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ASX/Media Release

Investor presentation and outlook update

SYDNEY, 23 September 2013 – As part of its regular investor communications program, Macquarie Group (Macquarie) (ASX: MQG; ADR: MQBKY) will be presenting at the CLSA Investors Forum on 24 and 25 September 2013.

Contained within the presentation (see attached) is an update to the short term outlook statement that Macquarie provided at the Group's Annual General Meeting on 25 July 2013. Notably:

- Consistent with the statement made at its FY13 Annual General Meeting on 25 July 2013, the FY14 result for the Group is expected to be an improvement on FY13 provided market conditions are not worse than those experienced over the past 12 months

- The 1H14 result is currently expected to be broadly in line with 2H13, subject to the completion rate of transactions and the conduct of period end reviews

- Consistent with previous years, it is currently expected that the 2H14 result will be stronger than 1H14

The FY14 result also remains subject to a range of other challenges including:
- the cost of our continued conservative approach to funding and capital;
- regulation, including the potential for regulatory changes;
- increased competition in some markets; and
- the overall cost of funding

Over the medium term, Macquarie remains well positioned to deliver superior performance. The Group has deep expertise in major markets and we continue to build on our strength in diversity and adapt our portfolio mix to changing market conditions. We are seeing the ongoing benefits of continued cost initiatives, our balance sheet is strong and conservative, and we have a proven risk management framework and culture.

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Macquarie Group Limited

20th CLSA Investors' Forum

24-25 September 2013

Patrick Upfold, Chief Financial Officer

Karen Khadi, Head of Investor Relations

Disclaimer

The material in this presentation has been prepared by Macquarie Group Limited ABN 94 122 169 279 ("Macquarie") and is general background information about Macquarie's activities current as at the date of this presentation. This information is given in summary form and does not purport to be complete. Information in this presentation, including forecast financial information, should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or other financial products or instruments and does not take into account your particular investment objectives, financial situation or needs. Before acting on any information you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice. All securities and financial product or instrument transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments and, in international transactions, currency risk.

This presentation is being made only to investment professionals and must not be distributed to or relied upon by any other person.

This presentation may contain forward looking statements including 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, specific provisions 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 to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events. While due care has been used in the preparation of forecast information, actual results may vary in a materially positive or negative manner. Forecasts 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 2013.

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

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

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

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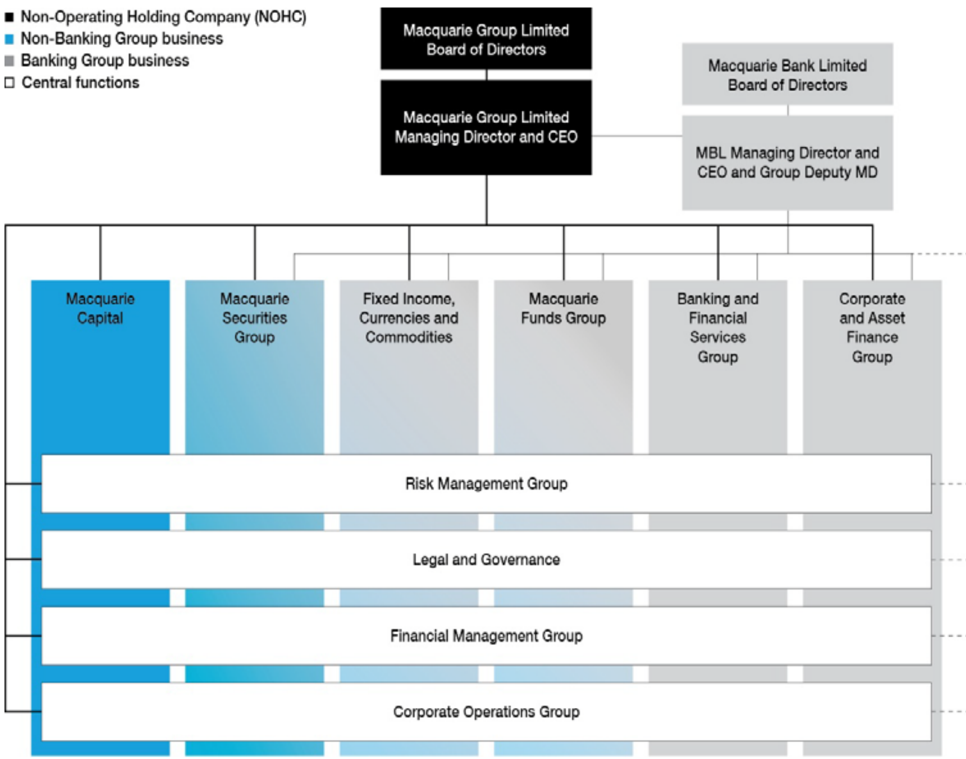
About Macquarie

About Macquarie

Founded in 1969, Macquarie employs over 13,600 people in over 28 countries[1]



- Macquarie Group (Macquarie) is a global provider of banking, financial, advisory, investment and funds management services
- Macquarie's main business focus is making returns by providing a diversified range of services to clients. Macquarie acts on behalf of institutional, corporate and retail clients and counterparties around the world
- Macquarie Group Limited is listed in Australia (ASX:MQG; ADR:MQBKY) and is regulated by APRA, the Australian banking regulator, as the owner of Macquarie Bank Limited, an authorised deposit taker
- Macquarie's approach to risk management is long-standing. Strong risk management practices are embedded in business unit management with central oversight of credit, market, funding, compliance and operational risk

1. Data as at 31 March 2013.

About Macquarie

Macquarie Funds Group

Top 50 global asset manager with $A379b[1] of assets under management

- Provides clients with access to a diverse range of capabilities and products, including:
  - Infrastructure and real asset management
  - Securities investment management
  - Fund and equity-based solutions

Macquarie Funds Group		
Macquarie Infrastructure and Real Assets	Macquarie Investment Management	Macquarie Specialised Investment Solutions
AUM: $A115b[1]	**AUM: $A262b[1]**	**AUM: $A2b[1]**

Ranked No. 1 in Infrastructure Investor magazine's 'Top 30' investors[2] for the third consecutive year

"Best Infrastructure" and **"Best Real Estate"** Fund Manager House Awards for 2012 by AsianInvestor[3]

Awarded ten Lipper Awards across the US and Europe[4]

Macquarie Enhanced Global Bond Fund was recognised by AsianInvestor as the **best Global Fixed Income Fund** (Hedged)[5]

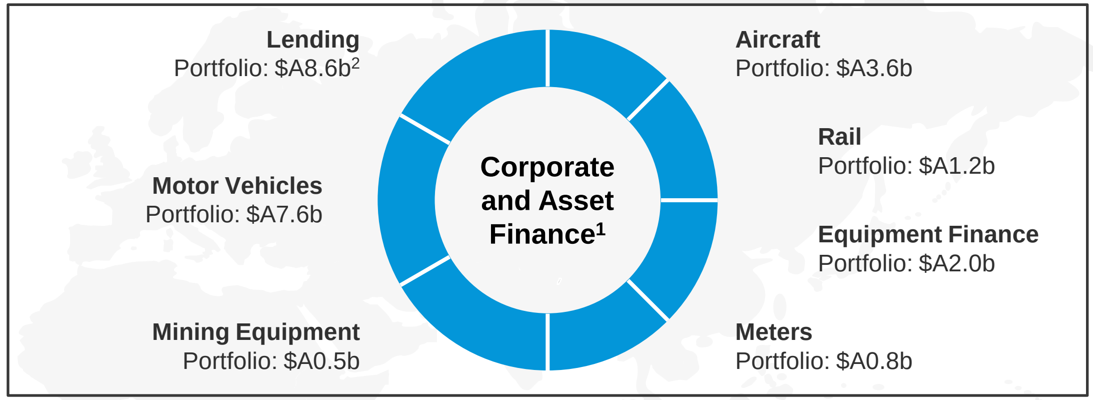
1. Data as at 30 June 2013. 2. Based on the amount of infrastructure direct investment capital formed in the last five years. 3. AsianInvestor 2012 Investment Performance Awards for institutional funds management. 4. For more information about these awards, the issuers of the awards, their methodologies, and other important information about these awards please visit www.macquarie.com.au/mgl/au/mfg/mim/about-us/awards; 5. The award, based in Hong Kong, assesses funds that primarily sell into the Asian region and is judged on nominal and risk-adjusted performance over one, three and five year periods.

About Macquarie

Corporate and Asset Finance Group

$A24.3b[1] of loans and assets under finance

- Delivers tailored finance and asset management solutions to clients through the cycles
- Specialists in corporate and real estate lending – provides primary financing to clients and invests in credit assets in secondary markets
- Supports annuity style businesses through different growth phases
- Selectively invests in specialised asset classes
- Expertise in asset finance including aircraft, motor vehicles, technology, healthcare, manufacturing, industrial, energy, rail and mining equipment.



Leading market participant in bespoke primary lending; **niche** acquirer of secondary loans

One of North America's **largest** independent lessors of technology equipment

Portfolio **diversified** by geography, assets, industries, product types, exposures and clients

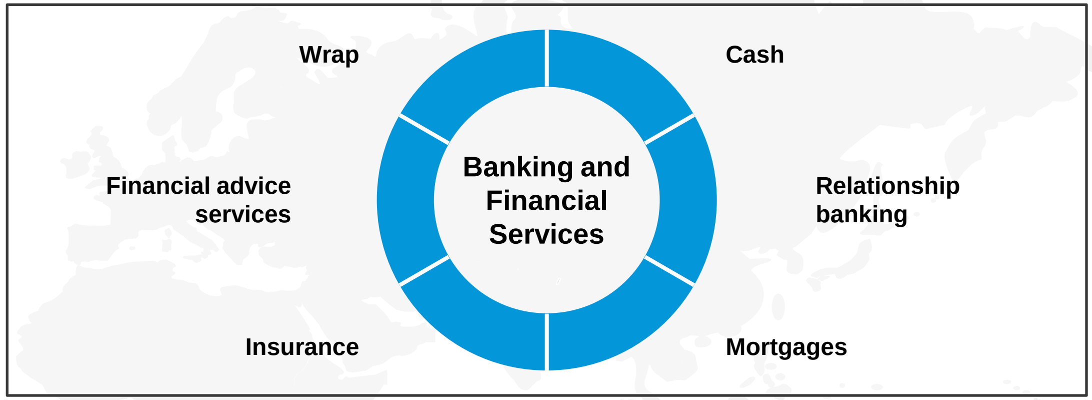
1. Data as at 30 June 2013. 2. Includes RESF run off portfolio.

About Macquarie

Banking and Financial Services Group

Retail deposits exceed $A32b[1]

- ~1.1 million high net worth clients serviced by 590 Macquarie client advisers and our Independent Financial Adviser partners
- Leading provider of retail advisory services and products
- Extensive platform support services to intermediaries in Australia
- Specialist Relationship Banking provider to Small to Medium Enterprises (SME)



No.1 National Independent Canadian Advisory firm[2]

No.1 full-service Australian retail stockbroker in terms of volume and market share[3]

Macquarie Super and Pension Consolidator named **Super Platform of the Year**[4]

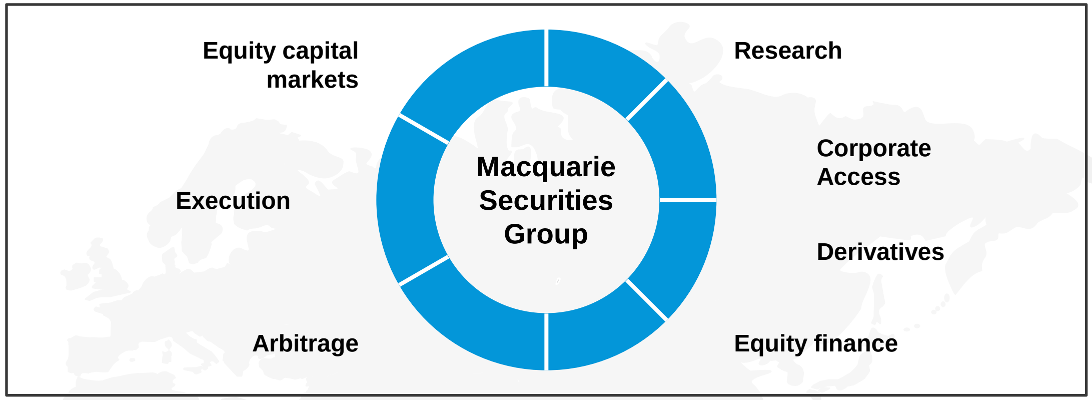
Macquarie Mortgages **awarded** Money Magazine's 2012 Best of the Best awards[5]

1. Data as at 30 June 2013. 2. Investment Executive Brokerage Report Card 2012 (Canada). 3. IRESS: consideration traded and volume 31 March 2013. 4. Fairfax Blue Ribbon Smart Investor Awards 2012. 5. Money Magazine 2012 Best of the Best Awards' Cheapest Flexible Home Loan for Classic P&L Home Loan.

About Macquarie

Macquarie Securities Group

- Global institutional securities house with strong Asia-Pacific foundations covering sales, research, ECM, execution and derivatives activities
- Full-service cash equities in Australia, Asia, South Africa and Canada with offerings in US and Europe. Specialised derivatives in key locations globally
- Key specialities: infrastructure and utilities, TMET, resources (mining and energy), industrials and financial institutions



25+ years Knowledge and experience in Asia-Pacific	**200+** equity research analysts **2,220+** stocks under coverage	**No.1** in Asia[1], US and Europe[2], and **No.2** in Australia[1] for Australian equities	**No.1** Execution Quality Asia-Pacific[3] **No.3** Australian ECM[4]	**No.1** warrants market share Singapore[5] **No.3** in Australia[5]& **No.5** HK[5]

1. Peter Lee Associates Survey of Asian/Australian Institutional Investors – Australian Equities. 2. Greenwich Survey of US Institutional Investors – Australian Equities and Greenwich Survey of European Institutional Investors – Australian Equities. 3. Abel Nosser 2012. 4. Bloomberg league tables 1 April – 30 March 2013. 5. Local exchanges.

About Macquarie

Macquarie Capital

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- Global corporate finance capability, including M&A, capital markets and principal investments
- Key specialities: infrastructure, utilities and renewables; resources (mining and energy); real estate; telecommunications, media, entertainment and technology; industrials and financial institutions
- Winner of over 20 awards globally in 2012, including Best Investment Bank (Australia)[1,2] and Best Domestic Equity House (Australia)[3]

FINANCIAL INSTITUTIONS
INDUSTRIALS
INFRASTRUCTURE, UTILITIES & RENEWABLES
REAL ESTATE
RESOURCES
TELECOMMUNICATIONS, MEDIA, ENTERTAINMENT & TECHNOLOGY

MERGERS & ACQUISITIONS
PROJECT FINANCE
EQUITY CAPITAL MARKETS
DEBT CAPITAL MARKETS
PRIVATE CAPITAL MARKETS
PRINCIPAL INVESTMENTS

No.1
ANZ announced and completed M&A deals[4]

M&A Deal of the Year
(Tokio Marine/Delphi Financial Group)[5]

Global M&A Deal of the Year
(Open Grid)[6]

No.1
Global Real Estate Placements ($US4.1b raised)[7]

North American Toll Road Deal of the Year[8]

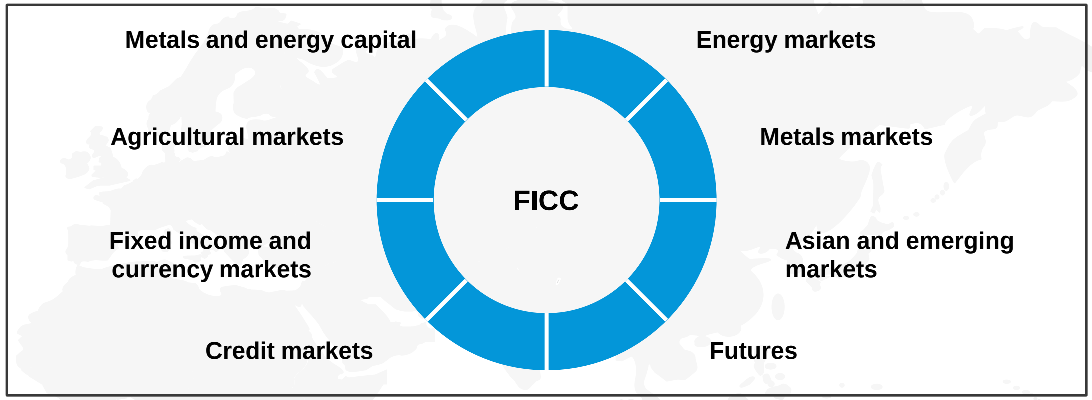
1. 2012 Capital/CFO Awards. 2. Global Finance Awards. 3. Asiamoney Awards. 4. Thomson Financial, CY12 (by volume) . 5. International M&A Advisor Awards (for deals between $A1-3b). 6. PFI Awards. 7. Preqin, Jan 13; PERE (excludes capital raised for own funds and affiliates). 8. Project Finance Magazine Awards (Downtown Tunnel/Midtown Tunnel/MLK Extension Project).

About Macquarie

Fixed Income, Currencies and Commodities

A portfolio of businesses across Commodity and Financial markets

- Global fixed income, currencies and commodities provider of finance, risk solutions and market access to producers/consumers and financial institutions/investors
- Growing presence in physical commodities (natural gas, LNG, NGLs, power, oil, coal, base metals, iron ore, sugar and freight)
- Predominant in US and Australia, niche offering in Canada and Latin America, growing presence in Asia and EMEA
- Key specialties: commodities; Asian and emerging markets; high yield and distressed debt



Global physical and financial commodity markets + primary and secondary financial markets	**30+ years** In Metals and Futures markets	**20+ years** in Agricultural and FX markets	**10+ years** in Energy markets - **No.4** physical gas marketer in North America[1]

1. *Platts Q1 2013.*

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2013 Full Year Result

Diversified by region

International income[1] 63% of total
Total staff 13,663; International staff 55% of total

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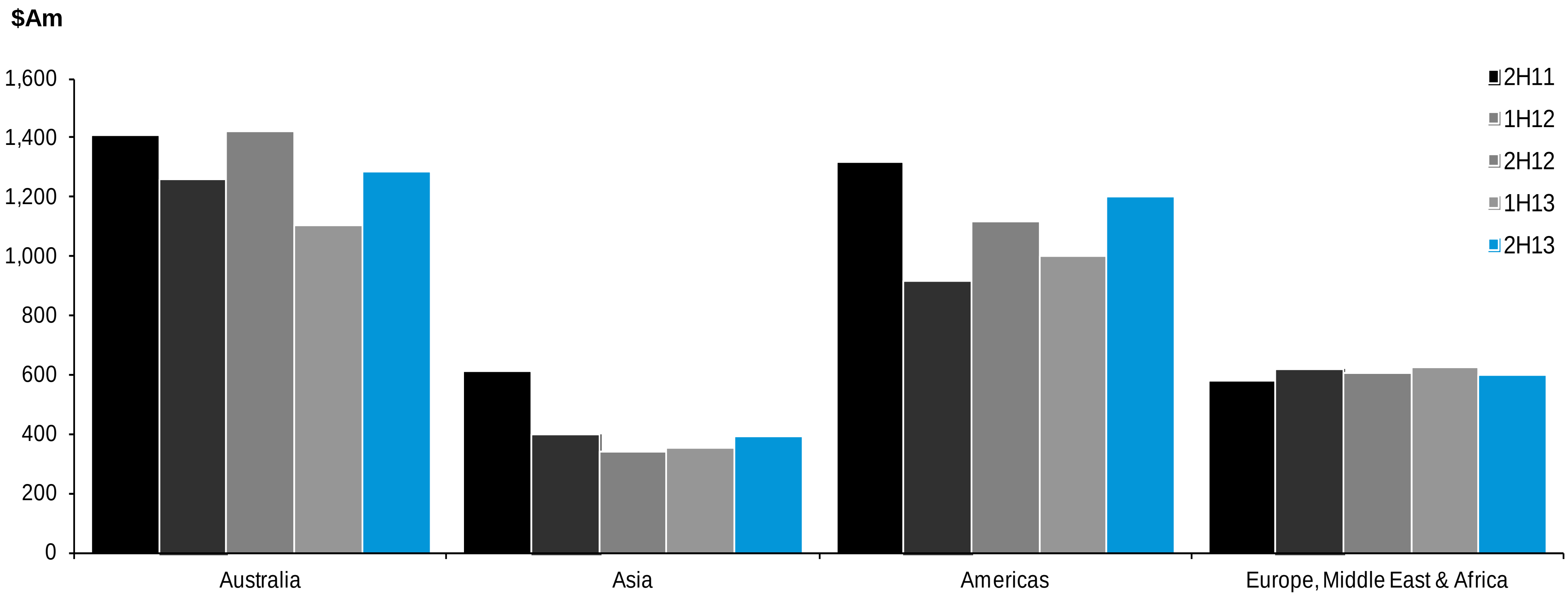
EUROPE, MIDDLE EAST & AFRICA[2]	ASIA	AMERICAS
Income: $A1,221m (19% of total) Staff: 1,193	Income: $A743m (11% of total) Staff: 3,093	Income: $A2,199m (33% of total) Staff: 3,253

AUSTRALIA[3]
Income: $A2,395m (37% of total) Staff: 6,124

1. Operating income net of impairment charges for the year to 31 Mar 13. Net operating income in each region excludes income from the Corporate segment. 2. Excludes staff in Macquarie First South joint venture and staff seconded to Macquarie Renaissance joint venture (Moscow). 3. Includes New Zealand.

Diversified income
Net operating income by region

- 63% of operating income[1] in FY13 is generated offshore
- FX translation estimated to have a minimal impact on the FY13 result compared to FY12

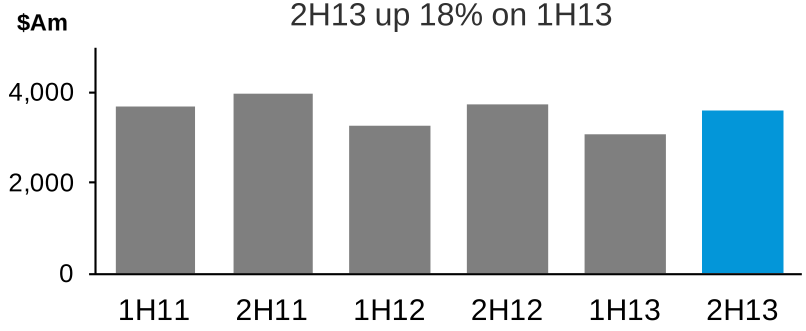


1. Operating income net of impairment charges in each region excludes income from the Corporate segment.

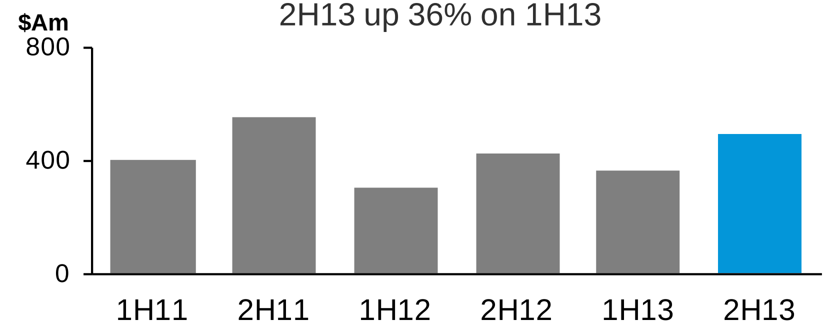
Financial performance

Full-year ended 31 March 2013

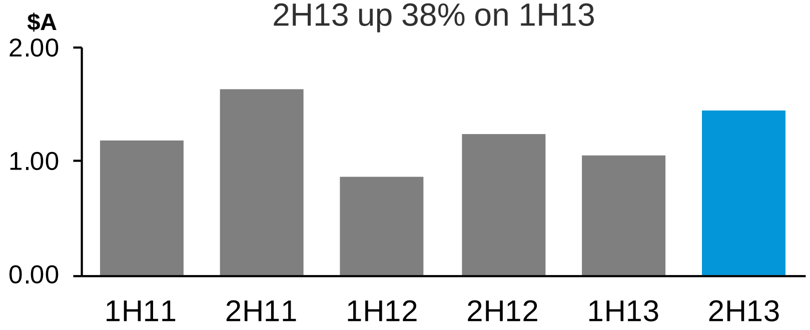
FY13 Operating income of $A6,700m
FY13 down 4% on FY12
2H13 up 18% on 1H13



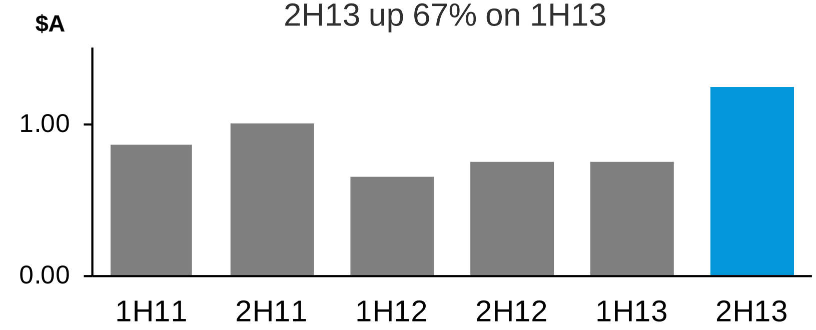
FY13 Profit of $A851m
FY13 up 17% on FY12
2H13 up 36% on 1H13



FY13 EPS of $A2.51
FY13 up 20% on FY12
2H13 up 38% on 1H13



FY13 DPS of $A2.00
FY13 up 43% on FY12
2H13 up 67% on 1H13



Result reflected improved 2H13 market conditions

	FY13 vs FY12			2H13 vs 1H13		
Operating income	$A6.7b	↓	4%	$A3.6b	↑	18%
Operating expenses	$A5.3b	↓	10%	$A2.7b	↑	7%
Operating profit before tax	$A1.4b	↑	34%	$A888m	↑	72%
Tax expense	$A533m	↑	86%	$A377m	↑	142%
Profit	$A851m	↑	17%	$A490m	↑	36%
Earnings per share	$A2.51	↑	20%	$A1.46	↑	38%
Dividends per share	$A2.00	↑	43%	$A1.25	↑	67%
Return on Equity	7.8%	↑	from 6.8%	8.9%	↑	from 6.6%

FY13 Result by operating group
FY13 VS FY12

		Operating Income		Net Profit Contribution	
Annuity-style	Macquarie Funds Group	$A1.5b	↑ 7%	$A0.8b	↑ 17%
Annuity-style	Corporate and Asset Finance	$A1.0b	↓ 2%	$A0.7b	↓ 1%
Annuity-style	Banking and Financial Services	$A1.4b	↑ 1%	$A0.3b	↑ 22%
Market facing	Macquarie Securities	$A0.8b	↓ 16%	$A50m loss	↑ From loss of $A194m
Market facing	Macquarie Capital	$A0.6b	↓ 6%	$A0.2b	↑ 76%
Market facing	Fixed Income, Currencies and Commodities	$A1.3b	↓ 4%	$A0.6b	↑ 4%

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1Q14 update

1Q14 Macquarie Update

- 1Q14 operating groups' contribution[1] ahead of subdued pcp (1Q13) and prior quarter (4Q13)
- Annuity-style businesses[2] up on pcp and prior quarter, with a strong performance from MFG
- Capital markets facing businesses[3] up significantly on a subdued pcp, with a profitable Macquarie Securities up on 1Q13
- No significant one-off items

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

Annuity-Style Businesses
1Q14 Update

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Macquarie Funds Group	• AUM increased 10% to $A379.3b[1] in 1Q14, mainly driven by FX movements and investment of MIRA funds, partially offset by negative market movements and MIRA asset disposals • Strong 1Q14 performance fees of $A65m, predominantly from Macquarie Infrastructure Company, Macquarie Atlas Roads and Macquarie Korea Opportunities Fund • Macquarie was recognised as the world's largest manager of alternative assets (Towers Watson) • MEIF4 closed with €2.75b in investors commitments, well above its €1.5-2b target, taking total MIRA fundraising to $US9.3b in last two years • MIM has entered into an agreement to acquire ING Investment Management Korea from ING Group[2]. ING Investment Management Korea is a top 10 asset manager in Korea with AUM of KRW 25.2 trillion (approx. $A24b) • The securities investment management business won a range of new mandates (including a large Australian currency mandate and its first Thai mandate) and expanded its capabilities to include an Asian Mid Cap strategy • Macquarie Specialised Investment Solutions raised $A435m for Australian capital protected investments
Corporate and Asset Finance	• Asset and loan portfolio of $A24.3b, up $A1.9b on 31 Mar 13 mainly due to foreign exchange translation • $A1.0b of portfolio additions in corporate and real estate lending across new primary financings and secondary market acquisitions, including acquisition of portfolio of US wind farms tax equity financings broadly offset by early repayments and disposals • Securitisation activity continues, with $US750m of motor vehicle leases and loans secured during 1Q14 • Continued growth in metering portfolio • Ongoing growth of motor vehicle and equipment finance programs • Mining equipment finance business continues to expand
Banking and Financial Services	• Macquarie Private Wealth remains No.1 ranked full-service retail stockbroker in Australia • Wrap platform FUA up 32% from 31 Mar 13 to $A33b due to the successful integration of the Perpetual platform • Retail deposits exceed $A32b • Acquired Pacific Premium Funding on 1 April 2013 • ASIC Enforceable Undertaking compliance project progressing well and remains on track

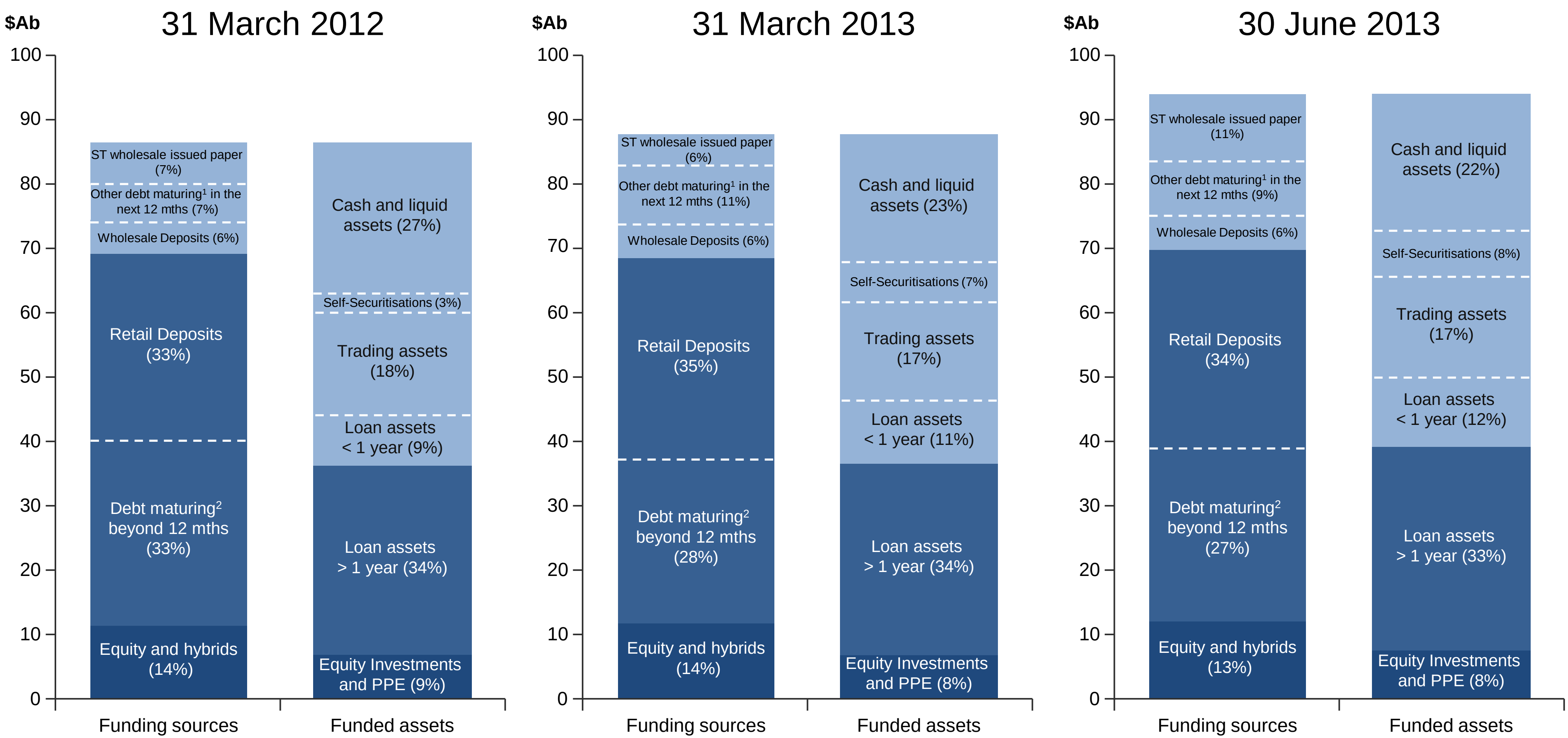
1. Excludes AUM associated with ING Investment Management Korea acquisition. 2. Subject to certain closing conditions including regulatory approval . Refer press release, dated 10 Jul 13, available at http://www.macquarie.com/mgl/com/news/2013 .

Market Facing Businesses
1Q14 Update

Macquarie Securities Group	• Modest improvement in global market volumes however ECM markets, whilst improved on pcp, remain subdued • No.1 ranking in US and UK/European client surveys for Australian equities[1], No.1 market share in Singapore warrants[2] and Indonesian ADRs[3], Top 4 ranking in US client surveys for Asian Equities[1] and Top 20 franchise for US investors in US equities[1] • Significant reduction in legacy expenses
Macquarie Capital	• 102 deals at $A14b, down 26% on prior period and down 29% on pcp (by value) • Subdued M&A activity offset by improved ECM and principal performance • No.1 in Australia for completed M&A deals[4] • No.1 in South East Asia for announced M&A deals[4] • Best Project Finance Adviser (EMEA)[5] • Global Energy Acquisition of the Year (Open Grid Europe acquisition)[6] • US Deal Maker of the Year (Carmichael International acquisition)[7]
Fixed Income, Currencies and Commodities	• Improved volatility across FX and some commodity markets resulting in increased client hedging activity and trading opportunities, however resource equity markets continue to remain challenging • Recent weak sentiment in credit markets • Maintained ranking as No.4 US physical gas marketer in North America[8] • No.2 overall market share in ASX24 Futures[9]

1. Greenwich Associates. 2. Market share by NOIP 'Net over intrinsic premium'. 3. Bloomberg (using Rank Function, excluding trading firms). 4. Dealogic HY13 (by value). 5. EMEA Finance Award 6. Infrastructure Journal. 7. Acquisition International Magazine. 8. Platts Q1 2013. 9. ASX24 Futures volumes 1 Apr 13 to 30 Jun 13.

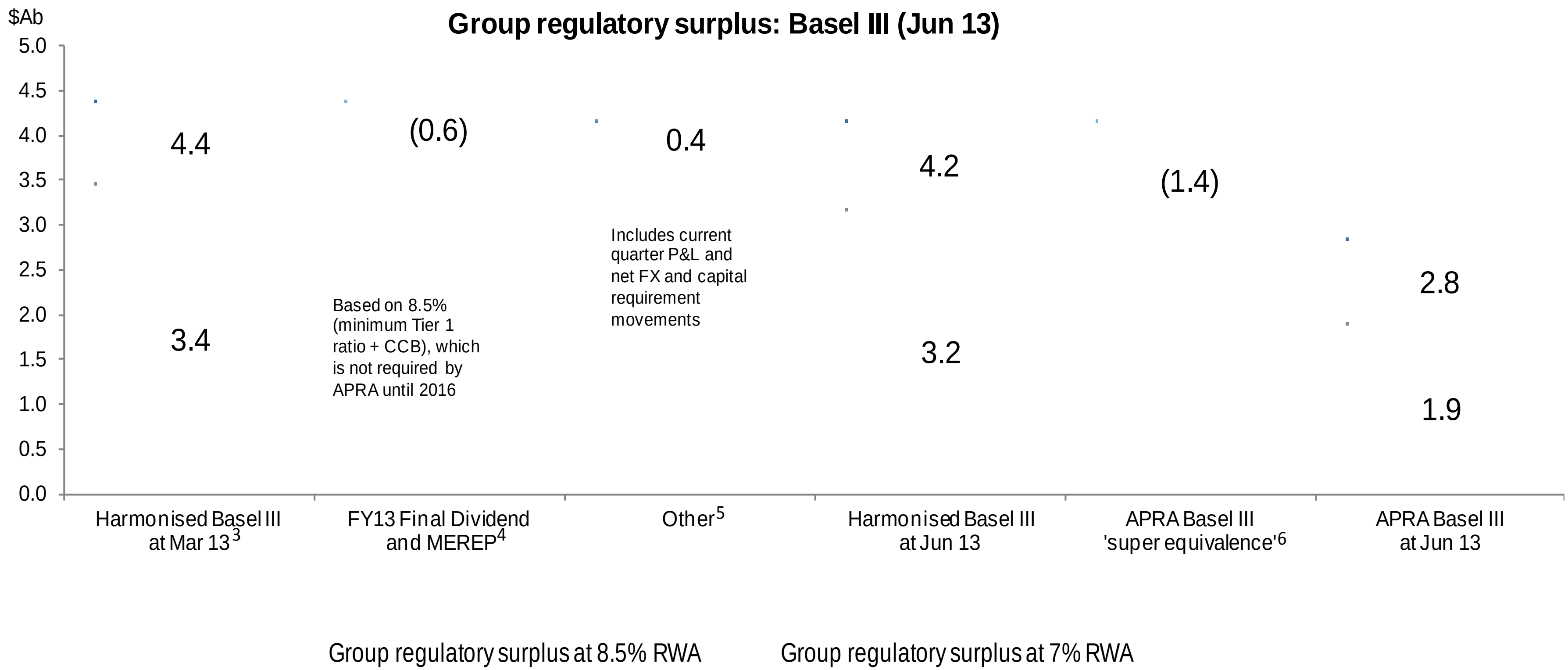
Funded balance sheet remains strong



These charts represent Macquarie Group Limited's funded balance sheets at the respective dates noted above. For details regarding reconciliation of the funded balance sheet to the Group's statutory balance sheet, refer to slide 57. 1.'Other debt maturing in the next 12 mths' includes Structured Notes, Secured Funding, Bonds, Other Bank Loans maturing within the next 12 months and Net Trade Creditors. 2.'Debt maturing beyond 12 mths' includes Loan Capital. 'Loan Assets > 1 yr' includes Debt Investment Securities, Net working capital, and Assets held for sale.

Stable Basel III surplus

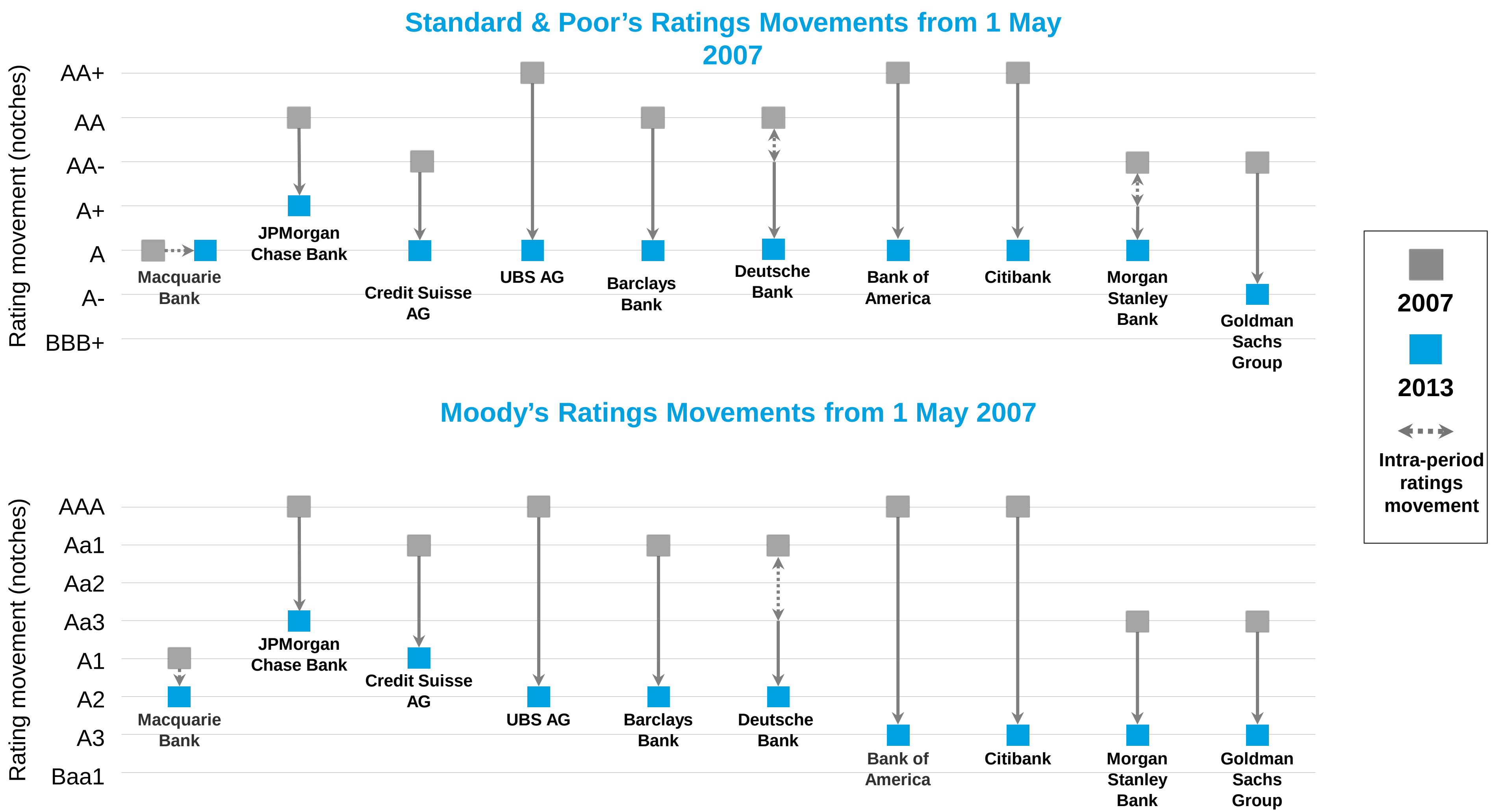
- APRA Basel III Group capital of $A13.4b[1], Group surplus of $A2.8b[2] at Jun 13
- In May 2013, APRA issued its draft rules for Conglomerates. Whilst the rules are yet to be finalised, our current assessment is that Macquarie has sufficient capital to meet the minimum APRA capital requirements for Conglomerates, which are expected to take effect from 1 Jan 14



1. Includes Macquarie Capital Notes (MCNs) but not Macquarie Convertible Preference Securities (CPSs), the latter having been redeemed 1 July 2013. 2. Calculated at 7% RWA. 3. 'Harmonised' Basel III estimates assume alignment with BIS in areas where APRA differs from the BIS. 4. Includes $A216m MEREP on market purchase and $A420m FY13 final dividend. 5. Includes the net impact of hedging employed to reduce the sensitivity of the Group's capital position to FX translation movements. 6. APRA Basel III 'super equivalence' includes full CET1 deductions of equity investments ($A0.7b); deconsolidated subsidiaries ($A0.4b); DTAs and other impacts ($A0.3b).

MBL long term ratings stability

MBL has maintained its S&P rating for 22 years



Impacts of movements in AUD

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Income statement

63% of operating income is generated offshore[1]

All things being equal, for a 10% movement in the AUD, the full year impact on earnings is estimated to be approximately 6%

Balance sheet & capital ratios

Foreign currency denominated assets and liabilities are appropriately hedged to minimise the impact of foreign exchange movements on income and capital ratios

1. As at 31 Mar 13.

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Outlook

Short term outlook

- Summarised below are the outlook statements for each Operating Group
- FY14 results will vary with market conditions, particularly the capital markets facing businesses which continue to experience subdued market conditions

	Net profit contribution				
Operating Group	**FY07- FY13 historical range**	**FY07- FY13 average**	**FY13**	**FY14 outlook as announced at FY13 result**	**Update to FY14 outlook**
Macquarie Funds	$A0.3b – $A1.1b	$A0.7b	$A0.8b	Broadly in line with FY13, subject to performance fees	Up on FY13 due to base and performance fees and impact of FX
Corporate and Asset Finance	$A0.1b – $A0.7b[1]	$A0.4b	$A0.7b	Broadly in line with FY13	No change
Banking and Financial Services	$A0.1b – $A0.3b[2]	$A0.3b	$A0.3b	Broadly in line with FY13	No change
Macquarie Securities	$A(0.2)b – $A1.2b	$A0.4b	$A(50)m	Up on FY13	No change
Macquarie Capital	$A(0.1)b – $A1.6b	$A0.5b	$A0.2b	Up on FY13	No change
FICC	$A0.5b – $A0.8b	$A0.6b	$A0.6b	Up on FY13	Broadly in line with FY13 given likely impairments in MEC
Corporate	• Compensation ratio to be consistent with historical levels • Continued higher cost of funding reflecting market conditions and high liquidity levels • Based on present mix of income, currently expect tax rate to be broadly in line with FY13				

Range excludes FY09 provisions for loan losses of $A135m related to Real Estate Structured Finance loans as this is a restructured business. 2.Range excludes FY09 loss on sale of Italian mortgages of $A248m as this is a discontinued business.

Short term outlook

- Since our FY13 result announcement on 3 May 2013, there have been changes to the short term outlook for some of the operating groups:
  - MFG: FY14 to be up on FY13 due to base and performance fees and impact of FX
  - FICC: FY14 to be broadly in line with FY13 given likely impairments in MEC
- Accordingly, consistent with our previous statement, while market volatility makes forecasting difficult, it is currently expected that the FY14 net profit contribution from operating groups will be up on FY13
- Tax rate is currently expected to be broadly in line with FY13
- Accordingly, FY14 result for the Group is expected to be an improvement on FY13 provided market conditions for FY14 are not worse than those experienced over the past 12 months
  - 1H14 result currently expected to be broadly in line with 2H13, subject to the completion rate of transactions and the conduct of period end reviews
  - Consistent with previous years, it is currently expected that the 2H14 result will be stronger than 1H14
- The FY14 result also remains subject to a range of other challenges including:
  - the cost of our continued conservative approach to funding and capital;
  - regulation, including the potential for regulatory changes;
  - increased competition in some markets; and
  - the overall cost of funding

Medium term

Macquarie remains well positioned to deliver superior performance in the medium term

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

Approximate business Basel III & ROE

Operating Group	APRA Basel III Capital @ 8.5% ($Ab)	Approx. FY13 Return on Ordinary Equity[1]	
Annuity-style businesses			**Approx. 7-Year Average Return on Ordinary Equity[1]**
Macquarie Funds Group	1.8	20%	20%[2]
Corporate and Asset Finance	2.1		
Banking and Financial Services	1.0		
Capital markets facing businesses			**Approx. 7-Year Average Return on Ordinary Equity[1]**
Macquarie Securities	0.5	-	15%-20%
Macquarie Capital	1.1		
FICC	2.6	11%	
Corporate and Other			
Legacy Assets	0.9		
Corporate	0.7		
Total regulatory capital requirement @ 8.5%	10.7		
Comprising: Ordinary Equity *Hybrid*	*9.1* *1.6*		
Add: Surplus Ordinary Equity	2.2		
Total APRA Basel III capital supply	**12.9**		

1. NPAT used in the calculation of approx. ROE is based on Operating Group's net profit contribution adjusted for indicative allocations of profit share, tax and other corporate expenses. Accounting equity is attributed to businesses based on regulatory capital requirements. 7-year average covers FY07 to FY13, inclusively. 2. CAF excluded from 7-year average as not meaningful given the significant increase in scale of CAF's platform over the 7-year period.

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Appendix

FY13 Result Analysis and Financial Management

Income Statement key drivers

	2H13 SAm	1H13 $Am	Mar 13 $Am	Mar 12 $Am
Net interest income	723	644	1,367	1,333
Fee and commission income	1,771	1,651	3,422	3,364
Trading income	679	555	1,234	1,035
Share of net gains of associates	17	75	92	108
Investment impairments	(168)	(220)	(388)	(210)
Loan impairments	(101)	(88)	(189)	(179)
Other income	710	452	1,162	1,512
Net operating income	**3,631**	**3,069**	**6,700**	**6,963**
Employment expenses	(1,735)	(1,538)	(3,273)	(3,560)
Brokerage & commissions	(312)	(335)	(647)	(724)
Other operating expenses	(696)	(679)	(1,375)	(1,630)
Total operating expenses	**(2,743)**	**(2,552)**	**(5,295)**	**(5,914)**
Net profit before tax and non- controlling interests	**888**	**517**	**1,405**	**1,049**
Income tax expense	(377)	(156)	(533)	(287)
Non-controlling interests	(21)	-	(21)	(32)
Net profit after tax	**490**	**361**	**851**	**730**

- Net interest income up 3% on FY12 to $A1,367m
  - Growth in finance lease portfolios and interest bearing investments in Macquarie Capital
  - Partially offset by reduced funding opportunities in MFG and higher funding costs
- Fee and commissions of $A3,422m up on FY12
  - MFG fee and commission income up 15% on FY12
  - Partially offset by 11% decline in brokerage & commissions and lower M&A and ECM fees
- Trading income up 19% on FY12 to $A1,234m
  - Strong results from credit, fixed income, energy and agricultural businesses
  - Partially offset by weak product demand for retail and structured equity products
- Impairments up on FY12 most notably from resources and legacy assets
- Other income down $A350m on FY12 which included $A295m special distribution from Sydney Airport
- Total operating expenses down 10% on FY12 to $A5,295m reflecting impact of lower headcount
- Effective tax rate of 38.5%, due to increased profitability in the US, write down of certain international group tax assets, particularly in Asia and increased provisioning for tax uncertainties

Macquarie Funds
Result

MACQUARIE

	Mar 13 $Am	Mar 12 $Am
Base fees	989	905
Performance fees	164	125
Other fee and commission income	289	223
Net interest and trading income[1]	-	110
Share of net gains/(losses) of associates	36	(13)
Equity investment and other income	55	86
Impairment charges[2]	(35)	(48)
Internal management revenue[3]	16	21
Net operating income	**1,514**	**1,409**
Total operating expenses	(760)	(767)
Non-controlling interests	1	3
Net profit contribution[4]	**755**	**645**
AUM ($Ab)	343.5	324.8
EUM ($Ab)	41.0	37.9
Staff numbers	1,472	1,418

- Base fees up 9% on FY12 to $A989m driven by:
  - Increase in AUM (up 6%) largely as a result of favourable market movements and transfer of Professional Series from BFS
  - Increase in EUM (up 8%) as a result of favourable market movements, capital raisings and full year impact of MKIF (acquired 100% of manager in Feb 2012)
- Performance fees up 31% on FY12 to $A164m
  - Macquarie Infrastructure Company LLC, Macquarie Atlas Roads, the DUET Group and Quant Hedge Funds outperformed their respective benchmarks
  - Performance fees from the sale of investments in Wales & West Utilities by third party co-investors
- Other fee and commission income up 30% on FY12
  - Includes distribution service fees, structuring fees, capital protection fees and income from True Index product
  - Notable fee income earned on the internalisation of the DUET Group and the IPO of a Mexican REIT
- Net interest and trading income down significantly on FY12
  - Lower demand for financing facilities from external funds and their investors, higher funding costs and maturities in the retail book
- Share of net gains of associates benefited from asset sales in unlisted funds

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 Income Statement. 2. Includes investment and loan impairments. 3. Internal revenue allocations are eliminated on consolidation in the Group's statutory Income Statement. 4. Management accounting profit before unallocated corporate costs, profit share and income tax.

Corporate and Asset Finance
Result

	Mar 13 $Am	Mar 12 $Am
Net interest and trading income[1]	579	586
Fee and commission income	37	33
Net operating lease income	415	381
Impairment charges[2]	(54)	(63)
Other income	67	114
Internal management revenue[3]	8	26
Net operating income	**1,052**	**1,077**
Total operating expenses	(358)	(376)
Non-controlling interests	-	(3)
Net profit contribution[4]	**694**	**698**
Loan and finance lease portfolio ($Ab)	17.3	15.9
Operating lease portfolio ($Ab)	5.1	4.7
Staff numbers	957	953

- Net interest and trading income broadly flat on FY12
  - Growth in loan and finance lease portfolios (up 9%) with particularly strong growth in motor vehicles
  - Offset by increased funding costs and growth of the operating lease portfolio
- Net operating lease income up 9% on FY12
  - Full year impact of OnStream acquisition (acquired Oct 11)
  - Rail portfolio acquisitions in Nov 11 and Jan 13
  - Partially offset by lower income from the aviation leasing portfolio following the sale of leased aircraft and aircraft engines in the prior year and further aircraft sales in the current year
- Other income down 41% on FY12 predominantly due to lower levels of asset sales
- Operating expenses down 5% on FY12 due to exiting the aircraft engine leasing business and the disposal of non-core businesses

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 Income Statement. 2. Includes investment and loan impairments. 3. Internal revenue allocations are eliminated on consolidation in the Group's statutory Income Statement. 4. Management accounting profit before unallocated corporate costs, profit share and income tax.

Banking and Financial Services
Result

	Mar 13 $Am	Mar 12 $Am
Net interest and trading income[1]	733	703
Platform and other fee and commission income	368	414
Brokerage and commissions	214	217
Income from life insurance business and other unit holder businesses	63	58
Impairment charges[2]	(43)	(38)
Other income	48	17
Net operating income	**1,383**	**1,371**
Total operating expenses	(1,048)	(1,096)
Net profit contribution[3]	**335**	**275**
FUM / FUA[4] ($Ab)	123.0	118.3
Loan portfolio ($Ab)	23.1	23.7
Retail Deposits ($Ab)	31.0	29.0
Staff numbers	2,848	3,113

- Net interest and trading income up 4% on FY12
  - Retail deposits up 7%, improved volumes in Relationship Banking
  - Partially offset by lower loan portfolio due to the sale/run off of legacy assets
- Platform and other fee and commission income down 11% on FY12 impacted by the sale of the COIN institutional business in Aug 12 and the transfer of Macquarie Professional Series to MFG in Oct 12
- Brokerage and commissions broadly in line with FY12 reflecting continued subdued equity markets conditions
- Other income includes gains on sale of the Canadian Premium Funding business and the investment in COIN
- Operating expenses down 4% on FY12 driven by:
  - Reduced average headcount
  - Cost base management and divestments of non-core businesses
  - Lower cost recoveries as a result of a reduced cost base for central support functions

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 Income Statement and deposit premium paid to BFS by Group Treasury for the generation of deposits. 2. Includes investment and loan impairments. 3. Management accounting profit before unallocated corporate costs, profit share and income tax. 4. Funds under management / advice / administration ('FUM / FUA') includes AUM, funds on BFS platforms (e.g. Wrap FUA), total loan and deposit portfolios, client CHESS holdings and funds under advice (e.g. Macquarie Private Bank).

Macquarie Securities
Result

	Mar 13 $Am	Mar 12 $Am
Brokerage and commissions	450	525
Net interest and trading income[1]	133	227
Other fee and commission income	141	140
Other income	28	1
Net operating income	**752**	**893**
Total operating expenses	(802)	(1,087)
Net (loss) contribution[2]	**(50)**	**(194)**
Staff numbers	1,020	1,187

- Cash equities business profitable in FY13
  - Brokerage and commission income down 14% on FY12 reflecting weak market conditions, offset by increased volumes in the 4th quarter, improved client rankings and reduced operating expenses
- Net interest and trading income down 41% on FY12 due to:
  - Lower contribution from legacy businesses, lower client activity and limited trading opportunities, particularly in the Korean warrant market
  - Impact of legacy/discontinued businesses
  - Partially offset by improved performance in stock borrow/lending and facilitation
- Other fee and commission income broadly in line with FY12
  - ECM down on FY12, market conditions remain subdued
- Other income includes profit on the sale of an investment in an exchange in 2H13
- Operating expenses down 26% on FY12
  - Full year effect of cost management initiatives including selective business rationalisations
  - Further headcount reductions in FY13
- Since FY11 operating expenses (excluding brokerage & commission expenses) down 31% from scaling back and exiting non-core businesses, streamlining teams and consolidating/centralising support operations

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 Income Statement. 2. Management accounting loss before unallocated corporate costs, profit share and income tax.

Macquarie Capital
Result

	Mar 13 $Am	Mar 12 $Am
Fee and commission income	542	573
Investment income[1]	230	243
Net interest and trading expense[2]	(49)	(121)
Impairment charges[3]	(73)	(54)
Loss on change of ownership interest	(40)	-
Internal management revenue[4]	10	17
Net operating income	**620**	**658**
Total operating expenses	(474)	(573)
Non-controlling interests	4	-
Net profit contribution[5]	**150**	**85**
Staff numbers	1,105	1,215

- Fee and commission income down 5% on FY12
  - Continued subdued market conditions leading to lower advisory and ECM income partially offset by improved DCM/Debt Advisory income
  - Advisory and capital markets activity: 447 transactions valued at approx. $A85b (435 transactions valued at approx. $A97b in FY12)
- Investment income down 5% on FY12
  - lower share of equity accounted gains from associates
  - Partially offset by higher gains on sale of principal investments
- Net interest and trading expense down 60% on FY12
  - Increase in investments earning interest income
- Loss on change of ownership interest reflects remeasurement of equity investment reclassified as AVS following IPO
- Operating expenses down 17% on FY12
  - Full year effect of prior year cost management initiatives
  - Further headcount reductions in FY13
- Since FY11 operating expenses (excluding brokerage & commission expenses) down 32% primarily as a result of a reduction in headcount

1. Includes gains/losses from the sale of debt and equity investments, share of net profits of associates and joint ventures accounted for using the equity method, dividend income and the results of consolidated businesses. 2. Includes internal net interest expense and transfer pricing on funding provided by Group Treasury that is eliminated on consolidation in the Group's statutory Income Statement. 3. Includes investment and loan impairments. 4. Internal revenue allocations are eliminated on consolidation in the Group's statutory Income Statement. 5. Management accounting profit before unallocated corporate costs, profit share and income tax.

Fixed Income, Currencies and Commodities

Result

	Mar 13 $Am	Mar 12 $Am
Commodities[1]	713	573
Credit, interest rates and foreign exchange[1]	451	310
Fee and commission income	173	148
Equity investment income	145	200
Impairment charges[2]	(221)	(81)
Other income	25	198
Internal management revenue[3]	17	16
Net operating income	**1,303**	**1,364**
Total operating expenses	(740)	(825)
Net profit contribution[4]	**563**	**539**
Staff numbers	946	949

- Commodities trading income up 24% on FY12
  - Energy markets experienced strong customer flow across the global platform, particularly in the oil business
  - Agricultural markets benefited from increased client flow and trading opportunities
- Credit, interest rates and foreign exchange income increased 45% on FY12
  - Credit Trading: improved markets, particularly high yield and CMBS facilitating good trading opportunities and client flows
  - FI&C stronger performance with improved client flows and lower adverse credit impacts
- Fee and commission income up 17%, reflecting stronger DCM related income and structuring fees from expanded product offering
- Equity investment income down 28% on FY12
  - Subdued market conditions in the resources sector impacted asset realisations
  - FY12 included gain recognised on IPO of Energy Assets Limited
- Impairment charges up significantly due to weaker investor sentiment and confidence in resource equity markets resulting in lower security prices as well as underperformance in certain investments
- Other income down on FY12
  - FY12 included the sale of a net profit interest in a North American oil asset
  - Reduced operating income from prior year disposal of assets including EAL and NPIs
- Operating expenses down 10% on FY12 largely driven by lower cost recoveries as a result of a reduced cost base for central support functions and full year impact of cost management initiatives in the prior year

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 Income Statement. 2. Includes investment and loan impairments. 3. Internal revenue allocations are eliminated on consolidation in the Group's statutory Income Statement. 4. Management accounting profit before unallocated corporate costs, profit share and income tax.

Balance sheet highlights

- Balance sheet remains strong and conservative
  - Term assets covered by term funding, stable deposits and equity
  - Minimal reliance on short term wholesale funding markets
- Surplus funding continues to be deployed whilst maintaining conservative liquidity and funding position
- Retail deposits[1] continuing to grow, up 7% to $A31.0b at Mar 13 from $A29.0b at Mar 12
- $A9.7b of new term funding raised since 31 Mar 12 covering a range of sources, tenors, currencies and product types
- $A2.8b of government guaranteed debt repurchased since 31 Mar 12[2]
  - Plan to launch a public tender to repurchase additional outstanding government guaranteed debt

1. Retail deposits are a subset of total deposits per the funded balance sheet ($A36.2b at 31 Mar 13), which differs from total deposits per the statutory balance sheet ($A41.1b at 31 Mar 13). The funded balance sheet excludes any deposits which do not represent a funding source for the Group. 2. Includes $A1.1b of government guaranteed debt repurchased in Apr 13.

Conservative long standing liquidity risk management framework

Liquidity Policy

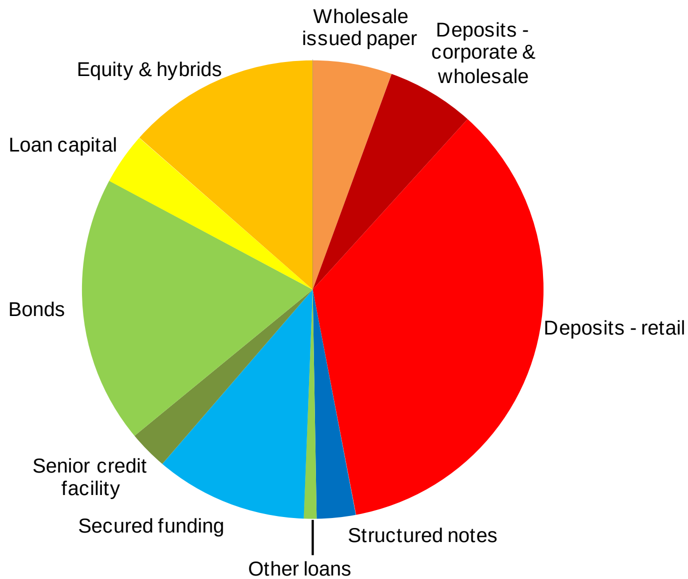
- The key requirement of MGL and MBL's liquidity policies is that the entities are able to meet all liquidity obligations on a daily basis and during a period of liquidity stress:
  - a minimum twelve month period with constrained or no access to funding markets and with only a limited impact on franchise businesses
- Term assets are funded by term liabilities

Liquidity Framework

- A robust liquidity risk management framework ensures 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:
  - Scenario Analysis
  - Unencumbered liquid asset holdings
  - Liability driven approach to funding
- 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

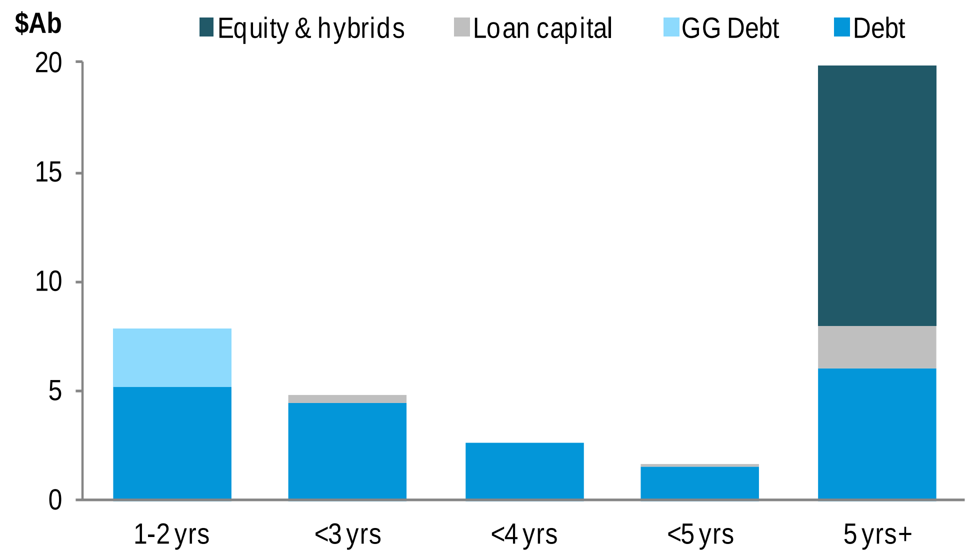
Well diversified funding sources

Diversity of MGL funding sources



- Well diversified funding sources
- Minimal reliance on short term wholesale funding markets

MGL term funding (drawn and undrawn[1]) maturing beyond one year (including equity and hybrids)

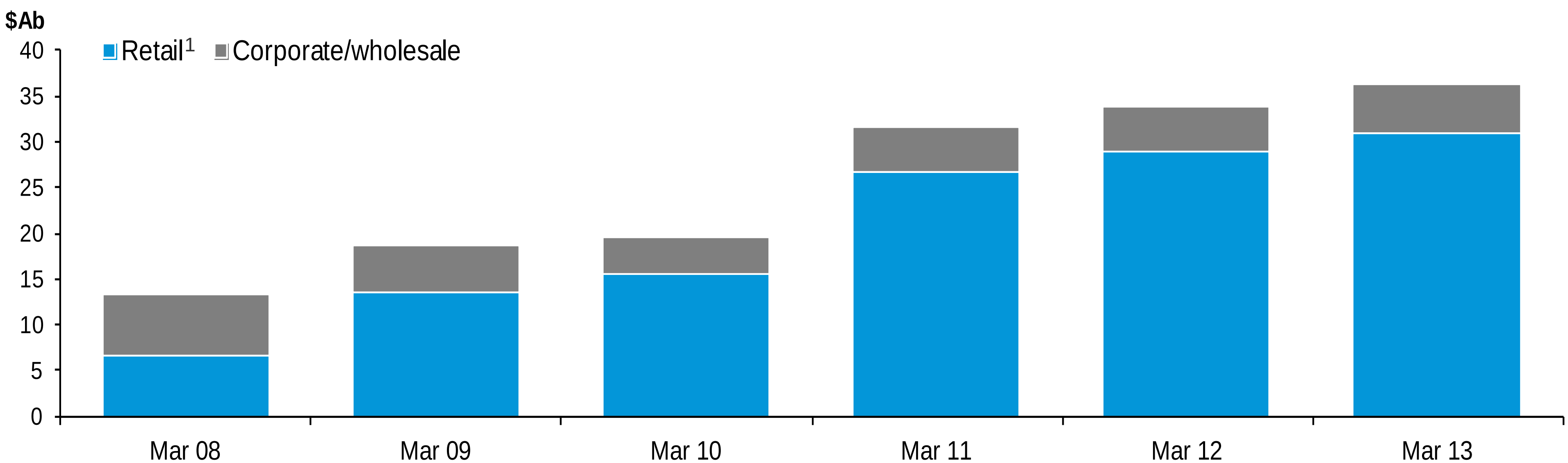


- Term funding beyond one year (excluding equity) has a weighted average term to maturity of 4.4 years

1. Term facilities for the Group were fully drawn as at 31 Mar 13.

Continued deposit growth

- Macquarie has been successful in pursuing its strategy of diversifying its funding sources through growing its deposit base
  - Represents in excess of 40% of the Group's funding sources
  - 600,000+ retail depositors
  - Focus on the composition and quality of the deposit base
  - Continue to grow deposits in the CMA product which has an average balance of $A40k



1. Retail deposits are those placed with the Banking and Financial Services Group and includes products such as the Cash Management Account, Term Deposits and Relationship Banking deposits. Retail counterparties primarily consist of individuals, self-managed super funds and small-medium enterprises.

Loan portfolio[1] growth
Funded Balance Sheet

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Category	Mar 13 $Am	Mar 12 $Am
Mortgages:		
Australia	6.8	3.0
United States	0.7	0.7
Canada	6.7	8.2
Other	0.2	0.1
Total mortgages	**14.4**	**12.0**
Structured investments	3.6	2.9
Banking	4.0	4.0
Real Estate	2.3	1.8
Resources and commodities	2.3	1.8
Finance leases	4.2	2.9
Corporate lending	5.6	6.3
Other lending	1.4	0.9
	37.8	**32.6**
Operating leases	5.1	4.8
Total loan assets per funded balance sheet[2]	**42.9**	**37.4**

1. For the purposes of this disclosure, loan assets at amortised cost per the statutory balance sheet of $A49.1b at 31 Mar 13 ($A45.2b at 31 Mar 2012) are adjusted to include fundable assets not classified as loans on the statutory balance sheet (for example, assets subject to operating leases) and exclude loan assets that do not represent a funding requirement of the Group. 2. Total loan assets per funded balance sheet includes self securitisation assets.

Equity investments of $A5.2b[1]

Category	Carrying value[2] Mar 13 $Am	Carrying value[2] Mar 12 $Am	Description
Macquarie Funds (MIRA) managed funds	1,143	871	Macquarie Atlas Roads, Macquarie SBI Infrastructure Company, Macquarie Infrastructure Company, Macquarie International Infrastructure Fund, Macquarie Korea Infrastructure Fund, Macquarie European Infrastructure Funds and Macquarie Mexican REIT
Other Macquarie managed funds	302	222	Includes investments that hedge DPS plan liabilities
Transport, industrial and infrastructure	1,649	1,818	Includes investments in Sydney Airport
Telcos, IT, media and entertainment	646	686	Includes investments in Cumulus Media Inc. and Southern Cross Media Group Limited
Energy, resources and commodities	588	621	Approximately 150 separate investments
Real estate investment, property and fund management	578	761	Represents property and JV investments/loans. Includes investments in MGPA, Spirit Finance and Charter Hall Limited
Finance, wealth management and exchanges	319	318	Includes investments in fund managers, investment companies, securities exchanges and other corporations in the financial services industry. Significant investments include M.D. Sass and OzForex
Debt investment entities	-	22	Sale of Diversified CMBS Investments Inc. in FY13
	5,225	5,319	

1. Equity investments per the statutory balance sheet of $A7,582m (Mar 12: $A7,375m) have been adjusted to reflect the total economic exposure to Macquarie. 2. Total funded equity investments of $A5,468m (Mar 12: $A5,304m), less available for sale reserves of $A365m (Mar12: $A144m) and associate reserves of $Anil (Mar 12: $A(25)m), plus other assets of $A122m (Mar 12: $A134m).

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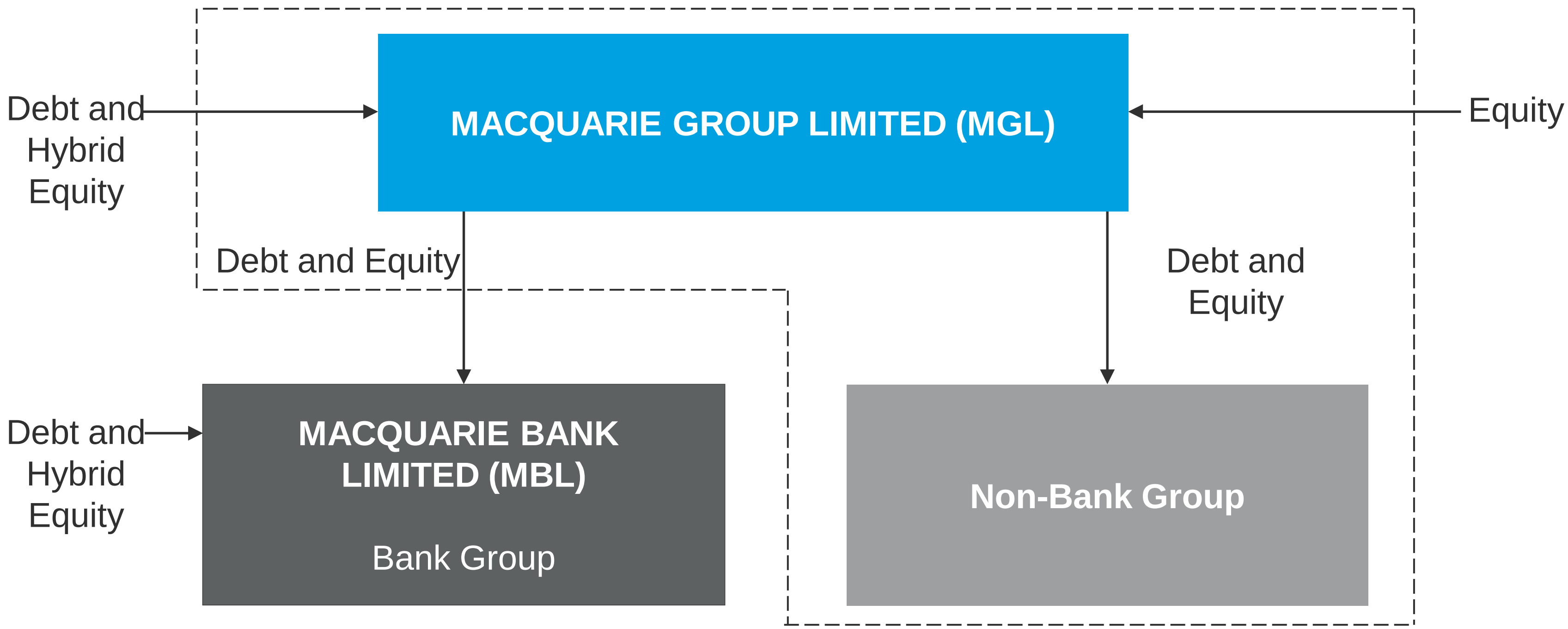
Appendix

Additional Information - Funding

Group funding structure

- MGL and MBL are the Group'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 predominantly to the Non-Bank Group



Funded balance sheet reconciliation

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

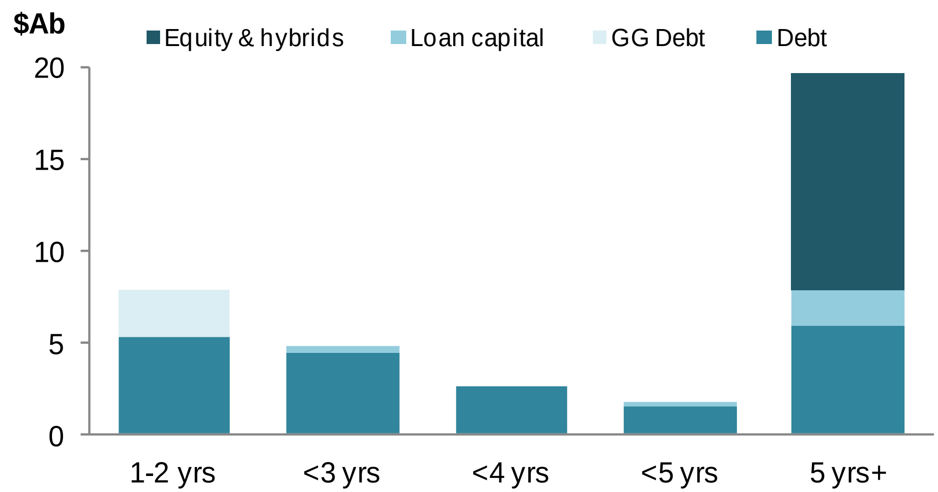
	Mar 13 $Ab	Mar 12 $Ab
Total assets per Statutory Balance Sheet	**150.8**	**153.6**
Deductions:		
Self funded trading assets	(13.6)	(10.0)
Derivative revaluation accounting gross-ups	(14.4)	(20.5)
Life investment contracts and other segregated assets	(11.5)	(9.0)
Outstanding trade settlement balances	(7.7)	(9.2)
Short-term working capital assets	(5.2)	(5.7)
Less non-recourse funded assets:		
Securitised and non-recourse assets	(10.8)	(13.0)
Total assets per Funded Balance Sheet	**87.6**	**86.2**

Funding for the Group
31 March 2013

	Mar 13 $Ab	Mar 12 $Ab
Funding sources		
Negotiable certificates of deposits	1.4	1.7
Commercial paper	3.5	4.6
Net trade creditors	-	0.2
Structured notes	2.4	2.3
Secured funding	9.4	10.9
Bonds	16.5	14.0
Other loans	0.7	0.4
Senior credit facility	2.4	3.2
Retail deposits	31.0	29.0
Corporate and wholesale deposits	5.2	4.9
Loan capital[1]	3.2	3.3
Equity and hybrids[2]	11.9	11.7
Total funding sources	**87.6**	**86.2**
Funded assets		
Cash and liquid assets	19.8	23.2
Self securitisation[3]	6.2	3.0
Net trading assets	15.1	15.9
Loan assets < 1 year	9.9	7.7
Loan assets > 1 year	26.8	26.7
Debt investment securities	2.3	2.5
Co-investment in Macquarie-managed funds and other equity investments	5.5	5.4
Property, plant & equipment and intangibles	1.7	1.8
Net trade debtors	0.3	-
Total funded assets	**87.6**	**86.2**

- Well diversified funding sources
- Minimal reliance on short term wholesale funding markets
- Deposit base represents 41% of total funding sources
- Term funding beyond one year (excluding equity) has a weighted average term to maturity of 4.4 years

MGL term funding (drawn and undrawn[4]) maturing beyond one year (including equity and hybrids)



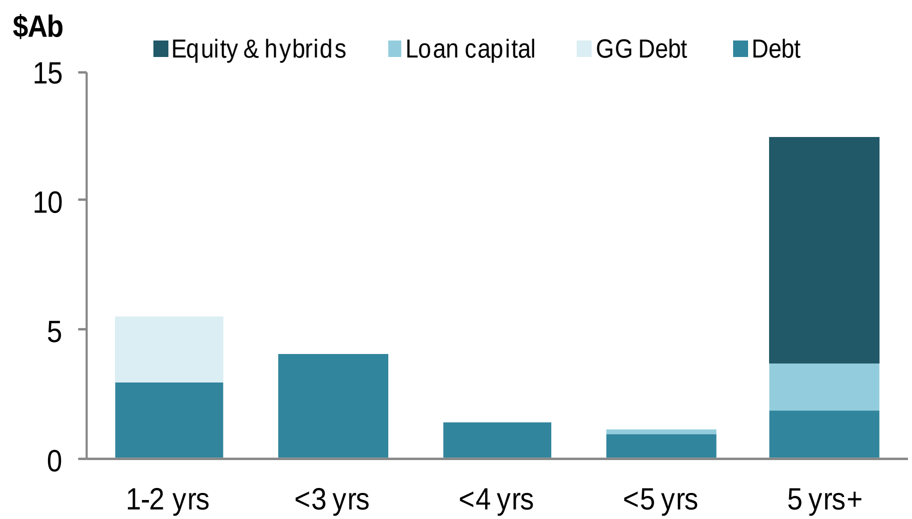
1. This includes Convertible Preference Securities of $A0.6b, Preferred Membership Interests of $A0.4b and Exchangeable Capital Securities of $A0.2b. 2. Equity and hybrids include ordinary capital, Macquarie Income Securities of $A0.4b and Macquarie Income Preferred Securities of $A0.1b. 3. Includes repo eligible Australian mortgages originated by Macquarie. 4. Term facilities for the Group were fully drawn as at 31 Mar 13.

Funding for the Bank Group
31 March 2013

	Mar 13 $Ab	Mar 12 $Ab
Funding sources		
Negotiable certificates of deposits	1.4	1.7
Commercial paper	3.5	4.6
Net trade creditors	-	0.7
Structured notes	1.4	1.7
Secured funding	9.3	10.7
Bonds	10.7	9.5
Other loans	0.5	0.1
Retail deposits	31.0	29.0
Corporate and wholesale deposits	5.2	4.9
Loan capital[1]	2.2	2.3
Equity and hybrids[2]	8.7	9.2
Total funding sources	**73.9**	**74.4**
Funded assets		
Cash and liquid assets	18.0	20.9
Self securitisation[3]	6.2	3.0
Net trading assets	14.5	14.5
Loan assets < 1 year	9.6	7.3
Loan assets > 1 year	25.7	25.8
Debt investment securities	2.1	2.3
Non-Bank Group deposit with MBL	(4.2)	(1.7)
Co-investment in Macquarie-managed funds and other equity investments	1.1	1.4
Property, plant & equipment and intangibles	1.0	0.9
Net trade debtors	(0.1)	-
Total funded assets	**73.9**	**74.4**

- Bank balance sheet remains very liquid, well capitalised and with a diversity of funding sources
- Term funding beyond one year (excluding equity) has a weighted average term to maturity of 3.6 years
- During FY13 accessed term funding in new markets including Switzerland, Korea and Taiwan

MBL term funding (drawn and undrawn[4]) maturing beyond one year (including equity and hybrids)



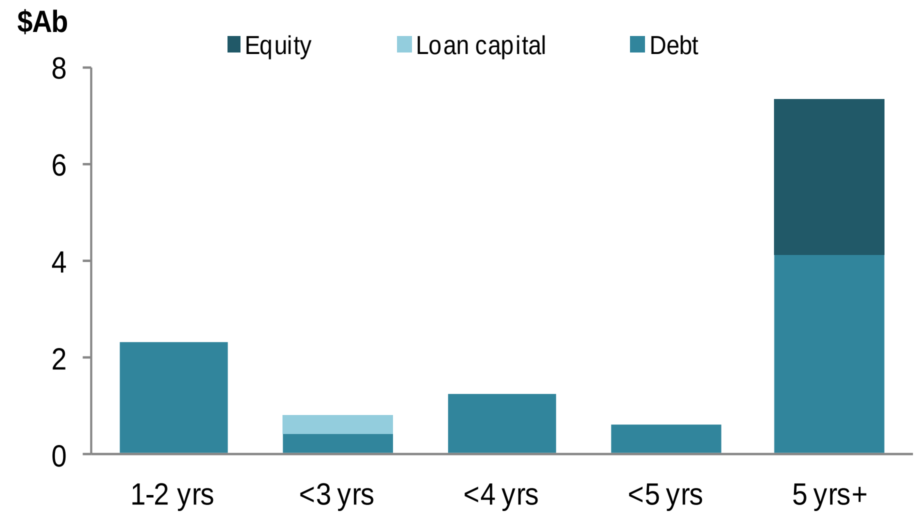
1. This includes Exchangeable Capital Securities of $A0.2b. 2. Equity and hybrids include ordinary capital, Macquarie Income Securities of $A0.4b and Macquarie Income Preferred Securities of $A0.1b. 3. Includes repo eligible Australian mortgages originated by Macquarie. 4. Term facilities for the Bank Group were fully drawn as at 31 Mar 13.

Funding for the Non-Bank Group
31 March 2013

	Mar 13 $Ab	Mar 12 $Ab
Funding sources		
Structured notes	1.0	0.6
Secured funding	0.1	0.2
Bonds	5.8	4.5
Other loans	0.2	0.3
Senior credit facility	2.4	3.2
Loan capital[1]	1.0	1.0
Equity	3.2	2.5
Total funding sources	**13.7**	**12.3**
Funded assets		
Cash and liquid assets	1.8	2.3
Non Bank Group deposit with MBL	4.2	1.7
Net trading assets	0.6	1.4
Loan assets < 1 year	0.3	0.4
Loan assets > 1 year	1.1	0.9
Debt investment securities	0.2	0.2
Co-investment in Macquarie-managed funds and other equity investments	4.4	4.0
Property, plant & equipment and intangibles	0.7	0.9
Net trade debtors	0.4	0.5
Total funded assets	**13.7**	**12.3**

- Non-Bank Group is predominantly term funded
- Term funding beyond one year (excluding equity) has a weighted average term to maturity of 5.9 years
- During FY13 accessed term funding in new markets including South Africa, Korea and US municipal market

Non-Bank Group term funding (drawn and undrawn[2]) maturing beyond one year (including equity)



1. This includes Convertible Preference Securities of $A0.6b and Preferred Membership Interests of $A0.4b. 2. There are no undrawn term facilities in the Non-Bank Group.

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 balance sheet 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. The derivatives are largely matched and this adjustment reflects that the matched positions do not require funding
- **Life investment contracts and other segregated assets:** These represent the assets and liabilities that are recognised where Macquarie provides products such as investment-linked policy contracts. The policy (contract) liability will be matched by assets held to the same amount and hence does 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 at the same time by brokers on other trades (receivables)
- **Short-term working capital assets:** As with the broker 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
- **Securitised and 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 or transferred to external funding warehouses

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Appendix

Additional Information - Capital

Macquarie Group Basel III regulatory capital
Surplus calculation

31 March 2013	Harmonised Basel III $Am	APRA Basel III $Am	
Macquarie Group eligible capital:			
Bank Group Gross Tier 1 capital	8,955	8,955	
Non-Bank Group eligible capital	3,993	3,993	
Eligible capital	12,948	12,948	(a)
Macquarie Group capital requirement:			
Bank Group contribution			
Risk-Weighted Assets (RWA)	62,457	58,360	
Capital required to cover Risk-Weighted Assets[1]	4,372	4,085	
CET1 and Additional Tier 1 deductions	1,042	2,636	
Total Bank Group contribution @ 7% RWA	5,414	6,721	
Total Non-Bank Group contribution	3,150	3,150	
Total Macquarie Group capital requirement @ 7% RWA	8,564	9,871	(b)
Macquarie Group regulatory capital surplus @ 7%	**4,384**	**3,077**	**(a)-(b)**
Additional capital requirement required to maintain 8.5% Tier 1 ratio in Bank	937	876	(c)
Macquarie Group regulatory capital surplus @ 8.5%	**3,447**	**2,201**	**(a)-(b)-(c)**

1. Calculated at the internal minimum Tier 1 ratio of the Bank Group, which is 7%.

Macquarie Group Harmonised Basel III regulatory capital - Bank Group contribution

31 March 2013	Risk-weighted assets $Am	Tier 1 Deductions $Am	Capital Requirement[1] $Am
Credit risk			
On balance sheet	31,594		2,211
Off balance sheet	11,102		777
Credit risk total	42,696		2,988
Equity risk	4,618		323
Market risk	4,536		318
Operational risk	8,125		569
Other[2]	2,482	1,042	1,216
Bank Group contribution to Group capital calculation	62,457	1,042	5,414

1. The capital requirement is calculated as the capital required for RWA, at the internal minimum Tier 1 ratio of the Bank Group (7%), plus Tier 1 deductions 2. Includes securitisation and 6% IRB uplift.

Macquarie Group regulatory capital – Non-Bank Group contribution

- APRA has specified a regulatory capital framework for MGL
- 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 some 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 79% of face value; average 51%
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, e.g. fixed assets, goodwill, intangible assets, capitalised expenses and certain minority stakes in associated companies or stakes in joint ventures. 2. Includes all Bank Book equity investments, plus net long Trading Book holdings in financial institutions.

Macquarie Group regulatory capital – Non-Bank Group contribution

31 March 2013	Assets $Ab	Capital Requirement $Am	Equivalent Risk Weight
Funded assets			
Cash and liquid assets	1.8	20	14%
Loan assets[1]	1.4	149	133%
Assets held for sale[2]	-		
Debt investment securities	0.2	5	30%
Co-investment in Macquarie-managed funds and equity investments	4.3	2,121	617%
Co-investment in Macquarie-managed funds and equity investments (relating to investments that hedge DPS plan liabilities)	0.1		
Property, plant & equipment and intangibles[3]	0.7	290	518%
Non-Bank Group deposit with MBL	4.2		
Net trading assets	0.6		
Net trade debtors	0.4		
Total Funded Assets	**13.7**	**2,585**	
Self-funded and non-recourse assets			
Self-funded trading assets	0.3		
Broker settlement balances	4.1		
Derivative revaluation accounting gross-ups	0.2		
Non-recourse funding	0.1		
Working capital assets	2.9		
Total self-funded and non-recourse assets	**7.6**		
TOTAL NON-BANK GROUP ASSETS	**21.3**		
Off balance sheet exposures, operational, market and other risk, and diversification offset[4]		565	
NON-BANK GROUP CAPITAL REQUIREMENT		**3,150**	

1. Includes leases. 2. Assets held for sale are no longer shown as a separate category, consistent with the accounting treatment. 3. A component of the intangibles relating to the acquisitions of Orion Financial Inc and Tristone Capital Global Inc are supported 100% by exchangeable shares. These exchangeable shares have not been included in eligible regulatory capital. 4. Capital associated with net trading assets (e.g. market risk capital) and net trade debtors has been included here.

Macquarie Group Limited

20th CLSA Investors' Forum

24-25 September 2013

Patrick Upfold, Chief Financial Officer

Karen Khadi, Head of Investor Relations