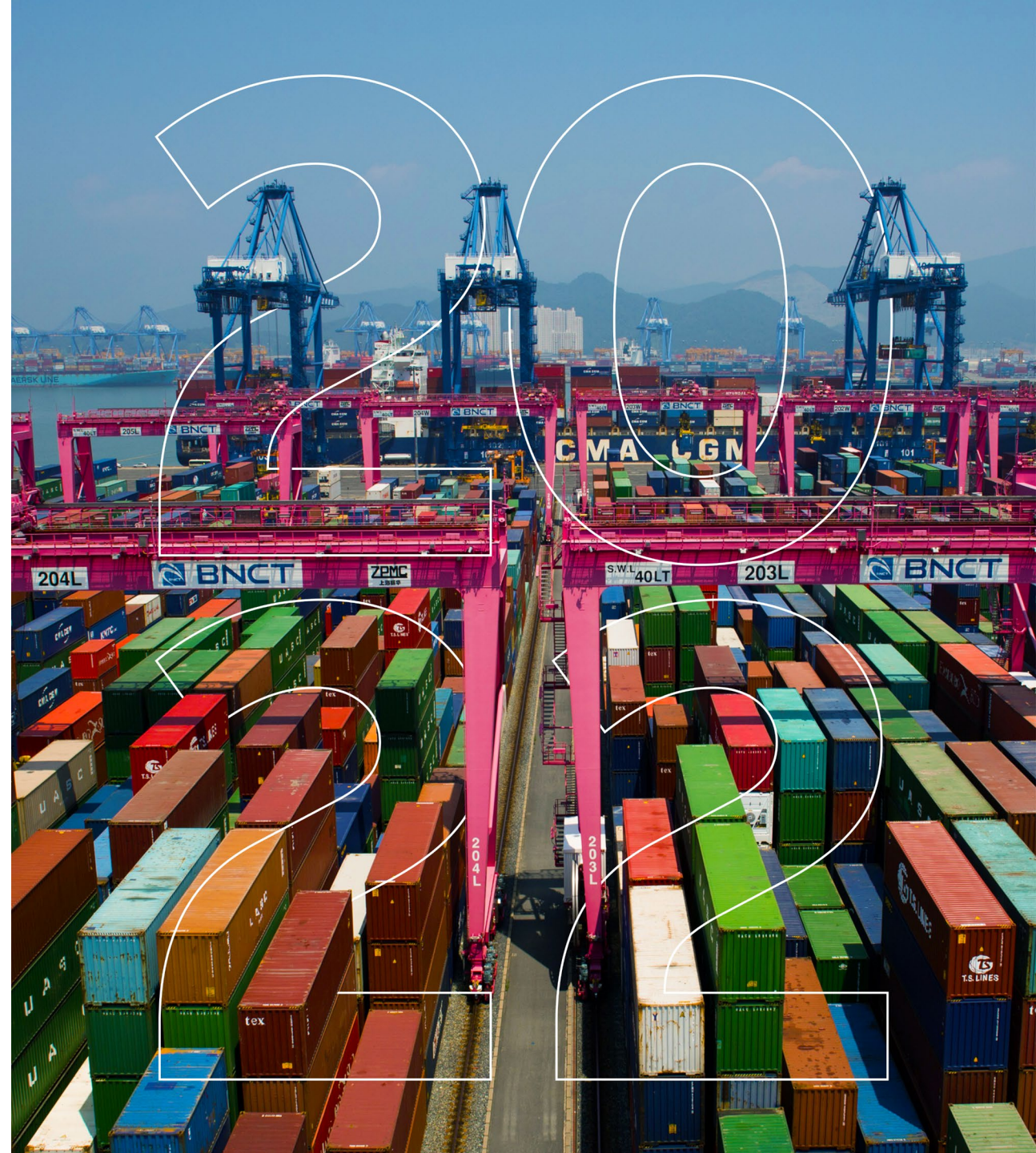


Morgan Stanley Virtual Hong Kong Summit

Presentation to Investors and Analysts

23-24 March 2022



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 half year ended 30 September 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 half year ended 30 September 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

Overview of
Macquarie

02

Operating Groups

03

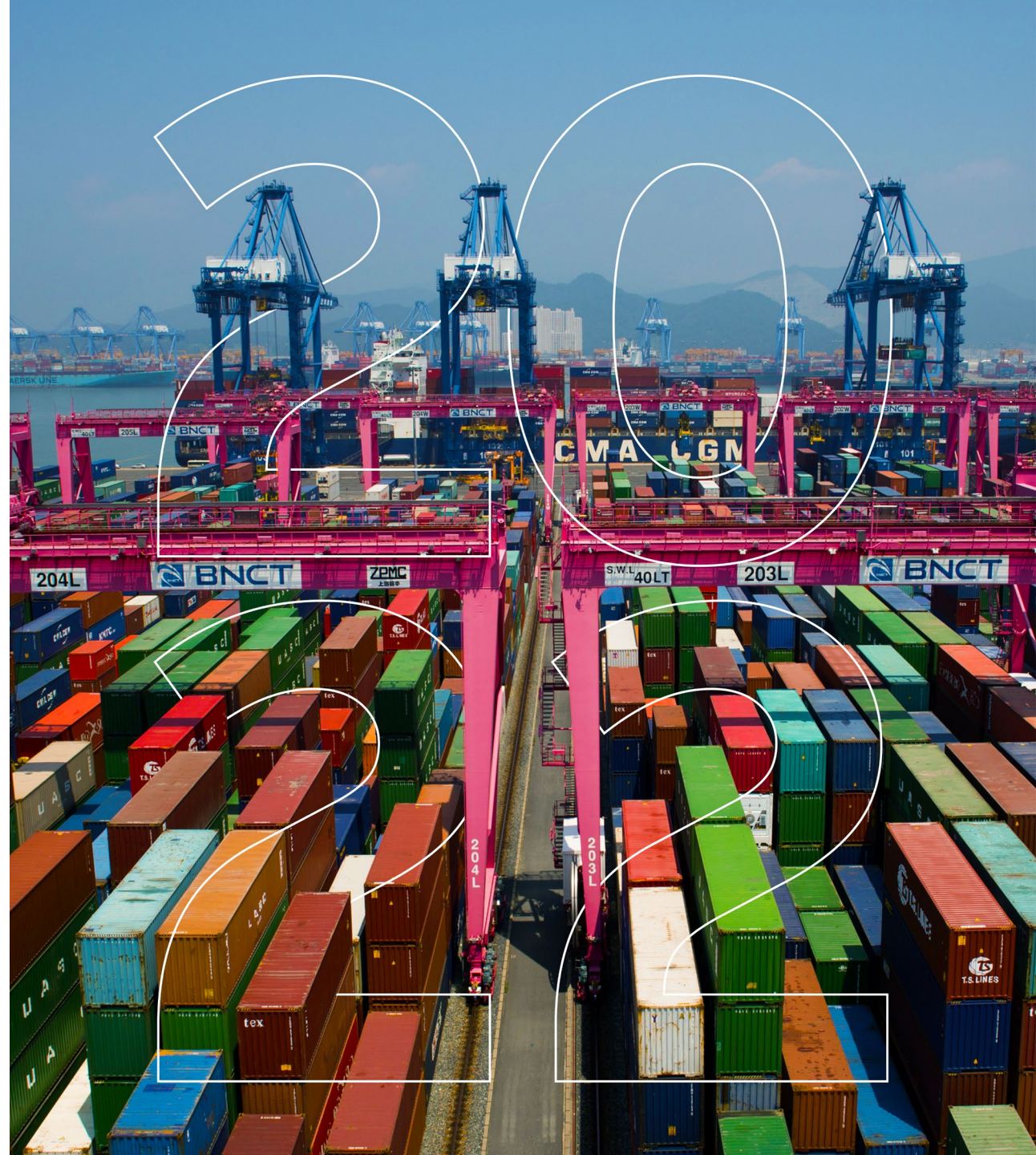
3Q22 Update

04

Outlook

05

Appendix



01

Overview of Macquarie



Macquarie at a glance

Empowering people to innovate and invest for a better future



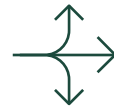
Global financial group

- **Headquartered** and listed in Australia
- Top 10 Australian company¹
- **~\$A76.4 billion** market capitalisation¹
- **17,586 employees** in 33 markets
- **\$A737 billion** assets under management²



Long-term orientation

- **52 years of unbroken profitability**
- 30 years MBL S&P 'A' **Credit Rating**³
- **Strong funding and capital** position



Diverse business mix

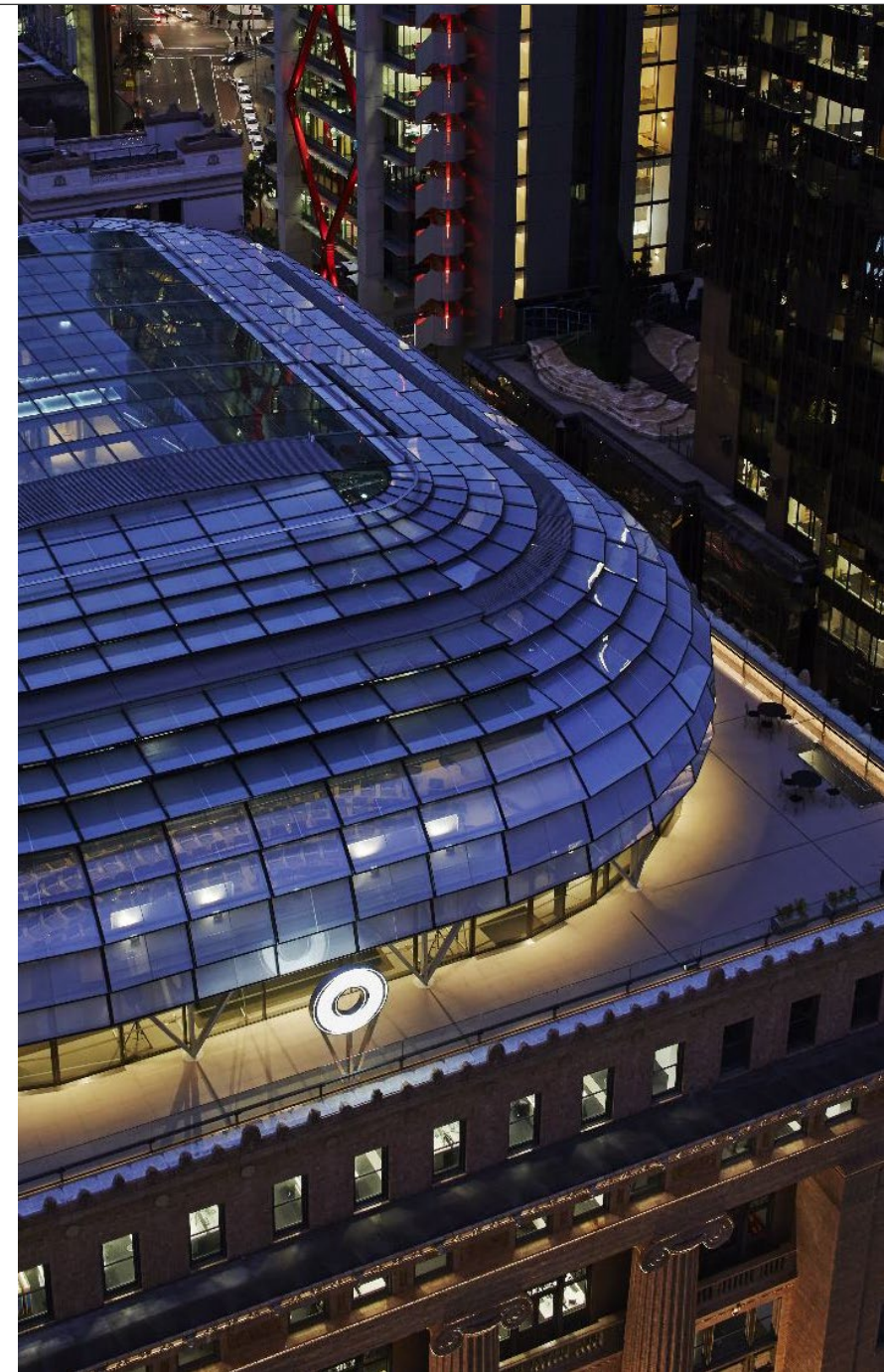
Located in **33 markets**, we conduct a mix of annuity-style and markets-facing activities that deliver solid returns in a **range of market conditions**



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 Dec 21, unless otherwise stated. 1. Based on market capitalisation. Sourced from Bloomberg 22 March 22. 2. As at 30 Sep 21. Includes MAM and BFS AUM. 3. Upgraded to A+ on 11 Dec 19.



Why Macquarie?

Unbroken profitability

1H22 net profit:

\$A2,043m

up 107% on 1H21

FY21 net profit: **\$A3,015m**
up 10% on FY20



Earnings growth

6%

5yr EPS CAGR¹



Consistent dividend growth

3%

5yr DPS CAGR¹



Average return on equity

over last 15 years

14%

1H22:

17.8%



Diverse business mix

1H22 net profit contribution²

~63%

by annuity-style
activities

~37%

by markets-facing
activities



Geographically diverse

72% international
income in 1H22³

68% in 1H21; two-thirds of
income generated outside
of Australia



Group capital surplus

\$A11.5b⁴

at 31 Dec 21



Strong shareholder returns

**Consistently outperformed major
indices since listing**

ASX 20⁵ – 2nd highest returns since listing
Diversified Financials⁵ – 1st
MSCI World Capital Markets⁵ – 2nd
MSCI World Banks⁵ – 1st



Underpinned by a long standing conservative risk management framework

1. Based on 31 March 2021. 2. Based on net profit contribution from operating groups. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 3. International income is calculated using net operating income excluding earnings on capital and other corporate items. 4. 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. 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. 5. As at 22 Feb 22. 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

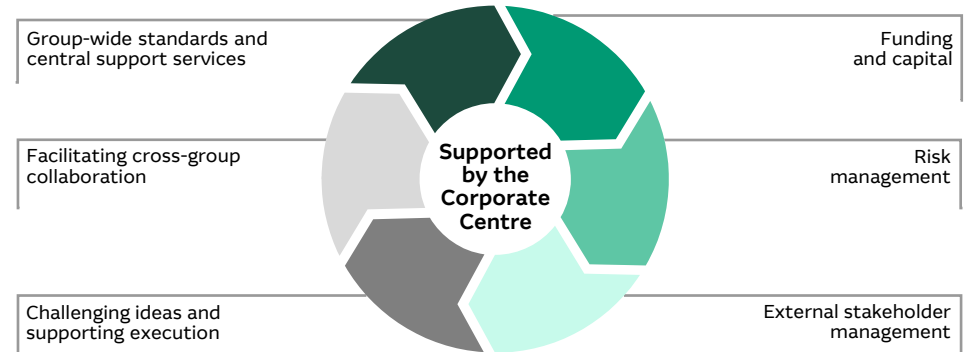
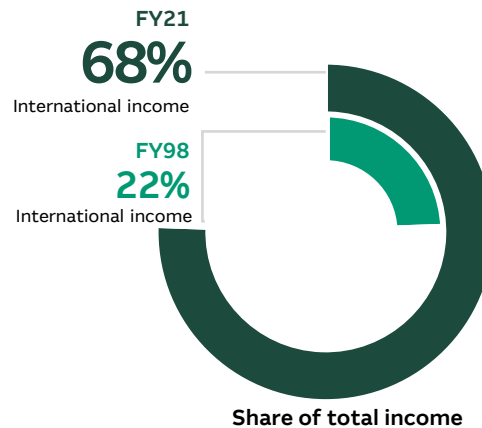


We pursue opportunities that deliver real outcomes to achieve an appropriate and resilient **long-term return on capital**



Evolution in the business

Macquarie has a global presence across operating groups



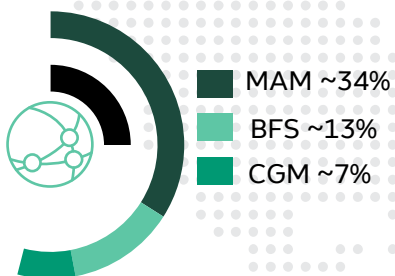
Diversification by region

Business mix¹

Annuity-style activities

FY21
~54%

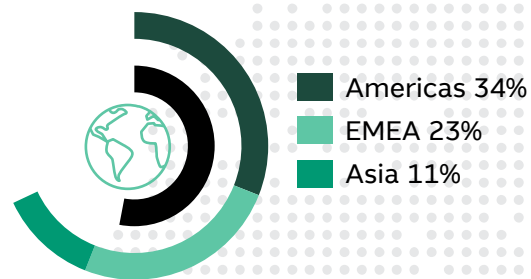
FY07
25%



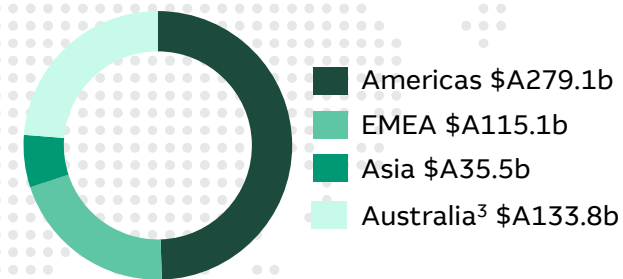
International income²

FY21
68%

FY07
53%



AUM



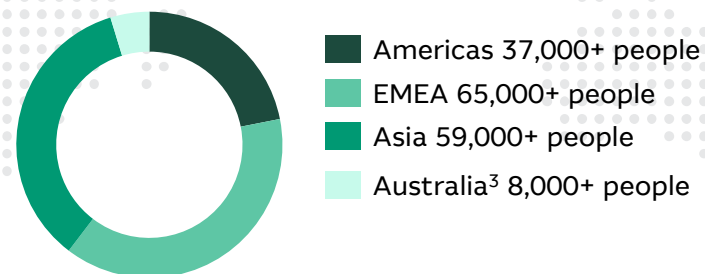
International staff⁴

FY21
56%

FY07
34%

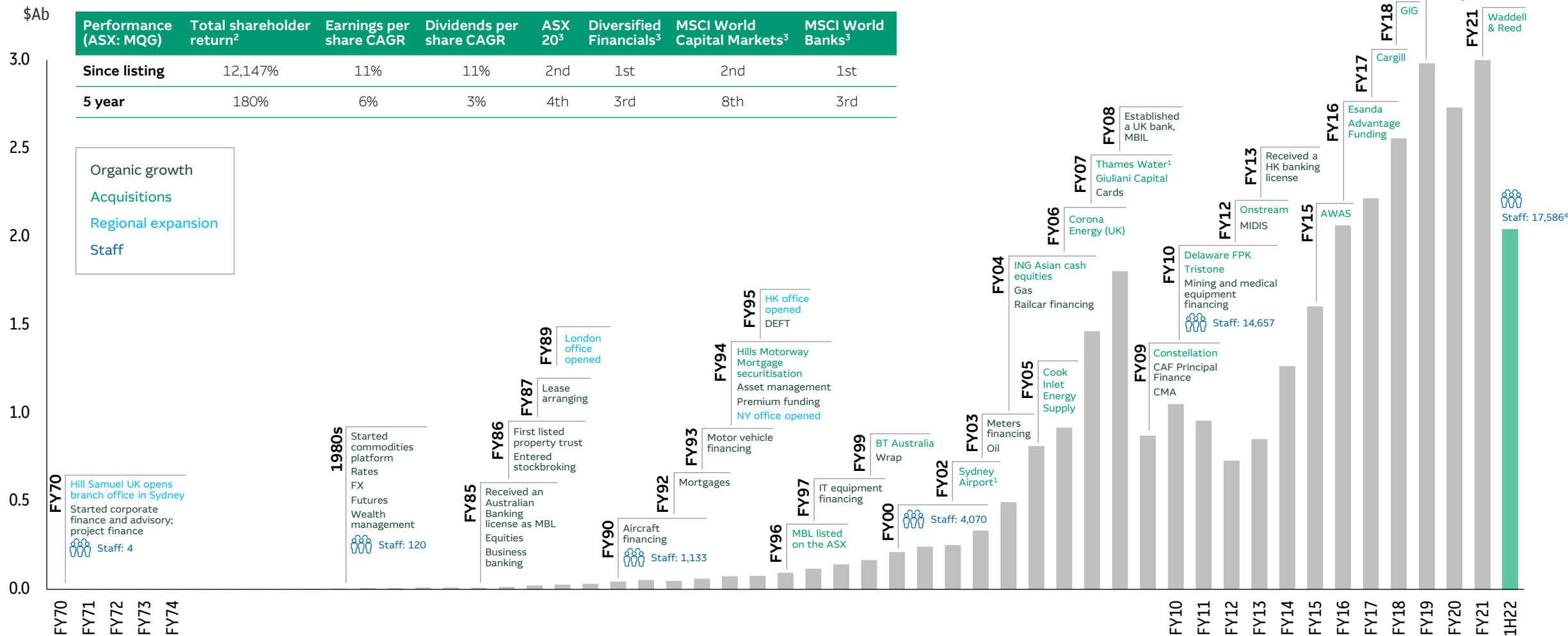


Employing people through managed funds and investments⁵



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

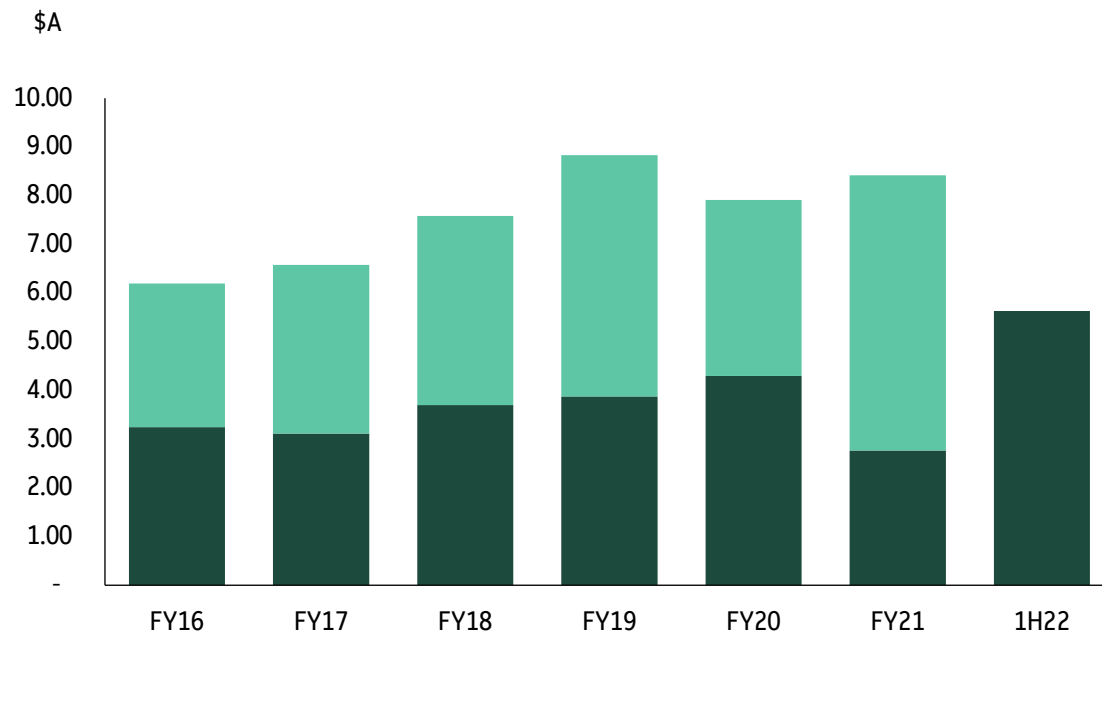


Note: the above list is not exhaustive. 1. Acquired on behalf of managed funds and accounts. 2. At 21 Feb 22. 3. Ranking refers to TSR against the respective index constituents that have been continuously listed since Macquarie's inclusion. Source: Bloomberg. Data to 21 Feb 22. 4. As at 31 Dec 21.

Steady earnings growth

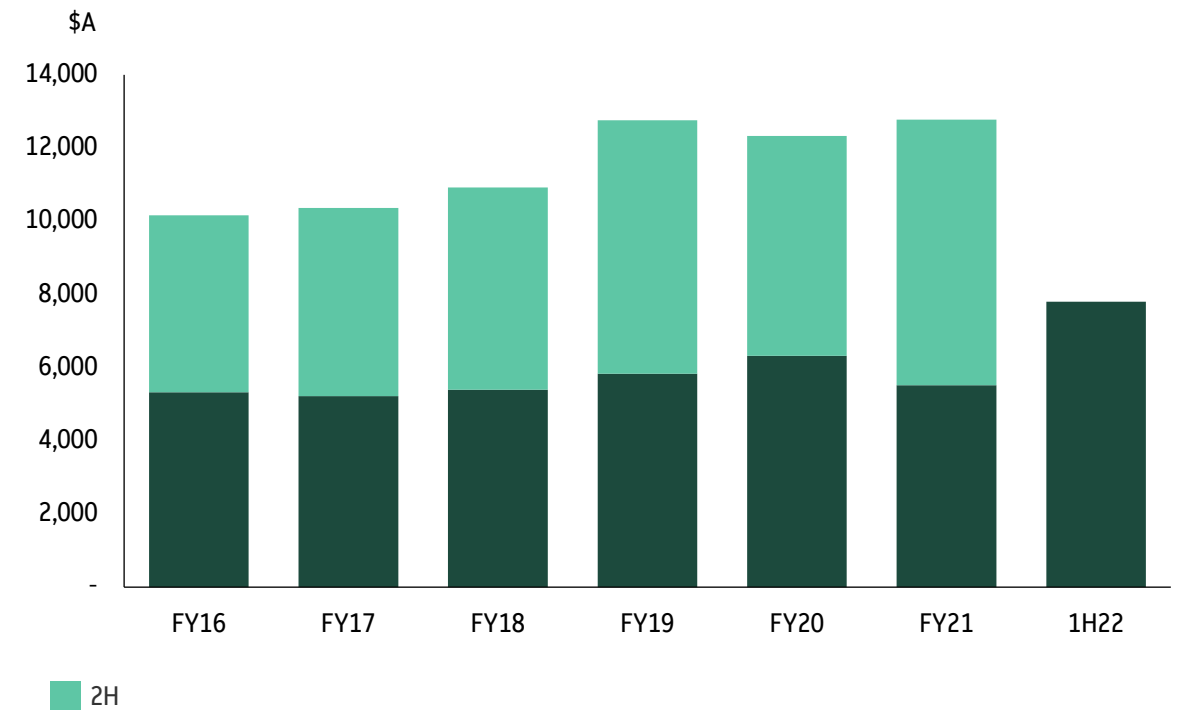
1H22 EPS of \$A5.63

Up 103% on pcp



1H22 Operating income of \$A7,804m

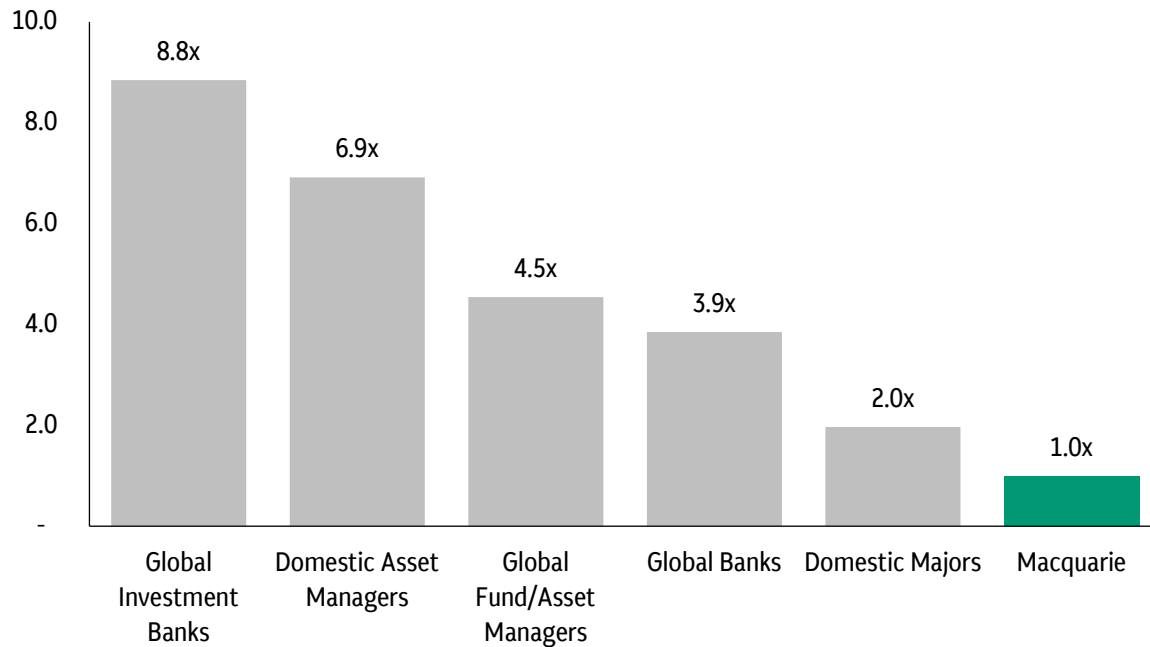
Up 41% on pcp



Low earnings volatility

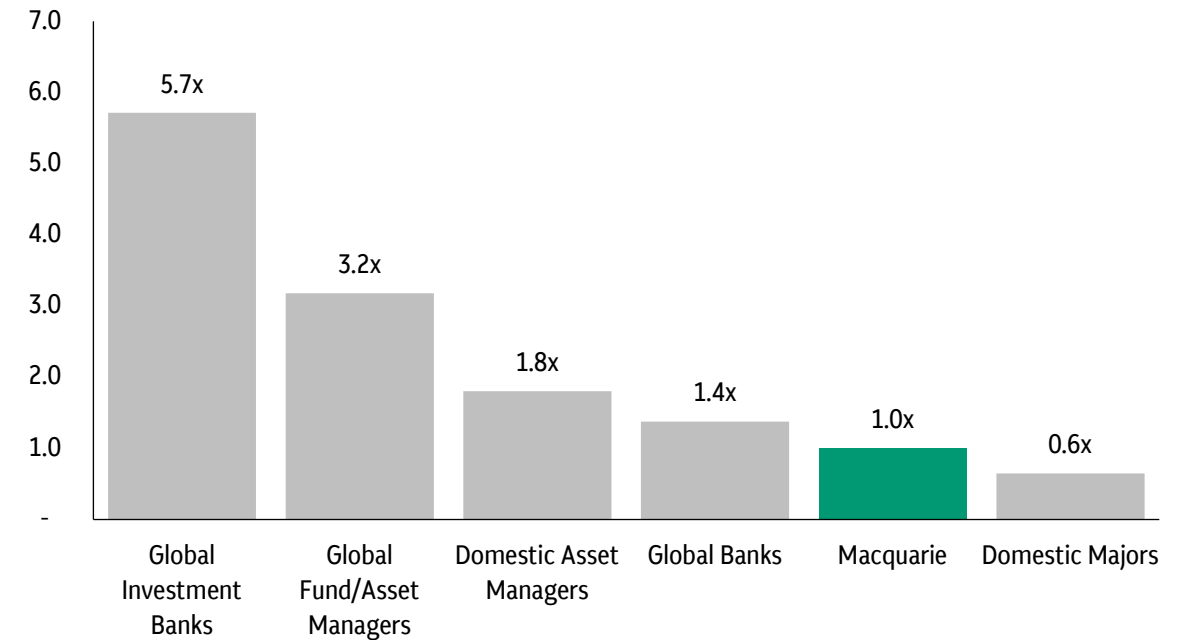
5 year earnings volatility relative to Macquarie

Multiple to Macquarie



15 year earnings volatility relative to Macquarie (includes GFC)

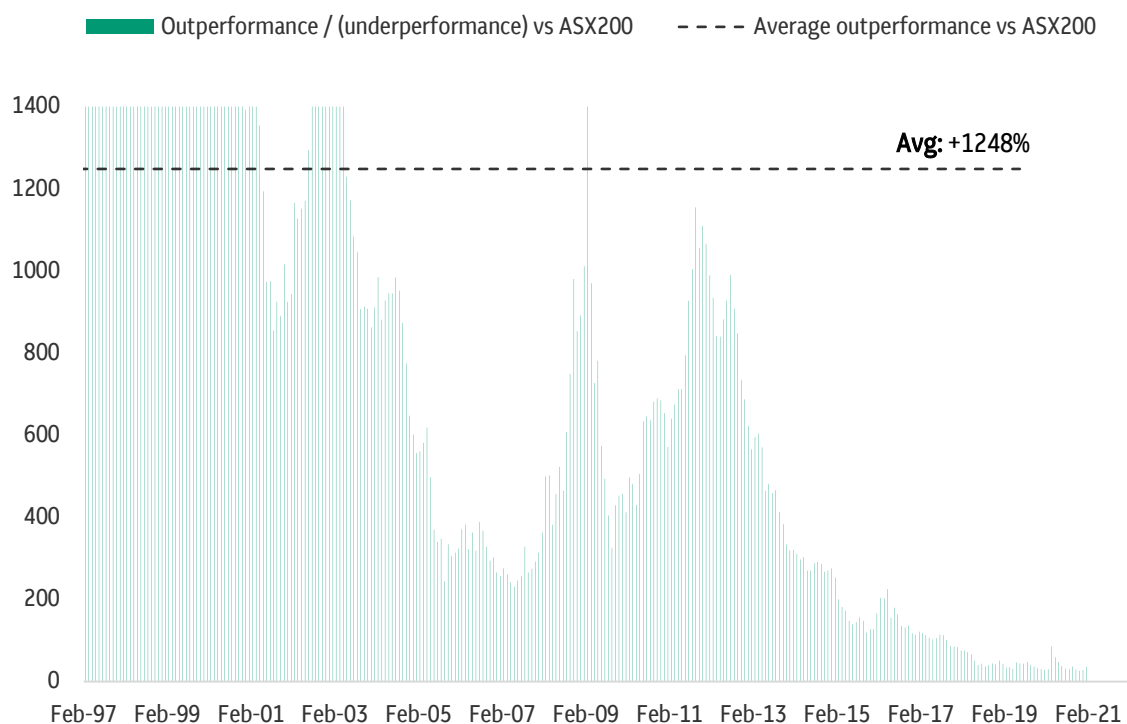
Multiple to Macquarie



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. Source: Bloomberg as at 21 Feb 22.

Continued shareholder returns

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

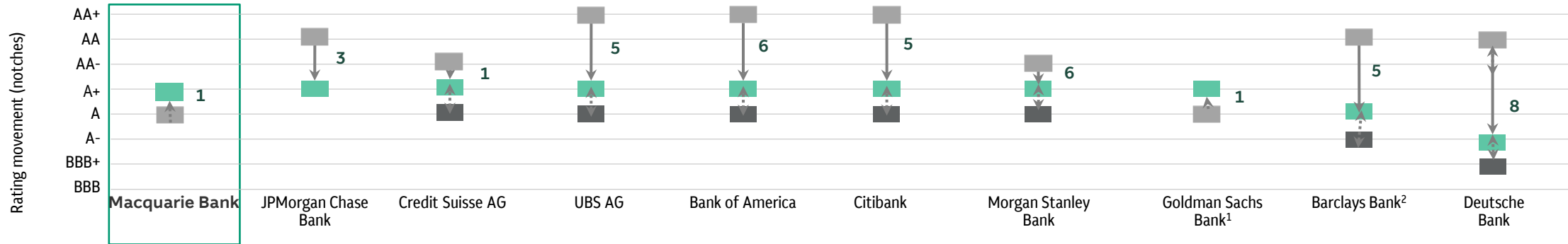


	Outperformance vs ASX 200 ¹	Outperformance vs ASX 200 Diversified Financials ¹	Outperformance vs MSCI World Capital Markets Index ¹
Since listing	11,106%	n/a ²	n/a ²
10 years	895%	688%	886%
5 years	119%	123%	94%

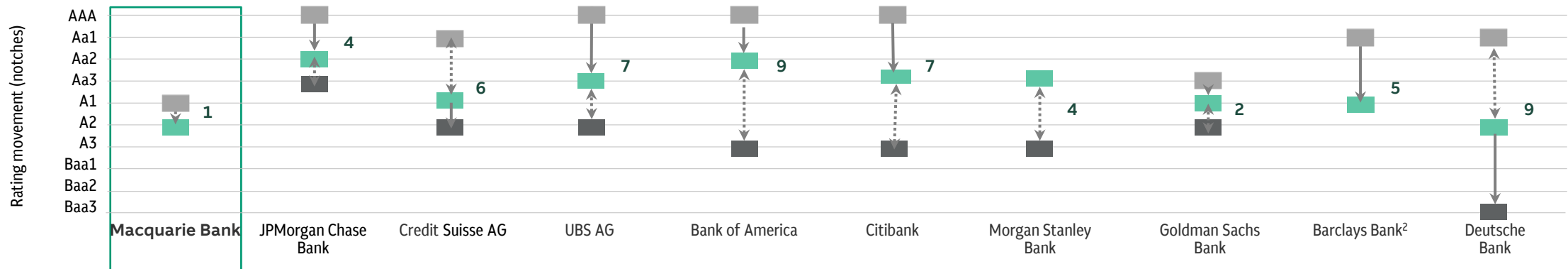
Data to 21 Feb 22 for purchases made at different purchase points on a monthly basis. Source: Bloomberg, as at 21 Feb 22. 1. Total shareholder returns. 2. Macquarie was listed prior to the formation of the MSCI World Capital Markets Index and ASX 200 Diversified Financials Index.

Macquarie Bank Limited Long Term Ratings Stability

Standard & Poor's Ratings Movements from 2007



Moody's Ratings Movements from 2007



■ 2007 ■ 2022 ◀.....▶ Intra-period ratings movement # No. ratings movements

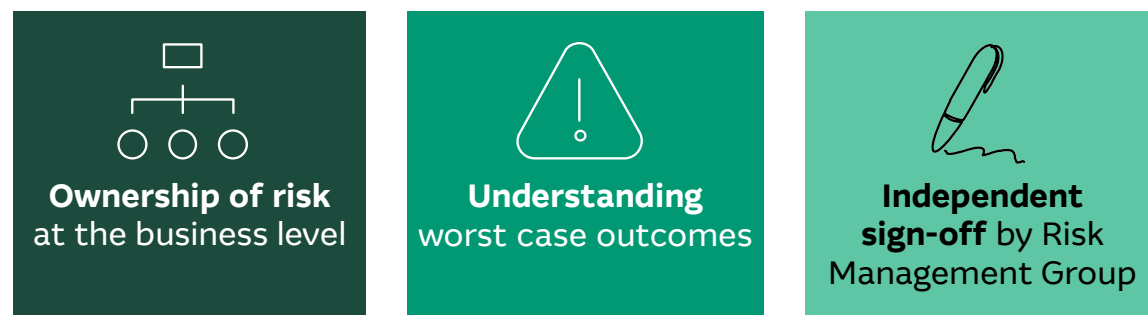
As at Feb 22. Macquarie Bank upgraded to A+ on 11 Dec 19. 1. Goldman Sachs bank only rated by Standard & Poor's from 2012. 2. Barclays Bank PLC.

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) Policy



Climate change

**Alignment
to net zero by
2050**
\$A6.64
invested in renewable
energy for every \$A1
invested in
conventional energy¹



Environmental and social financing

35+ GW
of green energy
assets in
development as at
30 September 2021²
14 GW
of green energy
assets in operation or
under management²



Sustainability in direct operations

**Carbon
neutral**
since 2010³
100%
renewable electricity
by 2025
Emissions
per capita reduced by
84%
from FY2010 baseline
(71% reduction
from FY2020)



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 events⁴
>98%
of our people working
remotely during
COVID-19 (at peak)
**Women
represent
42%**
of Macquarie's
workforce and
46%
of Board Directors at
31 March 2021



Business conduct and ethics

Tailored training,
workshops and
leadership sessions
provided to over
9,000
staff⁵



Macquarie Group Foundation

\$A64 million
donated by
Macquarie staff and
the Foundation in
FY2021
(\$A475 million since
inception in 1985)⁶
\$A20m
COVID-19 donation
fund deployed to
40 community
organisations around
the world as at 30
September 2021

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

1. 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. 2. GW of green energy assets reflect 100% generating capacity of each asset, not the proportion owned/managed by Macquarie as at March 2021. 3. Covers scope 1 and scope 2 emissions, and business travel. 4. Including virtual and face-to-face forums. 5. 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. 6. 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 March 2021. As at 30 September 2021.

We're driving climate action in four key areas

01

Developing and investing in green energy

02

Creating climate resilient infrastructure

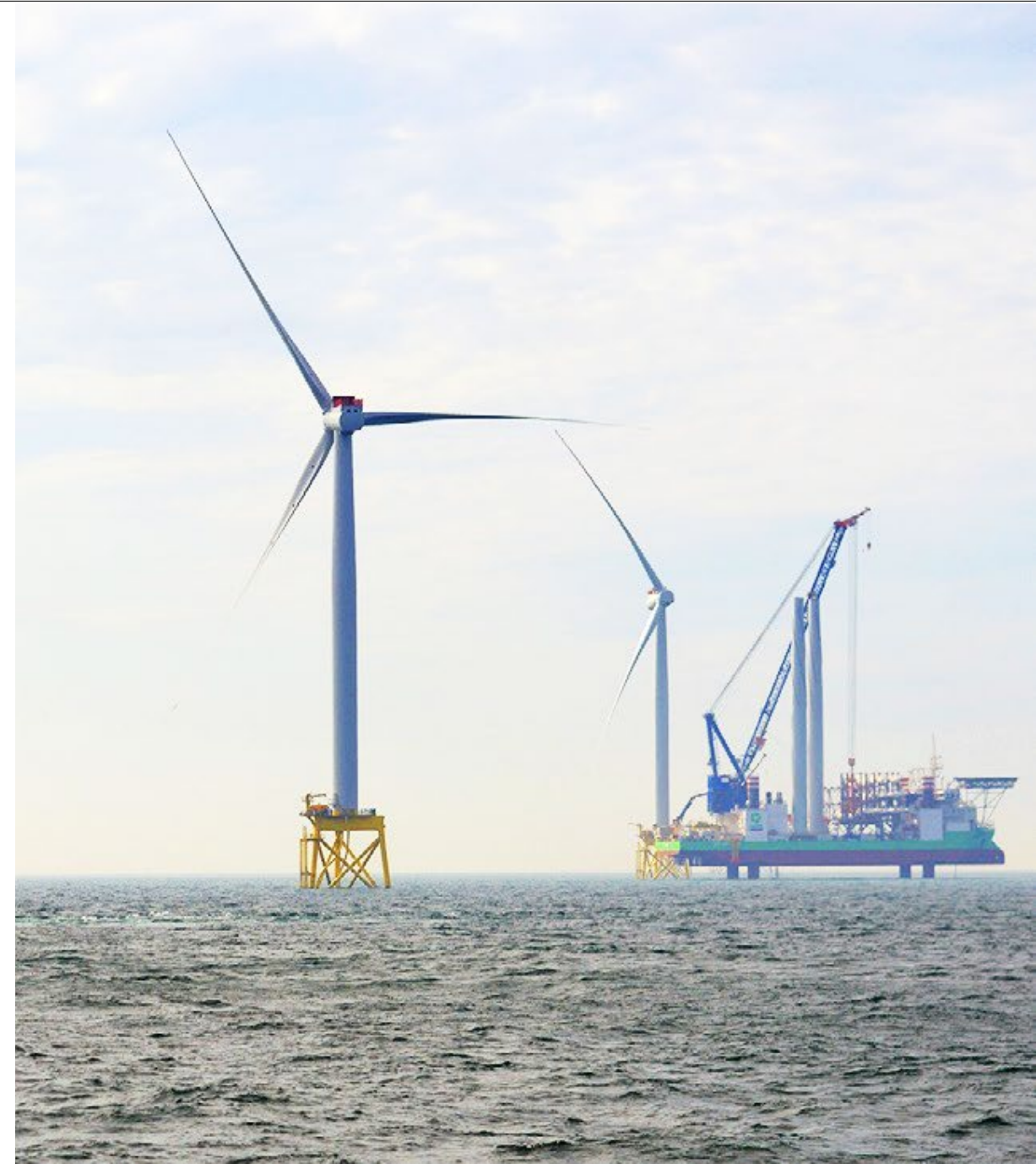
03

Enabling the decarbonisation of clients and portfolio companies

04

Aligning our activities to net zero

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



02

Operating Groups



About Macquarie

~63%

~37%

Annuity-style activities | Net Profit Contribution

Markets-facing activities | Net Profit Contribution

MAM

Macquarie Asset Management

- Global specialist asset manager with \$A750.1b¹ of assets under management, aiming to deliver positive impact for everyone
- Provides investment solutions to clients across a range of capabilities, including infrastructure & renewables, real estate, agriculture & natural assets, asset finance, private credit, equities, fixed income and multi-asset solutions

BFS

Banking and Financial Services

- Macquarie's retail banking and financial services business with a loan and lease portfolio² of \$A104.3b¹, funds on platform³ of \$A120.9b¹ and total BFS deposits⁴ of \$A91.6b¹
- Provides a diverse range of personal banking, wealth management, business banking products and services to retail clients, advisers, brokers and business clients

CGM

Commodities and Global Markets

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

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

MacCap

Macquarie Capital

Global capability in:

- Advisory and capital raising services, investing alongside partners and clients across the capital structure, providing clients with specialist expertise, advice and flexible capital solutions across a range of sectors
- Development and investment in infrastructure and energy projects and companies, with a focus on transport, digital and social infrastructure and the energy transition
- Equities brokerage, providing clients with access to equity research, sales, execution capabilities and corporate access
- Specialist expertise in developing, sponsoring and investing in projects and solutions to accelerate the green transition

1H22 Net Profit Contribution

MAM | ~33%

BFS | ~12%

CGM | ~18%

CGM | ~25%

MacCap | ~12%

Risk Management Group

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

Legal and Governance Group

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

Financial Management Group

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

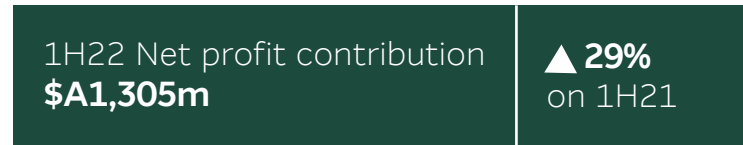
Corporate Operations Group

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

1H22 net profit contribution from operating groups as reported on 29 Oct 21. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 1. As at 31 Dec 21. 2. The loan and lease portfolio comprises home loans, loans to businesses, car loans and credit cards and includes portfolios held for sale. 3. Funds on platform includes Macquarie Wrap and Vision. 4. BFS deposits exclude corporate/wholesale deposits.

Macquarie Asset Management

Actively manages funds for investors across multiple asset classes



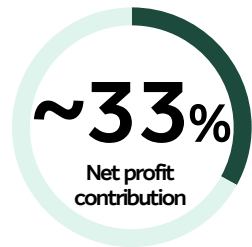
2,390+
people²



23
markets²



150+
infrastructure
and real assets¹



\$A750.1 billion
assets under management²

Note: References relate to the half year ended 30 Sep 21. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on 1H22 net profit contribution from operating groups. 1. Excludes real estate assets. 2. As at 31 Dec 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

\$A160.1b² ▲ 1%
on Sep 21

Equity under management

\$A14.8b

Invested across 62 new investments in FY21

Sale of Macquarie European Rail Business

\$A8.1b

Equity raised in 3Q22

\$A24.0b²

Equity to deploy

Public Investments⁹

\$A552.5b² ▲ 3%
on Sep 21

Assets under management

68%

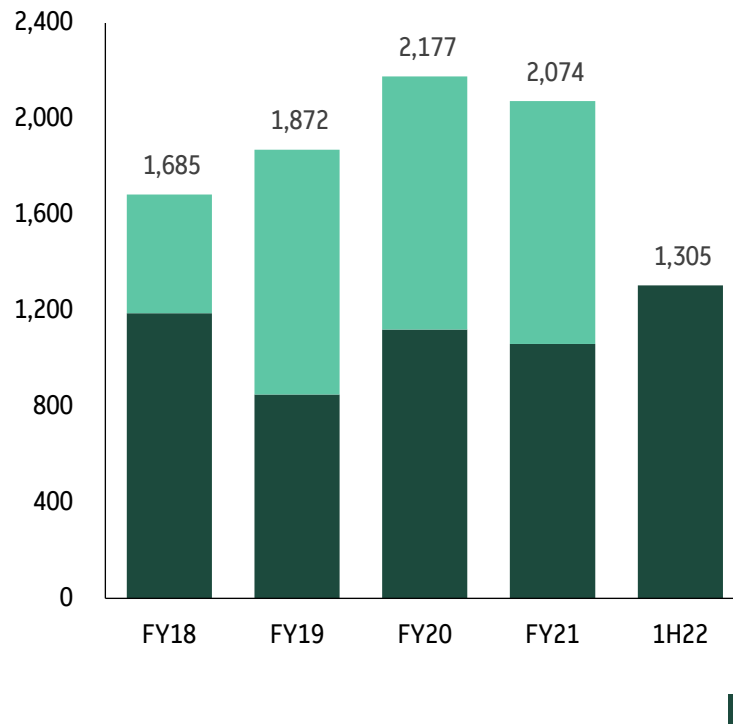
of assets under management outperforming respective benchmarks on a three-year basis

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

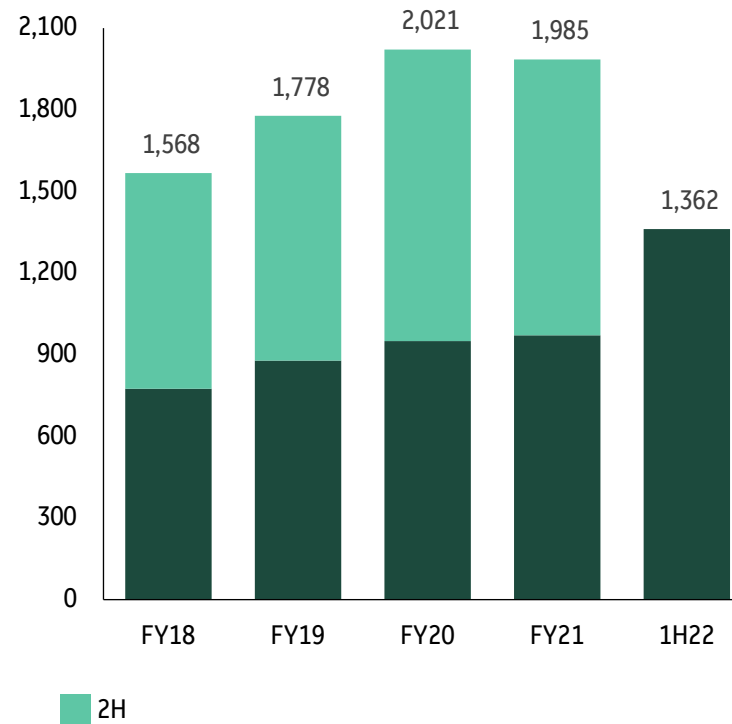
Macquarie Asset Management

Actively manages funds for investors across multiple asset classes

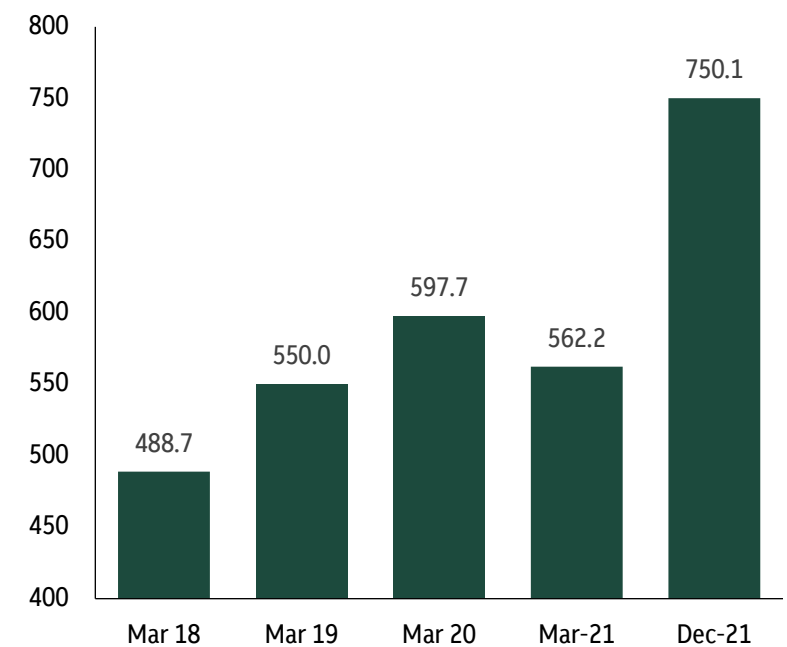
Net Profit Contribution¹ (\$Am)



Base Fees (\$Am)

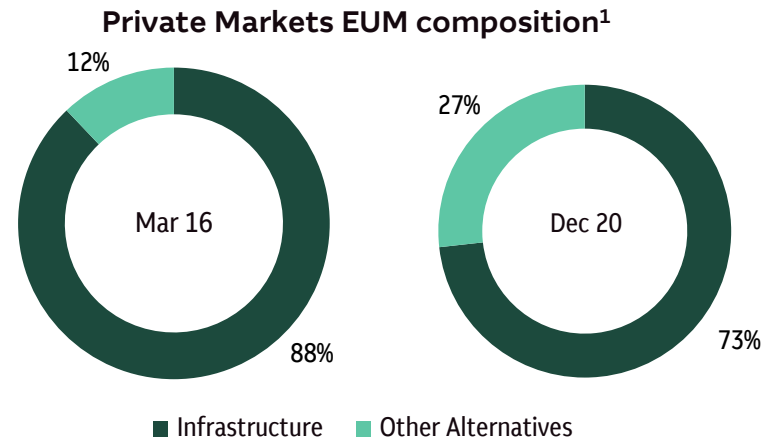
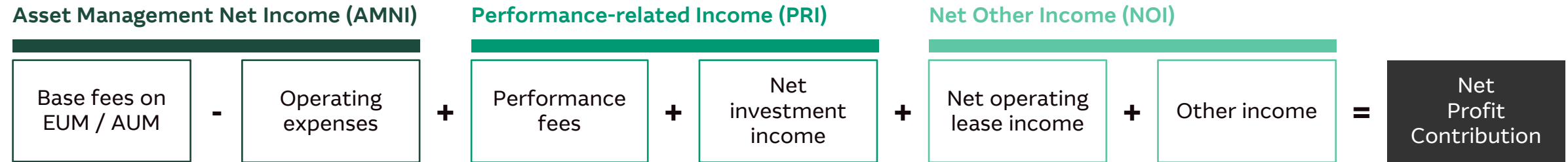


AUM (\$Ab)

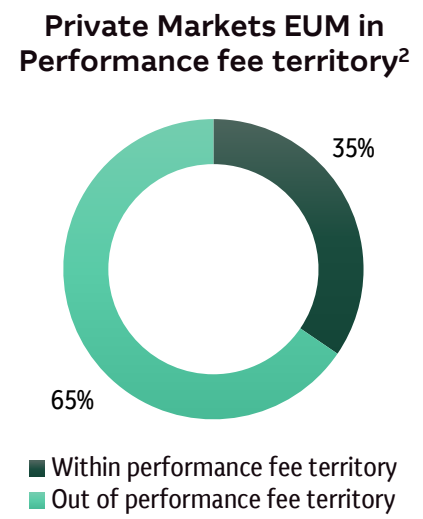
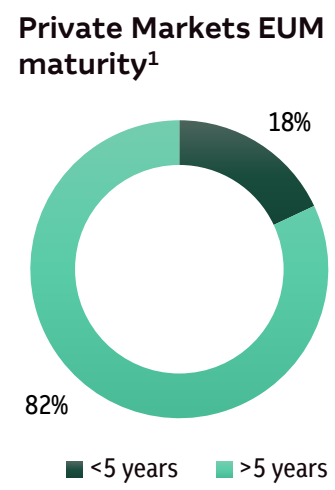


1. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax.

Composition of income

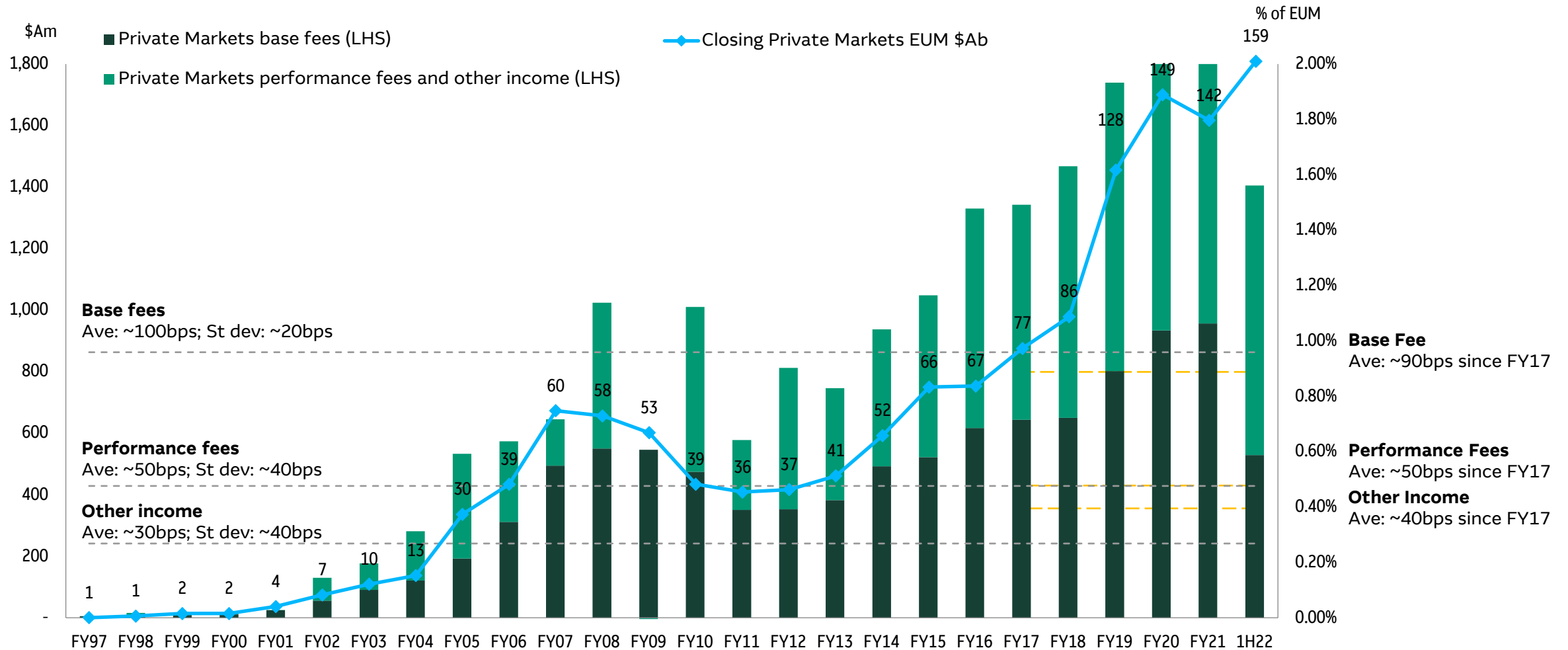


Other Alternatives projected to continue to grow as a proportion of total EUM by FY30



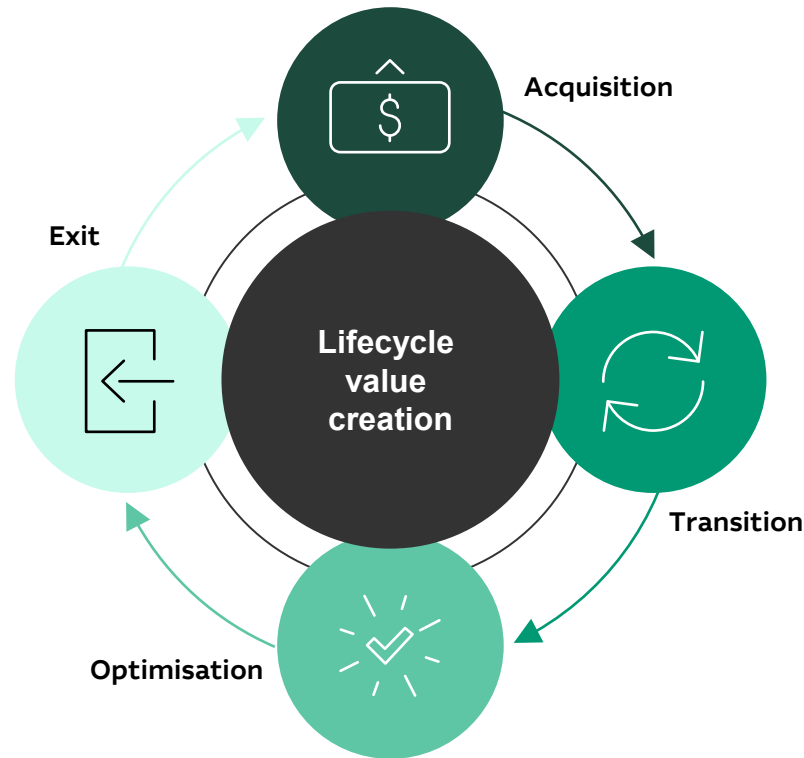
1. Total EUM as at 31 Dec 20. 2. EUM with performance fee structure presently in performance fee territory as at 30 Sep 20.

Private Markets Historical Income

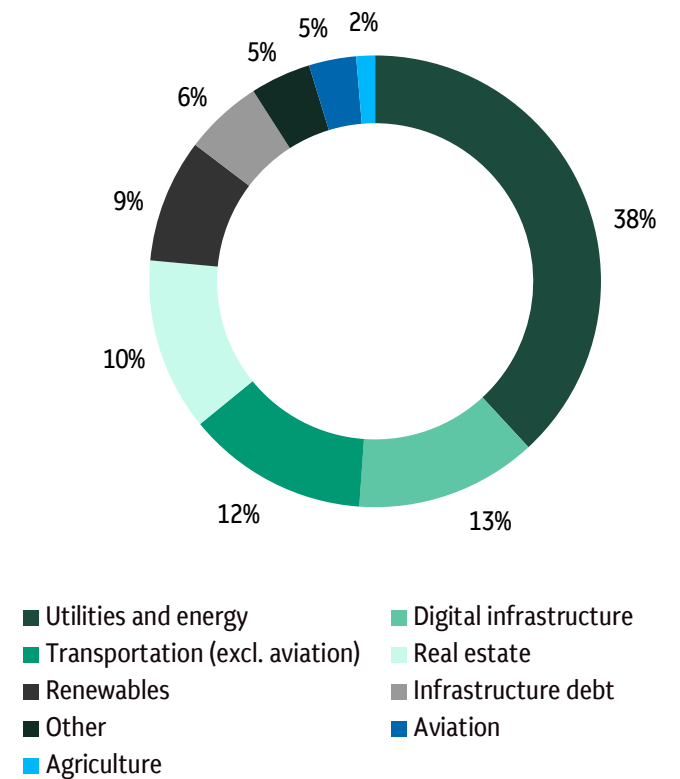


Adding value throughout the investment lifecycle

- 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**

1H22 Net profit contribution
\$A482m

▲ 52%
on 1H21



3,200+
people⁵



Personal
Banking



Business
Banking



Wealth
Management



Leasing



Approximately
1.7 million
Australian clients

Note: References relate to the half year ended 30 Sep 21. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on 1H22 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 31 Dec 21.

FY21 awards



\$A82.8b⁵ ▲ 8%
on Sep 21
Home loan portfolio

\$A91.6b⁵ ▲ 4%
on Sep 21
Total BFS deposits²

\$A11.4b⁵ ▲ 4%
on Sep 21
Business banking loan portfolio

\$A34.9b ▲ 10%
on Mar 21
CMA deposits

\$A120.9b⁵ ▲ 4%
on Sep 21
Funds on platform¹

\$A9.6b⁵ ▼ 12%
on Sep 21
Car loans portfolio³

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

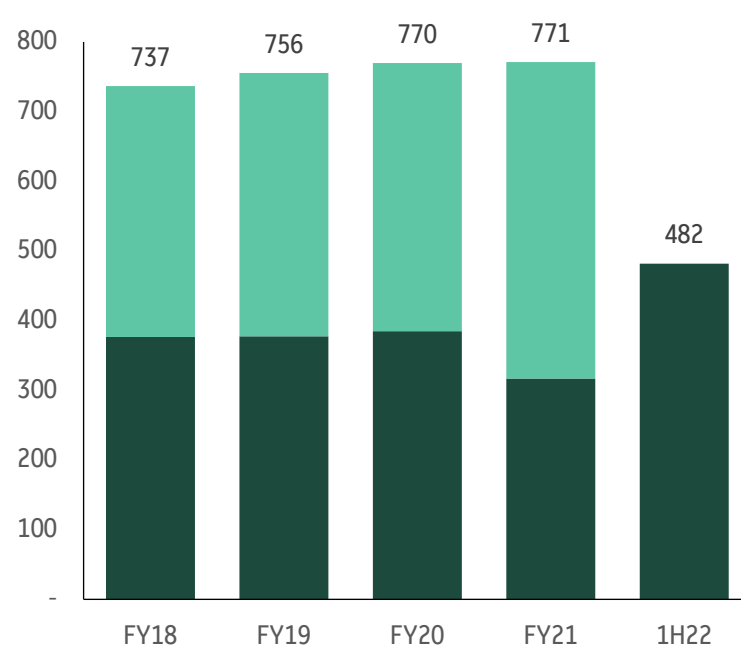
30+ years bringing innovation and competition to Australian consumers

Clients accessing assistance⁴
Peak **~13%**
30 Sep 21 **~0.7%**

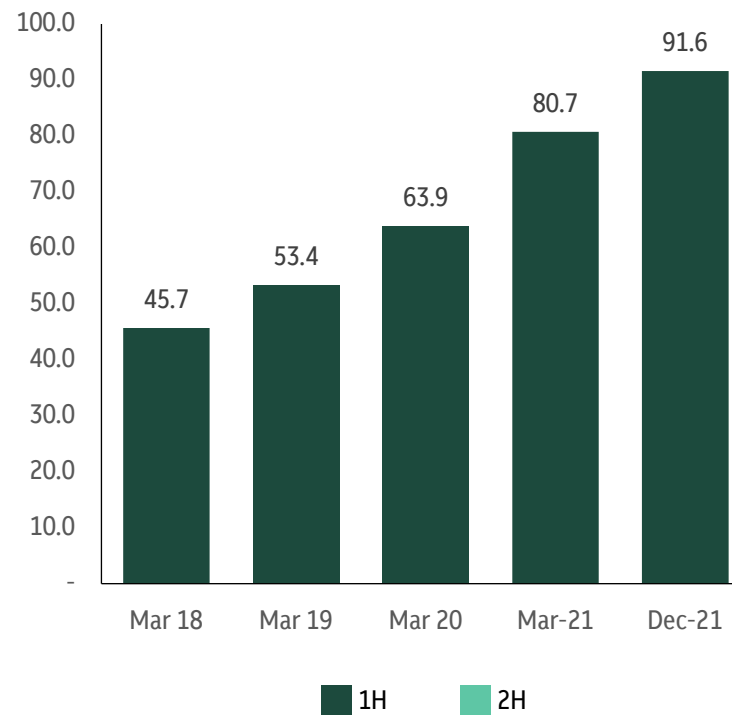
Banking and Financial Services

A technology-driven Australian retail bank and wealth manager

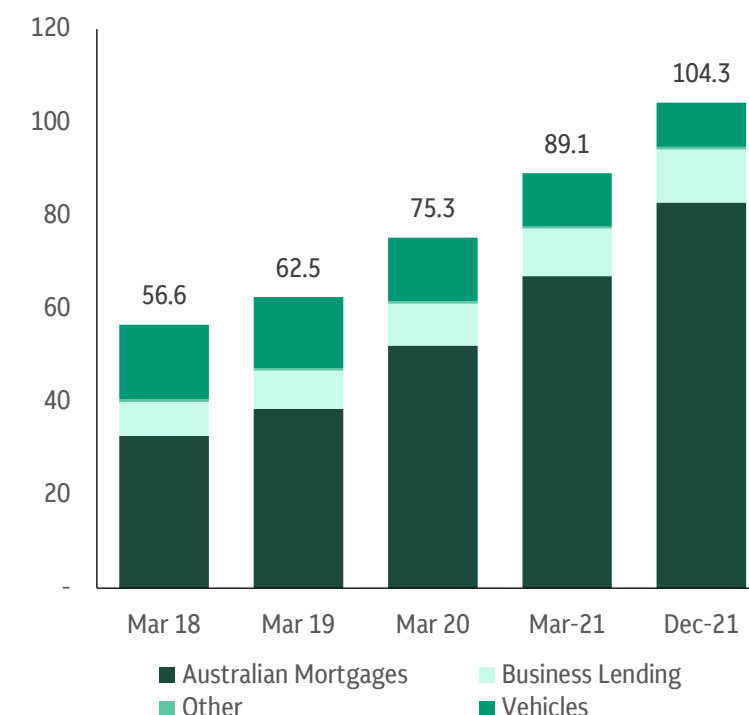
Net Profit Contribution¹ (\$Am)



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

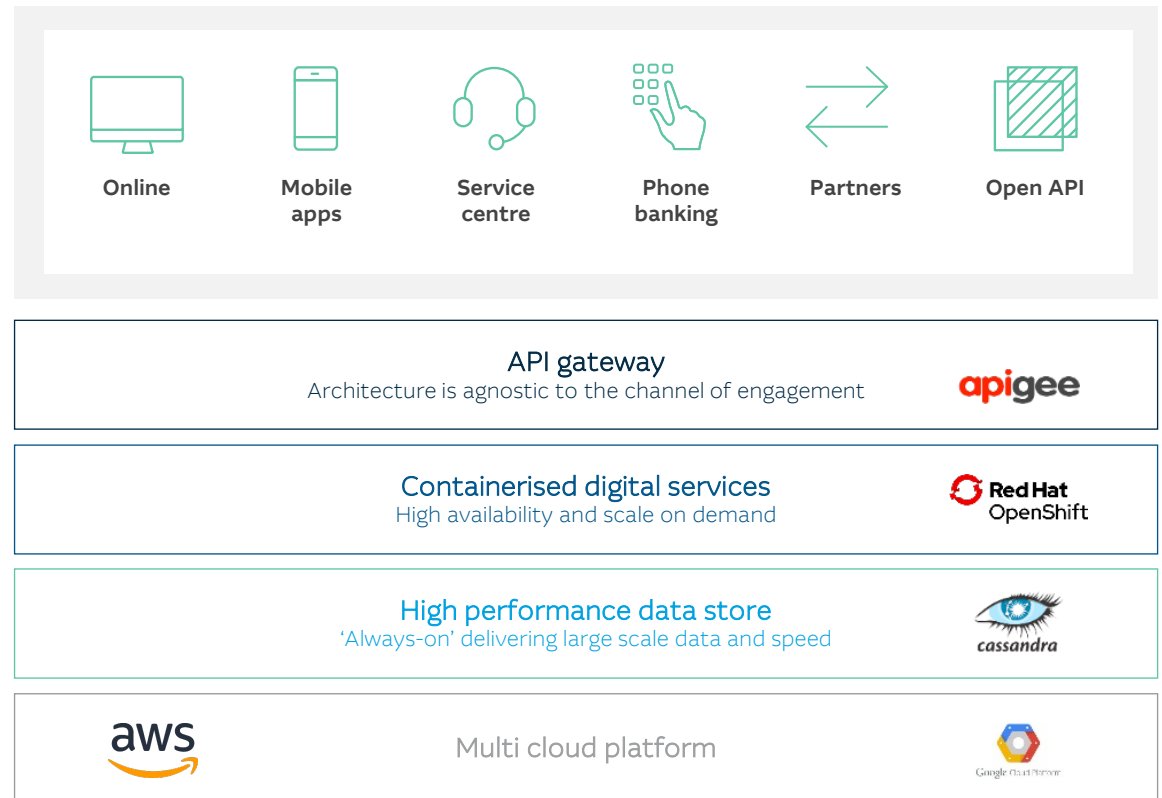
- All customer engagements, data, analytics and regulatory data workload on the cloud
- **50%** of IT infrastructure on the cloud, aim for **100%** in FY22
- Unlocking technical limitations with cloud agnostic strategy



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

1H22 Net profit contribution
\$A1,729m

▲ 60%
on 1H21



2,140+
people¹



21
markets¹



200+
Products,
covering 30+
market segments



No. 4

Physical gas marketer in
North America²

Note: References relate to the half year ended 30 Sep 21. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on 1H22 net profit contribution from operating groups. 1. As at 31 Dec 21. 2. Platts Q3 - Jun-Sep 21. 3. ASX Futures 24 (SFE) Monthly Report Mar 21. 4. Awarded by Singapore Exchange Derivatives Clearing Ltd 2020.

FY21 awards & rankings

EnergyRisk
Awards 2021
Winner

Oil and products
of the year

EnergyRisk
Awards 2021
Winner

Derivatives
house of the year

No.1

Futures broker on
the ASX³

Top 3

Electricity Clearing
Member⁴

Top 5

Commodities
General Clearing
Member⁴

Strong underlying client business

Commodity Markets

Strong client activity across the platform including Gas and Power, Resources and Agriculture

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 \$A9.0b, up 17% from \$A7.7b at 31 Mar 21

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

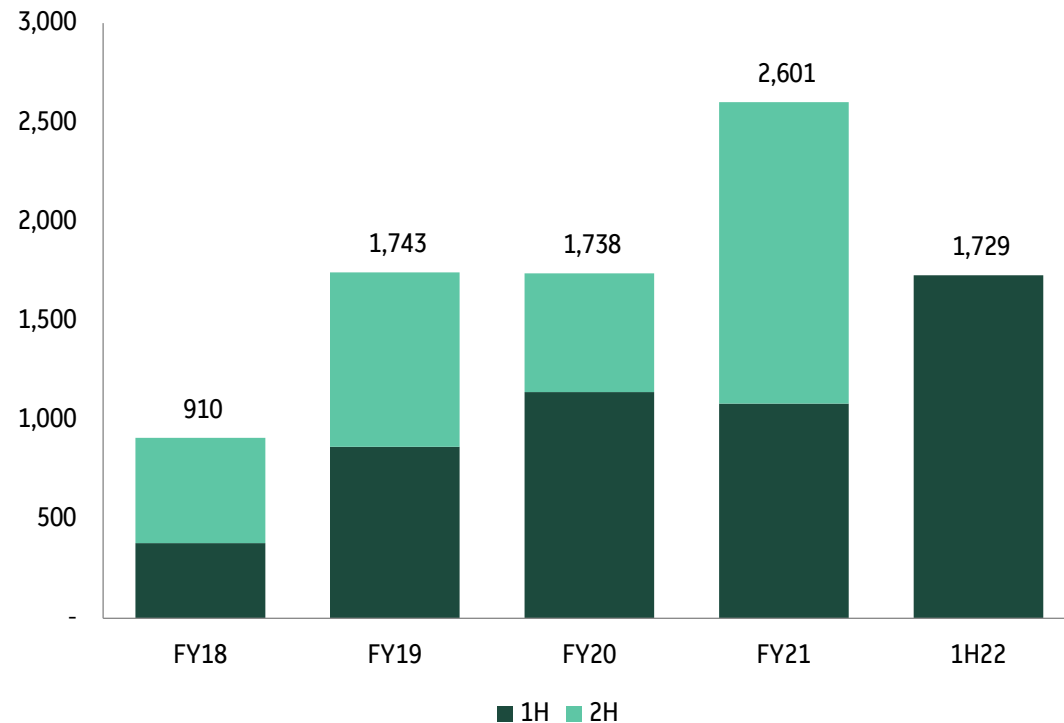
Futures

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

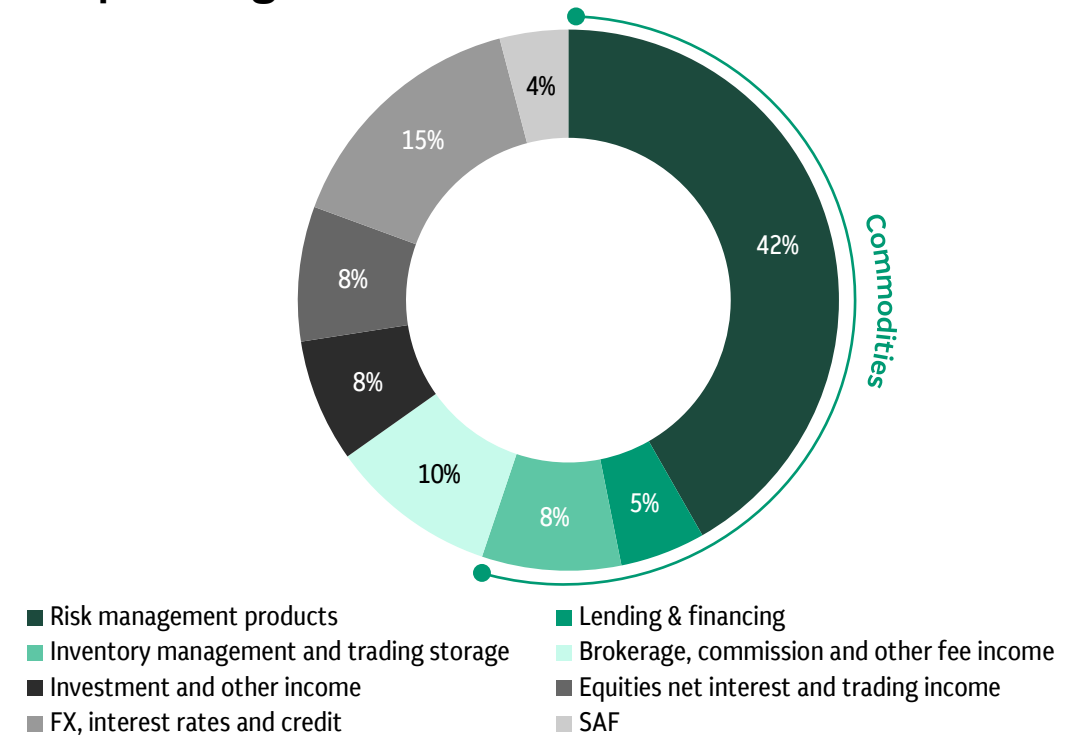
Commodities and Global Markets

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

Net Profit Contribution¹ (\$Am)



Net Operating Income²



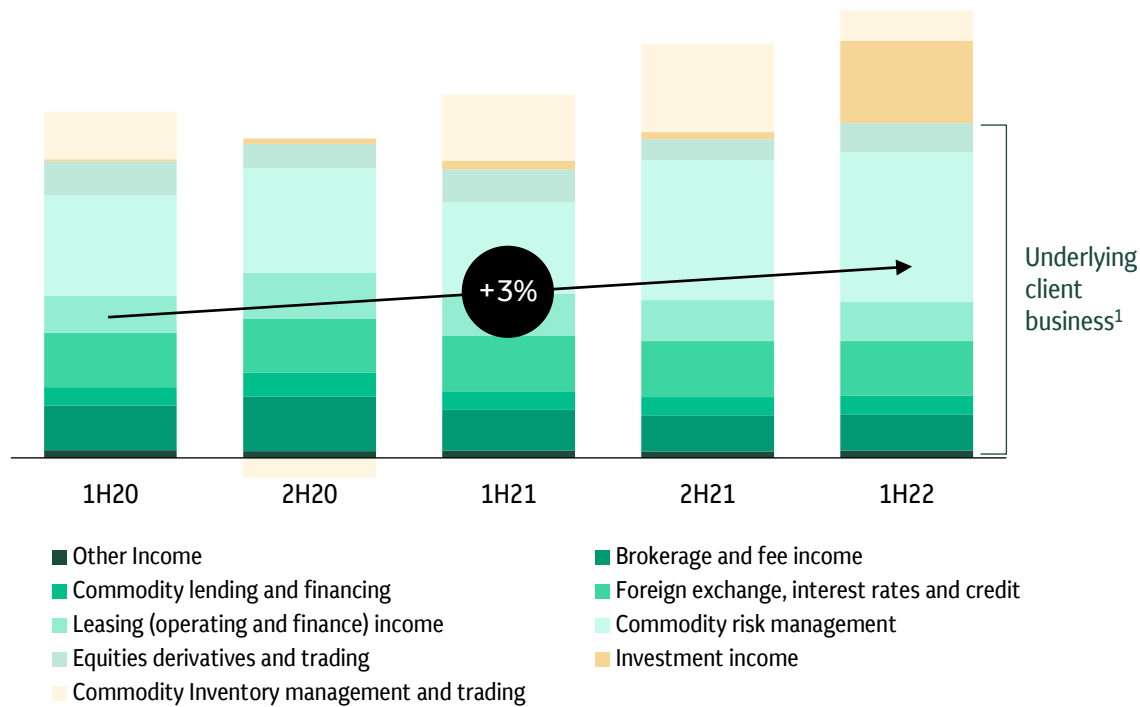
1. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Numbers as reported at half year results announcement on 29 Oct 21. 2. For the half year ended 30 Sep 21, excluding impairment charges, provisions, net gains on sale and internal management (charge)/revenue, based on the Management Discussion & Analysis income classifications.

Strong underlying client business

Majority of income derived from underlying client business

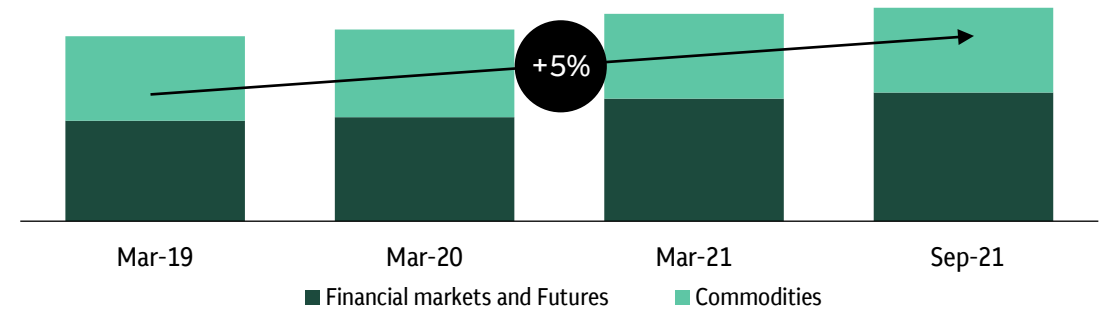
Operating Income

(excl. credit and other impairment charges)

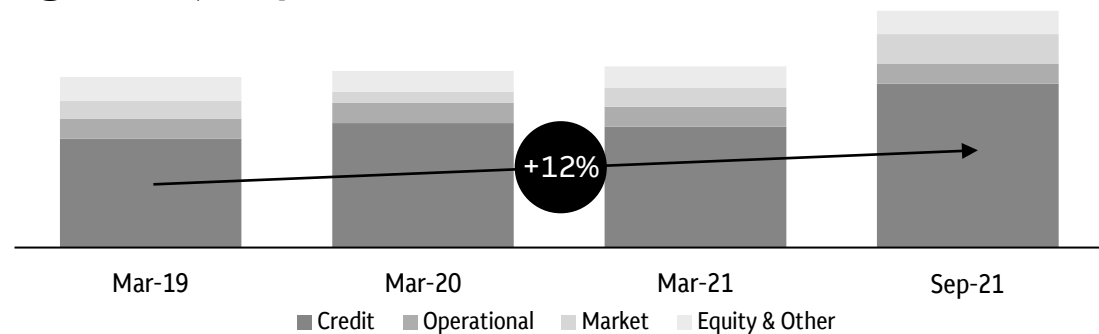


Client numbers² (excl. SAF)

Client-led business with deep longstanding client relationships



Regulatory capital (normalised)³



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

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

Macquarie Capital

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

1H22 Net profit contribution
\$A468m

▲ **Significantly**
on 1H21



1,820+
people¹



24
markets¹



\$A5.1b
Capital invested²



\$A231 billion
completed deals in 1H22³

Note: References relate to the half year ended 30 Sep 21. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on 1H22 net profit contribution from operating groups. 1. As at 31 Dec 21. 2. Regulatory Capital as at 30 Sep 21. 3. 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. 4. Dealogic (CY20 ANZ completed and announced by value). 5. Dealogic (CY20 ASX and NZX ex Block Trades by value). 6. Dealogic (CY20 ASX and NZX by value). 7. Infractionation (CY20 by deal count). 8. Dealogic (1/01/2011 - 31/12/20 completed & announced by deal count). 9. Dealogic (1/01/2011 - 31/12/20 ASX & NZX by value). 10. Funding commitments.

FY21 awards & rankings

NO. 1 in ANZ
M&A⁴, ECM⁵ and IPOs⁶

NO 1.
Global Renewables
Financial Adviser⁷



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&A⁸ and IPOs⁹ for the past decade

Principal Finance committed over \$A4.5b¹⁰ in FY21 through focused investing in credit markets and bespoke financing solutions

Notable deals included:

- Lead Left Arranger and Bookrunner on Mediaocean's \$US1b First Lien Credit Facilities for CVC and TA Associates' buyout of the company and also served as sell-side M&A adviser
- Financial Adviser to Oil Search Limited, PNG's largest oil and gas company, on its \$A21b+ merger with Santos Limited. This has positioned the entity to enter the ASX20 index and become one of the top 20 largest global oil and gas companies

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)

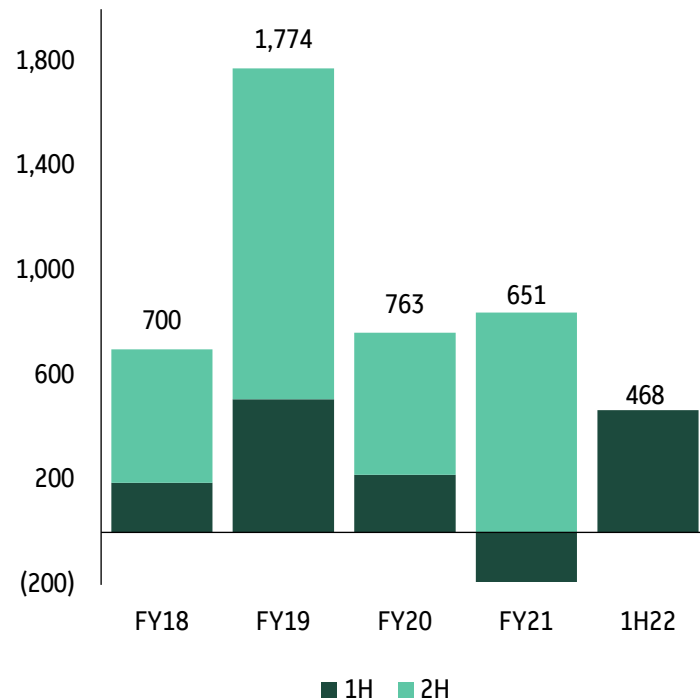
Notable deals included:

- Completed divestment of Savion LLC, a large utility-scale solar and energy storage developer in the US with a pipeline of more than 18GW of solar and energy storage projects, to Shell New Energies US LLC
- Advised 3i Group plc on a majority investment in EC Waste, the largest vertically integrated provider of solid waste services in Puerto Rico, serving 80,000+ customers annually

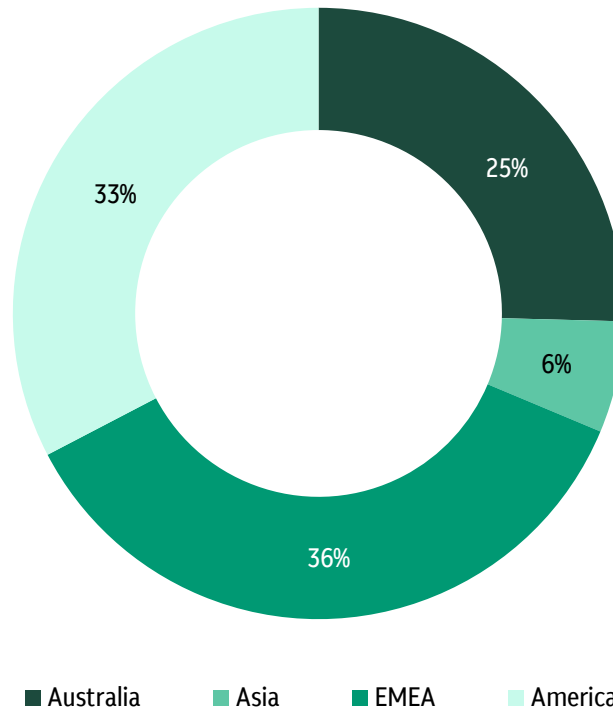
Macquarie Capital

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

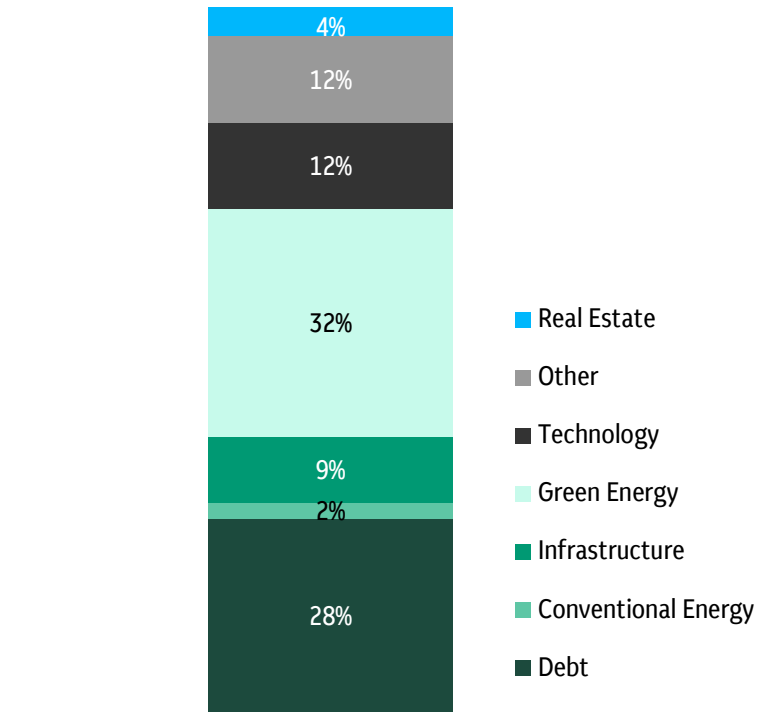
Net Profit Contribution¹ (\$Am)



Income by region²



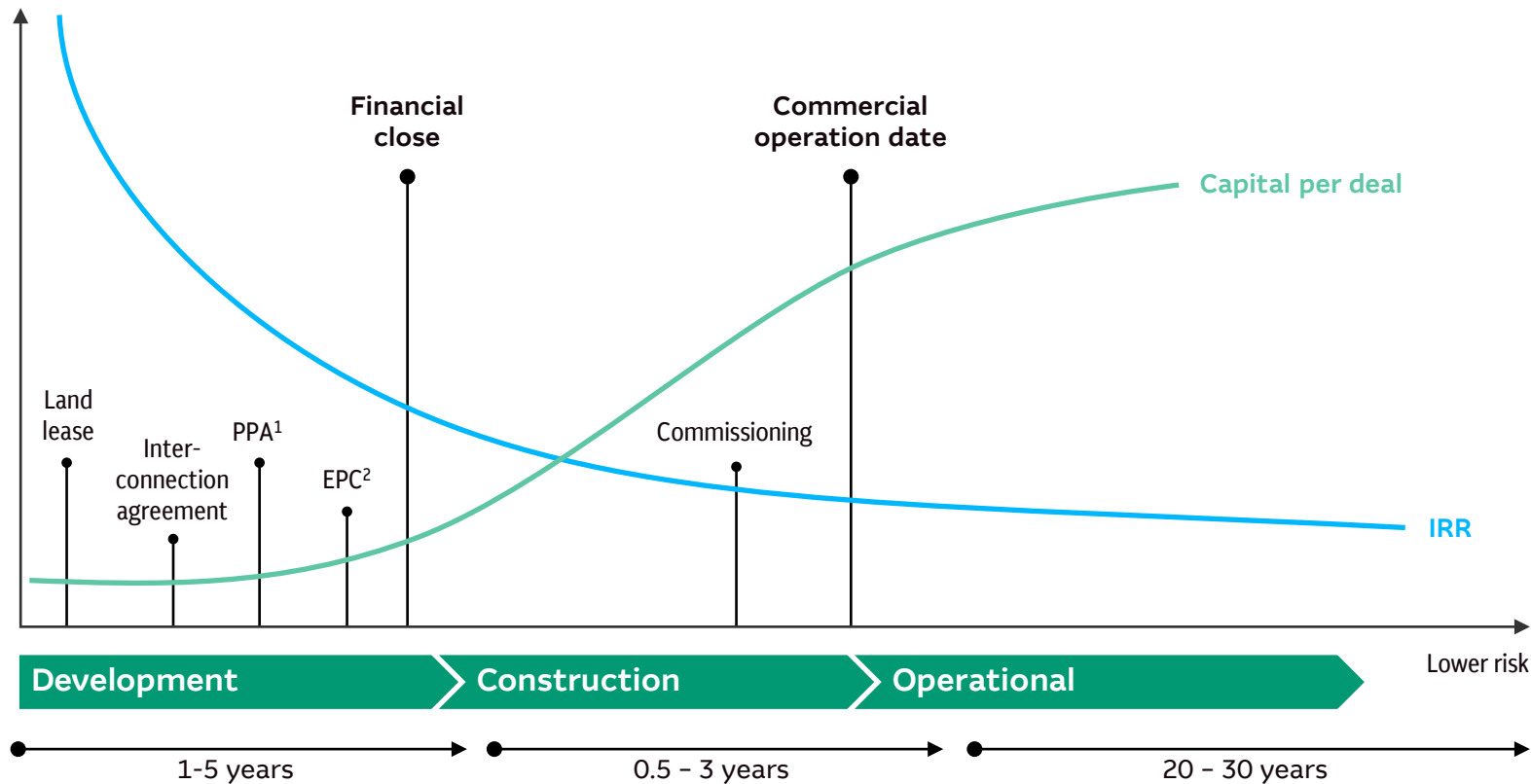
Regulatory capital (\$5.1b)³



1. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Numbers as reported at half year 30 Sep 21. 2. Income by region reflects 1H22 net operating income excluding internal management revenue/(charge). 3. As at 30 Sep 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

Large industrial partnerships



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

Our platforms



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

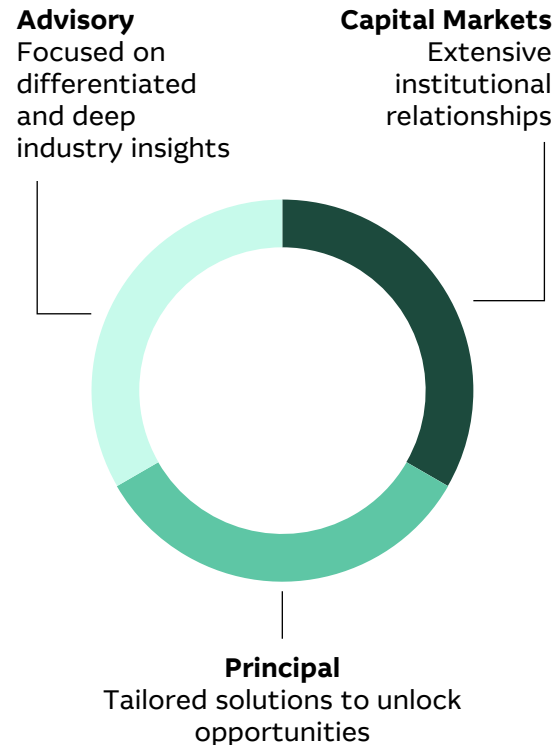
Example customers



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 \$A4.5b
ACS Principal Finance committed in 3Q22

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

03

3Q22 Update



3Q22

Overview



- Improved overall market conditions in 3Q22 resulting in a record quarter for the Group
- Macquarie's annuity-style businesses' (MAM and BFS) combined 3Q22 net profit contribution¹ down on the prior corresponding period (pcp) (3Q21) mainly due to the timing of performance fees and investment-related income
 - FY22 year to date (YTD) net profit contribution up on FY21 YTD primarily due to continued volume growth in BFS. MAM is broadly in line with FY21 YTD driven by income from Macquarie Infrastructure Corporation and higher base fees, partially offset by the gain on sale of Macquarie European Rail in the pcp and lower performance fees.
- Macquarie's market-facing businesses' (CGM and Macquarie Capital) combined 3Q22 net profit contribution substantially up on pcp
 - FY22 YTD net profit contribution substantially up on FY21 YTD primarily due to higher principal income in Macquarie Capital including exceptionally strong investment realisations in infrastructure (including green energy), business services and technology sectors. CGM included strong Commodities income, partially offset by the timing of income recognition on storage contracts and transport agreements, as well as the gain on the partial sale of the UK Meters portfolio of assets.

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

3Q22 Overview

Annuity-style businesses

Macquarie Asset Management

~33%

1H22 contribution¹

- AUM² of \$A750.1b at Dec 21, up 2% on Sep 21
- Public Investments: \$A522.5b in AUM², up 2% on Sep 21, driven by positive impacts from market movements, partially offset by foreign exchange and net flows
- Private Markets: \$A227.6b in AUM², up 3% on Sep 21, driven by fund investments, partially offset by divestments
- Private Markets: \$A160.1b in EUM, \$A8.1b in new equity raised; \$A7.5b of equity invested; \$A1.0b equity divested in 3Q22; \$A24.0b of equity to deploy at Dec 21
- Announced that GIG will operate as part of MAM from 1 Apr 22, bringing together world class expertise driving the transition to net zero
- MAM entered into an agreement to acquire Central Park Group, an independent advisory firm that provides high-net worth investors access to Private Market strategies on 21 Oct 21. Central Park Group has more than \$US3.5b³ in assets under management, expected to close prior to 31 Mar 22
- MAM acquisition of AMP Capital's Global Equity and Fixed Income business continues to progress and expected to close prior to 31 Mar 22

Banking and Financial Services

~12%

1H22 contribution¹

- Total BFS deposits⁴ of \$A91.6b at Dec 21, up 4% on Sep 21
- Home loan portfolio of \$A82.8b at Dec 21, up 8% on Sep 21
- Funds on platform⁵ of \$A120.9b at Dec 21, up 4% on Sep 21
- Business banking loan portfolio of \$A11.4b at Dec 21, up 4% on Sep 21
- Car loans portfolio of \$A9.6b at Dec 21, down 12% on Sep 21

1. Based on 1H22 net profit contribution from operating groups as reported on 29 Oct 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. As at 30 Sep 21. 4. BFS deposits exclude corporate/wholesale deposits. 5. Funds on platform includes Macquarie Wrap and Vision.

3Q22 Overview

Markets-facing businesses

Commodities and Global Markets

~43%

1H22 contribution¹

- Strong results across the commodities platform, particularly in global Gas & Power and Resources, driven by increased client hedging and trading opportunities from unusually challenging market conditions
- Solid contribution from client and trading activity across the Financial Markets businesses including fixed income, foreign exchange, credit and equities
- Continued growth of the Asset Finance balance sheet largely driven by Resources and Structured Lending; strong annuity revenues continue across the platform
- Ranked No.4 physical gas marketer in North America²
- Named Derivatives House of the Year and Oil and Products House of the Year³
- Named Commodity Research and Base Metals House of the Year⁴
- Maintained ranking as No.1 Futures Broker on ASX⁵

Macquarie Capital

~12%

1H22 contribution¹

- 126 transactions valued at \$A105b completed globally⁶, up on pcp
- Fee revenue significantly up on pcp across Advisory, DCM and ECM. Investment-related income up substantially on pcp, following exceptionally strong investment realisations
- Principal Finance portfolio of over \$A15b⁷ including a \$A13b credit portfolio, with over \$A4.5b committed in 3Q22 through focused investment in credit markets and bespoke financing solutions
- No. 1 Global Financial Adviser for Infrastructure / Project Finance⁸
- No. 1 in ANZ M&A⁹
- Macquarie Equities maintained market leading ranking in Australia across Research, Sales, Trading, ECM & Corporate Access¹⁰

Notable Deals

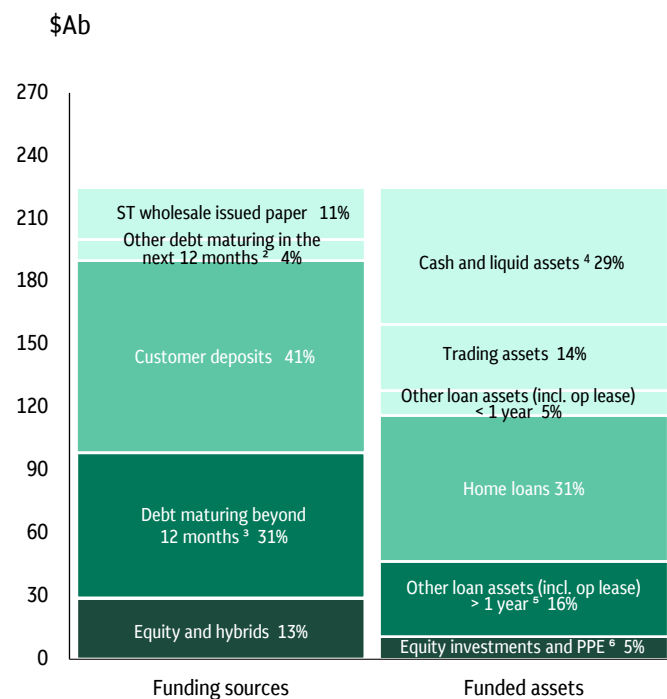
- Lead Left Arranger and Bookrunner on Mediaocean's \$US1b First Lien Credit Facilities for CVC and TA Associates' buyout of the company and also served as sell-side M&A adviser
- Advised 3i Group plc on a majority investment in EC Waste, the largest vertically integrated provider of solid waste services in Puerto Rico, serving 80,000+ customers annually
- Lead Financial Adviser to Apollo Global Management on its \$CA3.3b acquisition of Great Canadian Gaming Corporation and as Joint Bookrunner on the financing to support the acquisition
- Financial Adviser to Oil Search Limited, PNG's largest oil and gas company, on its \$A21b+ merger with Santos Limited. This has positioned the entity to enter the ASX20 index and become one of the top 20 largest global oil and gas companies
- Completed divestment of Savion LLC, a large utility-scale solar and energy storage developer in the US with a pipeline of more than 18GW of solar and energy storage projects, to Shell New Energies US LLC
- Sale of majority ownership in Dovel Technologies to Guidehouse, a US government services firm. Macquarie also acted as financial adviser to Dovel
- Equity partnership with Pollen Street Capital and management into Aryza Group, a leading European provider of credit-lifecycle software

1. Based on 1H22 net profit contribution from operating groups as reported on 29 Oct 21. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 2. Platts Q3 - Jun-Sep 21. 3. Energy Risk Awards 2021 and Energy Risk Asia Awards 2021. 4. Energy Risk Asia Awards 2021. 5. Based on overall market share on ASX24 Futures volumes as at 31 Dec 21. 6. Dealogic & IJ Global 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. 7. Over \$A15b: committed portfolio. 8. Inframation (CY21 by deal count). 9. Dealogic (CY21 Completed by deal value and deal count). 10. Peter Lee Associates 2021 & 2020 Survey of Australian Investors

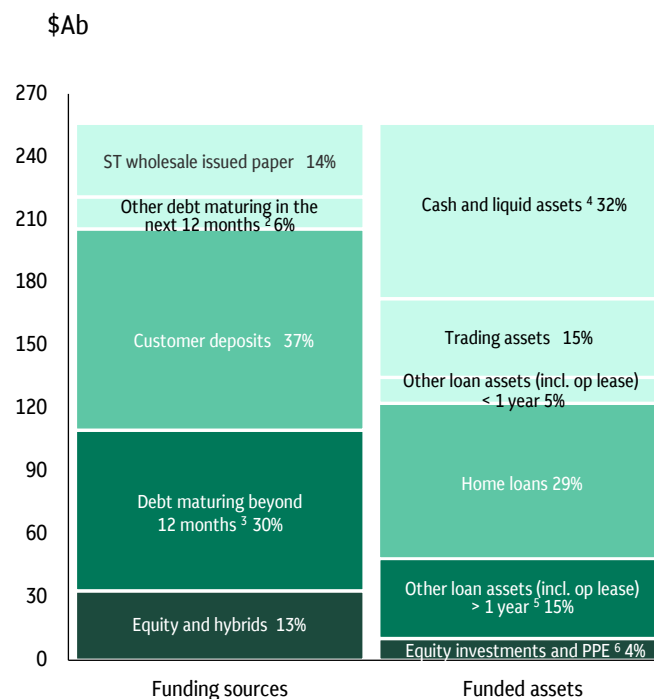
Funded balance sheet remains strong

Term liabilities exceed term assets

30 Sep 21¹



31 Dec 21¹



Total customer deposits⁷

\$A96.0b ↑ 5%
FROM SEP 21

Term funding raised⁸

\$A14.5b Since
SEP 21

Capital raised

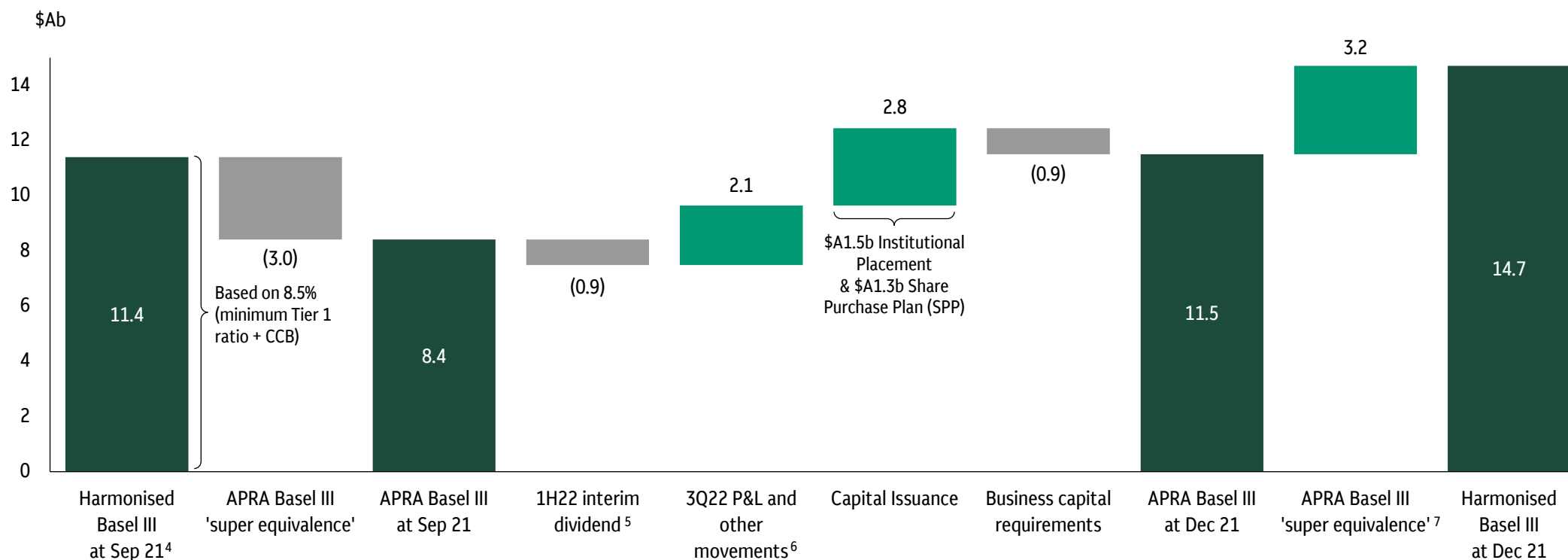
\$A2.8b through institutional
placement and SPP⁹

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. There has been a change in presentation of self-securitized assets on the funded balance sheet in the current period. Self-securitisation of repo eligible Australian assets originated by Macquarie in excess of those held as contingent collateral for RBA facilities (such as the CLF) are now included under home loans. Comparatives have been restated to reflect this change. 2. Other debt maturing in the next 12 months includes Secured funding, Bonds, Other loans, and Net trade creditors. 3. Debt maturing beyond 12 months includes Subordinated debt, Structured notes, Secured funding (including RBA TFF), Bonds, Syndicated loan facilities, Other loans and Wholesale issued paper not maturing within next 12 months. 4. Cash and liquid assets includes self-securitisation of repo eligible Australian assets originated by Macquarie and held as contingent collateral for RBA facilities (such as the CLF). 5. Other loan assets (incl. op lease) > 1 year includes Debt investments. 6. Equity investments and PPE includes Macquarie’s co-investments in Macquarie-managed funds and other equity investments. 7. Total customer deposits as per the funded balance sheet (\$A96.0b) differs from total deposits as per the statutory balance sheet (\$A96.2b). 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. 9. Share Purchase Plan (SPP) was offered to existing shareholders post completion of the institutional placement.

Basel III capital position

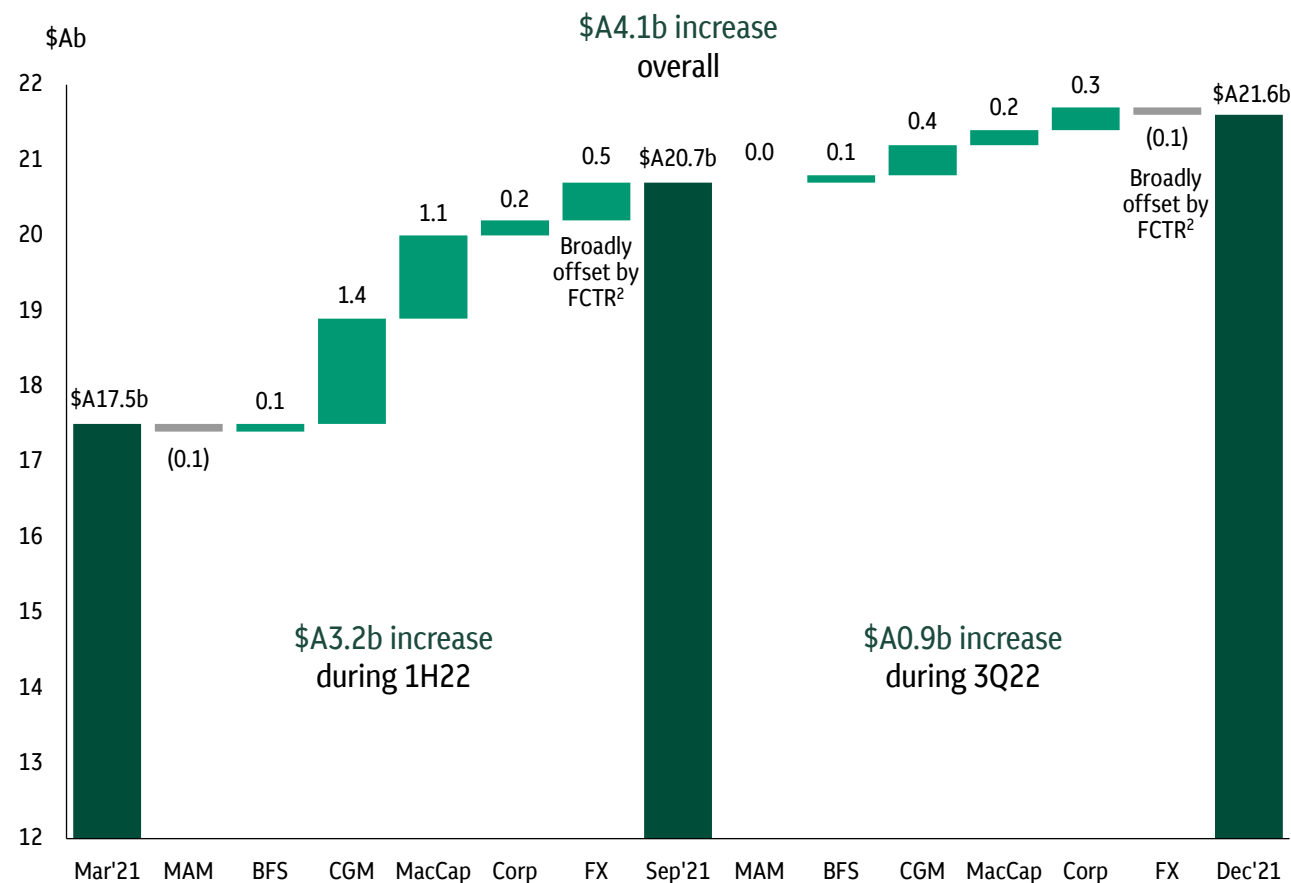
- APRA Basel III Group capital at Dec 21 of \$A33.1b; Group capital surplus of \$A11.5b^{1,2,3}
- APRA Basel III Level 2 CET1 ratio: 12.2%³; Harmonised Basel III Level 2 CET1 ratio: 15.4%

Group regulatory surplus: Basel III (Dec 21)



1. The capital surplus shown is above regulatory minimums including the capital conservation buffer (CCB), per APRA ADI Prudential Standard 110, calculated at 8.5% RWA on a Level 2 basis for MBL. This surplus also includes provision for internal capital buffers, forthcoming regulatory changes as well as differences between Level 2 and Level 1 capital requirements, such as the \$A500m operational capital overlay which is applied to Level 1 only. 2. Based on materiality, the 8.5% used to calculate the Group capital surplus does not include the countercyclical buffer (CCyB) of ~1bps. The individual CCyB varies by jurisdiction and the Bank Group's CCyB is calculated as a weighted average based on exposures in different jurisdictions. 3. Refer to Regulatory Update slide 15 for estimated *pro forma* impact of APRA's finalised bank capital framework to be implemented 1 Jan 23. 4. 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. 5. Offset by Dividend Reinvestment Plan issuance. 6. Includes current quarter P&L, movements in the foreign currency translation reserve, share-based payment reserves and other movements. 7. APRA Basel III 'super-equivalence' includes the impact of changes in capital requirements in areas where APRA differs from the BCBS Basel III framework, including the treatment of mortgages \$A1.3b; capitalised expenses \$A0.6b; equity investments \$A0.5b; investment into deconsolidated subsidiaries \$A0.2b; DTAs \$A0.6b.

Business capital requirements¹



3Q22 Key drivers

MAM

- Private Markets' investments largely offset by divestments and acquisition of Central Park Group

BFS

- Growth in home loans, partially offset by sale of dealer finance business

CGM

- Increase in market risk and growth in credit portfolio

Macquarie Capital

- Principal Finance lending activity and increase in DCM underwriting, partially offset by asset realisations

Corporate

- Various movements, including increased liquidity holdings

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.

Capital management update

Capital Raising

- On 29 Oct 21, Macquarie announced a capital raising via a non-underwritten \$A1.5b institutional placement, in addition to an associated non-underwritten Share Purchase Plan (SPP)
 - On 1 Nov 21, Macquarie completed the institutional placement, conducted via bookbuild. Accordingly, Macquarie issued approximately 7.7m new fully paid ordinary shares, raising \$A1.5b of ordinary equity at a price of \$A194 per new share
 - On 26 Nov 21, Macquarie closed the SPP, with more than 49,000 applications received from eligible shareholders. Accordingly, on 3 Dec 21 Macquarie issued approximately 6.7m new fully paid ordinary shares, raising \$A1.3b of ordinary equity at \$A191.28 per new share¹
 - As at 31 Dec 21, Macquarie has a total of 384m shares outstanding
- The capital raise provides additional flexibility to invest in new opportunities where the expected risk-adjusted returns are attractive, while maintaining an appropriate capital surplus

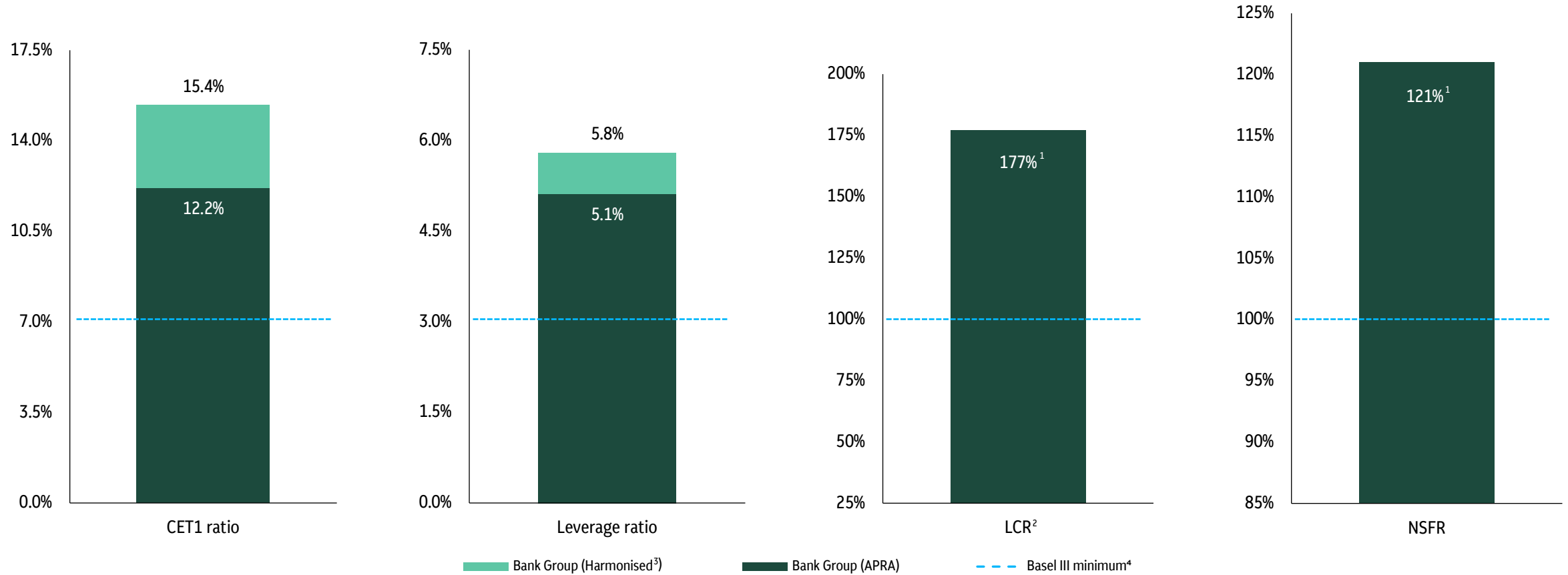
Dividend Reinvestment Plan (DRP)

- On 14 Dec 21, 407,884 ordinary shares were issued and allocated at \$A204.28 per share² under the DRP for a total issuance of \$A83m

1. The same price that was paid by institutional investors under the institutional placement adjusted for the 1H22 dividend. 2. The DRP price was determined in accordance with the DRP Rules, being the arithmetic average of the daily volume-weighted average price of all Macquarie Group shares sold through a normal trade on the ASX automated trading system of the 5 trading days from 15 Nov 21 to 19 Nov 21 inclusive with no discount.

Strong regulatory ratios

Bank Group Level 2 Ratios (Dec 21)



1. As announced on 1 Apr 21, APRA has imposed a 15% add-on to the Net Cash Outflow component of the LCR calculation, and a 1% decrease to the Available Stable Funding component of the NSFR calculation, effective from 1 Apr 21. 2. Average LCR for Dec 21 quarter is based on an average of daily observations. 3. 'Harmonised' Basel III estimates are calculated in accordance with the BCBS Basel III framework. 4. Includes the capital conservation buffer in the minimum CET1 ratio requirement. APRA released the final 'Prudential Standard APS 110 Capital Adequacy' on 30 Nov 21 which has a minimum requirement for the leverage ratio of 3.5% effective 1 Jan 23.

Regulatory update

Australia

Update on prudential standards

APRA has finalised or is in the process of implementing changes to a number of prudential standards¹. Macquarie notes the following key updates:

- On 29 Nov 21, APRA finalised its new bank capital framework, and will continue to consult with the industry on certain areas prior to the 1 Jan 23 implementation date². Based on current information available, the estimated *pro forma* impact on MGL's capital surplus above regulatory minimums as at 30 Sep 21 is a reduction of ~\$A2.2b³, largely on account of the increases to regulatory capital buffers. MGL's capital surplus has included a provision for these regulatory changes for some time.
- On 27 Oct 21, APRA provided an update on the extended timelines for revisions and implementation of market risk prudential standards including APS 117 from 1 Jan 23 to 1 Jan 24; implementation of the Basel Committee on Banking Supervision's fundamental review of the trading book ("FRTB") through a revised APS 116 and an updated Credit Valuation Adjustment risk framework through a revised APS 180 will be conducted in parallel, with a planned effective date of 1 Jan 25 (previously 1 Jan 24)⁴.
- On 2 Dec 21, APRA commenced consultation on two new prudential standards to strengthen the preparedness of APRA-regulated entities to respond to future financial crises⁵. The consultation period closes on 29 Apr 22, with a proposed effective date from 1 Jan 24.
- On 27 Aug 21, APRA released a finalised Cross-industry Prudential Standard Remuneration ("CPS 511") which comes into effect for Macquarie on 1 Jan 23⁶. The new standard requires boards to maintain a remuneration framework that promotes effective risk management of both financial and non-financial risks including variable downward-adjustment tools and deferral periods to address poor risk and conduct outcomes. On 18 Oct 21, APRA released the finalised Prudential Practice Guide ("CPG 511"), which provides additional guidance to assist entities in meeting the new requirements under CPS 511⁷ and is aligned to the guidance with the Government's proposed Financial Accountability Regime ("FAR"). On 13 Dec 21, Macquarie submitted to APRA a self-assessment of its current remuneration framework against the new requirements and an initial implementation plan to address the identified gaps.

Remediation plan

- On 1 Apr 21, APRA announced actions required regarding MBL's risk management practices and ability to calculate and report key prudential ratios. APRA increased MBL's operational risk capital requirement and made adjustments to requirements for certain liquidity prudential ratios, effective from 1 Apr 21. The actions relate to specific intra-group funding arrangements as well as breaches of APRA's reporting standards on liquidity between 2018 and 2020. APRA noted that the breaches are historical and do not impact the current overall soundness of Macquarie Group's capital and liquidity positions. On 22 Oct 21, MBL published restated historical Pillar 3 disclosures for the period Mar 18 to Jun 21.
- Macquarie has ongoing programs which focus on strengthening MBL's processes and controls, including those around intra-group funding arrangements and internal exposures; capital and liquidity reporting; risk management frameworks; and accountabilities and governance. A number of these programs also form part of a remediation plan as required by APRA, which has been established to define and deliver programs of work that strengthen MBL's governance, risk culture, structure, and incentives to ensure full and ongoing compliance with prudential standards.

Germany

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

1. A 12-month period of transition to 1 Jan 23 in relation to APS 222 was granted to MBL by APRA on 25 Nov 21. 2. 'APRA finalises new bank capital framework designed to strengthen financial system resilience'; 29 Nov 21. 3. This estimate includes the impact of finalised standards for APS 110, 112, 113 and 115. Assumes a default level Australian CCyB of 1.0%, which combined with the increase in the CCB of 1.25% gives rise to an increase in the regulatory minimum of 1.78% based on Macquarie's business and geographic mix as at 30 Sep 21. Also, assumes a weighted average mortgage LGD of 15% (mid-point between the existing 20% floor and post-reform 10% floor). LGDs may be more or less than 15% and will be subject to APRA approval with each 1% change in the weighted average LGD expected to have a ~\$A0.12b impact on the capital surplus. 4. 'APRA releases updated timelines on the implementation of market risk prudential standards'; 27 Oct 21. 5. CPS 190 - Financial Contingency Planning and CPS 900 - Resolution Planning, outlined in 'APRA moves to strengthen crisis preparedness in banking, insurance and superannuation'; 2 Dec 21. 6. 'APRA releases final remuneration standard'; 27 Aug 21. 7. 'APRA finalises guidance for new prudential standard on remuneration'; 18 Oct 21.

04

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

Corporate

- Compensation ratio expected to be broadly in line with historical levels

Markets-facing businesses

Macquarie Capital (MacCap)

- Transaction activity in 2H22 expected to be significantly up on pcp
- Investment-related income in 2H22 expected to be substantially up on pcp with exceptionally strong investment realisations in 3Q22 and no meaningful realisations expected in 4Q22
- Balance sheet deployment in 2H22 up on pcp and expected to continue in 4Q22

Commodities and Global Markets² (CGM)

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

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



Short-term outlook

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

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

We continue to maintain a cautious stance, with a conservative approach to capital, funding and liquidity that positions us well to respond to the current environment



Medium-term outlook

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

Deep expertise in major markets

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

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

Ongoing program to identify cost saving initiatives and efficiency

Strong and conservative balance sheet

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

Proven risk management framework and culture

Medium term

Annuity-style businesses

Non-Banking Group

Macquarie Asset Management (MAM)

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

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 continued levels 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 in the infrastructure space and balance sheet investment alongside clients
- Effective 1 April 2022, Green Investment Group will move to operate as part of Macquarie Asset Management

Commodities and Global Markets¹ (CGM)

- Commodities income, including the impacts of timing of income recognition on storage contracts and 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.

05

Appendix A

Select slides from Macquarie's result
announcement for the half-year ended 30 Sep 21



Income statement key drivers

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

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

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

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

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

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

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

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

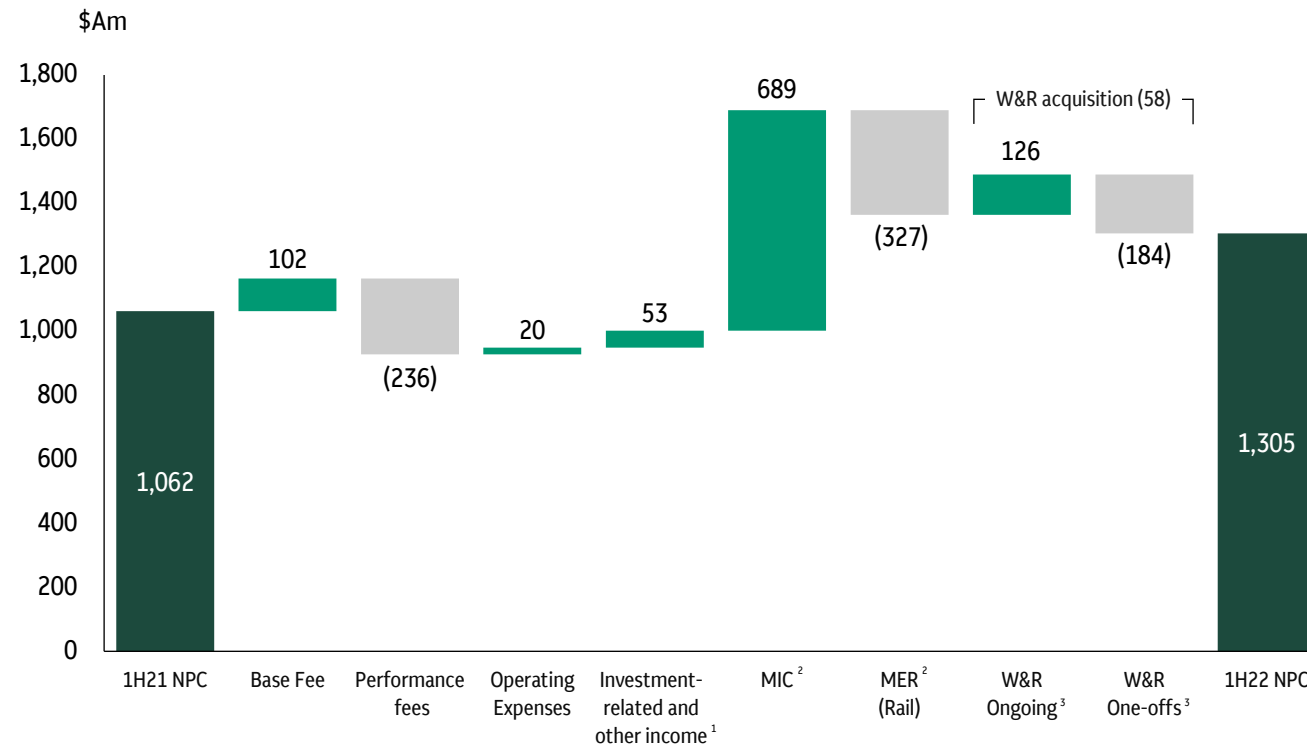
Investment income of \$A994m, up 59% on 1H21, primarily due to a **gain on the partial sale of the UK Meters portfolio** in CGM and higher revenue in Macquarie Capital from asset realisations, partially offset by the 1H21 gain on sale of Macquarie European Rail in MAM

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

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

Macquarie Asset Management

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



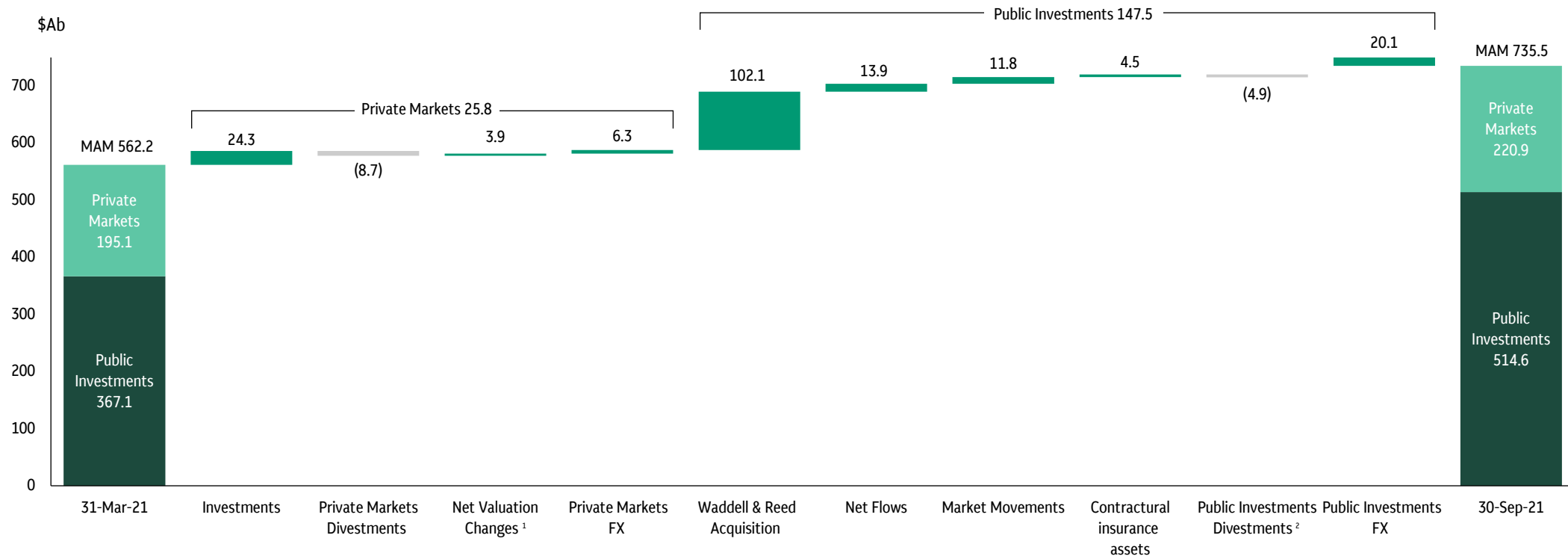
1. Investment-related income includes net income on equity, debt and other investments and share of net profits/ (losses) of associates and joint ventures, credit and other impairment reversals/(charges). Other income includes net interest and trading expense, other fee and commission income, net operating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

Key drivers

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

MAM AUM movement

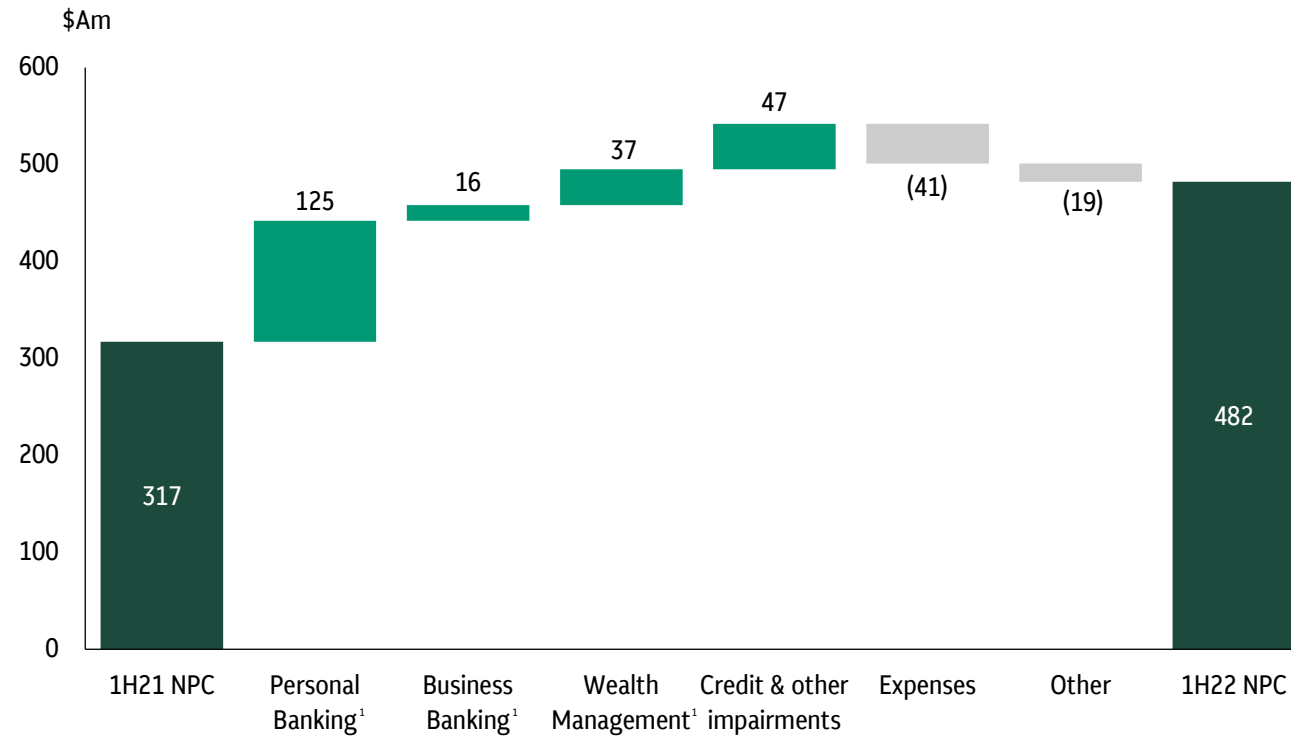
Increase due to acquisition of Waddell & Reed, positive impacts from foreign exchange, investment by Private Markets-managed funds and Public Investments positive net flows and market movements



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

Banking and Financial Services

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



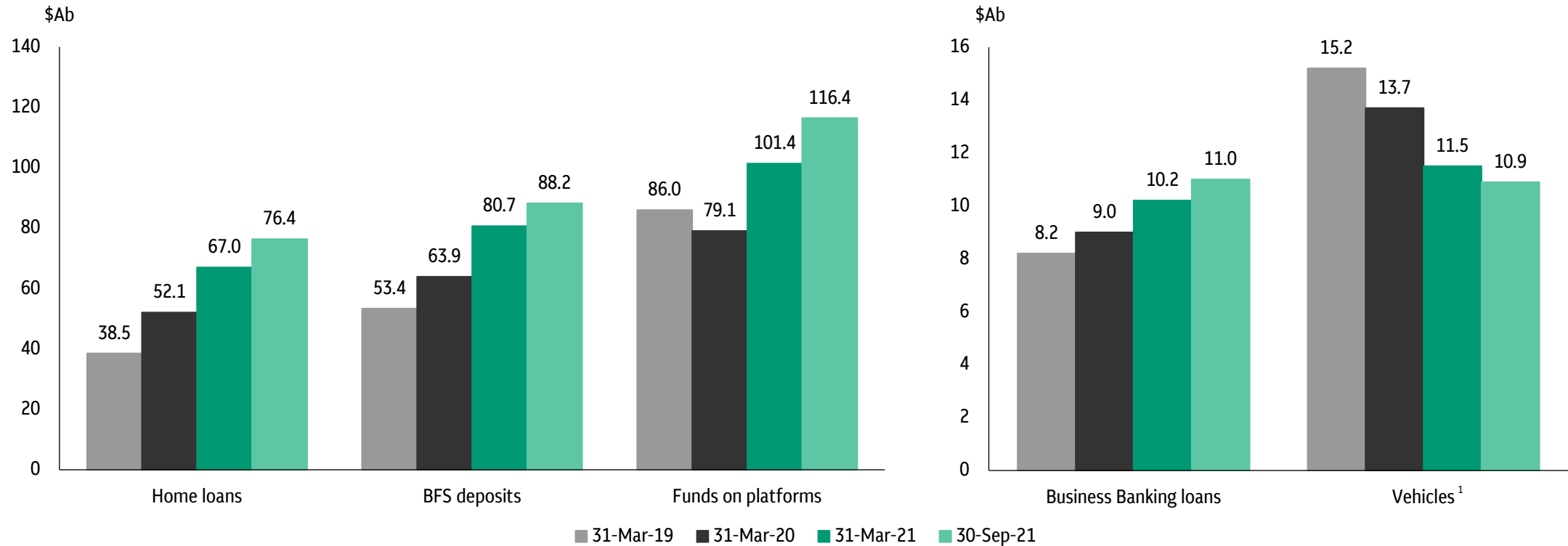
1. Includes brokerage, commission and fee expenses.

Key drivers

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

Banking and Financial Services

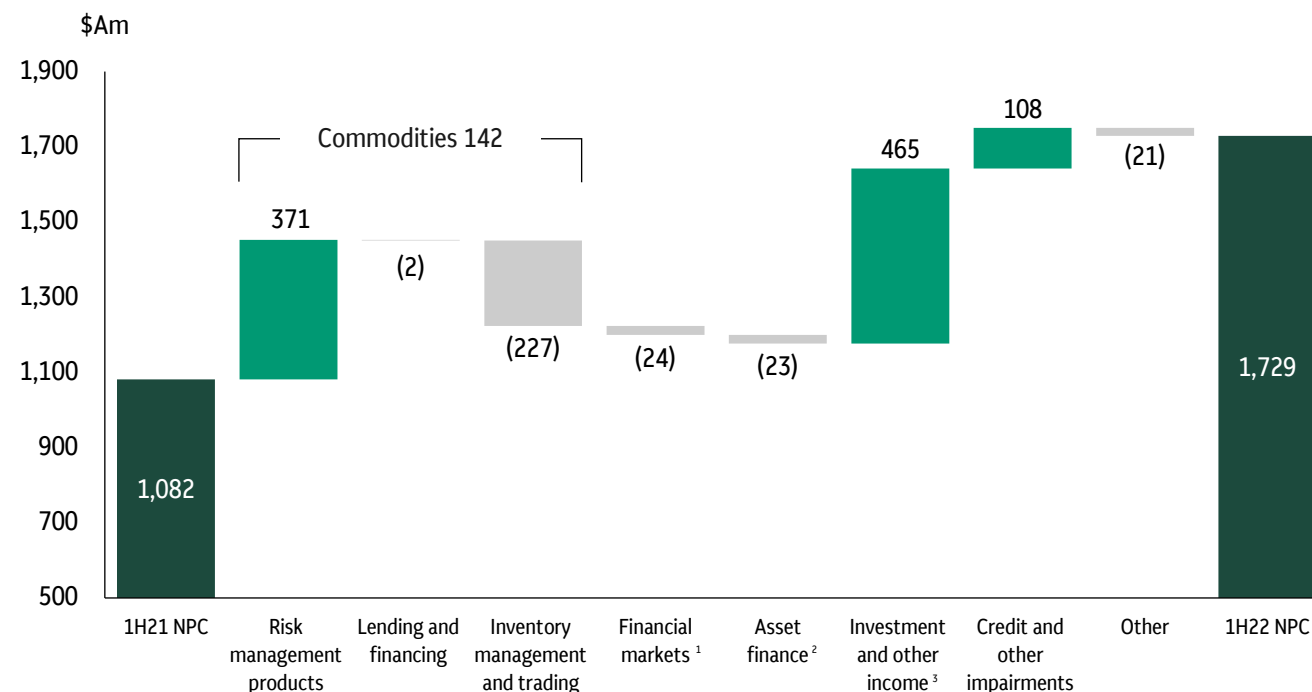
Strong growth across home loans, deposits and funds on platform



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

Commodities and Global Markets

Strong underlying client business; well positioned for upside opportunities



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

Key drivers

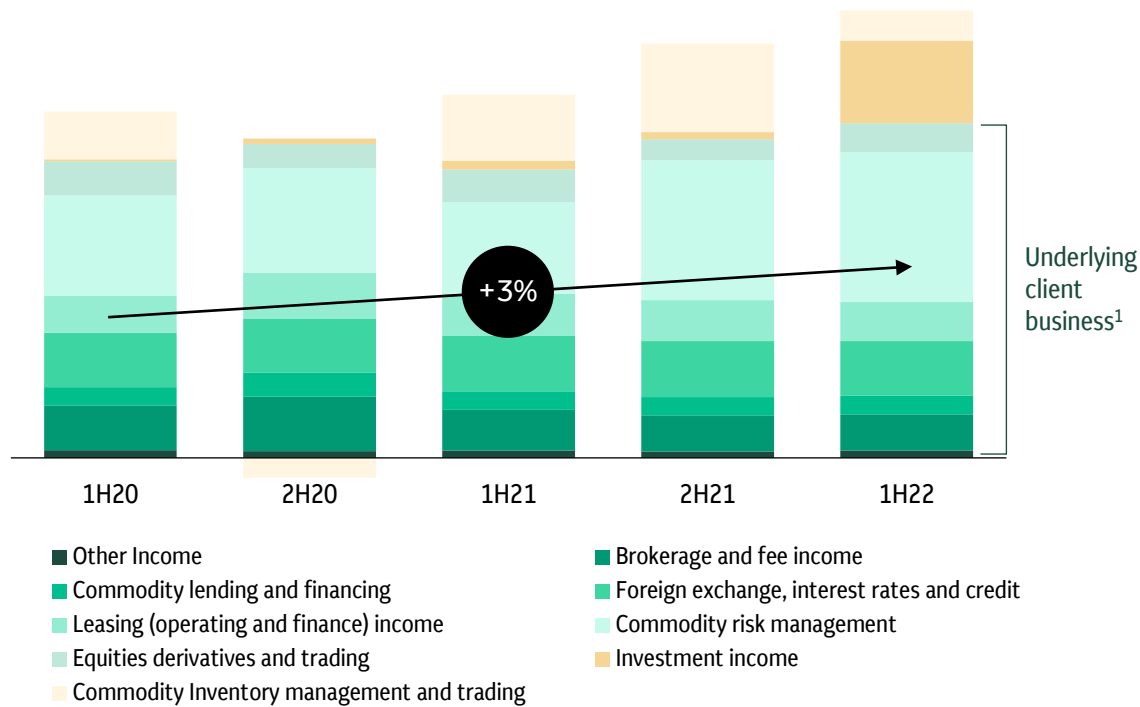
- Commodities
 - Increased Risk Management revenue across commodities sectors particularly Gas and Power, Resources, and Agriculture due to increased client hedging activity and gains associated with management of those exposures as a result of elevated levels of volatility and price movements in commodity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

Strong underlying client business

Majority of income derived from underlying client business

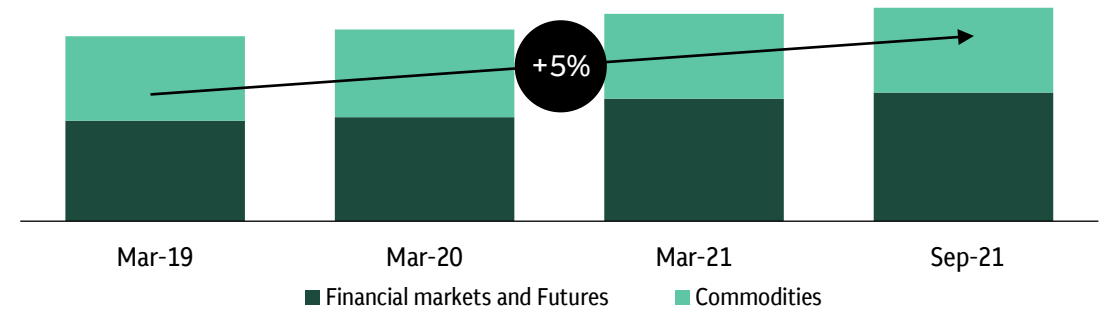
Operating Income

(excl. credit and other impairment charges)

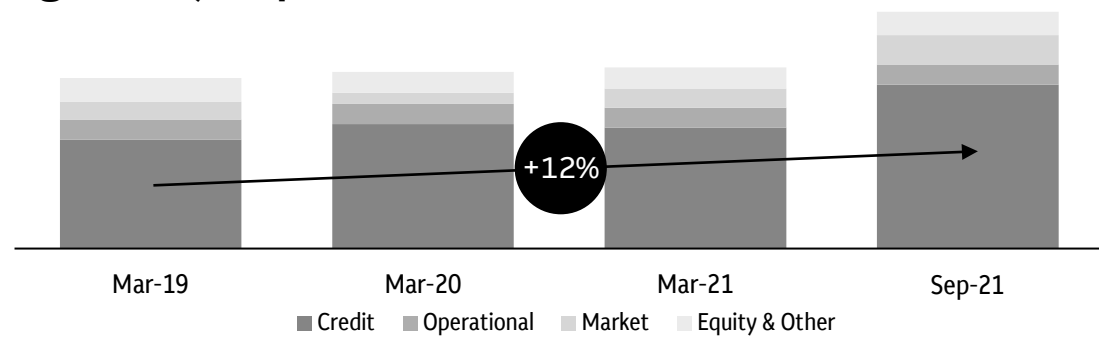


Client numbers² (excl. SAF)

Client-led business with deep longstanding client relationships



Regulatory capital (normalised)³

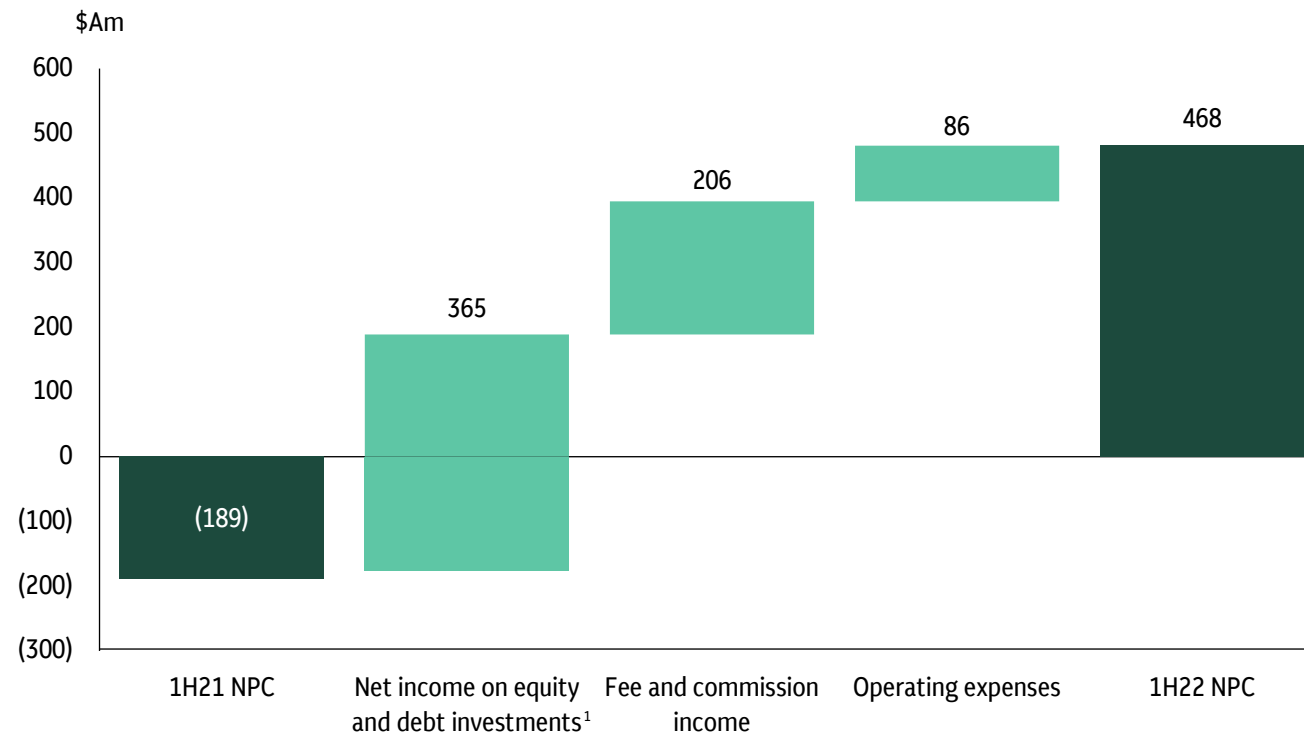


- Majority of capital relates to **credit risk** reflecting **client-focused business**
- Risk management is **core; built on 50+ years of accumulated experience** in managing risk for our clients and our business

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

Macquarie Capital

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



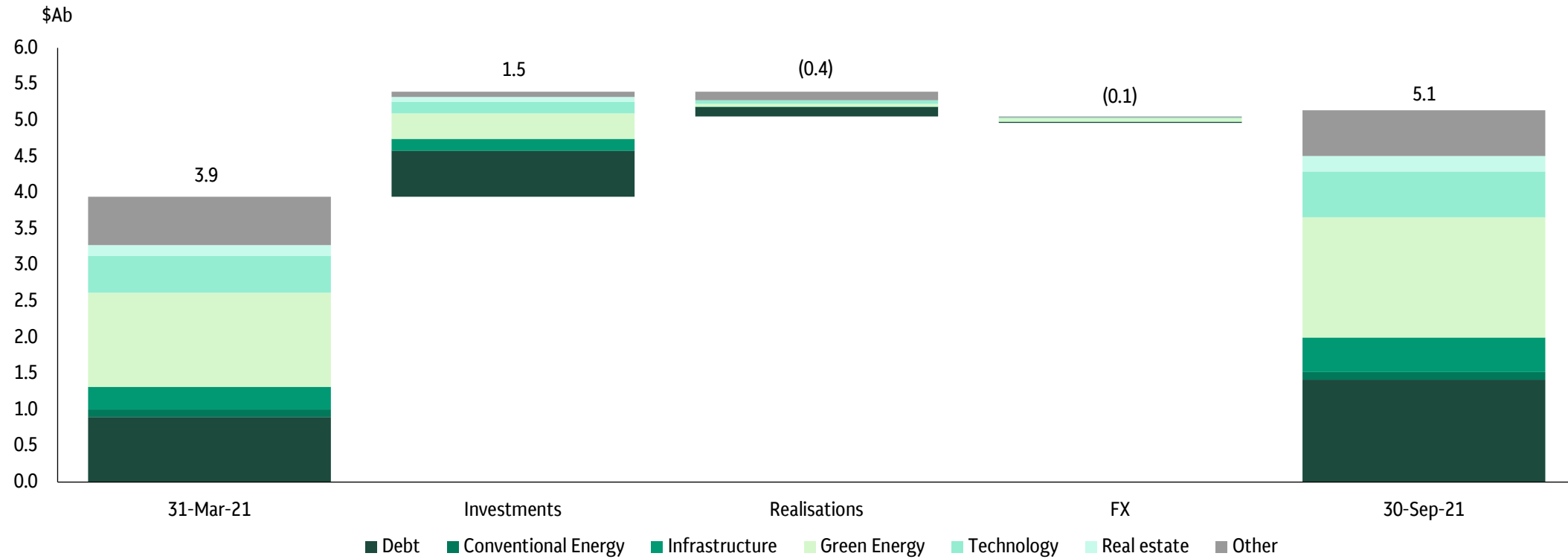
¹Includes gains and losses from sale and revaluation of equity, debt and other investments, net interest and trading income (which represents interest earned from debt investments and the funding costs associated with Macquarie Capital's balance sheet positions), share of net profits/(losses) of associates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

Key drivers

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

Macquarie Capital

Movement in capital

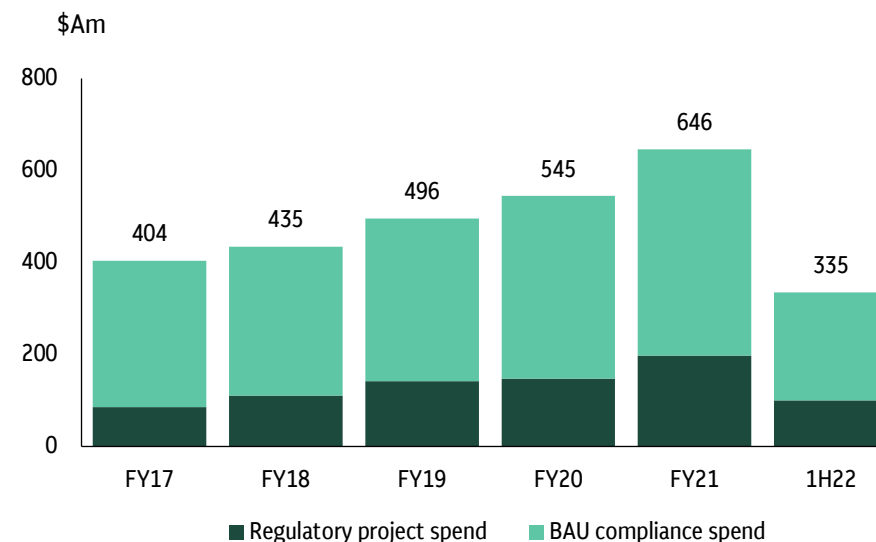


Costs of compliance

Total compliance spend¹ \$A335m in 1H22, up 11% on 1H21

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

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



1. Excluding indirect costs.

Balance sheet highlights

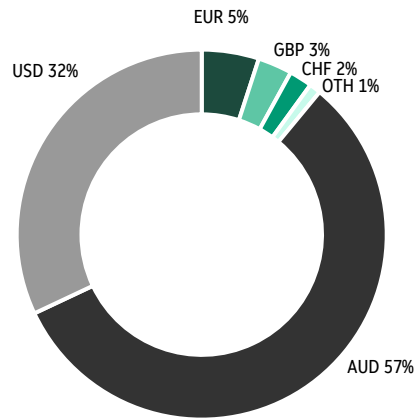
- **Balance sheet remains solid and conservative**
 - Term assets covered by term funding, stable deposits and equity
 - Limited reliance on short-term wholesale funding markets
- **Total customer deposits¹ continuing to grow, up 9% to \$A91.5b as at Sep 21 from \$A84.0b as at Mar 21**
- **\$A24.4b² of term funding raised during 1H22:**
 - \$A9.5b draw down of the RBA Term Funding Facility³
 - \$A7.4b of term wholesale issued paper comprising of \$A6.6b of senior unsecured debt and \$A0.8b of subordinated unsecured debt
 - \$A3.8b of PUMA RMBS securitisation issuance
 - \$A3.0b refinance of secured trade finance facilities; and
 - \$A0.7b of BCN3 Hybrid instrument issuance

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

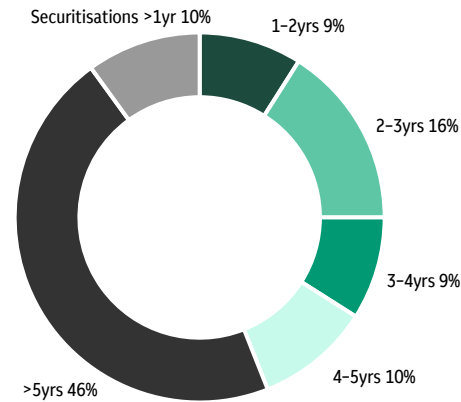
Diversified issuance strategy

Term funding as at 30 Sep 21 – diversified by currency¹, tenor² and type

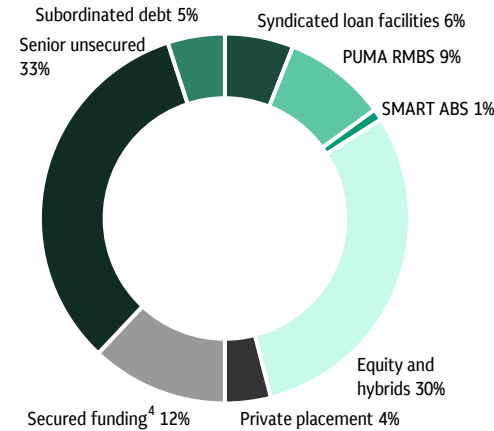
Currency



Tenor

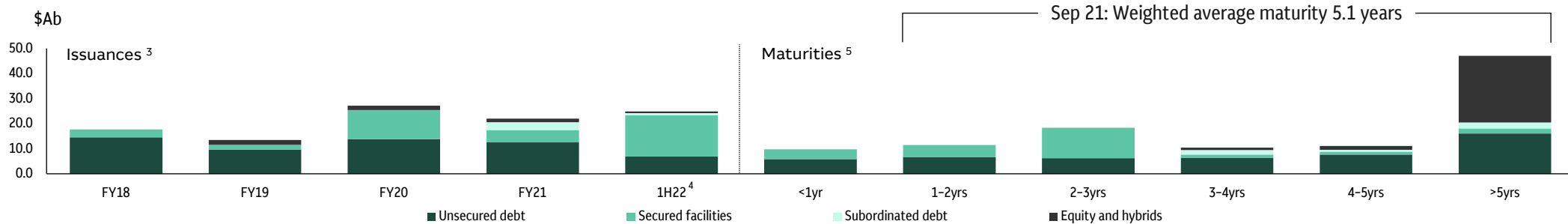


Type



5.1 years WAM⁶
of Term funding excluding TFF
(4.6 years including TFF)

Term Issuance and Maturity Profile

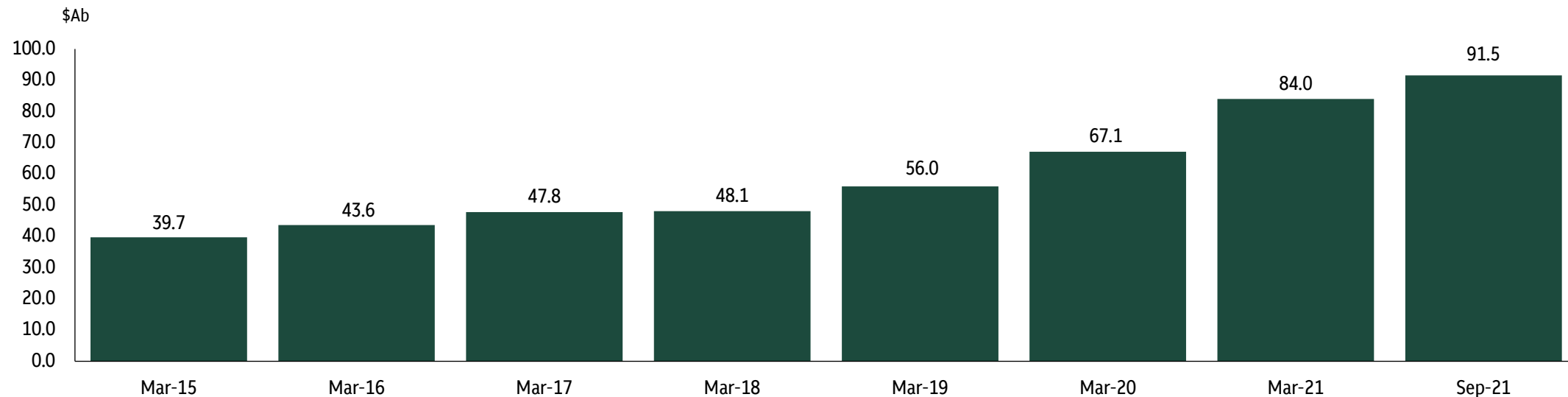


1. Equity has been allocated to the AUD currency category. 2. Securitisations have been presented on a behavioural basis and represent funding expected to mature in >1yr. 3. Issuances include refinancing of loan facilities and are converted to AUD at the 30 Sep 21 spot rate. 4. Includes RBA TFF. 5. Maturities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

Continued customer deposit growth

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

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



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

Loan and lease portfolios¹ – funded balance sheet

Operating Group	Category	Sep 21 ² \$Ab	Mar 21 ² \$Ab	Description
BFS	Home loans ³	76.8	66.9	Secured by Australian residential property
	Business banking	11.3	10.5	Loan portfolio secured largely by working capital, business cash flows and real property
	Vehicle finance	10.7	11.3	Secured by Australian motor vehicles
	Total BFS	98.8	88.7	
CGM	Loans and finance lease assets	6.6	5.7	
	Operating lease assets	1.9	1.8	
	Asset finance	8.5	7.5	Predominantly secured by underlying financed assets
	Resources and commodities	2.3	2.1	Diversified loan portfolio primarily to the resources sector that are secured by the underlying assets with associated price hedging to mitigate risk
	Foreign exchange, interest rate and credit	2.7	2.3	Diversified lending predominantly consisting of loans which are secured by other loan collateral, assets including rights and receivables and warehoused security from mortgages and auto loans
	Total CGM	13.5	11.9	
MAM	Operating lease assets	0.9	0.8	Secured by underlying financed assets including transportation assets
	Total MAM	0.9	0.8	
MacCap	Corporate and other lending	8.9	6.0	Diversified corporate and real estate lending portfolio, predominantly consisting of loans which are senior, secured, covenanted and with a hold to maturity horizon. Includes diversified secured corporate lending
	Total MacCap	8.9	6.0	
Total loan and lease assets per funded balance sheet⁴		122.1	107.4	

1. Loan assets per the statutory balance sheet of \$A118.4b at 30 Sep 21 (\$A105.0b at 31 Mar 21) are adjusted to include fundable assets not classified as loans on a statutory basis (e.g. assets subject to operating leases which are recorded in Property, Plant and Equipment in the statutory balance sheet). 2. There has been a change in presentation of certain items on the funded balance sheet in the current period. Comparatives have been restated to reflect this change. Refer slide 68 for more details. 3. Home loans per the funded balance sheet of \$A76.8b differs from the figure disclosed on slide 21 of \$A76.4b. The balance on slide 21 excludes capitalised costs, provision, deferred income, accrued interest and establishment fee. 4. Total loan assets per funded balance sheet includes self-securitised assets.

Equity investments of \$A8.8b¹

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

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

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

Approximate business Basel III Capital and ROE

30 Sep 21

Operating Group	APRA Basel III Capital ¹ @ 8.5% (\$Ab)	Approx. 1H22 Return on Ordinary Equity ²	Approx. 15-year Average Return on Ordinary Equity ³
Annuity-style businesses	7.7		
Macquarie Asset Management	2.9		
Banking and Financial Services	4.8	24%	22%
Markets-facing businesses	11.8		
Commodities and Global Markets	6.7		
Macquarie Capital	5.1	21%	16%
Corporate	1.2		
Total regulatory capital requirement @ 8.5%	20.7		
Group surplus	8.4		
Total APRA Basel III capital supply	29.1⁴	17.8%	14%

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

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Appendix B

Detailed result commentary



Macquarie Asset Management

Result

	1H22 \$Am	2H21 \$Am	1H21 \$Am
Base fees	1,362	1,014	971
Performance fees	177	240	413
Investment-related and other income ¹	801	415	416
Credit and other impairment reversal/(charges)	116	96	(11)
Net operating income	2,456	1,765	1,789
Brokerage, commission and fee expenses	(207)	(126)	(123)
Other operating expenses	(945)	(627)	(598)
Total operating expenses	(1,152)	(753)	(721)
Non-controlling interests	1	-	(6)
Net profit contribution²	1,305	1,012	1,062
AUM (\$Ab)	735.5	562.2	554.9
EUM (\$Ab)	158.8	142.0	139.8
Headcount	2,354	1,921	1,904

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

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

Banking and Financial Services

Result

	1H22 \$Am	2H21 \$Am	1H21 \$Am
Net interest and trading income ¹	974	902	844
Fee and commission income	220	216	203
Wealth management fee income	147	138	136
Banking and leasing fee income	73	78	67
Credit and other impairment charges	(31)	(37)	(78)
Other income ²	-	12	16
Net operating income	1,163	1,093	985
Total operating expenses	(681)	(639)	(668)
Net profit contribution³	482	454	317
Funds on platform ⁴ (\$Ab)	116.4	101.4	89.3
Loan and lease portfolio ⁵ (\$Ab)	98.7	89.1	79.1
BFS Deposits ⁶ (\$Ab)	88.2	80.7	74.4
Headcount	3,152	2,986	2,895

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

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

Commodities and Global Markets

Result

	1H22 \$Am	2H21 \$Am	1H21 \$Am
Commodities	1,254	1,559	1,112
Risk management products	949	883	578
Lending and financing	116	116	118
Inventory management and trading	189	560	416
Foreign exchange, interest rates and credit	348	353	349
Equities	183	133	206
Asset Finance	93	74	70
Net interest and trading income¹	1,878	2,119	1,737
Fee and commission income	228	228	257
Net operating lease income ²	152	185	198
Investment and other income ³	569	87	104
Credit and other impairment charges	(58)	(71)	(166)
Net operating income	2,769	2,548	2,130
Brokerage, commission and fee expenses	(195)	(172)	(216)
Other operating expenses	(845)	(857)	(832)
Total operating expenses	(1,040)	(1,029)	(1,048)
Net profit contribution⁴	1,729	1,519	1,082
Headcount	2,120	2,133	2,167

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

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

Macquarie Capital

Result

	1H22 \$Am	2H21 \$Am	1H21 \$Am
Net interest and trading income ¹	115	63	6
Fee and commission income	871	722	665
Investment-related income (ex non-controlling interests)	494	928	62
Net income on equity, debt and other investments	422	998	141
Other investment-related income²	72	(70)	(79)
Credit and other impairment charges	(209)	(110)	(119)
Internal management revenue ³	17	31	-
Net operating income	1,288	1,634	614
Total operating expenses	(730)	(798)	(816)
Non-controlling interests	(90)	4	13
Net profit/(loss) contribution⁴	468	840	(189)
Capital markets activity ⁵ :			
Number of transactions	253	258	159
Transactions value (\$Ab)	231	178	186
Headcount	1,831	1,821	1,992

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

1. Represents the interest earned from debt investments and the funding costs associated with Macquarie Capital's balance sheet positions. 2. Includes share of net profits/(losses) of associates and joint ventures and other income/(expenses). 3. Internal revenue allocations are eliminated on consolidation in the Group's statutory P&L. 4. Management accounting profit before unallocated corporate costs, profit share and income tax. 5. Source: Dealogic and IJGlobal for Macquarie Group completed M&A, investments, ECM and DCM transactions converted as at the relevant reporting date. Deal values reflect the full transaction value and not an attributed value.

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Appendix C

Glossary



Glossary

\$A / AUD	Australian Dollar
\$US / USD	United States Dollar
£ / GBP	Pound Sterling
€	Euro
1H22	Half Year ended 30 September 2021
1Q22	Three months ended 30 June 2021
2H22	Half Year ended 31 March 2022
3Q21	Three months ended 31 December 2020
3Q22	Three months ended 31 December 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
CAF	Corporate and Asset Finance
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
EV	Electric Vehicle
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

Glossary

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
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

MIP I	Macquarie Infrastructure Partners Fund 1
MIP II	Macquarie Infrastructure Partners Fund 2
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
PPP	Public Private Partnership
RBA	Reserve Bank of Australia
ROE	Return on Equity
RWA	Risk Weighted Assets
SBI	State Bank of India
SMI	Sustainable Markets Initiative
SMSF	Self Managed Super Fund
TCFD	Task Force on Climate-related Financial Disclosures
TFF	Term Funding Facility
UN PRI	United Nations Principles for Responsible Investment

March Conferences

Presentation to Investors and Analysts

March 2022

