

SECOND SUPPLEMENT TO THE OFFERING MEMORANDUM DATED 14 JUNE 2016

MACQUARIE GROUP LIMITED

(ABN 94 122 169 279)

(incorporated with limited liability in the Commonwealth of Australia)



U.S.\$10,000,000,000

(or equivalent in other currencies)

Debt Instrument Programme

ISSUER

Macquarie Group Limited

DEALERS

Australia and New Zealand Banking Group Limited

BofA Merrill Lynch

Barclays

Citigroup

Commonwealth Bank of Australia

Credit Suisse

HSBC

ING

J.P. Morgan

Macquarie Bank International Limited

Macquarie Bank Limited

National Australia Bank Limited

SMBC Nikko

Société Générale Corporate & Investment Banking

Standard Chartered Bank

Westpac Banking Corporation

ISSUING & PAYING AGENT

Deutsche Bank AG, London Branch

CMU LODGING AGENT

Deutsche Bank AG, Hong Kong Branch

The date of this Supplement is 18 May 2017

Pages 1 to 161 (inclusive) and pages 238 to 240 (inclusive) of the Offering Memorandum dated 14 June 2016 comprise a base prospectus of Macquarie Group Limited (ABN 94 122 169 279) ("**Issuer**" or "**MGL**") (the "**Base Prospectus**") for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (the "**Prospectus Directive**") in respect of unsecured and unsubordinated debt instruments to be admitted to the Official List of the UK Listing Authority (as defined below) and to be admitted to trading on the London Stock Exchange's regulated market ("**PD Debt Instruments**"). The Base Prospectus was approved by the Financial Conduct Authority ("**FCA**") in its capacity as competent authority under the Financial Services and Markets Act 2000 (UK) ("**FSMA**") ("**UK Listing Authority**") for the purposes of the Prospectus Directive on 14 June 2016.

Pages 162 to 237 (inclusive) of the Offering Memorandum comprise an offering circular (the "**Offering Circular**") and has been prepared by MGL in connection with the issuance of unsecured, unsubordinated or subordinated debt instruments other than PD Debt Instruments ("**Non-PD Debt Instruments**" and, together with the PD Debt Instruments, the "**Debt Instruments**"). The Offering Circular has not been reviewed or approved by the UK Listing Authority and does not constitute a prospectus for the purposes of the Prospectus Directive. The Offering Circular does not form part of the Base Prospectus.

Second Supplementary Prospectus

Pages 1 to 4 (inclusive) of this supplement (the "**Second Supplementary Prospectus**") are supplemental to, and must be read in conjunction with, the Base Prospectus and all documents which are deemed to be incorporated in, and to form part of, the Base Prospectus. This Second Supplementary Prospectus constitutes a supplementary prospectus for the purposes of Section 87G of the FSMA. The information on page 5 of this supplement constitutes a supplementary offering circular and does not form part of the Base Prospectus or this Second Supplementary Prospectus. Unless specified otherwise, terms used herein shall be deemed to have the meanings given to them in the Base Prospectus.

MGL accepts responsibility for the information contained in this Second Supplementary Prospectus. To the best of MGL's knowledge (after having taken reasonable care to ensure that such is the case), the information contained in this Second Supplementary Prospectus is in accordance with the facts and this Second Supplementary Prospectus makes no omission likely to affect its import.

The purpose of this Second Supplementary Prospectus is to (a) incorporate by reference into the Base Prospectus information included in the MGL 2017 Annual Report ("**2017 Annual Report**"), and (b) update section B.12 of the Summary of the Programme contained in the Base Prospectus to include selected historical key financial information from the 2017 Annual Report.

Investors should be aware of their rights under section 87Q(4) of the FSMA.

Additional Financial Information

MGL 2017 Annual Report

On 5 May 2017, MGL published its 2017 Annual Report, which includes the audited financial statements of MGL consolidated with its controlled entities for the years ended 31 March 2016 and 31 March 2017, and the Independent Auditor's Report in respect of such financial statements. The information in the 2017 Annual Report specified below shall be deemed to be incorporated in, and to form part of, the Base Prospectus.

The audited financial statements of MGL consolidated with its controlled entities for the years ended 31 March 2016 and 31 March 2017 includes the Income Statements, Statements of Comprehensive Income, Statements of Financial Position, Statements of Changes in Equity, Statements of Cash Flow, Notes to the Financial Statements, Directors' Declaration and the Independent Auditor's Report. These can be located in the 2017 Annual Report on the following pages:

	2017 Annual Report (page)
Income Statement	87
Statement of Comprehensive Income	88
Statement of Financial Position	89
Statement of Changes in Equity	90-91
Statement of Cash Flow	92
Notes to the Financial Statements	93-193
Directors' Declaration	194
Independent Auditor's Report	195-199

If any information listed in the table above itself incorporates any information or other documents therein, either expressly or implicitly, such information or other documents will not be incorporated in, or form part of, the Base Prospectus, except where such information or other documents are specifically incorporated by reference in, or attached to, the Base Prospectus by virtue of this Second Supplementary Prospectus. The non-incorporated parts of the 2017 Annual Report are either not relevant or are covered elsewhere in the Base Prospectus to which this Second Supplementary Prospectus relates.

Update to Section B.12 of the Summary of the Programme

Section B.12 of the Summary of the Programme contained in the Base Prospectus is updated as set out below to include selected historical key financial information from the 2017 Annual Report.

Element	Title						
B.12	Selected historical key financial information of the Issuer, no material adverse change statement and description of significant changes in financial or trading position of the Issuer	<i>Selected historical key financial information from Income Statements</i>					
			Consol. 2017 A\$m	Consol. 2016 A\$m	MGL. 2017 A\$m	MGL. 2016 A\$m	
		Net interest income	2,185	2,279	(41)	86	
		Net operating income	10,364	10,158	4,017	4,428	
		Total operating expenses	(7,260)	(7,143)	(6)	(10)	
		Operating profit before income tax	3,104	3,015	4,011	4,418	
		Income tax expense	(868)	(927)	(2)	(39)	
		Profit after income tax	2,236	2,088	4,009	4,379	
		(Profit)/loss attributable to non-controlling interests:					
		Macquarie Income Securities	(15)	(16)	-	-	
		Macquarie Income Preferred Securities	-	(1)	-	-	
		Other non-controlling interests	(4)	(8)	-	-	
Profit attributable to non-controlling interests				(19)	(25)	-	-
Profit attributable to ordinary equity holders of Macquarie Group Limited				2,217	2,063	4,009	4,379

Element	Title				
		<i>Selected historical key financial information from Statements of Financial Position</i>			
		Consol. 2017 A\$m	Consol. 2016 A\$m	MGL. 2017 A\$m	MGL. 2016 A\$m
		Total assets	182,877	196,755	32,749 31,302
		LIABILITIES			
		Total liabilities excluding loan capital	159,859	175,882	9,275 10,346
		Total loan capital	5,748	5,209	1,130 1,126
		Total liabilities	165,607	181,091	10,405 11,472
		Net assets	17,270	15,664	22,344 19,830
		EQUITY			
		Total capital and reserves attributable to ordinary equity holders of Macquarie Group Limited	15,563	15,116	22,344 19,830
		Non-controlling interests	1,707	548	- -
		Total equity	17,270	15,664	22,344 19,830
		[The financial information above is selected historical key financial information of MGL consolidated with its controlled entities ("Macquarie Group").]			
		[There has been no significant change in the financial or trading position of MGL or the Macquarie Group since 31 March 2017], and no material adverse change in the financial position or prospects of MGL or the Macquarie Group since 31 March 2017, being the end date for the last financial period for which audited financial statements of the Macquarie Group have been published.			

Additional General Information

To the extent that there is any inconsistency between (a) any statement in this Second Supplementary Prospectus or any statement incorporated by reference into the Base Prospectus by this Second Supplementary Prospectus and (b) any other statement in, or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

MGL will provide, without charge, upon the written request of any person, a copy of this Second Supplementary Prospectus and the information which is incorporated in this Second Supplementary Prospectus by reference. Written requests should be directed to MGL at its office at Level 6, 50 Martin Place, Sydney NSW 2000, Australia, for attention of the Group Treasurer. In addition, such documents and information will be available for inspection free of charge at the offices of Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2 2DB, United Kingdom. Copies of this Second Supplementary Prospectus and the 2017 Annual Report will also be published on the internet site www.macquarie.com.

All information which MGL has published or made available to the public in compliance with its obligations under the laws of the Commonwealth of Australia dealing with the regulation of securities, issuers of securities and securities markets has been released to ASX Limited ("ASX") in compliance with the continuous disclosure requirements of the ASX Listing Rules. Announcements made by MGL under such rules are available on the ASX's internet site www.asx.com.au (MGL's ASX code is "MQG").

Internet site addresses in this Second Supplementary Prospectus are included for reference only and the contents of any such internet sites are not incorporated by reference into, and do not form part of, the Base Prospectus.

There has been no significant change in the financial or trading position of MGL or MGL and its controlled entities ("Macquarie Group") and no material adverse change in the financial position or prospects, of MGL or the

Macquarie Group since 31 March 2017, being the end date for the last financial period for which audited financial statements of the Macquarie Group have been published.

Save as disclosed in this Second Supplementary Prospectus and the information which is incorporated in this Supplementary Prospectus by reference, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

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Supplementary Offering Circular

NEITHER THE OFFERING CIRCULAR NOR THIS SUPPLEMENTARY OFFERING CIRCULAR HAVE BEEN REVIEWED OR APPROVED BY THE UK LISTING AUTHORITY AND THE OFFERING CIRCULAR DOES NOT CONSTITUTE A PROSPECTUS FOR THE PURPOSES OF DIRECTIVE 2003/71/EC, AS AMENDED.

This page 4 of this supplement ("**Second Supplementary Offering Circular**") is supplemental to, and must be read in conjunction with, the Offering Circular and all documents which are deemed to be incorporated in, and to form part of, the Offering Circular. This Second Supplementary Offering Circular is to be read in conjunction with the following sections of the Second Supplementary Prospectus (save as amended herein):

- Additional Financial Information; and
- Additional General Information,

which will be deemed to be incorporated by reference herein, save that references to "Base Prospectus" shall be deemed to be to the "Offering Circular" and references to "Second Supplementary Prospectus" shall be deemed to be to this "Supplementary Offering Circular".