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ASX/Media Release

Investor presentation and outlook update

SYDNEY, 19 September 2016 – As part of its regular investor communications program, Macquarie Group (Macquarie) (ASX: MQG; ADR: MQBKY) will be presenting at the CLSA Investors' Forum in Hong Kong on 20 and 21 September 2016.

Contained within the presentation (see attached) is an update to the short term outlook statement that Macquarie provided at the Group's Annual General Meeting on 28 July 2016.

We continue to expect the Group's result for FY17 to be broadly in line with FY16:

- 1H17 result is expected to be broadly in line with the 2H16 result, subject to the conduct of period end reviews and the completion rate of transactions

The Group's short-term outlook remains subject to:

- market conditions
- the impact of foreign exchange; and
- potential regulatory changes and tax uncertainties

Over the medium term, Macquarie remains well positioned to deliver superior performance. The Group has deep expertise in major markets and we continue to build on our strength in diversity and adapt our portfolio mix to changing market conditions. We are seeing the ongoing benefits of continued cost initiatives, our balance sheet is strong and conservative, and we have a proven risk management framework and culture.

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MACQUARIE



23rd CLSA Investors' Forum

Grand Hyatt, Hong Kong

Presentation to Investors and Analysts
20-21 September 2016

Patrick Upfold
Chief Financial Officer

James Freeman
Investor Relations

Disclaimer



MACQUARIE

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Unless otherwise specified all information is as at 31 March 2016.

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

This presentation may contain forward looking statements including 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, specific provisions 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 to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events. While due care has been used in the preparation of forecast information, actual results may vary in a materially positive or negative manner. Forecasts and hypothetical examples are subject to uncertainty and contingencies outside Macquarie's control. Past performance is not a reliable indication of future performance.

Any additional financial information in this presentation which is not included in the Macquarie Group Limited Financial Report was not subject to independent audit or review by PricewaterhouseCoopers.

Agenda



MACQUARIE

- | | |
|----|------------------------------|
| 01 | Overview of Macquarie |
| 02 | Macquarie's Operating Groups |
| 03 | 1Q17 Update |
| 04 | FY17 Outlook |
| 05 | Appendices |



01

Overview of Macquarie

About Macquarie



MACQUARIE

Macquarie has built a uniquely diversified business since its inception in 1969. It is a global business built upon a range of products and sectors in which it has world-leading expertise

- Global provider of banking, financial, advisory, investment and funds management services
- Main business focus is providing products and services to clients
- Listed on Australian Securities Exchange (ASX: MQG)
- Level I American Depository Receipt facility managed by BNY Mellon (ADR: MQBKY)
- Regulated by APRA, Australian banking regulator, as non-operating holding company of a licensed Australian bank
- Assets under management \$A499 billion¹
- Founded in 1969, currently employs 14,493 people and operates in 28 countries¹

Why Macquarie?



47 yrs
of profitability

Profitable every year since inception

 **Strong earnings growth**
over the **last 5 years**



Predictable earnings

more than **70%** of income from annuity-style businesses¹

Geographically diverse



68% of income² generated outside of Australia

Strong shareholder returns



Consistently **outperformed** ASX 200 since listing

Dividend yield



FY16: **5.0%**³
Payout ratio: **66%**⁴

Long term ratings stability



A/A2/A MBL credit rating

Well capitalised



and a strong funded balance sheet

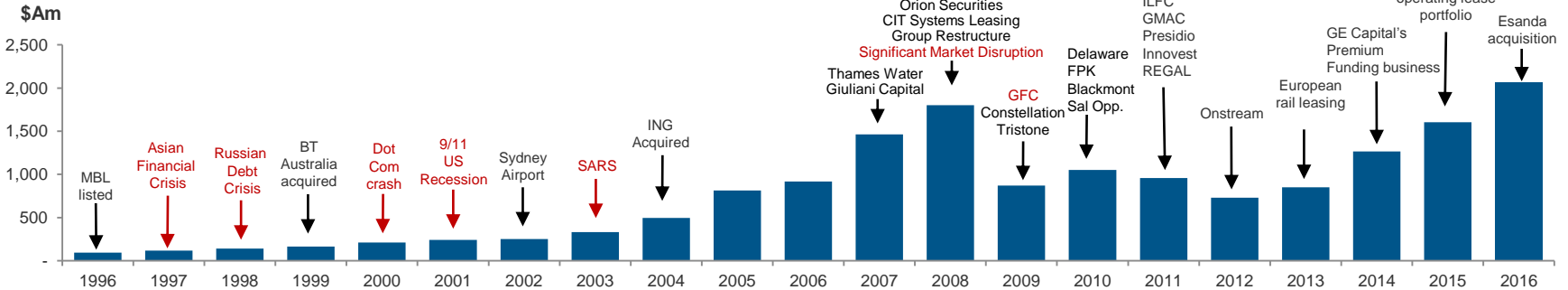
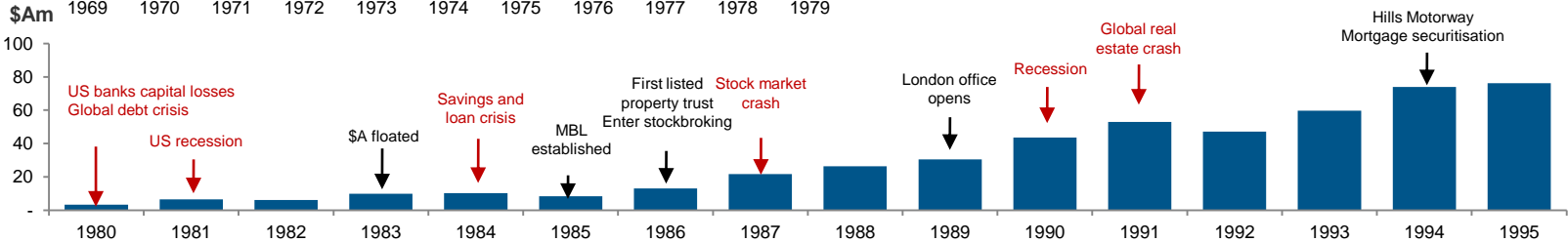
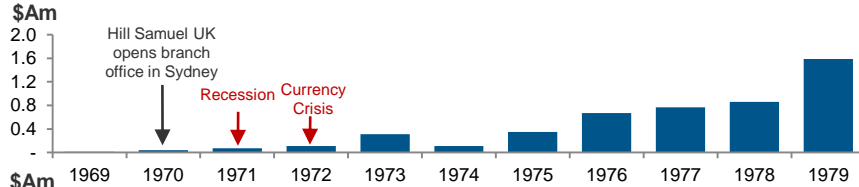
Underpinned by a long standing conservative risk management framework

1. Based on FY16 net profit contribution from operating groups (net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax). 2. Based on FY16 net operating income excluding earnings on capital and other corporate items. 3. Share price as at 31 Aug 16. 4. For the full year ended 31 Mar 16.

47 years of profitability



MACQUARIE



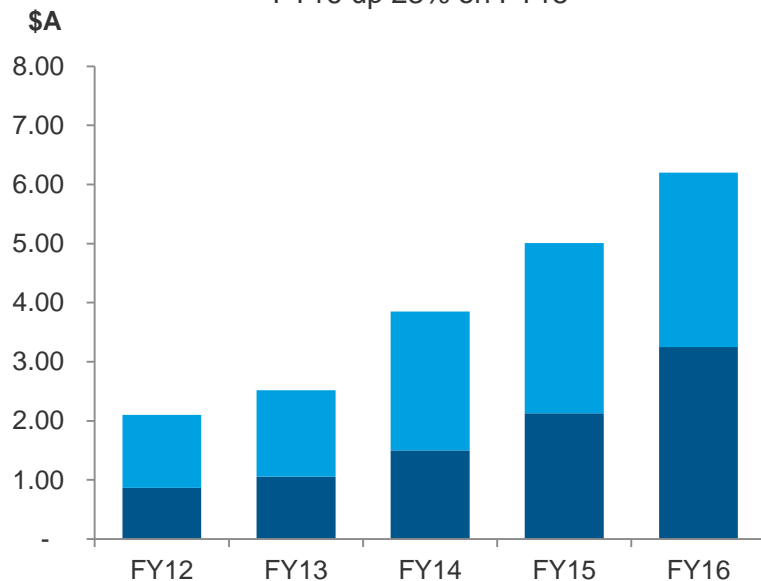
Strong earnings growth



MACQUARIE

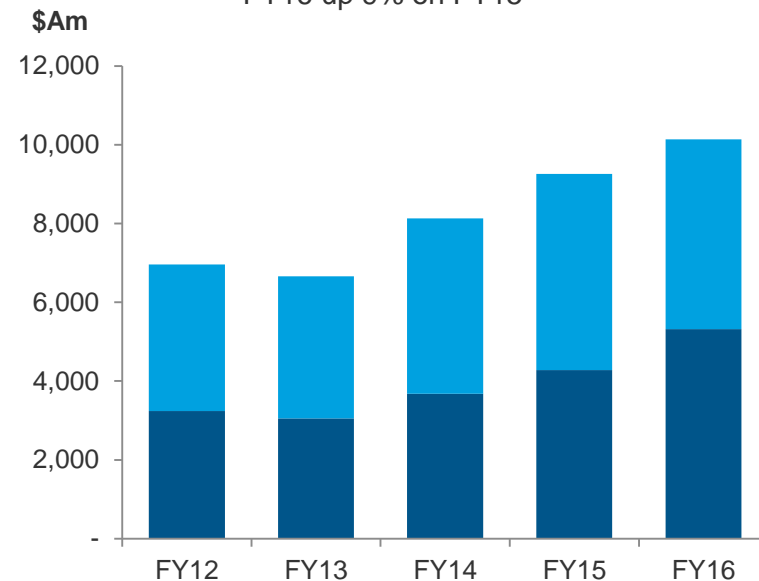
FY16 EPS of \$A6.19

FY16 up 23% on FY15



FY16 Operating income of \$A10,135m

FY16 up 9% on FY15



■ 1H ■ 2H

Geographic footprint

14,493 staff in 28 countries



MACQUARIE

Europe, Middle East & Africa

Staff: 1,535

Europe

Amsterdam
Dublin
Frankfurt
Geneva
Glasgow
London
Luxembourg
Madrid
Munich
Paris
Vienna
Zurich

Middle East

Abu Dhabi
Dubai

South Africa

Cape Town
Johannesburg

Asia

Staff: 3,652

Asia

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

Australia

Adelaide
Brisbane
Canberra
Gold Coast
Manly
Melbourne
Parramatta
Perth
Sydney

New Zealand

Auckland
Christchurch
Wellington

Australia¹

Staff: 6,645

Americas

Staff: 2,661

Canada

Calgary
Montreal
Toronto
Vancouver

USA

Austin
Boca Raton
Boston
Chicago
Denver
Houston
Jacksonville

Los Angeles
Nashville
New York
Philadelphia
San Diego
San Francisco
San Jose

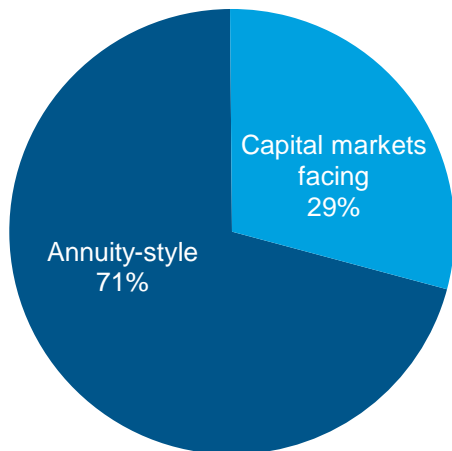
Latin America

Mexico City
Sao Paulo

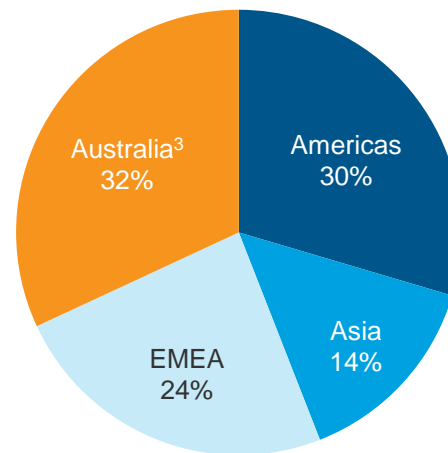
Predictable earnings and geographically diverse



Annuity-style vs Capital markets facing¹
FY16



Geographical split of income²
FY16

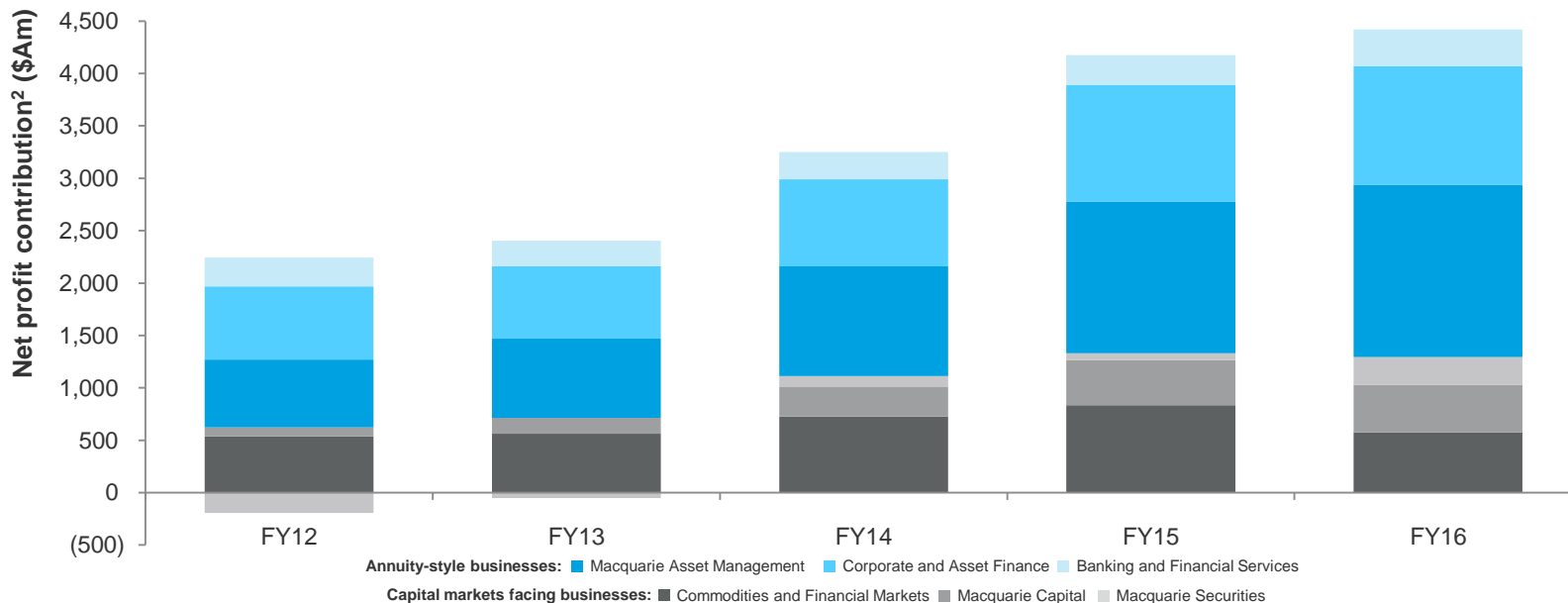


1. Annuity-style based on FY16 net profit contribution (calculated as management accounting profit before unallocated corporate costs, profit share and income tax) for MAM, CAF and BFS. Capital markets facing based on FY16 net profit contribution for MSG, MacCap and CFM. 2. Based on FY16 net operating income excluding earnings on capital and other corporate items. 3. Includes New Zealand.

Annuity-style vs Capital markets facing businesses



Annuity-style businesses represent more than 70% of the Groups' performance¹



Comparative figures have been restated to conform to changes in current year financial presentation and group restructures, where necessary.

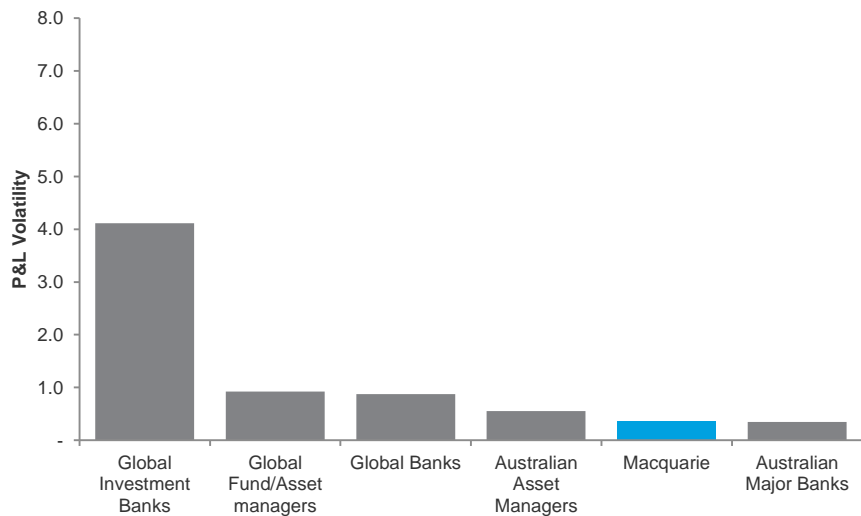
1. Based on FY16 net profit contribution from operating groups. 2. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax.

Stable earnings

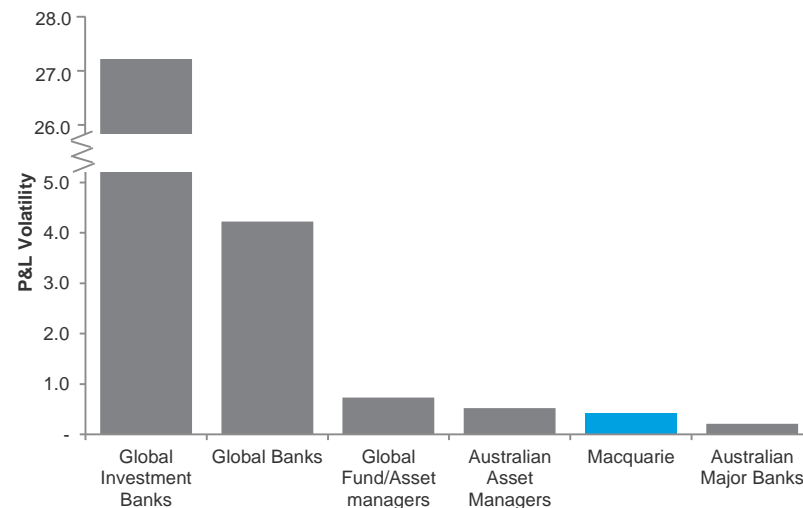


Macquarie Group 10-year earnings CAGR: 8%¹

10 year earnings volatility²



5 year earnings volatility²



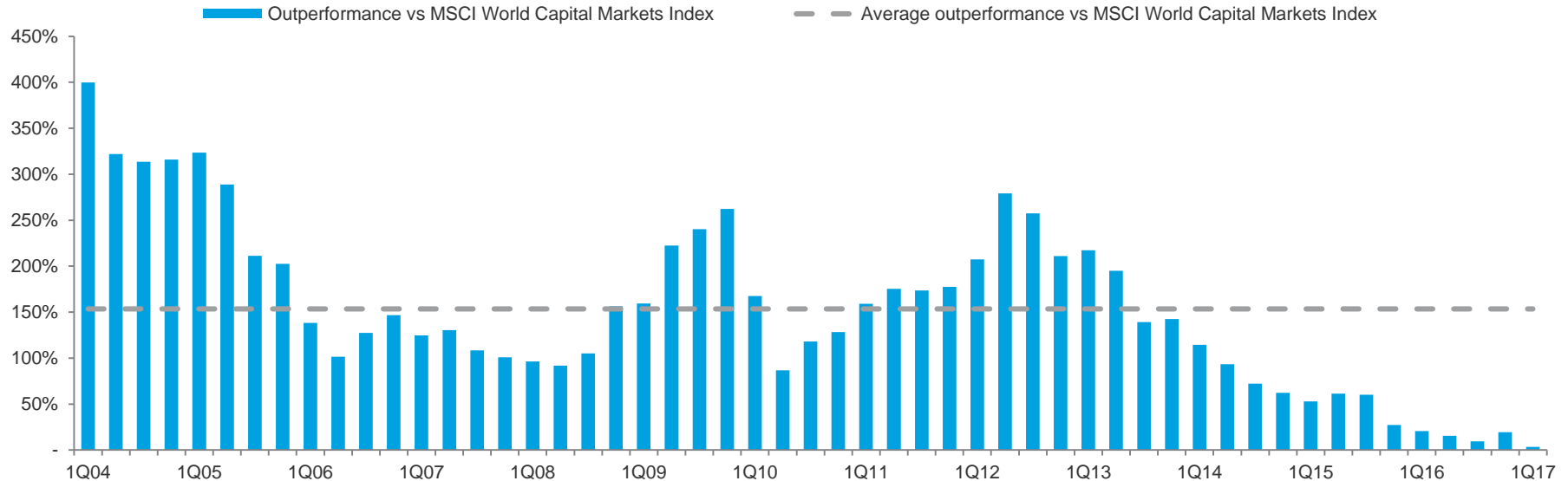
1. As at 31 Mar 16. 2. This page compares the historical earnings volatility among certain firms, and is not intended to represent that Macquarie has a comparable business model, risks or prospects to any other firm mentioned. Volatility of P&L is defined as standard deviation of P&L divided by average P&L (coefficient of variation), based on most recent annual disclosures. Source: Bloomberg.

Strong shareholder returns



Macquarie's total shareholder return has consistently outperformed the MSCI World Capital Markets Index¹

Quarterly purchases



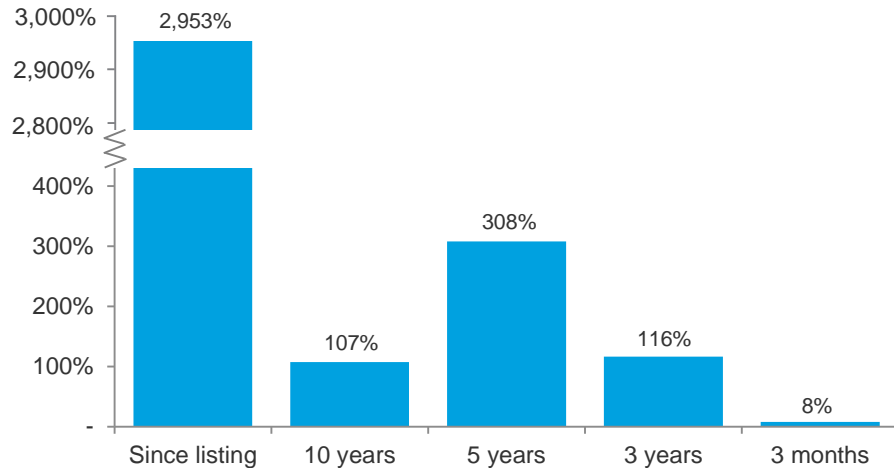
1. As at 31 Aug 16 for purchases historically made and held to date.

Strong shareholder returns



MACQUARIE

MQG Total Shareholder Return



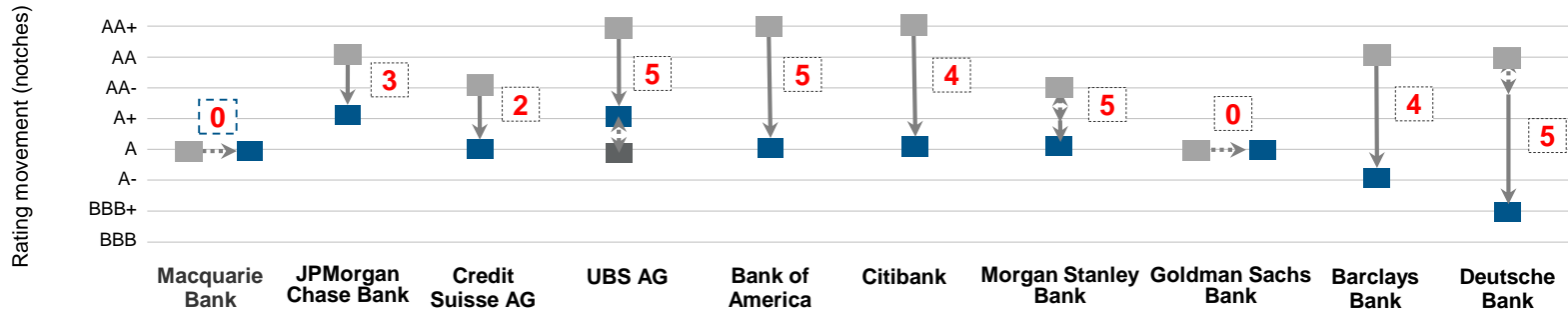
	Outperformance vs ASX 200	Outperformance vs MSCI World Capital Markets Index
Since listing ¹	2,798%	n/a ²
10 years	101%	135%
5 years	281%	200%
3 years	110%	93%
3 months	7%	11%

Long term ratings stability

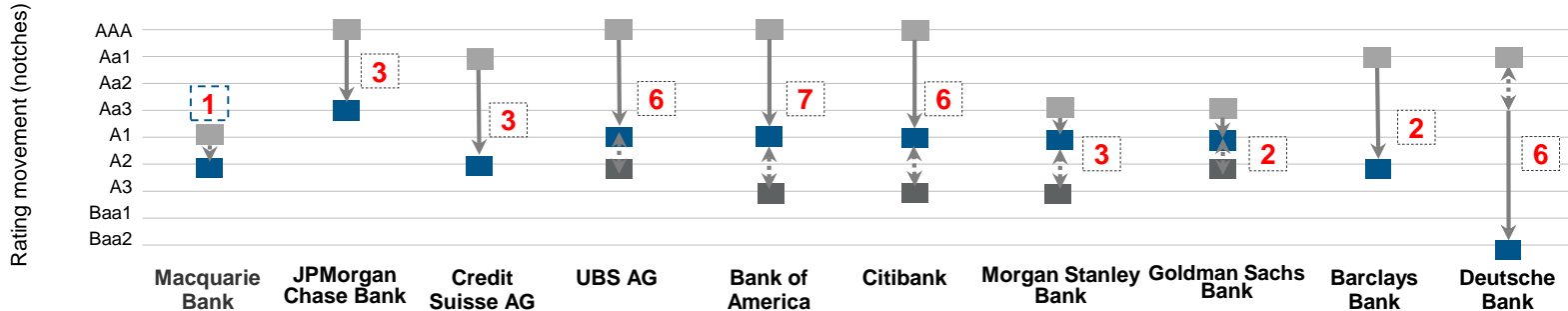
Macquarie Bank Limited



Standard & Poor's Ratings Movements from 2007



Moody's Ratings Movements from 2007



2007
 2016
 Intra-period ratings movement
 No. ratings movements

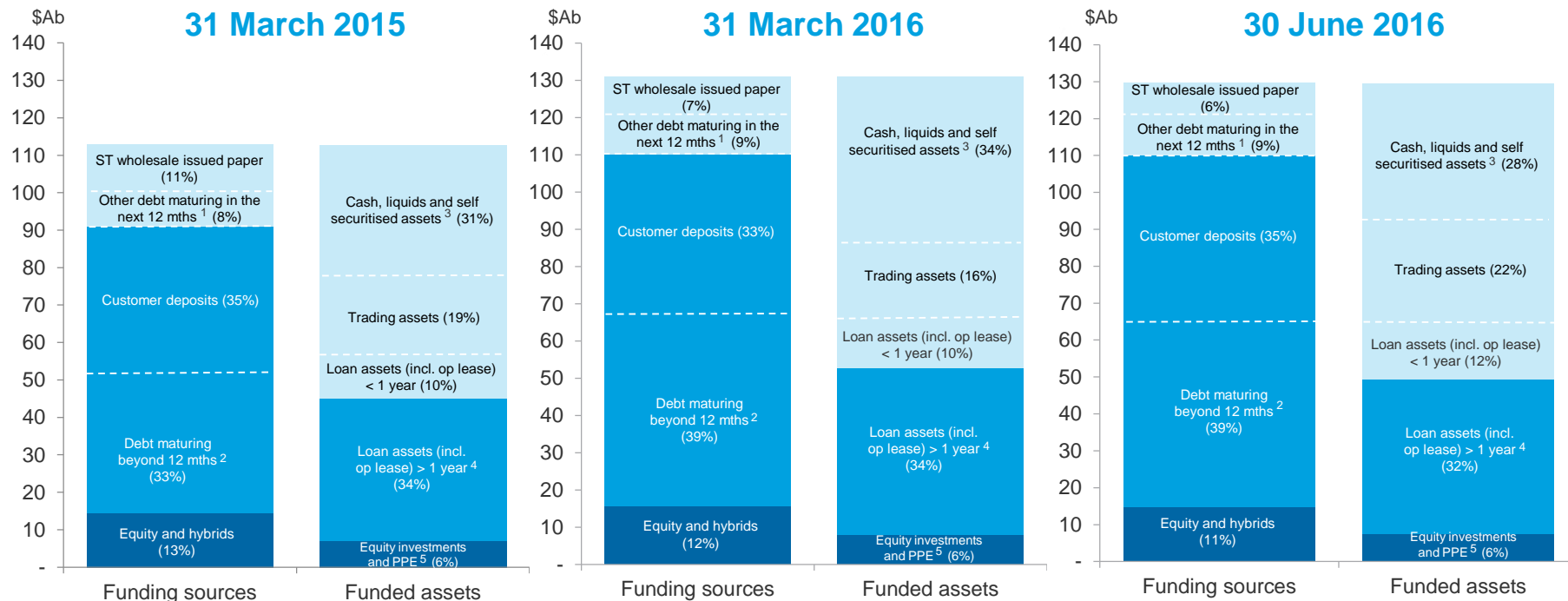
MBL has maintained its S&P 'A' rating for **25 YEARS**

Goldman Sachs bank only rated by Standard & Poor's from 2012. Data as at 31 Aug 16.

Funded balance sheet remains strong



MACQUARIE



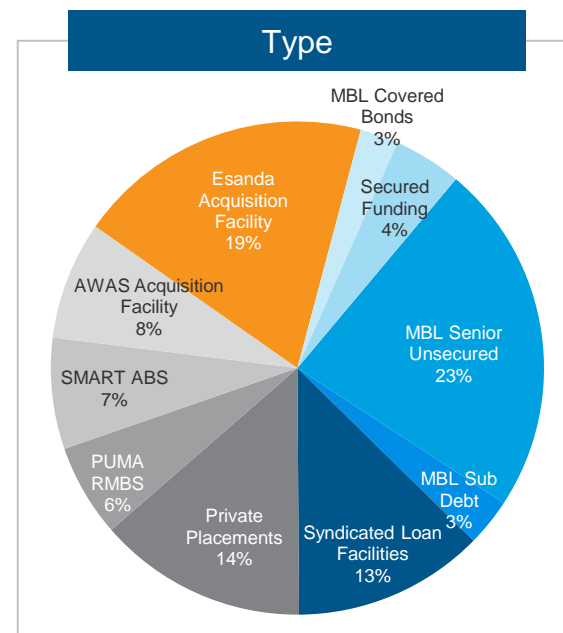
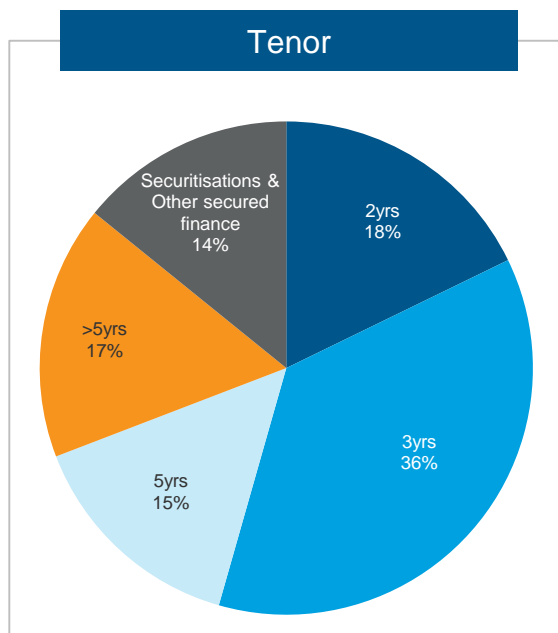
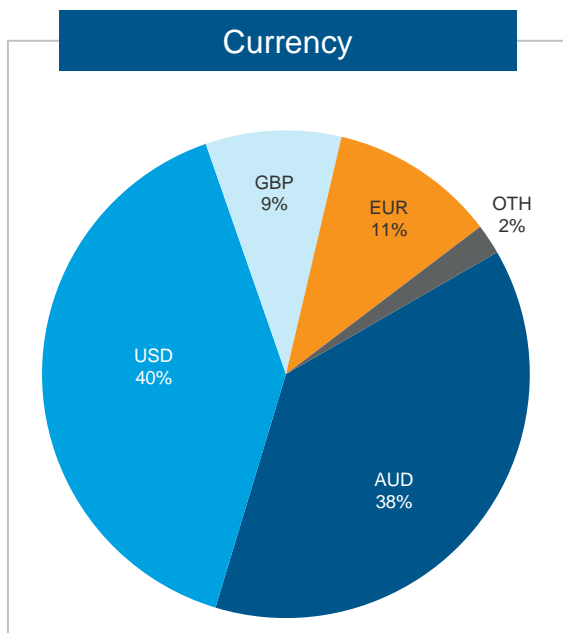
These charts represent Macquarie Group Limited's funded balance sheets at the respective dates noted above. 1. 'Other debt maturing in the next 12 mths' includes Structured Notes, Secured Funding, Bonds, Other Loans, Loan Capital maturing within the next 12 months and Net Trade Creditors. 2. 'Debt maturing beyond 12 mths' includes Loan Capital not maturing within next 12 months. 3. 'Cash, liquids and self securitised assets' includes self securitisation of repo eligible Australian mortgages originated by Macquarie. 4. 'Loan Assets (incl. op lease) > 1 yr' also includes Debt Investment Securities. 5. 'Equity Investments and PPE' includes the Group's co-investments in Macquarie-managed funds and equity investments.

Term funding issuances



\$A22.5b of term funding raised in FY16

Weighted average life of debt issued: 4.7 years¹

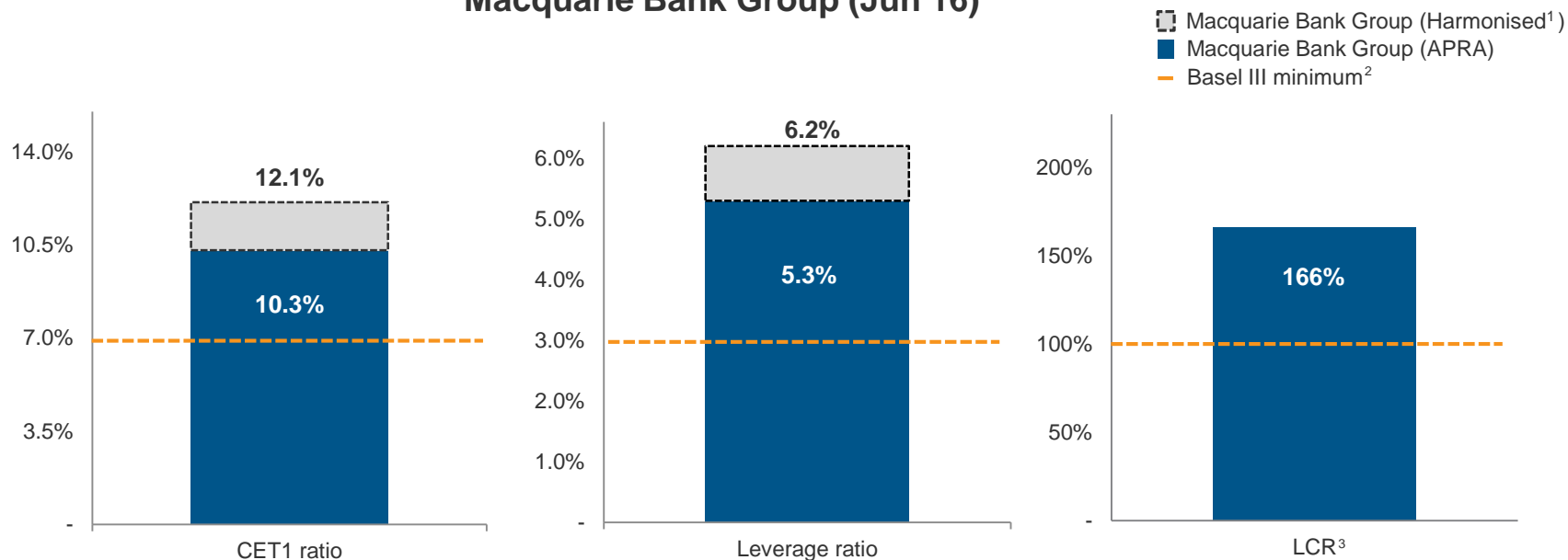


Includes drawn and undrawn facilities. 1. Weighted average maturity has been adjusted to reflect the AWAS acquisition debt facility which was refinanced in full during Apr 16; the new profile is 5yrs+. \$A3.0b of the Esanda acquisition debt facility was repaid during Apr 16.

Strong regulatory ratios



Macquarie Bank Group (Jun 16)

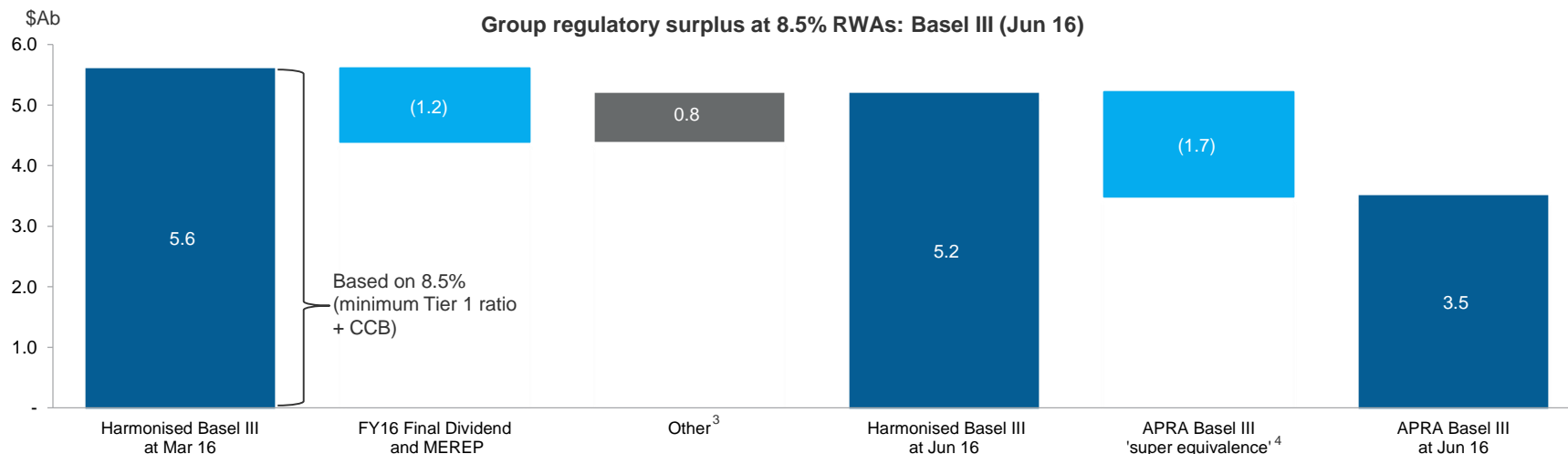


1. 'Harmonised' Basel III estimates are calculated in accordance with the BCBS Basel III framework. 2. Includes the capital conservation buffer in the minimum CET1 ratio requirement. The minimum Basel III leverage ratio requirement of 3% is effective from 1 Jan 18. 3. Average LCR for Jun 16 quarter includes Apr, May & Jun month-end observations.

Strong Basel III capital position



- APRA Basel III Group capital at Jun 16 of \$A16.6b, Group surplus of \$A3.5b¹
- Bank Group APRA Basel III CET1 ratio: 10.3%; Tier 1 ratio: 11.4%; Leverage ratio: 5.3%
- Bank Group Harmonised Basel III CET1 ratio: 12.1%; Tier 1 ratio: 13.2%; Leverage ratio: 6.2%²



1. Calculated at 8.5% RWA including capital conservation buffer (CCB), per APRA Prudential Standard 110. The APRA Basel III Group surplus is \$A4.8b calculated at 7% RWA, per the internal minimum Tier 1 ratio of the Bank Group. 2. 'Harmonised' Basel III estimates are calculated in accordance with the BCBS Basel III framework. 3. Includes current quarter P&L, the net foreign exchange impact and other movements in capital supply, deductions and requirements. 4. APRA Basel III 'super-equivalence' includes the impact of changes in capital requirements in areas where APRA differs from the BCBS Basel III framework and includes full CET1 deductions of equity investments (\$A0.6b); capitalised expenses (\$A0.4b); deconsolidated subsidiaries (\$A0.3b); DTAs and other impacts (\$A0.2b), as well as differences in mortgages treatment (\$A0.2b).

Regulatory update



MACQUARIE

- Basel Capital Framework
 - The Basel Committee has recently proposed a number of changes to the calculation of risk weighted assets, most of which are under consultation. Any impact on capital¹ will depend upon the final form of the proposals and local implementation by APRA
- Net Stable Funding Ratio
 - APRA have released a discussion paper on the NSFR which is yet to be incorporated into local standards. While the impact remains uncertain, Macquarie expects to meet the overall requirements of the NSFR

1. Applies to the Bank Group only.

Long standing conservative risk management framework



- Macquarie's risk management principles have remained largely stable over 30 years and served the Group well over the past few years
- The key aspects of Macquarie's risk management approach are:

Ownership of risk at the business level	Understanding worst case outcomes	Requirement for independent sign-off by Risk Management
<p>Business heads responsible for identifying risks within their businesses and ensuring these are managed appropriately.</p> <p>Seek a clear analysis of the risks before taking decisions.</p>	<p>Risk management approach based on examining the consequences of worst case outcomes and determining whether risks can be tolerated.</p> <p>Adopted for all material risk types and often achieved by stress testing.</p>	<p>Risk Management Group (RMG) signs off all material risk acceptance decisions.</p> <p>For material proposals, RMG opinion sought at the early stage in decision making process, and independent input from RMG on risk and return is included in the approval document submitted to senior management.</p>

- Macquarie's approach to risk is supported by the Risk Management Group
- Macquarie determines aggregate risk appetite by assessing risk relative to earnings, more than by reference to capital



MACQUARIE

02

Macquarie's Operating Groups

Macquarie overview

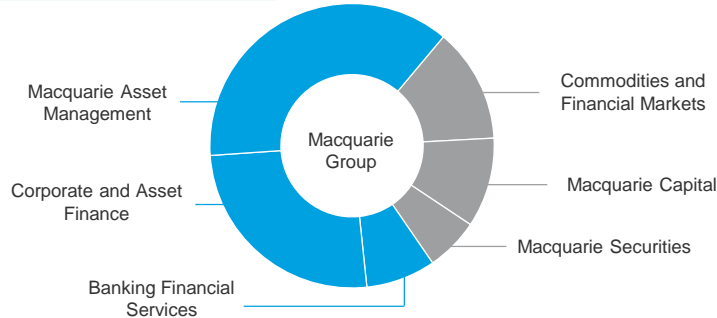
Global provider of banking, financial advisory, investment and funds management services



Macquarie Group overview¹

Annuity-style businesses >70%

Capital markets facing businesses <30%



Global locations

North America
18 locations

Europe
12 locations

Middle East
2 locations

Asia
14 locations



Latin America
2 locations

Africa
2 locations

Australia
9 locations

New Zealand
3 locations

Macquarie Group in numbers

14,493
employees,
operating in **28**
countries²

~\$A499b
assets under
management as at
30 Jun 16

FY16 net profit **\$A2,063m**
FY15 net profit **\$A1,604m**

MBL
A/A2/A
credit rating

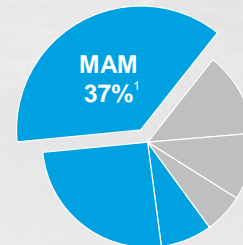
APRA primary
regulator for MBL
& MGL

1. Based on FY16 net profit contribution from operating groups (net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax). 2. Staff numbers as at 30 Jun 16.

ANNUITY-STYLE BUSINESS

Macquarie Asset Management

\$A497b assets under management



Top 50 global asset manager

- Provides clients with access to a diverse range of capabilities and products, including:
 - Infrastructure and real asset management
 - Securities investment management
 - Tailored investment solutions over funds and listed equities

Macquarie Infrastructure and Real Assets

AUM \$A140.9b

Macquarie Investment Management

AUM \$A352.2b

Macquarie Specialised Investment Solutions

AUM \$A3.8b

No.1 infrastructure investor globally²

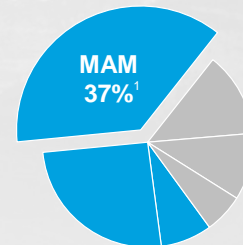
Largest infrastructure debt manager

9 Lipper Awards in 2016³

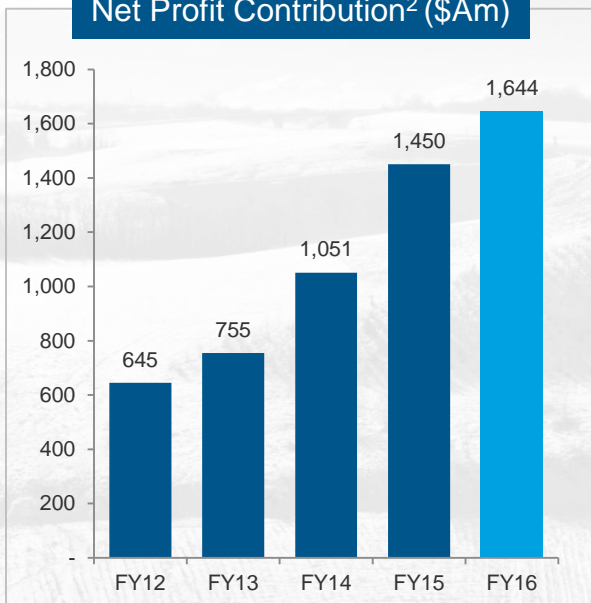
ANNUITY-STYLE BUSINESS

Macquarie Asset Management

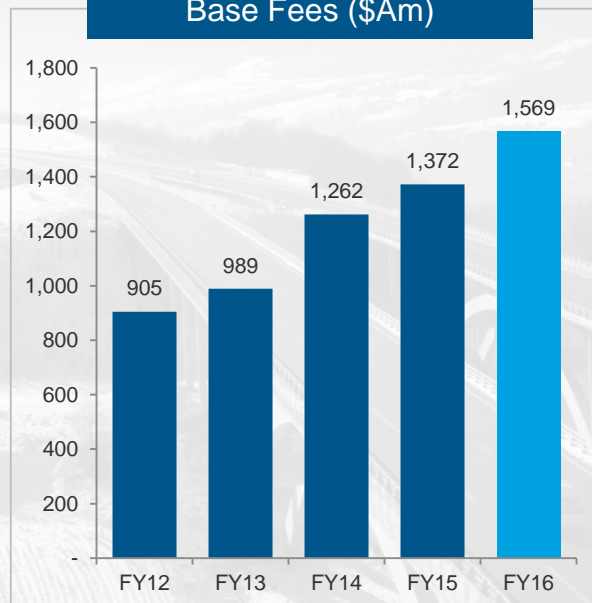
Growth in base fees



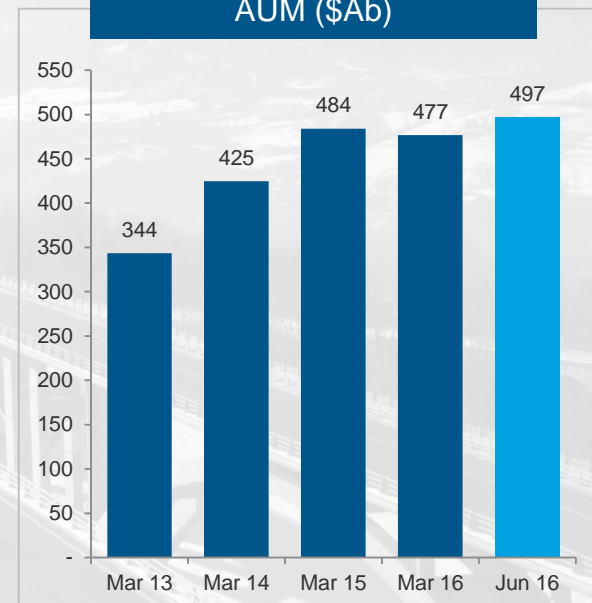
Net Profit Contribution² (\$Am)



Base Fees (\$Am)



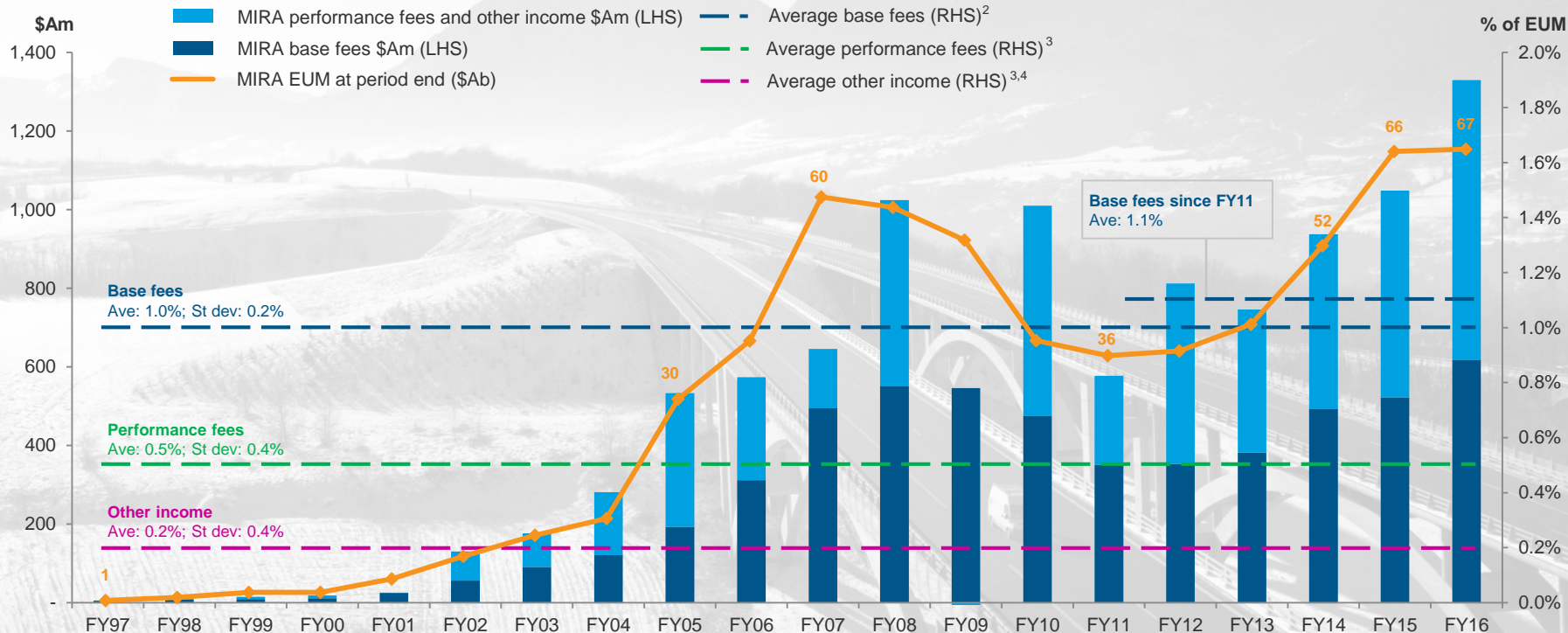
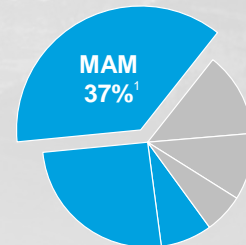
AUM (\$Ab)



1. Based on FY16 net profit contribution from operating groups (net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax). 2. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax.

ANNUITY-STYLE BUSINESS

MIRA: Income includes more than base fees

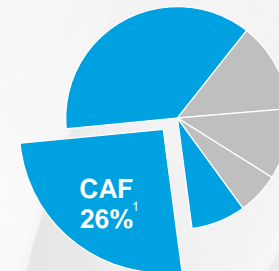


1. Based on FY16 net profit contribution from operating groups (net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax). 2. Average base fees (%) calculated as base fees per financial year / average EUM (Invested). 3. Average performance fees and other income (%) calculated as performance fees and other income per financial year / period end EUM. 4. Other income represents net operating income less base and performance fees for each financial year and includes other income relating to certain MIRA fund assets historically included in the Corporate segment. Base fees and performance fees for real estate funds included from FY05 onwards.

ANNUITY-STYLE BUSINESS

Corporate and Asset Finance

\$A39b asset and loan portfolio



- Delivers tailored finance and asset management solutions to clients through the cycles
- Global capability in corporate and real estate credit investing and lending
 - provides primary financing to clients and invests in credit assets in secondary markets
- Expertise in asset finance including aircraft, motor vehicles, rail, technology, healthcare, manufacturing, energy and mining equipment
- Supports annuity-style businesses through different growth phases
- Selectively invests in specialised asset classes

Lending	Aircraft
Portfolio \$A8.6b ²	Portfolio \$A8.9b
Motor vehicles	Rail
Portfolio \$A17.9b	Portfolio \$A0.7b
Resources	Equipment Finance
Portfolio \$A0.5b	Portfolio \$A1.5b
	Energy
	Portfolio \$A0.9b

Leading market participant in bespoke primary lending;
niche acquirer of secondary loans

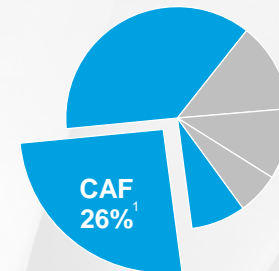
One of the **largest** providers of motor vehicle finance in Australia

The **largest** deregulated traditional and smart meter provider in the UK

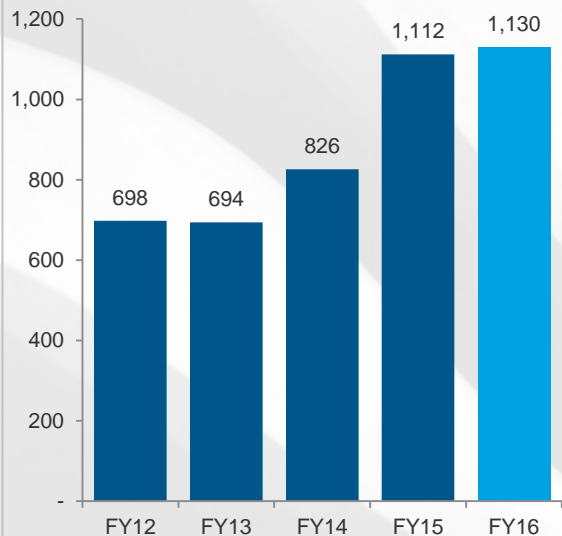
ANNUITY-STYLE BUSINESS

Corporate and Asset Finance

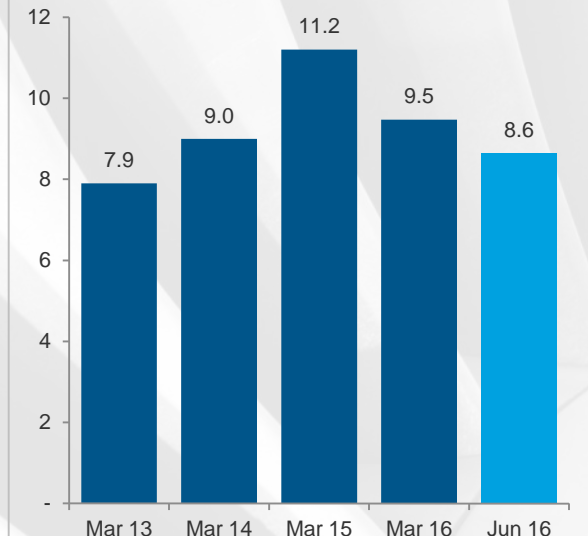
Asset finance and lending portfolios



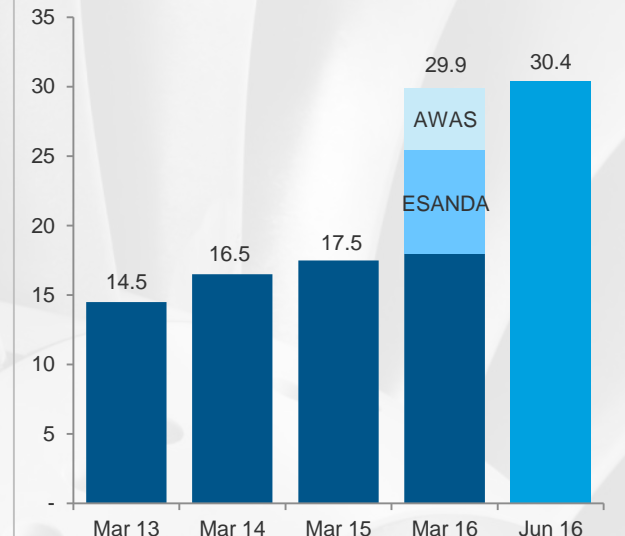
Net Profit Contribution² (\$Am)



Lending Portfolio³ (\$Ab)



Asset Finance Portfolio (\$Ab)

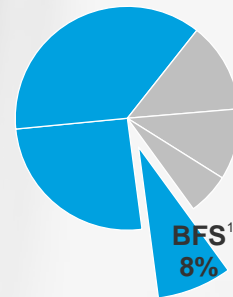


1. Based on FY16 net profit contribution from operating groups (net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax). 2. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 3. Includes Real Estate Structured Finance legacy run-off portfolio and equity portfolio.

ANNUITY-STYLE BUSINESS

Banking and Financial Services

1.1 million Australian customers²



- \$A41.4b total BFS deposits³
- Provides a diverse range of personal banking, wealth management and business banking products and services
- Strong intermediary relationships, a white-label personal banking platform and Macquarie branded offerings

Deposits	Mortgages and credit cards
Financial advice and private banking	Business banking
Wrap	Insurance

Mortgages business awarded iSelect's **Partner of the Year 2015⁴**

Business banking loan portfolio \$A6.1b

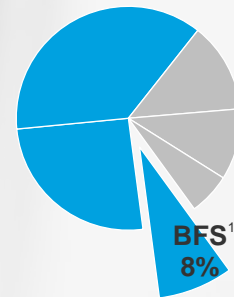
Australian **mortgage portfolio** \$A28.8b

Funds on platform \$A59.9b⁵

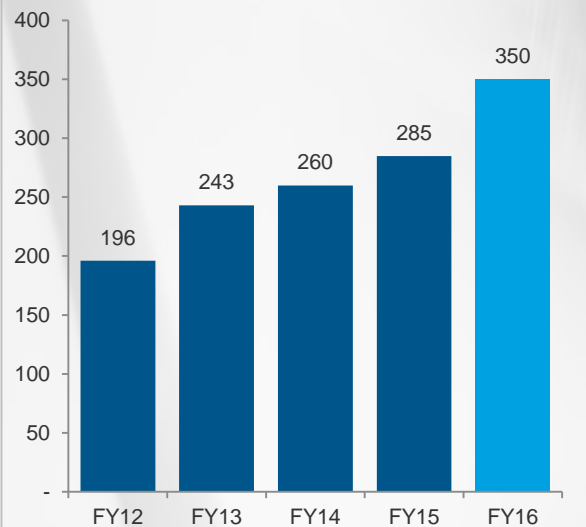
ANNUITY-STYLE BUSINESS

Banking and Financial Services

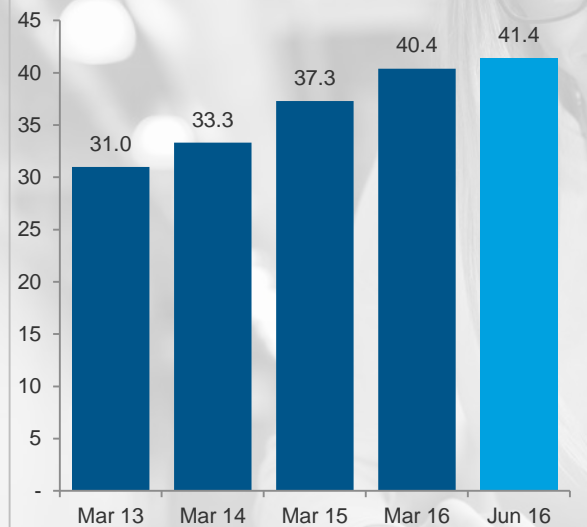
Growth in BFS deposits and mortgages



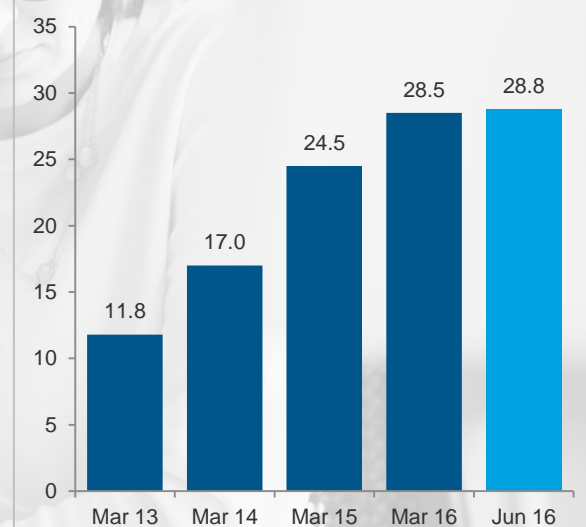
Net Profit Contribution²(\$Am)



BFS Deposits³ (\$Ab)



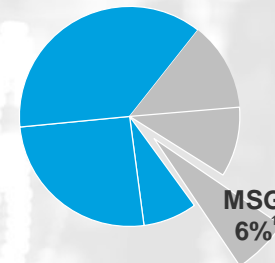
Australian Mortgage Book (\$Ab)



1. Based on FY16 net profit contribution from operating groups (net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax). 2. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. During FY14, Group Treasury revised internal funding transfer pricing arrangements relating to BFS's deposit and lending activities. FY12-FY13 comparatives have been restated to reflect the current methodology. 3. BFS deposits exclude any Corporate/Wholesale deposit balances.

Macquarie Securities Group

Global securities house with strong Asia-Pacific foundations



- Global institutional securities house with strong Asia-Pacific foundations covering sales, research, ECM, execution and derivatives and trading activities
- Full-service cash equities in Australia, Asia, South Africa and Canada with offerings in the US and Europe. Specialised derivatives and trading offerings in key locations globally
- Key specialities: Financial Institutions; Industrials; Infrastructure, Utilities and Renewables; Resources (mining and energy); Small-Mid Caps; and Telecommunications, Media, Entertainment and Technology (TMET)

Research	Corporate Access
Derivatives	Equity finance
Trading	Execution
Portfolio solutions	Equity capital markets

No.2 globally
for Transition
Management²

Top 10 research
house globally³

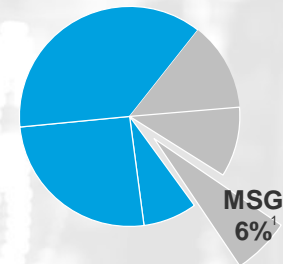
No.1 IPO deals
by value in Australia⁴

No.1 market share listed
warrants in Singapore,
No.2 Malaysia
No.4 Thailand, **No.5** Hong
Kong⁵

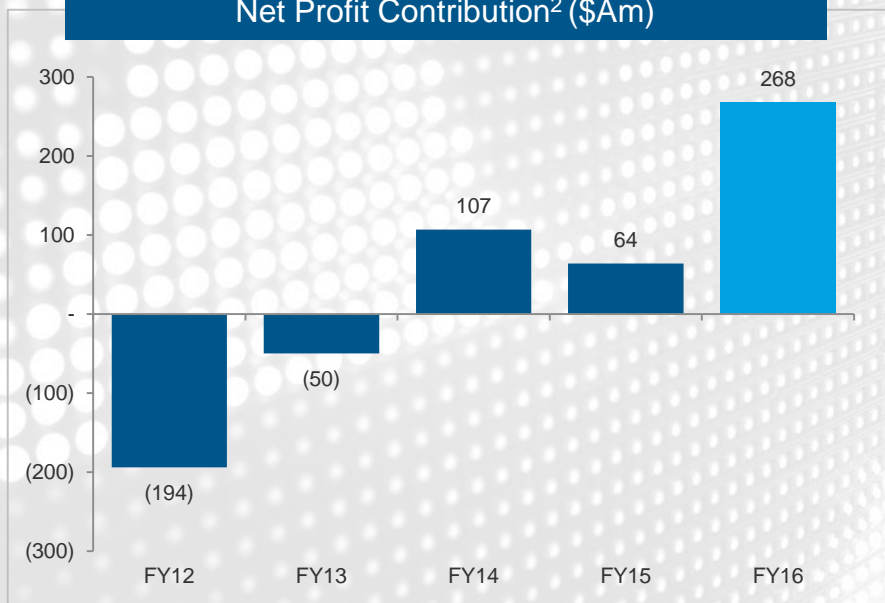
1. Based on FY16 net profit contribution from operating groups (net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax). 2. Chief Investment Officer Magazine Survey – September 2015, ranked No.2 for client satisfaction globally on a weighted basis and No.1 in Asia-Pacific. 3. Thomson I/B/E/S, by coverage. 4. Dealogic and Thomson (CY15). 5. Net outstanding notional on local exchanges.

Macquarie Securities Group

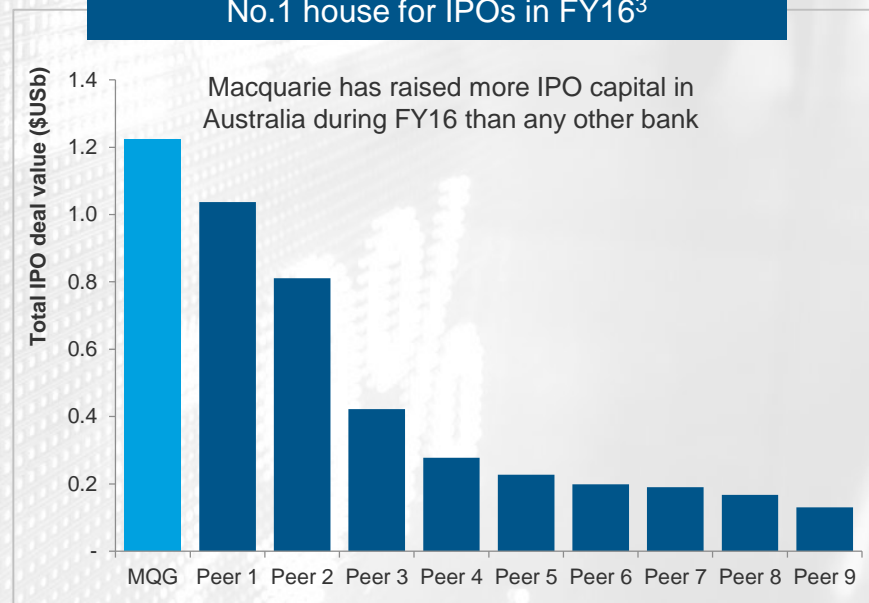
Strong franchise – ECM and Cash equities



Net Profit Contribution² (\$Am)



No.1 house for IPOs in FY16³

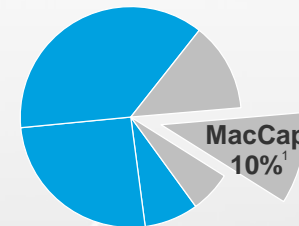


1. Based on FY16 net profit contribution from operating groups (net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax). 2. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 3. Dealogic, Thomson FY16 (by value; IPOs in FY16).

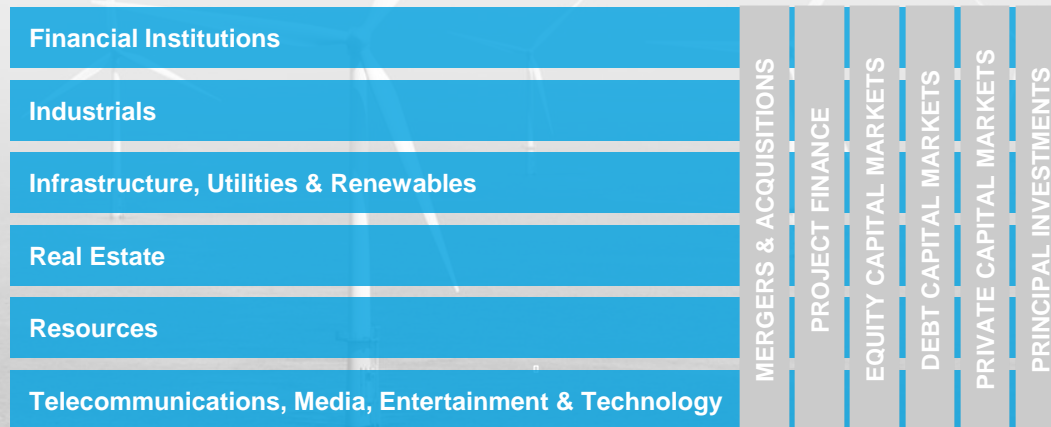
CAPITAL MARKETS FACING BUSINESS

Macquarie Capital

Advised on 395 transactions in FY16



- Global corporate finance capability, including M&A, debt and equity capital markets, and principal investments
- Key specialities: Financial Institutions; Industrials; Infrastructure, Utilities and Renewables; Real Estate; Resources (mining and energy); Telecommunications, Media, Entertainment & Technology (TMET)
- Winner of over 10 awards globally in the 12 months to 31 Mar 16



Completed **395** transactions valued at **\$A176b** in FY16

No.1 M&A for announced and completed deals in ANZ²

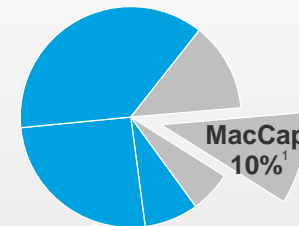
No.1 for completed ECM deals in ANZ²

No.2 North America Financial Advisers³

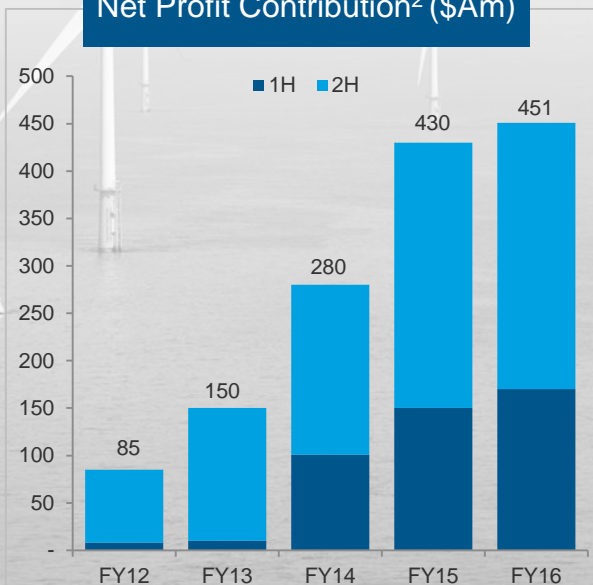
No.1 European Project Finance Sponsor⁴

1. Based on FY16 net profit contribution from operating groups (net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax). 2. Dealogic, Thomson 1H CY16 (by value and number). 3. IJGlobal CY15 (by value). 4. Dealogic CY15 (by deal value).

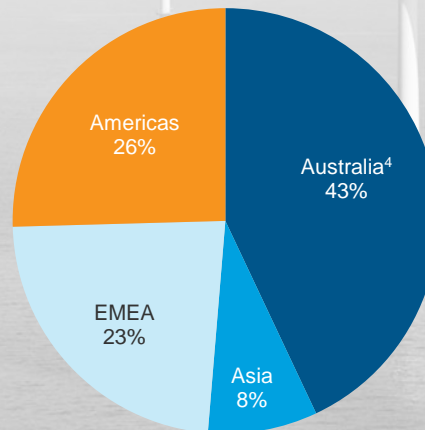
Geographically diversified and market leading position



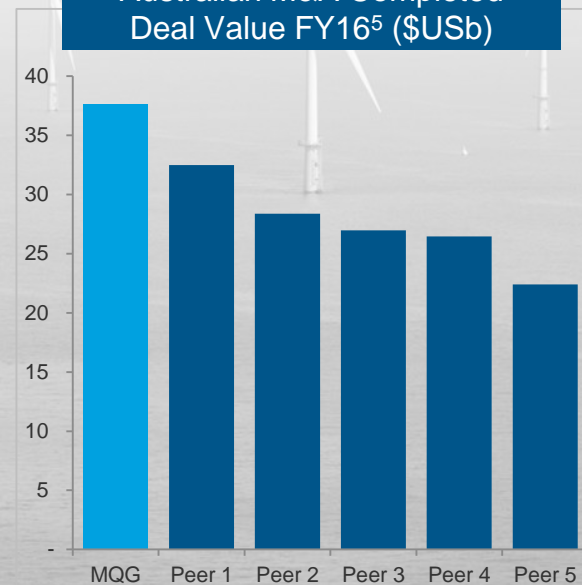
Net Profit Contribution² (\$Am)



Geographical split of Income³ (\$Am)



Australian M&A Completed Deal Value FY16⁵ (\$USb)

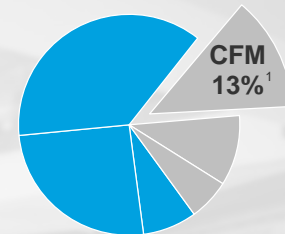


1. Based on FY16 net profit contribution from operating groups (net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax). 2. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 3. For the year ended 31 Mar 16. 4. Includes New Zealand. 5. Source: Dealogic, FY16 (by deal value).

CAPITAL MARKETS FACING BUSINESS

Commodities and Financial Markets

Covering 25+ market segments, with 140+ products



Provides clients with risk and capital solutions across physical and financial markets

- Diverse platform covering more than 25 market segments, with more than 140 products
- Expertise in providing clients with access to markets, financing, financial hedging, and physical execution
- Growing presence in commodities (natural gas, LNG, NGLs, power, oil, coal, base metals, iron ore, sugar and freight)

Energy markets	Metals markets
Agricultural markets	Fixed income and currency markets
Credit markets	Futures markets

30+ years
in Metals and
Futures markets

20+ years
in Agricultural
and FX markets

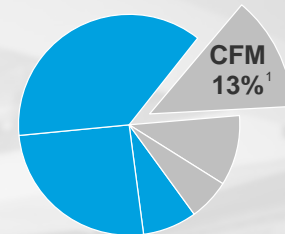
10+ years
in Energy markets

**2015 Commodity
House of the Year**
for the 2nd
consecutive year²

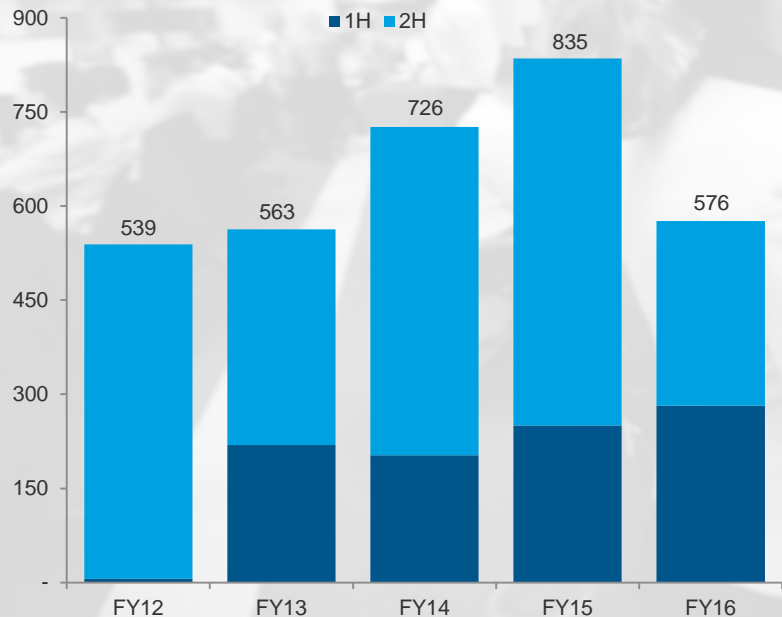
No.3 US physical
gas marketer in
North America³

Commodities and Financial Markets

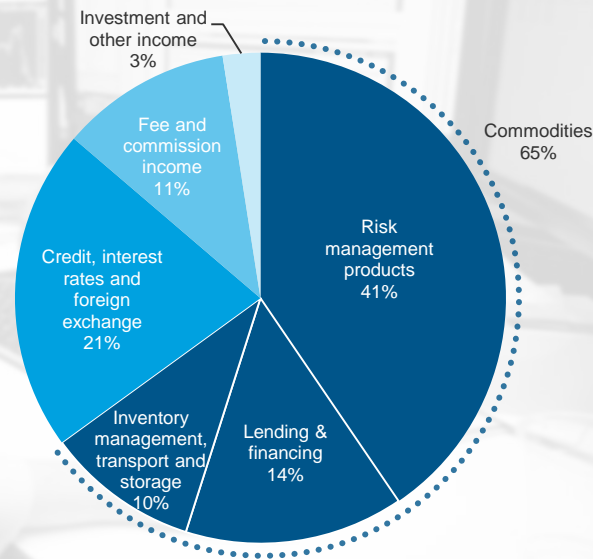
Stable earnings through diverse platform



Net Profit Contribution² (\$Am)



Net Operating Income³



1. Based on FY16 net profit contribution from operating groups (net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax). 2. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 3. For the year ended 31 Mar 16, excluding impairment charges and internal management (charge)/revenue.



MACQUARIE



03

1Q17 Update

1Q17 Macquarie Update



- Operating groups performing in line with expectations
- 1Q17 operating group contribution¹ down on a strong pcp and up on prior quarter

	1Q17 contribution ¹ vs 1Q16
Annuity-style businesses >70%²	<p>Continued to perform well:</p> <ul style="list-style-type: none">• Higher base fees in MAM. Performance fees and asset disposals lower compared to a strong pcp• AWAS and Esanda acquisitions in CAF successfully integrated and performing in line with expectations, partially offsetting strong loan repayment income in pcp• Continued growth in mortgages, business banking and deposit books in BFS
Capital markets facing businesses <30%²	<p>Experienced mixed trading conditions:</p> <ul style="list-style-type: none">• Subdued market conditions in MacCap and MSG as previously foreshadowed, particularly compared to a strong pcp• Stronger activity in CFM reflecting resilient trading across most of its businesses

- No significant one-off items

1. Represents management accounting profit before unallocated corporate costs, profit share, income tax and period end reviews. 2. Annuity-style businesses consists of Macquarie Asset Management, Corporate and Asset Finance, and Banking and Financial Services. Capital markets facing businesses consists of Macquarie Securities, Macquarie Capital, and Commodities and Financial Markets. Percentage split is based on FY16 net profit contribution from operating groups.

Annuity-Style Businesses

1Q17 Update



	FY16 contribution ¹	Activity during the quarter
Macquarie Asset Management	37%	<ul style="list-style-type: none"> • AUM of \$A496.9b, up 4% on Mar 16 due to market movements and FX • Performance fees from several funds including Macquarie Atlas Roads and Macquarie Korea Infrastructure Fund • MIRA invested equity of \$A2.8b across 7 acquisitions and 5 follow-on investments in Infrastructure, Real Estate and Agriculture in 8 countries • MIM awarded over \$A600m in new institutional mandates across 7 strategies in 3 countries • MSIS raised over \$A1b for Australian principal protected investments and specialist funds
Corporate and Asset Finance	26%	<ul style="list-style-type: none"> • Asset and loan portfolio of \$A39.0b, broadly in line with Mar 16 • Esanda dealer finance portfolio consisting of over 300,000 contracts successfully migrated during the quarter • \$A0.9b of motor vehicle and equipment leases and loans securitised
Banking and Financial Services	8%	<ul style="list-style-type: none"> • Total BFS deposits² of \$A41.4b, up 2% on Mar 16 • Australian mortgage portfolio of \$A28.8b, up 1% on Mar 16 • Funds on platform³ of \$A59.9b, up 3% on Mar 16 • Business banking loan portfolio of \$A6.1b, up 3% on Mar 16

1. Based on FY16 net profit contribution from operating groups. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 2. BFS deposits exclude any Corporate/Wholesale deposit balances. 3. Funds on platform includes Macquarie Wrap, Vision, Equity Portfolio Services and Industry Super Funds.

Capital Markets Facing Businesses

1Q17 Update



MACQUARIE

	FY16 contribution ¹	Activity during the quarter
Macquarie Securities Group	6%	<ul style="list-style-type: none"> • Lower client volumes, particularly in Asia; ECM and Derivatives trading also lower • Asian trading opportunities in pcp not repeated
Macquarie Capital	10%	<ul style="list-style-type: none"> • Market conditions subdued during the quarter impacting client activity • 108 deals completed at \$A28b, down on pcp and up on prior period (by number and value) • Principal realisations in line with expectations • No.1 for announced and completed M&A deals² and No.1 for completed ECM deals² in ANZ
Commodities and Financial Markets	13%	<ul style="list-style-type: none"> • Solid customer and trading activity in energy markets, primarily in Global Oil and North American Gas • Client hedging and trading opportunities remained steady across the metals and agriculture platforms • Increased customer activity in foreign exchange, interest rates and futures markets • Maintained ranking of No.3 US physical gas marketer in North America³; Winner, Oil & Products House of the Year⁴

1. Based on FY16 net profit contribution from operating groups. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 2. Dealogic, 1H CY16 (by value and number). 3. Platts Q1 CY16. 4. Energy Risk Awards 2016.



MACQUARIE



04

FY17 Outlook

Factors impacting short-term outlook



FY17 combined net profit contribution¹ from operating groups expected to be broadly in line with FY16

Annuity-style businesses

Macquarie Asset Management

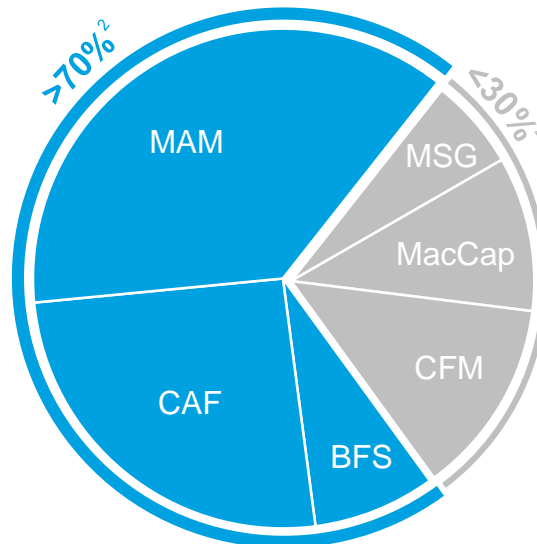
- Historical range: \$A0.3b-\$A1.6b, Avg: \$A0.9b
- Lower performance fees expected
- Increased investment-related income expected
- Underlying growth in base fees offsetting impact of divestments

Corporate and Asset Finance³

- Historical range: \$A0.1b-\$A1.1b, Avg: \$A0.6b
- First full year contribution from AWAS and Esanda

Banking Financial Services⁴

- Historical range: \$A0.1b-\$A0.4b, Avg: \$A0.2b
- Growth in mortgage, business banking and deposit books
- Gain on sale of life business partially offset by increased project-related expenses (e.g. Core Banking)



Capital markets facing businesses

Macquarie Securities Group

- Historical range: \$A(0.2)b-\$A1.2b, Avg: \$A0.3b
- Market conditions currently subdued, particularly in Asia

Macquarie Capital

- Historical range: \$A(0.1)b-\$A1.2b, Avg: \$A0.3b
- Market conditions currently subdued
- Solid principal realisation pipeline expected
- Level of impairments expected to fall

Commodities and Financial Markets

- Historical range: \$A0.5b-\$A0.8b, Avg: \$A0.6b
- Resilient trading expected across Commodities, FI&C and Futures
- Level of impairments expected to fall

Corporate

- Compensation ratio to be consistent with historical levels
- Based on present mix of income, currently expect FY17 tax rate to be broadly in line with FY16

Historical range: FY08-FY16. Average: FY08-FY16. 1. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 2. Based on FY16 net profit contribution from operating groups. 3. Range and average exclude FY09 provisions for loan losses of \$A135m related to Real Estate Structured Finance loans as this is a restructured business. 4. Range and average exclude FY09 loss on sale of Italian mortgages of \$A248m as this is a discontinued business. During FY14, Group Treasury revised internal funding transfer pricing arrangements relating to BFS's deposit and lending activities. FY13 comparatives only have been restated to reflect the current methodology.

Short-term outlook



MACQUARIE

- We currently expect the FY17 combined net profit contribution¹ from operating groups to be broadly in line with FY16
- The FY17 tax rate is currently expected to be broadly in line with FY16
- Accordingly, the Group's result for FY17 is currently expected to be broadly in line with FY16:
 - 1H17 result is expected to be broadly in line with the 2H16 result, subject to the conduct of period end reviews and the completion rate of transactions
- Our short-term outlook remains subject to:
 - Market conditions
 - The impact of foreign exchange
 - Potential regulatory changes and tax uncertainties

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

Medium-term



MACQUARIE

- Macquarie remains well positioned to deliver superior performance in the medium-term
- Deep expertise in major markets
- Build on our strength in diversity and continue to adapt our portfolio mix to changing market conditions
 - Annuity-style income is provided by three significant businesses which are delivering superior returns following years of investment and recent acquisitions
 - Macquarie Asset Management, Corporate and Asset Finance and Banking and Financial Services
 - Three capital markets facing businesses well positioned to benefit from improvements in market conditions with strong platforms and franchise positions
 - Macquarie Securities, Macquarie Capital and Commodities and Financial Markets
- Ongoing benefits of continued cost initiatives
- Strong and conservative balance sheet
 - Well matched funding profile with minimal reliance on short-term wholesale funding
 - Surplus funding and capital available to support growth
- Proven risk management framework and culture

Approximate business Basel III Capital & ROE



As at 31 Mar 16

Operating Group	APRA Basel III Capital ¹ @ 8.5% (\$Ab)	Approx. FY16 Return on Ordinary Equity ²	Approx. 10-Year Average Return on Ordinary Equity ²
Annuity-style businesses	8.1		
Macquarie Asset Management	1.4	23%	20% ³
Corporate and Asset Finance	4.6		
Banking and Financial Services	2.1		
Capital markets facing businesses	4.6		
Macquarie Securities	0.4	13%	15% – 20%
Macquarie Capital	1.6		
Commodities and Financial Markets	2.6		
Corporate and Other	0.6		
Legacy Assets	0.1		
Corporate	0.5		
Total regulatory capital requirement @ 8.5%	13.3		
<i>Comprising: Ordinary Equity</i>	11.1		
<i>Hybrid</i>	2.2		
Add: Surplus Ordinary Equity	3.9		
Total APRA Basel III capital supply	17.2		

1. Business Group capital allocations are indicative and are based on allocations as at 31 Dec 15 adjusted for material movements over the Mar 16 quarter. 2. NPAT used in the calculation of approx. annualised ROE is based on operating group's net profit contribution adjusted for indicative allocations of profit share, tax and other corporate expenses. Accounting equity is attributed to businesses based on regulatory capital requirements. 10-year average covers FY07 to FY16, inclusively. 3. CAF returns prior to FY11 excluded from 10-year average as not meaningful given the significant increase in scale of CAF's platform over this period.

Medium-term



MACQUARIE

MAM	<ul style="list-style-type: none">• Annuity-style business that is diversified across regions, products, asset classes and investor types• Diversification of capabilities allows for the business to be well placed to grow assets under management in different market conditions• Well positioned for organic growth with several strongly performing products and an efficient operating platform
CAF	<ul style="list-style-type: none">• Leverage deep industry expertise to maximise growth potential in loan and lease portfolios• Anticipate further asset acquisitions and realisations at attractive return levels• Funding from asset securitisation throughout the cycle
BFS	<ul style="list-style-type: none">• Strong growth opportunities through intermediary distribution, white labelling, 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
MSG	<ul style="list-style-type: none">• Highly leveraged to market conditions and investor confidence, particularly in the Asia-Pacific region• Well positioned for recovery in Asian retail derivatives, cash equities and ECM• Monetise existing strong research platform
MacCap	<ul style="list-style-type: none">• Can expect to benefit from any improvement in M&A and ECM market activity• Continues to align the business offering to current opportunities and market conditions in each region
CFM	<ul style="list-style-type: none">• Opportunities to grow commodities business, both organically and through acquisition• Development of institutional coverage for specialised credit, rates and foreign exchange products• Increase financing activities• Growing the client base across all regions



MACQUARIE



Select slides from result announcement
for the year ended 31 March 2016

Income Statement key drivers



MACQUARIE

	2H16 \$Am	1H16 \$Am	FY16 \$Am	FY15 \$Am
Net interest and trading income	2,073	2,273	4,346	3,819
Fee and commission income	2,068	2,794	4,862	4,739
Share of net (losses)/gains of associates	67	(63)	4	5
Impairments of investments and non-financial assets	(114)	(108)	(222)	(356)
Loan impairments and provisions	(238)	(336)	(574)	(467)
Other income	961	758	1,719	1,522
Net operating income	4,817	5,318	10,135	9,262
Employment expenses	(1,981)	(2,263)	(4,244)	(4,143)
Brokerage, commissions and trading-related expenses	(448)	(444)	(892)	(824)
Other operating expenses	(992)	(992)	(1,984)	(1,773)
Total operating expenses	(3,421)	(3,699)	(7,120)	(6,740)
Net profit before tax and noncontrolling interests	1,396	1,619	3,015	2,522
Income tax expense	(397)	(530)	(927)	(899)
Non-controlling interests	(6)	(19)	(25)	(19)
Net profit after tax	993	1,070	2,063	1,604

- Net foreign exchange movements impacting all income statement key drivers – impact of movement in average FX estimated to be approx. 9% of FY16 NPAT¹
- Net interest and trading income of \$A4,346m, up 14% on FY15
 - Increased lending activity in BFS; income from loans purchased at a discount in CAF
 - Improved trading results for MSG and CFM
- Fee and commission income of \$A4,862m, up 3% on FY15
 - Higher base and performance fees in MAM
 - Increased fee income across M&A and ECM in MacCap
 - Partly offset by non-recurrence of fee income from the Freeport LNG Terminal transaction in FY15
- Impairment of investments and non-financial assets of \$A222m, down 38% on FY15
 - Lower equity impairment levels in CFM partially offset by higher level of equity impairments in MacCap
 - Prior year included impairment of intangibles
- Loan impairments and provisions of \$A574m, up 23% on FY15
 - Specific provisions largely in CFM, MacCap and CAF
- Other income of \$A1,719m, up 13% on FY15
 - Increase in net operating lease income due to AWAS acquisition
 - Partly offset by the non-recurrence of gains in FY15 from business and asset sales in CAF
- Employment expenses of \$A4,244m, up 2% on FY15
 - lower average headcount offset by foreign exchange movements
- Other operating expenses of \$A1,984m, up 12% on FY15
 - Increased technology spend in BFS
- Effective tax rate of 31.0%, down from 35.9% in FY15 reflecting nature and geographic mix of income and tax uncertainties

1. Calculation reflects the movement in NPAT based on the conversion of FY15 NPAT using FY16 average FX rates.

Macquarie Asset Management Result



MACQUARIE

	FY16 \$Am	FY15 \$Am
Base fees	1,569	1,372
Performance fees	693	667
Other fee and commission income	242	233
Investment and other income ¹	206	144
Net operating income	2,710	2,416
Brokerage, commission and trading-related expenses	(219)	(188)
Other operating expenses	(834)	(778)
Total operating expenses	(1,053)	(966)
Non-controlling interests	(13)	-
Net profit contribution²	1,644	1,450
AUM (\$Ab)	476.9	484.0
Headcount	1,498	1,488

- Base fees of \$A1,569m, up 14% on FY15
 - MIM – favourable foreign exchange and positive prior year flows, partially offset by lower fee revenue from insurance assets
 - MIRA – favourable foreign exchange and market movements, fund raisings, deployment of capital
- Performance fees of \$A693m, up 4% on FY15
 - Includes fees from MEIF1, MIC, MKIF, MIIF, MQA, Listed Equities, Delaware, Hedge Funds and MIRA co-investors in respect of a UK asset
- Other fee and commission income of \$A242m, up 4% on FY15
 - Reflects foreign exchange impact and higher income from True Index products
- Investment and other income of \$A206m, up 43% on FY15
 - Increased gains from partial sale of holding in MIC and the sales of management rights in a fund manager and the almond orchard, partially offset by lower equity accounted income on MIRA investments
- Total operating expenses of \$A1,053m, up 9% on FY15
 - Largely reflecting foreign exchange impact

1. Includes gains on disposal of equity investments and share of net gains of associates. 2. Management accounting profit before unallocated corporate costs, profit share and income tax.

Corporate and Asset Finance Result



	FY16 \$Am	FY15 \$Am
Net interest and trading income ¹	848	737
Net operating lease income	879	603
Gain on disposal of operating lease assets	8	231
Gain on disposal of businesses	6	141
Impairments and provisions ²	(167)	(153)
Fee and commission income	43	33
Other income ³	106	2
Net operating income	1,723	1,594
Total operating expenses	(594)	(482)
Non-controlling interests	1	-
Net profit contribution⁴	1,130	1,112
Loan and finance lease portfolio ⁵ (\$Ab)	28.8	22.5
Operating lease portfolio (\$Ab)	10.6	6.3
Headcount ⁶	1,353	1,033

- Net interest and trading income of \$A848m, up 15% on FY15
 - Lending book benefiting from foreign exchange impact and higher levels of interest income arising from loans purchased at a discount
 - Asset finance portfolio – underlying increased as a result of Esanda acquisition, partially offset by a reduction in MEF leasing following sale of US business in March 2015
 - Increased funding costs associated with the growth in the Aircraft portfolio as a result of the AWAS acquisition and foreign exchange
- Net operating lease income of \$A879m, up 46% on FY15
 - Foreign exchange impact, growth in operating lease portfolio including aircraft (AWAS)
- Impairments and provisions of \$A167m, up 9% on FY15
 - Increase in provisions in Motor Vehicle leasing (growth in book), Aviation (Rotorcraft) and Mining Leasing
- Other income of \$A106m, up significantly on FY15
 - Includes ancillary financing and servicing income on assets acquired during the year and internal management charges
- Total operating expenses of \$A594m, up 23% on FY15
 - Increased costs associated with acquisitions (Esanda) partially offset by reduced costs as a result of prior year disposals
 - Foreign exchange impact

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. Includes investment and loan impairments. 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. Includes equity portfolio of \$A0.3b (FY15: \$A0.1b). 6. FY15 included headcount of 149 transferred with the sale of the Macquarie Equipment Finance US operations on 31 Mar 15.

Banking and Financial Services Result



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	FY16 \$Am	FY15 \$Am
Net interest and trading income ¹	941	825
Platform and other fee and commission income	437	410
Brokerage and commissions	89	122
Impairments and provisions ²	(43)	(35)
Other income	40	23
Net operating income	1,464	1,345
Total operating expenses	(1,114)	(1,060)
Net profit contribution³	350	285
Funds on Platform (\$Ab)	58.4	48.0
Australian loan portfolio ⁴ (\$Ab)	35.1	30.4
Legacy loan portfolio ⁵ (\$Ab)	1.6	3.8
BFS Deposits (\$Ab)	40.4	37.3
Headcount	2,182	2,505

- Net interest and trading income of \$A941m, up 14% on FY15
 - Growth in Australian residential mortgages, business lending and deposits volumes
 - partially offset by reduced Business Banking deposit margin largely as a result of decreases in RBA cash rate
- Platform and other fee and commission income of \$A437m, up 7% on FY15
 - Increase in fee income from growth across a number of products (mortgages, business lending, credit cards) and platforms (FUM up as a result of net inflows)
 - Performance fee income from co-investors on the disposal of a UK asset
- Brokerage and commissions of \$A89m, down 27% on FY15
 - Lower levels of activity and reduced adviser headcount
- Impairments and provisions of \$A43m, up 23% on FY15
 - Australian Mortgages, Credit Cards and Business Banking continue to experience low levels of losses
- Total operating expenses of \$A1,114m, up 5% on FY15
 - Increased technology spend, particularly in relation to the Core Banking program
 - Higher commissions expense as a result of portfolio growth
 - Lower employment costs due to reduced headcount

1. Includes internal net interest expense and transfer pricing on funding provided by Group Treasury and deposit premium paid to BFS by Group Treasury for the generation of deposits, that are eliminated on consolidation in the Group's statutory P&L. 2. Includes investment and loan impairments. 3. Management accounting profit before unallocated corporate costs, profit share and income tax. 4. The Australian loan portfolio comprises residential mortgages, loans to Australian businesses, insurance premium funding and credit cards. 5. The legacy loan portfolios primarily comprise residential mortgages in Canada and the US.

Macquarie Securities Result



	FY16 \$Am	FY15 \$Am
Brokerage and commissions	595	542
Net interest and trading income ¹	540	289
Underwriting fee income	107	92
Other fee and commission (expense)/income	(8)	18
Impairments, provisions and other income	(9)	(13)
Internal management charge ²	(5)	(10)
Net operating income	1,220	918
Brokerage, commission and trading-related expenses	(208)	(158)
Other operating expenses	(744)	(696)
Total operating expenses	(952)	(854)
Net profit contribution³	268	64
Headcount	1,054	998

- Brokerage and commissions of \$A595m, up 10% on FY15
 - Favourable foreign exchange impact
 - Higher brokerage and commissions in Australia, Asia and EMEA offset by lower brokerage and commissions in the Americas
- Net interest and trading income of \$A540m, up 87% on FY15
 - Improved trading opportunities in Asia and Europe in 1H16 driven by increased market volatility, particularly in China, as well as increased demand for Asian retail derivatives
- Underwriting fee income of \$A107m, up 16% on FY15
 - Strong ECM activity in Australia
- Total operating expenses of \$A952m, up 11% on FY15
 - Increase in revenue driven expenses associated with trading activities
 - Increase in other operating expenses largely impacted by foreign exchange
- Increase in headcount reflects consolidation of Macquarie First South joint venture

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. Internal charge allocations are eliminated on consolidation in the Group's statutory P&L. 3. Management accounting profit before unallocated corporate costs, profit share and income tax.

Macquarie Capital Result



	FY16 \$Am	FY15 \$Am
Fee and commission income	870	860
Investment and other income	441	271
Net interest and trading income/(expense) ¹	16	(24)
Impairments and provisions ²	(187)	(58)
Internal management revenue ³	15	5
Net operating income	1,155	1,054
Total operating expenses	(709)	(629)
Non-controlling interests	5	5
Net profit contribution⁴	451	430
Advisory and capital markets activity:		
Number of transactions	395	480
Transactions value (\$Ab)	176	143
Headcount	1,213	1,202

- Fee and commission income of \$A870m broadly in line with FY15
 - Increased fee income across M&A and ECM, with Australia experiencing particularly strong growth in M&A
 - Favourable foreign exchange impact
 - Offset by reduced fee income in the US
- Investment and other income of \$A441m, up 63% on FY15
 - Improved disposal opportunities, particularly in relation to infrastructure and renewable energy investments
 - Higher dividend income
- Net interest and trading income of \$A16m, up from a loss of \$24m in FY15
 - Increased interest income from debt investments offsetting interest expense associated with principal investments
- Impairments and provisions of \$A187m, up significantly on FY15
 - write down of non-related underperforming principal investments
- Total operating expenses of \$A709m, up 13% on FY15
 - Foreign exchange impact

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. Includes investment and loan impairments. 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.

Commodities and Financial Markets Result



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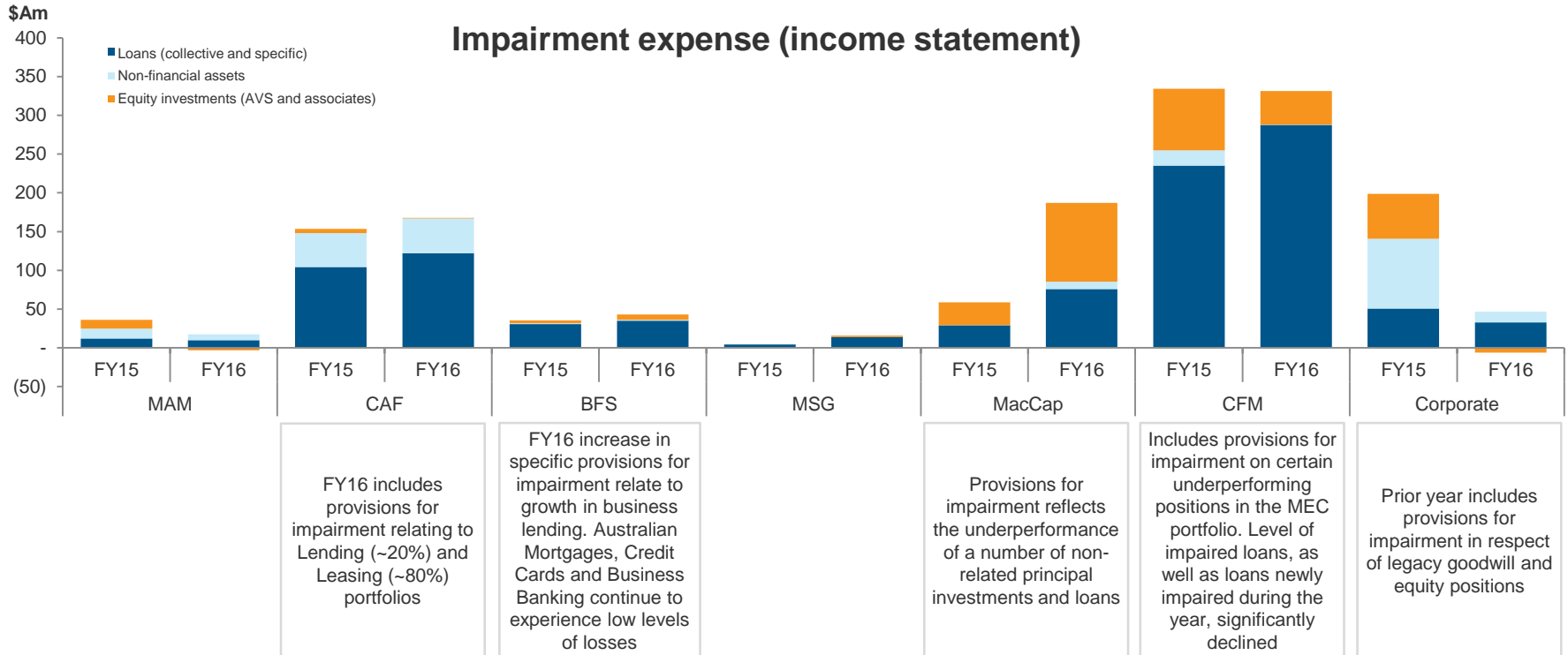
	FY16 \$Am	FY15 \$Am
Commodities ¹	1,315	1,125
<i>Risk management products</i>	819	594
<i>Lending and financing</i>	292	318
<i>Inventory management, transport and storage</i>	204	213
Credit, interest rates and foreign exchange ¹	430	568
Fee and commission income	228	418
Impairments and provisions ²	(330)	(334)
Investment and other income	52	54
Net operating income	1,695	1,831
Brokerage, commission and trading-related expenses	(235)	(258)
Other operating expenses	(884)	(738)
Total operating expenses	(1,119)	(996)
Net profit contribution³	576	835
Headcount	958	984

- Commodities income of \$A1,315m, up 17% on FY15
 - Foreign exchange impact
 - Increased client demand for risk management product as a result of market volatility across a range of commodity types and regions
 - Volatility also providing improved trading opportunities
 - Lower lending activity as a result of reduced customer appetite
- Credit, interest rates and foreign exchange income of \$A430m, down 24% on FY15
 - Market volatility leading to difficult trading conditions, particularly in high yield credit markets and asset backed securitisations
- Fee and commission income of \$A228m, down 45% on FY15
 - FY15 included Freeport LNG Terminal fee income
 - Partly offset by increased trading volumes in offshore commodity futures markets
- Impairments and provisions of \$A330m, down slightly on FY15
 - Largely driven by underperforming MEC book
- Total operating expenses of \$A1,119m, up 12% on FY15
 - Foreign exchange impact

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. Includes investment and loan impairments. 3. Management accounting profit before unallocated corporate costs, profit share and income tax.



Impairment expense¹



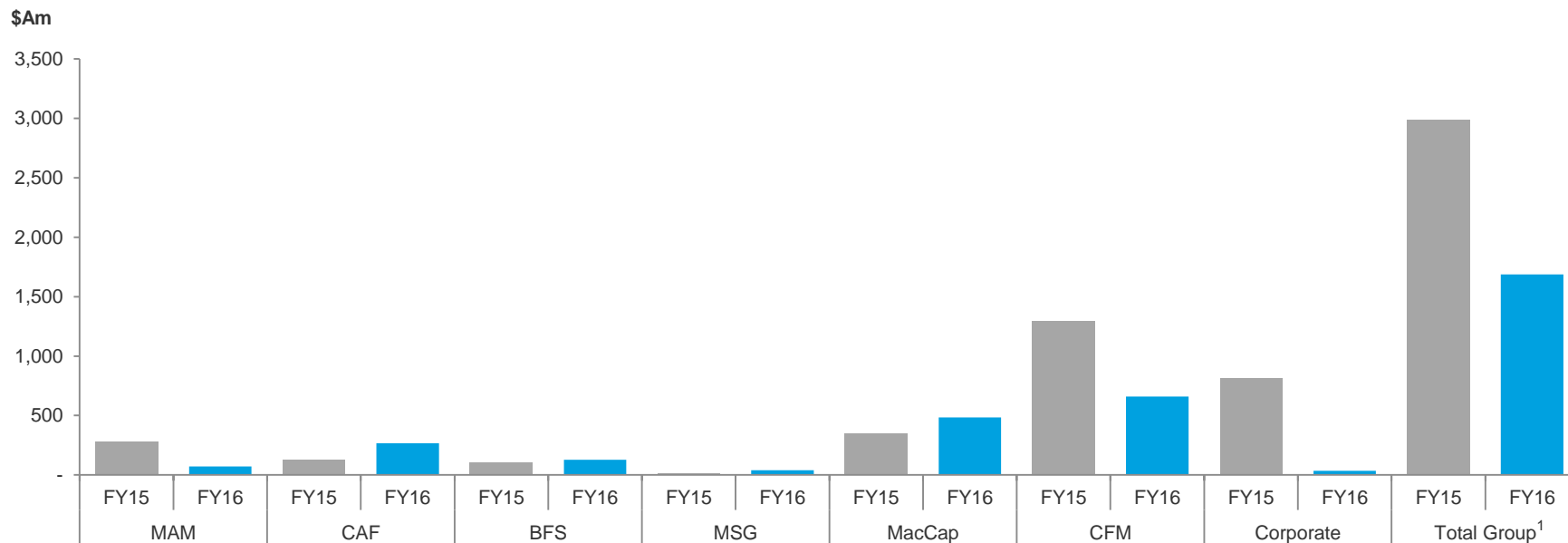
1. Includes collective allowance for credit losses, specific provisions and write-offs, impairment charges on non-financial assets, and impairment charge on investment securities available for sale, interest in associates and joint ventures and subsidiaries.

Impaired portfolios



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Impaired equity and loan portfolios (balance sheet)



1. Total impaired assets at 31 Mar 16 as a proportion of total loans and equity investments on a Total Group level is 176bps.

Balance sheet highlights



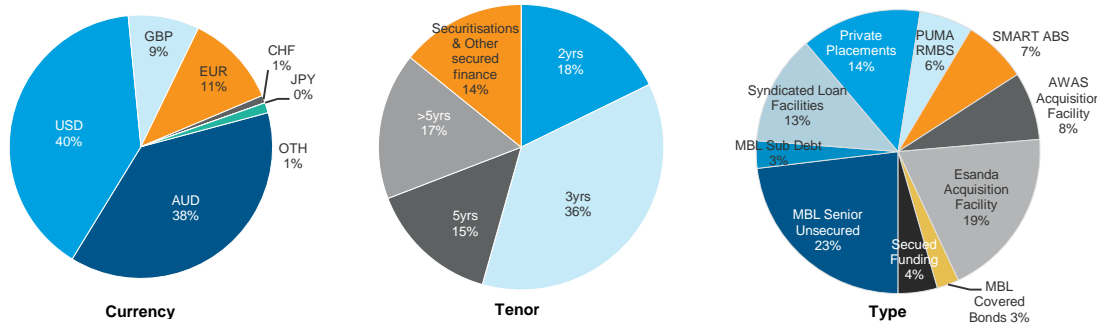
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- Balance sheet remains solid and conservative
 - Term assets covered by term funding, stable deposits and equity
 - Minimal reliance on short term wholesale funding markets
- Total customer deposits¹ continuing to grow, up 9.8% to \$A43.6b at Mar 16 from \$A39.7b at Mar 15
- \$A22.5b² of term funding raised during FY16 includes:
 - \$A7.1b senior unsecured debt issuance
 - \$A4.8b private placements and structured note issuance
 - \$A4.4b mortgage and motor vehicle/equipment secured funding
 - \$A2.7b MBL syndicated loan facility
 - \$A1.2b MGL syndicated loan facility
 - \$A1.0b public subordinated debt
 - \$A0.8b MBL covered Bonds
 - \$A0.5b MCN2 hybrid
- \$A2.4b² AWAS acquisition debt facility³. The facility was refinanced in Apr 16 with a term loan
- \$A6.0b Esanda acquisition debt facility, \$A3.0b repaid in Apr 16
- \$A0.5b of capital raised through an institutional placement (Oct 15) and share purchase plan (Nov 15)

1. Total customer deposits as per the funded balance sheet (\$A43.6b) differs from total deposits as per the statutory balance sheet (\$A52.2b). The funded balance sheet excludes any deposits which do not represent a funding source for the Group. 2. Issuances are AUD equivalent based on FX rates at the time of issuance and represent full facility size. 3. The original AWAS acquisition debt facility of \$A4.0b was downsized to \$A2.4b during FY16.

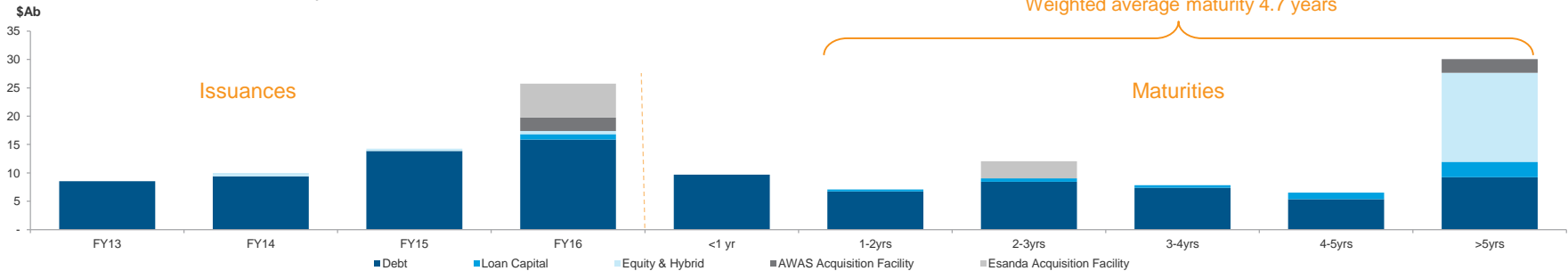
Diversified issuance strategy¹

FY16 Term funding – diversified by currency, tenor and type



- Well diversified issuance and funding sources
- Term funding beyond 1 year (excluding equity) has a weighted average maturity of 4.7 years⁴

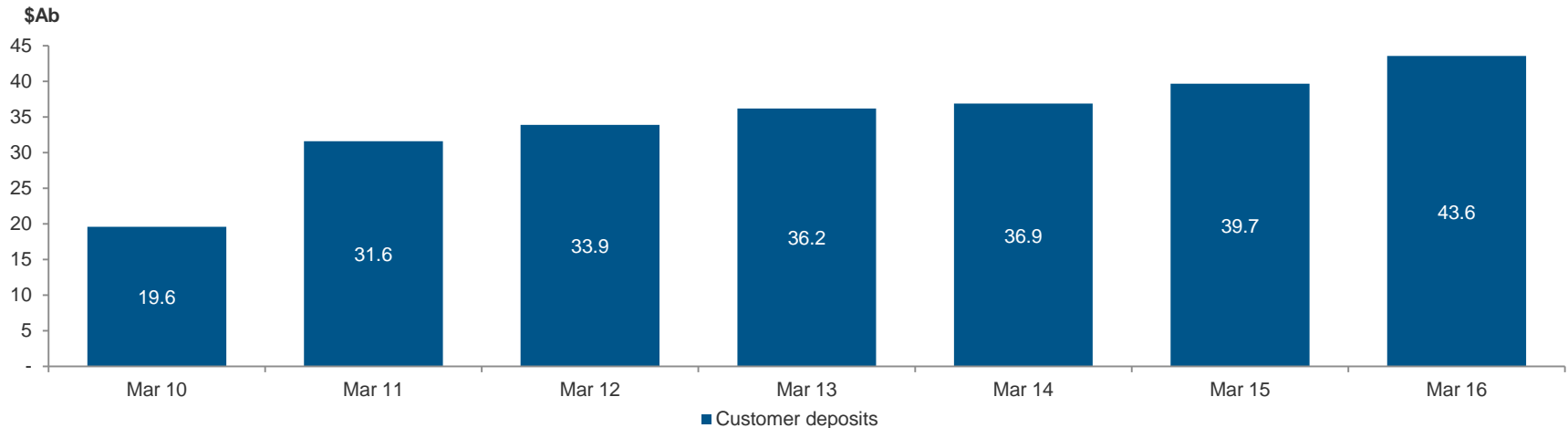
Term Issuance and Maturity Profile^{2, 3, 4}



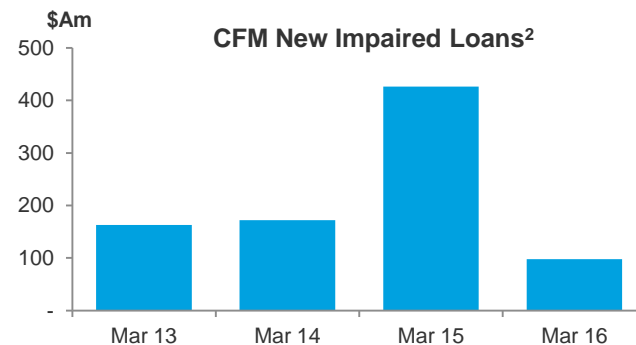
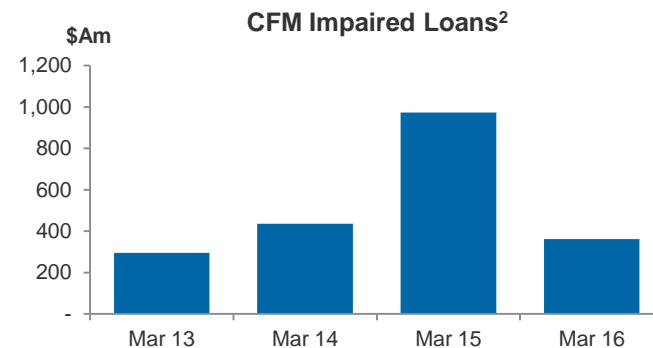
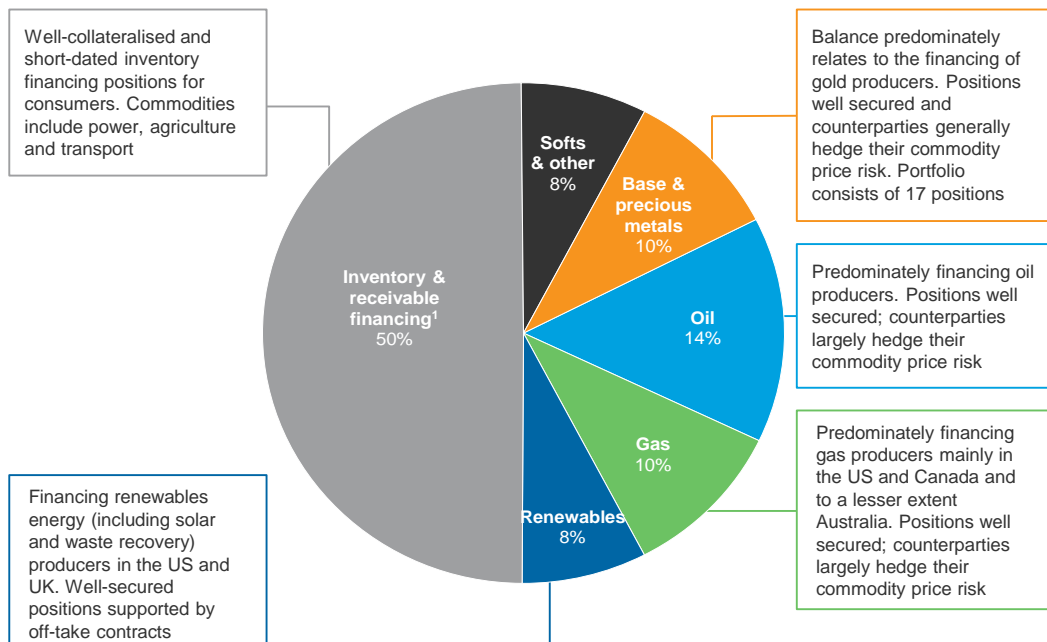
1. All data presented in these charts includes drawn and undrawn facilities. 2. Issuances and Maturities exclude securitisations and other secured finance. Balances are converted to AUD at the 31 Mar 16 spot rate. 3. Maturities shown are as at 31 March 2016. 4. Weighted average maturity has been adjusted to reflect the AWAS acquisition debt facility was refinanced in full during Apr 16; the new profile is 5yrs +. \$A3.0b of the Esanda acquisition debt facility was repaid during Apr 16.

Continued customer deposit growth

- Macquarie has been successful in pursuing its strategy of diversifying its funding sources through growing its deposit base
 - In excess of 1.1 million BFS clients, of which approx. 600,000 are depositors
 - Focus on the composition and quality of the deposit base
 - Continue to grow deposits in the CMA product, which has an average account balance of approx. \$A44,000

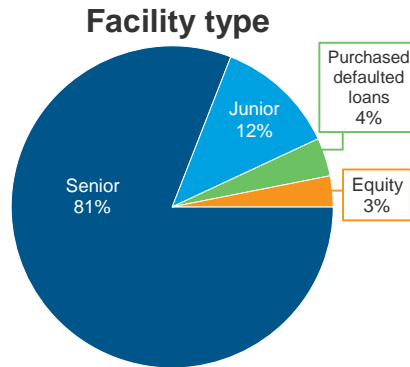
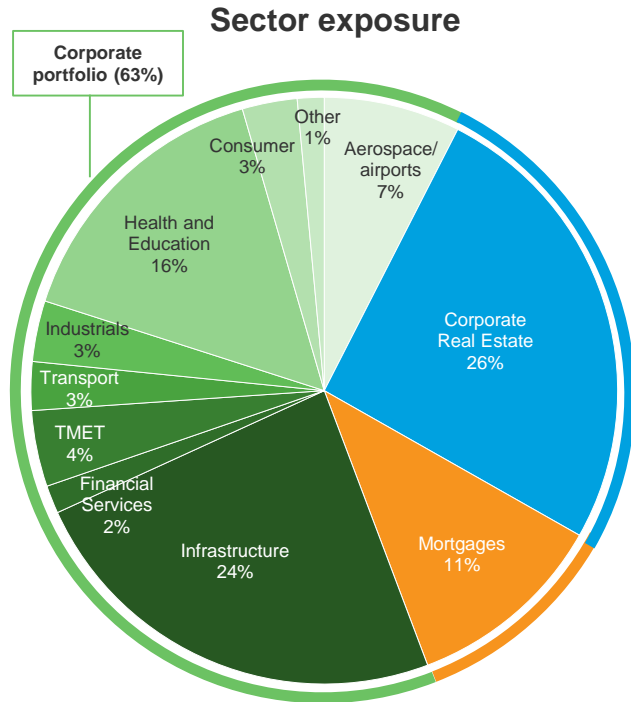


Resources and commodities – loans

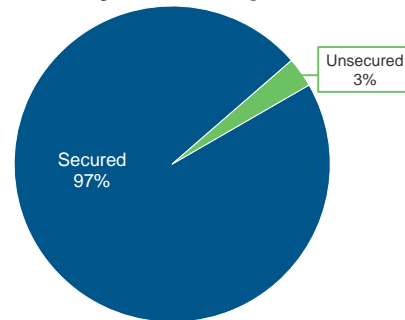


1. 20% of the Inventory & receivable financing category relates to counterparties exposed to oil and gas. 2. Impaired loans comprised of loan assets held at amortised cost, debt investment securities AVS and other financial assets.

CAF Lending Portfolio – \$A9.5b¹



Security on loan portfolio



- While mostly sub investment grade, CAF Lending's portfolio is predominately loans which are:
 - Senior
 - Secured; and
 - Well covenanted
- Assets are originated through new primary lending as well as selective investments in the secondary market, with a hold to maturity horizon
 - Approx. 85% of realisations since inception² relate to repayments
- Business is conducted within the disciplines of a strong risk management framework
 - active selection of each asset based on intensive analysis, name by name
 - stress testing and concentration analysis with all positions sized to worst case outcomes
 - on-going monitoring and management of each position
 - very sound impairment track record – average realised annual losses since inception equivalent to 0.2% of loan assets

1. Funded portfolio shown which excludes current committed but unfunded balances. Total committed (funded and unfunded) capital was \$A10.2b at 31 Mar 16. 2. Jan 09.

Equity investments of \$A5.2b¹



Category	Carrying value ² Mar 16 \$Am	Carrying value ² Mar 15 \$Am	Description
Macquarie Asset Management (MIRA) managed funds	1,611	1,505	Includes Macquarie Infrastructure Company, Macquarie SBI Infrastructure Fund, Macquarie Atlas Roads, MPF Holdings Limited, Macquarie Korea Infrastructure Fund, Macquarie European Infrastructure Fund 3 LP, Macquarie European Infrastructure Fund 4 LP, Macquarie Mexican REIT
Other Macquarie managed funds	657	554	Includes MIM funds as well as investments that hedge directors' profit share plan liabilities
Transport, industrial and infrastructure	1,181	381	Over 35 separate investments predominately in MacCap including Navigator Terminals, Wala 2, Malaga Metro, Galloper Wind Farm
Telcos, IT, media and entertainment	724	759	Over 40 separate investments with investment in Axicom largely offset by divestment of Southern Cross Media
Energy, resources and commodities	471	346	Over 50 separate investments. Balance increased largely due to Australian Energy Consortium (Quadrant) partly offset by a reduction in the MEC portfolio
Real estate investment, property and funds management	133	300	Decrease due to a number of divestments including MGPA Shenton and Retirement Villages Group
Finance, wealth management and exchanges	433	537	Includes investments in fund managers, investment companies, securities exchanges and other corporations in the financial services industry
	5,210	4,382	

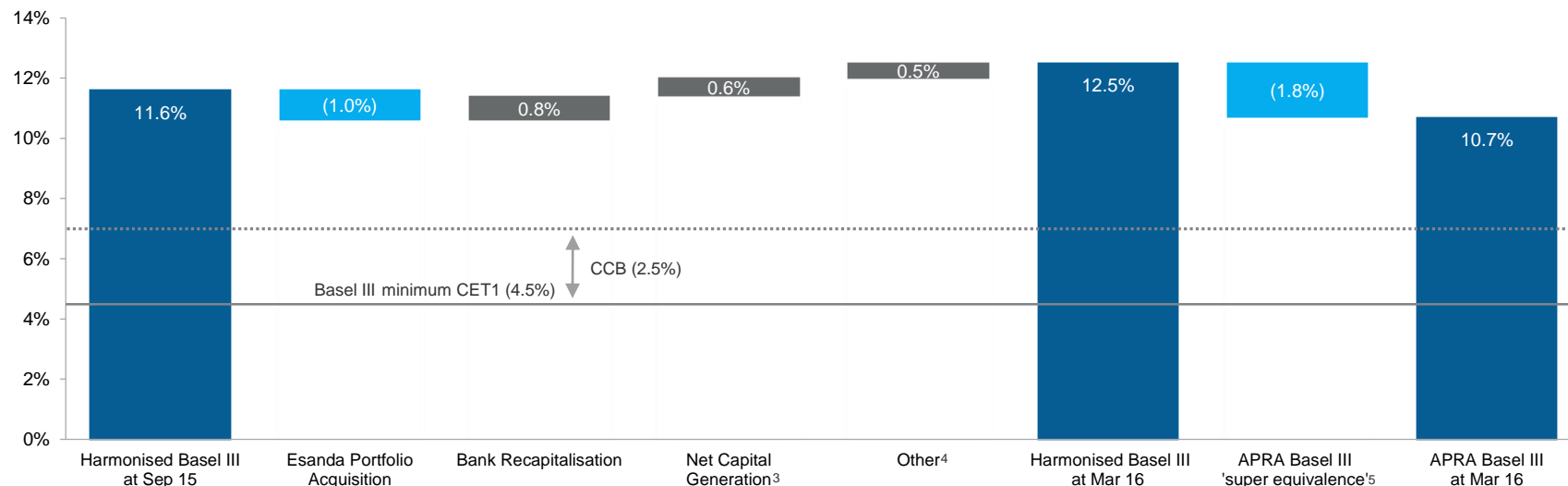
1. Equity investments per the statutory balance sheet of \$A6,834m (Mar 15: \$A 5,848m) have been adjusted to reflect the total economic exposure to Macquarie. 2. Total funded equity investments of \$A6,046m (Mar 15: \$A5,061m), less available for sale reserves of \$A762m (Mar 15: \$A688m) and associate reserves of \$A2m (Mar 15: nil), plus other assets of nil (Mar 15: \$A9m).

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



- APRA Basel III CET1 ratio: 10.7%¹
- Harmonised Basel III CET1 ratio: 12.5%²

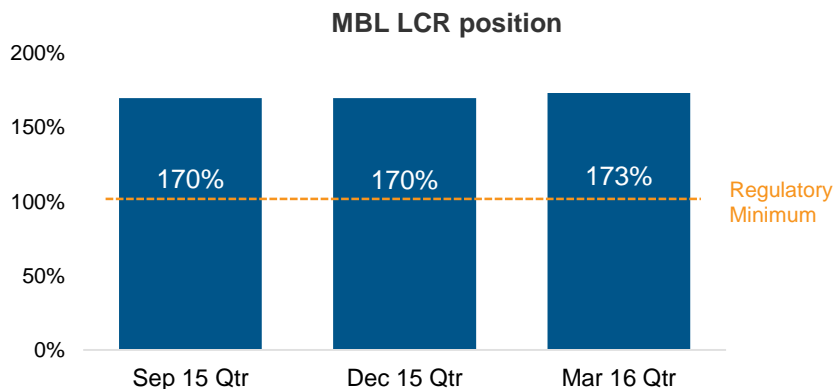
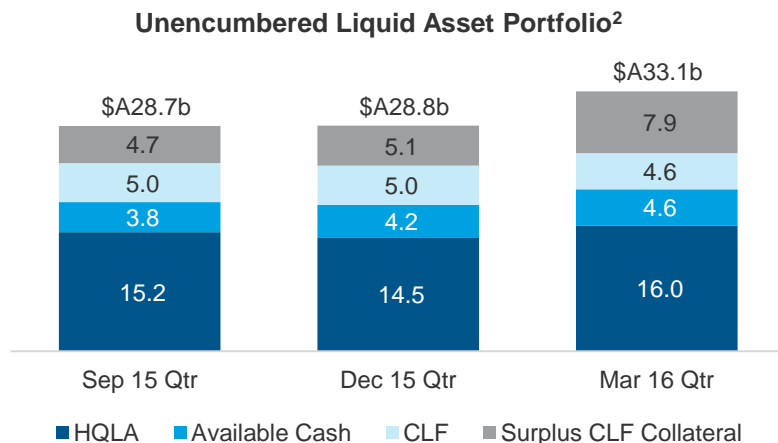
Bank Group Common Equity Tier 1 (CET1) Ratio: Basel III (Mar 16)



1. Basel III applies only to the Bank Group and not the Non-Bank Group. APRA Basel III Tier 1 ratio at Mar 16: 11.8%. APRA Basel III CET1 ratio at Sep 15: 9.9%. 2. 'Harmonised' Basel III estimates are calculated in accordance with the BCBS Basel III framework. Harmonised Basel III Tier 1 ratio at Mar 16: 13.6%. 3. Includes MBL 2H16 P&L and reserve movements (excluding foreign currency translation reserve). 4. Includes business growth offset by the impact of reduced trading activity in CFM and MSG, the net foreign exchange impact and other movements in capital requirements. 5. APRA Basel III 'super-equivalence' includes the impact of changes in capital requirements in areas where APRA differs from the BCBS Basel III framework and includes full CET1 deductions of equity investments (0.5%); deconsolidated subsidiaries (0.3%); DTAs and other impacts (1.0%).

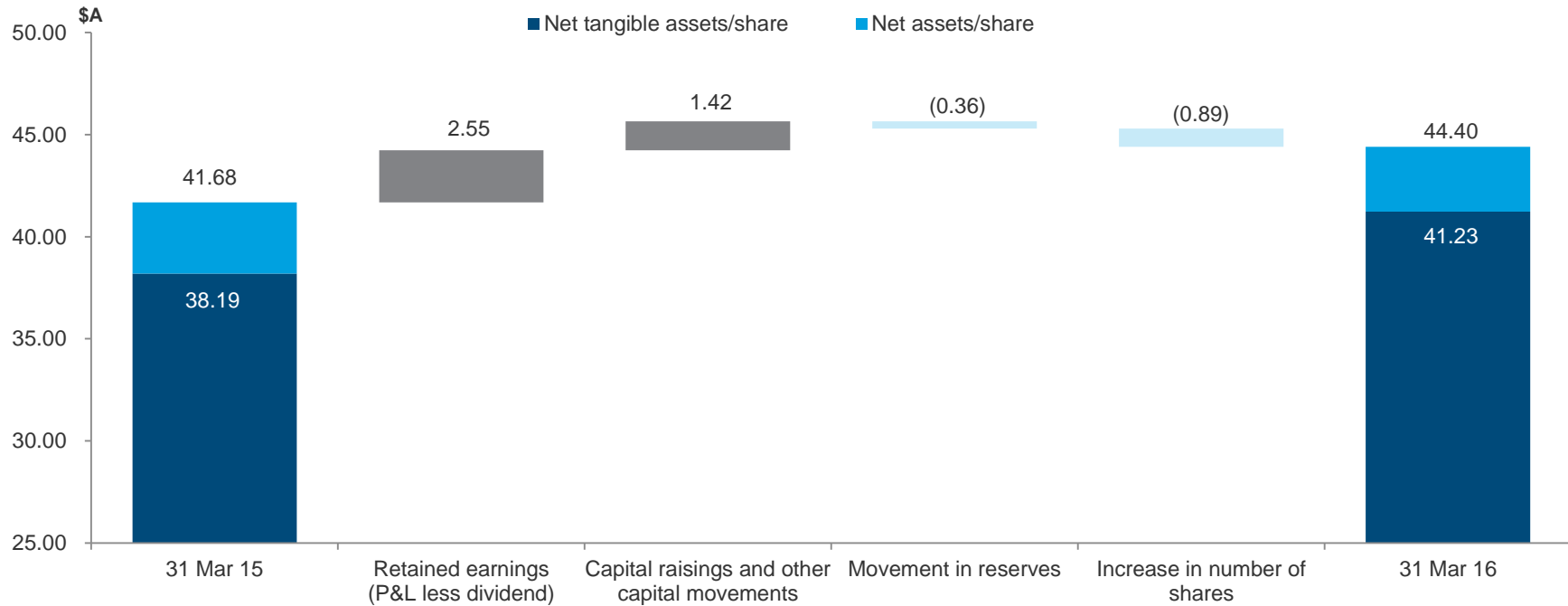
Strong liquidity position maintained

- 173% average LCR for Mar 16 quarter¹, based on month-end observations
 - Maintained well above regulatory minimums
 - Includes APRA approved AUD CLF allocation of \$A4.6b for 2016 calendar year
- Reflects long-standing conservative approach to liquidity management
- \$A33.1b of unencumbered liquid assets and cash on average over the quarter to Mar 16 (post applicable haircuts)



1. Average LCR for Mar 16 quarter includes Jan, Feb and Mar month-end observations. 2. Unencumbered Liquid Asset Portfolio represents the quarterly average of applicable month-end observations.

Net assets per share



Capital management update



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- The Board has resolved:
 - To purchase shares^{1,2} to satisfy the MEREP requirements of approx. \$A440m, subject to the New Arrangements noted below. The buying period for the MEREP will commence on 17 May 2016 and is expected to be completed by 8 July 2016³
 - No discount will apply for the 2H16 DRP and the shares are to be acquired on-market²

New Arrangements for the MEREP:

- Macquarie has made changes to align the buying and selling of shares in relation to the MEREP:
 - Awards previously due to vest on 29 July 2016 will now vest on 17 May 2016
 - Future awards due to vest in July of a specified year will now vest in May of that year
- MQG shares sold by staff between 17 May 2016 and 10 June 2016⁴ are expected to be acquired by the MEREP Trustee to meet the MEREP buying requirements
 - Shares sold by staff during this window are to be acquired off-market at the daily VWAP⁵
- The net effect of this will reduce the number of shares acquired on-market for the new MEREP awards

1. Shares may be purchased on-market and off-market. 2. Shares may be issued if purchasing becomes impractical or inadvisable. 3. Actual buying may be completed sooner or later. On-market buying for the MEREP will be suspended during the DRP pricing period (25 May 16 to 2 Jun 16). 4. This date subject to change. 5. Trades will be crossed off-market by Macquarie Securities and reported to ASX and Chi-X accordingly.



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Glossary

Glossary



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\$A / AUD	Australian Dollar
\$US / USD	United States Dollar
£ / GBP	British Pound
€ / EUR	Euro
1H	Half-Year ended 30 September
1H16	Half-Year ended 30 September 2015
1Q16	Quarter ended 30 June 2015
1Q17	Quarter ended 30 June 2016
2H	Half-Year ended 31 March
2H16	Half-Year ended 31 March 2016
ABN	Australian Business Number
ADR	American Depository Receipt
ANZ	Australia and New Zealand
Approx.	Approximately
APRA	Australian Prudential Regulation Authority
ASX	Australian Securities Exchange
AUM	Assets Under Management

Avg	Average
AVS	Available for Sale
BCBS	Basel Committee on Banking Supervision
BFS	Banking and Financial Services
CAF	Corporate and Asset Finance
CAGR	Compound Annual Growth Rate
CCB	Capital Conservation Buffer
CET1	Common Equity Tier 1
CFM	Commodities and Financial Markets
CHF	Swiss Franc
CLF	Committed Liquid Facility
CMA	Cash Management Account
CY15	Calendar Year ending 31 December 2015
CY16	Calendar Year ending 31 December 2016
DRP	Dividend Reinvestment Plan
DTA	Deferred Tax Asset
ECM	Equity Capital Markets

Glossary



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EMEA	Europe, the Middle East and Africa
EPS	Earnings Per Share
EUM	Equities Under Management
FI&C	Fixed Income & Commodities
FINRA	Financial Industry Regulatory Authority
FUM	Funds Under Management
FX	Foreign Exchange
FY05	Full Year ended 31 March 2005
FY07	Full Year ended 31 March 2007
FY08	Full Year ended 31 March 2008
FY09	Full Year ended 31 March 2009
FY11	Full Year ended 31 March 2011
FY12	Full Year ended 31 March 2012
FY13	Full Year ended 31 March 2013
FY14	Full Year ended 31 March 2014
FY15	Full Year ended 31 March 2015
FY16	Full Year ended 31 March 2016

FY17	Full Year ended 31 March 2017
GFC	Global Financial Crisis
HQLA	Highly Quality Liquid Assets
IPO	Initial Public Offering
IT	Information Technology
JPY	Japanese Yen
LCR	Liquidity Coverage Ratio
LNG	Liquefied Natural Gas
LP	Limited Partner
Ltd	Limited
M&A	Mergers and Acquisitions
MacCap	Macquarie Capital
MAM	Macquarie Asset Management
MBL	Macquarie Bank Limited
MCN	Macquarie Capital Notes
MEC	Metals and Energy Capital
MEF	Macquarie Equipment Finance

Glossary



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MEIF1	Macquarie European Infrastructure Fund 1
MEREP	Macquarie Group Employee Retained Equity Plan
MGL / MQG	Macquarie Group Limited
MGPA	Macquarie Global Property Advisors
MIC	Macquarie Infrastructure Corporation
MIIF	Macquarie International Infrastructure Fund
MIM	Macquarie Investment Management
MIRA	Macquarie Infrastructure and Real Assets
MKIF	Macquarie Korea Infrastructure Fund
MQA	Macquarie Atlas Roads
MSG	Macquarie Securities Group
MSIS	Macquarie Specialised Investment Solutions
Mths	Months
NGLs	Natural gas liquids
No.	Number
NPAT	Net Profit After Tax
OTH	Other

P&L	Profit and Loss Statement
PCP	Prior Corresponding Period
PPE	Property, Plant and Equipment
RBA	Reserve Bank of Australia
REIT	Real Estate Investment Trust
ROE	Return on Equity
RWA	Risk Weighted Assets
SBI	State Bank of India
ST DEV	Standard Deviation
TMET	Telecommunications, Media, Entertainment and Technology
UK	United Kingdom
US / USA	United States of America
VWAP	Volume weighted average price
yr / yrs	Year / years
YTD	Year To Date
P&L	Profit and Loss Statement
PCP	Prior Corresponding Period



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23rd CLSA Investors' Forum

Grand Hyatt, Hong Kong

Presentation to Investors and Analysts
20-21 September 2016

Patrick Upfold
Chief Financial Officer

James Freeman
Investor Relations