Presentation to investors and analysts

Result announcement for the full year ended 31 March 2018

4 May 2018

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 2018.

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 2018, 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. **Introduction** – Sam Dobson
2. **Overview of Result** – Nicholas Moore
3. **Result Analysis and Financial Management** – Alex Harvey
4. **Outlook** – Nicholas Moore
5. **Appendices**

01 Introduction

Sam Dobson – Head of Investor Relations

02 Overview of Result

Nicholas Moore – Managing Director and Chief Executive Officer

ABOUT MACQUARIE

Diverse business mix

Annuity-style businesses (~70%)

Macquarie Asset Management (MAM)

Top 50 global asset manager with $A495.1b[1] of assets under management

Provides clients with access to a diverse range of capabilities and products, including infrastructure, real assets, equities, fixed income, liquid alternatives and multi-asset investment management solutions

Corporate and Asset Finance (CAF)

Global provider of specialist finance and asset management solutions, with a $A34.5b[1] asset and loan portfolio

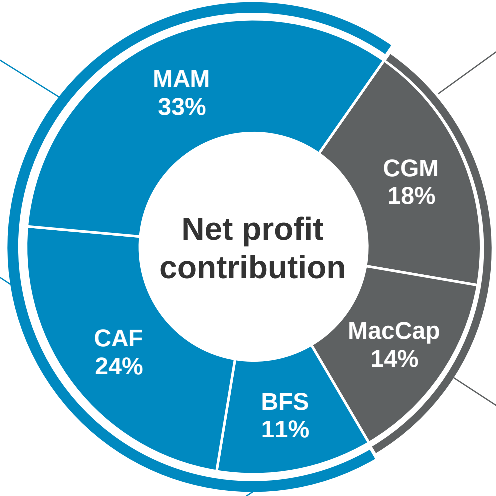
Asset Finance has global expertise in aircraft, vehicles, technology, healthcare, manufacturing, industrial, energy, rail and mining equipment

Principal Finance provides flexible primary financing solutions and engages in secondary market investing, across the capital structure. It operates globally in both corporate and real estate sectors

Banking and Financial Services (BFS)

Macquarie's retail banking and financial services business with a $A40.6b[1] Australian loan portfolio, funds on platform[2] of $A82.5b[1] and total BFS deposits[3] of $A45.7b[1]

Provides a diverse range of personal banking, wealth management and business banking products and services to retail clients, advisers, brokers and business clients



Capital markets facing businesses (~30%)

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 across infrastructure, energy, real estate, telecommunications, media, technology, consumer, gaming and leisure, business services, resources, industrials and financial institutions in: M&A advisory; equity and debt capital markets; and balance sheet positions

Invests Macquarie's balance sheet to develop and create assets, platforms and businesses in the infrastructure, energy and real estate sectors, and partnering primarily with financial sponsor clients, to provide capital solutions, particularly in the technology sector

Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on FY18 net profit contribution from operating groups.
1. As at 31 Mar 18. 2. Funds on platform includes Macquarie Wrap and Vision. 3. BFS deposits exclude corporate/wholesale deposits.

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2H18 result: $A1,309m up 5% on 1H18, up 12% on 2H17

	2H18 $Am	1H18 $Am	2H18 v 1H18
Net operating income	5,523	5,397	↑ 2%
Total operating expenses	(3,763)	(3,693)	↑ 2%
Operating profit before income tax	**1,760**	**1,704**	↑ **3%**
Income tax expense	(435)	(448)	↓ 3%
Effective tax rate[1] (%)	*24.9*	*26.4*	
Profit attributable to non-controlling interests	(16)	(8)	
Profit attributable to MGL shareholders	**1,309**	**1,248**	↑ **5%**
Annualised return on equity (%)	**16.9**	**16.7**	↑ **1%**
Basic earnings per share	**$A3.88**	**$A3.70**	↑ **5%**
Dividend per ordinary share	**$A3.20**	**$A2.05**	↑ **56%**

1. Calculation of the effective tax rate is after adjusting for the impact of non-controlling interests.

2H18 net profit contribution from operating groups $A2,399m down 10% on 1H18; up 1% on 2H17

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ANNUITY-STYLE BUSINESSES

$A1,357m ▼ **35%** ON 1H18 ▼ **16%** ON 2H17

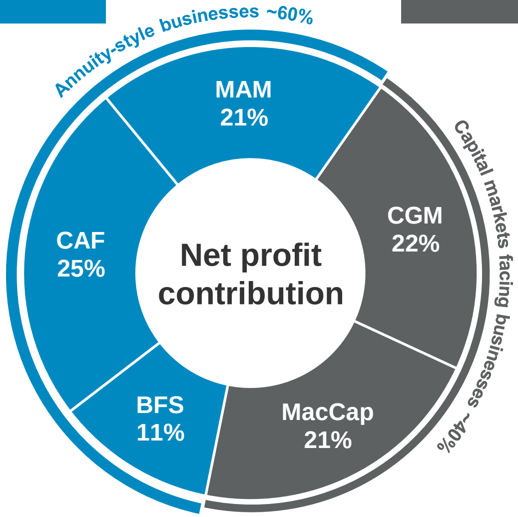
CAPITAL MARKETS FACING BUSINESSES

$A1,042m ▲ **83%** ON 1H18 ▲ **37%** ON 2H17

MAM: ▼ on 1H18
Continued to perform well against a strong 1H18 which benefited from significant performance fees; 2H18 was also impacted by higher impairments

CAF: ▼ on 1H18
Asset Finance continued to perform well; reduced income from lower portfolio volumes in Principal Finance; offset by higher prepayments and realisations in Principal Finance

BFS: ▼ on 1H18
Growth in Australian loan portfolio and funds on platform; offset by higher expenses and the Bank Levy



CGM: ▲ on 1H18
Improved trading conditions across the commodities platform, partially offset by higher expenses due to integration of the Cargill acquisitions

Macquarie Capital: ▲ on 1H18
Higher investment-related income due to asset realisations, increased client activity in M&A, partially offset by lower activity in ECM and DCM

Increase in 2H18 NPAT, notwithstanding net profit contribution from operating groups being down 10%, is due to lower corporate costs as a result of higher earnings on capital, lower profit share, lower provisions and lower tax.

Note: Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on 2H18 net profit contribution from operating groups.

MACQUARIE

FY18 result: $A2,557m up 15% on FY17

	2H18 $Am	1H18 $Am	2H18 v 1H18	FY18 $Am	FY17 $Am	FY18 v FY17
Net operating income	5,523	5,397	↑ 2%	10,920	10,364	↑ 5%
Total operating expenses	(3,763)	(3,693)	↑ 2%	(7,456)	(7,260)	↑ 3%
Operating profit before income tax	**1,760**	**1,704**	↑ **3%**	**3,464**	**3,104**	↑ **12%**
Income tax expense	(435)	(448)	↓ 3%	(883)	(868)	↑ 2%
Effective tax rate[1] (%)	*24.9*	*26.4*		*25.7*	*28.1*	
Profit attributable to non-controlling interests	(16)	(8)		(24)	(19)	
Profit attributable to MGL shareholders	**1,309**	**1,248**	↑ **5%**	**2,557**	**2,217**	↑ **15%**
Annualised return on equity (%)	**16.9**	**16.7**	↑ **1%**	**16.8**	**15.2**	↑ **11%**
Basic earnings per share	**$A3.88**	**$A3.70**	↑ **5%**	**$A7.58**	**$A6.58**	↑ **15%**
Dividend per ordinary share	**$A3.20**	**$A2.05**	↑ **56%**	**$A5.25**	**$A4.70**	↑ **12%**

1. Calculation of the effective tax rate is after adjusting for the impact of non-controlling interests.

FY18 net profit contribution from operating groups $A5,061m up 8% on FY17

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ANNUITY-STYLE BUSINESSES

$A3,451m | ▲ 6% ON FY17

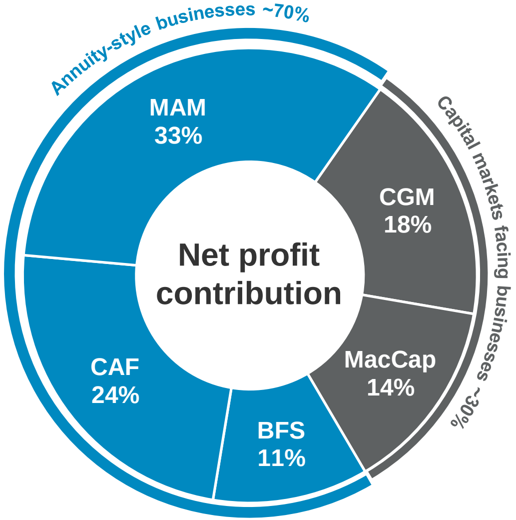
CAPITAL MARKETS FACING BUSINESSES

$A1,610m | ▲ 11% ON FY17

MAM: ▲ on FY17
Strong result with increased performance fees, partially offset by higher impairments

CAF: ▲ on FY17
Asset Finance portfolio continued to perform well; higher prepayments, realisations and investment-related income in Principal Finance albeit reduced interest income from lower portfolio volumes; reduced provisions and impairments overall

BFS: ▲ on FY17
Growth in Australian loan portfolio, BFS deposits and funds on platform, partially offset by the Bank Levy; FY17 benefited from the gain on sale of Macquarie Life's risk insurance business



CGM: ▼ on FY17
Improved results across the group, as well as lower impairments; offset by the timing of income recognition relating to tolling agreements and capacity contracts, reduced income from the sale of investments and low volatility in interest rate and credit markets

Macquarie Capital: ▲ on FY17
Higher investment-related income due to asset realisations, increased client activity in DCM, offset by lower activity in ECM and M&A

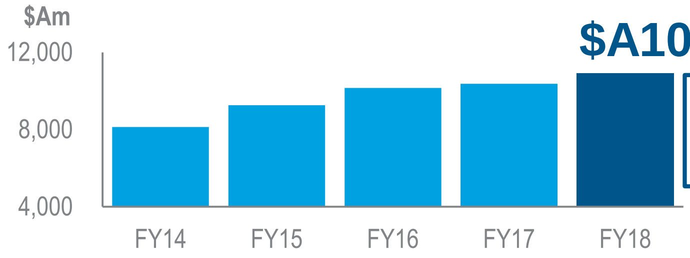
Note: Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on FY18 net profit contribution from operating groups.

Financial performance

MACQUARIE

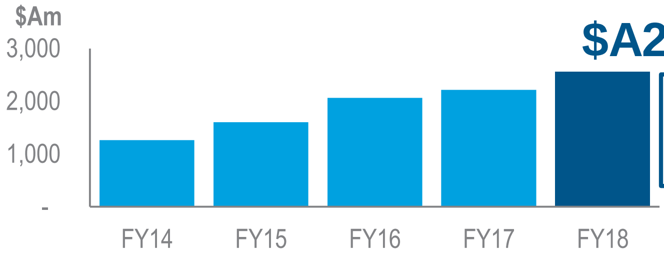
Operating income

FY18
$A10,920m
▲ 5% ON FY17



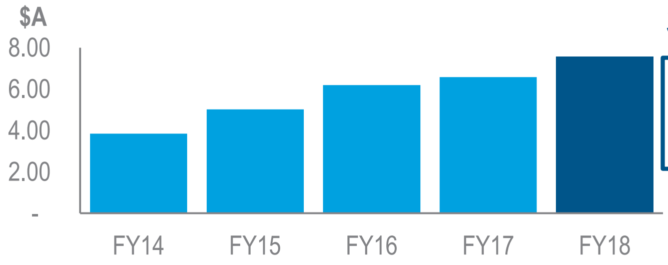
Profit

FY18
$A2,557m
▲ 15% ON FY17



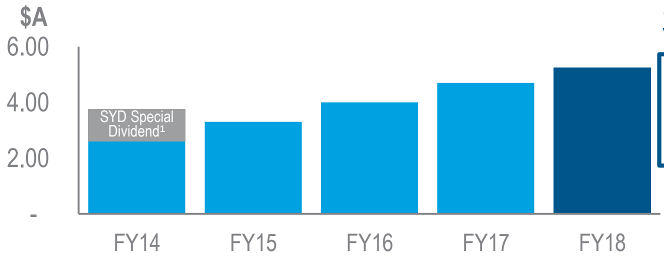
EPS

FY18
$A7.58
▲ 15% ON FY17



DPS

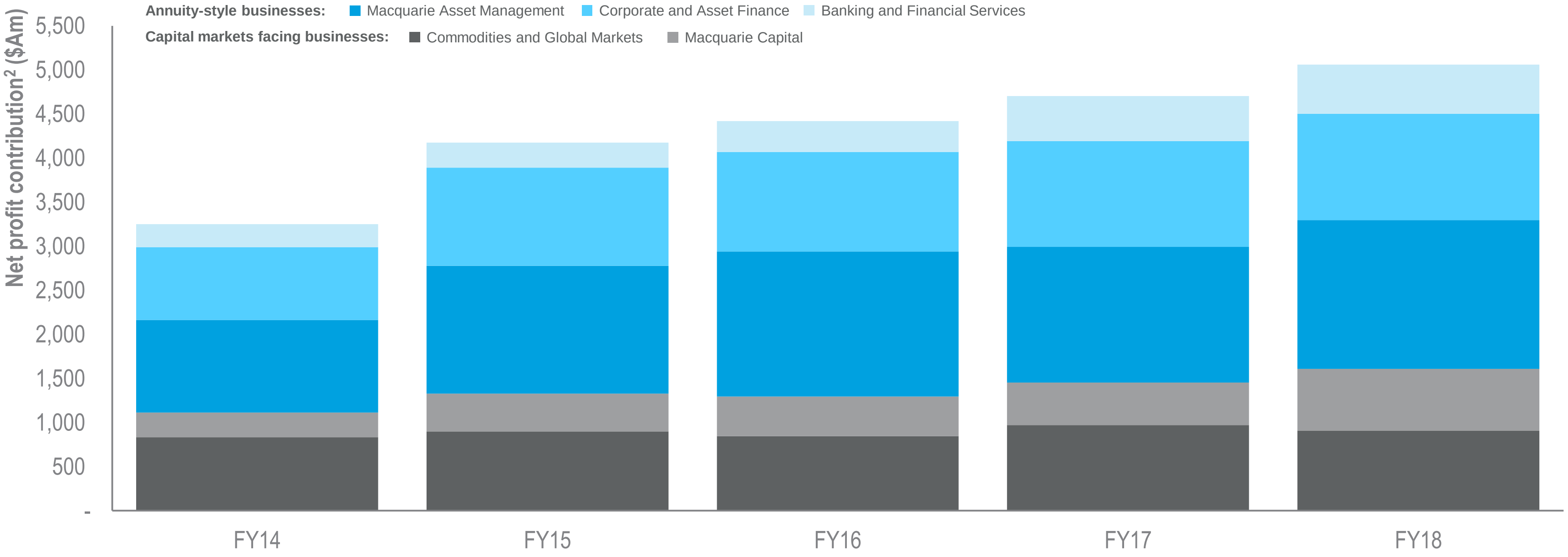
FY18
$A5.25
▲ 12% ON FY17



1. In 2H14 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 share.

Annuity-style vs Capital markets facing businesses

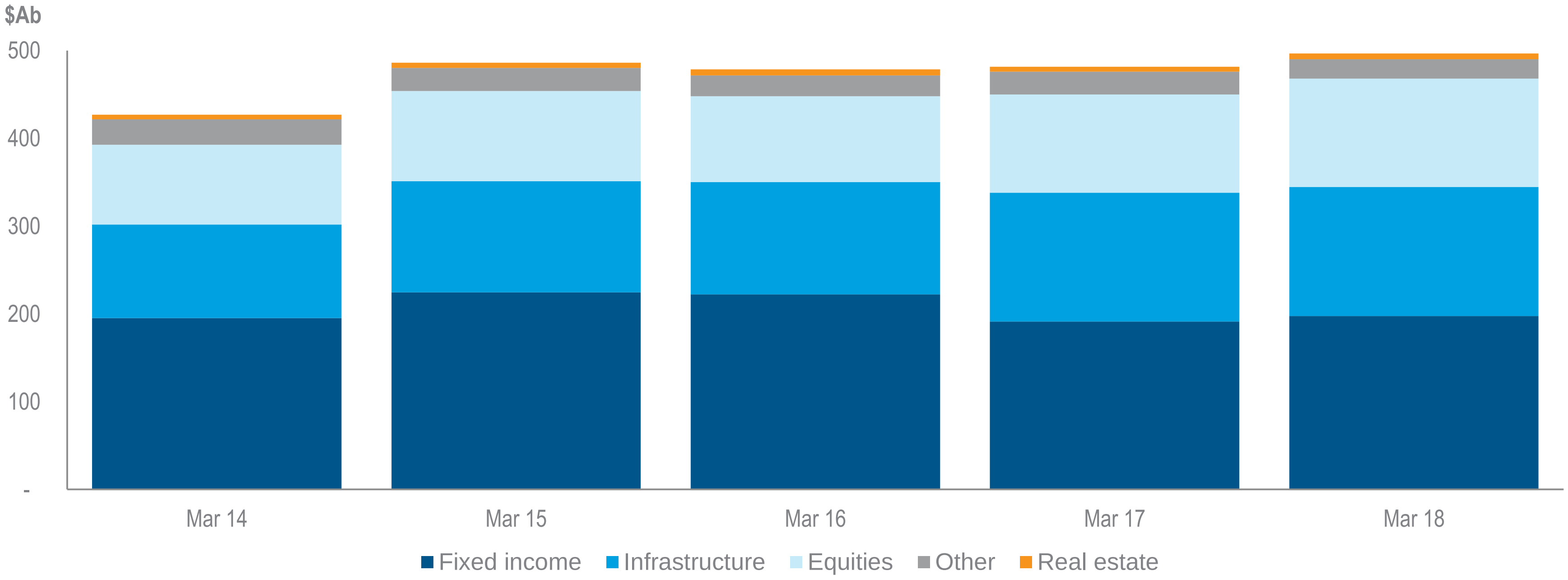
Annuity-style businesses represent approximately 70% of the Group's performance[1]



Comparative figures have been restated to conform to changes in current year financial presentation and group restructures, where necessary.
1. Based on FY18 net profit contribution from operating groups. 2. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax.

Assets under management of $A496.7 billion[1]

AUM increased $A15.0b since Mar 17, largely due to positive market movements and favourable currency movements, partially offset by net asset realisations in MIRA[2]



1. As at 31 Mar 18. 2. Includes divestment of Thames Water by MIRA-managed funds and ceasing asset services to consortia investors ($A25b).

MACQUARIE

Diversification by region

International income 67% of total income[1]
Total staff 14,469; International staff 54% of total

Americas

27% of total income

Staff
2,598

Income
$A2,822m

Assets under management
$A255.1b
employing **29,000+** people[3]

CANADA
Calgary
Montreal
Toronto
Vancouver

LATIN AMERICA
Mexico City
Sao Paulo

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

EMEA

29% of total income

Staff
1,766

Income
$A3,076m

Assets under management
$A92.0b
employing **40,000+** people[3]

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

MIDDLE EAST
Abu Dhabi
Dubai

SOUTH AFRICA
Cape Town
Johannesburg

Asia

11% of total income

Staff
3,428

Income
$A1,229m

Assets under management
$A51.7b
employing **40,000+** people[3]

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

Australia[2]

33% of total income

Staff
6,677

Income
$A3,517m

Assets under management
$A97.9b
employing **4,500+** people[3]

AUSTRALIA
Adelaide
Brisbane
Canberra
Gold Coast
Manly
Melbourne
Newcastle
Parramatta
Perth
Sydney

NEW ZEALAND
Auckland

1. Net operating income excluding earnings on capital and other corporate items. 2. Includes New Zealand. 3. Includes staff employed at MIRA-managed fund assets and assets MacCap has invested in.

Macquarie's Australian businesses

MACQUARIE

Macquarie's Australian businesses FY18	Group $Am	Bank		Non-bank $Am
		BFS $Am	Other $Am	
Net operating income for Australian businesses	3,517	1,640	1,067	810
Australian income as a proportion of Group total income[1]	33%	15%	10%	8%
Australian net profit contribution as a proportion of Group net profit contribution from operating groups	30%	11%	9%	10%
Headcount[2]	6,645	2,318	1,187	3,140

Bank

Retail banking and **financial services** portfolio includes[3]:

$A82.5b funds on platform

$A32.7b mortgage portfolio

$A7.3b business banking loan portfolio

Awarded **Best Digital Banking Offering** at the 2017 Australian Retail Banking Awards

Leading Australian vehicle financier

Leased **900k+** smartphones in Australia since 2016

Provider of fixed income, currencies and energy solutions

No. 1 Futures broker on the ASX[4]

Non-bank

One of **Australia's largest** asset managers[5] with Australian AUM of **A97.9b**[3,6]

Leading Australian **equities research** team

No.1 corporate adviser in Australia:

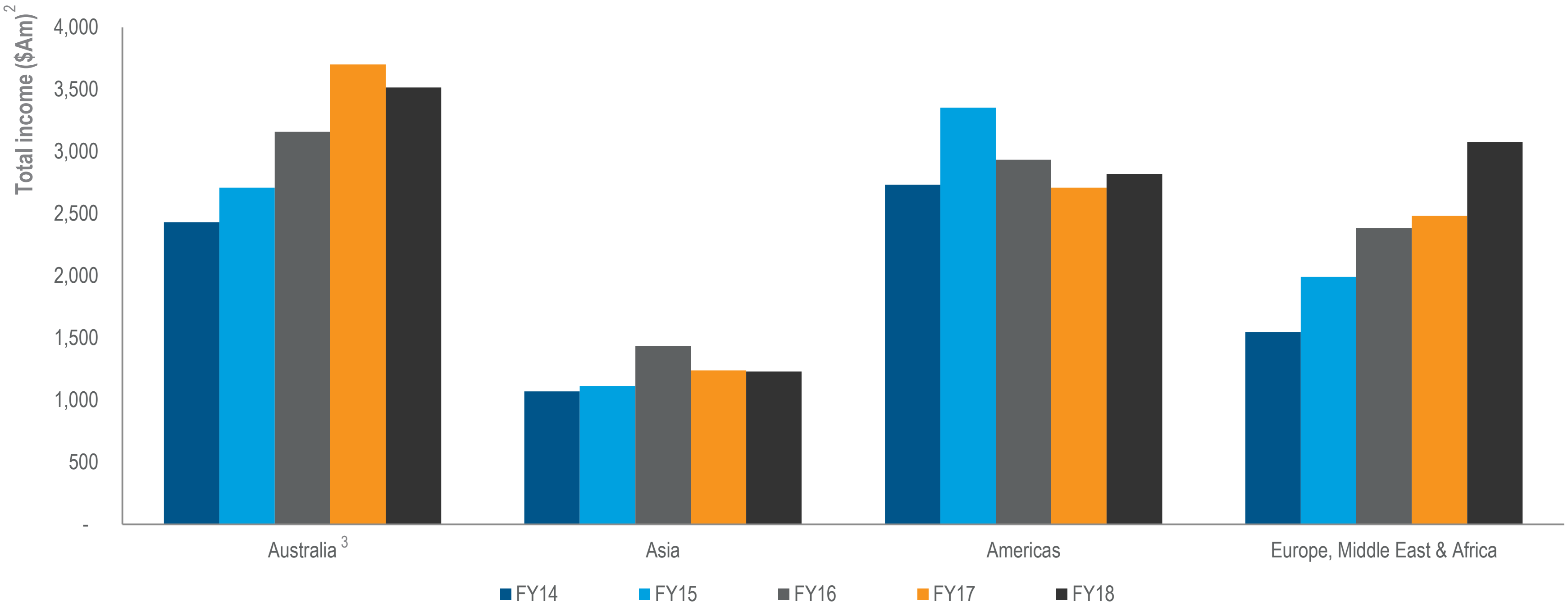
- **No.1** for M&As and IPOs; **No. 2** in ECM in ANZ[7]

Supporting growth across infrastructure, energy, real estate, telecommunications, media, technology, consumer, gaming and leisure, business services, resources, industrials and financial institutions

1. Total income excludes earnings on capital and other corporate items. 2. Excludes New Zealand. 3. As at 31 Mar 18. 4. Based on overall market share on ASX24 Futures volumes (CY18 YTD as at 31 Mar 18). 5. Based on AUM. 6. Represents ~20% of Group AUM. 7. Dealogic (FY18, by value). 8. Global Finance Awards (2018).

Diversification by region

A 10% movement[1] in AUD is estimated to have approx. 7% impact on NPAT



1. This represents an average movement against all major currencies. 2. Net operating income excluding earnings on capital and other corporate items. 3. Includes New Zealand.

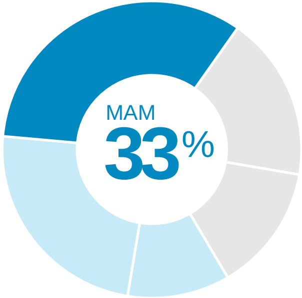
Macquarie Asset Management

MACQUARIE

OPERATING INCOME
$A2,792m ▲ **8%** ON FY17

NET PROFIT CONTRIBUTION
$A1,685m ▲ **10%** ON FY17

AUM[1]
$A495.1b ▲ **3%** ON MAR 17



MACQUARIE INFRASTRUCTURE AND REAL ASSETS (MIRA)

- **$A86.2b in equity under management**, up 12% on Mar 17
- **Raised $A15.5b in new equity**, including new commitments for listed and unlisted North American, Asian and Australian infrastructure funds, unlisted European infrastructure funds and Australian agriculture funds
- **Invested equity of $A11.1b** across 18 acquisitions and 20 follow-on investments in 14 countries
- **Equity proceeds from asset divestments**[2] **of $A8.7b** across all regions
- **$A14.8b of equity to deploy** as at Mar 18
- **Performance fees of $A566m** from MEIF3, MQA and other MIRA-managed funds and co-investors
- Investment-related income included **gains on reclassification and gains on sale** of certain infrastructure investments
- Increased impairments largely due to the write-down of MIRA's investment in MIC
- Reached agreement to acquire **GLL Real Estate Partners**[3], a ~€7b German-based manager of real estate assets in Europe and the US
- **No.1 infrastructure manager** globally[4]

MACQUARIE INVESTMENT MANAGEMENT (MIM)

- **$A333.5b in assets under management**, up 4% on Mar 17, largely due to positive market movements
- **Strong performance** across a range of asset classes including US Large and Small Cap Value, International Small Cap, Absolute Return Mortgage-Backed Securities, US Core Plus, and Global Absolute Return fixed income
- Distribution highlights include **new institutional mandates** and contributions funded in FY18:
  - Australia: $A9.7b
  - Asia: $A4.9b
  - North America: $US2.5b
  - EMEA: $US0.7b
- Launched **new SICAV funds** for mortgage-backed securities, global multi-asset income, and US small/mid-cap equities strategies
- Entered agreement to acquire **ValueInvest Asset Management S.A.**, a ~€4b Luxembourg-based manager specialising in managing global and Japanese equities
- Received two Lipper awards and one Euro Funds award[5]; Delaware Funds ranked No.7 in Barron's top fund families for 10-year relative performance[6]; top 10 global insurance manager[7]

MACQUARIE SPECIALISED INVESTMENT SOLUTIONS (MSIS)

- Continued to grow the Macquarie Infrastructure Debt Investment Solutions (MIDIS) business:
  - Closed nine third party investor commitments totalling $A1.3b, bringing total commitments on MIDIS platform to $A8.6b
  - Closed ten investments totalling $A1.3b in US, UK, France, Germany, Hungary and Australia, bringing total **AUM to $A6.2b**
  - Recognised as the largest specialist infrastructure debt manager[8]
- Closed **$A2.1b in new loans** to Private Equity Secondaries funds and successfully **completed sell down of $A0.6b** underwritten facility

Note: Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on FY18 net profit contribution from operating groups.
1. As at 31 Mar 18. 2. Equity proceeds from asset divestments differs to the impact of divestments on reported EUM which captures a reduction of the original capital commitment at time of return of capital to investors. 3. Signed 4 Feb 18. Subject to certain closing conditions including regulatory approval. 4. Based on AUM. Willis Towers Watson 2017 Global Alternatives Survey, published 17 Jul 17. 5. For more information and disclosures about these awards, visit: https://www.macquarieim.com/mimdisclosures. 6. Barron's Best Fund Families 2017, published 10 Mar 18. 7. Insurance Investment Outsourcing Report 2017. Ranking as at 31 Dec 16. 8. 2017 PDI 50.

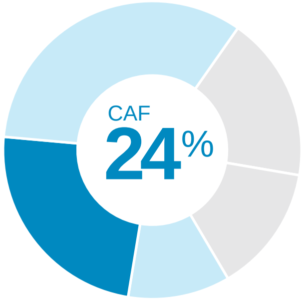
Corporate and Asset Finance

MACQUARIE

OPERATING INCOME
$A1,889m ▲ **3%** ON FY17

NET PROFIT CONTRIBUTION
$A1,206m ▲ **1%** ON FY17

ASSET AND LOAN PORTFOLIO
$A34.5b ▼ **5%** ON MAR 17



ASSET FINANCE

- **Asset Finance portfolio of $A29.8b**, broadly in line with Mar 17
- Continued to provide tailored finance and asset management solutions throughout the customer value chain – from manufacturer to end user: global expertise in aircraft, vehicles, technology, healthcare, manufacturing, industrial, energy, rail and mining equipment
- **Vehicles[1] portfolio of $A16.7b**, down 1%[2] on Mar 17
- **Aviation portfolio of $A8.0b**, down 6% on Mar 17 due to asset depreciation in the portfolio and the sale of five aircraft
- Telecoms, Media and Technology – continued growth in mobile device finance programmes and a growing pipeline of opportunities
- Energy – largest independent[3] owner of gas and electricity meters in the UK; contracts awarded to own and deploy 9 million residential smart electricity and gas meters in the UK to 2020
- Resources – continued opportunity in fleet replacement after below trend industry capex
- Launch of integrated operations platforms in Reading, UK and established in Jacksonville, US to support flow business
- Sale of the US commercial vehicles financing business, following significant growth of the portfolio since acquisition in 2015

FUNDING ACTIVITY

- Continued use of diverse funding sources with ~25% of the Asset Finance portfolio funded externally

PRINCIPAL FINANCE

- **Principal Finance's funded loan portfolio of $A4.7b[4]**, down 31% on Mar 17 due to net repayments and realisations
- $A1.2b of portfolio additions for FY18 comprising:
  - $A0.6b of new primary financings across corporate and real estate, weighted towards bespoke originations
  - $A0.6b of corporate loans and similar assets acquired in the secondary market
- Notable transactions included:
  - Provided financing to a leading fleet fuel payments and telematics provider across Europe, North America and Asia
  - Acquisition of residential units in a condominium complex in Larchmont, New York
  - Commitment to acquire a 50% interest in a portfolio of multi family rental properties and development pipeline in the US, predominately in Texas and adjacent states
- Notable realisations included:
  - Completion of the sale of Principal Finance's investment in a UK rooftop solar platform to a long-term infrastructure investor
  - Sale of an investment in a UK care homes and supported living business
  - Sale of a portfolio of US multi family rental properties acquired over the period of 2014 to 2017
- Asset quality remained sound and the portfolio continued to generate strong overall returns

Note: Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on FY18 net profit contribution from operating groups.
1. Includes General Plant and Equipment. 2. Portfolio as at 31 Mar 17 adjusted to exclude the US commercial vehicles financing business, which was sold during the period. 3. Not part of a distribution network or vertically integrated utility. 4. Includes Real Estate Structured Finance legacy run-off portfolio and equity portfolio of $A0.4b.

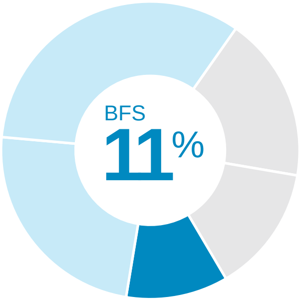
Banking and Financial Services

MACQUARIE

OPERATING INCOME
$A1,646m
BROADLY IN LINE WITH FY17

NET PROFIT CONTRIBUTION
$A560m
▲ 9% ON FY17

CLIENT NUMBERS
MORE THAN **1 million**



PERSONAL BANKING

Provides a full retail banking product suite to clients with mortgages, credit cards, transaction and savings accounts. Serves clients through direct Macquarie offerings, a white label personal banking platform, strong intermediary relationships and a leading digital banking experience.

Activity

- **Australian mortgage portfolio of $A32.7b, up 14%** on Mar 17, representing approximately 2% of the Australian market
- Launched Macquarie's open banking platform
- Launched instant digital rewards program, Macquarie Rewards
- Announced as strategic partner and issuer of the new Myer Credit Card
- Named **2018 Mozo Experts Choice Award** winner in the Home Loans category
- Awarded **Best Digital Banking Offering** and **Most Innovative Card Product** at the 2017 Australian Retail Banking Awards

WEALTH MANAGEMENT

Provides clients with a wide range of wrap platform and cash management services, investment and superannuation products, financial advice, private banking and stockbroking. Delivers products and services through institutional relationships, adviser networks and dedicated direct relationships with clients.

Activity

- **Funds on platform[1] of $A82.5b, up 14%** on Mar 17, due to the successful migration of holdings onto the Vision platform, net inflows and positive market movements
- Expanded Macquarie Wrap managed accounts offering, with funds under management of **$A1.1b** up from $A0.5b in Mar 17
- Wealth accounts added to Macquarie's award-winning digital banking app to provide a view of wealth, investment holdings and personal banking products in the one place
- Named **Retail Superannuation Fund of the Year** at the Roy Morgan Customer Satisfaction Awards 2018

BUSINESS BANKING

Provides a full range of deposit, lending and payment solutions, as well as tailored services to business clients, ranging from sole practitioners to corporate professional firms, who we engage with through a variety of channels including dedicated relationship managers.

Activity

- **Business banking deposit volumes up 6%** on Mar 17
- **Business banking loan portfolio of $A7.3b, up 12%** on Mar 17
- Total business banking **SME clients up 5%** on Mar 17
- Continued investment in technology solutions and business services, including the acquisition of PropertyIQ

DEPOSITS

- **Total BFS deposits[2] of $A45.7b at Mar 18, up 3%** on Mar 17
  - **CMA deposits of $A26.0b at Mar 18, down 1%** on Mar 17
- Macquarie awarded Best Cash and Term Deposit Accounts at the 2017 Self Managed Super Fund Awards and Core Data SMSF Service Provider Awards

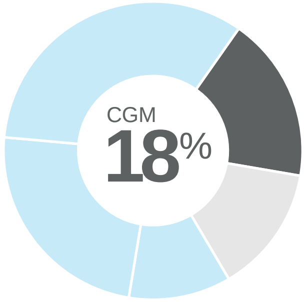
Note: Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on FY18 net profit contribution from operating groups.
1. Funds on platform includes Macquarie Wrap and Vision. 2. BFS deposits exclude corporate/wholesale deposits.

Commodities and Global Markets

OPERATING INCOME
$A2,907m ▼ 1% ON FY17

NET PROFIT CONTRIBUTION
$A910m ▼ 6% ON FY17

No.2 US PHYSICAL GAS MARKETER in North America[2]



Commodity Markets (Physical & Financial) 57%[1]	Financial Markets (Primary & Secondary) 35%[1]			Futures 8%[1]
COMMODITY MARKETS AND FINANCE	**FIXED INCOME & CURRENCIES**	**CREDIT MARKETS**	**CASH EQUITIES AND EQUITY DERIVATIVES & TRADING**	**FUTURES**
• Strong results, particularly in North American Gas and Power, across the Commodities platform in challenging market conditions • Continued low volatility impacted client hedging activity and trading opportunities in Global Oil • Improved results across Bulk Commodities and Investor Products, partially offset by mixed client and trading results in Metals • 2H18 benefited from realisation of income associated with an energy-related investment • The result was partially offset by the timing of income recognition relating to tolling agreements and capacity contracts of a net $A144m which is to be recognised in future years	• Strong results across the platform • Increased client flows in foreign exchange, particularly in Japan and North America • Continued strong client activity in Australian securitisation	• Increased client interest in bespoke lending and balance sheet solutions, particularly from Fintech providers • Growing client activity in short-term settlement solutions • Reduced client activity in an environment of sustained low volatility and tighter credit spreads	• Improved result across the equities platform • Growth in Asian public and private advisory business • Continued realisation of benefits from cost synergies, partially offset by strategic platform investments, particularly in EMEA • **No.1** for IPOs and **No.2** in ECM in ANZ[3] • **No.1** market share in listed warrants in **Singapore**, **No.2** in **Malaysia**, **No.4** in **Thailand** & **No.9** in **Hong Kong**[4]	• Increased result across the platform with strong client activity and volumes • Growth in commodity-related execution and clearing, particularly in Power and Gas across EMEA, US and Australia • Ranked **No.1** Futures broker on the ASX[5]

Note: Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on FY18 net profit contribution from operating groups.
1. Percentages are based on net profit contribution before impairment charges. 2. Platts Q4 CY17. 3. Dealogic (FY18, by value). 4. Net outstanding notional on local exchange. 5. Based on overall market share on ASX24 Futures volumes (CY18 YTD as at 31 Mar 18).

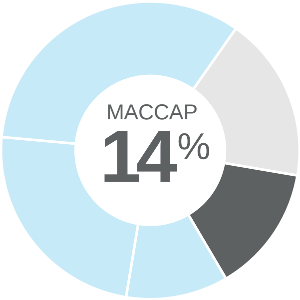
Macquarie Capital

OPERATING INCOME
$A1,491m ▲ **24%** ON FY17

NET PROFIT CONTRIBUTION
$A700m ▲ **45%** ON FY17

402 TRANSACTIONS VALUED AT
$A352b IN FY18[1]

385 TRANSACTIONS VALUED AT
$A301b IN FY17[1]



M&A ADVISORY AND CAPITAL MARKETS

Activity
- Maintained the leading market position globally for infrastructure financial advisory[2]
- Maintained a leading market position in ANZ for ECM and M&A[3] during a sustained period of lower deal activity
- Record high US fee revenue, including record high DCM revenue
- Leveraged new and existing long-term relationships, executing a number of significant cross border and domestic M&A transactions

Notable deals
- Defence adviser to DUET in response to the $A13.4b acquisition of 100% of DUET's securities by Cheung Kong Infrastructure - the largest completed M&A deal in Australia this financial year[2]
- Financial adviser to Weld North Education and KKR on its sale to Silver Lake Partners and joint bookrunner and joint lead arranger to Silver Lake Partners on the senior secured credit facilities to support the acquisition
- Financial adviser to Bain Capital and Cinven on their €5.4b acquisition of Germany's STADA Arzneimittel AG
- Financial adviser to a consortium comprising funds managed and advised by Equitix and InfraRed Capital Partners on their acquisition of High Speed 1, the operator of the 109km high-speed rail line connecting London St Pancras to the Channel Tunnel

Awards/Rankings
- No.1 M&A for completed deals in ANZ[3]
- No.2 for ECM and No.1 IPOs in ANZ[3]
- Best Investment Bank in Australia[4]
- Financial Adviser of the Year (GOLD)[5]
- Global Best Investment Bank in Infrastructure sector[6]
- No.1 Global Infrastructure Financial Adviser[7]
- No.1 Project Finance Global Power and Renewables Financial Adviser[8]
- No.2 US Tech LBO bookrunner[9]
- Best M&A Deal – CKI consortium takeover of DUET Group[10]
- Europe M&A Deal of the Year – HS1[11]
- Europe Largest PE Deal of the Year – Stada[12]

BALANCE SHEET POSITIONS

Activity
- Continued focus on green energy with over 30 projects under development or construction as at 31 Mar 18
- Total balance sheet positions in green energy of $A1.5b[13] at 31 Mar 18; investments of $A2.6b and realisations of $A1.5b in FY18
- Continued focus on investing alongside best-in-class real estate management teams to create specialist operating platforms, providing strategic oversight facilitating growth and supporting expansion into new markets

Notable deals
- Macquarie-led consortium acquired the UK Green Investment Bank plc (GIB)[14] from HM Government for £2.3b, rebranded as Green Investment Group, one of Europe's largest teams of green energy investment specialists
- Co-developer and equity investor in the first stage of Murra Warra Wind Farm, a 61 turbine/226MW capacity wind farm being constructed in Western Victoria, and financial adviser on the project's $A320m debt financing
- Macquarie Capital together with Techint completed the restructuring, acquisition and financing of Norte III, a 907MW combined-cycle gas plant, under construction near Ciudad Juarez, Mexico
- Sole sponsor and equity investor in the €260m Grangegorman campus PPP project in Dublin, Ireland, which reached financial close in Mar 18 - Ireland's largest education development to be financed via a public-private-partnership and once completed will cater for 10,000 students across two buildings
- Raised over ~$US2.2b in equity commitments for Macquarie Capital sponsored real estate logistics platforms globally to be invested in India, China, UK and Australia
- Co-investor in Healthsun alongside Summit Partners, supporting a key sponsor client achieve an outstanding result

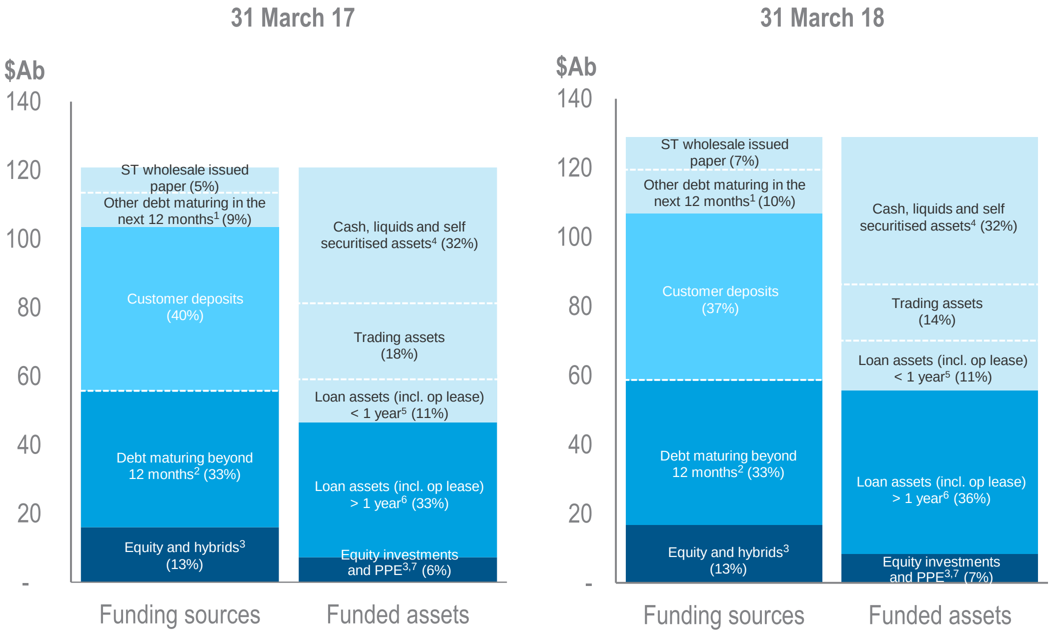
Awards/Rankings
- Latin American Power and Overall Deal of the Year – Norte III[15]
- Global Infrastructure Deal of the Year[16] and Global Financial Sponsor Deal of the Year – Green Investment Bank acquisition[17]

Note: Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on FY18 net profit contribution from operating groups. 1. Source: Dealogic and IJGlobal for Macquarie Group completed M&A, balance sheet positions, ECM and DCM transactions, converted at 31 Mar FX rate. Deal values reflect the full transaction value and not an attributed value. Prior period deal values and transaction numbers have been restated to align with current year methodology. 2. Inframation (CY17, by value). 3. Dealogic (FY18, by value). 4. Global Finance Awards (2018). 5. PPP Awards, Asia Pacific (2017). 6. Global Finance Awards (2018). 7. Inframation CY17 (by value). 8. Bloomberg CY17. 9. Inframation CY17 (by value). 10. FinanceAsia Achievement Awards, Australia/NZ (2017). 11. IJGlobal (2018). 12. Ptichbook (2017). 13. Includes debt and equity balance sheet positions. 14. The UK Green Investment Bank is not authorised or regulated by the Financial Conduct Authority or the Prudential Regulatory Authority. 15. IJ Global (2017). 16. Global Finance Awards (2017). 17. Project Finance International (2017).

MACQUARIE

Funded balance sheet remains strong

Term liabilities exceed term assets



TOTAL CUSTOMER DEPOSITS[8]

$A48.1b | ▲ 1% FROM MAR 17

NEW TERM FUNDING[9]

$A21.8b | RAISED SINCE MAR 17

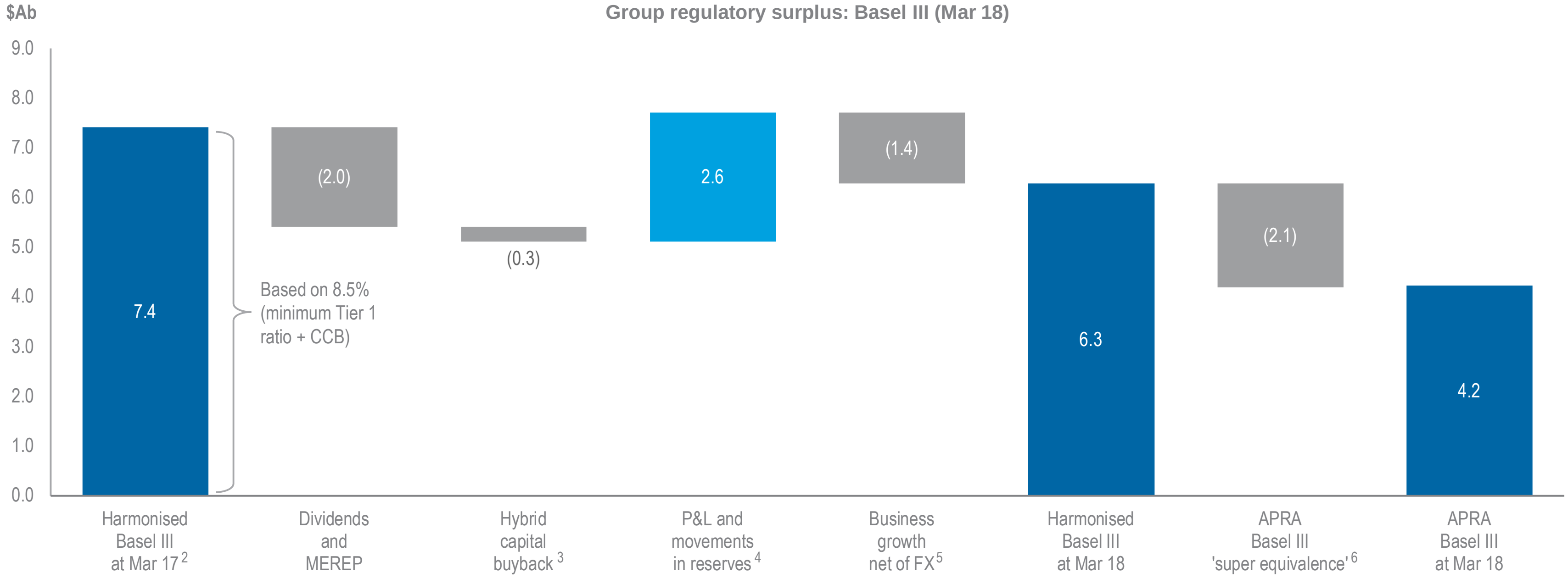
SYNDICATED LOAN FACILITIES

$A3.3b | REFINANCED IN FY18

These charts represent Macquarie's funded balance sheets at the respective dates noted above. For details regarding reconciliation of the funded balance sheet to Macquarie's statutory balance sheet refer to slide 69. 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' and 'Equity investments and PPE'. 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 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. 8. Total customer deposits as per the funded balance sheet ($A48.1b) differs from total deposits as per the statutory balance sheet ($A59.4b). The funded balance sheet excludes any deposits which do not represent a funding source for Macquarie. 9. Issuances cover a range of tenors, currencies and product types and are AUD equivalent based on FX rates at the time of issuance and include undrawn facilities.

Basel III capital position

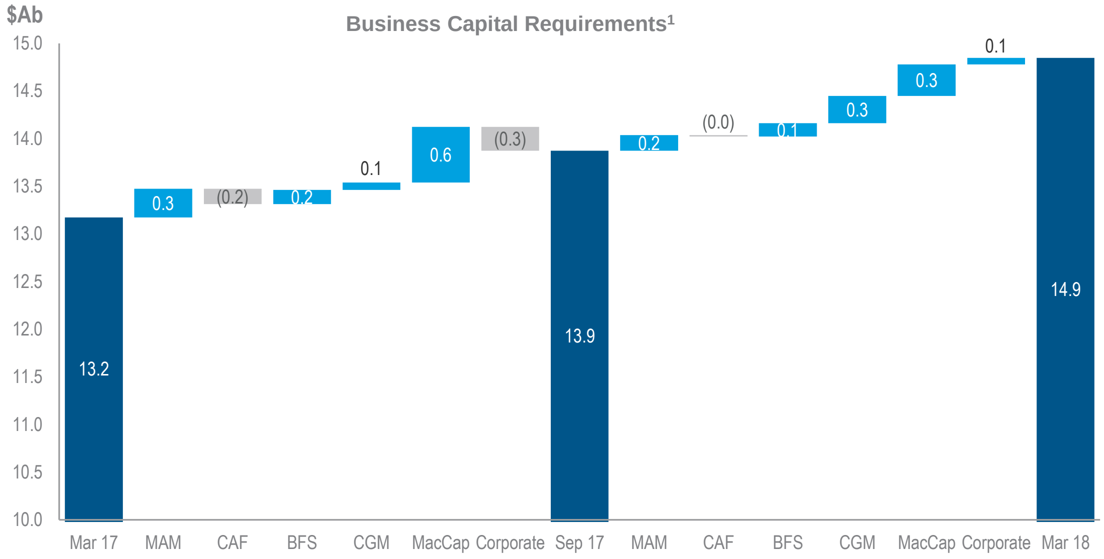
APRA Basel III Group capital at Mar 18 of $A19.1b, Group capital surplus of $A4.2b[1]



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 $A5.6b calculated at 7% RWA, per the internal minimum Tier 1 ratio of the Bank Group. 2. 'Harmonised' Basel III estimates are calculated in accordance with the BCBS Basel III framework. 3. $US250m of Macquarie Exchangeable Capital Securities ("ECS") bought back in Jun 17. 4. Excluding foreign currency translation reserve. 5. Includes the net impact of hedging employed to reduce the sensitivity of the Group's capital position to FX translation movements. This $A1.4b business growth is different to the $A1.7b shown on slide 24 as is a) net of FX and b) shown on a Harmonised Basel III basis rather than an APRA Basel III basis. 6. APRA Basel III 'super-equivalence' includes the impact of changes in capital requirements in areas where APRA differs from the BCBS Basel III framework and includes full CET1 deductions for equity investments ($A0.6b); differences in mortgages treatment ($A0.6b); capitalised expenses ($A0.5b); investment into deconsolidated subsidiaries ($A0.2b); DTAs and other impacts ($A0.2b).

MACQUARIE

Business growth



KEY DRIVERS

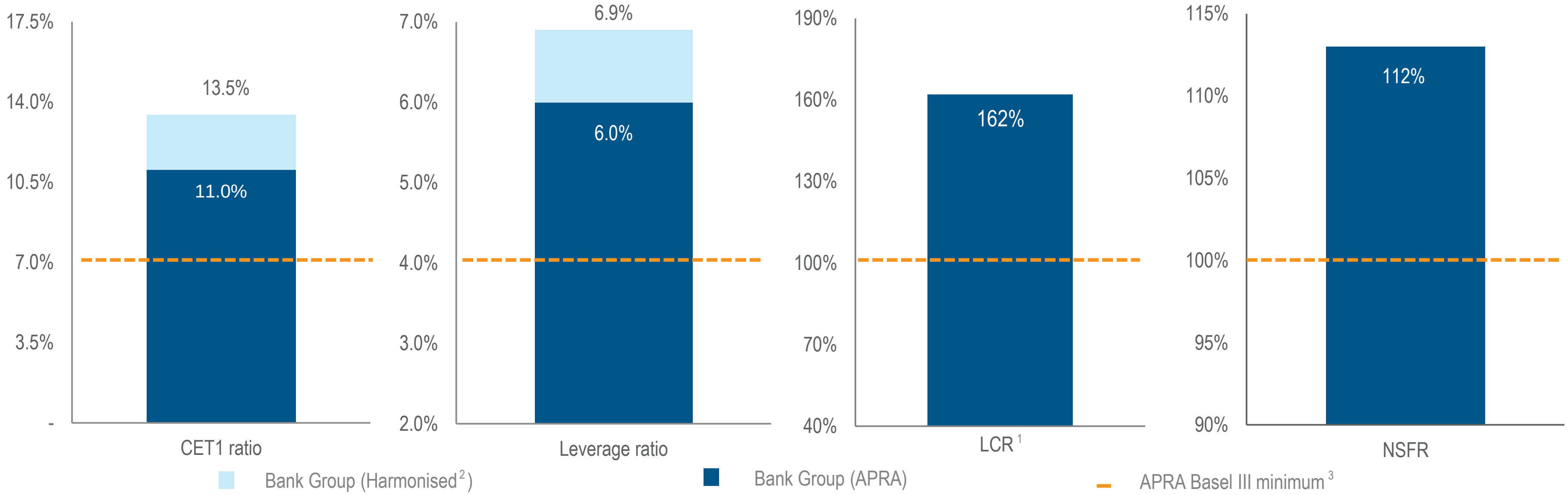
- Increase in MAM of $A0.5b mainly due to acquisitions:
  - Net increase of $A0.1b due to on-balance sheet investments to seed new MIRA products and mandates
  - Net increase of $A0.4b due to off-balance sheet commitments and other requirements, including GLL Real Estate and ValueInvest
- Decrease in CAF of ($A0.2b) due to Principal Finance repayments and a decline in the vehicles portfolio
- Increase in BFS of $A0.3b due to growth in the mortgages and business banking portfolios
- Increase in CGM of $A0.4b due to Cargill acquisitions and increases in commodities and foreign exchange
- Increase in Macquarie Capital of $A0.9b primarily due to the acquisition of the GIG and continued transaction activity, particularly in green energy
  - Net increase of $A0.7b due to on-balance sheet investments primarily reflecting the acquisition of GIG and continued transaction activity
  - Net increase of $A0.2b due to off-balance sheet commitments and other requirements driven by continued transaction activity, particularly in green energy

Given significant business growth in FY18, Macquarie did not purchase any shares under the share buyback program announced at the 1H18 result announcement; the program remains in place, with any share purchases subject to a number of factors including the Group's capital surplus position, market conditions and opportunities to deploy capital by the businesses

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 the 'Approximate business Basel III Capital & ROE' (slide 58).

Strong regulatory ratios

Bank Group (Mar 18)



1. Average LCR for Mar 18 quarter is based on an average of daily observations. 2. 'Harmonised' Basel III estimates are calculated in accordance with the BCBS Basel III framework. 3. Includes the capital conservation buffer in the minimum CET1 ratio requirement. In Feb 18 APRA proposed a minimum leverage ratio requirement for IRB ADIs of 4% effective from 1 Jul 19.

MACQUARIE

Final dividend

2H18 ORDINARY DIVIDEND

$A 3.20

(45% franked)

FROM

▲ **$A2.05**

(45% franked)

IN 1H18

FY18 ORDINARY DIVIDEND

$A 5.25

(45% franked)

FROM

▲ **$A4.70**

(45% franked)

IN FY17

2H18 RECORD DATE

15 May 18

2H18 PAYMENT DATE

3 Jul 18

DRP shares for the 2H18 dividend to be sourced on-market[1]

FY18 ANNUAL PAYOUT RATIO

70%

Dividend policy remains 60-80% annual payout ratio

1. Shares may be issued if purchasing becomes impractical or inadvisable. The DRP pricing period is from 22 May 18 to 30 May 18.

03 Result Analysis and Financial Management

Alex Harvey – Chief Financial Officer

Income Statement key drivers

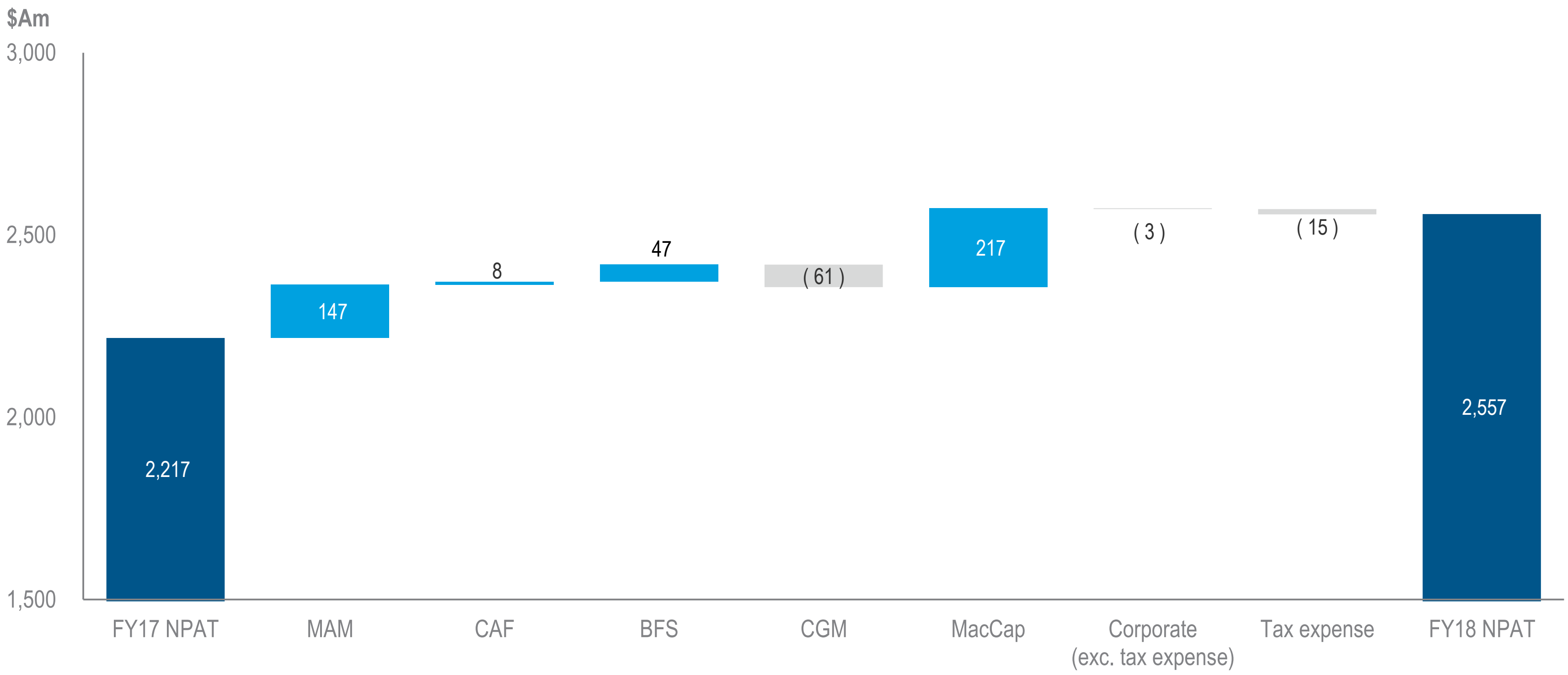
MACQUARIE

	2H18 $Am	1H18 $Am	FY18 $Am	FY17 $Am
Net interest and trading income	2,051	1,892	3,943	3,943
Fee and commission income	2,102	2,568	4,670	4,331
Net operating lease income	466	469	935	921
Share of net profits of associates and joint ventures	138	103	241	51
Impairments charges	(233)	(70)	(303)	(173)
Provisions for credit losses	9	(72)	(63)	(271)
Other income	990	507	1,497	1,562
Net operating income	**5,523**	**5,397**	**10,920**	**10,364**
Employment expenses	(2,232)	(2,261)	(4,493)	(4,379)
Brokerage, commission and trading-related expenses	(408)	(422)	(830)	(852)
Other operating expenses	(1,123)	(1,010)	(2,133)	(2,029)
Total operating expenses	**(3,763)**	**(3,693)**	**(7,456)**	**(7,260)**
Operating profit before tax and non-controlling interests	**1,760**	**1,704**	**3,464**	**3,104**
Income tax expense	(435)	(448)	(883)	(868)
Non-controlling interests	(16)	(8)	(24)	(19)
Profit attributable to MGL shareholders	**1,309**	**1,248**	**2,557**	**2,217**

- Net interest and trading income of $A3,943m was in line with FY17 reflecting:
  - 6% growth in average Australian loan portfolio volumes and a 7% growth in average BFS deposits
  - lower costs of holding long-term liquidity in Corporate

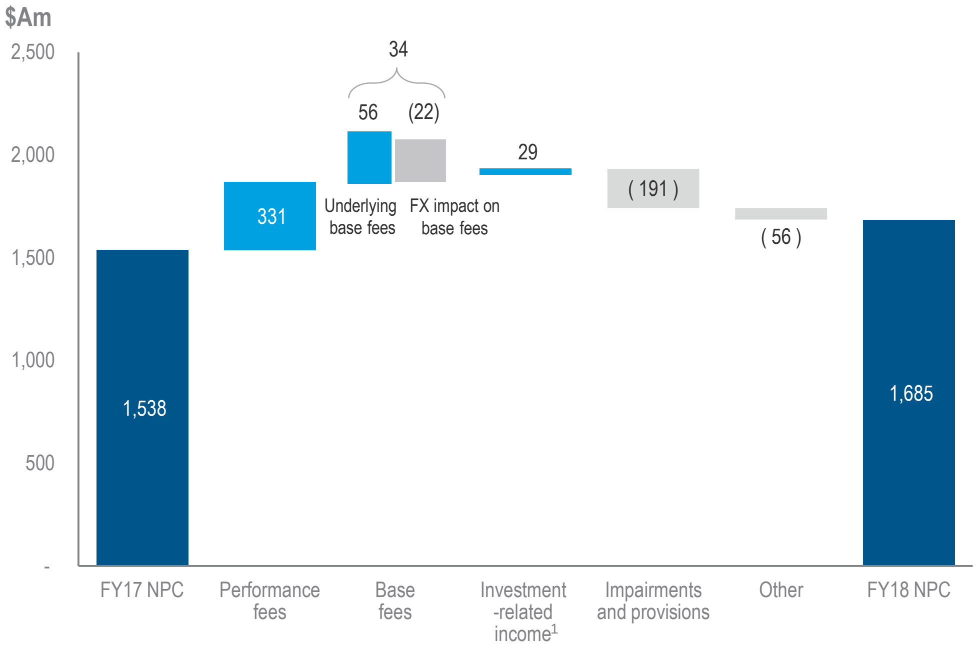
  Offset by:
  - reduction in the Principal Finance portfolio in CAF
  - sustained low volatility and tighter credit spreads in interest rate and credit products in CGM
  - higher funding costs on balance sheet positions in MacCap reflecting increased activity, including the acquisition of Green Investment Group (GIG)
  - impact of the Australian Government Major Bank Levy
- Fee and commission income of $A4,670m, up 8% on FY17 largely driven by an increase in performance fee income from MIRA managed funds and assets outperforming their respective benchmarks in MAM
- Net operating lease income of $A935m, up 2% on FY17 benefited from improved underlying income from the Aviation, Energy and Technology portfolios in CAF
- Share of net profits of associates of $A241m increased mainly due to MAM's share of net profits from the sale of a number of underlying assets within equity accounted investments
- Lower impairments and provisions charge across most Operating Groups due to improved credit conditions, partially offset by the write-down of the investment in MIC
- Other income of $A1,497m reduced 4% on FY17 driven by higher gains on asset realisations particularly in green energy, conventional energy and infrastructure in MacCap and gains from CAF's Principal Finance investments in the US and Europe, partially offset by the non-recurrence of net gains in FY17 including the sale of Macquarie Life's risk insurance business and the US mortgages portfolio in BFS
- Employment expenses of $A4,493m, up 3% on FY17 driven by higher performance-related profit share expense, driven by the improved overall performance of the Operating Groups and higher average headcount from acquisitions, partially offset by favourable FX movements
- Other operating expenses of $A2,133m, up 5% on FY17 mainly due to transaction and integration costs from acquisitions and increased business activity
- Income tax expense of $A883m, up 2% on FY17 reflects higher profit before tax, offset in part by increased benefit from permanent tax differences. The reduced effective tax rate of 25.7% reflects the change in geographic composition and nature of earnings

Income Statement by Operating Group



Macquarie Asset Management

Strong result: FY18 benefiting from strong base and performance fees and investment-related income, partially offset by higher impairments

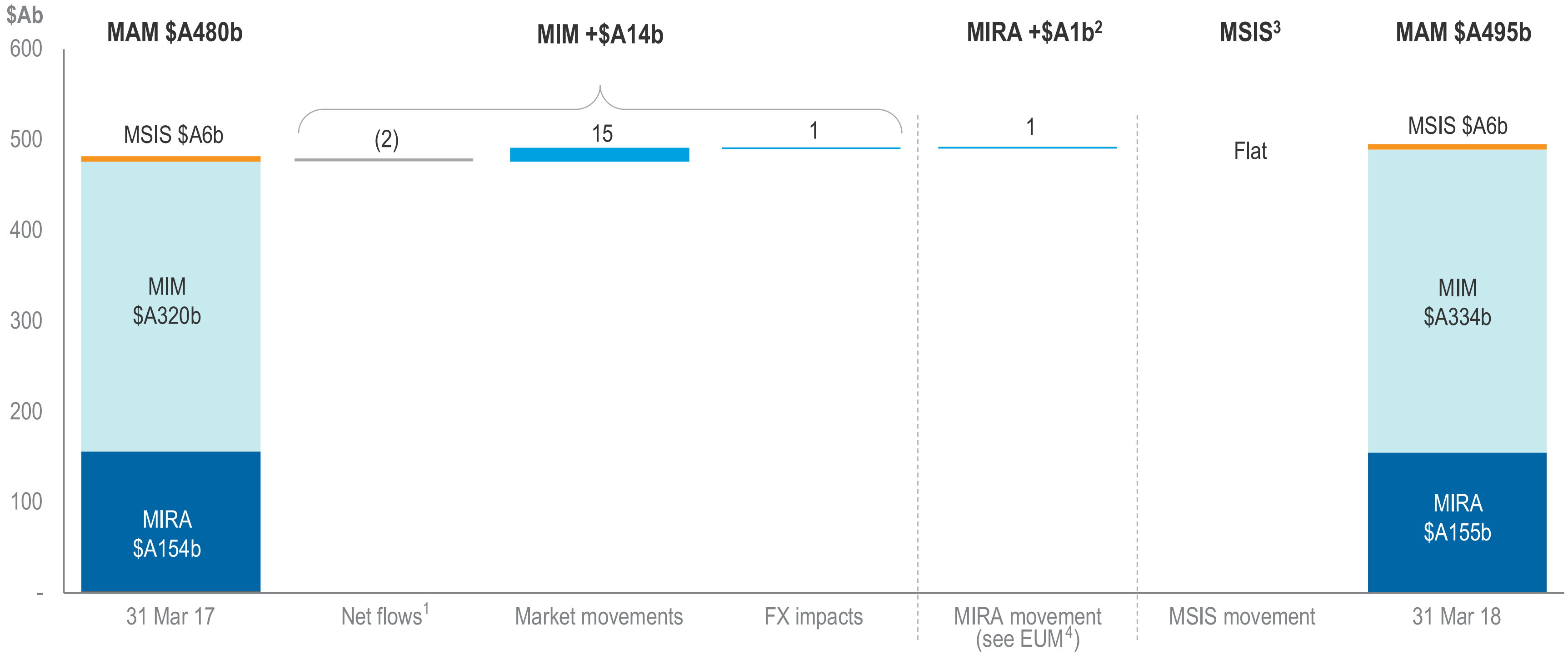


KEY DRIVERS

- Higher performance fees with FY18 benefiting from MEIF3, MQA and other managed funds, Australian managed accounts and Listed Equities
- Underlying base fees up:
  - Increased fees from positive market movements in MIM AUM and investments made by MIRA-managed funds
  - Partially offset by asset realisations by MIRA-managed funds and net flow impacts in the MIM business
- Investment-related income which includes gains from sale and reclassification of certain infrastructure investments and equity accounted income, was broadly in line with a strong FY17
- Increase in impairments largely reflects the write-down of MIRA's investment in MIC
- Other largely relates to increased employment expenses driven by higher average headcount, increased funding costs and lower other fee income in MSIS closed-end funds

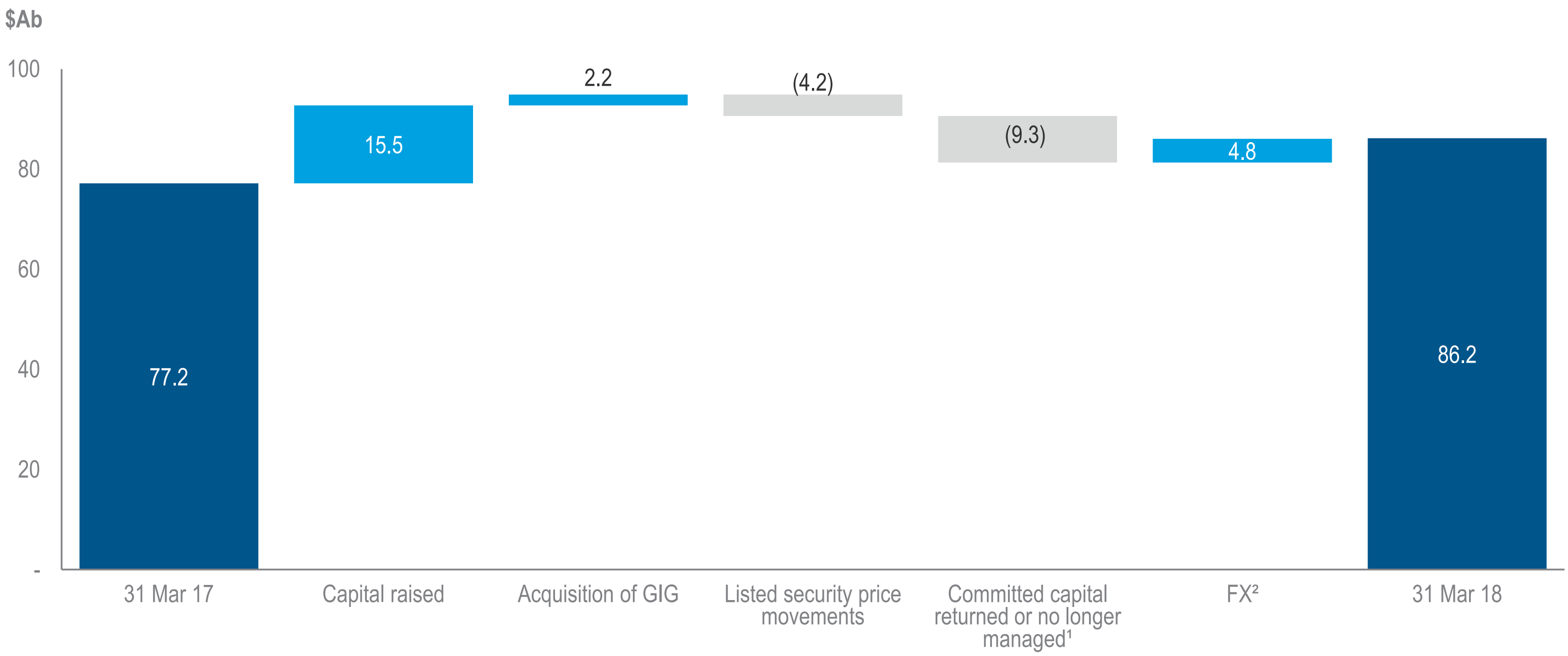
1. Represents movement in net gains on sale and reclassification of debt and equity investments and non-financial assets, share of net profits of associates and joint ventures accounted for using equity method, and dividend distribution income.

MAM AUM movement



1. Includes movement in contractual insurance assets. 2. Includes divestment of Thames Water by MIRA-managed funds and ceasing asset services to consortia investors ($A25b). 3. MIDIS increase offset by maturing Australian retail products. 4. MIRA tracks its funds under management using an EUM measure as base management fee income is typically aligned with EUM. EUM and AUM are calculated under different methodologies and as such, EUM movement is the more relevant metric for analysis purposes – refer to MIRA EUM movement on slide 32. 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. 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. Refer MD&A s7.1 & 7.2 for further information with respect to EUM and AUM measures.

MIRA EUM movement

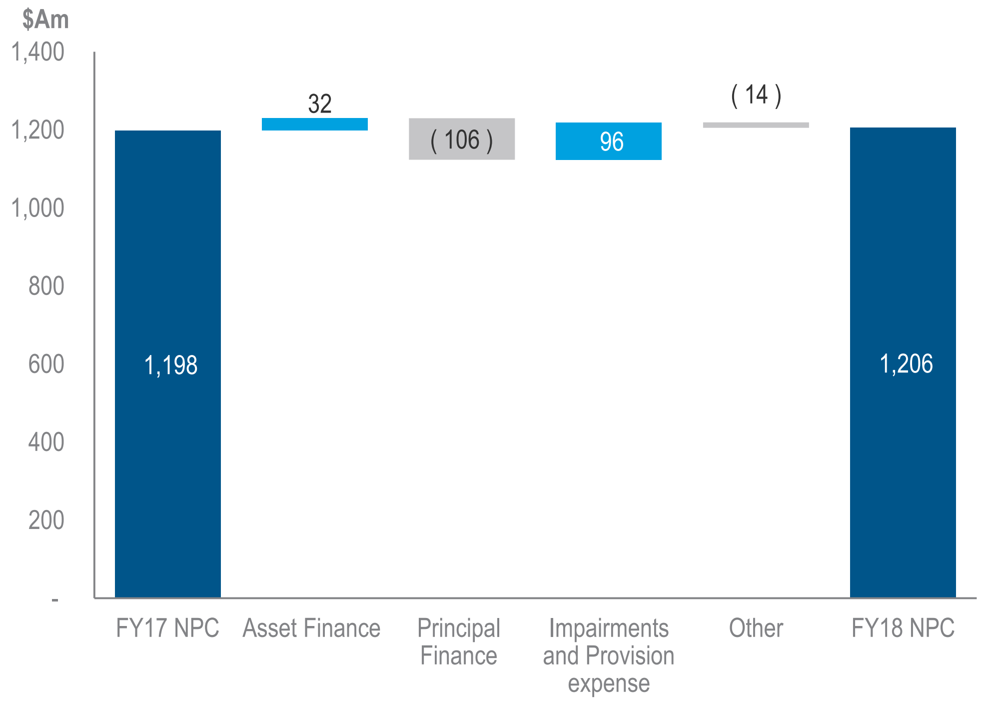


1. Committed capital returned by unlisted funds or under mandates due to asset divestments, redemption or other capital distributions as well as capital no longer managed due to sale of management rights or expiry of asset management agreements. 2. FX reflects the movement in EUM driven by changes in FX rates. EUM is calculated using capital commitments translated at period end FX rates. Spot FX rates are used for capital raised and returned and average FX rates are used for security price movements.

MACQUARIE

Corporate and Asset Finance

Impact of declining volumes in Principal Finance offset by lower provisions

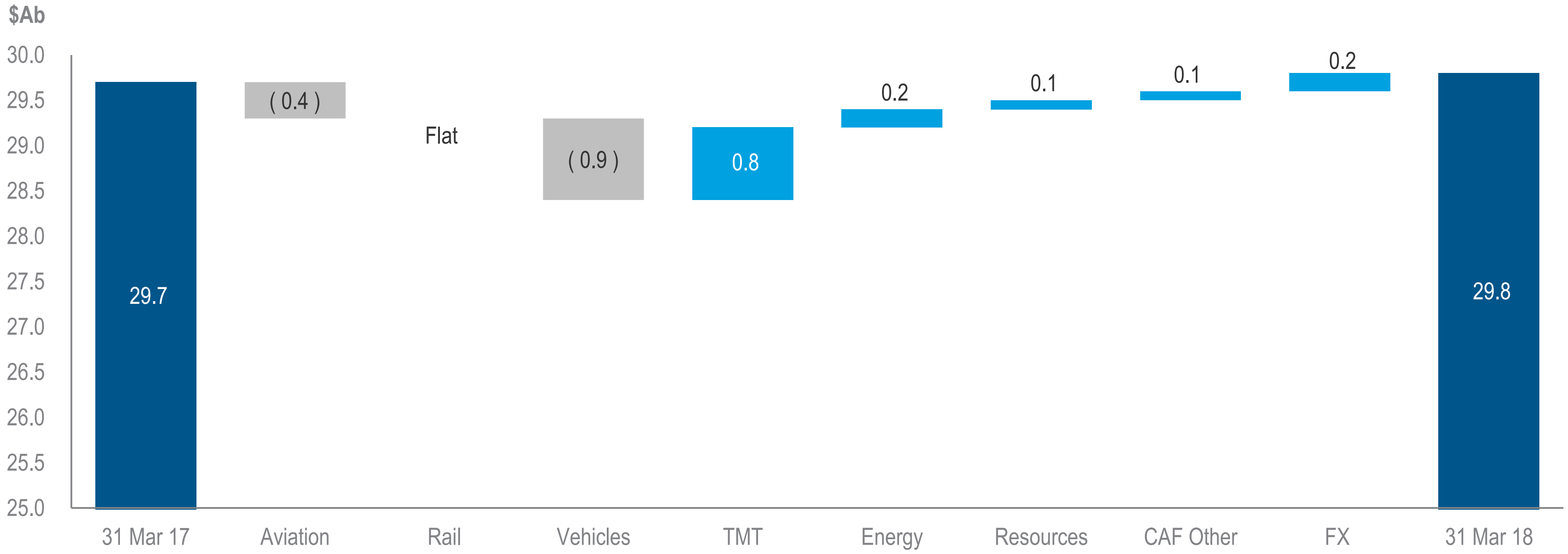


KEY DRIVERS

- Asset Finance contribution increased due to stronger underlying net operating lease income in Aviation and income from Vehicles, which included the sale of the US commercial Vehicles financing business. The remaining portfolios continued to perform well
- Lower Principal Finance contribution with lower interest income as a result of a reduction in the portfolio, partially offset by higher prepayments, realisations and investment-related income
- Lower provision expense reflecting the partial reversal of collective provisions, driven by net loan repayments, and the improved credit performance of underlying portfolios
- Other mainly comprises one-off Aircraft related income and expenses

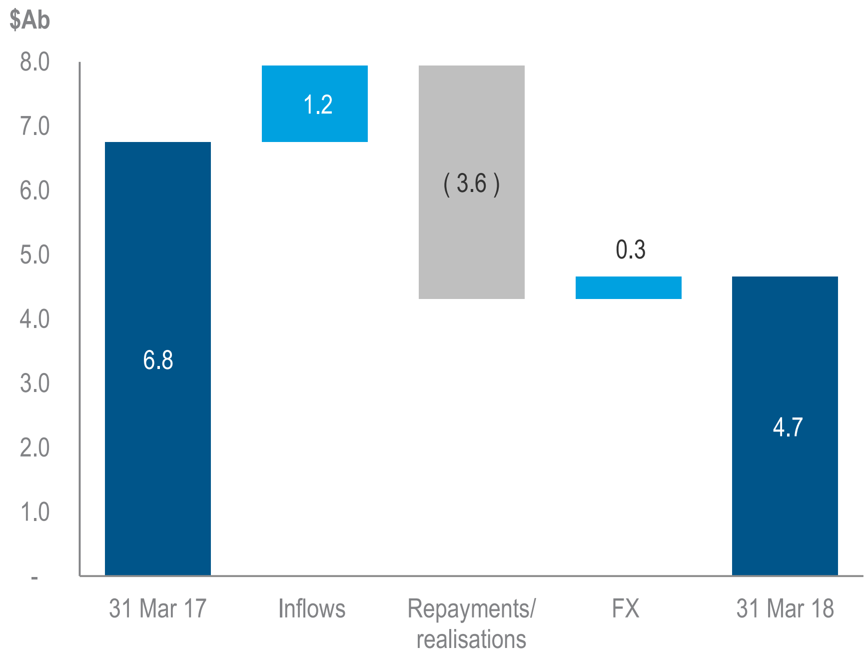
Corporate and Asset Finance

Asset Finance movement in the portfolio

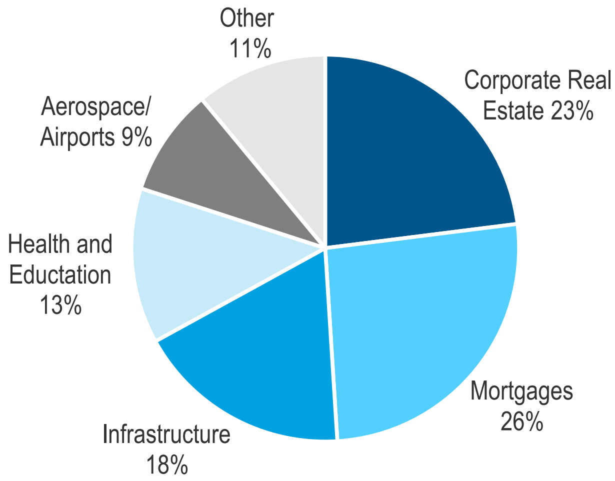


Corporate and Asset Finance

Principal Finance movement in the portfolio



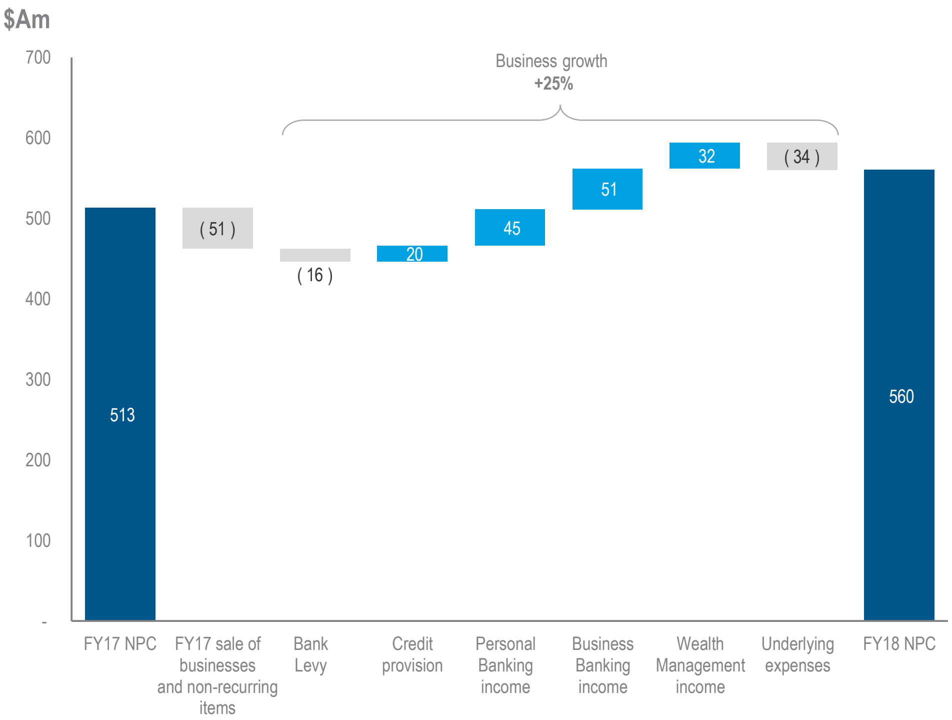
Principal Finance exposure by category



MACQUARIE

Banking and Financial Services

Stronger volumes offsetting impact of FY17 sale of businesses and non-recurring items

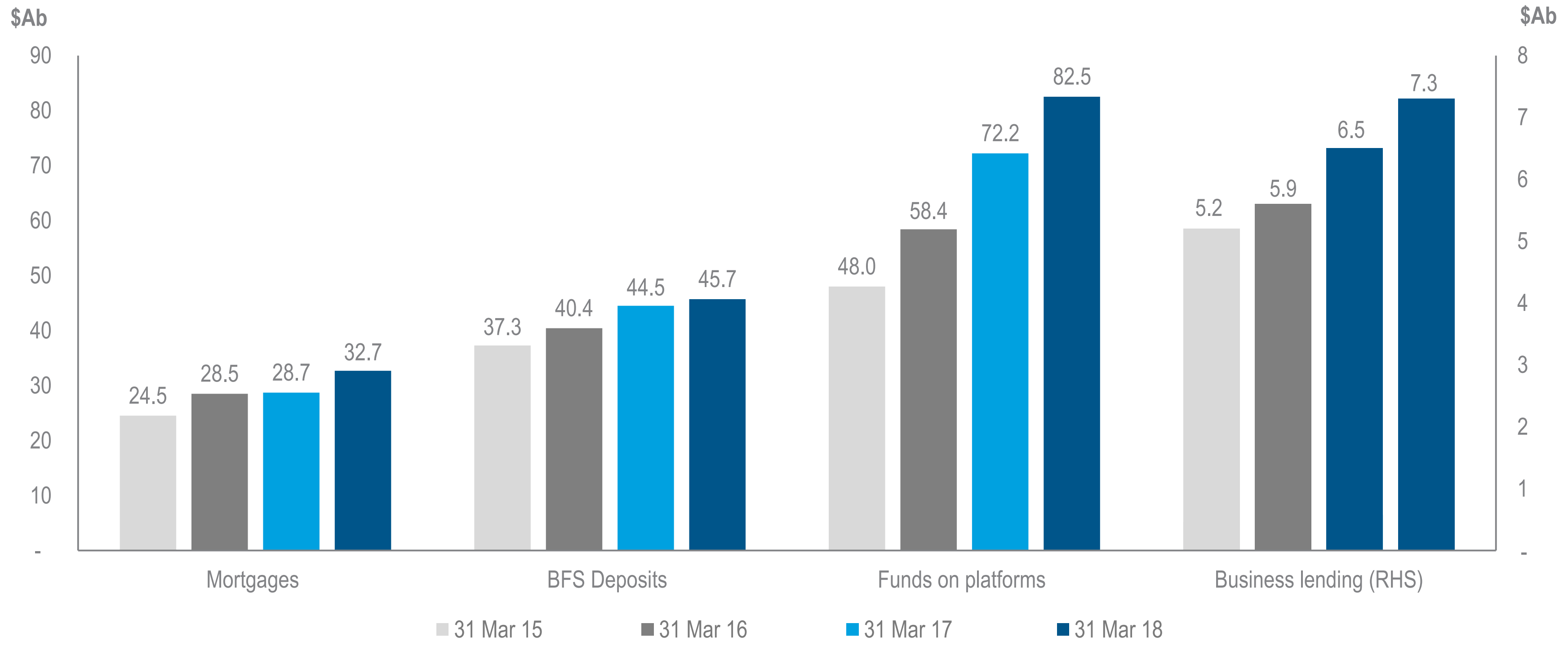


KEY DRIVERS

- FY17 sale of businesses and non-recurring items includes net overall gain on the disposal of Macquarie Life's risk insurance business to Zurich Australia Limited and the US mortgages portfolio, partially offset by expenses in relation to the Core Banking platform and impairment charges on certain equity positions and intangible assets
- Lower credit provisions with FY17 experiencing higher business lending provisions on a small number of loans
- Higher Personal Banking income driven by a 6% increase in average mortgage volumes
- Higher Business Banking income driven by a 7% increase in average business lending volumes, 12% increase in average business deposit volumes
- Higher Wealth Management income driven by a 19% increase in average Funds on platform reflecting ANZ and Vision migrations, net positive client inflows and market movements
- Higher underlying expenses included a 4% increase in average headcount to support growth

Banking and Financial Services

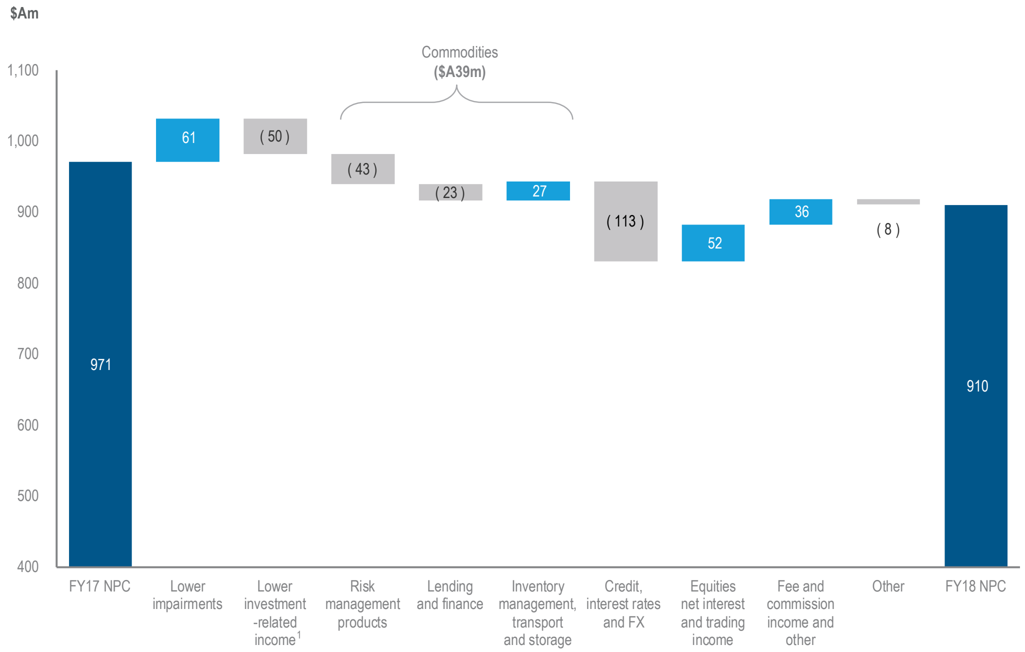
Strong balance sheet growth across the portfolios



Data based on spot volumes at period end.

Commodities and Global Markets

Strong commodities and FX results in challenging market conditions, equities improving



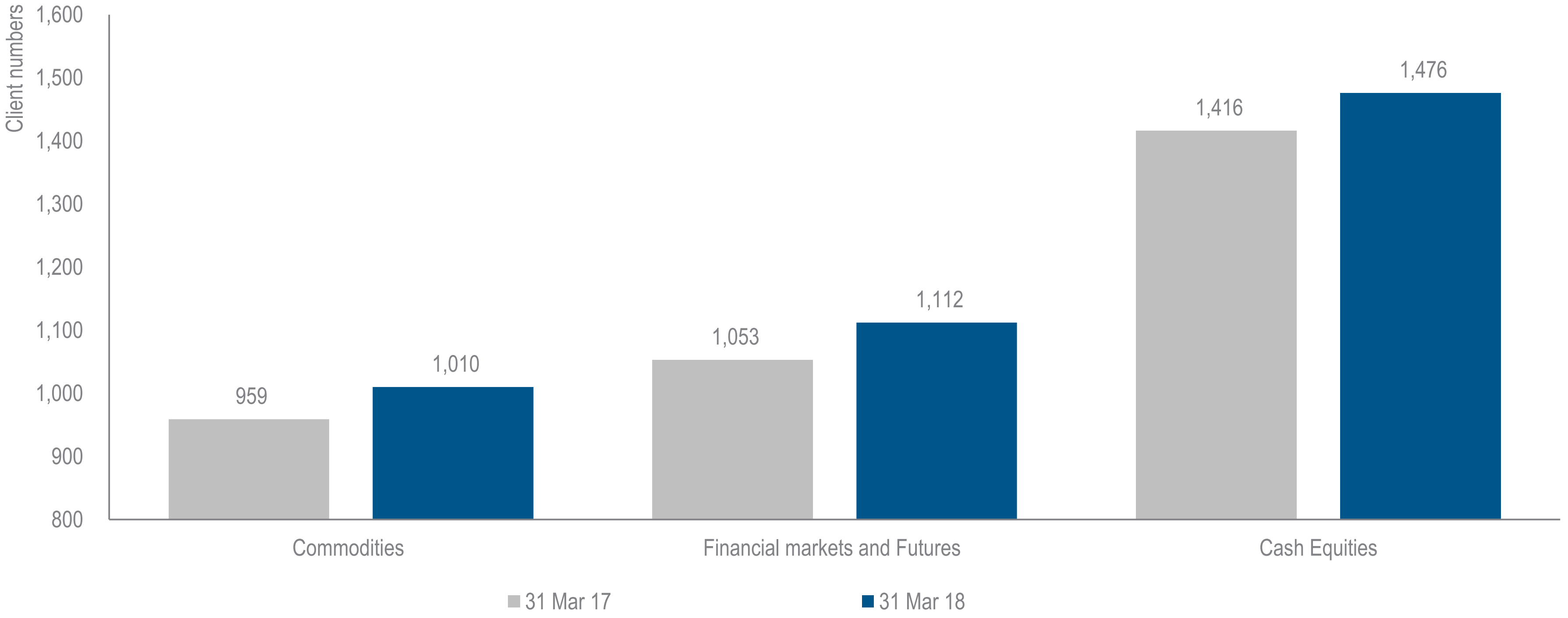
KEY DRIVERS

- Lower impairments with FY17 impacted by write-downs of certain underperforming commodity-related loans
- Lower investment-related income with FY17 benefiting from gains on sale of a number of investments, mainly in energy and related sectors
- Net interest and trading income (net of associated expenses)
  - Commodities
    - Lower risk management products reflecting mixed results across the commodities platform with continued subdued volatility impacting client hedging activity and trading opportunities in Global Oil, partially offset by strong activity in North American Gas and Power, Bulk Commodities and continued growth in Commodity Investor Products
    - Lower lending and finance income largely due to a reduction in legacy portfolios in the oil and gas sectors and a reduced contribution from metals financing
    - Higher inventory management, transport and storage income mainly driven by significant opportunities for the North American Gas and Power business to benefit from price dislocations across regions. However, the timing of income recognition in relation to tolling agreements and capacity contracts results in a net $A144m of income being recognised in future years[2]
  - Lower interest rates and credit income reflecting
    - reduced client activity in an environment of sustained low volatility and tighter credit spreads
    - unfavourable market conditions impacted trading opportunities
    - partially offset by strong client activity in structured foreign exchange products
  - Stronger equity income reflecting more favourable conditions in Asia, a moderate increase in volatility and strong demand for warrants and structured client capital solutions
  - Increased fee and commission income driven by demand for advisory and structured products primarily in Asia and North America
- Other includes higher expenses due to the impact of the Cargill acquisitions, partially offset by cost synergies following the merger of CFM and MSG

1. Investment-related income includes gain on sale of equity and debt investments and share of net profits of associates and joint ventures using the equity method. 2. In FY17, the timing of income recognition relating to tolling agreements and capacity contracts resulted in a net recognition of $A7m.

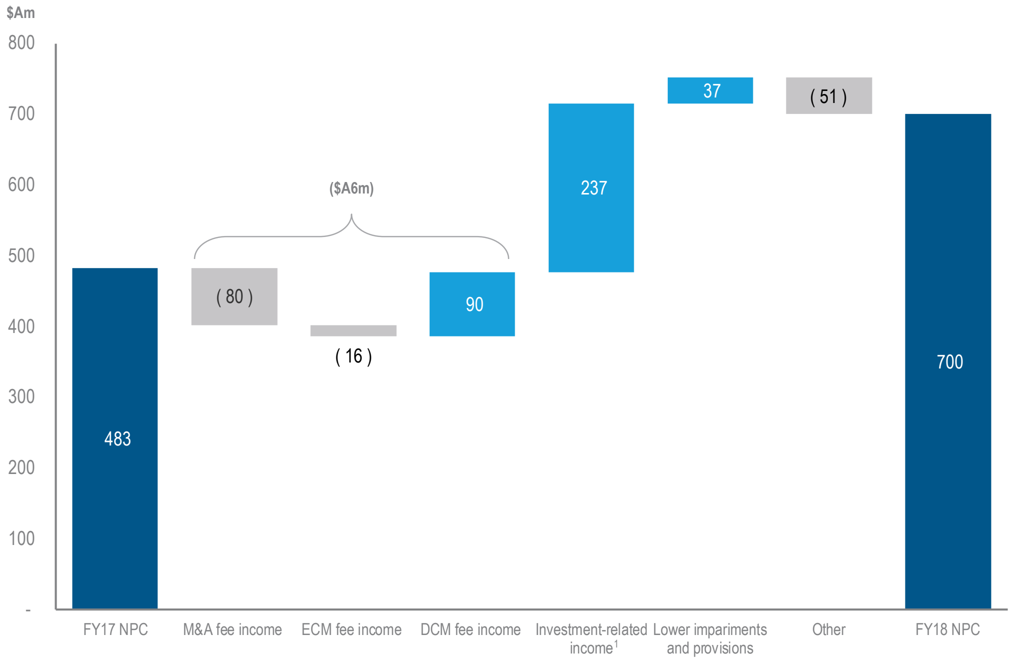
Commodities and Global Markets

Strong client base



Macquarie Capital

Result driven by strong investment-related income largely in green energy



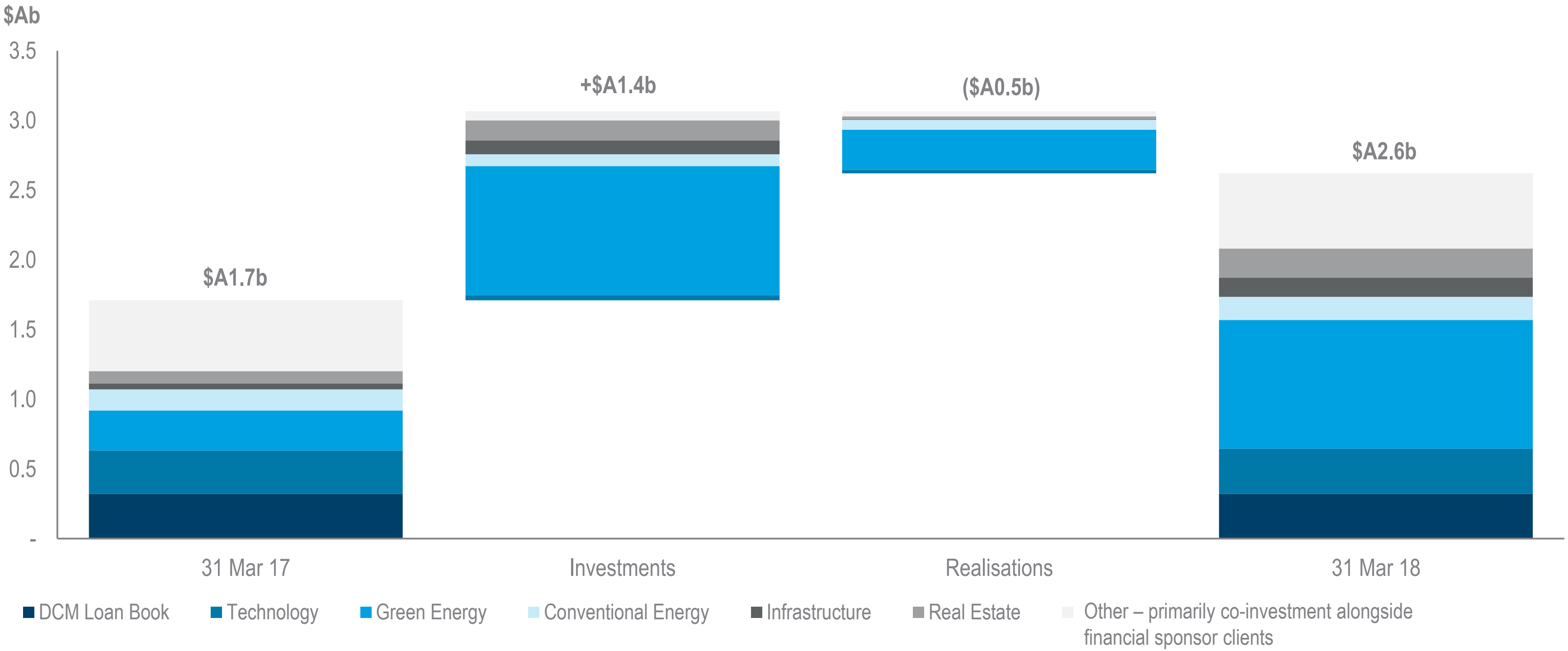
KEY DRIVERS

- Fee income broadly in line:
  - M&A: lower fee income across most regions except Europe
  - ECM: reflected a sustained period of lower deal activity in Australia
  - DCM: higher fee income reflected increased market share and client activity in the US
- Stronger investment-related income:
  - Higher revenue from asset realisations across most regions, primarily in the green energy, conventional energy and infrastructure sectors together with gains in the insurance and technology sectors
  - Increase in equity accounted income primarily due to the improved underlying performance of investments
  - Partially offset by higher funding costs for balance sheet positions due to increased activity, including the acquisition of GIG
- Lower provisions for impairment
- Other primarily reflects transaction, integration and ongoing costs associated with the acquisition of GIG and higher operating expenses from increased investing activity

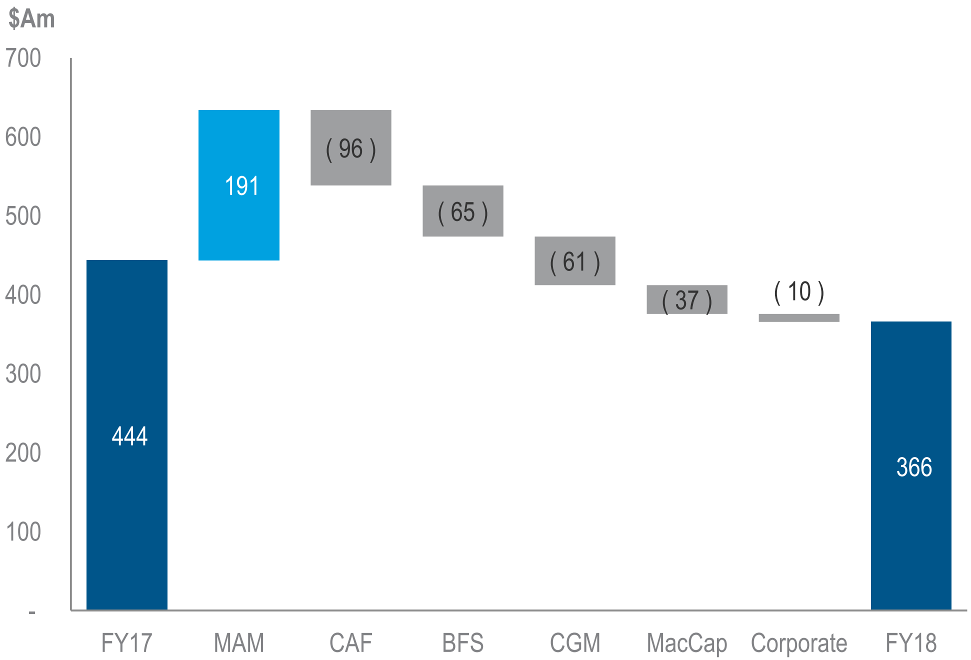
1. Includes movements in share of net profits/(losses) of associates and joint ventures accounted for using the equity method, net gains on sale and reclassification of equity and debt investments, net interest and trading income (which represents the interest earned from debt investments and the funding costs associated with Macquarie Capital's balance sheet positions), other income and non-controlling interests.

Macquarie Capital

Movement in capital



Impairment and provision expenses



KEY DRIVERS

- Increase in MAM largely reflects the write-down of MIRA's investment in MIC
- Decrease in CAF reflects the partial reversal of collective provisions, driven by net loan repayments, and the improved credit performance of underlying portfolios
- Decrease in BFS as FY17 impacted by the underperformance of certain equity positions, impairments of intangibles relating to the Core Banking platform and higher business lending provisions on a small number of loans
- Decrease in CGM with FY17 impacted by write-downs of certain underperforming commodity related loans
- Decrease in MacCap with FY18 impacted by a small number of underperforming investments

Note: Impairment expense includes collective allowance for credit losses, specific provisions and write-offs, impairment charge on non-financial assets, impairment charge on investment securities available for sale, and interest in associates and joint ventures.

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Costs of compliance

Regulatory project spend	FY18 $Am	FY17 $Am
Basel III and liquidity	7	12
OTC reform	8	22
MiFID II	24	6
IFRS 9	14	4
Other Regulatory Projects (e.g. Privacy, Managed Investment)	57	41
Sub-total	**110**	**85**

Business as usual compliance spend	FY18 $Am	FY17 $Am
Financial, Regulatory & Tax reporting and Compliance	103	115
Compliance policy and oversight	87	79
AML Compliance	29	24
Regulatory Capital Management	18	17
Regulator Levies	10	6
Other Compliance functions (e.g. Privacy, Super, Consumer Protection)	78	78
Sub-total	**325**	**319**
Total compliance spend	**435**	**404**

- The industry continues to see an increase in regulatory initiatives, resulting in increased compliance requirements across all levels of the organisation
- Direct cost of compliance approx. $A435m in FY18 (excluding indirect costs), up on FY17
- Project spend has increased during FY18, as a result of new projects and additional requirements for specific regulatory and accounting developments (e.g. MiFID II & IFRS 9)

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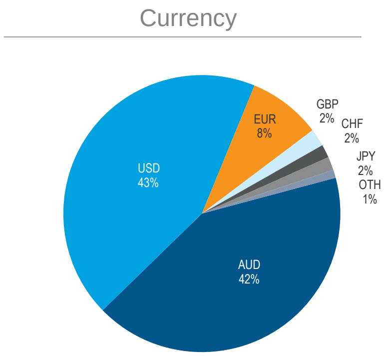
Balance sheet highlights

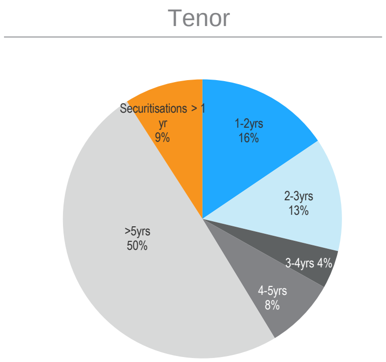
- Balance sheet remains solid and conservative
  - Term assets covered by term funding, stable deposits and equity
  - Minimal reliance on short-term wholesale funding markets
- Total customer deposits[1], up 1% to $A48.1b as at Mar 18 from $A47.8b as at Mar 17
- $A21.8b[2] of term funding raised during FY18:
  - $A7.3b public unsecured debt issuances
  - $A5.1b Macquarie Air Finance Term Loan[3]
  - $A3.3b MGL loan facilities[4]
  - $A3.1b private placements and structured note issuance
  - $A2.2b mortgage and motor vehicle/equipment secured funding
  - $A0.8b MGL secured trade finance facility

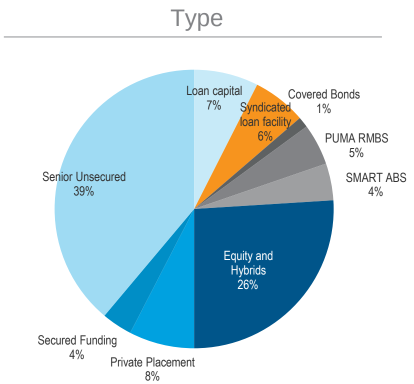
1. Total customer deposits as per the funded balance sheet ($A48.1b) differs from total deposits as per the statutory balance sheet ($A59.4b). The funded balance sheet excludes any deposits which do not represent a funding source for Macquarie. 2. Issuances are AUD equivalent based on FX rates at the time of issuance and represent full facility size. 3. The Macquarie Air Finance Term Loan is a refinance and upsize of the current outstanding AWAS Term Loan. Commitment letters for the Macquarie Air Finance Term Loan were signed prior to 31 Mar 18. 4. Includes $A3.2b Senior Credit Facility refinance and upsize and $A0.1b addition to the existing MGL Asian Bank Facility refinanced in FY17.

Diversified issuance strategy

Term funding as at 31 Mar 18 – diversified by currency[1], tenor[2] and type

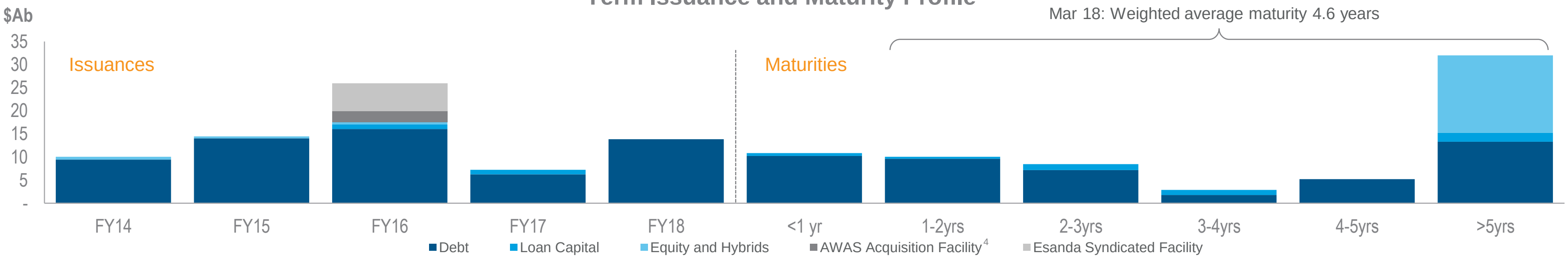






- Well diversified issuance and funding sources
- Term funding beyond 1 year (excluding equity and securitisations) has a weighted average maturity of 4.6 years

Term Issuance and Maturity Profile[3]

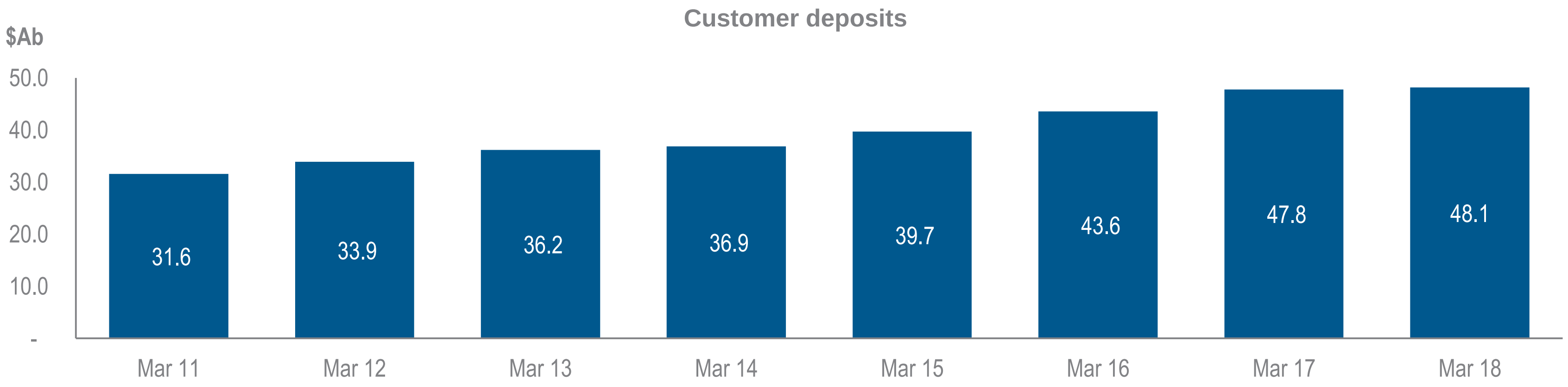


Note: All data presented in these charts represents drawn facilities. 1. Equity has been allocated to the AUD currency category. 2. Securitisations have been presented on a behavioural basis and represent funding expected to mature in >1yr. 3. Issuances and Maturities exclude securitisations and other secured finance. Issuances are converted to AUD at the 31 Mar 18 spot rate. Maturities shown are as at 31 Mar 18. 4. The Macquarie Air Finance Term Loan is a refinance and upsize of the current outstanding AWAS Term Loan. Commitment letters for the Macquarie Air Finance Term Loan were signed prior to 31 Mar 18.

Continued customer deposit growth

Macquarie has been successful in pursuing its strategy of diversifying its funding sources by growing its deposit base

- In excess of 1 million BFS clients, of which approx. 580,000 are depositors
- Focus on the composition and quality of the deposit base
- Continue to grow deposits, CMA product has an average account balance of approx. $A42,000



Note: Total customer deposits include BFS deposits of $A45.7b and $A2.4b of Corporate/Wholesale deposits.

Loan and lease portfolios[1] – Funded Balance Sheet

Operating Group	Category	Mar 18 $Ab	Mar 17 $Ab	Description
CAF	Asset Finance[2]	25.1	22.2	Secured by underlying financed assets
	Finance lease assets	*14.9*	*12.2*	
	Operating lease assets	*10.2*	*10.0*	
	Principal Finance[3]	4.8	6.6	Diversified corporate and real estate lending portfolio, predominately consisting of loans which are senior, secured, well covenanted and with a hold to maturity horizon
	Total CAF	29.9	28.8	
BFS	Retail Mortgages[2,4]	28.7	23.5	Secured by residential property
	Australia	*28.7*	*23.0*	
	Canada, US and Other	*-*	*0.5*	
	Business Banking[4]	7.9	7.1	Secured relationship managed loan portfolio to professional and financial services firms, real estate industry clients, insurance premium funding, mortgages to Business Banking clients and other small business clients. Secured largely by real estate, working capital, business cash flows and credit insurance. The portfolio also includes other retail lending including credit cards
	Total BFS	36.6	30.6	
CGM	Resources and commodities	3.1	2.5	Diversified loan portfolio primarily to the resources sector that are secured by the underlying assets
	Other	2.4	2.8	Predominately relates to recourse loans to financial institutions, as well as financing for real estate and other sectors
	Total CGM	5.5	5.3	
MAM	Structured investments	2.7	2.0	Loans to retail and wholesale counterparties that are secured against equities, investment funds or cash, or are protected by capital guarantees at maturity
MacCap	Corporate and other lending	0.6	0.8	Includes diversified secured corporate lending
Total loan and lease assets per funded balance sheet[5]		**75.3**	**67.5**	

1. Loan assets are reported on a funded balance sheet basis and therefore exclude certain items such as assets that are funded by third parties with no recourse to Macquarie. In addition, loan assets at amortised cost per the statutory balance sheet of $A81.2b at 31 Mar 18 ($A76.7b at 31 Mar 17) are adjusted to include fundable assets not classified as loans on a statutory basis (e.g. assets subject to operating leases which are recorded in Property, Plant and Equipment and loans booked in Fair Value through P&L in the statutory balance sheet). 2. Australian Retail Mortgages per the funded balance sheet of $A28.7b differs from the figure disclosed on slide 19 of $A32.7b and Asset Finance per the funded balance sheet of $A25.1b differs from the figure disclosed on slide 18 of $A29.8b. The funded balance sheet nets down loans and funding liabilities of non-recourse securitisation and warehouse vehicles to show the net funding requirement. 3. Principal Finance per the funded balance sheet of $A4.8b includes property and related assets, and differs from the figure disclosed on slide 18 of $A4.7b. 4. Securitised business banking portfolio with underlying residential mortgages was included in Retail Mortgages: Australia and has been reclassed to business banking and restated accordingly in Mar 17. 5. Total loan assets per funded balance sheet includes self-securitised assets.

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Equity investments of $A6.8b[1]

Category	Carrying value[2] Mar 18 $Ab	Carrying value[2] Sep 17 $Ab	Carrying value[2] Mar 17 $Ab	Description
Macquarie Asset Management (MIRA) managed funds	1.5	1.9	1.6	Includes Macquarie Infrastructure Company, Macquarie SBI Infrastructure Fund, MPF Holdings Limited, Macquarie Korea Infrastructure Fund, Macquarie European Infrastructure Fund 4
Investments acquired to seed new MIRA products and mandates	0.8	1.4	0.6	Includes held for sale investments acquired to seed new MIRA products and mandates. Balance includes a range of investments including Cadent Gas (gas distribution network in the UK) and other various investments
Other Macquarie managed funds	0.4	0.5	0.5	Includes MIM funds as well as investments that hedge directors’ profit share plan liabilities
Transport, industrial and infrastructure	0.6	0.6	0.5	Over 20 separate investments
Telcos, IT, media and entertainment	0.7	0.7	0.6	Over 40 separate investments
Green Energy	1.4	1.0	0.2	Over 30 separate investments. Increase due to a number of additional investments in MacCap
Conventional energy, resources and commodities	0.6	1.0	0.5	Over 50 separate investments
Real estate investment, property and funds management	0.3	0.1	0.1	Over 10 separate investments. Increase includes new real estate investments in MacCap.
Finance, wealth management and exchanges	0.5	0.4	0.4	Includes investments in fund managers, investment companies, securities exchanges and other corporations in the financial services industry
	6.8	**7.6**	**5.0**	

1. Equity investments per the statutory balance sheet of $A8.5b (Mar 17: $A7.2b) have been adjusted to reflect the total economic exposure to Macquarie. 2. Total funded equity investments of $A6.8b (Mar 17: $A5.5b), less available for sale and associates’ reserves of nil (Mar 17: $A0.5b).

Regulatory and tax update

- Regulatory capital[1]
  - In Jul 17 APRA provided guidance on the level of CET1 capital ratios for Australian banks to be considered ‘unquestionably strong’ (UQS), indicating an average increase of 150bps across the industry would be required[2]
  - In Feb 18, APRA released draft UQS proposals reinforcing their previous guidance. As the final form of the framework remains uncertain there may be a broader range of potential outcomes for individual banks[3]
  - Based on existing guidance, Macquarie’s surplus capital position remains sufficient to accommodate likely additional requirements
  - In addition, APRA released a discussion paper on their proposed implementation of the leverage ratio with a minimum requirement of 4% from Jul 19
- US tax reform
  - In the medium term, the impact to Macquarie will be determined by the proportional contribution of earnings from the US in relation to the Group’s overall result
    - Based on past performance, Macquarie estimates a reduction of approximately 3-4% in the Group’s historical effective tax rate

1. The Basel Capital Framework applies to the Bank Group only. 2. APRA’s information paper published Jul 17: ‘Strengthening banking system resilience – establishing unquestionably strong capital ratios’. 3. ‘APRA begins consultation with ADIs on revisions to capital framework’; 14 Feb 18.

MACQUARIE

Accounting Standard update

AASB.9 *Financial Instruments*

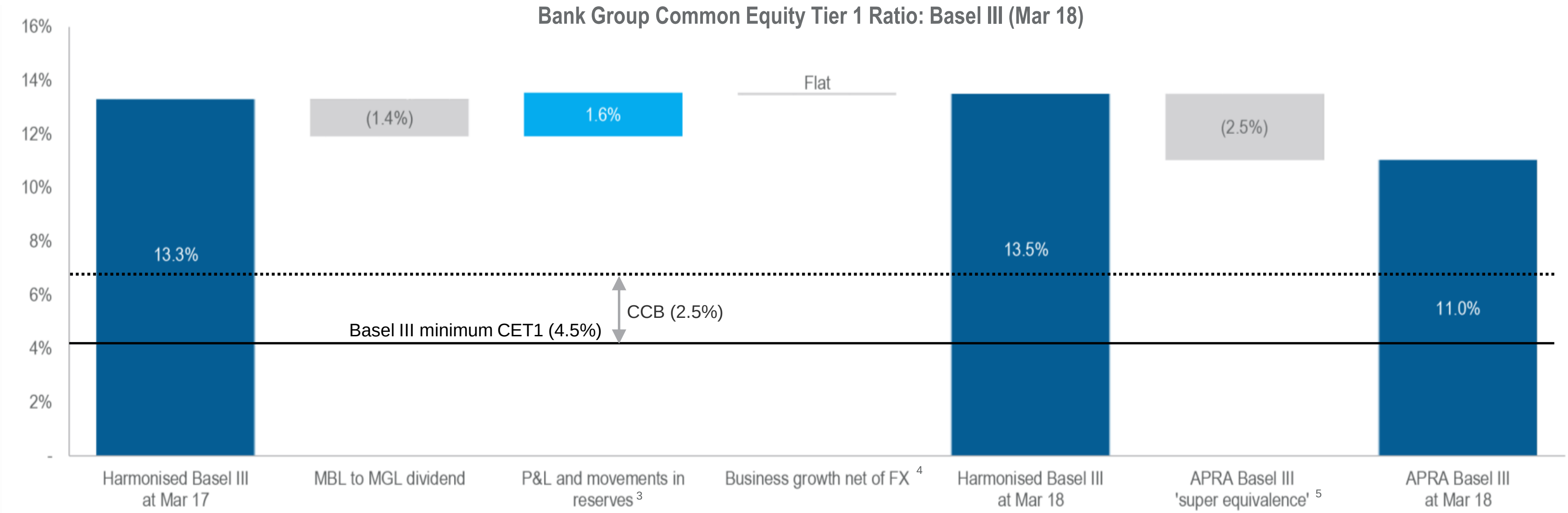
- Full standard adopted from 1 Apr 18
- No material impact to Macquarie on transition
- Key reporting impacts:
  - Reduction in shareholders' equity of approx. $A125m after tax[1]
  - Approx. impact of $A100m on Group capital; Bank CET1 capital ratios not materially impacted
  - Increase in credit provisions reflecting the change from incurred loss to expected loss and new forward looking approach, which will introduce some volatility to provisioning levels moving forward
  - A number of assets will change to be fair value through profit and loss including equity investments (no change to associates), reverse repurchase arrangements, and some lending assets. No material impact on transition, however will introduce some additional volatility subject to asset mix and market conditions
  - Early adoption of hedge accounting requirements with no transition impact

1. This relates primarily to the implementation of the impairment requirements which will result in a reduction in opening retained earnings by approx. $A150m after tax.

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

APRA Basel III CET1 ratio: 11.0%[1]

Harmonised Basel III CET1 ratio: 13.5%[2]

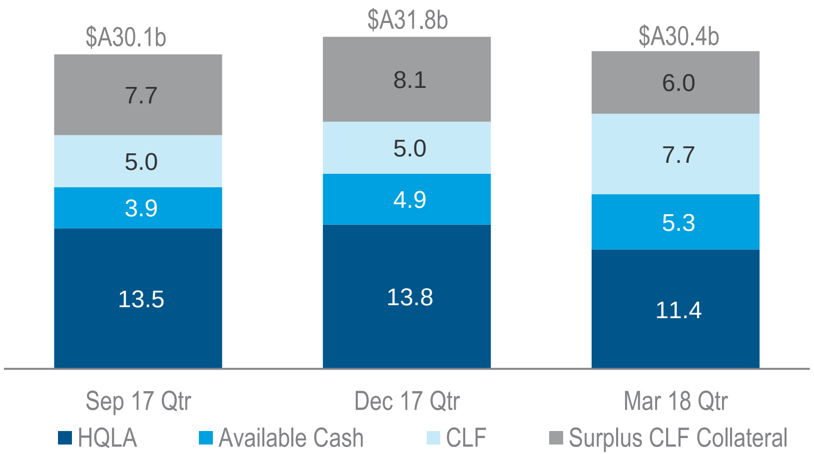


1. Basel III applies only to the Bank Group and not the Non-Bank Group. APRA Basel III Tier 1 ratio at Mar 18: 12.8%. APRA Basel III CET1 ratio at Sep 17: 11.0%. 2. 'Harmonised' Basel III estimates are calculated in accordance with the BCBS Basel III framework. Harmonised Basel III Tier 1 ratio at Mar 18: 15.3%. 3. Excluding foreign currency translation reserve. 4. Includes the net impact of hedging employed to reduce the sensitivity of the Group's capital position to FX translation movements. 5. APRA Basel III 'super-equivalence' includes the impact of changes in capital requirements in areas where APRA differs from the BCBS Basel III framework and includes full CET1 deductions for differences in the treatment of mortgages (1.0%); equity investments (0.5%); capitalised expenses (0.5%); investment into deconsolidated subsidiaries (0.2%); DTAs and other impacts (0.3%).

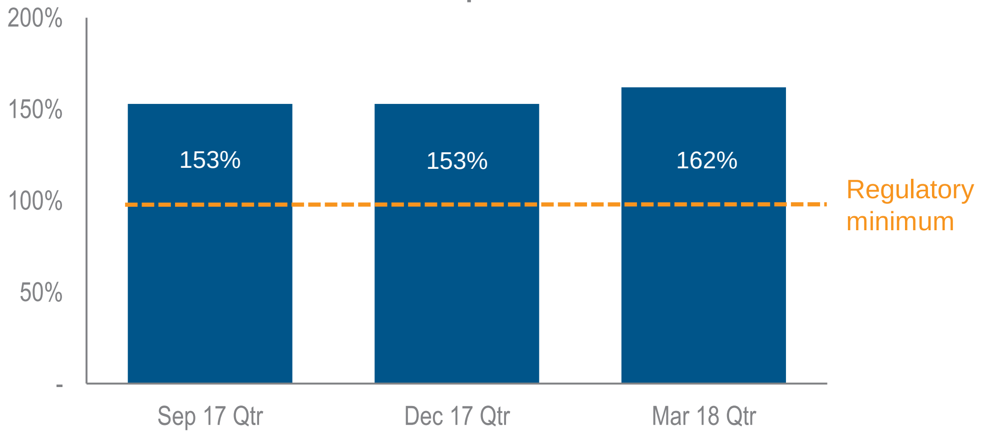
Strong liquidity position maintained

- 162% average LCR for Mar 18 quarter, based on daily observations
  - Maintained well above regulatory minimums
  - Includes APRA approved AUD CLF allocation of $A7.7b for 2018 calendar year
- Reflects long standing conservative approach to liquidity management
- $A30.4b of unencumbered liquid assets and cash on average over the quarter to Mar 18 (post applicable haircuts)

Unencumbered Liquid Asset Portfolio[1]



MBL LCR position



1. Unencumbered Liquid Asset Portfolio represents the quarterly average of these balances.

MACQUARIE

Capital management update

- The Board has resolved:
  - To purchase shares[1,2] to satisfy the MEREP requirements of approx. $A460m. The buying period for the MEREP will commence on 14 May 18 and is expected to be completed by 29 Jun 18[3]
  - MQG shares sold by staff between 14 May 18 and 7 Jun 18[4] are expected to be acquired by the MEREP Trustee to meet the MEREP buying requirements
  - Shares sold by staff during this window are to be acquired off-market at the daily VWAP[5], reducing the number of shares acquired on-market to meet the MEREP requirements
  - No discount will apply for the 2H18 DRP and the shares are to be acquired on-market[2]
- Macquarie intends to redeem the Macquarie Group Capital Notes (MCN) $A600m hybrid in Jun 18. An offer of MCN3 hybrid securities, including a rollover offer for MCN holders and a security holder offer will be launched shortly
- Share buyback
  - No buying occurred during 2H18. Macquarie's share buyback program remains in place, with any share purchases subject to a number of factors including the Group's capital surplus position, market conditions and opportunities to deploy capital by the businesses

1. Shares may be purchased on-market and off-market. 2. Shares will be issued if purchasing becomes impractical or inadvisable. 3. Actual buying may be completed sooner or later. On-market buying for the MEREP will be suspended during the DRP pricing period (22 May 18 to 30 May 18). 4. This date is subject to change. 5. Trades will be crossed off-market by Macquarie Securities (Australia) Limited and reported to ASX and Chi-X accordingly.

04 Outlook

Nicholas Moore – Managing Director and Chief Executive Officer

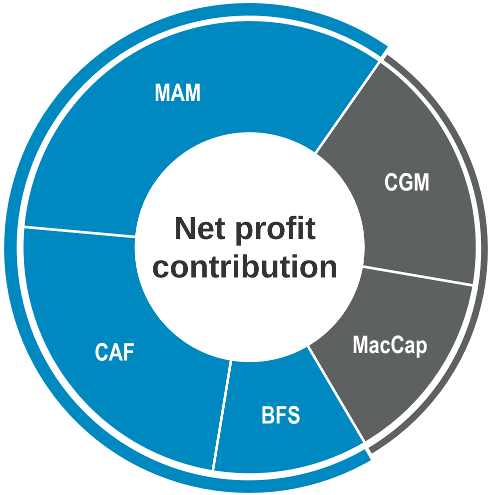
Factors impacting short-term outlook

Annuity-style businesses

Macquarie Asset Management
- FY18: $A1.7b up 10% on FY17
- Base fees expected to be up, benefiting from recent acquisitions
- Performance fees and investment-related income (net of impairments) expected to be down

Corporate and Asset Finance
- FY18: $A1.2b up 1% on FY17
- Leasing book broadly in line
- Reduced loan volumes in Principal Finance
- Timing and level of early prepayments and realisations in Principal Finance

Banking and Financial Services
- FY18: $A0.6b up 9% on FY17
- Higher loan portfolio, deposit and platform volumes
- NIM pressure due to higher costs



Capital markets facing businesses

Commodities and Global Markets
- FY18: $A0.9b down 6% on FY17
- Strong customer base expected to drive consistent flow across Commodities, Fixed Income and Futures
- Improved result in equities
- Reduced impact from timing of revenue recognition driven by accounting volatility

Macquarie Capital
- FY18: $A0.7b up 45% on FY17
- Assume market conditions broadly consistent with 2H18
- Solid pipeline of asset realisations expected

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

Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on FY18 net profit contribution from operating groups.

Short-term outlook

- The Group's result for FY19 is currently expected to be broadly in line with FY18
- Our short-term outlook remains subject to:
  - 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 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

As at 31 Mar 18

Operating Group	APRA Basel III Capital[1] @ 8.5% ($Ab)	Approx. FY18 Return on Ordinary Equity[2]	Approx. 12-Year Average Return on Ordinary Equity[2]
Annuity-style businesses	**8.9**		
Macquarie Asset Management	2.2	23%	20%[3]
Corporate and Asset Finance	4.2		
Banking and Financial Services	2.5		
Capital markets facing businesses	**5.9**		
Commodities and Global Markets	3.3	15%	15% - 20%
Macquarie Capital	2.6		
Corporate	**0.1**		
Total regulatory capital requirement @ 8.5%	14.9		
Group surplus	4.2		
Total APRA Basel III capital supply	**19.1[4]**		

1. Business Group capital allocations and are based on 31 Dec 17 allocations adjusted for forecast material movements over the Mar 18 quarter. 2. NPAT used in the calculation of approx. annualised ROE is based on Operating Group's forecast FY18 net profit contribution adjusted for indicative allocations of profit share, tax and other corporate expenses. Equity is based on the quarterly average equity usage from FY17 to FY18 inclusive. FY18 equity is based on 31 Dec 17 allocations adjusted for forecast material movements over the Mar 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 $A17.4b of ordinary equity and $A2.7b of hybrids.

Medium-term

Annuity-style businesses

Macquarie Asset Management (MAM)

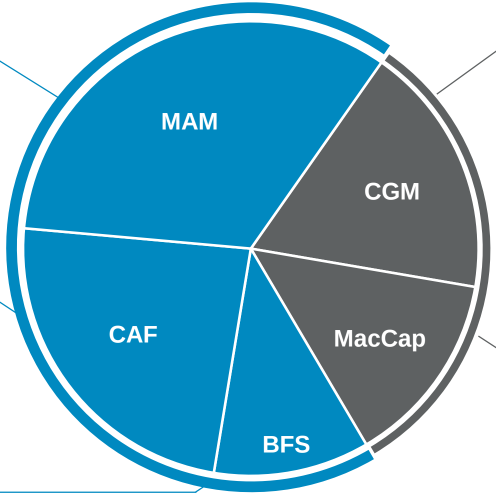
- Annuity-style business that is diversified across regions, products, asset classes and investor types
- Diversification of capabilities allows for the business to be well placed to grow assets under management in different market conditions
- Well positioned for organic growth with several strongly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

Corporate and Asset Finance (CAF)

- Leverage deep industry expertise to maximise growth potential in asset and loan portfolio
- 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
- 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 region and sector

MACQUARIE

Presentation to investors and analysts

Result announcement for the full year ended 31 March 2018

4 May 2018

A | APPENDIX
Detailed result commentary

MACQUARIE

Macquarie Asset Management

Result

	FY18 $Am	FY17 $Am
Base fees	1,608	1,574
Performance fees	595	264
Investment and other income[1]	766	744
Impairments and provisions	(177)	14
Net operating income	**2,792**	**2,596**
Brokerage, commission and trading-related expenses	(209)	(200)
Other operating expenses	(898)	(857)
Total operating expenses	**(1,107)**	**(1,057)**
Non-controlling interests	-	(1)
Net profit contribution[2]	**1,685**	**1,538**
AUM ($Ab)	495.1	480.0
Headcount	1,608	1,559

- Base fees of $A1,608m, broadly in line with FY17:
  - Increased fees from positive market movements in MIM AUM and investments made by MIRA-managed funds
  - Partially offset by asset realisations by MIRA-managed funds, net flow impacts in the MIM business and foreign exchange
- Performance fees of $A595m, up on FY17:
  - FY18 included performance fees from MEIF3, MQA and other managed funds, Australian managed accounts and Listed Equities
  - FY17 included performance fees from a broad range of funds, Australian managed accounts and from co-investors in respect of infrastructure assets
- Investment and other income of $A766m, up on FY17:
  - Increased equity accounted income as a result of the sale of a number of underlying assets as well as gains from the sale of infrastructure debt
  - Partially offset by reduced gains from the sale and reclassification of certain infrastructure investments and lower distribution income
- Impairments and provisions of $A177m largely reflects the write-down of MIRA's investment in MIC
- Total operating expenses of $A1,107m, up 5% on FY17 largely driven by increased employment expenses as a result of higher average headcount

1. Includes net gains on sale, reclassification and revaluation of equity and debt investments and non-financial assets, share of net profits of associates and joint ventures accounted for using the equity method, dividend and distribution income, other fee and commission income and other income.
2. Management accounting profit before unallocated corporate costs, profit share and income tax.

MACQUARIE

Corporate and Asset Finance

Result

	FY18 $Am	FY17 $Am
Net interest and trading income[1]	582	712
Net operating lease income	929	904
Impairments and provisions[2]	(15)	(111)
Fee and commission income	41	53
Other income	352	273
Net operating income	**1,889**	**1,831**
Total operating expenses	**(679)**	**(634)**
Non-controlling interests	(4)	1
Net profit contribution[3]	**1,206**	**1,198**
Loan and finance lease portfolio[4] ($Ab)	24.3	26.5
Operating lease portfolio ($Ab)	10.2	10.0
Headcount	1,312	1,258

- Net interest and trading income of $A582m, down 18% on FY17 mainly as a result of the reduction in the Principal Finance portfolio
- Net operating lease income of $A929m, up 3% on FY17 due to improved underlying income from the Aviation, Energy and Technology portfolios
- Impairments and provisions expense of $A15m, down from $A111m in FY17 driven by
  - The partial reversal of collective provisions, driven by net loan repayments, and the improved credit performance of underlying portfolios
  - Partially offset by the impairment of a legacy Asset Finance business and impairments of certain Aviation assets
- Other income of $A352m, up 29% on FY17
  - Gains generated from Principal Finance investments in Europe and the US
  - The sale of the US commercial vehicles financing business
  - Prior year primarily related to a gain realised on the sale of an interest in a toll road in the US by the Principal Finance business
- Total operating expenses of $A679m, up 7% on FY17 mainly due to increased deal and project related expense

1. Includes internal net interest expense and transfer pricing on funding provided by Group Treasury that is eliminated on consolidation in the Group's statutory P&L. 2. Includes investment and loan impairments. 3. Management accounting profit before unallocated corporate costs, profit share and income tax. 4. Includes equity portfolio of $A0.4b (FY17: $A0.4b).

MACQUARIE

Banking and Financial Services

Result

	FY18 $Am	FY17 $Am
Net interest and trading income[1]	1,182	1,049
Fee and commission income	466	472
Wealth management fee income	*336*	*313*
Banking fee income	*130*	*132*
Life insurance income	*-*	*27*
Net gain on disposal of businesses	2	192
Impairments and provisions[2]	(26)	(91)
Other income	22	26
Net operating income	**1,646**	**1,648**
Total operating expenses	**(1,086)**	**(1,135)**
Net profit contribution[3]	**560**	**513**
Funds on platform[4] ($Ab)	82.5	72.2
Australian loan portfolio[5] ($Ab)	40.6	35.8
Legacy loan portfolio[6] ($Ab)	-	0.5
BFS deposits[7] ($Ab)	45.7	44.5
Headcount	2,323	1,992

- Net interest and trading income of $A1,182m, up 13% on FY17
  - 6% growth in average Australian loan volumes and 7% growth in average BFS deposits
  - partially offset by $A16m allocation of the Australian Government Major Bank Levy that came into effect from 1 Jul 17
- Fee and commission income of $A466m, in line with FY17
  - Wealth Management fee income increased 7% driven by platform commissions from higher funds on the Wrap and Vision platforms which increased 14% on FY17
  - Decrease in life insurance income following the sale of Macquarie Life's risk insurance business in Sep 16
- Net gain on disposal of businesses of $A2m down from $A192m in FY17, which benefited from the net overall gain on sale of Macquarie Life's risk insurance business to Zurich Australia Limited and the US mortgages portfolio
- Impairments and provisions expense of $A26m, down on FY17
  - FY17 included higher impairment of equity investments and impairments of intangibles relating to the Core Banking platform and higher business lending provisions taken on a small number of loans
- Total operating expenses of $A1,086m, down 4% on FY17 which was impacted by non-recurring expenses. Underlying expenses were $A34m higher and included a 4% increase in average headcount to support growth

1. Includes internal net interest expense and transfer pricing on funding provided by Group Treasury and deposit premium paid to BFS by Group Treasury for the generation of deposits, that are eliminated on consolidation in the Group's statutory P&L. 2. Includes investment and loan impairments. 3. Management accounting profit before unallocated corporate costs, profit share and income tax. 4. Funds on platform includes Macquarie Wrap and Vision. 5. The Australian loan portfolio comprises residential mortgages, loans to Australian businesses, insurance premium funding and credit cards. 6. The legacy loan portfolios primarily comprise residential mortgages in Canada and the US. 7. BFS deposits excludes corporate/wholesale deposits.

MACQUARIE

Commodities and Global Markets

Result

	FY18 $Am	FY17 $Am
Commodities[1]	1,093	1,132
Risk management products	*705*	*748*
Lending and financing	*237*	*260*
Inventory management, transport and storage	*151*	*124*
Credit, interest rates and foreign exchange[1]	508	621
Equities	359	307
Fee and commission income	893	857
Investment and other income	142	180
Impairments and provisions[2]	(88)	(149)
Net operating income	**2,907**	**2,948**
Brokerage, commission and trading-related expenses	(398)	(423)
Other operating expenses	(1,599)	(1,553)
Total operating expenses	**(1,997)**	**(1,976)**
Non-controlling interests	-	(1)
Net profit contribution[3]	**910**	**971**
Headcount	2,053	1,888

- Commodities income of $A1,093m, down 3% on FY17
  - Risk management products down 6% on FY17 reflecting mixed results across the commodities platform with continued subdued volatility impacting client hedging activity and trading opportunities in Global Oil, partially offset by strong results in North American Gas and Power, Bulk Commodities and continued growth in Commodity Investor Products
  - Lending and financing income down 9% on FY17 largely due to wind down in legacy portfolios in the oil and gas sectors and a reduced contribution from metals financing
  - Inventory management, transport and storage income up 22% on FY17 mainly driven by significant opportunities for the North American Gas and Power business to benefit from price dislocations across regions. However, the timing of income recognition in relation to tolling agreements and capacity contracts results in a net $A144m of income being recognised in future years[4]
- Credit, interest rate and foreign exchange income of $A508m, down 18% on FY17 driven by reduced client activity in an environment of sustained low volatility and tighter credit spreads, unfavourable market conditions impacting trading opportunities, partially offset by strong client activity in structured foreign exchange products
- Equities up 17% on FY17 reflecting more favourable conditions in Asia, a moderate increase in volatility and strong demand for warrants and structured client capital solutions
- Fee and commission income of $A893m, up 4% on FY17 driven by demand for advisory and structured solutions primarily in Asia and North America
- Investment and other income down on a strong FY17 which included gains on the sale of a number of investments in energy and related sectors
- Impairments and provisions down on FY17 which was impacted by certain underperforming commodity-related loans
- Expenses of $A1,997m were broadly in line with FY17, with impact of the Cargill acquisitions partially offset by cost synergies following the merger of CFM and MSG

1. Includes internal net interest expense and transfer pricing on funding provided by Group Treasury that is eliminated on consolidation in the Group's statutory P&L. 2. Includes investment and loan impairments. 3. Management accounting profit before unallocated corporate costs, profit share and income tax. 4. In FY17, the timing of income recognition relating to tolling agreements and capacity contracts resulted in a net recognition of $A7m.

MACQUARIE

Macquarie Capital

Result

	FY18 $Am	FY17 $Am
Fee and commission income	878	887
Investment-related income (ex non-controlling interests)	652	410
Investment and other income	*724*	*407*
Net interest and trading income[1]	*(72)*	*3*
Impairments and provisions[2]	(60)	(97)
Internal management revenue[3]	21	6
Net operating income	**1,491**	**1,206**
Total operating expenses	**(785)**	**(722)**
Non-controlling interests	(6)	(1)
Net profit contribution[4]	**700**	**483**
Capital markets activity[5]:		
Number of transactions	402	385
Transactions value ($Ab)	352	301
Headcount	1,192	1,136

- Fee income was broadly in line with FY17:
  - M&A: lower fee income across most regions except Europe
  - ECM: reflected a sustained period of lower deal activity in Australia
  - DCM: higher fee income reflected increased market share and client activity in the US
- Stronger investment-related income (ex non-controlling interests):
  - Higher revenue from asset realisations across most regions, primarily in the green energy, conventional energy and infrastructure sectors together with gains in the insurance and technology sectors
  - Increase in equity accounted income primarily due to the improved underlying performance of investments
  - Partially offset by higher funding costs for balance sheet positions due to increased activity, including the acquisition of GIG
- Lower provisions for impairment
- Net operating expenses increased 9% on FY17 reflecting transaction, integration and ongoing costs associated with the acquisition of GIG and higher operating expenses from increased investing activity

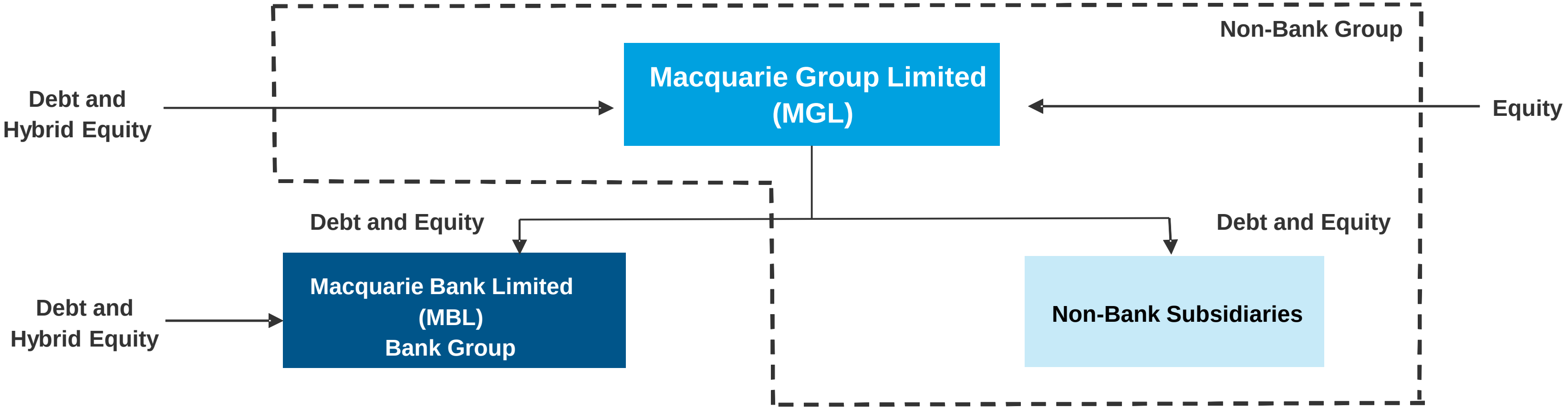
1. Includes internal net interest expense and transfer pricing on funding provided by Group Treasury that is eliminated on consolidation in the Group's statutory P&L. 2. Includes investment and loan impairments. 3. Internal revenue allocations are eliminated on consolidation in the Group's statutory P&L. 4. Management accounting profit before unallocated corporate costs, profit share and income tax. 5. Source: Dealogic and IJGlobal for Macquarie Group completed M&A, balance sheet positions, ECM and DCM transactions, converted at 31 Mar FX rate. Deal values reflect the full transaction value and not an attributed value. Prior period deal values and transaction numbers have been restated to align with current year methodology.

B APPENDIX

Additional information – Funding

Macquarie funding structure

- MGL and MBL are Macquarie's two primary external funding vehicles which have separate and distinct funding, capital and liquidity management arrangements
- MBL provides funding to the Bank Group
- MGL provides funding predominately to the Non-Bank Group



Funded balance sheet reconciliation

- Macquarie's statement of financial position 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 Macquarie to the assets that require funding

	Mar 18 $Ab	Mar 17 $Ab
Total assets per Statement of Financial Position	**191.3**	**182.9**
Accounting deductions:		
Self-funded trading assets	(16.7)	(14.6)
Derivative revaluation accounting gross-ups	(11.8)	(10.7)
Segregated funds	(9.8)	(9.6)
Outstanding trade settlement balances	(7.0)	(6.6)
Short-term working capital assets	(6.8)	(5.8)
Non-controlling interests	(1.4)	(1.3)
Non-recourse funded assets:		
Securitised assets and other non-recourse funding	(9.0)	(13.5)
Total assets per Funded Balance Sheet	**128.8**	**120.8**

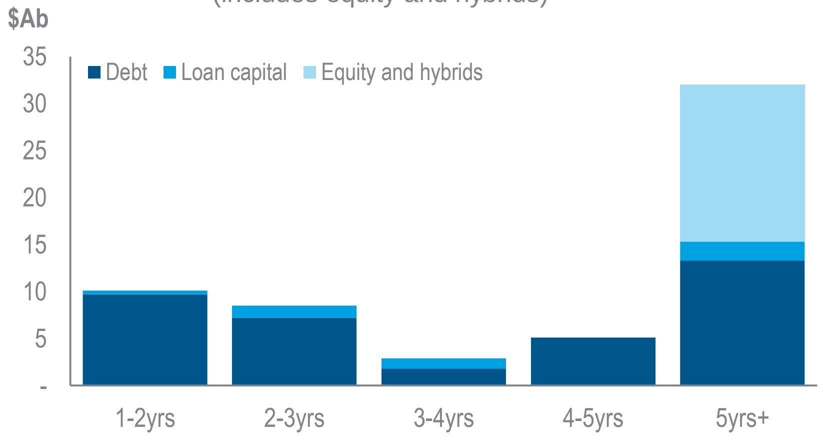
For an explanation of the above deductions refer to slide 73.

Funding for Macquarie

	Mar 18 $Ab	Mar 17 $Ab
Funding sources		
Certificates of deposit	0.6	0.9
Commercial paper	8.4	5.7
Net trade creditors	2.3	2.4
Structured notes	2.5	3.1
Secured funding	4.9	4.6
Bonds	34.7	29.3
Other loans	1.2	0.5
Syndicated loan facilities	4.0	4.8
Customer deposits	48.1	47.8
Loan capital	5.4	5.7
Equity and hybrids[1,2]	16.7	16.0
Total funding sources	**128.8**	**120.8**
Funded assets		
Cash and liquid assets	25.4	21.7
Self-securitisation	15.5	16.5
Net trading assets	17.9	22.1
Loan assets including operating lease assets less than one year	14.4	13.9
Loan assets including operating lease assets greater than one year	45.4	37.1
Debt investment securities[2]	1.7	2.3
Co-investment in Macquarie-managed funds and other equity investments[2]	6.8	5.5
Property, plant & equipment and intangibles	1.7	1.7
Total funded assets	**128.8**	**120.8**

- Well diversified funding sources
- Minimal reliance on short-term wholesale funding markets
- Deposit base represents 37%[3] of total funding sources
- Term funding beyond one year (excluding equity and securitisations) has a weighted average term to maturity of 4.6 years[3]

Macquarie term funding maturing beyond one year
(includes equity and hybrids)[4]



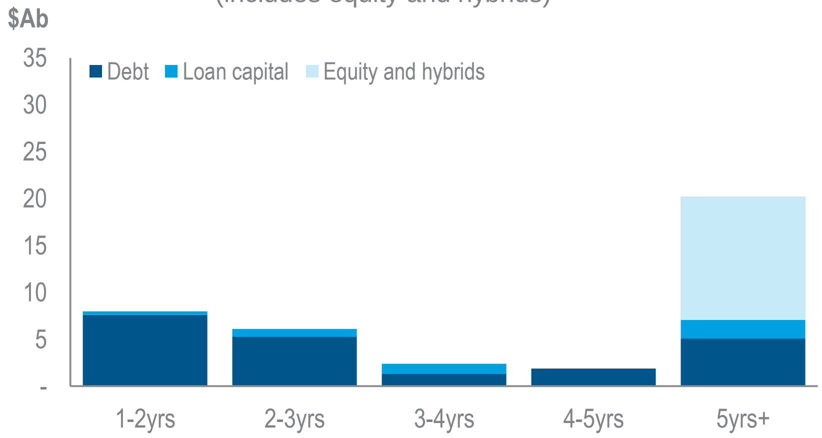
1. Includes ordinary capital and Macquarie Income Securities of $A0.4b. 2. Non-controlling interests have been netted in the funded balance sheet. 3. As at 31 Mar 18. 4. Includes drawn term funding facilities only.

Funding for the Bank Group

	Mar 18 $Ab	Mar 17 $Ab
Funding sources		
Certificates of deposit	0.6	0.9
Commercial paper	8.4	5.7
Net trade creditors	1.1	1.6
Structured notes	2.1	2.6
Secured funding	4.4	4.4
Bonds	20.7	21.7
Other loans	1.1	0.3
Syndicated loan facilities	0.8	2.4
Customer deposits	48.1	47.8
Loan capital	4.3	4.6
Equity and hybrids[1]	13.1	12.6
Total funding sources	**104.7**	**104.6**
Funded assets		
Cash and liquid assets	23.6	20.0
Self-securitisation	15.5	16.5
Net trading assets	17.1	21.8
Loan assets including operating lease assets less than one year	14.1	13.6
Loan assets including operating lease assets greater than one year	44.7	36.1
Debt investment securities	1.3	1.9
Non-Bank Group deposit with MBL	(12.9)	(6.7)
Co-investment in Macquarie-managed funds and other equity investments	0.8	0.8
Property, plant & equipment and intangibles	0.5	0.6
Total funded assets	**104.7**	**104.6**

- Bank balance sheet remains liquid, well capitalised and with a diversity of funding sources
- Term funding beyond one year (excluding equity and securitisations) has a weighted average term to maturity of 3.9 years[2]
- Accessed term funding in markets including US, Europe and Australia as well as opening new markets

Bank Group term funding maturing beyond one year
(includes equity and hybrids)[3]



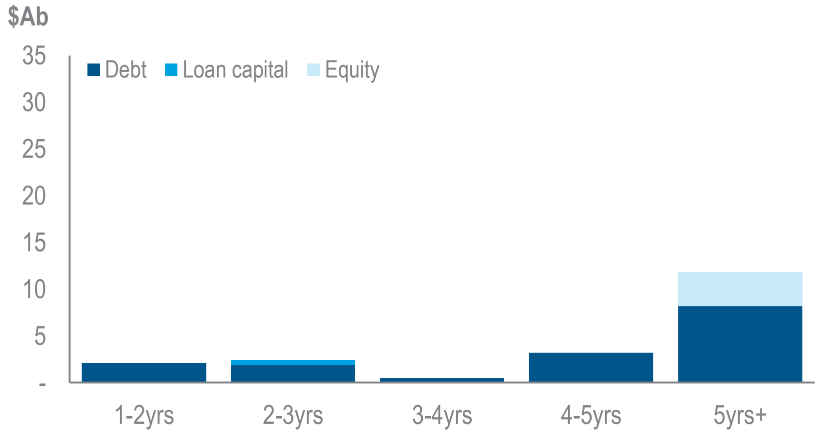
1. Includes ordinary capital and Macquarie Income Securities of $A0.4b 2. As at 31 Mar 18. 3. Includes drawn term funding facilities only.

Funding for the Non-Bank Group

	Mar 18 $Ab	Mar 17 $Ab
Funding sources		
Net trade creditors	1.2	0.8
Structured notes	0.4	0.5
Secured funding	0.5	0.2
Bonds	14.0	7.6
Other loans	0.1	0.2
Syndicated loan facilities	3.2	2.4
Loan capital[1]	1.1	1.1
Equity[2]	3.6	3.4
Total funding sources	**24.1**	**16.2**
Funded assets		
Cash and liquid assets	1.8	1.7
Non-Bank Group deposit with MBL	12.9	6.7
Net trading assets	0.8	0.3
Loan assets less than one year	0.3	0.3
Loan assets greater than one year	0.7	1.0
Debt investment securities[2]	0.4	0.4
Co-investment in Macquarie-managed funds and other equity investments[2]	6.0	4.7
Property, plant & equipment and intangibles	1.2	1.1
Total funded assets	**24.1**	**16.2**

- Non-Bank Group is predominately term funded
- Term funding beyond one year (excluding equity) has a weighted average term to maturity of 5.6 years[3]

Non-Bank Group term funding maturing beyond one year (includes equity)[4]



1. Macquarie Group Capital Notes 1 & 2 of $A1.1b. 2. Non-controlling interests have been netted in the funded balance sheet. 3. As at 31 Mar 18. 4. Includes drawn term funding facilities only.

Explanation of Funded Balance Sheet reconciling items

- **Self-funded trading assets:** Macquarie enters into stock borrowing and lending as well as repurchase agreements and reverse repurchase agreements in the normal course of trading activity that it conducts with its clients and counterparties. Also as part of its trading activities, Macquarie pays and receives margin collateral on its outstanding derivative positions. These trading-related asset and liability positions are presented gross on the statement of financial position but are viewed as being self funded to the extent that they offset one another and, therefore, are netted as part of this adjustment.
- **Derivative revaluation accounting gross-ups:** Macquarie's derivative activities are mostly client driven with client positions hedged by offsetting positions with a variety of counterparties. The derivatives are largely matched and this adjustment reflects that the matched positions do not require funding.
- **Segregated funds:** These represent the assets and liabilities that are recognised where Macquarie provides products such as investment-linked policy contracts or where Macquarie holds segregated client monies. The policy (contract) liability and client monies will be matched by assets held to the same amount and hence do not require funding.
- **Outstanding trade settlement balances:** At any particular time Macquarie will have outstanding trades to be settled as part of its brokering business and trading activities. These amounts (payables) can be offset in terms of funding by amounts that Macquarie is owed on other trades (receivables).
- **Short-term working capital assets:** As with the outstanding trade settlement balances above, Macquarie through its day-to-day operations generates working capital assets (e.g. receivables and prepayments) and working capital liabilities (e.g. creditors and accruals) that produce a 'net balance' that either requires or provides funding.
- **Non-controlling interests:** These represent the portion of equity ownership in subsidiaries not attributable to Macquarie. As this is not a position that Macquarie is required to fund it is netted against the consolidated assets and liabilities in preparing the funded balance sheet. The netted amount excludes Macquarie Income Securities which are included in Equity and hybrids in the funded balance sheet.
- **Securitised assets and other non-recourse assets:** These represent assets that are funded by third parties with no recourse to Macquarie including lending assets (mortgages and leasing) sold down into external securitisation entities.

Conservative long standing liquidity risk management framework

MACQUARIE

Liquidity Policy

- The key requirement of MGL and MBL's liquidity policies is that the entities are able to meet all liquidity obligations during a period of liquidity stress:
  - A minimum 12 month period with constrained access to funding markets and with only a limited impact on franchise businesses
- Term assets are funded by term funding, stable deposits and equity

Liquidity Framework

- A robust liquidity risk management framework is designed to ensure that both MGL and MBL are able to meet their funding requirements as they fall due under a range of market conditions. Key tools include:
  - Liability driven approach to balance sheet management
  - Scenario analysis
  - Maintenance of unencumbered liquid asset holdings
- Liquidity management is performed centrally by Group Treasury, with oversight from the Asset and Liability Committee and the Risk Management Group
- The Boards of each entity approve their respective liquidity policy and are provided with liquidity reporting on a monthly basis

C | APPENDIX
Additional information – Capital

MACQUARIE

Macquarie Basel III regulatory capital

Surplus calculation

31 Mar 18	Harmonised Basel III $Am	APRA Basel III $Am	
Macquarie eligible capital:			
Bank Group Gross Tier 1 capital	14,254	14,254	
Non-Bank Group eligible capital	4,826	4,826	
Eligible capital	19,080	19,080	(a)
Macquarie capital requirement:			
Bank Group capital requirement			
Risk-Weighted Assets (RWA)[1]	88,452	91,564	
Capital required to cover RWA[2]	7,519	7,783	
Tier 1 deductions	725	2,534	
Total Bank Group capital requirement	8,244	10,317	
Total Non-Bank Group capital requirement	4,544	4,544	
Total Macquarie capital requirement (at 8.5%[2] of the Bank Group RWA)	12,788	14,861	(b)
Macquarie regulatory capital surplus (at 8.5%[2] of the Bank Group RWA)	**6,292**	**4,219**	**(a)-(b)**

1. In calculating the Bank Group's contribution to Macquarie's capital requirement, $A166m RWA associated with exposures to the Non-Bank Group are eliminated. 2. Calculated at 8.5% RWA including capital conservation buffer (CCB), per APRA ADI Prudential Standard 110.

Macquarie APRA Basel III regulatory capital

Bank Group contribution

31 Mar 18	Risk-weighted assets $Am	Tier 1 Deductions $Am	Capital Requirement[1] $Am
Credit risk			
On balance sheet	58,675		4,987
Off balance sheet	18,873		1,604
Credit risk total[2]	77,548		6,591
Market risk	3,303		281
Operational risk	9,960		847
Interest rate risk in the banking book	753		64
Tier 1 deductions		2,534	2,534
Contribution to Group capital calculation[2]	91,564	2,534	10,317

1. Calculated at 8.5% RWA including capital conservation buffer (CCB), per APRA ADI Prudential Standard 110. 2. In calculating the Bank Group's contribution to Macquarie's capital requirement, $A166m RWA associated with exposures to the Non-Bank Group are eliminated.

Macquarie regulatory capital

Non-Bank Group contribution

- APRA has specified a regulatory capital framework for Macquarie
- A dollar capital surplus is produced; no capital ratio calculation is specified
- APRA has approved Macquarie's Economic Capital Adequacy Model (ECAM) for use in calculating the regulatory capital requirement of the Non-Bank Group
- Any significant changes to the ECAM must be approved by the MGL Board and notified to APRA within 14 days
- The ECAM is based on similar principles and models as the Basel III regulatory capital framework for Banks, with both calculating capital at a one year 99.9% confidence level:

Risk[1]	Basel III	ECAM
Credit	Capital requirement generally determined by Basel III IRB formula, with some parameters specified by the regulator (e.g. loss given default)	Capital requirement generally determined by Basel III IRB formula, but with internal estimates of key parameters
Equity	Harmonised Basel III: 250%, 300% or 400% risk weight, depending on the type of investment[2]. Deduction from Common Equity Tier 1 above a threshold APRA Basel III: 100% Common Equity Tier 1 deduction	Extension of Basel III credit model to cover equity exposures. Capital requirement between 36% and 82% of face value; average 49%
Market	3 times 10 day 99% Value at Risk (VaR) plus 3 times 10-day 99% Stressed VaR plus a specific risk charge	Scenario-based approach
Operational	Advanced Measurement Approach	Advanced Measurement Approach

1. The ECAM also covers insurance underwriting risk, non-traded interest rate risk and the risk on assets held as part of business operations, including: fixed assets, goodwill, intangible assets and capitalised expenses. 2. Includes all Banking Book equity investments, plus net long Trading Book holdings in financial institutions.

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Macquarie regulatory capital

Non-Bank Group contribution

31 Mar 18	Assets $Ab	Capital Requirement $Am	Equivalent Risk Weight
Funded assets			
Cash and liquid assets	1.8	28	19%
Loan assets[1]	1.0	124	155%
Debt investment securities	0.4	81	254%
Co-investment in Macquarie-managed funds and other equity investments	5.7	2,597	572%
Co-investment in Macquarie-managed funds and other equity investments (relating to investments that hedge DPS plan liabilities)	0.3		
Property, plant & equipment and intangibles	1.2	288	300%
Non-Bank Group deposit with MBL	12.9		
Net trading assets	0.8		
Total funded assets	**24.1**	**3,118**	
Self-funded and non-recourse assets			
Self funded trading assets	0.1		
Outstanding trade settlement balances	4.1		
Derivative revaluation accounting gross ups	0.1		
Short-term working capital assets	2.3		
Non-controlling interests	1.4		
Total self-funded and non-recourse assets	**8.0**		
Total Non-Bank Group assets	**32.1**		
Off balance sheet exposures, operational, market and other risks, and diversification offset[2]		1,426	
Non-Bank Group capital requirement		**4,544**	

1. Includes leases. 2. Capital associated with net trading assets (including market risk capital) and net trade debtors has been included here.

C APPENDIX
Glossary

Glossary

$A / AUD	Australian Dollar
$US / USD	United States Dollar
£ / GBP	Pound Sterling
€	Euro
1H18	Half-Year ended 30 September 2017
2H17	Half-Year ended 31 March 2017
2H18	Half-Year ended 31 March 2018
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
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
CFM	Commodities and Financial Markets

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 ending 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

Glossary

FY19	Full Year ending 31 March 2019
GIG	Green Investment Group
IPO	Initial Public Offering
IRB	Internal Ratings-Based
IFRS	International Financial Reporting Standards
IT	Information Technology
LBO	Leveraged Buyout
LCR	Liquidity Coverage Ratio
LNG	Liquefied Natural Gas
M&A	Mergers and Acquisitions
MacCap	Macquarie Capital
MAM	Macquarie Asset Management
MBL	Macquarie Bank Limited
MD&A	Management Discussion & Analysis
MEIF3	Macquarie European Infrastructure Fund 3
MEREP	Macquarie Group Employee Retained Equity Plan
MGL / MQG	Macquarie Group Limited
MIC	Macquarie Infrastructure Corporation
MIDIS	Macquarie Infrastructure Debt Investment Solutions
MiFID	Markets in Financial Instruments Directive
MIM	Macquarie Investment Management
MIRA	Macquarie Infrastructure and Real Assets

MQG	Macquarie Atlas Roads
MSG	Macquarie Securities Group
MSIS	Macquarie Specialised Investment Solutions
MW	Mega Watt
NGLs	Natural gas liquids
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
PPE	Property, Plant and Equipment
PPP	Public Private Partnership
RBA	Reserve Bank of Australia
ROE	Return on Equity
RWA	Risk Weighted Assets
SBI	State Bank of India
SME	Small and Medium Enterprise
SMSF	Self Managed Super Fund
UK	United Kingdom
US	United States of America
VaR	Value at Risk

MACQUARIE

Presentation to investors and analysts

Result announcement for the full year ended 31 March 2018

4 May 2018