MACQUARIE

Operational Briefing

Presentation to Investors and Analysts

11 February 2020

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Unless otherwise specified all information is as at 31 Dec 2019.

Numbers are subject to rounding and may not fully reconcile.

01

Introduction

Sam Dobson

Head of Investor Relations

Agenda

10:00	**Introduction** Sam Dobson
10:05	**Update since the interim result** Shemara Wikramanayake
10:30	**Risk Management Group** Patrick Upfold
10:40	**The Banking Group** Mary Reemst
10:50	**Banking and Financial Services** Greg Ward
11:25	**Commodities and Global Markets** Nicholas O'Kane

02

Update since the interim result

Shemara Wikramanayake

Managing Director and Chief Executive Officer

About Macquarie

MACQUARIE

Annuity-style activities

Annuity-style Net Profit Contribution ~60%

Macquarie Asset Management (MAM)

- Top 50[1] global specialist asset manager with $A587.5b[2] 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, equities, fixed income, private credit and multi-asset solutions

Banking and Financial Services (BFS)

- Macquarie's retail banking and financial services business with total BFS deposits[3] of $A57.7b[2], Australian loan and lease portfolio[4] of $A72.2b[2] and funds on platform[5] of $A91.6b[2]
- 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

Markets-facing activities

Markets-facing Net Profit Contribution ~40%

Commodities and Global Markets (CGM)

- Specialised and Asset Finance delivers a diverse range of tailored finance solutions globally across a variety of industries and asset classes
- Commodity Markets – 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, media and telecoms
- Provides clients with risk and capital solutions across physical and financial markets
- Diverse platform covering more than 25 market segments, with more than 200 products

Macquarie Capital (MacCap)

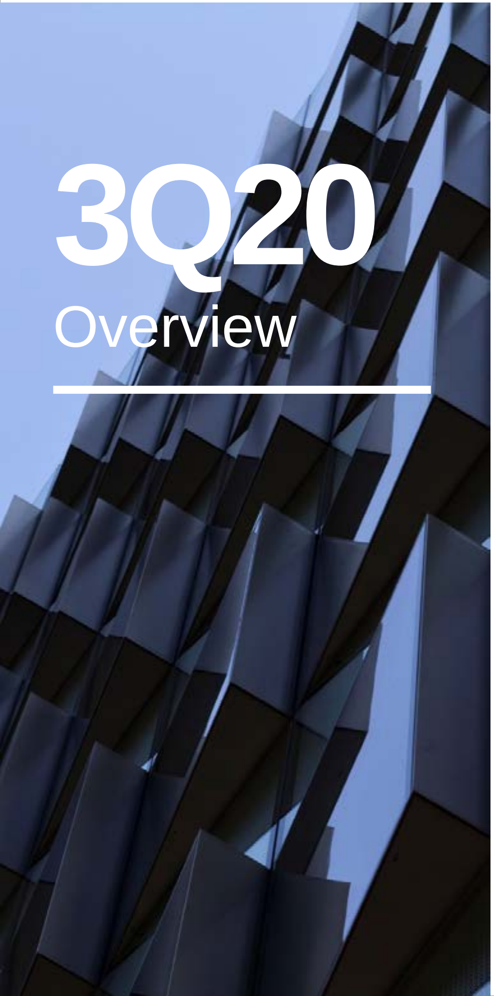
Global capability in:

- Advisory and capital raising services, providing clients with specialist expertise, advice and flexible capital solutions across a range of sectors and investing alongside partners and clients, across the capital structure
- Infrastructure, green and conventional energy, focusing on utilising its balance sheet to construct assets, build businesses and create platforms across development, construction and operational phases

1H20 Net Profit Contribution

MAM	BFS	CGM	CGM	MacCap
~39%	~13%	~8%	~32%	~8%

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 MacCap following the change in nature of the business and consolidating all principal investing activity. 1. P&I Largest Money Managers 2019. 2. As at 31 Dec 19. 3. BFS deposits exclude corporate/wholesale deposits. 4. The Australian loan and lease portfolio comprises residential mortgages, loans to Australian businesses, vehicle finance, and credit cards. 5. Funds on platform include Macquarie Wrap and Vision. 6. Includes general plant & equipment.



3Q20
Overview

- Satisfactory trading conditions in 3Q20 across the Group
- Macquarie's annuity-style businesses' (MAM and BFS) combined 3Q20 net profit contribution[1] up on prior corresponding period (pcp) (3Q19)
  - FY20 year to date (YTD)[2] net profit contribution up on FY19 YTD[2] mainly due to: higher base and performance fees in MAM; and continued volume growth partially offset by margin pressure in BFS.
- Macquarie's market-facing businesses' (CGM and MacCap) combined 3Q20 net profit contribution significantly down on pcp
  - FY20 YTD[2] net profit contribution down on FY19 YTD[2] primarily due to: significantly lower investment-related income in MacCap compared to a strong pcp that benefited from large asset realisations; partially offset by stronger activity across most of the businesses in CGM.

1. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 2. YTD refers to the nine months to 31 Dec for the relevant year.

3Q20
Overview
Annuity-style businesses

Macquarie Asset Management

39%

1H20 contribution[1]

- AUM of $A587.5b at Dec 19, up 5% on Sep 19
- MIM: $A384.2b in AUM, up 6% on Sep 19, primarily driven by the acquisition of the assets related to the mutual fund management business of Foresters Investment Management Company Inc. and market movements, partially offset by foreign exchange
- MIRA: $A137.5b in EUM[2], up 2% on Sep 19. In 3Q20, $A5.5b in new equity raised, $A7.2b of equity invested and $A5.5b of asset divestments. $A21.1b of equity to deploy at Dec 19
- Macquarie entered into a sales agreement with Sunsuper to sell a 25% stake of Macquarie AirFinance in Dec 19

Banking and Financial Services

13%

1H20 contribution[1]

- Total BFS deposits[3] of $A57.7b at Dec 19, up 3% on Sep 19
- Australian mortgage portfolio of $A48.6b at Dec 19, up 11% on Sep 19
- Funds on platform[4] of $A91.6b at Dec 19, flat on Sep 19
- Business banking loan portfolio of $A8.9b at Dec 19, up 4% on Sep 19
- Australian vehicle finance portfolio of $A14.2b at Dec 19, down 3% on Sep 19

1. Based on 1H20 net profit contribution from operating groups as reported on 1 Nov 19. 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. BFS deposits exclude corporate/wholesale deposits. 4. Funds on platform include Macquarie Wrap and Vision.

3Q20
Overview
Markets-facing businesses

MACQUARIE

Commodities and Global Markets

40%

1H20 contribution[1]

- Strong contribution from client hedging and trading opportunities across the commodities platform, particularly from Global Oil, North American Gas & Power, EMEA Gas & Power, Metals and Agriculture businesses
- Continued strong customer activity in FX across all regions
- Ongoing strength in ANZ and US Futures driven by customer activity
- Consistent performance from asset finance portfolio on pcp, primarily from the Technology, Media and Telecoms (TMT) leasing business and continued strong performance from the UK energy meters business
- Maintained ranking as No. 2 physical gas marketer in North America
- No 1 Futures Broker on the ASX[2]
- Awarded 2019 Natural Gas/LNG House of the Year[3]

Macquarie Capital

8%

1H20 contribution[1]

- 109 transactions valued at $A76.4b[4] completed globally, up on prior period and down on a strong pcp
- Maintained No. 1 in ANZ for Completed and Announced M&A[5]
- Fee revenue up on pcp across advisory, DCM and ECM
- Investment-related income significantly down on a particularly strong pcp that benefited from large asset realisations including Quadrant, PEXA and Energetics

Transaction Highlights

- Sole financial advisor to Alaska National Insurance Company, a leading specialty insurer focused on workers compensation, on its sale to CopperPoint Insurance Companies
- Strong principal finance lending activity in Q3 with $A1b committed in new primary debt financings, weighted towards bespoke originations, provided to clients globally
- Sole financial advisor and lead equity sponsor for the Europe Transport Deal of the Year [6], the £1bn Silvertown Tunnel PPP project. The project will be the first new road crossing of the River Thames in the last 30 years and the largest UK transport PPP in the past 10 years
- Formosa 2, a ~US$2bn offshore wind project reached Financial Close which, once complete, will generate 376MW to support approximately 380,000 Taiwanese households while displacing around 18,750kt CO2e over its lifetime
- No. 1 Global New Energy Finance Sponsor[7]

1. Based on 1H20 net profit contribution from operating groups as reported on 1 Nov 2019. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax.
2. Based on overall market share on ASX24 Futures volumes as at 31 Dec 19. 3. 2019 Energy Risk Awards. 4. Dealogic and IJGlobal for Macquarie Group completed M&A, investments, ECM and DCM transactions converted as at 31 Dec 2019. Deal values reflect the full transaction value and not an attributed value. 5. Dealogic & Refinitiv 1 Jan – 31 Dec 2019 (by volume). 6. Project Finance International Awards 2019.
7. Bloomberg New Energy Finance Clean Energy League Tables CY19 (by volume).

Macquarie's global footprint

Total staff[1]
15,760

58%
International staff

Americas
Staff
2,731

CANADA
Calgary
Montreal
Toronto
Vancouver

LATIN AMERICA
Mexico City
Sao Paulo
Santiago

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

EMEA
Staff
2,411

EUROPE
Amsterdam
Braintree
Dublin
Edinburgh
Frankfurt
Geneva
London
Luxembourg
Madrid
Munich
Paris
Reading
Vienna
Zurich

MIDDLE EAST
Dubai

SOUTH AFRICA
Cape Town
Johannesburg

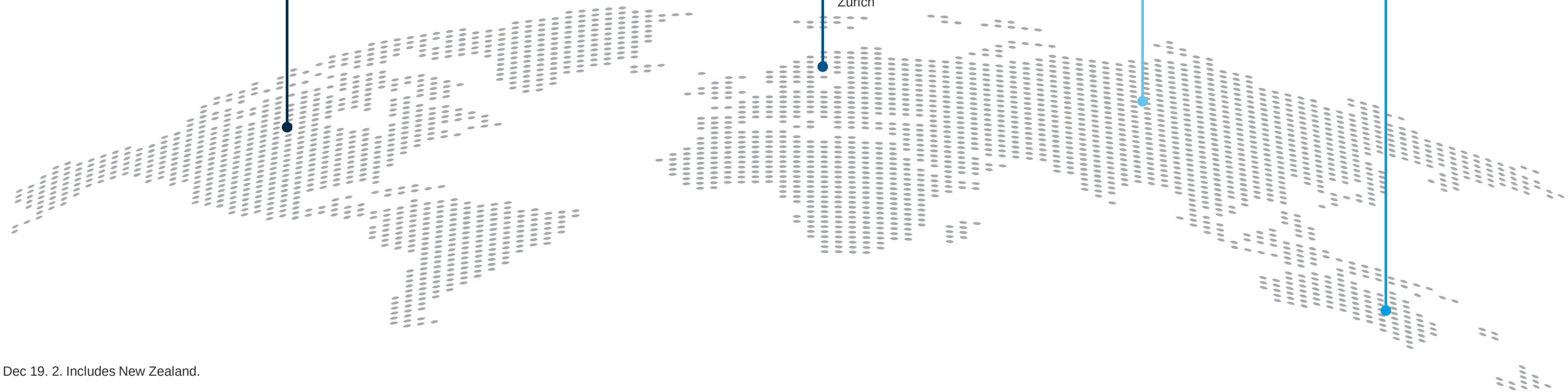
Asia
Staff
3,983

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

Australia[2]
Staff
6,635

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

NEW ZEALAND
Auckland

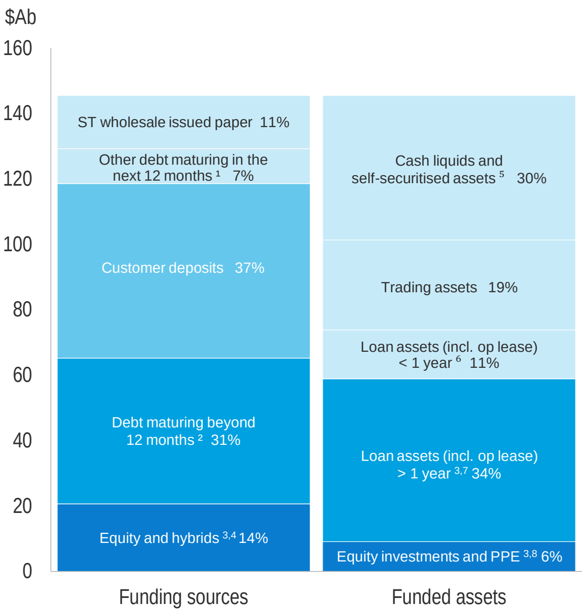


1. As at 31 Dec 19. 2. Includes New Zealand.

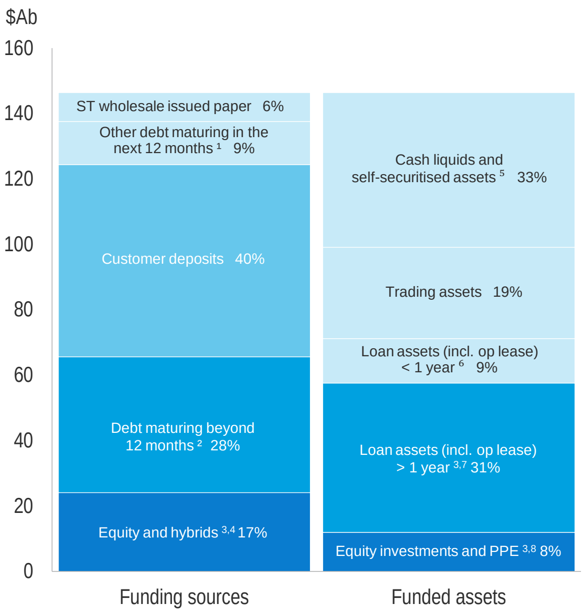
Funded balance sheet remains strong

Term liabilities exceed term assets

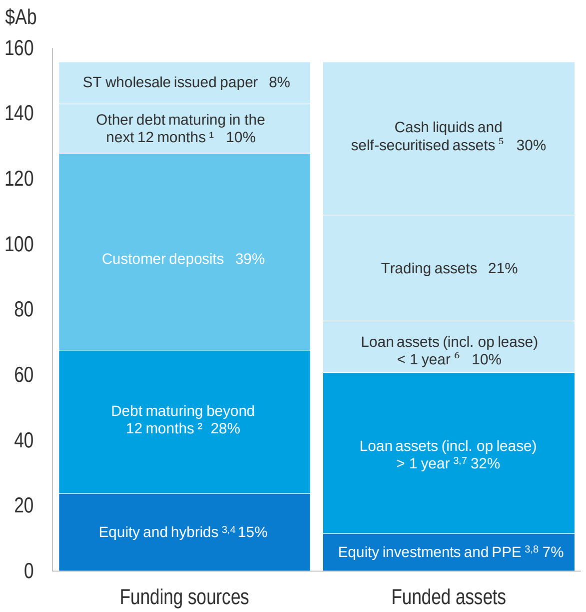
31 Dec 2018



30 Sep 2019



31 Dec 2019



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 maturing within the next 12 months and Net Trade Creditors. 2. 'Debt maturing beyond 12 months' includes Subordinated debt not maturing within next 12 months. 3. Non-controlling interests netted down in 'Equity and hybrids', 'Equity investments and PPE' and 'Loan assets (incl. op leases) > 1 year'. 4. Hybrid instruments include Macquarie Income Securities, Macquarie Additional Capital Securities, Macquarie Capital Notes 2, 3 & 4 and Macquarie Bank Capital Notes. 5. 'Cash, liquids and self-securitised assets' includes self-securitisation of repo eligible Australian assets originated by Macquarie, a portion of which Macquarie can utilise as collateral in the Reserve Bank of Australia's Committed Liquidity Facility. 6. 'Loan Assets (incl. op lease) < 1 year' includes Net Trade Debtors. 7. 'Loan Assets (incl. op lease) > 1 year' includes Debt Investment Securities. 8. 'Equity investments and PPE' includes Macquarie's co-investments in Macquarie-managed funds and equity investments.

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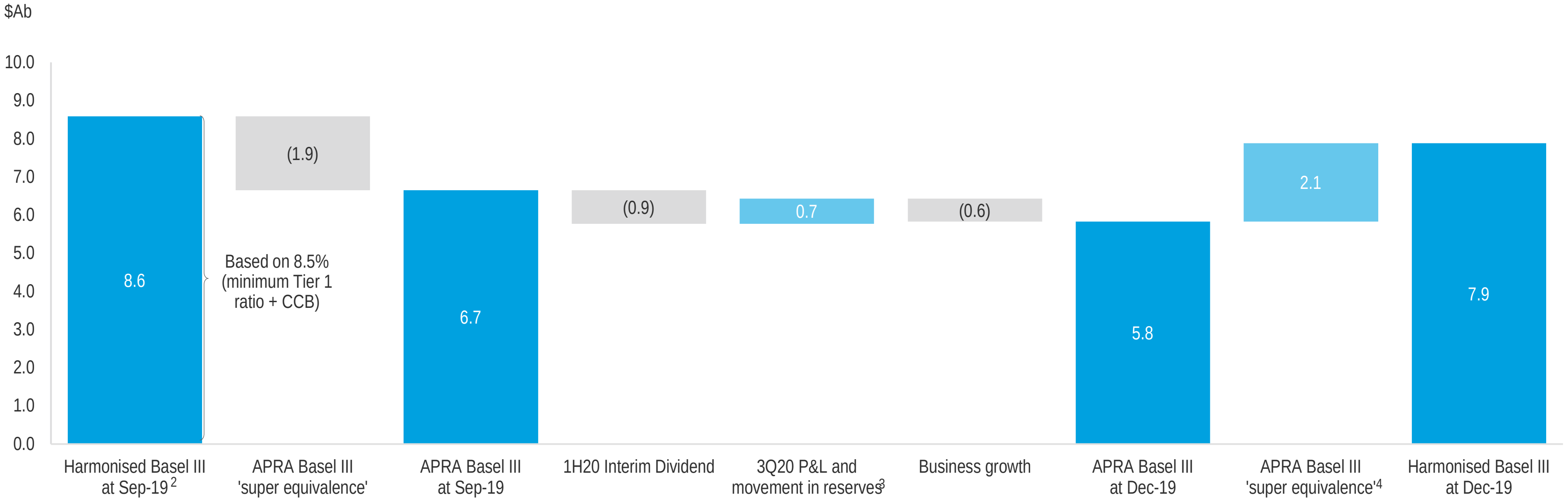
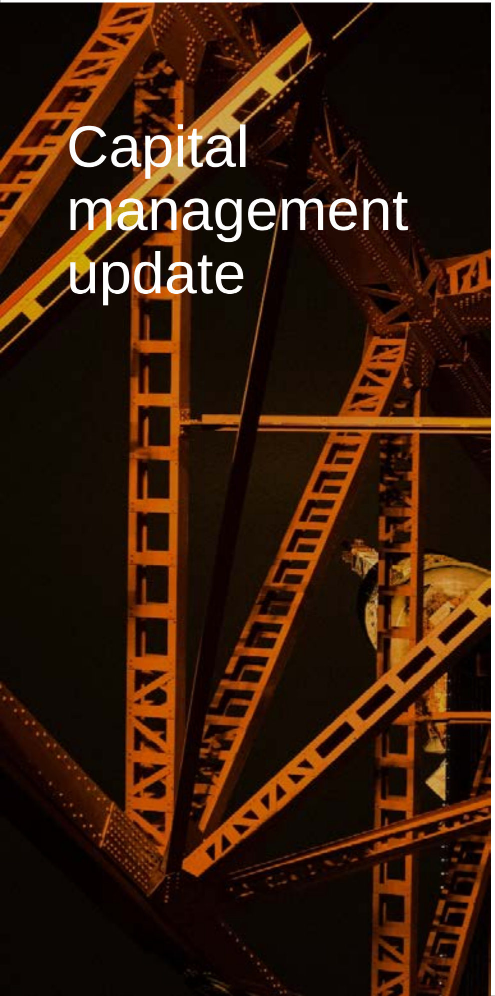
Basel III capital position

APRA Basel III Group capital at Dec 19 of $A23.6b; Group capital surplus of $A5.8b[1]

Group regulatory surplus: Basel III (Dec 19)



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 ~13bps. 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. Includes current quarter P&L, movement in the foreign currency translation reserve and other movements in capital supply. 4. 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 $A0.9b; capitalised expenses $A0.4b; equity investments $A0.3b; investment into deconsolidated subsidiaries $A0.1b; DTAs and other impacts $A0.4b.

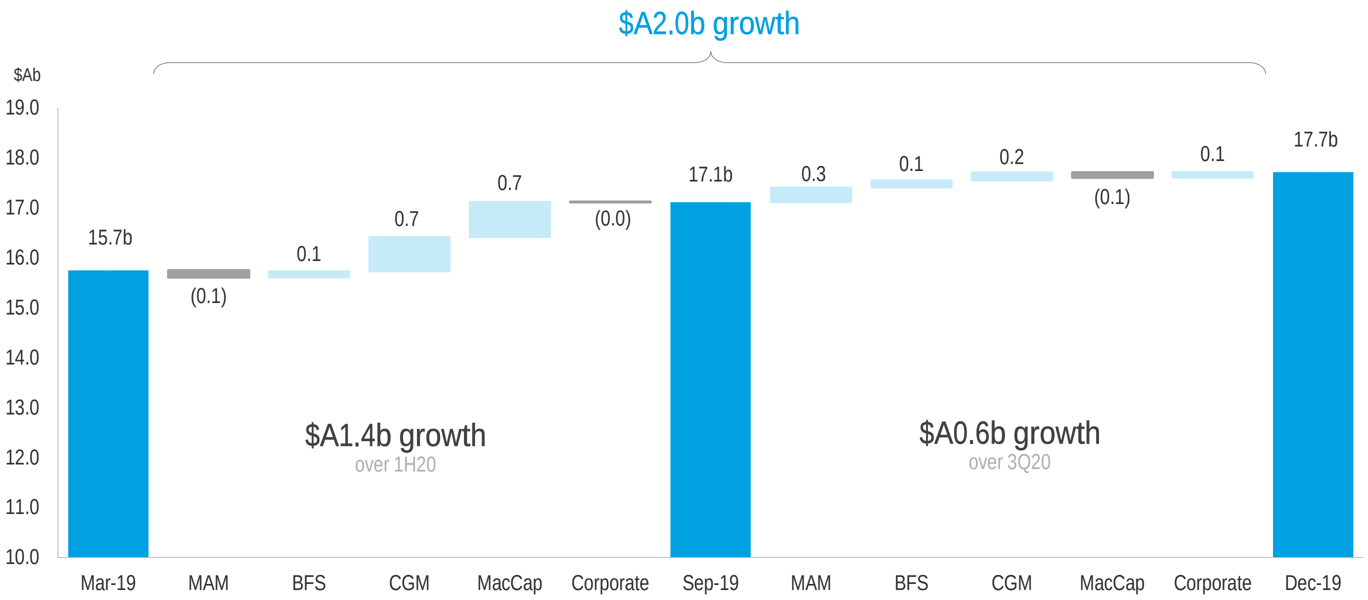


Capital management update

Additional Tier 1 Capital

- On 30 Jan 2020, MBL announced that it intends to repay the $A400m Macquarie Income Securities (MIS) on 15 Apr 2020
  – MIS were issued in 1999 and receive transitional treatment under APRA's prudential standards that results in reducing capital recognition. The repayment will reduce Tier 1 capital by $A94m
- MBL also intends to redeem the $A429m Macquarie Bank Capital Notes (BCN) on 24 Mar 2020
- A new offer of Macquarie Bank Capital Notes 2 (BCN2), issued by Macquarie Bank Limited, is expected to launch shortly
  – A prospectus for the BCN2 offer will be made available when the offer is launched

Business capital requirements[1]



3Q20 KEY DRIVERS

MAM

- Increased requirements driven by short-term underwriting activity

BFS

- Increase in mortgages and business banking loan portfolios, partially offset by decrease in the vehicle finance portfolio

CGM

- Increased requirements driven by lending and trading activity

MacCap

- Includes asset realisations, partially offset by lending activity

1. Regulatory capital requirements are calculated at 8.5% RWA including the capital conservation buffer (CCB), per APRA ADI Prudential Standard 110.

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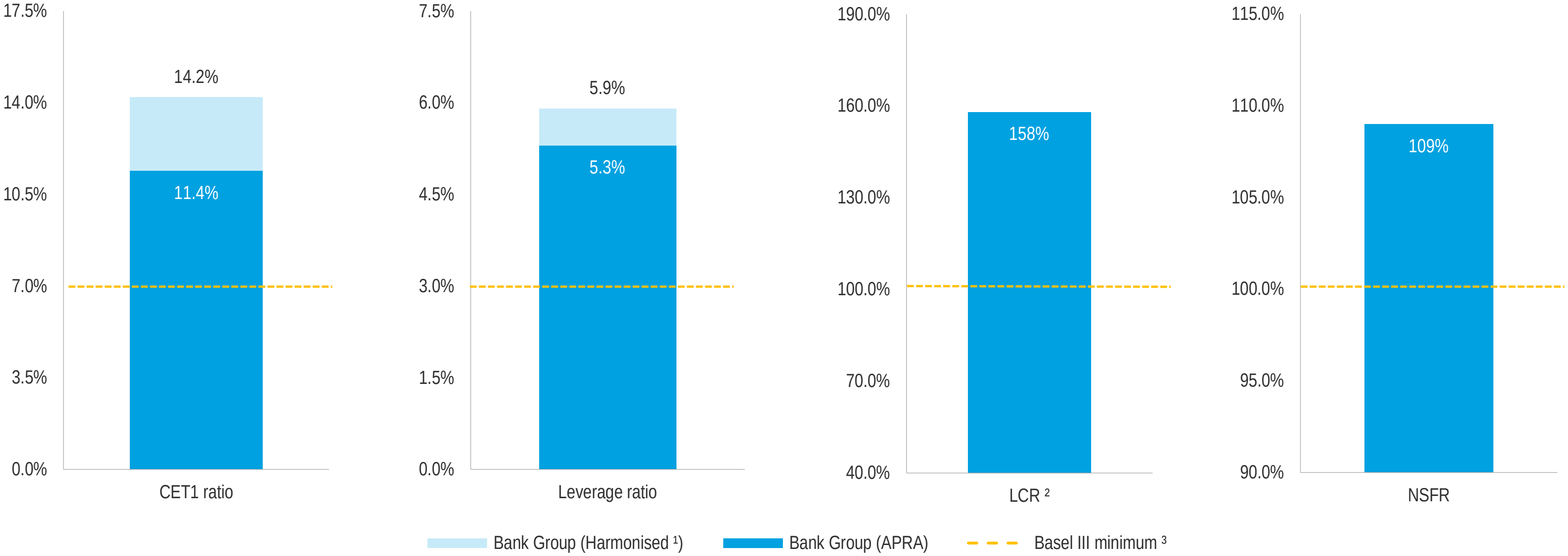
Strong regulatory ratios

Bank Group (Dec 19)



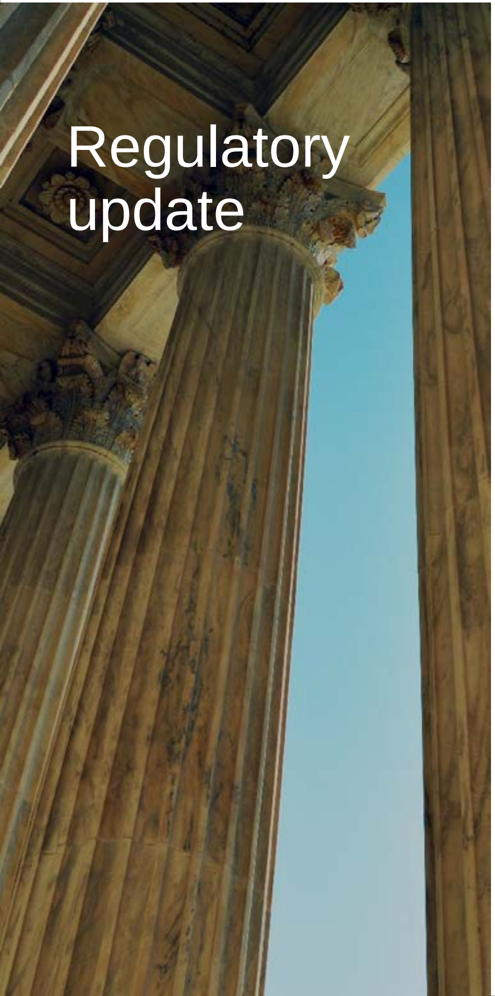
1. 'Harmonised' Basel III estimates are calculated in accordance with the BCBS Basel III. 2. Average LCR for Dec 19 quarter is based on an average of daily observations. 3. Includes the capital conservation buffer in the minimum CET1 ratio requirement. In Nov 18, APRA released a draft update to 'Prudential Standard APS 110 Capital Adequacy' proposing a minimum requirement for the leverage ratio of 3.5% effective 1 Jan 22.

Regulatory update

Australia

- APRA is currently undertaking regulatory reviews in a number of areas, including:
  - Finalisation of Basel III - APRA is still finalising rules for Australian banks to ensure that their capital levels can be considered 'unquestionably strong'[1]
    - In Dec 19, APRA noted that it is giving consideration to the introduction of a non-zero default level for the countercyclical capital buffer (CCyB), as part of its broader reforms to the ADI capital framework[2]
    - In Dec 19, APRA released final standards on Operational Risk (APS 115), with the key update to the Jun 19 draft standards being confirmation of a 1 Jan 21 implementation date[3]
    - In Oct 19, APRA released its draft standards relating to APS 111, including changes to the capital treatment of investments in banking and insurance subsidiaries[4], with implementation from 1 Jan 21.
  - In Sep 19, APRA commenced a second consultation on capital calculation and risk management requirements relating to Interest Rate Risk in the Banking Book[5]
  - Loss-absorbing capacity (LAC) - APRA released a 'response to submissions' paper in Jul 19 outlining its approach for LAC to support the orderly resolution of Australian ADIs[6]
    - APRA has confirmed that MBL will be subject to additional LAC requirements, consistent with the approach for the major banks
  - In Jan 19, the Basel Committee on Banking Supervision (BCBS) released revisions to the market risk framework[7], with implementation from 1 Jan 22. APRA is yet to release draft standards
  - In Nov 18, APRA released draft prudential standards on its implementation of a minimum requirement for the leverage ratio of 3.5% expected to be effective from 1 Jan 22[8]. MBL's APRA leverage ratio was 5.3% at 31 Dec 19
  - In Aug 18, APRA released a discussion paper setting out potential options to improve the transparency, international comparability and flexibility of the capital framework. The proposals are not intended to change the amount of capital that ADIs are required to hold[9]
- 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
- In Jul 19, APRA released a draft prudential standard CPS 511 aimed at clarifying and strengthening remuneration requirements in APRA-regulated entities. A three-month consultation period closed 23 Oct 2019 during which Macquarie lodged its submission. APRA is yet to release final prudential standards
- In Jan 20, consistent with the Royal Commission recommendations, Federal Treasury released a proposals paper outlining its plan to extend BEAR to a new regime, FAR (Financial Accountability Regime) to include all APRA regulated entities. In a similar way to BEAR impacting ADIs, FAR will add a personal accountability regime to insurers and responsible superannuation entities. Treasury has commenced the consultation process and called for submissions by 14 Feb 2020. Macquarie is participating in the process and will make a submission

1. 'Revisions to the capital framework for ADIs'; 14 Feb 18; 'APRA responds to first phase of consultation on revisions to ADI capital framework'; 17 Jun 19. 2. 'APRA flags setting countercyclical capital buffer at non-zero default level'; 11 Dec 2019. 3. 'APRA finalises updated prudential standard on operational risk requirements for ADIs', 11 Dec 2019. 4. 'Revisions to APS 111 Capital Adequacy: Measurement of Capital'; 15 Oct 19. 5. 'Response to submissions: Interest rate risk in the banking book for authorised deposit-taking institutions'; 4 Sep 19. 6. 'Response to submissions - loss-absorbing capacity'; 9 Jul 19. 7. 'Minimum capital requirements for market risk'; 14 Jan 19. 8. 'Draft Prudential Standard APS 110 Capital Adequacy' and 'Response to submissions: Leverage ratio requirement for ADIs'; 27 Nov 18. 9. 'Improving the transparency, comparability and flexibility of the ADI capital framework'; 14 Aug 18.



Regulatory update

Brexit

- As previously stated, Macquarie does not believe that the UK's withdrawal from the European Union (EU) will be a material event for the Group
- Macquarie now has all its required licences to carry on regulated activity in Europe
- Macquarie has a longstanding and deep commitment to the UK as the hub for the EMEA region's operations and this will continue to be the case. Macquarie has been in the UK for 30 years with approximately 2,000 staff based there as at 31 Dec 2019
- Many of Macquarie's EMEA business lines have successfully built out from a strong UK hub to create a meaningful presence across continental Europe

Germany

- Macquarie continues to cooperate with German authorities in relation to an historical German lending transaction in 2011
- As indicated previously, the industry-wide investigation relating to dividend trading continues and Macquarie has been responding to requests for information about its activities
- As part of their industry-wide investigation, the authorities have recently designated as suspects approximately 60 current and former Macquarie staff in relation to historical short selling-related activities, most of whom are no longer at Macquarie and some of whom were already named in relation to the 2011 lending matter, including the MGL CEO
- The total amount at issue is not material and MGL has provided for the matter. We note that no current staff members have been interviewed to date

Factors impacting short-term outlook

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Annuity-style businesses

Non-Banking Group

Macquarie Asset Management (MAM)

- **Base fees** expected to be up on FY19
- **Combined performance fees, investment-related income (net of impairments) and net operating lease income** expected to be broadly in line

Banking Group

Banking and Financial Services (BFS)

- **Higher** deposit, loan portfolio and platform volumes
- Competitive dynamics to drive **margin pressure**

Markets-facing businesses

Non-Banking Group

Macquarie Capital (MacCap)

- Assume **market conditions broadly consistent** with FY19
- **Investment-related income will be down** on a particularly strong FY19

Banking Group

Commodities and Global Markets[1] (CGM)

- **Strong customer base** expected to continue to drive consistent flow across Commodities, Fixed Income, Foreign Exchange and Futures
- **Consistent contribution** from Specialised and Asset Finance linked to stable balance sheet
- Business benefitted from strong market conditions **across the commodities platform** YTD, which have not historically persisted

Corporate

- **Compensation ratio** expected to be consistent with historical levels
- Based on present mix of income, the FY20 **effective tax rate** is expected to be broadly in line with FY19

1. Note certain assets of the Credit Markets business, certain activities of the Cash Equities business and the Commodity Markets and Finance business, and some other less financially significant activities are undertaken from within the Non-Banking Group.

Short-term outlook

- While the impact of future market conditions makes forecasting difficult, we continue to expect the Group's result for FY20 to be slightly down on FY19
- Our short-term outlook remains subject to a range of factors including:
  - The completion rate of transactions and period-end reviews
  - Market conditions and the impact of geopolitical events
  - The impact of foreign exchange
  - Potential regulatory changes and tax uncertainties
  - Geographic composition of income

Medium-term

- Macquarie remains well-positioned to deliver superior performance in the medium term
- Deep expertise in major markets
- Build on our strength in business and geographic diversity and continue to adapt our portfolio mix to changing market conditions
  - Annuity-style income is primarily provided by two Operating Groups' businesses which are delivering superior returns following years of investment and acquisitions
    - Macquarie Asset Management and Banking and Financial Services
  - Two markets-facing businesses well positioned to benefit from improvements in market conditions with strong platforms and franchise positions
    - Commodities and Global Markets and Macquarie Capital
- Ongoing program to identify cost saving initiatives and efficiency
- Strong and conservative balance sheet
  - Well-matched funding profile with minimal reliance on short-term wholesale funding
  - Surplus funding and capital available to support growth
- Proven risk management framework and culture

Medium term

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Annuity-style businesses

Non-Banking Group

Macquarie Asset Management (MAM)

- Leading specialist global asset manager, well-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)

- Strong 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 any improvement in M&A and capital markets activity
- Continues to tailor the business offering to current opportunities, market conditions and strengths in each sector and region
- Opportunities for project development and balance sheet investment by the group and in support of partners and clients subject to market conditions

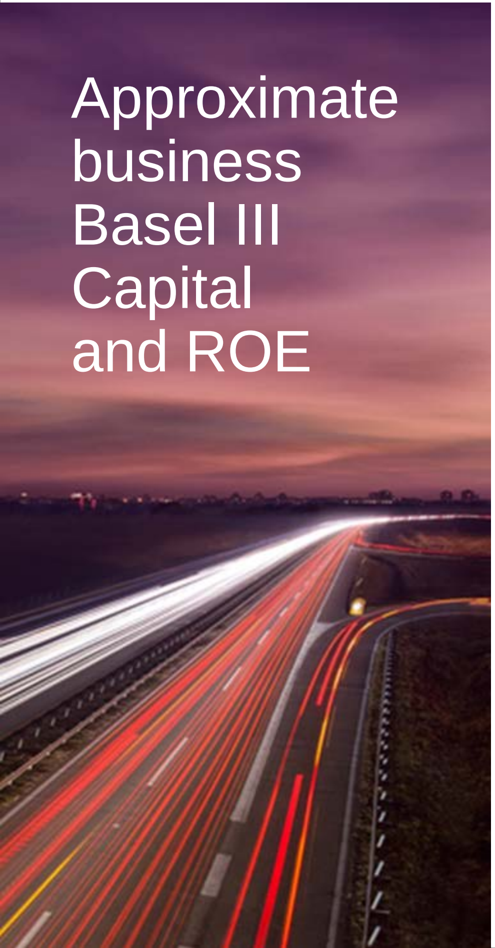
Banking Group

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 finance solutions globally across a variety of industries and asset classes
- Growing the client base across all regions
- Leveraging a strong market position in Asia-Pacific through investment in the equities platform
- Continued investment in asset finance portfolio

1. Note certain assets of the Credit Markets business, certain activities of the Cash Equities business and the Commodity Markets and Finance business and some other less financially significant activities are undertaken from within the Non-Banking Group.

Approximate business Basel III Capital and ROE



As at 30 Sep 2019

Operating Group	APRA Basel III Capital[1] @ 8.5% ($Ab)	Approx. 1H20 Return on Ordinary Equity[2]	Approx. 13-year Average Return on Ordinary Equity[3]
Annuity-style businesses	**7.9**		
Macquarie Asset Management	3.7	24%	22%
Banking and Financial Services	4.2		
Markets-facing businesses	**8.7**		
Commodities and Global Markets	5.0	18%	16%
Macquarie Capital	3.7		
Corporate	**0.4**		
Total regulatory capital requirement @ 8.5%	17.1		
Group surplus	6.7		
Total APRA Basel III capital supply	**23.8[4]**	16.4%	14%

Note: Differences in totals due to rounding. 1. Operating Group capital allocations are based on 30 Jun 19 allocations adjusted for material movements over the Sep 19 quarter. 2. NPAT used in the calculation of approx. 1H20 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 1H20, inclusive. 3. 13-year average covers FY07 to FY19, inclusive, and has not been adjusted for the impact of business restructures or changes in internal P&L and capital attribution. 4. Comprising of $A19.7b of ordinary equity and $A4.1b of hybrids.

MACQUARIE

03

Risk Management Group

Patrick Upfold

Group Head

MACQUARIE

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.

RMG supports Macquarie's strong risk culture

1985
What We Stand For (WWSF) First version

Establishment of RMG predecessor as a company-wide function
1985

Camp Macquarie for all new starters - now Success at Macquarie
1991

1996
Goals and Values specified as part of WWSF and refreshed periodically

1998
Integrity Office established – manages the Macquarie Staff Hotline; whistleblower policy and integrity issues

Guidelines for Team Leaders predecessor for Guidelines for People Leaders
1999

2003
Code of Conduct first version

2010
Risk Mindsets and Behaviours team formed – to undertake risk culture assessments of Macquarie's businesses and functions

2013
MGL Board Risk Appetite Statement and Risk Culture Overview

2014
Consequence management guidelines - formal documentation of long-held practices

WWSF and Code of Conduct refresh

2015
Group-wide Conduct Risk Program – launch of an integrated approach

#integrity campaign – global month-long messaging of the importance of integrity with leader led discussions
2016

2017
Customer Advocate Office established

2018

Roll-out of Standards for Supervision

Behavioural Risk Division

Code of Conduct refresh

Development of Group-wide Risk Taxonomy and enhancements to Risk Appetite Statement and Risk Management Strategy

2019

Internal Audit headcount increased by one third to strengthen third line of defence

Conduct Risk definition and Conduct Risk Management Framework enhanced

Business Operational Risk Model enhancements

Increased mandate of Regulatory Affairs and Aggregate Risk division

Compliance operating model restructure

Financial Crime Risk Division created as a standalone Division

Risk surveillance moved to RMG Enterprise Support

Credit operating model and approvals framework review

MACQUARIE

RMG divisions

RMG's specialist functional divisions together provide broad independent coverage of Macquarie's material risks

Chief Risk Officer

Non-financial risk				Financial risk		
Compliance	**Operational Risk**	**Behavioural Risk**	**Financial Crime Risk (FCR)**	**Credit Risk**	**Market Risk**	**Quantitative Applications Division (QAD)**
Enables business management to fulfil their supervisory responsibilities by establishing an effective, robust, compliance framework.	Applies the operational risk management framework to identify, assess and manage the risks arising from failures of people, processes, systems and external events.	Provides expertise and oversight on risk culture, conduct risk, environmental and social risk, and work health and safety.	Develops and maintains an Anti-Money Laundering, Sanctions and Anti-Bribery and Corruption control framework providing expertise on these risks.	Assesses, approves and monitors all material credit and equity risk undertaken by Macquarie.	Quantifies and constrains Macquarie's exposure to adverse movements in market rates and volatility.	Manages model risk in Macquarie's models used for pricing, capital calculation and credit provisioning.

Across all areas

Regulatory Affairs & Aggregate Risk (RAAR)	RMG Enterprise Support (RES)	Internal Audit
Ensures Macquarie is compliant with prudential regulation and provides oversight for regulatory affairs. Monitors aggregate risk across all risk types.	Supports the effective and efficient operation of RMG by providing centralised services for strategy, data management, analytics, change, projects, and operational risk management in RMG. Supports Group-wide risk governance, risk training and risk surveillance.	Provides independent and objective risk-based assurance on compliance with, and effectiveness of Macquarie's financial and risk management framework.

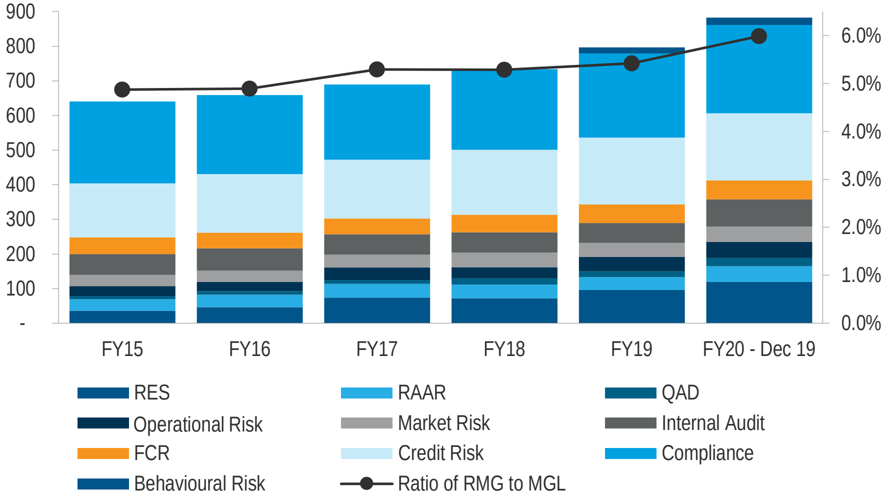
Our people

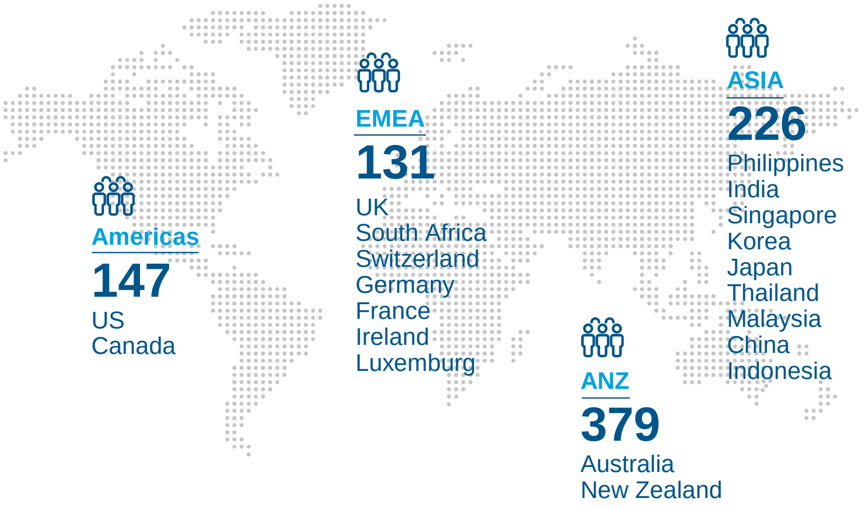
RMG has grown in line with Macquarie's global business mix and in response to the changing regulatory landscape to ensure appropriate resourcing and effective oversight of risk

7% RMG staff 5-year CAGR

883 RMG staff globally

57% of RMG staff are based outside ANZ





Data as per Dec 31 2019. Permanent staff only.

MACQUARIE

Risk governance

Macquarie's strong risk governance structure supports risk-based decision making and oversight

Macquarie's five standing Board Committees assist the Board in its oversight role. The CEO has been granted authority for those matters not reserved for the Board or a Board Committee. Macquarie's Management Committees assist in the exercise of the CEO's delegated authority.

Macquarie Board

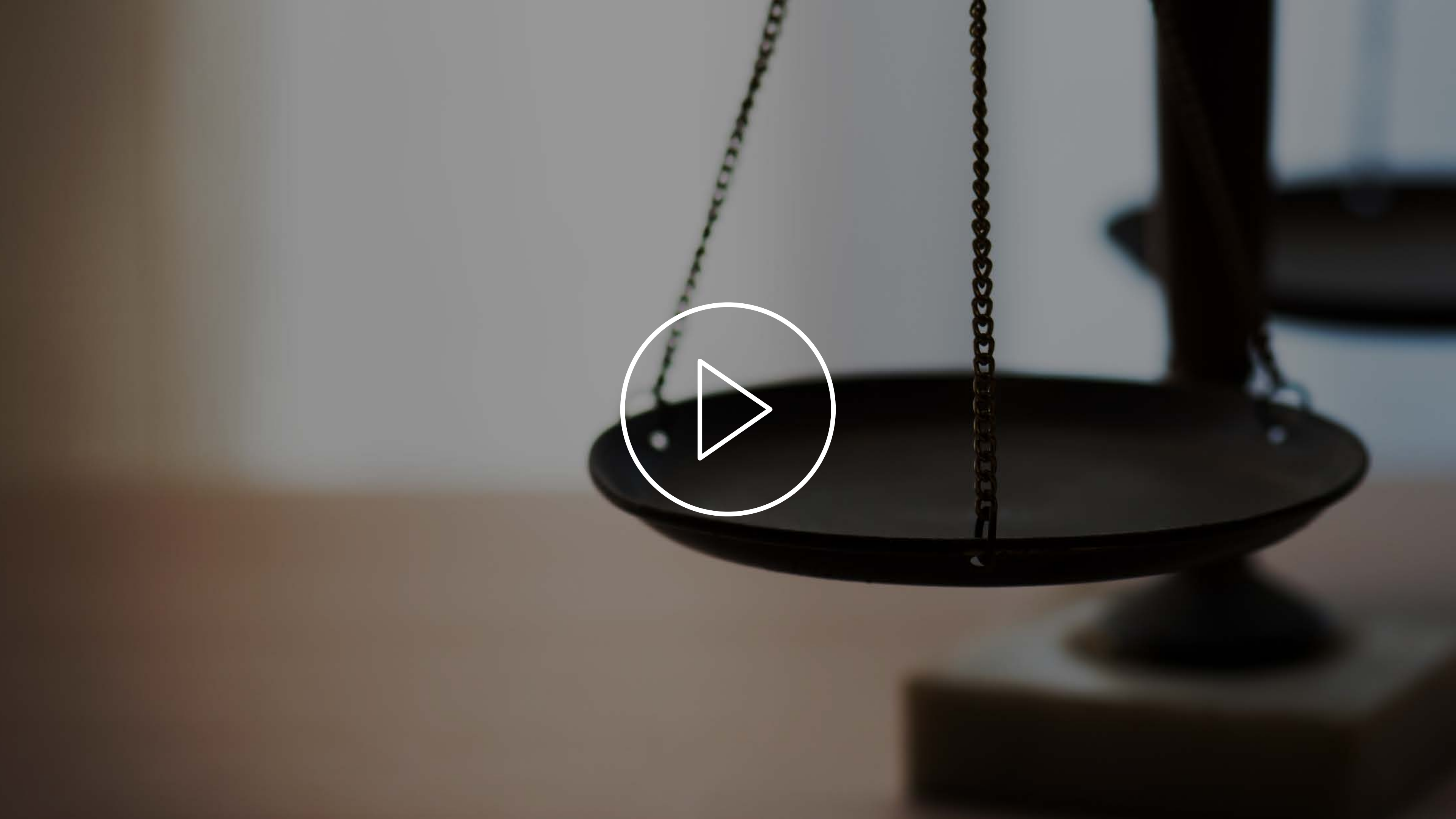
Board Audit Committee	Board Governance and Compliance Committee	Board Nominating Committee	Board Remuneration Committee	Board Risk Committee
Financial reporting, internal audit and external audit	Corporate governance and compliance including professional conduct, customer outcomes, WHSE and environmental and social risk	Board and Committee membership and renewal	Remuneration policies, practices and related disclosure, diversity and promotions	Risk culture, risk management framework, risk management strategy, risk appetite and risk profile

Macquarie Managing Director and Chief Executive Officer
Powers of the Macquarie Group Board within delegated limits for all matters except those reserved for the Board in the Board Charter or delegated to the Board Committees

Macquarie Management Committees

Head of Internal Audit

Chief Risk Officer



04

The Banking Group

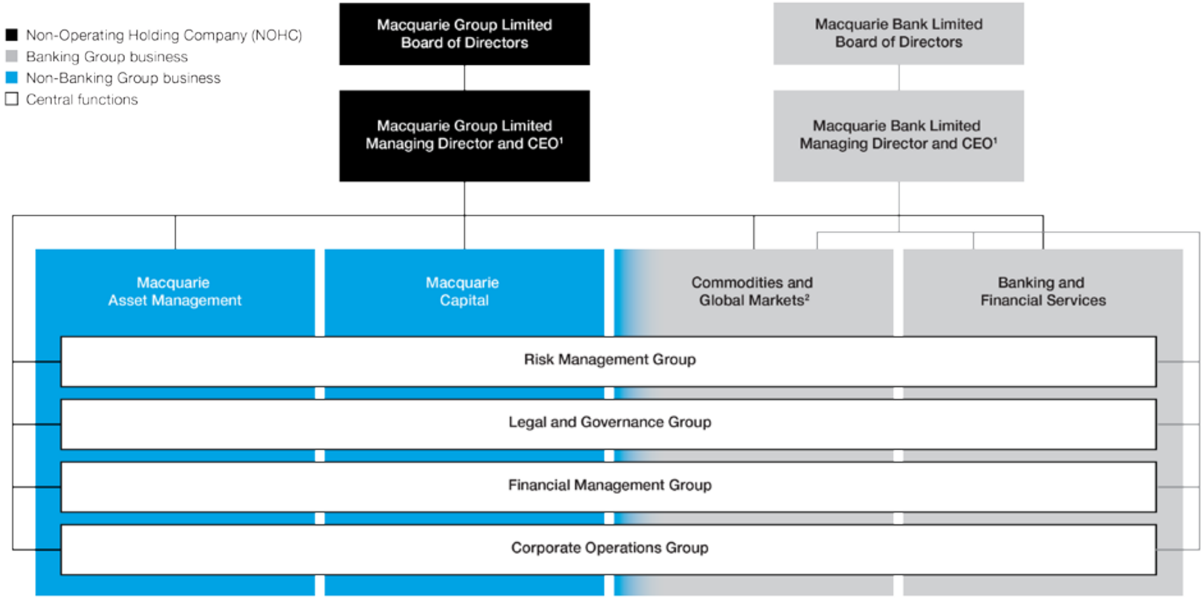
Mary Reemst

Macquarie Bank Limited

Managing Director and Chief Executive Officer

Group structure

The current structure allows the Bank and the Group to undertake a diverse range of businesses domestically and globally, which adds to their financial strength



1. The MGL CEO has senior executive responsibility for the management of the business activities of the Banking Group. The MBL CEO has senior executive oversight of the Banking Group's position in order to protect MBL's interests and fulfil its responsibilities as an ADI. The MBL CEO assists the MGL CEO in fulfilling her responsibilities to MBL. 2. Certain assets of the Credit Markets business, certain activities of the Cash Equities business and the Commodity Markets and Finance business, and some other less financially significant activities are undertaken from within the Non-Banking group.

Regulatory framework

MBL is authorised by APRA as an ADI in Australia

Additional regulatory focus on Non-financial risk, with attention on matters relating to Governance, Culture, Remuneration and Accountability

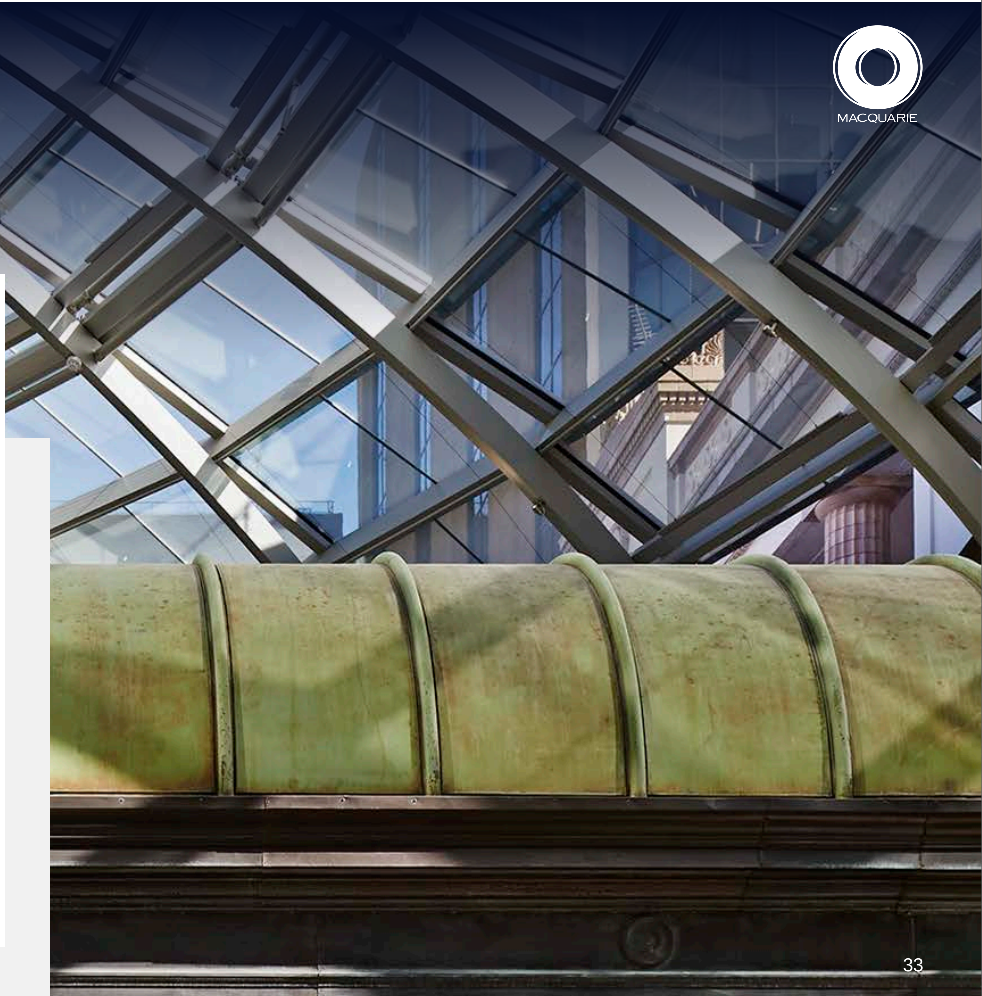
Increased coordination amongst regulators domestically and with regulators globally

Offshore regulators have raised their expectation of regional management accountability, oversight and control

Increased expectations and actions from our regulators across the industry, through an extensive regulatory change agenda

Macquarie's Regulatory Affairs and Aggregate Risk team is enhancing the global framework for regulatory engagement, and ensuring that our approach to regulatory affairs is coordinated across regions

Governance structure



Separate MBL and MGL Boards and Executive Committees, with separate charters, meetings and minutes

Common membership of MGL and MBL non-executive directors, with the MBL CEO as an additional member on the MBL Board

The MBL CEO has senior executive oversight of management's consideration of the Banking Group's position in order to protect the interests of MBL and fulfil its responsibilities as an ADI

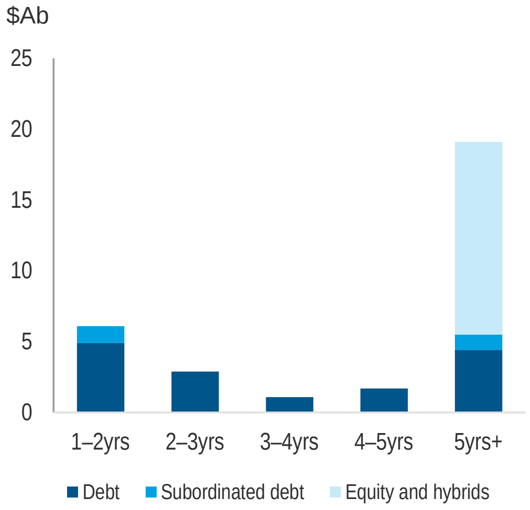
Clear roles and responsibilities for risk management are established through the 'three lines of defence'

The Banking Group adopts the Macquarie Group-wide Risk Management Framework and core risk management principles

Funding and capital

MBL S&P long-term rating upgraded to A+ from A on 11 Dec 2019

Term funding profile[1]



Basel III ratios

MBL Basel III ratios	Harmonised Basel III[3]	APRA Basel III
Common Equity Tier 1 Capital Ratio[2]	14.2%	11.4%
Tier 1 Capital Ratio[1]	16.0%	13.3%
Leverage Ratio[2]	5.9%	5.3%

Credit ratings

MACQUARIE BANK

STANDARD & POOR'S	MOODY'S	FitchRatings
28 years[4]	23 years	28 years
	'A' RATED	

Current ratings

STANDARD & POOR'S	MOODY'S	FitchRatings
'A+'	'A2'	'A'

1. Published Macquarie Bank Financial report as at 30 Sep 19. 2. As at 31 Dec 2019 3. 'Harmonised' Basel III estimates are calculated in accordance with the BCBS Basel III. 4. MBL upgraded to A+ on 11 Dec 2019.

MACQUARIE

Benefits from diversification and group structure

Macquarie's international presence and business diversity provides significant benefits to Macquarie Bank

Access to international capital markets

Access to funding across a range of markets, currencies and structures adds to MBL's resilience

Innovation and Competition

Leader in delivery of the low-cost, digital banking experience, and has a growing presence in the Australian retail market

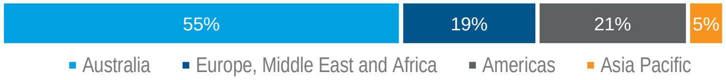
Ability to withstand economic shocks

A diversified group leads to lower concentration and greater ability to withstand economic shocks

Economies of scale

Scale provides cost efficiencies (e.g. less duplication of resources) and supports investment in technologies and products that would otherwise not be possible

Revenue from external customers by region[1]



Annuity-style v Markets-facing net profit contribution[1]

Funding by currency[2]

Gross Credit Exposure[3]

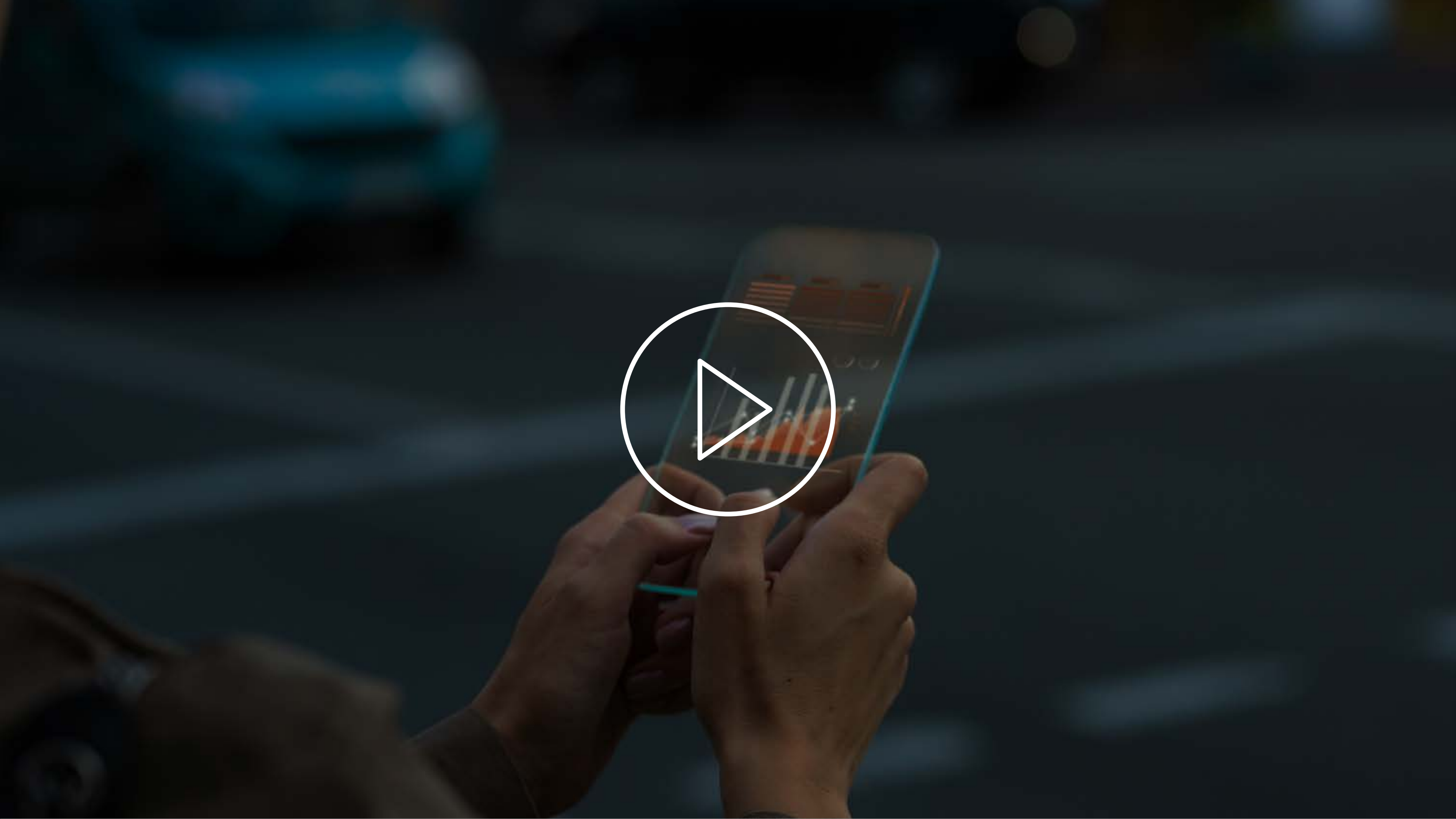
1. For the year ended 31 Mar 19. 2. As at 30 Sep 2019. 3. Published Pillar 3 disclosures as at 30 Sep 2019 which reflects Level 2 regulatory consolidated group. The 'Level 2' is different to the MBL accounting consolidated group as Level 2 excludes certain subsidiaries which are deconsolidated for APRA reporting purposes.

05

Banking and Financial Services

Greg Ward

Group Head



MACQUARIE

Banking and Financial Services

A technology-driven Australian retail bank and wealth manager

BFS

More than
1.5m
clients

2,650+
Staff[1]

FY19 Net profit contribution[2]
$A756m

Highlights

$A57.7b
deposits[1,3]

$A72.2b
loan and lease portfolio[1]

$A91.6b
funds on platform[1,4]

Comprehensive offering

Personal banking
Retail banking products including home loans, credit cards, transaction and savings accounts and vehicle finance

Business banking
Deposit, lending and payment for solutions for business clients, and dealer and wholesale vehicle finance

Wealth management
Wrap platform and cash management services, investment and superannuation products and private banking

Expertise and awards

Award winning **digital banking offering**

40+ years bringing innovation and competition to **Australian consumers**

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

Rebuilt our tech stack to become the first bank with lending and retail deposits powered by **one core banking system**

FY19 AWARDS

1. As at 31 Dec 19. 2. Net Profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 3. BFS deposits exclude corporate/wholesale deposits. 4. Funds on platform include Macquarie Wrap and Vision.

Evolution of Macquarie's retail banking business

We've transformed to focus on our Australian retail banking brand

1980 Launched Cash Management Trust Account

Business Banking in real estate, strata and legal services **1985**

1992 Settled first home loan in Australia

Established Private Bank

Commenced vehicle financing **1993**

Introduced DEFT **1995**

1999 Launched Macquarie Wrap platform

Launched credit cards **2007**

2013 Launched BFS revised strategy

2014 Commenced Core Banking transformation

Business Banking for mid-markets, health and built environment segments **2014**

2015 Launched digital banking

Launched transaction account

Esanda acquisition **2015**

2017 Australia's first open banking platform

2018 Launched Macquarie Marketplace

Integrated vehicle finance business into BFS[1]

2019 Largest ever AUD non-major bank securitisation transaction

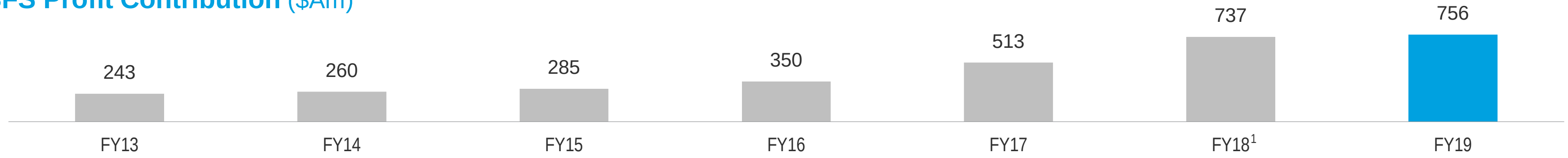
Enhanced Macquarie Wrap suite

Combined Private Bank with Macquarie Private Wealth **2019**

A market-leading Authenticator digital security app

Customers began receiving real time payments on the New Payments Platform (NPP) **2019**

BFS Profit Contribution ($Am)



1. During 2018, vehicle finance moved from Corporate and Asset Finance to BFS as a part of a reorganisation between Operating Groups. FY18 financial results were restated to reflect this change.

Focused on delivering exceptional client experiences

Client feedback shapes what we prioritise as a business

We map the client experience of banking with Macquarie to shape the products and services we deliver

- Embedded **Human Centred Design (HCD)** to map the experience of banking with Macquarie
- **Client insights** create **actionable feedback and prioritise** new initiatives, products and services
- Significant focus on the **faster resolution of client complaints** and **addressing the root causes** of issues
- Extended **vulnerable client support measures and staff training** to assist vulnerable clients with respect and compassion

We measure and learn from our clients' feedback

- **Proactive measurement of customer advocacy (NPS)** at specific interaction points, i.e. home loan settlement
- **Text analytics** interpret verbatim feedback at scale to gain insights into the experience of our clients
- **'Listen, Learn, Act'** forums share insights to inform product and service design
- **Prioritise** changes to our products and services **based on the impact to clients**

We assess client journeys

Human Centred Design in action

We understand our clients…

650+ client interactions observed as moments of delight or pain points

15 client journeys mapped

300+ client empathy interviews conducted

…in order to build the right things for the right problems, the first time

145 client pain points resolved to date

550+ opportunities identified

Enhancements include dramatic reduction in home loan approval times, **geo-triggered travel notifications** and in-app **natural language search**

MACQUARIE

We put client outcomes at the centre of our decision making

Apr 2017
Sedgwick Remuneration Review

May 2017
Removed ATM fees

Sept 2017
Australia's first open banking platform ahead of legislation

Nov 2017
Completed full disaster recovery test to demonstrate resilience with APRA

Dec 2017
Royal Commission into Financial Services announced

Apr 2018
New wealth advice remuneration structure
Announced Macquarie advisers will transition to a salary model and cease receiving grandfathered commissions

Jun 2018
Began private Comprehensive Credit Reporting testing for asset finance

Jul 2018
Adopted Insurance in Super Voluntary Code

Nov 2018
Establishment of Australian Financial Complaints Authority (AFCA)

Feb 2019
Royal Commission final report released

Jun 2019
Began private Comprehensive Credit Reporting testing for credit cards

Jul 2019
Moved ahead of industry to ban gambling transactions on credit cards

Jul 2019
Banking and Executive Accountability Regime (BEAR)
Subscribed to the ABA Banking Code of Practice

Aug 2019
Supervisor conduct training for people managers

Oct 2019
Completed Fee for No Service (FFNS) review

Dec 2019
Joined Comprehensive Credit Reporting Regime to support more informed home loan credit decisions

Dec 2019
ASIC Responsible Lending guidance (RG 209)

Jan 2020
New FASEA Code of Ethics for advisers

What more are we doing?

Client outcomes metrics
Continued focus on client outcomes through management reporting

Design and distribution
Embedding focus on vulnerability, customer outcomes, HCD and fairness

Supervision capability
Ongoing development program to support people manager supervision standards

Conduct risk management
Dedicated function to coordinate regulatory change, conduct and risk culture programs

Our focus on client outcomes is enabled by our risk culture

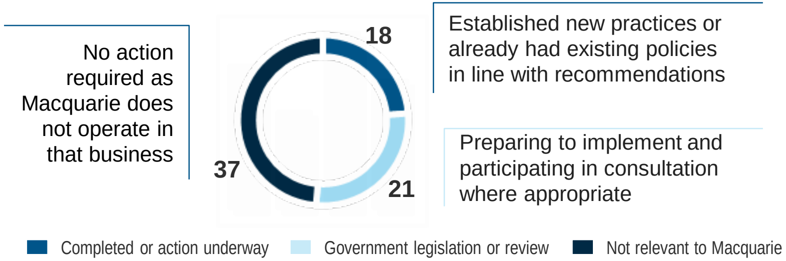
Comprehensive governance and accountability

Deep experience and strong governance

- **14.2** years average tenure across **23** BFS Executive, Operational and Risk Committee members who are subject to director retention scheme
- **600+** specialised risk and credit FTEs
- No variable incentives linked directly to sales volumes
- **Employee risk mindset and behaviours** monitoring, reporting and surveys to support risk culture[1]
- **Embedded financial and non financial risk management,** with robust long-term decision making and focus on fair client outcomes

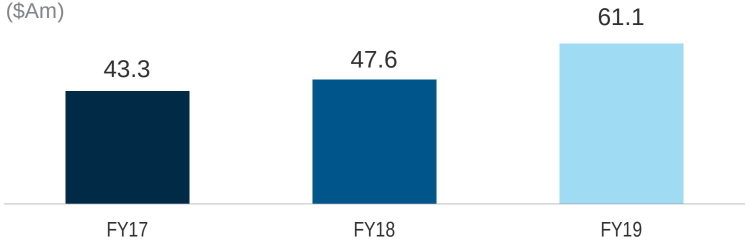
Royal Commission - no specific findings against Macquarie

Royal Commission's 76 recommendations (#)



Increased investment in regulatory compliance

Cost of regulatory compliance
($Am)



Our people are accountable for sound risk management

What our people say…

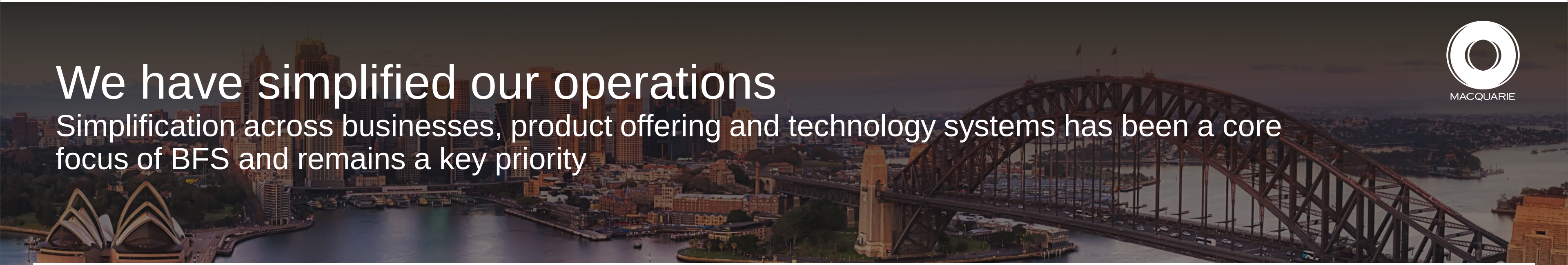
94% say they work hard to deliver the best outcome for their clients

90% say team members value and respect each others' contribution

89% feel senior leaders role model the right risk behaviours

All staff assessed twice yearly against **core risk management KPI** together with **robust consequence management**

1. Surveys include Global Staff Survey, D&I and risk culture.



We have simplified our operations

Simplification across businesses, product offering and technology systems has been a core focus of BFS and remains a key priority

Operations

- **Closed our global offices** to focus on the Australian retail opportunity
- **Exited non-core businesses** and investments
- Combined Private Wealth with Private Bank under a single structure, with a **clear focus on High Net Worth clients**

Product design and distribution

- Increased our focus on core Macquarie branded products, **discontinuing origination of white label home loans** and new white label products
- **Reduced home loan pricing** to single rate card
- Launched **new Macquarie Wrap pricing structure** and enhanced digital capabilities
- Simplified pricing structures for home loans and vehicle finance

Technology

- Fleet of robots deployed in operations to improve efficiencies and reduce manual handling risks
- **Invested in systems** to provide a **single unified view of the client** and decommissioning legacy systems

Simplified business with strategic exits

- Offshore mortgages businesses[1]
- Margin Lending[2]
- Offshore Wrap platforms[3]
- White label home loans[4]
- Closed global offices
- Consumer Lending[5]
- Offshore Macquarie Private Wealth[6]
- Life insurance business[7]
- Premium funding[8]

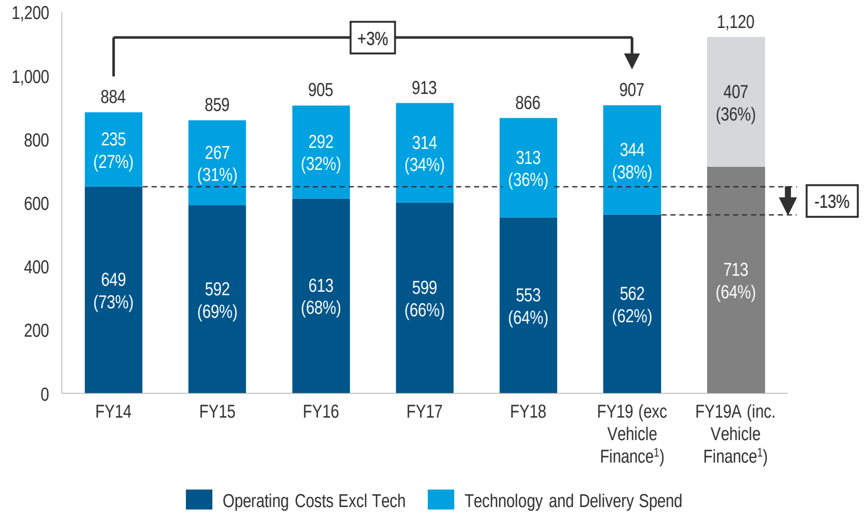
1. US '07; Italy '08; Canada '11. 2. Australia '09. 3. UK Wrap '10. 4. Australia '18. 5. Australia '08. 6. Asia '11; Canada '13. 7. Australia '16. 8. UK and Canada '13, Australia '19.

Cost base has remained flat

Costs have remained broadly flat despite significant volume growth in core products, and increasing investment in compliance and technology

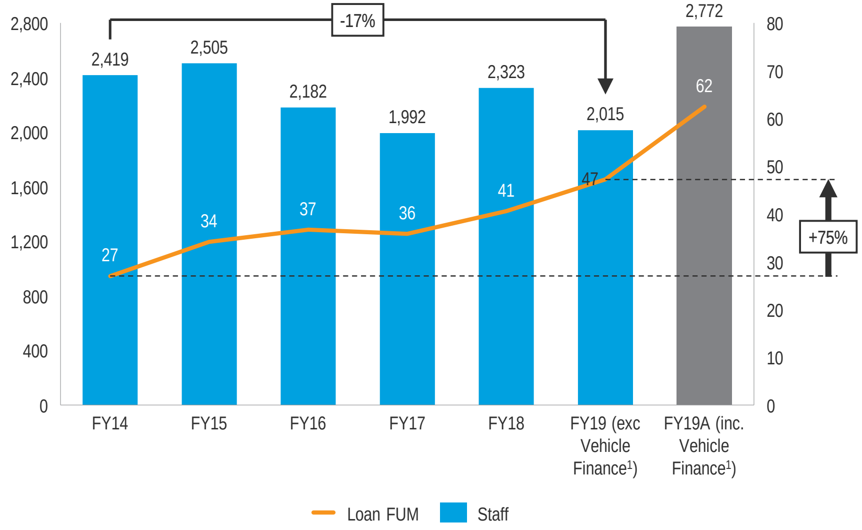
BFS operating costs (ex. Tech and Vehicle Finance[1]) have decreased 13% in five years

BFS Cost Base
($Am)



Staff numbers (ex. Vehicle Finance[1]) has decreased 17% in five years while loan FUM has increased 75%

Staff numbers # (LHS) **/ Loan FUM** $Ab (RHS)



1. Includes general plant & equipment.

MACQUARIE

Our technology journey is delivering scale, efficiencies and exceptional client experiences

BFS technology and delivery spend

$A235m
FY14
- 1st Australian bank to originate mortgages and deposits on a real time banking platform

$A267m
FY15
- Transaction account launched
- New home loan originations platform (PEGA)
- Next generation cloud digital platform (AWS)

$A292m
FY16
- Mobile app and internet banking on cloud
- First home loans originated on Core Banking
- Android Pay
- Industry first features including natural language search and transaction tags

$A314m
FY17
- DEFT AuctionPay
- Apple Pay
- Adviser initiated payments on client's behalf
- Credit card rewards program

$A313m
FY18
- First Australia open banking platform
- Digital Advice integrated with Wrap platform
- Voice biometric authentication
- Digital personal financial management dashboards

$A407m
FY19
- Macquarie Business Online for SME banking
- Authenticator app for secure transacting
- Macquarie Marketplace
- New Payments Platform

FY20+
- Wealth platform transformation
- Migration of legacy systems to SAP
- Adviser Online
- Business lending originations transformation

MACQUARIE

Bringing best in class technology to banking

Our multi cloud platform and system architecture allows us to move at speed

Market first technology

Leading Digital Bank

- Australian first technologies and features to provide more personalised client experiences
- Focus on secure and frictionless access, with greater resilience and stability

Cloud migration

- All customer engagements, data, analytics and regulatory data workload on the cloud
- **50%** of IT infrastructure on the cloud, aim for **100%** in FY22
- Unlocking technical limitations with cloud agnostic strategy

Data and analytics led platforms

- Predictive analytics supporting strong risk management
- Secure and trusted data management systems providing a better understanding of clients' financial circumstances
- Comprehensive and accurate regulatory reporting

Digital banking platform on the cloud

Online | Mobile apps | Service centre | Phone banking | Partners | Open API

API gateway
Architecture is agnostic to the channel of engagement
apigee

Containerised digital services
High availability and scale on demand
Red Hat OpenShift

High performance data store
'Always-on' delivering large scale data and speed
cassandra

aws
Multi cloud platform
Google Cloud Platform

Three business channels powered by specialist teams

BFS Group Head
Greg Ward

Personal Banking
Ben Perham

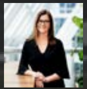
Business Banking
Dean Firth

Wealth Management
Sean West

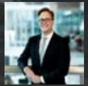
Across all areas

Product and Technology
Tony Graham

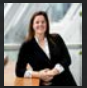
People, Culture and Client Experience
Rosalind Coffey



Credit
Carolyn Bray



Chief Operating Officer
Bruce Phipson



Chief Financial Officer
Katie Robertson

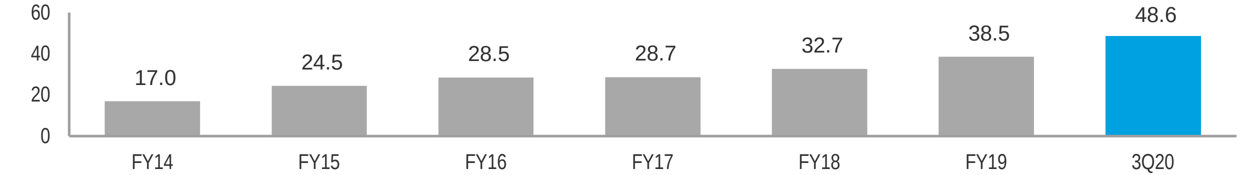
Home loans

Scalable business centred around the client experience

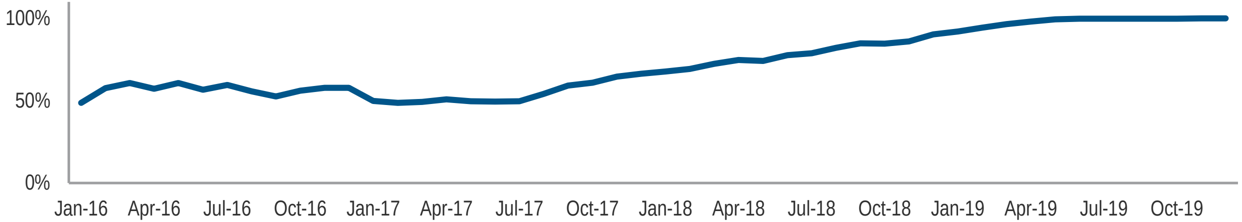
We've grown our home loans book by 42% (+$A14b) in the last 18 months[1]

- **Strategic focus on <70% LVR** lending tier
- **Discontinued originating new white label loans** and **simplified product suite** to prioritise core Macquarie branded offering
- Replaced legacy systems with **real-time home loans originations platform**, delivering greater speed and efficiency
- **Over 90%** of home loans originated through brokers

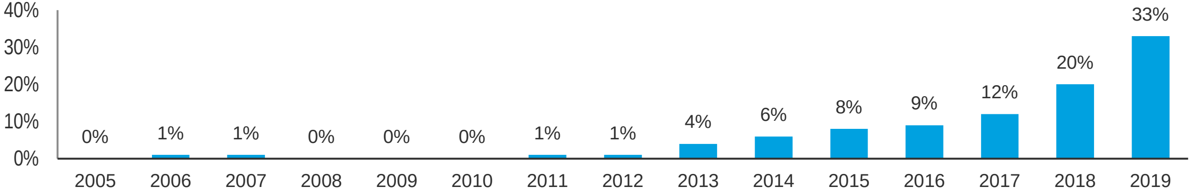
Home loans funds under management[2] ($Ab)



We have redirected our focus to Macquarie branded home loans (% originations Macquarie branded)



Our portfolio is weighted toward newly originated loans[3] (% home loans book by calendar year)

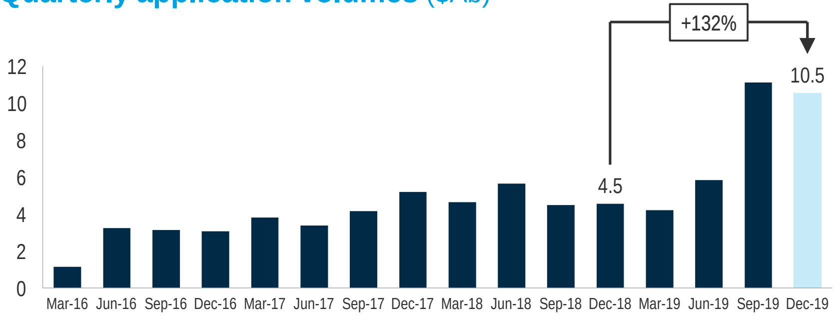


1. From Jun-18 to Dec-19. 2. The Home Loans portfolio consists of loans secured by residential mortgages located in Australia originated through the personal banking channel. This differs to the amounts published in the APRA Monthly ADI Statistics, which includes residential home loans originated through the business banking channel; excludes loans to a company or trust; excludes loans for personal purposes rather than housing purposes and exclude off balance sheet securitised loans. 3. Home loans portfolio by settlement year calculated based on home loan balances net of offset account balances.

Home loans – delivering sustainable growth

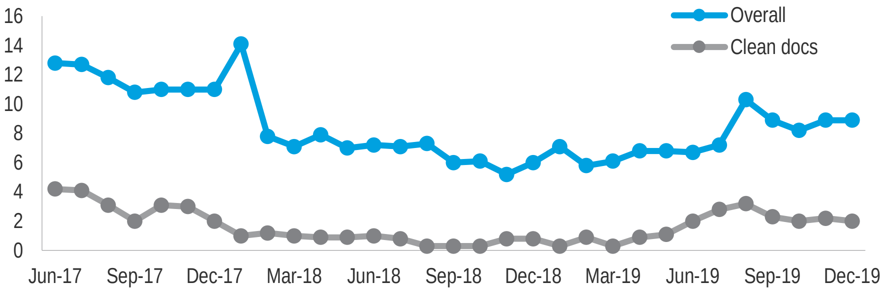
We've grown market share and volumes

Quarterly application volumes ($Ab)

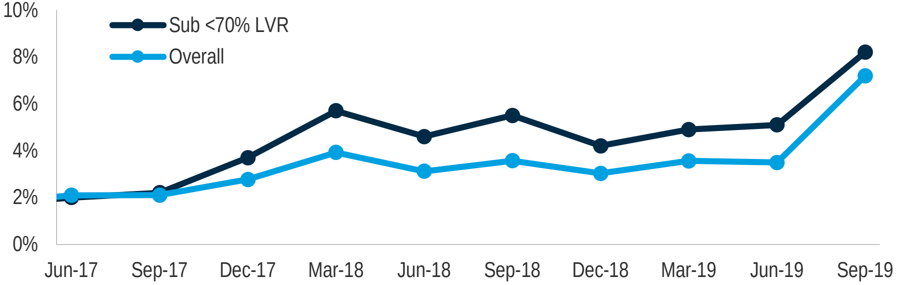


While maintaining approval times and reducing attrition

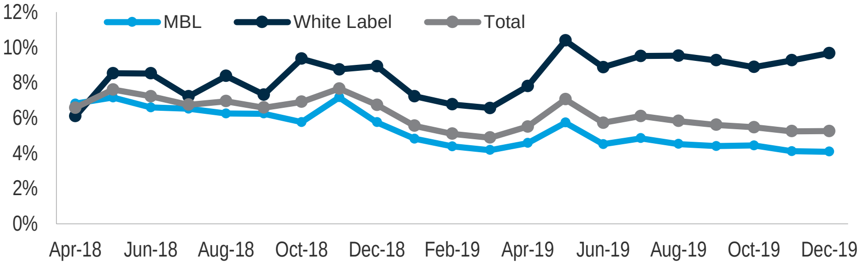
Median time to formal (days)



Home loan market share[1] (by flow %)



Annualised external refinance rate[2] (attrition %)

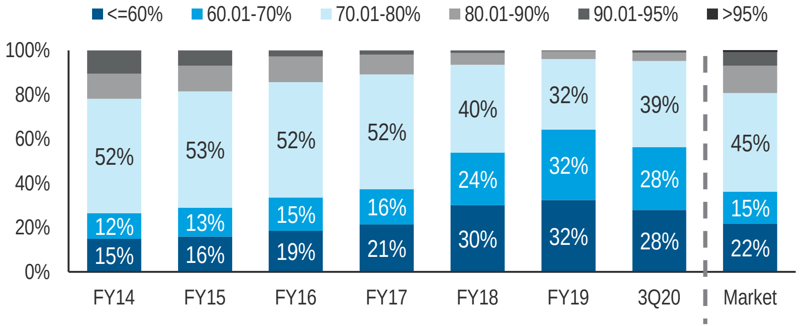


1. Comparator Quarterly Market Data, as at quarter ending 31 Dec 19. Data based on origination value. 2. MBL is Macquarie Branded home loan, White Label is Non-Macquarie Branded home loan.

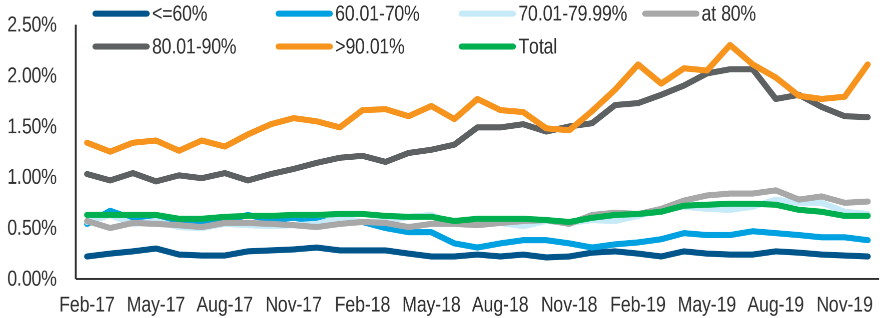
MACQUARIE

Home loans – prudent lending standards

Loan to value ratio[1] (by flow %)



90+ day arrears by origination LVR



May 2015
Began assessing all debts at buffered rate

Aug 2015
Income tiered HEM living expense floor

Mar 2017
Increased granularity of data captured in living expenses

Jul 2017
Introduced <70% LVR tier

Jun 2018
Ceased offering Reverse Mortgages

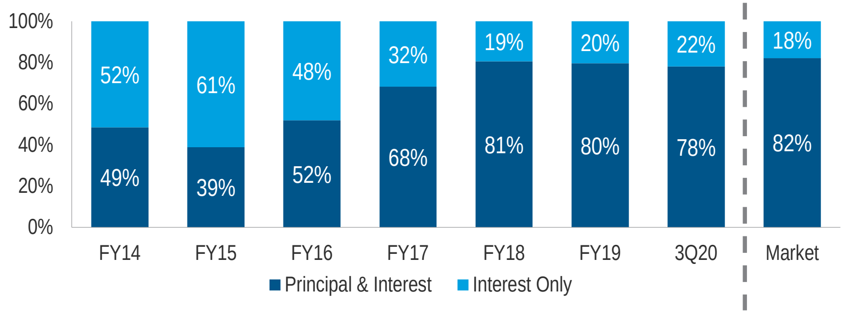
Mar-Jul 2019
Ceased family guarantee loans (Mar 19) and SMSF loans (Jul 19)

Continually **enhancing credit capability** through loan scenario learning, credit policy deep dives and quality assurance across all teams

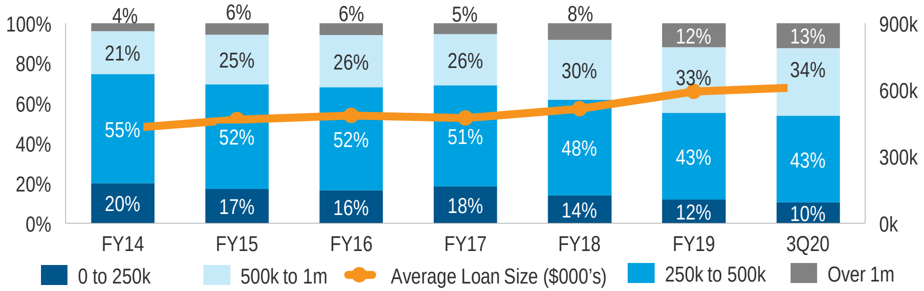
1. Comparator Quarterly Market Data, as at quarter ending 31 Dec 19. Data based on the credit limit at origination.

Home loans – prudent portfolio management

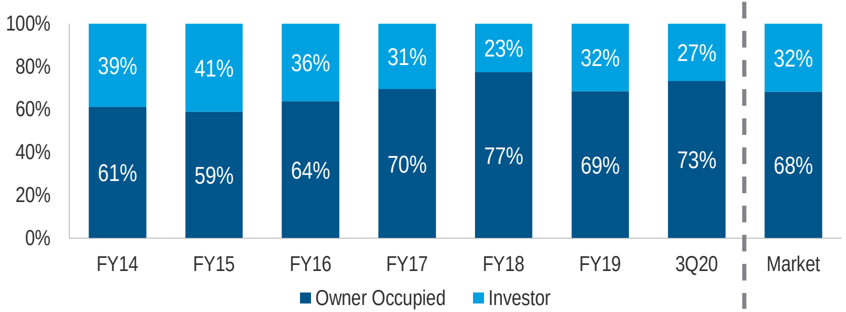
Repayment split[1] (by flow %)



Loan size at origination (# of new loan settlements)



Owner occupied versus investor loans[1,2] (by flow %)



Geographic split (portfolio as at Dec 19)

	BFS
NSW & ACT	43%
VIC	29%
QLD	18%
WA	7%
SA	3%
TAS	1%

90%

of our home loans book is in the eastern states

1. Comparator Quarterly Market Data, as at quarter ending 31 Dec 19. Data based on the credit limit at origination. 2. Owner occupied and investor loans are categorised based on the occupancy of the primary property used as security for the loan, this may differ to the loan purpose utilised for APRA Economic and Financial Statistics reporting purposes.

Business Banking

Developing deep industry knowledge, building trust and long term relationships

Strategy of verticality

Specialist lending, deposit and payment solutions for Australian SMEs

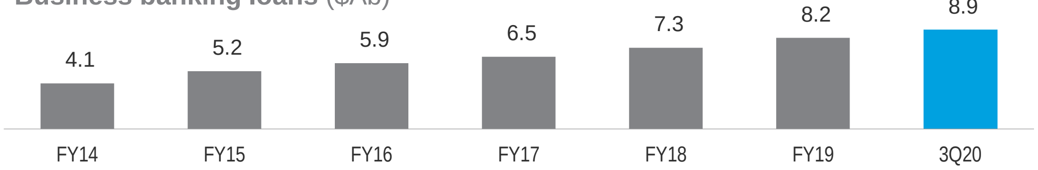
Property services
- Strata
- Residential Real Estate Agencies
- Commercial Real Estate Agencies

Professional services
- Insurance Broking
- Insolvency
- Legal
- Accounting
- Financial Services

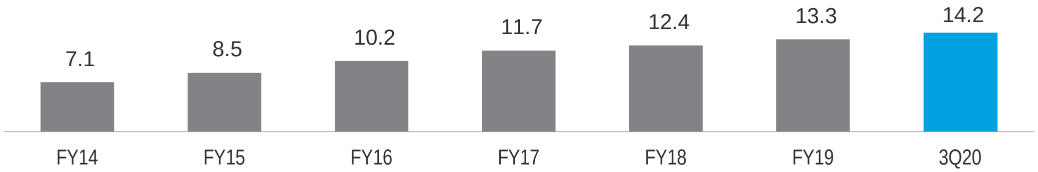
Emerging segments
- Built
- Health
- Technology

Continued growth in core segments

Business banking loans ($Ab)



Business deposits[4] ($Ab)



93%

Client retention rate[1]

+11%

Growth in lending volumes[2]

1.6:1

Deposit to Loan ratio[3]

1. As at 31 Dec 19 twelve months rolling average. 2. Growth from Dec 18 to Dec 19 – all from new clients. 3. Includes At Call and Term deposits and excludes corporate and wholesale deposits. 4. Includes business at call deposits and term deposits and excludes wholesale and corporate deposits.

Business deposits – integration delivering operational efficiency

Software integration

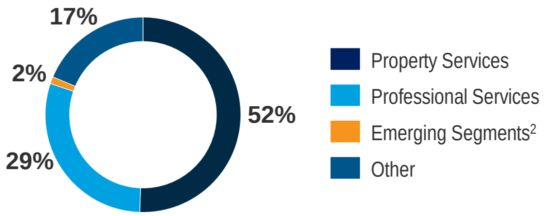
+150 Business management software integrations driving client efficiencies

Deft payment platform

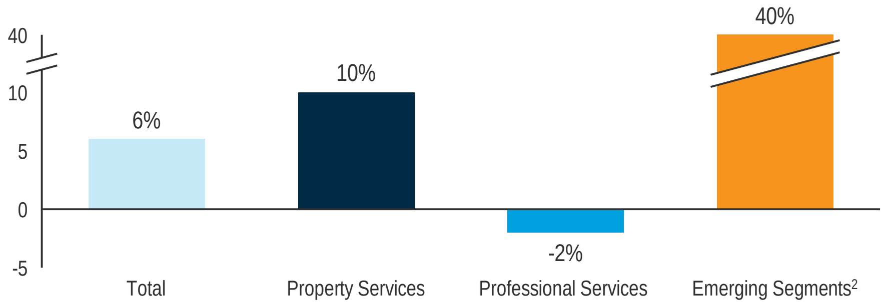
24m DEFT transactions[1]

A$30b DEFT value[1]

Heightened focus on deposit growth
Business deposits heavily weighted towards property although increasingly diversified



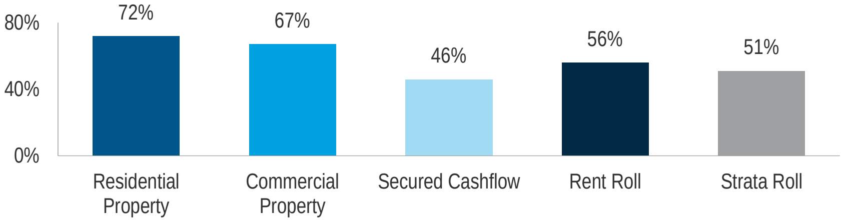
Business deposit growth by segment
(Average deposit FUM growth Dec 18 to Dec 19)



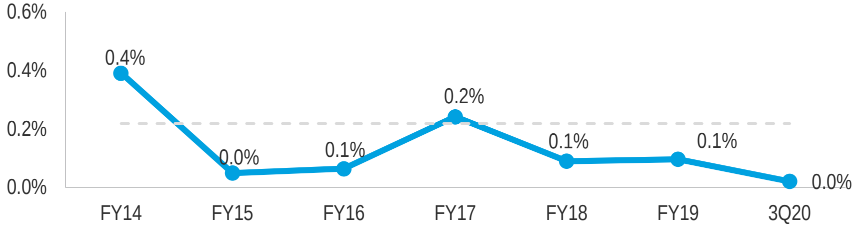
1. FY19. 2. Emerging segments include Health, Technology and Built Environment.

Business lending – evolving portfolio dynamics

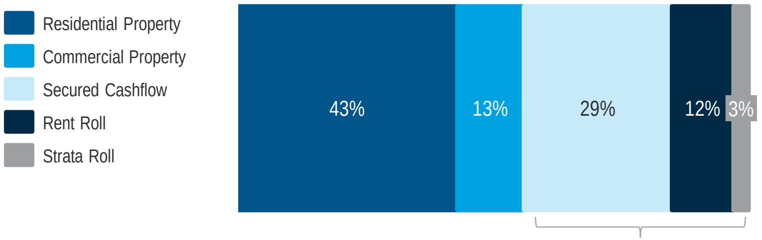
Business lending LVR[1] (%)



Business lending realised losses (% on average business lending book)

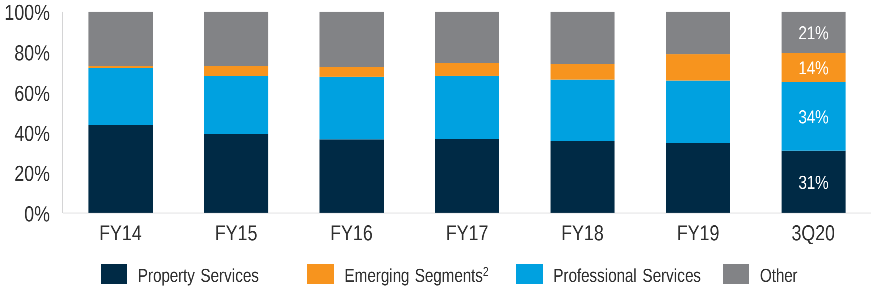


Business lending security type[1]



~44%
business lending secured against the business

Business lending segment composition[2]



1. As at 31 Dec 19. 2. Emerging segments include Health, Technology and Built Environment.

Vehicle Finance

Supporting SMEs and consumers with secured vehicle finance

Key highlights

$A14.2b

Vehicle Finance portfolio[1,2]

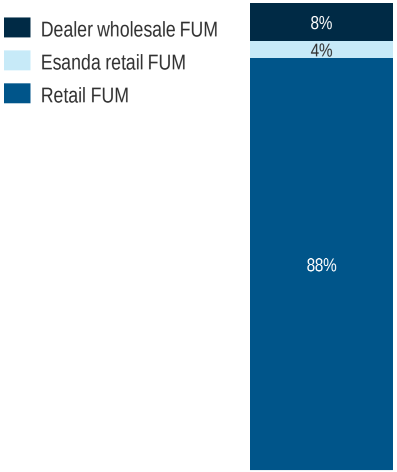
Over 475k

Vehicles in market

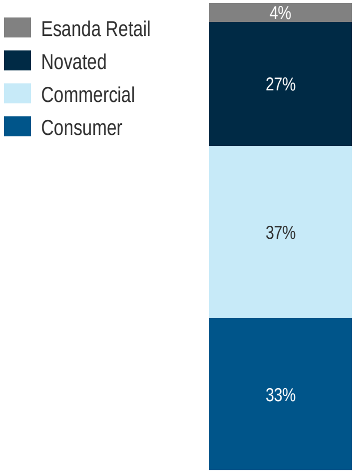
10k+

Registered introducers, including brokers, car dealers and direct channel

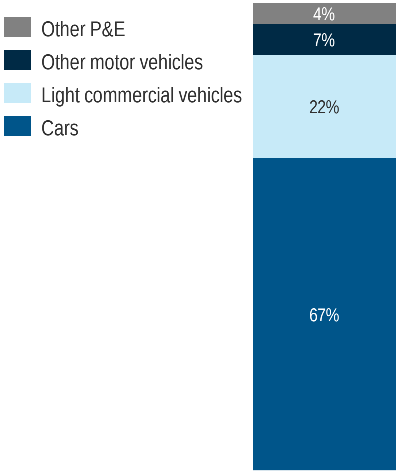
Total Vehicle Finance portfolio overview by FUM[2]



Retail portfolio overview by client[2,3]



Retail portfolio overview by asset type[2,3]



1. Includes general plant and equipment. 2. As at 31 Dec 19. 3. Includes Esanda Retail FUM.

MACQUARIE

Wealth solutions

Committed to providing the best digital wealth experience for advisers and clients

Key highlights

40 year
History for the CMA in the Australian market

20 year
History for Wrap in the Australian market

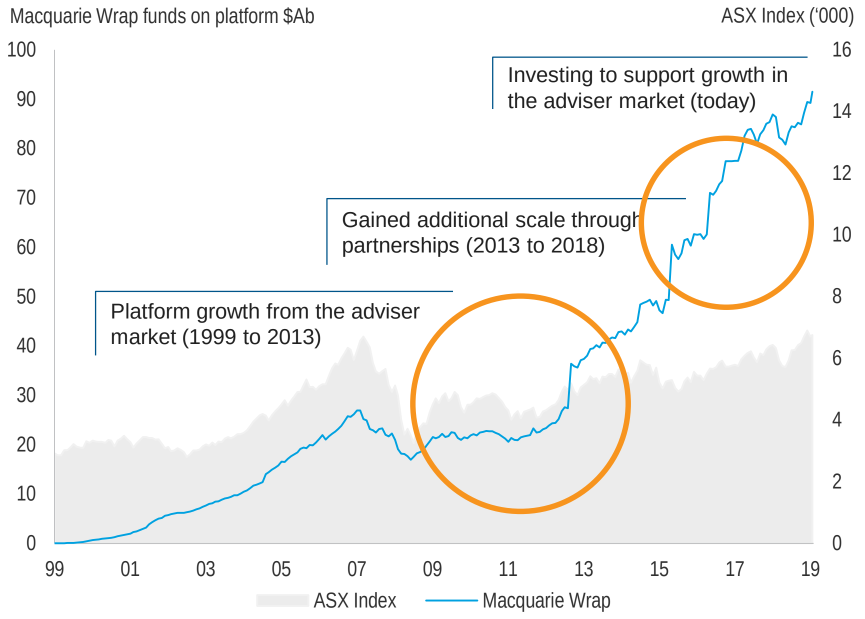
$A28.9b
CMA FUM as at Dec 19

2nd
Largest Wrap platform in the Australian market[1], **$A91.6b** funds on platform[2] and growing with **$A3.3b** net platform flows[3] (**21.5%** market share)

1 in 3
Australian SMSFs use the CMA[4]

+53%
Managed Account assets under management growth[5]

Focused on the open external adviser market



1. Plan for Life as at Sep-19, Wraps Administrator view. 2. As at 31 Dec 19. 3. Plan for Life as at Sep 18 to Sep 19 Wrap Marketer View. 4. ATO SMSF statistics as at Sep 19. 5. Dec 18 to Dec 19.

Wrap Evolution

We have achieved platform scale and are now focused on sustainable growth in the adviser market

Client experience

Providing simplified solutions for more clients

- Launched new low cost investment solution for clients with less complex financial needs (Macquarie Engage)
- Introduced simplified, transparent and competitive pricing

Enhancing the digital experience for advisers

- Enhanced the digital experience for advisers via Adviser Online, including tools that enable greater efficiencies:
  - Digital adviser help centre
  - Increased ability for advisers to self serve

Launching an automated advice tool

- Digital Portfolio Manager automates investment recommendations, advice documentation and portfolio implementation

Improved efficiency

Investment in re-platforming will significantly improve efficiency and capabilities to support future growth

- Investment in cloud-based technology to increase platform efficiency
- Open architecture technology allowing us to integrate with an advisers' ecosystem
- Improved speed, reliability and stability of the platform
- Decommissioning legacy systems and simplifying our back end technology systems
- Additional capabilities for advisers and clients (e.g. international)

Delivering sustainable growth by improving the client experience and increasing platform efficiencies

$A93m
Investment in re-platforming

193k
Active accounts on platform[1]

7k
Advisers with active accounts on platform[1]

+15%
CAGR funds on platform growth from FY14-3Q20

1. As at 31 Dec 19.

MACQUARIE

Private Bank transformation

We have combined our Private Bank and Private Wealth business to focus on High Net Worth clients

Focused on HNW opportunity

- Australia ranks in the top 10 globally for High Net Worth (HNW) individuals
- Over 270,000 new individuals have entered the HNW segment since 2012[1]
- We have an award-winning Private Bank offering and have refocused our advice business to serve this growing HNW segment[3]

Reshaped business model

- Combined Private Wealth with Private Bank under a single structure to focus on HNW clients
- Transitioned advisers to a salary model and ceased receiving grandfathered commissions
- Introduced a team based structure to leverage best practice relationship management models

Enhanced service proposition

- Service proposition focused on servicing a broader range of client needs, including market-leading banking services and accessing the broader Macquarie Group

Key highlights

129
Advice professionals nationally across 25 teams[2]

7.5k
High Net Worth clients[2]

$A29.8b
Funds Under Management[2]

Award winning Private Bank offering[3]

1. Credit Suisse Research Institute: Global Wealth Databook 2012 and 2019 - HNW segment defined as individuals with wealth over $US1m. 2. As at Dec 19. 3. Awarded the Outstanding Private Bank $10m Award at the Australian Business Banking Awards 2019, 2018, 2017.

MACQUARIE

Well positioned for the future

Led by our commitment to doing business the right way

Exceptional client experiences

Commitment to delivering best in class client outcomes in a highly competitive retail banking landscape

Excellent risk management

Earning trust by doing business the right way for our clients, communities and shareholders

Scalable and efficient platforms

Supporting doing business with more clients, more efficiently through leading technology

06

Commodities and Global Markets

Nicholas O’Kane

Group Head

MACQUARIE

CGM is a client focused business

Deep
longstanding client relationships

Specialised
expertise of our staff

Diverse
and stable earnings

Risk management
is core to everything we do

MACQUARIE

Deep, longstanding client relationships

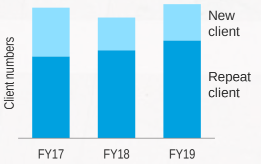
Investment in long-term relationships underpins everything we do

~5,000
unique client relationships[1]

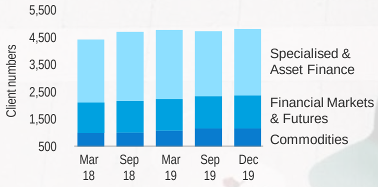
85%
of client revenue is generated from existing relationships[2,3]

Customers
are spread over a full spectrum of products and services

Repeat business is strong[3]



Diverse and growing client base[4]



Differentiated offering

"
Service
They make me feel like I am the only client

Insights
We have respect for them and their understanding of the market

Expertise
I buy Macquarie for the people

1. As at 31 Dec 19, excluding Cash Equities. 2. For nine months ended 31 Dec 19. 3. Excludes Specialised and Asset Finance (SAF) and Cash Equities. 4. Excludes Cash Equities and SAF retail clients.

MACQUARIE

Platform continues to evolve according to client needs

We evolve the platform into adjacencies utilising our deep expertise

40+ years

of client partnership has evolved into niche activities in some markets, and scale in others

1978/1980s
Started commodities platform
Futures execution and clearing
Foreign exchange
Metals & Energy Capital
Debt capital markets and interest rates

1997
Technology, Media and Telecoms **(TMT)**

1999
Acquisition of Australian assets of **Bankers Trust** (Australia, US, Brazil)
Agriculture derivatives
Brazil office

2001
Agriculture structured finance into small and medium sized producers

2002
Metals and Energy Capital (Houston)

2003
Energy Markets and derivatives business

2004
Renewables
Meters financing (UK)

2005
Acquisition of **Cook Inlet** (US natural gas)

2006
Structured Commodity Finance
Ethanol trading JV
Established Macquarie Futures USA
Acquisition of **Corona Energy** (UK retail gas supply)

2007
Physical power business (Houston)

2008
Credit Trading (US)
Physical coal trading
Expansion of US futures clearing platform

2009
Acquisition of **Constellation** (US gas trading)
Pulp & paper
Iron ore
LNG
Fund finance

2010
Acquisition of **Integrys** wholesale electronic marketing and trading portfolio
Physical base metals
Physical oil
Asian markets
Commercial mortgage finance and CMBS

2011
Australian power
Canadian crude oil markets

2012/13
Futures Canada
Commodity investor products

2014
China
Uranium

2016
Latin America commodities marketing

2017
Acquisitions of **Cargill Petroleum and Cargill North America Power and Gas**
Mexican gas
Quantitative investment strategies
Shipping & export credit agencies

Today

Natural Gas/LNG
House of the Year[1]

Electricity & Environmental Products
House of the Year[2]

Energy Research
House of the Year[1]

No.1
Futures broker on the ASX[3]

No.2
physical gas marketer in North America[4]

$A8b+
asset finance portfolio[5]

1. 2019 Energy Risk Awards. 2. 2019 Energy Risk Asia Awards. Two separate awards. 3. Based on overall market share on ASX24 Futures volumes as at 31 Dec 19. 4. Platts Q3 CY19. 5. SAF portfolio as at 31 Dec 19.

MACQUARIE

We put clients at the forefront of our portfolio

We are where our clients need us to be, offering deep local expertise and specialist skills

In-house technical experts including:

- Logistics experts
- Petroleum and mining engineers
- Geologists
- Meteorologists
- Data scientists
- Quant finance and theoretical physics PHDs

Resulting in broad skills and deep expertise across

2,660+ staff

27 markets

50 locations around the world

Strong, stable earnings

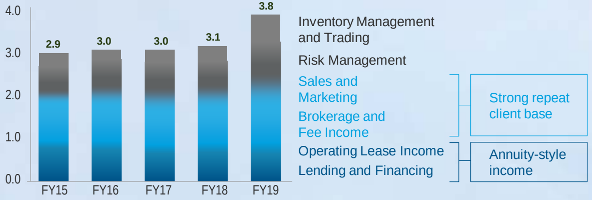
Our platform diversity drives earnings stability and de-risks the portfolio

65%
of the portfolio represents recurring income

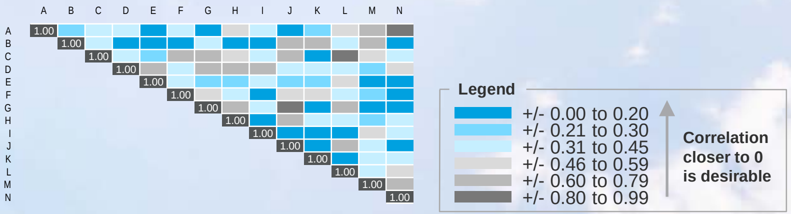
60-70%
of businesses have low correlation with each other

Revenue by type[1]

$Ab



Correlation of annual net profit contribution by CMF desk (FY12-19)[2]



1. Represents management view of revenue. 2. Correlation only calculated for desks with complete data from FY12 – FY19; sample represents 92% of Commodity Markets and Finance (CMF) net profit contribution in FY19.

MACQUARIE

Risk management is core to everything we do

Risk is owned by the business and governed by Macquarie's robust risk management principles

Built on
50 years
of accumulated experience in managing risk

Resulting in a
mature
and consistent control environment that evolves as activity expands

Every individual is
accountable
for all aspects of risk management including risk limits, second line review and worst-case scenarios

Allows CGM to
partner
with clients to help manage their risks, utilising our deep risk management expertise

Market risk

Granular risk limits based on worst case scenarios

Aggregate limits constrain overall market risk appetite

Worst Case Contingent Loss (WCCL) framework

Credit risk

Active management of exposures to sectors and individual counterparties

Dedicated CGM Transaction Assurance team

Operational risk

Independent oversight of comprehensive processes and controls

Dedicated Control Assurance team

120% increase in staff numbers over the last 18 months

Behavioural risk

Expectation of high standards of behaviour and decision making

Strong supervisory oversight

Independent assessment of trader controls

Culture of 'speak up' and 'listen up' when dealing with issues

Compliance risk

Established policy and control framework to manage market conduct

Dedicated Compliance advisory team supporting CGM globally

Identification of regulatory risk and implementation of risk mitigation

North American Power, Gas & Emissions

Cindy Khek
Co-Head of North American Power, Gas & Emissions

MACQUARIE

Growth has largely been organic with adjacent acquisition

15+ years providing clients with access to North American Power, Gas & Emissions markets

2005 Cook Inlet Energy Supply

Organic growth

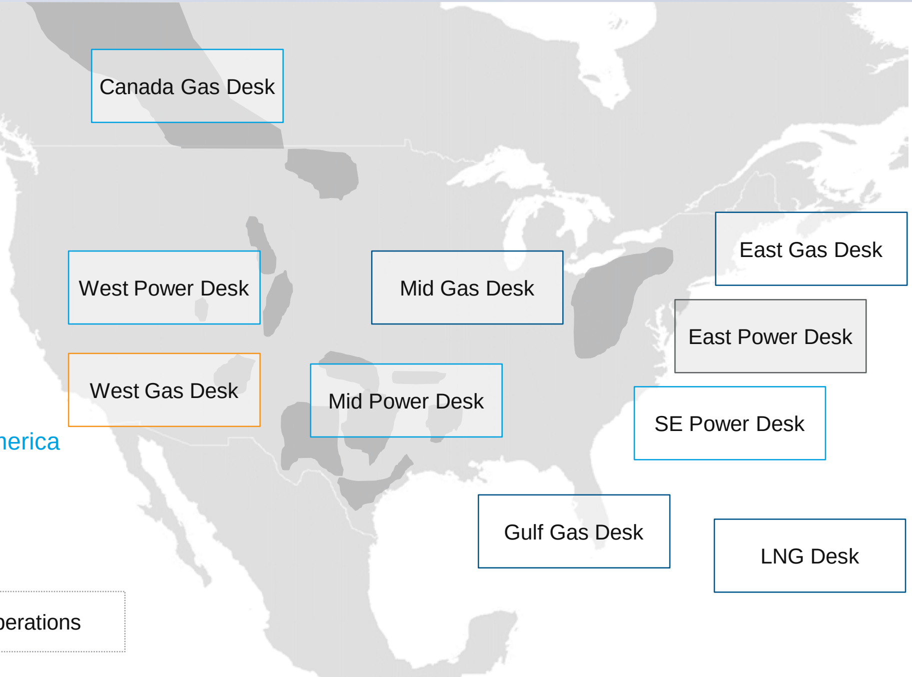
2009 Constellation Energy

Organic growth

2017 Cargill North America Power & Gas

Organic growth

Options Desk | Operations



Continuity and dedication of our people

14+ years

average time the senior leadership team have worked together

In-house specialists

- Schedulers
- Analysts
- Logistic experts
- Meteorologists
- Marketers
- Traders

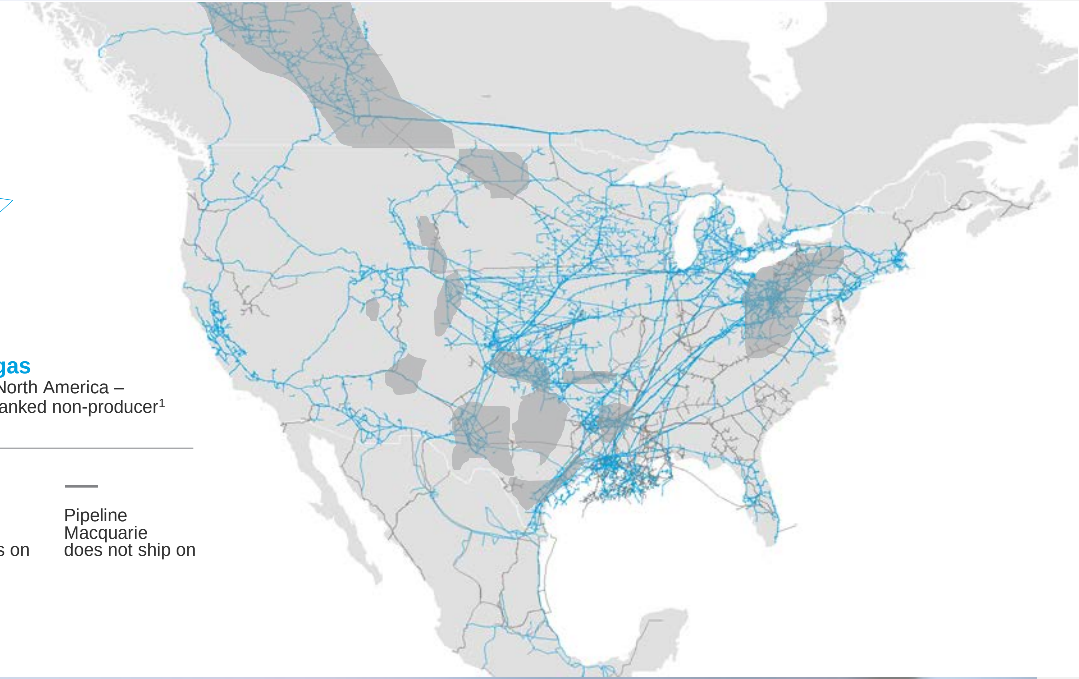
24-hour coverage

in the gas and power markets, with trading and operations available over the weekend and holidays to address clients' **real-time needs**

MACQUARIE

What differentiates Macquarie

Our extensive physical presence gives us valuable insight into supply/demand fundamentals and market dynamics



No.2
physical gas
marketer in North America –
the highest ranked non-producer[1]

Pipeline Macquarie actively ships on

Pipeline Macquarie does not ship on

80+ systems
Macquarie was active on in Dec 2019

80%+ of major pipelines
Macquarie physically shipped gas on 50 of the 61 major interstate gas pipelines in 2019

13 Bcf/day
Macquarie peak day activity in 2019

Actively trades with 500+ counterparties
Through hundreds of individual interactions each day, we provide market liquidity, evaluate transportation and storage dynamics, and identify production and consumption trends

This information feeds into our fundamental analysis and provides us a best in class view on supply and demand

Experience & analysis
guides us in establishing a portfolio of assets providing critical supply or takeaway options in regions that are often capacity-constrained, and then managing the risk around those assets

Physical commodity trading
gives us a deeper insight into volatile basis markets

Extensive relationships
enable us to engage with key upstream and downstream players in each region

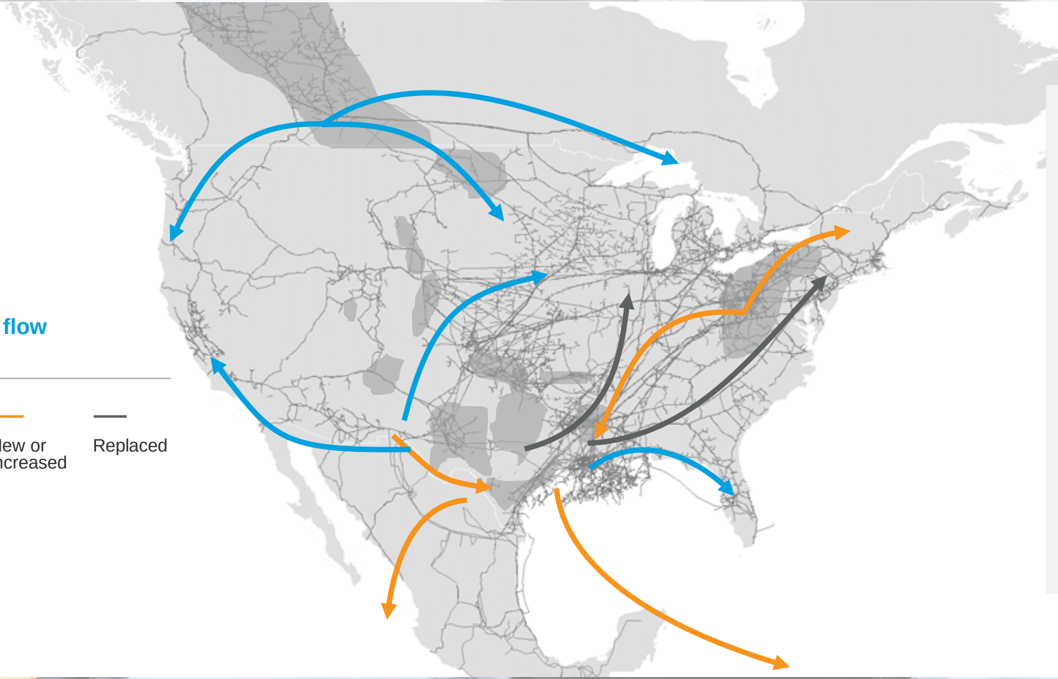
Leased physical asset portfolio
positions us to serve our customers' needs and work together to profitably optimise transportation options when bottlenecks arise

A rapidly changing market presents opportunities

Production basins, infrastructure, and consumption patterns are all rapidly shifting

Natural gas flow
(2010-2020)

Relatively unchanged
New or increased
Replaced



20 Bcf/day
27% increase in peak-day gas production since 2015

12 Bcf/day
57% increase in production in the Northeast since 2015

11 Bcf/day
357% increase in exports to Mexico and LNG since 2015

8 Bcf/day
Complete reversal of interregional flows between the Gulf/South Central and other regions – from 1.0 Bcf/d of exports in 2015 to 7.1 Bcf/d of imports in 2019

-73 Bcf
2% decrease in total natural gas storage capacity since 2015, despite the massive growth in supply and demand

Source: Energy Velocity, Macquarie Energy, Platts.

Fixed Income and Currencies

Simon Wright

Division Head, Fixed Income and Currencies

Fixed Income and Currencies

A client-led business model for 30+ years

Coverage

- **All FX markets:** Cash and derivatives across G10 and emerging markets
- **Most interest rates:** Offering G10 and emerging markets
- **Structured credit:** Focused offering around the origination, placement and trading of asset backed securities in Australia and Europe

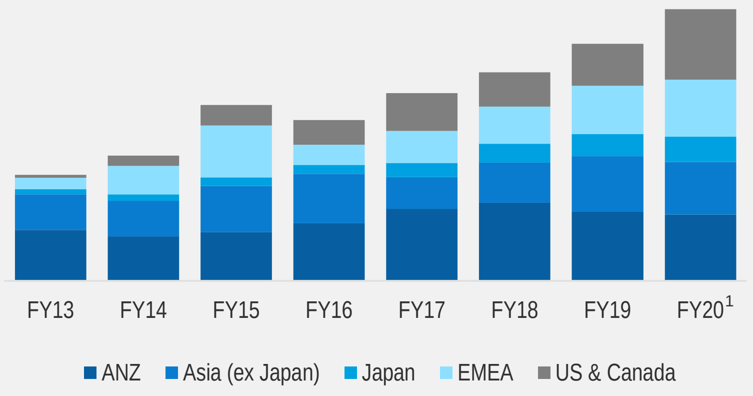
Clients

- Corporates and private equity funds
- Real money, hedge funds and sovereign wealth
- Money service brokers and private clients

Deep experience and strong risk management

- **18+ years** average tenure for business heads

Regional revenue contribution



Growth

1990-2000s
An Australian-led "fly-in/fly-out" business focused on primary markets in ANZ and secondary markets in the rest of the world

2008+
Changing market dynamics saw less need for secondary market liquidity and a greater opportunity to face clients directly in offshore markets

Since FY14
Substantial growth outside Australia – particularly in Japan, EMEA, the US and Canada, with a focus on the primary market. Hired local people, to service local clients and provide local market products

Today
250+ counterparties globally serviced by in-country, local staff, backed and powered by long service risk managers…with significant opportunity for further growth

1. Annualised, based on 31 Dec 19 YTD.

Growth through expanding expertise and entering new markets

Focused on delivering exceptional client service

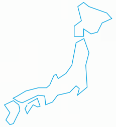
Putting client outcomes at the centre of our business

US and Canada

Evolution: strong growth in private equity, with a **500%** increase in revenue over the last 5 years, in collaboration with Macquarie Capital

Clients: including funds acquiring assets who need deal contingency, asset purchase and dividend hedges

Growing: corporate client base, with all regions leveraging the development and provision of hedging product



Japan

Evolution: no presence in 2011

Clients: typically private multi generational corporates with strong balance sheets

Growing: hedging solutions, supporting client exposures to a number of activities including: manufacturers, food imports, and ship builders

EMEA

Evolution: significant growth with corporate clients over the last 5 years

Clients: including importers of fish, steel fabricators, timber importers, asset originators, to agriculture and commodity businesses

Growing: private equity client base, in conjunction with the US team and other parts of Macquarie

What’s next?

Nicholas O’Kane

Head of Commodities and Global Markets

Attuned to evolving market opportunities

We go where our clients want us to be, supporting new areas of growth

Adjacencies

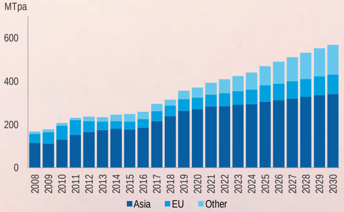
- Disruptive technologies
- Aging energy infrastructure
- Geographic markets
- New classes of customers

Energy transition

Commodity index products	Jet fuel bundled with a carbon offset	Investing in new exchanges	Hydrogen emergence
Carbon as an asset class	Battery storage	Low sulfur fuel oil financing	Renewable power
Voluntary carbon offsets	Carbon-neutral barrels of crude	LNG demand	Carbon-neutral food products
Tradeable digital certificates for recycled precious metals	Financing refinery upgrades	Environmental, tradable attributes across the commodity spectrum	Carbon-offsetting election in mobile apps

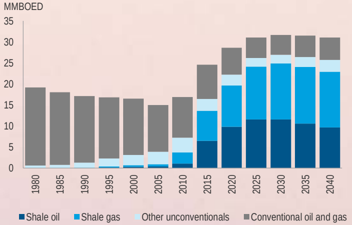
Client-led

Projected global LNG demand



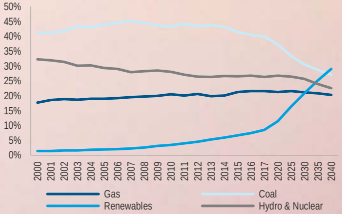
Source: IHS/Macquarie.

US gas outlook



Source: IEA World Energy Outlook 2017.

Power generation mix



Source: Macquarie Research.

Earnings certainty, plus well-positioned to capitalise on growth opportunities

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65%
of the portfolio represents recurring income

60-70%
of businesses have low correlation with each other

Upside
with transparency around key pockets of growth

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07 Glossary

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Glossary

1H20	First Half ended 30 Sep 2019
1Q20	First Quarter ended 30 Jun 2019
3Q19	Third Quarter ended 31 Dec 2018
3Q20	Third Quarter ended 31 Dec 2019
ABN	Australian Business Number
ADI	Authorised Deposit-Taking Institution
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
BCF	Billion cubic feet
BEAR	Banking and Executive Accountability Regime
BFS	Banking and Financial Services
CMF	Commodity Markets and Finance
CAGR	Compound Annual Growth Rate
Capex	Capital Expenditure
CCB	Capital Conservation Buffer
CET1	Common Equity Tier 1
CFM	Commodities and Financial Markets
CGM	Commodities and Global Markets

CMA	Cash Management Account
CO2e	Carbon dioxide equivalent
CY18	Calendar Year ended 31 Dec 2018
CY19	Calendar Year ending 31 Dec 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
ECS	Exchangeable Capital Securities
EMEA	Europe, the Middle East and Africa
EPS	Earnings Per Share
EUM	Equity Under Management
FAR	Financial Accountability Regime
FCR	Financial Crime Risk
FTE	Full time equivalent
FX	Foreign Exchange
FY16	Full Year ended 31 Mar 2016
FY17	Full Year ended 31 Mar 2017
FY18	Full Year ended 31 Mar 2018
FY19	Full Year ended 31 Mar 2019
FY20	Full Year ended 31 Mar 2020

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Glossary

GIFII	Macquarie Global Infrastructure Fund 2
GIG	Green Investment Group
GLL	GLL Real Estate Partners
G10	Group of Ten
HEM	Household Expenditure Measure
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
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
MIRA	Macquarie Infrastructure and Real Assets
MMBOED	Million barrels of oil equivalent per day
MTpa	Million tonnes per Annum
MW	Mega Watt

NPAT	Net Profit After Tax
NPC	Net Profit Contribution
NPP	New Payments Platform
NSFR	Net Stable Funding Ratio
PCP	Prior corresponding period
PHD	Doctor of Philosophy
PPE	Property, Plant and Equipment
PPP	Public Private Partnership
P&E	Plant & Equipment
P&L	Profit & Loss
RMG	Risk Management Group
ROE	Return on Equity
RWA	Risk Weighted Assets
SA-CCR	Standardised approach for measuring counterparty credit risk exposures
SAF	Specialised and Asset Finance
SME	Small and Medium Enterprise
SMSF	Self Managed Super Fund
TMT	Technology, Media and Telecoms
UK	United Kingdom
US	United States of America
VaR	Value at Risk
WCCL	Worst Case Contingent Loss
WHSE	Work, Health, Safety and Environment
YTD	Year to Date

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Operational Briefing

Presentation to Investors and Analysts

11 February 2020