



ASX/Media Release

Investor presentation and outlook update

SYDNEY, 24 March 2014 – As part of its regular investor communications program, Macquarie Group (Macquarie) (ASX: MQG; ADR: MQBKY) will be presenting at the Credit Suisse Asian Investment Conference on 26 and 27 March 2014.

Contained within the presentation (see attached) is an update to the short term outlook statement that Macquarie provided at the Group's Operational Briefing on 11 February 2014.

Notably, improved market conditions have continued for our FICC business. Consequently, we now expect FICC to be broadly in line with, or slightly up on, FY13.

Accordingly, we expect Macquarie's result for FY14 to be up approximately 40-45% on FY13, subject to the completion rate of transactions and period end reviews.

Our short term outlook remains subject to a range of challenges including:

- Market conditions
- The cost of our continued conservative approach to funding and capital; 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.

Contacts

Karen Khadi	Investor Relations	+61 2 8232 3548
Lisa Jamieson	Corporate Communications	+61 2 8232 6016
Navleen Prasad	Corporate Communications	+61 2 8232 6472



Credit Suisse 17th Asian Investment Conference Conrad Hotel, Hong Kong

Presentation to Investors and Analysts 26-27 March 2014

Patrick Upfold, Chief Financial Officer

Disclaimer



This information has been prepared on a strictly confidential basis by Macquarie Group Limited ABN 94 122 169 279 ("Macquarie") and may neither be reproduced in whole nor in part, nor may any of its contents be divulged, to any third party without the prior written consent of Macquarie. Information in this presentation, including forecast financial information, should not be considered as legal, financial, accounting, tax or other advice, or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or other financial products or instruments and does not take into account your particular investment objectives, financial situation or needs. Before acting on any information you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice. All securities and financial product or instrument transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments and, in international transactions, currency risk.

This information has been prepared in good faith and is not intended to create legal relations and is not binding on Macquarie under any circumstances whatsoever.

To the extent permitted by law, neither Macquarie nor its related bodies corporate (the "Macquarie Group") nor any of its associates, directors, officers or employees, or any other person (together, "Persons"), makes any promise, guarantee, representation or warranty (express or implied) to any person as to the accuracy or completeness of this information, or of any other information, materials or opinions, whether written or oral, that have been, or may be, prepared or furnished by Macquarie Group, including, without limitation, economic and financial projections and risk evaluation. No responsibility or liability whatsoever (in negligence or otherwise) is accepted by any person for any errors, mis-statements or omissions in this information or any other information or materials. Without prejudice to the foregoing, neither the Macquarie Group, nor any Person shall be liable for any loss or damage (whether direct, indirect or consequential) suffered by any person as a result of relying on any statement in or omission from this information. The information may be based on certain assumptions or market conditions, and if those assumptions or market conditions change, the information may change. No independent verification of the information has been made. Any quotes given are indicative only.

Other than Macquarie Bank Limited ABN 46 008 583 542 (Macquarie), any Macquarie group entity noted in this document is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). That entity's obligations do not represent deposits or other liabilities of Macquarie and Macquarie does not guarantee or otherwise provide assurance in respect of the obligations of that entity, unless noted otherwise.

The Macquarie Group or its associates, directors, officers or employees may have interests in the financial products referred to in this information by acting in various roles including as provider of corporate finance, underwriter or dealer, holder of principal positions, broker, lender or adviser and may receive fees, brokerage or commissions for acting in those capacities. In addition, the Macquarie Group and its associates, directors, officers or employees may buy or sell the financial products as principal or agent and as such may effect transactions which are not consistent with any recommendations in this information.

Unless otherwise specified all information is as at 31 December 2013.

Certain financial information in this presentation is prepared on a different basis to the Macquarie Group Limited Financial Report, which is prepared in accordance with Australian Accounting Standards. Where financial information presented within this presentation does not comply with Australian Accounting Standards, a reconciliation to the statutory information is provided.

This presentation provides further detail in relation to key elements of Macquarie 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



- | | |
|-----|-----------------------------------|
| 01. | Overview |
| 02. | 3Q14 Update and Outlook |
| 03. | Appendix - 1H14 Financial Summary |
| 04. | Contacts |



MACQUARIE

01

Overview

Macquarie Group Limited
Presentation to Investors and Analysts March 2014

About Macquarie

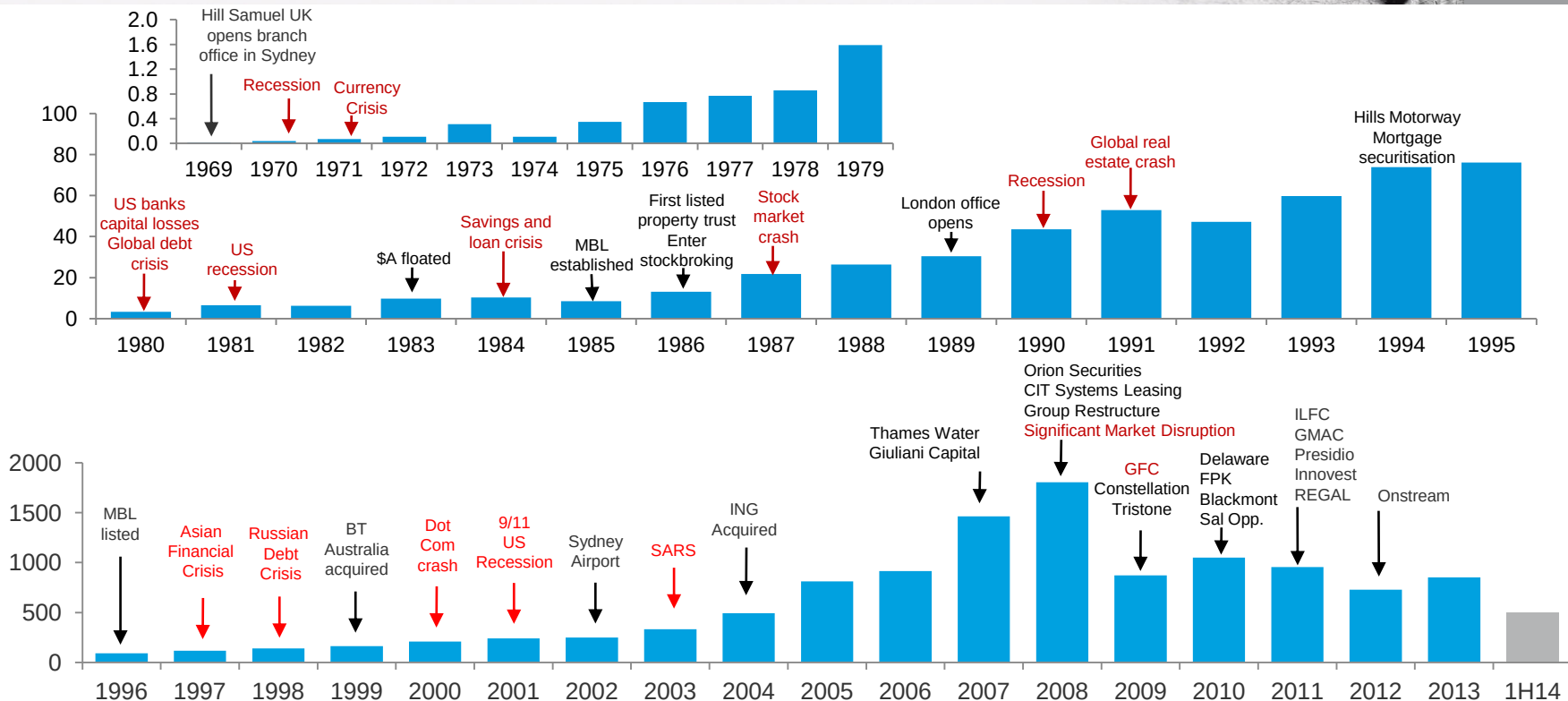


Macquarie has built a uniquely diversified business since its inception in 1969. It is a global business built upon a range of products and sectors in which it has world-leading expertise

- Global provider of banking, financial, advisory, investment and funds management services
- Main business focus is providing products and services to clients
- Listed on Australian Stock Exchange (ASX: MQG; ADR: MQBKY)
- Regulated by APRA, Australian banking regulator, as non-operating holding company of a licensed Australian bank
- Assets under management \$A433 billion¹
- Founded in 1969, currently employs 13,578 people and operates in over 28 countries¹

1. As at 31 Dec 13.

Macquarie has a long history of profitability



About Macquarie

Macquarie Funds Group



Top 50 global asset manager with \$A430.7b¹ 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
 - Fund and equity-based solutions

Macquarie Funds Group

Macquarie
Infrastructure
and Real Assets

AUM: \$A115b¹

Macquarie Investment
Management

AUM: \$A314b¹

Macquarie
Specialised
Investment Solutions

AUM: \$A2b¹

No.1 infrastructure investor & No.1 alternative asset manager globally as ranked by Towers Watson²

MIM Asian Alpha strategy awarded **“Best Market Neutral Hedge Fund”** in Asia and Australia³

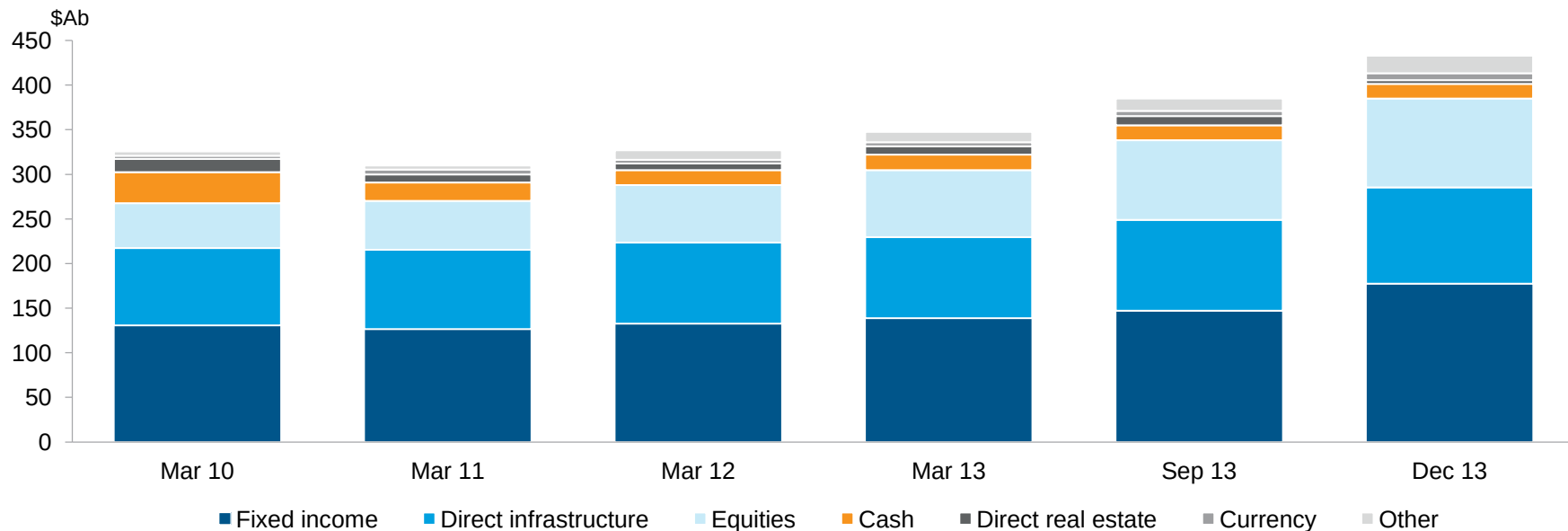
Awarded Infrastructure Journal **“Acquisition of the Year - Energy”** for MEIF4 consortium's acquisition of Open Grid Europe

1. Data as at 31 Dec 13. 2. First in Infrastructure Investor magazine's 2013 ranking, based on equity funds raised over a five year period to June 2013. First in Tower Watson 2013 top 100 alternative asset managers ranking, based on total AUM.
3. Awarded “Best Market Neutral Hedge Fund” at the 2013 HFM Week Asia Performance awards, and at the 2013 Australian Hedge Fund Awards in recognition of outstanding risk-adjusted performance during the 12 months to 31 Aug 13.

Assets under management of \$A433 billion¹



- AUM increased \$A48b or 12% since 30 September 2013, primarily driven by favourable acquisitions, currency and market movements



1. As at 31 Dec 13.

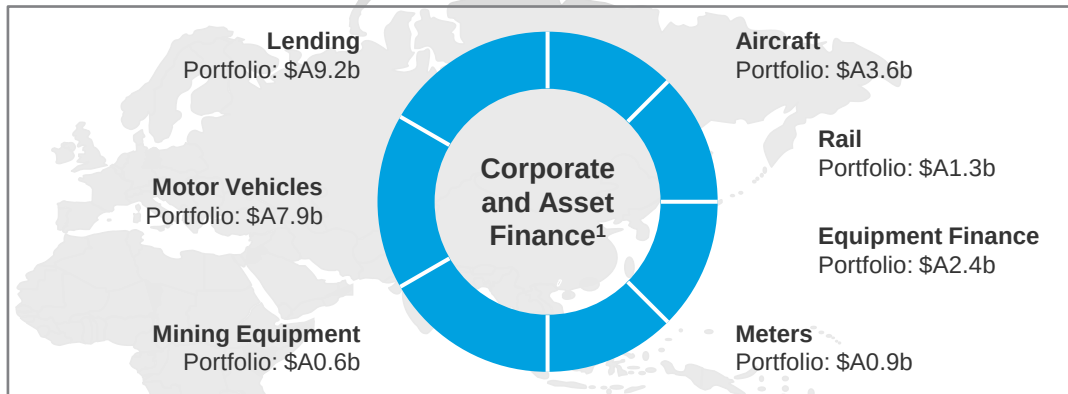
About Macquarie

Corporate Asset and Finance Group



\$A25.9b¹ of loans and assets under finance

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



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

One of North America's **largest** independent lessors of technology equipment

Portfolio **diversified** by geography, assets, industries, product types, exposures and clients

1. Data as at 31 Dec 13. 2. Includes RESF run off portfolio.

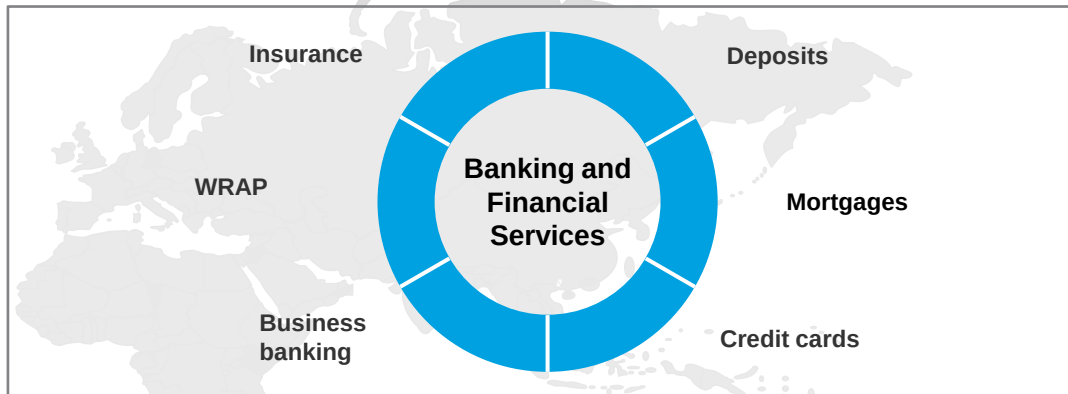
About Macquarie

Banking and Financial Services Group



\$A 32.9b¹ retail on-balance sheet cash

- 1.02 million customers, predominantly in Australia
- Provides a diverse range of personal banking, wealth management and business banking products and services
- Strong intermediary relationships and white label arrangements as well as Macquarie-branded offerings



Macquarie Mortgages named Lender of the Year (Tier 2) at the annual Mortgage Choice national conference 2013

Macquarie Life awarded five star status for 6th consecutive year by Beaton Research²

Macquarie named Blue Ribbon Smart Investor Awards - **Super Platform of the Year** (Insurance)³

Sale of Macquarie Private Wealth Canada

1. Data as at 31 Dec 13. 2. Currently the only five star rated insurer in the market. 3. Fairfax Smart Investor Blue Ribbon Awards 2013.

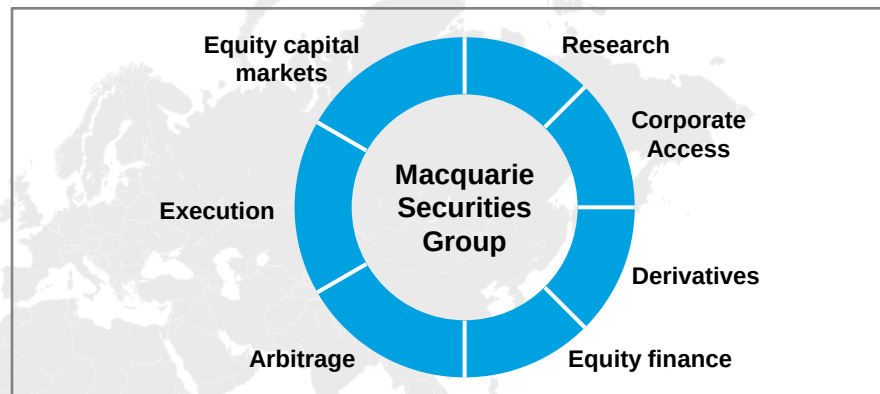
About Macquarie

Macquarie Securities Group



Innovative specialists leveraging Asia-Pacific insights to the world

- Global institutional securities house with strong Asia-Pacific foundations covering sales, research, ECM, execution and derivatives activities
- Full-service cash equities in Australia, Asia, South Africa and Canada with offerings in US and Europe. Specialised derivatives in key locations globally
- Key specialties: infrastructure and utilities, TMET, resources (mining and energy), industrials and financial institutions



25+ years

Knowledge and experience in Asia-Pacific

200+ equity research analysts covering **2,220+** stocks¹

No.1 for Australian Equities in Australia², US and Europe³

No.1 Asia-Pacific Execution Quality⁴
No.2 Australian ECM⁵

No.1 warrants market share Singapore⁶
No.2 in Thailand⁶

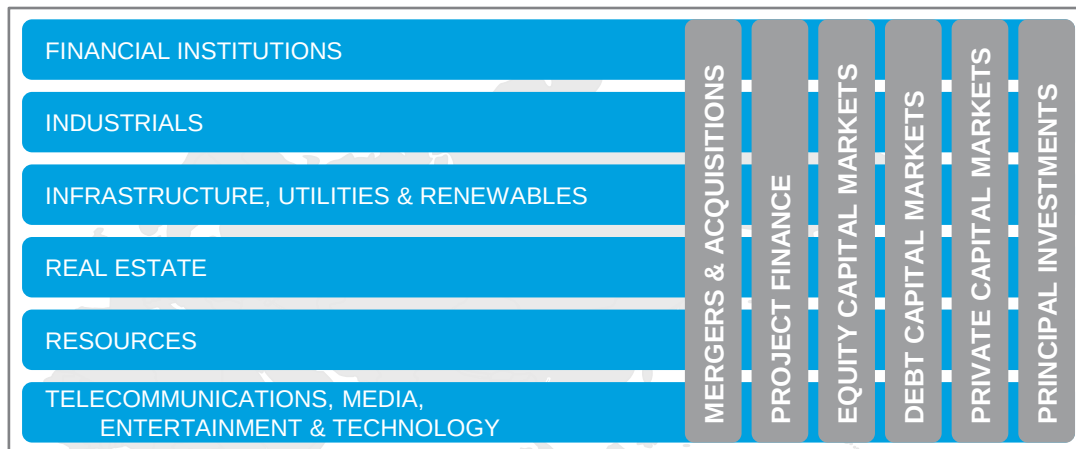
1. As at 31 Dec 13. 2. Peter Lee Associates Survey of Asian/Australian Institutional Investors 2013 – Australian Equities. 3. Greenwich Survey of US Institutional Investors – Australian Equities and Greenwich Survey of European Institutional Investors 2013 – Australian Equities. 4. Abel Nossler 2013. 5. Bloomberg league tables for the 12 months to 31 Dec 13. 6. Local exchanges.

About Macquarie

Macquarie Capital



- Global corporate finance capability, including M&A, debt and equity capital markets, and principal investments
- Key specialities: infrastructure, utilities and renewables; resources (mining and energy); real estate; telecommunications, media, entertainment and technology; industrials and financial institutions
- Winner of over 27 awards globally in the twelve months to 31 December 2013, including Best Investment Bank (Australia)¹ and Best M&A House (Australia)²



No.1

ANZ announced and completed M&A deals³

No.1

South East Asia for announced M&A deals⁴

**Social
Infrastructure
Deal of the Year
(Global)⁵**

~\$US42b

Global Real Estate
Equity Raised
(2003-2013)⁶

**Joint M&A Deal
of the Year
(Australia)⁷**

1. Global Banking & Finance Review; The Asset; M&A Advisor; Global Finance Magazine. 2. Capital CFO; FinanceAsia. 3. Thomson 1 Jan – 31 Dec 13 (by number of deals). 4. Dealogic 1 Jan – 31 Dec 13 (by value). 5. Infrastructure Journal (Wiri Men's Prison transaction). 6. Preqin. 7. FinanceAsia (Future Fund acquisition of Australian Infrastructure Fund).

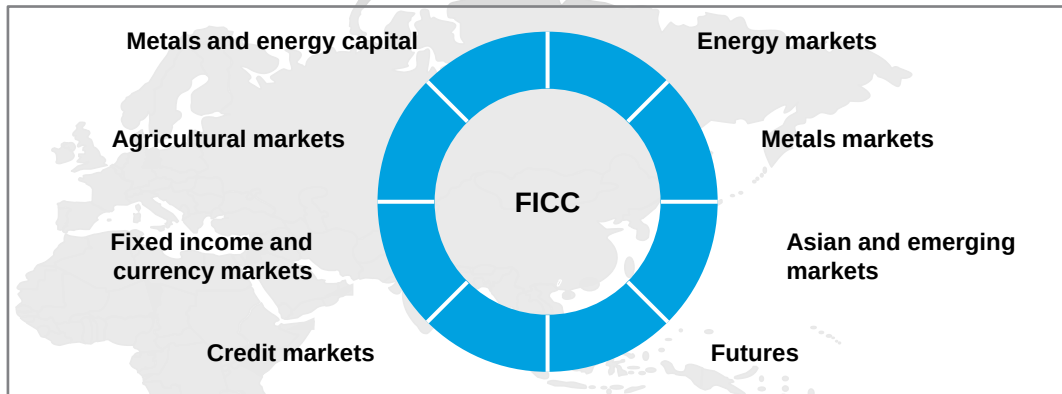
About Macquarie

Fixed Income, Currencies and Commodities



A portfolio of businesses across Commodity and Financial markets

- Global fixed income, currencies and commodities provider of finance, risk solutions and market access to producers/consumers and financial institutions/investors
- Growing presence in physical commodities (natural gas, LNG, NGLs, power, oil, coal, base metals, iron ore, sugar and freight)
- Predominant in US and Australia, niche offering in Canada and Latin America, growing presence in Asia and EMEA
- Key specialties: commodities, Asian and emerging markets, high yield and distressed debt



Global physical and financial commodity markets + primary and secondary financial markets

30+ years
in Metals and Futures markets

20+ years
in Agricultural and FX markets

10+ years
in Energy markets
No.4 physical gas marketer in North America¹

Ranked as **best** major
currency forecaster²



Long standing conservative risk management

- 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
Business heads responsible for identifying risks within their businesses and ensuring these are managed appropriately. Seek a clear analysis of the risks before taking decisions.	Risk management approach based on examining the consequences of worst case outcomes and determining whether risks can be tolerated. Adopted for all material risk types and often achieved by stress testing.	Risk Management Group (RMG) signs off all material risk acceptance decisions. 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.

- 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

3Q14 Update and Outlook

Macquarie Group Limited

Presentation to Investors and Analysts March 2014

3Q14 Overview



- Since our 1H14 result announcement, market conditions continued to show signs of improvement, however client activity remains subdued for some capital markets facing businesses
- Macquarie's annuity-style businesses (Macquarie Funds, Banking and Financial Services and Corporate and Asset Finance) continue to perform well with combined Dec 13 qtr net profit contribution¹ up on pcp (Dec 12 qtr) and the prior period (Sep 13 qtr)
- Macquarie's capital markets facing businesses (FICC, Macquarie Securities Group and Macquarie Capital) experienced mixed trading conditions with combined Dec 13 qtr net profit contribution down on pcp and up on the prior period
 - Macquarie Securities and Macquarie Capital experienced increased levels of activity in ECM, particularly in Asia and Australia, although M&A activity levels continue to be subdued
 - FICC: Net profit contribution up on the prior period but down on pcp which was a strong quarter across most FICC businesses

1. Net profit contribution is operating income less operating expenses and is reported before profit share, income tax and unallocated corporate costs.

Short term outlook



- Summarised below are the outlook statements for each Operating Group
- FY14 results will vary with market conditions, particularly the capital markets facing businesses, some of which continue to experience subdued market conditions

Operating Group	Net profit contribution				
	FY07–FY13 historical range	FY07–FY13 average	FY13	FY14 outlook as announced in Feb14 ¹	Update to FY14 outlook
Macquarie Funds	\$A0.3b – \$A1.1b	\$A0.7b	\$A0.8b	Up on FY13 due to base and performance fees and impact of FX	No change
Corporate and Asset Finance	\$A0.1b – \$A0.7b ²	\$A0.4b	\$A0.7b	Up on FY13	No change
Banking and Financial Services	\$A0.1b – \$A0.3b ^{3,4}	\$A0.2b ⁴	\$A0.2b ⁴	Broadly in line with FY13	No change
Macquarie Securities	\$A(0.2)b – \$A1.2b	\$A0.4b	\$A(50)m	Up on FY13	No change
Macquarie Capital	\$A(0.1)b – \$A1.6b	\$A0.5b	\$A0.2b	Up on FY13	No change
FICC	\$A0.5b – \$A0.8b	\$A0.6b	\$A0.6b	Down on FY13, with the potential to be broadly in line with FY13 if recent improvements in market conditions persist	Broadly in line with, or slightly up on, FY13
Corporate	– Compensation ratio to be consistent with historical levels – Based on present mix of income, currently expect tax rate to be broadly in line with FY13				

1. Group Operational Briefing Feb 14. 2. Range excludes FY09 provisions for loan losses of \$A135m related to Real Estate Structured Finance loans as this is a restructured business. 3. Range excludes FY09 loss on sale of Italian mortgages of \$A248m as this is a discontinued business. 4. During the half year ended 30 Sep 13, Group Treasury revised internal funding transfer pricing arrangements relating to BFS's deposit and lending activities. Comparatives have been restated to reflect the current methodology.

Short term outlook



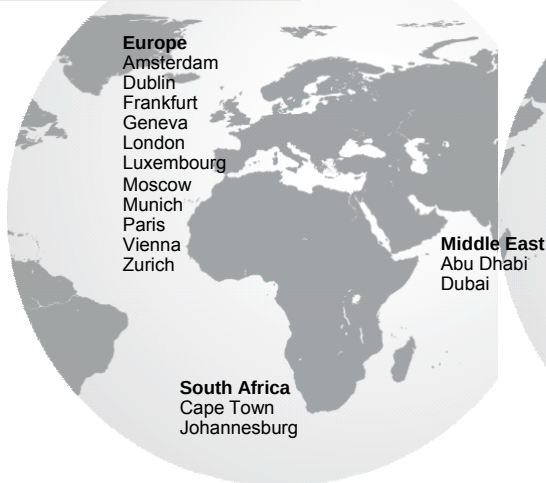
- Consistent with our previous statements to the market, while market volatility makes forecasting difficult, we continue to expect the FY14 net profit contribution¹ from operating groups to be up on FY13
- Tax rate is currently expected to be broadly in line with FY13
- Accordingly, we currently expect Macquarie's result for FY14 to be up approx. 40-45% on FY13 subject to the completion rate of transactions and the conduct of period end reviews
- Our short term outlook remains subject to a range of challenges including:
 - Market conditions
 - The cost of our continued conservative approach to funding and capital; and
 - Potential regulatory changes and tax uncertainties

1. Net profit contribution is operating income less operating expenses and is reported before profit share, income tax and unallocated corporate costs.

13,578¹ staff in over 28 countries

Europe, Middle East & Africa²

Staff: 1,200



Asia

Staff: 3,408



Australia⁴

Staff: 6,306

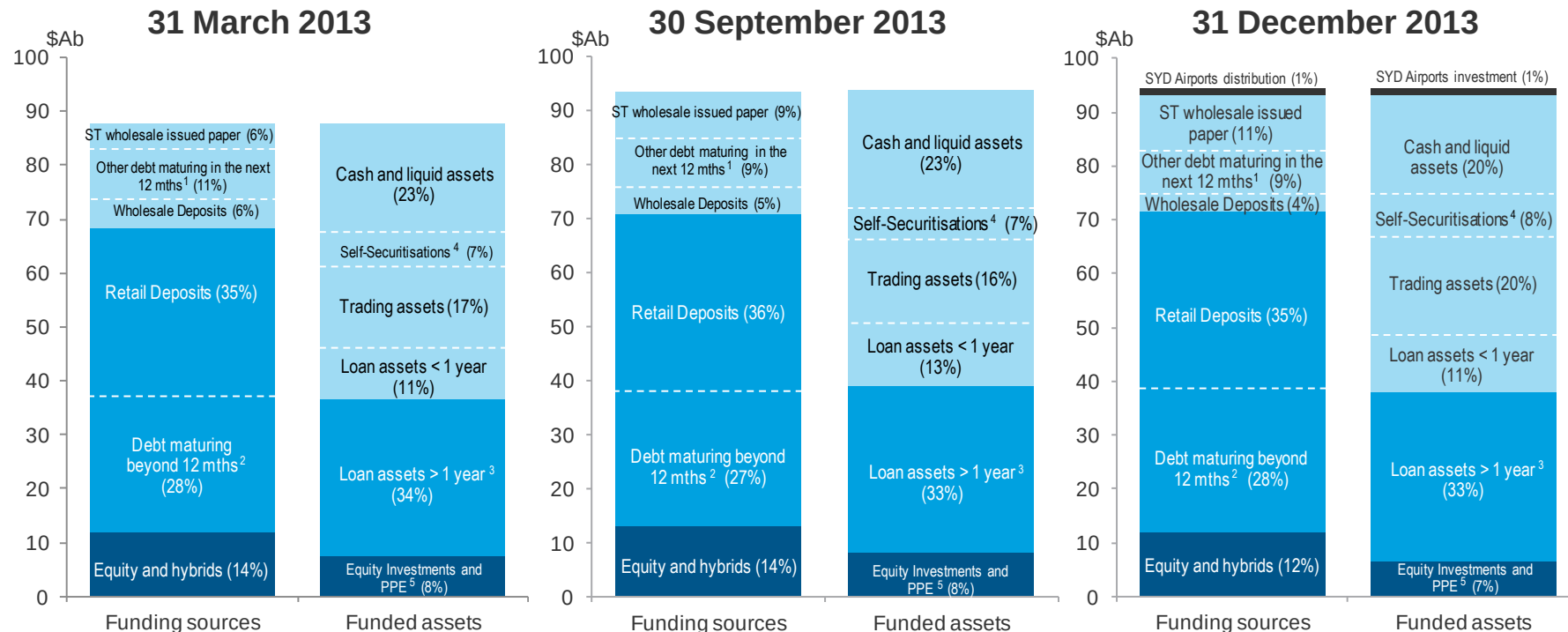
Americas

Staff: 2,664³



1. Staff numbers as at 31 Dec 13. 2. Excludes staff in Macquarie First South joint venture and staff seconded to Macquarie Renaissance joint venture (Moscow). 3. Decrease of 591 staff from 3,255 at 30 Sep 13 primarily due to the sale of MPW Canada business in Nov 13. 4. Includes New Zealand.

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 Bank Loans maturing within the next 12 months and Net Trade Creditors.

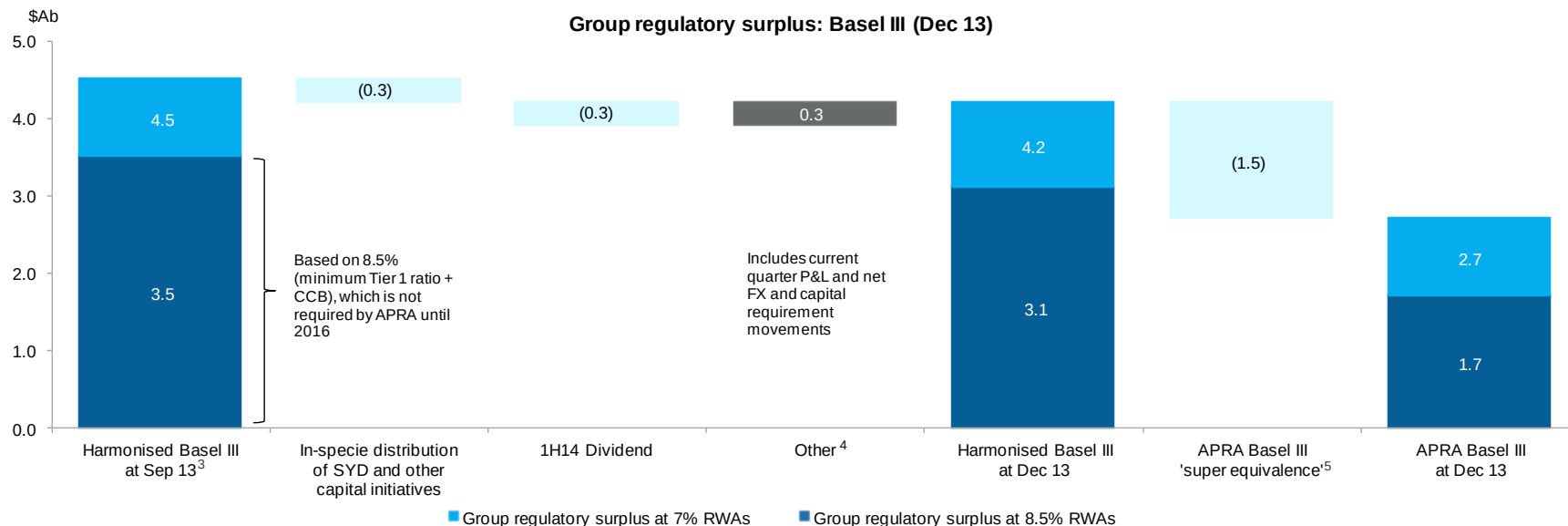
2. 'Debt maturing beyond 12 mths' includes Loan Capital. 3. 'Loan Assets > 1 yr' includes Debt Investment Securities, Net working capital, and Operating Lease Assets. 4. 'Self-Securitisations' includes repo eligible Australian mortgages originated by Macquarie.

5. 'Equity Investments and PPE' includes the Group's co-investments in Macquarie-managed funds and equity investments.

Basel III capital position



- APRA Basel III Group capital of \$A12.7b, Group surplus of \$A2.7b¹ at Dec 13
- Strong Bank Group APRA Basel III CET1 ratio – Common Equity Tier 1: 9.7%; Tier 1: 10.8%²
- Dec 13 Group capital surplus figure includes the impact of the Jan 14 SYD distribution



1. Calculated at 7% RWA. 2. Bank Group Harmonised Basel III ratios – Common Equity Tier 1: 11.7%; Tier 1: 12.7%. 3. 'Harmonised' Basel III estimates assume alignment with BIS in areas where APRA differs from the BIS. 4. Includes the net impact of hedging employed to reduce the sensitivity of the Group's capital position to FX translation movements. 5. APRA Basel III 'super-equivalence' includes full CET1 deductions of equity investments (\$A0.7b); deconsolidated subsidiaries (\$A0.4b); DTAs and other impacts (\$A0.4b).

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 Funds, 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 Fixed Income, Currencies and Commodities
- 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 pre SYD distribution

30 September 2013



Operating Group	APRA Basel III Capital ¹ @ 8.5% (\$Ab)	Approx. 1H14 Return on Ordinary Equity ²	
Annuity-style businesses	5.5		Approx. 7-Year Average Return on Ordinary Equity²
Macquarie Funds Group	2.0	19% ³	20% ⁴
Corporate and Asset Finance	2.4		
Banking and Financial Services	1.1		
Capital markets facing businesses	4.4		Approx. 7-Year Average Return on Ordinary Equity²
Macquarie Securities	0.6	6%	15%–20%
Macquarie Capital	1.3		
FICC	2.5		
Corporate and Other	1.7		
Legacy Assets	0.9		
Corporate	0.8		
Total regulatory capital requirement @ 8.5%	11.6		
Comprising: Ordinary Equity	9.9		
Hybrid	1.7		
Add: Surplus Ordinary Equity	2.1		
Total APRA Basel III capital supply	13.7		

1. As at 30 Sep 13. 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. 7-year average covers FY07 to FY13, inclusively. 3. During the half year ended 30 Sep 13, Group Treasury revised internal funding transfer pricing arrangements relating to Banking and Financial Services' deposit and lending activities. 4. CAF excluded from 7-year average as not meaningful given the significant increase in scale of CAF's platform over the 7-year period.

03

Appendix – 1H14 Financial Summary

Macquarie Group Limited

Presentation to Investors and Analysts March 2014



1H14 Result

- Net profit of \$A501m, up 39% on 1H13 and up 2% on 2H13
- Operating income \$A3.7b, up 20% on 1H13 and up 2% on 2H13
- Macquarie's annuity-style businesses (Macquarie Funds Group, Corporate and Asset Finance, and Banking and Financial Services) continued to perform well with 1H14 combined results up 24% on 1H13 and up 15% on 2H13
- Macquarie's capital markets facing businesses' (Macquarie Securities, Macquarie Capital, and Fixed Income, Currencies and Commodities) combined results up significantly on 1H13 and down 25% on 2H13
 - Macquarie Securities and Macquarie Capital experienced improved activity levels in ECM, although M&A continued to be subdued
 - FICC impacted by further impairments in MEC, reflecting continued weak investor sentiment and confidence in resource equity markets
- Operating expenses \$A2.9b, up 13% on 1H13 and up 6% on 2H13
- Effective tax rate of 38.0%, in line with FY13
- EPS \$A1.50, up 42% on 1H13 and up 3% on 2H13
- Return on equity 8.7%, up from 6.6% in 1H13 and down from 8.9% in 2H13
- 1H14 dividend of \$A1.00 (40% franked), up on 1H13 dividend of \$A0.75 (unfranked) and down on 2H13 dividend of \$A1.25 (40% franked)

1H14 Result



	Sep 13 v Sep 12	Sep 13 \$Am	Mar 13 \$Am	Sep 12 \$Am
Net operating income	↑ 20%	3,679	3,603	3,054
Total operating expenses	↑ 13%	(2,869)	(2,715)	(2,537)
Operating profit before income tax	↑ 57%	810	888	517
Income tax expense	↑ 97%	(307)	(377)	(156)
Profit attributable to non-controlling interests		(2)	(21)	—
Profit attributable to MGL shareholders	↑ 39%	501	490	361

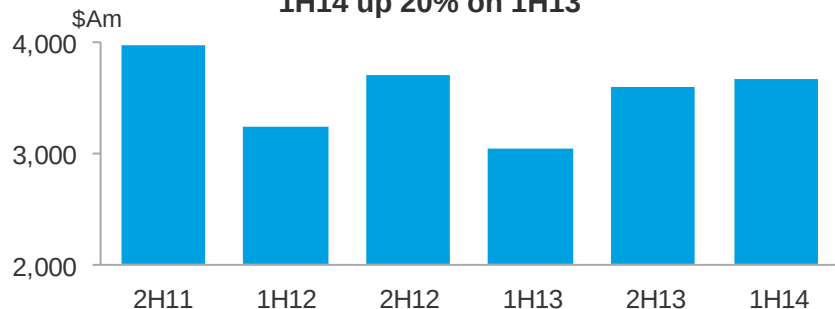
1H14 Result

Financial performance



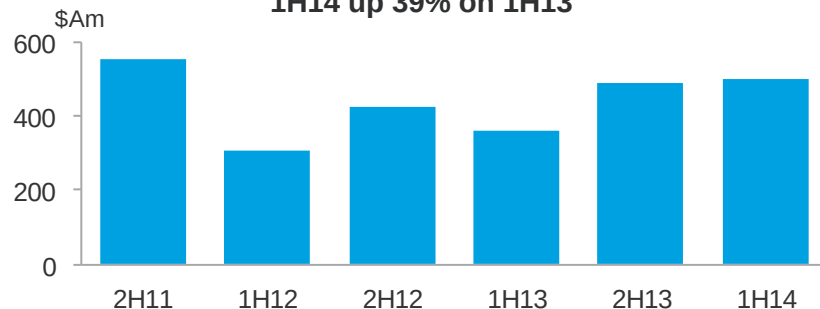
1H14 Operating income of \$A3,679m

1H14 up 20% on 1H13



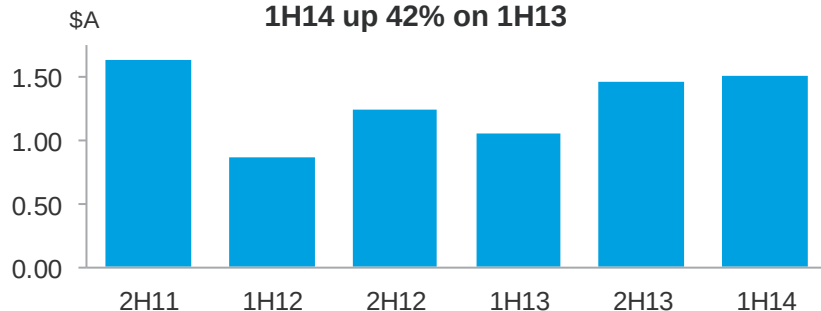
1H14 Profit of \$A501m

1H14 up 39% on 1H13



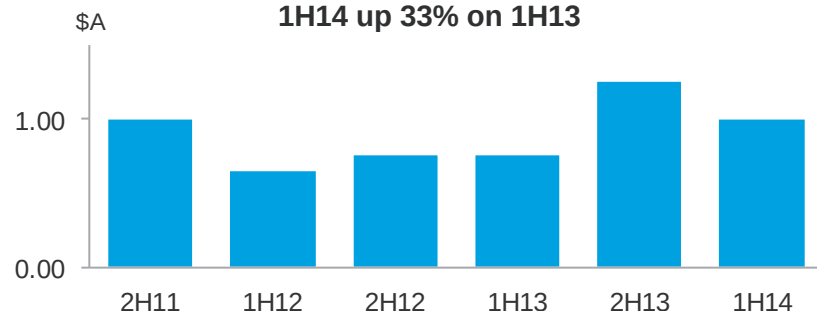
1H14 EPS of \$A1.50

1H14 up 42% on 1H13



1H14 DPS of \$A1.00

1H14 up 33% on 1H13



1H14 Diversified by region

International income¹ 66% of total

Total staff 13,901; International staff 56% of total



MACQUARIE

Europe, Middle East & Africa²

Income: \$A741m (21% of total)
Staff: 1,199



Asia

Income: \$A485m (13% of total)
Staff: 3,280



Americas

Income: \$A1,162m (32% of total)
Staff: 3,255



Australia³

Income: \$A1,204m (34% of total)
Staff: 6,167

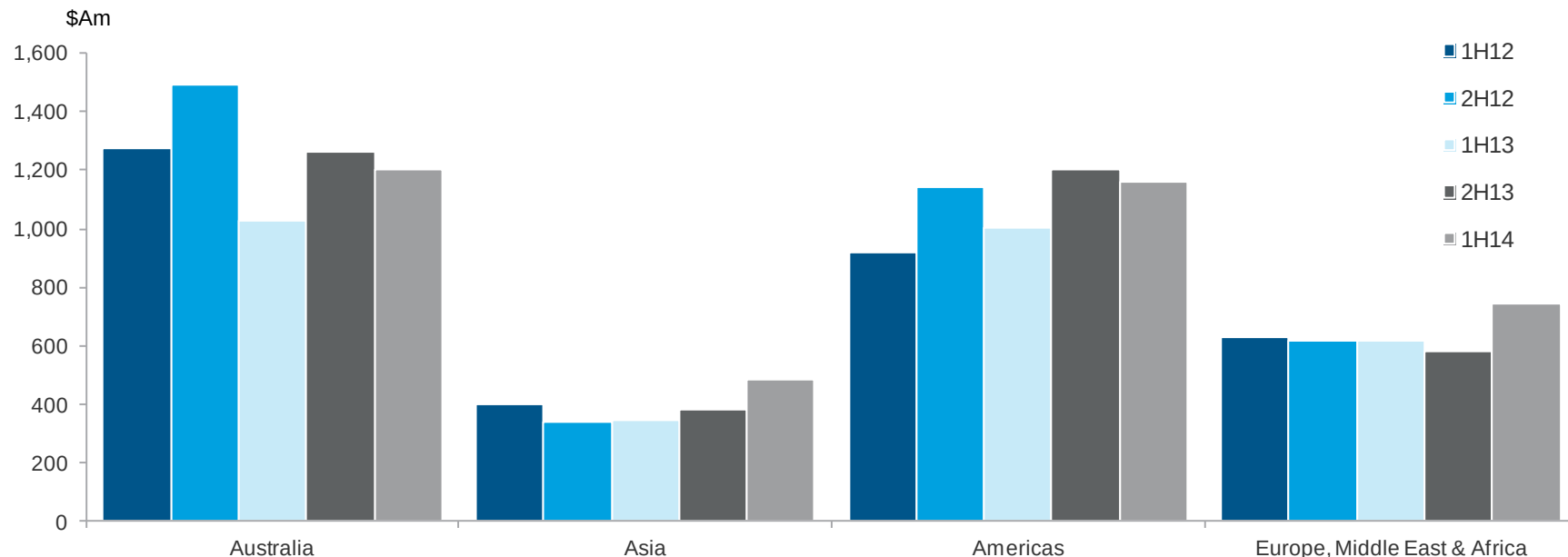
1. Operating income net of impairment charges for the half year to 30 Sep 13. Net operating income in each region excludes income from the Corporate segment. 2. Excludes staff in Macquarie First South joint venture and staff seconded to Macquarie Renaissance joint venture (Moscow). 3. Includes New Zealand.

1H14 Diversified income

Net operating income by region



- 66% of operating income¹ in 1H14 is generated offshore
- FX movements estimated to have ~5% favourable impact on the 1H14 result compared to both 1H13 and 2H13



1. Operating income net of impairment charges for the half year to 30 Sep 13. Net operating income in each region excludes income from the Corporate segment.

Strong funding and balance sheet position



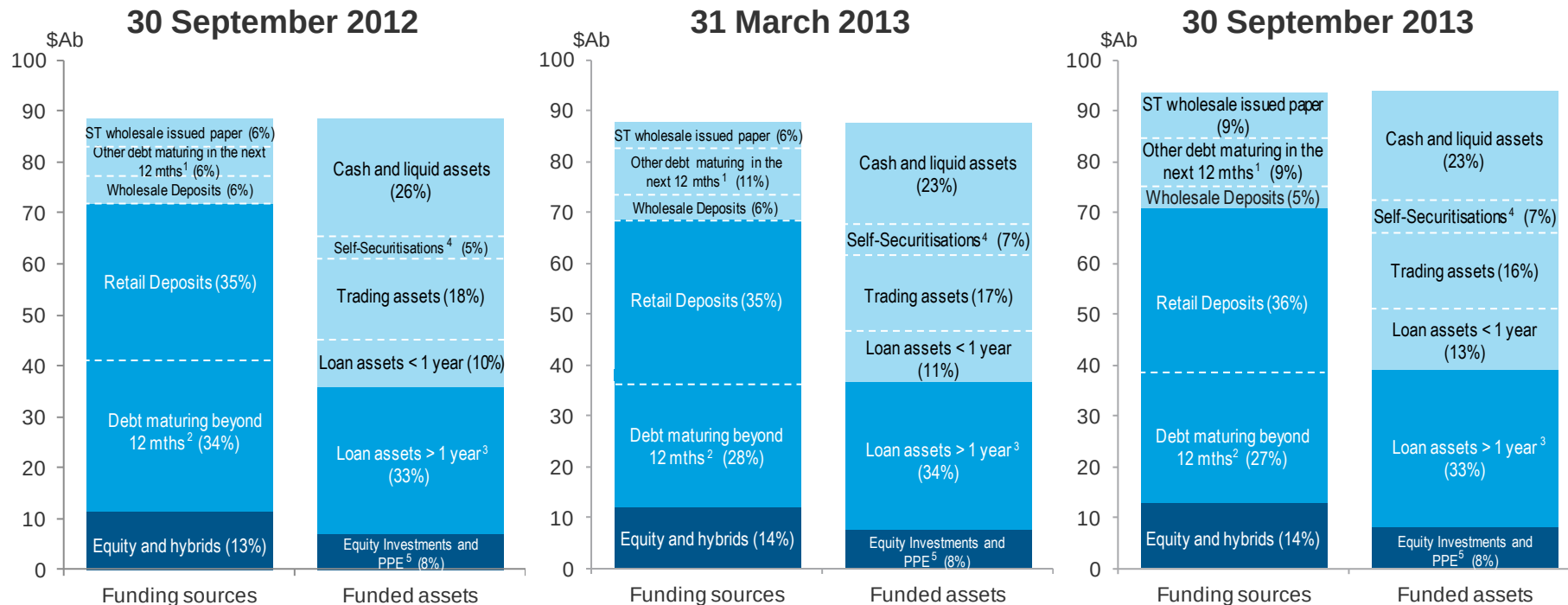
- Diverse and stable funding base, minimal reliance on short term wholesale funding markets
- Surplus funding capacity continues to be deployed
- Total deposits¹ increased to \$A38.0b at Sep 13 from \$A36.2b at Mar 13
- \$A7.9b of new term funding raised since Mar 13

1. These balances represent total deposits per the funded balance sheet, which differs from total deposits per the statutory balance sheet (\$A42.7b at 30 Sep 13). The funded balance sheet excludes any deposits which do not represent a funding source for the Group.

Funded balance sheet remains strong



MACQUARIE



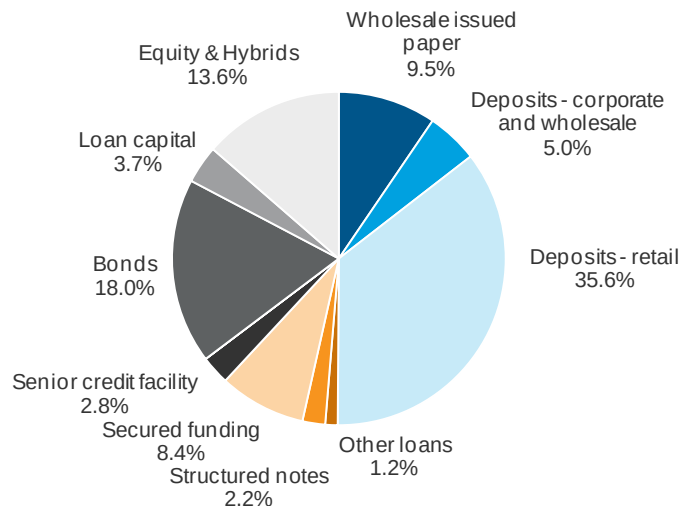
These charts represent Macquarie Group Limited's funded balance sheets at the respective dates noted above. For details regarding reconciliation of the funded balance sheet to the Group's statutory balance sheet, refer to slide 50. 1. 'Other debt maturing in the next 12 mths' includes Structured Notes, Secured Funding, Bonds, Other Bank Loans maturing within the next 12 months and Net Trade Debtors. 2. 'Debt maturing beyond 12 mths' includes Loan Capital. 3. 'Loan Assets > 1 yr' includes Debt Investment Securities, Net working capital, and Operating Lease Assets. 4. 'Self-Securitisations' includes repo eligible Australian mortgages originated by Macquarie. 5. 'Equity Investments and PPE' includes the Group's co-investments in Macquarie-managed funds and equity investments.

Well diversified funding sources

30 September 2013

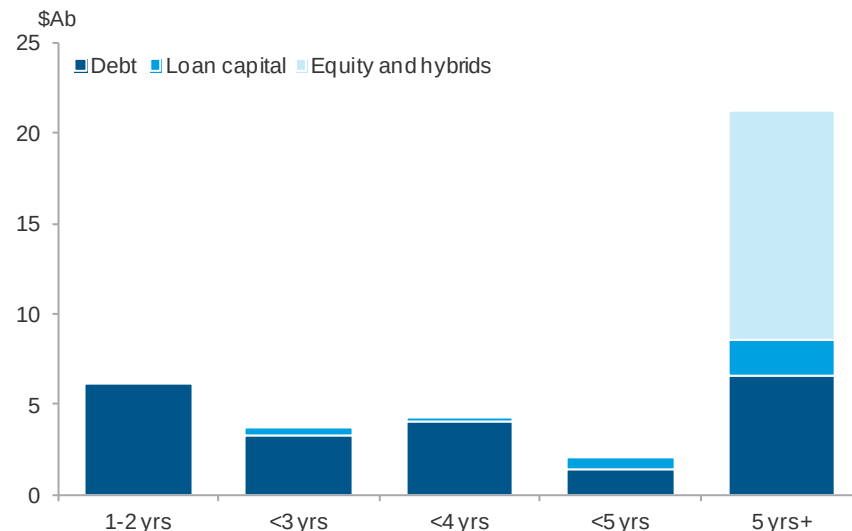


Diversity of MGL funding sources



- Well diversified funding sources
- Minimal reliance on short term wholesale funding markets
- Deposit base represents 41% of total funding sources

MGL term funding (drawn and undrawn¹) maturing beyond one year (including equity and hybrids)



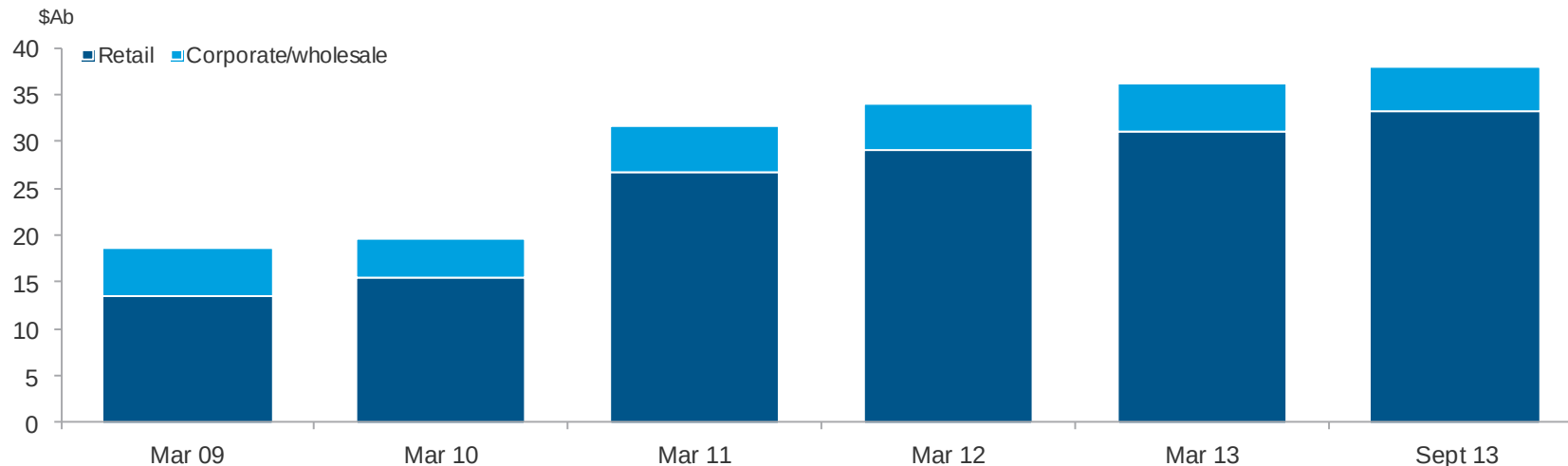
- Term funding beyond one year (excluding equity) has a weighted average term to maturity of 4.6 years

1. Includes \$A0.3b of undrawn term facilities for the Group.

Continued retail deposit growth



- Macquarie has been successful in pursuing its strategy of diversifying its funding sources through growing its deposit base
 - In excess of 1 million retail clients, of which more than 681,000 are depositors
 - Focus on the composition and quality of the deposit base
 - Continue to grow deposits in the CMA product which has an average balance of \$A41k

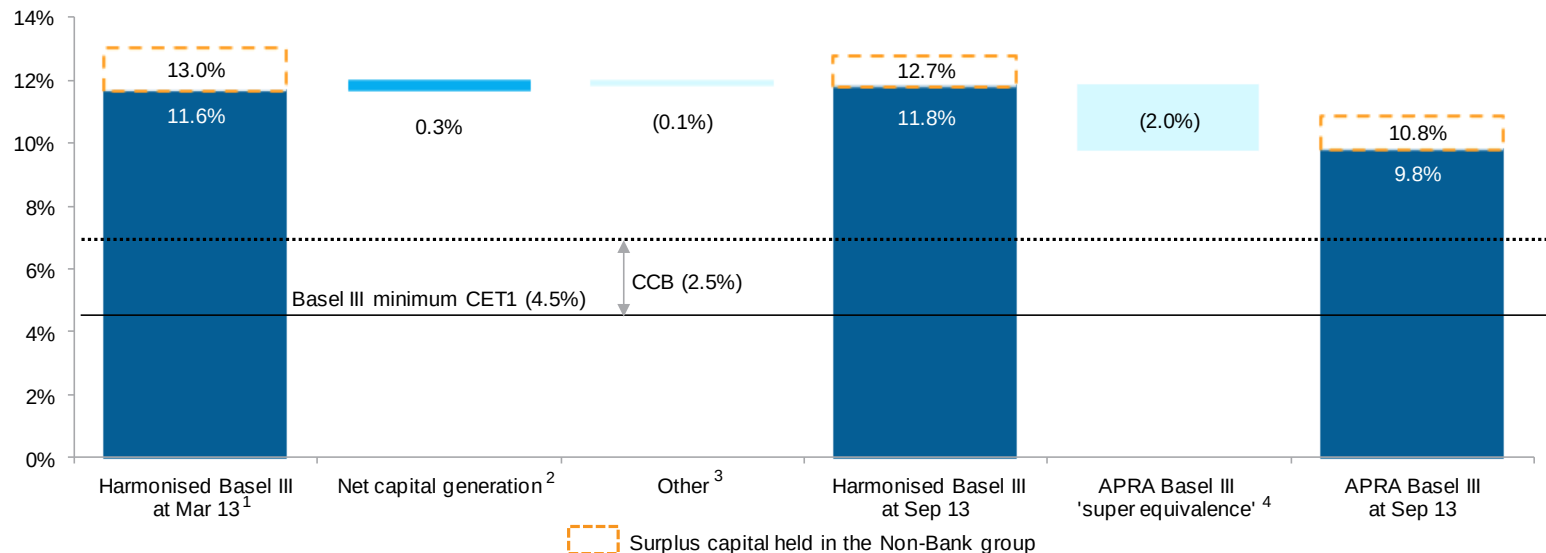


Bank Group Basel III Common Equity Tier 1 (CET1) Ratio



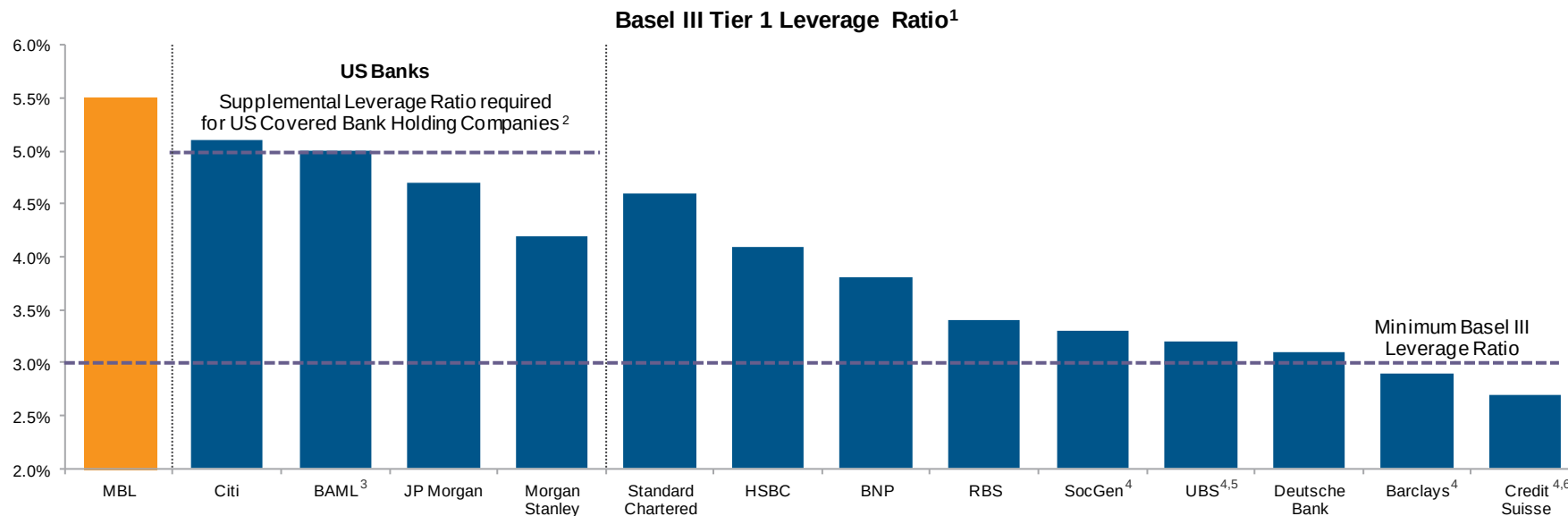
- Strong Bank Group APRA Basel III CET1 ratio – Common Equity Tier 1: 9.8%; Tier 1: 10.9%
- Basel III applies only to the Bank Group and not the Non-Bank Group

Bank Group Common Equity Tier 1 (CET1) Ratio: Basel III (Sep 13)



1. Harmonised¹ Basel III figures assume alignment with BIS in areas where APRA differs from the BIS. 2. Includes MBL 1H14 P&L less dividends paid from MBL to MGL. 3. Includes the net impact of hedging employed to reduce the sensitivity of MBL's capital position to FX translation movements. 4. APRA Basel III 'super-equivalence' includes full CET1 deductions of equity investments (0.9%); deconsolidated subsidiaries (0.6%); DTAs and other impacts (0.5%).

Basel III Leverage Ratio peer comparison



1. Peer leverage ratios from Sep 13 quarter financial result public disclosures (or most recent public disclosures if unavailable). MBL ratio as at Jun 13. EU banks disclosed under CRD IV fully-loaded leverage ratio, which is based on the Dec 10 Basel Committee on Banking Supervision (BCBS) proposals. US banks disclosed under US Basel III final rules, where leverage ratio is also based on the Dec 10 BCBS proposals. MBL leverage ratio calculated on an estimated basis, using the Jun 13 BCBS revised leverage ratio requirements. 2. In Jul 13, the US banking agencies proposed higher leverage ratio requirements for the eight US bank holding companies that have been identified as G-SIBs. 3. BAML disclosures indicated a leverage ratio '>5%', which is represented as 5.0%. 4. Where significant capital actions have been completed post disclosure dates, pro forma leverage ratios are presented as per the peers' public disclosures: Société Générale 2Q13 leverage ratio includes the disposal of legacy assets and a subordinated hybrid Tier 1 issue completed during July and August 2013; UBS 3Q13 leverage ratio includes the impact of exercising the CHF 2.5b SNB StabFund option to be completed in 4Q13; Barclays 3Q13 leverage ratio includes the £5.8b rights issue completed Oct 13; Credit Suisse 3Q13 leverage ratio includes the exchange on 23 Oct 13 of CHF 3.8b hybrid Tier 1 notes into high-trigger capital instruments. 5. UBS leverage ratio disclosed under the Swiss Systemically Relevant Bank (SRB) Basel III rules (fully applied). 6. Credit Suisse leverage ratio disclosed on a Basel III Tier 1 basis.

Loan portfolio¹ growth – Funded Balance Sheet



Category	Sep 13 \$Ab	Mar 13 \$Ab	Sep 12 \$Ab
Mortgages:			
Australia	8.0	6.8	4.5
United States	0.5	0.7	0.7
Canada	6.1	6.7	7.8
Other	0.2	0.2	0.1
Total mortgages	14.8	14.4	13.1
Structured investments	4.3	3.6	3.4
Banking	4.5	4.0	3.8
Real Estate	2.6	2.3	1.9
Resources and commodities	2.1	2.3	2.4
Finance leases	4.9	4.2	3.5
Corporate lending	5.5	5.6	6.3
Other lending	1.5	1.4	1.1
	40.2	37.8	35.5
Operating leases	5.7	5.1	4.6
Total loan assets per funded balance sheet²	45.9	42.9	40.1

1. For the purposes of this disclosure, loan assets at amortised cost per the statutory balance sheet of \$A54.5b at 30 Sep 13 (\$A49.1b at 31 Mar 2013) are adjusted to include fundable assets not classified as loans on the statutory balance sheet (for example, assets subject to operating leases) and exclude loan assets that do not represent a funding requirement of the Group. 2. Total loan assets per funded balance sheet includes self securitisation assets.

Equity investments of \$A5.5b¹



Category	Carrying value ² Sep 13 \$Am	Carrying value ² Mar 13 \$Am	Description
Macquarie Funds (MIRA) managed funds	1,218	1,158	Macquarie Infrastructure Company, Macquarie Atlas Roads, Macquarie Mexican REIT, Macquarie Korea Infrastructure Fund, Asian Pay Television Trust, Macquarie International Infrastructure Fund
Other Macquarie managed funds	302	302	Includes investments that hedge DPS plan liabilities
Transport, industrial and infrastructure	1,771	1,558	Includes investment in Sydney Airport
Telcos, IT, media and entertainment	610	646	Includes investment in Southern Cross Media Group Limited
Energy, resources and commodities	573	588	Over 100 separate investments
Real estate investment, property and funds management	574	621	Represents property and JV investments/loans. Includes investments in American Manufactured Communities REIT, MGPA, Charter Hall Limited and Medallist
Finance, wealth management and exchanges	454	352	Includes investments in fund managers, investment companies, securities exchanges and other corporations in the financial services industry. Significant investments include M.D. Sass and OzForex
	5,502	5,225	

1. Equity investments per the statutory balance sheet of \$A7,233m (Mar 13: \$A7,582m) have been adjusted to reflect the total economic exposure to Macquarie. 2. Total funded equity investments of \$A6,122m (Mar 13: \$A5,468m), less available for sale reserves of \$A689m (Mar 13: \$A365m) and associate reserves of \$A16m (Mar 13: \$Anil), plus other assets of \$A85m (Mar 13: \$A122m).



MACQUARIE

04

Contacts

Macquarie Group Limited
Presentation to Investors and Analysts March 2014

Contact Details



Patrick Upfold

Chief Financial Officer
Macquarie Group Limited
Level 7, No.1 Martin Place
Sydney NSW 2000
Telephone: +612 8232 7724
Email: patrick.upfold@macquarie.com

Karen Khadi

Head of Investor Relations
Macquarie Group Limited
Level 7, No.1 Martin Place
Sydney NSW 2000
Telephone: +612 8232 3548
Email: karen.khadi@macquarie.com



Macquarie Group Limited