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Unless otherwise specified all information is as at 31 December 2018.
Agenda

10:00  Introduction  
      Sam Dobson

10:05  Update since the interim result  
      Shemara Wikramanayake

10:20  The global evolution of Macquarie  
      Shemara Wikramanayake

10:30  Europe, the Middle East and Africa  
      David Fass

11:00  Americas  
      Shawn Lytle

11:30  Asia  
      Ben Way
Introduction

Sam Dobson
Head of Investor Relations
Update since the interim result

Shemara Wikramanayake
Managing Director and Chief Executive Officer
About Macquarie

Annuity-style businesses

Macquarie Asset Management (MAM)
- Top 50 global asset manager with $A532.1b3 of assets under management4, diversified across regions, products, asset classes and investor types
- Provides investment solutions to clients across a range of capabilities, including infrastructure, real estate, agriculture, equities, fixed income, private credit, liquid alternatives and multi-asset solutions

Corporate and Asset Finance (CAF)
- Global provider of specialist finance and asset management solutions, with a $A21.6b5 asset and loan portfolio
- Asset Finance delivers a range of tailored finance solutions globally across a variety of industries and asset classes
- Principal Finance provides flexible primary financing solutions and engages in secondary market investing, across the capital structure. It operates globally in the corporate, transport and real estate sectors

Banking and Financial Services (BFS)
- Macquarie’s retail banking and financial services business with total BFS deposits6 of $A51.0b2, Australian loan and lease portfolio7 of $A61.3b8 and funds on platform9 of $A82.6b2
- Provides a diverse range of personal banking, wealth management, business banking and vehicle asset finance products and services to retail clients, advisers, brokers and business clients

Markets-facing businesses

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 in advisory, capital raising services and investing activities
- Provides clients with specialist expertise, innovative advice and flexible capital solutions across a range of sectors and products
- Invests own capital by utilising its balance sheet, investing alongside partners to develop assets, build businesses and create platforms, focusing on green energy, infrastructure, technology sectors and private equity clients
Overview

• Satisfactory trading conditions with significant realisations in 3Q19 across the Group

• Macquarie’s annuity-style businesses’ (MAM, CAF and BFS) combined 3Q19 net profit contribution\(^1\) slightly up on pcp (3Q18)
  – FY19 YTD\(^2\) net profit contribution\(^1\) down on FY18 YTD\(^2\) mainly due to: lower performance fees in MAM; offset by timing of transactions in CAF Principal Finance; and continued growth in BFS

• Macquarie’s markets-facing businesses’ (CGM and MacCap) combined 3Q19 net profit contribution\(^1\) significantly up on pcp
  – FY19 YTD\(^2\) net profit contribution\(^1\) significantly up on FY18 YTD\(^2\) primarily due to: higher principal revenue in MacCap; and the strong performance of the commodities platform in CGM

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1. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. 2. YTD refers to the nine months to 31 Dec for the relevant year.
Overview

Annuity-style businesses

3Q19

Macquarie Asset Management

29%

1H19 contribution^1

- AUM of $A532.1b\(^2\) at Dec 18, down 2% on Sep 18 predominately driven by market movements
- MIRA: $A116.8b in EUM\(^3\), up 10% on Sep 18; $A8.7b in new equity raised in 3Q19 including $A7.4b in Europe; $A1.0b of equity invested; $A1.2b of asset divestments; and $A24.3b of equity to deploy at Dec 18
- MIRA: Appointed as investment manager of The Infrastructure Fund (TIF), a $A2.5b unlisted infrastructure fund in Australia
- MIM: $A346.2b in AUM, down 5% on Sep 18, predominately driven by market movements and net flows; awarded $A9.4b\(^4\) in new, funded institutional mandates and contributions

Corporate and Asset Finance

17%

1H19 contribution^1

- Asset Finance and Principal Finance portfolio of $A21.6b at Dec 18, broadly in line with Sep 18
- Asset Finance originsations in line with expectations
- Notable transactions include Asset Finance being awarded the next two years of funding for the rollout of second generation smart meters in the UK for one of the largest energy suppliers following a competitive tender process
- Principal Finance portfolio additions of $A0.6b in 3Q19
- Notable transactions include completion of Principal Finance's acquisition of a 50% interest in a leading UK car park management and solutions company, and completion of the acquisition of a 50% interest in a portfolio of multifamily rental properties and development pipeline in the US
- Notable realisations included the sale of Principal Finance's majority stake in Energetics, a leading UK multi-utility network provider, to a European infrastructure investor
- MIDIS' total third party investor commitments increased to $A11.0b; closed a number of investments bringing total AUM to $A7.8b\(^5\)

Banking and Financial Services

11%

1H19 contribution^1

- Total BFS deposits\(^6\) of $A51.0b at Dec 18, up 3% on Sep 18
- Australian mortgage portfolio of $A37.3b at Dec 18, up 3% on Sep 18
- Funds on platform\(^7\) of $A82.6b at Dec 18, down 6% on Sep 18, mainly due to market movements
- Business banking loan portfolio of $A8.1b at Dec 18, up 4% on Sep 18
- Australian vehicle asset finance portfolio\(^8\) of $A15.3b at Dec 18, down 1% on Sep 18

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^1. Based on 1H19 net profit contribution from operating groups as reported on 2 Nov 18 and has not been restated for business reorganisations affecting MAM, CAF and BFS that occurred during Dec 2018. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax.

^2. Compared to $A542.5b restated as at 30 Sep 18.

^3. 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.

^4. For the nine months to 31 Dec 18.

^5. MIDIS AUM includes undrawn commitments of $A0.6b.

^6. BFS deposits exclude corporate wholesale deposits.

^7. Funds on platform includes Macquarie Wrap and Vision.

^8. Portfolio moved from CAF Asset Finance to BFS effective 1 Dec 2018.
Overview

Markets-facing businesses

Commodities and Global Markets

27%

1H19 contribution

- Strong performance continued in North American Gas and Power, albeit with fewer opportunities from storage and management of transport positions in the latter part of the quarter
  - Maintained ranking as No.2 physical gas marketer in North America
- Continued strong performance in Fixed Income & Currencies with increased client activity in structured FX in EMEA and Asia-Pacific
- Cash Equities impacted by challenging market conditions
- Improved results across the Futures platform driven by increased client activity and volumes

Macquarie Capital

16%

1H19 contribution

- 78 transactions valued at $A155b completed globally, up on pcp and prior period (by value), driven primarily by advisory activity in Europe, Australia and Americas, however Americas DCM activity down on a strong 2Q19
- Financial adviser to members of the supervisory board of Linde AG on its combined enterprise value of ~€80b merger with Praxair, Inc
- Financial adviser to Wesfarmers Limited in relation to the ~$A19b demerger of Coles Group Limited, the largest spin off in ASX history
- Financial adviser to KKR on its acquisition of BMC Software and joint bookrunner and joint lead arranger on the $US6.6b financing to support the acquisition
- Realisation of Macquarie’s 21.8% interest in Quadrant Energy through the sale of 100% of the business to Santos Limited for $US2.2b, plus the realisation of Macquarie’s 23.9% interest in PEXA, through a trade sale process valuing 100% of the business at $A1.6b
- Green Investment Group alongside Covanta invested in a 50% stake in Earls Gate Energy Centre, a waste to energy plant to be constructed in Scotland
- Green energy realisations included Markbygden ETT (Swedish onshore wind), Westermost Rough (UK offshore wind) and Lincs (UK offshore wind)
- No. 1 in ANZ for completed M&A and No. 2 in ANZ for ECM deals
- No. 1 Global Infrastructure Financial Advisor and No. 1 US LBO Loans Bookrunner – Software & Services

1. Based on 1H19 net profit contribution from operating groups. Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax.  
2. Platts Q3 CY18.  
3. Dealogic and ILGlobal for Macquarie Group 3Q19 completed M&A, principal investments, ECM and DCM transactions, converted at 31 Dec 18 FX rate. Deal values reflect the full transaction value and not an attributed value.  
4. Refinitiv (1 Apr 87 – 14 Jan 19, by ‘spin off’).  
5. Dealogic CY18 (by volume).  
6. Dealogic CY18 (by value).  
7. Inframation CY18 (by volume and value).  
Macquarie's global footprint

**Total staff**

1. **Americas**
   - Staff: 2,758
   - CANADA: Calgary, Montreal, Toronto, Vancouver
   - USA: Austin, Boca Raton, Boston, Chicago, Denver, Houston, Jacksonville, Los Angeles, Minneapolis, Nashville, New York, Orlando, Philadelphia, San Diego, San Francisco, San Jose

2. **EMEA**
   - Staff: 2,019
   - MIDDLE EAST: Abu Dhabi, Dubai
   - SOUTH AFRICA: Cape Town, Johannesburg

3. **Asia**
   - Staff: 3,630
   - ASIA: Bangkok, Beijing, Gurugram, Hong Kong, Hsin-Chu, Jakarta, Kuala Lumpur, Manila, Mumbai, Seoul, Shanghai, Singapore, Taipei, Tokyo

4. **Australia**
   - Staff: 6,703
   - AUSTRALIA: Adelaide, Brisbane, Canberra, Gold Coast, Manly, Melbourne, Newcastle, Parramatta, Perth, Sydney, NEW ZEALAND: Auckland

**Total staff**: 15,110

56% International staff

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1. As at 31 Dec 18. 2. Includes New Zealand.
Fundied balance sheet remains strong

Term liabilities cover term assets

These charts represent Macquarie’s funded balance sheets at the respective dates noted above. 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’. 4. ‘Equity Investments and PPE’ includes self-securitisation of repo eligible Australian assets 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.
Strong regulatory ratios

Bank Group
December 2018

1. ‘Harmonised’ Basel III estimates are calculated in accordance with the BCBS Basel III framework.
2. Average LCR for Dec 18 quarter is based on an average of daily observations.
3. Includes the capital conservation buffer in the minimum CET1 ratio requirement. In Nov 18, APRA released a draft update to ‘Prudential Standard APS 110 Capital Adequacy’ proposing a minimum requirement for the leverage ratio of 3.5% effective Jan 22.
3Q19 key drivers

Continuing business growth offset by equity investment realisations

- **MAM**
  - Short term underwriting of seed assets and aligned fund investments

- **CAF**
  - Rotorcraft Finance commitment and principal investments

- **BFS**
  - Increase in mortgages and business banking portfolios offset by decrease in the Vehicles portfolio

- **CGM**
  - Increased capital requirements due to trading activity

- **MacCap**
  - Continued investment activity in green energy, offset by selldowns including Quadrant Energy and PEXA

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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 ‘Approximate business Basel III Capital & ROE’ (slide 22).

2. Includes the impact of the transfer of CAF Principal Finance and CAF Transportation to the Non-Bank Group.
APRA Basel III Group capital at December 2018 of $A20.4b, Group capital surplus of $A4.0b\(^1\,^2\)

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 $A5.2b calculated at 7% RWA, per the internal minimum Tier 1 ratio of the Bank Group.
2. Based on materiality, the 8.5% used to calculate Group capital surplus does not include the countercyclical capital buffer (CCyB) of ~11bps. The individual CCyB varies by jurisdiction and the Bank Group’s CCyB is calculated as a weighted average based on exposures in different jurisdictions. In Nov 18 the CCyB in the United Kingdom increased from 0.5% to 1.0% increasing the Bank Group’s CCyB to ~11bps.
3. 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 $A0.4b; differences in mortgage treatment $A0.7b; capitalised expenses $A0.4b; investment into deconsolidated subsidiaries $A0.2b; DTAs and other impacts $A0.4b.
4. Includes Foreign Currency Translation Reserve movement.
Capital management update

- Impact of changes to CAF business structure:
  - As previously foreshadowed, the transfer of the CAF Principal Finance and CAF Transportation businesses from the Bank Group to the Non-Bank Group occurred on 10 December 2018 following a meeting of MBL shareholders (which includes holders of Macquarie Income Securities) which approved the transaction
  - In connection with the transfer, MBL returned $A2.04b of capital to MGL. Additionally, the transfer resulted in a post-tax increase in ordinary equity for MBL of approximately $A0.3b which was paid as a dividend to MGL

- MSIS has been transferred into CAF Asset Finance in the Bank Group while its fiduciary businesses, such as the infrastructure debt business (MIDIS), will move into MAM in the Non-Bank Group on receipt of the required approvals

1. Via the intermediate holding company, Macquarie B.H. Pty Ltd.
Regulatory update

• Regulatory capital
  - APRA is yet to release final standards for Australian banks to ensure that their capital levels can be considered ‘unquestionably strong’. Based on existing guidance, Macquarie’s surplus capital position remains sufficient to accommodate likely additional requirements.
  - In Aug 18, APRA released a discussion paper setting out potential options to improve the transparency, international comparability and flexibility of the capital framework. The proposals are not intended to change the amount of capital that ADIs are required to hold.
  - In Nov 18, APRA released a draft update to APS 110 proposing a minimum requirement for the leverage ratio of 3.5% effective Jan 22 (MBL’s leverage ratio is 4.9% at Dec 18).
  - In Nov 18 APRA released a discussion paper outlining their approach for loss-absorbing capacity to support orderly resolution of Australian ADIs.
    - The framework would require the Big Four to increase Tier 2 capital by 4-5% of RWAs.
    - For other ADIs, including MBL, the need for additional loss-absorbing capacity will be considered by APRA as part of resolution planning, and will be no greater than that required for the Big Four.

• Royal Commission
  - Macquarie notes the publication of the Final Report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry and the recommendations contained within it.
  - Macquarie is closely monitoring the implementation of the Report’s recommendations and will participate in industry and public consultation as appropriate.

1. The APRA Capital Framework applies to the Bank Group only. 2. ‘Improving the transparency, comparability and flexibility of the ADI capital framework’; 14 Aug 18.
Regulatory update

- **Germany**
  - Macquarie continues to cooperate with German authorities in relation to a historical German lending transaction in 2011. The total amount at issue is not material and MGL has provided for the matter.
  - Macquarie was one of over 100 financial institutions involved in this market, from which it withdrew in 2012. Consistent with our standard practice, Macquarie received extensive external legal advice in relation to the transaction.
  - Although no current staff members have been interviewed to date, as expected as part of their ongoing investigation, the German authorities have formally classified 22 current and former staff members as persons of interest or suspects under German law, including the Group CEO and the former Group CEO.

- **Brexit**
  - As previously stated, Macquarie does not believe that the UK’s withdrawal from the European Union (EU) will be a material event for the Group.
  - Progress on licence applications to supplement existing EU licences is well advanced and work with regulators to secure these prior to 29 March 2019 is ongoing.
  - Macquarie is subject to application processes that may cause one or more licences to be issued in the second quarter of calendar year 2019. Contingency arrangements are being put in place for a small number of clients who could be affected by this if the UK leaves the EU without a withdrawal or transition agreement on 29 March 2019.
  - Macquarie has a longstanding and deep commitment to the UK as the hub for the EMEA region’s operations and this will continue to be the case. Macquarie has been in the UK for 30 years with over 1,500 staff based there as at December 2018.
Management changes

Macquarie Infrastructure and Real Assets (MIRA)
- Effective 1 April 2019, David Fass will be appointed Head of MIRA, Americas. He will relocate to New York and as such will step down as regional CEO for Macquarie Group in EMEA and from the Group Management Committee
- Mr Fass joined Macquarie in 2011 and has over 25 years’ experience in financial services

Europe, Middle East and Africa (EMEA)
- Effective 1 April 2019, Paul Plewman, currently Head of CGM in EMEA, will replace David Fass as regional CEO, EMEA, subject to regulatory approval
- Mr Plewman joined Macquarie in 2005 and has over 20 years of industry experience
- As regional CEO, Mr Plewman will join the Group Management Committee and become Chair of the EMEA Management Committee

Macquarie Investment Management (MIM)
- On 14 January 2019, Shawn Lytle, previously Deputy Global Head of MIM, was appointed the new Global Head of MIM, following the appointment of Ben Bruck to the position of Executive Chairman, MIM
- Mr Lytle joined Macquarie in 2015 and has over 27 years’ experience in asset management. He is also Macquarie Group’s US Country Head
Factors impacting short-term outlook

**Annuity-style businesses**

**Macquarie Asset Management (MAM)**
Base fees expected to be up, benefiting from strong capital raising and deployment in MIRA and platform acquisitions

Performance fees and investment-related income (net of impairments) expected to be down

**Corporate and Asset Finance (CAF)**
Asset Finance portfolio broadly in line
Timing and level of early prepayments and realisations in Principal Finance
Reduced loan volumes in Principal Finance

**Banking and Financial Services (BFS)**
Higher deposit, loan portfolio and platform volumes
NIM pressure due to higher costs and competitive pressures

**Markets-facing businesses**

**Commodities and Global Markets (CGM)**
Strong customer base expected to drive consistent flow across Commodities, Fixed Income, Foreign Exchange and Futures
Business benefited from strong market conditions in 1H19

**Macquarie Capital (MacCap)**
Assume market conditions broadly consistent with 1H19
Fewer investment realisations expected given strong first three quarters of FY19

**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

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Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on 1H19 net profit contribution from operating groups as reported on 2 Nov 18 and has not been restated for business reorganisations affecting MAM, CAF and BFS that occurred during Dec 2018.
Short-term outlook

• While the impact of future market conditions makes forecasting difficult, we currently expect an increase of up to 15 per cent in the FY19 result compared with the FY18 result.
• Our short-term outlook remains subject to:
  – The conduct of period-end reviews and the completion rate of transactions
  – 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 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 and ROE

#### 30 September 2018

<table>
<thead>
<tr>
<th>Operating Group</th>
<th>APRA Basel III Capital&lt;sup&gt;1&lt;/sup&gt; @ 8.5% ($Ab)</th>
<th>Approx. 1H19 Return on Ordinary Equity&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Approx. 12-Year Average Return on Ordinary Equity&lt;sup&gt;3&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annuity-style businesses</td>
<td>9.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Macquarie Asset Management</td>
<td>2.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate and Asset Finance</td>
<td>4.2</td>
<td>19%</td>
<td>20%&lt;sup&gt;3&lt;/sup&gt;</td>
</tr>
<tr>
<td>Banking and Financial Services</td>
<td>2.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Markets-facing businesses</td>
<td>7.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commodities and Global Markets</td>
<td>3.7</td>
<td>19%</td>
<td>15% - 20%</td>
</tr>
<tr>
<td>Macquarie Capital</td>
<td>3.3</td>
<td></td>
<td></td>
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<tr>
<td>Corporate</td>
<td>0.4</td>
<td></td>
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</tr>
<tr>
<td>Total regulatory capital requirement @ 8.5%</td>
<td>16.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group surplus</td>
<td>3.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total APRA Basel III capital supply</td>
<td>19.8&lt;sup&gt;4&lt;/sup&gt;</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Business Group capital allocations are based on 30 Jun 18 allocations adjusted for material movements over the Sep 18 quarter. 2. NPAT used in the calculation of approx. annualised ROE is based on operating group’s forecast 1H19 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. Equity is based on the quarterly average equity usage from FY18 to 1H19 inclusive. 1H19 equity is based on 30 Jun 18 allocations adjusted for forecast material movements over the Sep 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 $A16.6b of ordinary equity and $A3.2b of hybrids.
Medium-term

**Annuity-style businesses**

**Macquarie Asset Management (MAM)**

Leading platform, well placed to grow assets under management through MAM’s diversified product offering, track record and experienced local investment teams

Well positioned for organic growth

**Corporate and Asset Finance (CAF)**

Leverage deep industry expertise to maximise growth potential in asset and loan portfolios

Positioned for further asset acquisitions and realisations, subject to market conditions

Targeting tailored finance and asset management solutions to clients across specialised assets through the cycles

**Banking and Financial Services (BFS)**

Strong growth opportunities through intermediary and direct retail client distribution, 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

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**Markets-facing businesses**

**Commodities and Global Markets (CGM)**

Opportunities to grow the commodities business, both organically and through acquisition

Development of institutional and corporate 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 sector and region

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Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax. Pie chart is based on 1H19 net profit contribution from operating groups as reported on 2 Nov 18 and has not been restated for business reorganisations affecting MAM, CAF and BFS that occurred during Dec 2018.
The global evolution of Macquarie
Macquarie’s evolution is driven by our people

Our people are closest to client needs and markets

- We seek to identify opportunity and realise it for our clients, community, shareholders and our people.
- From positions of deep expertise, we pursue opportunities adjacent to existing businesses, largely via organic growth.
- We are accountable for all our actions to our clients, our community, our shareholders and each other.
- We act with integrity and earn the trust of our clients, colleagues, community and shareholders through the quality of our work and our high ethical standards.
- We pursue opportunities that deliver real outcomes to achieve an appropriate and resilient long-term return on capital.

Evolution in the business

Macquarie has a global presence across operating groups.

- FY18: 67% International income
- FY98: 22% International income

Share of total income
Macquarie’s global expansion

1969-1979
- Cook Inlet Energy Supply
- GATX Air
- Constellation Energy
- International Lease Finance Corporation
- Delaware Investments
- AWAS Aviation Capital
- Cargill Petroleum
- Cargill North America Power and Gas

1980-1989
- Kleinwort Hattersley Securities
- Corona Energy
- Thames Water
- Green Investment Bank
- GLL Real Estate Partners
- ValueInvest

1990-1999
- ING Group Asian cash equities
- Conergy

2000-2009
- Hill Samuel Australia
- Macquarie Group Foundation
- Macquarie Bank
- Hills Motorway
- MBL listed on the ASX
- Bankers Trust Australia
- Macquarie Group

2010-2019
- International income
  - 67% of total income in FY18

Update since the interim result
Our people

15,110
Employees

Traditional financial expertise + Operational and industrial specialists

528
Graduates and Interns hired in 2018

50/50
Gender balance

68
Nationalities

72+
Languages spoken

55%
of our people have lived, worked or studied in another country.
Macquarie’s global management committee

**EMEA**

| 4 |  
|---|---
| London |  
| Martin Stanley | Head of Macquarie Asset Management  
| Florian Herold | Co-Head of the Corporate and Asset Finance Group  
| David Fass | Head of MIRA Americas Designate  
| Paul Plewman | CEO, EMEA Designate  

**Americas**

| 2 |  
|---|---
| Shawn Lytle | US Country Head and Head of MIM Philadelphia  
| Nicholas O’Kane | Head of Commodity Markets and Finance, CGM Houston  

**Asia**

| 3 |  
|---|---
| Andrew Downe | Head of Commodities and Global Markets Singapore  
| Ben Way | CEO Asia and Co-Head of MIRA Asia Pacific Hong Kong  
| Stephen Cook | Head of Transportation Finance Hong Kong  

**Australia**

| 10 |  
|---|---
| Shemara Wikramanayake | (Chairman) Managing Director and Chief Executive Officer  
| Greg Ward | Deputy Managing Director and Head of Banking and Financial Services  
| Patrick Upfold | Chief Risk Officer and Head of Risk Management Group  
| Garry Farrell | Co-Head of the Corporate and Asset Finance Group  
| Tim Bishop | Head of Macquarie Capital  
| Nicole Sorbara | Chief Operating Officer and Head of Corporate Operations Group  
| Mary Reemst | MBL Managing Director and Chief Executive Officer  
| Alex Harvey | Chief Financial Officer and Head of Financial Management Group  
| Michael Herring | General Counsel and Head of Group Legal and Governance  
| Justin Moffitt | Chief Information Officer, Corporate Operations Group  

*Update since the interim result*

*The global evolution*

*Glossary*
The last decade's international income

International CAGR¹:

13%

Group CAGR¹:

10%

1. Compound annual growth rate FY09-FY18.
Regional potential

Assets under management (AUM)\(^1\)

<table>
<thead>
<tr>
<th>Region</th>
<th>$Atr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia(^2)</td>
<td>2.0</td>
</tr>
<tr>
<td>Asia(^3)</td>
<td>15.8</td>
</tr>
<tr>
<td>EMEA(^3)</td>
<td>30.3</td>
</tr>
<tr>
<td>Americas(^3)</td>
<td>50.2</td>
</tr>
</tbody>
</table>

Mergers and acquisitions, advisory and underwriting deal value\(^4\)

<table>
<thead>
<tr>
<th>Region</th>
<th>$Atr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia(^5)</td>
<td>0.1</td>
</tr>
<tr>
<td>Asia</td>
<td>1.6</td>
</tr>
<tr>
<td>EMEA</td>
<td>6.1</td>
</tr>
<tr>
<td>Americas</td>
<td>10.4</td>
</tr>
</tbody>
</table>

Macquarie market share

<table>
<thead>
<tr>
<th>Region</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>~5%</td>
</tr>
<tr>
<td>Asia</td>
<td>&lt;0.5%</td>
</tr>
<tr>
<td>EMEA</td>
<td>&lt;0.5%</td>
</tr>
<tr>
<td>Americas</td>
<td>~0.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
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<td>Asia</td>
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</tr>
<tr>
<td>EMEA</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Americas</td>
<td>~2%</td>
</tr>
</tbody>
</table>

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4. Dealogic for completed deals for the period 1 Apr 17 - 31 Mar 18 as stated in $A for mergers and acquisitions and equity capital markets, EMEA and Americas also include debt capital markets and syndicated loans. 5. Australia region includes New Zealand.
## Opportunities and key trends

### EMEA

**Target installed capacity of renewables**

$628GW_e$ in the EU by 2040\(^1\)

- **Infrastructure investment of** €\(688\)b required annually in the EU\(^2\)
- **EU GDP in 2017** €\(15\)t
  - 85% outside the UK\(^4\)
- **Commercial real estate**
  - debt maturing by 2021
  - ~35% won’t be refinanced by traditional lenders\(^6\)
- **Renewables** made up >80% of new installed energy capacity in the EU in 2017\(^3\)
- **Europe** accounted for 34% of global real estate deal flow in 2017\(^5\)

### Americas

**Total US capital raised**

>$\text{US}40\text{tr}$ in equity and corporate bonds in 2017\(^5\)

- **Infrastructure investment required** ~$\text{US}5\text{tr}$ in the US by 2025\(^6\)
- **Americas AUM** $\text{US}39\text{tr}$ in 2017\(^10\)
- **US** to become a net exporter of energy by 2020\(^11\)
- **Latin America** has ~28% of all potential new arable land\(^8\)

### Asia

**Infrastructure investment required**

~$\text{US}49\text{tr}$ by 2040\(^12\)

- **Asia’s share of global GDP** 48% by 2040\(^11\)
- **Electricity demand to triple** in Asia by 2040\(^15\)
- **Asia** accounted for 35% of global infrastructure deal flow in 2017\(^6\)

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EMEA

David Fass
Chief Executive Officer, EMEA
Macquarie in EMEA

Regional presence since 1989

- 4 Platform acquisitions in 18 months
- $A113b Total AUM
- A leading risk management provider in the European Gas market
- 140+ Green energy projects since 2010
- 37 Infrastructure assets under management
- £40b+ Invested in UK infrastructure since 2005

17 locations
11 markets
2,019 staff
30 years of growth, innovation and collaboration in EMEA

Recent highlights

- GLL acquisition, Germany
- Transport in the Netherlands
- Social housing in the UK
- Telecoms in Denmark
- Solar PV in Spain and the UK
- Onshore wind in Sweden
- LNG risk management
- ValuelInvest acquisition, Luxembourg
- Education in Ireland
- GLL acquisition, Germany
- Transport in the Netherlands
- Social housing in the UK
- Telecoms in Denmark
- Solar PV in Spain and the UK
- Onshore wind in Sweden
- LNG risk management
- ValuelInvest acquisition, Luxembourg
- Education in Ireland

Key

- Commodities
- Energy
- Capital markets
- Infrastructure
- Renewables
- Technology

- Principal financing
- Waste to energy
- Wind and solar
- Communications and media
- Energy capital, gas trading
- Aviation
- Energy metering
- Oil
- Technology finance
- Agriculture
- Infrastructure and project finance
- Commodities research
- Institutional broking

*As at 31 Dec 2018.
EMEA key drivers

A strong UK and European base provides a platform for further growth

Energy transition
European renewable energy capacity

- 129GW_e in 2000
- 367GW_e in 2015
- 571GW_e Required by 2030 to meet EU targets

European infrastructure investment
Annual spend to 2040

- €353b Current
- €688b Required

1. EU Reference Scenario 2016. 2. European Investment Bank.
Macquarie Asset Management

~390 staff across seven locations
MIRA manages $A55.6b in EUM across 38 businesses and 63 properties in 18 markets
MIM manages $A13.2b across equities, fixed income, liquid alternatives and multi-asset solutions in EMEA

Corporate and Asset Finance

~250 staff across five locations
Investment, financing, trading and research capabilities in energy
Asset Finance manages a portfolio of $A3.1b in Europe delivering tailored finance solutions across a variety of industries including technology, energy, resources and shipping
Principal Finance (including Transportation) provides bespoke debt and equity financing solutions in the corporate, transport and real estate sectors with diverse experience across continental Europe and the British Isles, managing a funded portfolio of $A11.0b

Commodities and Global Markets

~460 staff across six locations
Green energy investment and development expertise across mature and emerging technologies
Investor and facilitator of capital in the technology sector
Provider of physical and financial gas and power solutions across 15 European countries
Global hub for commodity investor products and quantitative investment strategies
Access to niche commodity markets including Petrochemicals, Pulp & Paper and Emissions Certificates
Bespoke customer financing solutions including establishing securitisation franchises for first time issuers in European markets

Macquarie Capital

~330 staff across six locations
Full spectrum commodities offering with physical and financial solutions
Leading investor and project developer in green energy with total commitments of over $A700m in European renewables
Leading financial advisor in the infrastructure sector
Capability in M&A advisory, debt and equity capital markets and principal investing across a broad range of sectors and servicing financial sponsor clients

Telecom M&A Deal of the Year 2018
Acquisition of TDC for €6b

260+ planes
A leading global aircraft lessor

9m+ meters provided to homes and businesses

2GW of power managed and dispatched in the UK, equivalent to 6% of UK base power demand

270+ stocks under coverage

Infrastructure Deal of the Year
Green Investment Bank acquisition

Transport Deal of the Year
Blankenburg Connection

Most Innovative Investment Bank
for Infrastructure and Project Finance

Euro Fund Award
for global corporate bond fund

Raised €2.5b for new Super Core infrastructure strategy

£8b+ committed by Principal Finance in Europe across 160+ deals since inception in 2009

~6% of UK base power demand

MAM: Platform acquisitions accelerating growth and improving diversification

Opportunity

Macquarie identified market opportunities to build scale in its global equities and real estate platforms, bringing together highly successful teams with complementary platforms to achieve global coverage and add further breadth to MAM’s client offering.

Actions

Macquarie acquired the GLL platform in June 2018, a Munich-headquartered real estate fund manager with an established portfolio of 100+ property investments in Europe and the Americas to complement the existing MIRA portfolio.

Macquarie acquired the ValueInvest platform in June 2018, a Luxembourg-based platform with a value-orientated global equities investment strategy that has generated strong risk-adjusted returns throughout market cycles and complements the existing MIM portfolio.

Outcomes

<table>
<thead>
<tr>
<th>MIRA</th>
<th>MIM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Material increase in real estate AUM to $A16.8b(^1)</td>
<td>~€4.0b additional AUM</td>
</tr>
</tbody>
</table>

\(^1\) Based on MIRA’s global real estate platform as at 31 Dec. 18.

~170 specialist real estate staff globally

17 new specialist staff

Scale, diversification and a broader offering of investment products and solutions for our clients
MacCap: Harnessing expertise to develop green projects globally

Opportunity

In northern Sweden, Europe’s largest single-site onshore wind farm was struggling to move from development into construction. Separately, Norsk Hydro, one of the world’s largest aluminium producers1, was seeking a reliable, low-carbon solution to meet its long-term intensive energy needs.

Actions

Macquarie’s Green Investment Group (GIG) invested in, commercialised, structured and financed an onshore wind farm to power Norsk Hydro with revenues partially guaranteed by one of the largest known wind powered corporate Power Purchase Agreements (PPA) in the world.

Outcomes

#1 Developing Europe’s largest single site onshore wind farm (650MW)2
Arranging ~€800m of total funding
12.5% increase to Sweden’s installed wind generation capacity

Opportunity

Macquarie and GIG’s track record in developing waste-to-energy projects in Ireland and South Korea has led to further sponsored projects in Scotland and Australia.

Actions

GIG acted as development partner on the proposed Earls Gate Energy Centre, a combined heat and power waste-to-energy facility, to be constructed at one of Scotland’s major industrial hubs, Grangemouth, backed by a 15-year Energy Supply Agreement.

Outcomes

Capacity to turn 216,000 tonnes p.a. of landfilled waste to energy
21.5MW of installed electricity generation capacity
Earls Gate Energy Centre is GIG’s 19th Scottish project

1. Aluminium Insider. 2. Post-financial close.
Opportunity

The UK Government has set the ambitious target for every home and small business across Great Britain to be offered a smart meter by 2020.

With more than 50 million smart meters being rolled out, the initiative is set to unlock a £5.7 billion net benefit to the British energy grid, whilst providing customers more control over how they use energy.

Actions

Leveraging learnings from other asset classes, Macquarie approached the UK’s largest energy supplier to develop a solution that would extend the tenor of their smart meter financing.

Macquarie facilitated additional funding, better matched to the rollout program to more quickly realise the benefit of second generation smart meters.

Outcomes

- **£220m** of additional capital
- **2.9m** 2nd generation smart meters funded to date
- **-7%** reduction in annual rentals
- **15 year** client relationship
- **12 months** of secured funding
CAF Principal Finance: Evolving a leading aviation franchise

Opportunity

Airline passenger numbers have more than doubled over the last 15 years, a trend forecast to continue at ~5% growth p.a.¹

The growth requires financing of ~$US143 billion¹ p.a. of high-value aircraft, providing opportunities for sophisticated, cross-border financing and leasing transactions.

The helicopter leasing industry faces depressed values and dislocated financing availability.

Actions

Strategic acquisitions and aircraft trading over a 12-year period has driven growth in the Macquarie AirFinance fleet (16% CAGR since 2006). The portfolio now comprises more than 260 aircraft² on lease to 88 airlines in 50 jurisdictions, providing consistent profitability through cycles.

Macquarie capitalised on deep industry expertise to source and realise complex and/or distressed aviation debt opportunities – $US700m invested over the last five years.

Macquarie has converted recent opportunities in helicopter and rail sectors, including asset and secondary debt acquisitions.

Outcomes

$US1.8b new commitments in last two years

$US5.7b portfolio size

260+ aircraft²

82 aviation focused staff in 4 offices globally

¹ Boeing Current Market Outlook, 2019. ² Includes orders.
CGM: Providing uncorrelated investment opportunities

Opportunity

The challenge of generating positive returns through the cycle has seen global investors seek to diversify portfolios traditionally centred around equities and fixed income.

Macquarie identified the opportunity to provide a risk premia investing solution, also called factor investing, for clients looking for uncorrelated and liquid investment opportunities.

Actions

Macquarie has developed individual risk premia strategies that remove correlation to traditional asset classes across a particular basket, thereby helping to improve returns and lower risk.

Outcomes

Market-leading commodity quantitative strategies platform being expanded to offer multi-asset strategies to meet client demand

15 countries with investors in Macquarie indices, up from 11 in CY17

Annuity-style income complements CGM’s markets-facing business activity

40+ staff dedicated to developing product, managing risk and creating cutting-edge technology
What’s next

Building out from core strengths

Sectors

- Global development pipeline for renewable projects
- Investment in infrastructure technology capability
- Growth in our real estate investments

Broader businesses in European markets

Geographies

- Building out from a strong UK hub to continental Europe
- Emerging infrastructure opportunities in central and eastern Europe
- Solar opportunities in southern Europe

Leveraging our acquisitions

Platforms

- Capitalising on GIG’s global potential
- Extending the CGM franchise across the commodities supply chain
- GLL platform to drive global real estate growth
Americas

Shawn Lytle
US Country Head
Macquarie in the Americas

Regional presence since 1991

- **22** locations
- **5** markets
- **2,758** staff

**LatAm Overall Deal of the Year**
Norte III²

$**A270b**
Total AUM³

**No.1**
US Bookrunner in leveraged buyout loans
- Software and Services

**No.2**
Physical gas marketer in North America⁵

$**US112b**
Capital raised for clients in CY18

11GW+
of generation assets

---
More than 25 years of growth, innovation and collaboration in the Americas

Recent highlights

- Goethals Bridge
- Elizabeth River Tunnels
- Macquarie Infrastructure Partners IV
- Norte III
- Broadrock Renewables
- Macquarie Capital Venture Studios
- Cleco Corporation
- Red Hills Solar
- Mexico Tower Partners
- Bluebird
- Green Investment Group

Key

- Commodities
- Energy
- Capital markets
- Infrastructure
- Renewables
- Technology
- Battery storage
- Green energy
- Jacksonville shared services hub
- Principal financing
- ECM, FX, Credit markets, DCM
- Technology coverage
- Cash Equities
- Physical power
- Rail leasing
- Gas
- Technology finance
- Roads, Real estate
- Agriculture
- Infrastructure and project finance
- Australian equities
- Mining finance


*As at 31 Dec 18.
Americas key drivers

Ageing infrastructure

Infrastructure needs by 2025, by system

Assets under management (AUM)

Americas AUM as a proportion of global AUM

Energy

Primary US energy production and net imports

Operating groups in the Americas

Macquarie Asset Management
- ~750 staff across 10 locations
- MIRA manages $A24.5b in EUM across 33 businesses and 293 properties in six markets
- MIM is globally headquartered in Philadelphia and manages $A216.0b across equities, fixed income, liquid alternatives and multi-asset solutions for clients in the US

Corporate and Asset Finance
- ~140 staff across eight locations
- Asset Finance manages a portfolio of $A25.5b delivering tailored finance solutions across a variety of industries including private funds, technology, manufacturing and resources
- Principal Finance provides bespoke debt and equity financing solutions across the capital structure in the corporate and real estate sectors, and manages a funded portfolio of $A1.5b

Commodities and Global Markets
- ~680 staff across 15 locations
- CGM’s largest region by headcount and income contribution
- Global energy hub headquartered in Houston, including specialist in-house schedulers, structurers, meteorologists and logistics experts

Macquarie Capital
- ~370 staff across seven locations
- Full-service offering of solutions encompassing M&A advisory, debt and equity capital markets and principal investing
- Integrated coverage in Infrastructure, Energy, Services, TMET, Financial Institutions and Consumer, Gaming & Leisure sectors
- Expanding coverage in Aerospace, Defence & Government Services, Energy Tech, Healthcare and Industrials

Glossary
- 2 Lipper Awards in 2018
- New York Project of the Year – Goethals Bridge
- $US12b+ committed by Principal Finance in the US across 220+ deals since inception in 2009
- $US0.8b mining assets financed over the past five years
- $US7b+ in private fund financing since inception in 2010
- 2018 Derivatives House of the Year
- 2 physical gas marketer in North America
- 2x growth in sponsor M&A and DCM volume since 2016
- Project & Infrastructure Finance Award – Best Project Sponsor
- 100+ bookrun DCM deals completed in 2018 valued at over $US82b
- Best Road/Bridge/Tunnel Project and Best Financial Structure for Central 70, USA

MAM: Track-record and strong performance driving capital raising momentum

Opportunity

The $US23tr\textsuperscript{1} US retail market presents significant scope for MAM to grow market share for its high-performing products.

The $US5tr\textsuperscript{2} US infrastructure investment need by 2025\textsuperscript{2} presents opportunity to connect demand with global institutional capital.

Actions

Macquarie leveraged its strong track record, specialist expertise and investment capabilities to attract retail and institutional capital to its US products.

Continually developing client-led strategies, Macquarie meets evolving investor demand and the need for capital.

Outcomes

MIRA

$US5b raised for MIP IV closed at hard cap in December 2018, exceeding $US3.5b target

$US2.2b already deployed from MIP IV

Diversified investor support including existing and new investors

MIM

Eight funds ranked in the top ten in net flows in their respective categories\textsuperscript{3}

$US2.5b+ in new placements from key broker/dealer partners FY19 YTD

28\textsuperscript{th} of 707 mutual fund platforms in one-year net flows\textsuperscript{4}

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\textsuperscript{1} Data from Broadridge.  \textsuperscript{2} American Society of Civil Engineers, Infrastructure Report Card 2017.  \textsuperscript{3} As of 30 Sep 2018.  \textsuperscript{4} Strategic Insight Simfund and Morningstar; net flows are for calendar year 2018; data includes actively managed US Open-End mutual funds; data excludes money market funds and index funds.  \textsuperscript{4} Strategic Insight Simfund, as at 31 Dec 2018.
MacCap: Financial sponsor opportunity in the United States

Opportunity

Building on the success of its leveraged finance franchise as a cornerstone for longstanding sponsor relationships, there were expanded opportunities for integrated solutions across advisory, capital markets and investing.

In 2018, financial sponsors paid over 30% of the total fees on US deals, with a total fee pool of over $US12 billion.

Actions

Macquarie developed fully integrated sponsor coverage, aligned with deep industry expertise and a full-service product offering.

Maintaining strong connectivity with a network of over 100 large- and mid-cap financial sponsors and continuously building upon success with existing clients, Macquarie has underpinned further growth into adjacencies.

Macquarie has a globally coordinated sponsor coverage model, with increasing prominence in Europe and Asia.

Outcomes

$US48b+
Sponsor-related deal volume through 56 transactions

65%
of fee revenue is related to financial sponsors

Completed deals with 30+ sponsors in 1H19

Increasing number of repeat sponsor clients

$US550m
of capital facilitated alongside 25 financial sponsor clients

Building profile through integrated solutions in key sectors

LBO Bookrunner Rankings

#1 Software & Services

#3 Technology

CAF Principal Finance: Meeting rental housing demand in growth markets

Opportunity

Transcontinental Realty Investors, a leading owner/operator of multifamily rental apartment assets, sought a strategic partner to recapitalise and expand its existing housing platform.

Actions

Over the course of a five-year relationship, Macquarie provided growth funding through multiple bespoke debt financing transactions, leading to a recent 50/50 joint venture investment.

Outcomes

$US250m
in debt financing provided between 2014 and 2018 to support growth in asset base to more than 10,000 rental apartments

$US1.4b
50/50 venture entered into in 2018 to maximise the business’ platform value

Potential to build more than 5,000 new rental apartments over the next 3 – 5 years
CJM: Expanding into Southeast power

Opportunity

With a well-established presence in the North American gas and power markets, Macquarie identified an opportunity to grow the services and support it provides to clients by expanding its presence in power markets throughout the Southeast region.

Actions

Through its acquisition of the Cargill Gas and Power businesses, Macquarie expanded coverage into Southeast power markets, built new client relationships and added significant expertise to its team of regional gas and power experts.

Outcomes

Complete coverage of continental US electricity market

- 92% YOY increase in MWh sold across the North American Power business

- 20+ new utility and municipality clients, relationships and adjacent market opportunities

- Newly established Minneapolis office with 4 Southeast power experts

- Strong physical presence, with a team of 60 power experts across the US
What’s next

Opportunity in largest capital market
Expanding our offering
Capitalising on our leading sector positions in Education, Services and Technology
Client activity driven by strong corporate balance sheets, sponsor liquidity and PE dry powder
Building out offering and share in DCM, PCM and Investment Management

A changing energy landscape
Harnessing opportunities
Building on strong, global energy sector capability
Falling technology costs increasing competitiveness of renewables
US to become a net exporter of energy

Significant new potential in infrastructure and real estate
Leveraging expertise
North American infrastructure landscape provides substantial investment opportunity
Opportunities include datacentres, water, midstream and renewables
Continuing potential for government privatisations and public-private partnerships
Asia

Ben Way
Chief Executive Officer, Asia
Macquarie in Asia

Regional presence since 1994

- $A58b Total AUM
- 10GW+ Green energy portfolio\(^1\)
- 102 Portfolio companies
- 14 Stock exchange membership licenses
- 14 locations
- 11 markets
- 3,630 staff

As at 31 Dec 18 unless otherwise specified. 1. Portfolio includes assets that are operational and under development or construction.
25 years of growth, innovation and collaboration in Asia

Recent highlights

- India toll road privatisation
- MAIF2 closing
- Conergy acquisition
- EDC in the Philippines
- Electricity trading in Singapore
- China onshore futures trading
- Handset leasing in Korea
- Principal investment – Grab
- Warrants in Taiwan
- Innovative Equity Ventures

Key

- Commodities
- Capital markets
- Technology
- Green energy
- Waste and solar
- Water
- Commodities supply chain solutions
- Principal financing
- Wind
- Energy markets (coal, agriculture, physical oil and metals
- Institutional brokerage
- Infrastructure (roads)
- Real estate
- Technology finance
- Warrants

*As at 31 Dec 18. 1. Development and use of robotics in Manila and Gurugram Shared Services Centres to automate processes.
Asia key drivers

Urbanisation¹

Energy demand²

Assets under management (AUM)⁴

Technology adoption⁵

Operating groups in Asia

Macquarie Asset Management

- Approximately 250 staff across eight locations
- MIRA manages $A21.6b in EUM across 66 businesses and six properties in six markets
- MIM manages $A35.0b across equities, fixed income, liquid alternatives and multi-asset solutions for clients in Asia

Corporate and Asset Finance

- Approximately 50 staff across seven locations
- Asset finance and lending business across technology and manufacturing with teams in six markets
- Technology leasing and trading across PC and laptops, servers, semiconductors and smartphones

Commodities and Global Markets

- Approximately 590 staff across 13 locations
- Full spectrum provider of physical and financial commodities solutions
- Enabler of capital into Asia’s leading technology companies

Macquarie Capital

- Approximately 220 staff across nine locations
- Leading green energy developer with expertise in offshore wind and solar
- Expertise in cross-border M&A
- Deep sector knowledge in principal investing, advisory and capital solutions

- $US3.3b largest pan-Asia fund closed in 2018 – MAIF2
- Best M&A Deal in Korea – ADT Caps
- Launched first smartphone rental program in Korea
- Leading presence in warrants across Asia with products listed in five markets
- $US1.7b+ of private placement transactions executed
- Renewables Deal of the Year (Asia-Pacific)
- 3.5GW+ green energy portfolio

As at 31 Dec 18 unless otherwise specified. 1. Macquarie Asia Infrastructure Fund 2 per Largest Fund Closes 2018, Infrastructure Investor. 2. The Asset Country Awards 2018, Best Deals – North Asia. 3. For the period Jun 17 to Dec 18. 4. PFI Awards, 2018. 5. Portfolio includes assets that are operational and under development or construction.
Shared Services

**Enabling our global operations**

2,000+ staff in Manila and Gurugram

**Driving digital innovation**

60,000 hours of automation

40 processes automated via Alteryx

200+ automated workflows in production

**Delivering for the group**

$A80m+ annualised cost savings from centralisation of processes

~75% of 3,500+ global applications supported

~40% new clients onboarded globally

**Managing our risks**

34% of global proactive assurance testing by Shared Services and BORM teams

Completed the load balancing tasks across Manila and Gurugram and continuing to enforce 48-hour BCP testing for both SSCs

**Opportunities for our people**

200+ global mobility success stories

**Promoting a strong culture**

Alignment with business teams

Representation in leadership groups

---

1. $A80m based only on centralisation in Gurugram for FY19 YTD (nine months to 31 Dec 18) and does not include additional material savings from Manila Shared Services Centre. 2. Business Operational Risk Managers. 3. Shared Services Centres. 4. Over 10-year period.
MAM: Investment solutions for Asia’s growing capital

Opportunity
Asia has the world’s fastest-growing pools of capital with over $US12tr of institutional assets\(^1\). This capital is seeking global deployment opportunities.

Actions
Macquarie has established local teams in key markets and formed enduring relationships with the region’s largest institutions.

Outcomes

Managing
\$A58b
for Asian investors

Raising
capital for the European infrastructure platform\(^2\)

Investing
capital in Asia with a focus on sustainability

2x increase in EV per asset\(^3\)

As at 31 Dec 18 unless otherwise specified. 1. Asian Institutions Increase Level of Outsourcing to External Managers, Greenwich Associates, 26 Jul 2018. 2. Based on unlisted European infrastructure capital raised including all capital raised for products with final closings or still fund raising during the calendar year. 3. Based on proportionate Enterprise Value of currently owned Asian infrastructure assets acquired from 2017 onwards (compared to pre-2017) as at 31 Dec 2018 in AUD.
Opportunity

Wind and solar technology is expected to provide almost 50% of total electricity globally by 2050\(^1\).

Solar global installed capacity expected to increase approximately two and a half times to ~1,000GW by 2025\(^2\).

Actions

Macquarie acquired a 100% interest in Conergy, one of Asia’s largest downstream solar companies with a full spectrum of capabilities.

The acquisition reinforces Macquarie as a leading solar investor and developer globally.

Outcomes

- **Added expertise** throughout the development cycle:
  - Development
  - Procurement
  - Engineering
  - Asset management

- Centre of excellence for 10GW+ global solar assets under development, construction or in pipeline

**Globalising**
our green energy commitment

---

1. Bloomberg New Energy Outlook 2018
CAF: Financing solution for one of Asia’s largest semiconductor companies

Opportunity
With rising technology demand, Asia is investing ~$US200b in semiconductor manufacturing capabilities over the next three years¹. Asia’s semiconductor players are seeking acquisitions and financing solutions.

Actions
Macquarie worked with partners in Asia to structure a lease facility to meet a major client’s needs in Korea. This included collaborating and leveraging expertise across markets (Korea, Japan and US) to deliver the solution.

Outcomes
~$A1b cumulative lease origination volumes with $A240m originated in FY18

Providing an asset management solution to hedge against industry and technology risks

1. Refers to investments in semiconductor fabrication plants from 2018E to 2020F. Source: SemiCon China forecasts.
Opportunity

Asia is the largest consumer of commodities in the world. Due to changing market dynamics, producers and consumers are looking to gain more control of their full supply chain over the long term.

Actions

Macquarie acts as a physical, financial and logistical intermediary, purchasing cargos from producers, hedging price risks and delivering product to consumers on optimal terms.

Outcomes

Handled $US9b+ of metals, agricultural commodities, gas and oil cargoes in CY18

Meeting increasing demand for long-term supply contracts

Chartered 40+ vessels to transport cargoes through Asia during CY18
What’s next

**Investing in Asia’s growth**

- Harnessing Macquarie expertise
  - Increasing investor appetite for alternative asset allocation
  - Heightened sustainability focus driving a strong investment pipeline in green energy
  - Facilitating the growing demand for consumer and industrial commodities

**Cross-border flows**

- Connecting Asia to the world
  - Capital-raising for our global platform and balance sheet
  - Cross-border M&A and private placements with focus on China
  - Expansion of commodities supply chain and tailored FX and rates solutions

**Local expertise**

- Access to unique opportunities
  - Combining global expertise with local presence to grow in emerging markets
  - Accessing local talent to support global operations and diversify global talent pool
  - Building specialist sector expertise for global activity

- Investing in Asia’s growth
  - Harnessing Macquarie expertise
  - Increasing investor appetite for alternative asset allocation
  - Heightened sustainability focus driving a strong investment pipeline in green energy
  - Facilitating the growing demand for consumer and industrial commodities
Glossary
## Glossary

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$A / AUD</td>
<td>Australian Dollar</td>
</tr>
<tr>
<td>$US / USD</td>
<td>United States Dollar</td>
</tr>
<tr>
<td>£ / GBP</td>
<td>Pound Sterling</td>
</tr>
<tr>
<td>€</td>
<td>Euro</td>
</tr>
<tr>
<td>1H18</td>
<td>Half-Year ended 30 September 2017</td>
</tr>
<tr>
<td>1H19</td>
<td>Half-Year ended 30 September 2018</td>
</tr>
<tr>
<td>2H18</td>
<td>Half-Year ended 31 March 2018</td>
</tr>
<tr>
<td>2H19</td>
<td>Half-Year ended 31 March 2019</td>
</tr>
<tr>
<td>ABN</td>
<td>Australian Business Number</td>
</tr>
<tr>
<td>ADI</td>
<td>Authorised Deposit-Taking Institution</td>
</tr>
<tr>
<td>ALX</td>
<td>Atlas Arteria</td>
</tr>
<tr>
<td>AML</td>
<td>Anti-Money Laundering</td>
</tr>
<tr>
<td>ANZ</td>
<td>Australia and New Zealand</td>
</tr>
<tr>
<td>Approx.</td>
<td>Approximately</td>
</tr>
<tr>
<td>APRA</td>
<td>Australian Prudential Regulation Authority</td>
</tr>
<tr>
<td>ASX</td>
<td>Australian Stock Exchange</td>
</tr>
<tr>
<td>AUM</td>
<td>Assets under Management</td>
</tr>
<tr>
<td>BCBS</td>
<td>Basel Committee on Banking Supervision</td>
</tr>
<tr>
<td>BFS</td>
<td>Banking and Financial Services</td>
</tr>
<tr>
<td>CAF</td>
<td>Corporate and Asset Finance</td>
</tr>
<tr>
<td>Capex</td>
<td>Capital Expenditure</td>
</tr>
<tr>
<td>CCB</td>
<td>Capital Conservation Buffer</td>
</tr>
<tr>
<td>CET1</td>
<td>Common Equity Tier 1</td>
</tr>
<tr>
<td>CGM</td>
<td>Commodities and Global Markets</td>
</tr>
<tr>
<td>CLF</td>
<td>Committed Liquid Facility</td>
</tr>
<tr>
<td>CMA</td>
<td>Cash Management Account</td>
</tr>
<tr>
<td>CRM</td>
<td>Customer Relationship Management</td>
</tr>
<tr>
<td>CY17</td>
<td>Calendar Year ended 31 December 2017</td>
</tr>
<tr>
<td>CY18</td>
<td>Calendar Year ended 31 December 2018</td>
</tr>
<tr>
<td>DCM</td>
<td>Debt Capital Markets</td>
</tr>
<tr>
<td>DPS</td>
<td>Dividends Per Share</td>
</tr>
<tr>
<td>DRP</td>
<td>Dividend Reinvestment Plan</td>
</tr>
<tr>
<td>DTA</td>
<td>Deferred Tax Asset</td>
</tr>
<tr>
<td>ECAM</td>
<td>Economic Capital Adequacy Model</td>
</tr>
<tr>
<td>ECM</td>
<td>Equity Capital Markets</td>
</tr>
<tr>
<td>ECS</td>
<td>Exchangeable Capital Securities</td>
</tr>
<tr>
<td>EMEA</td>
<td>Europe, the Middle East and Africa</td>
</tr>
<tr>
<td>EPS</td>
<td>Earnings Per Share</td>
</tr>
<tr>
<td>EUM</td>
<td>Equity Under Management</td>
</tr>
<tr>
<td>FX</td>
<td>Foreign Exchange</td>
</tr>
<tr>
<td>FY14</td>
<td>Full Year ended 31 March 2014</td>
</tr>
<tr>
<td>FY15</td>
<td>Full Year ended 31 March 2015</td>
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<tr>
<td>FY16</td>
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<td>FY18</td>
<td>Full Year ended 31 March 2018</td>
</tr>
<tr>
<td>FY19</td>
<td>Full Year ended 31 March 2019</td>
</tr>
</tbody>
</table>
## Glossary

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>GIG</td>
<td>Green Investment Group</td>
</tr>
<tr>
<td>GLL</td>
<td>GLL Real Estate Partners</td>
</tr>
<tr>
<td>GW</td>
<td>Gigawatt</td>
</tr>
<tr>
<td>IPO</td>
<td>Initial Public Offering</td>
</tr>
<tr>
<td>IRB</td>
<td>Internal Ratings-Based</td>
</tr>
<tr>
<td>IFRS</td>
<td>International Financial Reporting Standards</td>
</tr>
<tr>
<td>IT</td>
<td>Information Technology</td>
</tr>
<tr>
<td>LBO</td>
<td>Leveraged Buyout</td>
</tr>
<tr>
<td>LCR</td>
<td>Liquidity Coverage Ratio</td>
</tr>
<tr>
<td>LNG</td>
<td>Liquefied Natural Gas</td>
</tr>
<tr>
<td>M&amp;A</td>
<td>Mergers and Acquisitions</td>
</tr>
<tr>
<td>MacCap</td>
<td>Macquarie Capital</td>
</tr>
<tr>
<td>MAM</td>
<td>Macquarie Asset Management</td>
</tr>
<tr>
<td>MBL</td>
<td>Macquarie Bank Limited</td>
</tr>
<tr>
<td>MD&amp;A</td>
<td>Management Discussion &amp; Analysis</td>
</tr>
<tr>
<td>MEIF3</td>
<td>Macquarie European Infrastructure Fund 3</td>
</tr>
<tr>
<td>MEREP</td>
<td>Macquarie Group Employee Retained Equity Plan</td>
</tr>
<tr>
<td>MGL / MQG</td>
<td>Macquarie Group Limited</td>
</tr>
<tr>
<td>MIC</td>
<td>Macquarie Infrastructure Corporation</td>
</tr>
<tr>
<td>MIDIS</td>
<td>Macquarie Infrastructure Debt Investment Solutions</td>
</tr>
<tr>
<td>MiFID</td>
<td>Markets in Financial Instruments Directive</td>
</tr>
<tr>
<td>MIM</td>
<td>Macquarie Investment Management</td>
</tr>
<tr>
<td>MIRA</td>
<td>Macquarie Infrastructure and Real Assets</td>
</tr>
<tr>
<td>MQA</td>
<td>Macquarie Atlas Roads</td>
</tr>
<tr>
<td>MSIS</td>
<td>Macquarie Specialised Investment Solutions</td>
</tr>
<tr>
<td>MW</td>
<td>Megawatt</td>
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<tr>
<td>NGLs</td>
<td>Natural gas liquids</td>
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<tr>
<td>No.</td>
<td>Number</td>
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<tr>
<td>NPAT</td>
<td>Net Profit After Tax</td>
</tr>
<tr>
<td>NPC</td>
<td>Net Profit Contribution</td>
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<tr>
<td>NSFR</td>
<td>Net Stable Funding Ratio</td>
</tr>
<tr>
<td>OTC</td>
<td>Over-The-Counter</td>
</tr>
<tr>
<td>P&amp;L</td>
<td>Profit and Loss Statement</td>
</tr>
<tr>
<td>PCM</td>
<td>Private capital markets</td>
</tr>
<tr>
<td>PCP</td>
<td>Prior corresponding period</td>
</tr>
<tr>
<td>PE</td>
<td>Private equity</td>
</tr>
<tr>
<td>PF</td>
<td>Principal Finance</td>
</tr>
<tr>
<td>PPE</td>
<td>Property, Plant and Equipment</td>
</tr>
<tr>
<td>PPP</td>
<td>Public Private Partnership</td>
</tr>
<tr>
<td>RBA</td>
<td>Reserve Bank of Australia</td>
</tr>
<tr>
<td>ROE</td>
<td>Return on Equity</td>
</tr>
<tr>
<td>RWA</td>
<td>Risk Weighted Assets</td>
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<tr>
<td>SBI</td>
<td>State Bank of India</td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium Enterprise</td>
</tr>
<tr>
<td>SMSF</td>
<td>Self Managed Super Fund</td>
</tr>
<tr>
<td>TW</td>
<td>Terawatt</td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>US</td>
<td>United States of America</td>
</tr>
<tr>
<td>VaR</td>
<td>Value at Risk</td>
</tr>
</tbody>
</table>