



Macquarie Group Limited

2014 Annual General Meeting

24 July 2014

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Unless otherwise specified all information is for the year ended 31 March 2014.

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

This report provides further detail in relation to key elements of Macquarie Group Limited's financial performance and financial position. It also provides an analysis of the funding profile of the Group because maintaining the structural integrity of the Group's balance sheet requires active management of both asset and liability portfolios. Active management of the funded balance sheet enables the Group to strengthen its liquidity and funding position.

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



FY14 Overview

Kevin McCann AM
Chairman

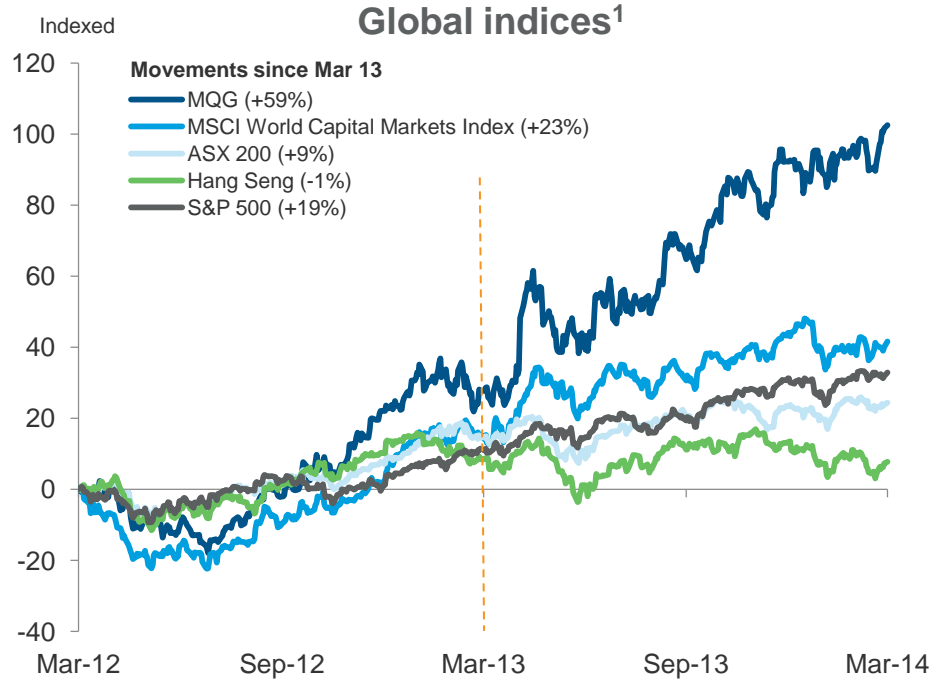


Global financial market conditions



- This time last year we saw a general improvement in market conditions. The US was showing increasing signs of confidence and growth, however client activity remained subdued, particularly for Macquarie's capital markets facing businesses, reflecting the continuation of concerns regarding Europe and China
- In FY14 the improvement in global market conditions continued. While client activity remained subdued for certain parts of Macquarie's capital markets facing businesses, all operating groups achieved improved performances

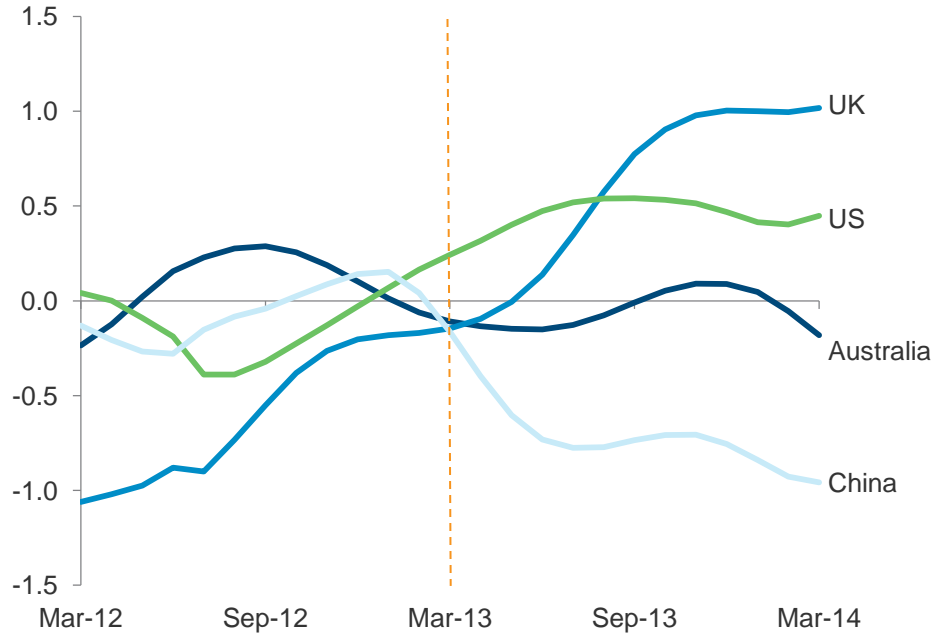
Market conditions in FY14 continued to improve



Market conditions in FY14 continued to improve



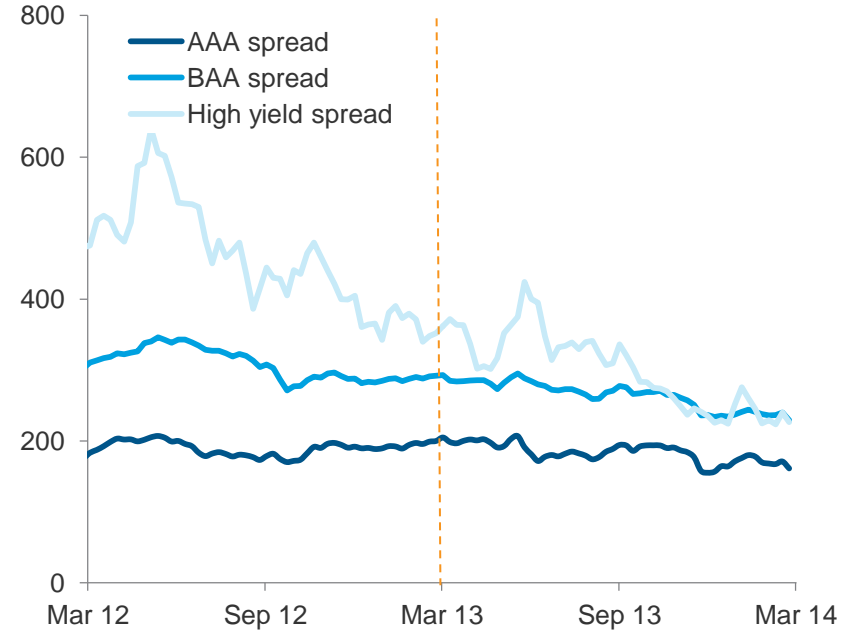
OECD business confidence indicator¹



1. OECD Standardised business confidence indicator, amplitude adjusted (long term average = 0). Source: OECD.

Bps over 10 yr
Treasury

US credit spreads



Financial Performance

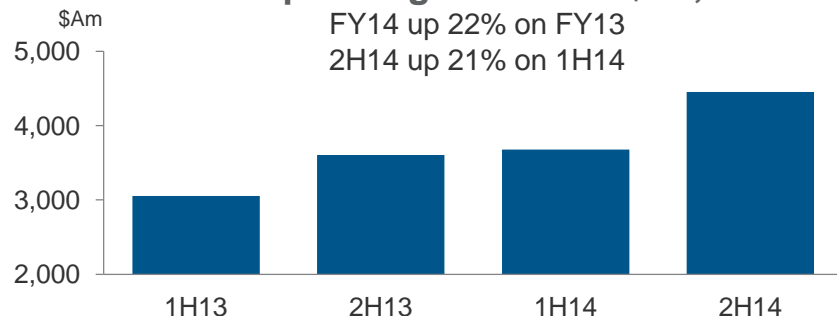
1H14 and 2H14 profit both up on pcp



MACQUARIE

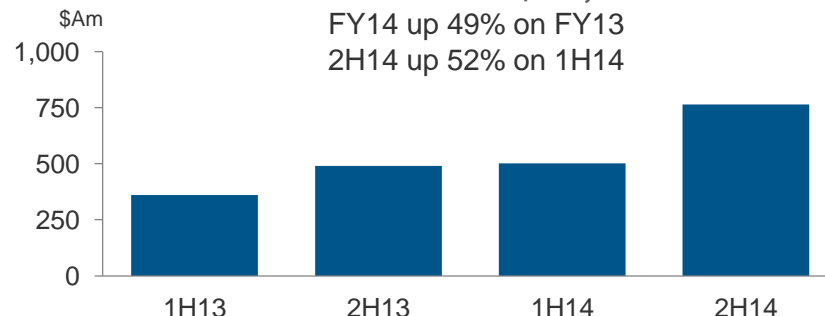
FY14 Operating income of \$A8,132m

FY14 up 22% on FY13
2H14 up 21% on 1H14



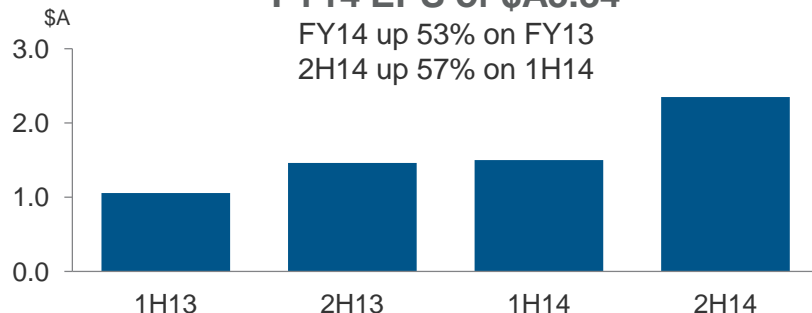
FY14 Profit of \$A1,265m

FY14 up 49% on FY13
2H14 up 52% on 1H14



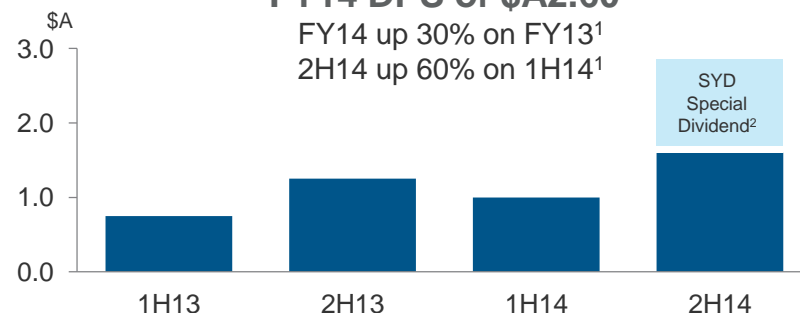
FY14 EPS of \$A3.84

FY14 up 53% on FY13
2H14 up 57% on 1H14



FY14 DPS of \$A2.60¹

FY14 up 30% on FY13¹
2H14 up 60% on 1H14¹



1. Excludes special dividend of \$A1.16 from the SYD distribution.

2. Excludes return of capital component from the SYD distribution of \$A2.57 per share.

FY14 Dividend



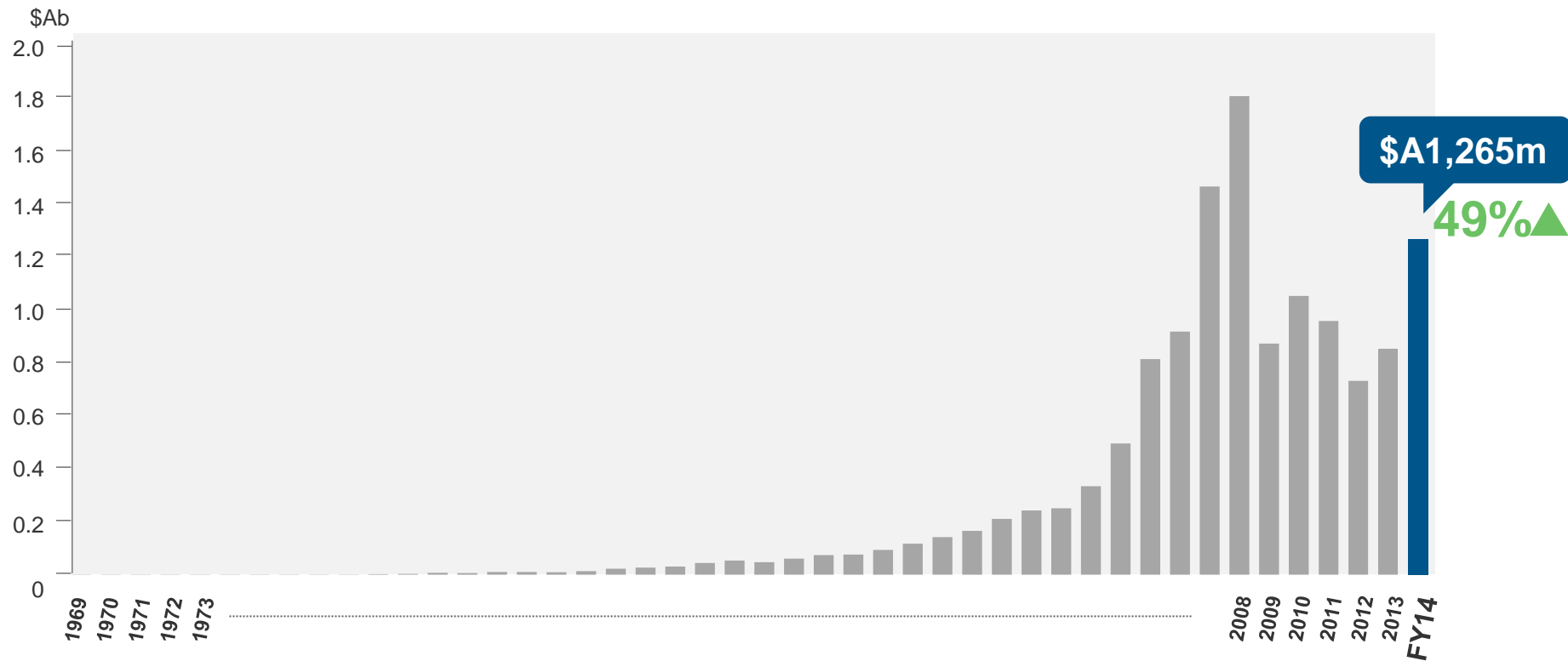
- FY14 ordinary dividend of \$A2.60, 67% payout ratio, up on FY13 ordinary dividend of \$A2.00
 - 2H14 ordinary dividend of \$A1.60, 40% franked
 - 1H14 ordinary dividend of \$A1.00, 40% franked
- In addition, eligible shareholders benefited from the SYD distribution in Jan 14 which comprised a special dividend of \$A1.16 (40% franked) and a return of capital of \$A2.57 per share¹
- FY14 total dividend (ordinary and special) of \$A3.76
- Dividend policy remains 60-80% annual payout ratio

1. Prior to the Consolidation (as defined in the Explanatory Memorandum for the General Meeting held on 12 December 2013) of 1 MQG share into 0.9438 of a MQG share.

45 years of profitability



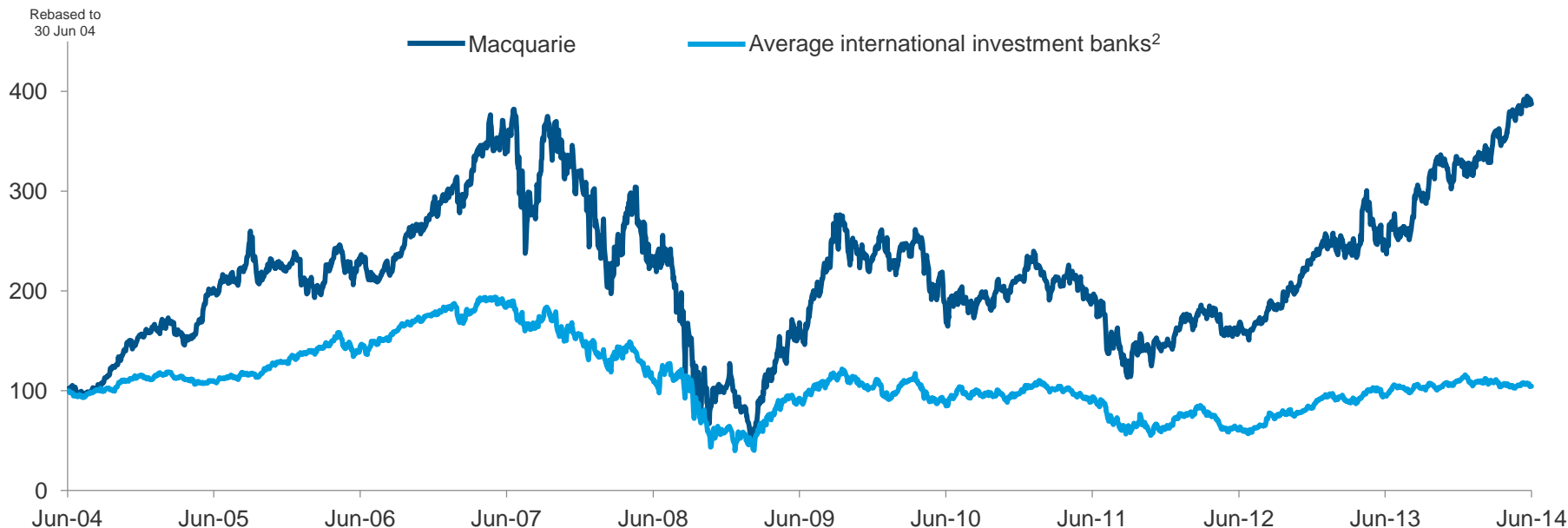
MACQUARIE



Macquarie's total shareholder return continues to outperform international investment banks



- Macquarie's 10 year average Return on Equity: 16.2% compares to industry average: 9.5%¹

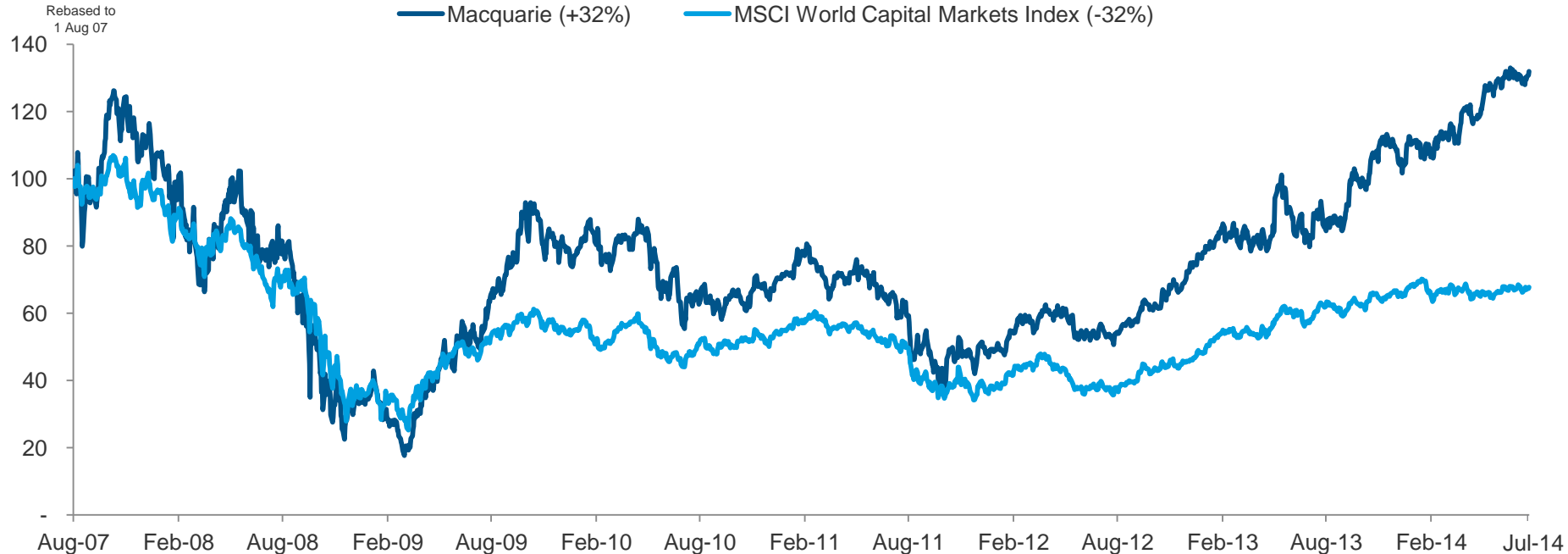


This chart represents Macquarie's total shareholder return vs. average international investment banks' total shareholder return. 1. Industry return on equity (ROE) includes ROE of investment banks where this information is publicly available. Average of most recent 10 years, except in cases where 10 years of continuous data is not available for an investment bank, in which case the bank is excluded. Source: Factset. As at 30 Jun 14. 2. Average international investment banks comprise Bank of America, Barclays, Credit Suisse, Deutsche Bank, Goldman Sachs, JP Morgan, Morgan Stanley and UBS.

Macquarie's total shareholder return outperforms global capital markets firms



- Since the GFC, Macquarie has outperformed the MSCI World Capital Markets Index by 64%¹



1. Source: Factset. MSCI World Capital Markets Index and Macquarie Group information is presented on a total return basis, quoted in USD and rebased to 1 Aug 07. Data to 22 Jul 14.

Board changes



- Kevin McCann will seek re-election as a Director of Macquarie Group Limited (MGL) and Macquarie Bank Limited (MBL) and if re-elected will continue as Chairman

Board retirements

- Catherine Livingstone and John Niland retired as directors from the Boards of MGL and MBL on 25 Jul 13 and 31 Dec 13 respectively
- Helen Nugent and Peter Kirby will be retiring as directors of MGL and MBL

Board appointments



Gary Banks was appointed to the MGL and MBL Boards on 1 August 2013. Gary was Chairman of the Productivity Commission from its inception in 1998 until 2012. He is currently Dean and CEO of the Australia and New Zealand School of Government.



Patricia Cross was appointed to the MGL and MBL Boards on 7 August 2013. Patricia has extensive experience in international capital markets and financial risk management. She is currently a director of Aviva plc and Chair of the Commonwealth Superannuation Corporation.



Nicola Wakefield Evans was appointed to the MGL and MBL Boards on 7 February 2014. Nicola has 20 years experience as a corporate finance partner of King & Wood Mallesons and over 29 years legal experience. She is currently a director of Lend Lease, Toll and BUPA.

Key management changes



Mary Reemst was appointed Managing Director and Chief Executive Officer of MBL on 1 July 2014 and also joined Macquarie's Executive Committee. Mary was previously Macquarie's Head of Credit within the Risk Management Group.

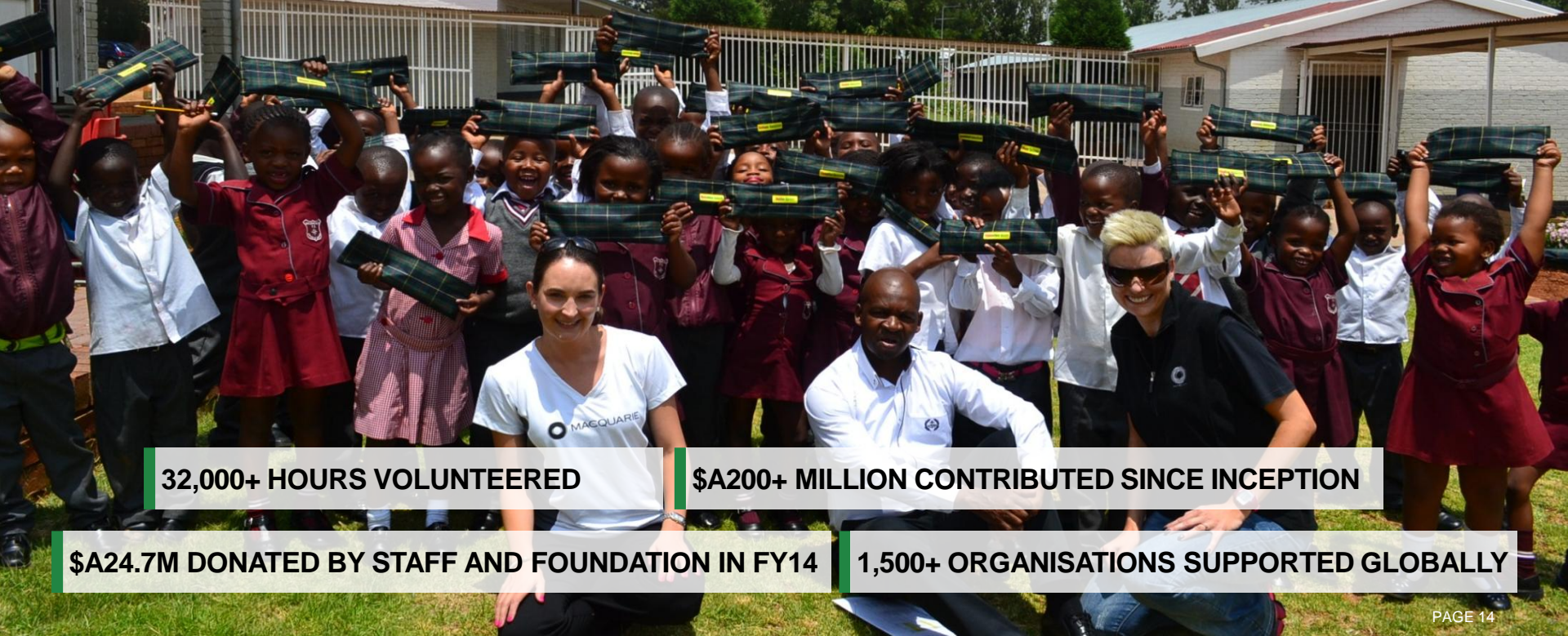


Patrick Upfold joined Macquarie's Executive Committee on 1 July 2014. Patrick joined Macquarie in 1997 and became Group Treasurer in June 2011 before he was appointed Chief Financial Officer of the Group in December 2011.



Ben Brazil joined Macquarie's Executive Committee on 1 July 2014. Ben is Co-Head of the Corporate and Asset Finance (CAF) Group and Head of CAF Lending.

Macquarie Group Foundation



32,000+ HOURS VOLUNTEERED

\$A200+ MILLION CONTRIBUTED SINCE INCEPTION

\$A24.7M DONATED BY STAFF AND FOUNDATION IN FY14

1,500+ ORGANISATIONS SUPPORTED GLOBALLY



Overview of the Result for the year ended 31 March 2014

Nicholas Moore
Managing Director and Chief Executive Officer

FY14 result



FY14 vs FY13

2H14 vs 1H14

Operating income	\$A8.1b	↑	22%	\$A4.5b	↑	21%
Operating expenses	\$A6.0b	↑	15%	\$A3.2b	↑	10%
Operating profit before tax	\$A2.1b	↑	50%	\$A1.3b	↑	60%
Profit	\$A1,265m	↑	49%	\$A764m	↑	52%
Earnings per share	\$A3.84	↑	53%	\$A2.35	↑	57%
Dividends per share ¹	\$A2.60	↑	30%	\$A1.60	↑	60%
Return on Equity	11.1%	↑	from 7.8%	13.5%	↑	from 8.7%

1. Excludes special dividend of \$A1.16 from the SYD distribution.

FY14 result reflected improved operating performance across the Group



- Macquarie's annuity-style businesses (Macquarie Funds, Corporate and Asset Finance, and Banking and Financial Services) continued to perform well with FY14 combined net profit contribution¹ up \$445m (or 26%) on FY13
- Macquarie's capital markets facing businesses (Macquarie Securities, Macquarie Capital, and Fixed Income, Currencies and Commodities) delivered a significantly improved result with FY14 combined net profit contribution¹ up \$A450m (or 68%) on FY13
- In addition, a gain of \$A228m was recognised in Jan 14, as a result of the in specie SYD distribution to eligible shareholders

Diversified by region

International income 68% of total income¹

Total staff 13,913; International staff 53% of total



Europe, Middle East & Africa²

Income: \$A1,574m (20% of total)

Staff: 1,248



Asia

Income: \$A1,043m (13% of total)

Staff: 3,447



Americas

Income: \$A2,709m (35% of total)

Staff: 2,685



Australia³

Income: \$A2,456m (32% of total)

Staff: 6,533

1. Net operating income excluding earnings on capital and other corporate items. As at 31 Mar 14.

2. Excludes staff in Macquarie First South joint venture and staff seconded to Macquarie Renaissance joint venture (Moscow).

3. Includes New Zealand.

Macquarie Funds

Record assets under management



Infrastructure & Real Assets

- Real Estate
- Energy
- Infrastructure
- Agriculture

Investment Management

- Equities
- Hedge Funds
- Fixed Income
- Multi-Asset
- Delaware

Spec. Investment Solutions

- US/Euro wholesale
- Infra. debt mgmt
- Aust. retail

Performance

FY14 PROFIT¹

\$A1.05b

↑39%

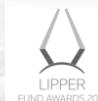
\$A425b ↑24%

**ASSETS UNDER
MANAGEMENT**

\$A217m

**PERFORMANCE
FEES**

AWARDS²



Severn Power Station, Wales

1. This represents net profit contribution which is management accounting profit before unallocated corporate costs, profit share and income tax. 2. For more information about the awards, the issuers of these awards, their methodologies, and other important information about these awards, please visit: <http://www.macquarie.com.au/mgl/au/mfg/mim/about-us/awards> and <http://www.mirafunds.com/about-mira/recognition-and-awards>

Corporate and Asset Finance

Increased asset and loan portfolio

Asset Finance



Lending



Performance

FY14 PROFIT¹

\$A826m

↑19%



**ASSET
FINANCE**

\$A17b

PORTFOLIO ↑14%



**New asset
classes**



LENDING

\$A9b

PORTFOLIO ↑12%

**Continued
Securitisation
Growth**

\$A3b

Macquarie Rotorcraft Leasing

1. This represents net profit contribution which is management accounting profit before unallocated corporate costs, profit share and income tax.
Note: Variances include the impact of currency movements.

Banking and Financial Services

Positioned for growth



Personal Banking

- Deposits
- Cards
- Mortgages

Wealth Management

- Wrap
- Private Banking
- Insurance
- Stockbroking & Financial advice

Business Banking

- Loans
- Deposits
- Transaction & business services

Performance

FY14 PROFIT¹

\$A260m
↑7%

AUSTRALIAN
MORTGAGES
PORTFOLIO

\$A17b
↑47%

RETAIL
DEPOSITS

\$A33b
↑7%

WRAP FUA

\$A38b
↑50%

LIFE
INFORCE
PREMIUMS

\$A190m
↑23%

AWARDS

 **#1**
**LENDER OF
THE YEAR²**
(TIER 2)

1. This represents net profit contribution which is management accounting profit before unallocated corporate costs, profit share and income tax.
2. Awarded Lender of the Year (Tier 2) at Mortgage and Finance Association of Australia 11th Excellence Awards.

Macquarie Securities

Return to profitability



Cash Equities

Sales • Research • Execution • ECM¹ • Corporate Access

Trading

Derivatives • Delta One • Equity Finance

Performance

FY14 PROFIT²

\$A107m

↑ From (\$A50m) Loss

#1 IPOs
in Australia³

AWARDS

#1 for Australian
Equities in
Australia, Asia⁴,
US and Europe⁵

#1 Asian Broker
for execution
quality⁶

Hong Kong Warrants mobile apps



Macquarie Capital

Improved profit



M&A

- Infrastructure, utilities & renewables

Capital Markets

- Resources
- Real Estate

Principal

- TMET
- Industrials
- Financials

Performance

FY14 PROFIT¹

\$A280m

↑87%

450
TRANSACTIONS
\$A89b
IN VALUE

#1 M&A
AUSTRALIA
AND ASIA²



³

AWARDS

Nth American Infrastructure
DEAL OF THE YEAR⁴
Public Private Partnership
DEAL OF THE YEAR⁴

Goethals Bridge, New York

1. This represents net profit contribution which is management accounting profit before unallocated corporate costs, profit share and income tax. 2. No.1 in Australia for announced and completed deals; Thomson Financial, CY13 (by number). No.1 in South East Asia for announced deals; Dealogic CY13 (by value). 3. Net operating income (which excludes earnings on capital and other corporate items) for the Americas exceeded Australia in FY14. 4. Goethals Bridge Replacement Project – Infrastructure Investor Awards 2013.

Fixed Income, Currencies and Commodities

Improved market conditions



Commodity Markets (Physical & Financial)

- Metals & Ag. Sales & Trading
- Metals & Energy Capital

- Energy Markets

Financial Markets (Primary & Secondary)

- Fixed Income & Currencies

- Credit Trading

Futures

Performance

FY14 PROFIT¹
\$A726m
↑29%



ENERGY MARKETS
NO.4 PHYSICAL GAS MARKETER IN NORTH AMERICA²



GENERAL IMPROVEMENT IN VOLATILITY AND VOLUMES

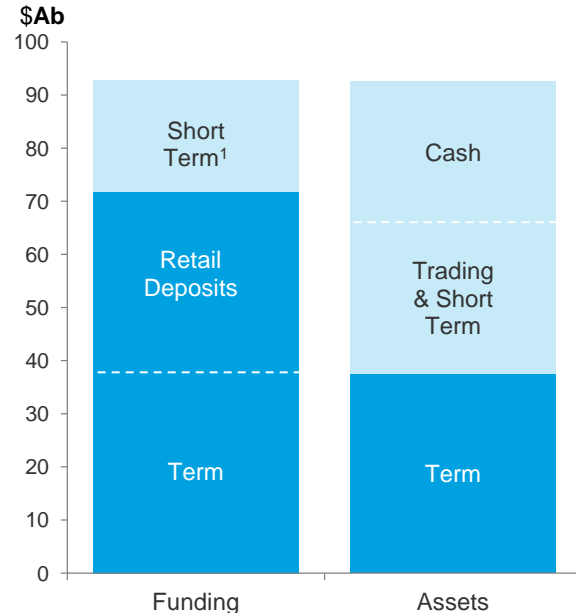
#2 MARKET SHARE IN ASX24 FUTURES³

Business backed by strong funding and capital



MACQUARIE

MGL funded balance sheet 31 March 2014



APRA Basel III surplus capital² 31 March 2014

\$A2.7b

Credit ratings



MACQUARIE
BANK

STANDARD
& POOR'S

23 years

Moody's

18 years

FitchRatings

22 years

'A' RATED

1. Short term funding includes wholesale deposits and short term wholesale issued paper. For details regarding reconciliation of the funded balance sheet to the Group's statutory balance sheet, refer to slide 52. 2. Calculated at 7% RWA.



1Q15 Update

Nicholas Moore
Managing Director and Chief Executive Officer

1Q15 Macquarie Update



- 1Q15 operating groups' contribution¹ down on pcp (1Q14) and prior quarter (4Q14)
- Annuity-style businesses² broadly in line with both the pcp and prior quarter
- Capital markets facing businesses³ down on pcp and prior quarter due to the timing of transactions and lower volatility and volumes impacting Macquarie Securities and certain FICC businesses
- No significant one-off items

1. This represents management accounting profit before unallocated corporate costs, profit share, income tax and period end reviews. 2. Annuity-style businesses represent Macquarie Funds Group, Corporate and Asset Finance and Banking and Financial Services. 3. Capital markets facing businesses represent Macquarie Securities, Macquarie Capital and Fixed Income, Currencies and Commodities.

Annuity-Style Businesses

1Q15 Update



Macquarie Funds Group

- AUM decreased 4.6% to \$A405.1b in 1Q15, predominantly driven by the partial transfer of Delaware Equities Focus Global Growth assets on completion of the Jackson Square Partners joint venture
- 1Q15 performance fees of \$A27m, predominantly from Macquarie Atlas Roads and Macquarie Infrastructure Company
- MIRA completed 7 acquisitions and 3 follow-on investments in 6 countries
- MIM awarded 7 new institutional mandates across 5 strategies in 5 countries and awarded its first RQFII quota, RMB1b, to invest in the evolving China A-share market
- Macquarie Specialised Investment Solutions raised over \$A500m for Australian capital protected investments and specialist funds
- Received a discretionary investment management license that allows MIM and MIRA to do direct business with Japanese pension funds¹

Corporate and Asset Finance

- Asset and loan portfolio of \$A26.1b, up \$A0.6b in 1Q15, due to new acquisitions and financings, partially offset by early repayments and disposals
- Portfolio additions of \$A1.0b in corporate and real estate lending across new primary financings and secondary market acquisitions
- Strong securitisation activity continues with a further \$A1.0b of motor vehicle leases and loans securitised during 1Q15
- Activity remains high with growth in most asset finance portfolios

Banking and Financial Services

- Signed agreement as credit card issuing partner for Woolworths Everyday Money and Woolworths Qantas Credit Cards
- Retail deposits up 4% in 1Q15 to \$A34.7b
- Wrap platform FUA \$A38.5b
- Australian mortgage portfolio up 9% in 1Q15 to \$A18.5b
- Average Business Banking deposit volumes and loan volumes up 14% and 8% respectively in 1Q15
- Macquarie topped three categories in the SMSF Awards 2014 - Term Deposit Provider, Investment Platform Provider and Loan Provider²

Macquarie Private Wealth Enforceable Undertaking update



Background

- MPW is primarily a retail broking and equities advice business within Banking and Financial Services
 - 87,000 clients¹ of whom a significant number are high net worth
 - Over 85% of assets under advice relate to equities broking activities²
 - Approximately 300 advisers
- As announced to the market on 29 Jan 13, MPW entered into an Enforceable Undertaking (EU) with ASIC which
 - acknowledged ASIC's concerns
 - focussed on effectiveness of compliance, in particular processes, controls and systems previously in place, such as record keeping, monitoring and supervision
 - is available on ASIC's website
- MPW's EU is subject to independent oversight by ASIC and an Independent Expert (KPMG)
- Macquarie takes its regulatory obligations seriously and always seeks to ensure compliance with the requirements of all its regulators

Macquarie Private Wealth Enforceable Undertaking update



Implementation to date

- Implementation on track with three out of four phases now complete
- New management team
- Together with implementation of FoFA regulatory changes, significant investment being made in new processes, practices and systems – approx. \$A49m¹ over two years
 - 11,500 hours² in face-to-face adviser training so far
- Review of all advisers
- Review of client files where concerns either identified by MPW or raised by clients
 - In addition, contacting all clients ensuring they have the opportunity to raise concerns
- Client remediation approach based on consistent application of Financial Ombudsman Service principles and is subject to oversight by Deloitte and ASIC

Capital Markets Facing Businesses

1Q15 Update



Macquarie Securities Group

- Market conditions were characterised by low volatility and reduced secondary market volumes and client activity, particularly in Asia
- Strong Australian ECM activity; No.1 for completed ECM deals in ANZ¹
- Retail equity structured products business closed in Asia and ceased issuing new warrants in Australia
- MSG continues to be a warrants issuer and market maker in Singapore (No.1 market share²), Thailand (No.2 market share²) and Hong Kong (No.6 market share³)

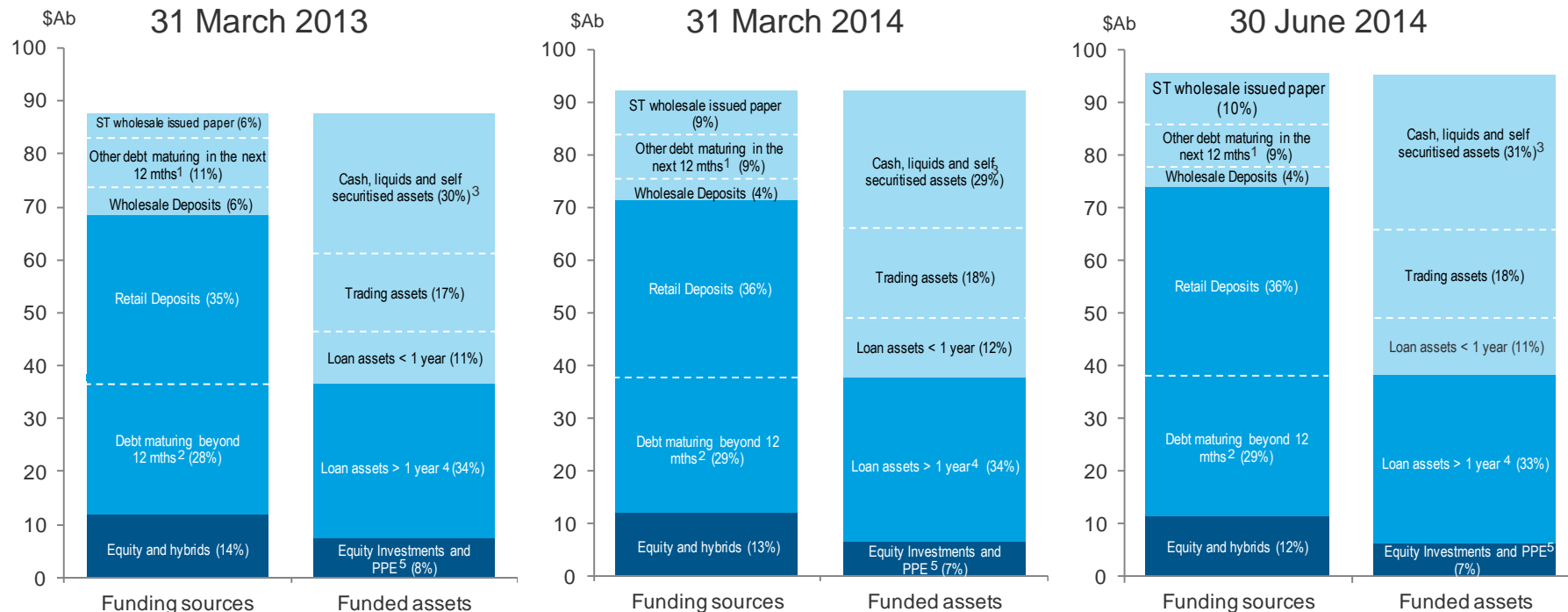
Macquarie Capital

- Global M&A levels recovering off a weak base
- 106 deals at \$A18b, up 13% on pcp, and down 46% on prior period (by value) mainly due to the timing of transactions
- IPO volumes driving ECM activity
- No.1 in ANZ for announced M&A deals⁴ and IPOs⁵
- Best M&A House Australia 2014⁶ and Best Domestic Equity House Australia 2014⁷

Fixed Income, Currencies and Commodities

- Mixed commodity markets as low volatility and prices in Precious Metals dampened client hedging activity
- Increased client activity and trading opportunities in Base Metals and EMEA Gas and Power
- Credit markets were mixed across geographies with opportunities in EMEA securitisation but generally subdued conditions in the US
- Lower volatility and volumes in foreign exchange and futures markets
- Established a Wholly Foreign Owned Enterprise (WFOE) in the Shanghai Free Trade Zone in China
- Maintained ranking as No.4 US physical gas marketer in North America⁸
- No.2 overall market share in ASX24 Futures⁹

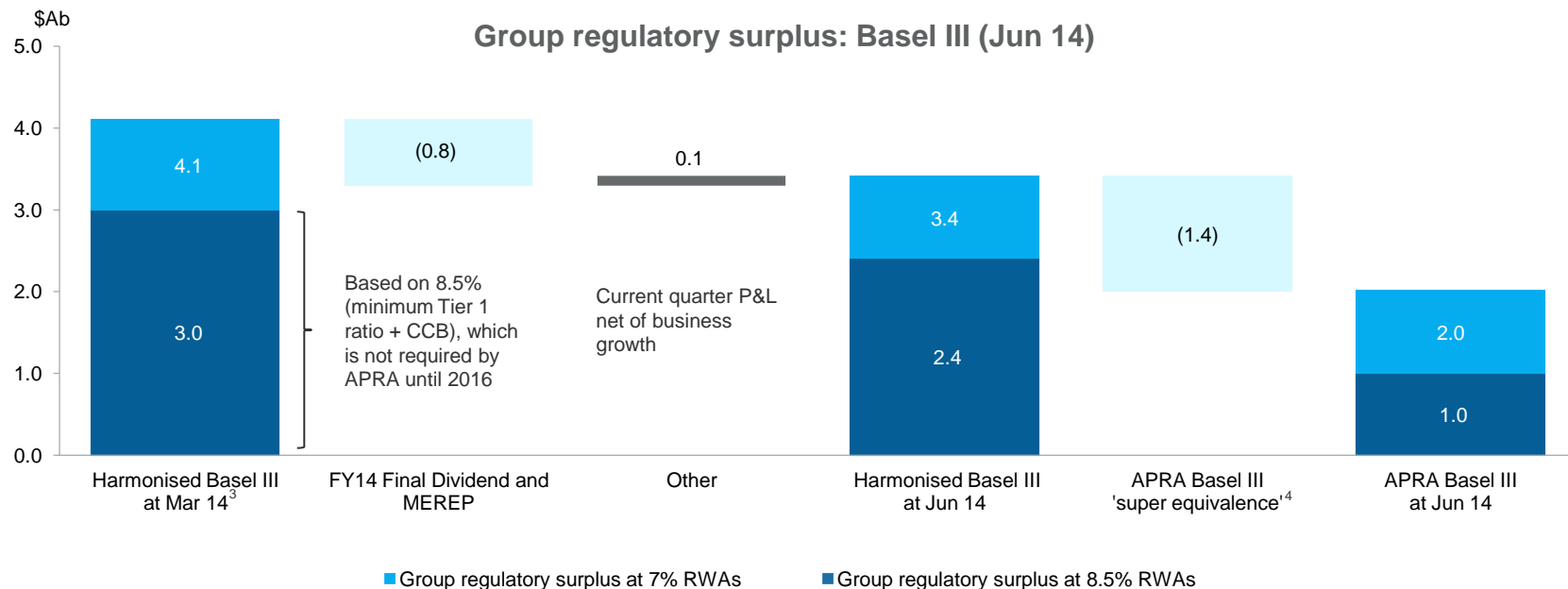
Funded balance sheet remains strong



These charts represent MGL's funded balance sheets at the respective dates noted above. For details regarding reconciliation of the funded balance sheet to the Group's statutory balance sheet, refer to slide 52. 1. 'Other debt maturing in the next 12 mths' includes Structured Notes, Secured Funding, Bonds, Other Loans maturing within the next 12 months and Net Trade Creditors. 2. 'Debt maturing beyond 12 mths' includes Loan Capital. 3. 'Cash, liquids and self securitised assets' includes self securitisation of repo eligible Australian mortgages originated by Macquarie. 4. 'Loan Assets > 1 yr' includes Debt Investment Securities and Operating Lease Assets. 5. 'Equity Investments and PPE' includes the Group's co-investments in Macquarie-managed funds and equity investments.

Basel III capital position

- APRA Basel III Group capital of \$A12.4b, Group surplus of \$A2.0b¹ down on Mar 14 surplus of \$A2.7b
- Strong Bank Group APRA Basel III CET1 ratio – Common Equity Tier 1: 9.5%; Tier 1: 10.5%²



1. Calculated at 7% RWAs. 2. Bank Group Harmonised Basel III ratios – Common Equity Tier 1: 11.5%; Tier 1: 12.4%. 3. 'Harmonised' Basel III estimates assume alignment with BIS in areas where APRA differs from the BIS. 4. APRA Basel III 'super-equivalence' includes full CET1 deductions of equity investments (\$A0.6b); deconsolidated subsidiaries (\$A0.4b); DTAs and other impacts (\$A0.4b).



FY15 Outlook

Nicholas Moore
Managing Director and Chief Executive Officer

Short term outlook



- Summarised below are the outlook statements for each Operating Group
- FY15 results will vary with market conditions, particularly the capital markets facing businesses

Operating Group	Net profit contribution			FY15 outlook as announced at FY14 result	Update to FY15 outlook
	FY07–FY14 historical range	FY07–FY14 average	FY14		
Macquarie Funds	\$A0.3b – \$A1.1b	\$A0.7b	\$A1.1b	Broadly in line with FY14, subject to performance fees	No change
Corporate and Asset Finance	\$A0.1b – \$A0.8b ¹	\$A0.4b	\$A0.8b	Broadly in line with FY14	No change
Banking and Financial Services	\$A0.1b – \$A0.3b ^{2,3}	\$A0.2b ³	\$A0.3b ³	Up on FY14	No change
Macquarie Securities	\$A(0.2)b – \$A1.2b	\$A0.4b	\$A0.1b	Up on FY14	Down on FY14
Macquarie Capital	\$A(0.1)b – \$A1.6b	\$A0.5b	\$A0.3b	Up on FY14	No change
FICC	\$A0.5b – \$A0.8b	\$A0.6b	\$A0.7b	Broadly in line with FY14	No change
Corporate	– Compensation ratio to be consistent with historical levels – Based on present mix of income, currently expect tax rate to be broadly in line with FY14				No change

1. Range excludes FY09 provisions for loan losses of \$A135m related to Real Estate Structured Finance loans as this is a restructured business. 2. Range excludes FY09 loss on sale of Italian mortgages of \$A248m as this is a discontinued business. 3. During FY14, Group Treasury revised internal funding transfer pricing arrangements relating to BFS's deposit and lending activities. FY13 comparatives only have been restated to reflect the current methodology.

Short term outlook



- While the impact of future market conditions makes forecasting difficult, we continue to expect that the FY15 combined net profit contribution¹ from operating groups will be up on FY14, broadly offsetting the FY14 realised gain relating to the SYD distribution and notwithstanding the lower contribution expected from Macquarie Securities
- The FY15 tax rate is currently expected to be broadly in line with FY14
- Accordingly, the FY15 result for the Group is currently expected to be broadly in line with FY14, with the potential for a better result if market conditions improve
 - In line with previous years, it is currently expected that the 2H15 result will be stronger than 1H15
- Our short term outlook remains subject to a range of challenges including:
 - Market conditions
 - The impact of foreign exchange
 - The cost of our continued conservative approach to funding and capital
 - Potential regulatory changes and tax uncertainties

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

Medium term



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

Approximate business Basel III Capital & RoE

Operating Group	APRA Basel III Capital ¹ @ 8.5% (\$Ab)	Approx. FY14 Return on Ordinary Equity ²	
Annuity-style businesses	5.8		Approx. 8-Year Average Return on Ordinary Equity²
Macquarie Funds Group	1.9	20% ³	20% ⁴
Corporate and Asset Finance	2.6		
Banking and Financial Services	1.3		
Capital markets facing businesses	4.3		Approx. 8-Year Average Return on Ordinary Equity²
Macquarie Securities	0.5	11%	15%-20%
Macquarie Capital	1.2		
FICC	2.6		
Corporate and Other	1.0		
Legacy Assets	0.3		
Corporate	0.7		
Total regulatory capital requirement @ 8.5%	11.1		
Comprising: Ordinary Equity	9.4		
Hybrid	1.7		
Add: Surplus Ordinary Equity	1.8		
Total APRA Basel III capital supply	12.9		

As at 31 Mar 14.

1. Business Group capital allocation as at 31 Dec 13. 2. NPAT used in the calculation of approx. annualised ROE is based on Operating Group's net profit contribution adjusted for indicative allocations of profit share, tax and other corporate expenses. Accounting equity is attributed to businesses based on regulatory capital requirements. 8-year average covers FY07 to FY14, inclusively. 3. During 1H14, Group Treasury revised internal funding transfer pricing arrangements relating to Banking and Financial Services' deposit and lending activities. 4. CAF excluded from 8-year average as not meaningful given the significant increase in scale of CAF's platform over the 8-year period.



Formal business

Kevin McCann AM
Chairman

Item 1: Financial Statements

- To consider and receive the Financial Report, the Directors' Report and the Auditor's Report of Macquarie for the financial year ended 31 March 2014



Item 2: Re-election of Mr HK McCann as a Voting Director



- To consider and, if thought fit, pass the following as an ordinary resolution:
 - *That Mr HK McCann be re-elected as a Voting Director of Macquarie*

Item 3: Re-election of Ms DJ Grady as a Voting Director



- To consider and, if thought fit, pass the following as an ordinary resolution:
 - *That Ms DJ Grady be re-elected as a Voting Director of Macquarie*

Item 4: Election of Mr GR Banks as a Voting Director



- To consider and, if thought fit, pass the following as an ordinary resolution:
 - *That Mr GR Banks, having been appointed as a Voting Director since the last general meeting, be elected as a Voting Director of Macquarie*

Item 5: Election of Mrs PA Cross as a Voting Director



- To consider and, if thought fit, pass the following as an ordinary resolution:
 - *That Mrs PA Cross, having been appointed as a Voting Director since the last general meeting, be elected as a Voting Director of Macquarie*

Item 6: Election of Ms NM Wakefield Evans as a Voting Director



- To consider and, if thought fit, pass the following as an ordinary resolution:
 - *That Ms NM Wakefield Evans, having been appointed as a Voting Director since the last general meeting, be elected as a Voting Director of Macquarie*

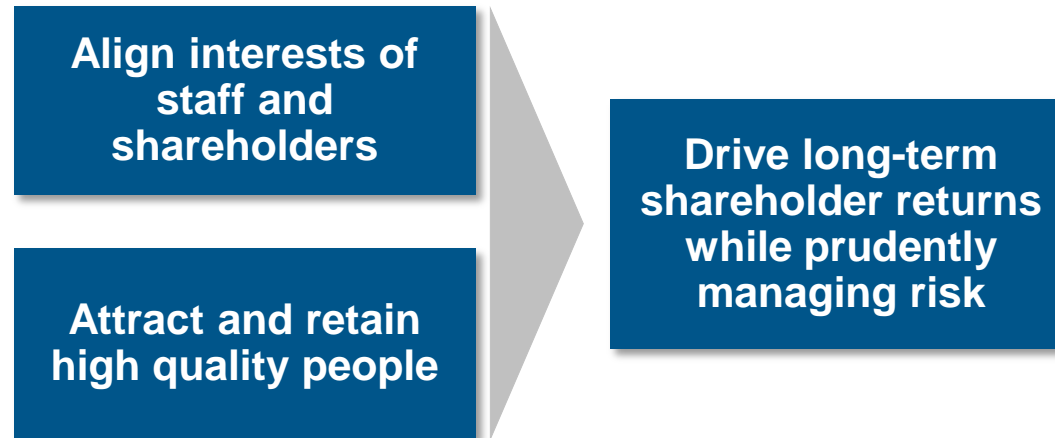
Item 7: Remuneration Report



- To consider and, if thought fit, pass the following as an ordinary resolution:
 - *To adopt the Remuneration Report of Macquarie for the year ended 31 March 2014*

Macquarie's remuneration approach

- Macquarie's remuneration system is designed to balance risk and return
- Key elements of Macquarie's remuneration framework:



Strong business results while appropriately managing remuneration



		FY14	FY13	% Change
Performance measures				
NPAT	\$Am	1,265	851	49
Basic EPS	Cents per share	383.6	251.2	53
Ordinary dividends	Cents per share	260.0	200.0	30
Total dividends ⁽¹⁾	Cents per share	376.0	200.0	88
Annual TSR	Per cent	66.0	34.4	
Executive remuneration measures				
Total compensation expense	\$Am	3,505	3,072	14
Compensation expense to income ratio	Per cent	43.1	46.1	

1. Including the special dividend component of \$A1.16 per share from the SYD distribution in Jan 14.

Key features of Macquarie's remuneration system¹



Key Area	Executive Committee and Designated Executive Directors	Other Executive Directors	Staff below Executive Director
Amount of profit share deferred	50-70% 70% for the Managing Director and CEO	40-70%	25% to 60% dependent on certain thresholds
Vesting	3 to 7 years after the year retained	3 to 5 years after the year retained	2 to 4 years after the year retained
Forfeiture whilst employed	Board discretion to apply Malus in certain circumstances	Board discretion to apply Malus to certain Executive Directors in certain circumstances	Board discretion to apply Malus to certain staff in certain circumstances
Forfeiture on leaving	Unvested amounts are forfeited except in limited circumstances		

1. The table reflects Macquarie's standard arrangements.

Item 8: Approval of Executive Voting Director's participation in the Macquarie Group Employee Retained Equity Plan (MEREP)



- To consider and, if thought fit, pass the following as an ordinary resolution:
 - *That the following be approved for all purposes:*
 - a) *participation in the Macquarie Group Employee Retained Equity Plan (MEREP) by Mr NW Moore, Managing Director and Chief Executive Officer; and*
 - b) *acquisition by Mr NW Moore of Restricted Share Units and Performance Share Units and the acquisition of shares in the Company in respect of those Restricted Share Units and Performance Share Units,*
- all in accordance with the terms of the MEREP and on the basis described in the Explanatory Notes to the Notice of Meeting convening this meeting*



Appendix

Funded balance sheet reconciliation



- The Group's statutory balance sheet is prepared based on generally accepted accounting principles which do not represent actual funding requirements
- A funded balance sheet reconciliation has been prepared to reconcile the reported assets of the consolidated Group to the assets that require funding

	Jun 14 \$Ab	Mar 14 \$Ab	Mar 13 \$Ab
Total assets per Statutory Balance Sheet	153.4	153.9	144.7
<i>Deductions:</i>			
Self funded trading assets	(14.8)	(17.9)	(13.6)
Derivative revaluation accounting gross ups	(12.8)	(11.6)	(14.4)
Life investment contracts and other segregated assets	(6.1)	(5.7)	(5.4)
Broker settlement balances	(6.3)	(7.2)	(7.7)
Short-term working capital assets	(4.4)	(5.5)	(5.2)
<i>Less non-recourse funded assets:</i>			
Securitised assets and non-recourse warehouses	(13.3)	(13.4)	(10.8)
Total assets per Funded Balance Sheet	95.7	92.6	87.6



MACQUARIE



Glossary

Glossary



\$A	Australian Dollar
1H14	Half Year ended 30 September 2013
1Q14	First Quarter ended 30 June 2013
1Q15	First Quarter ended 30 June 2014
2H14	Half Year ended 31 March 2014
2H15	Half Year ended 31 March 2015
4Q14	Fourth Quarter ended 31 March 2014
AFSL	Australian Financial Services License
Ag.	Agriculture
ANZ	Australia and New Zealand
AM	Member of the Order of Australia
Aust.	Australian
Approx.	Approximately
APRA	Australian Prudential Regulation Authority
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AUM	Assets Under Management
B	Billion
BIS	Bank for International Settlements
Bps	Basis Points

CAF	Corporate and Asset Finance
CCB	Capital Conservation Buffer
CEO	Chief Executive Officer
CET1	Common Equity Tier 1
CAF	Corporate and Asset Finance
CBOE	Chicago Board Options Exchange
CCB	Capital Conservation Buffer
CEO	Chief Executive Officer
CET1	Common Equity Tier 1
CY13	Calendar Year ending 31 December 2013
CY14	Calendar Year ending 31 December 2014
DPS	Dividend Per Share
DTA	Deferred Tax Asset
ECM	Equity Capital Markets
EMEA	Europe, the Middle East and Africa
EPS	Earnings Per Share
EU	Enforceable Undertaking
FICC	Fixed Income, Currencies and Commodities
FoFA	Future of Financial Advice
FUA	Funds Under Administration

Glossary



FY07	Financial Year ended 31 March 2007
FY09	Financial Year ended 31 March 2009
FY13	Financial Year ended 31 March 2013
FY14	Financial Year ended 31 March 2014
GFC	Global Financial Crisis
Infra.	Infrastructure
IPO	Initial Public Offering
M	Million
M&A	Mergers and Acquisitions
MEREP	Macquarie Group Employee Retained Equity Plan
MBL	Macquarie Bank Limited
MIM	Macquarie Investment Management
MIRA	Macquarie Infrastructure and Real Assets
MGL	Macquarie Group Limited
MGMT	Management
MQG	Macquarie Group Limited
MPW	Macquarie Private Wealth
MSCI	Morgan Stanley Capital International
No.	Number
NPAT	Net Profit After Tax

OECD	Organisation for Economic Co-operation and Development
P&L	Profit and Loss Statement
Pcp	Prior Corresponding Period
PPE	Property Plant and Equipment
Q1	First Quarter
Q4	Fourth Quarter
RMB	Renminbi
ROE	Return on Equity
RQFII	Renminbi Qualified Foreign Institutional Investors
RWA	Risk Weighted Asset
S&P	Standard and Poor's Financial Services LLC
ST	Short Term
SYD	Sydney Airport
TMET	Telecommunications, Media, Entertainment and Technology
TSR	Total Shareholder Return
UK	United Kingdom
US	United States of America
USD	United States Dollar
VIX	CBOE Volatility Index
VS	Versus



Macquarie Group Limited

2014 Annual General Meeting

24 July 2014