MACQUARIE

Macquarie Group Limited

2017 Annual General Meeting

27 July 2017

MACQUARIE

Disclaimer

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This presentation may contain forward looking statements – that is, statements related to future, not past, events or other matters – including, without limitation, 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, provisions for impairments 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 or to otherwise update any forward looking statements, whether as a result of new information, future events or otherwise, after the date of this presentation. Actual results may vary in a materially positive or negative manner. Forward looking statements and hypothetical examples are subject to uncertainty and contingencies outside Macquarie's control. Past performance is not a reliable indication of future performance.

Unless otherwise specified all information is for the full year ended 31 March 2017.

Certain financial information in this presentation is prepared on a different basis to the Financial Report within the Macquarie Group Annual Report ("the Financial Report") for the year ended 31 March 2017, 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's financial performance and financial position. It also provides an analysis of the funding profile of Macquarie because maintaining the structural integrity of Macquarie'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.

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

Agenda

1. FY17 Overview
2. Overview of Result
3. 1Q18 Update
4. FY18 Outlook

01 FY17 Overview

Peter Warne – Chairman

Performance reflects mix and quality of Macquarie's businesses

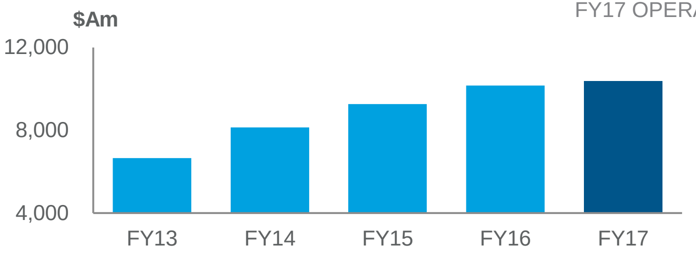
- In FY17, Macquarie's businesses continued to grow with profit up 7.5% highlighting the diversity of our business offering and its ability to adapt to changing conditions
  - Annuity-style businesses (Macquarie Asset Management, Corporate and Asset Finance and Banking and Financial Services) combined net profit contribution up 4% on the prior year
  - Capital markets facing businesses (Commodities and Global Markets and Macquarie Capital) combined net profit contribution up 12% on the prior year

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

Financial performance

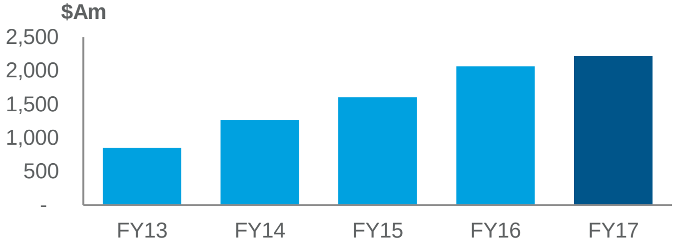
Operating income

$A10,364m
FY17 OPERATING INCOME
▲2% ON FY16



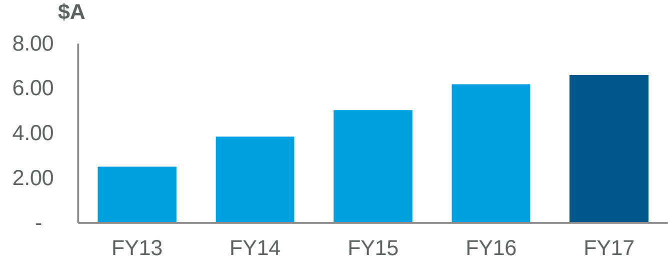
Profit

$A2,217m
FY17 PROFIT
▲7.5% ON FY16



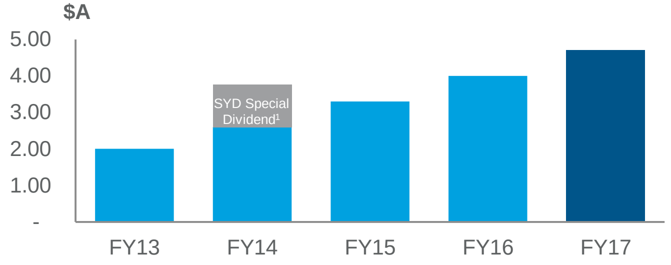
EPS

$A6.58
FY17 EPS
▲6% ON FY16



DPS

$A4.70
FY17 DPS
▲18% ON FY16



1. In 2H14 eligible shareholders also benefited from the SYD distribution in Jan 14 which comprised a special dividend of $A1.16 (40% franked) and a return of capital of $A2.57 per share.

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FY17 dividend

FY17 ORDINARY DIVIDEND

$A 4.70

(45% franked)

FROM

▲ **$A4.00**

(40% franked)

IN FY16

2H17 ORDINARY DIVIDEND

$A 2.80

(45% franked)

FROM

▲ **$A1.90**

(45% franked)

IN 1H17

FY17 ANNUAL PAYOUT RATIO

72%

DIVIDEND POLICY REMAINS

60-80%

ANNUAL PAYOUT RATIO

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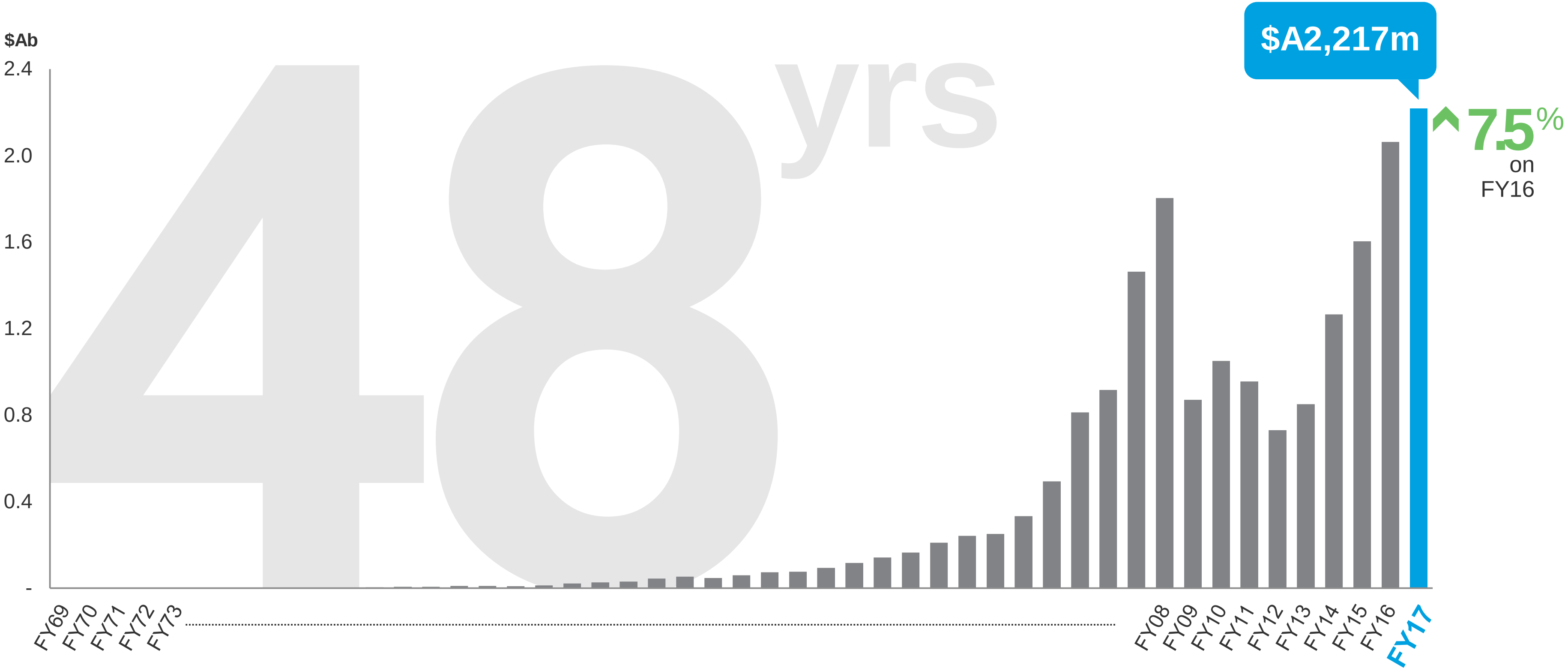
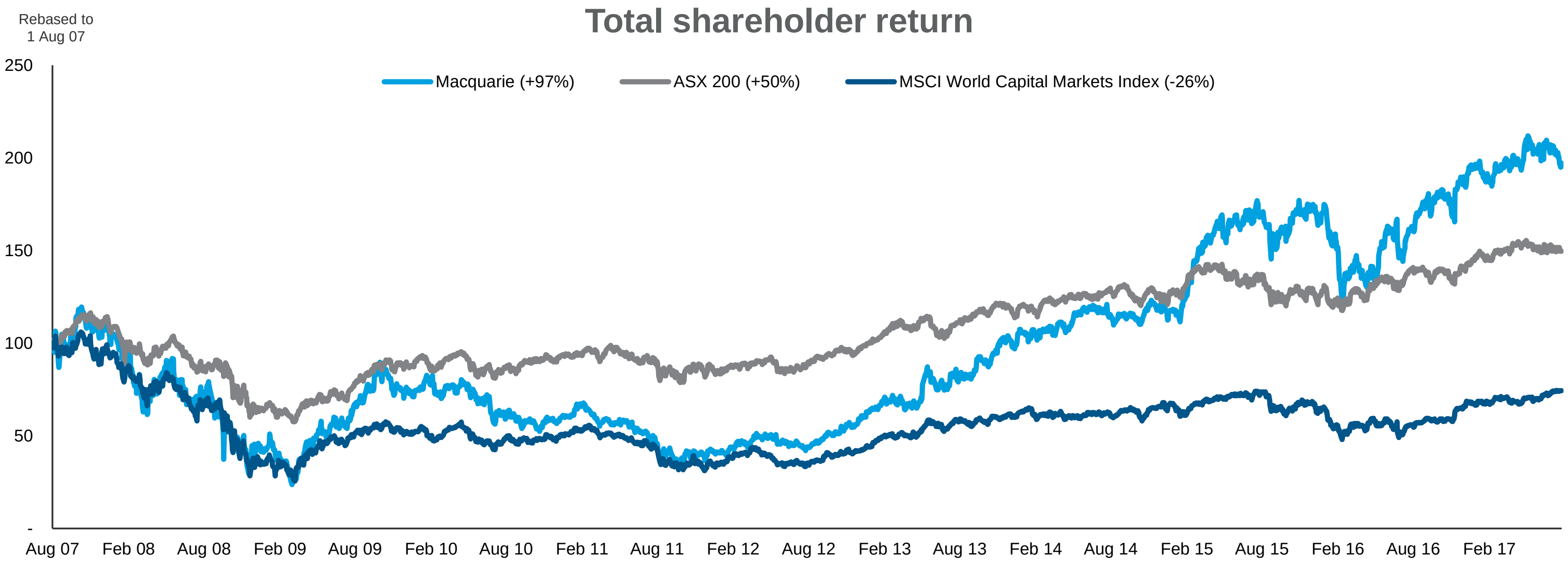
48 years of profitability



Macquarie's total shareholder return continues to outperform

- Since 2007, Macquarie's TSR of 97% outperformed the ASX 200 by 47% and the MSCI World Capital Markets Index by 123%



Note: MSCI World Capital Markets Index, ASX 200 and Macquarie Group information is presented on a total return basis, quoted in local currency and rebased to 1 Aug 07. Source: Factset. Data to 25 Jul 17.

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Risk culture and conduct

- Macquarie's unbroken profitability is underpinned by our long-standing risk culture. This is reflected in our principles of Opportunity, Accountability and Integrity
- The Board plays a key oversight role in ensuring that Macquarie has a strong risk culture and effectively manages conduct risk
- A strong risk culture drives good conduct
- Macquarie's risk culture and our management of conduct risk is well entrenched across all parts of the organisation
  - Primary responsibility at the individual and business level
  - Strong independent oversight by the Risk Management Group
  - Effective consequence management

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Risk culture and conduct in practice

Our risk management approach has been largely consistent since inception and we continue to monitor and enhance our risk culture and management of conduct risk

FY17 risk culture and conduct specific achievements

- *Code of Conduct* refreshed and global policies enhanced
- Appointment of Customer Advocate for retail and small business customers in Australia
- Resources continued to be deployed into staff training across areas including compliance, anti-money laundering crime and counter terrorism financing
- Additional risk culture and conduct risk objectives formally incorporated into performance management process for all staff

Integrity campaign

- Our long-standing risk culture is reflected in our principles of Opportunity, Accountability and Integrity
- A campaign was rolled out globally to staff highlighting the importance of good conduct through #integrity
- This had strong engagement across Macquarie through multiple internal communication channels
- Our integrity principles continue to be integrated into group-wide training programs and actively promoted by Group and regional heads

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A longstanding commitment to renewable energy

- Continue to support the transition to a low carbon economy
- Service clients across various renewable energy technologies: solar, wind, waste to energy, bioenergy and energy efficiency
- Conventional energy sources will continue to deliver capacity to the global energy system for some time, as referenced in the *Finkel Report*
- Our businesses will adapt, adjust and continue to seek new opportunities in response to the decarbonisation of this sector

Global highlights

Agreed to acquire Green Investment Bank in the UK, creating one of Europe's largest teams of green energy investment specialists

50% interest in Taiwanese offshore wind project Formosa 1 with 8MW of capacity and plans for a further 120MW by the end of 2019

Agreement in partnership with BRUC Capital to acquire up to 27 solar projects in Japan from IBC, with 37MW of capacity

Acquired a 50MW portfolio of commercial battery storage projects in development in California

$A15b

Invested or arranged into renewable energy projects since 2010

6,670MW

Renewable energy managed globally

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Major Bank Levy

- The Major Bank Levy taxes 5 Australian banks on many of their non-retail deposit liabilities
- Macquarie Group's banking activities are carried on by Macquarie Bank which largely comprises the Australian retail business in BFS, Lending and Leasing in CAF and much of its CGM business
- Macquarie Bank's Australian operations represent approximately one third of Macquarie Bank's earnings based on the FY17 result
- Macquarie Bank's return on equity was approximately 10% in FY17 and its market share across most Australian retail products is approximately 2%
- The annualised cost of the new tax is estimated to be $A66m pre-tax based on FY17 earnings, which has the same effect as increasing the Australian effective tax rate for Macquarie Bank from 34% to 41%
  - The impact of the levy would be greater in the event of a decline in Macquarie Bank's profitability
- The new tax will have a disproportionately high impact on Macquarie Bank compared to the major Australian banks given our business mix is more heavily weighted to wholesale and international business
- We have expressed our concern to the Government given the size of our banking operations, the benefit we bring to domestic competition and innovation, and the role we play in bringing offshore income into the Australian economy
- We will continue to review our business mix and location to ensure all our businesses remain profitable and internationally competitive, noting that our international competitors are not subject to this tax

Key management changes

- Following the merger of MSG and CFM to create CGM in Nov 16, Andrew Downe, who led CFM, was appointed Group Head of CGM
  - Stevan Vrcelj stepped down from his role as Group Head of MSG and from the Executive Committee, of which he had been a member since 2010
- Michael McLaughlin, US Country Head and Head of Credit Markets Division, stepped down from the Executive Committee in June 2017, of which he had been a member since 2012

New Executive Committee member

Nick O'Kane, Head of Commodity Markets and Finance, joined the Executive Committee in June 2017. Nick has worked for Macquarie for 22 years in Australia, Malaysia, Korea, London, Los Angeles and, since 2009, leading our global energy markets business from Houston

Macquarie Group Foundation

Providing support to hundreds of community organisations globally each year

FY17

$A 29.4m

donated by staff and Foundation

50,000 +

HOURS

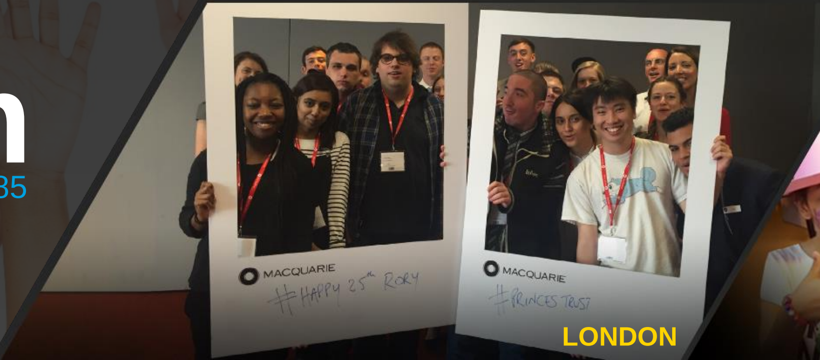
1,350 +

CHARITIES SUPPORTED

MORE THAN

$A300m

since 1985



02 Overview of the result for the year ended 31 March 2017

Nicholas Moore

Managing Director and Chief Executive Officer

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FY17 result: $A2,217m up 7.5% on FY16

	FY16 $Am	FY17 $Am	FY17 v FY16
Operating income	10,158	10,364	↑ 2%
Operating profit before tax	3,015	3,104	↑ 3%
Profit	2,063	2,217	↑ 7%
Return on equity (%)	14.7	15.2	↑ 3%
Earnings per share	$A6.19	$A6.58	↑ 6%
Dividends per share	$A4.00	$A4.70	↑ 18%

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Where we make our income

International income 63% of total income[1]
Total staff 13,597; International staff 55% of total

Europe, Middle East and Africa

INCOME
$A2,484m
24% OF TOTAL

STAFF
1,509

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

MIDDLE EAST
Abu Dhabi
Dubai

SOUTH AFRICA
Cape Town
Johannesburg

Asia

INCOME
$A1,238m
12% OF TOTAL

STAFF
3,450

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

Americas

INCOME
$A2,711m
27% OF TOTAL

STAFF
2,502

CANADA
Calgary
Montreal
Toronto
Vancouver

LATIN AMERICA
Mexico City
Ribeirao Preto
Sao Paulo

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

Australia[2]

INCOME
$A3,702m
37% OF TOTAL

STAFF
6,136

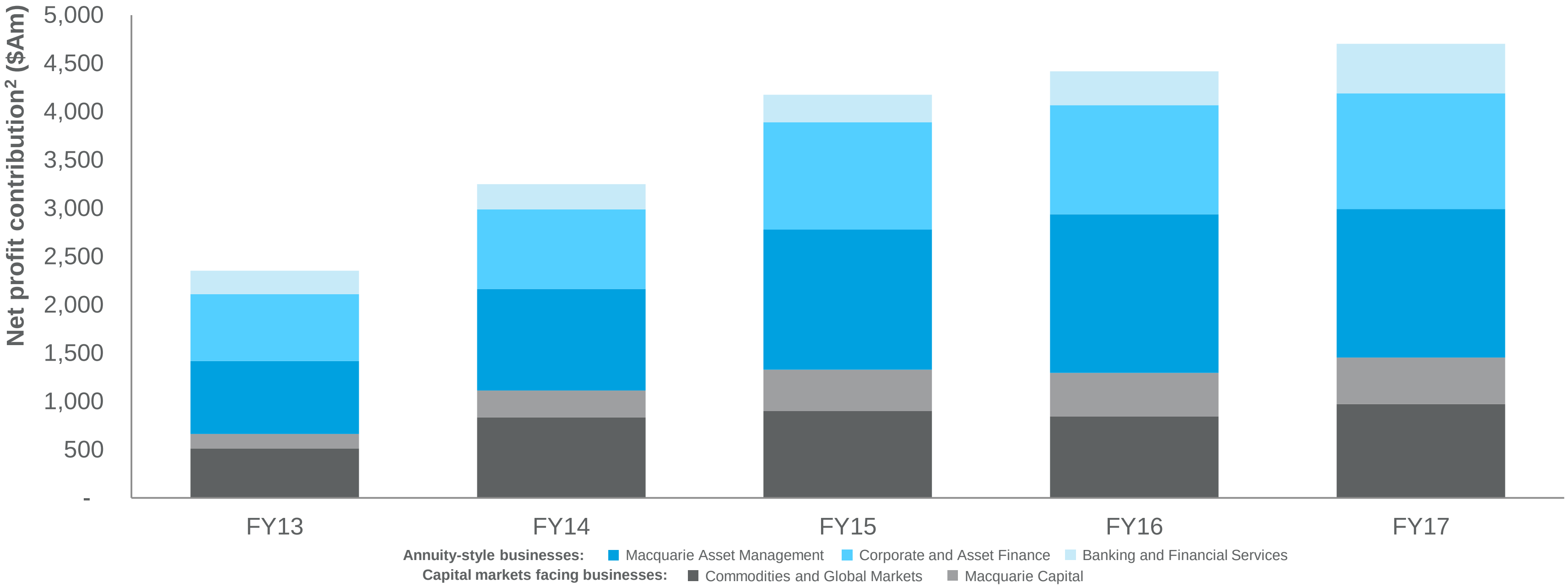
AUSTRALIA
Adelaide
Brisbane
Canberra
Melbourne
Parramatta
Gold Coast
Perth
Sydney
Manly

NEW ZEALAND
Auckland

As at 31 Mar 17. 1. Net operating income excluding earnings on capital and other corporate items. 2. Includes New Zealand.

Growth of Annuity-style vs Capital markets facing businesses since FY13

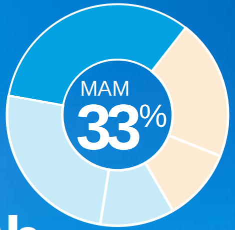
Annuity-style businesses represent approximately 70% of the Groups' performance[1]



Comparative figures have been restated to conform to changes in current year financial presentation and group restructures, where necessary.
1. Based on FY17 net profit contribution from operating groups. 2. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax.

ANNUITY-STYLE BUSINESS

Macquarie Asset Management



Assets under management **$A480b**

$A1.5b

Net profit ⌄ 6% ON FY16

$A2.6b

Operating income ⌄ 4% ON FY16

MIRA

$A77.2b
EQUITY UNDER MANAGEMENT

$A15.6b
New equity raised

$A13.7b
Invested equity
24 acquisitions and
12 follow-on investments

$A10.2b
Equity to deploy

MIM

$A320.3b
ASSETS UNDER MANAGEMENT

New institutional mandates and contributions funded:

Australia **$A5.9b**

Asia **$A5.6b**

North America **$US2.4b**

EMEA **$US1.7b**

MSIS

$A4.4b
INVESTOR FUNDS ON MIDIS PLATFORM

$A6.5b
Commitments on MIDIS platform

$A0.7b
New loans to Private Equity Secondaries funds

FY17 AWARDS

Towers Watson: World's Largest Infrastructure Asset Manager[1]

Global Investor ISF: Infrastructure Manager of the Year 2016 – Macquarie Infrastructure and Real Assets

Institutional Investor: Infrastructure Manager of the Year Award[2]

Money Management | Lonsec Fund Manager of the Year 2016 – Winner: 2016 Fund Manager of the Year; Global Equities (Regional & Emerging Markets); Australian Equities (Broad Cap); Global Equities (Broad Cap)

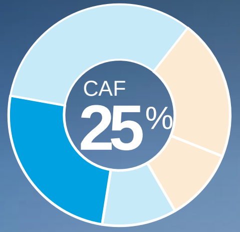
Money Management/Lonsec Awards[3]

Private Debt Investor Awards 2016: Infrastructure Debt Manager of the Year, Europe[4]

Note: References relate to the full year ended 31 Mar 17. All references to net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on FY17 net profit contribution from operating groups. 1. Global Alternatives Survey 2016 (published Jul 16). 2. Institutional Investor's 2016 European Money Management Awards (published Apr 16). 3. From May 2016 – May 2017. For more information and disclosures about these awards, visit: https://www.delawarefunds.com/MAMglobalcommunications. 4. Private Debt Investor Awards 2016 (published Mar 17).

ANNUITY-STYLE BUSINESS

Corporate and Asset Finance



Asset and loan portfolio **$A36.5b**

Asset finance portfolio **$A29.7b**

Lending's funded portfolio **$A6.8b**[1]

$A1.2b

Net profit ▲ 6% ON FY16

$A1.8b

Operating income ▲ 6% ON FY16

One of Australia's largest vehicle financiers, with over

610,000 cars

204 planes

Largest

smart meter funder in the UK, and largest independent smart meter funder in Australia[2]

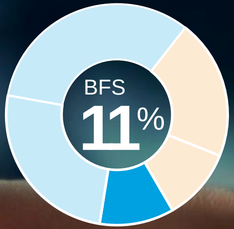
979

Locomotives and wagons

Note: References relate to the full year ended 31 Mar 17. All references to net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on FY17 net profit contribution from operating groups. 1. Includes Real Estate Structured Finance legacy run-off portfolio and equity portfolio of $A0.4b. 2. Independent from retail energy providers.

ANNUITY-STYLE BUSINESS

Banking and Financial Services



$A35.8b Australian loan portfolio

$A513m

Net profit 47% ON FY16

$A1.6b

Operating income 13% ON FY16

Personal banking	Wealth management	Business banking
$A28.7b 1%	$A72.2b 24%	$A6.5b 10%
Australian mortgage portfolio	Funds on platform[1]	Business Banking loan portfolio

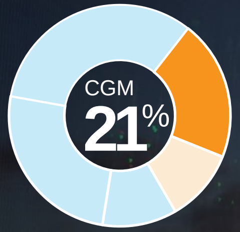
More than **1 million** clients around Australia

FY17 AWARDS

Note: References relate to the full year ended 31 Mar 17. All references to net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on FY17 net profit contribution from operating groups. 1. Funds on platform includes Macquarie Wrap and Vision.

CAPITAL MARKETS FACING BUSINESS

Commodities and Global Markets[1]



Covering **25+** market segments, with **160+** products

$A971m

Net profit 15% ON FY16

$A2.9b

Operating income 1% ON FY16

Deep markets experience

YEARS

- **10+** Energy
- **20+** Agriculture, foreign exchange
- **30+** Metals, equities, futures

- **No. 1** IPOs in ANZ[2]
- **No. 4** US physical gas marketer in North America[3]
- **2,300+** Stocks covered

FY17 AWARDS[4]

Commodity Business Awards Macquarie WINNER 2016 Commodity House of the Year

No. 1 Commodity House of the Year
3rd consecutive year

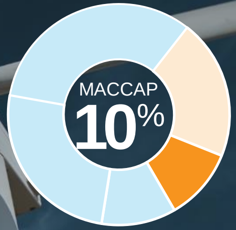
Commodity Business Awards Macquarie WINNER 2016 Agriculture & Softs Markets

No. 1 Excellence in Agriculture & Softs Markets
7th consecutive year

Note: References relate to the full year ended 31 Mar 17. All references to net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on FY17 net profit contribution from operating groups. 1. Formerly Macquarie Securities Group and Commodities and Financial Markets. 2. Dealogic. 3. Platts Q4 CY16. 4. 2016 Commodity Business Awards, presented by Commodities Now Magazine.

CAPITAL MARKETS FACING BUSINESS

Macquarie Capital



Globally diversified with a core strength in real assets

$A483m

Net profit 7% ON FY16

$A1.2b

Operating income 2% ON FY16

417 transactions valued at $A159b

No.1 in Infrastructure M&A advisory globally[1]

No.1 M&A transactions in ANZ[2]

No.1 Technology LBO Bookrunner in the US[3]

No.1 IPOs in ANZ[2]

No.1 Infrastructure/Project Advisory in the UK[4]

FY17 AWARDS & DEALS

FinanceAsia
Best M&A Deal (ANZ)
Ausgrid long-term lease for $A16.2b

PFI AWARDS
Asia-Pacific Infra Deal of the year
Manila Light Rail Transit 1 PPP

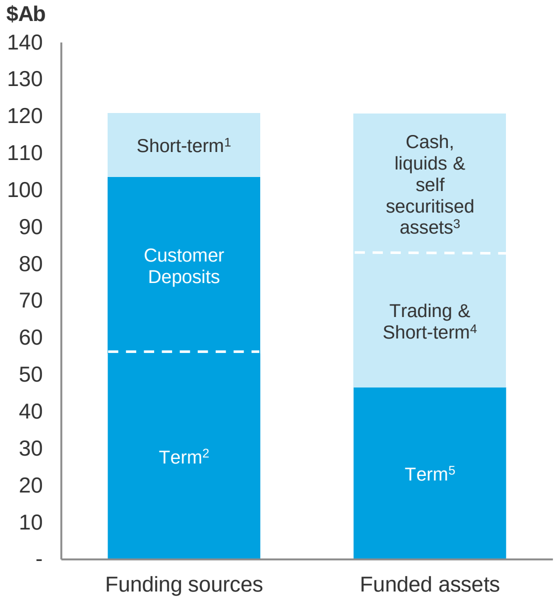
GLOBAL PERE AWARDS
North America Capital Raise of the Year
Lennar Multifamily Venture[5]

IJGlobal
European & African Financial Adviser of the Year

Note: References relate to the full year ended 31 Mar 17. All references to net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on FY17 net profit contribution from operating groups. 1. Infradeal, CY16, by deal value, (M&A Advisory, announced). 2. Dealogic, by deal value FY17, Announced and Completed M&A (any ANZ Involvement, ex-Fairness Opinions) and ANZ IPOs. 3. Bloomberg CY16. 4. InfraDeals 2016. 5. PERE Magazine.

Business backed by strong funding and capital

MGL funded balance sheet
31 March 2017



APRA Basel III surplus capital[6]
31 March 2017

$A5.5b

Credit ratings

MACQUARIE BANK

Standard & Poor's	Moody's	Fitch Ratings
26 years	21 years	25 years

'A' RATED

1. 'Short-term' funding includes short-term wholesale issued paper and other debt maturing in the next 12 months. 2. 'Term' funding sources includes debt maturing beyond 12 months plus equity and hybrids. 3. 'Cash, liquids and self securitised assets' includes self securitisation of repo eligible Australian mortgages originated by Macquarie. 4. 'Trading & short-term' funded assets includes net trading assets and loan assets (incl. op lease) maturing in the next 12 months. 5. 'Term' funded assets includes debt investment securities, equity investments, PPE and loan assets (incl. op lease) maturing beyond 12 months. 6. Calculated at 8.5% RWA including the capital conservation buffer (CCB), per APRA ADI Prudential Standard 110.

03 1Q18 Update

Nicholas Moore

Managing Director and Chief Executive Officer

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1Q18 Macquarie update

- Operating groups performing in line with expectations
- 1Q18 operating group contribution[1] up on pcp and down on a strong prior quarter

	1Q18 contribution[1] vs 1Q17
Annuity-style businesses ~70%[2]	Continued to perform well: • Base fees in MAM broadly in line; performance fees down on pcp • CAF Lending up on pcp, mainly due to the timing of transactions • Continued growth in BFS particularly in mortgages, business banking and deposit books
Capital markets facing businesses ~30%[2]	Experienced improved trading conditions across most markets: • Stronger activity in CGM, largely due to improved equity market conditions • Increased client activity in DCM in MacCap; Principal book performing in line with expectations

- No significant one-off items

1. Represents management accounting profit before unallocated corporate costs, profit share, income tax and period end reviews. 2. Annuity-style businesses consists of Macquarie Asset Management, Corporate and Asset Finance, and Banking and Financial Services. Capital markets facing businesses consists of Commodities and Global Markets and Macquarie Capital. Percentage split is based on FY17 net profit contribution from operating groups.

Annuity-style businesses
1Q18 Update

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	FY17 contribution[1]	Activity during the quarter
Macquarie Asset Management	33%	• AUM of $A460.8b down 4% on Mar 17 (MIRA EUM of $A74.2b down 4%), largely due to net asset realisations in MIRA, partially offset by favourable market and FX movements • Performance fees from several funds including Macquarie Atlas Roads • MIRA invested equity of $A3.0b across 4 acquisitions and 7 follow-on investments in Infrastructure and Real Estate in 5 countries • MIM awarded over $A3.1b in new institutional mandates across 9 strategies from clients in 5 countries • MSIS awarded over $A800m of new and additional infrastructure debt mandates
Corporate and Asset Finance	25%	• Asset and loan portfolio of $A36.2b, broadly in line with Mar 17 • Portfolio additions of $A0.9b in corporate and real estate lending across new primary financings and secondary market acquisitions • $A0.8b of motor vehicle and equipment leases and loans securitised
Banking and Financial Services	11%	• Total BFS deposits[2] of $A47.3b, up 6% on Mar 17 • Australian mortgage portfolio of $A29.4b, up 2% on Mar 17 • Funds on platform[3] of $A79.1b, up 10% on Mar 17 largely due to the final migration of full service broking accounts to the Vision platform • Business banking loan portfolio of $A6.7b, up 3% on Mar 17 • Entered into exclusive due diligence with Morgan Stanley to provide administration services and develop a new white labelled Wrap offering • Won Best Digital Banking Offering and Most Innovative Card Offering at the 2017 Australian Retail Banking Awards

1. Based on FY17 net profit contribution from operating groups. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 2. BFS deposits excludes corporate/wholesale deposits.
3. Funds on platform includes Macquarie Wrap and Vision.

Capital markets facing businesses
1Q18 Update

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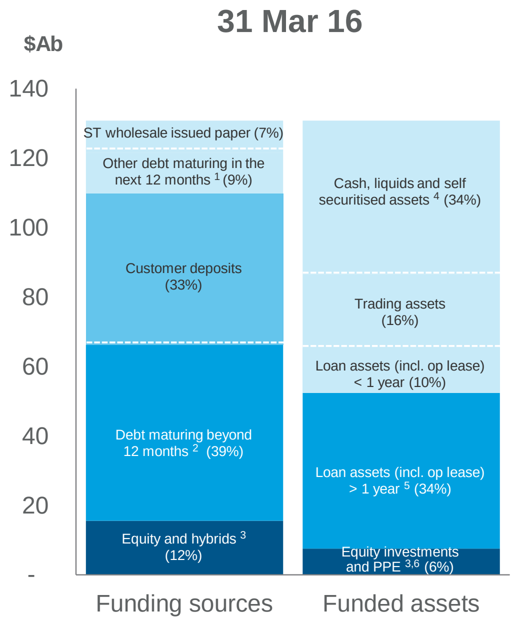
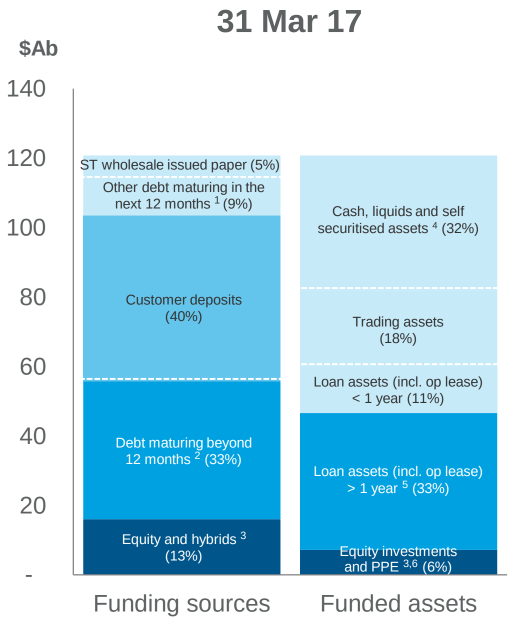
	FY17 contribution[1]	Activity during the quarter
Commodities and Global Markets	21%	• Client hedging and trading opportunities remained steady across the commodities platform • Continued strong customer activity in foreign exchange, interest rates and futures markets driven by ongoing market volatility • Increased ECM activity and market turnover in Cash Equities • Entered into an agreement to acquire Cargill's North American Power and Gas business to expand the geographic and service coverage in key markets in the region • Announced the merger of the Energy Markets and Metals, Mining and Agriculture divisions to form one commodities division called Commodity Markets and Finance
Macquarie Capital	10%	• Increased client activity in DCM, while ECM and M&A activity remained subdued[2] • 97 deals completed at $A45b, up on pcp and broadly in line with prior period (by value)[3] • Principal book performing in line with expectations • No.1 for global Infrastructure Finance financial advisory[4] • No.1 for announced and completed M&A deals[5] and No.1 for IPO and ECM deals in Australia[5]

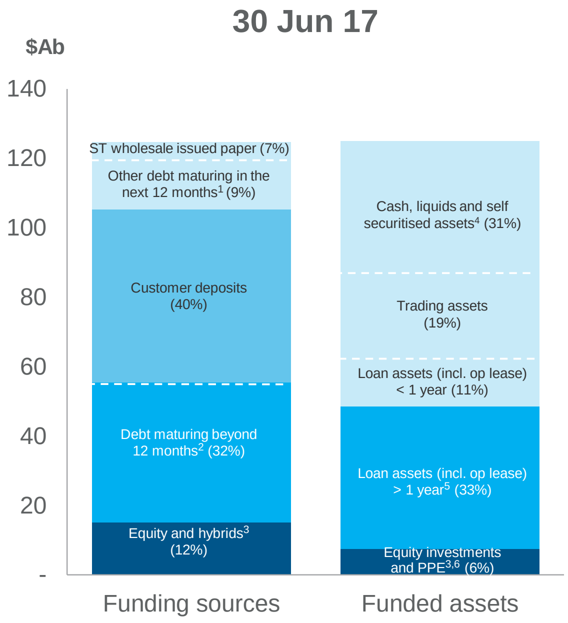
1. Based on FY17 net profit contribution from operating groups. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 2. Compared to the prior corresponding period. 3. Prior corresponding period and prior period deal values have been adjusted to reflect final transaction data. These changes are not material. 4. IJ Global 1H CY17, by deal count. 5. Thomson Reuters, Apr to Jun 17 (values in USD).

Funded balance sheet remains strong

Term liabilities cover term assets



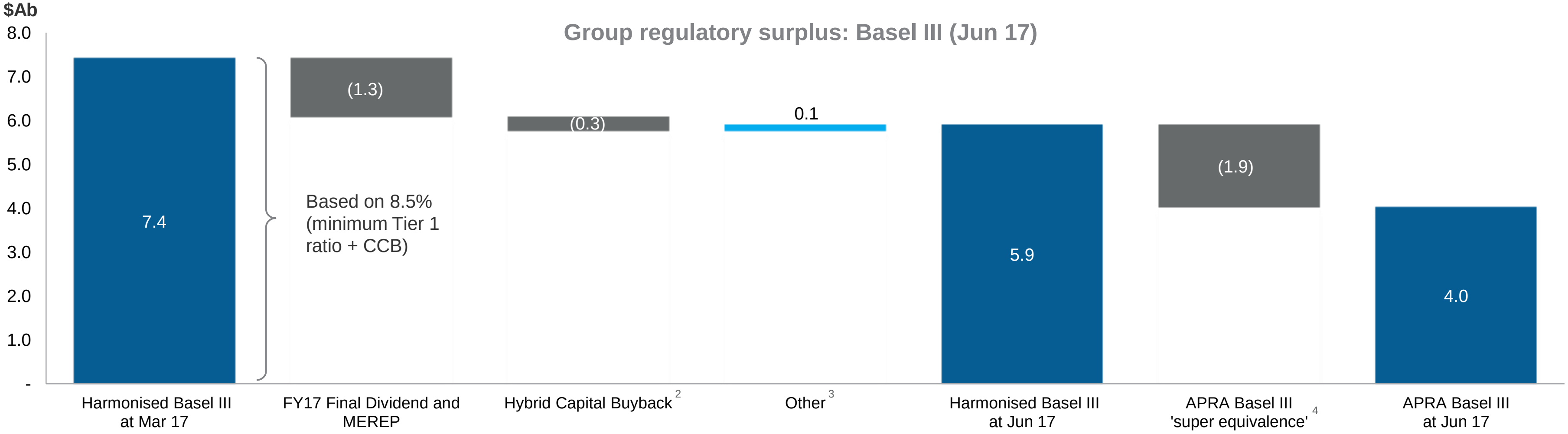




These charts represent Macquarie's funded balance sheets at the respective dates noted above. 1. 'Other debt maturing in the next 12 months' includes Structured Notes, Secured Funding, Bonds, Other Loans, Loan Capital maturing within the next 12 months and Net Trade Creditors. 2. 'Debt maturing beyond 12 months' includes Loan Capital not maturing within next 12 months. 3. Non-controlling interests have been netted down in 'Equity and hybrids' and 'Equity Investments and PPE'. Mar 16 has been restated accordingly. 4. 'Cash, liquids and self securitised assets' includes self securitisation of RBA repo eligible Australian mortgages originated by Macquarie. 5. 'Loan Assets (incl. op lease) > 1 year' includes Debt Investment Securities. 6. 'Equity Investments and PPE' includes Macquarie's co-investments in Macquarie-managed funds and equity investments.

Basel III capital position

- APRA Basel III Group capital at Jun 17 of $A17.5b, Group capital surplus of $A4.0b[1]
- APRA's proposal to establish 'unquestionably strong' Australian banking sector capital ratios by 2020 would increase MBL's minimum capital requirements by approximately $A1.4b. APRA has stated that the increased capital requirements will include any changes from the finalisation of Basel III
  - Current capital surplus is sufficient to accommodate the proposed increase

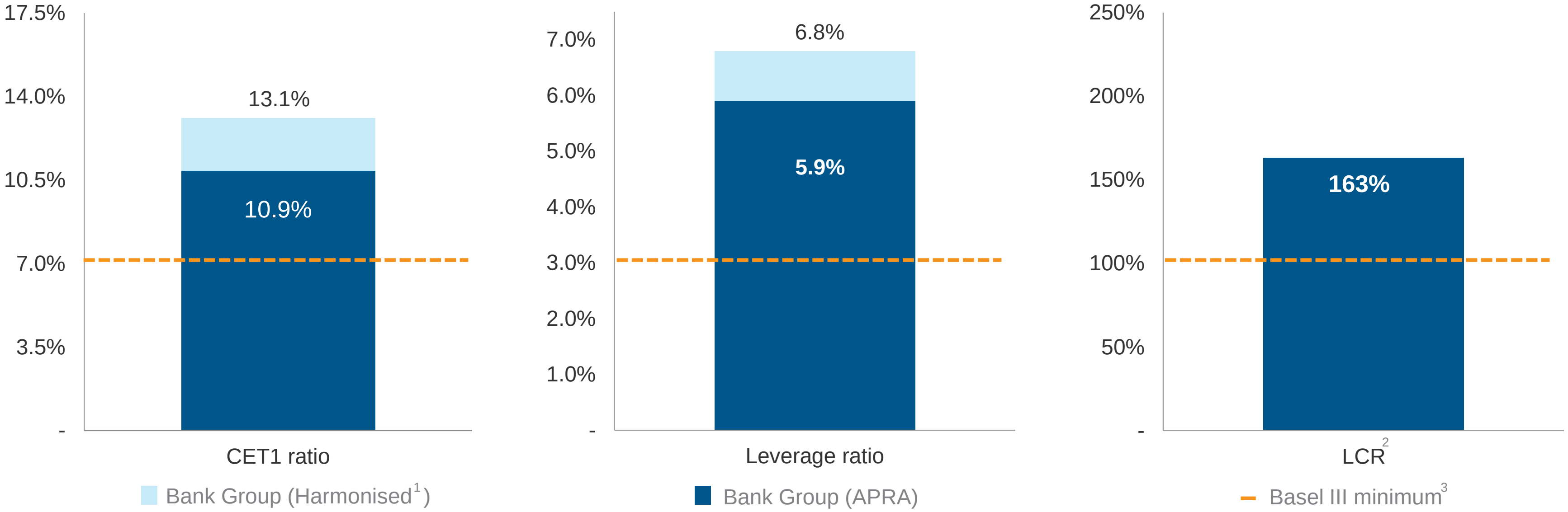


1. Calculated at 8.5% RWA including the capital conservation buffer (CCB), per APRA ADI Prudential Standard 110. The APRA Basel III Group capital surplus is $A5.3b calculated at 7% RWA, per the internal minimum Tier 1 ratio of the Bank Group. 2. $US250m of Exchangeable Capital Securities ("ECS") bought back in Jun 17. 3. Includes current quarter P&L net of business growth, the net impact of hedging employed to reduce the sensitivity of the Group's capital position to FX translation movements and other movements in capital supply and requirements. 4. APRA Basel III 'super-equivalence' includes the impact of changes in capital requirements in areas where APRA differs from the BCBS Basel III framework and includes full CET1 deductions for equity investments ($A0.6b); differences in mortgages treatment ($A0.5b); capitalised expenses ($A0.5b); investment into deconsolidated subsidiaries ($A0.2b); DTAs and other impacts ($A0.1b).

MACQUARIE

Strong regulatory ratios

Bank Group (Jun 17)



1. 'Harmonised' Basel III estimates are calculated in accordance with the BCBS Basel III framework. 2. Average LCR for Jun 17 quarter is based on an average of daily observations. 3. Includes the capital conservation buffer in the minimum CET1 ratio requirement. The minimum BCBS Basel III leverage ratio requirement of 3% is effective from 1 Jan 18.

04 FY18 Outlook

Nicholas Moore

Managing Director and Chief Executive Officer

Factors impacting short-term outlook

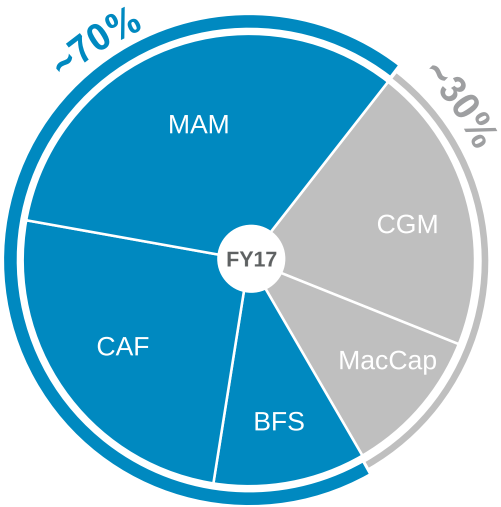
FY18 combined net profit contribution from operating groups expected to be broadly in line with FY17

Annuity-style businesses

Macquarie Asset Management
- FY17: $A1.5b down 6% on FY16
- Base fees expected to be broadly in line
- Performance fees and investment-related income expected to be broadly in line, subject to timing of asset realisations

Corporate and Asset Finance
- FY17: $A1.2b up 6% on FY16
- Leasing book broadly in line
- Reduced loan volumes in Lending
- Timing and level of early prepayments and realisations in Lending

Banking and Financial Services
- FY17: $A0.5b up 47% on FY16
- Higher loan portfolio, deposit and platform volumes
- Non-recurrence of gain on sale of life business and reduced project-related expenses
- Reduced impairments with respect to equity investments and intangibles



Corporate
- Compensation ratio to be consistent with historical levels
- Based on present mix of income, currently expect FY18 tax rate to be broadly in line with FY17

Capital markets facing businesses

Commodities and Global Markets
- FY17: $A1.0b up 15% on FY16
- Strong customer base expected to drive consistent flow across Commodities, Fixed Income and Futures
- Lower levels of impairments and investment-related income expected
- Cargill acquisition not expected to have material impact

Macquarie Capital
- FY17: $A0.5b up 7% on FY16
- Assume market conditions broadly consistent with FY17
- Solid pipeline of Principal realisations expected
- GIB completion on track

Note: Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on FY17 net profit contribution from operating groups.

Short-term outlook

- We currently expect the FY18 combined net profit contribution[1] from operating groups to be broadly in line with FY17
- The FY18 tax rate is currently expected to be broadly in line with FY17
- Accordingly, the Group's result for FY18 is currently expected to be broadly in line with FY17
- Our short-term outlook remains subject to:
  - Market conditions
  - The impact of foreign exchange
  - Potential regulatory changes and tax uncertainties

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

MACQUARIE

Medium-term

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

Approximate business Basel III Capital & ROE

MACQUARIE

31 Mar 17

Operating Group	APRA Basel III Capital[1] @ 8.5% ($Ab)	Approx. FY17 Return on Ordinary Equity[2]	Approx. 11-Year Average Return on Ordinary Equity[2]
Annuity-style businesses	**8.3**		
Macquarie Asset Management	1.7	22%	20%[3]
Corporate and Asset Finance	4.4		
Banking and Financial Services	2.2		
Capital markets facing businesses	**4.6**		
Commodities and Global Markets	2.9	15%	15% - 20%
Macquarie Capital	1.7		
Corporate	**0.3**		
Total regulatory capital requirement @ 8.5%	13.2		
Group surplus	5.5		
Total APRA Basel III capital supply	**18.7[4]**		

1. Business Group capital allocations are indicative and are based on allocations as at 31 Dec 16 adjusted for material movements over the Mar 17 quarter. 2. NPAT used in the calculation of approx. annualised ROE is based on operating group's net profit contribution adjusted for indicative allocations of profit share, tax and other corporate expenses. Accounting equity is attributed to businesses based on regulatory capital requirements. 11-year average covers FY07 to FY17, inclusively. 3. CAF returns prior to FY11 are excluded from the 11-year average as they are not meaningful given the significant increase in scale of CAF's platform over this period. 4. Comprising of $A15.6b of ordinary equity and $A3.1b of hybrids.

MACQUARIE

Medium-term

Annuity-style businesses

Macquarie Asset Management (MAM)
- Annuity-style business that is diversified across regions, products, asset classes and investor types
- Diversification of capabilities allows for the business to be well placed to grow assets under management in different market conditions
- Well positioned for organic growth with several strongly performing products and an efficient operating platform

Corporate and Asset Finance (CAF)
- Leverage deep industry expertise to maximise growth potential in loan and lease portfolios
- Positioned for further asset acquisitions and realisations, subject to market conditions
- Funding from asset securitisation throughout the cycle

Banking and Financial Services (BFS)
- Strong growth opportunities through intermediary and direct retail client distribution, white labelling, platforms and client service
- Opportunities to increase financial services engagement with existing business banking clients and extend into adjacent segments
- Modernising technology to improve client experience and support growth

Capital markets facing businesses

Commodities and Global Markets (CGM)
- Opportunities to grow commodities business, both organically and through acquisition
- Development of institutional coverage for specialised credit, rates and foreign exchange products
- Increase financing activities
- Growing the client base across all regions
- Well positioned for a recovery in equity market activity levels through both improved market rankings combined with existing strong research platform and strong market position in Asia

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 region

A | APPENDIX Glossary

MACQUARIE

Glossary

$A / AUD	Australian Dollar
$C / CAD	Canadian Dollar
$US / USD	United States Dollar
£ / GBP	Pound Sterling
€	Euro
1H17	Half-Year ended 30 September 2016
1H18	Half-Year ending 30 September 2017
1Q17	Quarter ended 30 June 2016
1Q18	Quarter ended 30 June 2017
2H17	Half-Year ended 31 March 2017
ABN	Australian Business Number
ADI	Authorised Deposit-Taking Institution
AML	Anti-Money Laundering
ANZ	Australia and New Zealand
Approx.	Approximately
APRA	Australian Prudential Regulation Authority
APTT	Asian Pay Television Trust
ASX	Australian Stock Exchange
AUM	Assets under Management
AVS	Available For Sale

BCBS	Basel Committee on Banking Supervision
BFS	Banking and Financial Services
CAF	Corporate and Asset Finance
CCB	Capital Conservation Buffer
CCP	Central Counterparty
CET1	Common Equity Tier 1
CGM	Commodities and Global Markets
CLF	Committed Liquid Facility
CMA	Cash Management Account
CMBS	Commercial Mortgage-Backed Securities
CRM	Customer Relationship Management
CY16	Calendar Year ended 31 December 2016
CY17	Calendar Year ending 31 December 2017
DCM	Debt Capital Markets
DPS	Dividends Per Share
DRP	Dividend Reinvestment Plan
DTA	Deferred Tax Asset
ECM	Equity Capital Markets
EMEA	Europe, the Middle East and Africa
EPS	Earnings Per Share

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Glossary

EUM	Equity Under Management
FX	Foreign Exchange
FY07	Full Year ended 31 March 2007
FY08	Full Year ended 31 March 2008
FY09	Full Year ended 31 March 2009
FY11	Full Year ended 31 March 2011
FY13	Full Year ended 31 March 2013
FY14	Full Year ended 31 March 2014
FY15	Full Year ended 31 March 2015
FY16	Full Year ended 31 March 2016
FY17	Full Year ended 31 March 2017
FY18	Full Year ending 31 March 2018
GIB	Green Investment Bank
HQLA	Highly Quality Liquid Assets
IPO	Initial Public Offering
IRB	Internal Ratings-Based
IT	Information Technology
JV	Joint Venture
LBO	Leveraged Buyout
LCR	Liquidity Coverage Ratio

LNG	Liquefied Natural Gas
LP	Limited Partner
Ltd	Limited
M&A	Mergers and Acquisitions
MacCap	Macquarie Capital
MACS	Macquarie Additional Capital Securities
MAM	Macquarie Asset Management
MBL	Macquarie Bank Limited
MD&A	Management Discussion & Analysis
MEC	Metals and Energy Capital
MEIF1	Macquarie European Infrastructure Fund 1
MEREP	Macquarie Group Employee Retained Equity Plan
MGL / MQG	Macquarie Group Limited
MKIF	Macquarie Korea Infrastructure Fund
MIC	Macquarie Infrastructure Corporation
MIDIS	Macquarie Infrastructure Debt Investment Solutions
MIM	Macquarie Investment Management
MIRA	Macquarie Infrastructure and Real Assets
MPW	Macquarie Private Wealth
MQA	Macquarie Atlas Roads

MACQUARIE

Glossary

MSIS	Macquarie Specialised Investment Solutions
MSG	Macquarie Securities Group
MW	Mega Watt
NGLs	Natural gas liquids
NIM	Net Interest Margin
No.	Number
NPAT	Net Profit After Tax
NPC	Net Profit Contribution
NSFR	Net Stable Funding Ratio
OTC	Over-The-Counter
P&L	Profit and Loss Statement
PCP	Prior Corresponding Period
PPE	Property, Plant and Equipment
PPP	Public Private Partnership
RBA	Reserve Bank of Australia
REIT	Real Estate Investment Trust
ROE	Return on Equity
RWA	Risk Weighted Assets
SBI	State Bank of India
ST	Short-term

TMET	Telecommunications, Media, Entertainment and Technology
TSR	Total Shareholder Return
UK	United Kingdom
US	United States of America
VaR	Value at Risk
VWAP	Volume Weighted Average Price
yr	Year

MACQUARIE

Macquarie Group Limited

2017 Annual General Meeting

27 July 2017