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ASX/Media Release

INVESTOR PRESENTATION AND FIRST HALF 2022 UPDATE

SYDNEY, 8 September 2021 – As part of its regular investor communications program, Macquarie Group (ASX: MQG; ADR: MQBKY) will be presenting at the Jefferies Asia Forum, held virtually between 8 and 10 September 2021. The presentation (attached) includes a 1H22 update to the short-term outlook statement Macquarie provided at the Group's Annual General Meeting on 29 July 2021 as well as an update to the factors impacting short-term outlook on slide 52.

We currently expect the 1H22 result to be slightly down on 2H21, noting:

- 1H22 included the Macquarie Infrastructure Corporation (MIC) disposition fee in Macquarie Asset Management
- Favourable market conditions contributing to a stronger 1H22 Commodities and Global Markets result than anticipated together with the sale of the UK commercial and industrial smart meter portfolio

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

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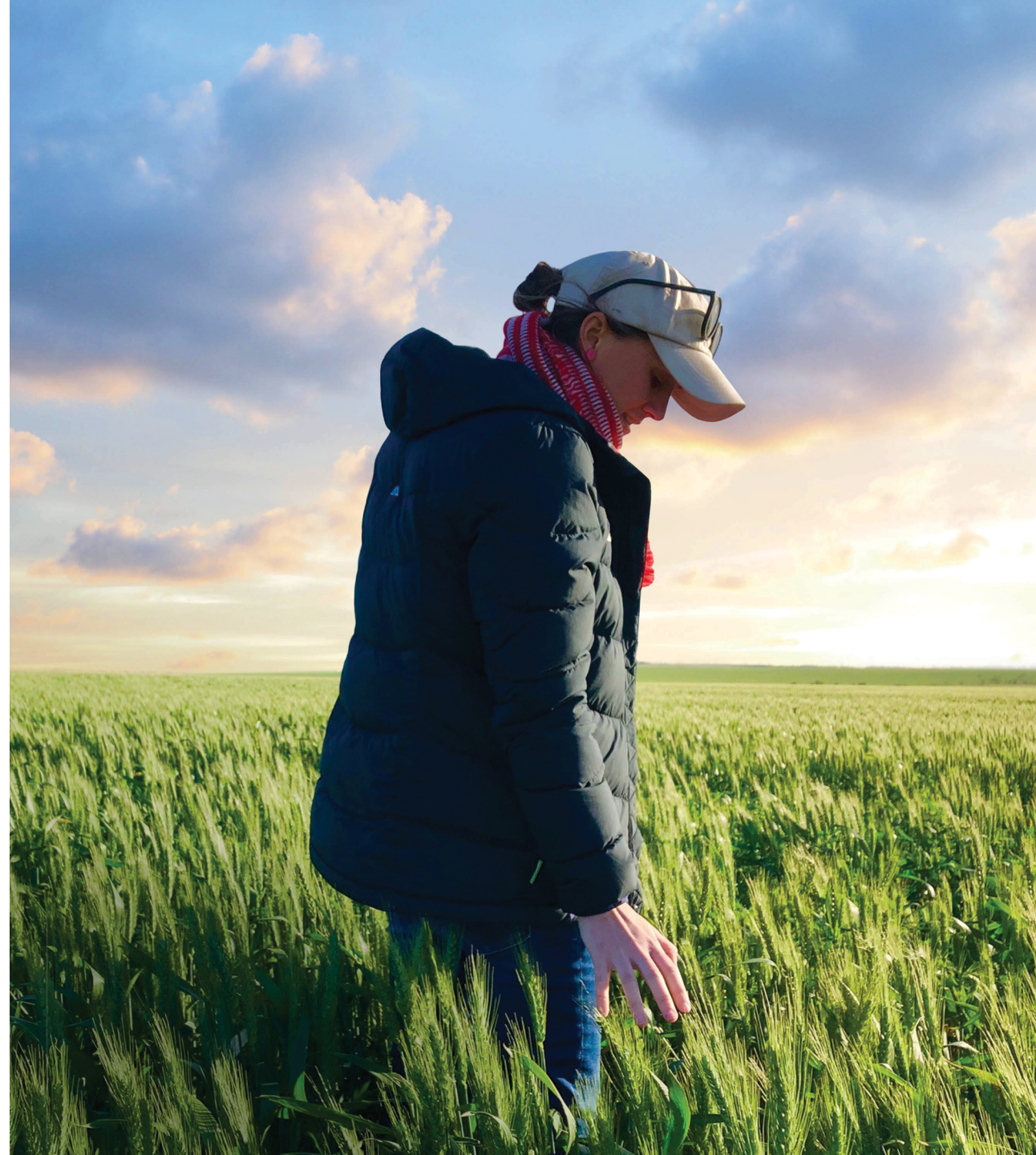
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Jefferies Asia Forum

Presentation to Investors and Analysts

8-10 September 2021



Disclaimer

The material in this presentation has been prepared by Macquarie Group Limited ABN 94 122 169 279 (MGL) and is general background information about Macquarie's (MGL and its subsidiaries) activities current as at the date of this presentation. This information is given in summary form and does not purport to be complete. The material contained in this presentation may include information derived from publicly available sources that have not been independently verified. Information in this presentation should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or other financial products or instruments and does not take into account your particular investment objectives, financial situation or needs. Before acting on any information you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice. No representation or warranty is made as to the accuracy, completeness or reliability of the information. All securities and financial product or instrument transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments and, in international transactions, currency risk.

This presentation may contain forward looking statements – that is, statements related to future, not past, events or other matters – including, without limitation, statements regarding our intent, belief or current expectations with respect to Macquarie's businesses and operations, market conditions, results of operation and financial condition, capital adequacy, provisions for impairments and risk management practices. Readers are cautioned not to place undue reliance on these forward looking statements. Macquarie does not undertake any obligation to publicly release the result of any revisions to these forward looking statements or to otherwise update any forward looking statements, whether as a result of new information, future events or otherwise, after the date of this presentation. Actual results may vary in a materially positive or negative manner. Forward looking statements and hypothetical examples are subject to uncertainty and contingencies outside Macquarie's control. Past performance is not a reliable indication of future performance.

Unless otherwise specified all information is for the year ended 31 March 2021.

Certain financial information in this presentation is prepared on a different basis to the Financial Report within the Macquarie Group Financial Report ("the Financial Report") for the year ended 31 March 2021, which is prepared in accordance with Australian Accounting Standards. Where financial information presented within this presentation does not comply with Australian Accounting Standards, a reconciliation to the statutory information is provided.

This presentation provides further detail in relation to key elements of Macquarie's financial performance and financial position. It also provides an analysis of the funding profile of Macquarie because maintaining the structural integrity of Macquarie's balance sheet requires active management of both asset and liability portfolios. Active management of the funded balance sheet enables the Group to strengthen its liquidity and funding position.

Any additional financial information in this presentation which is not included in the Financial Report was not subject to independent audit or review by PricewaterhouseCoopers. Numbers are subject to rounding and may not fully reconcile.

Agenda

01

Macquarie's
response to
COVID-19

02

Overview of
Macquarie

03

Operating Groups

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1Q22 Update

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Outlook

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Appendix



01

Macquarie's response to COVID-19



Macquarie's response to COVID-19

Employees

- Gradual return to office commenced in 90% of locations where safe to do so and in numbers that allow for social distancing
- Systems and processes have been resilient to ongoing remote working, reflecting long-term investment in technology and flexible working culture
- Investment in leadership capability, technology and the workplace continues as we respond to the evolving culture of work and promote greater flexibility
- Additional support provided to staff in India during the current acute phase of COVID-19 infections

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

Staff engagement¹

+5%

Staff working remotely at peak

>98%

Clients

- Enhanced client support and lending relief offered between Mar 20 and Mar 21. Clients that now experience difficulty in payments are supported via our usual client financial assistance relief. Most clients have now resumed payments
- Continued engagement and monitoring across our portfolios for impacted clients to provide ongoing support where required

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 assistance²

Peak **~13%**

Now **<0.01%**

Portfolio Companies

- Ongoing work with 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 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

~170k

Community

- \$A20m allocation to Macquarie Group Foundation to help combat COVID-19. \$A19.5m allocated to date:
 - \$A7.1m has been allocated across 27 non-profits internationally that are focused on direct relief efforts
 - \$A10.4m to twelve organisations that are supporting workers and businesses in restarting economic activity.
 - \$A2m has been allocated to two Australian research projects
- In early FY22, \$A1m was committed to support COVID-19 relief in India

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

COVID-19 donation

\$A20m

Allocated³

\$A19.5m

1. Annual staff survey Dec 20 vs. Dec 19. 2. BFS, by loan balance – peak as at 30 Jun 20, now as at 30 Jun 21. 3. To 30 Jun 21.

02

Overview of Macquarie



Macquarie at a glance

Empowering people to innovate and invest for a better future



Global financial group

- **Headquartered** and listed in Australia
- Top 10 Australian company¹
- ~\$A62.8 billion market capitalisation¹
- **16,459 employees** in 32 markets
- \$A563.5 billion assets under management



Long-term orientation

- **52 years of unbroken profitability**
- 30 years MBL S&P 'A' Credit Rating²
- **Strong funding and capital** position



Diverse business mix

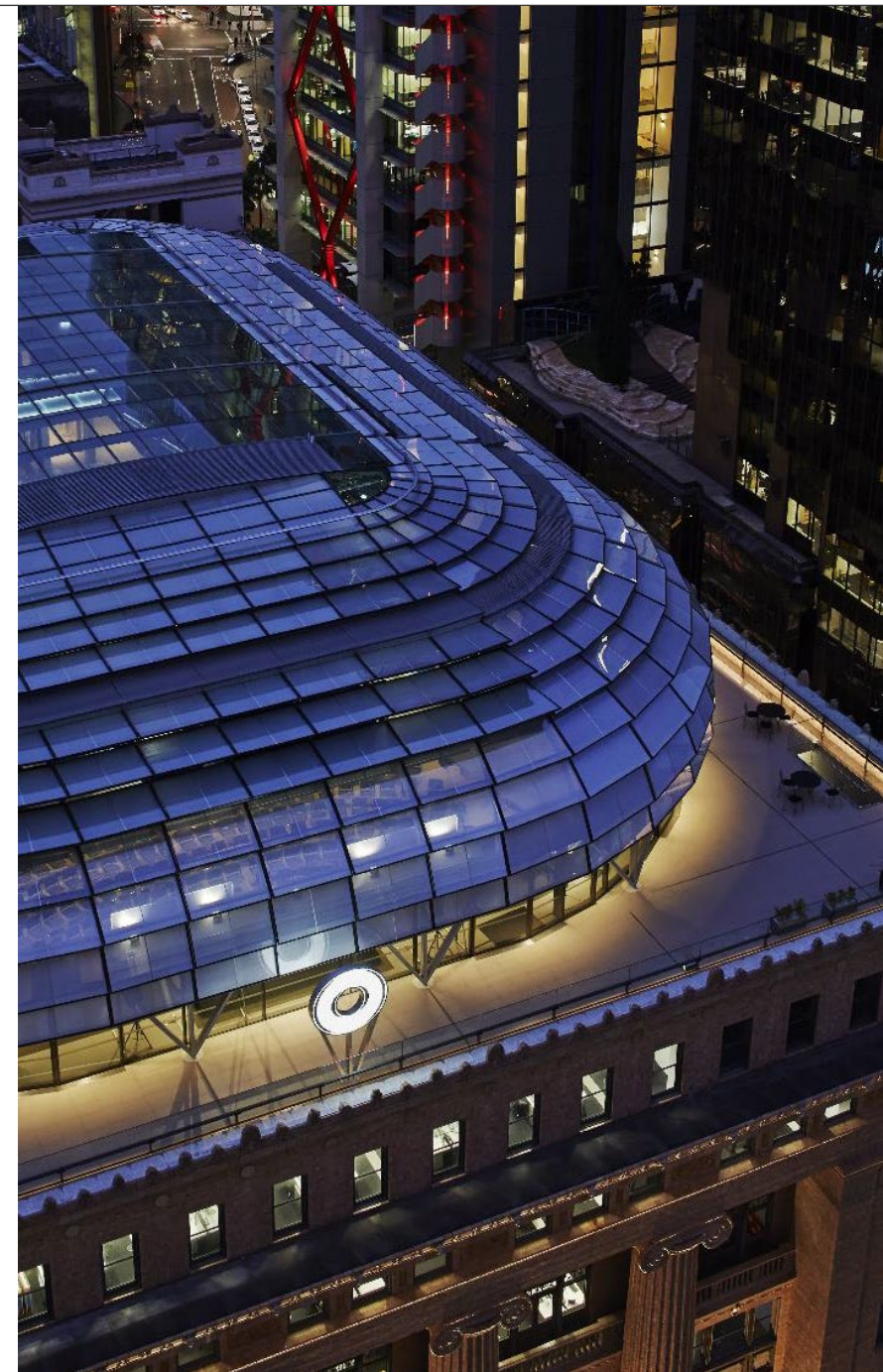
Located in **32 markets**, we conduct a mix of annuity-style and markets-facing activities that deliver solid returns in a **range of market conditions**



Outcome-focused culture

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

All figures in this slide are as at 31 Mar 21, unless otherwise stated. 1. Based on market capitalisation. Sourced from Bloomberg 06 Sep 21. 2. Upgraded to A+ on 11 Dec 19.



Why Macquarie?

Unbroken profitability

FY21 net profit:

\$A3,015m

up 10% on FY20

FY20 net profit: **\$A2,731m**
down 8% on FY19



Earnings growth

6%

5yr EPS CAGR



Consistent dividend growth

3%

5yr DPS CAGR



Strong return on equity

FY21:

14.3%

down from 14.5% in FY20



Diverse business mix

FY21 net profit contribution¹

~54%

by annuity-style
activities

~46%

by markets-facing
activities



Geographically diverse

68% international
income in FY21²

67% in FY20; two-thirds of
income generated outside
of Australia



Group capital surplus

\$A7.4b³

at 30 Jun 21



Strong shareholder returns

**Consistently outperformed major
indices since listing**

ASX 20⁴ – 3rd highest returns since listing
Diversified Financials⁴ – 1st
MSCI World Capital Markets⁴ – 1st
MSCI World Banks⁴ – 1st



Underpinned by a long standing conservative risk management framework

1. Based on net profit contribution from operating groups. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 2. International income is calculated using net operating income excluding earnings on capital and other corporate items. 3. 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 will be applied to Level 1 only. 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. 4. As at 31 Mar 21. Based on companies that have been continuously listed since Macquarie's date of listing (29 Jul 96).

Macquarie's evolution is driven by our people

Our people are closest to client needs and markets



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



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



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



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

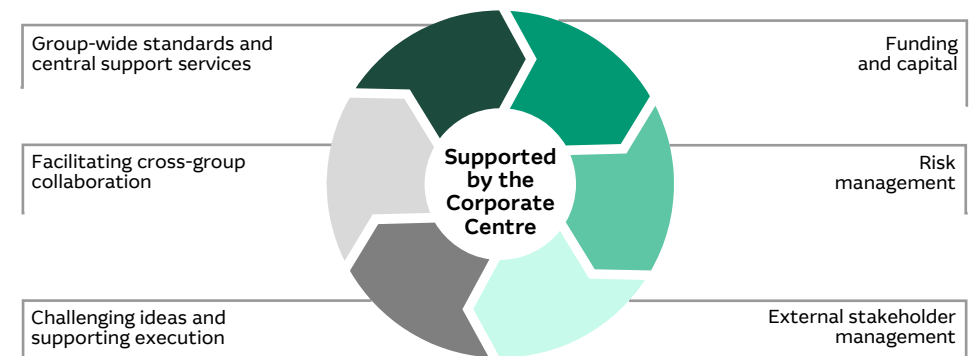
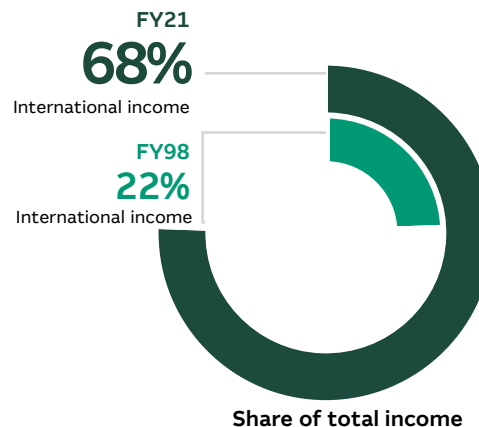


We pursue opportunities that deliver real outcomes to achieve an appropriate and resilient **long-term return on capital**



Evolution in the business

Macquarie has a global presence across operating groups



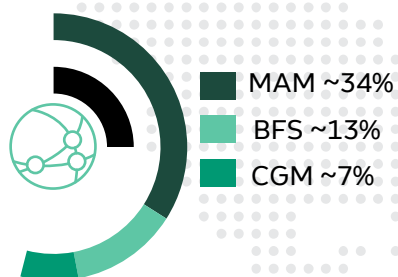
Diversification by region

Business mix¹

Annuity-style activities

FY21
~54%

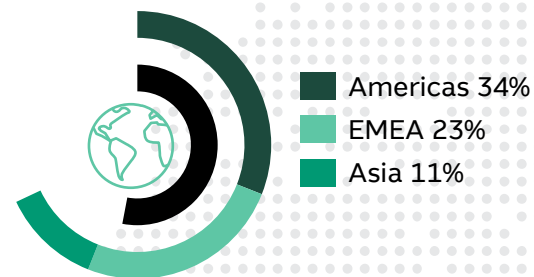
FY07
25%



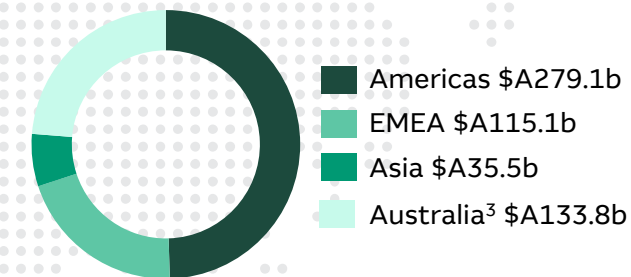
International income²

FY21
68%

FY07
53%



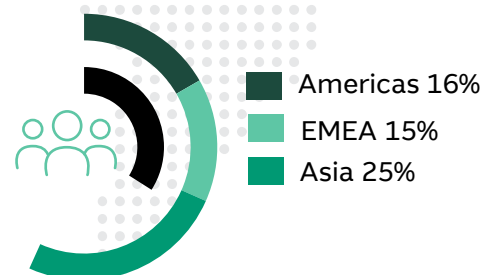
AUM



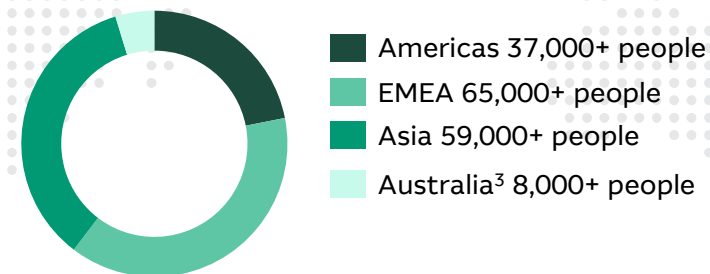
International staff⁴

FY21
56%

FY07
34%

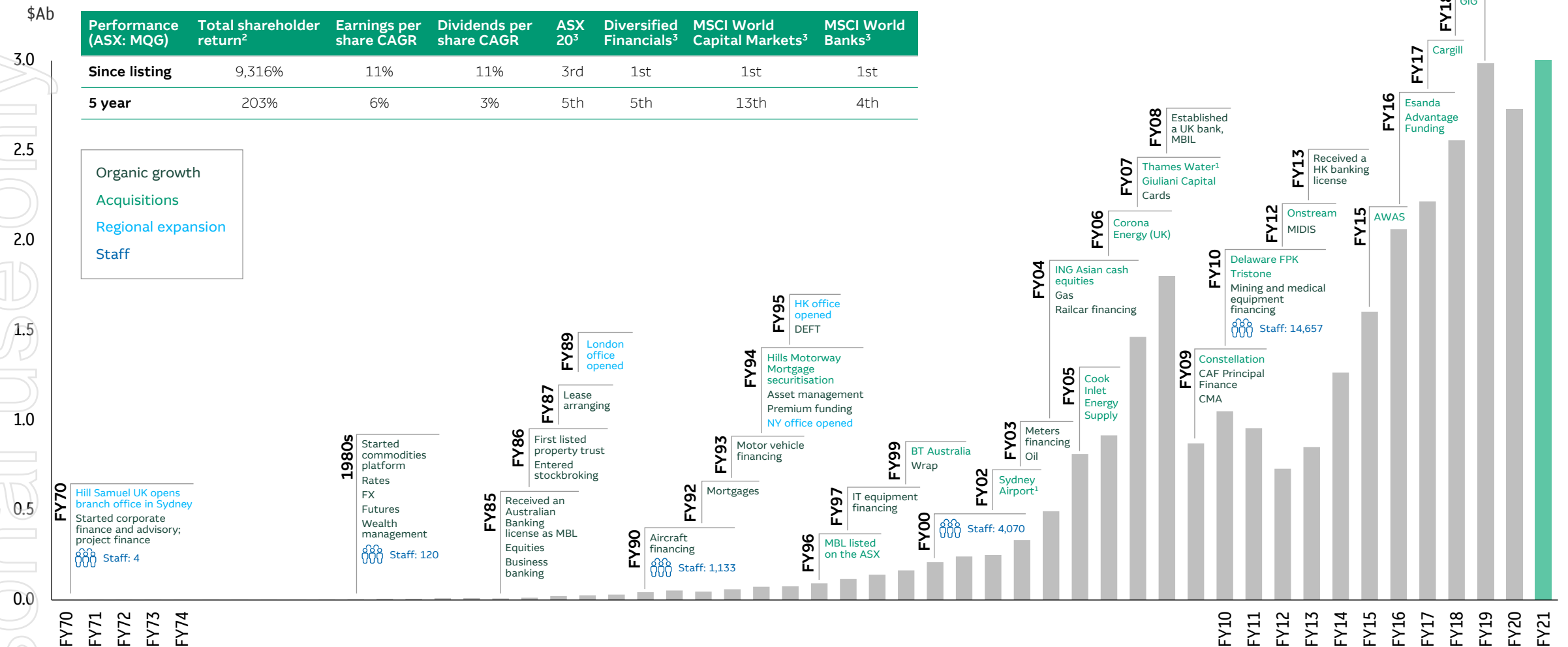


Employing people through managed funds and investments⁵



All numbers on this slide as at 31 Mar 21. 1. Annuity-style income includes income derived from Macquarie Asset Management, Banking and Financial Services and parts of Commodities and Global Markets. % split is based on FY21 net profit contribution from Operating Groups. 2. International income includes income generated outside of Australia and New Zealand based on net operating income excluding earnings on capital and other corporate items. 3. Includes New Zealand. 4. Headcount includes certain staff employed in operationally segregated subsidiaries. 5. Includes people employed through Private Markets-managed fund assets and investments where Macquarie Capital holds a significant influence.

Over 50 years of unbroken profitability

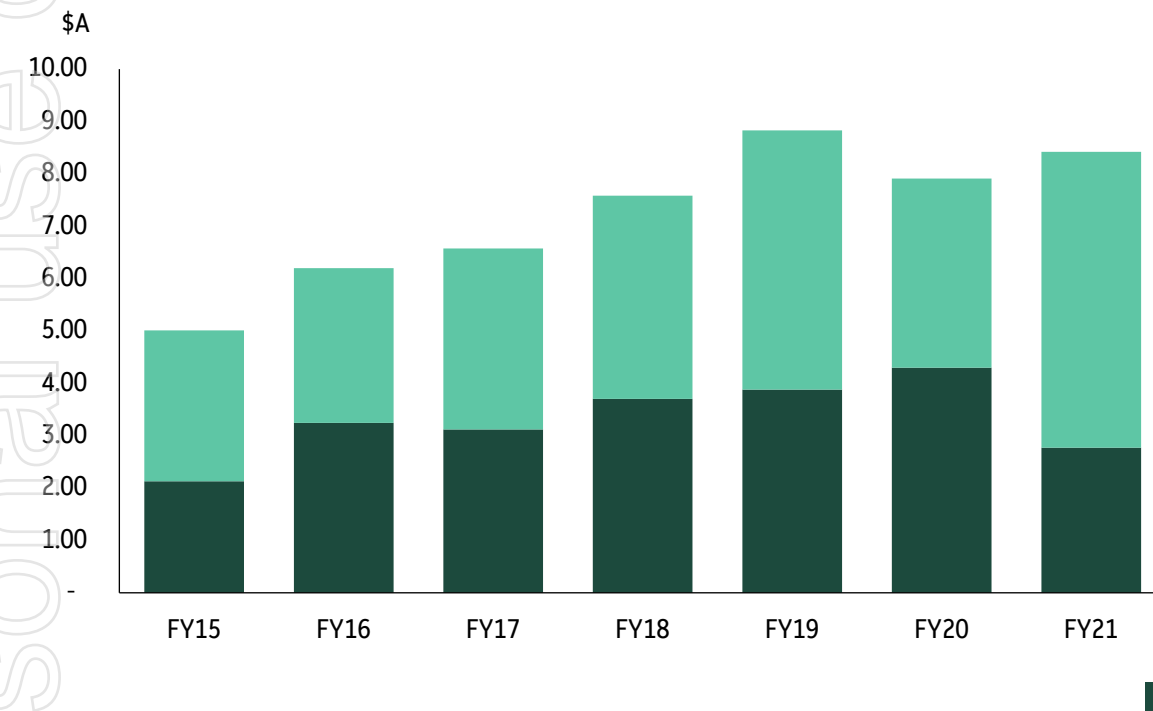


Note: the above list is not exhaustive. 1. Acquired on behalf of managed funds and accounts. 2. At 31 Mar 21. 3. Ranking refers to TSR against the respective index constituents that have been continuously listed since Macquarie's inclusion. Source: Bloomberg. Data to 31 Mar 21. 4. As at 31 Mar 21.

Strong earnings growth

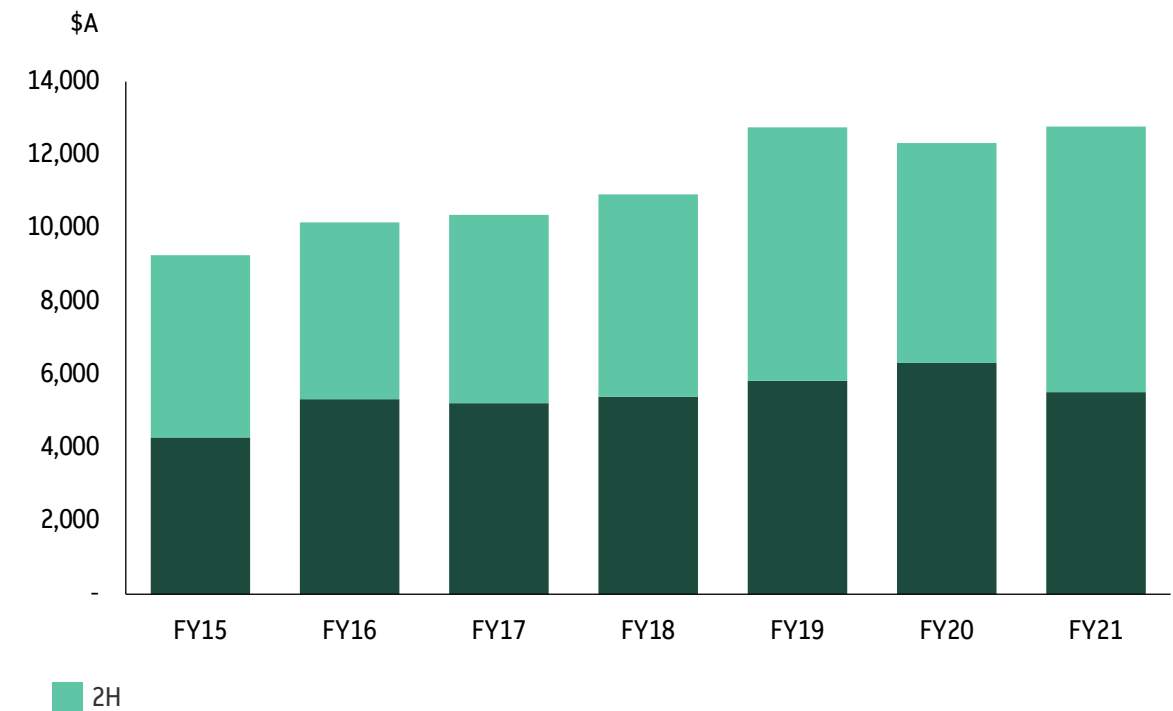
FY21 EPS of \$A8.43

Up 7% on pcp



FY21 Operating income of \$A12,774m

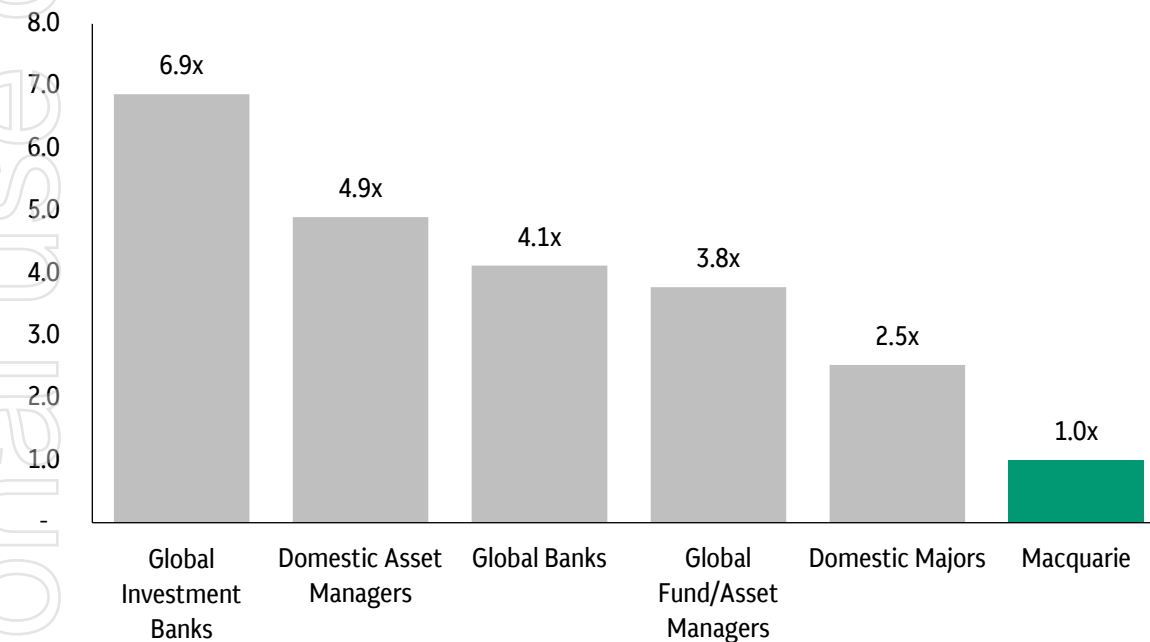
Up 4% on pcp



Stable earnings

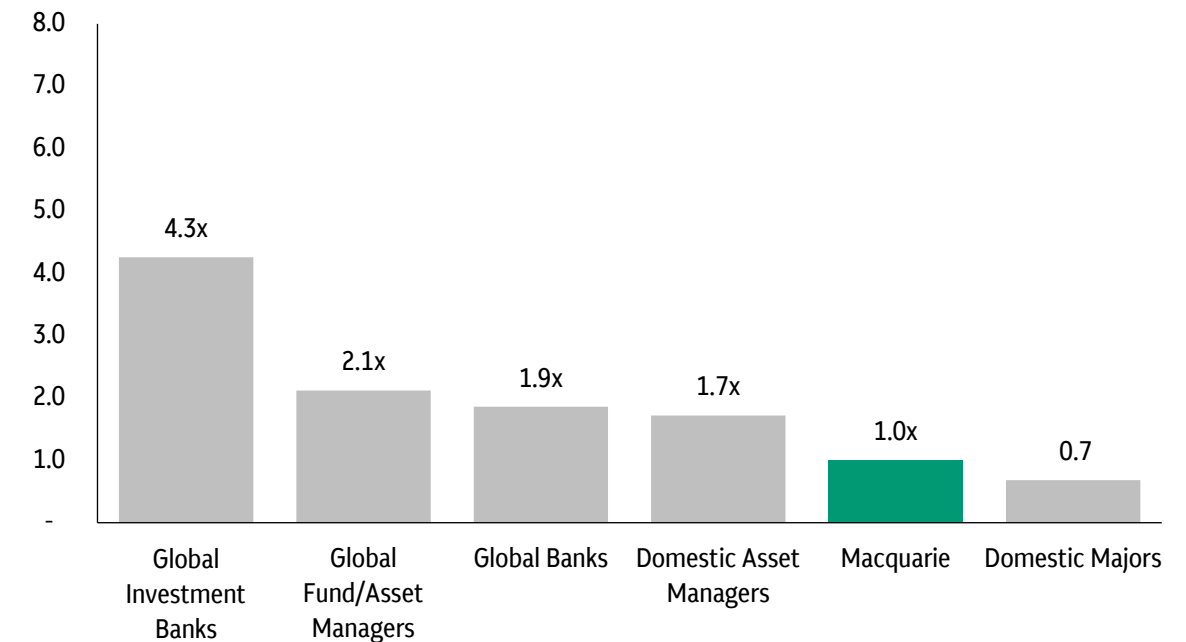
5 year earnings volatility relative to Macquarie

Multiple to Macquarie



15 year earnings volatility relative to Macquarie (includes GFC)

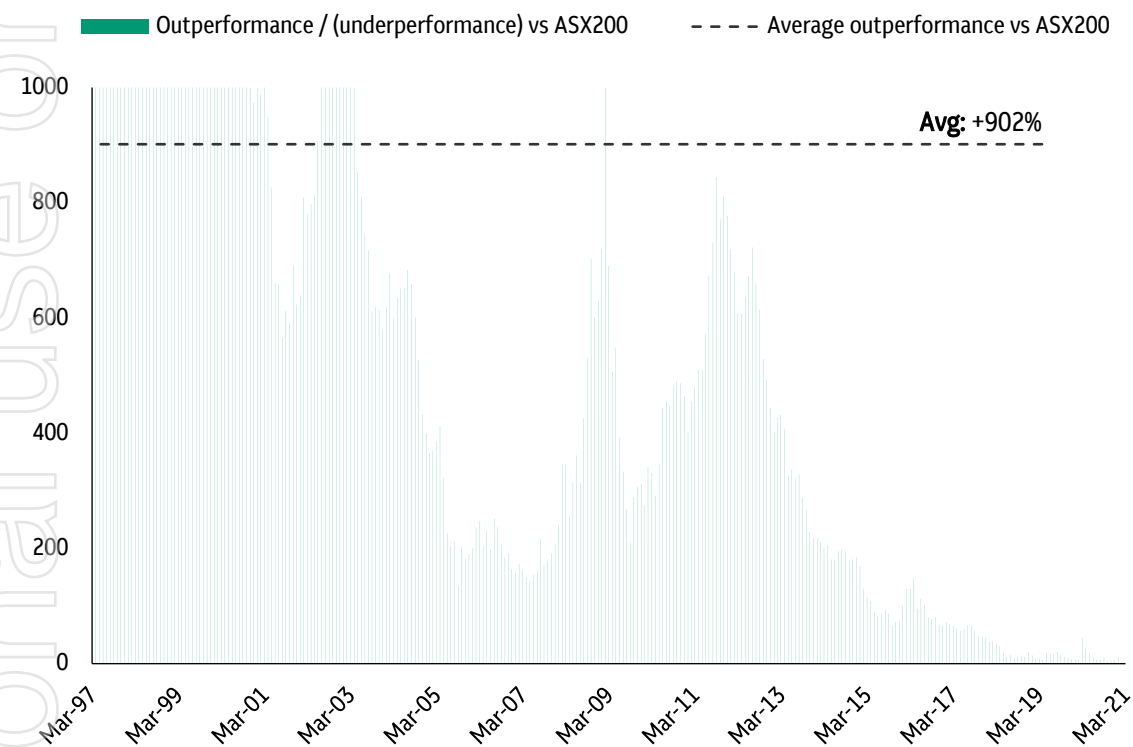
Multiple to Macquarie



This page compares the historical earnings volatility among certain firms, and is not intended to represent that Macquarie has a comparable business model, risks or prospects to any other firm mentioned. Volatility of P&L is defined as standard deviation of P&L divided by average P&L (coefficient of variation), based on most recent annual disclosures as at 17 May 21 (Bloomberg).

Strong shareholder returns

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

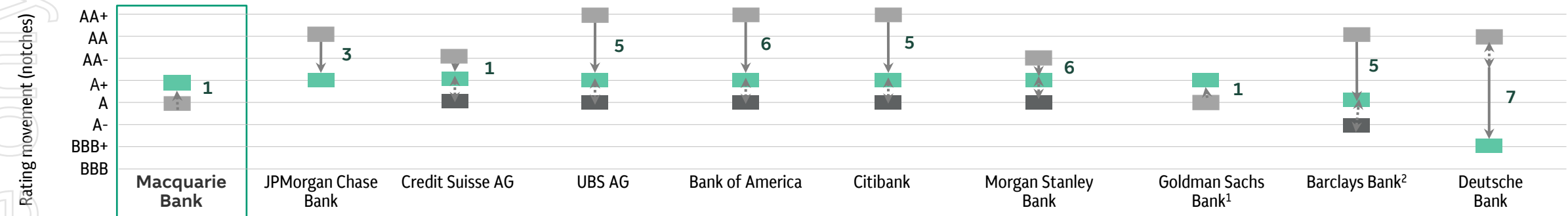


	Outperformance vs ASX 200 ¹	Outperformance vs ASX 200 Diversified Financials ¹	Outperformance vs MSCI World Capital Markets Index ¹
Since listing	8,383%	n/a ²	n/a ²
10 years	481%	352%	516%
5 years	130%	132%	97%
3 years	35%	50%	34%

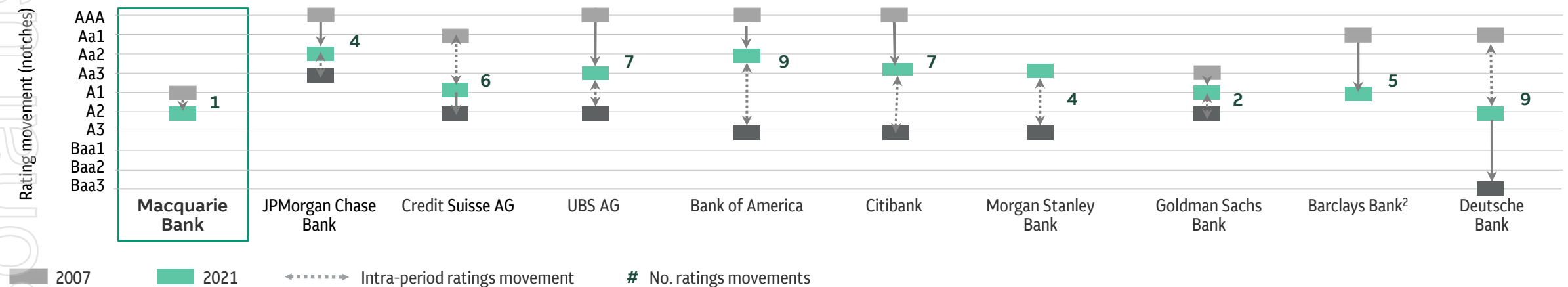
Data to 31 Mar 21 for purchases made at different purchase points on a monthly basis. Source: Bloomberg, as at 31 Mar 21. 1. Total shareholder returns. 2. Macquarie was listed prior to the formation of the MSCI World Capital Markets Index and ASX 200 Diversified Financials Index.

Macquarie Bank Limited Long Term Ratings Stability

Standard & Poor's Ratings Movements from 2007



Moody's Ratings Movements from 2007



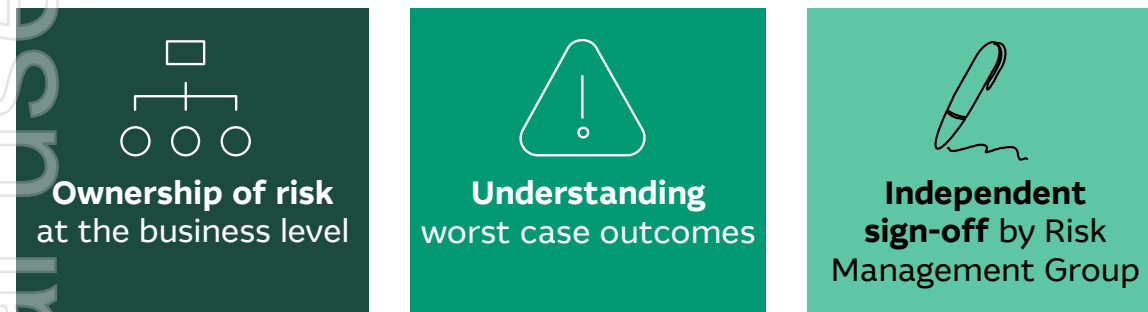
As at Aug 21. Macquarie Bank upgraded to A+ on 11 Dec 19. 1. Goldman Sachs bank only rated by Standard & Poor's from 2012. 2. Barclays Bank PLC.

Macquarie's approach to risk management

Strong focus on business accountability and risk ownership

Stable and robust core risk management principles

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



Principles stable for **30+ years**

A key factor in our 52 years of unbroken profitability

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

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

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

Environmental, Social and Governance (ESG)

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



Environmental

- Investing in sustainability solutions and supporting the global energy transition
- Actively managing environmental risks including climate change risks
- Engaging in climate leadership initiatives such as GCA, CFLI¹, GFANZ and SMI
- Supporting TCFD, UN PRI and other external ESG standards²
- Promoting sustainable workplaces
- Commitment to the RE100 initiative
- Net zero



Social

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



Governance

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

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

Environmental, Social and Governance



Environmental and social risk management

612
transactions
assessed under
our Environmental
and Social Risk
(ESR) Policy¹



Climate change

**Financed
emissions aligned
to net zero by
2050**

\$A6.64

invested in renewable
energy for every \$A1
invested in
conventional energy²

**MAM portfolio
net zero by 2040**



Environmental and social financing

30 GW

of green energy assets
in development as at
31 Mar 21³

14 GW

of green energy assets
in operation or under
management as at 31
Mar 21³



Sustainability in direct operations

**Alignment
to net zero by
2025**

Carbon neutral
since 2010⁴

100%
renewable electricity
by 2025

Emissions
per capita reduced by
84%
from FY10 baseline
(71% reduction
from FY20)



Client experience

**Partnerships Gold
Award 2020** for
Financial Adviser of the
Year and Sponsor/
Developer of the Year

**2020 MFAA
Excellence Awards**
for Major Lender of
the Year

**Mozo Experts
Choice Awards 2021**
for Everyday and Savings
Bank of the Year, Kick
Start Savings, No Strings
Savings, Excellent
Banking App, Internet
Banking and Exceptional
Everyday Account

**2020 Energy Risk
Asia Award** for
Environmental Products
House of the Year, Asia



People and workplace

2,428

Learning events⁵

>98%

of our people working
remotely during
COVID-19 (at peak)

**Women
represent 42%**

of Macquarie's
workforce and

50%

of Board Directors at
30 Jun 21



Business conduct and ethics

Tailored training,
workshops and
leadership sessions
provided to over

9,000
staff⁶



Macquarie Group Foundation

\$A64 million
donated by
Macquarie staff and
the Foundation in
FY21
(\$A475 million since
inception in 1985)⁷

\$A20m
allocated to
Foundation to
combat the effects
of COVID-19

More detailed information is also available at [macquarie.com/ESG](https://www.macquarie.com/ESG)

¹ In FY21. ² Includes (i) banking book equity investments fair valued through profit or loss; and (ii) investments in which Macquarie has significant influence or joint control (investments in associates and joint ventures). Excludes investments held through consolidated subsidiaries and off balance sheet equity commitments. ³ GW of green energy assets reflect 100% generating capacity of each asset; not the proportion owned/managed by Macquarie. ⁴ Covers scope 1 and scope 2 emissions, and business travel. ⁵ Including virtual and face-to-face forums. ⁶ Tailored content focused on conduct, supervision in a hybrid working environment, integrity, speaking up and psychological safety. Macquarie also requires all staff globally to undertake mandatory online Code of Conduct training. ⁷ Comprises Macquarie employees' donations and fundraising; Foundation matching support for employees' donations and fundraising; Foundation donations to commemorate employees attaining 10 year and 25 year anniversaries at Macquarie; Foundation grants to non profit organisations to recognise 12 months of board service by a Macquarie employee; and Macquarie and Foundation grants to community organisations (including Year 2 donations for the 50th Anniversary Award and COVID-19 donation fund) in the 12 months to 31 Mar 21.

Our commitment to net zero

As global commitments to tackling climate change accelerate, and in keeping with our culture of innovation and evolution, we are strengthening our own commitment on climate in four key areas.

01

We are **strengthening our support for clients and portfolio companies** to manage the transition to net zero and achieve their decarbonisation ambitions

02

We are **increasing our investment** in climate mitigation and adaptation solutions

03

We will **align the emissions of our financing activities** with the objective of enabling and accelerating the world's pathway to net zero by 2050

04

We will **continue to reduce the emissions** of our own business operations. We are committed to reaching net zero operational emissions by 2025¹

1. Operational emissions include scope 1 and scope 2 emissions, and emissions from business travel.

Approximate business Basel III Capital and ROE

31 Mar 21

Operating Group	APRA Basel III Capital ¹ @ 8.5% (\$Ab)	Approx. FY21 Return on Ordinary Equity ²	Approx. 15-year Average Return on Ordinary Equity ³
Annuity-style businesses	7.6		
Macquarie Asset Management	3.1	23%	22%
Banking and Financial Services	4.5		
Markets-facing businesses	8.9		
Commodities and Global Markets	5.0	17%	16%
Macquarie Capital	3.9		
Corporate	1.0		
Total regulatory capital requirement @ 8.5%	17.5		
Group surplus	8.8		
Total APRA Basel III capital supply	26.3⁴	14.3%	14%

Note: Differences in totals due to rounding. 1. Operating Group capital allocations are based on 31 Dec 20 allocations adjusted for material movements over the Mar 21 quarter. 2. NPAT used in the calculation of approximate FY21 ROE is based on Operating Groups' 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 of \$A22.1b of ordinary equity and \$A4.2b of hybrids.

03

Operating Groups



About Macquarie

~54%

~46%

Annuity-style activities | Net Profit Contribution

Markets-facing activities | Net Profit Contribution

MAM

Macquarie Asset Management

- Top 50¹ global specialist asset manager with \$A693.2b² of assets under management, diversified across regions, products, asset classes and investor types
- Provides investment solutions to clients across a range of capabilities, including infrastructure & renewables, real estate, agriculture, transportation finance, private credit, equities, fixed income and multi-asset solutions

BFS

Banking and Financial Services

- Macquarie's retail banking and financial services business with total BFS deposits³ of \$A82.4b², loan and lease portfolio⁴ of \$A95.1b² and funds on platform⁵ of \$A109.2b²
- Provides a diverse range of personal banking, wealth management, business banking and vehicle finance⁶ products and services to retail clients, advisers, brokers and business clients

CGM

Commodities and Global Markets

Diverse platform covering more than 30 market segments, with more than 200 products

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

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

FY21 Net Profit Contribution

MAM | ~34%

BFS | ~13%

CGM | ~7%

CGM | ~35%

MacCap | ~11%

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

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. All numbers in this presentation have been reclassified to reflect the transfer of Cash Equities from CGM to Macquarie Capital effective 1 Jun 20. 1. P&I Largest Money Managers 19 (published Jun 20). 2. As at 30 Jun 21. 3. BFS deposits exclude corporate/wholesale deposits. 4. The loan and lease portfolio comprises home loans, loans to businesses, vehicle finance and credit cards. 5. Funds on platform includes Macquarie Wrap and Vision. 6. Includes general plant & equipment.

Macquarie Asset Management

Actively manages funds for investors across multiple asset classes

FY21 Net profit contribution
\$A2,074m

▼ **5%**
on FY20



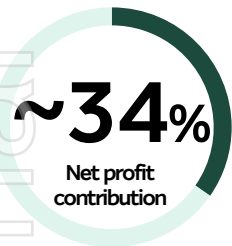
1,920+
people



22
markets



150+
infrastructure
and real assets¹



\$A693.2 billion
assets under management²

Note: References relate to the full year ended 31 Mar 21. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on FY21 net profit contribution from operating groups. 1. Excludes real estate assets. 2. As at 30 Jun 21. 3. IPE Real Assets (Jul/Aug 20). 4. Infrastructure Investor 50 2020 (Nov 20). 5. IJ Global Awards 2020. 6. Winner of the 2021 Investment Manager of the Year in Australia at the Financial Standard Investment Leadership Award. 7. Money magazine's Best of the Best 2021 Awards in Australia. 8. Private Markets, formerly Macquarie Infrastructure and Real Assets, includes Real Assets, Real Estate and Private Credit & Asset Finance. 9. Public Investments, formerly Macquarie Investment Management.

FY21 awards & rankings



#1 Infrastructure Investment
Manager globally³



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



APAC Telecoms Data Centre
Acquisition Deal of the Year
(AirTrunk) &
APAC Oil and Gas Midstream
Deal of the Year (Daesung)⁵



Investment Manager of the Year
2021⁶



Best Small Companies Fund 2021⁷

Private Markets⁸

\$A147.9b² ▲ 4%
on Mar 21

Equity under management

\$A14.8b

Invested across 62 new
investments in FY21

Sale of Macquarie European
Rail Business

\$A3.3b

Equity raised
in 1Q22

\$A29.2b²

Equity to deploy

Public Investments⁹

\$A495.2b² ▲ 35%
on Mar 21

Assets under management

59%

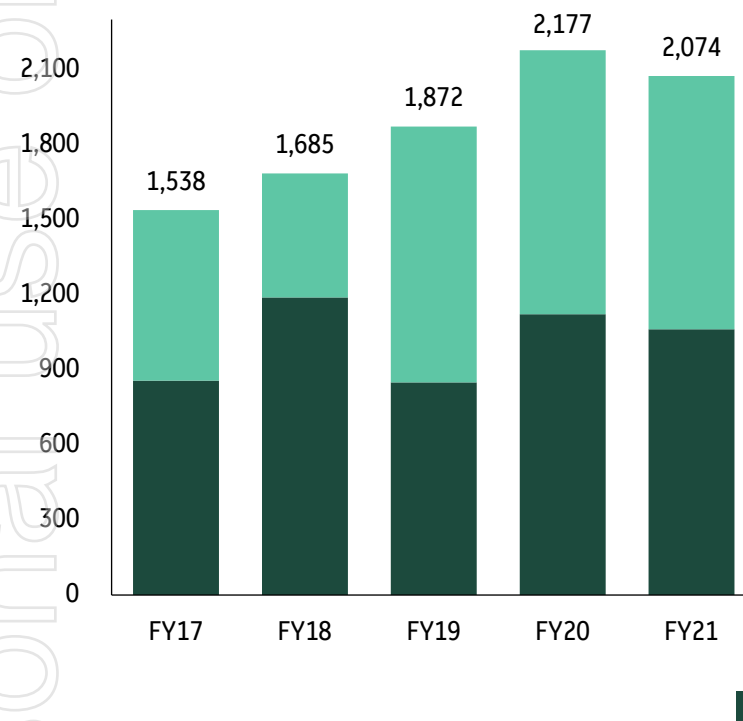
of assets under management
outperforming respective
benchmarks on a three-year
basis²

Completion of the acquisition
of Waddell & Reed Financial,
Inc on 30 Apr 21. Concurrently,
MAM sold Waddell & Reed's
wealth management platform to
LPL Financial Holdings Inc. MAM
will retain Waddell & Reed
Financial, Inc.'s asset management
business, bringing \$US76b in AUM

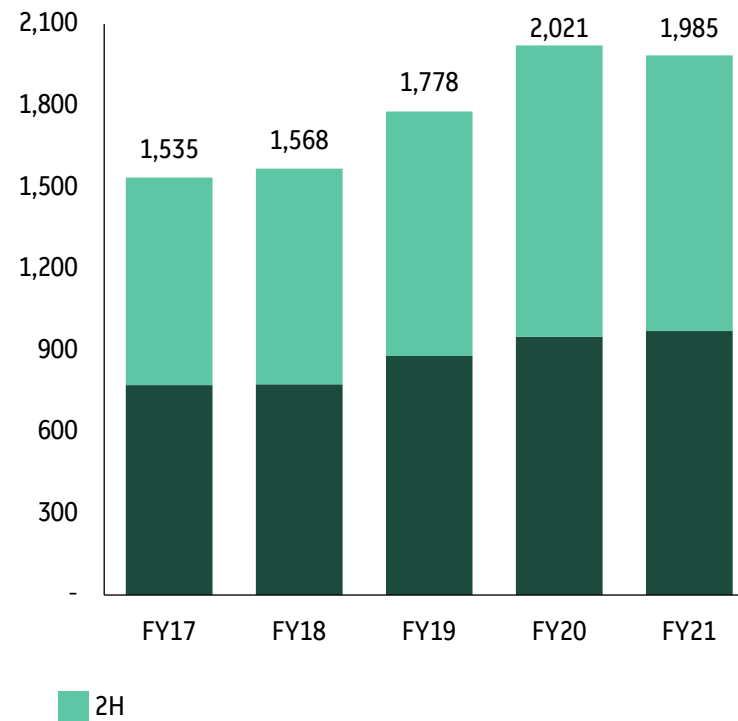
Macquarie Asset Management

Actively manages funds for investors across multiple asset classes

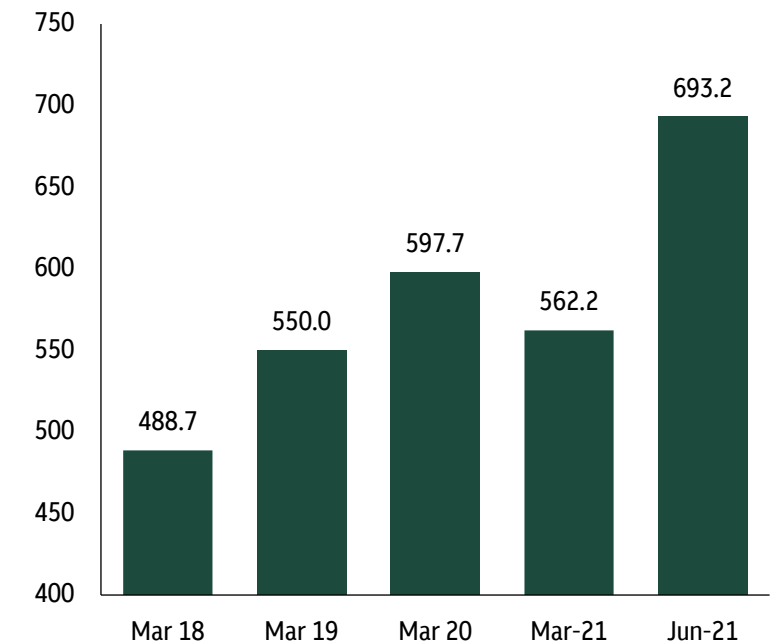
Net Profit Contribution¹ (\$Am)



Base Fees (\$Am)



AUM (\$Ab)



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

Composition of income

Asset Management Net Income (AMNI)



Performance-related Income (PRI)

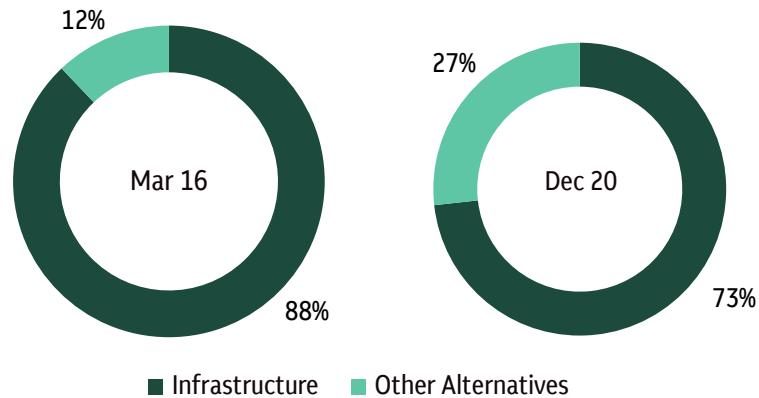


Net Other Income (NOI)



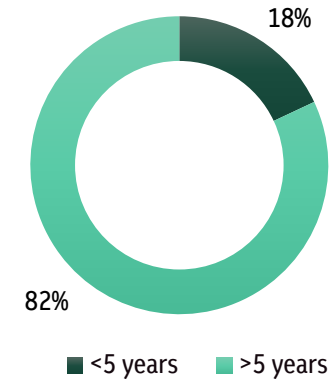
Net Profit Contribution

Private Markets EUM composition¹

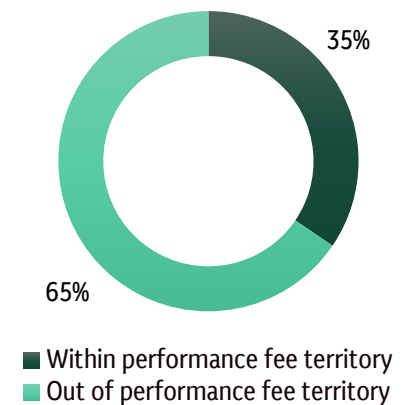


Other Alternatives projected to continue to grow as a proportion of total EUM by FY30

Private Markets EUM maturity¹

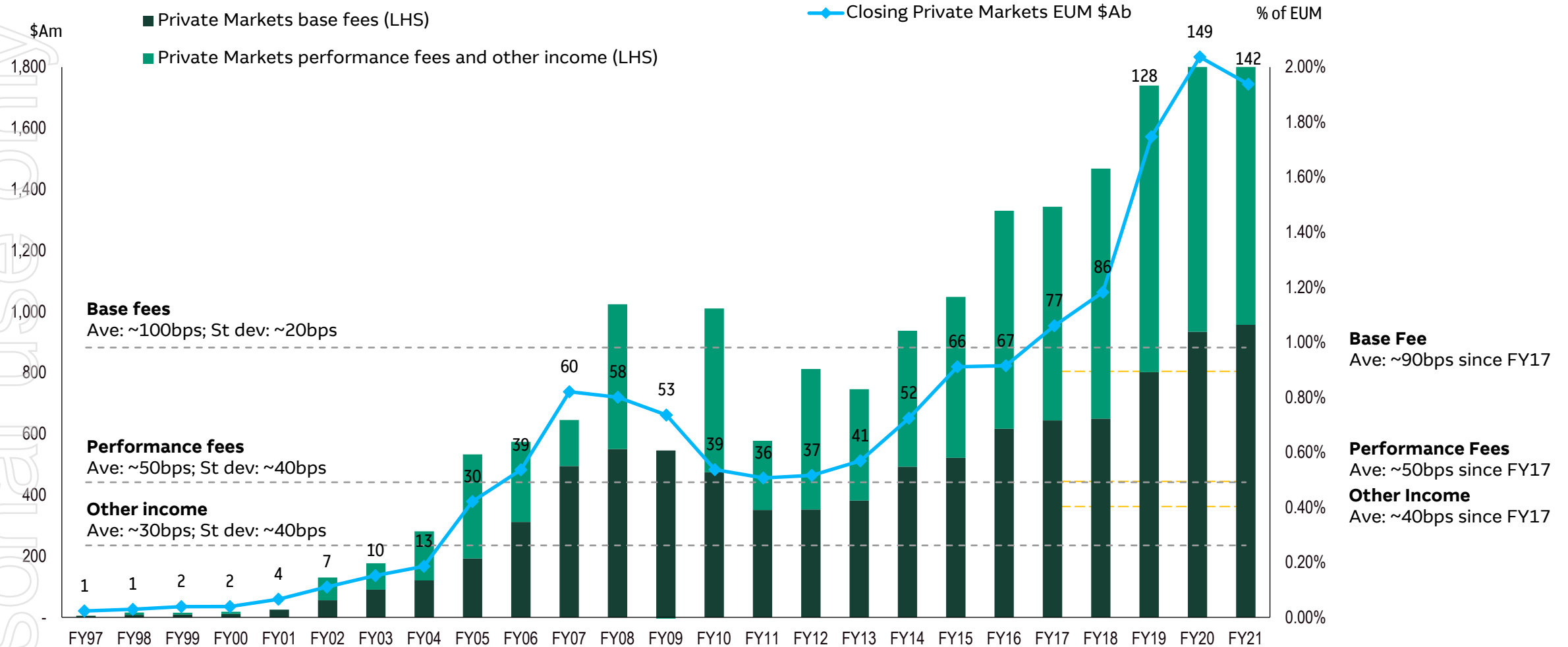


Private Markets EUM in Performance fee territory²



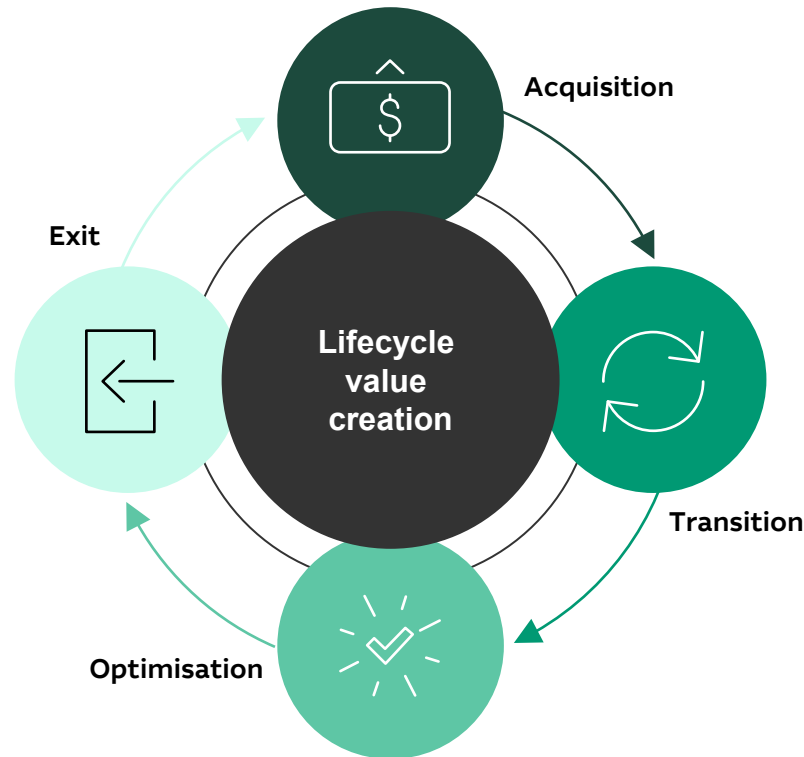
1. Total EUM as at 31 Dec 20. 2. EUM with performance fee structure presently in performance fee territory as at 30 Sep 20.

Private Markets Historical Income

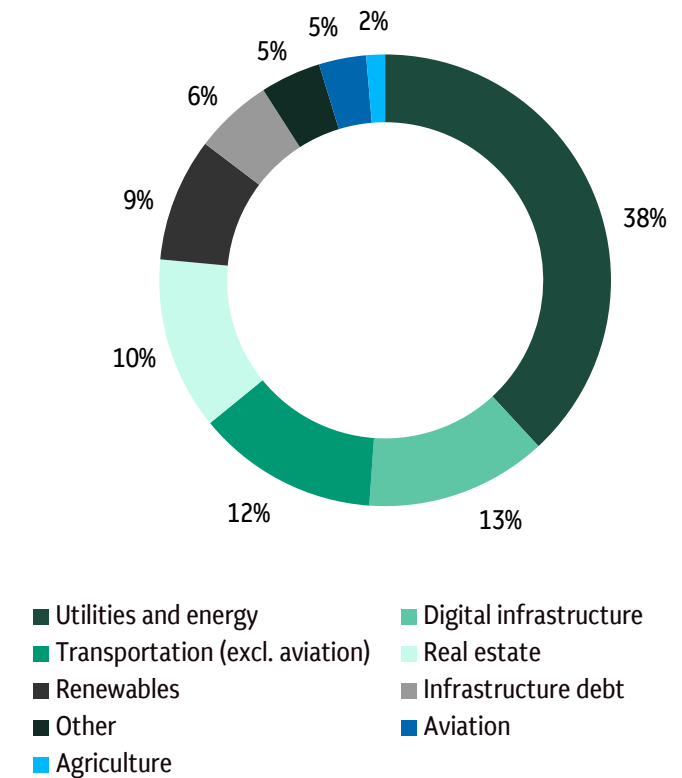


Adding value throughout the investment lifecycle

- Long-term investment approach, delivering positive outcomes for clients, portfolio companies and communities
- Boutique active public investments teams with deep sectoral expertise across equities and fixed income.
- Diverse alternatives team with deep industry and operational experience to manage and enhance real asset businesses
- Global scale, technical expertise and networks allow us to undertake increasingly complex transactions
- ESG considerations embedded within our investment decision making and asset management frameworks



Our alternatives portfolio¹



¹. Based on AUM at 31 Dec 20.

Banking and Financial Services

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

FY21 Net profit contribution
\$A771m

Flat
on FY20



2,980+
people



Personal
Banking



Wealth
Management



Business
Banking



Leasing



Approximately
1.7 million
Australian clients

Note: References relate to the full year ended 31 Mar 21. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on FY21 net profit contribution from operating groups. 1. Funds on platform includes Macquarie Wrap and Vision. 2. BFS deposits exclude corporate/wholesale deposits. 3. Includes general plant & equipment. 4. BFS, by loan balance - peak as at 30 Jun 20. 5. As at 30 Jun 21.

FY21 awards



\$A71.2b⁵ ▲ 6%
on Mar 21
Home loan portfolio

\$A82.4b⁵ ▲ 2%
on Mar 21
Total BFS deposits²

\$A10.8b⁵ ▲ 6%
on Mar 21
Business banking loan portfolio

\$A40.0b ▲ 22%
on Mar 20
CMA deposits

\$A109.2b⁵ ▲ 8%
on Mar 21
Funds on platform¹

\$A11.2b⁵ ▼ 3%
on Mar 21
Vehicle finance portfolio³

Launched Digital Portfolio Manager, a digital advice tool that automates investment recommendations, advice documentation and portfolio implementation

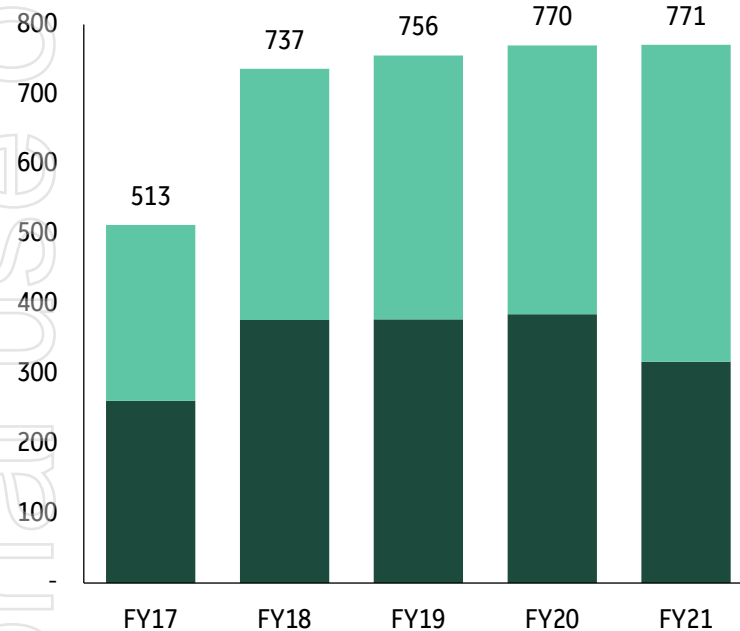
30+ years bringing innovation and competition to Australian consumers

Clients accessing assistance⁴
Peak **~13%**
31 Mar 21 **~0.2%**

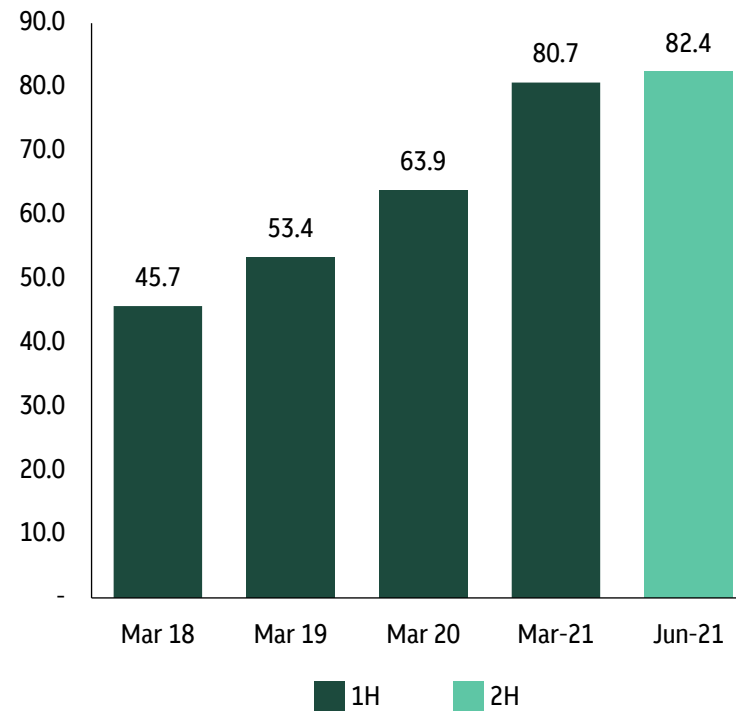
Banking and Financial Services

A technology-driven Australian retail bank and wealth manager

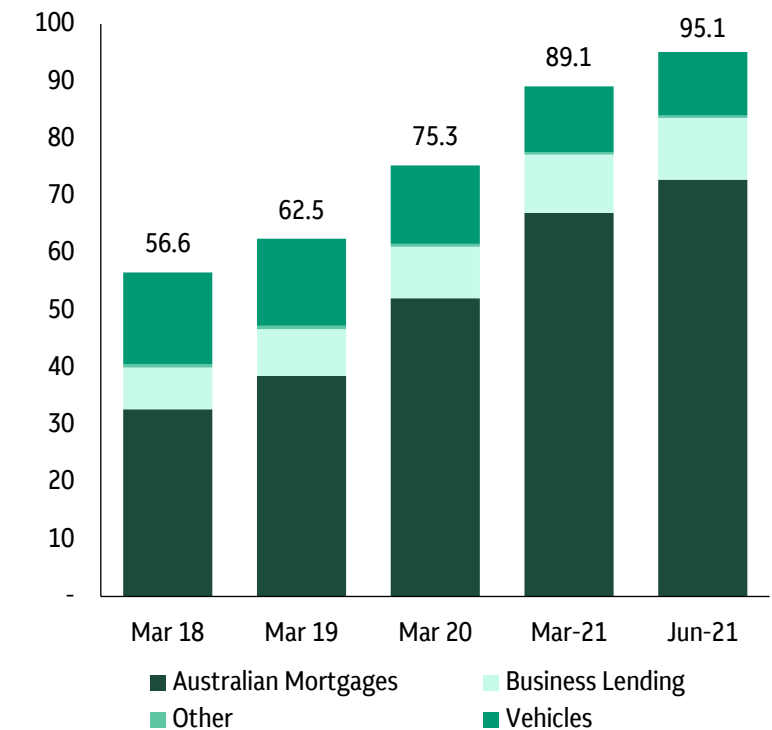
Net Profit Contribution¹ (\$Am)



BFS Deposits² (\$Ab)



Australian loan and lease portfolio³ (\$Ab)



¹ Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. During 2018, vehicle finance moved from Corporate and Asset Finance to BFS as a part of a reorganisation between Operating Groups. FY18 financial results were restated to reflect this change. ² BFS deposits exclude any Corporate/Wholesale deposit balances. ³ The Australian loan and lease portfolio comprises residential mortgages, loans to Australian businesses, vehicle asset finance, and other includes insurance premium funding and credit cards. Vehicles asset finance moved from CAF Asset Finance to BFS effective 1 Dec 18.

Bringing best in class technology to banking

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

Market first technology



Leading Digital Bank

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



Cloud migration

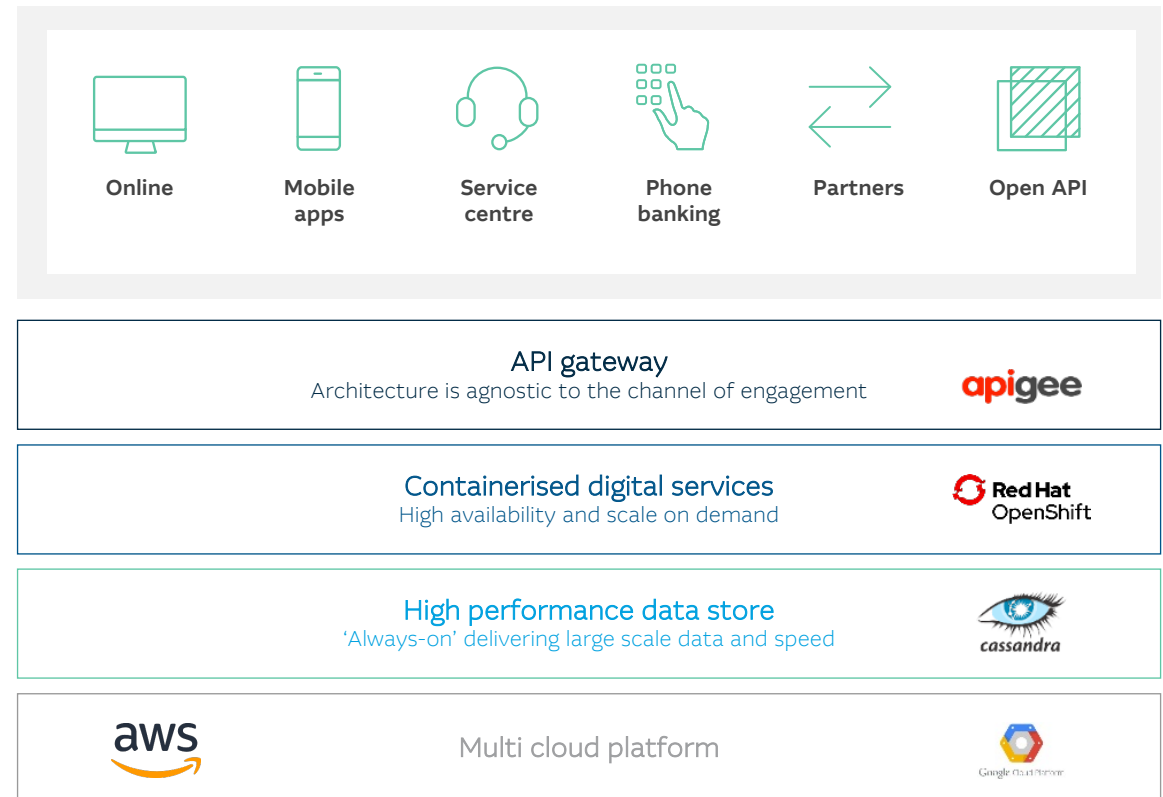
- All customer engagements, data, analytics and regulatory data workload on the cloud
- **50%** of IT infrastructure on the cloud, aim for **100%** in FY22
- Unlocking technical limitations with cloud agnostic strategy



Data analytics led platforms

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

Digital banking platform on the cloud



Focused on delivering exceptional client experiences

Client feedback shapes what we prioritise as a business

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

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

We measure and learn from our clients' feedback

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

We assess client journeys

Human Centred Design in action

We understand our clients...

- Client interactions are observed as moments of delight or pain points
- Client journeys are mapped
- Client empathy interviews are conducted

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

- Continually resolving client pain points
- Continually identifying opportunities to enhance client experience

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

Commodities and Global Markets

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

FY21 Net profit contribution
\$A2,601m

▲ **50%**
on FY20



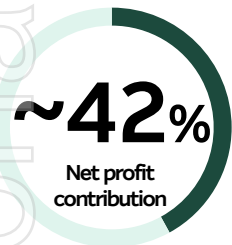
2,130+
people



21
markets



200+
Products,
covering 30+
market segments



No. 2

Physical gas marketer in
North America¹

Note: References relate to the full year ended 31 Mar 21. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on FY21 net profit contribution from operating groups. 1. Platts Q4 Dec 20. 2. ASX Futures 24 (SFE) Monthly Report Mar 21. 3. Awarded by Singapore Exchange Derivatives Clearing Ltd 2020.

FY21 awards & rankings



Winner

Oil and products
of the year



Winner

Derivatives
house of the year

No.1

Futures broker on
the ASX²

Top 3

Electricity Clearing
Member³

Top 5

Commodities
General Clearing
Member³

Strong underlying client business

Commodity Markets

Strong client activity across the platform including Resources, Gas and Power and Agriculture partially offset by decreases in Global Oil

Strong inventory management and trading result across multiple sectors, driven by market dislocations and increased volatility particularly across Physical Oil, Precious Metals and North American Gas and Power

Specialised and Asset Finance

Total portfolio of \$A7.7b, down 9% from \$A8.5b at 31 Mar 20

Positive performance in UK energy meters business and Technology, Media and Telecoms

Financial Markets

Foreign exchange, interest rates and credit

Solid client activity in UK and Australian securitisation

Continued growth in financing activity with clients engaged in the US corporate direct lending market

Equity Derivatives and Trading

Increased contribution from trading business

Improved product issuance and trading in Asian warrant markets

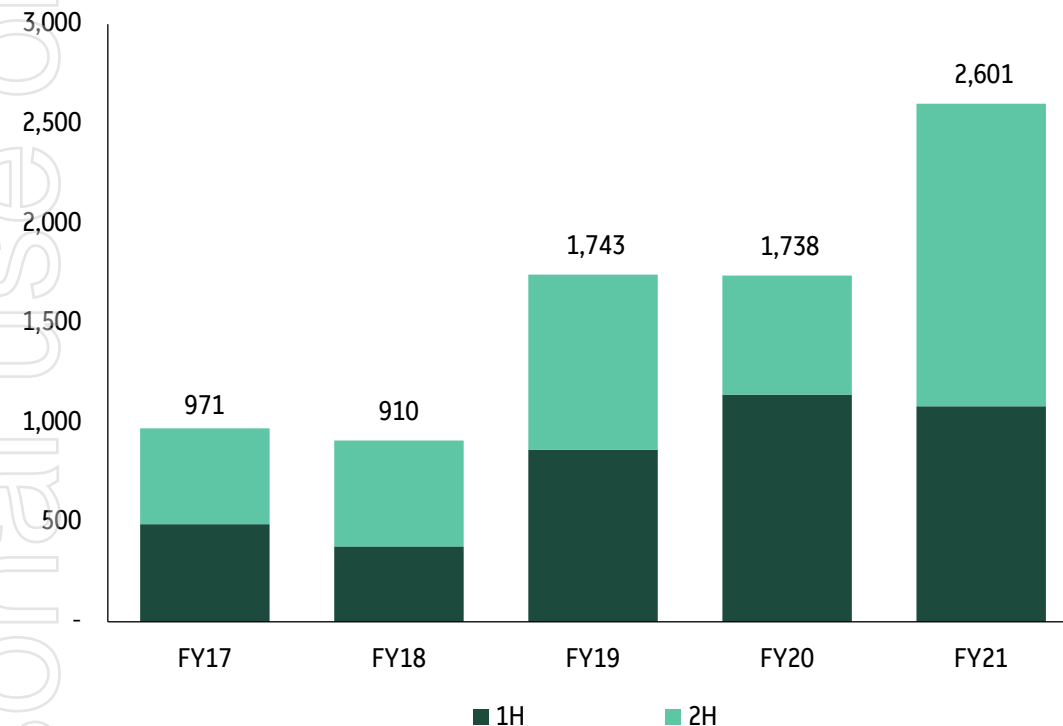
Futures

Commission revenues remain strong from sustained customer activity, albeit interest income reduced as global interest rates remain low

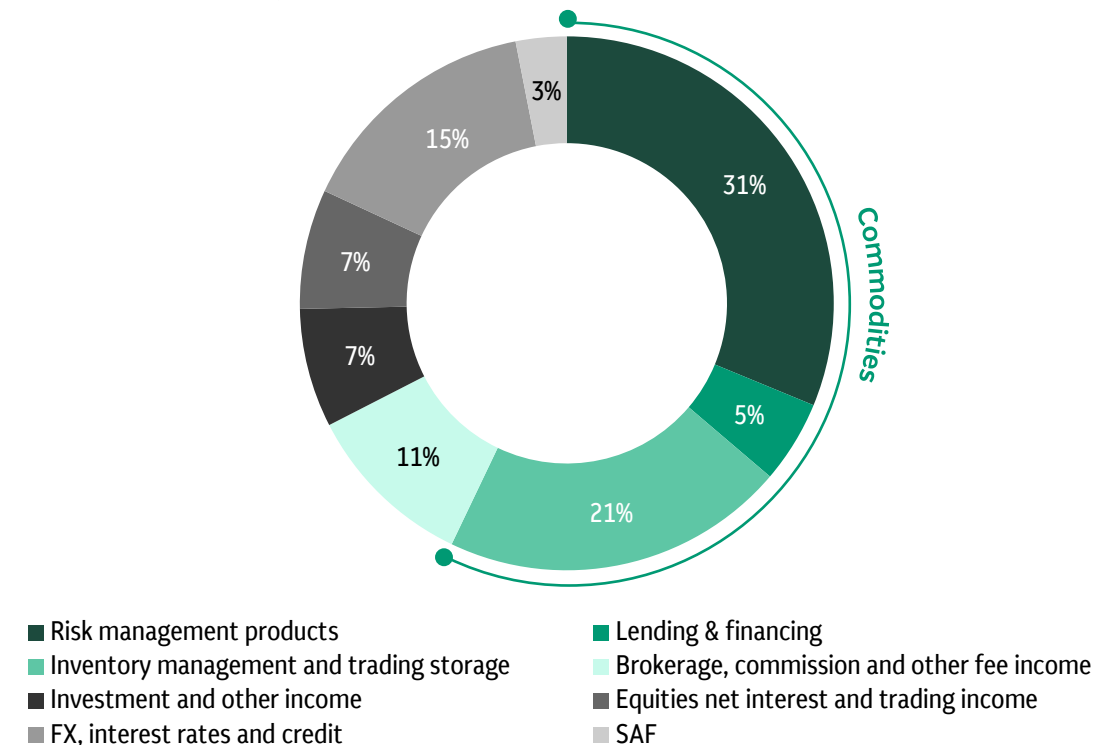
Commodities and Global Markets

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

Net Profit Contribution¹ (\$Am)



Net Operating Income²



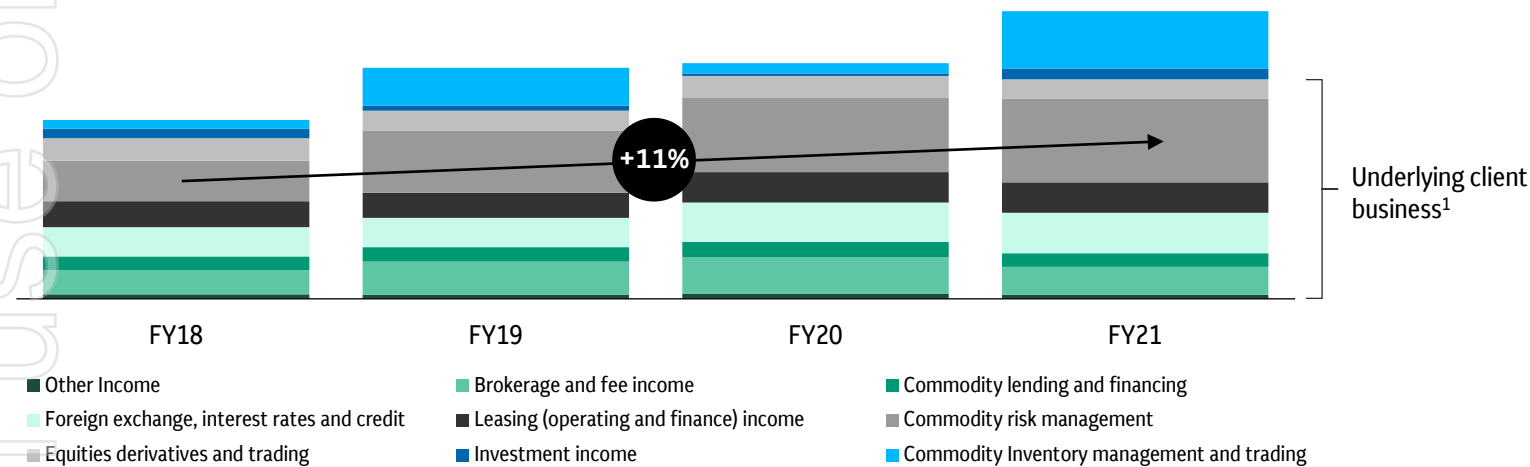
1. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Numbers as reported at half year results announcement on 6 Nov 20. 2. For the half year ended 30 Sep 20, excluding impairment charges, provisions, net gains on sale and internal management (charge)/revenue, based on the Management Discussion & Analysis income classifications.

Strong underlying client business

Majority of income derived from underlying client business

Operating Income

(excl. credit and other impairment charges)

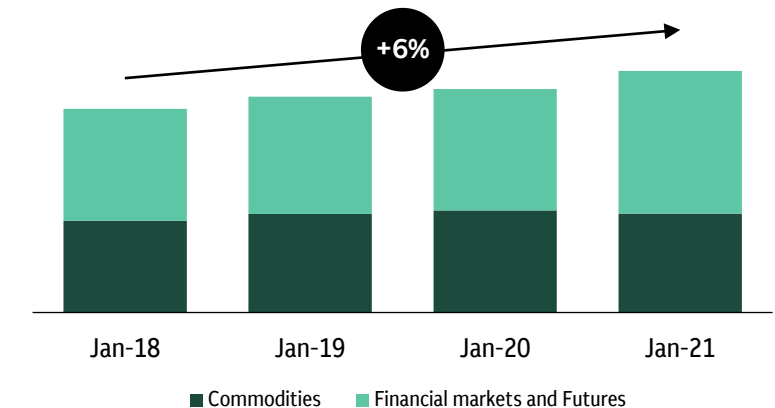


- **40+ years** of client partnership evolving into niche activities in some markets, and scale in others
- Platform **diversity drives earnings** stability and de-risks the portfolio

- Dedicated **specialist staff** with deep sector knowledge and market insights
- **Risk** management is core
- **Industry recognition** in select markets and sectors is strong

Client numbers²

(Excl. SAF)

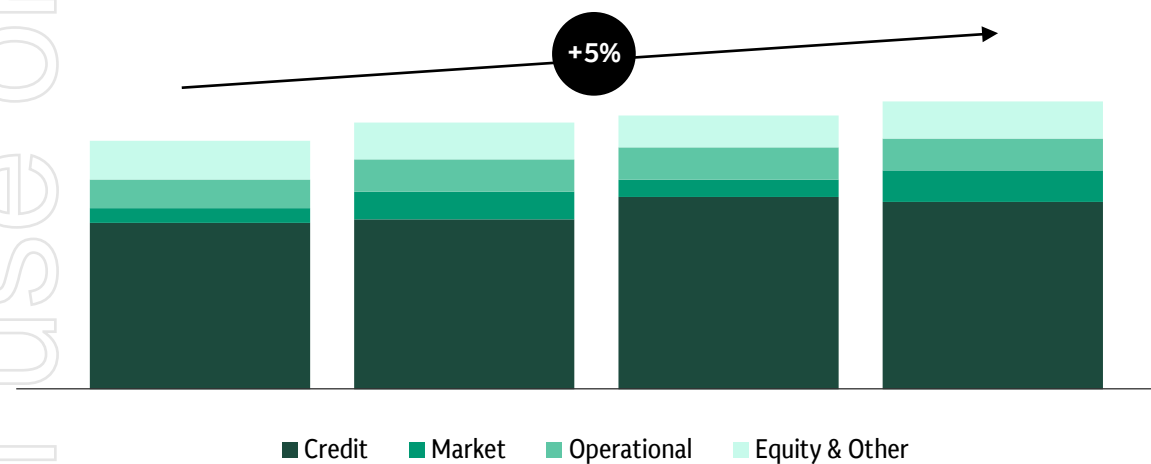


- Client-led business with deep longstanding client relationships:
 - Diverse and growing client base
 - Strong repeat client business with ~85% of client revenue generated from existing relationships
 - Client relationships spread over a full spectrum of products and services

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.

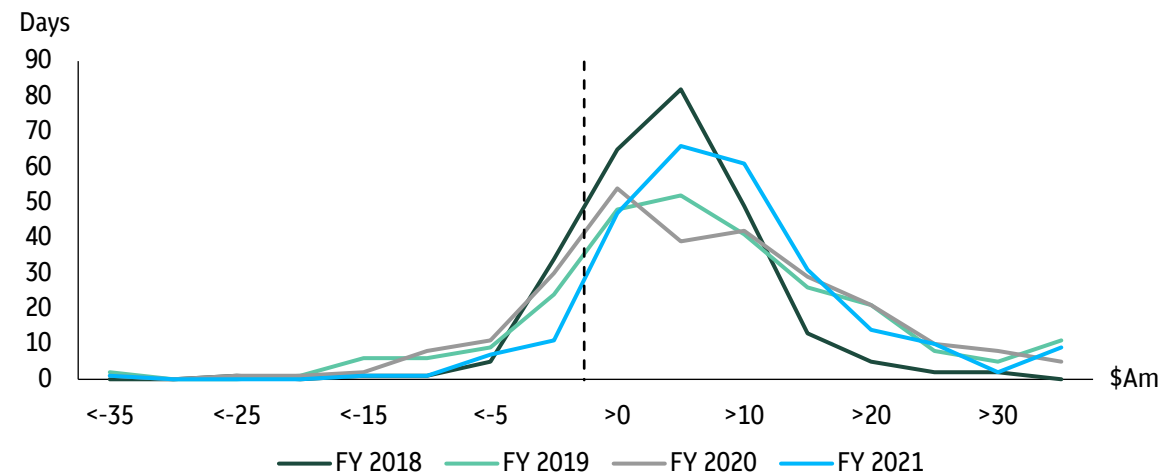
Underlying client activity driving regulatory capital and trading revenues

Regulatory capital (normalised)¹



- 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

Group Daily trading profit and loss² FY18-FY21 (\$Am)



- **Consistency of shape of the curves over the years**
 - Consistent framework and approach to risk management
- **Mean clusters between \$A0-10m**
- Trading income largely derived from client franchise activities

1. Normalised for FX (31 Mar 21) and SA-CCR impacts. Numbers will not reconcile to previously disclosed regulatory capital numbers. 2. The daily profit and loss refers to results that are directly attributable to market-based activity from Macquarie's desk.

Macquarie Capital

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

FY21 Net profit contribution
\$A651m

▼ **15%**
on FY20



1,820+
people



23
markets



\$A3.9b
Capital invested¹

~11%
Net profit
contribution

\$A364 billion
completed deals in FY21²

Note: References relate to the full year ended 31 Mar 21. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on FY21 net profit contribution from operating groups. 1. Regulatory Capital as at 31 Mar 21. 2. Source: Dealogic & IJGlobal for Macquarie Group completed M&A, investments, ECM & DCM transactions converted as at the relevant report date. Deal values reflect the full transaction value & not an attributed value. 3. Dealogic (CY20 ANZ completed and announced by value). 4. Dealogic (CY20 ASX and NZX ex Block Trades by value). 5. Dealogic (CY20 ASX and NZX by value). 6. Infractionation (CY20 by deal count). 7. Dealogic (1/01/2011 - 31/12/20 completed & announced by deal count). 8. Dealogic (1/01/2011 - 31/12/20 ASX & NZX by value). 9. Funding commitments.

© Macquarie Group Limited

FY21 awards & rankings

NO. 1 in ANZ
M&A³, ECM⁴ and IPOs⁵

NO 1.
Global Renewables
Financial Adviser⁶



**Financial
Adviser of
the Year**



**Sponsor /
Developer
of the Year**



**North
American
Roads Deal
of the year
Metropistas**

Advisory and Capital Solutions

Leading market position in ANZ for M&A⁷ and IPOs⁸ for the past decade

Principal Finance committed over \$A4.5b⁹ in FY21 through focused investing in credit markets and bespoke financing solutions

Notable deals included:

- Exclusive financial adviser to TPG Telecom Limited on the \$A21.3 billion merger of equals with Vodafone Hutchison Australia, and the demerger of Tuas Limited, TPG's Singapore mobile business
- Acted as exclusive sell-side adviser on the sale of Exemplar Health Care, a UK provider of specialty care for adults with high acuity health needs, to an Ares Management Corporation managed fund

Equities

Repositioning as an Asia-Pacific focused full service broker with specialist US services and Global Portfolio Trading offering continues to resonate with our clients

Infrastructure and Energy Group

Continued focus on green energy with over 250 projects under development or construction, with a pipeline of >30GW at 31 Mar 21

Expanded into new markets including Latin America, and continued expansion into emerging infrastructure asset classes (e.g. digital infrastructure and battery storage)

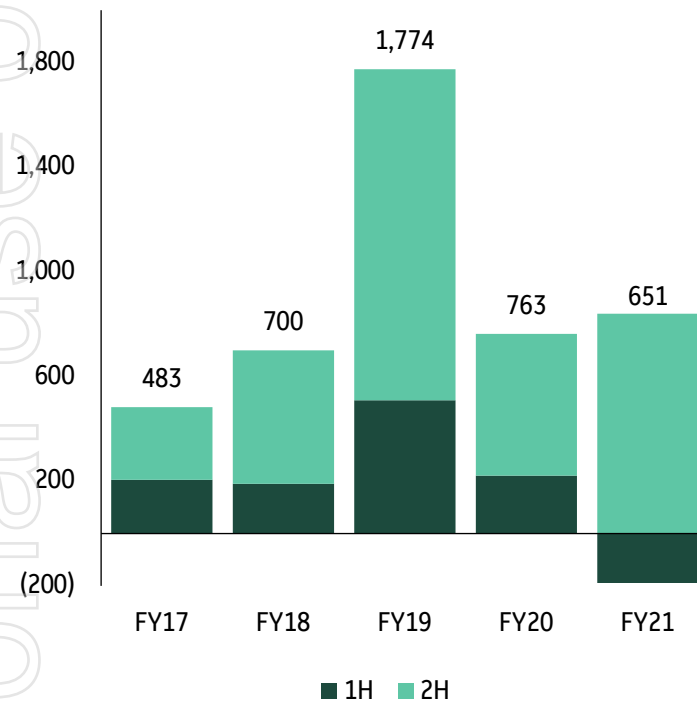
Notable deals included:

- Sole financial adviser to Snowy Hydro Limited on the over \$A5b Snowy 2.0 expansion and associated raising of \$A3.5b of corporate senior debt facilities
- First acquisition in South America, a majority interest in the 206km Briceño-Tunja-Sogamoso operating toll road, one of Colombia's most critical road infrastructure assets, serving ~17m users per year

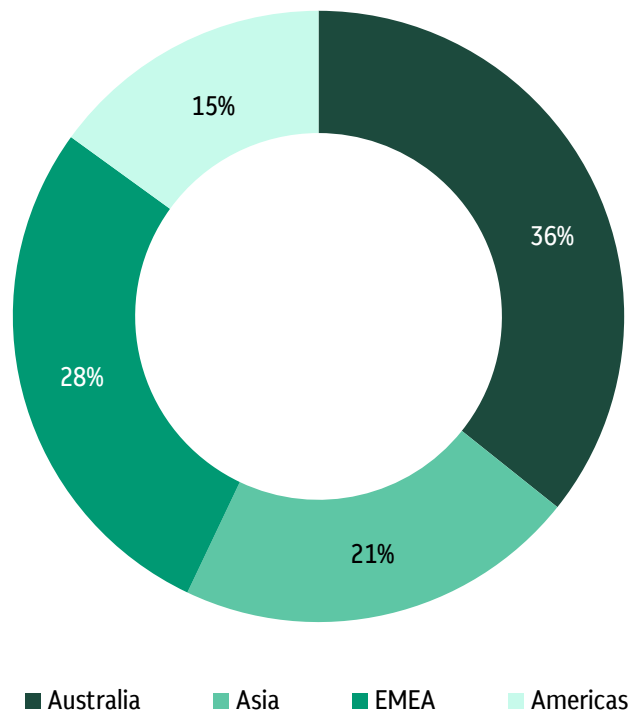
Macquarie Capital

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

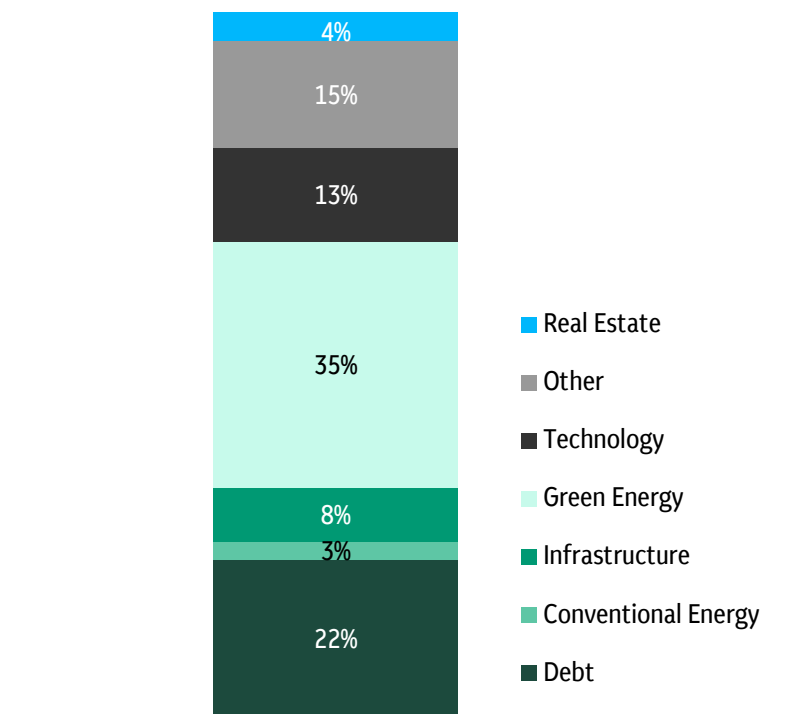
Net Profit Contribution¹ (\$Am)



Income by region²



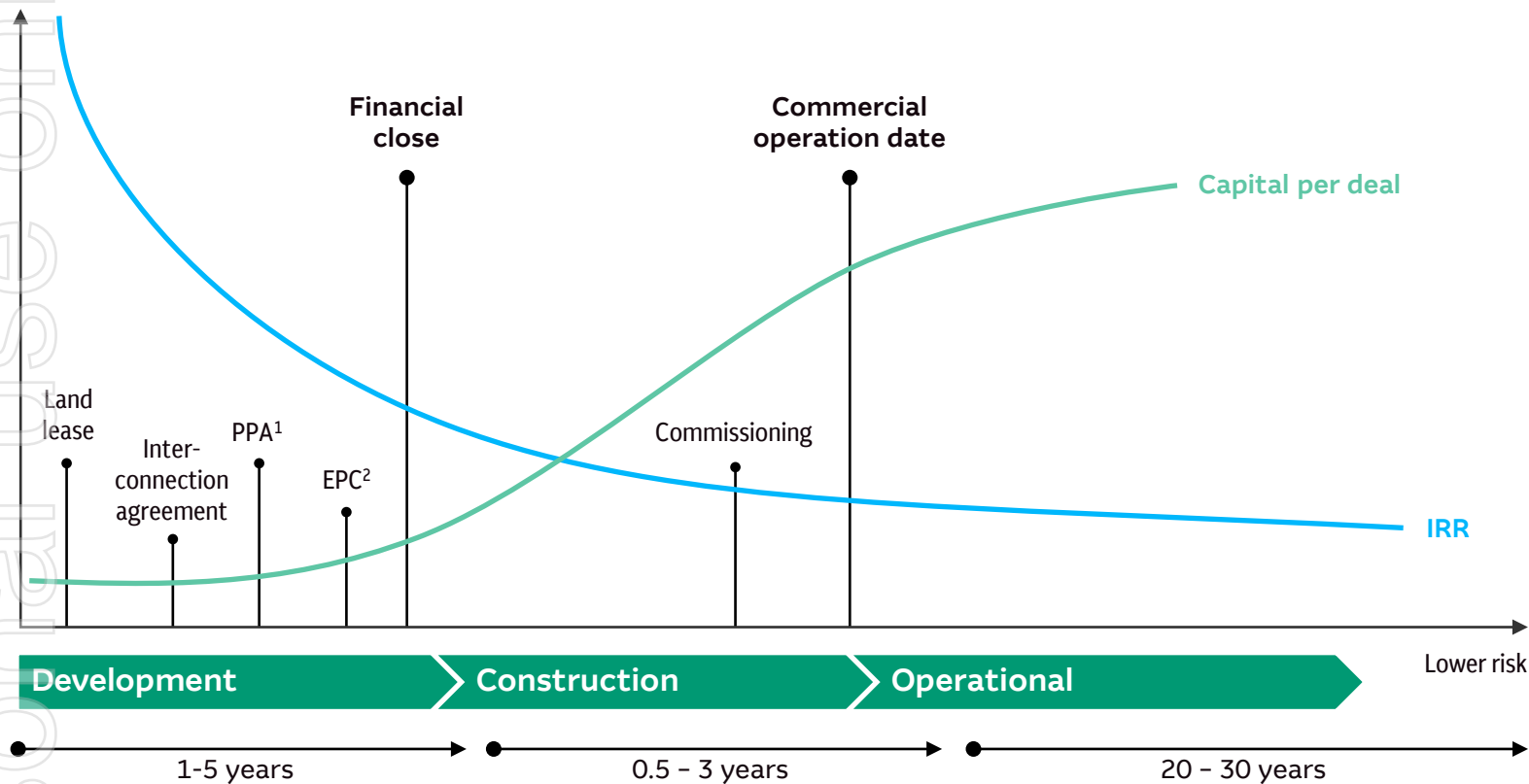
Regulatory capital (\$3.9b)³



1. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Numbers as reported at half year results announcement on 6 Nov 20. 2. Income by region reflects 1H21 net operating income excluding internal management revenue/(charge). 3. As at 31 Mar 21.

We're building the future one project at a time

The asset creation journey typically starts at development stage, through construction, and into operations



1. Power purchase agreement. 2. Engineering procurement & construction.

Case study: Murra Warra wind farm



Green Investment Group

One of the leading renewable energy developers and investors in the world – with a team of 450+ green energy experts¹ committed to accelerating the green transition



Developing & investing

Scale & strength in established technologies

\$A2b+

Current commitments²

\$A45b+

Committed and arranged to support green energy projects³

250+

projects in development and construction

30+ GW

Global development and construction pipeline⁴



Platform companies

Regional development platforms

- Regionally focused: platforms in US, Europe and the Asia Pacific region
- Technology focused: platforms focused on utility-scale and C&I solar, energy storage or distributed energy



Powering clients

Supporting client achieve sustainability goals

3.9GW

Of renewable energy projects underwritten by PPAs⁵

23

Corporates decarbonising with support of PPAs signed with GIG⁶

Large industrial partnerships



Our platforms



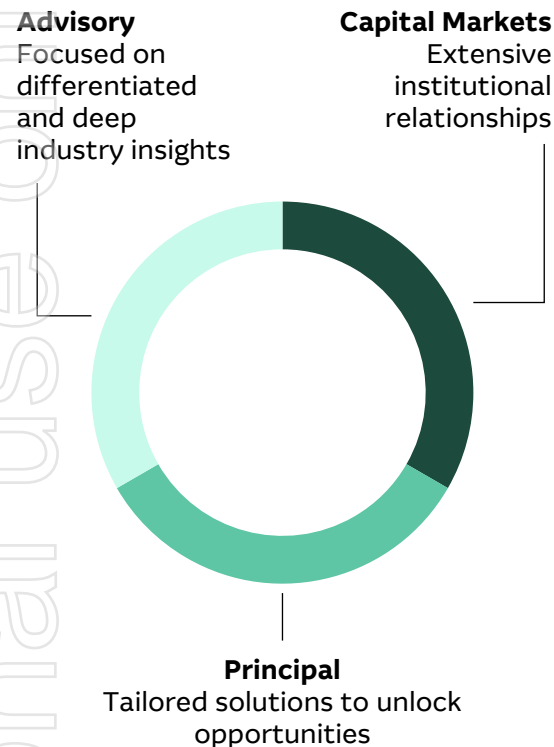
Example customers



1. Includes Macquarie Group employees operating under the GIG brand and operating platform employees. Operating platforms are companies operating as operationally segregated subsidiaries of GIG or companies where GIG has entered a joint venture with another partner. 2. Commitments as at 30 Sep 20. 3. Combining historic activity where UK Green Investment Bank (GIB), Green Investment Group (GIG) or Macquarie Capital have committed their own funds or arranged third-party capital and / or financing. 4. Includes projects being developed directly by GIG or through operating platforms (as defined in footnote 1). 5. Total capacity of renewable energy projects where GIG or Macquarie Capital (either directly or via operating platforms) have contributed equity investment, supported by PPAs structured by GIG, Macquarie Capital or operating platforms. 6. Total capacity of renewable energy projects where GIG or Macquarie Capital (either directly or via operating platforms) have contributed equity investment, supported by PPAs structured by GIG, Macquarie Capital or operating platforms.

We unlock opportunities by combining ideas and capital

We evolve with our clients and areas of opportunity



Private capital

Abundant capital looking for increasingly diverse ways to access non-public market opportunities

Tech-enabled innovation

Technology is transforming industries, evolving business models and leading to convergence between sectors

Principal investment

Supporting clients with principal investment, combined with advisory and capital market capabilities and industry insights

Sub-sectors we're working in

FINANCIAL SPONSORS |
GROWTH EQUITY |
FAMILY OFFICES

SOFTWARE | DATA | SERVICES |
EDUCATION | FINTECH |
HEALTHCARE

PRIVATE CREDIT | PRIVATE EQUITY |
GROWTH EQUITY | REAL ESTATE

Market backdrop

\$US7.4t

private market AuM has grown more than threefold since 2010¹

42% increase

in the percentage of PE dry powder in growth equity strategies since 2016²

Over \$A2.3b

ACS Principal Finance committed in 1Q22

1. McKinsey Global Private Markets Review, 2021. 2. PitchBook Data, Inc. PitchBook's Analyst Note on Growth Equity Overview.

04

1Q22 Update



1Q22

Overview

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

Improved trading conditions with 1Q22 operating group contribution significantly up on the prior corresponding period (pcp) (1Q21) which had mixed trading conditions

- Macquarie's annuity-style businesses (MAM and BFS) combined 1Q22 net profit contribution¹ slightly up on pcp, primarily due to higher average volumes and lower provisions in BFS. This was partially offset by reduced contribution from MAM in the absence of the gain on sale of the rail operating lease business in the pcp, partially offset by the Macquarie Infrastructure Corporation (MIC) disposition fee in 1Q22
- Macquarie's markets-facing businesses (CGM and Macquarie Capital) combined 1Q22 net profit contribution¹ significantly up on pcp primarily due to the sale of the UK commercial and industrial smart meter portfolio which, as foreshadowed, was partially offset by the timing of income recognition on storage and transport contracts in CGM, together with significantly higher investment-related income in Macquarie Capital

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

1Q22

Annuity style businesses

Macquarie Asset Management

~34%

FY21 contribution¹

- AUM² of \$A693.2 at Jun 21, up 23% on Mar 21, predominantly driven by the acquisition of Waddell & Reed
- Public Investments: \$A495.2b in AUM, up 35% on Mar 21, predominantly driven by acquisition of Waddell & Reed, combined with positive impacts from market movements, foreign exchange and net flows
- Private Markets: \$A147.9b in EUM³, up 4% on Mar 21 predominantly driven by equity raised and FX movements
- Private Markets: \$A3.3b in new equity raised; \$A1.3b of equity invested; \$A0.6b equity divested in 1Q22
- Private Markets: \$A29.2b of equity to deploy at Jun 21
- Macquarie Infrastructure Corporation (MIC), subject to shareholder approval, agreed to sell its Atlantic Aviation and MIC Hawaii businesses, marking the conclusion of MIC's pursuit of strategic alternatives. Following the sales MIC will be delisted from the NYSE
- MAM completed its acquisition of Waddell & Reed Financial, Inc on 30 Apr 21
- MAM entered into an agreement to acquire AMP Capital's Global Equity and Fixed Income business on 08 Jul 21
- Continued strong Public Investments performance with 59% of AUM outperforming their respective 3-year benchmarks⁴

Banking and Financial Services

~13%

FY21 contribution¹

- Total BFS deposits⁵ of \$A82.4b at Jun 21, up 2% on Mar 21
- Home loan portfolio of \$A71.2b at Jun 21, up 6% on Mar 21
- Funds on platform⁶ of \$A109.2b at Jun 21, up 8% on Mar 21
- Business banking loan portfolio of \$A10.8b at Jun 21, up 6% on Mar 21
- Vehicle finance portfolio⁷ of \$A11.2b at Jun 21, down 3% on Mar 21

1. Based on FY21 net profit contribution from operating groups as reported on 7 May 21. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 2. 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. 3. Private Markets' total EUM includes market capitalisation at measurement date for listed funds, the sum of original committed capital less capital subsequently returned for unlisted funds and mandates as well as invested capital for managed businesses. 4. As at 30 Jun 21, gross of fees. 5. BFS deposits exclude corporate/wholesale deposits. 6. Funds on platform includes Macquarie Wrap and Vision. 7. Includes general plant & equipment.

1Q22

Markets-facing businesses

Commodities and Global Markets

~42%

FY21 contribution¹

- Favourable market conditions contributed to strong results across the commodities platform, particularly in North American Gas & Power and Resources driven by trading and client hedging opportunities
- Solid client activity continued across Financial Markets businesses including fixed income and foreign exchange, albeit trading opportunities were more subdued
- Asset Finance benefitted from the divestment of its UK commercial and industrial smart meter portfolio, which was a small portion of its overall UK portfolio which is largely focused on residential metering
- Maintained ranking as No.2 physical gas marketer in North America²
- Named Derivatives House of the Year and Oil and Products House of the Year³

1. Based on FY21 net profit contribution from operating groups as reported on 7 May 21. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 2. Platts Q1 CY21. 3. Energy Risk Awards 2021. 4. Source: Dealogic & IJGlobal for Macquarie Group completed M&A, investments, ECM & DCM transactions converted as at the relevant report date. Deal values reflect the full transaction value & not an attributed value. 5. IJ Global Awards 2020. 6. Ranked No. 2 among regional/local brokers in Asia-Pacific region with six winning positions at firm level supported by 18 ranked analysts across the 11 countries/regions in 2021. 7. Announced 1Q22, expected to close 2Q22. 8. Announced 1Q22, completed 2Q22.

Macquarie Capital

~11%

FY21 contribution¹

- 115 transactions valued at \$A98.9b completed globally⁴, up on pcp
- Investment-related income up significantly on pcp. M&A fee income up across all regions, offset by lower ECM fee revenue
- ACS Principal Finance committed over \$A2.3b in 1Q22 through focused investing in credit markets and bespoke financing solutions
- North America Infrastructure Financial Advisor of the Year⁵
- Asia Equities Research wins multiple key awards in Institutional Investor's 2021 Asia-Pacific Research Rankings⁶

Notable Deals

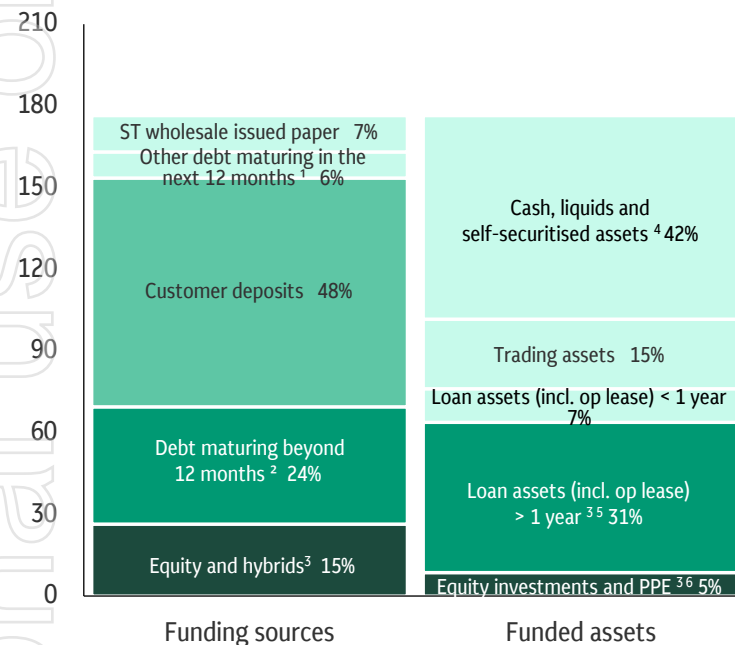
- Significant sellside activity including advising Veritas Capital on their \$US1.35b sale of Abaco Systems, Telstra on the announced sale of 49% of Telstra InfraCo Towers, valuing the business at \$A5.9b⁷ and NAB on the \$A1.44b sale of MLC to IOOF
- Acquired a majority stake in Wavenet Group, a UK provider of telecoms and technology solutions
- Investment in and partnership with Prime Data Centers, a data centre developer and operator in the Americas and Europe
- Formed a JV with John Laing to finance ~650 purpose-built retirement units worth ~GBP200m in the UK, to be operated by McCarthy Stone
- Partnered with Heliox to deliver innovative electric vehicle charging infrastructure across Europe
- Reached agreement to sell down 100% of Macquarie's holding in Business Keeper to EQS Group⁸

Funded balance sheet remains strong

Term liabilities exceed term assets

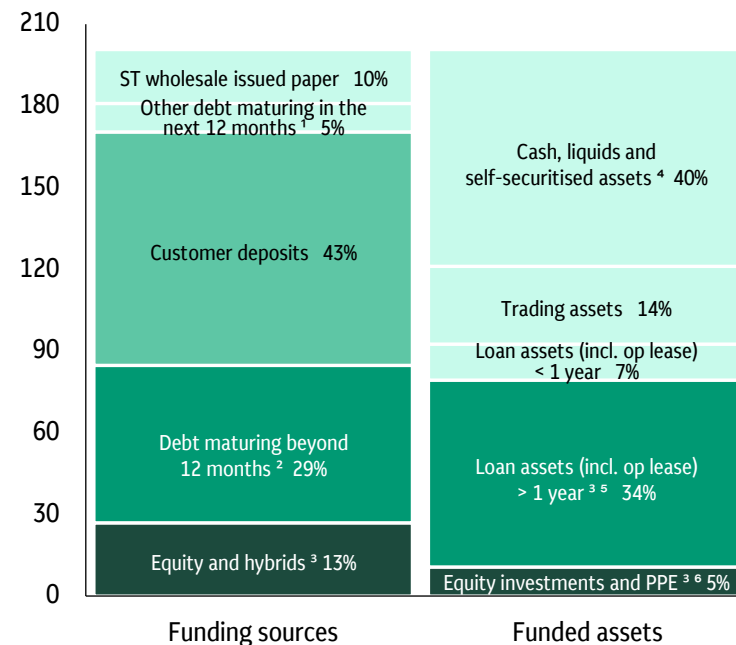
31 Mar 21

\$Ab



30 Jun 21

\$Ab



Total customer deposits⁷

\$A85.7b

↑ 2%
FROM MAR 21

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

\$A17.6b

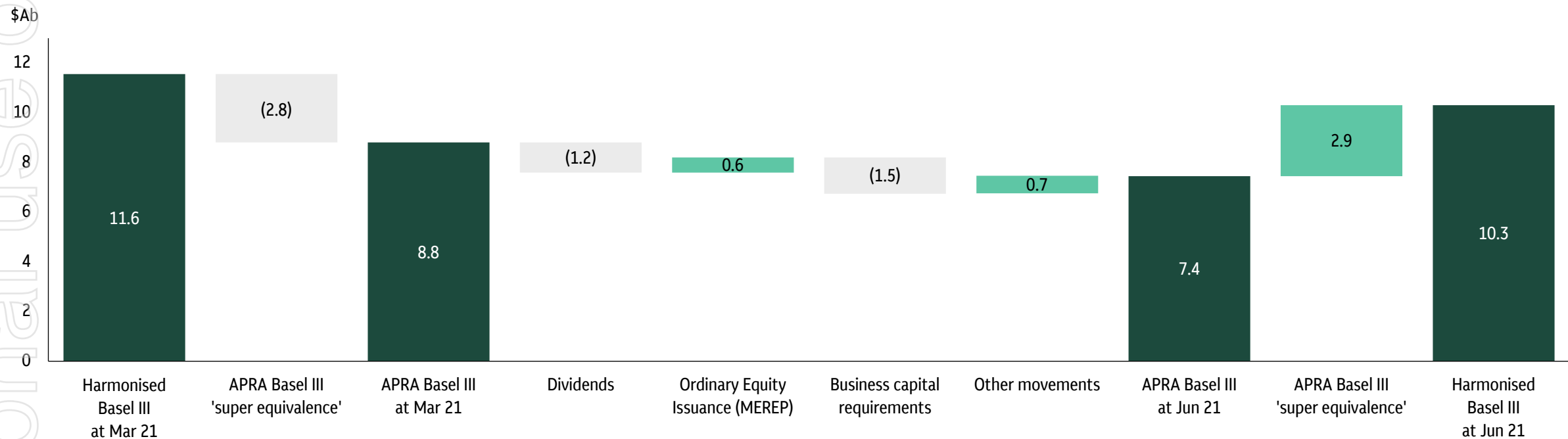
Since
MAR 21

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. 1. Other debt maturing in the next 12 months includes Secured funding, Bonds, Other loans, Subordinated debt and Net trade creditors. 2. Debt maturing beyond 12 months includes Subordinated debt, Structured notes, Secured funding (including drawn RBA TFF), Bonds, Syndicated loan facilities and Other loans not maturing within next 12 months. 3. Non-controlling interests are netted down in Equity and hybrids, Equity investments and PPE and Loan assets (incl. op lease) > 1 year. 4. 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) and TFF. 5. 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 (\$A85.7b) differs from total deposits as per the statutory balance sheet (\$A85.9b). 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

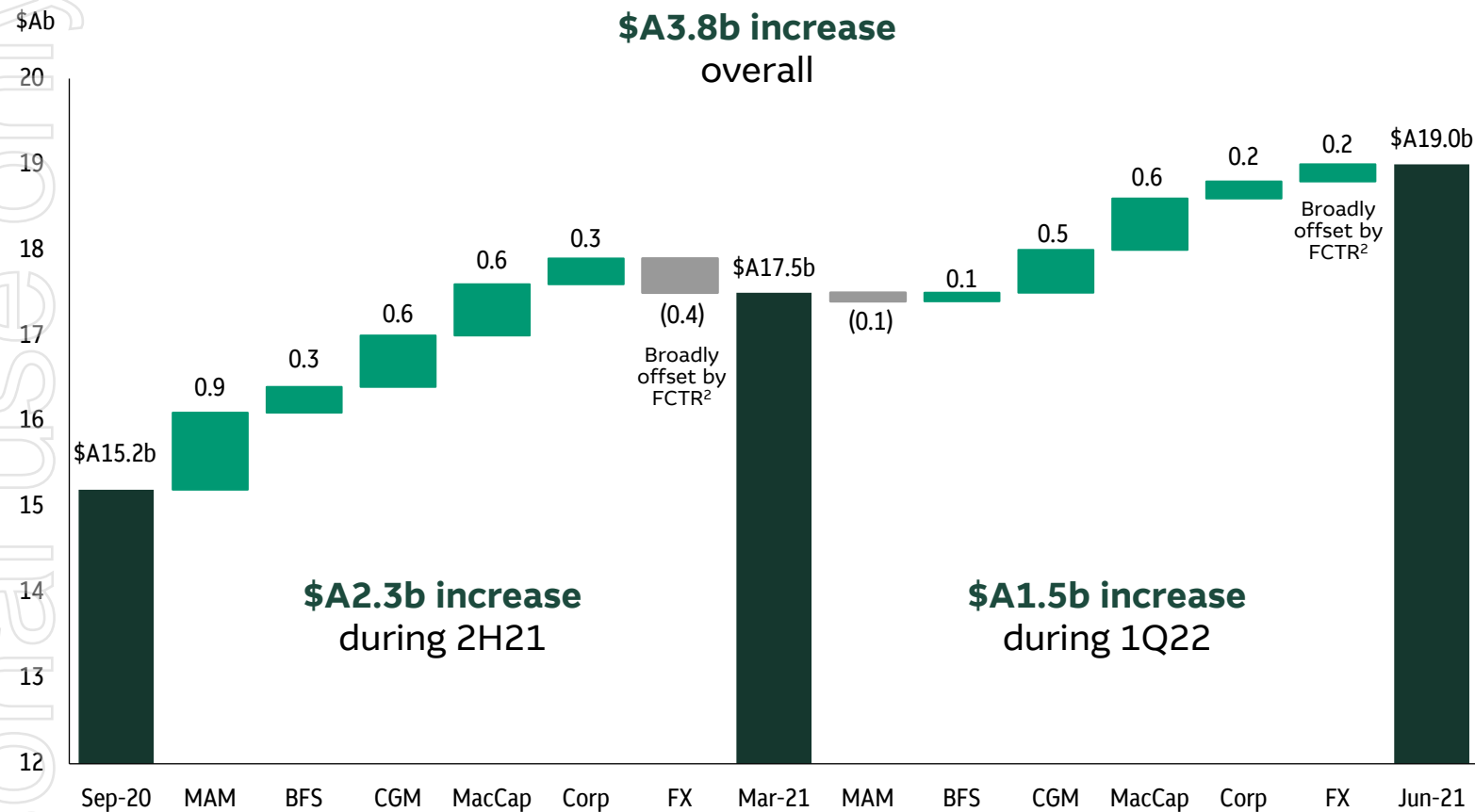
- APRA Basel III Group capital at Jun 21 of \$A26.4b; Group capital surplus of \$A7.4b^{1, 2}
- APRA Basel III Level 2 CET1 ratio: 12.1%; Harmonised Basel III Level 2 CET1 ratio: 15.5%

Group regulatory surplus: Basel III (Jun 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 from 1 Apr 21. 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. \$A0.4b of shares issued to satisfy DRP requirements on 2 Jul 21, and thus not included above. 5. Includes current quarter P&L, treasury shares, movements in foreign currency translation and share-based payment reserves and other movements. 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 \$A1.2b; capitalised expenses \$A0.5b; equity investments \$A0.4b; investment into deconsolidated subsidiaries \$A0.2b; DTAs \$A0.6b.

Business capital requirements¹



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

1Q22 key drivers

MAM

- Includes fund underwriting activity offset by divestments (including Waddell & Reed's wealth management business and balance sheet assets)

BFS

- Growth in home loans

CGM

- Derivatives market movements, trade debtors and increase in market risk

Macquarie Capital

- Principal Finance lending activity and new investments

Capital management update

Dividend Payout Policy

- Macquarie has seen strong capital deployment over an extended period, with \$A3.8b growth in capital requirements across all four operating groups since Sep 20. Operating groups are continuing to seek opportunities to deploy additional capital, provided the projected risk-adjusted returns are attractive for shareholders
- In order to allow additional flexibility to support business growth, the Board has resolved to update the annual dividend payout policy range to 50-70%

Dividend Reinvestment Plan (DRP)

- The Board determined that a 1.5% discount would apply to shares allocated under the DRP for the 2H21 dividend
- On 2 Jul 21, 2,892,121 ordinary shares were issued and allocated at \$A149.45 per share¹ under the DRP reflecting a participation rate of 35.7%, and a total issuance of \$A432m

Macquarie Group Employee Retained Equity Plan (MEREP)

- On 9 Jun 21, a total of 4,014,722 Macquarie ordinary shares were issued pursuant to the Macquarie Group Employee Retained Equity Plan (MEREP). The shares were issued and allocated at \$A151.73 per share², with a total issuance of \$A609m

Loss-Absorbing Capital (LAC) - Tier 2 Capital

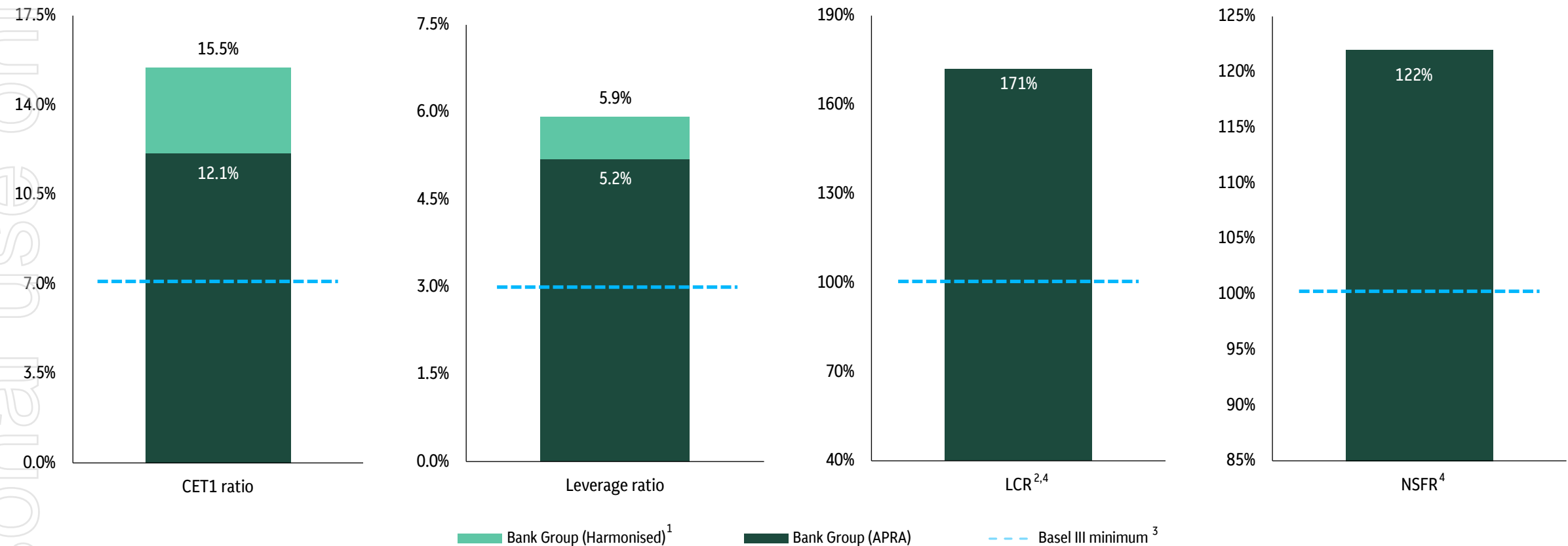
- On 9 Jun 21, MBL issued \$A750m Tier 2 capital at 3mth BBSW + 155bps, as part of its programme to meet Loss-Absorbing Capacity requirements

1. The DRP price was determined in accordance with the DRP Rules, being the arithmetic average of the daily volume-weighted average price of all Macquarie Group shares sold through a normal trade on the ASX automated trading system of the 10 business days from 24 May 21 to 4 Jun 21 inclusive, less a discount of 1.5%. 2. The price at which the shares to satisfy the MEREP requirements were issued was calculated in the same manner and over the same pricing period as the DRP shares, excluding the 1.5% discount.



Strong regulatory ratios

Bank Group Level 2 Ratios (Jun 21)



1. 'Harmonised' Basel III estimates are calculated in accordance with the BCBS Basel III framework. 2. Average LCR for Jun 21 quarter is based on an average of daily observations. 3. Includes the capital conservation buffer in the minimum CET1 ratio requirement. APRA has released a draft update to 'Prudential Standard APS 110 Capital Adequacy' proposing a minimum requirement for the leverage ratio of 3.5% effective Jan 23. 4. Reported liquidity ratios include a 15% add-on to Net Cash Outflows for LCR and a 1% decrease to Available Stable Funding for NSFR imposed by APRA as of 1 Apr 21.

Regulatory update

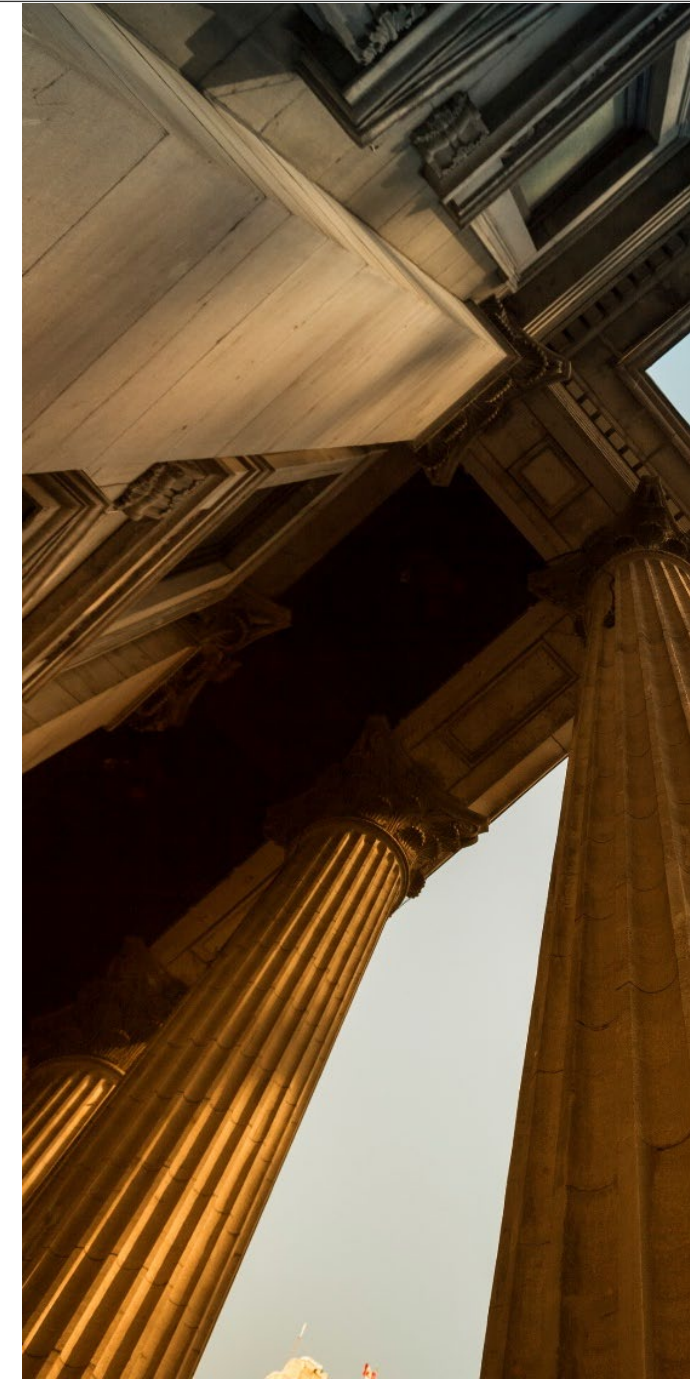
Australia

- APRA is in the process of implementing changes to a number of regulatory standards¹
- APRA released a letter on 21 Jul 21 outlining proposed policy settings for the Bank Capital Reforms and will conduct a further Quantitative Impact Study (QIS) to finalise the calibration of these reforms². APRA is aiming to release the final prudential standards in Nov 21, which will come into effect 1 Jan 23
- 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 expects to progress the development of the prudential standard in the year ahead, with a view to releasing a draft standard for consultation in late 2021 or early 2022³
- On 12 Nov 20, APRA released its revised remuneration standard for consultation. Macquarie provided a submission on 12 Feb 21. 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 new Prudential Practice Guide ("CPG 511") on 30 Apr 21 for consultation, Macquarie provided a submission on 23 Jul 21. The final versions of CPS 511 and CPG 511 will be published in the second half of 2021⁴ and will come into effect on 1 Jan 23. Increased disclosure requirements will also be required, defined through a future consultation expected late 2021
- On 1 Apr 21, APRA announced actions required regarding MBL's risk management practices and ability to calculate and report key prudential ratios⁵. 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. While specific historical matters leading to these actions have been addressed, Macquarie acknowledges that continued work is required on its risk governance and operating platform and has programs in place to strengthen capital and liquidity reporting and its risk management framework. Macquarie will work closely with APRA on these programs through a period of intensified supervision and is working with APRA to determine any necessary restatements of selected historical returns
- 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 a non-operating holding company, Macquarie Investment Management Limited ("MIML") as a registrable superannuation entity licensee; and Macquarie Life Limited ("MLL") as an insurer. Treasury intends for FAR to commence for MGL and MBL on 1 Jul 22 and for MIML and MLL on 1 Jul 23

Germany

- Macquarie continues to respond to requests for information about its historical activities as part of the ongoing, industry-wide investigation in Germany relating to dividend trading. As previously noted, in total, the German authorities have designated as suspects approximately 100 current and former Macquarie staff, most of whom are no longer at Macquarie. The total amount at issue is not material and MGL has provided for the matter

1. These changes include APS 110, APS 111, APS 112, APS 113, APS 115, APS 116, APS 117, APS 220, APS 222. 2. 'APRA releases update on key policy settings for ADI capital framework reforms'; 21 Jul 21. 3. 'APRA releases its policy and supervision priorities for 2021'; 1 Feb 21. 4. 'APRA consults on guidance in support of prudential standard on remuneration'; 30 Apr 21. 5. 'APRA takes action against Macquarie Bank over multiple breaches of prudential and reporting standards'; 1 Apr 21.



05

Outlook



Short-term outlook

Factors impacting short-term outlook

Annuity-style businesses

Non-Banking Group

Macquarie Asset Management (MAM)

- Excluding Waddell & Reed,
 - Base fees expected to be broadly in line
 - Net Other Operating Income¹ 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

Banking Group

Banking and Financial Services (BFS)

- Ongoing momentum in loan portfolio 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

Corporate

- Compensation ratio expected to be within the range of 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.

Markets-facing businesses

Macquarie Capital (MacCap)

- Improved transaction activity expected to continue through FY22
- Improved outlook for investment realisations and increased balance sheet deployment, with investment-related income expected to be significantly up on FY21

Commodities and Global Markets² (CGM)

- Commodities income is expected to be down following a strong FY21, albeit volatility may create opportunities
- As foreshadowed, the positive impact from the timing of income recognition on storage and transport contracts in FY21 is not anticipated to recur, with 1H22 expected to be negative
- Consistent client contribution across the financial markets platform
- Continued contribution from Specialised and Asset Finance linked to business activity
- 1H22 to include disposal of certain assets in Specialised and Asset Finance

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

Short-term outlook

We currently expect the 1H22 result to be slightly down on 2H21, noting:

- 1H22 included the Macquarie Infrastructure Corporation (MIC) disposition fee in Macquarie Asset Management
- Favourable market conditions contributing to a stronger 1H22 Commodities and Global Markets result than anticipated together with the sale of the UK commercial and industrial smart meter portfolio

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

ersonal use only

Medium-term outlook

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

Deep expertise in major markets

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

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

Ongoing program to identify cost saving initiatives and efficiency

Strong and conservative balance sheet

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

Proven risk management framework and culture

Medium term

Annuity-style businesses

Non-Banking Group

Macquarie Asset Management (MAM)

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

Banking Group

Banking and Financial Services (BFS)

- Growth opportunities through intermediary and direct retail client distribution, platforms and client service
- Opportunities to increase financial services engagement with existing business banking clients and extend into adjacent segments
- Modernising technology to improve client experience and support growth

Markets-facing businesses

Macquarie Capital (MacCap)

- Positioned to benefit from further recovery 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

Commodities and Global Markets¹ (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.

06

Appendix A

Select slides from Macquarie's result
announcement for the year ended 31 Mar 21



Income statement key drivers

	2H21 \$Am	1H21 \$Am	FY21 \$Am	FY20 \$Am
Net interest and trading income	3,157	2,520	5,677	4,720
Fee and commission income	2,563	2,613	5,176	5,837
Net operating lease income	221	245	466	745
Share of net profits/(losses) from associates and joint ventures	51	(54)	(3)	95
Net credit impairment charges	(27)	(407)	(434)	(805)
Other impairment charges	(50)	(40)	(90)	(235)
Investment income	1,398	625	2,023	1,712
Other income and charges	(58)	17	(41)	256
Net operating income	7,255	5,519	12,774	12,325
Employment expenses	(2,902)	(2,615)	(5,517)	(5,323)
Brokerage, commission and trading-related fee expenses	(408)	(471)	(879)	(964)
Other operating expenses	(1,291)	(1,180)	(2,471)	(2,584)
Total operating expenses	(4,601)	(4,266)	(8,867)	(8,871)
Operating profit before tax and non-controlling interests	2,654	1,253	3,907	3,454
Income tax expense	(624)	(275)	(899)	(728)
Non-controlling interests	-	7	7	5
Profit attributable to MGL shareholders	2,030	985	3,015	2,731

Net interest and trading income of \$A5,677m, up 20% on FY20

- Higher income in CGM mainly driven by **Inventory management and trading** in **North American Gas and Power, Oil and Precious Metals** due to market dislocations and increased volatility as well as the timing of income recognition on Oil and Gas storage contracts and transport agreements
- Lower expense in MAM driven by the sale of the MAF business to a joint venture during the prior year
- Higher income in BFS mainly driven by growth in home loans and deposits partially offset by margin compression on deposits and a decrease in the vehicle finance portfolio
- Lower income in Corporate primarily due to greater accounting volatility from changes in the fair value of economic hedges in the prior year

Fee and commission income of \$A5,176m, down 11% on FY20

- **Lower performance fees in FY21 following a strong FY20.** The current year included fees from a range of funds including MIP II, MIP III, MEIF4, MSCIF and other Private Markets-managed funds, managed accounts and co-investors
- **Lower mergers and acquisitions fee income** in Macquarie Capital
- Reduced demand for commodity risk premia products and reduced client brokerage activity in CGM

Net operating lease income of \$A466m, down 37% on FY20 predominantly due to the sale of the MAF business to a joint venture in the prior year in MAM

Share of net losses from associates and joint ventures of \$A3m, significantly lower than FY20, primarily driven by **losses from MAF** due to the impact of COVID-19 on aircraft leasing income and related aircraft impairments in MAM, partially offset by lower share of net losses in Macquarie Capital due to changes in the composition and improved performance of investments in the portfolio

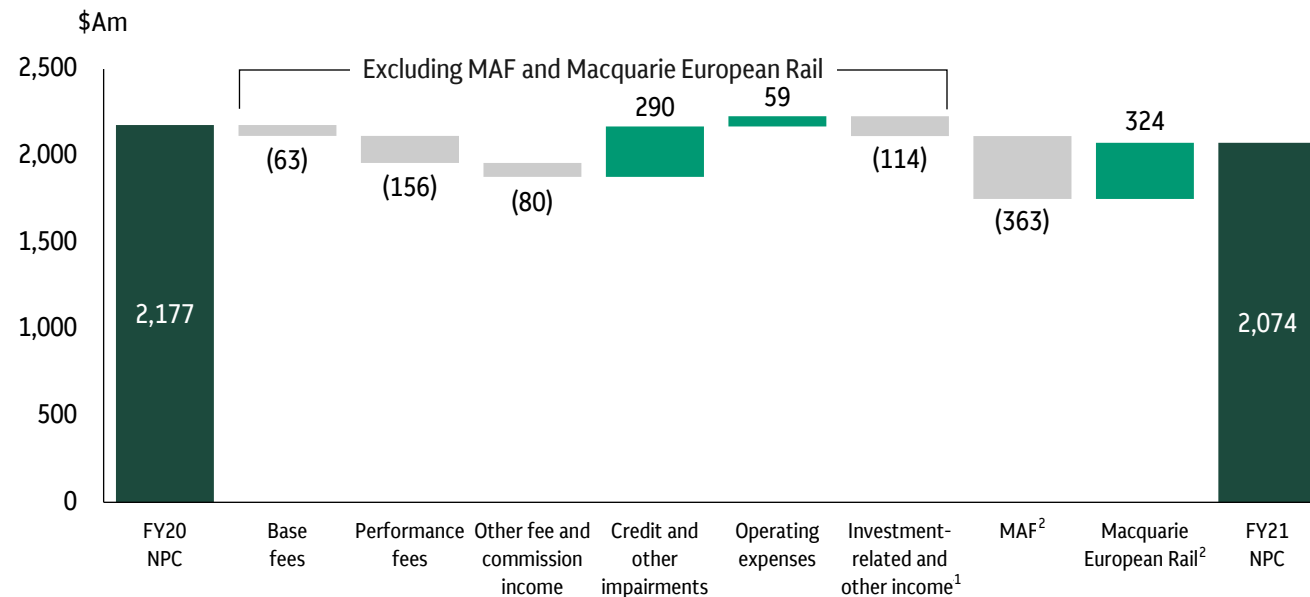
Lower credit and other impairment charges recognised across the Group compared to FY20 mainly due to **improving** current and expected **macroeconomic conditions**. 2H21 included the reversal of a central overlay provision for expected credit losses reflecting management's current view of the improvement in the outlook of the Group's portfolio

Investment income of \$A2,023m, up 18% on FY20, primarily due to **gain on sale of Macquarie European Rail** in MAM and gains on listed equity investments in CGM, partially offset by **fewer material asset realisations** compared to prior year in Macquarie Capital

Total operating expenses of \$A8,867m, in line with FY20. Higher Employment expenses due to **higher performance-related profit share expense** mainly as a result of Group performance and higher leave provisions due to less holiday entitlements being taken by staff, driven by COVID-19, partially offset by foreign exchange movements. Higher employment expenses were partially offset by lower Other operating expenses primarily due to **reduced travel and entertainment expenses** across the Group, driven by COVID-19

Macquarie Asset Management

Strong performance despite challenging conditions. Decrease driven by lower Macquarie AirFinance (MAF) income, lower performance fees and lower other fee and commission income, partially offset by gain on sale of Macquarie European Rail and net reversal of impairments



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

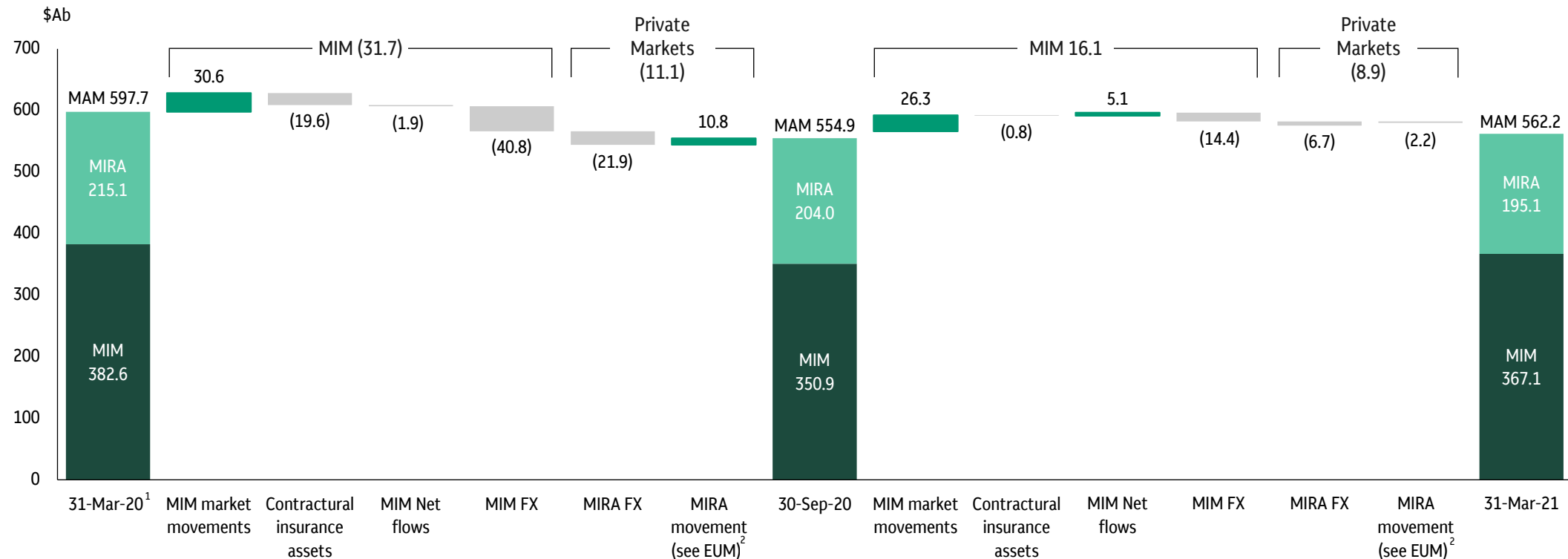
© Macquarie Group Limited

Key drivers

- Base fees down due to:
 - Foreign exchange movements**, asset realisations in Private Markets-managed funds and the full year impact of **FY20 net flows in MIM**
 - partially offset by **MIM market movements**, investments made by Private Markets-managed funds and mandates and contributions from MIM as a result of additional assets acquired in the prior year
- Lower performance fees** in FY21 following a **strong FY20**. The current year included fees from a range of funds including MIP II, MIP III, MEIF4, MSCIF and other Private Markets-managed funds, managed accounts and co-investors
- Lower other fee and commission income largely due to **lower income from private capital markets, True Index products and transaction fees**, partially offset by a disposition fee from MIC in relation to the divestment of IMTT
- Lower credit and other impairment charges includes a **partial reversal** of the **impairment** previously recognised on **Private Markets's investment in MIC**
- Lower operating expenses primarily driven by **foreign exchange movements** and **reduced travel** on account of COVID 19. This was partially offset by increased charges from Central Service Groups and expenses related to the acquisition of new business
- Lower investment-related and other income primarily driven by the **non-recurrence** of a **one-off payment** from ALX for the termination of management rights related to **APRR** in FY20 and lower gains on sale and reclassification of investments, partially offset by a gain on revaluation of property investments in FY21
- Lower MAF** income primarily driven by the impact of COVID-19 on **equity-accounted** aircraft leasing income and related aircraft impairments, as well as the **sell-down of 50%³** of the business during FY20
- Macquarie European Rail** driven by **gain on sale** in FY21

MAM AUM movement

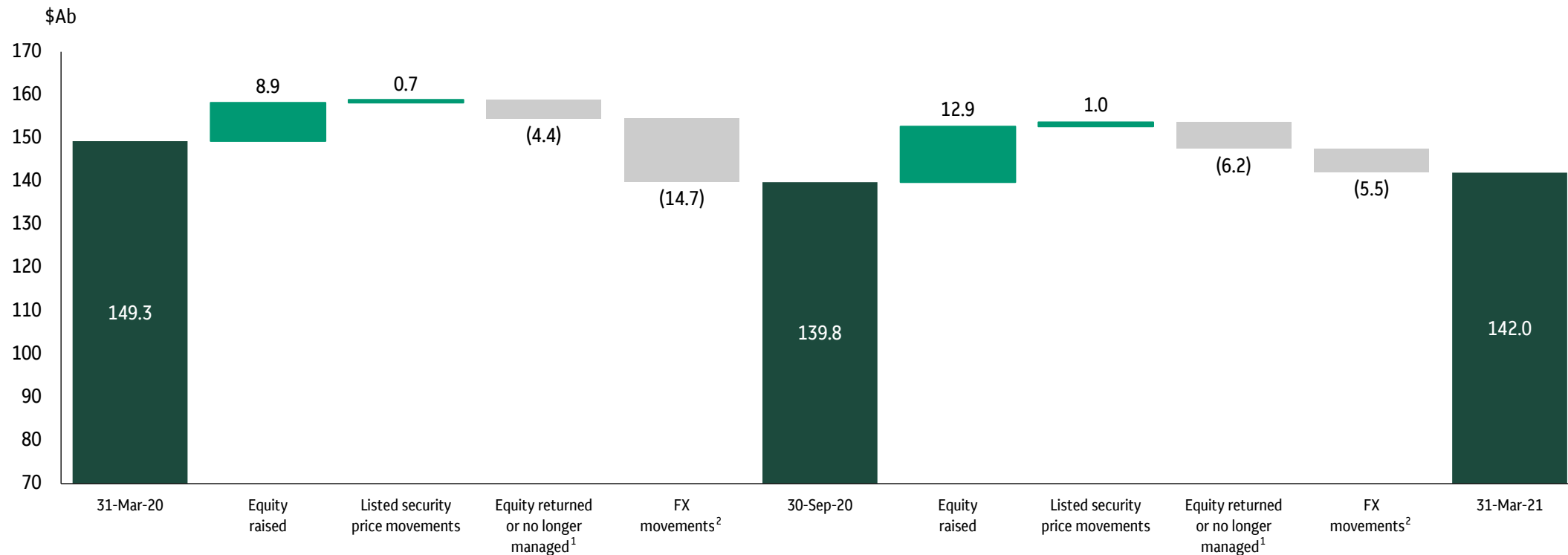
Decrease due to impacts from foreign exchange and a reduction in contractual insurance assets, partially offset by MIM market movements and investment by Private Markets-managed funds



1. AUM at 31 Mar 20 has been restated to reflect an immaterial misstatement in total MAM AUM reported on 8 May 20. 2. Private Markets tracks its funds under management using an EUM measure as base management fee income is typically aligned with EUM. EUM and AUM are calculated under different methodologies and as such, EUM movement is the more relevant metric for analysis purposes - refer to Private Markets EUM movement on slide 29. Private Markets's total EUM includes market capitalisation at measurement date for listed funds, the sum of original committed capital less capital subsequently returned for unlisted funds and mandates as well as invested capital for managed businesses. AUM is calculated as proportional enterprise value at measurement date including equity value and net debt of the underlying assets of funds and managed assets. AUM excludes uninvested equity in Private Markets. Refer MD&A s7 for further information with respect to EUM and AUM measures.

Private Markets EUM movement

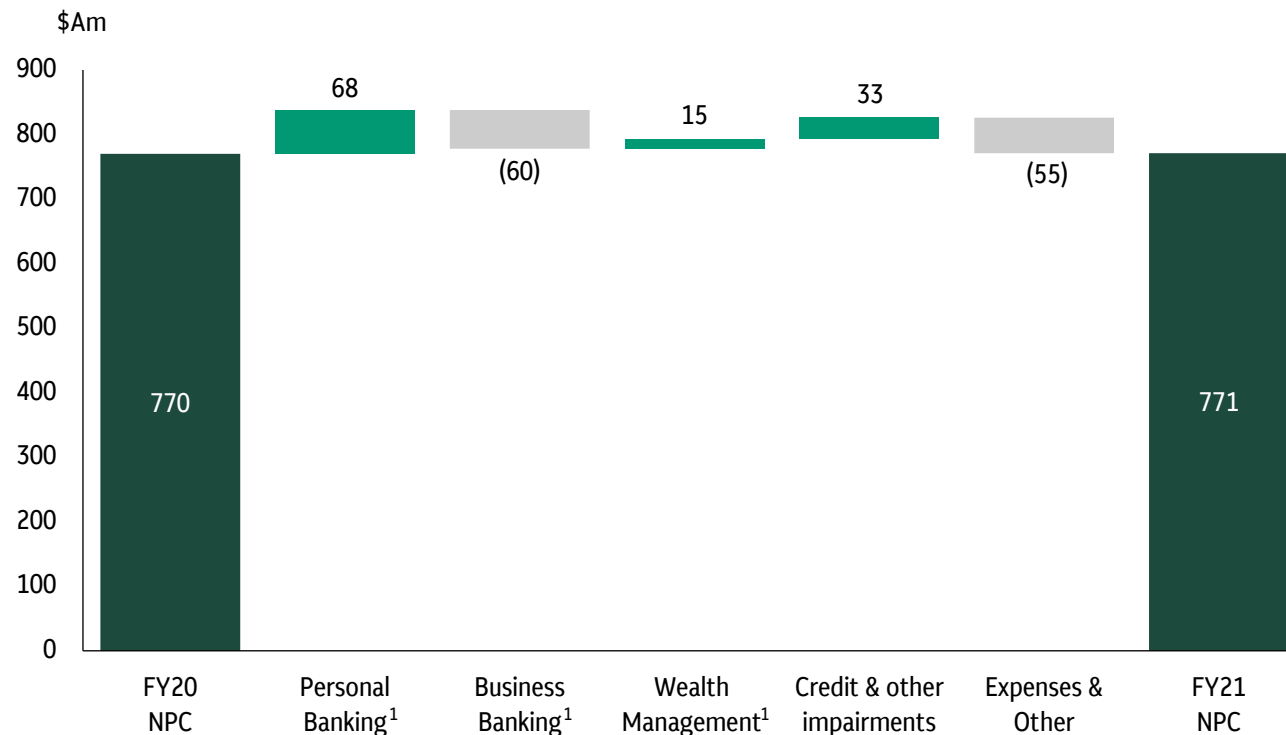
Decrease of 5% due to impacts from foreign exchange and equity returned, partially offset by continued capital raisings



1. Committed capital returned by unlisted funds or under mandates due to asset divestments, redemption or other capital distributions as well as capital no longer managed due to sale of management rights or expiry of asset management agreements. 2. FX reflects the movement in EUM driven by changes in FX rates. EUM is calculated using capital commitments translated at period end FX rates. Spot FX rates are used for capital raised and returned and average FX rates are used for security price movements.

Banking and Financial Services

Strong home loan and deposits growth and lower credit impairment charges broadly offset by margin compression on deposits, higher expenses and a decrease in the vehicle finance portfolio



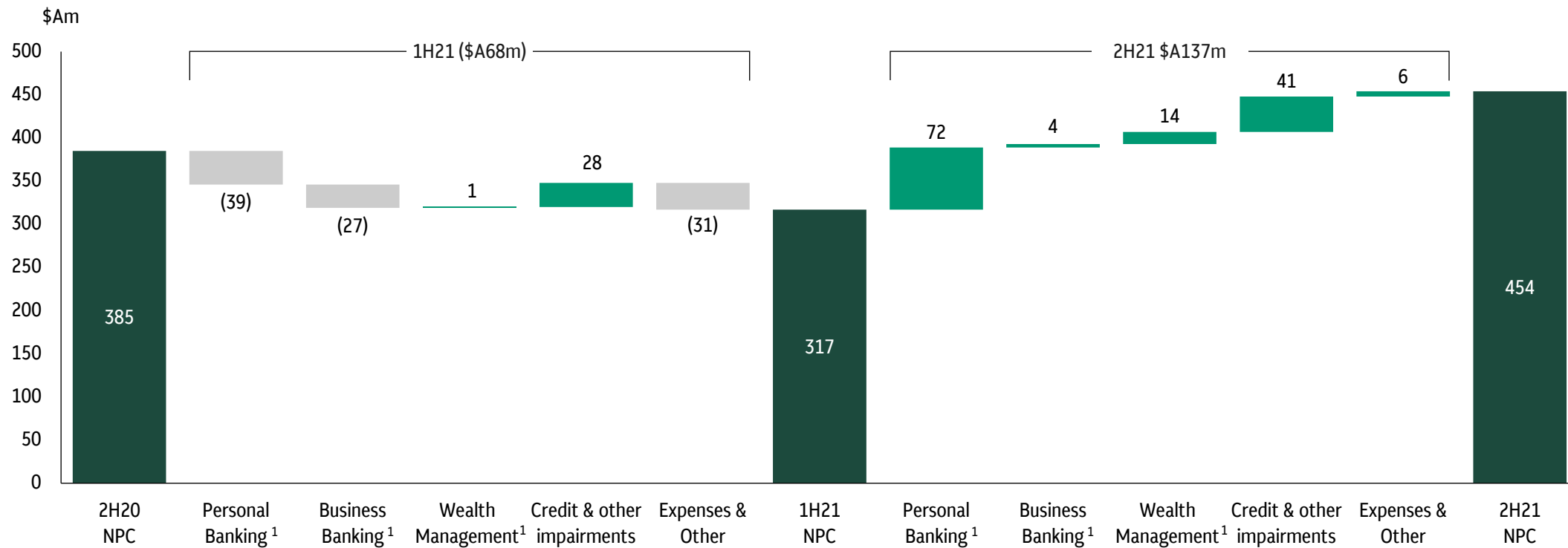
1. Includes brokerage, commission and trading-related fee expenses.

Key drivers

- Higher Personal Banking income driven by **27% growth in average home loan volumes**, partially offset by lower vehicle finance average volumes and deposit margin compression
- Lower Business Banking income driven by **deposit margin compression** and 21% lower average vehicle finance volumes, partially offset by growth in average business deposit volumes of 14% and average business banking loan volumes growth of 10%
- Wealth income driven by **30% growth in average CMA volumes** and lower Wealth management expenses, partially offset by margin compression on both deposits and Platform products
- **Lower credit and other impairment** charges due to improved macroeconomic environment and exit of clients from payment pause
- Higher Expenses and Other primarily due to **additional headcount** to support volume growth and clients impacted by COVID-19, increased costs associated with **investment in technology** to support business growth and meet regulatory requirements, partially offset by revaluation of an equity investment

Banking and Financial Services

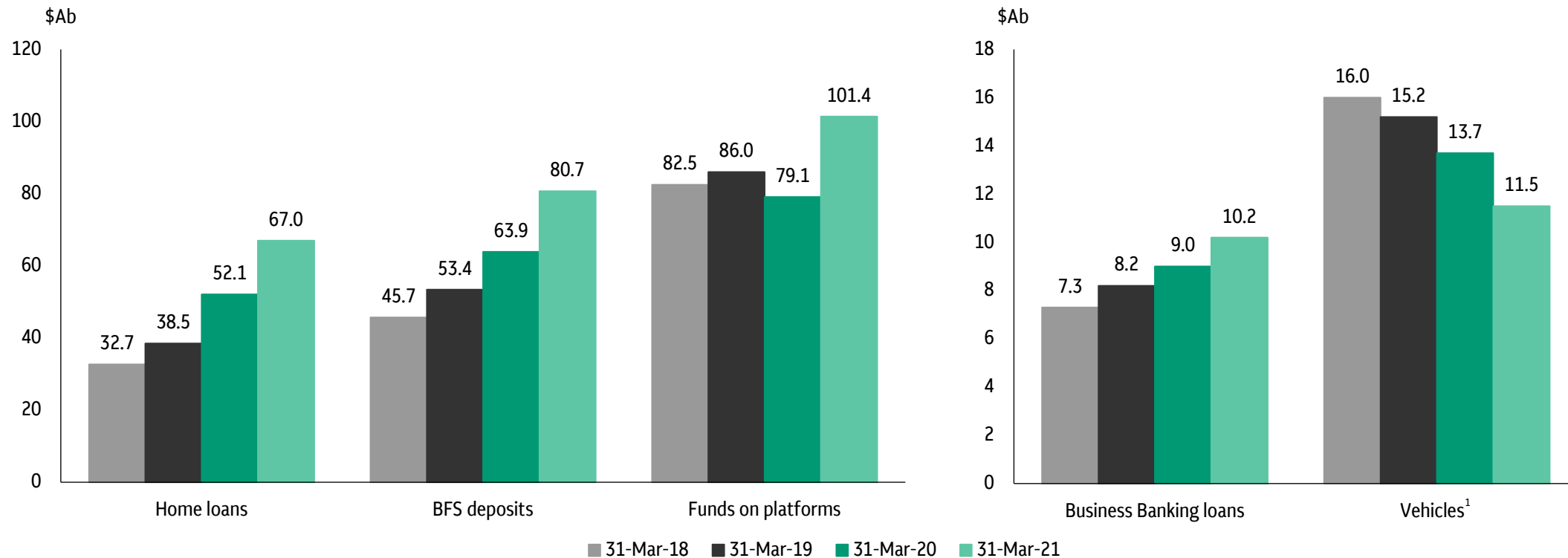
Record 2H21 result - driven by growth in home loan portfolio, growth in deposits and lower credit impairment charges



1. Includes brokerage, commission and trading-related fee expenses.

Banking and Financial Services

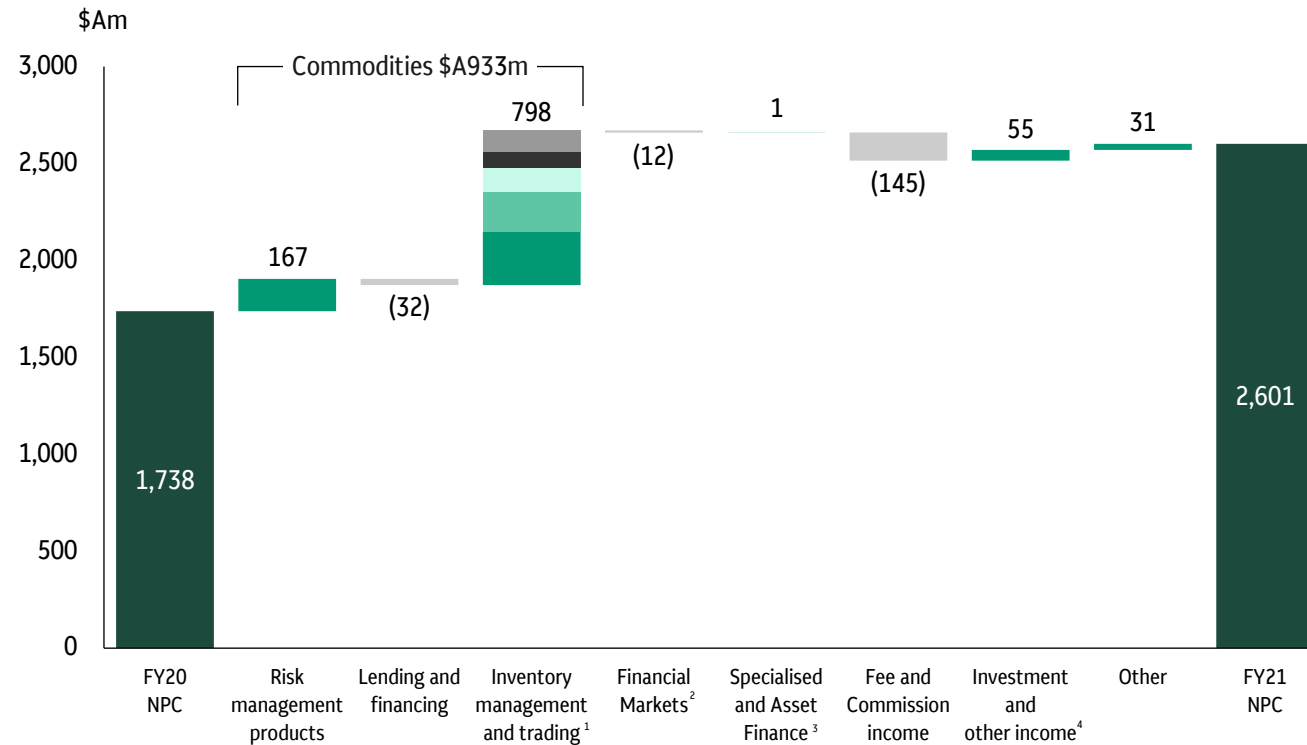
Strong growth across home loans, deposits and funds on platform



Data based on spot volumes at period end. 1. Includes General plant & equipment.

Commodities and Global Markets

Strong underlying client business



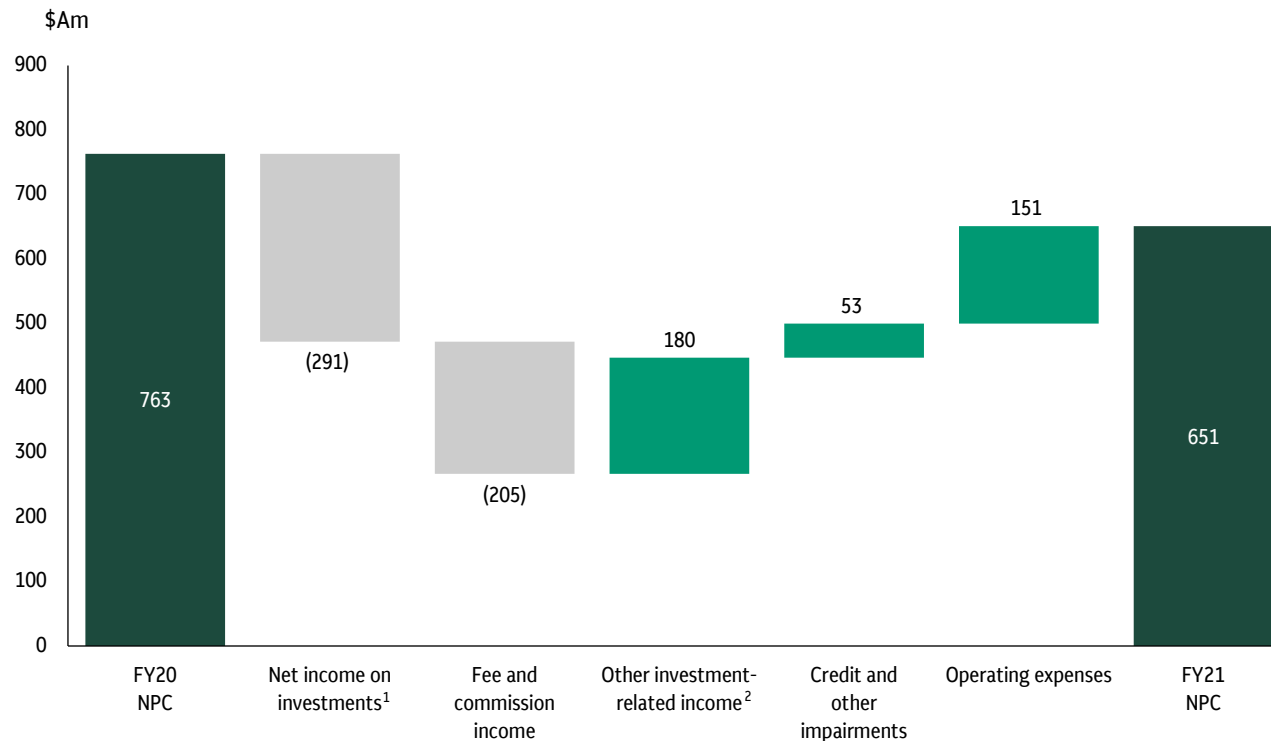
1. Inventory management and trading increase includes Oil, Gas, Power and Metals trading and timing of income recognition on Oil and Gas storage contracts and transport agreements. 2. Financial Markets includes FX, interest rates and credit and equities. 3. Specialised and Asset Finance includes net interest and trading income and net operating lease income. 4. Includes net income on equity, debt and other investments, share of net profits from associates and joint ventures, internal management revenue and other income.

Key drivers

- **Commodities**
 - **Increased Risk Management** revenue across the **commodities platform** driven by increased contributions from Resources, North American Gas and Power, EMEA Gas and Power and Agriculture **due to increased client activity**
 - Lower Lending and Financing income due to impact of FX and volume reduction impacting specific sectors
 - **Increased opportunities across multiple sectors** in inventory management and trading driven by market dislocations and increased volatility. **Strong results were recorded in Oil, North American Gas and Power, and Precious Metals.** FY21 also included gains of \$A232m associated with the timing of income recognition on Oil and Gas storage contracts and transport agreements
- Financial Markets and Specialised and Asset Finance results were broadly in line with the prior year
- Decrease in fee and commission income driven by reduced demand for commodity risk premia products and reduced client brokerage activity in comparison to the prior year
- Increased investment and other income reflects gains on listed equity investments
- Other includes a reduction in brokerage, commission and trading-related fee expense

Macquarie Capital

Result reflects lower income on investments and lower fee and commission income partially offset by higher other investment related income and lower operating expenses



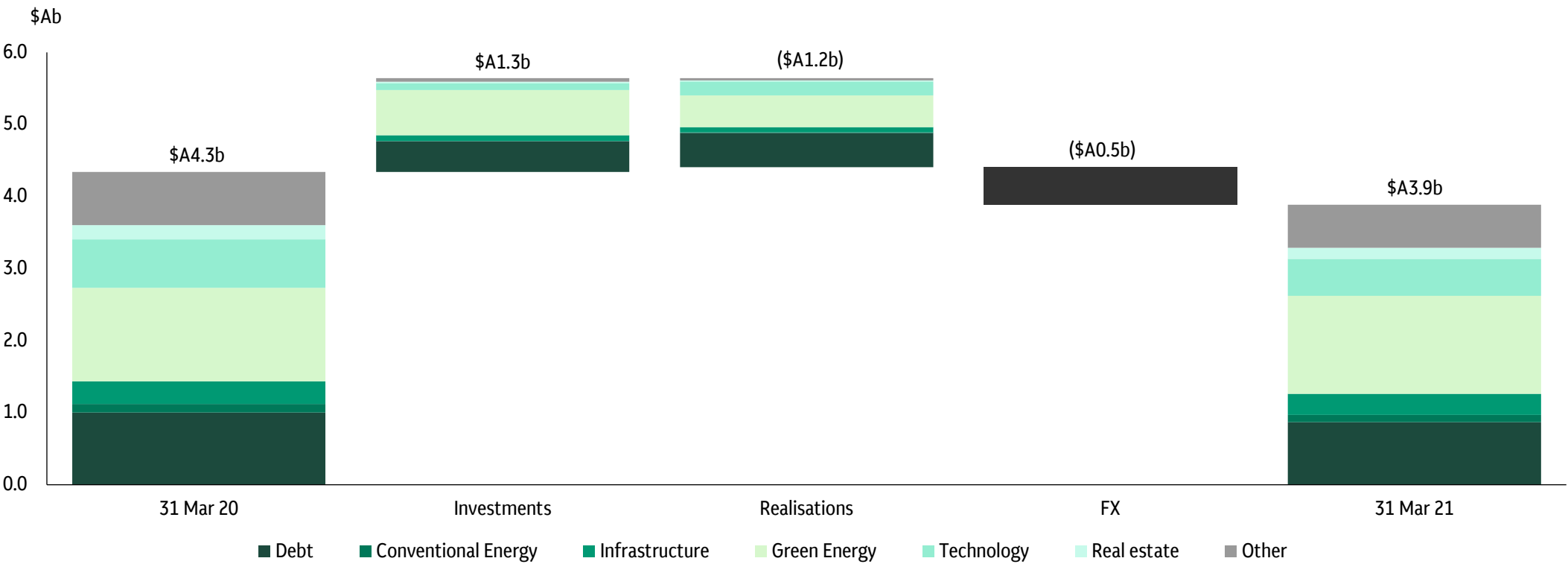
1. Includes gains and losses from sale and revaluation of equity, debt and other investments 2. Includes share of net losses from associates and joint ventures, net interest and trading income/(expense) (which represents the interest earned from debt investments and the funding costs associated with Macquarie Capital's balance sheet positions), other expenses, internal management revenue and non-controlling interests.

Key drivers

- Lower net income on investments predominantly due to **fewer material asset realisations** compared to prior year
- **Lower fee and commission income** due to lower mergers and acquisitions fee income and debt capital markets fee income, partially offset by **higher equity capital markets fee income**
- Other investment-related income includes:
 - Lower share of net losses from associates and joint ventures due to changes in the composition and improved performance of investments in the portfolio
 - Higher net interest and trading income due to lower funding costs, higher interest income resulting from the **growth in the debt portfolio** and lower mark-to-market losses compared to prior year. Prior year included re-accretion and interest income on debt acquired at a discount and subsequently sold
 - Offset by, higher expenditure resulting from increased activity in relation to the development of green energy projects
- **Lower credit and other impairments.** The prior year included a deterioration in the forward-looking macroeconomic conditions as a result of COVID-19
- Lower operating expenses driven by the **structural change** in the prior year **to refocus the Equities** division on the Asia-Pacific region, active cost management throughout FY21 across Macquarie Capital resulting in **lower headcount and lower employment expenses**, and **lower travel and entertainment** expenses due to COVID-19

Macquarie Capital

Movement in regulatory capital



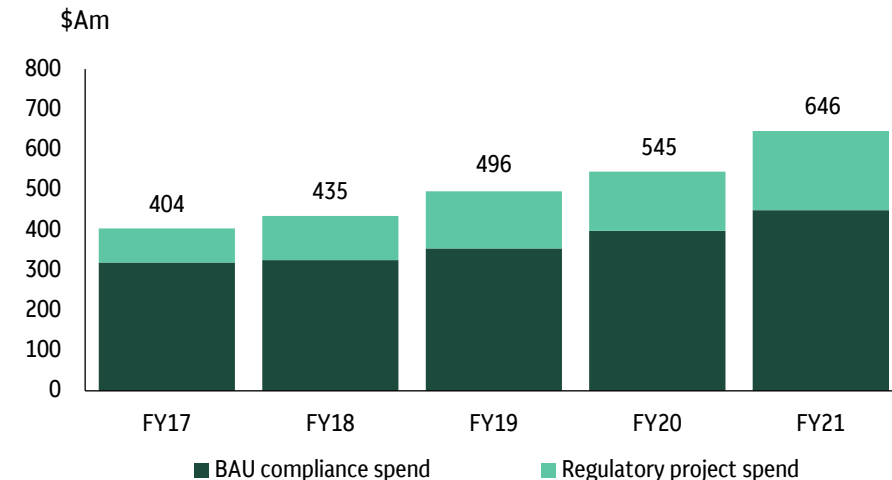
Costs of compliance

Total compliance spend¹ \$A646m in FY21, up 19% on FY20

Regulatory project spend	FY21 \$Am	FY20 \$Am
Counterparty Data Project	6	4
Enterprise Data Management	18	8
IBOR Reforms	13	5
Brexit	16	16
CGM Transaction Reporting & Data related Projects	22	24
Other Regulatory Projects (e.g. Code of Banking Practice, Payment pause functionality)	121	90
Total	197	147
Business as usual compliance spend	FY21 \$Am	FY20 \$Am
National Consumer Credit Protection (NCCP)	7	8
Monitoring & Surveillance	11	9
Privacy & Data Management	12	11
Regulator Levies	18	14
Regulatory Capital Management	30	24
Financial Crime Risk	31	35
Tax Reporting	48	46
Financial and Regulatory Reporting	86	67
Risk Oversight	119	100
Other regulatory compliance activities (e.g. APRA resilience, Advice Licensee standards compliance, IRIS Maintenance and Support)	86	84
Total	449	398
Total compliance spend	646	545

1. Excluding indirect costs.

- The industry continues to see an increase in regulatory initiatives, resulting in increased compliance requirements across all levels of the organisation. In addition to projects to manage for regulatory changes, Macquarie has a number of programs in place to strengthen capital and liquidity reporting and its risk management framework
- Direct cost of compliance is \$A646m in FY21 (excluding indirect costs), up 19% on FY20
- Regulatory project spends increased 34% from FY20 as a result of number of Technology projects and IBOR Reforms
- Business as usual spend increased 13% from FY20 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



Balance sheet highlights

- **Balance sheet remains solid and conservative**

- Term assets covered by term funding, stable deposits and equity
- Minimal reliance on short-term wholesale funding markets

- **Total customer deposits¹ continuing to grow, up 25% to \$A84.0b as at Mar 21 from \$A67.1b as at Mar 20**

- **\$A21.6b² of term funding raised during FY21:**

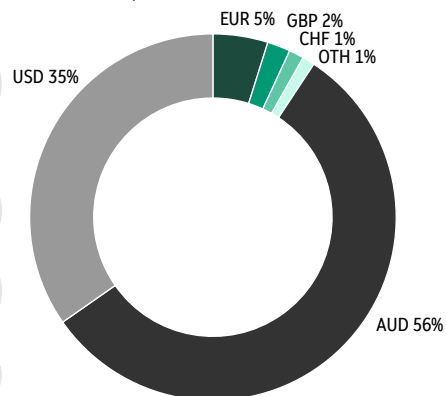
- \$A11.3b of term wholesale issued paper comprising of \$A6.0b of senior unsecured debt, \$A3.2b of subordinated unsecured debt and \$A2.1b of private placements and structured notes
- \$A3.9b of MGL USD syndicated loan facilities
- \$A2.3b refinance of secured trade finance facilities
- \$A1.7b draw down of the RBA Term Funding Facility³
- \$A1.4b of Hybrid instrument issuance comprising MCN5 and BCN2; and
- \$A1.0b of PUMA RMBS securitisation issuance

1. Total customer deposits as per the funded balance sheet (\$A84.0b) differs from total deposits as per the statutory balance sheet (\$A84.2b). The funded balance sheet reclassifies certain balances to other funded balance sheet categories. 2. Issuances cover a range of tenors, currencies and product types and are AUD equivalent based on FX rates at the time of issuance and include undrawn facilities (does not include undrawn accessible TFF Allowances). 3. Initial Allowance drawn as at 31 Mar 21. MBL has \$A1.3b of undrawn TFF Supplementary Allowance and had access to \$A4.6b of TFF Additional Allowance as at 31 Mar 21.

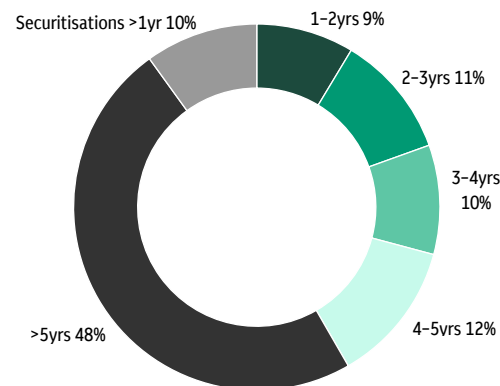
Diversified issuance strategy

Term funding as at 31 Mar 21 – diversified by currency¹, tenor² and type

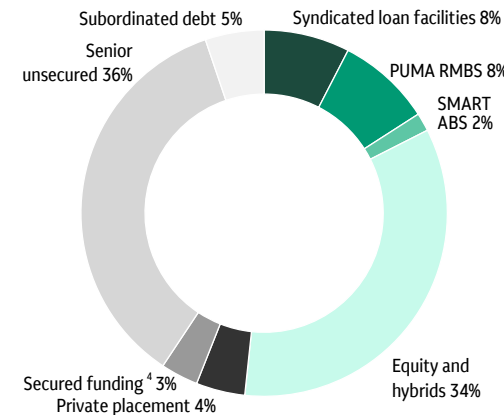
Currency



Tenor

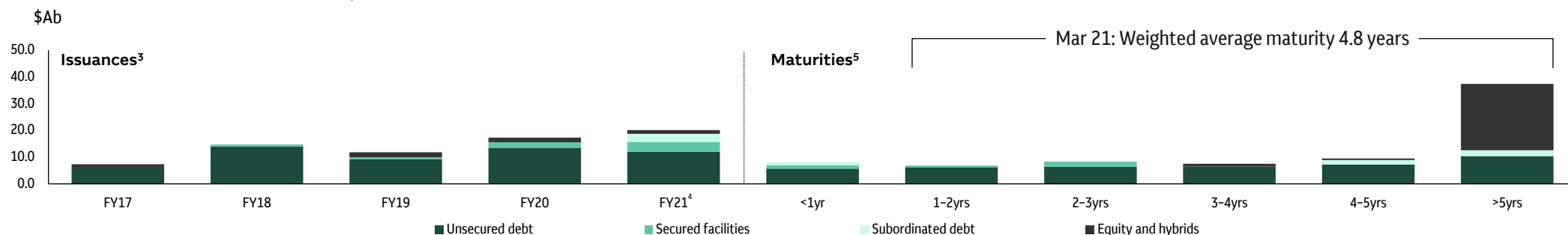


Type



Term funding beyond 1 year (including drawn TFF, excluding equity and securitisations) has a weighted average maturity of 4.8 years

Term Issuance and Maturity Profile

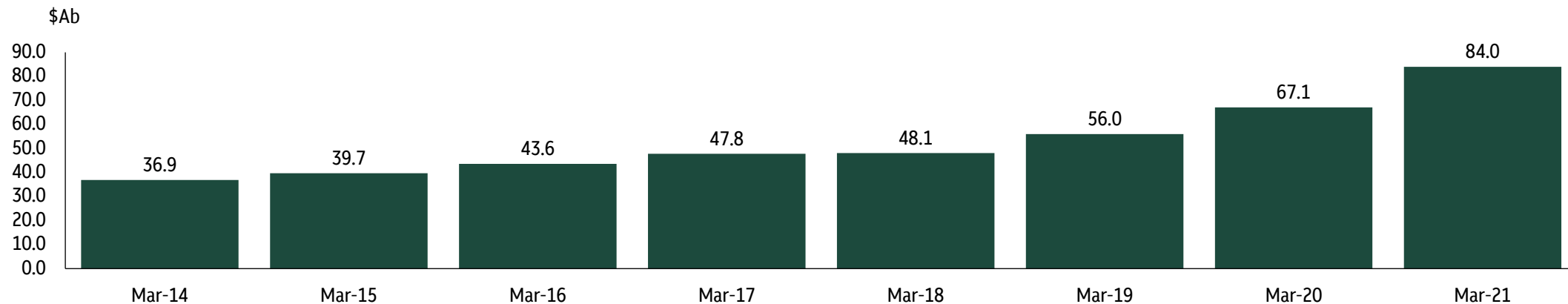


1. Equity has been allocated to the AUD currency category. 2. Securitisations have been presented on a behavioural basis and represent funding expected to mature in >1yr. 3. Issuances exclude securitisations and include undrawn facilities. Issuances are converted to AUD at the 31 Mar 21 spot rate. 4. Includes drawn TFF Initial Allowance of \$A1.7b. 5. Maturities exclude securitisations and are shown as at 31 Mar 21.

Continued customer deposit growth

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

- Of approximately 1.7 million BFS clients, circa 780,000 are depositors
- Focus on the quality and composition of the deposit base
- CMA deposits of \$A40.0b, up 22% on Mar 20, including \$A8.3b in the CMA Accelerator
- Transaction and savings account deposits of \$A7.8b, with significant growth on Mar 20 driven by new-to-bank clients



Note: Total customer deposits include total BFS deposits of \$A80.7b and \$A3.3b of Corporate/Wholesale deposits.

Loan and lease portfolios¹ – funded balance sheet

Operating Group	Category	Mar 21 \$Ab	Mar 20 \$Ab	Description
BFS	Home loans ²	59.1	43.2	Secured by Australian residential property
	Business banking	10.5	9.4	Loan portfolio secured largely by working capital, business cash flows and real property
	Vehicle finance	9.6	10.6	Secured by Australian motor vehicles
	Total BFS	79.2	63.2	
CGM	Loans and finance lease assets	5.7	6.2	
	Operating lease assets	1.8	2.2	
	Specialised and Asset Finance	7.5	8.4	Predominantly secured by underlying financed assets
	Resources and commodities	2.1	3.0	Diversified loan portfolio primarily to the resources sector that are secured by the underlying assets with associated price hedging to mitigate risk
	Foreign exchange, interest rate and credit	2.3	3.2	Diversified lending predominantly consisting of loans which are secured by other loan collateral, assets including rights and receivables and warehoused security from mortgages and auto loans
	Total CGM	11.9	14.6	
MAM	Operating lease assets	0.8	1.7	Secured by underlying financed assets including transportation assets
	Other	0.0	0.3	Secured by underlying financed assets
	Total MAM	0.8	2.0	
Macquarie Capital	Principal Finance	5.6	4.2	Diversified corporate and real estate lending portfolio, predominantly consisting of loans which are senior, secured, covenanted and with a hold to maturity horizon.
	Other	0.4	2.5	Includes diversified secured corporate lending.
	Total MacCap	6.0	6.7	
Total loan and lease assets per funded balance sheet³		97.9	86.5	

1. Loan assets are reported on a funded balance sheet basis and therefore exclude certain items such as assets that are funded by third party debt with no recourse to Macquarie beyond the borrowing entity. In addition, loan assets per the statutory balance sheet of \$A105.0b at 31 Mar 21 (\$A94.1b at 31 Mar 20) are adjusted to include fundable assets not classified as loans on a statutory basis (e.g. assets subject to operating leases which are recorded in Property, Plant and Equipment in the statutory balance sheet). 2. Home loans per the funded balance sheet of \$A59.1b differs from the figure disclosed on slide 16 of \$A67.0b. The funded balance sheet nets down loans and funding liabilities of non-recourse securitisation and warehouse vehicles (PUMA RMBS and SMART auto ABS) to show the net funding requirement. 3. Total loan assets per funded balance sheet includes self-securitised assets.

Equity investments of \$A5.9b¹

Category	Carrying value Mar 21 \$Ab	Carrying value Mar 20 \$Ab	Description
Macquarie Asset Management (Private Markets) managed funds	1.5	1.8	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	0.3	0.3	Includes MIM funds as well as investments that hedge directors' profit share plan liabilities
Transport, industrial and infrastructure	1.0	1.3	Over 20 separate investments
Telecommunications, IT, media and entertainment	1.0	1.2	Over 50 separate investments
Green energy ²	0.7	1.0	Over 30 separate investments
Conventional energy, resources and commodities	0.3	0.4	Over 30 separate investments
Real estate investment, property and funds management	0.5	1.0	Over 15 separate investments
Finance, wealth management and exchanges	0.6	0.5	Includes investments in fund managers, investment companies, securities exchanges and other corporations in the financial services industry
Total equity investments	5.9	7.5	

1. Equity investments per the statutory balance sheet of \$A5.7b (Mar 20: \$A9.7b) have been adjusted to reflect the total net exposure to Macquarie. Total funded equity investments of \$A5.7b as at Mar 21 (Mar 20: \$A7.4b). 2. Green energy includes Macquarie's investment in an associate partially funded with asset-specific borrowings.

Approximate business Basel III Capital and ROE

31 Mar 21

Operating Group	APRA Basel III Capital ¹ @ 8.5% (\$Ab)	Approx. FY21 Return on Ordinary Equity ²	Approx. 15-year Average Return on Ordinary Equity ³
Annuity-style businesses	7.6		
Macquarie Asset Management	3.1	23%	22%
Banking and Financial Services	4.5		
Markets-facing businesses	8.9		
Commodities and Global Markets	5.0	17%	16%
Macquarie Capital	3.9		
Corporate	1.0		
Total regulatory capital requirement @ 8.5%	17.5		
Group surplus	8.8		
Total APRA Basel III capital supply	26.3⁴	14.3%	14%

Note: Differences in totals due to rounding. 1. Operating Group capital allocations are based on 31 Dec 20 allocations adjusted for material movements over the Mar 21 quarter. 2. NPAT used in the calculation of approximate FY21 ROE is based on Operating Groups' 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 of \$A22.1b of ordinary equity and \$A4.2b of hybrids.

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Appendix B

Detailed result commentary



Macquarie Asset Management

Result

	FY21 \$Am	FY20 \$Am
Base fees	1,985	2,021
Performance fees	653	821
Net operating lease income	79	380
Investment-related and other income ¹	752	741
Credit and other impairment reversals/(charges)	85	(231)
Net operating income	3,554	3,732
Brokerage, commission and trading-related fee expenses	(249)	(267)
Other operating expenses	(1,225)	(1,287)
Total operating expenses	(1,474)	(1,554)
Non-controlling interests	(6)	(1)
Net profit contribution²	2,074	2,177
AUM (\$Ab) ³	562.2	597.7
Private Markets EUM (\$Ab)	142.0	149.3
Headcount	1,921	1,899

1. Investment-related income includes net income on equity, debt and other investments and share of net (losses)/profits from associates and joint ventures. Other income includes other fee and commission income, net interest and trading expense, other income and internal management revenue. 2. Management accounting profit before unallocated corporate costs, profit share and income tax. 3. AUM at 31 Mar 20 has been restated to reflect an immaterial misstatement in total MAM AUM reported on 8 May 20. 4. Macquarie sold the MAF business into a newly formed joint venture in 1H20 in which Macquarie held a 75% interest. In 2H20, Macquarie sold a 25% interest in the joint venture.

- Base fees of \$A1,985m, down on FY20 primarily driven by
 - Foreign exchange movements**, asset realisations in Private Markets-managed funds and the full year impact of **FY20 net flows in MIM**
 - Partially offset by **MIM market movements**, investments made by Private Markets-managed funds and mandates, contributions from MIM as a result of additional assets acquired in the prior year and fees earned from MAF
- Performance fees** of \$A653m, **down on FY20**
 - FY21 included performance fees from a range of funds including MIP II, MIP III, MEIF4, MSCIF and other Private Markets-managed funds, managed accounts and co-investors
 - FY20 included performance fees from MEIF, MEIF3, MEIF4, MIP, MIP II, GIF II, GIF III, MSCIF and other Private Markets-managed funds, managed accounts and co-investors
- Net operating lease income of \$A79m, down on FY20, driven by the **sale of the MAF⁴ business** to a joint venture during the prior year and the sale of Macquarie European Rail in the current year
- Investment-related and other income of \$A752m, up on FY20 primarily driven by
 - Gain on sale of Macquarie European Rail**, lower interest expense as a result of sale of the MAF business during the prior year, a gain on revaluation of property investments and a disposition fee from MIC in relation to the divestment of IMTT
 - Partially offset by an **equity accounted loss from MAF**, driven by the impact of COVID-19 on aircraft leasing income and related aircraft impairments, and **lower income from private capital markets, True Index products and transaction fees**. In addition, FY20 included a one-off payment from ALX for the termination of management rights related to APRR
- Credit and other impairment net reversal of \$A85m includes **a partial reversal** of the **impairment** previously recognised on **Private Markets's investment in MIC**
- Total operating expenses of \$A1,474m, down 5% on FY20 primarily driven by **foreign exchange movements, reduced travel** on account of COVID 19 and the sale of the MAF business to a joint venture during the prior year. This was partially offset by increased charges from Central Service Groups and expenses related to the acquisition of new business

Banking and Financial Services

Result

	FY21 \$Am	FY20 \$Am
Net interest and trading income ¹	1,746	1,728
Fee and commission income	419	445
Wealth management fee income	274	284
Banking and leasing fee income	145	161
Credit impairment charges	(114)	(146)
Other impairment charges	(1)	(2)
Other income ²	28	12
Net operating income	2,078	2,037
Total operating expenses	(1,307)	(1,267)
Net profit contribution³	771	770
Funds on platform ⁴ (\$Ab)	101.4	79.1
Loan and lease portfolio ⁵ (\$Ab)	89.1	75.3
BFS Deposits ⁶ (\$Ab)	80.7	63.9
Headcount	2,986	2,660

- Net interest and trading income of \$A1,746m, up 1% on FY20
 - **24% growth in average loan portfolio** volumes and a **23% growth in the average BFS deposit volumes**
 - **Margin compression on deposits**
 - 15% reduction in average vehicle finance volumes
- Fee and commission income of \$A419m, down 6% on FY20 driven by
 - platform margin compression
 - impact of supporting clients through COVID-19
- **Credit impairment charges** of \$A114m, **down** 22% on FY20 driven by improved macroeconomic environment and exit of clients from payment pause
- Other income of \$A28m, up significantly on FY20 mainly driven by **revaluation of an equity investment**
- Total operating expenses of \$A1,307m, up 3% on FY20
 - higher headcount to support volume growth and clients impacted by COVID-19
 - **investment in technology** to support business growth and to meet regulatory requirements
 - increased risk, regulatory and other business related costs
 - partially offset by lower brokerage, commission and trading-related fee expenses mainly due to lower Wealth management expenses

1. Includes net 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 from 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. 6. BFS deposits exclude corporate/wholesale deposits.

Commodities and Global Markets

Result

	FY21 \$Am	FY20 \$Am
Commodities	2,671	1,738
Risk management products	1,461	1,294
Lending and financing	234	266
Inventory management and trading	976	178
Foreign exchange, interest rates and credit	702	682
Equities	339	371
Specialised and Asset Finance	144	166
Net interest and trading income¹	3,856	2,957
Fee and commission income	485	630
Net operating lease income ²	383	360
Investment and other income ³	191	136
Credit and other impairment charges	(237)	(243)
Net operating income	4,678	3,840
Brokerage, commission and trading-related fee expenses	(388)	(418)
Other operating expenses	(1,689)	(1,684)
Total operating expenses	(2,077)	(2,102)
Net profit contribution⁴	2,601	1,738
Headcount	2,133	2,136

- Commodities income of \$A2,671m, up 54% on FY20;
 - Risk management products up 13% on FY20 reflecting strong results across the commodities platform** including an increased contribution from the Resources, North American Gas & Power, EMEA Gas and Power and Agriculture sectors **due to increased client hedging activity** as a result of volatility and commodity price movements
 - Lending and financing down 12% on FY20 driven by the impact of foreign exchange and reduced volumes in specific sectors
 - Inventory management and trading up significantly on FY20 across multiple sectors** driven by market dislocations and increased volatility. **Strong results were recorded in Oil, North American Gas and Power, and Precious Metals.** FY21 result also included gains of \$A232m associated with the timing of income recognition on Oil and Gas storage contracts and transport agreements
- Foreign exchange, interest rates and credit income of \$A702m, up 3% on FY20 driven by increased client activity in structured foreign exchange and credit products
- Equities income of \$A339m, down 9% on FY20 due to a decrease in contribution from EMEA and Asia which was offset by corresponding decreases in brokerage, commission and trading-related fee expenses
- Specialised and Asset Finance interest and trading income of \$A144m, down 13% on FY20 which benefited from net proceeds from end of lease asset sales
- Fee and commission income of \$A485m, down 23% on FY20 driven by reduced demand for commodity risk premia products and reduced client brokerage activity following a strong prior year
- Net operating lease income of \$A383m, up 6% on FY20 primarily driven by higher secondary income from asset financing portfolio
- Investment and other income of \$A191m, up 40% on FY20 primarily reflecting gains on listed equity investments in the commodities sector
- Credit and other impairment charges of \$A237m, down 2% on FY20 driven by a reduction in specific credit provisions partially offset by an overlay for industry specific credit risks and impairments on a small number of underperforming assets
- Brokerage, commission and trading-related fee expenses of \$A388m, down 7% on FY20 primarily driven by reduced equities activity in EMEA and Asia
- Other operating expenses of \$A1,689m, broadly in line with FY20 driven by higher expenditure on technology infrastructure and increasing regulatory requirements partially offset by a reduction in travel and entertainment expenses

1. Includes internal net interest expense and transfer pricing on funding provided by Group Treasury that is eliminated on consolidation in the Group's statutory P&L. 2. Generated from Specialised and Asset Finance. 3. Includes net income on equity, debt and other investments, share of net profits from 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

	FY21 \$Am	FY20 \$Am
Fee and commission income	1,387	1,592
Investment-related income (ex non-controlling interests)	1,059	1,140
Net income on equity, debt and other investments	1,139	1,430
Other investment-related income ¹	(80)	(290)
Credit and other impairment charges	(229)	(282)
Internal management revenue ²	31	61
Net operating income	2,248	2,511
Total operating expenses	(1,614)	(1,765)
Non-controlling interests	17	17
Net profit contribution³	651	763
Capital markets activity ⁴ :		
Number of transactions	417	376
Transactions value (\$Ab)	364	319
Headcount	1,821	2,047

1. Includes share of net losses from associates and joint ventures, net interest and trading income/(expense) (which represents the interest earned from debt investments and the funding costs associated with Macquarie Capital's balance sheet positions), other expenses. 2. Internal revenue allocations are eliminated on consolidation in the Group's statutory P&L. 3. Management accounting profit before unallocated corporate costs, profit share and income tax. 4. 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. Comparatives are presented as previously reported.

- Fee and commission income of \$A1,387m, down 13% on FY20 due to **lower mergers and acquisitions fee income and debt capital markets** fee income, partially offset by **higher equity capital markets** fee income
- Net income from equity, debt and other investments of \$A1,139m, down 20% on FY20 predominantly due to:
 - **Fewer material asset realisations** compared to prior year
- Partially offset by other investment-related income, which includes:
 - Lower share of net losses from associates and joint ventures due to **changes in the composition** and **improved performance of investments** in the portfolio
 - Higher net interest and trading income due to lower funding costs, higher interest income resulting from the growth in the debt portfolio and lower mark-to-market losses compared to prior year. Prior year included re-accretion and interest income on debt acquired at a discount and subsequently sold
 - **Higher expenditure** resulting from increased activity in relation to the development of green energy projects
- Credit and other impairment charges of \$A229m, down 19% on FY20. FY21 primarily reflects a small number of underperforming loan facilities and the growth of the debt portfolio, partially offset by reversals due to loan sales and repayments. The prior year charge included a deterioration in the forward-looking macroeconomic conditions as a result of COVID-19
- Total operating expenses of \$A1,614m, down 9% on FY20 driven by the **structural change** in the prior year **to refocus the Equities division** on the Asia-Pacific region, active cost management throughout FY21 across Macquarie Capital resulting in **lower headcount and lower employment expenses**, and **lower travel and entertainment expenses** due to COVID-19

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Appendix C

Glossary



Glossary

\$A / AUD	Australian Dollar
\$US / USD	United States Dollar
£ / GBP	Pound Sterling
€	Euro
1Q22	Three months ended 30 June 2021
ADI	Authorised Deposit-Taking Institution
AML	Anti-Money Laundering
ANZ	Australia and New Zealand
APRA	Australian Prudential Regulation Authority
AUM	Assets under Management
BCBS	Basel Committee on Banking Supervision
BFS	Banking and Financial Services
CCB	Capital Conservation Buffer
CET1	Common Equity Tier 1
CFLI	Climate Finance Leadership Initiative
CGM	Commodities and Global Markets
CLF	Committed Liquid Facility
CMA	Cash Management Account
DCM	Debt Capital Markets
DPS	Dividends Per Share

DRP	Dividend Reinvestment Plan
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 and net investment hedge reserve
FX	Foreign Exchange
FY20	Full Year ended 31 March 2020
FY21	Full Year ending 31 March 2021
FY22	Full Year ending 31 March 2022
GCA	Global Commission on Adaptation
GFANZ	Glasgow Financial Alliance for Net Zero
GIF II	Macquarie Global Infrastructure Fund 2
GIF III	Macquarie Global Infrastructure Fund 3
GIG	Green Investment Group
IPO	Initial Public Offering
IFRS	International Financial Reporting Standards
LBO	Leveraged Buyout
LCR	Liquidity Coverage Ratio

Glossary

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
Private Markets	Macquarie Infrastructure and Real Assets
MW	Mega Watt
NGLs	Natural gas liquids

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
RBA	Reserve Bank of Australia
ROE	Return on Equity
RWA	Risk Weighted Assets
SAF	Specialised Asset Finance
SBI	State Bank of India
SME	Small and Medium Enterprise
SMSF	Self Managed Super Fund
TCFD	Task Force on Climate-related Financial Disclosures
TFF	Term Funding Facility
UN PRI	UN Principles for Responsible Investment

Jefferies Asia Forum

Presentation to Investors and Analysts

8-10 September 2021

