



MACQUARIE

Fixed Income, Currencies and Commodities

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Group Head

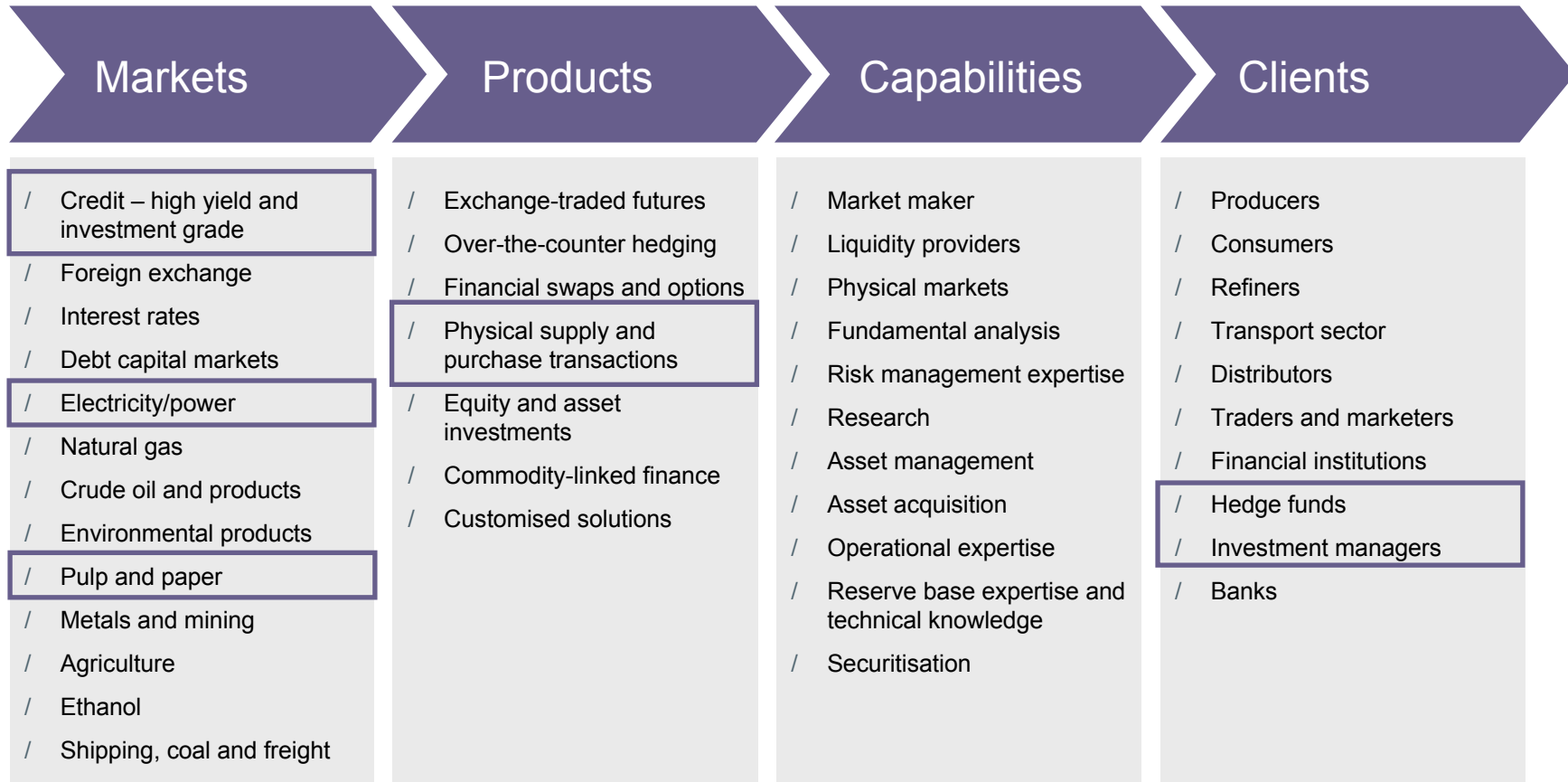
Macquarie Group Limited

Operational Briefing

8 February 2011 – Presentation to Investors and Analysts



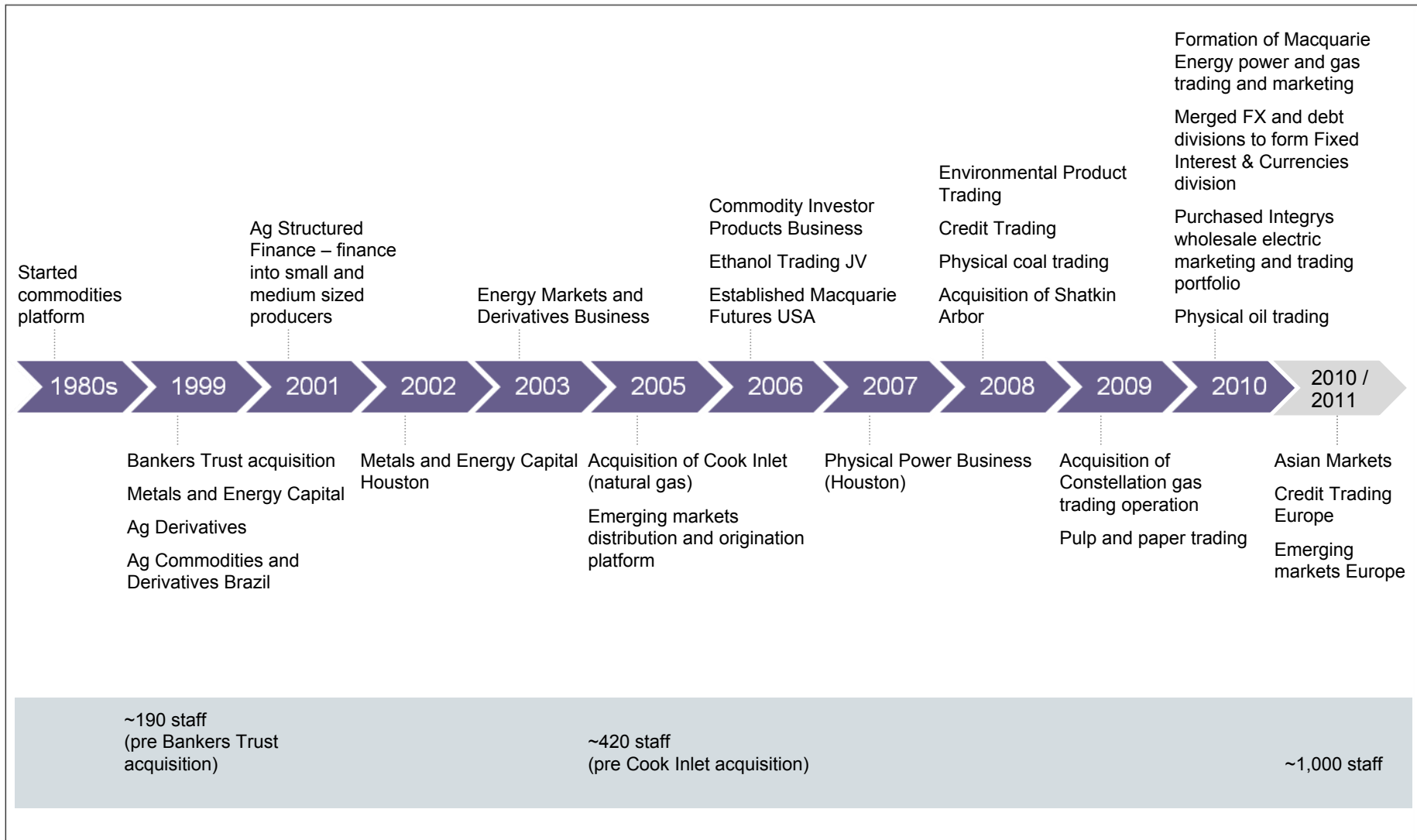
FICC offers a broad range of products, services and clients



 = examples of new markets



FICC has consistently evolved





MACQUARIE

Positioning ourselves for growth

- Continue to build upon a cycle-resilient portfolio of businesses – recent growth initiatives include:
 - Establishment of FICC’s Asian regional hub in Singapore comprising new Asian Markets business (Asian rates, currencies and credit)
 - Transformation from Sydney based, 24-hour currency service provider to global business with hubs in Sydney, New York, London and Singapore
 - Continued build of US credit sales capability with the addition of a commercial mortgage finance and commercial mortgage-backed securities team in New York
 - Expansion of credit trading offering into Europe
 - Expansion of repo, rates and credit offering to include European emerging markets



Established regional hubs with full functionality and support

~ 1,000 staff in 25 locations and in 14 countries globally

EMEA

- LONDON HUB
Dec 09 headcount: 132
Dec 10 headcount: 166
- Full complement of commodities offering, including a presence in the Middle East
- Futures clearing and execution
- Building up coverage of financials (rates, currencies, credit)

AMERICAS

- NEW YORK HUB
Dec 09 headcount: 133
Dec 10 headcount: 179
- HOUSTON ENERGY HUB
Dec 09 headcount: 200
Dec 10 headcount: 208
- plus Canada and Brazil
- Full complement of services across commodities and financials (rates, currencies, credit)
- Increasing reach into institutional clients

ASIA

- SINGAPORE HUB
Dec 09 headcount: 6
Dec 10 headcount: 61
- Recently completed phase 1 build out
- Asian Markets offering Asian credit, rates and currencies
- Singapore bank branch licence imminent
- Korean bank branch licence now includes OTC derivatives
- Next bank licence is India
- Others to follow

AUSTRALIA/ NEW ZEALAND

- Full complement of services
- Australia specific offerings in debt, securitisation and futures
- Central services

< 30% of staff are located in Australia



Regional growth initiatives

EMEA

- Continued expansion of credit trading offering including major and emerging markets
- Establishment of a presence in the Middle East

Asia

- Continued development of FICC's regional hub in Singapore
- Extension of agricultural OTC, energy OTC and physical oil
- Extension of Macquarie Bank Limited Seoul Branch

Americas

- Credit Trading addition of commercial mortgage finance and commercial mortgage-backed securities business
- Macquarie-wide integrated team approach to energy clients
- Obtained ICE US membership allowing futures clearing

Australia

- Continued transformation from Sydney based, 24-hour currency provider to a global business with hubs in Sydney, New York, London and Singapore



FICC focus on Asia

Focus on growth opportunities in Asia:

- FICC has well established businesses in Australia, the US and the UK
- To date FICC's presence in Asia has centred around select physical and financial commodity plays:
 - Energy markets
 - Agriculture
 - Physical oil
- The establishment of the Asian Markets business in 2010 represents a significant investment in the region and an important step in completing FICC's global product and service offering

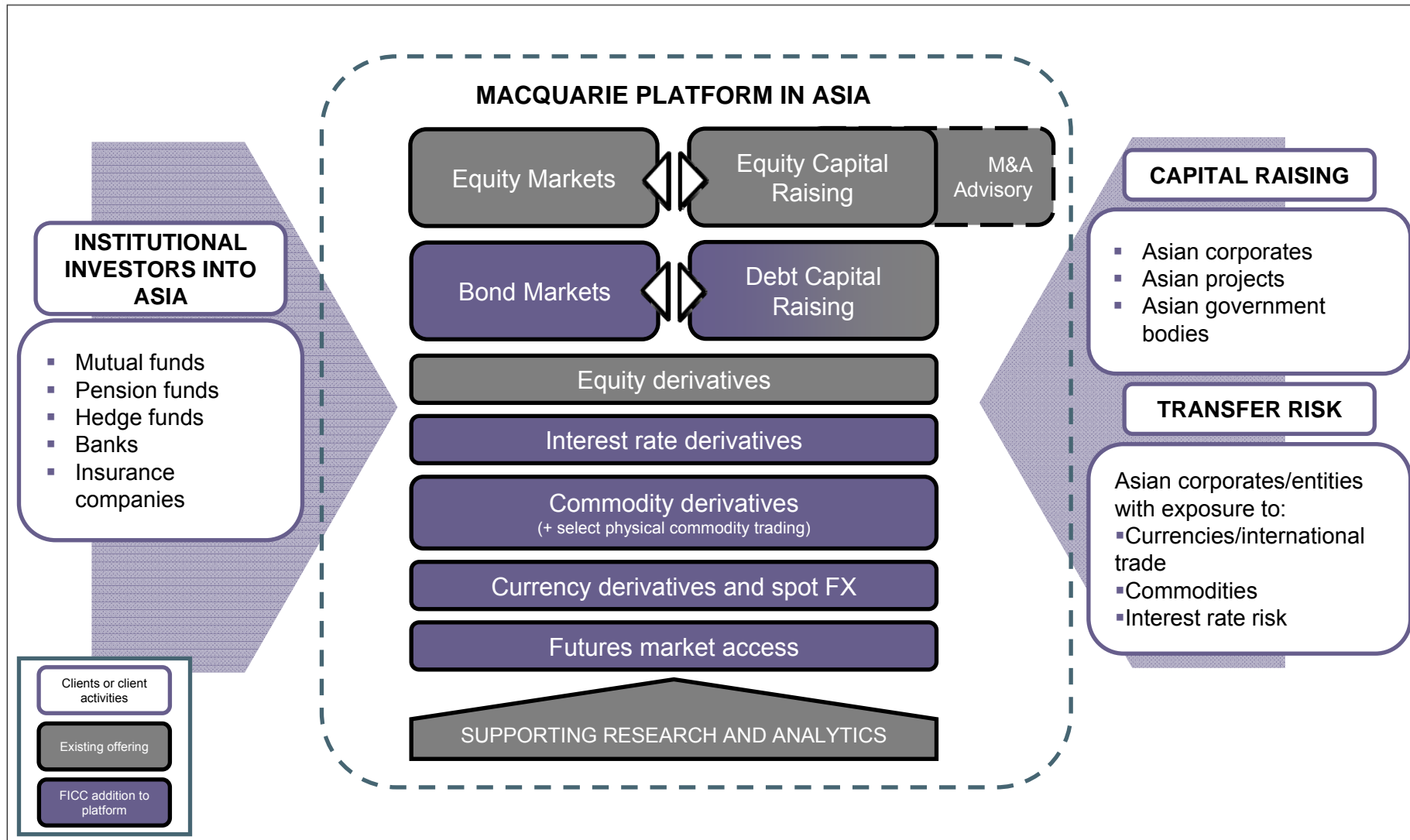


FICC Asia – select commodities offering

Agriculture	Energy Markets	Physical Oil
<ul style="list-style-type: none">▪ Global reach, local expertise▪ OTC risk management and tailored customer solutions▪ Focus on corporates in Asia for:<ul style="list-style-type: none">— grain/oilseed (wheat, canola, corn, soybean)— sugar (raw and refined)— cotton— coffee, cocoa— palm markets▪ Specialists in agricultural commodity financing	<ul style="list-style-type: none">▪ Global presence in energy derivatives▪ Cash-flow hedging solutions in:<ul style="list-style-type: none">— individual crudes and refined products— oil index-linked LNG— pipelines gas formulae— baskets of energy price risk▪ Hedging instruments include both vanilla and exotic products	<ul style="list-style-type: none">▪ Global strategy with an Asian focus▪ Term storage contract and crude supply agreements with some of the largest Asian refineries▪ Core trading relationships in Singapore, Korea, China, Japan, India and Australia▪ Traditional crude/product sourcing and off-take▪ Associated financing of inventory in-tank or on-water▪ Embedded price risk management solutions



Growing FICC's Asian presence rounds out Macquarie's platform in Asia





FICC Asian Markets' capabilities

Asian Markets is a risk and client focussed business across asset classes and countries



South Korea



Singapore



Hong Kong



India



China

- Access to Asian rates, credit and currencies to pension funds, hedge funds and other institutional investors
- Covering all key countries in Asia
- Supported by branches in Korea, and soon in Singapore and Hong Kong and complemented by Macquarie securities licences across Asia



The Asian Markets capabilities

- Offering access to Asian rates, credit and currencies to pension funds, hedge funds and other institutional investors interested in Asia
- Solution led approach providing active trading support to clients

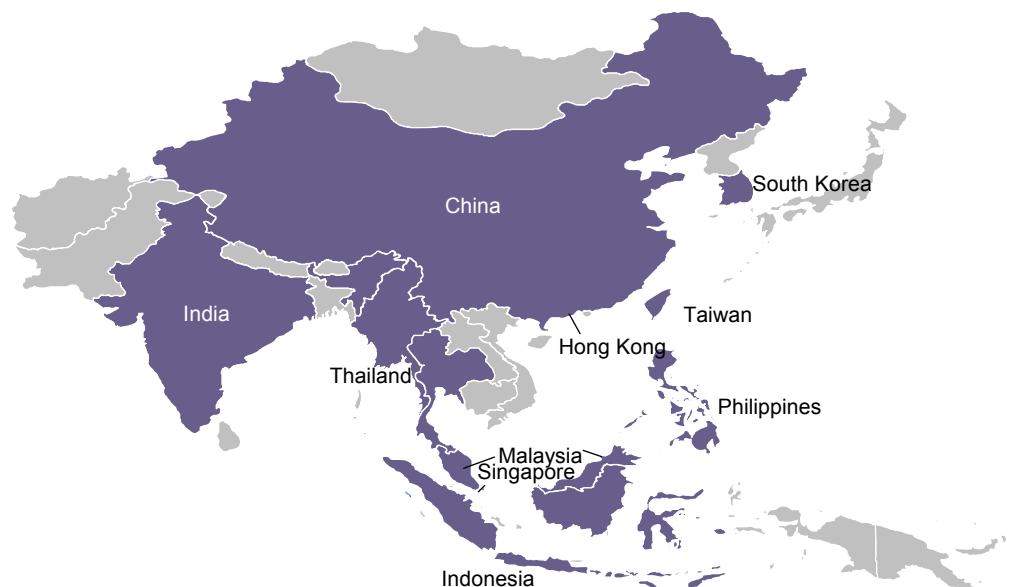
Foreign Exchange	Interest Rates	Credit
<ul style="list-style-type: none">▪ Spot and Forwards▪ Non-deliverable forwards▪ Currency options▪ FX strategy	<ul style="list-style-type: none">▪ Interest rate swaps▪ Interest rate options▪ Cross currency swaps▪ Corporate risk management solutions▪ Structured products▪ Rates strategy	<ul style="list-style-type: none">▪ Local currency and G3 Asian corporate bonds – high yield and investment grade▪ Private debt▪ Credit default swaps▪ Total return swaps / credit linked notes▪ High yield debt capital markets▪ Credit strategy



Asian Markets – product offering

Credit

- Secondary trading in Asian investment grade bonds covering sovereigns, quasi-sovereigns, corporates and financial institutions
- Active price makers in select investment grade bonds and Asian sovereigns
- Secondary trading in Asian high yield bonds focusing on China and resource centric issuers in Indonesia



FX & Interest Rates

- Active price maker in all 10 Asian currencies specialising in KRW, INR, CNY, MYR, TWD and THB¹

1. THB in interest rates only.



Macquarie's debt platform in Asia

- Macquarie's Equity Capital Markets offering has always been integral to our platform in Asia
- Macquarie's debt capital markets and private syndicated loans offerings will add to the strength of the platform
- FICC Asian Markets enhances Macquarie's debt offering via:

Private Syndicated Loans

- Originate, structure and distribute private loans with a focus on Greater China, India and Indonesia
 - Companies in a high growth phase with limited access to traditional sources of capital
- Co-invest alongside other investors in most of the transactions
- Leverage Macquarie's strength in natural resources and infrastructure in offering this product

Investment Grade and High Yield Bonds

- In conjunction with Macquarie Capital, originate, structure and distribute investment grade and high yield bonds with a focus on Greater China and Indonesia
- Primary focus on high yield bonds but may include investment grade issuances from time to time



Summary

- FICC has transitioned to a truly global platform
 - Significantly completing our regional coverage
 - Recruited an experienced Asian markets team and grown our Asian footprint
 - Rounded the Macquarie Group Asian offering and complement FICC's global offering



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