



Operational Briefing

Presentation to Investors and Analysts

7 February 2017



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

Agenda



10:05 – 10:10 **Introduction** – Karen Khadi

10:10 – 10:30 **Update since the interim result** – Nicholas Moore

10:30 – 10:50 **Communicating with the investment community** – Patrick Upfold

10:50 – 11:10 **Banking and Financial Services** – Greg Ward

11:10 – 11:30 **Macquarie Capital** – Tim Bishop

11:30 – 11:50 **Asia** – Ben Way

01

Introduction

Karen Khadi – Head of Investor Relations

02

Update since the interim result

Nicholas Moore
Managing Director and Chief Executive Officer

About Macquarie

Building for the long term



Macquarie Asset Management	• Top 50 global asset manager with \$A501.7b¹ of assets under management • Provides clients with access to a diverse range of capabilities and products, including infrastructure and real asset management, securities investment management and tailored investment solutions over funds and listed equities
Corporate and Asset Finance	• Global provider of specialist finance and asset management solutions, with a \$A37.9b¹ asset and loan portfolio • Global capability in corporate and real estate credit investing and lending • Expertise in asset finance including aircraft, motor vehicles, technology, healthcare, manufacturing, industrial, energy, rail and mining equipment
Banking and Financial Services	• Macquarie's retail banking and financial services business • Provides a diverse range of personal banking, wealth management and business banking products and services to retail clients, advisers, brokers and business clients
Commodities and Global Markets (formerly Macquarie Securities Group and Commodities and Financial Markets)	• Integrated, end-to-end offering across global markets including equities, fixed income, foreign exchange and commodities • Provides clients with access to markets, financing, financial hedging and physical execution • Diverse platform covering more than 25 market segments, with more than 160 products • Growing presence in commodities (natural gas, LNG, NGLs, power, oil, coal, base metals, iron ore, sugar and freight) • Global institutional securities house with strong Asia-Pacific foundations covering sales, research, ECM, execution and derivatives and trading activities
Macquarie Capital	• Global corporate finance capability, including M&A, debt and equity capital markets, and principal investments • Key specialities in six industry groups: Financial Institutions; Industrials; Infrastructure, Utilities and Renewables; Real Estate; Resources (mining and energy); and TMET

3Q17 Overview



- Satisfactory trading conditions in 3Q17 across the Group
- Macquarie's annuity-style businesses' (Macquarie Asset Management, Corporate and Asset Finance and Banking and Financial Services) combined 3Q17 net profit contribution¹ up on pcp (3Q16)
 - FY17 YTD² net profit contribution slightly down on FY16 YTD which benefited from strong performance fees in Macquarie Asset Management
- Macquarie's capital markets facing businesses' (Commodities and Global Markets and Macquarie Capital) combined 3Q17 net profit contribution down on pcp largely due to subdued Equity Capital Markets (ECM) activity and the timing of transactions in Macquarie Capital
 - FY17 YTD net profit contribution slightly down on FY16 YTD notwithstanding stronger activity across most of the businesses in Commodities and Global Markets except Securities, which benefited from strong Chinese equity market conditions in the prior corresponding period

3Q17 Overview

Annuity-style businesses



	1H17 contribution ¹	Activity during the quarter
Macquarie Asset Management	37%	- AUM of \$A501.7b at Dec 16, up 2% on Sep 16 predominately driven by positive FX and market movements - MIRA: \$A1.4b in new equity raised largely in Australian, Global and European Infrastructure funds; \$A1.9b equity invested including infrastructure in the US, Australia, UK and Mexico; and \$A0.6b asset divestments in Germany and Mexico; \$A11.5b of equity to deploy at Dec 16 - MIM awarded \$A1.6b in new, funded institutional mandates across 10 strategies - MIDIS total third party investor commitments over \$A6.1b; closed a number of investments bringing total AUM to \$A3.5b - Top 50 global asset manager, Australia's largest global asset manager
Corporate and Asset Finance	22%	- Asset Finance and Lending portfolio of \$A37.9b at Dec 16, broadly in line with Sep 16 - Certain portfolios impacted by unfavourable FX movements largely due to weakening GBP - AWAS and Esanda continue to perform in line with expectations \$A2.2b of motor vehicle and equipment leases and loans securitised - Lending portfolio additions of \$A0.6b in 3Q17 across both primary and secondary markets equally - Notable realisations included the exit of a toll road investment in Virginia in the US
Banking and Financial Services	11%	- Total BFS deposits² of \$A44.2b at Dec 16, up 5% on Sep 16 - Australian mortgage portfolio of \$A28.6b at Dec 16, in line with Sep 16 - Funds on platform of \$A70.5b at Dec 16, up 14% on Sep 16 largely due to the successful migration of the ANZ Oasis wrap super and investment assets onto Macquarie's platform - Business banking loan portfolio of \$A6.5b at Dec 16, up 2% on Sep 16 - iSelect's Home Loans Partner of the Year 2016 for the third consecutive year³

3Q17 Overview

Capital markets facing businesses



	1H17 contribution ¹	Activity during the quarter
Commodities and Global Markets	21%	• Announced the merger of MSG and CFM to create an integrated, end-to-end offering across global markets including equities, fixed income, foreign exchange and commodities; progressing well • Continued strong results across the energy platform, particularly from Global Oil and North American Gas • Increased volatility in agriculture and base metals markets resulted in increased client hedging activity • Strong trading results across financial markets businesses due to volatility associated with macro-economic events • Market conditions continued to impact client volumes in equity markets • Maintained ranking as No.3 US physical gas marketer in North America²
Macquarie Capital	9%	• Solid levels of activity, particularly in infrastructure in Australia and the US, with 88 transactions valued at \$A44b completed globally • Exclusive financial advisor on the acquisition of a 50.4% interest in the 99 year lease of Ausgrid for ~\$A16.2b, the largest M&A transaction in ANZ in 2016 and largest infrastructure and utilities M&A transaction in ANZ³ • Advised Capital Stage on the €2b merger with CHORUS Clean Energy, creating one of Europe's largest independent operators of solar and wind parks • Financial advisor, lead left bookrunner and joint lead arranger on acquisition financing for a portfolio of contracted thermal power plants in North America • Sole financial advisor and underwriter on MMG Limited's \$US512m rights issue on the HK Stock Exchange • No.1 in Australia for announced and completed M&A⁴ and No.2 in Australia for ECM deals⁵ • No.1 for Infrastructure/Project Finance advisory in the UK⁶ and No.2 for Infrastructure/Project Finance advisory in Europe and North America⁶

1. Based on 1H17 net profit contribution from operating groups. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 2. Platts Q3 CY16. 3. Dealogic (any ANZ involvement, announced Infra transaction) data from 1995. 4. Dealogic & Thomson Reuters CY16 (any Australian involvement, by number and value). 5. Thomson Reuters CY16 (by value). 6. InfraDeals CY16.

13,647 staff in over 27 countries

Europe, Middle East & Africa

Staff: 1,463

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

Middle East
Abu Dhabi
Dubai

South Africa
Cape Town
Johannesburg

Asia

Staff: 3,479

Australia
Adelaide
Brisbane
Canberra
Gold Coast
Manly
Melbourne
Parramatta
Perth
Sydney

Asia
Bangkok
Beijing
Gurugram
Hong Kong
Jakarta
Kuala Lumpur
Manila
Mumbai
Seoul
Shanghai
Singapore
Taipei
Tokyo

New Zealand
Auckland

Americas

Staff: 2,530

Canada
Calgary
Montreal
Toronto
Vancouver

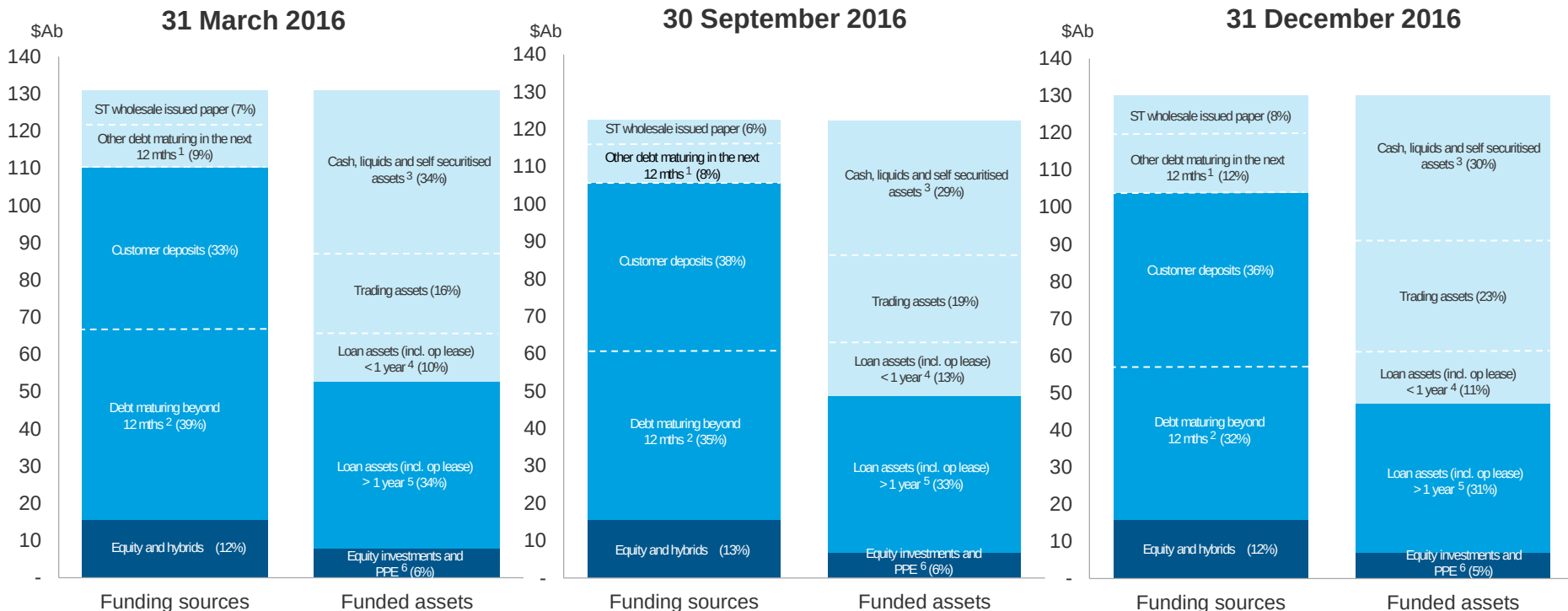
USA
Austin
Boca Raton
Boston
Chicago
Denver
Houston
Jacksonville
Los Angeles
Nashville
New York
Philadelphia
San Diego
San Francisco
San Jose

Latin America
Mexico City
Ribeirao Preto
Sao Paulo

Australia¹

Staff: 6,175

Funded balance sheet remains strong

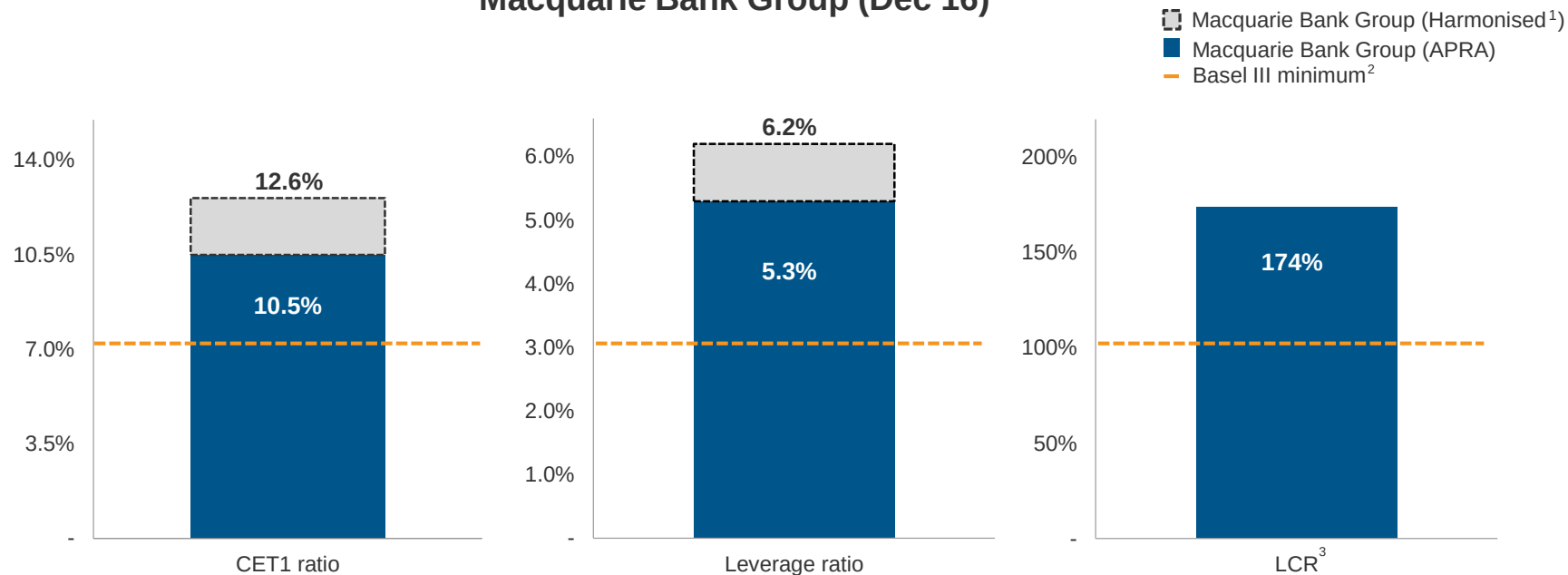


These charts represent Macquarie Group Limited's funded balance sheets at the respective dates noted above. 1. 'Other debt maturing in the next 12 mths' includes Structured Notes, Secured Funding, Bonds, Other Loans, Loan Capital maturing within the next 12 months and Net Trade Creditors. 2. 'Debt maturing 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' includes Net Trade Debtors. 5. 'Loan Assets (incl. op lease) > 1 yr' includes Debt Investment Securities. 6. 'Equity Investments and PPE' includes the Group's co-investments in Macquarie-managed funds and equity investments.

Strong regulatory ratios



Macquarie Bank Group (Dec 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 Dec 16 quarter includes Oct, Nov & Dec month-end observations.

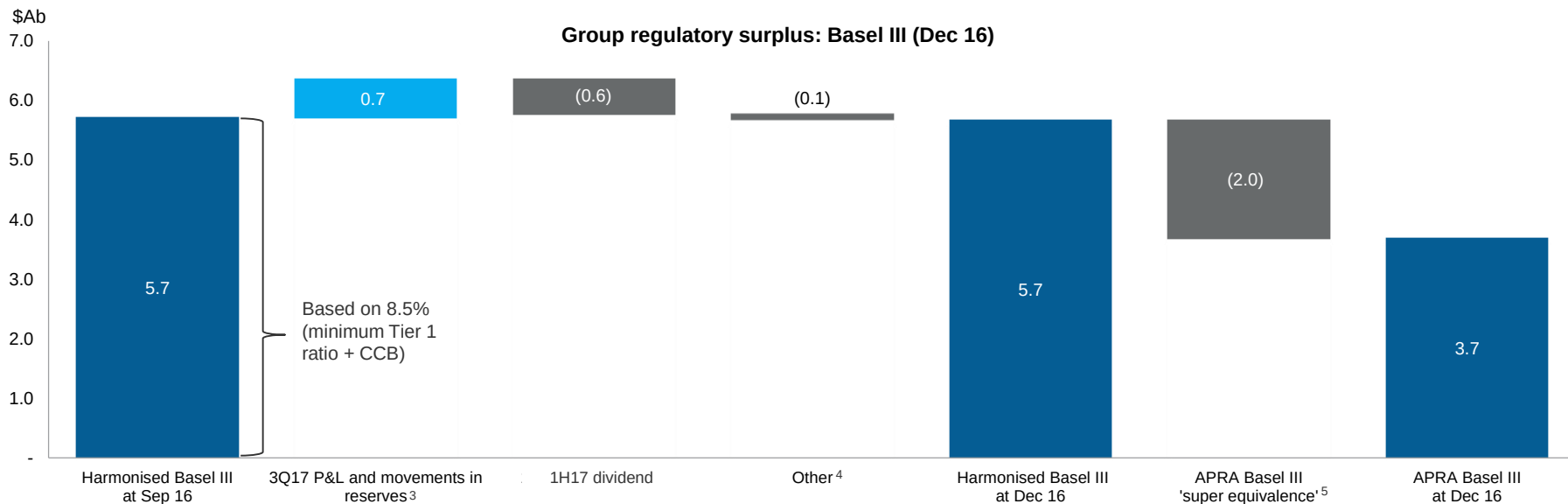


Regulatory update

- Basel Capital Framework
 - The Basel Committee has delayed the finalisation of proposals to amend the calculation of risk weighted assets under Basel III. Any impact on capital will depend upon the final form of the proposals and local implementation by APRA
 - APRA has released a consultation package covering: a new standardised approach for measuring counterparty credit risk exposures on derivatives (SA-CCR); and capital requirements for bank exposures to central counterparties (CCPs)
 - Macquarie is working through the potential capital implications and engaging in APRA's consultation process
- Net Stable Funding Ratio (NSFR)
 - APRA released final NSFR requirements at the end of 2016, however the exact application of certain elements of the standard remains under discussion. The NSFR and associated changes to APRA Prudential Standard 210 will be effective from 1 Jan 18
 - Macquarie continues to expect that it will meet the requirements of the NSFR

Basel III capital position

- APRA Basel III Group capital at Dec 16 of \$A17.5b, Group surplus of \$A3.7b¹
- Bank Group APRA Basel III CET1 ratio: 10.5%; Tier 1 ratio: 11.6%; Leverage ratio: 5.3%
- Bank Group Harmonised Basel III CET1 ratio: 12.6%; Tier 1 ratio: 13.8%; Leverage ratio: 6.2%²



1. Calculated at 8.5% RWA including the capital conservation buffer (CCB), per APRA Prudential Standard 110. The APRA Basel III Group surplus is \$A5.2b 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. Excludes foreign currency translation reserve movements. 4. Includes business growth, the net impact of hedging employed to reduce the sensitivity of the Group's capital position to FX translation movements 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 (\$A0.5b); capitalised expenses (\$A0.4b); deconsolidated subsidiaries (\$A0.3b); differences in mortgages treatment (\$A0.5b); DTAs and other impacts (\$A0.3b).

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

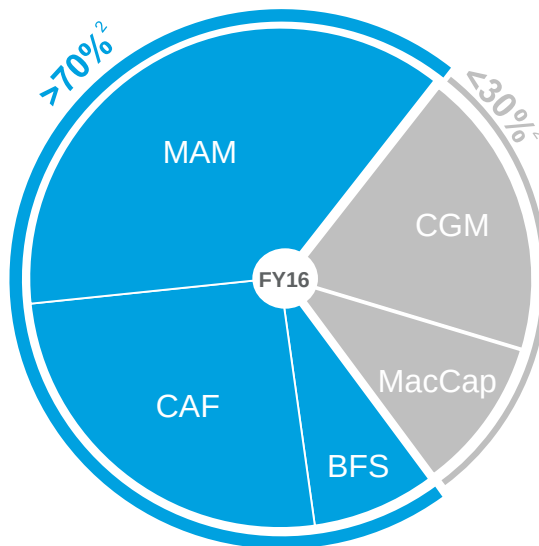
- FY16: \$A1.6b; 1H17 down \$A282m on 1H16
- Lower performance fees expected
- Increased investment-related income expected
- Base fees broadly in line

Corporate and Asset Finance

- FY16: \$A1.1b; 1H17 down \$A90m on 1H16
- First full year contribution from AWAS and Esanda
- Unfavourable FX impact largely due to weakening GBP
- Income from prepayments and realisations in Lending broadly in line with FY16, albeit volumes down

Banking Financial Services

- FY16: \$A0.4b; 1H17 up \$A91m on 1H16
- Growth in Australian mortgage, business banking and deposit books
- Gain on sale of life business partially offset by increased project-related expenses (e.g. Core Banking)



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

Capital markets facing businesses

Commodities and Global Markets

- FY16: \$A0.8b; 1H17 down \$A32m on 1H16
- Strong customer base and market volatility expected to drive client flows and revenue across Commodities, Fixed Income and Futures
- Level of impairments expected to fall
- Equity market conditions currently subdued, particularly in Asia

Macquarie Capital

- FY16: \$A0.5b; 1H17 up \$A35m on 1H16
- Market conditions broadly consistent with FY16
- Solid principal realisation pipeline expected
- Level of impairments expected to fall



Short-term outlook

- 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
- Our short-term outlook remains subject to a range of challenges including:
 - 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 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
 - Two capital 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 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 30 Sep 16

Operating Group	APRA Basel III Capital ¹ @ 8.5% (\$Ab)	Approx. 1H17 Return on Ordinary Equity ²	Approx. 10-Year Average Return on Ordinary Equity ²
Annuity-style businesses	8.4		
Macquarie Asset Management	1.5	22%	20% ³
Corporate and Asset Finance	4.6		
Banking and Financial Services	2.3		
Capital markets facing businesses	4.4		
Commodities and Global Markets	2.8	16%	15% - 20%
Macquarie Capital	1.6		
Corporate and Other	0.4		
Legacy Assets	0.0		
Corporate	0.4		
Total regulatory capital requirement @ 8.5%	13.2		
<i>Comprising: Ordinary Equity</i>	<i>11.0</i>		
<i>Hybrid</i>	<i>2.2</i>		
Add: Surplus Ordinary Equity	3.7		
Total APRA Basel III capital supply	16.9		

1. Business Group capital allocations are indicative and are based on allocations as at 30 Jun 16 adjusted for material movements over the Sep 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

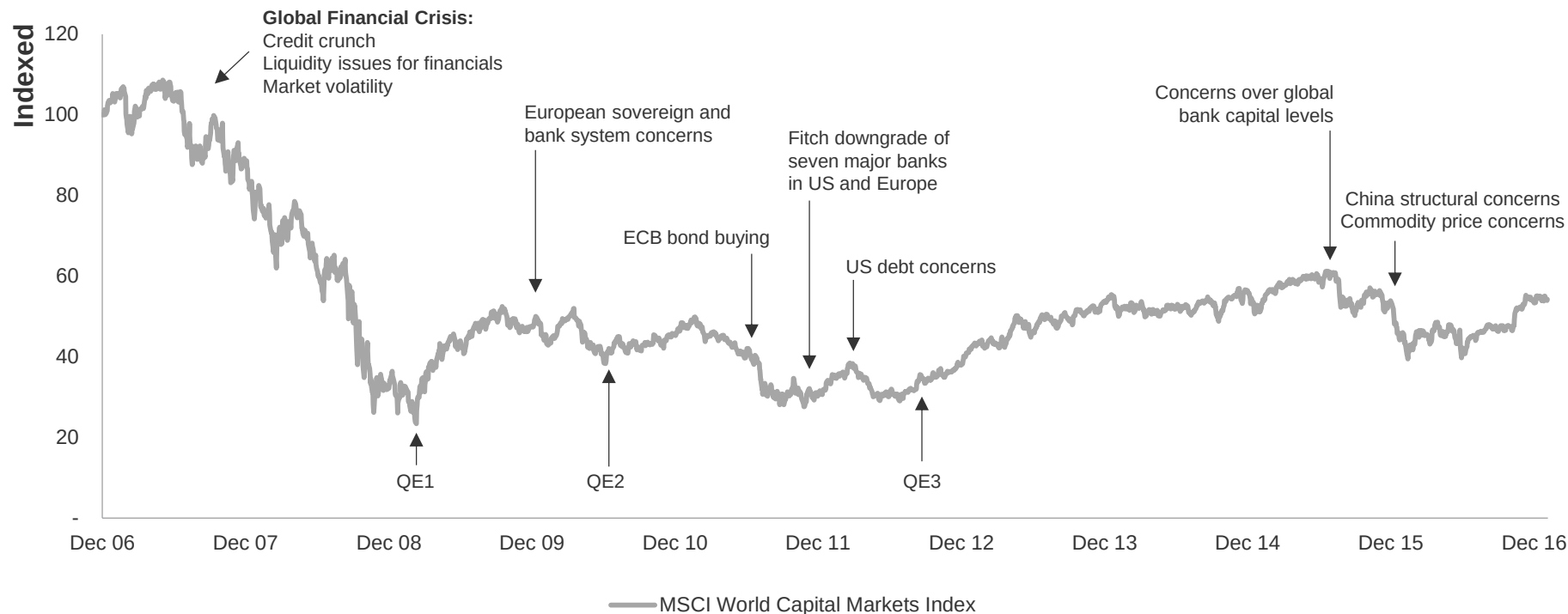


MAM	• Annuity-style business that is diversified across regions, products, asset classes and investor types • Diversification of capabilities allows for the business to be well placed to grow assets under management in different market conditions • Well positioned for organic growth with several strongly performing products and an efficient operating platform
CAF	• 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	• 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
CGM	• 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 • Well positioned for a recovery in equity market activity levels through both improved market rankings combined with existing strong research platform and strong market position in Asia
MacCap	• 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

03

Macquarie – a diversified financial group
Communicating with the investment community
Patrick Upfold, Chief Financial Officer

Macro environment for financials



Macquarie has not been immune



- Capital markets facing businesses impacted
- Increased funding costs and capital requirements
- Increased cost of compliance
- Heightened impairments
- Regulatory matters

Macquarie share price vs other financials





Macquarie is a diversified financial group

Macquarie is a diversified financial group providing clients with asset management and finance, banking, advisory and risk and capital solutions across debt, equity and commodities

Stable earnings

Annuity-style businesses represent

>70%¹

of the operating groups' performance



Geographically diverse

Two-thirds

of income generated outside of Australia²



Strong financial position

Well capitalised with a

strong funded balance sheet



Long term ratings stability

A/A2/A MBL credit rating

'A' rated over 20 years



Strong return on equity

FY16:

14.7%

▲ from 14.0% in prior year



Earnings growth

5yr EPS CAGR:

17%



Consistent dividend growth

5yr CAGR:

23%



Strong shareholder returns

Consistently outperformed major indices since listing

ASX 20³ – 2nd highest returns since listing
Diversified Financials³ – 1st
MSCI World Capital Markets³ – 3rd

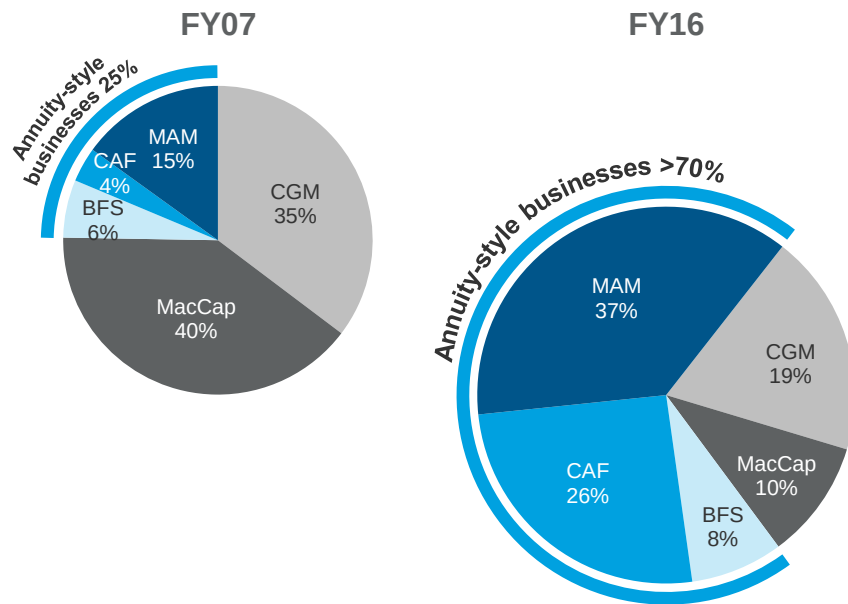


Underpinned by a long standing conservative risk management framework

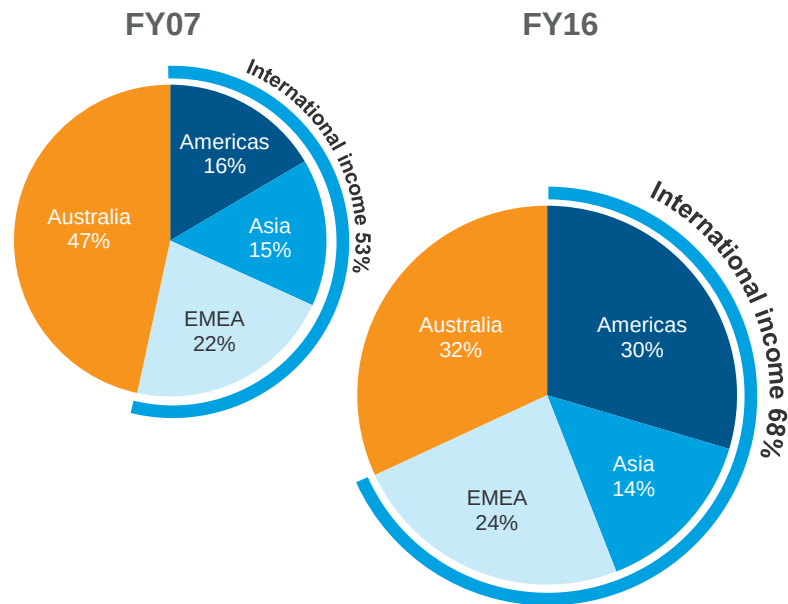
The business has evolved



Business mix¹



Geographic mix²



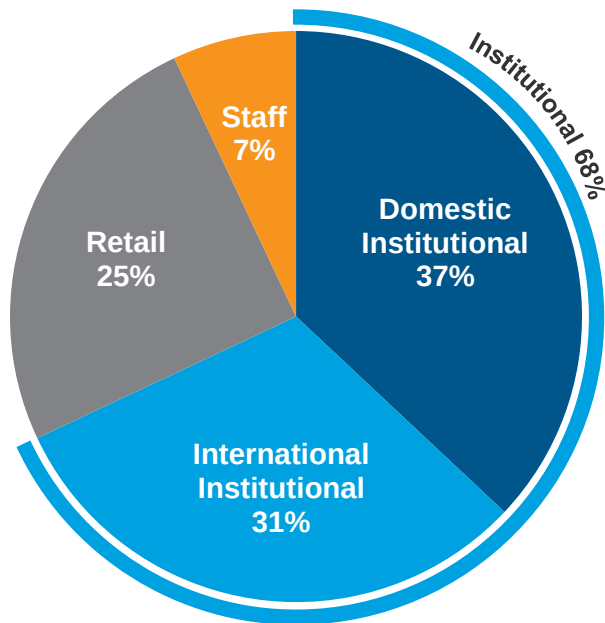
1. Business mix is based on net profit contribution by operating group. Data restated to reflect current business splits. 2. Based on net operating income excluding earnings on capital and other corporate items. Data restated to reflect current regional splits.

Supported by a diverse investor base

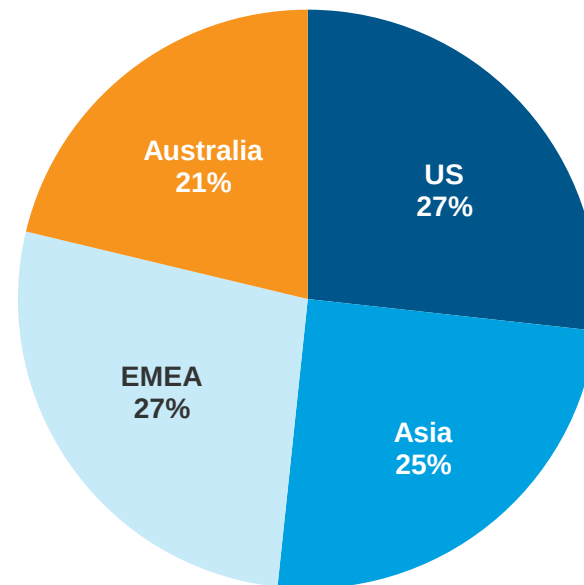


MACQUARIE

Share register by type¹



Funding by region²



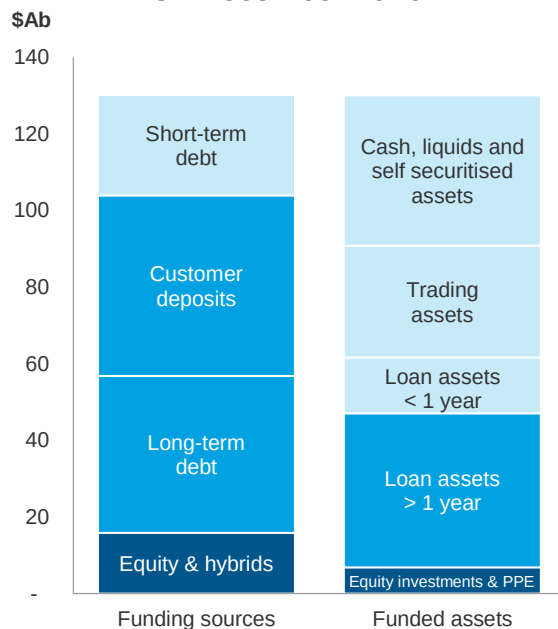
1. As at 31 Dec 16. 2. Includes all funding raised during FY16.

Strong financial position



Funded Balance Sheet¹

31 December 2016



Surplus Capital²

31 December 2016

\$A3.7b

Credit Ratings

31 December 2016



MACQUARIE

STANDARD
& POOR'S

25 years

MOODY'S

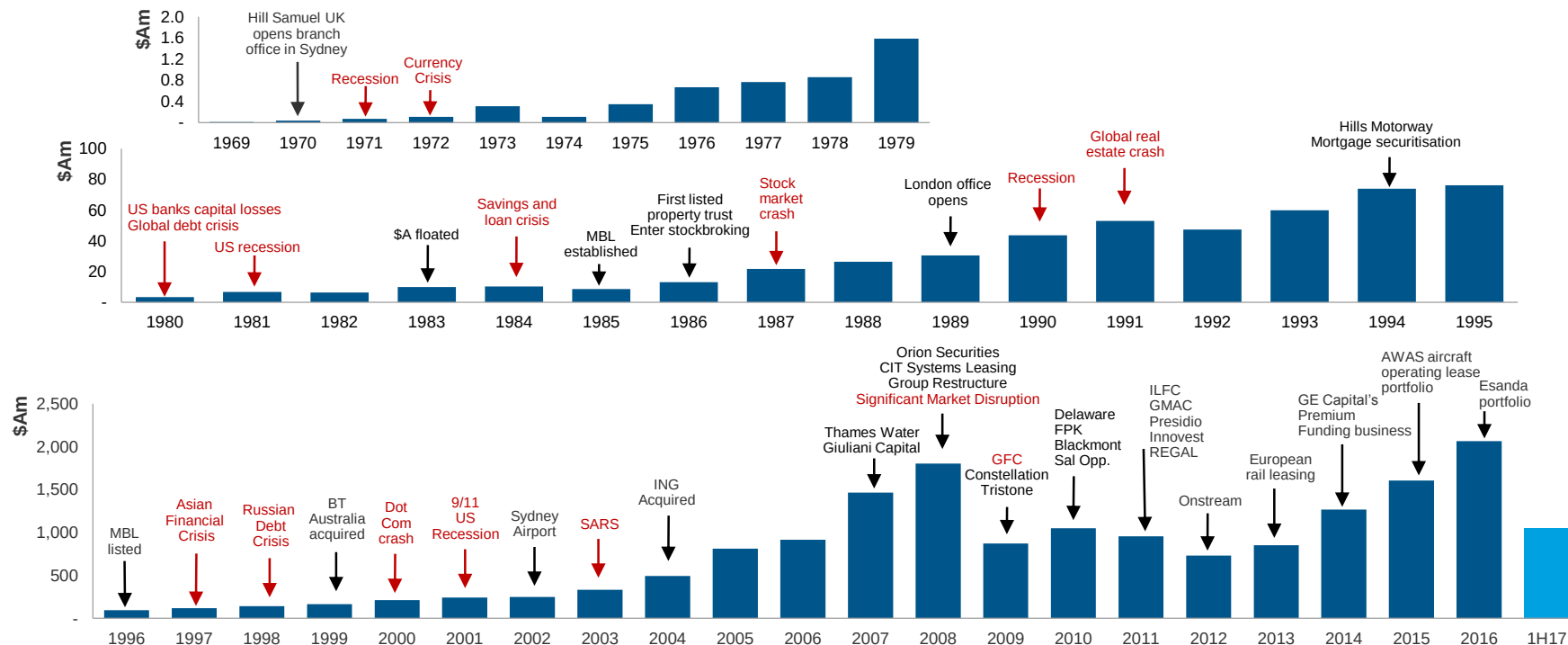
20 years

FitchRatings

25 years

'A' RATED

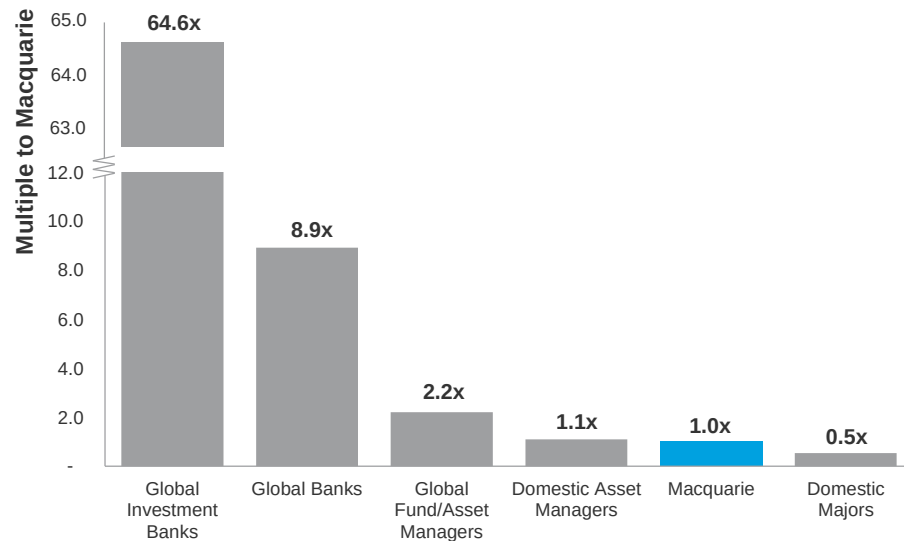
Long track record of profitability



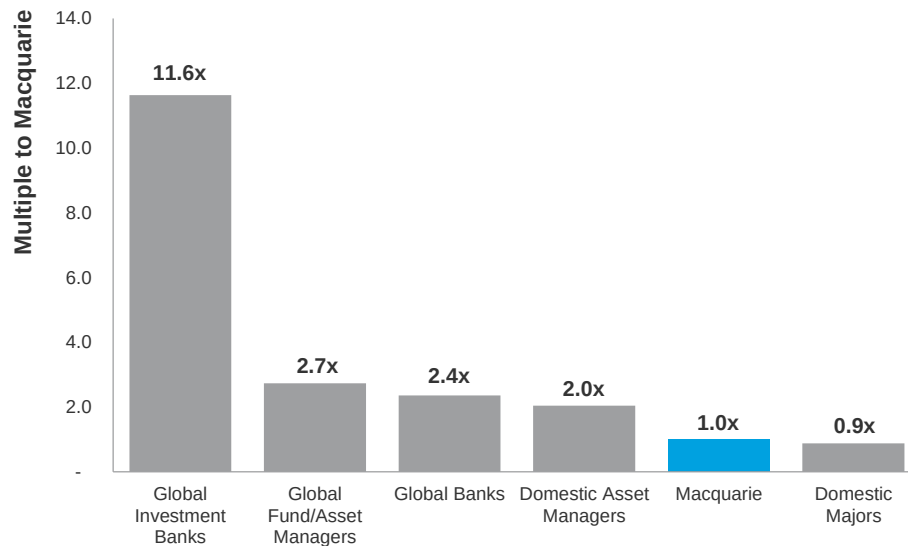
Stable earnings



5 year earnings volatility relative to Macquarie (since GFC)

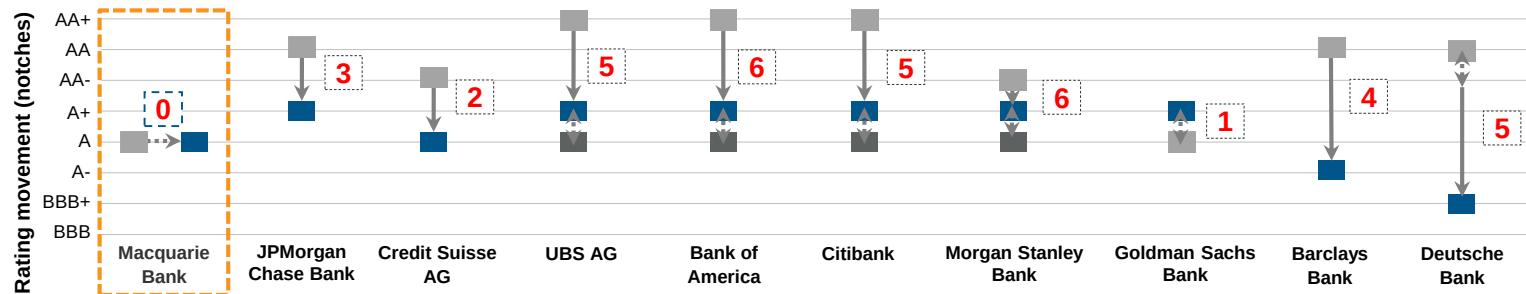


10 year earnings volatility relative to Macquarie (includes GFC)

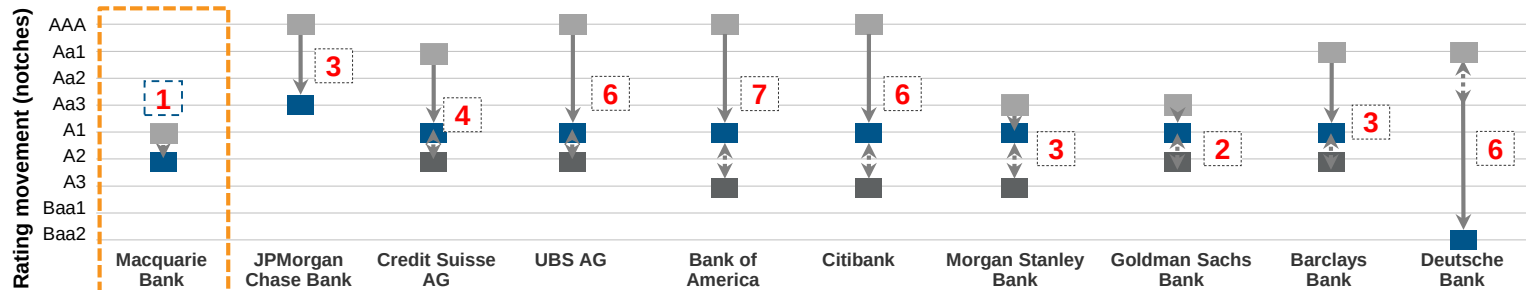


Stable credit ratings

Standard & Poor's Ratings Movements from 2007



Moody's Ratings Movements from 2007



2007

2017

Intra-period ratings movement

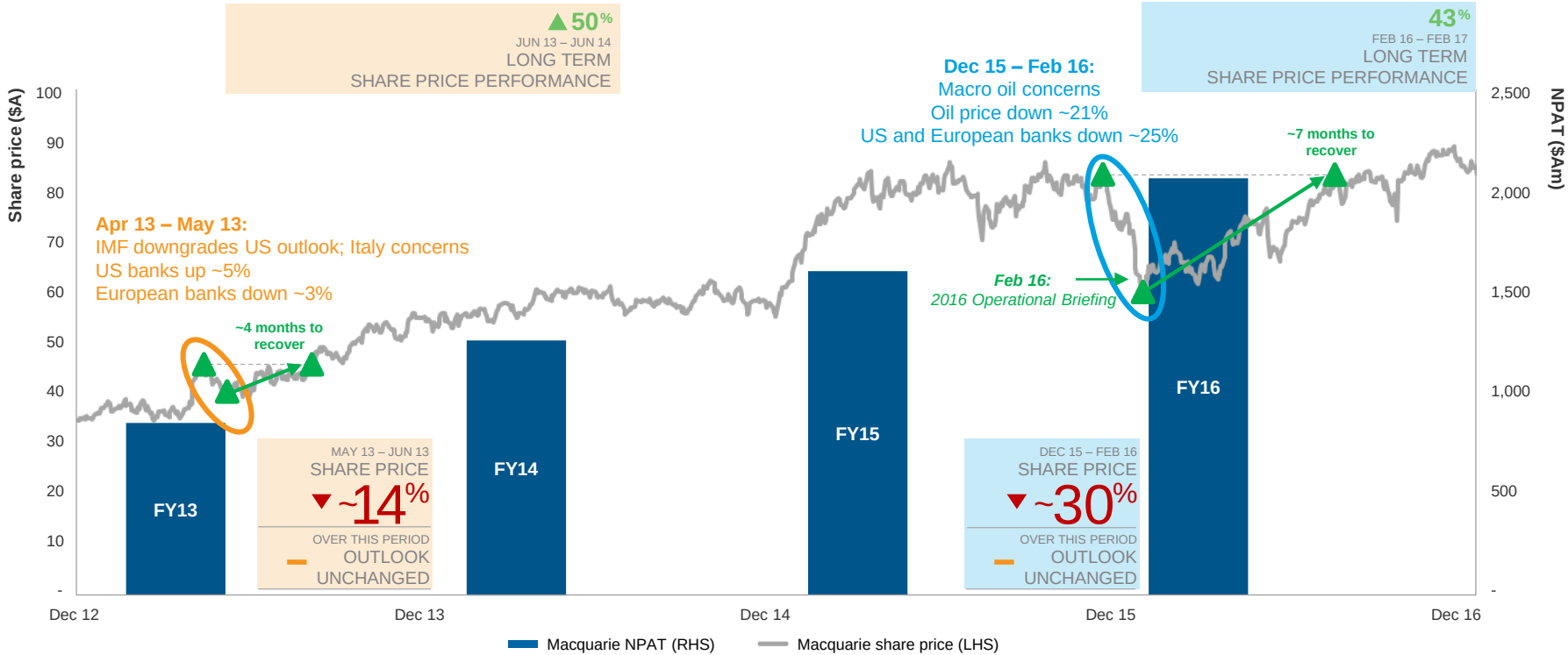
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No. ratings movements

MBL has maintained its S&P 'A' rating for

25 YEARS

Performance in a changing global environment



Our approach to communicating with investors



What we do

-  Report business performance
-  Provide detail around individual businesses
-  Anticipate emerging areas of interest
-  Provide context at the Group level

How we do it

-  Consistency in approach
-  Timeliness
-  Focus on key business drivers
-  Reinforce key messages
-  Active engagement with investment community

“What is driving the result of the businesses?”



The figure displays a collection of overlapping financial documents from Macquarie Group Limited. Visible titles include:

- Macquarie Funds**: Operating income of \$41.40m, down 2% on prior year; Net profit contribution of \$4.00m, down 76% on prior year.
- Macquarie Funds**: Operating income of \$41.52m, up 27% on prior year; Net profit contribution of \$41.051m, up 39% on prior year.
- Macquarie Funds**: Operating income of \$42.447m, up 27% on prior year; Net profit contribution of \$A1.450m, up 36% on prior year.
- Macquarie Asset Management**: Operating income of \$42.710m, up 12% on prior year; Net profit contribution of \$A1.544m, up 13% on prior year.
- Macquarie Asset Management**: Operating income of \$A1.373m, down 18% on 1H16 and up 32% on 2H16; Net profit contribution of \$A857m, down 25% on 1H16 and up 70% on 2H16.
- Macquarie Capital Result**: Various sections showing performance metrics.
- Macquarie Capital Result**: Detailed breakdown of revenue and expenses.
- Macquarie Capital Result**: Summary of key figures and performance indicators.

2. Provide detail around individual businesses

Commodities and Global Markets



“What does this business actually do?”

Business drivers

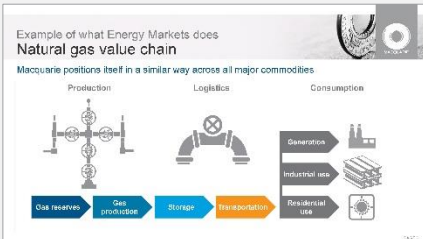
We provide products and services to clients exposed to commodities and financial markets



Client need	Macquarie offering
Price risk management	Financial hedging
Capital	Private finance
Commodity supply logistics	Physical innovation
Access to markets	Access to market pricing

Our customers

- Corporate clients exposed to price changes in commodities, currencies and credit markets
- Producers, consumers and trading companies buying and selling commodities and rights
- Clients requiring capital through loan facilities and tailored finance solutions
- Developers and owners of assets seeking project finance and asset management solutions
- Private funds, hedge funds, trading desks seeking access to markets and prices



Enhanced disclosures

CFM's commodities income reporting has been enhanced to provide more insight



CFM's commodities income reporting has been enhanced to provide more insight

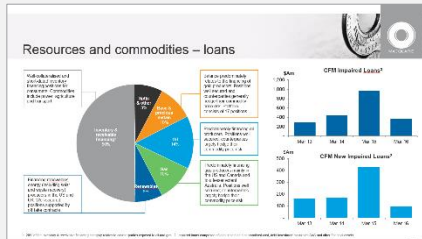
	2012	2013	2014
Commodities	100	100	100
Risk management products	100	100	100
Leasing & financing	100	100	100
Inventory management, transport & storage	100	100	100

Risk management products

- CFM's risk management products are called "CFM Risk Management Products" and are used to manage the risk of price movements in commodities.
- CFM's risk management products are used to manage the risk of price movements in commodities.

Leasing & financing

- CFM's leasing and financing products are used to manage the risk of price movements in commodities.
- CFM's leasing and financing products are used to manage the risk of price movements in commodities.



Access to management



2. Provide detail around individual businesses

Corporate and Asset Finance – Leasing



“ How do recent acquisitions improve shareholder returns?

Business drivers

Acquisition of aircraft portfolio from AWAS Aviation Capital Limited

- Macquarie has entered into an agreement to acquire an aircraft operating lease portfolio from AWAS Aviation Capital Limited for a purchase price of \$US4 billion

	AWAS Portfolio	MAF combined aircraft portfolio post acquisition
Value of portfolio (\$A\$m)	5.1	0.5
Assets (m)	90	220
No. of leased aircraft and jurisdictions respectively	40 / 28	94 / 40
Average fleet age (yrs)	2.0	5.2
Average remaining lease term (yrs)	6.5	5.2
Narrowbody / % total portfolio	>90%	>95%

- Benefits of the acquisition:
 - Growing our specialty business within a well known asset class
 - Building on our strong track record in aircraft leasing
 - Enhancing our aircraft leasing market position

Acquisition of Esanda dealer finance portfolio

- Macquarie has entered into an agreement to acquire the Esanda dealer finance portfolio (the Portfolio) from Australia and New Zealand Banking Group Limited (ANZ) for a purchase price of \$A\$2 billion
- The Portfolio has net ending assets with a book value of \$A\$7.8 billion (net of provisions and excluding capitalised origination fees and unearned income), comprising:
 - \$A\$4.3 billion of retail receivables, and
 - \$A\$3.5 billion of balance and other finance offered to the motor vehicle dealers
- The Portfolio will become part of Macquarie Leasing, the automotive and equipment financing division of Macquarie's Corporate and Asset Finance Group
- Upon completion of the acquisition, the total motor vehicle finance portfolio managed by Macquarie Leasing would increase from \$A\$0 billion to approx. \$A\$17 billion
- Benefits of the acquisition include:
 - Represents a continuation of Macquarie's growth in specialty businesses
 - Portfolio is in a market in which Macquarie has significant expertise and has successfully integrated similar acquisitions such as the GRAC and Ford portfolios
 - Potential to scale benefits over time through the doubling in size of Macquarie Leasing and
 - Greater penetration in the Australian motor vehicle financing market

Enhanced disclosures

Transportation
AWAS portfolio acquisition

In Mar 15, Macquarie signed an agreement to purchase up to 90¹ aircraft from AWAS for \$US4b
High quality portfolio of predominantly young, narrowbody aircraft with long contracted leases attached providing significant annuity income while reflecting existing fleet
Portfolio currently funded with a three-year external non-recourse debt facility and internal Macquarie funding

Combined Portfolio by Geography

Combined Portfolio by Type

Portfolio Metrics

	AWAS	Combined
Number of aircraft	90	100
Average age (years)	2.0	5.2
Average remaining lease term (years)	6.5	5.2
Number of aircraft	90	100
Number of aircraft	24	30

Motor Vehicles
Esanda portfolio acquisition

Step-change in dealer and retail auto finance segments

- In Oct 15, Macquarie announced the acquisition of the Esanda dealer finance portfolio from ANZ Banking Group
- Funded through combination of existing funding sources, new capital raising and two party sources
- Macquarie became a top 3 provider of auto finance to Australian consumers and car dealers
- Retail portfolio acquisition completed 2 Nov 15
- Incremental monthly retail volume of ~\$A\$20m
- Dealer facility volume commenced in Dec 15
- Anticipate completing novation process and retail portfolio migration in 1Q 17
- Staffing and systems to support enlarged customer base

Portfolio Metrics

	Esanda	Combined
Customer	100,000	100,000
Number of customers	1.0	1.0
Number of customers	1.0	1.0
Number of customers	1.0	1.0
Number of customers	1.0	1.0

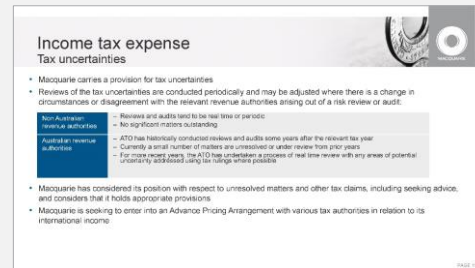
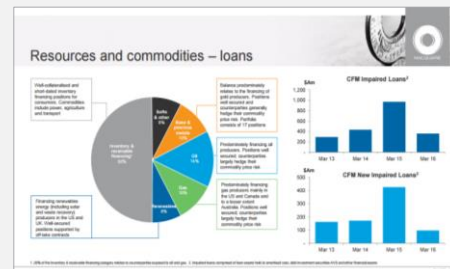
Access to management



A close-up photograph of a coin, showing the date "1788" and the word "PROB" (likely part of "PROBANTIA"). The coin has a serrated edge and is resting on a textured surface.



Enhanced disclosures



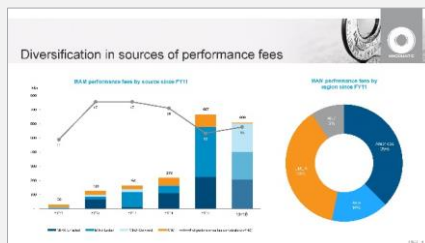
3. Anticipate emerging areas of interest

Macquarie Asset Management



“ How to think about performance fees going forward?

Business drivers



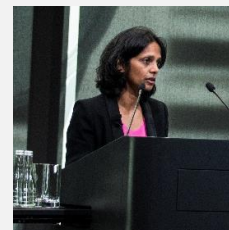
Enhanced disclosures

Recognition of performance fees from unlisted funds

- Macquarie's entitlement to receive performance fees on its unlisted funds typically occurs once investors have received repayment of their initial capital invested as well as their preferential return
- The performance fee structure is typically a percentage of the fund's return once a fund has surpassed the investors' agreed return
- For unlisted funds, Macquarie's policy is to recognise a performance fee only once the fee can be reliably measured and the risk of not receiving the fee is highly improbable. Factors that are taken into consideration when determining the quantum and timing of the performance fee recognised include:
 - The proportion of assets already realised
 - Returns on assets realised to date
 - Downside valuation on remaining assets and reliability of these estimates
 - Nature of investments and volatility of investment returns
- Accordingly, the quantum and timing of performance fees recognised in the income statement require significant judgement and will vary depending on the specific factors relevant for each fund
- As performance fees are recognised, Macquarie will update the market to the extent that they will impact any guidance previously provided



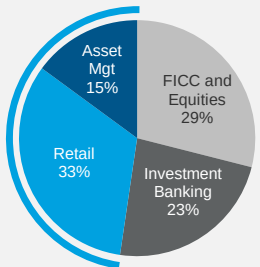
Access to management



1. Based on FY16 net profit contribution from operating groups. Data restated to reflect current business splits.

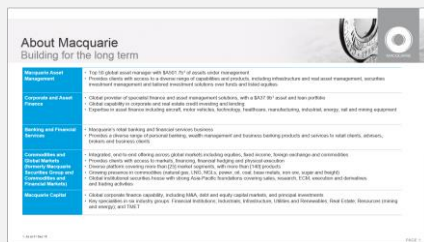
Language	Percentage
MAM	37%
CAF	26%
CGM	19%
MacCap	10%
BFS	8%

Annuity-style income
>70%¹
of Macquarie's
net profit
contribution



Annuity-style income
48%
of global investment banks

Every presentation starts with this slide



Medium-term			
SWISS	Annexes while business that identified across regions, products, sales channels and investor types Diversification of operations allows for the business to be able to place to grow assets under management in different market conditions Well positioned for organic growth with several existing performing products and an efficient operating platform		
CAN	Low cost real estate exposure to maximize growth potential in Asia and lower portfolio Acquisition for the best acquisition opportunities in different Asian markets Strong growth opportunities through international distribution, white labeling, operations and client service Strong growth to increase financial services engagement with existing business partners and extend into adjacent segments		
UK	Modernization of technology to improve client experience and support growth Opportunity to grow commercial business, retail, corporate and through acquisition Development of national coverage for specialized credit, sales and foreign exchange products Increasing financing activity		
COM	Growing the client base across all regions Well positioned for a recovery in regional market activity through both improved market linkages combined with existing strong research platform and investment position in Asia		
ME&C	Can expect to benefit from any improvement in M&A and IPO market activity Continues to offer the business offering to support investment and market conditions in each region		

Every presentation ends with this slide



Business mix

Net profit contribution (%)

Legend: Capital markets facing businesses (light blue), Across all other businesses (dark blue)

Year	Capital markets facing businesses (%)	Across all other businesses (%)
FY17	2.8	1.5
FY18	1.2	1.0
FY19	3	1.4

Source: Company data. All figures are preliminary and subject to audit. All figures are in US\$ million.

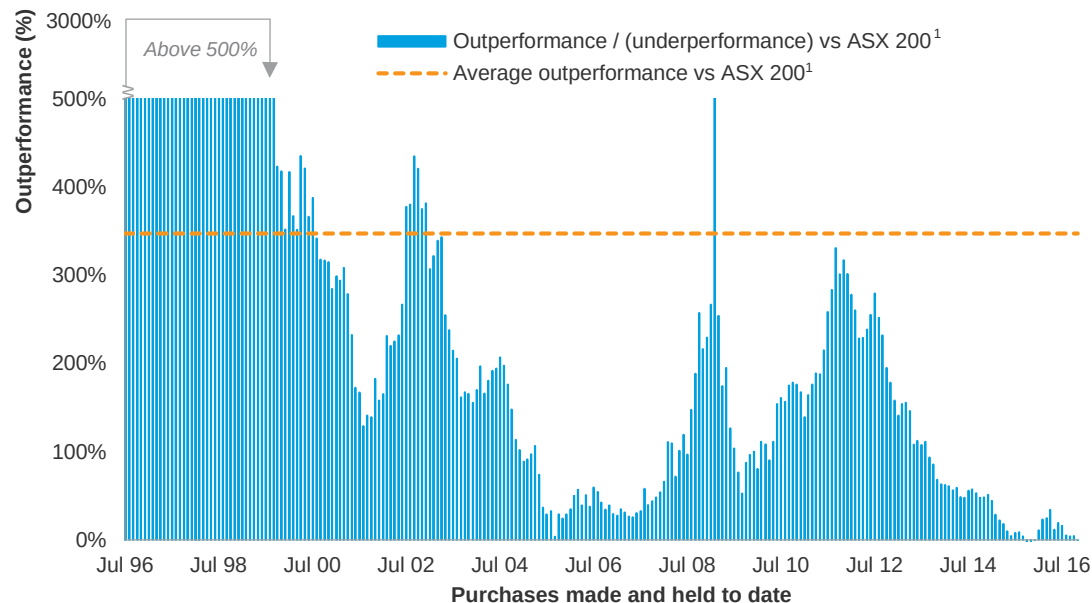
[illegible]

4. Provide context at the Group level

Strong shareholder returns

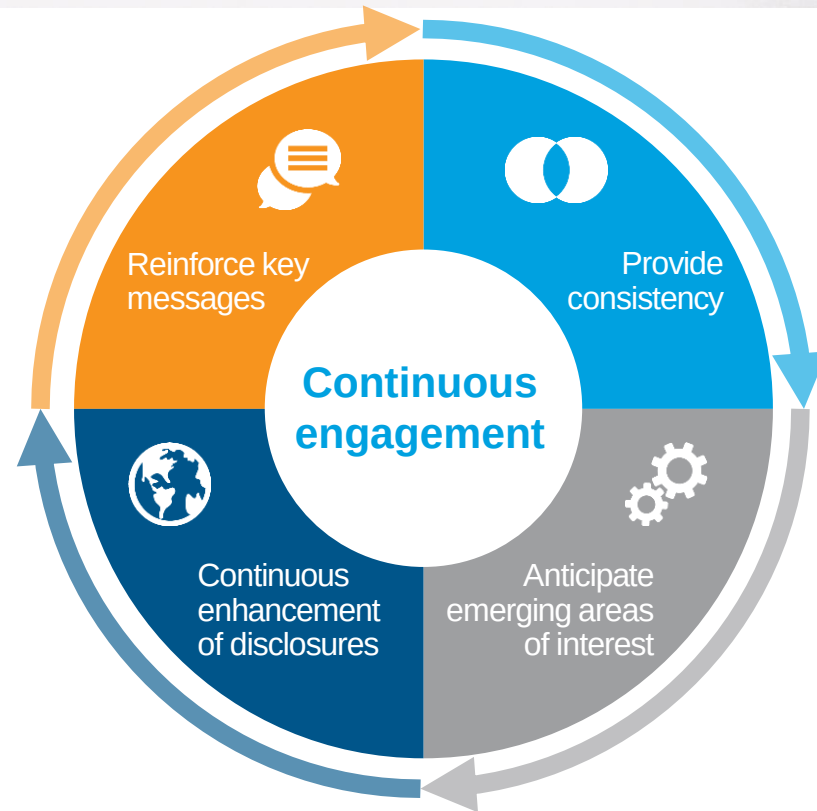


For purchases made at any point in time and held to date, Macquarie has consistently outperformed the ASX 200, Diversified Financials and MSCI World Capital Markets Index



	Outperformance vs ASX 200 ¹	Outperformance vs ASX 200 Diversified Financials ¹	Outperformance vs MSCI World Capital Markets Index ¹
Since listing	2,737%	n/a ²	n/a ²
10 years	29%	45%	123%
5 years	302%	148%	293%
3 years	63%	30%	84%

Communication is continuous



04

Banking and Financial Services
Greg Ward, Group Head

Banking and Financial Services



Superior services for banking, wealth and business clients, delivered through a leading digital experience and strong intermediary relationships



Personal Banking

- Full retail banking product suite with **mortgages, credit cards, transaction and savings accounts**
- Serves clients through direct Macquarie offerings, a white label personal banking platform and strong **intermediary relationships**
- A leading digital banking experience



1.1 million

AUSTRALIAN
CLIENTS



Wealth Management

- Wide range of **wrap platform and cash management services, investment and superannuation products, financial advice, private banking and stockbroking**
- Delivers products and services through institutional relationships, adviser networks, and dedicated direct relationships with clients
- **Trusted partner to major institutions and boutiques**

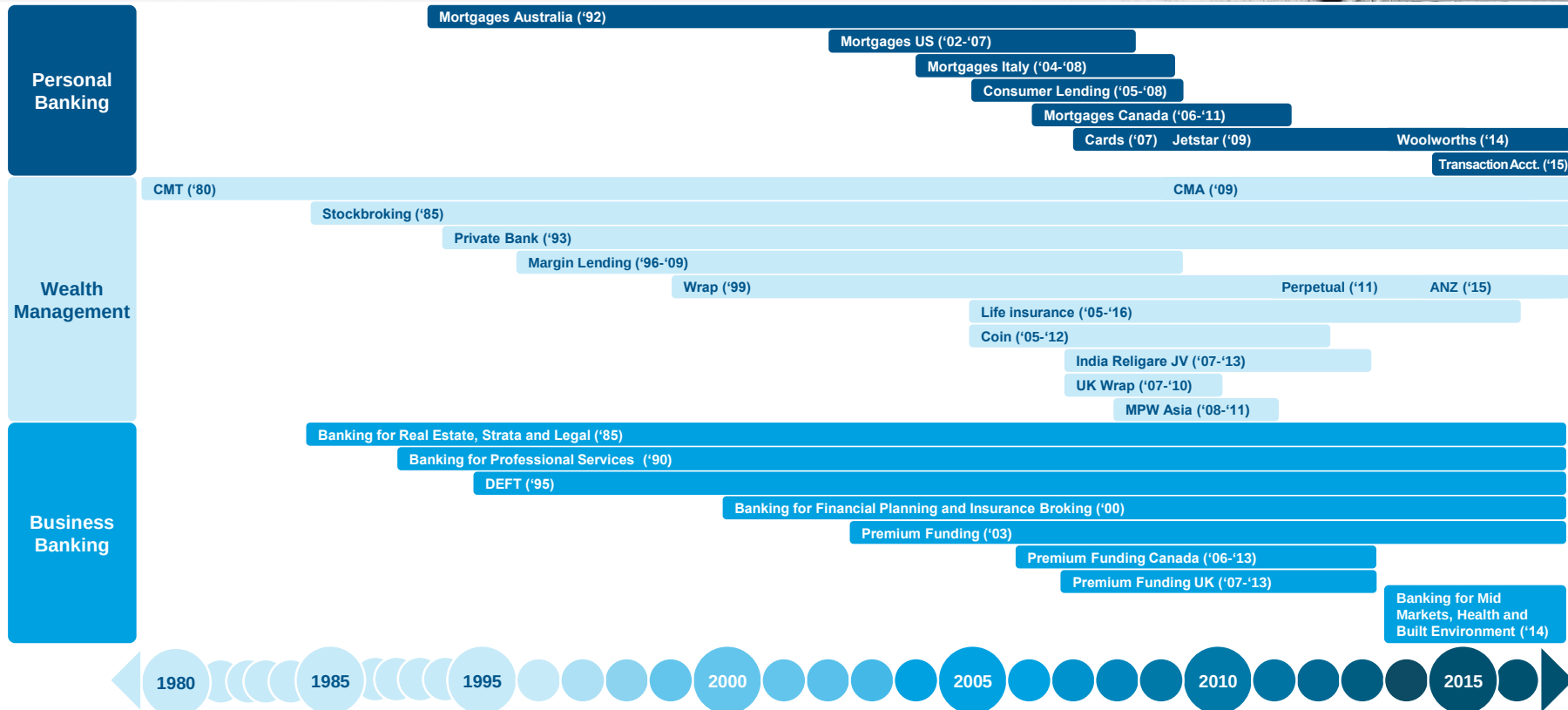


Business Banking

- Full range of **deposit, lending and payment solutions**
- Tailored services for a wide range of business clients ranging from sole practitioners to corporate professional firms, delivered by dedicated relationship managers
- **Deep industry expertise and strong understanding of our target segments**

Our history in retail financial services

BFS has evolved to focus on serving the Australian market with leading digital solutions

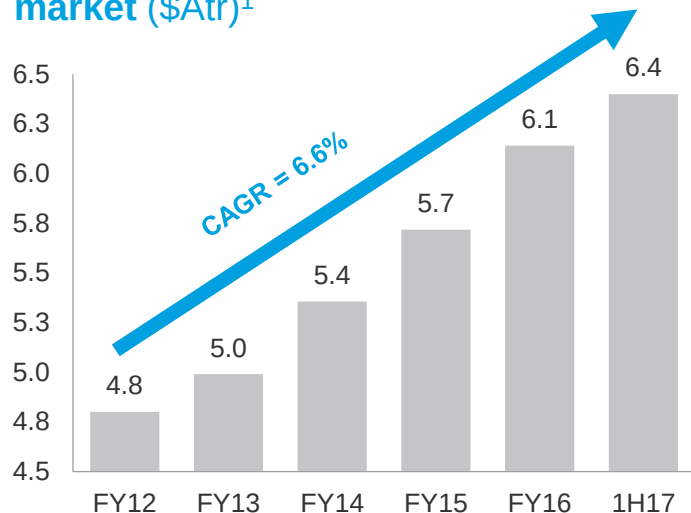


A significant market opportunity in Australia

With a growing digital market

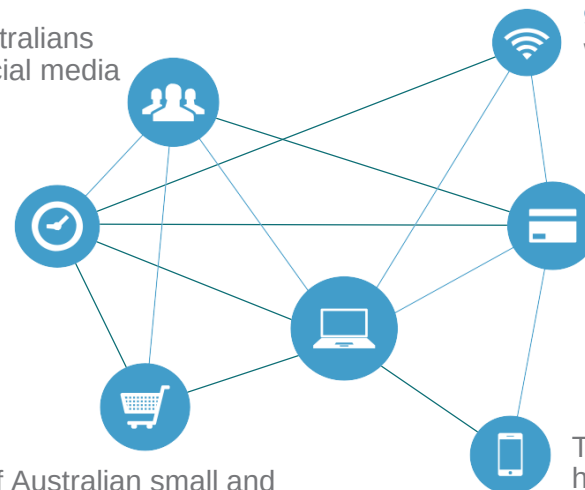


Growing Australian financial services market (\$Atr)¹



A highly connected digital economy

2 in 3 Australians are on social media



90% of Australians will be online in 2017

Most Australians spend **1 day** online per week

84% of Australian small and medium businesses are online

The average Australian household will have **24 devices** by 2019

1. Market defined as comprising mortgages, business loans, personal loans, credit cards, life insurance premiums, household and business deposits, funds on platform, superannuation, non-super investments and equities. Source: APRA Monthly Banking Statistics, RBA statistics, Strategic Insights, Analyst reports.

An evolving financial services industry

Innovation and digitisation are driving rapid change in financial services



Powering the
connected world

Seamless integration of financial services in daily life as devices, cloud adoption, 'internet of things' and open data contribute to a more connected world



Highly
personalised
experiences

Consumers and businesses expect highly personalised and data driven experiences, products, services and pricing

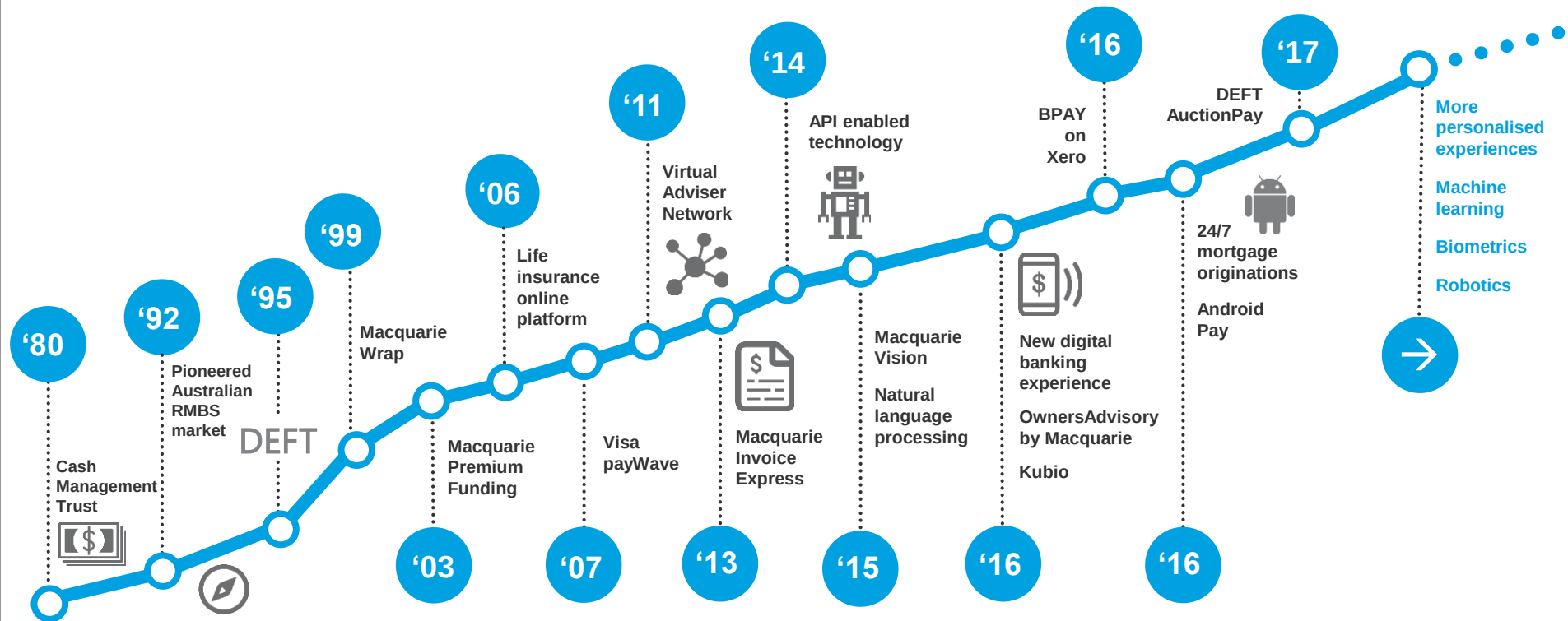


Embracing
innovation in
technology

Technology led innovation and advances in artificial intelligence, biometrics, natural language processing, robotics and quantum computing are transforming the way financial services are delivered

Macquarie has a long history of innovation in retail financial services

BFS has a strong track record of successfully adapting to changing market opportunities



We are delivering through our key priorities

Well placed to capitalise with a technology led business



1



Partnerships

To extend reach



Strong growth opportunities through **new and existing relationships**, intermediary distribution and white labelling

2



Platforms

To support growth



Modernising technology to improve the client experience and support the growth and scalability of our operating model

3



Digital

Client focus



Delivering a **world class digital experience** that will enable us to do business with many more clients in the future

4



People

And right capabilities



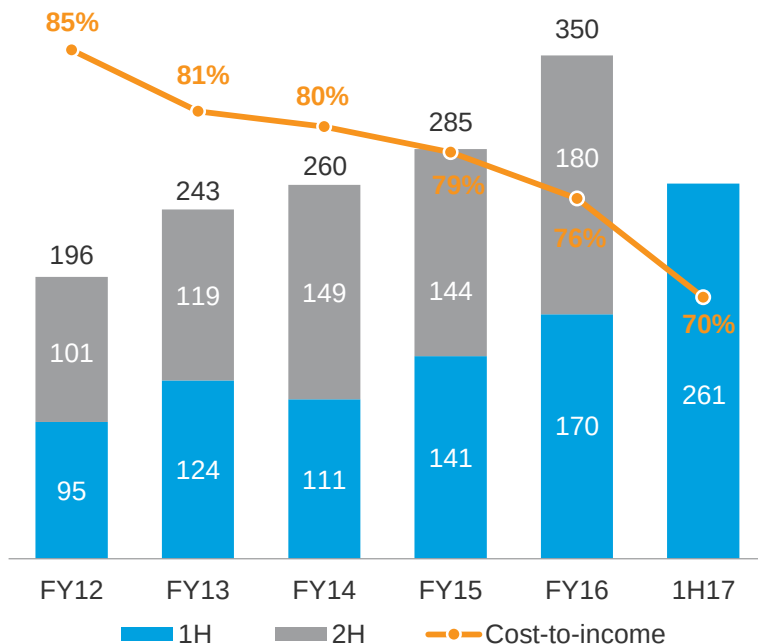
High calibre teams and an agile way of working are yielding strategic, efficiency and collaboration benefits. Supported by a deeply experienced executive team with an **average 20 year tenure**

Strategic focus is driving results

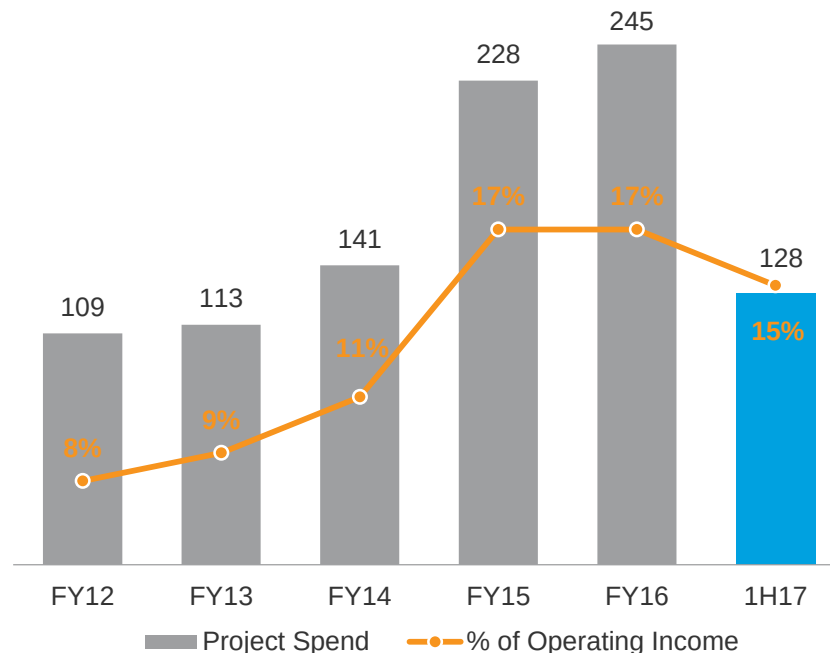
While we continue to invest in platforms for the future



Net profit contribution¹ (\$Am)



Project spend (\$Am)



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

Personal Banking



Personal Banking

- Full retail banking product suite with **mortgages, credit cards, transaction and savings accounts**
- Serves clients through direct Macquarie offerings, a white label personal banking platform and strong **intermediary relationships**
- A **leading digital banking experience**



1.1 million
AUSTRALIAN
CLIENTS



Wealth Management

- Wide range of **wrap platform and cash management services, investment and superannuation products, financial advice, private banking and stockbroking**
- Delivers products and services through institutional relationships, adviser networks, and dedicated direct relationships with clients
- **Trusted partner to major institutions and boutiques**



Business Banking

- Full range of **deposit, lending and payment solutions**
- Tailored services for a wide range of business clients ranging from sole practitioners to corporate professional firms, delivered by dedicated relationship managers
- **Deep industry expertise and strong understanding of our target segments**

Personal Banking

Strong mortgage intermediary and white label partnerships



Partnerships

- ✓ Strong mortgage intermediary relationships and white label partnerships with some of Australia's leading brands

AFG

Aussie

connective

Homeloans

Jetstar

lendi
home of home loans

Mortgage
Choice

Woolworths
the fresh food people

YellowBrickRoad
Wealth Management

Platforms

- ✓ First Australian bank with mortgages and retail deposits on a real time banking platform
- ✓ Open API architecture allows us to offer the experience through mortgage intermediary and white label partners

SAP

redhat.

DATASTAX

Digital

- ✓ World class digital banking experience for new and existing clients
- ✓ Mortgages and deposit offerings complemented by new transaction and savings accounts



People

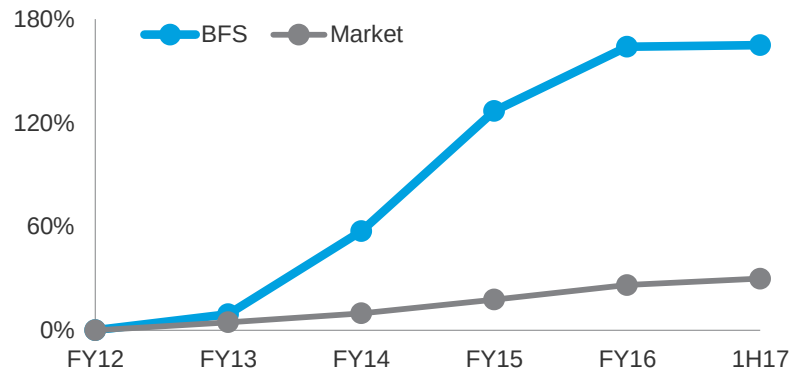
New talent hired from the external market including technologists, data scientists and developers to ensure we are building the digital banking capabilities of the future

Personal Banking

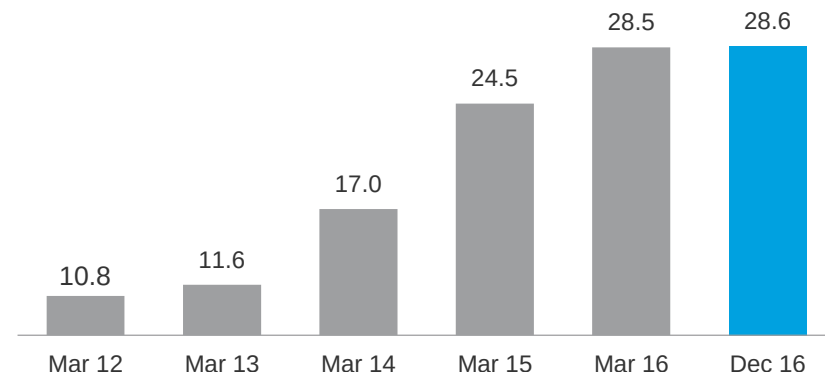
Rebuilding our mortgage portfolio



Australian mortgages growth vs market¹ (cumulative %)



Australian mortgages (\$Ab)



Since 1993

\$A91.9b

with 330,000+ mortgages settled



Partner of the Year² (2014, 2015)
Home Loans Partner of the Year
(2014, 2015, 2016)
Innovation Award (2016)



Lender of the Year³
Tier 2, 2013, 2014, 2015, 2016



Digital Innovation Award⁴
Red Hat Innovation Awards
APAC 2016



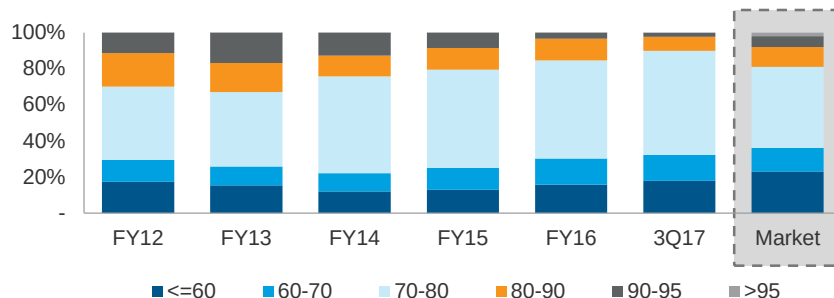
Lender of the Year⁵
Tier 2, NSW & ACT 2016

Personal Banking

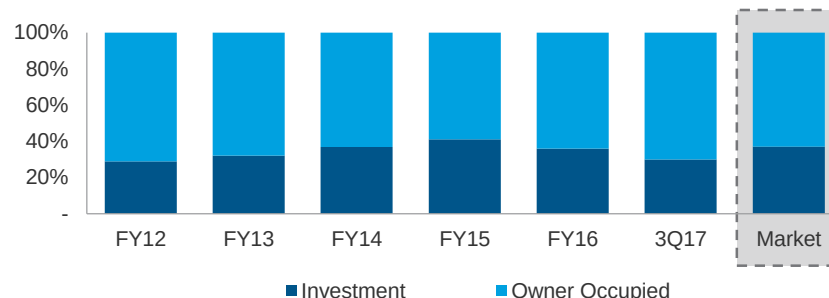
Prudent approach to credit quality in our mortgage originations



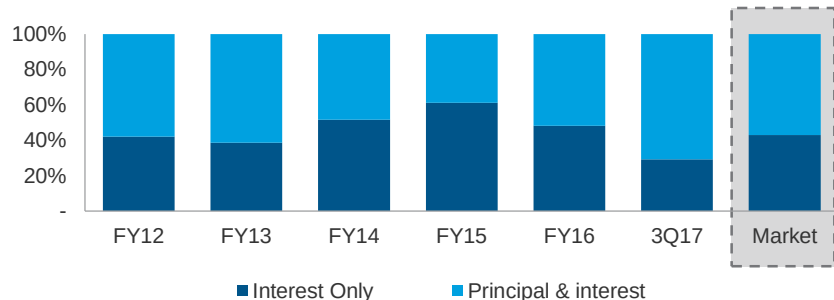
Loan to value ratio (%)



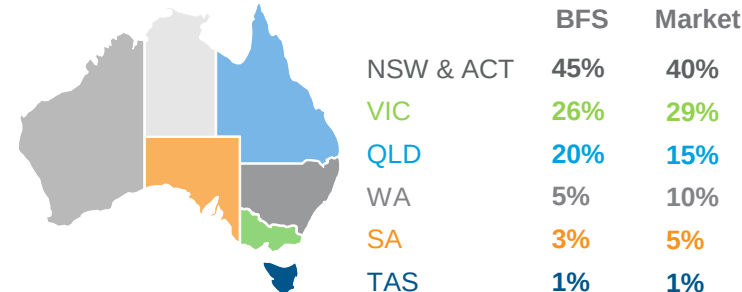
Owner occupier versus investor loans (%)



Repayment split



Geographical split

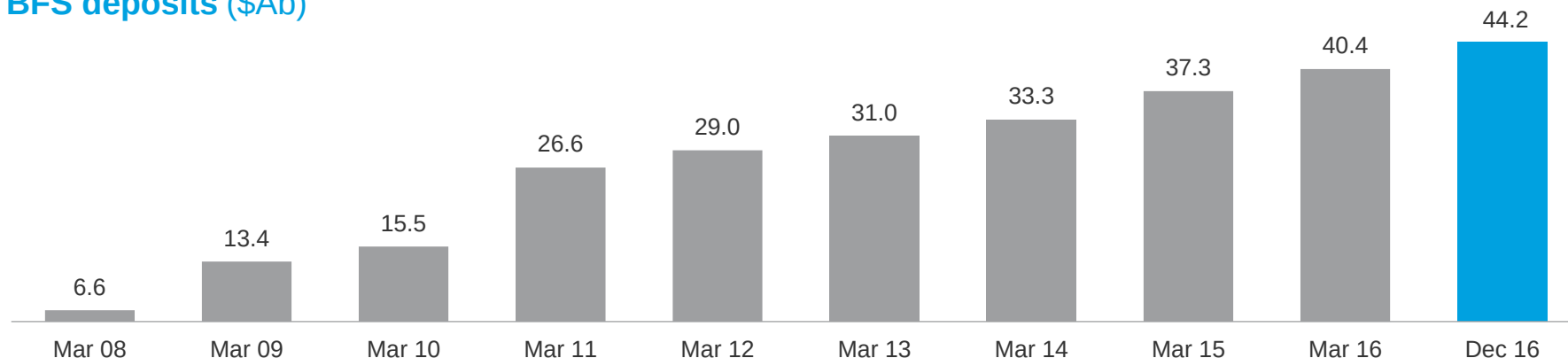


BFS Deposits

Strong history of growth in deposits



BFS deposits (\$Ab)



\$A44.2b

in deposits, with the CMA used by
1 in 4 SMSFs



5 Star Canstar Award¹
Outstanding Value for Transaction
Account 2016



5 Star Canstar Award²
Outstanding Value for Platinum
Transaction Account in Travel Debit 2016



Winner Term Deposit Provider³
SMSF Adviser Awards 2014
& 2016



Cash and Term Deposits Winner⁴
CoreData SMSF Service Provider Awards
2014, 2015 & 2016

Macquarie's new digital banking experience



Wealth Management



Personal Banking

- Full retail banking product suite with **mortgages, credit cards, transaction and savings accounts**
- Serves clients through direct Macquarie offerings, a white label personal banking platform and strong **intermediary relationships**
- A leading digital banking experience



1.1 million
AUSTRALIAN
CLIENTS



Wealth Management

- Wide range of **wrap platform and cash management services, investment and superannuation products, financial advice, private banking and stockbroking**
- Delivers products and services through institutional relationships, adviser networks, and dedicated direct relationships with clients
- **Trusted partner to major institutions and boutiques**



Business Banking

- Full range of **deposit, lending and payment solutions**
- Tailored services for a wide range of business clients ranging from sole practitioners to corporate professional firms, delivered by dedicated relationship managers
- **Deep industry expertise and strong understanding of our target segments**

Wealth Management

Innovative and trusted partner of choice for platform administration



Partnerships

- ✓ 22 institutional, white and private label partnerships
- ✓ Significant longstanding partnerships with boutique advisers
- ✓ Sold Macquarie Life to and entered distribution agreement with Zurich



Platforms

- ✓ Leading Macquarie Wrap platform
- ✓ Uniquely positioned to support both boutique and institutional ends of the wealth spectrum
- ✓ Partner of choice for platform administration arrangements
- ✓ Macquarie Vision launched for trading and investment clients

Digital

- ✓ Continuous innovation in digital tools and online experience for advisers and end clients



People

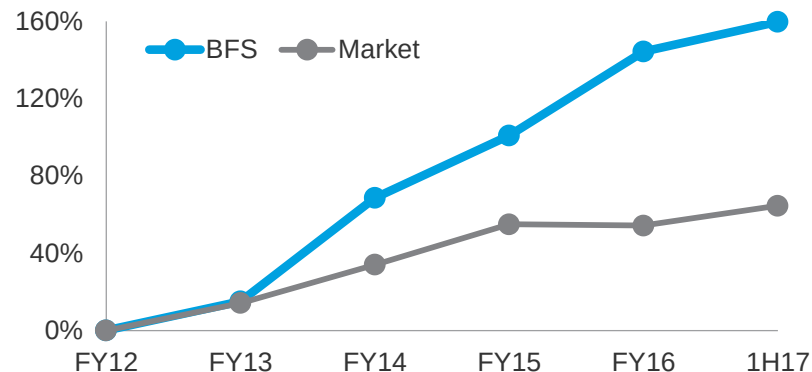
Experienced and stable senior management team with **13 year average staff tenure** leading our platforms business and significant relationships with institutional partnerships

Wealth Management

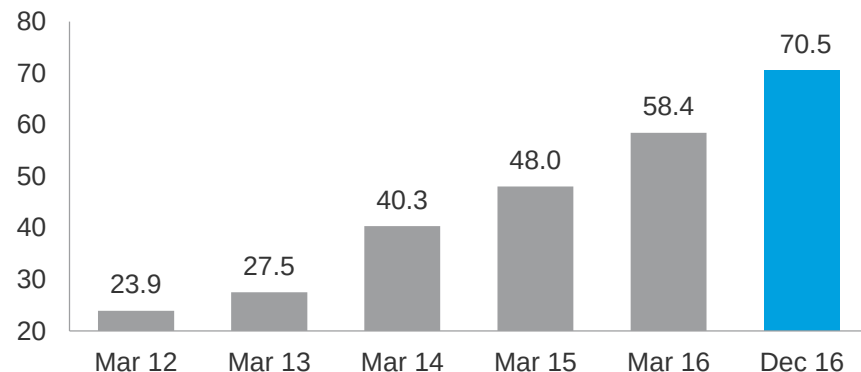
Strong funds on platform growth



Funds on platform growth vs market¹ (cumulative %)



Funds on platform (\$Ab)



\$A70.5b
funds on platform



2nd largest Wrap platform in Australia²



Used by almost **7,000 advisers**



Over 1 million online **investment transactions** per year³



1st in the Wealth Insights Platform Service Level Report 2015⁴

Business Banking



Personal Banking

- Full retail banking product suite with **mortgages, credit cards, transaction and savings accounts**
- Serves clients through direct Macquarie offerings, a white label personal banking platform and strong **intermediary relationships**
- A leading digital banking experience



1.1 million

AUSTRALIAN
CLIENTS



Wealth Management

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Business Banking

- Full range of **deposit, lending and payment solutions**
- Tailored services for a wide range of business clients ranging from sole practitioners to corporate professional firms, delivered by dedicated relationship managers
- **Deep industry expertise and strong understanding of our target segments**

Business Banking

Tailored and sophisticated solutions for business banking target segments



Partnerships

- ✓ Forming innovative partnerships to enhance the client experience
- ✓ DEFT delivering BPAY payments through the Xero platform



Platforms

- ✓ Delivering efficiencies and simplifying workflows through integrations with leading business management systems



Digital

- ✓ Launched Kubio, a cloud based CRM and loan origination software platform for commercial brokers
- ✓ Launched DEFT AuctionPay to replace the need for cheques at auction



People

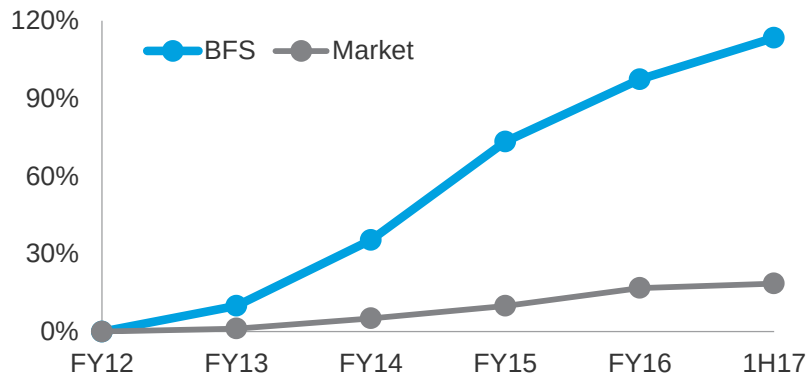
More than half of Business Banking directors have over ten years' experience with Macquarie, delivering strong continuity and deep industry experience for business clients

Business Banking

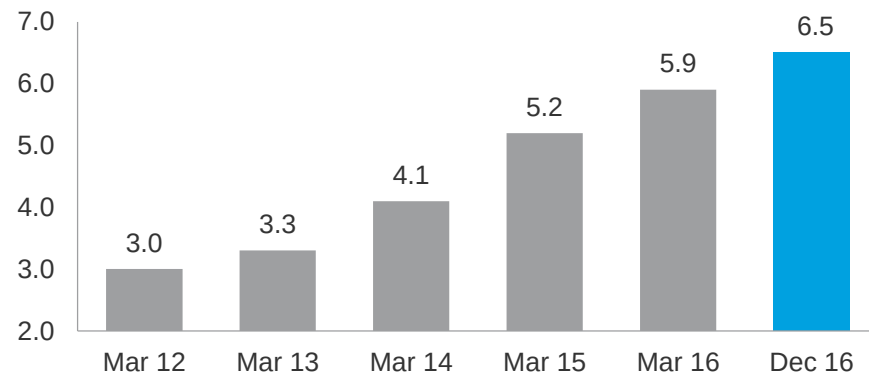
Growing faster than the market through our targeted segments



Business lending growth vs market¹ (cumulative %)



Business lending (\$Ab)



\$A6.5b

loans to SME and
mid market segment



SME clients
up 5%²



Client retention rate
of 92%³

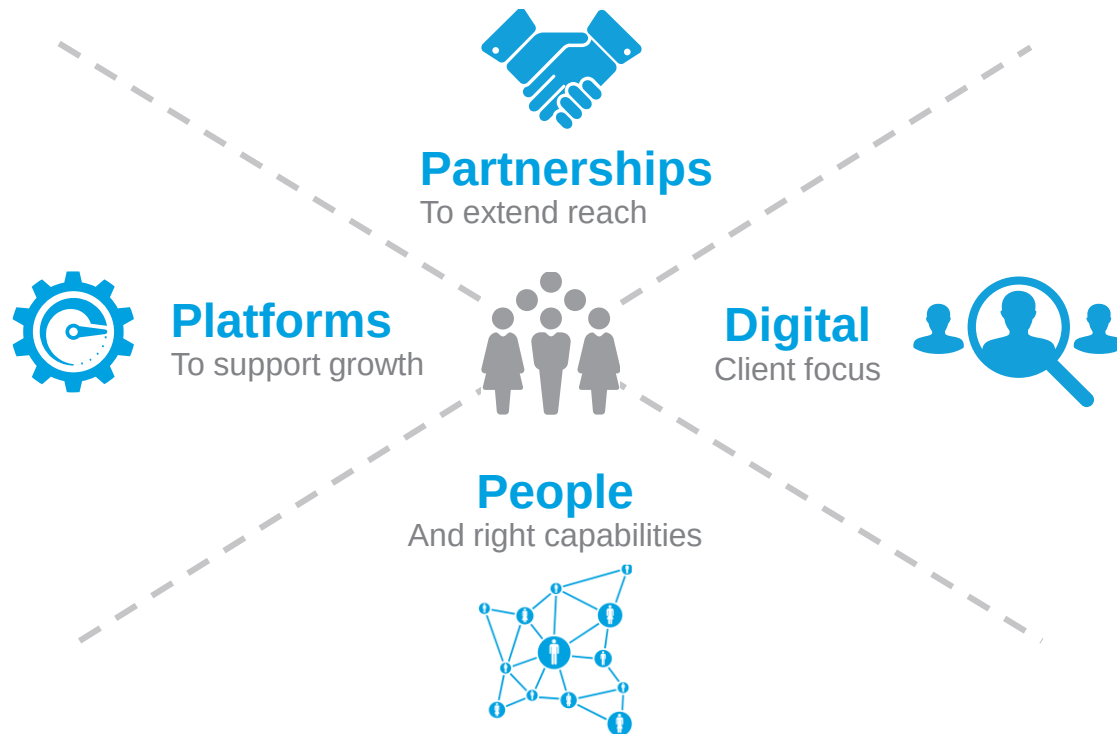


Best Non-Major Business Bank⁴
AB+F Awards 2014, 2015 & 2016

**Most Innovative Business Bank
Product or Service⁵**
AB+F Awards 2016

Well positioned for the future

Driving results through our four key priorities, centred around our clients



A black and white photograph of two coins on a textured, metallic surface. The coin in the foreground is a large, thick, circular coin with a central hole, featuring the inscription "CAROLUS III" and "1788". The coin in the background is a smaller, standard coin with a crown emblem.

05

Macquarie Capital
Tim Bishop, Group Head

Overview of Macquarie Capital



M&A Advisory

- Merger, acquisition, divestiture and takeover advice
- Corporate, project, leveraged and asset finance advice
- Restructuring advice
- Ratings advisory

ECM

- Equity underwriting
- Private equity markets
- Structuring and arranging equity and hybrid capital



Principal Investments

- Deploy balance sheet to support clients
- Focus on areas where we have deep expertise

DCM

- Loan and bond underwriting
- Private debt markets
- Structuring and arranging debt

Clients are at the core of our business

We tailor our offering in each region to play to our strengths



	ANZ	EMEA	Americas	Asia
Infrastructure	●	●	●	●
Real Estate	●	●	●	●
TMET	●	●	●	●
Resources	●	●	●	●
Industrials	●	Focus on Germany	●	●
FIG	●	●	●	●

● { >75%
of revenue¹

● Strong focus ● Targeted focus



Focus on areas where we have **deep expertise**



Combine advice with **access to capital**



Foster an **entrepreneurial culture**

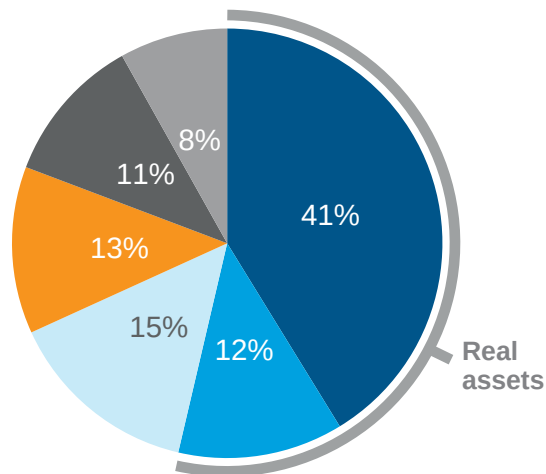
HOW WE DO IT

1. Average for FY14, FY15 and FY16. Revenue is fee income, and principal income (including income from DCM positions) net of funding costs and NCI.

We are globally diversified with a core strength in real assets

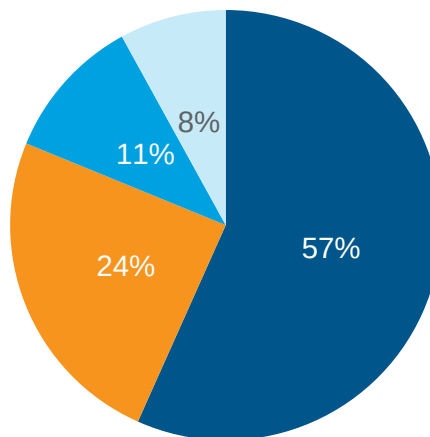


Revenue by sector¹



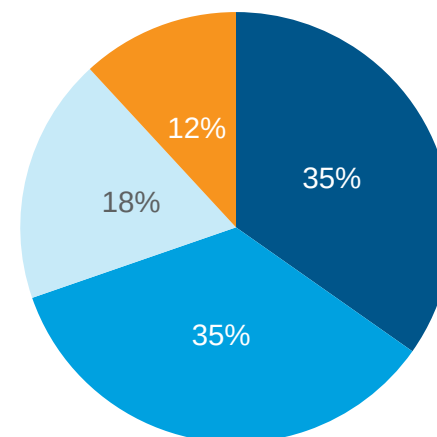
- Infrastructure
- Real Estate
- TMET
- Resources
- Industrials
- FIG

Revenue by product¹



- M&A Advisory
- Principal Investments
- ECM
- DCM

Revenue by region¹



- ANZ
- Americas
- EMEA
- Asia

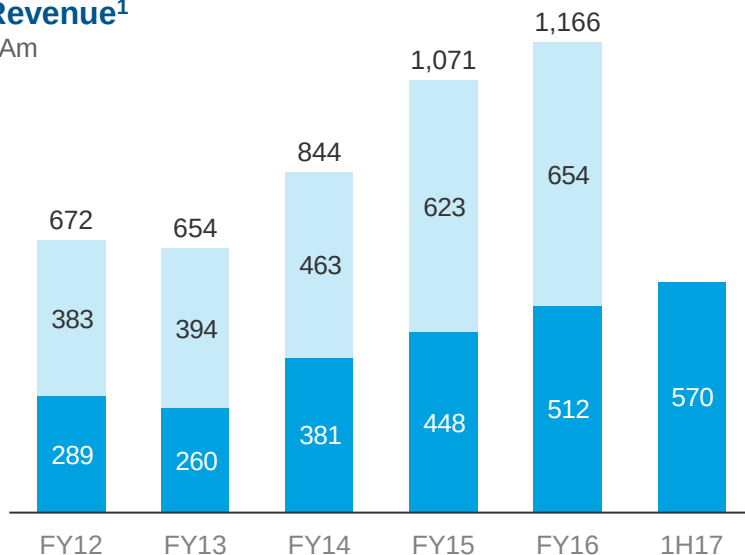
1. Average for FY14, FY15 and FY16. Revenue is fee income, and principal income (including income from DCM positions) net of funding costs and NCI. Revenue by product for ECM and DCM relates to fee revenue only.

Over the last five years our revenue and profit contribution has grown



Revenue¹

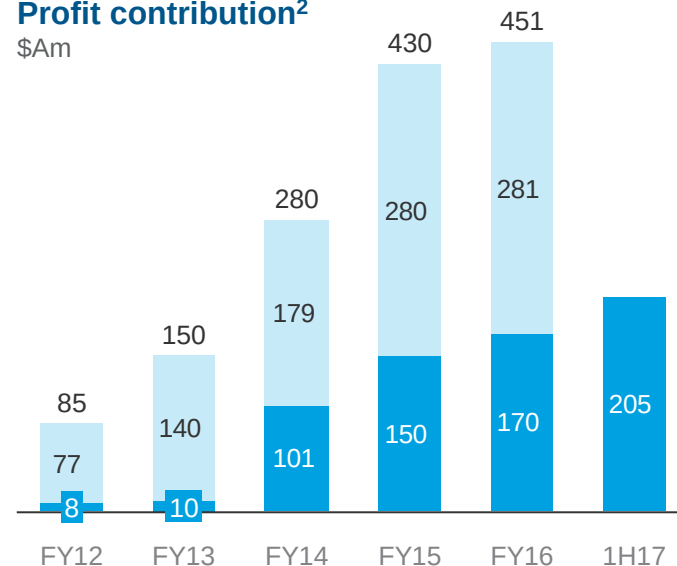
\$Am



2H 1H

Profit contribution²

\$Am

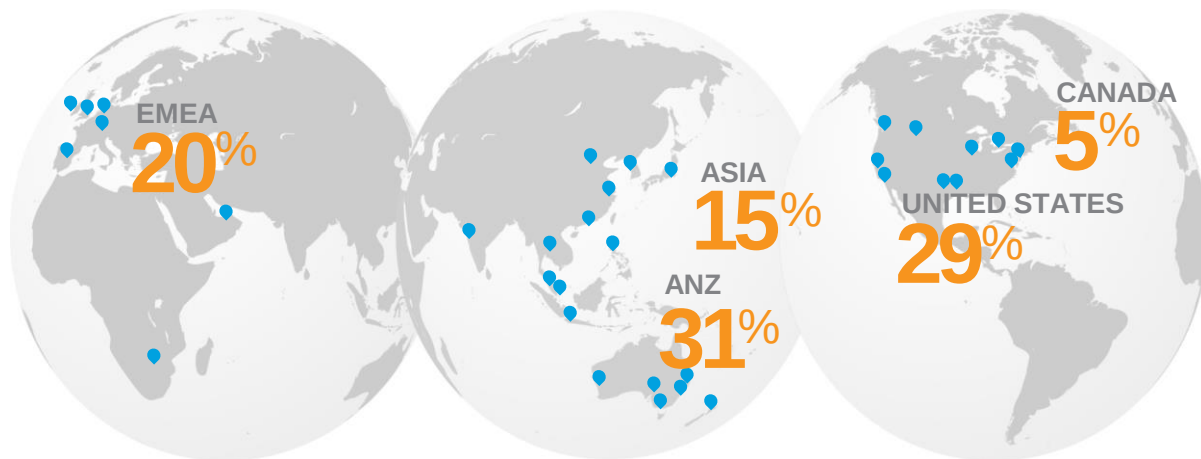


1. Revenue is fee income, and principal income (including income from DCM positions) net of funding costs and NCI. 2. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax.

We operate globally
with ~1,100 staff serving our clients in key locations



MACQUARIE



WORLDWIDE

~1,100
total staff

800+
transaction executives

What makes us unique



Strong expertise achieved through **deep** and **stable** leadership team – average tenure of **13 years** for our **Executive Directors**



Market leading position in Australia & New Zealand across M&A Advisory and IPOs¹



Number one globally in Infrastructure², with brand, history, deep M&A Advisory expertise coupled with operational, technical and Principal expertise



A world leader in global real estate **Private Capital Markets**³



Track record in partnering with technology entrepreneurs



Ability to **invest alongside** our clients by deploying our balance sheet flexibly

Infrastructure

41% of global revenue¹



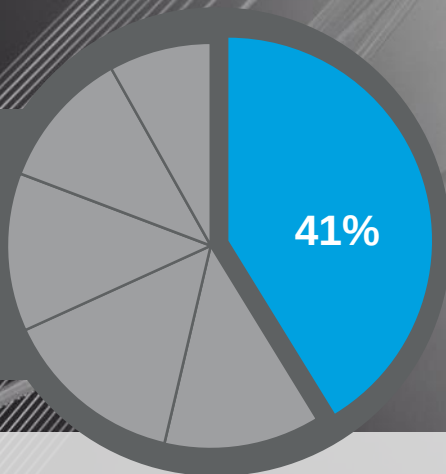
M&A Advisory



Asset creation



Green energy asset creation



Why we are successful



250+ transaction staff globally specialising in infrastructure M&A Advisory and Principal investing



In-house **operational and technical expertise**



Relationships with **infrastructure focused external capital** providers



Established track record, long history and global brand in infrastructure

1. Revenue relates to the average for FY14, FY15 and FY16.

Grow our leading global infrastructure M&A Advisory business



Continue to focus and maximise opportunities for clients in our key markets through our deep infrastructure M&A Advisory capabilities and expertise

No.1 adviser for
infrastructure
globally¹

Selected transactions



nationalgrid



SELECTED HIGHLIGHTS

IJGlobal
Project Finance & Infrastructure Award
Airports Deal of the Year²

PFI
AWARDS
2014
**American Deal of the
Year³**

PFI
AWARDS
2016
**Financial Sponsor
of the Year**

The Banker
**Most innovative investment
bank for Infrastructure and
Project Finance⁴**

1. Infradeal, CY16, by deal value, (M&A Advisory, announced). 2. Budapest Airport 2014. 3. Freeport LNG 2014. 4. CY14.

Leverage our M&A Advisory expertise into infrastructure asset creation and platforms



Leverage our deep infrastructure M&A Advisory, project finance, PPPs expertise to create infrastructure assets and platforms

Selected highlights



SELECTED HIGHLIGHTS

Infrastructure Partnerships Australia Advisory Excellence Award¹



Infrastructure deal of the Year²

Partnerships Awards Best Road Project³

1. For Northern Beaches Hospital PPP. 2. For LRT1 Cavite 2016. 3. For the Mersey Gateway PPP 2015.

Lead the market in creating green energy assets



Utilise our deep infrastructure M&A Advisory, Principal investment, technical and operational expertise, coupled with our balance sheet to create green energy assets

Selected transactions



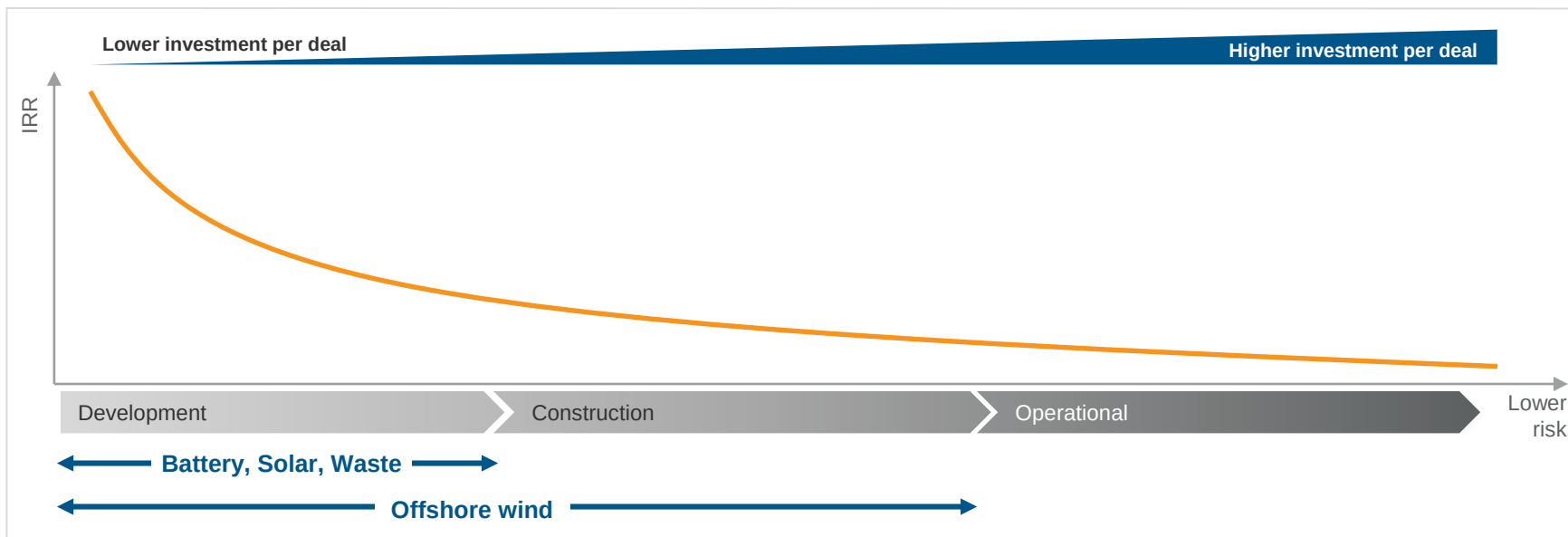
SELECTED HIGHLIGHTS



We are focusing on developing and constructing green energy assets



Deep dive: Green energy asset creation



We have deep technical and operational expertise



Deep dive: Green energy asset creation

Critical success factors

Expertise in green energy technologies

Deep understanding of leading solar, wind, waste and battery technologies

Development and construction expertise

Ability to create assets through the development curve

Operational and asset management expertise

Ability to operate and manage renewable energy assets

Examples of in-house specialists



Civil engineers



Green energy operational specialists



Geologists



Green energy commercial managers



Project managers



Electrical engineers



Surveyors



Procurement specialists

Our technical and operational expertise, combined with capital, gives us a competitive advantage

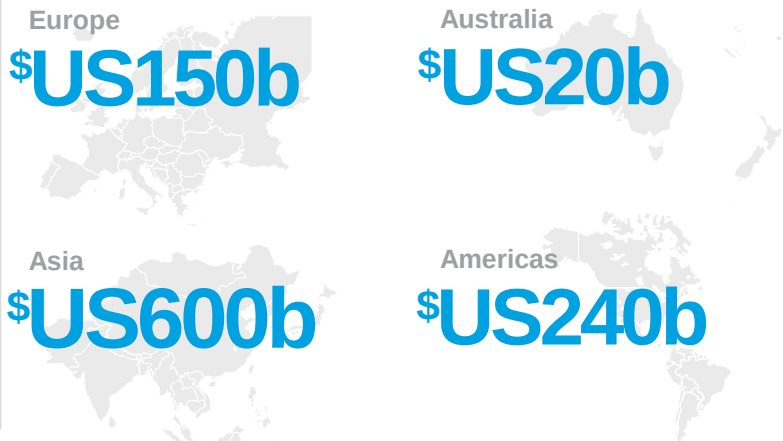
Green energy is a global story



Deep dive:
Green energy asset creation

Market opportunity:

Green energy investment expected over next five years¹



Our track record



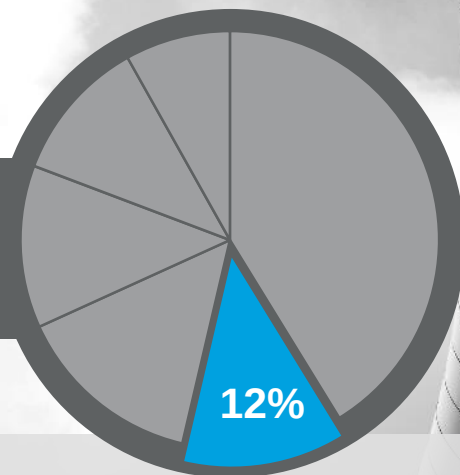
Leverage capabilities and expertise globally

1. Bloomberg New Energy Finance (BNEF).

Real Estate

12% of global revenue¹

-  Partnering unlisted capital
-  Investing in real estate specialists



Why we are successful



M&A capability
to build scale



A world leader in global
real estate **Private
Capital Markets**²



Deep and longstanding
**institutional capital
relationships**



Track record of sourcing
bespoke **'off-market'
opportunities**



Investment providing
alignment with
platforms and
investors

1. Revenue relates to the average for FY14, FY15 and FY16. 2. Preqin.

We are a global leader in partnering unlisted institutional capital for real estate



Partner unlisted institutional capital with specialist real estate operators

Leverage our global relationships to source unlisted capital from leading institutional investors and partner with specialist real estate operators to create bespoke opportunities

Committed private capital

\$US57b
since 2003



Advise and invest alongside real estate operators to help them grow into leading global sector specialists

Advise specialist real estate operators, use our superior access to unlisted institutional capital and invest alongside to grow these operators into leading global real estate groups

Platforms with

\$US5b
in AUM

Development pipeline
increasing AUM to

\$US10b+

TMET

15% of global revenue¹

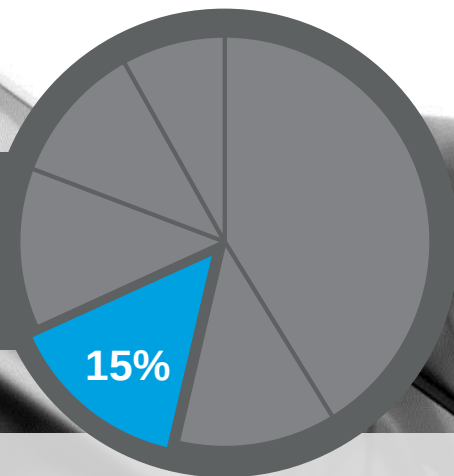
TECHNOLOGY:



Partner with entrepreneurs



Investing alongside financial sponsors



Why we are successful



Deep, longstanding **relationships** with clients and entrepreneurs



Strong understanding and **market insights** in technology across M&A Advisory, ECM and DCM



Flexible
Principal capital



Availability of **long-term growth capital**

1. Revenue relates to the average for FY14, FY15 and FY16.

We partner with entrepreneurs and provide long-term growth capital to technology companies



Partner with entrepreneurs and founders, with a focus on online, software and data businesses across Australia, China, Europe and the US

Work actively with management teams to drive growth

Selected highlights



20 years experience investing long-term growth capital

We drive M&A deals by investing alongside financial sponsors to facilitate transactions

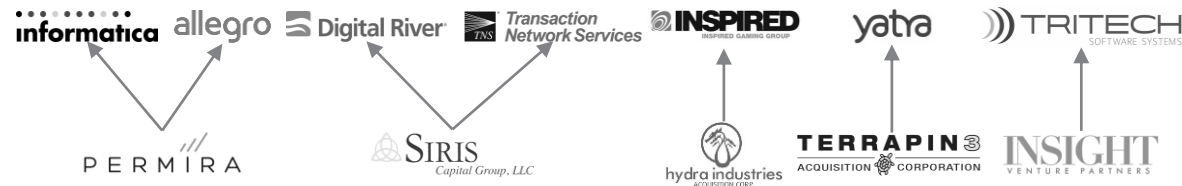


Drive M&A Advisory deal flow and transactions by providing flexible capital rapidly to financial sponsors

As technology increasingly impacts all sectors, leverage our deep capabilities and expertise in our other key sectors to capture the opportunities

Selected highlights

TECHNOLOGY INVESTMENTS



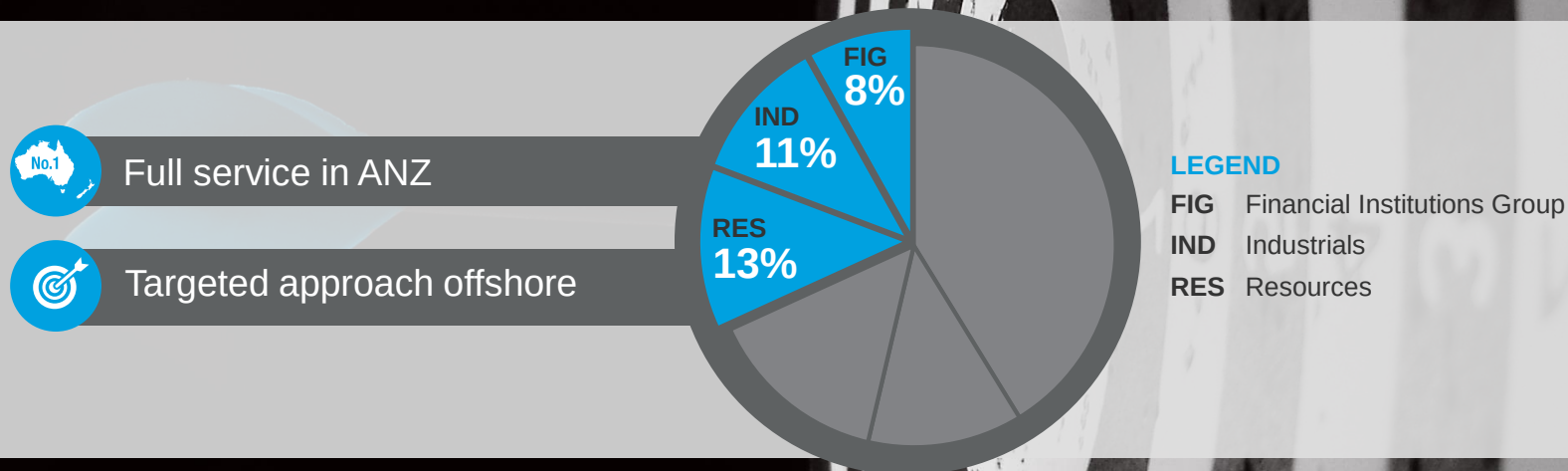
SPONSORS

No.1 in US technology LBOs in 2016¹

1. Bloomberg, US in CY16, by deal value for the technology sector.

Resources, Industrials and Financial Institutions

32% of global revenue¹



¹ Revenue split to the sectors for FY14, FY15 and FY16

We focus on targeted opportunities in Resources, FIG and Industrials



MACQUARIE

	ANZ	EMEA	Americas	Asia
Resources				
Industrials		Focus on Germany 		
FIG				

-  Strong focus
-  Targeted focus

Selected highlights

No.1 in M&A Advisory and IPOs in Australia and New Zealand¹



MAHLE



SILVER WHEATON



Provide a full service offering in ANZ, with a targeted offering in niche segments overseas

1. Dealogic, by value (announced), CY07-CY16.

We are well positioned for growth



Stable
senior team



Market leading
position in **ANZ**¹



Number one
in Infrastructure
globally²



A world leader
in **Private Capital**
Markets for
Real Estate³



Track record
in **technology**



Investing
alongside
our **clients**

1. Dealogic, by deal value (announced), CY07-CY16.

2. Infradeals, by deal value (M&A Advisory, announced) CY16.

3. Preqin.

06

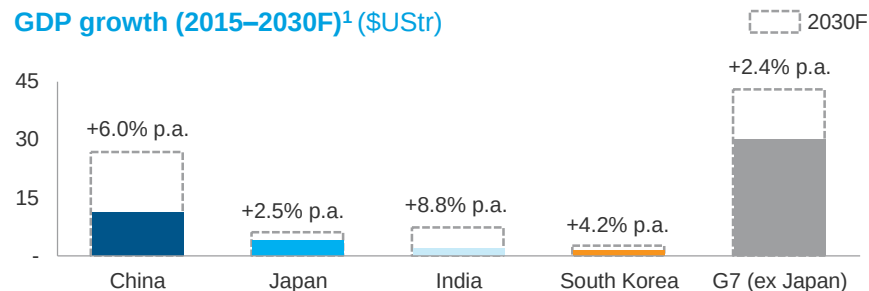
Macquarie in Asia

Ben Way, Regional Head – Asia

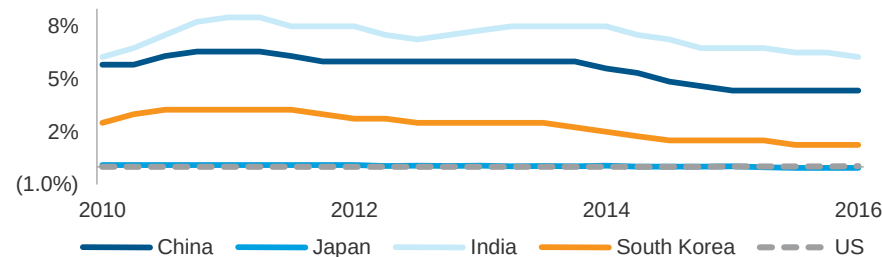
Asia's market conditions



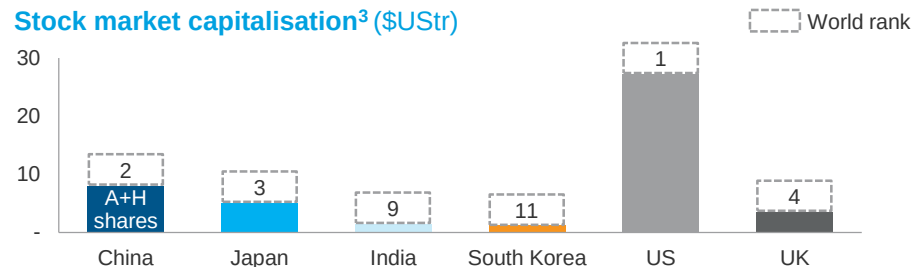
GDP growth (2015–2030F)¹ (\$UStr)



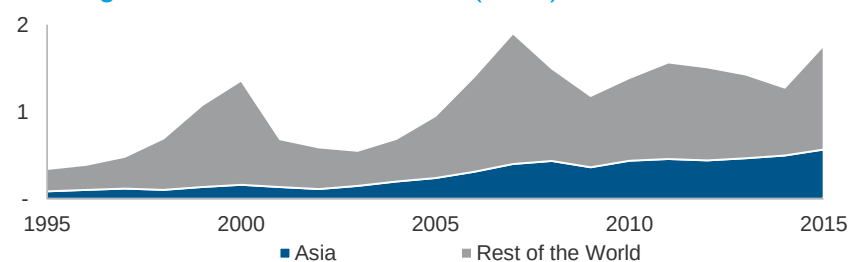
Central bank interest rates²



Stock market capitalisation³ (\$UStr)



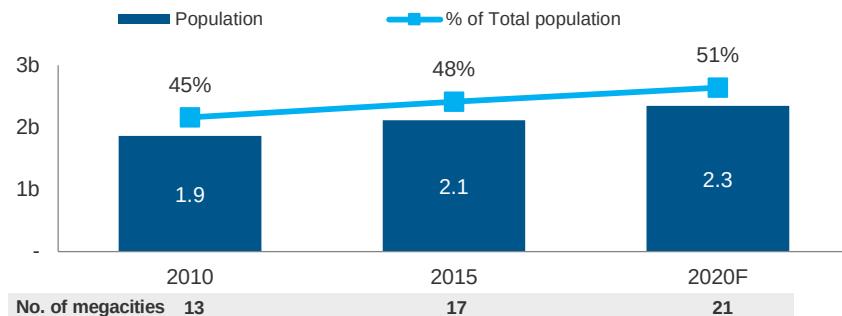
Net foreign direct investment inflows⁴ (\$UStr)



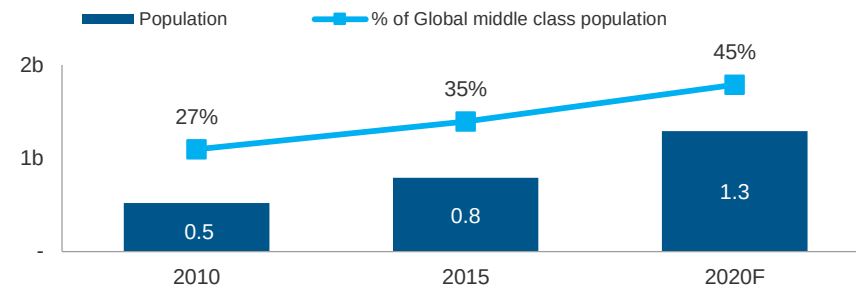
Asia's growth drivers



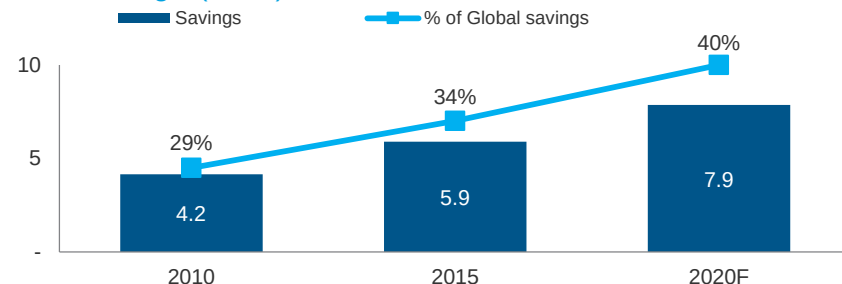
Urban population¹



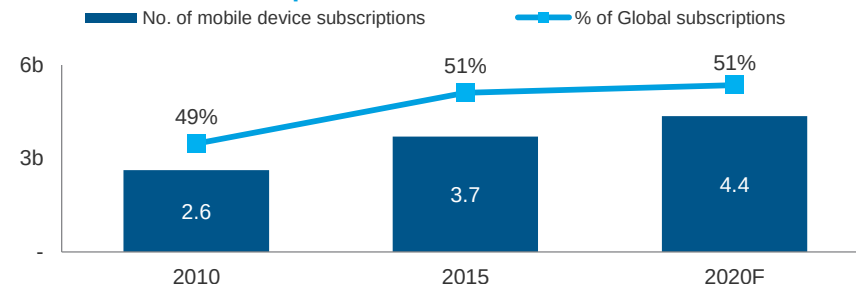
Middle class population²



Total savings³ (\$UStr)



Mobile device subscriptions⁴



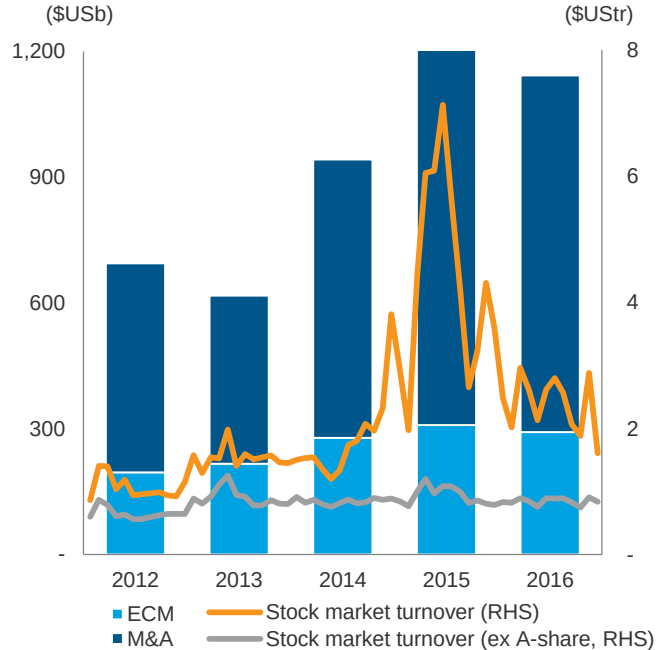
1. United Nations Department of Economic and Social Affairs, 'World Urbanization Prospects: The 2014 Revision'. 2. Brookings Institute, 'The Emerging Middle Class in Developing Countries' (Middle class defined as \$US10-\$US100 earnings per person per day). 3. World Bank, 'Capital for the Future', May 13. 4. Ericsson, Mobility Report Nov 16, Asia-Pacific.

Asia's operating environment

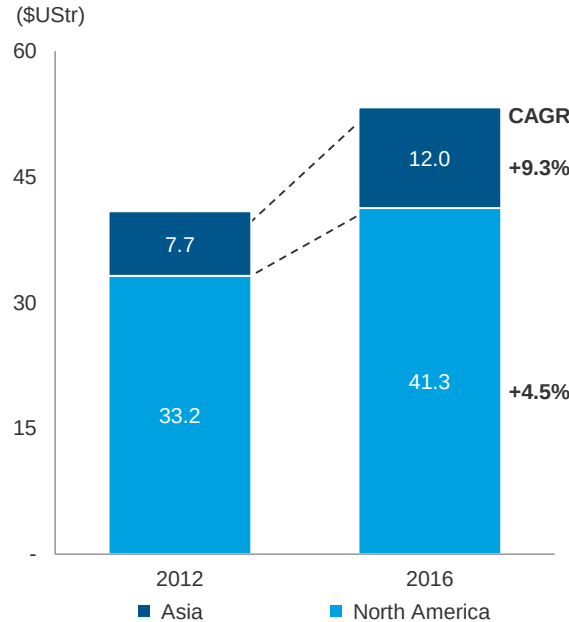


MACQUARIE

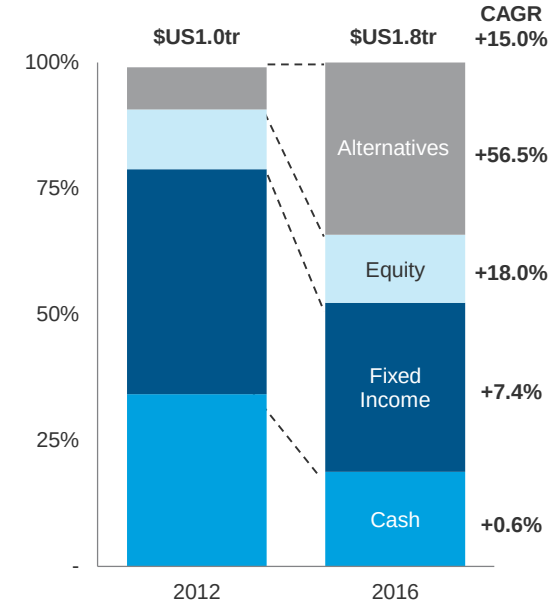
Asia's capital market and M&A activity¹



Assets under management (AUM)²



Chinese insurers' asset allocation³



1. Deal value per Dealogic as at 31 Dec 16; monthly stock market turnover per World Federation of Exchanges as at 31 Dec 16. 2. Asset management industry AUM estimates per PwC, 'Asset Management 2020 – A Brave New World'. 3. China Insurance Regulatory Commission as at 30 Jun 16.

Macquarie in Asia

Operating platform



An established presence since 1995

13 locations across 11 markets

- **Localised** platform
- **Shared Services** hubs
- Leading **infrastructure** business
- Broad **equities** and **commodities** footprint



3,479 employees

~50% global shared services

4 key business lines

MAM, CAF, CGM, MacCap

15 regional stock exchanges

membership licences

\$A568 million

1H17 operating income;
11% of Group income

\$A46 billion

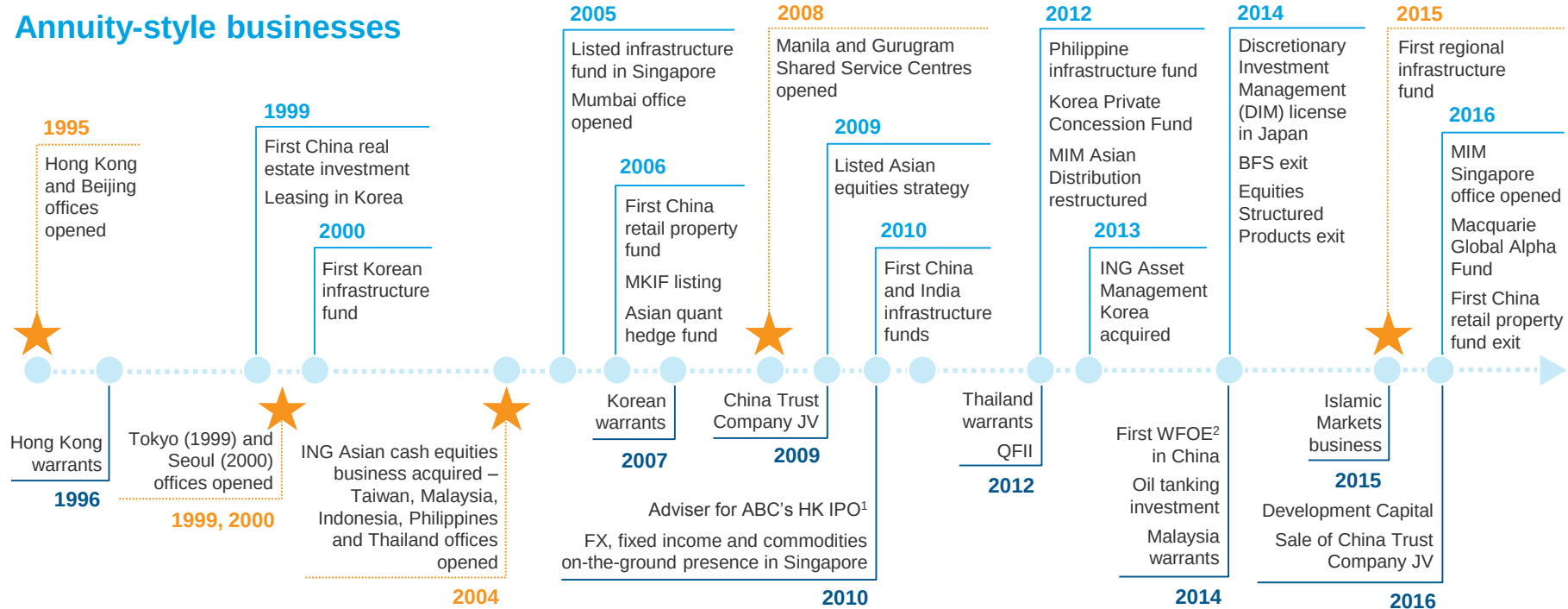
assets under management

Macquarie in Asia

Platform evolution



Annuity-style businesses



Capital markets facing businesses

1. Hong Kong IPO of the Agricultural Bank of China (\$US22.1b), at the time the world's largest IPO. 2. Wholly-Foreign Owned Enterprise.

Macquarie in Asia

Operating groups



Annuity-style businesses

Macquarie Asset Management

MIRA manages **\$A16.2b** across **60** infrastructure and real estate assets across **7** countries

MIM has **4** investment teams managing **\$A30.1b** across Asian equities, fixed income and hedge fund strategies

Raised **\$A5.3b** Asian capital in the last 12 months

Macquarie Asia Infrastructure Fund
Largest Asia-focused fund in the market¹

MIM continued **regional build-out** with Singapore office opening

Corporate and Asset Finance

Asset Finance and **Lending** business:
Aircraft, Technology and Manufacturing

Pan-Asia **customer base**

Funded **\$A200m+** leases across Asia in the last 12 months

Semiconductor leasing and trading expertise

Asian partners **funding** global CAF transactions

Macquarie in Asia

Operating groups



Capital markets facing businesses

Commodities and Global Markets

Risk and capital solutions across **financial** and **physical** markets

Integrated end-to-end offering across **commodities, equities, fixed income** and **FX**

Extensive regional footprint with equities execution across **15** exchanges and **950+** stocks under coverage

Access to **physical** and **financial** commodity markets, including physical oil & products, coal, base metals, iron ore and dairy

G10 and Asian currencies and **rates** specialist

Macquarie Capital

Corporate finance franchise focused on **infrastructure, real estate, principal** and **Greater China**

Growing **development capital** pipeline in renewable energy

Advised on **2 of first 3** infrastructure privatisation deals in Japan

ECM transactions raised **\$A10.3b** for clients in the last 12 months

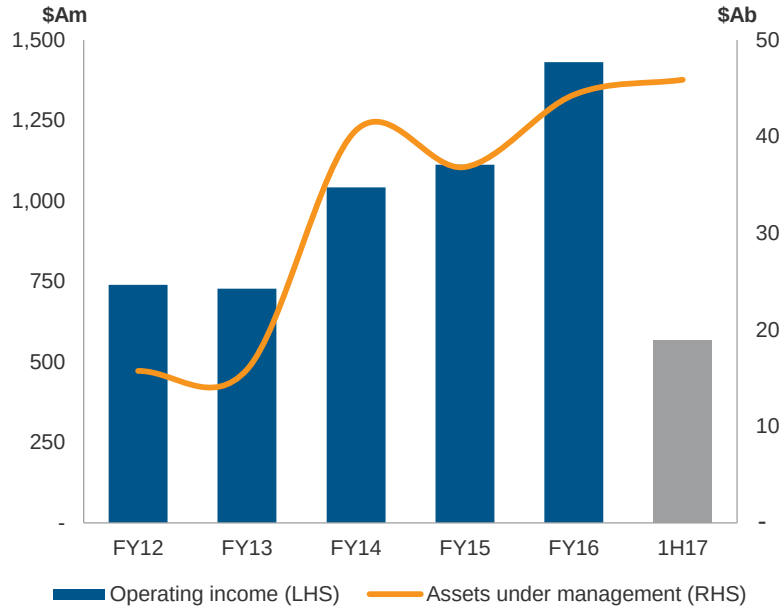
Real estate platforms in Greater China, ASEAN and Japan

Macquarie in Asia

Performance

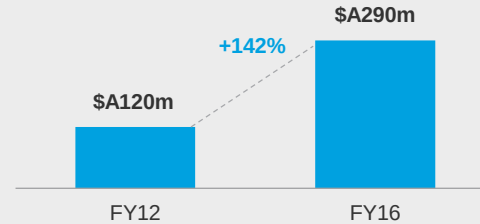


Asia operating income¹



1. Represents net operating income excluding earnings on capital and other corporate items for Asia.

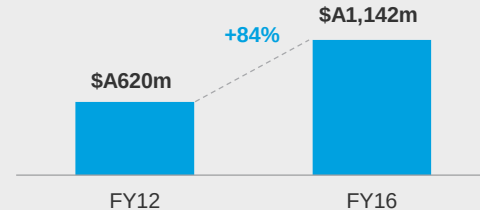
Annuity-style businesses



Steady performance
1H17 operating income

28% from annuity-style businesses
1H17 operating income
(16% in FY12)

Capital markets facing businesses



Capital markets facing businesses
Well positioned to capture opportunity

Operating efficiency
Continuing focus on costs

Macquarie in Asia

People and culture



Staff profile

	31 Dec 11	31 Dec 16	Change
Staff	2,818	3,479	↑
Female staff	39%	43%	↑
Local staff	94%	98%	↑
Local directors	82%	91%	↑
Multilingual	n/a ¹	94%	
Average tenure – all staff	3.2 years	4.3 years	↑
Average tenure – directors	5.4 years	7.6 years	↑

Staff engagement and enablement



Workplace recognition



1. Data not available.

Macquarie in Asia

Risk management framework



Globally consistent risk focus and approach

Asia regulatory themes

Market reform
Conduct risk
Financial crime

Information security
Enforcement



Global risk management framework with a strong risk culture

Ownership of risk
at the business
level

Understanding
worst case
outcomes

Requirement
for independent
sign-off by Risk
Management

Local presence and expertise

Agile and robust response to regulatory
changes and business opportunities

Macquarie in Asia

Medium term focus



Focus on key markets

Realise significant opportunities in scale markets



Leverage areas of expertise

Focus on infrastructure, real estate, securities and commodities



Drive cross-border flows

Facilitate the flow of capital and ideas between Asia and the world



One firm approach

collaborative and empowered local teams

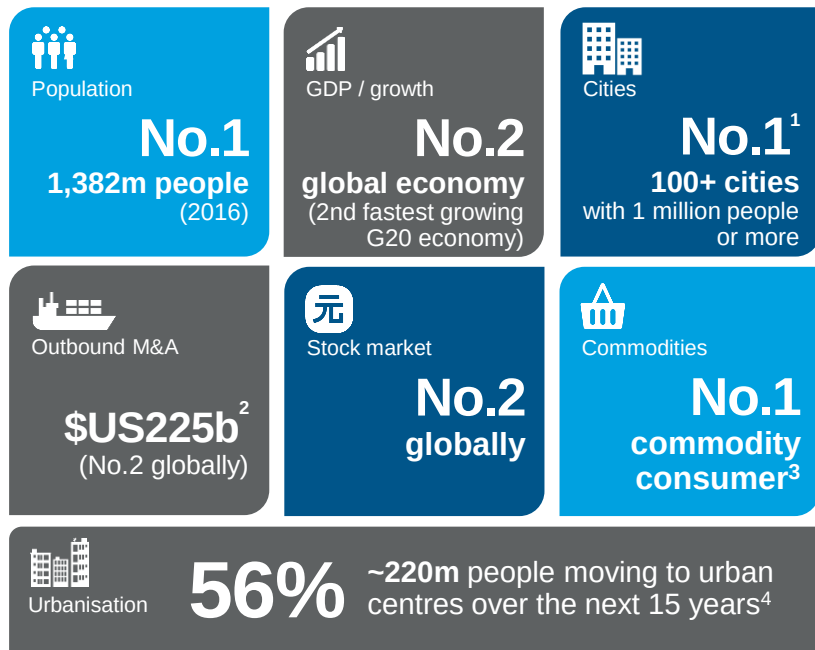


Focus on key markets

China example



Market opportunity



Macquarie platform

Leading foreign fund manager for domestic real assets
\$A2.3b AUM, 12 assets

China M&A outbound advisory (last 3 years)
\$A12.4b

Broad securities platform
Trading, research and corporate access

Outbound capital under management
\$A1.6b

Domestic commodities WFOE⁵
Physical and financial

Equities research coverage of HK/China-listed companies
299 shares (98 A-shares)

Leverage area of expertise

Renewables infrastructure



MACQUARIE

Expertise

Renewables specialist in Asia

One of the
Largest
renewable
investors
in the
Philippines

No.2
Windfarm
operator
in South
Korea

Growing
Solar power
capacity
across Asia

Fund investments

2.4GW invested throughout Asia

Development capital

Deep pipeline across main sectors in Japan,
South Korea and Taiwan

Research analysis

Of listed companies across the renewable
and clean energy sectors in Asia

Portfolio¹

Solar | **Wind** | **Waste** | **Hydro**

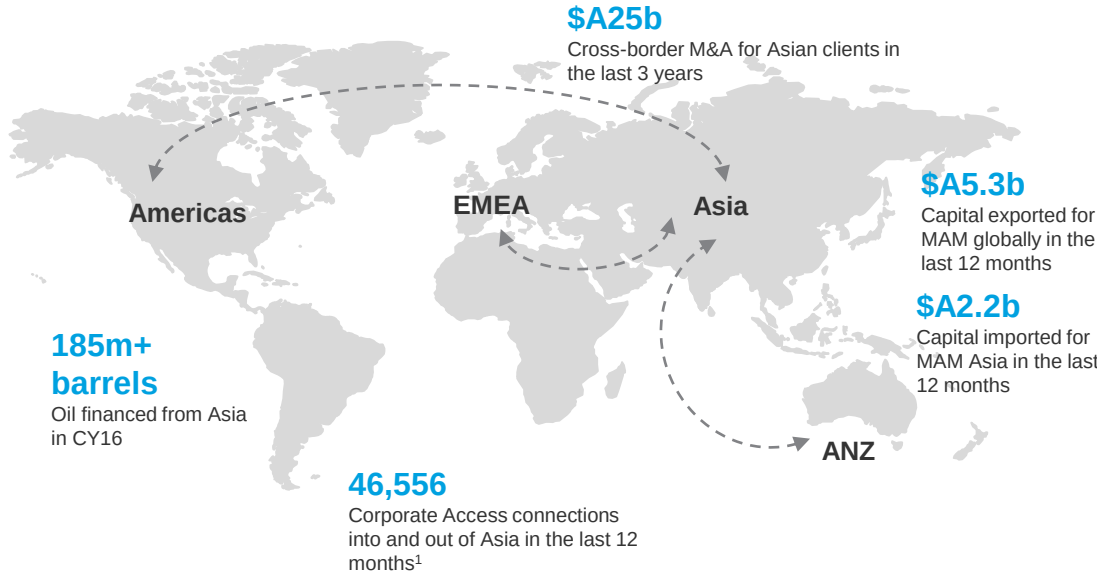


Pipeline

~7.5GW pipeline

	Development / Greenfield	Brownfield
Solar	China, Japan, Taiwan, India	China, Japan, Philippines, India
Wind	Japan, Taiwan	China, Japan, Philippines, India
Waste	South Korea, Japan	South Korea

Drive cross-border flows



MAM

Macquarie European Infrastructure Fund 5 capital raising from Asia

€1.1b

2016

Asset manager



CGM

Distribution of trade-related assets to Asian institutions²

\$US7.9b

2016



CAF

Cross-border funding of semiconductor leases

~\$US450m

2014-2016



MacCap

Acquisition of stake in Genesis Care alongside China Resources

\$A850.2m

2016

Financial Adviser



One firm approach



Platinum clients



Relationship
lead



Map the
opportunity



Present one
Macquarie



Full-service
relationship



Track and
drive results

+32%YoY

Revenues FY17 YTD

+45%YoY

Capital managed

Platinum client case study



One of Asia's **largest** insurers



Repeat and **growing** revenue and pipeline across
CGM, **MAM** and **MacCap**



Managing **\$A2.7b** of client's capital across a broad
range of asset classes



Key counterparty for **cash brokerage**, **equity
finance**, **fixed income** and **FX trading**



Delivering **unique** and **tailored** service offering
including Macquarie Investment Seminars

Macquarie in Asia

Well positioned for the future



Macro



Connectivity



Opportunity



Focus





MACQUARIE



A

Glossary

Glossary



\$A / AUD	Australian Dollar
\$C / CAD	Canadian Dollar
\$US / USD	United States Dollar
£ / GBP	British Pound
€	Euro
1H16	Half-Year ended 30 September 2015
1H17	Half-Year ended 30 September 2016
3Q16	Quarter ended 31 December 2015
3Q17	Quarter ended 31 December 2016
ABN	Australian Business Number
ANZ	Australia and New Zealand
Approx.	Approximately
APRA	Australian Prudential Regulation Authority
ASEAN	Association of Southeast Asian Nations
AUM	Assets Under Management
b	Billion
BAML	Bank of America Merrill Lynch
BCBS	Basel Committee on Banking Supervision
BFS	Banking and Financial Services
CAF	Corporate and Asset Finance

CAGR	Compound Annual Growth Rate
CCB	Capital Conversion Buffer
CCP	Central Counterparties
CET1	Common Equity Tier 1
CFM	Commodities and Financial Markets
CGM	Commodities and Global Markets
CHF	Swiss franc
CMA	Cash Management Account
CMT	Cash Management Trust
CY07	Calendar Year ending 31 December 2007
CY16	Calendar Year ending 31 December 2016
DCM	Debt Capital Markets
DPS	Dividend Per Share
DTA	Deferred Tax Asset
ECB	European Central Bank
ECM	Equity Capital Markets
EMEA	Europe, Middle East and Africa
EPS	Earnings Per Share
EU	European Union
FUM	Funds Under Management

Glossary



FX	Foreign Exchange
FY07	Full Year ended 31 March 2007
FY08	Full Year ended 31 March 2008
FY09	Full Year ended 31 March 2009
FY10	Full Year ended 31 March 2010
FY11	Full Year ended 31 March 2011
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 ending 31 March 2017
FY18	Full Year ending 31 March 2018
G10	Belgium, Canada, France, Germany, Italy, Japan, Netherlands, Sweden, Switzerland, UK and USA
G7	Canada, France, Germany, Italy, Japan, UK and USA
GDP	Gross Domestic Product
GFC	Global Financial Crisis
GMAC	General Motors Acceptance Corporation
GW	Gigawatt
HK	Hong Kong

ILFC	International Lease Finance Corporation
IMF	International Monetary Fund
IPO	Initial Public Offering
IT	Information Technology
JPY	Japanese Yen
JV	Joint Venture
KM	Kilometre
LBO	Leveraged Buyout
LCR	Liquidity Coverage Ratio
LHS	Left Hand Side
LIBOR	London Interbank Offered Rate
LLC	Limited liability company
LNG	Liquefied Natural Gas
Ltd	Limited
m	Million
M&A	Mergers and Acquisitions
MacCap	Macquarie Capital
MAM	Macquarie Asset Management
MBL	Macquarie Bank Limited
MEIF	Macquarie European Infrastructure Fund

Glossary



MIC	Macquarie Infrastructure Corporation
MIDIS	Macquarie Infrastructure Debt Investment Solutions
MIM	Macquarie Investment Management
MIRA	Macquarie Infrastructure and Real Assets
MQG	Macquarie Group Limited
MSG	Macquarie Securities Group
Mths	Months
MW	Megawatt
NCI	Non Controlling Interests
NGLs	Natural gas liquids
No.	Number
NPAT	Net Profit After Tax
NSFR	Net Stable Funding Ratio
P&L	Profit and Loss Statement
p.a.	Per annum
PCP	Prior Corresponding Period
PPE	Property, Plant and Equipment
PPP	Public-Private Partnership
QE	Quantitative Easing
RBA	Reserve Bank of Australia

RHS	Right Hand Side
ROE	Return on Equity
RWA	Risk Weighted Assets
S&P	Standard & Poor's
SME	Small and Medium Enterprise
t / tr	Trillion
TMET	Telecommunications, Media, Entertainment and Technology
UK	United Kingdom
US / USA	United States of America
YoY	Year on Year
yr	Year
YTD	Year To Date



Operational Briefing

Presentation to Investors and Analysts

7 February 2017