



Corporate and Asset Finance

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Macquarie Group Limited

Operational Briefing - 9 February 2010

Presentation to Investors and Analysts



CAF – Snapshot

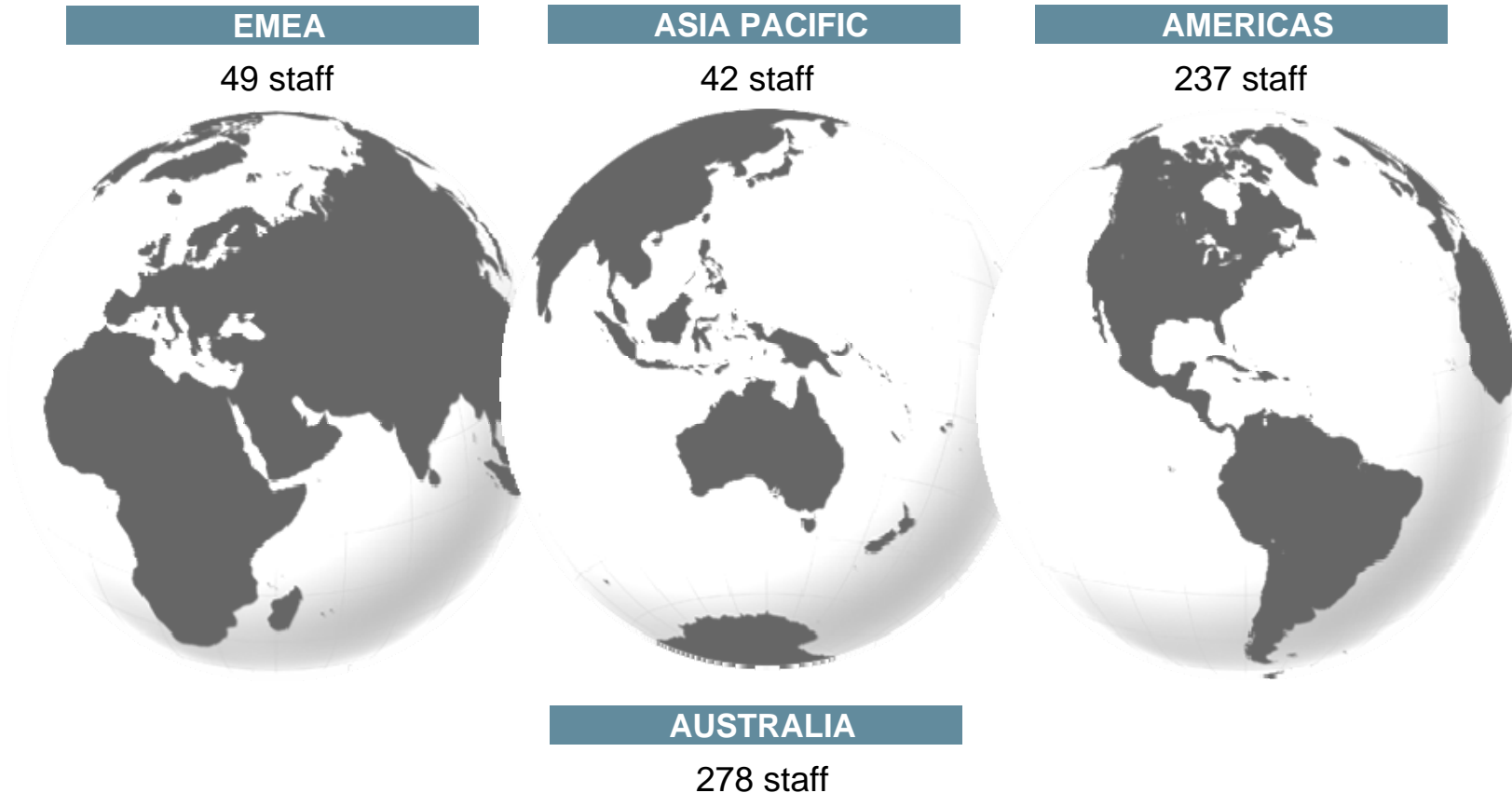
- Corporate and Asset Finance (“CAF”) provides finance (since 1970) and asset management solutions (since mid 1990’s) to retail, corporate and government customers in 36 countries
- Customer solutions are for:
 - Shorter life cycle assets
 - Motor vehicles, information technology, communications, security and medical
 - Longer life cycle assets
 - Transportation (such as rail cars and aviation engines), manufacturing and infrastructure/energy
- CAF provides full asset management services for its customers including design, procurement, installation, maintenance and end of life cycle
- CAF delivers value to its customers in relation to certain assets where we have long standing expertise and knowledge through managing key risks such as liquidity and asset risk



Global presence

Over 600 staff¹

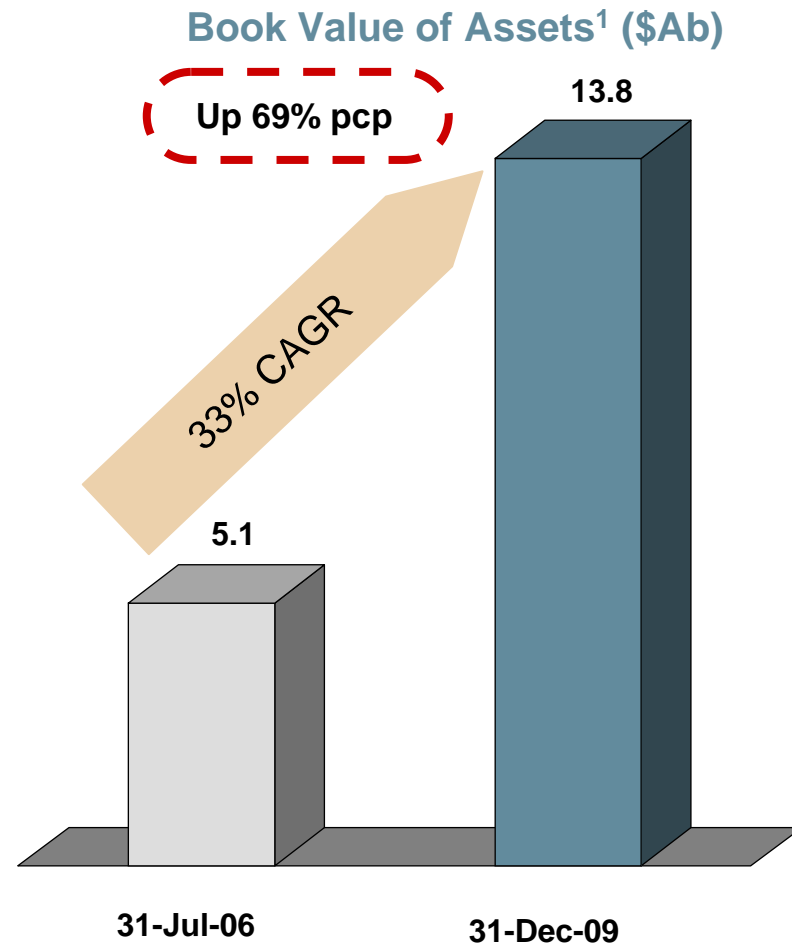
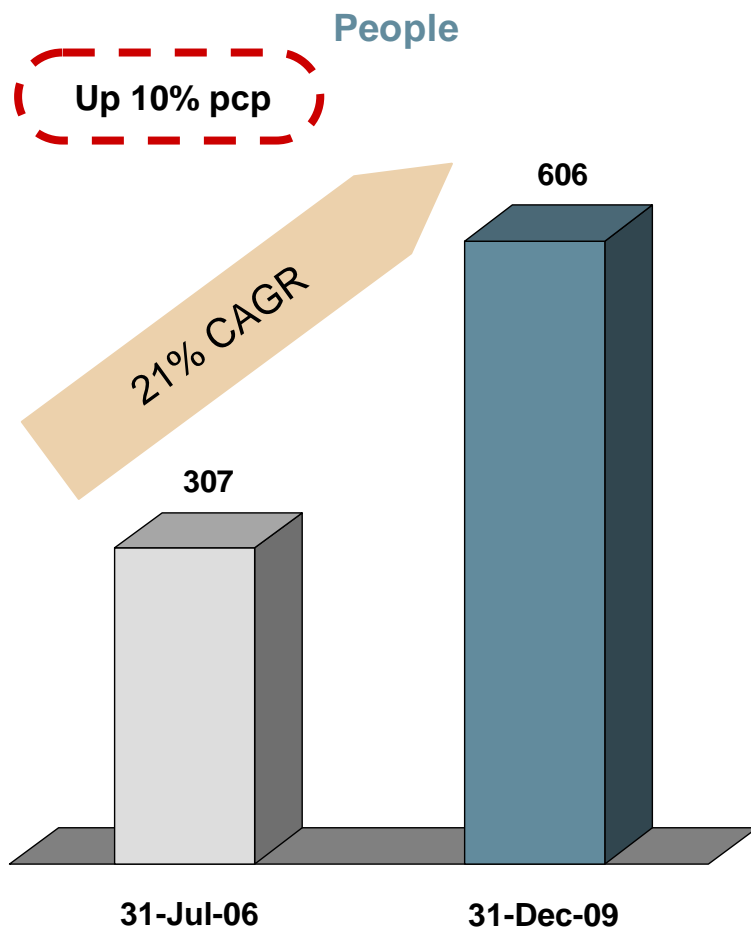
Our strong global investment in people has given us the capability to deliver value to our customers in multiple markets around the world



1. Staff numbers at 31 Dec 09



Track record of growth



1. This includes assets funded both internally through Macquarie Group Treasury and external sources



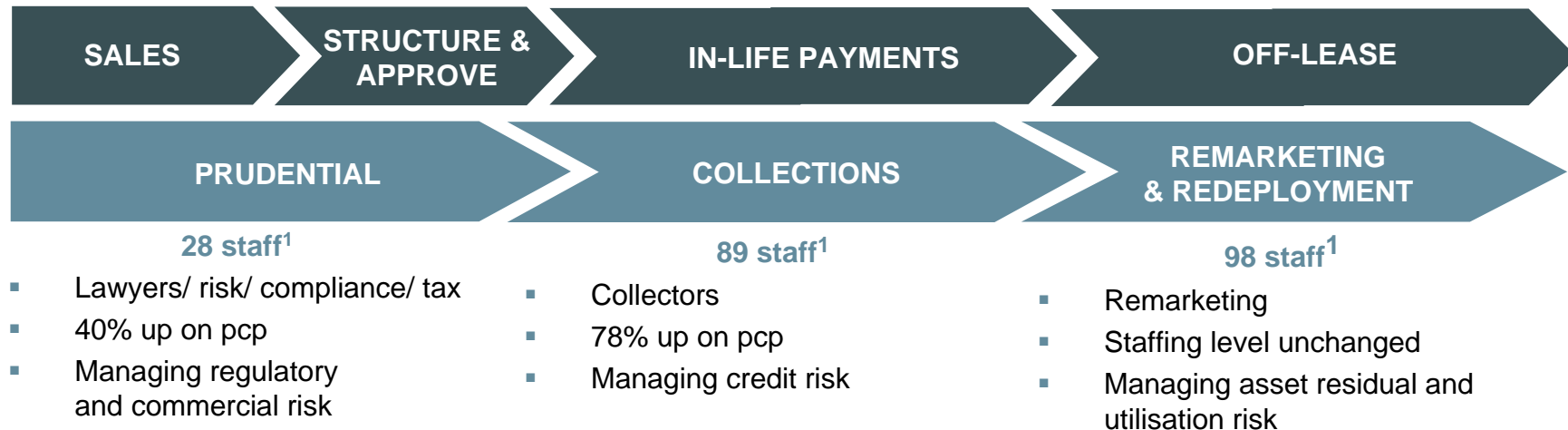
CAF business mix

	Principal Collateral	Customers	Funded Assets ¹	Income Contribution YTD (%) ²
Short Cycle	IT/ communications/ security/ medical/ motor vehicles	200,000	\$A6.4b	29%
Long Cycle	Transport/ manufacturing/ energy	Over 400	\$A0.7b	2%
Lending	Corporate covenant/ asset	Over 120	\$A6.7b	69%

Data as at 31 Dec 09 1. This includes assets funded both internally through Macquarie Group Treasury and external sources. 2. Income contribution based on net profit before tax and profit share



Risk management process



CAF Risk – Independent Oversight

- Periodic reviews of credit and asset risk
- Formal approval process for new businesses/ new products/ transactions

Macquarie Risk Management Group

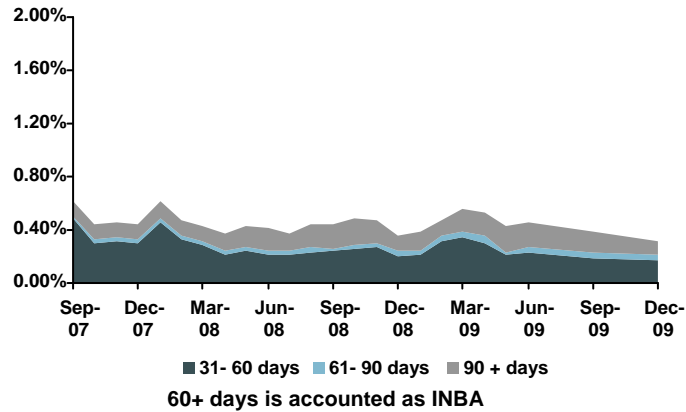
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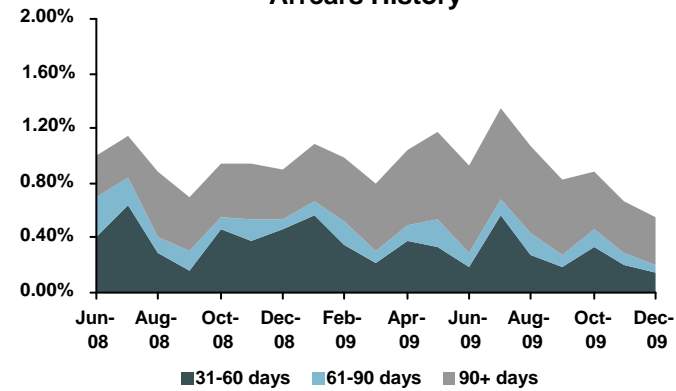
Risk management results

Short Cycle Assets – Delinquencies are low despite market conditions

Motor Vehicles Arrears History

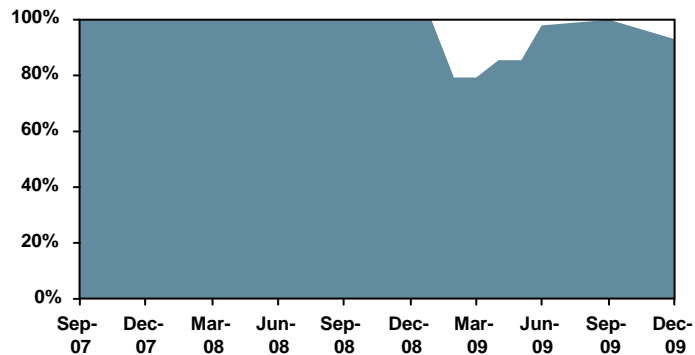


IT/ communications/ security/ medical Arrears History

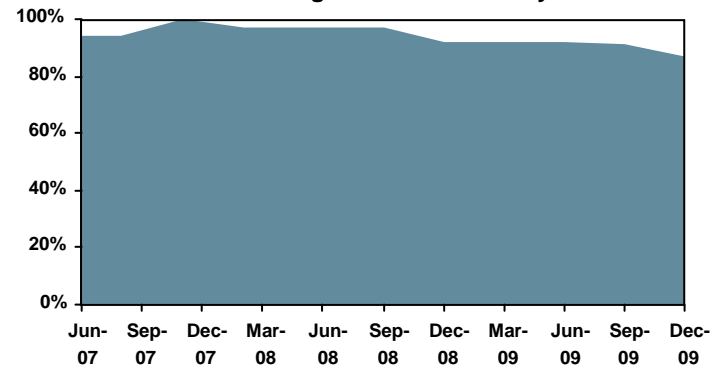


Long Cycle Assets – Utilisation is high across CAF's long-life assets

Rail – Utilisation by BV



Aircraft Engines – Utilisation by BV

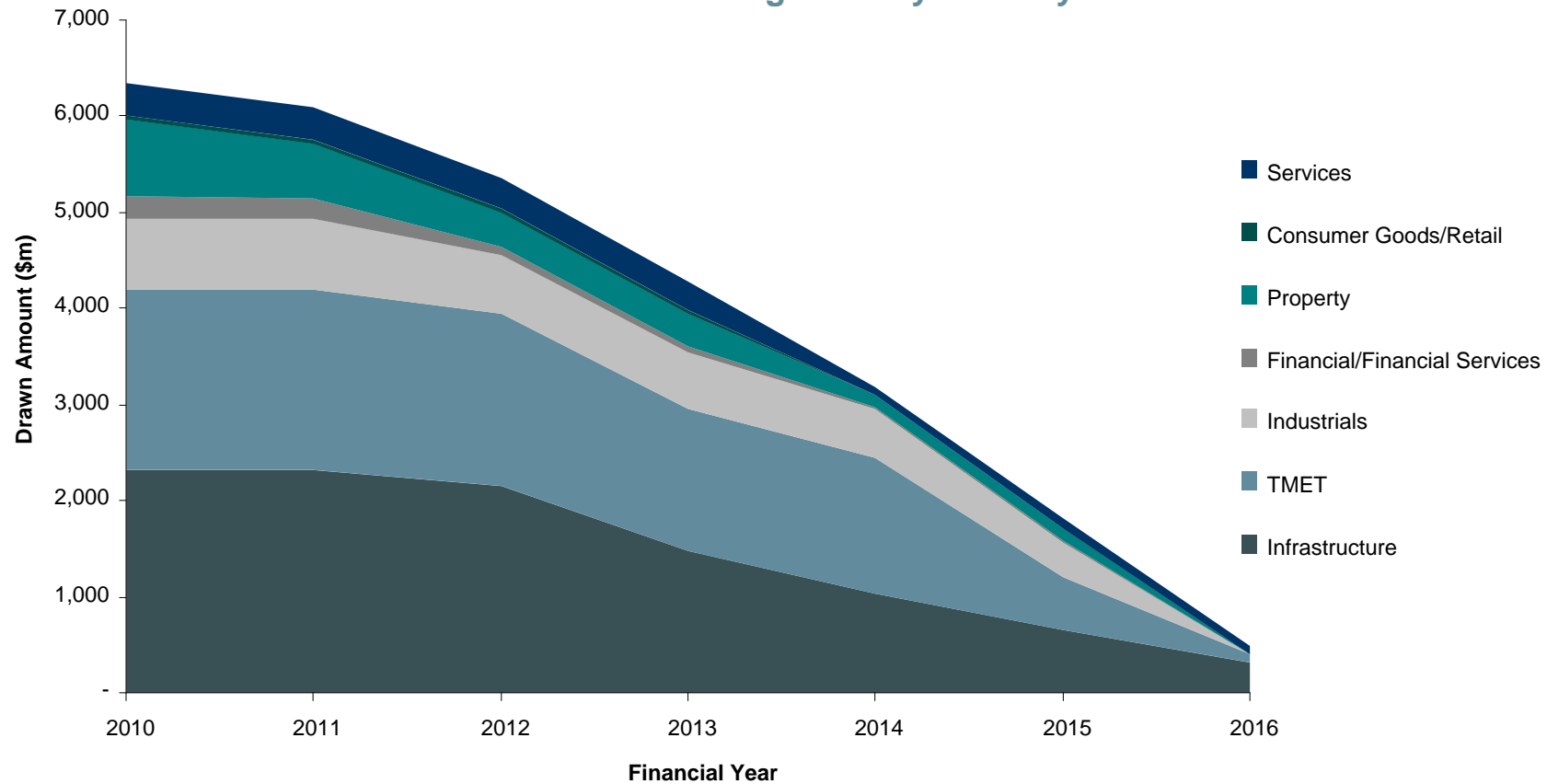




Loans to customers

Well diversified corporate lending portfolio consisting mainly of strong senior secured credits

Drawn Amount of Lending Book by Industry





Operating environment – customers and competitors

Customer demand for leasing products is increasing due to:

- Liquidity constrained customers having fewer financing options
- Existing customers choosing to extend leases rather than terminate if the asset is required in the business plan
- A growing customer need for flexibility and to match cash flows with the business plan
- A growing customer need for asset management through the life cycle (whether long or short)

Competitive environment

- Competitors continue to exit or reduce participation, facilitating improved terms for certain lease/ lending transactions compared to pre-GFC environment
- Due to the fall in competition, opportunities for our businesses to grow into vendor markets and adjacent asset classes have emerged



Example of recent transaction – Ford Credit Australia (FCA)

- Macquarie Leasing (ML) offers a wide range of auto finance/ insurance products to business/ retail customers in Australia
- On 1 Oct 09, ML acquired a \$A1b portfolio of auto leases/ loans from FCA
- 60,000 cars and a similar number of customers
- On 31 Dec 09, day-to-day management of the portfolio was transitioned

ML:

- Is now one of the larger independent providers of auto leases/ loans in Australia with approximately 200,000 vehicles financed/ managed
- Finances approximately 4,000 cars per month



Example of recent transaction – Relational Technology Services (RTS)

- Macquarie Equipment Finance (MEF) entered in to an agreement to service a portfolio of \$US500m of leases on behalf of RTS – the No. 5 independent US lessor
- We have hired select RTS sales staff from 1 Jan 10
- Expected incremental 25% increase on current leasing sales volumes
- Anticipate acquiring a services business from RTS which will add a suite of services based around the provision, installation and deinstallation of network and communications equipment for corporate customers



Outlook

Organic Growth

- Customer demand leading to higher lease volumes across most asset classes
- Strong customer demand for loans

Acquisitions

- Continually evaluating opportunities to purchase operating platforms and portfolios that meet strategic goals and risk/return criteria

Remarketing/ Redeployment

- Improving demand in secondary markets
 - Certain sectors remain challenged



Summary

- Increased market share in existing leasing businesses
- Further expansion through vendor relationships and movement into adjacent asset classes
- Increased lending in line with customer needs
- Continued acquisition of portfolios of assets at attractive prices:
 - Ford Credit Australia
 - Loan Portfolios



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