar
£ / GBP	Pound Sterling
€	Euro
1H20	Half-Year ended 30 September 2019
2H20	Half-Year ended 31 March 2020
1Q21	First Quarter ended 30 June 2020
1H21	Half-Year ended 31 March 2021
2H21	Half-Year ended 31 March 2021
ABN	Australian Business Number
ADI	Authorised Deposit-Taking Institution
AGS	Aberdeen Glasgow Southampton
ALX	Atlas Arteria
AML	Anti-Money Laundering
ANZ	Australia and New Zealand
APRA	Australian Prudential Regulation Authority
ASX	Australian Stock Exchange
AUM	Assets under Management
BCBS	Basel Committee on Banking Supervision
BFS	Banking and Financial Services
CAF	Corporate and Asset Finance
Capex	Capital Expenditure
CCB	Capital Conservation Buffer

CET1	Common Equity Tier 1
CFM	Commodities and Financial Markets
CGM	Commodities and Global Markets
CLF	Committed Liquidity Facility
CMA	Cash Management Account
CRM	Customer Relationship Management
CY19	Calendar Year ending 31 December 2019
DCM	Debt Capital Markets
DPS	Dividends Per Share
DRP	Dividend Reinvestment Plan
DTA	Deferred Tax Asset
ECAM	Economic Capital Adequacy Model
ECM	Equity Capital Markets
EMEA	Europe, the Middle East and Africa
EPS	Earnings Per Share
EUM	Equity Under Management
FX	Foreign Exchange
FY16	Full Year ended 31 March 2016
FY17	Full Year ended 31 March 2017
FY18	Full Year ended 31 March 2018
FY19	Full Year ended 31 March 2019
FY20	Full Year ended 31 March 2020
FY21	Full Year ended 31 March 2021

Glossary

GIFII	Macquarie Global Infrastructure Fund 2
GIG	Green Investment Group
GLL	GLL Real Estate Partners
IPO	Initial Public Offering
IRB	Internal Ratings-Based
IFRS	International Financial Reporting Standards
IT	Information Technology
KMGF	Korea Macquarie Growth Fund
LBO	Leveraged Buyout
LCR	Liquidity Coverage Ratio
LNG	Liquefied Natural Gas
M&A	Mergers and Acquisitions
MacCap	Macquarie Capital
MAM	Macquarie Asset Management
MBL	Macquarie Bank Limited
MD&A	Management Discussion & Analysis
MEIF	Macquarie European Infrastructure Fund 1
MEIF3	Macquarie European Infrastructure Fund 3
MEREP	Macquarie Group Employee Retained Equity Plan
MGL / MQG	Macquarie Group Limited
MIC	Macquarie Infrastructure Corporation
MIDIS	Macquarie Infrastructure Debt Investment Solutions
MiFID	Markets in Financial Instruments Directive
MIM	Macquarie Investment Management
MIP	Macquarie Infrastructure Partners Fund 1
MIRA	Macquarie Infrastructure and Real Assets

MQA	Macquarie Atlas Roads
MREI	Macquarie Real Estate Investments
MSIS	Macquarie Specialised Investment Solutions
MW	Mega Watt
NGLs	Natural gas liquids
No.	Number
NPAT	Net Profit After Tax
NPC	Net Profit Contribution
NSFR	Net Stable Funding Ratio
OTC	Over-The-Counter
P&L	Profit and Loss Statement
PPE	Property, Plant and Equipment
PPP	Public Private Partnership
RBA	Reserve Bank of Australia
RHS	Right Hand Side
ROE	Return on Equity
RWA	Risk Weighted Assets
SBI	State Bank of India
SME	Small and Medium Enterprise
SMSF	Self Managed Super Fund
SAF	Specialised and Asset Finance
UK	United Kingdom
US	United States of America
VaR	Value at Risk
WHS	Work Health and Safety
YoY	Year on Year

MACQUARIE

Jefferies Asia Forum

Presentation to Investors and Analysts
14-16 September 2020

Alex Harvey
Chief Financial Officer

Sam Dobson
Head of Investor Relations