MACQUARIE

Presentation to investors and analysts

Announcement of result for the half year ended 30 September 2021 and capital raising

29 October 2021

Important notice and disclaimer

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MACQUARIE

Agenda

MACQUARIE

01

Introduction

Sam Dobson

Head of Investor Relations

MACQUARIE

02

Capital Raising

Shemara Wikramanayake

Managing Director and Chief Executive Officer

Capital Raising

Macquarie intends to raise $A1.5b via a non-underwritten institutional placement which will be followed by a non-underwritten share purchase plan

Capital update

- Macquarie has deployed $A5.5b of capital in 2H21 and 1H22 through a period of sustained and material growth in capital requirements across annuity-style and markets-facing activities:
  - Macquarie Asset Management: $A0.9b, which includes the strategic acquisitions of Waddell & Reed and AMP GEFI
  - Banking and Financial Services: $A0.4b, primarily related to significant growth in the home loan portfolio
  - Commodities and Global Markets: $A2.0b, driven by platform growth, including portfolio growth in Asset Finance, Commodity lending and financing, derivatives and market risk
  - Macquarie Capital: $A1.7b, driven by investment in green energy and infrastructure projects, and growth in principal financing activities across North America and EMEA
- Macquarie's businesses are continuing to identify opportunities to deploy capital and generate superior returns in the medium term. Macquarie's deep expertise in major markets positions us to capture opportunities in changing market conditions
- Macquarie continues to be disciplined in its approach, ensuring that the expected risk-adjusted returns generated by deployed capital are appropriate

Capital raising

- Capital raising via a non-underwritten $A1.5b institutional placement which will be followed by a non-underwritten share purchase plan[1]
- Capital raising provides additional flexibility to invest in new opportunities where the expected risk-adjusted returns are attractive, while maintaining an appropriate capital surplus

1. The size of the SPP will depend upon demand from Eligible Shareholders. Macquarie may scale back applications for SPP Shares in any manner and to any extent in its absolute discretion.

03

Overview of Result

Shemara Wikramanayake
Managing Director and Chief Executive Officer

About Macquarie

~63%

Annuity-style activities | Net Profit Contribution

~37%

Markets-facing activities | Net Profit Contribution

MAM
Macquarie Asset Management

- Global specialist asset manager with $A735.5b[1] 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 & natural assets, asset finance, private credit, equities, fixed income and multi-asset solutions - aiming to deliver positive impact for everyone

BFS
Banking and Financial Services

- Macquarie's retail banking and financial services business with a loan and lease portfolio[2] of $A98.7b[1], funds on platform[3] of $A116.4b[1] and total BFS deposits[4] of $A88.2b[1]
- Provides a diverse range of personal banking, wealth management, business banking and vehicle finance[5] products and services to retail clients, advisers, brokers and business clients

CGM
Commodities and Global Markets

Global business offering capital and financing, risk management, market access, physical execution and logistics solutions to its diverse client base

- Capital and financing: providing clients with financing and asset management solutions across the capital structure
- Risk management: helping clients manage exposure to price changes in commodities, currencies, credit and equity markets
- Market access: helping clients access assets and prices via liquidity and electronic markets globally
- Physical execution & logistics: supporting clients with access to physical commodities and facilitating their transportation from production to consumption

MacCap
Macquarie Capital

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 investment in infrastructure and energy projects and companies and, in relation to renewable energy projects, the supply of green energy solutions to corporate clients
- Equities brokerage, providing clients with access to equity research, sales, execution capabilities and corporate access

1H22 Net Profit Contribution

MAM | ~33%	**BFS** | ~12%	**CGM** | ~18%	**CGM** | ~25%	**MacCap** |~12%

Risk Management Group

An independent and centralised function responsible for objective review and challenge, oversight, monitoring and reporting in relation to Macquarie's material risks.

Legal and Governance Group

Provides a full range of legal and corporate governance services, including strategic legal and governance advice and risk assessment.

Financial Management Group

Provides financial, tax, treasury, corporate affairs and advisory services to all areas of Macquarie.

Corporate Operations Group

Provides technology, operations, HR, workplace, strategy, data and transformation, resilience and global security services plus the Macquarie Group Foundation.

Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 1. As at 30 Sep 21. 2. The loan and lease portfolio comprises home loans, loans to businesses, vehicle finance and credit cards and includes portfolios held for sale. 3. Funds on platform includes Macquarie Wrap and Vision. 4. BFS deposits exclude corporate/wholesale deposits. 5. Includes general plant & equipment.

Macquarie's response to COVID-19

Employees

- Return to office commenced in 99% of office locations where safe to do so
- Systems and processes remain resilient to ongoing remote working, reflecting long-term investment in technology and flexible working culture
- Investment in leadership capability, technology and the workplace continues as we respond to the evolving culture of work and promote greater flexibility

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

Staff engagement[1]
+5%

Staff working remotely in some locations for 19 months

Clients

- Continued engagement and monitoring across our portfolios for impacted clients to provide ongoing support where required
- Clients that experience difficulty are supported via our existing financial assistance service

We recognise the structural shift COVID-19 has prompted for some clients, giving rise to near and longer-term changes in our approach to meeting their needs and ensuring their ongoing access to opportunities.

Clients accessing assistance[2]
Peak **~13%**

Now **~0.7%**

Portfolio Companies

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

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

Daily users of essential services
~100m

Portfolio company employees
~160k

Community

- Through a total of 43 grants, the Macquarie Group Foundation has deployed the full $A20m COVID-19 donation fund to 40 community organisations around the world:
  - $A7.35m across 29 organisations in support of direct relief efforts
  - $A2m to two Australian medical research projects; and
  - $A10.65m to 12 organisations focused on supporting workers and businesses in restarting economic activity
- In early FY22, $A1m was committed to support COVID-19 relief in India

We recognise that in times of crisis, immediate relief to communities is vital, while at the same time, the impact of disasters can last for years. We allocated funding focused on supporting emergency relief efforts, investing in medical research and supporting economic recovery to communities targeting medium and long-term outcomes.

COVID-19 donation fund
$A20m

Deployed to 40[3] community organisations around the world

1. Annual staff survey Dec 20 vs. Dec 19. 2. BFS, by loan balance – peak as at 30 Jun 20, now as at 30 Sep 21. 3. Three organisations received more than one grant.

1H22 result: $A2,043m up 107% on 1H21; up 1% on 2H21

	1H22 $Am	2H21 $Am	1H21 $Am	1H22 v 1H21	1H22 v 2H21
Net operating income	7,804	7,255	5,519	↑ 41%	↑ 8%
Total operating expenses	(5,069)	(4,601)	(4,266)	↑ 19%	↑ 10%
Operating profit before income tax	**2,735**	**2,654**	**1,253**	**↑ 118%**	**↑ 3%**
Income tax expense	(603)	(624)	(275)	↑ 119%	↓ 3%
Effective tax rate[1] (%)	22.8	23.5	21.8		
(Profit)/loss attributable to non-controlling interests	(89)	-	7		
Profit attributable to MGL shareholders	**2,043**	**2,030**	**985**	**↑ 107%**	**↑ 1%**
Annualised return on equity (%)	17.8	19.0	9.5	↑ 87%	↓ 6%
Basic earnings per share	$A5.63	$A5.65	$A2.77	↑ 103%	—
Dividend per ordinary share	$A2.72	$A3.35	$A1.35	↑ 101%	↓ 23%

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

1H22 net profit contribution from Operating Groups $A3,984m up 75% on 1H21

Annuity-style activities	Markets-facing activities
$A2,517m ↑57% ON 1H21	**$A1,467m** ↑118% ON 1H21

Non-Banking Group

↑ on 1H21

Macquarie Asset Management (MAM)

Increase driven by disposition fee, equity accounted income and an impairment reversal from Macquarie Infrastructure Corporation (MIC), partially offset by gain on sale of Macquarie European Rail in prior corresponding period and lower performance fees.

↑ on 1H21

Macquarie Capital (MacCap)

Increased fee and commission income driven by M&A and DCM, partially offset by lower ECM and brokerage income following a strong 1H21. Increase in investment-related revenue, primarily due to material asset realisations and an increase in the ACS Principal Finance debt portfolio.

Banking Group

↑ on 1H21

Banking and Financial Services (BFS)

Growth in loans and platforms, and total BFS deposits; decreased credit impairment charges, partially offset by increased headcount and investment in technology to support growth.

↑ on 1H21

Commodities and Global Markets[1] (CGM)

Increased contribution from Asset Finance largely related to the partial sale of UK Meters portfolio of assets in May 21 and increased activity across its other sectors. Commodities lending and financing contribution broadly in line with 1H21.

↑ on 1H21

Commodities and Global Markets[1] (CGM)

Increased revenue across Commodities with strong risk management from Gas and Power, Resources and Agriculture as a result of elevated levels of volatility. Commodities inventory management and trading down on 1H21 with strong trading gains from supply and demand imbalances in Gas and Power more than offset by unfavourable impact of timing of income recognition on storage contracts and transport agreements. Continued solid performance from Financial Markets in foreign exchange, interest rates and credit.

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

1H22 net profit contribution from Operating Groups $A3,984m up 4% on 2H21

Annuity-style activities

$A2,517m ↑ 47% ON 2H21

Markets-facing activities

$A1,467m ↓ 31% ON 2H21

Non-Banking Group

↑ on 2H21

Macquarie Asset Management (MAM)

Increase driven by disposition fee and equity accounted income from MIC, partially offset by gain on sale of investments in the prior period.

↓ on 2H21

Macquarie Capital (MacCap)

Increased fee and commission income driven by M&A, DCM and ECM. Lower investment-related revenue primarily due to material asset realisations in 2H21 partially offset by an increase in the ACS Principal Finance debt portfolio.

Banking Group

↑ on 2H21

Banking and Financial Services (BFS)

Growth in loans and platforms, and total BFS deposits, partially offset by increased headcount and investment in technology to support growth.

↑ on 2H21

Commodities and Global Markets[1] (CGM)

Increased contribution from Asset Finance largely related to the partial sale of UK Meters portfolio of assets in May 21 and increased activity across its other sectors. Commodities lending and financing contribution in line with 2H21.

↓ on 2H21

Commodities and Global Markets[1] (CGM)

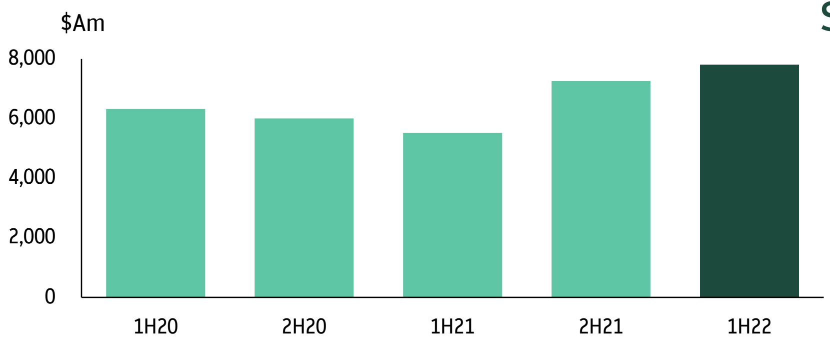
Commodities inventory management and trading down on 2H21 with strong trading gains from supply and demand imbalances in Gas and Power more than offset by unfavourable impact of timing of income recognition on storage contracts and transport agreements. Increased revenue across Commodities with strong risk management from Gas and Power, Resources and Agriculture as a result of elevated levels of volatility. Continued solid performance from Financial Markets in foreign exchange, interest rates and credit.

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

Financial performance

Operating income

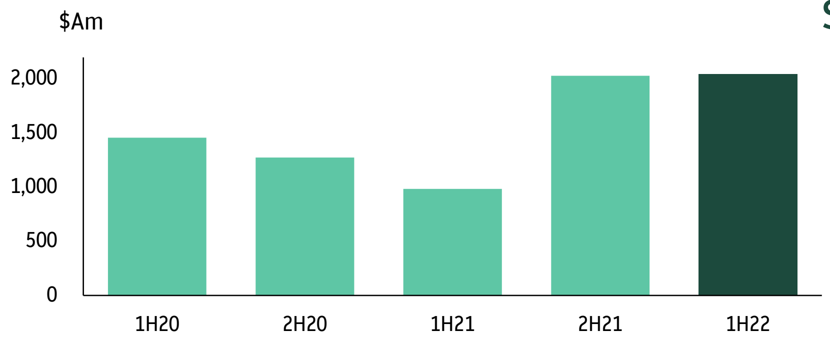
1H22 OPERATING INCOME
$A7,804m



↑41%
ON 1H21
↑8%
ON 2H21

Profit

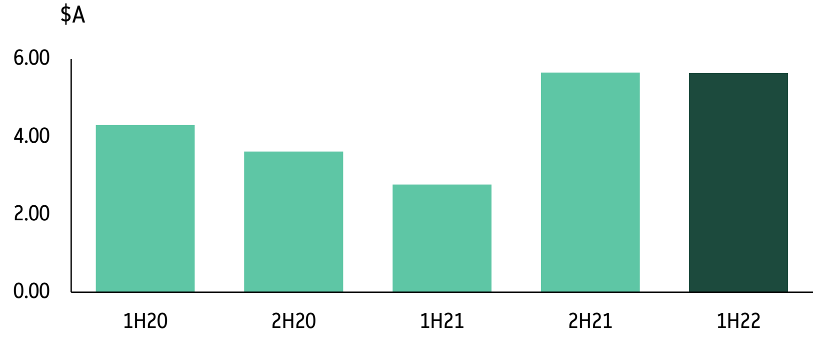
1H22 PROFIT
$A2,043m



↑107%
ON 1H21
↑1%
ON 2H21

EPS

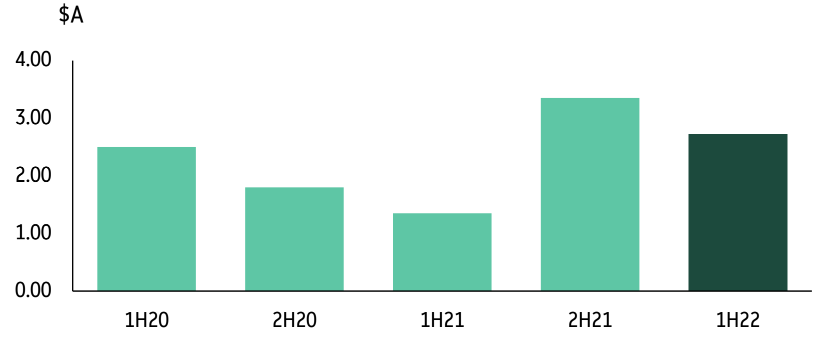
1H22 EPS
$A5.63



↑103%
ON 1H21
flat
ON 2H21

DPS

1H22 DPS
$A2.72

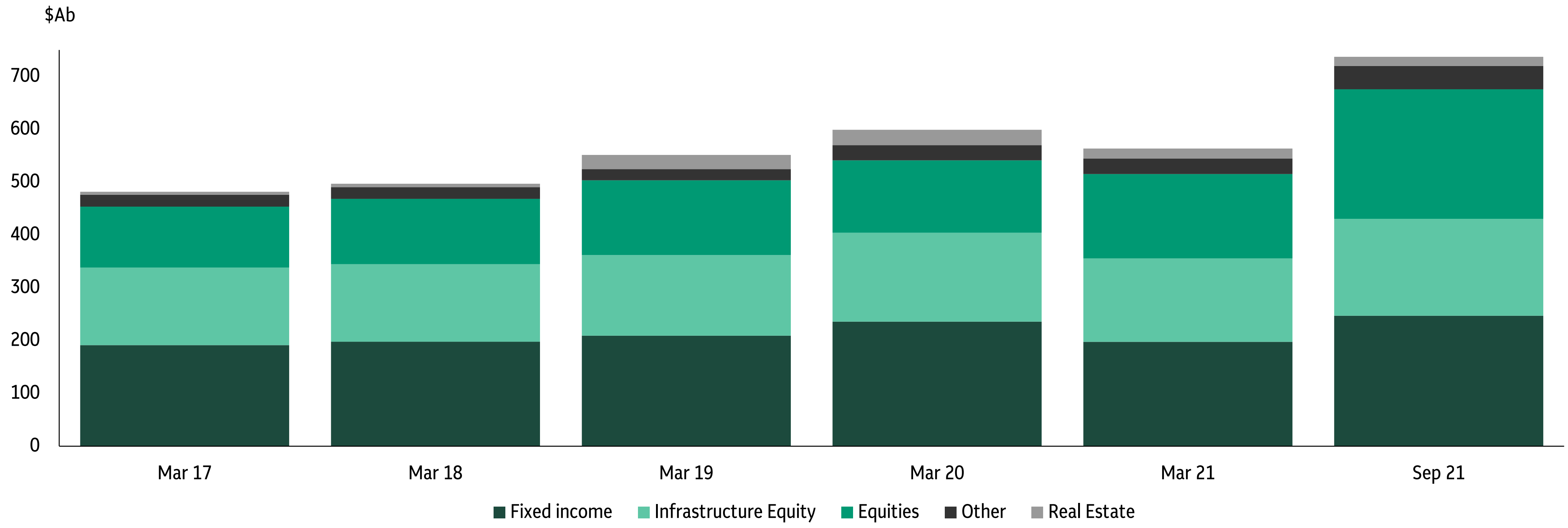


↑101%
ON 1H21
↓23%
ON 2H21

Assets under management of $A737.0b

AUM increased 31% from $A563.5b at 31 Mar 21

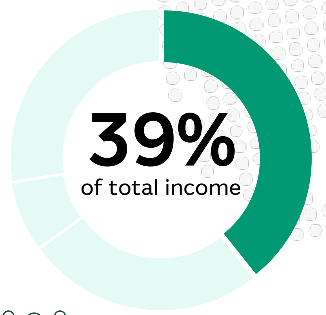
Increase due to the acquisition of Waddell & Reed, positive impacts from foreign exchange, investment by Private Markets-managed funds and Public Investments positive net flows and market movements



Diversification by region

International income 72% of total income[1]
Total staff[2] 17,209, International staff 56% of total

Americas



3,161

Total income
$A2,996m

Assets under management
$A403.5b

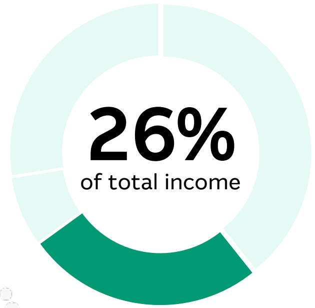
Employing **31,000+** people[4]

CANADA
Calgary
Montreal
Toronto
Vancouver

LATIN AMERICA
Mexico City
Sao Paulo
Santiago

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

EMEA



2,457

Total income
$A1,962m

Assets under management
$A129.3b

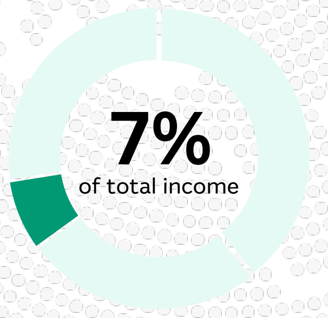
Employing **63,000+** people[4]

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

MIDDLE-EAST
Dubai

SOUTH AFRICA
Johannesburg

Asia



3,939

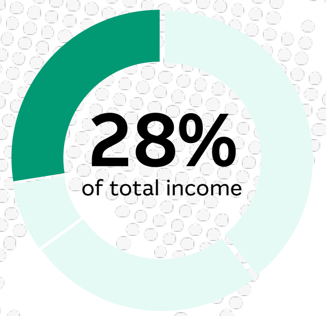
Total income
$A569m

Assets under management
$A36.6b

Employing **60,000+** people[4]

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

Australia[3]



7,652

Total income
$A2,098m

Assets under management
$A167.6b

Employing **7,000+** people[4]

AUSTRALIA
Adelaide
Brisbane
Canberra
Gold Coast
Manly
Melbourne
Newcastle
Perth
Sydney

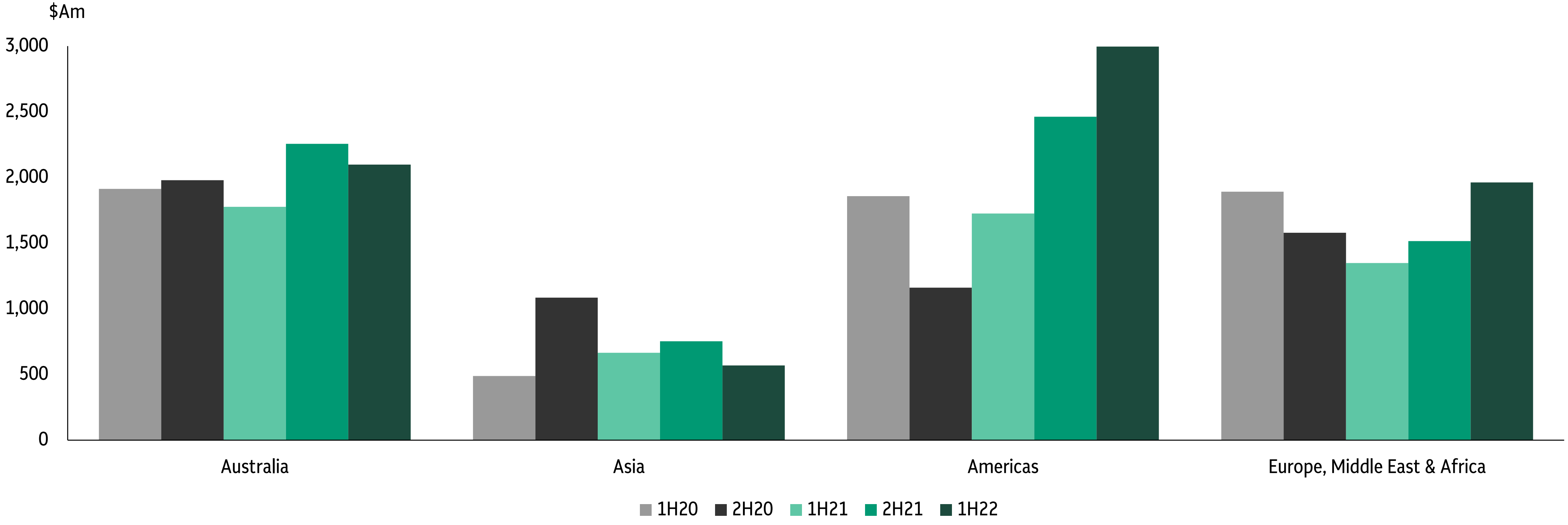
NEW ZEALAND
Auckland

1. Net operating income excluding earnings on capital and other corporate items. 2. Includes staff employed in certain operationally segregated subsidiaries. 3. Includes New Zealand. 4. Includes people employed through Private Markets-managed fund assets and investments where Macquarie Capital holds significant influence.

Diversification by region

72% of total income[1] in 1H22 was generated offshore
A 10% movement[2] in AUD is estimated to have approximately a 7% impact on NPAT

Total income



1. Excluding earnings on capital and other corporate items. 2. This represents an average movement against all major currencies.

Macquarie Asset Management

Operating income
$A2,456m

↑37% ON 1H21

↑39% ON 2H21

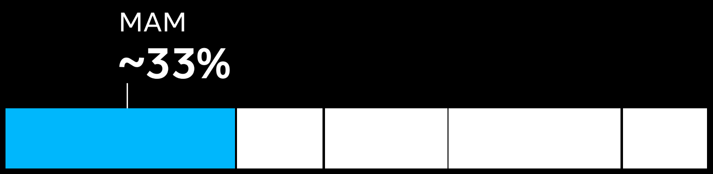
Net profit contribution
$A1,305m

↑23% ON 1H21

↑29% ON 2H21

AUM[1]
$A735.5b

↑31% ON MAR21



MAM

- In Jul 21 MAM signed up to The Climate Pledge, joining a global coalition of more than 100 climate leaders who share the ambition of achieving net zero emissions by 2040
- We continue to invest in our brand and enhance the client experience, bringing our businesses together under a single MAM brand
- MAM entered into an agreement to acquire Central Park Group, an independent advisory firm that provides high-net worth investors access to Private Market strategies on 21 Oct 21. Central Park Group has more than $US3.5b[2] in assets under management

Private Markets

- **$A220.9b in assets under management, up 13% on Mar 21,** predominantly due to asset investments and foreign exchange, partially offset by asset divestments
- **$A158.8b in equity under management[3], up 12% on Mar 21,** predominantly due to equity raised and impacts from foreign exchange
- **Raised $A12.7b in new equity, up on 1H21**, for a diverse range of funds, products and solutions across the platform globally
- **Invested $A13.6b of equity, a record half year,** across 36 new investments including 15 real estate investments, 14 real asset investments, and 7 infrastructure debt investments
- **Equity proceeds of $A7.6b from asset divestments**
- **$A27.9b of equity to deploy** as at 30 Sep 21
- Final close of MAM's sixth Americas infrastructure fund **Macquarie Infrastructure Partners V (MIP V)**, which raised $US6.9b in commitments
- **Asia-Pacific Opportunistic Real Estate**, closed at a hard cap of $A1.1b in equity commitments, with a mandate to invest in developed markets across the Asia-Pacific region
- **Macquarie Infrastructure Corporation (MIC),** completed the sale of Atlantic Aviation and agreed the sale of its Hawaii Gas business pending regulatory approval. Following the sale of Hawaii Gas MIC will be delisted from the NYSE
- **Expanded into new markets** with agreements to acquire a 49% stake in the Hellenic Electricity Distribution Network Operator (HEDNO) in Greece and a stake in four toll roads in Colombia
- **No.1 infrastructure investment manager** globally[4]

Public Investments

- **$A514.6b in assets under management, up 40% on Mar 21,** due to the acquisition of Waddell & Reed Financial, Inc, combined with impacts from foreign exchange, net positive flows and market movements
- Leveraging the strength of our global platform to enable the execution of targeted acquisitions including:
  - The acquisition of **Waddell & Reed Financial**, Inc on 30 Apr 21 bringing $US78.6b[5] in high quality AUM as well as a long-term strategic partnership with LPL Financial Holdings Inc.
  - The agreement to acquire **AMP Capital's Global Equity and Fixed Income (GEFI) business**, including fixed income, Australian listed equities, listed real estate and listed infrastructure, on 8 July 21. At this date AMP's GEFI business managed approximately $A60b in AUM. The transaction is expected to close in the first quarter of 2022
- Positive net flows, driven by **strong fixed income flows** in 1H22
- Continued strong fund performance with 68% of assets under management outperforming their respective 3-year benchmarks[2]

Note: Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Chart is based on 1H22 net profit contribution from Operating Groups. 1. As at 30 Sep 21 Assets under Management (AUM) is calculated as the proportional ownership interest in the underlying assets of funds and mandated assets that Macquarie actively manages or advises for the purpose of wealth creation, adjusted to exclude cross-holdings in funds and reflect Macquarie's proportional ownership interest of the fund manager. AUM excludes uninvested equity in Private Markets 2. As at 30 Sep 21 3. Private Markets' total Equity under management 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. 4. IPE Real Assets (Jul/Aug 2021), measured by infrastructure assets under management. 5. As at acquisition 30 Apr 21.

Banking and Financial Services

Operating income

$A1,163m

↑18% ON 1H21

↑6% ON 2H21

Net profit contribution

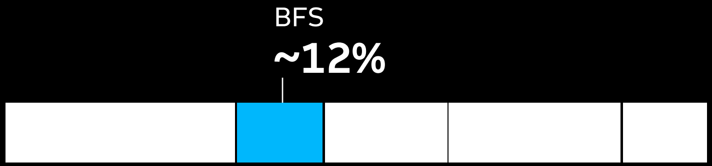
$A482m

↑52% ON 1H21

↑6% ON 2H21

Australian client numbers approximately

1.7 million



Personal Banking

- **Home loan portfolio of $A76.4b**, up 14% on Mar 21, representing approximately 3.8% of the Australian market
- Home loan growth driven by strong demand in lower loan-to-value ratio and owner-occupier lending tiers
- Macquarie named the MFAA's National Major Lender of the Year at the 2021 MFAA National Excellence Awards for the second year in a row

Business Banking

- **Business Banking loan portfolio of $A11.0b**, up 8% on Mar 21
- Business Banking loan growth driven by an increase in client acquisition across core segments and a continued build into emerging segments
- Continued investment in digital solutions for enhanced client experience and to serve clients more efficiently

Wealth Management

- **Funds on platform[1] of $A116.4b**, up 15% on Mar 21, with continued strong net inflows of $A4.5b[4] in the period
- Expanded the Macquarie Wrap managed accounts offering, with funds under administration of $A6.8b, up from $A5.4b at Mar 21
- Continued implementation of cloud-based portfolio management platform as part of the wealth platform transformation

Leasing

- **Vehicle finance portfolio[2] of $A10.9b**, down 5% on Mar 21
- Announced the sale of Macquarie's dealer finance business to Allied Credit, expected to complete in Dec 21
- Launched a specialised electric vehicle buying service to help customers transition to an electric vehicle

Deposits

- **Total BFS deposits[3] of $A88.2b**, up 9% on Mar 21
- Awarded Best Cash and Term Deposit Accounts at the 2021 SMSF Adviser Awards

Note: Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Chart is based on 1H22 net profit contribution from Operating Groups. 1. Funds on platform includes Macquarie Wrap and Vision. 2. Includes general plant and equipment and leases held for sale. 3. BFS deposits exclude corporate/wholesale deposits. 4. For the half year to 30 Sep 21, Administrator view.

Commodities and Global Markets

Operating income
$A2,769m

↑30% ON 1H21

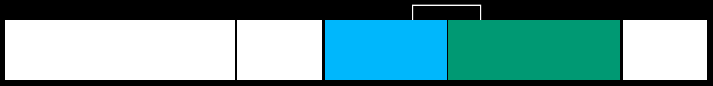
↑9% ON 2H21

Net profit contribution
$A1,729m

↑60% ON 1H21

↑14% ON 2H21

40+ years of client partnership



Asset Finance 12%[1]

- Continued positive performance and contribution across most industries
- Strong origination and portfolio growth in Structured Lending, Technology, Media & Telecoms (TMT), and Shipping Finance
- Total portfolio of $A9.0b, up 17% from $A7.7b at 31 Mar 21
- Gain on partial sale of UK Meters portfolio comprising the industrial and commercial portfolio in May 21. Sale represented less than ~5% of the UK Meters portfolio, which consists of 10m+ residential meters

Commodity Markets 56%[1]

- Strong client activity across the platform including Gas and Power, Resources and Agriculture
- Inventory management and trading down on 1H21 with strong trading gains from supply and demand imbalances in Gas and Power more than offset by unfavourable impact of timing of income recognition on storage contracts and transport agreements
- Named Oil and Products House of the Year[2] and Derivatives House of the Year[2] as well as Base Metals House of the Year[3] and Commodity Research House of the Year[3]
- No.4 physical gas marketer in North America[4]

- Steady performance across Lending and Financing activity across Resources, Agriculture and Oil and Gas sectors

Financial Markets 32%[1]

Foreign exchange, interest rates and credit

- Continued client activity in foreign exchange and interest rates across all regions
- Strong client activity in UK and Australian securitisation
- Solid trading outcomes, particularly in ANZ and emerging markets
- Continued growth in financing activity with clients engaged in the US corporate direct lending market

Futures

- Commission and Interest revenues continue to recover from the market challenges of FY21
- Now providing market access to “internationalised products” on Chinese Exchanges
- No.1 Futures Broker on the ASX[5]

Equity Derivatives and Trading

- Reduced income from trading business driven by lower equity derivatives presence in EMEA
- Increased activity providing solutions for corporate clients
- Reduced costs and expenses due to platform restructure and lower trading volumes

Note: Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Chart is based on 1H22 net profit contribution from Operating Groups. 1. Percentages are based on net profit contribution before impairment charges and excluding the gain from the partial sale of less than 5% of the UK Meters portfolio of assets comprising the industrial and commercial portfolio in May 21. 2. Energy Risk Awards 2021 and Energy Risk Asia Awards 2021. 3. Energy Risk Asia Awards 2021. 4. Platts Q2-Jun 21. 5. ASX Futures 24 (SFE) Monthly Report Sep 21

Macquarie Capital

Operating income
$A1,288m

↑110% ON 1H21

↓21% ON 2H21

Net profit contribution
$A468m

↑significantly ON 1H21

↓44% ON 2H21

253 transactions valued at
$A231b
in 1H22[1]

159 transactions
$A186b
IN 1H21[1]

MacCap
~12%

Advisory and Capital Solutions

Summary

- **Leading market** position in **ANZ** for **ECM**[2] and **IPOs**[3] and acted as the Joint Lead Manager on the three largest ASX IPOs in 2021 YTD[4]
- Debt Capital Markets business continues to be strongly aligned with M&A coverage, leading to optimal execution for issuers across a breadth of industries
- Principal Finance portfolio of over $A13.0b[5] with **over $A5.0b committed** in 1H22 through focused investment in credit markets and bespoke financing solutions

Notable deals

- Lead sell-side adviser on the sale of **McGraw Hill**, a portfolio company of Apollo Global Management, to Platinum Equity for $US4.5b and joint bookrunner on the debt financing
- Financial adviser to **Telstra** on the sale of 49% of Telstra InfraCo Towers, valuing the business at $A5.9b
- Financial adviser to London-listed **Gamesys Group plc** on its £2.4b sale to NYSE-listed Bally's Corporation
- Advised on Veritas Capital's $US1.7b sale of **Alion Science & Technology** to Huntington Ingalls Industries
- Provided credit financing to **Centric Health**, a leading Irish healthcare company
- Contribution of Principal Finance's equity stake in **Premier Technical Services Group**, a leader in building compliance services in the UK, to a newly formed joint venture with Warburg Pincus in return for cash and shares in the new JV

Awards/Ranking

- No.1 in ANZ for **M&A**[6], **ECM**[7] and **IPOs**[8]

Equities

Summary

- Leading APAC specialist broker with global capabilities
- Continued investment and focus on our platform and people has resulted in improved collaboration across Macquarie to deliver highly competitive, customised and innovative solutions for our clients

Awards/Ranking

- Macquarie ranked 1st for **Best Overall Broker** in Australia/ New Zealand[9]

Infrastructure and Energy Group

Summary

- Maintained our position as **global number one infrastructure financial adviser**[10] and **renewables financial adviser**[11]
- Continued focus on **green energy:**
  - Over **300** projects under development or construction, with a pipeline of more than **35GW**[12]
  - Concentrated effort on development, the most critical investment enabling phase of the project lifecycle
  - Our platform and partnership model enables us to advance multiple gigawatt scale portfolios with teams of local, regional and global technical experts

Notable deals

- Financial adviser to the Sydney Transport Partners consortium[13] in relation to its acquisition of the NSW Government's remaining 49% interest in **WestConnex** for $A11.1b, and Joint Lead Manager to Transurban on its associated $A4.2b equity raising
- Exclusive financial adviser and debt arranger to **QIC and Ullico** on the acquisition of CenTrio (formerly Enwave Energy US), the largest pure-play district energy platform in the U.S.
- Leader of the **Sotra Link** consortium, selected as preferred bidder by the Norwegian government to develop the Rv 555 road project, Norway's largest ever PPP
- Acquired **Fuinneamh Sceirde Teoranta**, the developer of the up to 450MW Sceirde Rocks offshore wind farm in Galway, Ireland
- **Blueleaf Energy**[14] has partnered with SunAsia to co-develop 1.25GW of floating solar projects in the Philippines

Awards/Ranking

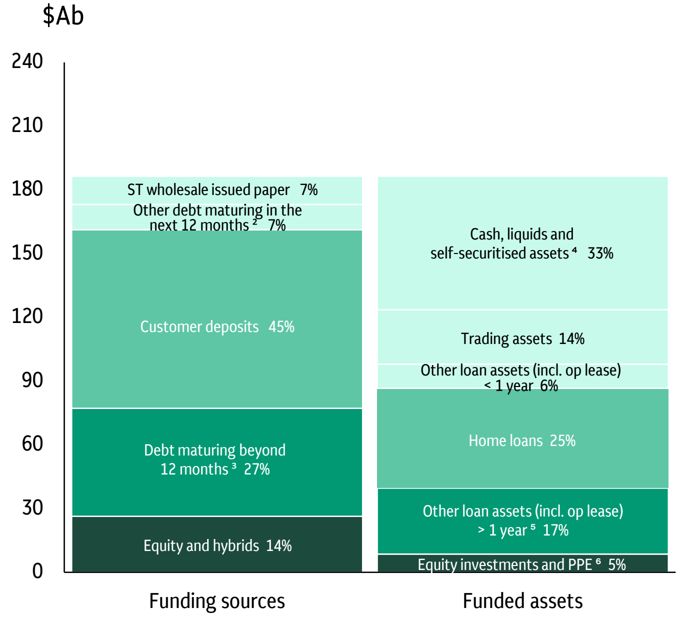
- No.1 Financial Adviser in 14 categories[15]
- European Waste-to-Energy Deal of the Year[16]
- North American Financial Adviser of the Year[16]
- APAC Telecoms Data Centre – Acquisition Deal of the Year[17]

Note: Net profit contribution is management accounting profit before unallocated corporate costs, profit share & income tax. Chart is based on 1H22 net profit contribution from Operating Groups. 1. Source: Dealogic & IJGlobal for Macquarie Group completed M&A, investments, ECM & DCM transactions converted as at the relevant report date. Values reflect the full transaction value & not an attributed value. Comparatives are presented as previously reported. 2. Dealogic (1H22 ASX and NZX by value). 3. Dealogic (1H22 ASX and NZX by value). 4. Dealogic (1 Jan - 30 Sep 21 ASX by value). 5. $A13.0b: Committed portfolio. 6. Dealogic (1H22 Announced by deal count). 7. Dealogic (1H22 ASX and NZX by value). 8. Dealogic (1H22 ASX and NZX by value). 9. Institutional Investor Awards 2021. 10. Inspiratia (Q3 CY21 by deal count and value, equal No.1 in CY20 by deal count). 11. Inframation (Q3 CY21 by deal count and value, CY20 by deal count). 12. at 30 Sep 21. 13. Sydney Transport Partners consortium includes Transurban, AustralianSuper, CDPQ, CPPIB and ADIA. 14. Blueleaf Energy is a portfolio company owned by Macquarie's Green Investment Group (GIG) and operates on a standalone basis. 15. Inframation (Q3 CY21, 9 by deal count, 2 by value and 3 by both value and deal count. Equal No.1 in 4 of 14 categories) 16. IJ Global 2020. 17. IJ Global 2020, Macquarie Capital advised on this acquisition.

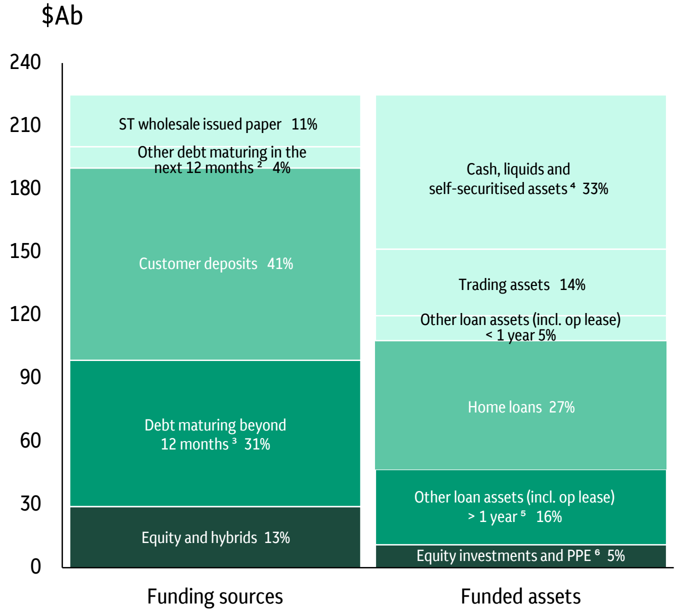
Funded balance sheet remains strong

Term liabilities exceed term assets

31 Mar 21[1]



30 Sep 21[1]



Total customer deposits[7]

$A91.5b

↑9%
FROM MAR 21

Term funding raised, including RBA Term Funding Facility (TFF)[8]

$A24.4b

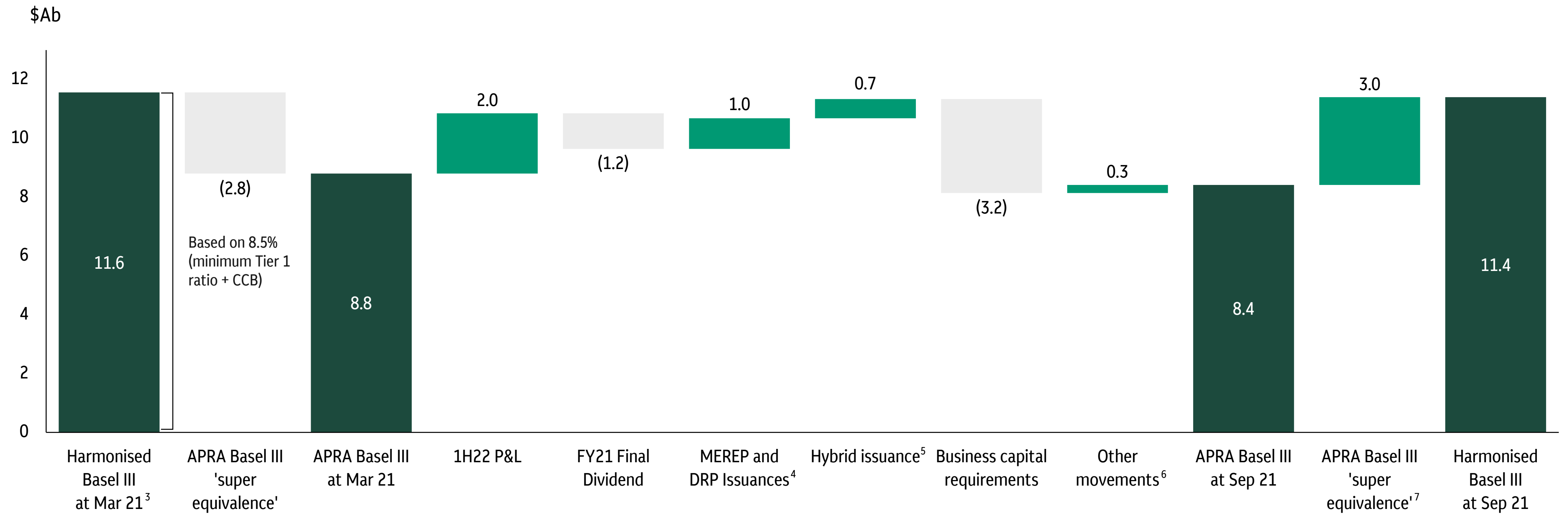
Since
MAR 21

These charts represent Macquarie's funded balance sheets at the respective dates noted above. The funded balance sheet is a simple representation of Macquarie's funding requirements once accounting related gross-ups and self-funded assets have been netted down from the statement of financial position. The funded balance sheet is not a liquidity risk management tool, as it does not consider the granular liquidity profiling of all on and off-balance sheet components considered in both Macquarie's internal liquidity framework and the regulatory liquidity metrics. For details regarding reconciliation of the funded balance sheet to Macquarie's statutory balance sheet refer to slide 67. 1. There has been a change in presentation of certain items on the funded balance sheet in the current period. Comparatives have been restated to reflect this change. Refer slide 68 for more details. 2. Other debt maturing in the next 12 months includes Secured funding, Bonds, Other loans, Subordinated debt and Net trade creditors. 3. Debt maturing beyond 12 months includes Subordinated debt, Structured notes, Secured funding (including RBA TFF), Bonds, Syndicated loan facilities and Other loans not maturing within next 12 months. 4. Cash, liquids and self-securitised assets includes self-securitisation of repo eligible Australian assets originated by Macquarie and held as contingent collateral for RBA facilities (such as the CLF) or to meet proposed APRA minimum requirements. Refer slide 69 in Appendix B for split of Cash and liquid assets and Self-securitisation. 5. Other loan Assets (incl. op lease) > 1 year includes Debt investments. 6. Equity investments and PPE includes Macquarie's co-investments in Macquarie-managed funds and other equity investments. 7. Total customer deposits as per the funded balance sheet ($A91.5b) differs from total deposits as per the statutory balance sheet ($A91.7b). The funded balance sheet reclassifies certain balances to other funded balance sheet categories. 8. Issuances cover a range of tenors, currencies and product types and are AUD equivalent based on FX rates at the time of issuance. Includes refinancing of loan facilities and $A9.5b of RBA TFF drawn since Mar 21.

Basel III capital position

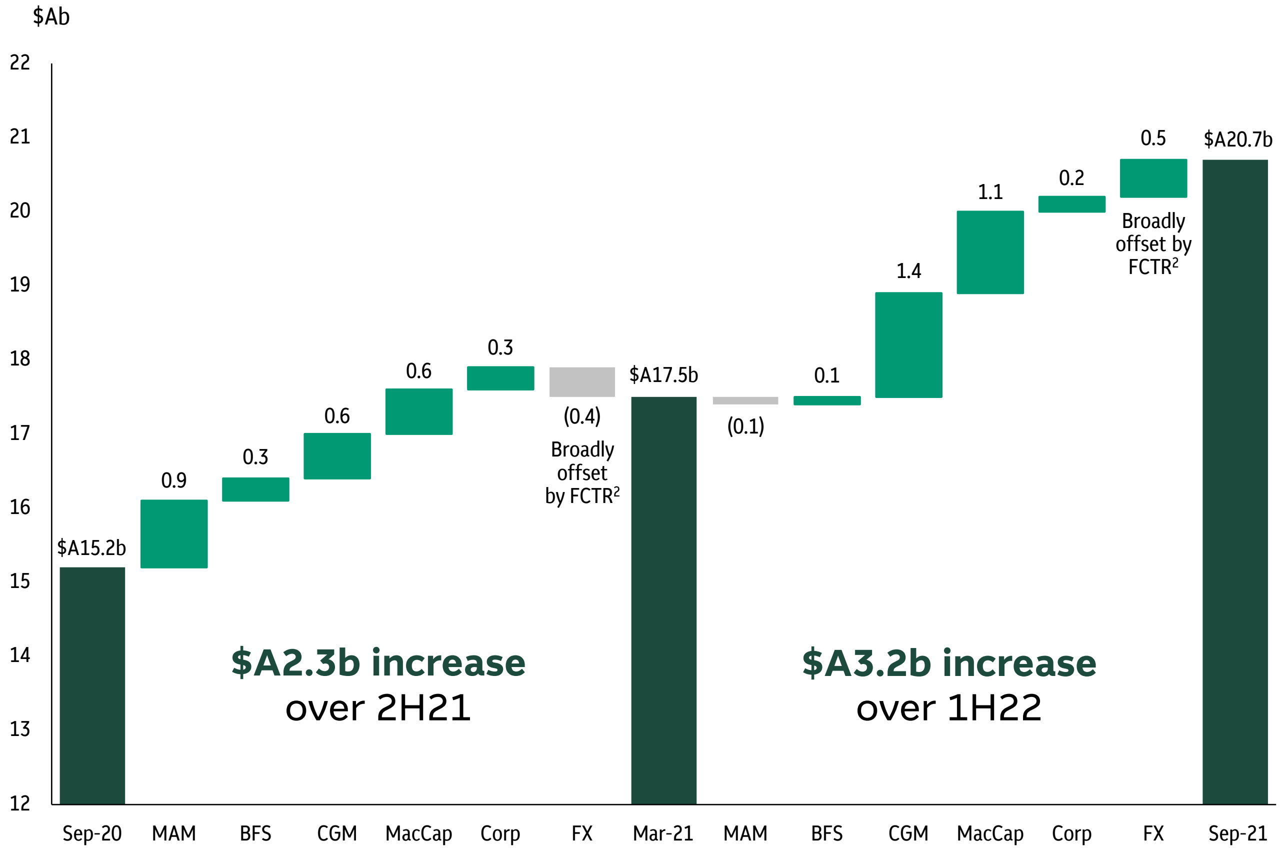
- APRA Basel III Group capital at Sep 21 of $A29.1b; Group capital surplus of $A8.4b[1,2]
- APRA Basel III Level 2 CET1 ratio: 11.7%; Harmonised Basel III Level 2 CET1 ratio: 14.8%

Group regulatory surplus: Basel III (Sep 21)



1. The capital surplus shown is above regulatory minimums including the capital conservation buffer (CCB), per APRA ADI Prudential Standard 110, calculated at 8.5% RWA on a Level 2 basis for MBL. This surplus also includes provision for internal capital buffers, forthcoming regulatory changes, as well as differences between Level 2 and Level 1 capital requirements, such as the $A500m operational capital overlay which is applied to Level 1 only. 2. Based on materiality, the 8.5% used to calculate the Group capital surplus does not include the countercyclical 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. 3. 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. 4. MEREP issuance of $A0.6b and DRP issuance of $A0.4b. 5. Bank Capital Notes 3 issuance. 6. Includes treasury shares, movements in foreign currency translation, share-based payment reserves and other movements. 7. APRA Basel III 'super-equivalence' includes the impact of changes in capital requirements in areas where APRA differs from the BCBS Basel III framework, including the treatment of mortgages $A1.2b; capitalised expenses $A0.5b; equity investments $A0.5b; investment into deconsolidated subsidiaries $A0.2b; DTAs $A0.6b.

Business capital requirements[1]



Business capital requirements

- Sustained and material growth in capital requirements
- Growth across all Operating Groups
- $A5.5b in additional capital requirements over 2H21 and 1H22

2H21 Key drivers

- MAM: Waddell & Reed; balance sheet commitments
- BFS: Growth in home loans, offset by runoff in vehicles financing
- CGM: Derivatives trading volumes in addition to loans and commitments; increase in market risk
- Macquarie Capital: Principal Finance lending activity, investments in green energy and infrastructure; offset by asset realisations
- Corporate: Transfer of the Group services entities, from the Non-Bank group to the Bank group

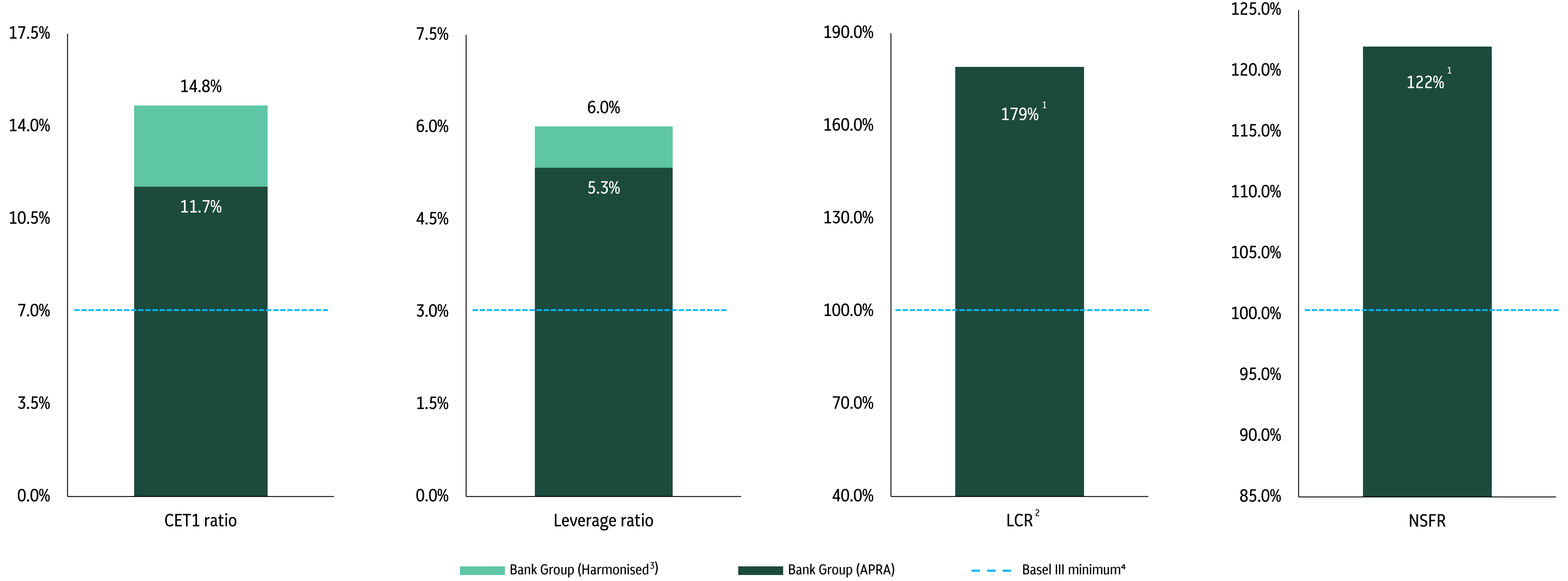
1H22 Key drivers

- MAM: Divestments including Macquarie Infrastructure Corp, partially offset by acquisition of AMP Capital's Global Equity & Fixed Income business
- BFS: Growth in home loans
- CGM: Main driver of growth is market movements in commodities leading to higher credit and market risk. Also includes portfolio growth in Asset Finance and Commodities lending and financing
- Macquarie Capital: New equity investments in green energy, Principal Finance lending activity and increase in DCM underwriting

1. Regulatory capital requirements are calculated at 8.5% RWA. 2. The foreign currency translation (FCTR) forms part of capital supply and broadly offsets FX movements in capital requirements.

Strong regulatory ratios

Bank Group Level 2 Ratios (Sep 21)



1. As announced on 1 Apr 21, APRA has imposed a 15% add-on to the Net Cash Outflow component of the LCR calculation, and a 1% decrease to the Available Stable Funding component of the NSFR calculation, effective from 1 Apr 21. 2. Average LCR for Sep 21 quarter is based on an average of daily observations. 3. 'Harmonised' Basel III estimates are calculated in accordance with the BCBS Basel III framework. 4. 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.

Operating group update

Green Investment Group

- Effective 1 April 2022, Macquarie's Green Investment Group (GIG) will operate as part of Macquarie Asset Management (MAM), bringing together Macquarie's specialist capabilities to provide clients with greater access to green investment opportunities.
- The need for investment has grown substantially in GIG's areas of focus, as has investor appetite for access to such opportunities.
- The combined teams will significantly enhance Macquarie's offering to clients, partners and other stakeholders through the ability to:
  - mobilise institutional capital, connecting MAM clients to a significantly expanded range of green investment opportunities through GIG's asset creation team
  - enable long-term investment across the asset lifecycle, from development to operations
  - provide greater scale of decarbonisation solutions for clients, portfolio companies, communities, and the environment
  - identify opportunities across the transition to net zero, from established to emerging technologies
- GIG will retain its brand and continue its mission to accelerate the green transition.
- Macquarie Capital will continue its principal investing activities across its broader areas of expertise, based on the specialist skills of its teams.
- Macquarie will continue to invest its balance sheet in providing aligned capital for the MAM business.

1. Renewables and newer technologies beyond renewables. Bloomberg NEF. 2. Macquarie analysis, Inframation, Infrastructure Investor, press.

Management Update

Macquarie Capital

Daniel Wong

Michael Silverton

Daniel Wong has decided to step down as Co-Head of Macquarie Capital and from Macquarie's Executive Committee, effective today, 29 October 2021, to pursue opportunities outside Macquarie. Mr Wong has been with Macquarie for 22 years, on the Executive Committee for two years, and Chair of the Green Investment Group since leading its acquisition in 2017. Michael Silverton, currently Co-Head of Macquarie Capital with Mr Wong, becomes Group Head of Macquarie Capital.

Risk Management Group

Patrick Upfold

Andrew Cassidy

After 25 years with Macquarie, Patrick Upfold has decided to step down as Chief Risk Officer, Head of the Risk Management Group (RMG) and from Macquarie's Executive Committee, effective 31 December 2021. Mr Upfold intends to retire in mid-2022 after completing an extended handover to his successor, Andrew Cassidy. Mr Cassidy, who is based in Sydney, has been with Macquarie for 18 years in various roles, including leadership of Macquarie's principal investment activity in Asia Pacific. Mr Cassidy transferred to RMG two years ago to work closely with Mr Upfold in further strengthening Macquarie's risk framework. He will join Macquarie's Executive Committee, effective 1 January 2022.

Legal and Governance Group

Michael Herring

Evie Bruce

After 17 years with Macquarie, Michael Herring has decided to retire as Group General Counsel and Head of the Legal and Governance Group, effective 6 May 2022. Evie Bruce, currently Australian Managing Partner for King & Wood Mallesons Australia's Mergers & Acquisitions and Banking & Finance practice teams, will join Macquarie in January 2022 and work alongside Mr Herring and his leadership team for an extended handover period before taking over his responsibilities. Ms Bruce, who is based in Sydney, will join Macquarie's Executive Committee, effective 6 May 2022.

Interim dividend

1H22 Ordinary Dividend

$A2.72

(40% franked)

From

↑**$A1.35**

(40% franked)
IN 1H21

FROM

↓$A3.35

(40% franked)
IN 2H21

1H22 Record Date

9 Nov 21

1H22 Payment Date

14 Dec 21

DRP shares for the 1H22 dividend to be issued[1]

Payout Ratio[2]

1H22

50%

Dividend policy remains 50-70% annual payout ratio

1. The DRP pricing period is from 15 Nov 21 to 19 Nov 21. 2. Payout ratio calculated as estimated number of eligible shares multiplied by dividend per share, divided by profit attributable to MGL shareholders.

MACQUARIE

04

Result Analysis and Financial Management

Alex Harvey

Chief Financial Officer

Income statement key drivers

	1H22 $Am	2H21 $Am	1H21 $Am
Net interest and trading income	3,032	3,157	2,520
Fee and commission income	3,452	2,563	2,613
Net operating lease income	186	221	245
Share of net profits/(losses) from associates and joint ventures	242	51	(54)
Net credit impairment charges	(176)	(27)	(407)
Net other impairment charges	(54)	(50)	(40)
Investment income	994	1,398	625
Other income and charges	128	(58)	17
Net operating income	**7,804**	**7,255**	**5,519**
Employment expenses	(3,164)	(2,902)	(2,615)
Brokerage, commission and fee expenses	(498)	(408)	(471)
Other operating expenses	(1,407)	(1,291)	(1,180)
Total operating expenses	**(5,069)**	**(4,601)**	**(4,266)**
Operating profit before tax and non-controlling interests	**2,735**	**2,654**	**1,253**
Income tax expense	(603)	(624)	(275)
Non-controlling interests	(89)	-	7
Profit attributable to MGL shareholders	**2,043**	**2,030**	**985**

Net interest and trading income of $A3,032m, up 20% on 1H21

- Higher income in CGM mainly driven by risk management products reflecting strong results across all sectors particularly **from Gas and Power, Resources and Agriculture**, partially offset by lower inventory management and trading income as strong trading gains from supply and demand imbalances in Gas and Power were more than offset by the unfavourable impact of the timing of income recognition primarily on storage contracts and transport agreements
- Higher income in BFS mainly driven by **growth in the loan and lease portfolio** and deposit volumes
- Higher income in Macquarie Capital due to **growth in the ACS Principal Finance debt portfolio**
- Higher income in Corporate primarily due to accounting volatility from changes in the fair value of economic hedges

Fee and commission income of $A3,452m, up 32% on 1H21

- MAM included the **disposition fee** from MIC and **increased base fee income** primarily driven by the acquisition of Waddell & Reed, partially offset by lower performance fees
- **Higher mergers and acquisitions fee income and debt capital markets fee income** in Macquarie Capital, partially offset by lower equity capital markets fee income

Net operating lease income of $A186m, down 24% on 1H21 due to a reduction in secondary income in TMT and the partial sale of the UK Meters portfolio of assets in CGM

Share of net profit from associates and joint ventures of $A242m, significantly up on 1H21 mainly driven by current period equity accounted income from MIC

Lower credit and other impairment charges recognised across most Operating Groups compared to 1H21 reflecting improvement in expected macroeconomic conditions

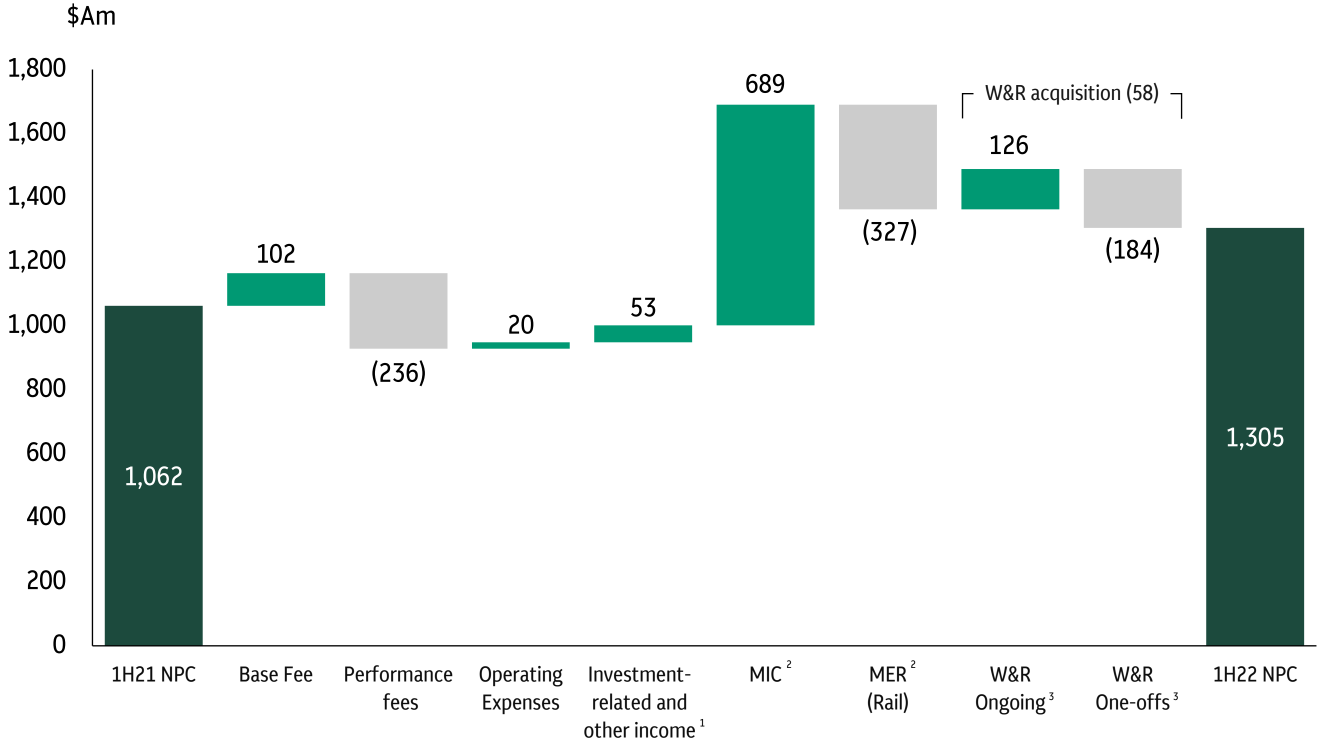
Investment income of $A994m, up 59% on 1H21, primarily due to a **gain on the partial sale of the UK Meters portfolio** in CGM and higher revenue in Macquarie Capital from asset realisations, partially offset by the 1H21 gain on sale of Macquarie European Rail in MAM

Other income of $A128m, significantly up on 1H21 due to gains on sale of green energy projects in Macquarie Capital

Total operating expenses of $A5,069m, up 19% on 1H21 mainly as a result of the one-off acquisition and ongoing costs related to Waddell & Reed. The current period included higher performance-related profit share expense and share-based payments expenses driven by the performance of the Group. This was partially offset by favourable foreign exchange movements

Macquarie Asset Management

Increase driven by income related to the disposition of MIC assets and increased base fees, partially offset by gain on sale of Macquarie European Rail in prior corresponding period and lower performance fees



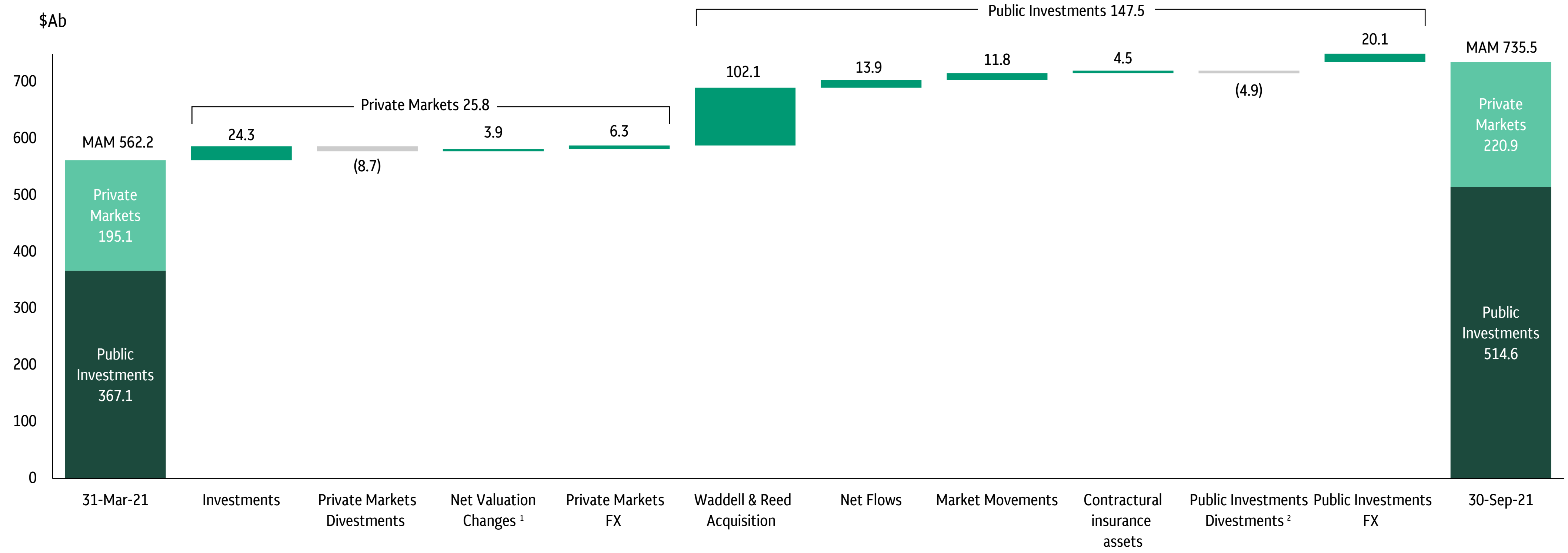
1. Investment-related income includes net income on equity, debt and other investments and share of net profits/ (losses) of associates and joint ventures, credit and other impairment reversals/(charges). Other income includes net interest and trading expense, other fee and commission income, net operating lease income, other income, internal management revenue and non-controlling interests. 2. Macquarie Infrastructure Corporation and Macquarie European Rail (MER) includes investment-related and other income, which is excluded from total MAM Investment-related and other income 3. Waddell & Reed (W&R) ongoing and one-offs include the net impact of operating income and expenses excluded from the other categories.

Key drivers

- Base fees up due to:
  - Investments made by Private Markets-managed funds and mandates and contribution from Public Investments due to positive market movements
  - partially offset by foreign exchange movements and asset realisations in Private Markets-managed funds
- Lower performance fees following a strong prior corresponding period. Current period included fees from a range of funds including MIP III, MEIF 4 and other Private Markets-managed funds, managed accounts and co-investors
- Lower operating expenses, primarily driven by foreign exchange movements
- Higher investment-related and other income due to increased Macquarie AirFinance income compared to the prior corresponding period, which included the impact of COVID-19
- MIC income included recognition of the disposition fee, equity accounted income and the reversal of the impairment previously recognised
- Macquarie European Rail gain on sale in prior corresponding period
- Waddell & Reed acquisition one-offs, driven by costs which are not expected to be repeated

MAM AUM movement

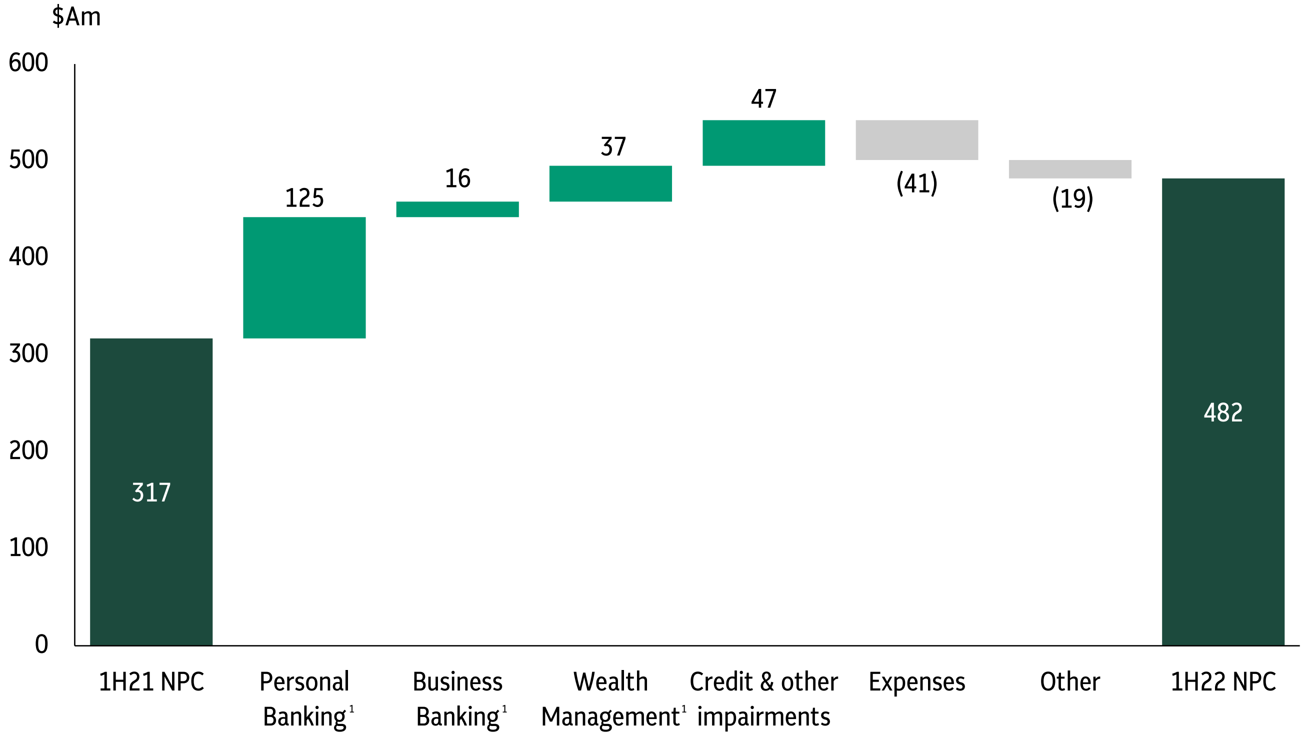
Increase due to acquisition of Waddell & Reed, positive impacts from foreign exchange, investment by Private Markets-managed funds and Public Investments positive net flows and market movements



1. Net valuation changes include net movements in unlisted valuations of portfolio assets, post distributions paid in the period, and listed share price movements. 2. Public Investments divestments includes Jackson Square Partners and Public Investments Korea.

Banking and Financial Services

Strong home loan, business lending, platforms and deposits growth and lower credit impairment charges partially offset by higher expenses



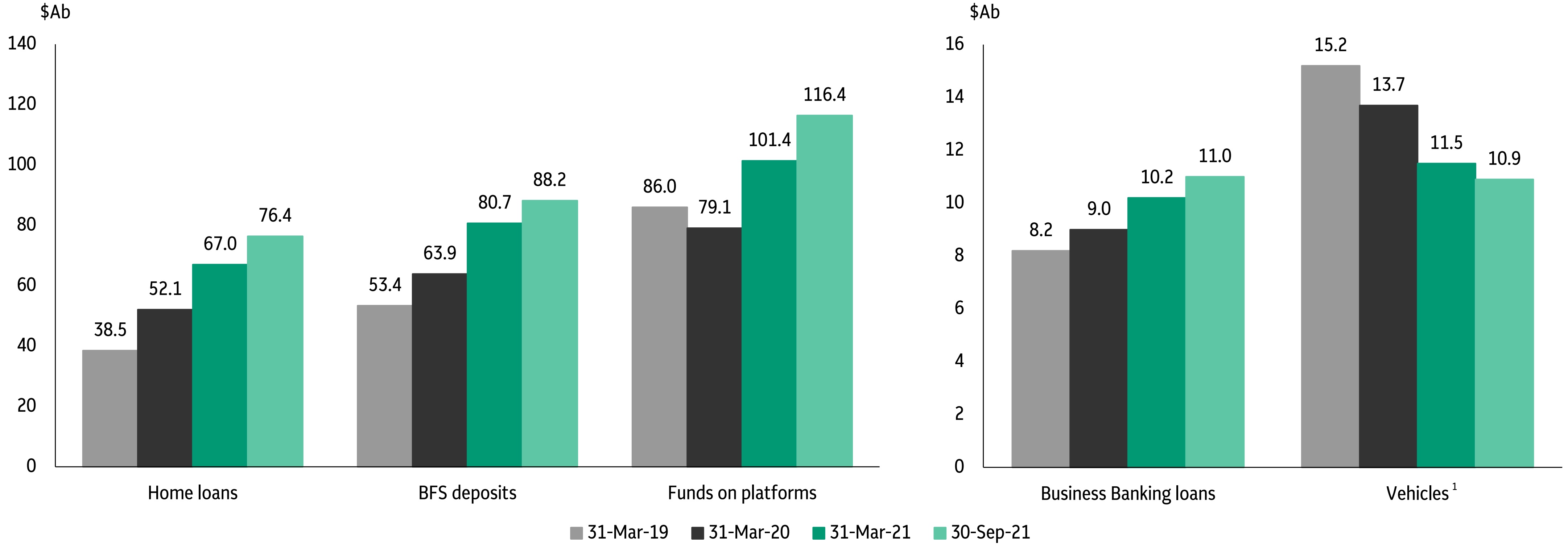
Key drivers

- Higher Personal Banking income driven by 27% growth in average home loans volumes
- Higher Business Banking income mainly driven by 22% growth in average business deposit volumes and 19% growth in average business lending volumes, partially offset by 16% lower average vehicle finance volumes
- Higher Wealth Management income driven by 27% growth in average Platform FUA and 16% growth in average CMA volumes
- Lower credit and other impairment charges due to improvement in expected macroeconomic conditions
- Higher expenses primarily driven by additional headcount and investment in technology to support growth
- Other primarily due to revaluation of an equity investment in prior corresponding period

1. Includes brokerage, commission and fee expenses.

Banking and Financial Services

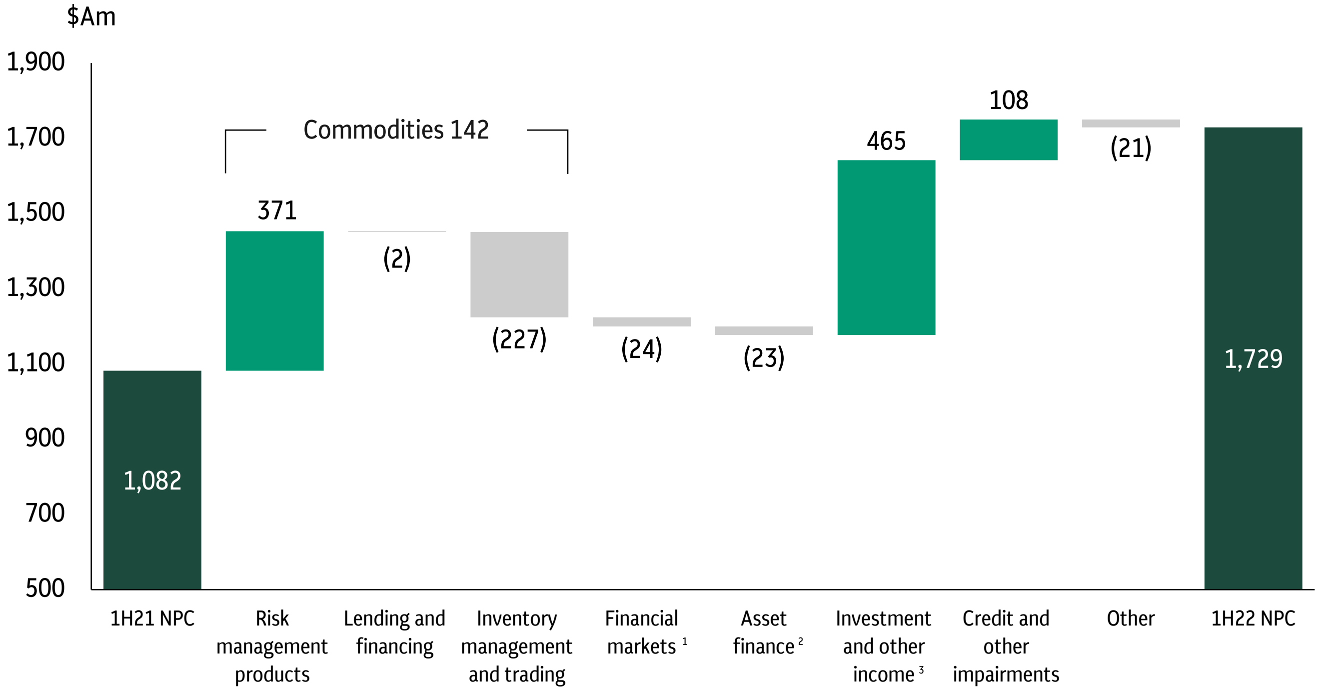
Strong growth across home loans, deposits and funds on platform



Data based on spot volumes at period end. 1. Includes General plant and equipment, and leases held for sale.

Commodities and Global Markets

Strong underlying client business; well positioned for upside opportunities



Key drivers

- Commodities
  - Increased Risk Management revenue across commodities sectors particularly Gas and Power, Resources, and Agriculture due to increased client hedging activity and gains associated with management of those exposures as a result of elevated levels of volatility and price movements in commodity markets
  - Lending and financing broadly in line with 1H21 with consistent contributions across the commodity platform
  - Inventory management and trading down on 1H21 - strong trading gains from supply and demand imbalances in Gas and Power more than offset by 1H22 $A376m unfavourable impact of timing of income recognition, primarily on storage contracts and transport agreements
- Financial Markets down on 1H21 primarily due to reduced contribution from equity trading activities following structural changes in FY21 reducing EMEA presence
- Asset Finance down due to a reduction in secondary income in the TMT sector and the partial sale of the UK Meters portfolio of assets comprising the industrial and commercial portfolio
- Investment and other income gains increased primarily due to the gain from the partial sale of the UK Meters portfolio of assets comprising the industrial and commercial portfolio
- Credit and Other impairment charges down on 1H21 due to an improvement in expected global macroeconomic conditions

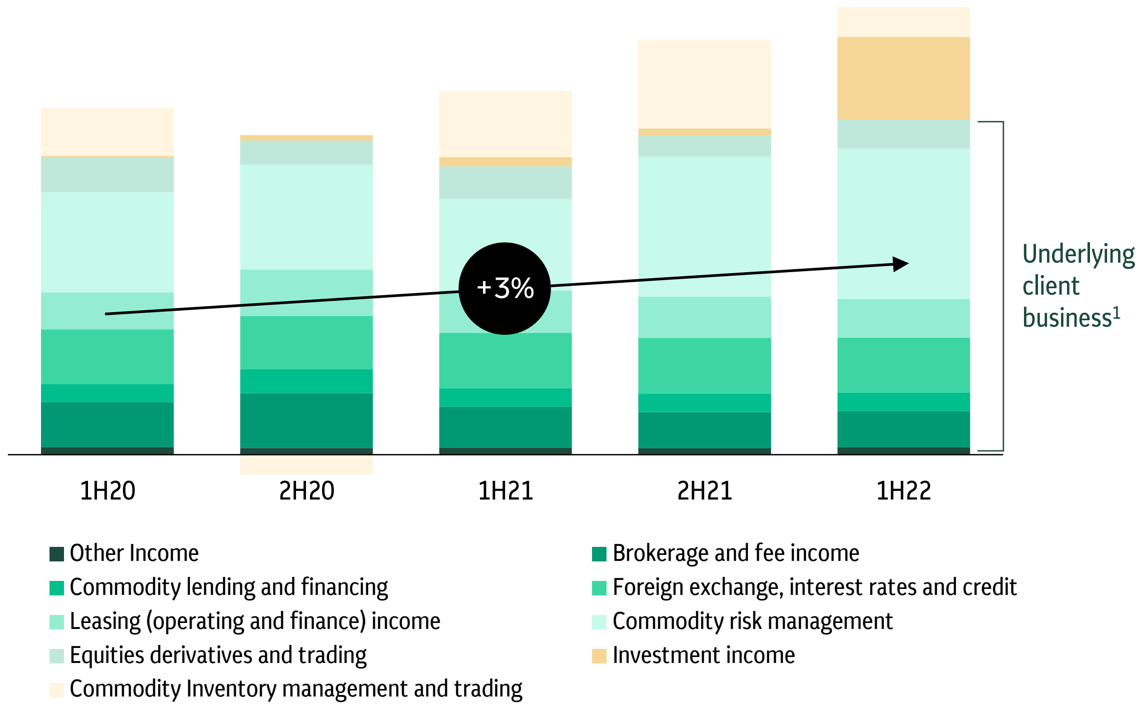
1. Financial Markets includes FX, interest rates and credit and equities. 2. Asset Finance includes net interest and trading income and net operating lease income. 3. Includes net income on equity, debt and other investments, share of net profits from associates and joint ventures, internal management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

Strong underlying client business

Majority of income derived from underlying client business

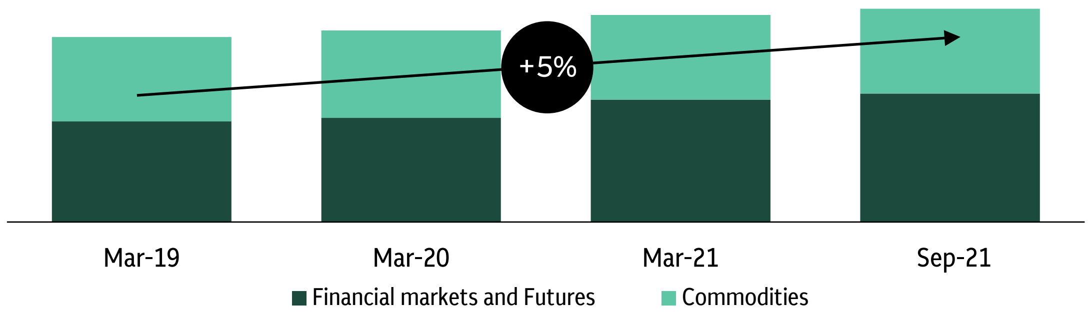
Operating Income

(excl. credit and other impairment charges)

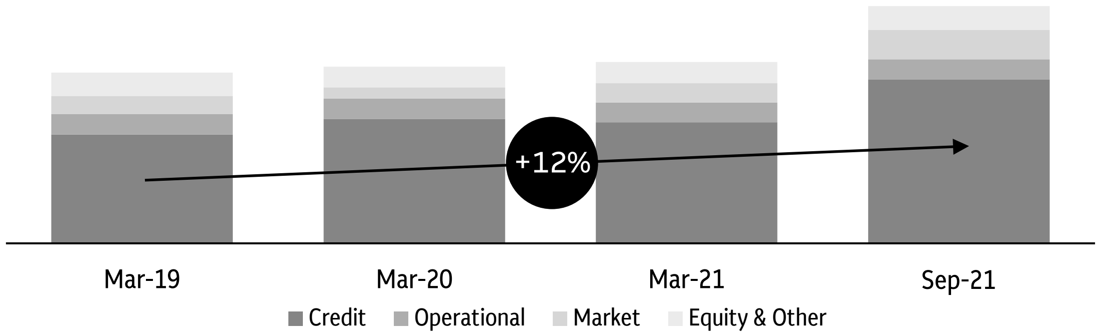


Client numbers[2] (excl. SAF)

Client-led business with deep longstanding client relationships



Regulatory capital (normalised)[3]

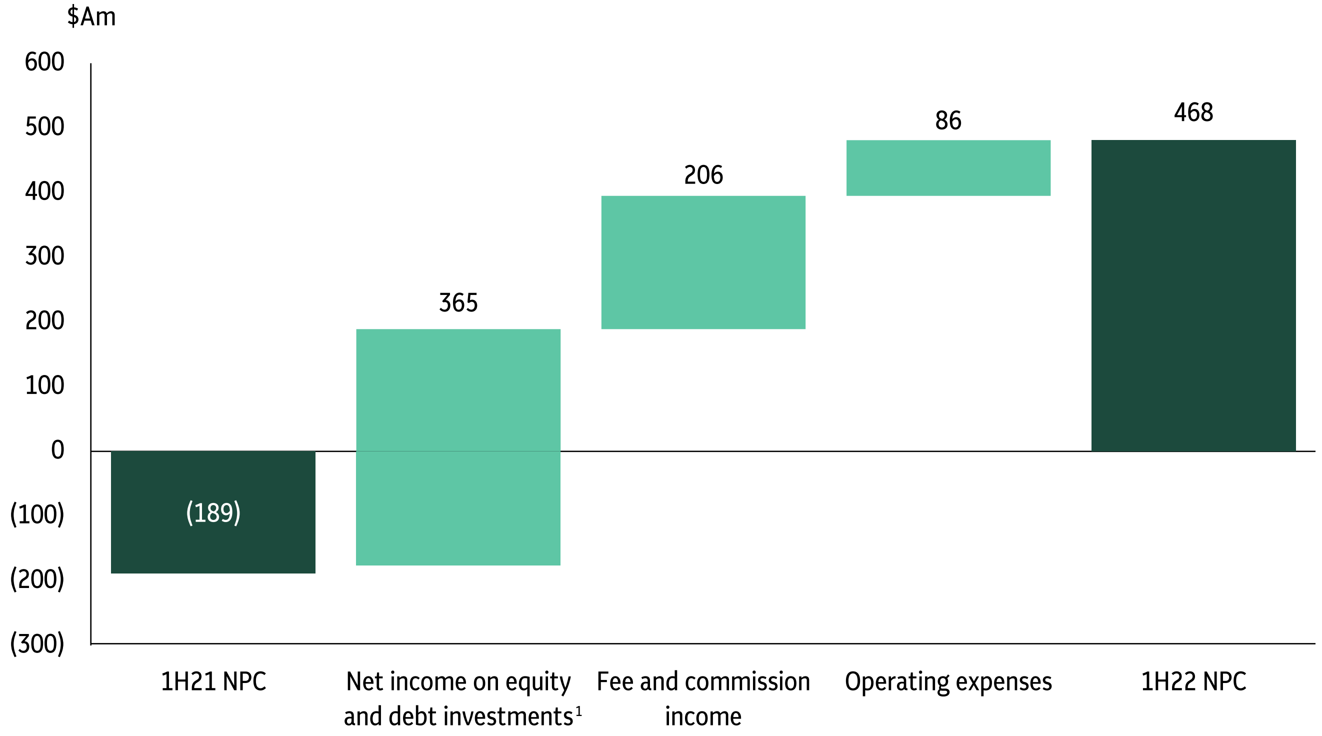


- Majority of capital relates to **credit risk** reflecting **client-focused business**
- Risk management is **core; built on 50+ years of accumulated experience** in managing risk for our clients and our business

1. Included within Underlying client business is a relatively small (~5%) amount of FX, IR, Credit and EDT trading activity not related to clients. 2. Financial markets and futures client numbers will differ to previously reported numbers with the inclusion of Equity Derivatives and Trading clients and the transfer to Cash Equities to Macquarie Capital effective 1 Jun 20. 3. Normalised for FX (30 Sept 21) and SA-CCR impacts. Numbers will not reconcile to previously disclosed regulatory capital numbers.

Macquarie Capital

Result reflects higher income on equity and debt investments and higher fee and commission income



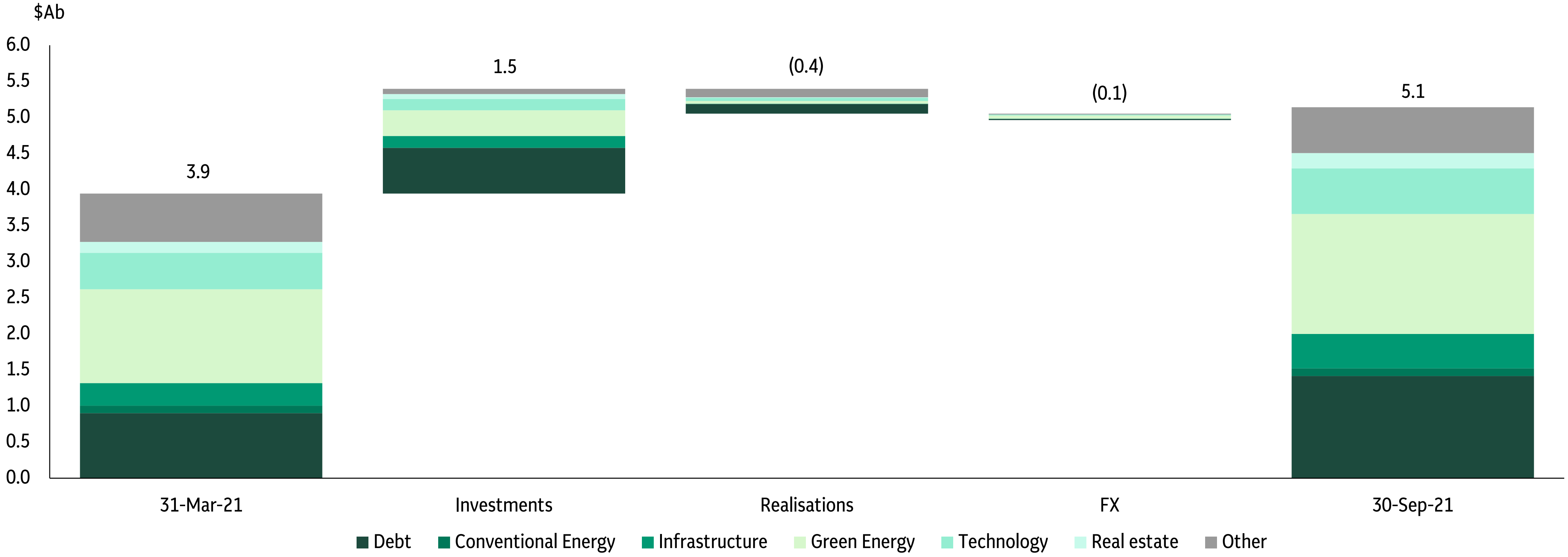
Key drivers

- Higher net income on equity and debt investments primarily driven by:
  - Higher revenue from asset realisations predominantly in Europe, in the business services and technology sectors
  - Gains on sale of green energy projects
- Higher fee and commission income due to higher mergers and acquisitions fee income and debt capital markets fee income, partially offset by lower equity capital markets fee income.
  - Mergers and acquisitions fee income increased across all major regions, and was significantly up compared to the prior corresponding period
  - Debt capital markets fee income for the half year ended 30 Sep 21 was up 79% compared to the prior corresponding period
- Lower operating expenses predominantly driven by lower employment costs

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

Macquarie Capital

Movement in capital

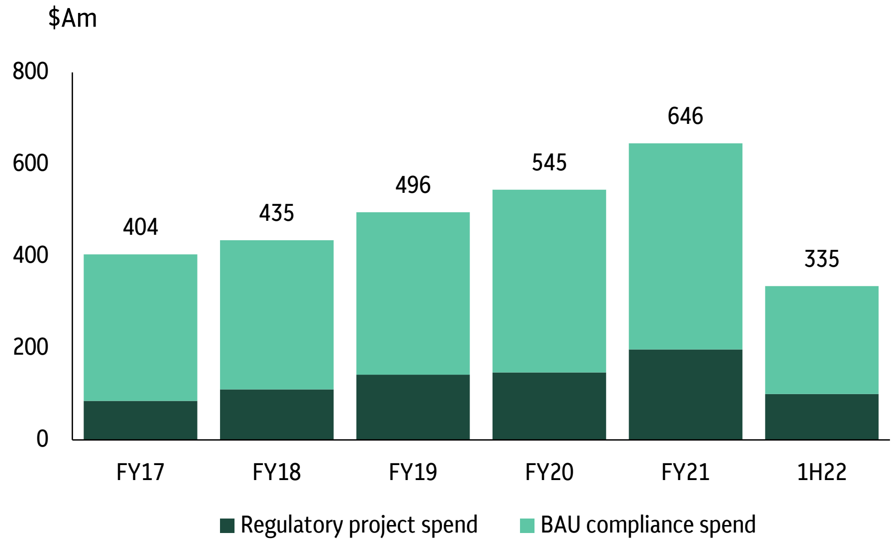


Costs of compliance

Total compliance spend[1] $A335m in 1H22, up 11% on 1H21

Regulatory project spend $Am	1H22	2H21	1H21
Brexit	1	8	8
OTC reforms	3	3	3
IBOR Reforms	6	8	5
CGM Transaction Reporting & Data related Projects	6	11	11
Enterprise Data Management	17	10	8
Capital and Liquidity Projects- frameworks, design and transformation	13	7	5
Other Regulatory Projects e.g. Payment pause functionality, Code of banking practise	54	60	49
Sub-total	**100**	**107**	**90**
Business as usual compliance spend $Am	**1H22**	**2H21**	**1H21**
National Consumer Credit Protection (NCCP)	3	3	4
Monitoring & Surveillance	7	6	5
Privacy & Data Management	8	6	6
Regulator Levies	9	12	7
Regulatory Capital Management	15	17	13
Financial Crime Risk	18	16	16
Tax compliance and reporting	21	25	24
Financial & Regulatory reporting and compliance	51	44	42
Risk oversight	60	65	54
Other regulatory compliance activities e.g. APRA resilience, Advice Licensee standards compliance, IRIS maintenance and support	43	43	41
Sub-total	**235**	**237**	**212**
Total Compliance Spend	**335**	**343**	**302**

- The industry continues to see an increase in regulatory initiatives, resulting in increased compliance requirements across all levels of the organisation
- Direct cost of compliance is approx. $A335m in 1H22 (excluding indirect costs), up 11% on 1H21
- Regulatory project spends increased 11% from 1H21 as a result of a number of Technology projects and new regulations
- Business as usual spend increased 11% from 1H21 driven by regulatory projects getting completed and moved to functions, increased global regulatory environment and continued focus of management on a range of compliance activities



1. Excluding indirect costs.

Balance sheet highlights

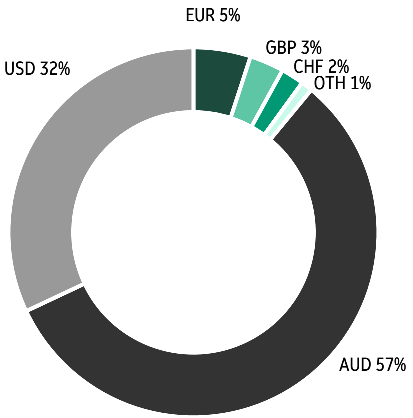
- **Balance sheet remains solid and conservative**
  - Term assets covered by term funding, stable deposits and equity
  - Limited reliance on short-term wholesale funding markets
- **Total customer deposits[1] continuing to grow, up 9% to $A91.5b as at Sep 21 from $A84.0b as at Mar 21**
- **$A24.4b[2] of term funding raised during 1H22:**
  - $A9.5b draw down of the RBA Term Funding Facility[3]
  - $A7.4b of term wholesale issued paper comprising of $A6.6b of senior unsecured debt and $A0.8b of subordinated unsecured debt
  - $A3.8b of PUMA RMBS securitisation issuance
  - $A3.0b refinance of secured trade finance facilities; and
  - $A0.7b of BCN3 Hybrid instrument issuance

1. Total customer deposits as per the funded balance sheet ($A91.5b) differs from total deposits as per the statutory balance sheet ($A91.7b). The funded balance sheet reclassifies certain balances to other funded balance sheet categories. 2. Issuances cover a range of tenors, currencies and product types and are AUD equivalent based on FX rates at the time of issuance. Includes refinancing of loan facilities. 3. $A9.5b of Supplementary and Additional Allowance drawn in Jun 21. $A1.7b of Initial Allowance was drawn in Sep 20.

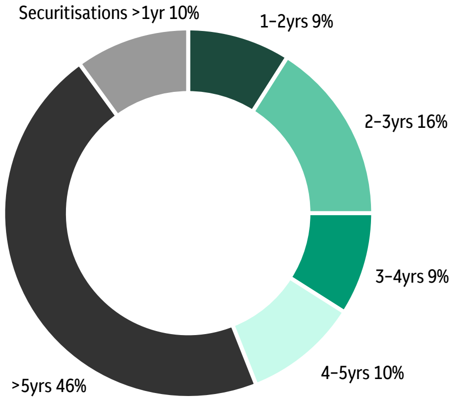
Diversified issuance strategy

Term funding as at 30 Sep 21 – diversified by currency[1], tenor[2] and type

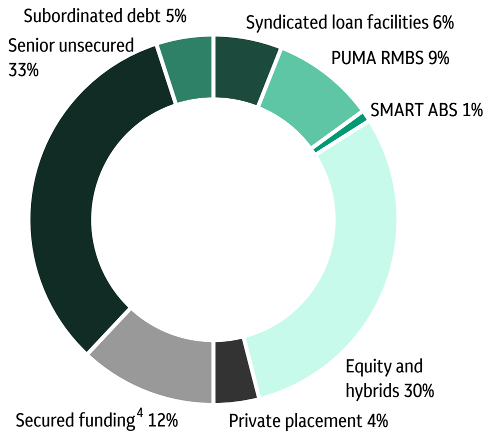
Currency



Tenor

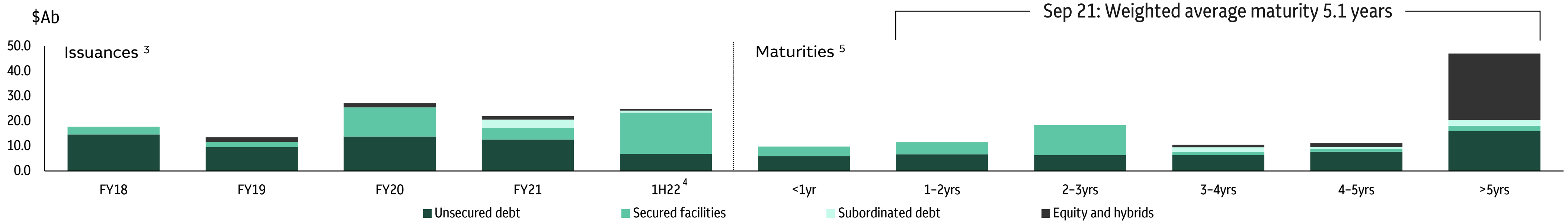


Type



5.1 years WAM[6]
of Term funding excluding TFF
(4.6 years including TFF)

Term Issuance and Maturity Profile

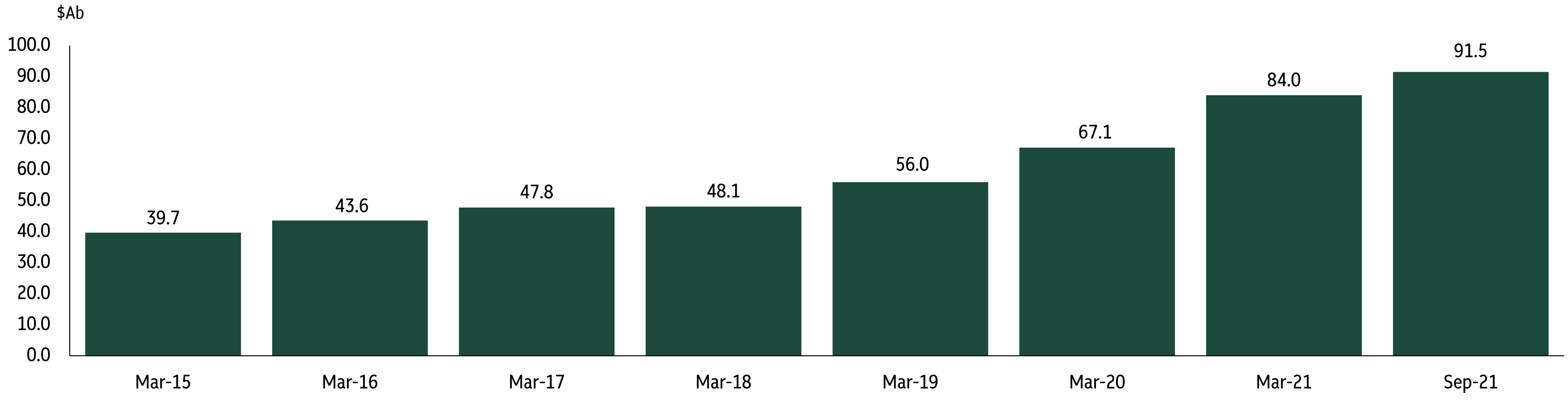


1. Equity has been allocated to the AUD currency category. 2. Securitisations have been presented on a behavioural basis and represent funding expected to mature in >1yr. 3. Issuances include refinancing of loan facilities and are converted to AUD at the 30 Sep 21 spot rate. 4. Includes RBA TFF. 5. Maturities are shown as at 30 Sep 21. 6. WAM represents weighted average term to maturity of term funding maturing beyond one year excluding equity and securitisations.

Continued customer deposit growth

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

- Of more than 1.7 million BFS clients, circa 840,000 are depositors
- Focus on the quality and composition of the deposit base
- CMA deposits of $A34.9b, up 9.7% on Mar 21
- Offset account deposits of $A9.8b, up 32% on Mar 21



Note: Total customer deposits include total BFS deposits of $A88.2b and $A3.3b of Corporate/Wholesale deposits.

Loan and lease portfolios[1] – funded balance sheet

Operating Group	Category	Sep 21[2] $Ab	Mar 21[2] $Ab	Description
BFS	Home loans[3]	76.8	66.9	Secured by Australian residential property
	Business banking	11.3	10.5	Loan portfolio secured largely by working capital, business cash flows and real property
	Vehicle finance	10.7	11.3	Secured by Australian motor vehicles
	Total BFS	**98.8**	**88.7**	
CGM	Loans and finance lease assets	6.6	5.7	
	Operating lease assets	1.9	1.8	
	Asset finance	8.5	7.5	Predominantly secured by underlying financed assets
	Resources and commodities	2.3	2.1	Diversified loan portfolio primarily to the resources sector that are secured by the underlying assets with associated price hedging to mitigate risk
	Foreign exchange, interest rate and credit	2.7	2.3	Diversified lending predominantly consisting of loans which are secured by other loan collateral, assets including rights and receivables and warehoused security from mortgages and auto loans
	Total CGM	**13.5**	**11.9**	
MAM	Operating lease assets	0.9	0.8	Secured by underlying financed assets including transportation assets
	Total MAM	**0.9**	**0.8**	
MacCap	Corporate and other lending	8.9	6.0	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 MacCap	**8.9**	**6.0**	
Total loan and lease assets per funded balance sheet[4]		**122.1**	**107.4**	

1. Loan assets per the statutory balance sheet of $A118.4b at 30 Sep 21 ($A105.0b at 31 Mar 21) 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. There has been a change in presentation of certain items on the funded balance sheet in the current period. Comparatives have been restated to reflect this change. Refer slide 68 for more details. 3. Home loans per the funded balance sheet of $A76.8b differs from the figure disclosed on slide 21 of $A76.4b. The balance on slide 21 excludes capitalised costs, provision, deferred income, accrued interest and establishment fee. 4. Total loan assets per funded balance sheet includes self-securitised assets.

Equity investments of $A8.8b[1]

Includes interests in associates and joint ventures, subsidiaries and certain other assets held for investment purposes and other financial investments

Category	Carrying value Sep 21 $Ab	Carrying value Mar 21 $Ab	Description
MAM Private Markets managed funds	1.8	1.5	Includes Macquarie Infrastructure Corporation, Macquarie Korea Infrastructure Fund, Macquarie SBI Infrastructure Fund, Macquarie Asia infrastructure Fund 2, Macquarie European Infrastructure Fund 5
Other Macquarie-managed funds	0.4	0.3	Includes MAM Public Investments funds as well as investments that hedge directors' profit share plan liabilities
Transport, industrial and infrastructure	1.5	1.4	Over 30 separate investments
Telecommunications, IT, media and entertainment	1.3	1.2	Over 50 separate investments
Green energy	1.8	1.3	Over 60 separate investments
Conventional energy, resources and commodities	0.4	0.4	Over 30 separate investments
Real estate investment, property and funds management	1.1	1.0	Over 25 separate investments
Finance, wealth management and exchanges	0.5	0.6	Includes investments in fund managers, investment companies, securities exchanges and other corporations in the financial services industry
	8.8	**7.7**	

1. Equity investment have been revised to include subsidiaries and certain other assets held for investment purposes. Equity investments per the statutory balance sheet of $A6.7b (Mar 21: $A5.7b) have been adjusted to reflect the total net exposure to Macquarie. Total funded equity investments of $A6.6b as at Sep 21 (Mar 21: $A5.7b).

Regulatory update

Australia

- APRA is in the process of implementing changes to a number of prudential standards[1]
- Based on current information available, it remains Macquarie's expectation that it will have sufficient capital to accommodate likely additional regulatory Tier 1 capital requirements as a result of the proposed changes, noting that the final impact is uncertain given a number of these are subject to consultation and finalisation
- As previously noted, APRA is in discussions with Macquarie on resolution planning. APRA anticipates releasing a draft standard in Nov 21 for an extended consultation[2]
- On 1 Apr 21, APRA announced actions required regarding MBL's risk management practices and ability to calculate and report key prudential ratios[3]. APRA increased MBL's operational risk capital requirement and made adjustments to requirements for certain liquidity prudential ratios, effective from 1 Apr 21. The actions relate to specific intra-group funding arrangements as well as breaches of APRA's reporting standards on liquidity between 2018 and 2020. APRA noted that the breaches are historical and do not impact the current overall soundness of Macquarie Group's capital and liquidity positions. On 22 Oct 21, MBL published restated historical Pillar 3 disclosures for the period Mar 18 to Jun 21
- Macquarie has ongoing programs which focus on strengthening MBL's processes and controls, including those around intra-group funding arrangements and internal exposures; capital and liquidity reporting; risk management frameworks; and accountabilities and governance. A number of these programs also form part of a remediation plan as required by APRA, which has been established to define and deliver programs of work that strengthen MBL's governance, risk culture, structure, and incentives to ensure full and ongoing compliance with prudential standards
- On 16 Jul 21, Treasury released the Exposure Draft Financial Accountability Regime Bill 2021 (and related materials) for consultation with submissions from interested parties due by 13 Aug 21. The proposed Financial Accountability Regime ("FAR") extends, with some modifications, the existing Banking Executive Accountability Regime ("BEAR") to all other APRA-regulated entities including Macquarie Group Limited ("MGL") as an authorised non-operating holding company, Macquarie Investment Management Limited ("MIML") as a registrable superannuation entity licensee; and Macquarie Life Limited ("MLL") as an insurer. On 3 Sep 21, Treasury released for consultation another piece of proposed legislation, the draft FAR (Consequential Amendments and Transitional Provisions) Bill 2021. Treasury intends for FAR to commence for MGL and MBL on 1 Jul 22 and for MIML and MLL on 1 Jul 23
- On 19 Jul 21, APRA announced regulatory relief for loans impacted by COVID-19 which were granted repayment deferrals of up to three months before end Aug 21[4]. On 25 Aug 21, APRA extended the time period for the relief from 8 Jul 21 until 30 Sep 21[5]. For eligible borrowers, ADIs will not need to treat a repayment deferral as a loan restructuring or the period of deferral as a period of arrears, whether or not the borrower has previously been granted a repayment deferral
- On 27 Aug 21, APRA released a finalised Cross-industry Prudential Remuneration Standard ("CPS 511") which will come into effect on 1 Jan 23[6]. The new standard requires boards to strengthen incentives to manage non-financial risks, regularly assess for risk management failings and have deferral arrangements that allow boards to reduce remuneration for poor risk outcomes. APRA released the finalised Prudential Practice Guide ("CPG 511") on 18 Oct 21, which aligns the guidance with the Government's proposed Financial Accountability Regime ("FAR") and provides additional examples of better practice to assist entities in meeting their requirements under CPS 511
- As previously foreshadowed, APRA wrote to all Liquidity Coverage Ratio ("LCR") ADIs on 10 Sep 21 advising that no ADI should rely on the Committed Liquidity Facility ("CLF") to meet their minimum 100% LCR requirements from the beginning of 2022 and that ADIs should reduce their usage of the CLF to zero by the end of 2022, subject to financial market conditions[7]. MBL is well placed to manage the CLF removal in accordance with APRA's proposed timeline
- On 6 Oct 21, APRA increased the minimum interest rate buffer it expects banks to use when assessing serviceability of home loan applications from 2.5 percentage points to 3 percentage points[8]. This is to be implemented by 1 Nov 22 and MBL has made the necessary changes to meet this timeframe. The change was motivated to reduce the medium term risks in the system of heavily indebted customers

Germany

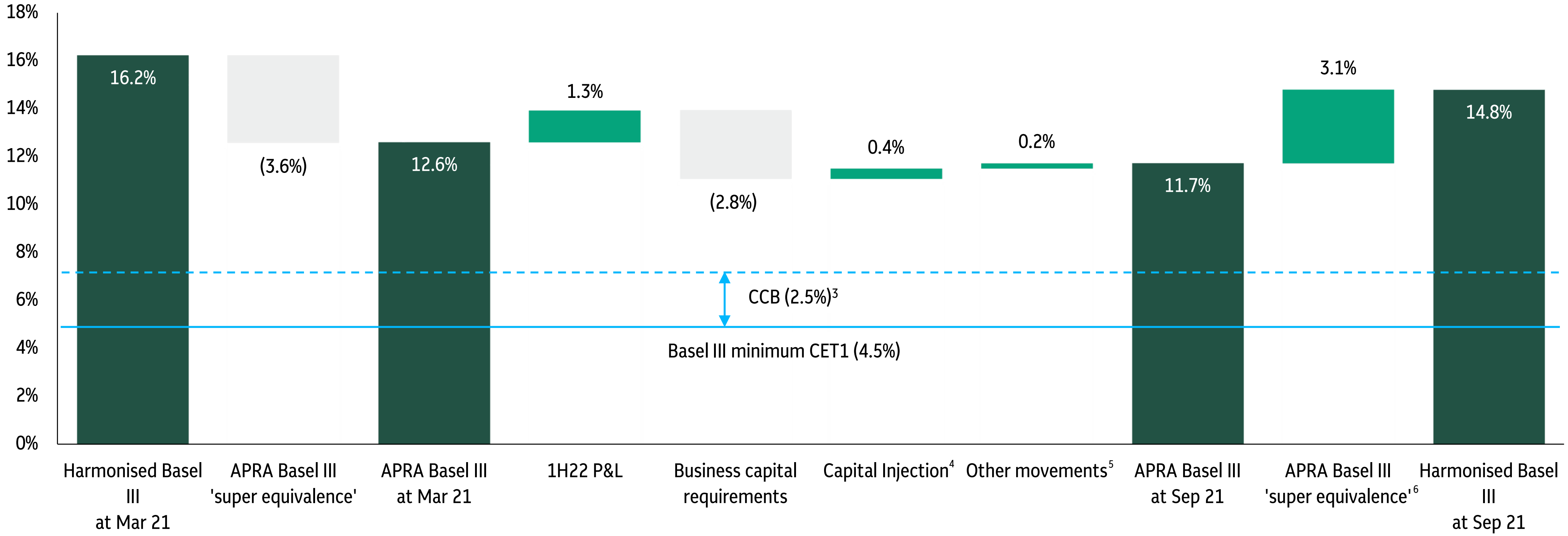
- Macquarie continues to respond to requests for information about its historical activities as part of the ongoing, industry-wide investigation in Germany relating to dividend trading. As previously noted, in total, the German authorities have designated as suspects approximately 100 current and former Macquarie staff, most of whom are no longer at Macquarie. There has recently been an increase in German civil claims relating to dividend trading. While Macquarie disputes any such claims, it continues to provide for these and other German dividend trading matters

1. These changes include APS 110, APS 111, APS 112, APS 113, APS 115, APS 116, APS 117, APS 180, APS 220, APS 222. 2. 'APRA policy priorities: Interim update'; 24 Sep 21. 3. 'APRA takes action against Macquarie Bank over multiple breaches of prudential and reporting standards'; 1 Apr 21. 4. 'APRA announces further regulatory support for loans impacted by COVID-19'; 19 Jul 21. 5. 'APRA releases response letter on its proposed treatment of loans impacted by COVID-19'; 25 Aug 21. 6. 'APRA releases final remuneration standard'; 27 Aug 21. 7. 'APRA phases out reliance on Committed Liquidity Facility'; 10 Sep 21 8. 'APRA increases banks' loan serviceability expectations to counter rising risks in home lending'; 6 Oct 21.

Bank Group Basel III Common Equity Tier 1 (CET1) Ratio

- APRA Basel III Level 2 CET1 ratio: 11.7%[1]
- Harmonised Basel III Level 2 CET1 ratio: 14.8%[2]

Bank Group Level 2 Common Equity Tier 1 Ratio: Basel III (Sep 21)

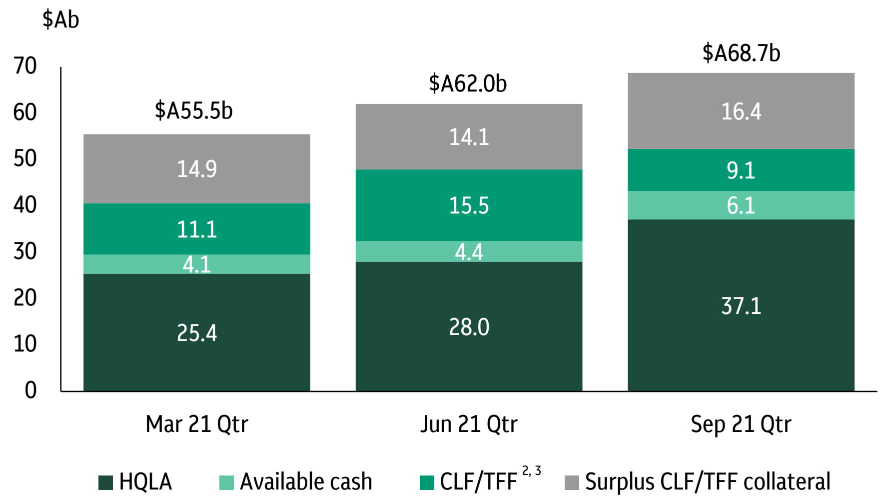


1. Basel III applies only to the Bank Group at Level 2 and not the Non-Bank Group. APRA Basel III Tier 1 ratio at Sep 21: 13.7%. 2. 'Harmonised' Basel III estimates are calculated in accordance with the BCBS Basel III framework. Harmonised Basel III Tier 1 ratio at Sep 21: 17.0%. 3. Based on materiality, the countercyclical capital buffer (CCyB) of ~1bps has not been included. The individual CCyB varies by jurisdiction and the Bank Group's CCyB is calculated as a weighted average based on exposures in different jurisdictions. 4. MBL was recapitalised by $A0.5b on 30 Sep 21 to support further growth. 5. Includes foreign currency translation reserve (0.2%). 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, including: the treatment of mortgages 1.7%; capitalised expenses 0.5%; equity investments 0.3%; investment into deconsolidated subsidiaries 0.1%, DTAs 0.4%, and others 0.1%.

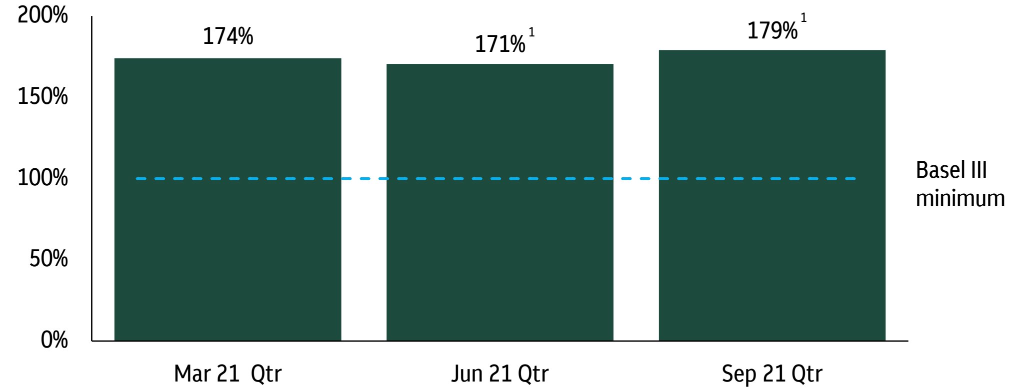
Strong liquidity position maintained

- 179%[1] average LCR for Sep 21 quarter, based on daily observations
  - Maintained well above regulatory minimum
  - Includes CLF allocation[2]
- Reflects longstanding conservative approach to liquidity management
- $A68.7b of unencumbered liquid assets and cash on average over the quarter to Sep 21 (post applicable haircuts)

Unencumbered Liquid Asset Portfolio[4]



MBL LCR position[4]



1. APRA has imposed a 15% add-on to the net cash outflow component of Macquarie Bank's LCR calculation effective from 1 Apr 21. 2. CLF allocation increased from $A7.9b to $A9.7b on 1 Aug 21. 3. TFF allocation includes Supplementary Allowance and Additional Allowance which grew until the end of Jun 21 when $A9.5b was drawn. 4. Represents quarterly average balances. Available cash includes balances held with central banks and overnight lending to financial institutions.

Capital management update

Capital Raising

- On 29 Oct 21, Macquarie announced a capital raising via a non-underwritten $A1.5b institutional placement which will be followed by a non-underwritten share purchase plan[1]
- The capital raising provides additional flexibility to invest in new opportunities where the expected risk-adjusted returns are attractive, while maintaining an appropriate capital surplus

Dividend Reinvestment Plan (DRP)

- The Board determined that shares will be issued with no discount applied under the DRP for the 1H22 dividend
- On 2 Jul 21, 2,892,121 ordinary shares were issued and allocated at $A149.45 per share[2] under the DRP reflecting a participation rate of 35.7%, and a total issuance of $A432m

Macquarie Group Employee Retained Equity Plan (MEREP)

- 4,014,722 Macquarie ordinary shares were issued on 9 Jun 21 and a further 94,193 ordinary shares were issued on 3 Aug 21 pursuant to the Macquarie Group Employee Retained Equity Plan (MEREP) at $A151.73 per share[3]

Additional Tier 1 Capital

- On 27 Aug 21, MBL issued 6,548,480 Macquarie Bank Capital Notes 3 (BCN3) at an issue price of $A100 each, raising $A655m

1. SPP subject to scale back depending on take-up. 2. 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 24 May 21 to 4 Jun 21 inclusive, less a discount of 1.5%. 3. 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.

Details of the capital raising

Macquarie is seeking to raise $A1.5b in the form of a non-underwritten institutional placement, which will be followed by a non-underwritten share purchase plan

Structure and size	• $1.5b non-underwritten institutional placement (Placement) • Following the Placement, Macquarie will conduct a non-underwritten share purchase plan (SPP)
Institutional Placement	• Placement of approximately 7.9 million new shares to raise approximately $A1.5 billion • Placement price will be determined via a bookbuild process commencing at $A190.00, representing a 4.0% discount to the last closing price of $A197.83 on Thursday, 28 October 2021 • The Placement represents approximately 2.1% of total existing Macquarie shares on issue
Share Purchase Plan	• Macquarie will offer Eligible Shareholders[1] the opportunity to participate in a non-underwritten SPP with a maximum application size of $A30,000 per Eligible Shareholder in Australia and New Zealand • New shares issued under the SPP will be offered at the lower of: – the Placement price, adjusted for the 1H22 dividend of $A2.72 per share; and – a 2% discount to the volume weighted average price of Macquarie ordinary shares traded on an ex-dividend basis during the five ASX trading days immediately prior to and including the SPP closing date • The size of the SPP will depend upon demand from Eligible Shareholders. Macquarie may decide to scale back applications at its discretion
Ranking	• New shares issued under the Placement and SPP will rank equally with existing shares on issue from allotment • As Placement shares will be issued prior to the dividend record date, they will be entitled to receive the 1H22 dividend of $A2.72 per share • SPP shares will not be entitled to the 1H22 dividend as they will be issued after the dividend record date

Notes: 1. Eligible Shareholders are shareholders with a registered address in Australia or New Zealand and who are outside the United States on the register as at 7:00pm (AEDT) on Thursday, 28 October 2021

Capital raising timetable

Event*	Date (Sydney time)
Record date for participation in the SPP	7.00pm, Thursday, 28 October 2021
Trading halt, announcement of results and Placement	Friday, 29 October 2021
Placement bookbuild	Friday, 29 October 2021
Announcement of the outcome of the Placement	Monday, 1 November 2021
Trading halt lifted	Monday, 1 November 2021
Settlement of Placement shares	Wednesday, 3 November 2021
Allotment and normal trading of Placement shares	Thursday, 4 November 2021
Expected SPP offer opening date	Monday, 8 November 2021
Expected SPP offer closing date	5.00pm, Friday, 26 November 2021
Expected SPP allotment date	Friday, 3 December 2021
Expected SPP holding statements dispatched and normal trading of SPP shares	Monday 6 December 2021

*All times are indicative only and subject to change

MACQUARIE

05

Outlook

Shemara Wikramanayake

Managing Director and Chief Executive Officer

Short-term outlook

Factors impacting short-term outlook

Annuity-style businesses	Markets-facing businesses

Non-Banking Group

Macquarie Asset Management (MAM)

- Excluding Waddell & Reed,
  - Base fees expected to be broadly in line
  - Net Other Operating Income[1] expected to be slightly down due to significant one-off items in FY21
- Waddell & Reed acquisition not expected to provide a meaningful net profit contribution in FY22 due to integration and one-off costs

Macquarie Capital (MacCap)

- Transaction activity in 2H22 expected to be up on 2H21
- Investment-related income expected to be significantly up on FY21 with improved outlook for investment realisations to continue in 2H22 alongside on-going balance sheet deployment

Banking Group

Banking and Financial Services (BFS)

- Ongoing momentum in loan, deposit and platform volumes
- Competitive dynamics to continue to drive margin pressure
- Ongoing monitoring of provisioning in the COVID-19 environment
- Higher expenses to support volume growth, technology investment and increased regulatory investment

Commodities and Global Markets[2] (CGM)

- Commodities income, including the impacts of timing of income recognition on storage contracts and transport agreements, is expected to be in line with FY21
- Consistent client contribution across the financial markets platform
- Continued contribution from Asset Finance linked to business activity (excluding 1H22 gain on disposal of certain assets)

Corporate

- Compensation ratio expected to be broadly in line with historical levels
- The FY22 effective tax rate is expected to be broadly in line with historical levels

1. Net Other Operating Income includes all operating income excluding base fees. 2. Certain assets of the Credit Markets business and certain activities of the Commodity Markets and Finance business, and some other less financially significant activities are undertaken from within the Non-Banking Group.

Short-term outlook

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

- The duration of COVID-19, speed of the global economic recovery and extent of government support for economies
- Market conditions including significant volatility events and the impact of geopolitical events
- Potential tax or regulatory changes and tax uncertainties
- Completion of period-end reviews and the completion rate of transactions
- The geographic composition of income and the impact of foreign exchange

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 limited reliance on short-term wholesale funding
- Surplus funding and capital available to support growth

Proven risk management framework and culture

Medium term

Annuity-style businesses	Markets-facing businesses

Non-Banking Group

Macquarie Asset Management (MAM)

- Global specialist asset manager, well-positioned to respond to current market conditions and grow assets under management through its diversified product offering, track record and experienced investment teams

Macquarie Capital (MacCap)

- Positioned to benefit from any continued improvement in transaction 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

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

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. 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.

Approximate business Basel III Capital and ROE

30 Sep 21

Operating Group	APRA Basel III Capital[1] @ 8.5% ($Ab)	Approx. 1H22 Return on Ordinary Equity[2]	Approx. 15-year Average Return on Ordinary Equity[3]
Annuity-style businesses	**7.7**	24%	22%
Macquarie Asset Management	2.9		
Banking and Financial Services	4.8		
Markets-facing businesses	**11.8**	21%	16%
Commodities and Global Markets	6.7		
Macquarie Capital	5.1		
Corporate	**1.2**		
Total regulatory capital requirement @ 8.5%	20.7		
Group surplus	8.4		
Total APRA Basel III capital supply	**29.1[4]**	**17.8%**	**14%**

Note: Differences in totals due to rounding. 1. Operating Group capital allocations are based on 31 Mar 21 allocations adjusted for material movements over the Sep 21 half year. 2. NPAT used in the calculation of approximate 1H22 ROE is based on Operating Groups' annualised net profit contribution adjusted for indicative allocations of profit share, tax and other corporate items. Accounting equity is attributed to businesses based on quarterly average allocated ordinary equity. 3. 15-year average covers FY07 to FY21, inclusive, and has not been adjusted for the impact of business restructures or changes in internal P&L and capital attribution. 4. Comprising $A24.2b of ordinary equity and $A4.9b of hybrids.

MACQUARIE

Presentation to investors and analysts

Announcement of result for the half year ended 30 September 2021 and capital raising

29 October 2021

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Appendix A

Detailed Result Commentary

Macquarie Asset Management

Result

	1H22 $Am	2H21 $Am	1H21 $Am
Base fees	1,362	1,014	971
Performance fees	177	240	413
Investment-related and other income[1]	801	415	416
Credit and other impairment reversal/(charges)	116	96	(11)
Net operating income	**2,456**	**1,765**	**1,789**
Brokerage, commission and fee expenses	(207)	(126)	(123)
Other operating expenses	(945)	(627)	(598)
Total operating expenses	**(1,152)**	**(753)**	**(721)**
Non-controlling interests	1	-	(6)
Net profit contribution[2]	**1,305**	**1,012**	**1,062**
AUM ($Ab)	735.5	562.2	554.9
EUM ($Ab)	158.8	142.0	139.8
Headcount	2,354	1,921	1,904

- Base fees of $A1,362m, up on 1H21 primarily driven by
  - Acquisition of Waddell & Reed in current period
  - Investments made by Private Markets–managed funds and mandates and contribution from Public Investments due to positive market movements
  - Partially offset by foreign exchange movements and asset realisations in Private Markets-managed funds
- Performance fees of $A177m, down on 1H21
  - 1H22 included performance fees from a range of funds including MIP III, MEIF4 and other Private Markets-managed funds, managed accounts and co-investors
  - 1H21 included performance fees from MIP II, MEIF4, and other Private Markets-managed funds and managed accounts
- Investment-related and other income of $A801m, up on 1H21 primarily driven by
  - Gain on MIC, including disposition fee and equity accounted income
  - Waddell & Reed acquisition in 1H22
  - Increased Macquarie AirFinance income compared to the prior corresponding period, which included the impact of COVID-19
  - Partially offset by gain on sale of Macquarie European Rail in 1H21
- Credit and other impairment net reversal of $A116m included a reversal of the impairment previously recognised on MAM's investment in MIC
- Total operating expenses of $A1,152m, up on 1H21 primarily driven by Waddell & Reed one-off acquisition and ongoing costs
- Headcount of 2,354, up on 1H21, primarily driven by the acquisition of Waddell & Reed

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

Banking and Financial Services

Result

	1H22 $Am	2H21 $Am	1H21 $Am
Net interest and trading income[1]	974	902	844
Fee and commission income	220	216	203
Wealth management fee income	147	138	136
Banking and leasing fee income	73	78	67
Credit and other impairment charges	(31)	(37)	(78)
Other income[2]	-	12	16
Net operating income	**1,163**	**1,093**	**985**
Total operating expenses	**(681)**	**(639)**	**(668)**
Net profit contribution[3]	**482**	**454**	**317**
Funds on platform[4] ($Ab)	116.4	101.4	89.3
Loan and lease portfolio[5] ($Ab)	98.7	89.1	79.1
BFS Deposits[6] ($Ab)	88.2	80.7	74.4
Headcount	3,152	2,986	2,895

- Net interest and trading income of $A974m, up 15% on 1H21
  - 22% growth in the average loan and lease portfolio and 19% growth in the average BFS deposit volumes
- Fee and commission income of $A220m, up 8% on 1H21 driven by
  - 27% growth in the average platform FUA resulting in higher administration and advisor fees
- Credit impairment charges of $A31m, down 60% on 1H21 driven by improvement in expected macroeconomic conditions
- Other income down due to revaluation of an equity investment in 1H21
- Total operating expenses of $A681m, up 2% on 1H21
  - higher headcount to support growth and regulatory requirements
  - investment in technology to support growth
  - partially offset by lower brokerage, commission and fee expenses largely due to the cessation of grandfathered commission payments to third party advisors in line with legislation. A corresponding benefit, passed on to customers, is reflected in Net interest and trading income

1. Includes internal transfer pricing on funding between Group Treasury and BFS that is eliminated on consolidation in the Group's statutory P&L 2. Includes share of net (losses)/profits 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 businesses, vehicle finance and credit cards and includes portfolios held for sale. 6. BFS deposits excludes corporate/wholesale deposits.

Commodities and Global Markets

Result

	1H22 $Am	2H21 $Am	1H21 $Am
Commodities	1,254	1,559	1,112
Risk management products	949	883	578
Lending and financing	116	116	118
Inventory management and trading	189	560	416
Foreign exchange, interest rates and credit	348	353	349
Equities	183	133	206
Asset Finance	93	74	70
Net interest and trading income[1]	**1,878**	**2,119**	**1,737**
Fee and commission income	228	228	257
Net operating lease income[2]	152	185	198
Investment and other income[3]	569	87	104
Credit and other impairment charges	(58)	(71)	(166)
Net operating income	**2,769**	**2,548**	**2,130**
Brokerage, commission and fee expenses	(195)	(172)	(216)
Other operating expenses	(845)	(857)	(832)
Total operating expenses	**(1,040)**	**(1,029)**	**(1,048)**
Net profit contribution[4]	**1,729**	**1,519**	**1,082**
Headcount	2,120	2,133	2,167

- Commodities income of $A1,254m, up 13% on 1H21:
  - Risk management products up 64% on 1H21 reflecting strong results across all sectors particularly from Gas & Power, Resources, and Agriculture due to increased client hedging activity and gains associated with management of those exposures as a result of elevated levels of volatility and price movements in commodity markets
  - Lending and financing broadly in line with 1H21 with consistent contributions across the commodity platform
  - Inventory management and trading down 55% on 1H21 with strong trading gains from supply and demand imbalances in Gas and Power more than offset by the 1H22 $A376m unfavourable impact of timing of income recognition, primarily on Gas and Power storage contracts and transport agreements
- Foreign exchange, interest rates and credit income of $A348m broadly in line with 1H21 with continued strong client activity in structured foreign exchange and credit products across regions
- Equities income of $A183m, down 11% on 1H21 due to a reduction in trading activities in EMEA. This was largely offset by a corresponding decrease in brokerage, commission and fee expenses
- Asset Finance interest and trading income of $A93m up 33% on 1H21 due to increased volumes in Structured Lending, TMT and Shipping Finance
- Fee and commission income of $A228m, down 11% on 1H21 due to a reduction in fees associated with structured deals in asset finance which occur on an intermittent basis
- Net operating lease income of $A152m, down 23% on 1H21 due to a reduction in secondary income in TMT and the partial sale of the UK Meters portfolio of assets comprising the industrial and commercial portfolio in May 21
- Investment and other income of $A569m, up significantly on 1H21 largely driven by the gain on sale of less than 5% of the UK Meters portfolio of assets comprising the industrial and commercial portfolio
- Credit and other impairment charges of $A58m, down 65% on 1H21 due to an improvement in the expected global macroeconomic conditions
- Brokerage, commission fee expenses of $A195m, down 10% on 1H21 primarily driven by reduced trading volumes in financial markets in specific high-volume activities
- Other operating expenses of $A845m up 2% on 1H21 driven by higher expenditure on technology infrastructure and increasing investment in platform

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 Asset Finance. 3. Includes net income on equity debt and other investments, share of net profits of associates and joint ventures, internal management revenue and other income. 4. Management accounting profit before unallocated corporate costs, profit share and income tax.

Macquarie Capital

Result

	1H22 $Am	2H21 $Am	1H21 $Am
Net interest and trading income[1]	115	63	6
Fee and commission income	871	722	665
Investment-related income (ex non-controlling interests)	494	928	62
Net income on equity, debt and other investments	422	998	141
Other investment-related income[2]	72	(70)	(79)
Credit and other impairment charges	(209)	(110)	(119)
Internal management revenue[3]	17	31	-
Net operating income	**1,288**	**1,634**	**614**
Total operating expenses	**(730)**	**(798)**	**(816)**
Non-controlling interests	(90)	4	13
Net profit/(loss) contribution[4]	**468**	**840**	**(189)**
Capital markets activity[5]:			
Number of transactions	253	258	159
Transactions value ($Ab)	231	178	186
Headcount	1,831	1,821	1,992

- Net interest and trading income of $A115m, increased significantly on 1H21 resulting from growth in the Principal Finance debt portfolio, and lower funding costs compared to the prior corresponding period
- Fee and commission income of $A871m, up 31% on 1H21 due to higher mergers and acquisitions fee income across all regions and debt capital markets fee income, partially offset by lower equity capital markets fee income
- Net income from equity, debt and other investments of $A422m, increased significantly on 1H21 driven by higher revenue from asset realisations predominantly in Europe, in the business services and technology sectors
- Other investment-related income of $A72m, increased significantly on 1H21 predominantly due to:
  - Higher share of net profits from associates and joint ventures primarily due to overall improved performance of the investment portfolio
  - Gains on sale of green energy projects
- Credit and other impairment charges of $A209m, up 76% on 1H21 primarily due to a small number of underperforming equity investments and growth of the debt portfolio
- Total operating expenses of $A730m, down 11% on 1H21 predominantly driven by lower employment costs
- Profit attributable to non-controlling interests of $A90m in 1H22, compared to a loss of $A13m in 1H21. The current period balance was driven by share of gains on disposal attributable to non-controlling interests

1. Represents the interest earned from debt investments and the funding costs associated with Macquarie Capital's balance sheet positions. 2. Includes share of net profits/(losses) of associates and joint ventures and other income/(expenses). 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 reporting date. Deal values reflect the full transaction value and not an attributed value.

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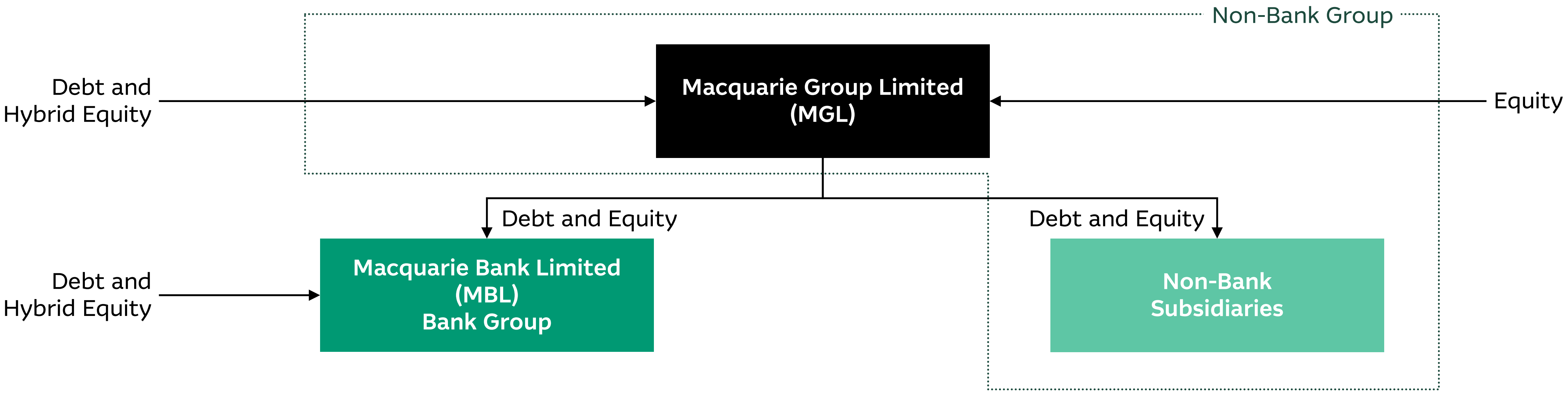
Appendix B

Additional information

Funding

Macquarie funding structure

- MGL and MBL are Macquarie's two primary external funding vehicles which have separate and distinct funding, capital and liquidity management arrangements
- MBL provides funding to the Bank Group
- MGL provides funding predominantly to the Non-Bank Group



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

Funded balance sheet reconciliation

- The funded balance sheet is a simple representation of Macquarie's funding requirements once accounting related gross-ups and self-funded assets have been netted down from the statement of financial position. The funded balance sheet is not a liquidity risk management tool, as it does not consider the granular liquidity profiling of all on and off-balance sheet components considered in both Macquarie's internal liquidity framework and the regulatory liquidity metrics
- A funded balance sheet reconciliation has been prepared to reconcile the reported assets of Macquarie to the assets that require funding

	Sep 21[1] $Ab	Mar 21[1] $Ab	Sep 20[1] $Ab
Total assets per statement of financial position	**348.6**	**245.7**	**230.7**
Accounting deductions:			
Derivative revaluation accounting gross-ups	(78.0)	(17.4)	(16.4)
Segregated funds	(9.1)	(7.7)	(7.4)
Outstanding trade settlement balances	(7.4)	(7.5)	(5.6)
Working capital assets	(10.8)	(9.1)	(7.7)
Non-controlling interests	(0.3)	(0.3)	(0.3)
Self-funded assets:			
Self-funded trading assets	(17.1)	(15.9)	(17.1)
Non-recourse and security backed funding	(1.0)	(1.4)	(3.7)
Net funded assets per funded balance sheet	**224.9**	**186.4**	**172.5**

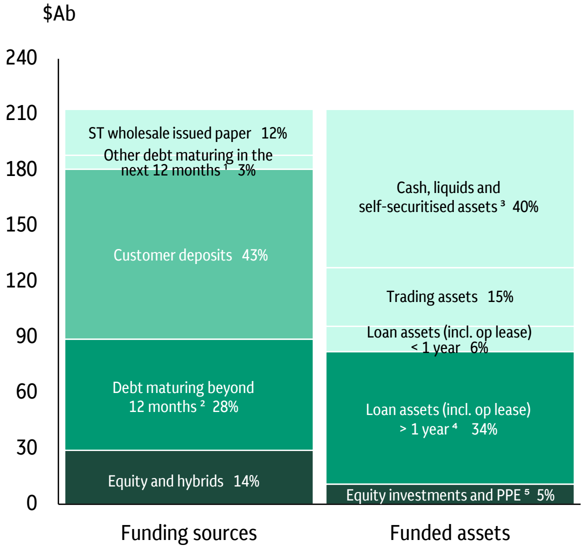
For an explanation of the above deductions refer to slide 72. 1. There has been a change in presentation of certain items on the funded balance sheet in the current period. Comparatives have been restated to reflect this change. Refer slide 68 for more details.

Changes in funded balance sheet presentation

Given the substantial growth in Macquarie's home loan portfolio in recent years, the funded balance sheet has been revised to present home loans as its own loan asset category. As a result, external securitisations of home loans (and other relevant assets) which are a source of funding for such assets are no longer netted down on the funded balance sheet. In addition, Australian home loans and other qualifying assets originated by Macquarie that meet the repurchase agreement eligibility criteria are only presented as self-securitised assets if they are held as contingent collateral for RBA facilities (such as the CLF) or to meet proposed APRA minimum requirements. The remaining portion of self-securitised assets are now presented in the relevant Home loan and Other loan asset categories.

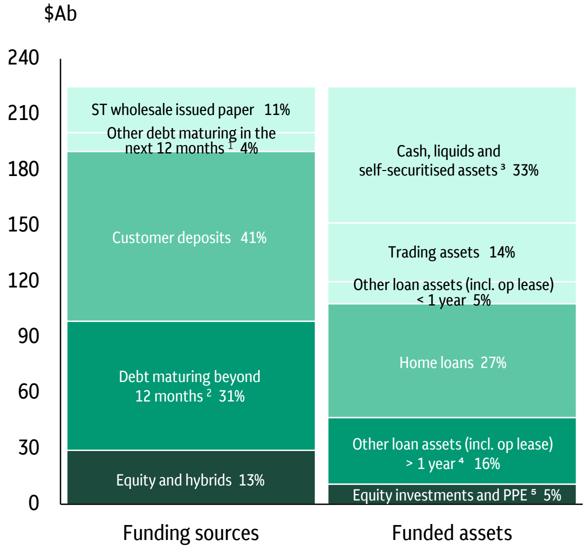
30 Sep 21

(before above change)



30 Sep 21

(after above change)



1. Other debt maturing in the next 12 months includes Secured funding, Bonds, Other loans, Subordinated debt and Net trade creditors. 2. Debt maturing beyond 12 months includes Subordinated debt, Structured notes, Secured funding (including RBA TFF), Bonds, Syndicated loan facilities and Other loans not maturing within next 12 months. 3. 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 RBA's Committed Liquidity Facility (CLF). 4. Loan assets (incl. op lease) > 1 year includes Debt investments. 5. Equity investments and PPE includes Macquarie's co-investments in Macquarie-managed funds and other equity investments.

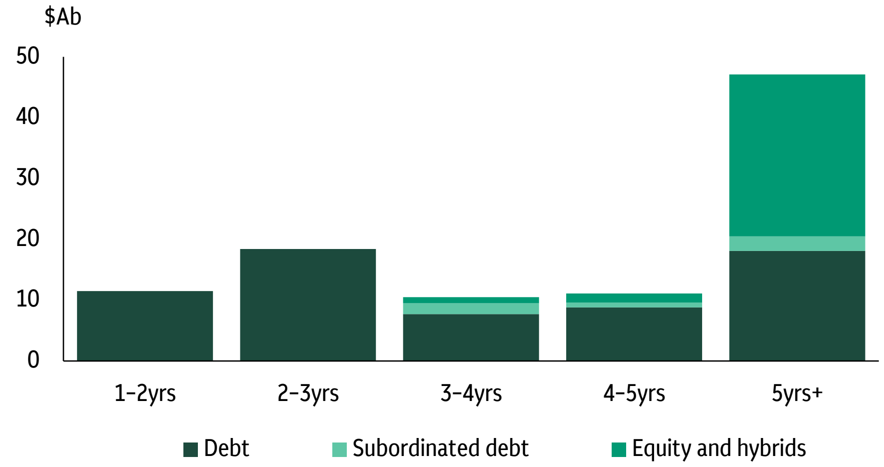
Sep 21	$Ab (before change)	$Ab (after change)
Total assets per statement of financial position	**348.6**	**348.6**
Accounting deductions:		
Derivative revaluation accounting gross-ups	(78.0)	(78.0)
Segregated funds	(9.1)	(9.1)
Outstanding trade settlement balances	(7.4)	(7.4)
Working capital assets	(10.8)	(10.8)
Non-controlling interests	(0.3)	(0.3)
Self-funded assets:		
Self-funded trading assets	(17.1)	(17.1)
Non-recourse and security backed funding	(13.2)	(1.0)
Net funded assets per funded balance sheet	**212.7**	**224.9**
Funding sources		
Certificates of deposit	0.4	0.4
Commercial paper	24.3	24.3
Net trade creditors	0.3	0.3
Structured notes	1.5	1.5
Secured funding	13.0	25.2
Bonds	39.8	39.8
Other loans	1.4	1.4
Syndicated loan facilities	6.4	6.4
Customer deposits	91.5	91.5
Subordinated debt	5.0	5.0
Equity and hybrids	29.1	29.1
Total funding sources	**212.7**	**224.9**
Funded assets		
Cash and liquid assets	56.2	57.9
Self-securitisation	29.0	15.5
Net trading assets	31.6	31.6
Other loan assets including operating lease assets less than one year	13.7	11.9
Home loans	-	61.3
Other loan assets including operating lease assets greater than one year	67.6	33.4
Debt investments	3.7	2.4
Co-investment in Macquarie-managed funds and other equity investments	6.6	6.6
Property, plant and equipment and intangibles	4.3	4.3
Total funded assets	**212.7**	**224.9**

Funding for Macquarie

	Sep 21[1] $Ab	Mar 21[1] $Ab	Sep 20[1] $Ab
Funding sources			
Certificates of deposit	0.4	0.4	0.4
Commercial paper	24.3	12.9	5.7
Net trade creditors	0.3	1.4	0.4
Structured notes	1.5	1.1	1.9
Secured funding	25.2	13.8	16.1
Bonds	39.8	34.3	33.7
Other loans	1.4	1.2	1.0
Syndicated loan facilities	6.4	5.8	7.3
Customer deposits	91.5	84.0	77.1
Subordinated debt	5.0	5.1	4.2
Equity and hybrids	29.1	26.4	24.7
Total funding sources	**224.9**	**186.4**	**172.5**
Funded assets			
Cash and liquid assets	57.9	42.9	38.4
Self-securitisation	15.5	19.9	13.7
Net trading assets	31.6	25.6	26.9
Other loan assets including operating lease assets less than one year	11.9	11.4	11.7
Home loans	61.3	47.0	43.6
Other loan assets including operating lease assets greater than one year	33.4	29.1	27.3
Debt investments	2.4	1.9	1.5
Co-investment in Macquarie-managed funds and other equity investments	6.6	5.7	6.3
Property, plant and equipment and intangibles	4.3	2.9	3.1
Total funded assets	**224.9**	**186.4**	**172.5**

- Well diversified funding sources
- Limited reliance on short-term wholesale funding markets
- Deposit base represents 41%[2] of total funding sources
- Term funding beyond one year (excluding TFF, equity and securitisations) has a weighted average term to maturity of 5.1 years[2] (including TFF 4.6 years)

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



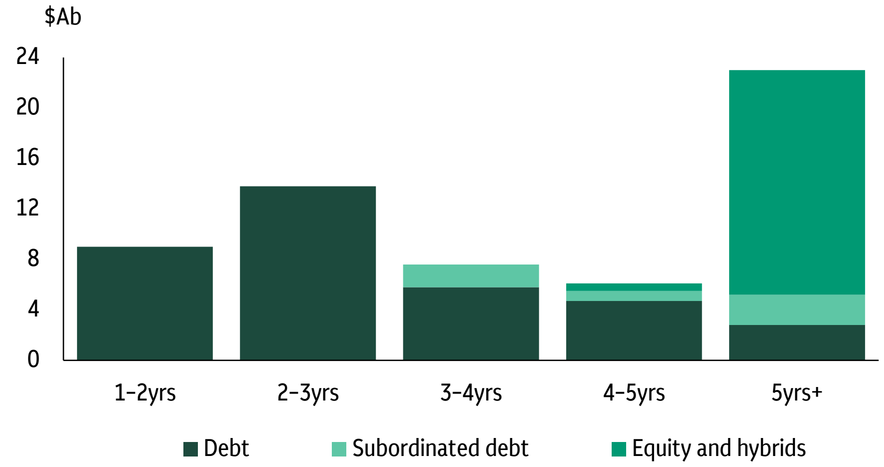
1. There has been a change in presentation of certain items on the funded balance sheet in the current period. Comparatives have been restated to reflect this change. Refer slide 68 for more details. 2. As at 30 Sep 21. 3. Includes drawn term funding facilities only.

Funding for the Bank Group

	Sep 21[1] $Ab	Mar 21[1] $Ab	Sep 20[1] $Ab
Funding sources			
Certificates of deposit	0.4	0.4	0.4
Commercial paper	24.3	12.9	5.7
Net trade creditors	0.7	1.3	0.1
Structured notes	0.5	0.5	1.3
Secured funding	24.8	13.4	15.6
Bonds	18.5	19.0	19.3
Other loans	1.2	1.0	0.9
Customer deposits	91.5	84.0	77.1
Subordinated debt	5.0	5.1	4.2
Equity and hybrids	18.4	15.8	15.7
Total funding sources	**185.3**	**153.4**	**140.3**
Funded assets			
Cash and liquid assets	46.6	38.3	32.9
Self-securitisation	15.5	19.9	13.7
Net trading assets	30.4	24.4	25.7
Other loan assets including operating lease assets less than one year	11.2	10.9	11.1
Home loans	61.3	47.0	43.6
Other loan assets including operating lease assets greater than one year	24.1	22.7	21.1
Debt investments	1.3	1.3	1.1
Non-Bank Group deposit with MBL	(6.4)	(12.4)	(9.9)
Co-investment in Macquarie-managed funds and other equity investments	0.5	0.5	0.4
Property, plant and equipment and intangibles	0.8	0.8	0.6
Total funded assets	**185.3**	**153.4**	**140.3**

- Bank balance sheet remains liquid and well capitalised, with a diverse range of funding sources
- Term funding beyond one year (excluding TFF, equity and securitisations) has a weighted average term to maturity of 4.2 years[2] (including TFF 3.7 years)
- Accessed term funding across a variety of products and jurisdictions

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



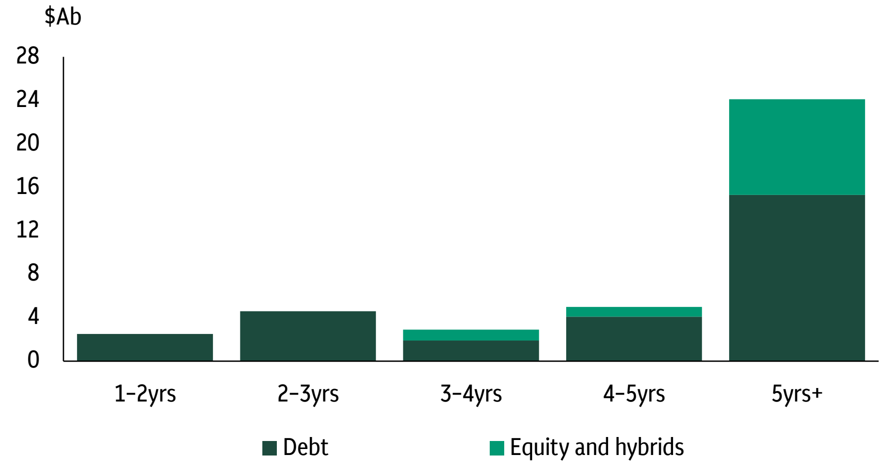
1. There has been a change in presentation of certain items on the funded balance sheet in the current period. Comparatives have been restated to reflect this change. Refer slide 68 for more details. 2. As at 30 Sep 21. 3. Includes drawn term funding facilities only.

Funding for the Non-Bank Group

	Sep 21 $Ab	Mar 21 $Ab	Sep 20 $Ab
Funding sources			
Net trade (debtors)/creditors	(0.4)	0.1	0.3
Structured notes	1.0	0.6	0.6
Secured funding	0.4	0.4	0.5
Bonds	21.3	15.3	14.4
Other loans	0.2	0.2	0.1
Syndicated loan facilities	6.4	5.8	7.3
Equity and hybrids	10.7	10.6	9.0
Total funding sources	**39.6**	**33.0**	**32.2**
Funded assets			
Cash and liquid assets	11.3	4.6	5.5
Non-Bank Group deposit with MBL	6.4	12.4	9.9
Net trading assets	1.2	1.2	1.2
Other loan assets including operating lease assets less than one year	0.7	0.5	0.6
Other loan assets including operating lease assets greater than one year	9.3	6.4	6.2
Debt investments	1.1	0.6	0.4
Co-investment in Macquarie-managed funds and other equity investments	6.1	5.2	5.9
Property, plant and equipment and intangibles	3.5	2.1	2.5
Total funded assets	**39.6**	**33.0**	**32.2**

- Non-Bank Group is predominantly term funded
- Term funding beyond one year (excluding equity) has a weighted average term to maturity of 5.7 years[1]
- Accessed term funding across a variety of products and jurisdictions

Non-Bank Group term funding maturing beyond one year (includes Equity and hybrids)[2]



1. As at 30 Sep 21. 2. Includes drawn term funding facilities only.

Explanation of funded balance sheet reconciling items

Derivative revaluation accounting gross-ups

Macquarie's derivative activities are mostly client driven with client positions hedged by offsetting positions with a variety of counterparties. The derivatives are largely matched and this adjustment reflects that the matched positions do not require funding. The associated margins paid and received are included as part of self-funded trading assets.

Segregated funds

These represent the assets and liabilities that are recognised where Macquarie holds segregated client monies. The client monies will be matched by assets held to the same amount. Any excess client funds placed with Macquarie are netted down against cash and liquid assets.

Outstanding trade settlement balances

At any particular time Macquarie will have outstanding trades to be settled as part of its brokering business and trading activities. These amounts (payables) can be offset in terms of funding by amounts that Macquarie is owed on other trades (receivables).

Working capital assets

As with the outstanding trade settlement balances above, Macquarie through its day-to-day operations generates working capital assets (e.g. receivables and prepayments) and working capital liabilities (e.g. creditors and accruals) that produce a 'net balance' that either requires or provides funding.

Non-controlling interests

These include the portion of equity ownership in subsidiaries not attributable to Macquarie. As this is not a position that Macquarie is required to fund, it is netted against the consolidated assets and liabilities in preparing the funded balance sheet.

Self-funded trading assets

Macquarie enters into stock borrowing and lending as well as repurchase agreements and reverse repurchase agreements in the normal course of trading activity that it conducts with its clients and counterparties, as well as for liquidity management purposes. Also as part of its trading activities, Macquarie pays and receives margin collateral on its outstanding derivative positions. These trading and liquidity management related asset and liability positions are viewed as being self-funded to the extent that they offset one another and, therefore, are netted as part of this adjustment.

Non-recourse and security backed funding

These include assets funded by third party debt with no recourse to Macquarie beyond the borrowing entity.

Conservative long standing liquidity risk management framework

Liquidity Policy

The liquidity risk appetite is intended to ensure that Macquarie is able to meet all of its liquidity obligations during a period of liquidity stress:

- A twelve month period with constrained access to funding markets for MBL, no access to funding markets for MGL and with only a limited reduction in Macquarie's franchise businesses

Term assets are funded by term funding, stable deposits, hybrids and equity

Liquidity Framework

A robust liquidity risk management framework is designed to ensure that both MGL and MBL are able to meet their funding requirements as they fall due under a range of market conditions. Key tools include:

- Liability driven approach to balance sheet management
- Scenario analysis
- Maintenance of unencumbered liquid asset holdings

Liquidity management is performed centrally by Group Treasury, with oversight from the Asset and Liability Committee and the Risk Management Group

The MGL and MBL Boards approve the liquidity policies and are provided with liquidity reporting on a regular basis

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Appendix C

Additional information

Capital

Macquarie Basel III regulatory capital

Surplus calculation

30 Sep 21	Harmonised Basel III[1] $Am	APRA Basel III[1] $Am	
Macquarie eligible capital			
Bank Group Gross Tier 1 capital	18,401	18,401	
Non-Bank Group eligible capital	10,704	10,704	
Eligible capital	**29,105**	**29,105**	**(a)**
Macquarie capital requirement			
Bank Group capital requirement			
Risk-Weighted Assets (RWA)[2]	106,030	115,009	
Capital required to cover RWA[3] at 8.5%	9,013	9,776	
Tier 1 deductions	258	2,480	
Total Bank Group capital requirement	9,271	12,256	
Total Non-Bank Group capital requirement	8,435	8,435	
Total Macquarie capital requirement (at 8.5%[3] of the Bank Group RWA)	**17,706**	**20,691**	**(b)**
Macquarie regulatory capital surplus (at 8.5%[3] of the Bank Group RWA)	**11,399**	**8,414**	**(a)-(b)**

1. 'Bank Group' refers to Level 2 regulatory group. 2. In calculating the Bank Group's contribution to Macquarie's capital requirement, RWA internal to Macquarie are eliminated (30 Sep 21: $A874 million; 31 Mar 21: $A624 million). 3. Calculated at 8.5% RWA including capital conservation buffer (CCB), per APRA ADI Prudential Standard 110. Based on materiality, the countercyclical capital buffer (CCyB) of ~1bps has not been included. The individual CCyB varies by jurisdiction and the Bank Group's CCyB is calculated as a weighted average based on exposures in different jurisdictions.

Macquarie APRA Basel III regulatory capital

Bank Group contribution[1]

30 Sep 21	Risk-weighted assets $Am	Tier 1 Deductions $Am	Capital Requirement[2] $Am
Credit risk			
On balance sheet	53,716		4,566
Off balance sheet	41,867		3,558
Credit risk total[3]	95,583		8,125
Market risk	8,607		732
Operational risk	10,366		880
Interest rate risk in the banking book	454		39
Tier 1 deductions	-	2,480	2,480
Contribution to Group capital calculation[3]	115,009	2,480	12,256

1. 'Bank Group' refers to Level 2 regulatory group. 2. Calculated at 8.5% RWA including capital conservation buffer (CCB), per APRA ADI Prudential Standard 110. Based on materiality, the countercyclical capital buffer (CCyB) of ~1bps has not been included. The individual CCyB varies by jurisdiction and the Bank Group's CCyB is calculated as a weighted average based on exposures in different jurisdictions. In calculating the Bank Group's contribution to Macquarie's capital requirement, RWA internal to Macquarie are eliminated (30 Sep 21: $A874 million; 31 Mar 21: $A624 million).

Macquarie regulatory capital

Non-Bank Group contribution

- APRA has specified a regulatory capital framework for Macquarie
- A dollar capital surplus is produced; no capital ratio calculation is specified
- APRA has approved Macquarie's Economic Capital Adequacy Model (ECAM) for use in calculating the regulatory capital requirement of the Non-Bank Group
- The ECAM is based on similar principles and models as the Basel III regulatory capital framework for banks, with both calculating capital at a one year 99.9% confidence level

Risk[1]	Basel III	ECAM
Credit	• Capital requirement generally determined by Basel III IRB formula, with some parameters specified by the regulator (e.g. loss given default)	• Capital requirement generally determined by Basel III IRB formula, but with internal estimates of key parameters
Equity	• Harmonised Basel III: 250%, 300% or 400% risk weight, depending on the type of investment[2]. Deduction from Common Equity Tier 1 above a threshold • APRA Basel III: 100% Common Equity Tier 1 deduction	• Extension of Basel III credit model to cover equity exposures. Capital requirement between 34% and 85% of face value; average 53%
Market	• 3 times 10 day 99% Value at Risk (VaR) plus 3 times 10 day 99% Stressed VaR plus a specific risk charge	• Scenario-based approach
Operational	• Advanced Measurement Approach	• Advanced Measurement Approach

1. The ECAM also covers non-traded interest rate risk and the risk on assets held as part of business operations, including: fixed assets, goodwill, intangible assets and capitalised expenses. 2. Includes all Banking Book equity investments, plus net long Trading Book holdings in financial institutions.

Macquarie regulatory capital

Non-Bank Group contribution

30 Sep 21	Assets $Ab	Capital Requirement $Am	Equivalent Risk Weight
Funded assets			
Cash and liquid assets	11.3	143	16%
Loan assets[1]	10.0	967	121%
Debt investments	1.1	137	156%
Co-investment in Macquarie-managed funds and other equity investments	5.5	2,498	568%
Co-investment in Macquarie-managed funds and other equity investments (relating to investments that hedge DPS plan liabilities)	0.6		
Property, plant & equipment and intangibles	3.5	1,835	655%
Non-Bank Group deposit with MBL	6.4		
Net trading assets	1.2		
Total funded assets	**39.6**	**5,580**	
Accounting Deductions			
Derivative revaluation accounting gross-ups	0.2		
Segregated funds	0.8		
Outstanding trade settlement balances	4.8		
Working capital assets	7.9		
Non-controlling interests	0.3		
Self-funded assets			
Self funded trading assets	0.5		
Assets funded non-recourse	1.0		
Total self-funded and non-recourse assets	**15.5**		
Total Non-Bank Group assets	**55.1**		
Equity commitments		1,192	
Off balance sheet exposures, operational, market & other risk, and diversification offset[2]		1,663	
Non-Bank Group capital requirement		**8,435**	

1. Includes leases. 2. Capital associated with net trading assets (including market risk capital) and net trade debtors has been included here.

MACQUARIE

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Appendix D

Key risks of the offer

Risks

Investors should be aware that there are risks associated with an investment in Macquarie.

Some of the principal factors which may, either individually or in combination, affect the future operating performance of Macquarie are set out below. Some are specific to an investment in Macquarie, and the shares issued under the Placement and the SPP (**New Shares**) (the **Offer**), whilst others are of a more general nature.

The summary of risks below is not exhaustive, and this presentation does not take into account the personal circumstances, financial position or investment requirements of any particular person. Additional risks and uncertainties that Macquarie is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect the future performance of Macquarie, and/or the New Shares.

It is important for investors, before investing in Macquarie, to read and understand the entire presentation and to carefully consider these risks and uncertainties. You should have regard to your own investment objectives and financial circumstances and should seek professional guidance from your stockbroker, solicitor, accountant or other professional adviser before deciding whether or not to invest.

1. Risks associated with participating in the Offer

Risk	Description of risk
Offer is not underwritten	The Joint Lead Managers have entered into an Placement Agreement with Macquarie to provide settlement support for the Placement but the Placement is not underwritten. Accordingly, if and to the extent that not all New Shares that are offered under the Placement are sold, those New Shares will not be issued. In this circumstance, Macquarie would not receive the Offer Price in respect of any New Shares not sold and the total amount raised by Macquarie under the Placement would be less than the $A1.5b that Macquarie intends to raise. This would mean that Macquarie's regulatory capital would be less than is expected in the scenario where all New Shares are taken up. The SPP will not be underwritten and it is uncertain how much money will be raised under the SPP. While the Offer is not underwritten, certain Joint Lead Managers will provide settlement support to Macquarie in respect to the Placement.
Allocation of SPP Shares	Macquarie may decide to scale back applications or raise a higher amount, in its absolute discretion. If a scale back is applied, this means that an Eligible Shareholder may be allocated fewer SPP Shares than they apply for under the SPP. Whether a scale back is applied, and the extent to which and how it is applied, is in Macquarie's absolute discretion.
Allocation Placement Shares	Allocation of Placement Shares will be determined by Macquarie in its absolute discretion. An eligible institutional shareholder may not receive an allocation under the Placement which is reflective of their pro rata share, or may receive no allocation. Institutional investors who do not reside in an eligible jurisdiction will not be able to participate in the Placement. Macquarie and the Joint Lead Managers disclaim any liability (including for negligence) in respect of any determination of a shareholder's allocation of Placement Shares.
Dilution risk	Existing shareholders who do not participate in the Placement or the SPP will have their percentage shareholding in Macquarie diluted. Depending on the size of a shareholder's existing holding, a participating shareholder may still be diluted even though they participate in the Placement or the SPP, depending on the number of New Shares allocated to them.

2. Risks associated with Macquarie's business that may affect ordinary shares of Macquarie (Ordinary Shares)

The factors described below represent the key risks relating to an investment in Macquarie Group Limited (MGL) and each of its subsidiaries (together with MGL, the Macquarie Group). Risks associated with MGL and the Macquarie Group are relevant because they may affect the market value of, and any dividends paid on, Ordinary Shares. Risks may affect one or more of Macquarie Group's businesses.

Risk	Description of risk
Macro economic risks	
Global credit and market conditions	MGL's and the Macquarie Group's business and financial condition have been and, may in the future be, negatively affected by global credit and other market conditions. The Macquarie Group's businesses operate in or depend upon the operation of global markets, including through exposures in securities, loans, derivatives and other activities. In particular, uncertainty and volatility in global credit markets, liquidity constraints, increased funding costs, constrained access to funding and the decline in equity and capital market activity have adversely affected, and may again adversely affect, transaction flow in a range of industry sectors. The Macquarie Group's trading income may be adversely affected during times of subdued market conditions and client activity, and increased market risk can lead to trading losses or cause the Macquarie Group to reduce the size of its trading businesses in order to limit its risk exposure. Market conditions, as well as declines in asset values, may cause the Macquarie Group's clients to transfer their assets out of the Macquarie Group's funds or other products or their brokerage accounts and result in reduced net revenues. The Macquarie Group's funds management fee income, including base and performance fees, may be adversely affected by volatility in equity values and returns from its managed funds. The value and performance of the Macquarie Group's loan portfolio may also be adversely affected by deteriorating economic conditions. The Macquarie Group's returns from asset sales may also decrease if economic conditions deteriorate. In addition, if financial markets decline, revenues from the Macquarie Group's products are likely to decrease. In addition, increases in volatility increase the level of the Macquarie Group's risk weighted assets and increase the Macquarie Group's capital requirements. Increased capital requirements may require the Macquarie Group to raise additional capital at a time, and on terms, which may be less favourable than the Macquarie Group would otherwise achieve during stable market conditions. Sudden declines and significant volatility in the prices of assets may substantially curtail or eliminate the trading markets for certain assets, which may make it very difficult to sell, hedge or value such assets. The inability to sell or effectively hedge assets reduces the Macquarie Group's ability to limit losses in such positions and difficulty in valuing assets may negatively affect the Macquarie Group's capital, liquidity or leverage ratios, increase funding costs and generally require the Macquarie Group to maintain additional capital. The commercial soundness of many financial institutions may be closely interrelated as a result of credit, trading, clearing or other relationships among financial institutions. Concerns about, or a default by, one or more institutions or by a sovereign could lead to market-wide liquidity problems, losses or defaults by other institutions, financial instruments losing their value and liquidity, and interruptions to capital markets that may further affect the Macquarie Group. This is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms, hedge funds and exchanges that the Macquarie Group interacts with on a daily basis. If any of the Macquarie Group's counterpart financial institutions fail, the Macquarie Group's financial exposures to that institution may lose some or all of their value. Any of these events would have a serious adverse effect on the Macquarie Group's liquidity, profitability and value.

2. Risks associated with Macquarie's business that may affect ordinary shares of Macquarie (Ordinary Shares)

Risk	Description of risk
Foreign exchange risk	Changes and increased volatility in currency exchange rates may adversely impact MGL's financial results and its financial and regulatory capital positions. While the Macquarie Group's consolidated financial statements are presented in Australian dollars, a significant portion of the Macquarie Group's operating income is derived, and operating expenses are incurred, from its offshore business activities, which are conducted in a broad range of currencies. Changes in the rate at which the Australian Dollar is translated from other currencies can impact the Macquarie Group's financial statements and the economics of its business. Although the Macquarie Group seeks to carefully manage its exposure to foreign currencies, in part through matching of assets and liabilities in local currencies and through the use of foreign exchange forward contracts to hedge its exposure, the Macquarie Group is still exposed to exchange risk. Insofar as the Macquarie Group is unable to hedge or has not completely hedged its exposure to currencies other than the Australian Dollar, the Macquarie Group's earnings, funding position or regulatory capital position could be affected. As well as potentially impacting the Macquarie Group's reported profit and foreign currency translation reserve, this could also impact the Macquarie Group's funding costs and adversely affect the Macquarie Group's ability to fund and grow its business as well as potentially requiring additional capital to be raised and impacting the competitiveness of its businesses. In addition, because MGL's regulatory capital position is assessed in Australian dollars, its capital ratios may be adversely impacted by a depreciating Australian Dollar, which increases the capital requirement for assets denominated in currencies other than Australian dollars.
Other market, asset and interest rate risk	The Macquarie Group's businesses are subject to the risk of loss associated with falling prices in the equity and other markets in which they operate. MGL and the Macquarie Group's businesses are exposed to changes in the value of financial instruments and other financial assets that are carried at fair market value, as well as changes to the level of their advisory and other fees, due to changes in interest rates, exchange rates, equity and commodity prices and credit spreads and other market risks. These changes may result from changes in economic conditions, monetary and fiscal policies, market liquidity, availability and cost of capital, international and regional political events, acts of war or terrorism, corporate, political or other scandals that reduce investor confidence in capital markets, natural disasters or pandemics or a combination of these or other factors. The Macquarie Group trades in foreign exchange, interest rate, commodity, bullion, energy, securities and other markets and are an active price maker in the derivatives market. Certain financial instruments that MGL and/or the Macquarie Group holds and contracts to which it is a party are complex and these complex structured products often do not have readily available markets to access in times of liquidity stress. MGL and the Macquarie Group may incur losses as a result of decreased market prices for products the Macquarie Group trades, which decreases the valuation of its trading and investment positions, including its interest rate and credit products, currency, commodity and equity positions. In addition, reductions in equity market prices or increases in interest rates may reduce the value of their clients' portfolios, which in turn may reduce the fees the Macquarie Group earns for managing assets in certain parts of their business. Increases in interest rates or attractive prices for other investments could cause the Macquarie Group's clients to transfer their assets out of its funds or other products. Interest rate benchmarks around the world (for example, the London Interbank Offered Rate or "LIBOR") have been subject to regulatory scrutiny and are subject to change. Changes to such benchmarks can result in market disruption and volatility impacting the value of securities, financial returns and potentially impact the Macquarie Group's ability to effectively hedge market risk. Further, interest rate risk arises from a variety of sources, including mismatches between the repricing periods of assets and liabilities. As a result of these mismatches, movements in interest rates can affect earnings or the value of the Macquarie Group, including MGL.

2. Risks associated with Macquarie's business that may affect ordinary shares of Macquarie (Ordinary Shares)

Risk	Description of risk
Funding constraints of investors and clients	Historically, the Macquarie Group has generated a portion of its income from the sale of assets to third parties, including its funds. If buyers are unable to obtain financing to purchase assets that the Macquarie Group currently holds or purchases with the intention to sell in the future, the Macquarie Group may be required to hold investment assets for longer than intended or sell these assets at lower prices than it historically would have expected to achieve, which may lower its rate of return on these investments and require funding for periods longer than anticipated. In addition, the Non-Banking Group has historically derived a portion of its income from mergers and acquisitions advisory fees which are typically paid upon completion of a transaction. Clients that engage in mergers and acquisitions often rely on access to credit markets to finance their transactions. The lack of available credit and the increased cost of credit may adversely affect the size, volume and timing of the Macquarie Group's clients' merger and acquisition transactions, particularly large transactions, and may also adversely affect the Macquarie Group's financial advisory and underwriting businesses.
Capital adequacy	The Macquarie Group seeks to maintain capital levels to ensure it can achieve strategic plans and objectives, manage the risks to which it is exposed, absorb unexpected losses and meet market expectations of capital levels. The Macquarie Group is required to maintain minimum levels determined by the risk profile of its operations and within the frameworks by which it is regulated. If the Macquarie Group fails to hold sufficient capital, including as a result of unexpected events affecting its business, operations and financial condition, there may be an increased risk of regulatory intervention in the operation of the business, and ultimately a greater risk of non-viability and insolvency. Reduced capital adequacy levels in MBL or MGL could also restrict those entities' ability to pay dividends or distributions. Many of the capital frameworks that the Macquarie Group operates under have been recently reviewed or are currently under review. Changes to these frameworks can require the Macquarie Group to hold more capital and have an adverse impact on the Macquarie Group.
Credit ratings	Failure of MGL or the Macquarie Group to maintain their credit ratings and those of their subsidiaries could adversely affect their cost of funds, liquidity, competitive position and access to capital markets. The credit ratings assigned to MGL and certain of their subsidiaries by rating agencies are based on an evaluation of a number of factors, including the relevant entity's ability to maintain a stable and diverse earnings stream, strong capital ratios, strong credit quality and risk management controls, funding stability and security, disciplined liquidity management and its key operating environments, including the availability of systemic support in Australia. In addition, a credit rating downgrade could be driven by the occurrence of one or more of the other risks identified in this section or by other events that are not related to the Macquarie Group. If these Macquarie Group entities fail to maintain their current credit ratings, this could (i) adversely affect MGL's or the Macquarie Group's cost of funds and related margins, liquidity, competitive position, the willingness of counterparties to transact with the Macquarie Group and its ability to access capital markets or (ii) trigger the MGL's or the Macquarie Group's obligations under certain bilateral provisions in some of their trading and collateralised financing contracts. Under these provisions, counterparties could be permitted to terminate contracts with the Macquarie Group or require it to post additional collateral. Termination of MGL's or a Macquarie Group entity's trading and collateralised financing contracts could cause them to sustain losses and impair their liquidity by requiring them to find other sources of financing or to make significant cash payments or securities movements.

2. Risks associated with Macquarie's business that may affect ordinary shares of Macquarie (Ordinary Shares)

Risk	Description of risk
Global economic, market and business risks with respect to the COVID-19 pandemic	The COVID-19 pandemic has caused, and will likely continue to cause, severe impacts on global, regional and national economies and disruption to international trade and business activity. Governments worldwide, including in Australia, have enacted emergency measures to combat the spread of the virus, included wide ranging restrictions on, suspensions of, or advice against, regional and international travel, gatherings of groups of people, as well as prolonged closures of workplaces and many other normal activities, all of which have had, and may continue to have, a substantial negative impact on economic and business activity due to a range of factors. While financial markets have rebounded from the significant declines that occurred earlier in the pandemic, many of the circumstances that arose or became more pronounced after the onset of the COVID-19 pandemic persisted, including (i) muted levels of business activity across many sectors of the economy, relatively weak consumer confidence and high unemployment rates; (ii) elevated levels of market volatility; (iii) yields on government bonds near zero; (iv) heightened credit risk with regard to industries that have been most severely impacted by the pandemic; and (v) higher cyber security, information security and operational risks as a result of work-from-home arrangements This may in turn reduce the level of activity in sectors in which certain of the Macquarie Group's businesses operate and thus have a negative impact on such businesses' ability to generate revenues or profits. Governments and central banks around the world have reacted to the economic crisis caused by the pandemic by implementing stimulus and liquidity programs and cutting interest rates, however it is unclear whether these actions or any future actions taken by governments and central banks will be successful in mitigating the economic disruption. Additionally, any such fiscal and monetary actions are subject to withdrawal by the relevant governments or central banks, or may lapse without renewal. If the COVID-19 pandemic is prolonged and/or actions of governments and central banks are unsuccessful in mitigating the economic disruption, the negative impact on global growth and global financial markets could be amplified, and may lead to recessions in national, regional or global economies. The impact of COVID-19 on the economy and the Macquarie Group's personnel and operations is highly uncertain and cannot be predicted and will depend on the scope and duration of the pandemic and any recovery period, the emergence and spread of variants of COVID-19, the prevalence of escalating rates of infection in various jurisdictions, the availability, adoption and efficacy of treatments and vaccines, future actions taken by government authorities, central banks and other third parties in response to the pandemic. All these factors may lead to further reduced client activity and demand for the Macquarie Group's products and services, higher credit and valuation losses in its loan and investment portfolios, impairments of financial assets, trading losses and other negative impacts on our financial position, including possible constraints on capital and liquidity, as well as higher costs of capital, and possible changes or downgrades to our credit ratings. Additionally, despite the business continuity and crisis management policies currently in place, travel restrictions or potential impacts on personnel and operations may disrupt our business and increase operational risk losses. If conditions deteriorate or remain uncertain for a prolonged period, our funding costs may increase and our ability to replace maturing liabilities may be limited, which could adversely affect our ability to fund and grow our business. This may adversely impact our results of operations and financial condition.
Climate change risk	The Macquarie Group's businesses could suffer losses due to climate change. Climate change is systemic in nature and is a significant long-term driver of both financial and non-financial risks. Climate change related impacts include physical risks from changing climatic conditions and transition risks such as changes to laws and regulations, technology development and disruptions and consumer preferences. A failure to respond to the potential and expected impacts of climate change may affect Macquarie Group's performance and could have wide-ranging impacts for the Macquarie Group. These include, but are not limited to, impacts on the probability of default and losses arising from defaults, asset valuations and collateral, may result in litigation, regulatory action, negative publicity or other reputational harm or could prompt us to exit certain businesses altogether. Failure to effectively manage these risks could adversely affect the Macquarie Group's business, prospects, reputation, financial performance or financial condition.

2. Risks associated with Macquarie's business that may affect ordinary shares of Macquarie (Ordinary Shares)

Risk	Description of risk
Legal and regulatory risks	
Change in laws, regulation and regulatory policy	Many of the Macquarie Group's businesses are highly regulated and they could be adversely affected by temporary and permanent changes in laws, regulations and regulatory policy. The Macquarie Group operates various kinds of businesses across multiple jurisdictions or sectors which are regulated by more than one regulator. Additionally, some members of the Macquarie Group own or manage assets and businesses that are regulated. The Macquarie Group's businesses includes MBL as an ADI in Australia (regulated by APRA), a credit institution in Ireland, bank branches in the United Kingdom, the Dubai International Finance Centre, Singapore and Hong Kong and representative offices in the United States, New Zealand, Brazil and Switzerland. The regulations vary from country to country but generally are designed to protect depositors and the banking system as a whole, not holders of MGL's securities or creditors. In addition, as a diversified financial institution, many of the Macquarie Group's businesses are subject to financial services regulation other than prudential banking regulation, as well as laws, regulations and oversight specific to the industries applicable to the Macquarie Group's businesses and assets. Regulatory agencies and governments frequently review and revise banking and financial services laws, security and competition laws, fiscal laws and other laws, regulations and policies, including fiscal policies. Changes to laws, regulations or policies, including changes in interpretation or implementation of laws, regulations or policies, could substantially affect MGL and the Macquarie Group or their businesses, the products and services MGL and the Macquarie Group offer or the value of their assets, or have unintended consequences or impacts across MGL's and the Macquarie Group's business. These may include changing required levels of liquidity and capital adequacy, increasing tax burdens generally or on financial institutions or transactions, limiting the types of financial services and products that can be offered and/or increasing the ability of other providers to offer competing financial services and products, as well as changes to prudential regulatory requirements. Global economic conditions and increased scrutiny of the culture in the banking sector have led to increased supervision and regulation, as well as changes in regulation in the markets in which MGL and the Macquarie Group operate and may lead to further significant changes of this kind. Health, safety and environmental laws and regulations can also change rapidly and significantly. The occurrence of any adverse health, safety or environmental event, or any changes, additions to, or more rigorous enforcement of, health, safety and environmental standards could have a significant impact on operations and/or result in material unforeseen expenditures. In some countries in which Macquarie Group does business or may in the future do business, in particular in emerging markets, the laws and regulations applicable to the financial services industry are uncertain and evolving, and it may be difficult for the Macquarie Group to determine the requirements of local laws in every market. The Macquarie Group's inability to remain in compliance with local laws in a particular market could have a significant and negative effect not only on its businesses in that market but also on its reputation generally. In addition, regulation is becoming increasingly extensive and complex and some areas of regulatory change involve multiple jurisdictions seeking to adopt a coordinated approach or even an inconsistent approach or certain jurisdictions seeking to expand the territorial reach of their regulation. The nature and impact of future changes are unpredictable, beyond MGL's and the Macquarie Group's control and may result in potentially conflicting requirements, resulting in additional legal and compliance expenses and changes to their business practices that adversely affect their profitability. MGL is regulated by APRA as a NOHC. APRA may introduce new prudential regulations or modify existing regulations, including those that apply to MGL as a NOHC. Any such event could result in changes to the organisational structure of the Macquarie Group and adversely affect the Macquarie Group. MGL is a holding company and many of its subsidiaries, including its broker-dealer and bank subsidiaries, such as MBL, are subject to laws that authorise regulatory bodies to block or reduce the flow of funds and dividends from those subsidiaries to MGL. Restrictions or regulatory action of that kind could impede access to funds that MGL needs to make payments on its obligations, including dividend payments on Ordinary Shares. In particular, the availability of MBL's funding to meet the obligations of MGL or the Non-Banking Group is subject to regulatory restrictions.

2. Risks associated with Macquarie's business that may affect ordinary shares of Macquarie (Ordinary Shares)

Risk	Description of risk
Financial crime risk	The Macquarie Group is also subject in its operations worldwide to laws and regulations relating to corrupt and illegal payments, counter-terrorism financing, anti-bribery and corruption- and adherence to anti-money laundering obligations, as well as laws, sanctions and economic trade restrictions relating to doing business with certain individuals, groups and countries ("AML/CTF laws"). The geographical diversity of its operations, employees, clients and customers, as well as the vendors and other third parties that it deals with, increases the risk that a member of the Macquarie Group may be found in violation of AML/CTF laws. Emerging financial crime risk typologies could also limit the Macquarie Group's ability to track the movement of funds thereby heightening the risk of breaching AML/CTF laws. The Macquarie Group's ability to comply with AML/CTF laws is dependent on its detection and reporting capabilities, control processes and oversight accountability. Any violation of AML/CTF laws could subject the Macquarie Group to significant penalties, revocation, suspension, restriction or variation of conditions of operating licenses, adverse reputational consequences, litigation by third parties (including potentially class actions) or limitations on its ability to do business.
Increased governmental and regulatory scrutiny or negative publicity	Governmental scrutiny from regulators, legislative bodies and law enforcement agencies with respect to matters relating to the financial services sector generally, and Macquarie Group's business operations, capital, liquidity and risk management, compensation and other matters, has increased dramatically over the past several years. The financial crisis and the subsequent political and public sentiment regarding financial institutions have resulted in a significant amount of adverse press coverage, as well as adverse statements or charges by regulators or other government officials, and in some cases, to increased regulatory scrutiny, investigations and litigation. Responding to and addressing such matters, regardless of the ultimate outcome, is time-consuming, expensive, can adversely affect investor confidence and can divert the time and effort of the Macquarie Group's staff (including senior management) from their business. Investigations, inquiries, penalties and fines sought by regulatory authorities have increased substantially over the last several years, and regulators have become assertive in commencing enforcement actions or with advancing or supporting legislation targeted at the financial services industry. If the Macquarie Group is subject to adverse regulatory findings, the financial penalties could have a material adverse effect on its results of operations. Adverse publicity, governmental scrutiny and legal and enforcement proceedings can also have a negative impact on the Macquarie Group's reputation with clients and on the morale and performance of its employees.

2. Risks associated with Macquarie's business that may affect ordinary shares of Macquarie (Ordinary Shares)

Risk	Description of risk
Litigation and regulatory actions	MGL and the Macquarie Group may, from time to time, be subject to material litigation and regulatory actions, for example, as a result of inadequate documentation of contractual relationships, class actions or regulatory violations, which, if settled or determined adversely to the Macquarie Group, may adversely impact upon its results of operations and financial condition in future periods or its reputation. MGL and the Macquarie Group entities regularly obtain legal advice and make provisions, as deemed necessary. There is a risk that any losses may be larger than anticipated or provided for or that additional litigation, regulatory actions or other contingent liabilities may arise. Furthermore, even where monetary damages may be relatively small, an adverse finding in a regulatory or litigation matter could harm MGL's and the Macquarie Group's reputation or brand, thereby adversely affecting their business.
Counterparty credit risks	Failure of third parties to honour their commitments in connection with the Macquarie Group's trading, lending and other activities, including funds that it manages, may adversely impact its business The Macquarie Group is exposed to the potential for credit related losses as a result of an individual, counterparty or issuer being unable or unwilling to honour its contractual obligations. The Macquarie Group is also exposed to potential concentration risk arising from large individual exposures or groups of exposures. Like any financial services organisation, the Macquarie Group assumes counterparty risk in connection with its lending, trading, derivatives and other businesses where it relies on the ability of third parties to satisfy their financial obligations to it on a timely basis. The Macquarie Group's recovery of the value of the resulting credit exposure may be adversely affected by a number of factors, including declines in the financial condition of the counterparty, the value of property it may hold as collateral and the market value of the counterparty instruments and obligations it holds. Credit losses can and have resulted in financial services organisations realising significant losses and in some cases failing altogether. The Macquarie Group is also subject to the risk that its rights against third parties may not be enforceable in all circumstances. The Macquarie Group's inability to enforce its rights may result in losses.
Impairments in loans, investments, funds management assets and other assets	The Macquarie Group may experience write-downs of their funds management assets, impairments in loans, investments other assets. Further credit and other impairments and provisions may be required in future periods if the market value of assets similar to those held were to decline. Credit and other impairment charges may also vary following a change to the inputs or forward looking information used in the determination of expected credit losses. Sudden declines and significant volatility in the prices of assets may substantially curtail or eliminate the trading markets for certain assets, which may make it very difficult to sell, hedge or value such assets. The inability to sell or effectively hedge assets reduces the Macquarie Group's ability to limit losses in such positions and the difficulty in valuing assets may negatively affect their capital, liquidity or leverage ratios, increase their funding costs and generally require them to maintain additional capital. In addition, market volatility impacts the value of the Macquarie Group's funds. Future valuations, in light of factors then prevailing, may result in further impairments to the Macquarie Group's investments in its funds. At the time of any sale of the Macquarie Group's investments in its funds, the price it ultimately realises will depend on the demand in the market at the time and may be materially lower than their current market value. Any of these factors could require the Macquarie Group to make further write-downs on their investments in their funds management assets and other investments and assets, which may be significant and may have an adverse effect on their businesses, prospects, results of operations and financial condition in future periods.

2. Risks associated with Macquarie's business that may affect ordinary shares of Macquarie (Ordinary Shares)

Risk	Description of risk
Operational risks	
Staff recruitment and retention	The Macquarie Group's ability to retain and attract qualified employees is critical to the success of its business and the failure to do so may materially adversely affect its performance The Macquarie Group's employees are its most important resource, and its performance largely depends on the talents and efforts of highly skilled individuals. The Macquarie Group's continued ability to compete effectively in its business and to expand into new business areas and geographic regions depends on its ability to retain and motivate its existing employees and attract new employees. Competition from within the financial services industry and from businesses outside the financial services industry, such as professional service firms, hedge funds, private equity funds and venture capital funds, for qualified employees has historically been intense and is expected to increase during periods of economic growth. In order to attract and retain qualified employees, the Macquarie Group must compensate such employees at or above market levels. Typically, those levels have caused employee remuneration to be the Macquarie Group's greatest expense as its performance-based remuneration has historically been cash and equity based and highly variable. Recent market events have resulted in increased regulatory and public scrutiny of corporate remuneration policies and the establishment of criteria against which industry remuneration policies may be assessed. As a regulated entity, MBL or MGL may be subject to limitations on remuneration practices (which may or may not affect its competitors). These limitations may require the Macquarie Group to further alter its remuneration practices in ways that could adversely affect its ability to attract and retain qualified and talented employees. Current and future laws (including laws relating to immigration and outsourcing) may restrict the Macquarie Group's ability to move responsibilities or personnel from one jurisdiction to another. This may impact the Macquarie Group's ability to take advantage of business and growth opportunities or potential efficiencies.

2. Risks associated with Macquarie's business that may affect ordinary shares of Macquarie (Ordinary Shares)

Risk	Description of risk
Operational and process failure risk	The Macquarie Group may incur financial loss, adverse regulatory consequences or reputational damage due to inadequate or failed internal or external operational systems and risk management processes. The Macquarie Group's businesses depend on their ability to process and monitor, on a daily basis, a very large number of transactions, many of which are highly complex, across numerous and diverse markets in many currencies. While the Macquarie Group employs a range of risk monitoring and risk mitigation techniques, those techniques and the judgments that accompany their application cannot anticipate every economic and financial outcome or the specifics and timing of such outcomes. As such, the Macquarie Group may, in the course of its activities, incur losses. There can be no assurance that the risk management processes and strategies that the Macquarie Group has developed will adequately anticipate or be effective in addressing market stress or unforeseen circumstances. As the Macquarie Group's client base, business activities and geographical reach expands, developing and maintaining their operational systems and infrastructure becomes increasingly challenging. The Macquarie Group must continuously update these systems to support its operations and growth, which may entail significant costs and risks of successful integration. The Macquarie Group's financial, accounting, data processing or other operating systems and facilities may fail to operate properly or become disabled as a result of events that are wholly or partially beyond their control, such as a spike in transaction volume or disruption in internet services provided by third parties. The Macquarie Group is exposed to the risk of loss resulting from human error, the failure of internal or external processes and systems, such as from the disruption or failure of IT systems, or from external suppliers and service providers including cloud-based outsourced technology platforms, or external events. Such operational risks may include theft and fraud, failure to effectively implement employment practices and inadequate workplace safety, improper business practices, mishandling of client moneys or assets, client suitability and servicing risks, product complexity and pricing, and valuation risk or improper recording, evaluating or accounting for transactions or breaches of their internal policies and regulations. There is increasing regulatory and public scrutiny concerning outsourced and offshore activities and their associated risks, including, for example, the appropriate management and control of confidential data. If the Macquarie Group fails to manage these risks appropriately, it may incur financial losses and/or regulatory intervention and penalties, and its reputation and ability to retain and attract clients may be adversely affected. There have been a number of highly publicised cases around the world involving actual or alleged fraud or other misconduct by employees in the financial services industry in recent years, and the Macquarie Group runs the risk that employee, contractor and external service provider misconduct could occur. Human errors, malfeasance and other misconduct, including the intentional misuse of client information in connection with insider trading or for other purposes, even if promptly discovered and remediated, can result in reputational damage and material losses and liabilities for the Macquarie Group. It is not always possible to deter or prevent employee misconduct and the precautions the Macquarie Group takes to prevent and detect this activity may not be effective in all cases, which could result in financial losses, regulatory intervention and reputational damage. The Macquarie Group also faces the risk of operational failure, termination or capacity constraints of any of the counterparties, clearing agents, exchanges, clearing houses or other financial intermediaries the Macquarie Group uses to facilitate its securities or derivatives transactions, and as the Macquarie Group's interconnectivity with their clients and counterparties grows, the risk to the Macquarie Group of failures in its clients' and counterparties' systems also grows. Any such failure, termination or constraint could adversely affect the Macquarie Group's ability to effect or settle transactions, service its clients, manage its exposure to risk, meet its obligations to counterparties or expand its business or result in financial loss or liability to its clients and counterparties, impairment of its liquidity, disruption of its businesses, regulatory intervention or reputational damage.

2. Risks associated with Macquarie's business that may affect ordinary shares of Macquarie (Ordinary Shares)

Risk	Description of risk
Cyber and information security risk	A cyber attack, information or security breach, or a technology failure of MGL or the Macquarie Group or of a third party could adversely affect their ability to conduct their business, manage their exposure to risk or expand their businesses, result in the disclosure or misuse of confidential or proprietary information and increase their costs to maintain and update their operational and security controls and infrastructure The Macquarie Group's businesses depend on the security and efficacy of its data management systems and technology systems, as well as those of third parties with whom it interacts or on whom it relies. Macquarie Group's businesses rely on the secure processing, transmission, storage and retrieval of confidential, proprietary and other information in their data management systems and technology, and in those managed, processed and stored by third parties on behalf of the Macquarie Group. Inadequate data management and data quality could lead to poor decision making in the provision of credit as well as affecting the Macquarie Group's data management regulatory obligations, all of which may cause it to incur losses or lead to regulatory actions. Furthermore, a breach, failure or other disruption of the Macquarie Group's data management systems and technology, or those of its third party service providers, could lead to the unauthorized or unintended release, misuse, loss or destruction of personal or confidential data about customers, employees or other third parties in the Macquarie Group's possession. A purported or actual unauthorized access or unauthorized disclosure of personal or confidential data could materially damage the Macquarie Group's reputation and expose it s to liability for violations of privacy and data protection laws. To access its network, products and services, its customers and other third parties may use personal mobile devices or computing devices that are outside of its network environment and are subject to their own cybersecurity risks. While the Macquarie Group seeks to operate in a control environment that limits the likelihood of a cyber and information security incident, and to ensure that the impact of a cyber and information security incident can be minimised by information security capability and incident response, there can be no assurances that the Macquarie Group's security controls will provide absolute security. Cyber and information security risks for financial institutions have increased in recent years, in part because of the proliferation of new technologies, the use of internet and telecommunications technology, and the increased sophistication and activities of attackers (including hackers, organised criminals, terrorist organisations, hostile foreign governments, disgruntled employees or vendors, activists and other external parties, including those involved in corporate espionage). Targeted social engineering attacks are becoming more sophisticated and are extremely difficult to prevent. The techniques used by hackers change frequently, may not be recognised until launched and may not be recognised until well after a breach has occurred. Additionally, the existence of cyber attacks or security breaches at third parties with access to Macquarie Group's data, such as vendors, may not be disclosed to it in a timely manner. Despite efforts to protect the integrity of the Macquarie Group's systems and implement controls, processes, policies and other protective measures, it may not be able to anticipate all security breaches or implement preventive measures against such security breaches. As a result of increasing consolidation, interdependence and complexity of financial entities and technology systems, a technology failure, cyber attack or other information or security breach that significantly degrades, deletes or compromises the systems or data of one or more financial entities could have a material impact on counterparties or other market participants, including the Macquarie Group. This consolidation, interconnectivity and complexity increases the risk of operational failure, on both individual and industry-wide bases, as disparate systems need to be integrated, often on an accelerated basis. Any third- party technology failure, cyber attack or other information or security breach, termination or constraint could, among other things, adversely affect the Macquarie Group's ability to effect transactions, service its clients, manage its exposure to risk or expand its businesses. It is anticipated that cyber attacks will continue to occur because perpetrators are well resourced, deploying highly sophisticated techniques that can evolve rapidly. This challenges the Macquarie Group's ability to implement effective control measures to prevent or minimise damage that may be caused by all information security threats. Cyber attacks or other information or security breaches, whether directed at the Macquarie Group or third parties, may result in a material loss or have adverse consequences for the Macquarie Group, including operational disruption, financial losses, reputational damage, theft of intellectual property and customer data, violations of applicable privacy laws and other laws, litigation exposure, regulatory fines, penalties or intervention, loss of confidence in its security measures and additional compliance costs, all of which could have a material adverse impact on the Macquarie Group.

2. Risks associated with Macquarie's business that may affect ordinary shares of Macquarie (Ordinary Shares)

Risk	Description of risk
Environmental and social risk	The Macquarie Group's businesses could suffer losses due to environmental and social factors. The Macquarie Group is subject to the risk of unforeseen, hostile or catastrophic events, many of which are outside of its control, including natural disasters, extreme weather events (such as persistent winter storms or protracted droughts), leaks, spills, explosions, release of toxic substances, fires, accidents on land or at sea, terrorist attacks or other hostile or catastrophic events. Any significant environmental change or external event (including increased frequency and severity of storms, floods and other catastrophic events such as earthquake, pandemic (such as COVID-19), other widespread health emergencies, civil unrest or terrorism events) has the potential to disrupt business activities, impact the Macquarie Group's operations or reputation, increase credit risk and other credit exposures, damage property and otherwise affect the value of assets held in the affected locations and the Macquarie Group's ability to recover amounts owing to it. The occurrence of any such events may prevent the Macquarie Group from performing under agreements with clients, may impair operations or financial results, and may result in litigation, regulatory action, negative publicity or other reputational harm. The Macquarie Group may also not be able to obtain insurance to cover some of these risks and the insurance that it has may be inadequate to cover any losses. Any such long-term, adverse environmental or social consequences could prompt the Macquarie Group to exit certain businesses altogether. In addition, such an event or environmental change (as the case may be) could have an adverse impact on economic activity, consumer and investor confidence, or the levels of volatility in financial markets. The Macquarie Group also face increasing public scrutiny, laws and regulations related to environmental and social factors. The Macquarie Group risk damage to its brand and reputation if it fails to act responsibly in a number of areas, such as diversity and inclusion, environmental stewardship, support for local communities, corporate governance and transparency and considering environmental and social factors (including human rights breaches such as modern slavery) in its investment and procurement processes. Failure to effectively manage these risks may result in breaches of the Macquarie Group's statutory obligations and could adversely affect its business, prospects, reputation, financial performance or financial condition.
Insurance risk	Failure of the Macquarie Group's insurance carriers or its failure to maintain adequate insurance cover could adversely impact its results of operations. The Macquarie Group maintains insurance that it considers to be prudent for the scope and scale of its activities. If the Macquarie Group's carriers fail to perform their obligations to the Macquarie Group and/or its third-party cover is insufficient for a particular matter or group of related matters, its net loss exposure could adversely impact its results of operations.
Custodian Risk	Certain products the Macquarie Group manages depend on the services of custodians to carry out certain securities transactions. In the event of the insolvency of a custodian, the Macquarie Group might not be able to recover equivalent assets in full as they will rank among the custodian's unsecured creditors. In addition, the cash held with a custodian in connection with these products will not be segregated from the custodian's own cash, and the creditors of these products will therefore rank as unsecured creditors in relation to the cash they have deposited.

2. Risks associated with Macquarie's business that may affect ordinary shares of Macquarie (Ordinary Shares)

Risk	Description of risk
Strategic risks	The Macquarie Group's business may be adversely affected by a failure to adequately manage the risks associated with strategic opportunities and new businesses, including acquisitions, and the exiting or restructuring of existing businesses. MGL and other entities in the Macquarie Group are continually evaluating strategic opportunities and undertaking acquisitions of businesses, some of which may be material to their operations. The Macquarie Group's completed and prospective acquisitions and growth initiatives may cause it to become subject to unknown liabilities of the acquired or new business, and additional or different regulations. Future growth, including through acquisitions, mergers and other corporate transactions, may place significant demands on the Macquarie Group's legal, accounting, IT, risk management and operational infrastructure and result in increased expenses. A number of the Macquarie Group's recent and planned business initiatives and further expansions of existing businesses are likely to bring it into contact with new clients, new asset classes and other new products or new markets. These business activities expose the Macquarie Group to new and enhanced risks, including reputational concerns arising from dealing with a range of new counterparties and investors, actual or perceived conflicts of interest, regulatory scrutiny of these activities, potential political pressure, increased credit related and operational risks, including risks arising from IT systems and reputational concerns with the manner in which these businesses are being operated or conducted. Any time Macquarie Group entities make an acquisition, they may over-value the acquisition, they may not achieve expected synergies, they may achieve lower than expected cost savings or otherwise incur losses, they may lose customers and market share, they may face disruptions to their operations resulting from integrating the systems, processes and personnel (including in respect of risk management) of the acquired business into the Macquarie Group or their management's time may be diverted to facilitate the integration of the acquired business into the relevant Macquarie Group entity. Entities in the Macquarie Group may also underestimate the costs associated with outsourcing, exiting or restructuring existing businesses. Where the Macquarie Group's acquisitions are in foreign jurisdictions, or are in emerging or growth economies in particular, they may be exposed to heightened levels of regulatory scrutiny and political, social or economic disruption and sovereign risk in emerging and growth markets.

2. Risks associated with Macquarie’s business that may affect ordinary shares of Macquarie (Ordinary Shares)

Risk	Description of risk
Reputation risk	The Macquarie Group believes that its reputation in the financial services markets and the recognition of the Macquarie brand by its customers are important contributors to its business. Many companies in the Macquarie Group and many of the funds managed by entities owned, in whole or in part, by the Macquarie Group use the Macquarie name. The Macquarie Group may be adversely affected by the negative publicity or poor financial performance in relation to any of the entities using the Macquarie name, including any Macquarie-managed fund or funds that Macquarie has promoted or is associated with. Investors and lenders may associate such entities and funds with the name, brand and reputation of the Macquarie Group and other Macquarie-managed funds. If funds that use the Macquarie name or are otherwise associated with Macquarie-managed infrastructure assets, such as roads, airports, utilities and water distribution facilities that people view as community assets, are perceived to be managed inappropriately, those managing entities could be subject to criticism and negative publicity, harming the Macquarie Group’s reputation and the reputation of other entities that use the Macquarie name.
Competitive pressure	The competitive pressure, both in the financial services industry, as well as in the other industries in which the Macquarie Group operates, could adversely impact its business. The Macquarie Group faces significant competition from local and international competitors, which compete vigorously in the markets and sectors across which the Macquarie Group operates. The Macquarie Group competes, both in Australia and internationally, with asset managers, retail and commercial banks, private banking firms, investment banking firms, brokerage firms, internet based firms, commodity trading firms and other investment and service firms as well as businesses in adjacent industries in connection with the various funds and assets they manage and services they provide. This includes specialist competitors that may not be subject to the same capital and regulatory requirements and therefore may be able to operate more efficiently. In addition, digital technologies and business models are changing consumer behaviour and the competitive environment. The use of digital channels by customers to conduct their banking continues to rise and emerging competitors are increasingly utilising new technologies and seeking to disrupt existing business models, including in relation to digital payment services and open data banking, that challenge, and could potentially disrupt, traditional financial services. The Macquarie Group faces competition from established providers of financial services as well as from businesses developed by non-financial services companies. The Macquarie Group believes that it will continue to experience pricing pressures in the future as some of its competitors seek to obtain or increase market share. Any consolidation in the global financial services industry may create stronger competitors with broader ranges of product and service offerings, increased access to capital, and greater efficiency and pricing power which may enhance the competitive position of the Macquarie Group's competitors. The effect of competitive market conditions, especially in the Macquarie Group's main markets, products and services, may lead to an erosion in its market share or margins.

2. Risks associated with Macquarie's business that may affect ordinary shares of Macquarie (Ordinary Shares)

Risk	Description of risk
Conflicts of interest	Conflicts of interest could limit the Macquarie Group's current and future business opportunities. As the Macquarie Group expands its businesses and its client base, it increasingly has to address potential or perceived conflicts of interest, including situations where its services to a particular client conflict with, or are perceived to conflict with, its own proprietary investments or other interests or with the interests of another client, as well as situations where one or more of its businesses have access to material non public information that may not be shared with other businesses within the Macquarie Group. While the Macquarie Group believes it has adequate procedures and controls in place to address conflicts of interest, including those designed to prevent the improper sharing of information among its businesses, appropriately dealing with conflicts of interest is complex and difficult, and its reputation could be damaged and the willingness of clients or counterparties to enter into transactions may be adversely affected if Macquarie Group fails, or appears to fail, to deal appropriately with conflicts of interest. In addition, potential or perceived conflicts could give rise to claims by and liabilities to clients, litigation or enforcement actions.
Fund Performance	The Non-Banking Group and the Macquarie Group's dependence on the revenue they generate from managing funds and transacting with the assets they manage exposes them to risks. The Macquarie Group's financial condition and results of operations are directly and indirectly affected by the results of the funds or the assets it manages. The Macquarie Group's revenue from Assets under Management is derived principally from three sources: (i) management fees, based on the size of its funds; (ii) incentive income, based on the performance of its funds; and (iii) investment income based on its investments in the funds, which are referred to as their "principal investments". If any of the Macquarie Group's funds perform poorly due to market conditions or the Macquarie Group's underperformance, the Macquarie Group's revenue and results of operations may decline. If the return of a fund is negative in any period, this may also have a long-term effect on incentive income. This is because a deficit against a performance benchmark will usually be carried forward until the deficit has been eliminated. In some cases investors may withdraw their investments in these funds or may decline to invest in future funds the Macquarie Group establishes.
Tax risk	The Macquarie Group's business operations expose it to potential tax liabilities that could have an adverse impact on their results of operation and reputation. The Macquarie Group is exposed to risks arising from the manner in which the Australian and international tax regimes may be applied and enforced, both in terms of its own tax compliance and the tax aspects of transactions on which it works with clients and other third parties. The Macquarie Group's international, multi-jurisdictional platform increases its tax risks. Any actual or alleged failure to comply with or any change in the interpretation, application or enforcement of applicable tax laws and regulations could adversely affect the Macquarie Group's reputation and affected business areas, significantly increase its own tax liability and expose it to legal, regulatory and other actions.

2. Risks associated with Macquarie's business that may affect ordinary shares of Macquarie (Ordinary Shares)

Risk	Description of risk
Accounting Standards	Changes in accounting standard, policies, interpretations, estimates, assumptions and judgments that could have a material impact on the financial results of the Macquarie Group. The Macquarie Group's accounting policies are fundamental to how it records and reports its financial position and results of operations. These policies require the use of estimates, assumptions and judgements that affect the reported value of the Macquarie Group's assets or liabilities and results of operations. Management is required to determine estimates and apply subjective and complex assumptions and judgements about matters that are inherently uncertain. Changes in those estimates, assumptions and judgements are accounted for prospectively as a change in accounting estimate unless it is determined that either (i) the determination thereof was in error or (ii) the accounting policy which sets out the application of those estimates, assumptions and judgements has changed, in which case the previous reported financial information is re-presented. Accounting standard setting bodies issue new accounting standards and interpretations in response to outreach activities, evolving interpretations, application of accounting principles as well as changes in market developments. In addition, changes in interpretations by accounting standard setting bodies; regulators; and the Macquarie Group's independent external auditor may also arise from time to time. The nature and timing of these changes may be difficult to predict. The application of new requirements and interpretations may impact how the Macquarie Group prepares and report its financial statements. In some cases, the Macquarie Group may be required to apply a new or revised standard or change in interpretation retrospectively, resulting in a requirement to represent its previously reported financial information.

3. Risks associated with Ordinary Shares specifically

Risk	Description of risk
The market price of Ordinary Shares will fluctuate	Ordinary Shares trade on ASX. The market price of Ordinary Shares on ASX will fluctuate due to various factors, including the risk factors described in section 2 above. If Ordinary Shares trade at a market price below the amount at which you acquired them, there is a risk that, if you sell them, you may lose all or some of the money you invested. Macquarie does not guarantee the market price of Ordinary Shares.
Dividends may fluctuate or not be paid	Dividends are entirely discretionary. The rate and value of dividends may fluctuate. There is a risk that dividends may become less attractive compared to returns on comparable securities or investments. Macquarie does not guarantee any return on Ordinary Shares. Macquarie may not pay dividends at all. Dividends are discretionary and do not accrue. Further, under the terms of some other securities issued by Macquarie, Macquarie may not be able to pay dividends if it does not pay distributions on those other securities.
Macquarie may raise more debt and issue other securities	Macquarie has the right in its absolute discretion to issue additional Ordinary Shares, debt or other securities, which may rank ahead of or equally with Ordinary Shares, whether or not secured. Any issue of other securities may dilute the relative value of existing Ordinary Shares and affect your ability to recover any value in a winding up. There are no restrictions on Macquarie raising more debt or issuing other securities, requiring Macquarie to refrain from certain business changes, or requiring Macquarie to operate within certain ratio limits. A holding of Ordinary Shares does not confer any right to participate in further issues of securities by Macquarie, other than future pro rata issues. It is difficult to anticipate the effect such debt or other issues of securities may have on the market price or liquidity of Ordinary Shares.
Shareholders are subordinated and unsecured investors	In a winding up of Macquarie, Shareholders' claims will rank after the claims of creditors preferred by law, secured creditors and general creditors. Shareholders' claims will rank equally with claims of holders of all other Ordinary Shares. If Macquarie were to be wound up and, after the claims of creditors preferred by law, secured creditors and general creditors are satisfied, there are insufficient assets remaining, there is a risk that you may lose some or all of the money you invested in Ordinary Shares.
Investments in Ordinary Shares are not deposit liabilities or protected accounts under the Banking Act	Investments in Ordinary Shares are an investment in Macquarie and will be affected by the ongoing performance, financial position and solvency of Macquarie. They are not deposit liabilities or protected accounts under the Banking Act. Therefore, Ordinary Shares are not guaranteed or insured by any Australian government, government agency or compensation scheme of Australia or any other jurisdiction.
Shareholders may be subject to Foreign Account Tax Compliance Act (FATCA) withholding and information reporting	In order to comply with FATCA, it is possible that Macquarie (or, if Ordinary Shares are held through another financial institution, such other financial institution) may be required (pursuant to an agreement with the Internal Revenue Service (IRS) or otherwise under applicable law) to request certain information from holders or beneficial owners of Ordinary Shares, which information may in turn be provided to the IRS or other relevant tax authority. Macquarie may also be required to withhold US tax on some portion of payments in relation to Ordinary Shares if such information is not provided or if payments are made to certain foreign financial institutions that have not entered into a similar agreement with the IRS (and are not otherwise required to comply with the FATCA regime under applicable laws or are otherwise exempt from complying with the requirements to enter into a FATCA agreement with the IRS). If Macquarie or any other person is required to withhold amounts under, or in connection with FATCA from any payments made in relation to Ordinary Shares, Shareholders and beneficial owners of Ordinary Shares will not be entitled to receive any gross up or additional amounts to compensate them for such withholding. This information is based on guidance issued by the IRS or other relevant tax authority as at the date of the Offer announcement. Future guidance may affect the application of FATCA to Macquarie, Shareholders or beneficial owners of Ordinary Shares.

Summary of the placement agreement

The Company entered into a placement agreement with the Lead Managers in respect of the Placement on 29 October 2021 ("Placement Agreement").

The Placement Agreement sets out the coordination, lead manager, bookrunner and settlement support aspects of the Placement.

The obligations of the Lead Managers under the Placement Agreement are conditional on certain matters. If certain conditions are not satisfied, or certain events occur, the Lead Managers may terminate the Placement Agreement. Termination of the Placement Agreement may have an adverse impact on the settlement of the Placement.

The events which may trigger termination of the Placement Agreement include (but are not limited to) the following:

- the Company is unable to issue the Placement Shares or arrange for quotation of the Placement Shares within the required timeframe;
- subject to certain exceptions, the Company alters its capital structure or constitution;
- a change in the board of directors of the Company occurs;
- certain regulatory actions are taken, or certain proceedings are commenced, involving the Company or its officers;
- the Company breaches the terms of the Placement Agreement;
- hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving one or more certain countries;
- changes, or the announcement of proposed changes, in law or policy in certain jurisdictions which does or is likely to prohibit or regulate the Placement or certain other matters;
- a general moratorium on commercial banking activities in certain countries is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
- trading in all securities quoted or listed on an exchange is suspended or limited in a prescribed manner;
- there is an adverse change or disruption to the financial, political or economic conditions, currency exchange rates or controls or financial markets in one or more certain countries; or
- there is a material adverse change in, or an event occurs which gives rise to, or is likely to give rise to, a material adverse change in the condition (financial or otherwise), assets, earnings, business, affairs, results of operation, management or prospects of the Company and its controlled entities (taken as a whole group) from that existing on 29 October 2021.

The ability of a Lead Manager to terminate the Placement Agreement in respect of some of the termination events will depend on whether the relevant Lead Manager has reasonable and bona fide grounds to believe and does believe that the event:

- could give rise to a liability of that Lead Manager under, or could give rise to that Lead Manager, contravening certain applicable laws; or
- has or may have a material adverse effect on the marketing, settlement or outcome of the Placement.

Termination by a Lead Manager will discharge the Company's obligation to pay that Lead Manager any fees, costs, charges or expenses which as at termination are not yet incurred or accrued. If the remaining Lead Managers elect to take up the rights of the terminating Lead Manager, the Company must pay them any fees that would otherwise have been payable to the terminating Lead Manager.

For details of the fees payable to the Lead Managers, see the Appendix 3B released to ASX on 29 October 2021.

The Company also gives certain representations, warranties and undertakings to the Lead Managers and an indemnity to the Lead Managers and certain other indemnified parties subject to certain carve-outs.

MACQUARIE

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Appendix E

International offer jurisdictions

This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces"), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – *Prospectus Exemptions, of the Canadian Securities Administrators.*

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of the New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

Cayman Islands

No offer or invitation to subscribe for New Shares may be made to the public in the Cayman Islands or from within the Cayman Islands.

China

This document has not been approved by, nor registered with, any competent regulatory authority of the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). Accordingly, the New Shares may not be offered or sold, nor may any invitation, advertisement or solicitation for New Shares be made from, within the PRC. This document does not constitute an offer of New Shares within the PRC.

The New Shares may not be offered or sold to legal or natural persons in the PRC other than to: (i) "qualified domestic institutional investors" as approved by a relevant PRC regulatory authority to invest in overseas capital markets; (ii) sovereign wealth funds or quasi-government investment funds that have the authorization to make overseas investments; or (iii) other types of qualified investors that have obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise).

European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Israel

The New Shares have not been registered, and no prospectus will be issued, under the Israeli Securities Law, 1968 (the "Securities Law"). Accordingly, the New Shares will only be offered and sold in Israel pursuant to private placement exemptions, namely to no more than 35 offerees who fall within a category of sophisticated investor as described in the First Addendum of the Securities Law.

Neither this document nor any activities related to the Offer shall be deemed to be the provision of investment advice. If any recipient of this document is not the intended recipient, such recipient should promptly return this document to the Company. This document has not been reviewed or approved by the Israeli Securities Authority in any way.

Japan

The New Shares have not been, and will not be, registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors.

Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

Korea

The Company is not making any representation with respect to the eligibility of any recipients of this document to acquire the New Shares under the laws of Korea, including, without limitation, the Foreign Exchange Transaction Act and regulations thereunder. The New Shares have not been, and will not be, registered under the Financial Investment Services and Capital Markets Act of Korea (“FSCMA”) and therefore may not be offered or sold (directly or indirectly) in Korea or to any resident of Korea or to any persons for re-offering or resale in Korea or to any resident of Korea (as defined under the Foreign Exchange Transaction Act of Korea and its enforcement decree), except as permitted under the applicable laws and regulations of Korea.

Accordingly, the New Shares may not be offered or sold in Korea other than to "accredited investors" (as defined in the FSCMA).

Malaysia

This document may not be distributed or made available in Malaysia. No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of New Shares. The New Shares may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, Schedules 6 and 7 of the Malaysian Capital Markets and Services Act.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act).

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

South Africa

This document does not, nor is it intended to, constitute a prospectus prepared and registered under the South African Companies Act 2008 and may not be distributed to the public in South Africa. This document has not been registered with nor approved by the South African Companies and Intellectual Property Commission.

Any offer of New Shares in South Africa will be made by way of a private placement to, and capable of acceptance only by, investors who fall within one of the specified categories listed in section 96(1)(a) of the South African Companies Act.

An entity or person resident in South Africa may not implement participation in the offer unless (i) permitted under the South African Exchange Control Regulations or (ii) a specific approval has been obtained from an authorised foreign exchange dealer in South Africa or the Financial Surveillance Department of the South African Reserve Bank.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

Taiwan

The New Shares have not been registered in Taiwan nor approved by the Financial Supervisory Commission of the Republic of China (Taiwan). Holders of the New Shares may not resell them in Taiwan nor solicit any other purchasers in Taiwan for this offering.

United Arab Emirates

This document does not constitute a public offer of securities in the United Arab Emirates and the New Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this document nor the New Shares have been approved by the Securities and Commodities Authority (“SCA”) or any other authority in the UAE.

This document may be distributed in the UAE only to “qualified investors” (as defined in the SCA Board of Directors' Chairman Decision No. 37 RM of 2019, as amended) and may not be provided to any person other than the original recipient. No marketing of the New Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE.

No offer or invitation to subscribe for New Shares is valid, or permitted from any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

United States

The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 (“U.S. Securities Act”) or under the securities laws of any state or other jurisdiction of the United States. The New Shares may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws.

MACQUARIE

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Appendix F

Glossary

Glossary

$A / AUD	Australian Dollar
$US / USD	United States Dollar
£ / GBP	Pound Sterling
€	Euro
1H21	Half Year ended 30 September 2020
1H22	Half Year ended 30 September 2021
1Q22	Three months ended 30 June 2021
2H20	Half Year ended 31 March 2020
2H21	Half Year ended 31 March 2021
2Q21	Three months ended 30 September 2020
ABN	Australian Business Number
ADI	Authorised Deposit-Taking Institution
ALX	Atlas Arteria
AML	Anti-Money Laundering
ANZ	Australia and New Zealand
Approx.	Approximately
APRA	Australian Prudential Regulation Authority
ASX	Australian Securities Exchange
AUM	Assets under Management
BCBS	Basel Committee on Banking Supervision
BFS	Banking and Financial Services
Capex	Capital Expenditure
CCB	Capital Conservation Buffer
CET1	Common Equity Tier 1
CGM	Commodities and Global Markets

CLF	Committed Liquid Facility
CMA	Cash Management Account
CRM	Customer Relationship Management
CY20	Calendar Year ended 31 December 2020
CY21	Calendar Year ending 31 December 2021
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
FCTR	Foreign currency translation reserve
FX	Foreign Exchange
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
FY22	Full Year ending 31 March 2022
GIF II	Macquarie Global Infrastructure Fund 2
GIF III	Macquarie Global Infrastructure Fund 3
GIG	Green Investment Group
GLL	GLL Real Estate Partners

Glossary

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
M&A	Mergers and Acquisitions
MacCap	Macquarie Capital
MAM	Macquarie Asset Management
MBL	Macquarie Bank Limited
MD&A	Management Discussion & Analysis
MEIF1	Macquarie European Infrastructure Fund 1
MEIF3	Macquarie European Infrastructure Fund 3
MEIF4	Macquarie European Infrastructure Fund 4
MEREP	Macquarie Group Employee Retained Equity Plan
MFAA	Mortgage and Finance Association of Australia
MGL / MQG	Macquarie Group Limited
MGSA	Macquarie Group Services Australia
MIC	Macquarie Infrastructure Corporation
MiFID	Markets in Financial Instruments Directive
MIM	Macquarie Investment Management
MIP I	Macquarie Infrastructure Partners Fund 1
MIP II	Macquarie Infrastructure Partners Fund 2

MIRA	Macquarie Infrastructure and Real Assets
MW	Mega Watt
MWDC	Mega Watt direct current
MWhr	Mega Watt hour
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
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
TFF	Term Funding Facility
UK	United Kingdom
US	United States of America
VaR	Value at Risk

MACQUARIE

Presentation to investors and analysts

Announcement of result for the half year ended 30 September 2021 and capital raising

29 October 2021