

Operational Briefing

Presentation to Investors and Analysts

12 February 2019

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Unless otherwise specified all information is as at 31 December 2018.



Agenda

- 10:00** **Introduction**
Sam Dobson
- 10:05** **Update since the interim result**
Shemara Wikramanayake
- 10:20** **The global evolution of Macquarie**
Shemara Wikramanayake
- 10:30** **Europe, the Middle East and Africa**
David Fass
- 11:00** **Americas**
Shawn Lytle
- 11:30** **Asia**
Ben Way



01

Introduction

Sam Dobson

Head of Investor Relations



02

Update since the interim result

Shemara Wikramanayake
Managing Director and Chief Executive Officer

About Macquarie



Annuity-style businesses

Macquarie Asset Management (MAM)

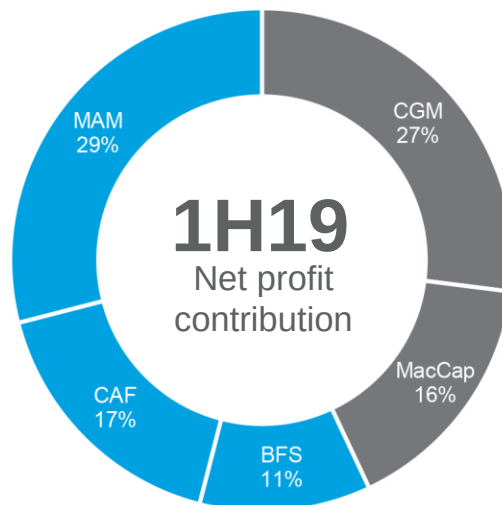
- Top 50¹ global asset manager with \$A532.1b^{2,3} of assets under management⁴, diversified across regions, products, asset classes and investor types
- Provides investment solutions to clients across a range of capabilities, including infrastructure, real estate, agriculture, equities, fixed income, private credit, liquid alternatives and multi-asset solutions

Corporate and Asset Finance (CAF)

- Global provider of specialist finance and asset management solutions, with a \$A21.6b^{2,5} asset and loan portfolio
- Asset Finance delivers a range of tailored finance solutions globally across a variety of industries and asset classes
- Principal Finance provides flexible primary financing solutions and engages in secondary market investing, across the capital structure. It operates globally in the corporate, transport and real estate sectors

Banking and Financial Services (BFS)

- Macquarie's retail banking and financial services business with total BFS deposits⁶ of \$A51.0b², Australian loan and lease portfolio⁷ of \$A61.3b^{2,8} and funds on platform⁹ of \$A82.6b²
- Provides a diverse range of personal banking, wealth management, business banking and vehicle asset finance products and services to retail clients, advisers, brokers and business clients



Markets-facing businesses

Commodities and Global Markets (CGM)

- Integrated, end-to-end offering across global markets including equities, fixed income, foreign exchange and commodities
- Provides clients with risk and capital solutions across physical and financial markets
- 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 (MacCap)

- Global capability in advisory, capital raising services and investing activities
- Provides clients with specialist expertise, innovative advice and flexible capital solutions across a range of sectors and products
- Invests own capital by utilising its balance sheet, investing alongside partners to develop assets, build businesses and create platforms, focusing on green energy, infrastructure, technology sectors and private equity clients

Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on 1H19 net profit contribution from operating groups as reported on 2 Nov 18 and has not been restated for business reorganisations affecting MAM, CAF and BFS that occurred during Dec 2018. 1. P&I Largest Money Managers 2018. 2. As at 31 Dec 18. 3. Including MSIS, total AUM \$A540.0b as at 31 Dec 18. MSIS transferred from MAM to CAF on 1 Dec 18. 4. AUM is calculated as proportional enterprise value at measurement date including equity value and net debt of the underlying assets of funds and managed assets. AUM excludes uninvested equity in MIRA. The infrastructure debt business (MIDIS) within MSIS will transfer to MAM subject to regulatory approvals. 5. Compared to \$A21.3b restated as at 30 Sep 18. 6. BFS deposits exclude corporate/wholesale deposits. 7. The Australian loan and lease portfolio comprises residential mortgages, loans to Australian businesses, vehicle asset finance, insurance premium funding and credit cards. 8. Compared to \$A60.0b restated as at 30 Sep 18. 9. Funds on platform includes Macquarie Wrap and Vision.

3Q19

Overview



- Satisfactory trading conditions with significant realisations in 3Q19 across the Group
- Macquarie's annuity-style businesses' (MAM, CAF and BFS) combined 3Q19 net profit contribution¹ slightly up on pcp (3Q18)
 - FY19 YTD² net profit contribution¹ down on FY18 YTD² mainly due to: lower performance fees in MAM; offset by timing of transactions in CAF Principal Finance; and continued growth in BFS
- Macquarie's markets-facing businesses' (CGM and MacCap) combined 3Q19 net profit contribution¹ significantly up on pcp
 - FY19 YTD² net profit contribution¹ significantly up on FY18 YTD² primarily due to: higher principal revenue in MacCap; and the strong performance of the commodities platform in CGM

1. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 2. YTD refers to the nine months to 31 Dec for the relevant year.

3Q19

Overview

Annuity-style businesses



Macquarie Asset Management

29%

1H19 contribution¹

- AUM of \$A532.1b² at Dec 18, down 2% on Sep 18 predominately driven by market movements
- MIRA: \$A116.8b in EUM³, up 10% on Sep 18; \$A8.7b in new equity raised in 3Q19 including \$A7.4b in Europe; \$A1.0b of equity invested; \$A1.2b of asset divestments; and \$A24.3b of equity to deploy at Dec 18
- MIRA: Appointed as investment manager of The Infrastructure Fund (TIF), a \$A2.5b unlisted infrastructure fund in Australia
- MIM: \$A346.2b in AUM, down 5% on Sep 18, predominately driven by market movements and net flows; awarded \$A8.4b⁴ in new, funded institutional mandates and contributions

Corporate and Asset Finance

17%

1H19 contribution¹

- Asset Finance and Principal Finance portfolio of \$A21.6b at Dec 18, broadly in line with Sep 18
- Asset Finance originations in line with expectations
- Notable transactions include Asset Finance being awarded the next two years of funding for the rollout of second generation smart meters in the UK for one of the largest energy suppliers following a competitive tender process
- Principal Finance portfolio additions of \$A0.6b in 3Q19
- Notable transactions include completion of Principal Finance's acquisition of a 50% interest in a leading UK car park management and solutions company, and completion of the acquisition of a 50% interest in a portfolio of multifamily rental properties and development pipeline in the US
- Notable realisations included the sale of Principal Finance's majority stake in Energetics, a leading UK multi-utility network provider, to a European infrastructure investor
- MIDIS' total third party investor commitments increased to \$A11.0b; closed a number of investments bringing total AUM to \$A7.8b⁵

Banking and Financial Services

11%

1H19 contribution¹

- Total BFS deposits⁶ of \$A51.0b at Dec 18, up 3% on Sep 18
- Australian mortgage portfolio of \$A37.3b at Dec 18, up 3% on Sep 18
- Funds on platform⁷ of \$A82.6b at Dec 18, down 6% on Sep 18, mainly due to market movements
- Business banking loan portfolio of \$A8.1b at Dec 18, up 4% on Sep 18
- Australian vehicle asset finance portfolio⁸ of \$A15.3b at Dec 18, down 1% on Sep 18

1. Based on 1H19 net profit contribution from operating groups as reported on 2 Nov 18 and has not been restated for business reorganisations affecting MAM, CAF and BFS that occurred during Dec 2018. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 2. Compared to \$A542.5b restated as at 30 Sep 18. 3. MIRA's total EUM includes market capitalisation at measurement date for listed funds, the sum of original committed capital less capital subsequently returned for unlisted funds and mandates as well as invested capital for managed businesses. 4. For the nine months to 31 Dec 18. 5. MIDIS AUM includes undrawn commitments of \$A0.6b. 6. BFS deposits exclude corporate/wholesale deposits. 7. Funds on platform includes Macquarie Wrap and Vision. 8. Portfolio moved from CAF Asset Finance to BFS effective 1 Dec 2018.

3Q19

Overview

Markets-facing businesses



Commodities and Global Markets

27%

1H19 contribution¹

- Strong performance continued in North American Gas and Power, albeit with fewer opportunities from storage and management of transport positions in the latter part of the quarter
 - Maintained ranking as No.2 physical gas marketer in North America²
- Continued strong performance in Fixed Income & Currencies with increased client activity in structured FX in EMEA and Asia-Pacific
- Cash Equities impacted by challenging market conditions
- Improved results across the Futures platform driven by increased client activity and volumes

Macquarie Capital

16%

1H19 contribution¹

- 78 transactions valued at \$A155b³ completed globally, up on pcip and prior period (by value), driven primarily by advisory activity in Europe, Australia and Americas, however Americas DCM activity down on a strong 2Q19
- Financial adviser to members of the supervisory board of Linde AG on its combined enterprise value of ~€80b merger with Praxair, Inc
- Financial adviser to Wesfarmers Limited in relation to the ~\$A19b demerger of Coles Group Limited, the largest spin off in ASX history⁴
- Financial adviser to KKR on its acquisition of BMC Software and joint bookrunner and joint lead arranger on the \$US6.6b financing to support the acquisition
- Realisation of Macquarie's 21.8% interest in Quadrant Energy through the sale of 100% of the business to Santos Limited for \$US2.2b, plus the realisation of Macquarie's 23.9% interest in PEXA, through a trade sale process valuing 100% of the business at \$A1.6b
- Green Investment Group alongside Covanta invested in a 50% stake in Earls Gate Energy Centre, a waste to energy plant to be constructed in Scotland
- Green energy realisations included Markbygden ETT (Swedish onshore wind), Westernmost Rough (UK offshore wind) and Lincs (UK offshore wind)
- No. 1 in ANZ for completed M&A⁵ and No. 2 in ANZ for ECM deals⁶
- No. 1 Global Infrastructure Financial Advisor⁷ and No. 1 US LBO Loans Bookrunner – Software & Services⁸



1. Based on 1H19 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 CY18.
3. Dealogic and IJGlobal for Macquarie Group 3Q19 completed M&A, principal investments, ECM and DCM transactions, converted at 31 Dec 18 FX rate. Deal values reflect the full transaction value and not an attributed value.
4. Refinitiv (1 Apr 87 – 14 Jan 19, by 'spin off'). 5. Dealogic CY18 (by volume). 6. Dealogic CY18 (by value). 7. Infraction CY18 (by volume and value). 8. Bloomberg CY18.

Macquarie's global footprint



Total staff¹
15,110

56%
International staff

Americas Staff **2,758**

CANADA
Calgary
Montreal
Toronto
Vancouver

LATIN AMERICA
Mexico City
Sao Paulo
Santiago

USA
Austin
Boca Raton
Boston
Chicago
Denver
Houston
Jacksonville
Los Angeles

Minneapolis
Nashville
New York
Orlando
Philadelphia
San Diego
San Francisco
San Jose

EMEA Staff **2,019**

EUROPE
Amsterdam
Dublin
Edinburgh
Frankfurt
Geneva
London
Luxembourg
Madrid
Munich
Paris
Reading
Vienna
Zurich

MIDDLE EAST
Abu Dhabi
Dubai

SOUTH AFRICA
Cape Town
Johannesburg

Asia Staff **3,630**

ASIA
Bangkok
Beijing
Gurugram
Hong Kong
Hsin-Chu
Jakarta
Kuala Lumpur

Manila
Mumbai
Seoul
Shanghai
Singapore
Taipei
Tokyo

Australia² Staff **6,703**

AUSTRALIA
Adelaide
Brisbane
Canberra
Gold Coast
Melbourne

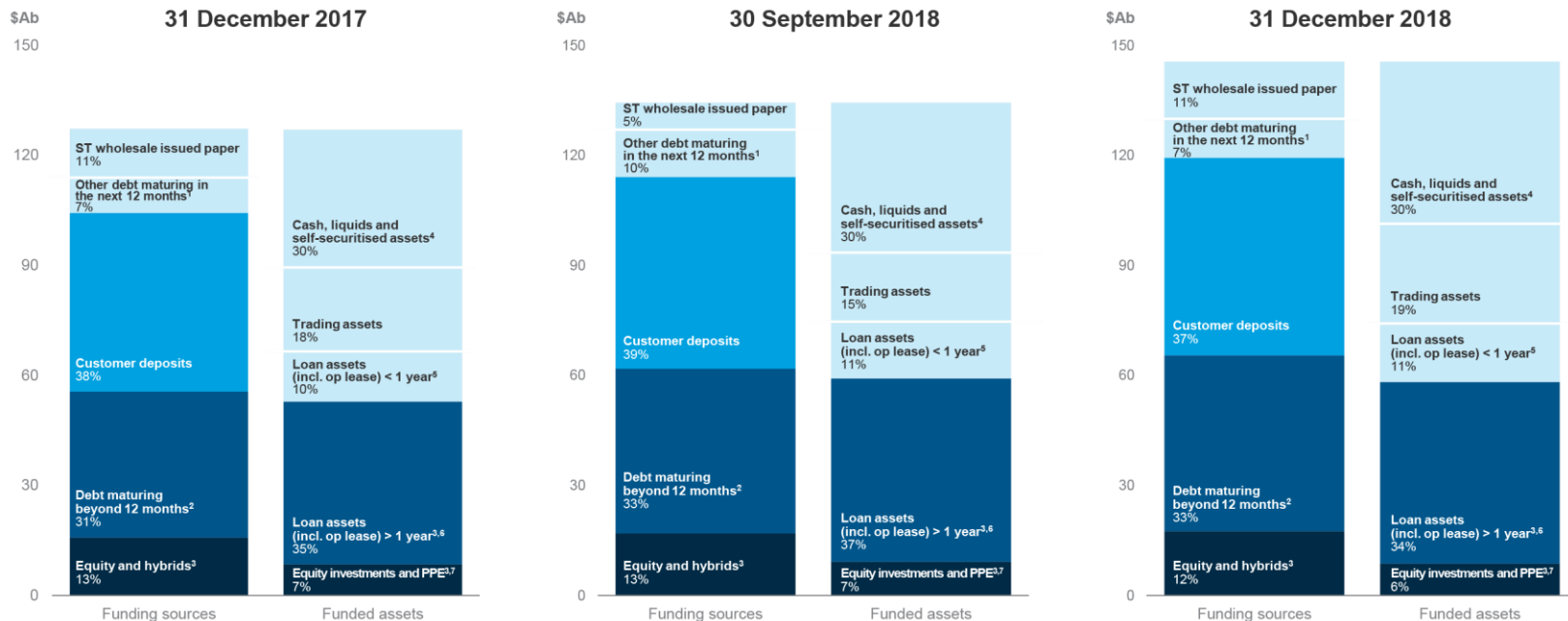
Newcastle
Parramatta
Perth
Sydney

NEW ZEALAND
Auckland

Funded balance sheet remains strong



Term liabilities cover term assets



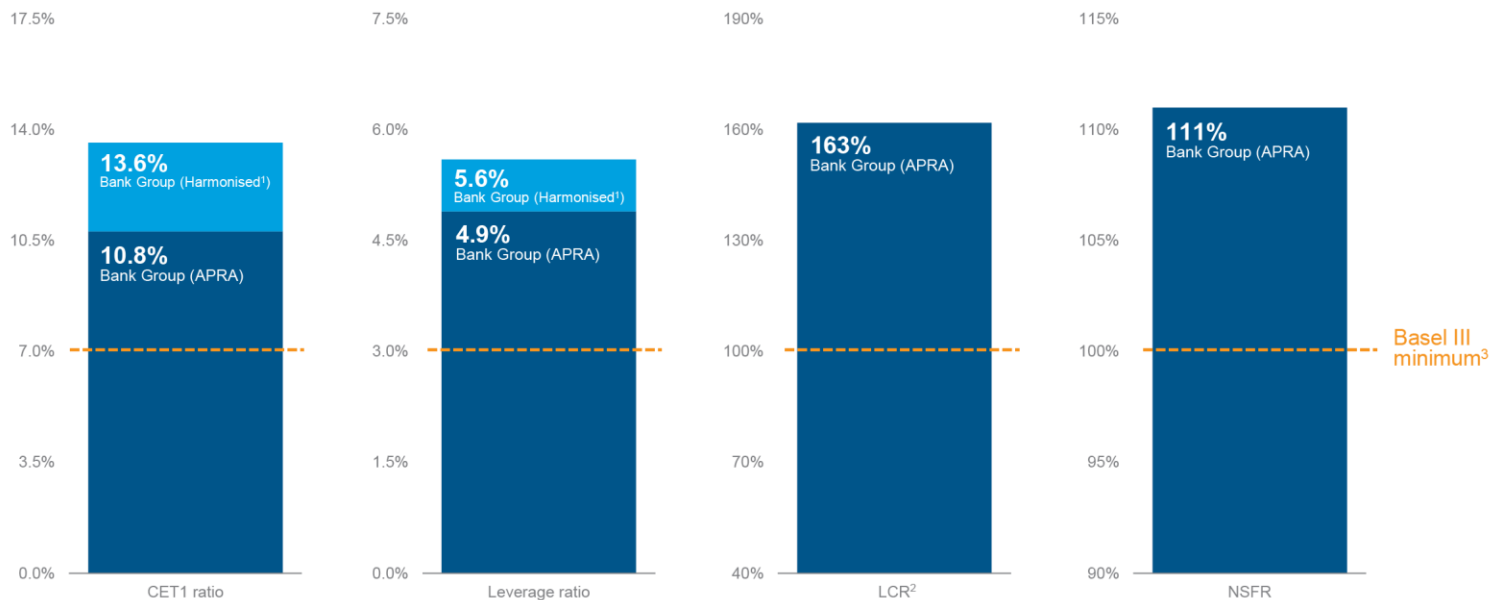
These charts represent Macquarie's funded balance sheets at the respective dates noted above. 1. 'Other debt maturing in the next 12 months' includes Structured Notes, Secured Funding, Bonds, Other Loans, Loan Capital maturing within the next 12 months and Net Trade Creditors. 2. 'Debt maturing beyond 12 months' includes Loan Capital not maturing within next 12 months. 3. Non-controlling interests netted down in 'Equity and hybrids', 'Equity Investments and PPE' and 'Loan assets (incl. op leases) > 1 year'. 4. 'Cash, liquids and self-securitised assets' includes self-securitisation of repo eligible Australian assets originated by Macquarie. 5. 'Loan Assets (incl. op lease) < 1 year' includes Net Trade Debtors. 6. 'Loan Assets (incl. op lease) > 1 year' includes Debt Investment Securities. 7. 'Equity Investments and PPE' includes Macquarie's co-investments in Macquarie-managed funds and equity investments.

Strong regulatory ratios



Bank Group

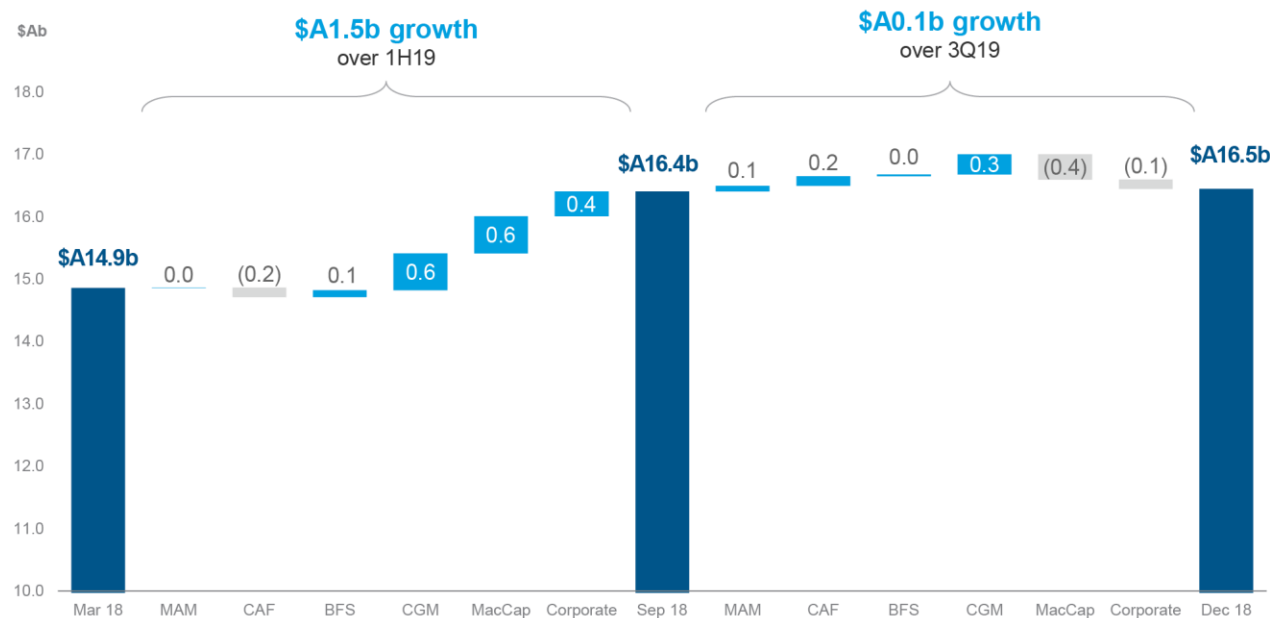
December 2018



1. 'Harmonised' Basel III estimates are calculated in accordance with the BCBS Basel III framework. 2. Average LCR for Dec 18 quarter is based on an average of daily observations.

3. Includes the capital conservation buffer in the minimum CET1 ratio requirement. In Jul 19 the APRA minimum leverage ratio will be set at 4%.

Business capital requirements¹



3Q19 key drivers

Continuing business growth offset by equity investment realisations

MAM

- Short term underwriting of seed assets and aligned fund investments

CAF²

- Rotorcraft Finance commitment and principal investments

BFS

- Increase in mortgages and business banking portfolios offset by decrease in the Vehicles portfolio

CGM

- Increased capital requirements due to trading activity

MacCap

- Continued investment activity in green energy, offset by selldowns including Quadrant Energy and PEXA

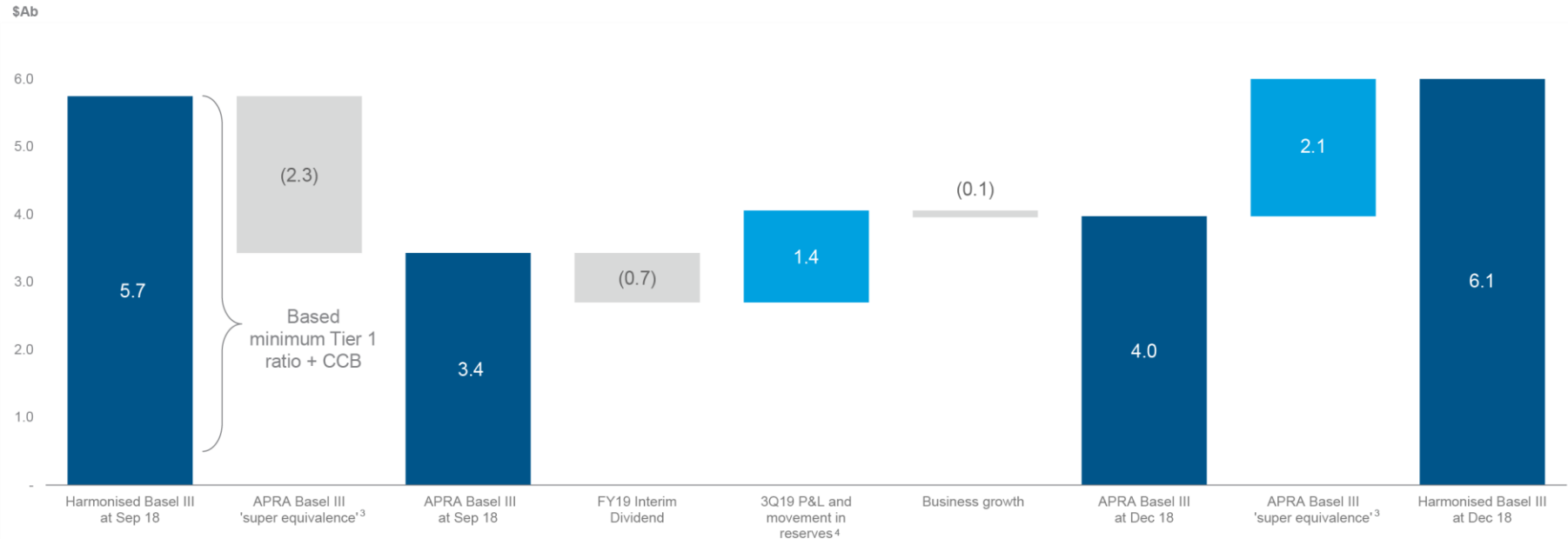
1. Regulatory capital requirements are calculated at 8.5% RWA including the capital conservation buffer (CCB), per APRA ADI Prudential Standard 110 as shown in 'Approximate business Basel III Capital & ROE' (slide 22).

2. Includes the impact of the transfer of CAF Principal Finance and CAF Transportation to the Non-Bank Group.

Basel III capital position



APRA Basel III Group capital at December 2018 of \$A20.4b, Group capital surplus of \$A4.0b^{1,2}



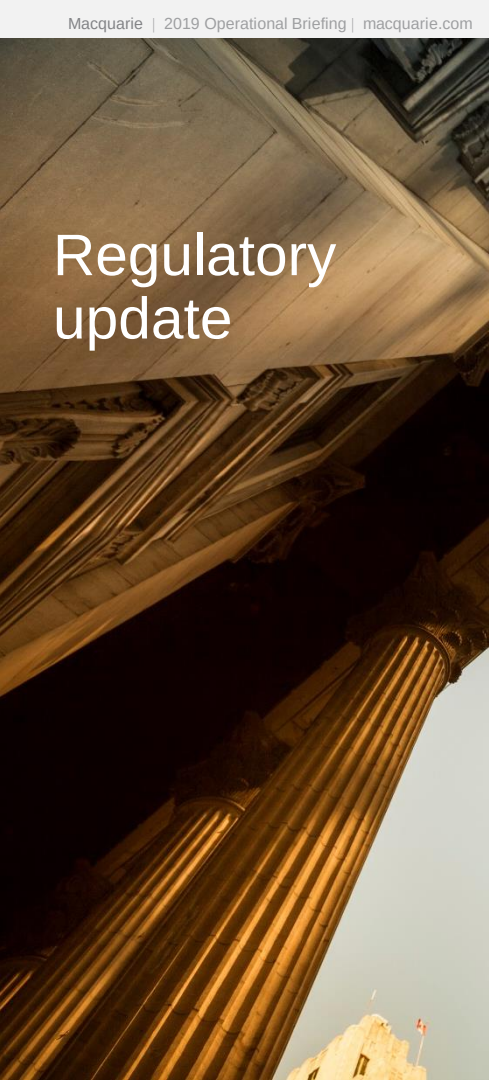
1. Calculated at 8.5% RWA including the capital conservation buffer (CCB), per APRA ADI Prudential Standard 110. The APRA Basel III Group capital surplus is \$A5.2b calculated at 7% RWA, per the internal minimum Tier 1 ratio of the Bank Group. 2. Based on materiality, the 8.5% used to calculate Group capital surplus does not include the countercyclical capital buffer (CCyB) of ~11bps. The individual CCyB varies by jurisdiction and the Bank Group's CCyB is calculated as a weighted average based on exposures in different jurisdictions. In Nov 18 the CCyB in the United Kingdom increased from 0.5% to 1.0% increasing the Bank Group's CCyB to ~11bps. 3. 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 for equity investments \$A0.4b; differences in mortgages treatment \$A0.7b; capitalised expenses \$A0.4b; investment into deconsolidated subsidiaries \$A0.2b; DTAs and other impacts \$A0.4b. 4. Includes Foreign Currency Translation Reserve movement.

Capital management update



- Impact of changes to CAF business structure:
 - As previously foreshadowed, the transfer of the CAF Principal Finance and CAF Transportation businesses from the Bank Group to the Non-Bank Group occurred on 10 December 2018 following a meeting of MBL shareholders (which includes holders of Macquarie Income Securities) which approved the transaction
 - In connection with the transfer, MBL returned \$A2.04b of capital to MGL. Additionally, the transfer resulted in a post-tax increase in ordinary equity for MBL of approximately \$A0.3b which was paid as a dividend to MGL¹
- MSIS has been transferred into CAF Asset Finance in the Bank Group while its fiduciary businesses, such as the infrastructure debt business (MIDIS), will move into MAM in the Non-Bank Group on receipt of the required approvals

1. Via the intermediate holding company, Macquarie B.H. Pty Ltd.

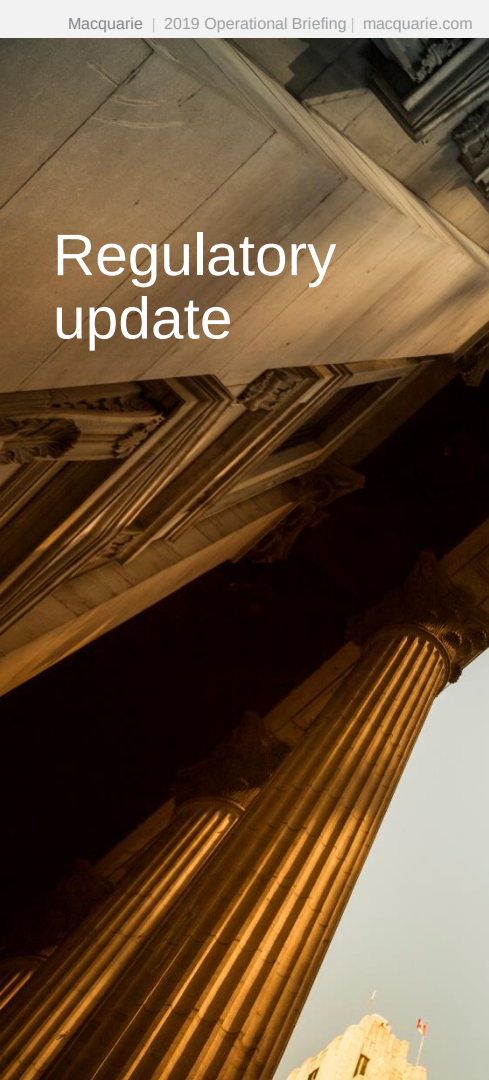


Regulatory update



- Regulatory capital¹
 - APRA is yet to release final standards for Australian banks to ensure that their capital levels can be considered ‘unquestionably strong’. Based on existing guidance, Macquarie’s surplus capital position remains sufficient to accommodate likely additional requirements
 - In Aug 18, APRA released a discussion paper setting out potential options to improve the transparency, international comparability and flexibility of the capital framework. The proposals are not intended to change the amount of capital that ADIs are required to hold²
 - In Nov 18, APRA released draft prudential standards on their implementation of a minimum requirement for the leverage ratio of 4% from Jul 19³ (MBL’s leverage ratio is 4.9% at Dec 18)
 - In Nov 18 APRA released a discussion paper⁴ outlining their approach for loss-absorbing capacity to support orderly resolution of Australian ADIs
 - The framework would require the Big Four to increase Tier 2 capital by 4-5% of RWAs
 - For other ADIs, including MBL, the need for additional loss-absorbing capacity will be considered by APRA as part of resolution planning, and will be no greater than that required for the Big Four
- Royal Commission
 - Macquarie notes the publication of the Final Report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry and the recommendations contained within it
 - Macquarie is closely monitoring the implementation of the Report’s recommendations and will participate in industry and public consultation as appropriate

1. The APRA Capital Framework applies to the Bank Group only. 2. ‘Improving the transparency, comparability and flexibility of the ADI capital framework’; 14 Aug 18. 3. ‘Draft Prudential Standard APS 110 Capital Adequacy’; 8 Nov 18. 4. ‘Increasing the loss-absorbing capacity of ADIs to support orderly resolution’; 08 Nov 18.



Regulatory update



- Germany
 - Macquarie continues to cooperate with German authorities in relation to a historical German lending transaction in 2011. The total amount at issue is not material and MGL has provided for the matter
 - Macquarie was one of over 100 financial institutions involved in this market, from which it withdrew in 2012. Consistent with our standard practice, Macquarie received extensive external legal advice in relation to the transaction
 - Although no current staff members have been interviewed to date, as expected as part of their ongoing investigation, the German authorities have formally classified 22 current and former staff members as persons of interest or suspects under German law, including the Group CEO and the former Group CEO
- Brexit
 - As previously stated, Macquarie does not believe that the UK's withdrawal from the European Union (EU) will be a material event for the Group
 - Progress on licence applications to supplement existing EU licences is well advanced and work with regulators to secure these prior to 29 March 2019 is ongoing
 - Macquarie is subject to application processes that may cause one or more licences to be issued in the second quarter of calendar year 2019. Contingency arrangements are being put in place for a small number of clients who could be affected by this if the UK leaves the EU without a withdrawal or transition agreement on 29 March 2019
 - Macquarie has a longstanding and deep commitment to the UK as the hub for the EMEA region's operations and this will continue to be the case. Macquarie has been in the UK for 30 years with over 1,500 staff based there as at December 2018

Management changes



David Fass



Macquarie Infrastructure and Real Assets (MIRA)

- Effective 1 April 2019, David Fass will be appointed Head of MIRA, Americas. He will relocate to New York and as such will step down as regional CEO for Macquarie Group in EMEA and from the Group Management Committee
- Mr Fass joined Macquarie in 2011 and has over 25 years' experience in financial services

Paul Plewman



Europe, Middle East and Africa (EMEA)

- Effective 1 April 2019, Paul Plewman, currently Head of CGM in EMEA, will replace David Fass as regional CEO, EMEA, subject to regulatory approval
- Mr Plewman joined Macquarie in 2005 and has over 20 years of industry experience
- As regional CEO, Mr Plewman will join the Group Management Committee and become Chair of the EMEA Management Committee

Shawn Lytle



Macquarie Investment Management (MIM)

- On 14 January 2019, Shawn Lytle, previously Deputy Global Head of MIM, was appointed the new Global Head of MIM, following the appointment of Ben Bruck to the position of Executive Chairman, MIM
- Mr Lytle joined Macquarie in 2015 and has over 27 years' experience in asset management. He is also Macquarie Group's US Country Head

Factors impacting short-term outlook



Annuity-style businesses

Macquarie Asset Management (MAM)

Base fees expected to be up, benefiting from strong capital raising and deployment in MIRA and platform acquisitions

Performance fees and investment-related income (net of impairments) expected to be down

Corporate and Asset Finance (CAF)

Asset Finance portfolio broadly in line

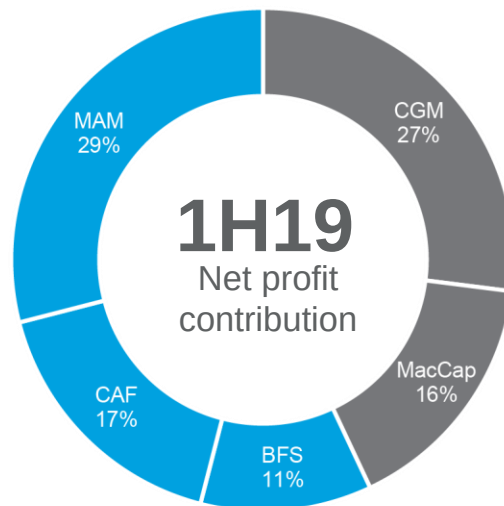
Timing and level of **early prepayments and realisations** in Principal Finance

Reduced loan volumes in Principal Finance

Banking and Financial Services (BFS)

Higher deposit, loan portfolio and platform volumes

NIM pressure due to higher costs and competitive pressures



Corporate

Compensation ratio to be consistent with historical levels

Based on present mix of income, along with the favourable impacts of US tax reform, the FY19 **effective tax rate** is expected to be down on FY18

Markets-facing businesses

Commodities and Global Markets (CGM)

Strong customer base expected to drive consistent flow across Commodities, Fixed Income, Foreign Exchange and Futures
Business benefited from **strong market conditions** in 1H19

Macquarie Capital (MacCap)

Assume **market conditions broadly consistent** with 1H19

Fewer investment realisations expected given strong first three quarters of FY19

Short-term outlook

- While the impact of future market conditions makes forecasting difficult, we currently expect an increase of up to 15 per cent in the FY19 result compared with the FY18 result
- Our short-term outlook remains subject to:
 - The conduct of period-end reviews and the completion rate of transactions
 - Market conditions
 - The impact of foreign exchange
 - Potential regulatory changes and tax uncertainties
 - Geographic composition of income



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 acquisitions
 - Macquarie Asset Management, Corporate and Asset Finance and Banking and Financial Services
 - Two markets-facing businesses well positioned to benefit from improvements in market conditions with strong platforms and franchise positions
 - Commodities and Global Markets and Macquarie Capital
- Ongoing 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 and ROE

30 September 2018

Operating Group	APRA Basel III Capital ¹ @ 8.5% (\$Ab)	Approx. 1H19 Return on Ordinary Equity ²	Approx. 12-Year Average Return on Ordinary Equity ²
Annuity-style businesses	9.0		
Macquarie Asset Management	2.2	19%	20% ³
Corporate and Asset Finance	4.2		
Banking and Financial Services	2.6		
Markets-facing businesses	7.0		
Commodities and Global Markets	3.7	19%	15% - 20%
Macquarie Capital	3.3		
Corporate	0.4		
Total regulatory capital requirement @ 8.5%	16.4		
Group surplus	3.4		
Total APRA Basel III capital supply	19.8⁴		

1. Business Group capital allocations are based on 30 Jun 18 allocations adjusted for material movements over the Sep 18 quarter. 2. NPAT used in the calculation of approx. annualised ROE is based on operating group's forecast 1H19 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. Equity is based on the quarterly average equity usage from FY18 to 1H19 inclusive. 1H19 equity is based on 30 Jun 18 allocations adjusted for forecast material movements over the Sep 18 quarter. 12-year average covers FY07 to FY18, inclusively. 3. CAF returns prior to FY11 excluded from 12-year average as not meaningful given the significant increase in scale of CAF's platform over this period. 4. Comprising of \$A16.6b of ordinary equity and \$A3.2b of hybrids.

Medium-term



Annuity-style businesses

Macquarie Asset Management (MAM)

Leading platform, well placed to grow assets under management through MAM's diversified product offering, track record and experienced local investment teams

Well positioned for organic growth

Corporate and Asset Finance (CAF)

Leverage deep industry expertise to maximise growth potential in asset and loan portfolios

Positioned for further asset acquisitions and realisations, subject to market conditions

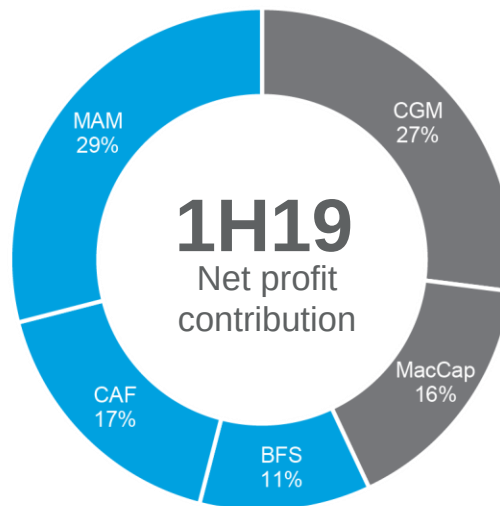
Targeting tailored finance and asset management solutions to clients across specialised assets through the cycles

Banking and Financial Services (BFS)

Strong growth opportunities through intermediary and direct retail client distribution, platforms and client service

Opportunities to increase financial services engagement with existing business banking clients and extend into adjacent segments

Modernising technology to improve client experience and support growth



Markets-facing businesses

Commodities and Global Markets (CGM)

Opportunities to grow the commodities business, both organically and through acquisition

Development of institutional and corporate coverage for specialised credit, rates and foreign exchange products

Increase financing activities

Growing the client base across all regions

Leveraging a strong market position in Asia-Pacific through investment in the equities platform and further integration of the business across CGM

Macquarie Capital (MacCap)

Positioned to benefit from any improvement in M&A and capital markets activity

Continues to tailor the business offering to current opportunities, market conditions and strengths in each sector and region

A satellite image of the Earth showing the Western Hemisphere, including North and South America. A large blue square is overlaid on the image, containing the white number '03'.

03

The global evolution of Macquarie

Macquarie's evolution is driven by our people



Our people are closest to client needs and markets



We seek to identify **opportunity** and realise it for our clients, community, shareholders and our people



From positions of **deep expertise**, we pursue opportunities **adjacent** to existing businesses, largely via organic growth



We are **accountable** for all our actions to our clients, our community, our shareholders and each other



We act with **integrity** and earn the trust of our clients, colleagues, community and shareholders through the quality of our work and our high ethical standards

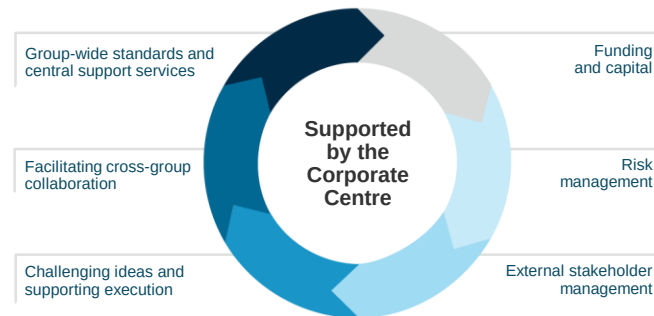
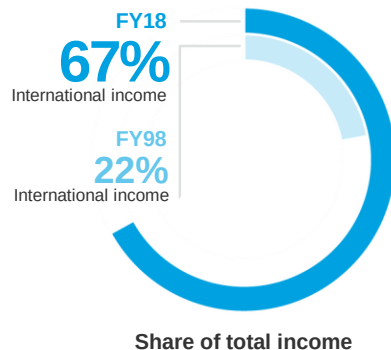


We pursue opportunities that deliver real outcomes to achieve an appropriate and resilient **long-term return on capital**



Evolution in the business

Macquarie has a **global presence** across operating groups



Macquarie's global expansion



Our people



15,110

Employees



Traditional
financial expertise



Operational and
industrial specialists

528

Graduates and
Interns hired
in 2018



50/50

Gender
balance



68

Nationalities

72+

Languages
spoken

55%

of our people have
lived, worked or studied
in another country



Macquarie's global management committee



EMEA 4

London

Martin Stanley
Head of Macquarie
Asset Management

Florian Herold
Co-Head of the Corporate
and Asset Finance Group

David Fass
Head of MIRA Americas
Designate

Paul Plewman
CEO, EMEA
Designate

Americas 2

Shawn Lytle
US Country Head
and Head of MIM
Philadelphia

Nicholas O'Kane
Head of Commodity Markets
and Finance, CGM
Houston

Asia 3

Andrew Downe
Head of Commodities
and Global Markets
Singapore

Ben Way
CEO Asia and Co-Head
of MIRA Asia Pacific
Hong Kong

Stephen Cook
Head of
Transportation Finance
Hong Kong

Australia 10

Sydney

**Shemara
Wikramanayake**
(Chairman)
Managing Director and
Chief Executive Officer

Greg Ward
Deputy Managing Director
and Head of Banking and
Financial Services

Patrick Upfold
Chief Risk Officer
and Head of Risk
Management Group

Garry Farrell
Co-Head of the Corporate
and Asset Finance Group

Tim Bishop
Head of Macquarie Capital

Nicole Sorbara
Chief Operating Officer
and Head of Corporate
Operations Group

Mary Reemst
MBL Managing Director
and Chief Executive Officer

Alex Harvey
Chief Financial Officer
and Head of Financial
Management Group

Michael Herring
General Counsel and
Head of Group Legal
and Governance

Justin Moffitt
Chief Information Officer,
Corporate Operations Group

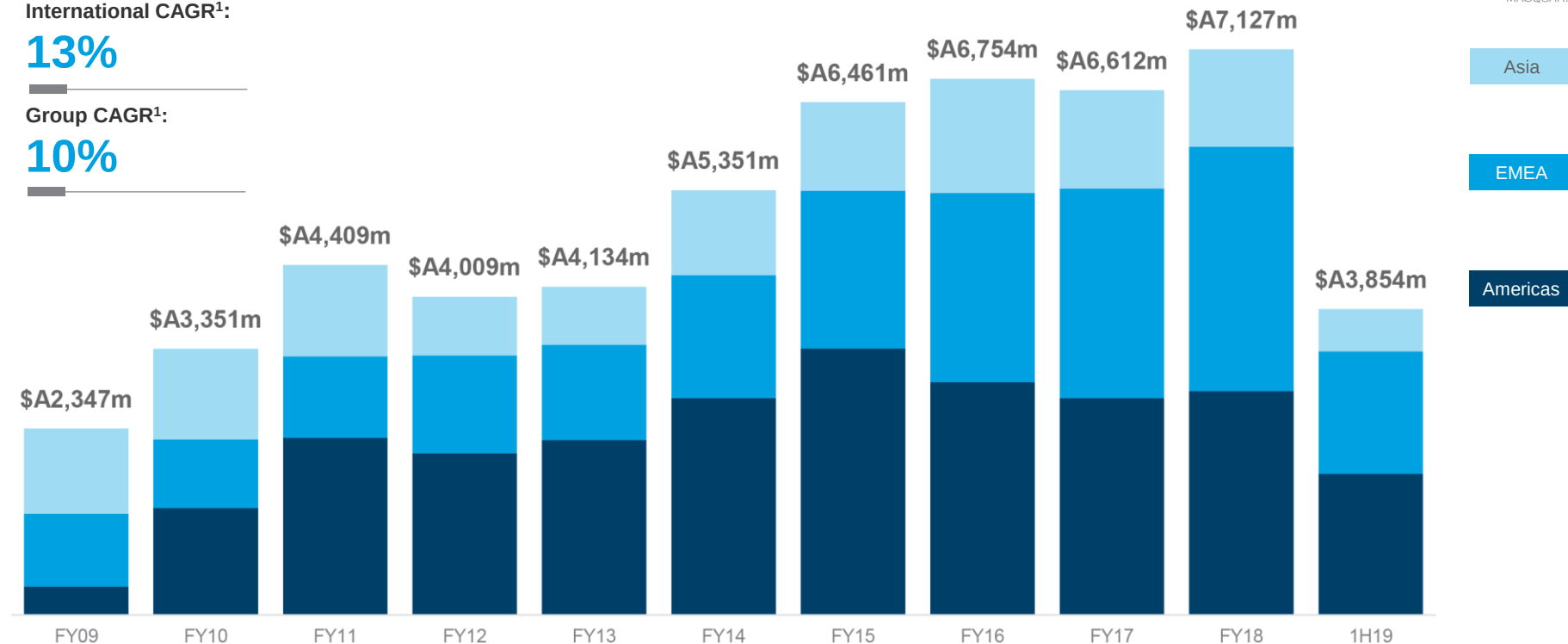
The last decade's international income

International CAGR¹:

13%

Group CAGR¹:

10%



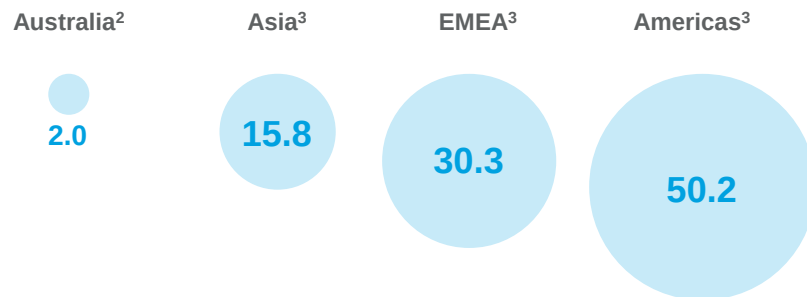
1. Compound annual growth rate FY09-FY18.

Regional potential

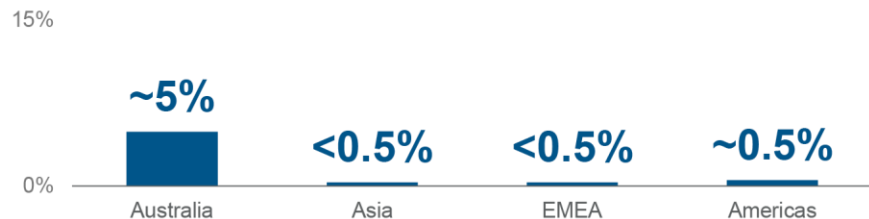


Assets under management (AUM)¹

\$Atr ■ Region

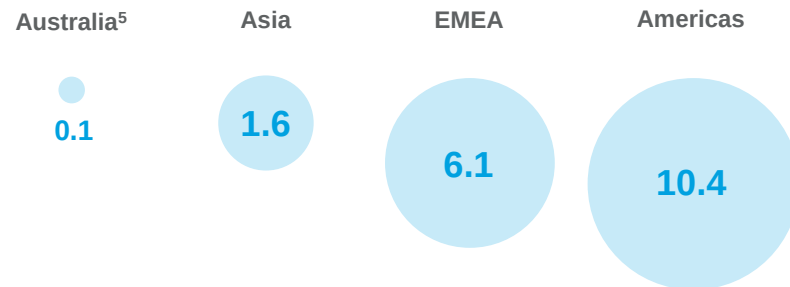


Macquarie market share

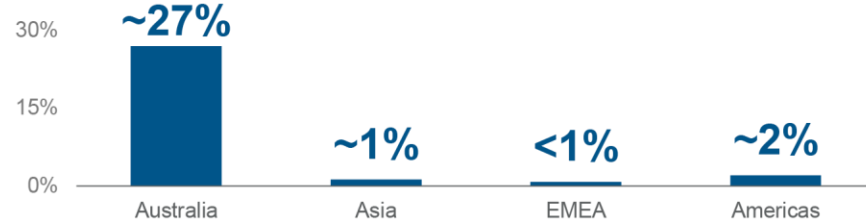


Mergers and acquisitions, advisory and underwriting deal value⁴

\$Atr ■ Region



Macquarie market share



1. Macquarie AUM as at 31 Mar 18. Regional AUM is 2017. 2. Austrade, 2017. 3. Global Asset Management, BCG 2018. Asia calculated as Asia-Pacific total less Australia per footnote 2. Converted to \$A from \$US using 31 Dec 17 spot rate.
4. Dealogic for completed deals for the period 1 Apr 17 - 31 Mar 18 as stated in \$A for mergers and acquisitions and equity capital markets; EMEA and Americas also include debt capital markets and syndicated loans. 5. Australia region includes New Zealand.

Opportunities and key trends



EMEA

Target installed capacity
of renewables

628GW_e

in the EU by 2040¹

Infrastructure
investment of

€688b

required annually in
the EU²

EU GDP in 2017

€15tr

85% outside
the UK⁴

Europe
accounted for

34%

of global real estate
deal flow in 2017⁶

EMEA AUM

€21tr

in 2017³

Renewables made up

>80%

of new installed
energy capacity in the
EU in 2017⁵

Commercial real estate
debt maturing by 2021

~35%

won't be refinanced by
traditional lenders⁶

Americas

Total US capital raised

>\$US40tr

in equity and corporate bonds
in 2017⁷

~\$US5tr

required
infrastructure
investment in the
US by 2025⁸

Americas AUM

\$US39tr

in 2017¹⁰

The US
accounted for

45%

of global real estate
deal flow in 2017⁶

\$US27tr

GDP of the
Americas in 2017⁹

US to become a

net exporter

of energy by 2020¹¹

Latin America has

~28%

of all potential new
arable land⁹

Asia

Infrastructure investment
required

~\$US49tr

by 2040¹²

\$US17tr

size of China's
asset
management
industry by 2030¹³

60%

of the world's
megacities located
in Asia by 2025¹⁴

Asia accounted for

35%

of global
infrastructure deal
flow in 2017⁶

Asia's share
of global GDP

48%

by 2040¹¹

Electricity demand

to **triple**

in Asia by 2040¹⁵

Asia overtook
Europe as the

Largest

generator of electricity
from wind and solar¹⁶

1. EU Reference Scenario, European Commission, 2016. 2. European Investment Bank. 3. BCG Global Asset Management, 2018. Converted at USD/EUR conversion rate of 1.14 as at 29 Jan 19. 4. European Commission. 5. WindEurope, 2018. 6. Blackrock Global Real Assets Outlook, 2018. 7. SIFMA, 2018. 8. American Society of Civil Engineers, Infrastructure Report Card 2017. 9. World Bank. 10. BCG Global Asset Management, 2018. 11. US Energy Information Administration, 2019. 12. Global Infrastructure Hub, Global Infrastructure Outlook, 2017. 13. China to Become Second-Largest Asset Management Market Globally by 2019, With Half of Net New Industry Flows: Casey Quirk, 7 Nov 2017. Growing from \$US4tr in 2017 per BCG Global Asset Management, 2018. 14. Asia Pacific megacities, GlobalData, 2018. 15. Future Energy Asia, 2018. 16. During 2016. IRENA, 2018.



04

EMEA

David Fass

Chief Executive Officer, EMEA



Macquarie in EMEA



Regional presence since 1989

4

Platform
acquisitions
in 18 months

\$A113b

Total AUM



A leading risk
management provider
in the **European Gas**
market

140+

Green energy
projects since 2010

37

Infrastructure assets
under management

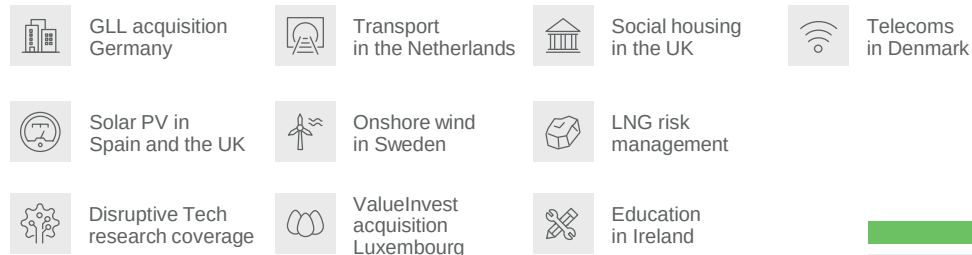
£40b+

Invested in UK
infrastructure
since 2005

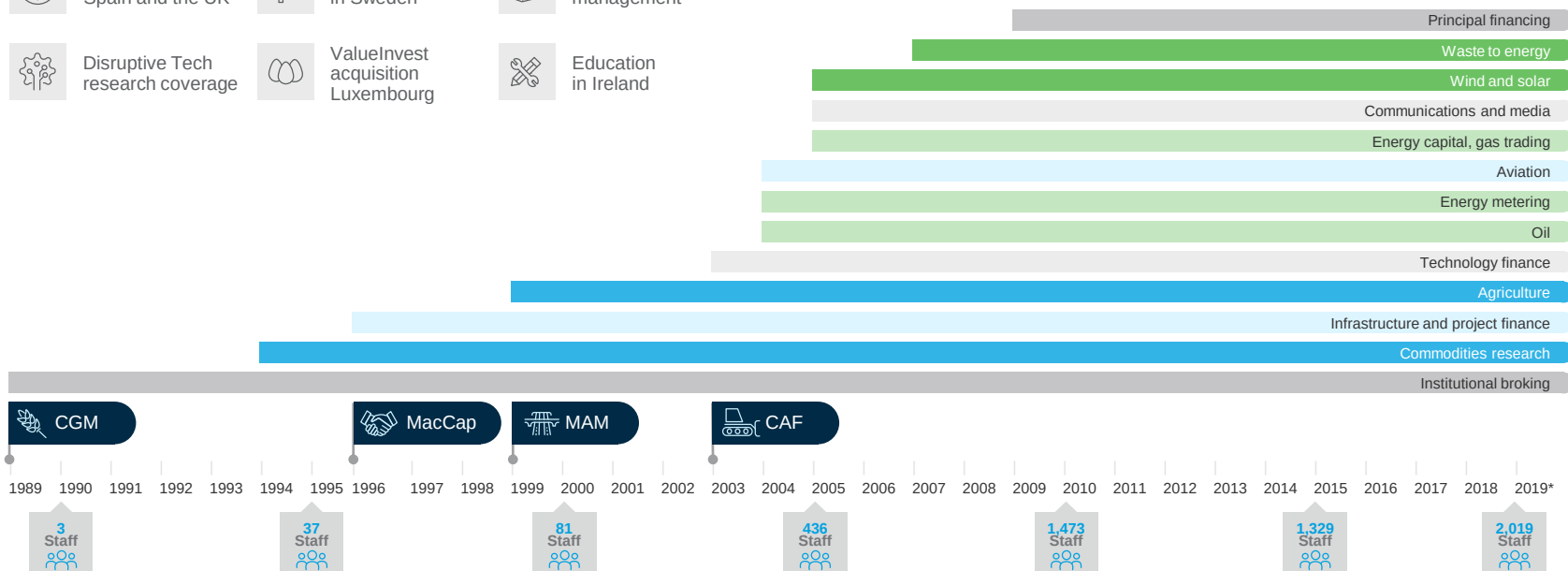
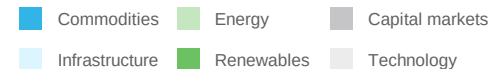
30 years of growth, innovation and collaboration in EMEA



Recent highlights



Key



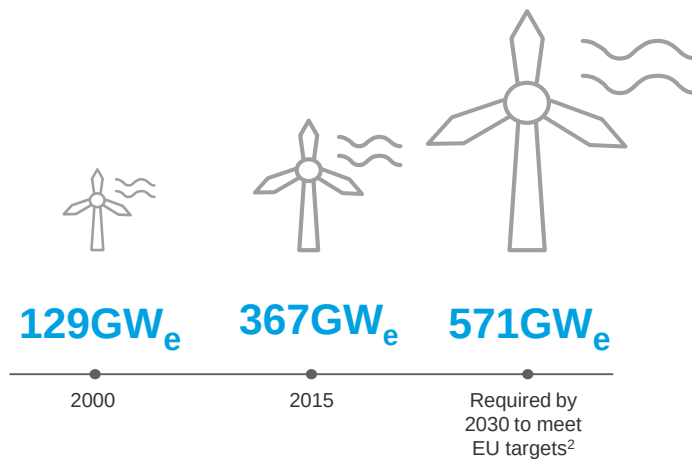
EMEA key drivers

A strong UK and European base provides a platform for further growth



Energy transition

European renewable energy capacity¹



European infrastructure investment

Annual spend to 2040²



Operating groups in EMEA



An **infrastructure investment pioneer**, with 30 years of experience in EMEA



Investment, financing, trading and research capabilities in **energy**



Green energy investment and development expertise across mature and emerging technologies



Investor and facilitator of capital in the **technology** sector



Full spectrum **commodities** offering with physical and financial solutions

Macquarie Asset Management

~390 staff across **seven** locations

MIRA manages **\$A55.6b** in EUM across **38** businesses and **63** properties in **18** markets

MIM manages **\$A13.2b** across equities, fixed income, liquid alternatives and multi-asset solutions in EMEA

Corporate and Asset Finance

~250 staff across **five** locations

Asset Finance manages a portfolio of **\$A3.1b** in Europe delivering tailored finance solutions across a variety of industries including technology, energy, resources and shipping

Principal Finance (including Transportation) provides bespoke debt and equity financing solutions in the corporate, transport and real estate sectors with diverse experience across continental Europe and the British Isles, managing a funded portfolio of **\$A11.0b**

Commodities and Global Markets

~460 staff across **six** locations

Provider of physical and financial gas and power solutions across **15** European countries

Global hub for commodity investor products and quantitative investment strategies

Access to niche commodity markets including Petrochemicals, Pulp & Paper and Emissions Certificates

Bespoke customer financing solutions including establishing securitisation franchises for first time issuers in European markets

Macquarie Capital

~330 staff across **six** locations

Leading investor and project **developer** in green energy with total commitments of over \$A700m in European renewables

Leading financial advisor in the infrastructure sector

Capability in M&A advisory, debt and equity capital markets and principal investing across a broad range of sectors and servicing financial sponsor clients

Telecom M&A Deal of the Year 2018
– Acquisition of TDC for **€6b**¹

Euro Fund Award
for global corporate bond fund²

Raised €2.5b

for new Super Core infrastructure strategy

260+ planes³
A leading global aircraft lessor

9m+
meters provided to homes and businesses

£8b+
committed by Principal Finance in Europe across **160+ deals** since inception in 2009

2GW
of power managed and dispatched in the UK, equivalent to

~6% of UK base power demand

270+
stocks under coverage

Infrastructure Deal of the Year
Green Investment Bank acquisition⁴

Transport Deal of the Year
– Blankenburg Connection⁶

Most Innovative Investment Bank
for Infrastructure and Project Finance⁵

MAM: Platform acquisitions accelerating growth and improving diversification



Opportunity

Macquarie identified market opportunities to build scale in its global equities and real estate platforms, bringing together highly successful teams with complementary platforms to achieve global coverage and add further breadth to MAM's client offering.

Actions

Macquarie acquired the GLL platform in June 2018, a Munich-headquartered real estate fund manager with an established portfolio of 100+ property investments in Europe and the Americas to complement the existing MIRA portfolio.

Macquarie acquired the ValueInvest platform in June 2018, a Luxembourg-based platform with a value-orientated global equities investment strategy that has generated strong risk-adjusted returns throughout market cycles and complements the existing MIM portfolio.

Outcomes

MIRA

Material increase in real estate AUM to

\$A16.8b¹

~170

specialist real estate staff globally

Scale, diversification and a broader offering
of investment products and solutions for our clients

MIM

~€4.0b

additional AUM

17

new specialist staff

1. Based on MIRA's global real estate platform as at 31 Dec 18.

MacCap: Harnessing expertise to develop green projects globally



**Green
Investment
Group**

Opportunity

In northern Sweden, Europe's largest single-site onshore wind farm was struggling to move from development into construction. Separately, Norsk Hydro, one of the world's largest aluminium producers¹, was seeking a reliable, low-carbon solution to meet its long-term intensive energy needs.

Opportunity

Macquarie and GIG's track record in developing waste-to-energy projects in Ireland and South Korea has led to further sponsored projects in Scotland and Australia.

Actions

Macquarie's Green Investment Group (GIG) invested in, commercialised, structured and financed an onshore wind farm to power Norsk Hydro with revenues partially guaranteed by one of the largest known wind powered corporate Power Purchase Agreements (PPA) in the world.

Actions

GIG acted as development partner on the proposed Earls Gate Energy Centre, a combined heat and power waste-to-energy facility, to be constructed at one of Scotland's major industrial hubs, Grangemouth, backed by a 15-year Energy Supply Agreement.

Outcomes

#1

Developing Europe's largest single site onshore wind farm (650MW)²

Arranging
~€800m
of total funding

12.5%
increase to Sweden's installed wind generation capacity

Outcomes

Capacity to turn
216,000 tonnes p.a.
of landfilled waste to energy

21.5MW
of installed electricity generation capacity

Earls Gate Energy Centre is GIG's
19th Scottish project

1. Aluminium Insider. 2. Post-financial close.

CAF Asset Finance: Enabling a smarter energy grid



Opportunity

The UK Government has set the ambitious target for every home and small business across Great Britain to be offered a smart meter by 2020.

With more than 50 million smart meters being rolled out, the initiative is set to unlock a £5.7 billion net benefit to the British energy grid, whilst providing customers more control over how they use energy.

Actions

Leveraging learnings from other asset classes, Macquarie approached the UK's largest energy supplier to develop a solution that would extend the tenor of their smart meter financing.

Macquarie facilitated additional funding, better matched to the rollout program to more quickly realise the benefit of second generation smart meters.

Outcomes

£220m
of additional capital

-7%
reduction in
annual rentals

Additional
12 months
of secured funding

2.9m
2nd generation smart
meters funded to date

15 year
client relationship



CAF Principal Finance: Evolving a leading aviation franchise



Opportunity

Airline passenger numbers have more than doubled over the last 15 years, a trend forecast to continue at ~5% growth p.a.¹

The growth requires financing of ~\$US143 billion¹ p.a. of high-value aircraft, providing opportunities for sophisticated, cross-border financing and leasing transactions.

The helicopter leasing industry faces depressed values and dislocated financing availability.

Actions

Strategic acquisitions and aircraft trading over a 12-year period has driven growth in the Macquarie AirFinance fleet (16% CAGR since 2006). The portfolio now comprises more than 260 aircraft² on lease to 88 airlines in 50 jurisdictions, providing consistent profitability through cycles.

Macquarie capitalised on deep industry expertise to source and realise complex and/or distressed aviation debt opportunities – \$US700m invested over the last five years.

Macquarie has converted recent opportunities in helicopter and rail sectors, including asset and secondary debt acquisitions.

Outcomes

\$US1.8b
new commitments
in last two years

260+
aircraft²

\$US5.7b
portfolio size

82
aviation focused staff in
4
offices globally

1. Boeing Current Market Outlook, 2019. 2. Includes orders.

CGM: Providing uncorrelated investment opportunities



Opportunity

The challenge of generating positive returns through the cycle has seen global investors seek to diversify portfolios traditionally centred around equities and fixed income.

Macquarie identified the opportunity to provide a risk premia investing solution, also called factor investing, for clients looking for uncorrelated and liquid investment opportunities.

Actions

Macquarie has developed individual risk premia strategies that remove correlation to traditional asset classes across a particular basket, thereby helping to improve returns and lower risk.

Outcomes

Market-leading

commodity quantitative strategies platform being expanded to offer multi-asset strategies to meet client demand

40+

staff dedicated to developing product, managing risk and creating cutting-edge technology

15

countries with investors in Macquarie indices, up from 11 in CY17

Annuity-style

income complements CGM's markets-facing business activity

What's next



Building out from core strengths

Sectors

Global development pipeline for renewable projects

Investment in infrastructure technology capability

Growth in our real estate investments

Broader businesses in European markets

Geographies

Building out from a strong UK hub to continental Europe

Emerging infrastructure opportunities in central and eastern Europe

Solar opportunities in southern Europe

Leveraging our acquisitions

Platforms

Capitalising on GIG's global potential

Extending the CGM franchise across the commodities supply chain

GLL platform to drive global real estate growth



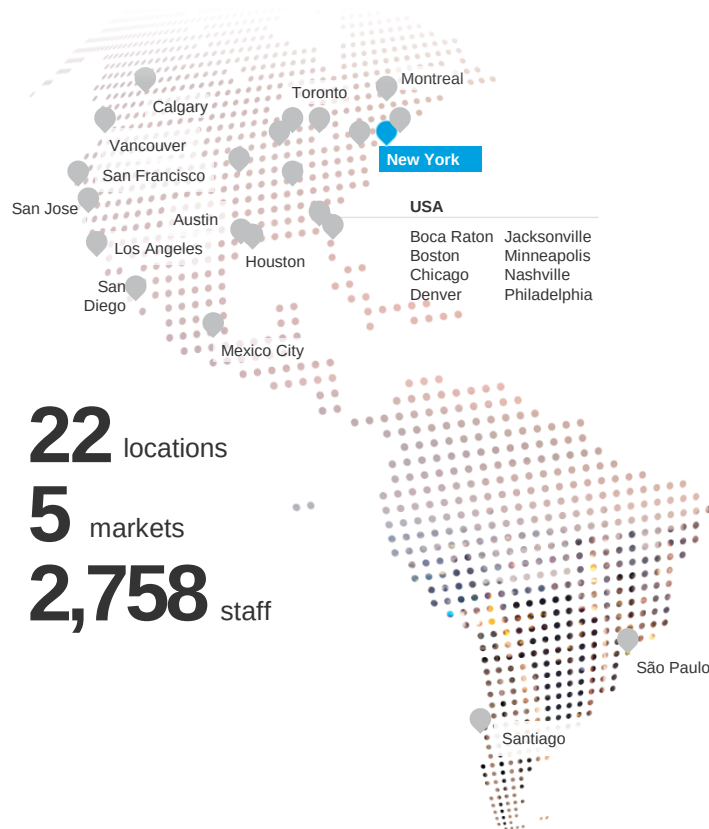
05

Americas

Shawn Lytle
US Country Head



Macquarie in the Americas



Regional presence since 1991



**LatAm Overall
Deal of the Year**
Norte III²



\$A270b
Total AUM³

No.1

US Bookrunner in
leveraged buyout loans
– Software and Services⁴



No.2
Physical gas marketer in
North America⁵



\$US112b
Capital raised for
clients in CY18

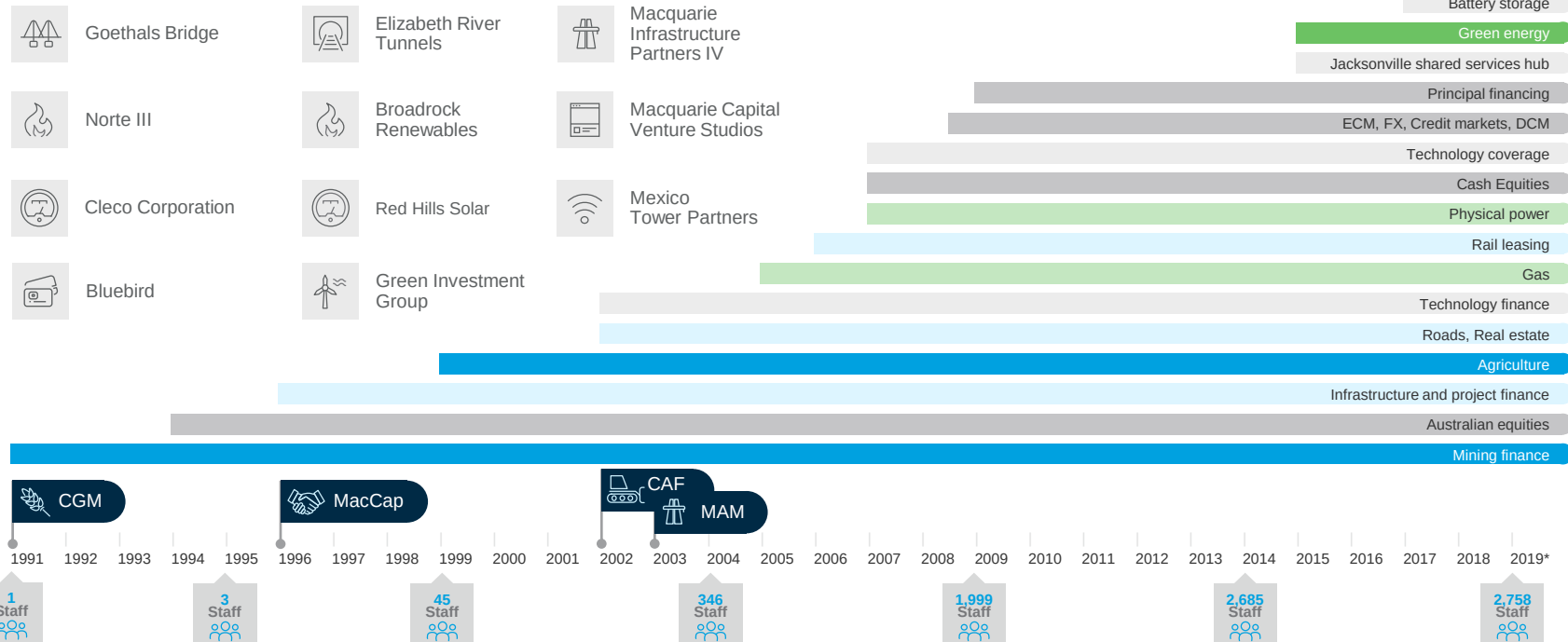


11GW+
of generation assets

More than 25 years of growth, innovation and collaboration in the Americas



Recent highlights

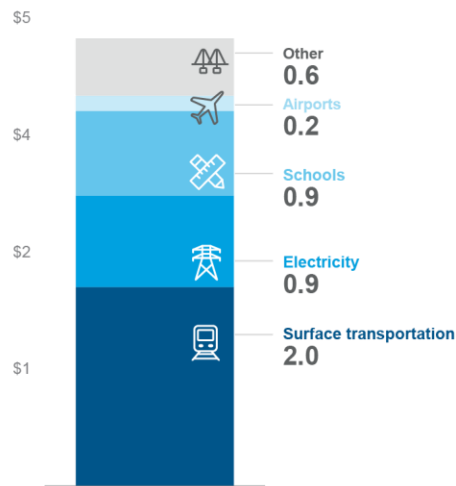


Americas key drivers



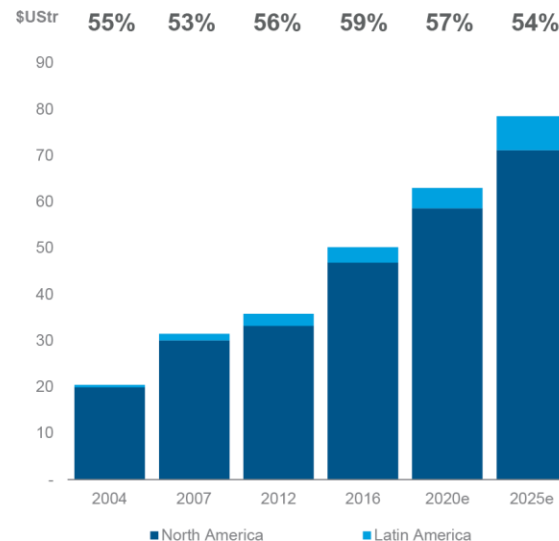
Ageing infrastructure¹

Infrastructure needs by 2025, by system
\$UStr



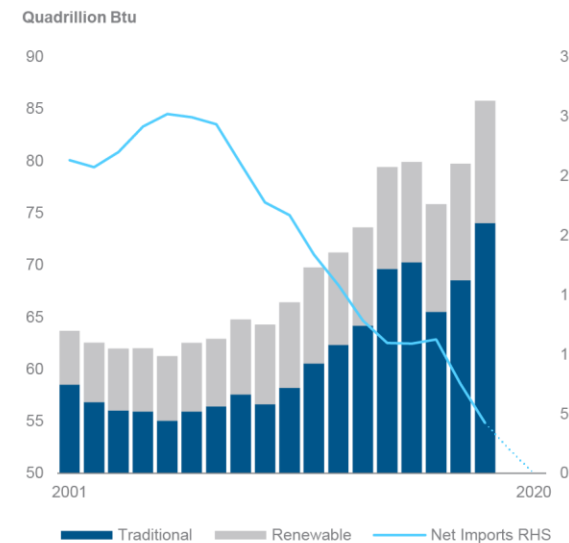
Assets under management (AUM)²

Americas AUM as a proportion of global AUM



Energy³

Primary US energy production and net imports



Operating groups in the Americas



An **infrastructure investment pioneer**, with 16 years of experience in the Americas



Investment, financing, trading and research capabilities in **energy**



Green energy investment and development expertise across mature and emerging technologies



Investor and facilitator of capital in the **technology** sector



Full spectrum **commodities** offering with physical and financial solutions



Strong client relationships with **financial sponsors**

Macquarie Asset Management

~750 staff across 10 locations

MIRA manages **\$A24.5b** in EUM across 33 businesses and 293 properties in six markets

MIM is globally headquartered in Philadelphia and manages **\$A216.0b** across equities, fixed income, liquid alternatives and multi-asset solutions for clients in the US

Corporate and Asset Finance

~140 staff across eight locations

Asset Finance manages a portfolio of **\$A2.5b** delivering tailored finance solutions across a variety of industries including private funds, technology, manufacturing and resources

Principal Finance provides bespoke debt and equity financing solutions across the capital structure in the corporate and real estate sectors, and manages a funded portfolio of **\$A1.5b**

Commodities and Global Markets

~680 staff across 15 locations

CGM's largest region by headcount and income contribution

Global energy hub headquartered in Houston, including specialist in-house schedulers, structurers, meteorologists and logistics experts

Macquarie Capital

~370 staff across seven locations

Full-service offering of solutions encompassing M&A advisory, debt and equity capital markets and principal investing

Integrated coverage in Infrastructure, Energy, Services, TMET, Financial Institutions and Consumer, Gaming & Leisure sectors

Expanding coverage in Aerospace, Defence & Government Services, Energy Tech, Healthcare and Industrials

2 Lipper Awards

in 2018¹

New York Project of the Year

– Goethals Bridge³

Top 50

US mutual fund platform²

\$US12b+

committed by Principal Finance in the US across **220+ deals** since inception in 2009

\$US0.8b

mining assets financed over the past five years

\$US7b+

in private fund financing since inception in 2010

2018

Derivatives House of the Year⁴

2

physical gas marketer in North America⁵

550+

stocks under coverage

2x

growth in sponsor **M&A** and **DCM** volume since 2016⁶

Project & Infrastructure Finance Award – **Best Project Sponsor**⁸

100+

bookrun DCM deals completed in 2018 valued at over **\$US82b**⁶

Best Road/Bridge/Tunnel Project and Best Financial Structure for Central 70, USA⁷

MAM: Track-record and strong performance driving capital raising momentum



Opportunity

The \$US23tr¹ US retail market presents significant scope for MAM to grow market share for its high-performing products.

The \$US5tr US infrastructure investment need by 2025² presents opportunity to connect demand with global institutional capital.

Actions

Macquarie leveraged its strong track record, specialist expertise and investment capabilities to attract retail and institutional capital to its US products.

Continually developing client-led strategies, Macquarie meets evolving investor demand and the need for capital.

Outcomes

MIRA

\$US5b

raised for MIP IV closed at hard cap in December 2018, exceeding \$US3.5b target

\$US2.2b

already deployed from MIP IV

Diversified investor support including existing and new investors

MIM

Eight funds **ranked in the top ten** in net flows in their respective categories³

\$US2.5b+

in new placements from key broker/dealer partners FY19 YTD

28th

of 707 mutual fund platforms in one-year net flows⁴

MacCap: Financial sponsor opportunity in the United States



Opportunity

Building on the success of its leveraged finance franchise as a cornerstone for longstanding sponsor relationships, there were expanded opportunities for integrated solutions across advisory, capital markets and investing.

In 2018, financial sponsors paid over 30% of the total fees on US deals, with a total fee pool of over \$US12 billion¹.

Actions

Macquarie developed fully integrated sponsor coverage, aligned with deep industry expertise and a full-service product offering.

Maintaining strong connectivity with a network of over 100 large- and mid-cap financial sponsors and continuously building upon success with existing clients, Macquarie has underpinned further growth into adjacencies.

Macquarie has a globally coordinated sponsor coverage model, with increasing prominence in Europe and Asia.

Outcomes

\$US48b+

Sponsor-related deal volume through 56 transactions²

Increasing
number of repeat
sponsor clients

\$US550m

of capital facilitated
alongside **25 financial
sponsor clients**⁴

Completed
deals with
30+
sponsors
in 1H19

**Building profile through
integrated solutions in
key sectors**

**LBO Bookrunner
Rankings**⁵

#1
Software
& Services

65%
of fee revenue is
related to financial
sponsors³

#3
Technology

CAF Principal Finance: Meeting rental housing demand in growth markets



Opportunity

Transcontinental Realty Investors, a leading owner/operator of multifamily rental apartment assets, sought a strategic partner to recapitalise and expand its existing housing platform.

Actions

Over the course of a five-year relationship, Macquarie provided growth funding through multiple bespoke debt financing transactions, leading to a recent 50/50 joint venture investment.

Outcomes

\$US250m

in debt financing provided between 2014 and 2018 to support growth in asset base to more than

10,000
rental
apartments

\$US1.4b

50/50 venture
entered into in 2018 to maximise the business' platform value

Potential to build more than

5,000
new rental apartments
over the next 3 – 5 years

CGM: Expanding into Southeast power



Opportunity

With a well-established presence in the North American gas and power markets, Macquarie identified an opportunity to grow the services and support it provides to clients by expanding its presence in power markets throughout the Southeast region.

Actions

Through its acquisition of the Cargill Gas and Power businesses, Macquarie expanded coverage into Southeast power markets, built new client relationships and added significant expertise to its team of regional gas and power experts.

Outcomes

Complete coverage

of continental US electricity market

92%

YOY increase in MWh sold across the North American Power business¹

20+

new utility and municipality clients, relationships and adjacent market opportunities

Newly established
Minneapolis office

with 4 Southeast power experts

Strong physical presence, with a team of

60

power experts across the US

What's next



Opportunity in largest capital market

Expanding our offering

Capitalising on our leading sector positions in Education, Services and Technology

Client activity driven by strong corporate balance sheets, sponsor liquidity and PE dry powder

Building out offering and share in DCM, PCM and Investment Management

A changing energy landscape

Harnessing opportunities

Building on strong, global energy sector capability

Falling technology costs increasing competitiveness of renewables

US to become a net exporter of energy

Significant new potential in infrastructure and real estate

Leveraging expertise

North American infrastructure landscape provides substantial investment opportunity

Opportunities include datacentres, water, midstream and renewables

Continuing potential for government privatisations and public-private partnerships



06

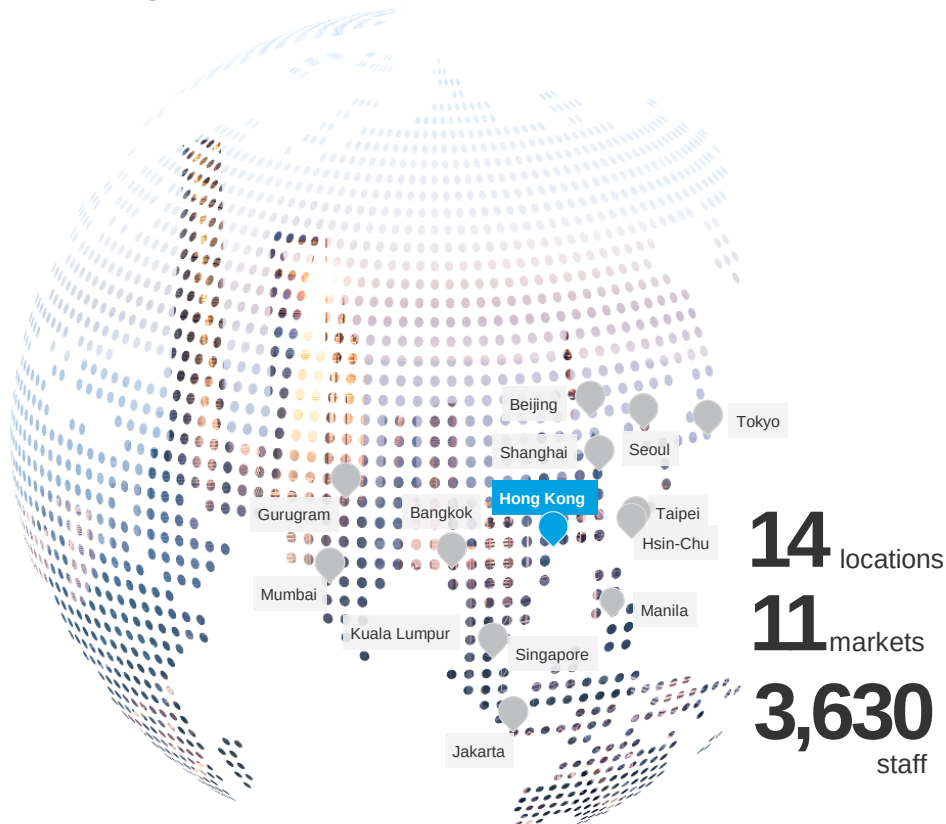
Asia

Ben Way

Chief Executive Officer, Asia



Macquarie in Asia



Regional presence since 1994

\$A58b

Total AUM



10Gw+

Green energy portfolio¹

102 Portfolio companies

14 Stock exchange membership licenses

~50% staff
Shared services hub



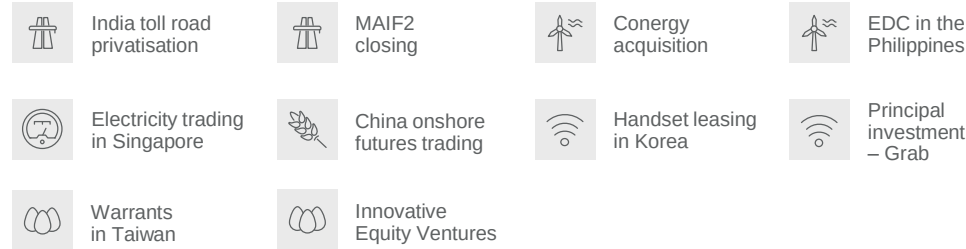
Local

Teams, insights and expertise

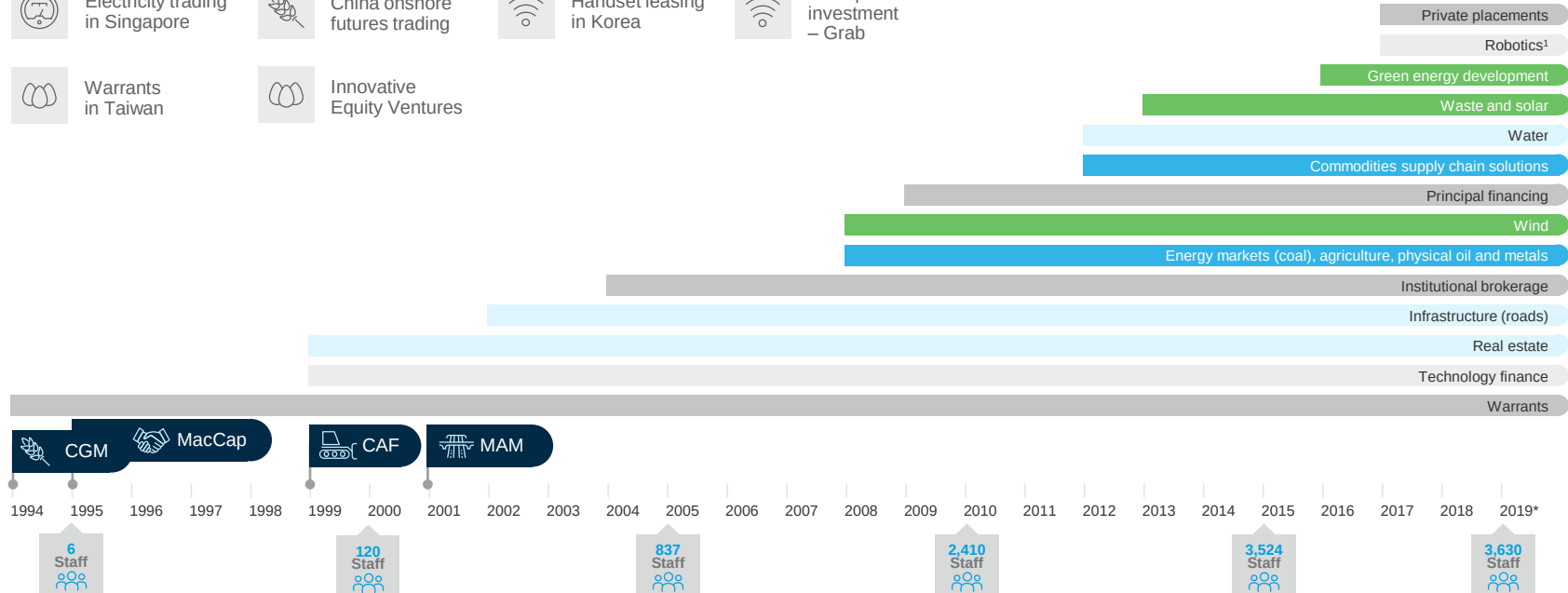
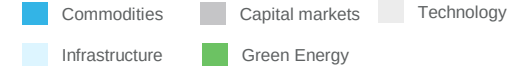
25 years of growth, innovation and collaboration in Asia



Recent highlights



Key

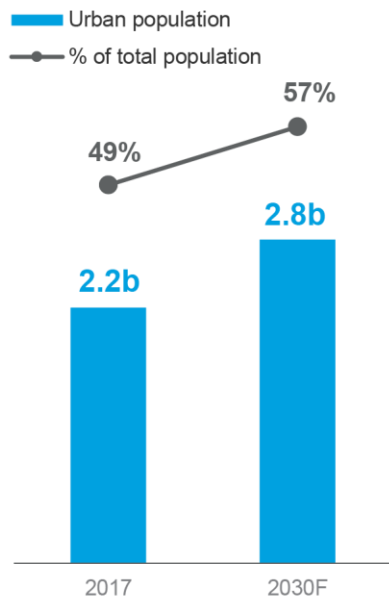


*As at 31 Dec 18. 1. Development and use of robotics in Manila and Gurugram Shared Services Centres to automate processes.

Asia key drivers



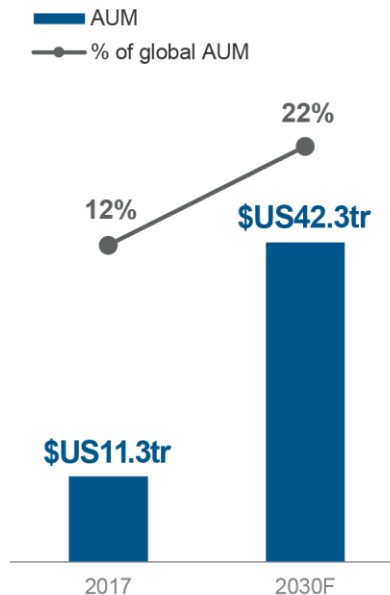
Urbanisation¹



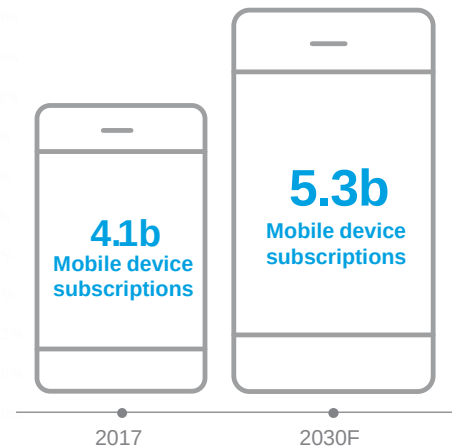
Energy demand²



Assets under management (AUM)⁴



Technology adoption⁵



1. World Urbanisation Prospects: The 2018 Revision, United Nations. 2. BP Energy Outlook 2018 edition; Macquarie estimates. 3. Tonnes of oil equivalent. 4. PwC, Asset & Wealth Management Revolution: Embracing Exponential Change, 2017; Deloitte, Dynamics of the Australian Superannuation System, 2015; Australian Bureau of Statistics; Macquarie estimates. 5. Ericsson Mobility Report, Nov 2018; Macquarie calculations.

Operating groups in Asia



Established **infrastructure** investor, adviser and manager for over 15 years



Green energy investment and development expertise across mature and emerging technologies



Full spectrum provider of physical and financial **commodities** solutions



Enabler of capital into Asia's leading **technology** companies



Facilitator of **cross-border capital** globally

Macquarie Asset Management

~250 staff across **eight** locations

MIRA manages **\$A21.6b** in EUM across **66** businesses and **six** properties in **six** markets

MIM manages **\$A35.0b** across equities, fixed income, liquid alternatives and multi-asset solutions for clients in Asia

Corporate and Asset Finance

~50 staff across **seven** locations

Asset finance and **lending** business across technology and manufacturing with teams in **six** markets

Technology leasing and **trading** across PC and laptops, servers, semiconductors and smartphones

Commodities and Global Markets

~590 staff across **13** locations

Largest regional equities footprint with execution across **16** exchanges and **850+** stocks under coverage

Full spectrum commodities offering: agriculture, energy and metals including niche markets (e.g. rubber and dairy)

Bespoke, high touch, solutions-based advisor in **structured FX and rates**

Macquarie Capital

~220 staff across **nine** locations

Leading **green energy developer** with expertise in **offshore wind** and **solar**

Expertise in **cross-border M&A**

Deep sector knowledge in **principal investing, advisory** and **capital solutions**

\$US3.3b

largest pan-Asia fund closed in 2018 – MAIF2¹

Best M&A Deal

in Korea – ADT Caps²

Launched first smartphone rental program in Korea

Leading semiconductor leasing and trading business in Asia

Leading presence in warrants across Asia with products listed in five markets

\$US1.7b+

of private placement transactions executed³

Renewables Deal of the Year (Asia-Pacific)⁴

– Formosa 1

3.5GW+ green energy portfolio⁵

Shared Services



Enabling our global operations

2,000+ 
staff in **Manila and Gurugram**

Delivering for the group

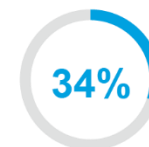


\$A80m+
annualised cost savings from
centralisation of processes¹

~75%
of 3,500+ global
applications supported

~40%
new clients
onboarded globally

Managing our risks



of global proactive
assurance testing
by Shared Services
and BORM² teams



Completed the load balancing tasks across
Manila and Gurugram and continuing to
enforce 48-hour BCP testing for both SSC³

Driving digital innovation

60,000 hours of
automation

40 processes
automated
via Alteryx

200+ automated
workflows in
production

Opportunities for our people



200+
global mobility
success stories⁴

Promoting a strong culture



Alignment
with business teams



Representation
in leadership groups

MAM: Investment solutions for Asia's growing capital



Opportunity

Asia has the world's fastest-growing pools of capital with over \$US12tr of institutional assets¹.

This capital is seeking global deployment opportunities.

Actions

Macquarie has established local teams in key markets and formed enduring relationships with the region's largest institutions.

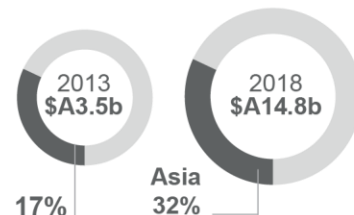
Outcomes

Managing
\$A58b
for Asian investors

Investing
capital in Asia with a
focus on sustainability

2x increase in
EV per asset³

Raising
capital for the European
infrastructure platform²



MacCap: Strengthened global solar development expertise



**Green
Investment
Group**

Opportunity

Wind and solar technology is expected to provide almost 50% of total electricity globally by 2050¹.

Solar global installed capacity expected to increase approximately two and a half times to ~1,000GW by 2025².

Actions

Macquarie acquired a 100% interest in Conergy, one of Asia's largest downstream solar companies with a full spectrum of capabilities.

The acquisition reinforces Macquarie as a leading solar investor and developer globally.

Outcomes

Added
expertise
throughout the
development cycle:

**Development
Procurement
Engineering
Asset management**

Centre of excellence for

10GW+

**global solar assets under
development, construction
or in pipeline**

**88
technical
experts**

based in Singapore,
Philippines, Japan,
Australia and Germany

Globalising

our green energy
commitment

CAF: Financing solution for one of Asia's largest semiconductor companies



Opportunity

With rising technology demand, Asia is investing ~\$US200b in semiconductor manufacturing capabilities over the next three years¹.

Asia's semiconductor players are seeking acquisitions and financing solutions.

Actions

Macquarie worked with partners in Asia to structure a lease facility to meet a major client's needs in Korea.

This included collaborating and leveraging expertise across markets (Korea, Japan and US) to deliver the solution.

Outcomes

~\$A1b
cumulative lease
origination volumes with
\$A240m
originated in FY18

Providing an
**asset
management
solution**
to hedge against
industry and
technology risks

Improving client's
**financial
flexibility**
to focus on core
activities

1. Refers to investments in semiconductor fabrication plants from 2018E to 2020F. Source: SemiCon China forecasts.

CGM: Commodities supply chain solutions for producers and consumers



Opportunity

Asia is the largest consumer of commodities in the world.

Due to changing market dynamics, producers and consumers are looking to gain more control of their full supply chain over the long term.

Actions

Macquarie acts as a physical, financial and logistical intermediary, purchasing cargos from producers, hedging price risks and delivering product to consumers on optimal terms.

Outcomes

Handled
\$US9b+
of metals, agricultural commodities, gas and oil cargoes in CY18

Meeting
increasing demand
for long-term supply contracts

Chartered
40+ vessels
to transport cargoes through Asia during CY18



What's next



Investing in Asia's growth

Harnessing Macquarie expertise

Increasing investor appetite for alternative asset allocation

Heightened sustainability focus driving a strong investment pipeline in green energy

Facilitating the growing demand for consumer and industrial commodities

Cross-border flows

Connecting Asia to the world

Capital-raising for our global platform and balance sheet

Cross-border M&A and private placements with focus on China

Expansion of commodities supply chain and tailored FX and rates solutions

Local expertise

Access to unique opportunities

Combining global expertise with local presence to grow in emerging markets

Accessing local talent to support global operations and diversify global talent pool

Building specialist sector expertise for global activity

Operational Briefing

Presentation to Investors and Analysts

12 February 2019



Glossary

Glossary



\$A / AUD	Australian Dollar
\$US / USD	United States Dollar
£ / GBP	Pound Sterling
€	Euro
1H18	Half-Year ended 30 September 2017
1H19	Half-Year ended 30 September 2018
2H18	Half-Year ended 31 March 2018
2H19	Half-Year ended 31 March 2019
ABN	Australian Business Number
ADI	Authorised Deposit-Taking Institution
ALX	Atlas Arteria
AML	Anti-Money Laundering
ANZ	Australia and New Zealand
Approx.	Approximately
APRA	Australian Prudential Regulation Authority
ASX	Australian Stock Exchange
AUM	Assets under Management
BCBS	Basel Committee on Banking Supervision
BFS	Banking and Financial Services
CAF	Corporate and Asset Finance
Capex	Capital Expenditure
CCB	Capital Conservation Buffer
CET1	Common Equity Tier 1

CGM	Commodities and Global Markets
CLF	Committed Liquid Facility
CMA	Cash Management Account
CRM	Customer Relationship Management
CY17	Calendar Year ended 31 December 2017
CY18	Calendar Year ended 31 December 2018
DCM	Debt Capital Markets
DPS	Dividends Per Share
DRP	Dividend Reinvestment Plan
DTA	Deferred Tax Asset
ECAM	Economic Capital Adequacy Model
ECM	Equity Capital Markets
ECS	Exchangeable Capital Securities
EMEA	Europe, the Middle East and Africa
EPS	Earnings Per Share
EUM	Equity Under Management
FX	Foreign Exchange
FY14	Full Year ended 31 March 2014
FY15	Full Year ended 31 March 2015
FY16	Full Year ended 31 March 2016
FY17	Full Year ended 31 March 2017
FY18	Full Year ended 31 March 2018
FY19	Full Year ended 31 March 2019

Glossary



GIG	Green Investment Group	MSIS	Macquarie Specialised Investment Solutions
GLL	GLL Real Estate Partners	MW	Megawatt
GW	Gigawatt	NGLs	Natural gas liquids
IPO	Initial Public Offering	No.	Number
IRB	Internal Ratings-Based	NPAT	Net Profit After Tax
IFRS	International Financial Reporting Standards	NPC	Net Profit Contribution
IT	Information Technology	NSFR	Net Stable Funding Ratio
LBO	Leveraged Buyout	OTC	Over-The-Counter
LCR	Liquidity Coverage Ratio	P&L	Profit and Loss Statement
LNG	Liquefied Natural Gas	PCM	Private capital markets
M&A	Mergers and Acquisitions	PCP	Prior corresponding period
MacCap	Macquarie Capital	PE	Private equity
MAM	Macquarie Asset Management	PF	Principal Finance
MBL	Macquarie Bank Limited	PPE	Property, Plant and Equipment
MD&A	Management Discussion & Analysis	PPP	Public Private Partnership
MEIF3	Macquarie European Infrastructure Fund 3	RBA	Reserve Bank of Australia
MEREP	Macquarie Group Employee Retained Equity Plan	ROE	Return on Equity
MGL / MQG	Macquarie Group Limited	RWA	Risk Weighted Assets
MIC	Macquarie Infrastructure Corporation	SBI	State Bank of India
MIDIS	Macquarie Infrastructure Debt Investment Solutions	SME	Small and Medium Enterprise
MiFID	Markets in Financial Instruments Directive	SMSF	Self Managed Super Fund
MIM	Macquarie Investment Management	TW	Terawatt
MIRA	Macquarie Infrastructure and Real Assets	UK	United Kingdom
MQA	Macquarie Atlas Roads	US	United States of America
		VaR	Value at Risk

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