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ASX/Media Release

**MACQUARIE ANNOUNCES CAPITAL RAISING AND
PROVIDES FURTHER DETAIL ON SHORT-TERM OUTLOOK**

Key Points

- **Seeking to raise capital in the form of:**
 - **A non-underwritten \$A1 billion Institutional Placement; and**
 - **Share Purchase Plan¹**
- **Follows recent net capital investment across most regions, primarily by Macquarie Capital in the renewables, technology and infrastructure sectors and an anticipated increase in capital deployment by Macquarie Asset Management and Macquarie Capital**
- **Additional capital provides flexibility to invest in new opportunities, provided the projected risk adjusted returns are attractive for shareholders, while maintaining appropriate capital levels in light of ongoing regulatory change**
- **Macquarie provides 1H20 guidance: currently expects the 1H20 result to be up approximately 10% on the 1H19 result but down on a strong 2H19, which benefited from increased contributions from the markets-facing businesses**
- **Macquarie maintains full-year outlook: While the impact of future market conditions makes forecasting difficult, we continue to expect the Group's result for FY20 to be slightly down on FY19**

SYDNEY, 28 August 2019 – Macquarie Group (Macquarie) (ASX: MQG; ADR: MQBKY) today announced it is seeking to raise \$A1 billion in the form of a non-underwritten Institutional Placement, in addition to an associated Share Purchase Plan.

The offer follows recent strong net capital investment and projected deployment of capital on business growth across the Group. Macquarie anticipates approximately \$A1 billion in net capital investment in the current quarter ended 30 September 2019, noting the final amount remains subject to the completion rate and timing of transactions. This includes investments in the renewables, technology and infrastructure

¹ Share Purchase Plan subject to potential scaling depending on take-up of offer.

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sectors across most regions primarily by Macquarie Capital; and an anticipated increase in capital deployment by Macquarie Asset Management and Macquarie Capital.

As previously disclosed, implementation of SA-CCR² will result in an estimated \$A0.6 billion increase in capital requirements for Commodities and Global Markets. Additional capital provides flexibility to invest in new opportunities, provided the projected risk adjusted returns are attractive for shareholders, while maintaining appropriate capital levels in light of ongoing regulatory change.

Macquarie Group Chief Executive Officer, Shemara Wikramanayake, said: “We have continued to identify opportunities to invest capital with the potential for attractive risk-adjusted returns for shareholders over the medium term. Raising new capital at this point allows us to maintain strategic flexibility in light of these opportunities.”

The Institutional Placement is expected to raise approximately \$A1 billion. The Placement Price will be determined via a bookbuild process. The placement represents approximately 2.5% of total existing Macquarie shares on issue.

Macquarie will offer Eligible Shareholders³ the opportunity to participate in a non-underwritten Share Purchase Plan with a maximum application size of \$15,000 per Eligible Shareholder. New shares issued under the SPP will be offered at the lower of the Placement Price; and a 1% discount to the VWAP⁴ of Macquarie ordinary shares traded during the five ASX trading days immediately prior to and including the SPP closing date.

Outlook update

Macquarie today provided additional information regarding its short-term outlook, which was confirmed to the market at the Group’s Annual General Meeting on 25 July 2019.

While the impact of future market conditions makes forecasting difficult, we continue to expect the Group’s result for FY20 to be slightly down on FY19:

- The 1H20 result is expected to be up approximately 10% on the 1H19 result and down on a strong 2H19, which benefited from increased contributions from the markets-facing businesses

The Group’s short-term outlook for both 1H20 and FY20 remains subject to:

- the completion of transactions and period end reviews
- market conditions
- the impact of foreign exchange
- potential regulatory changes and tax uncertainties
- geographic composition of income

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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² APRA implemented the standardised approach for measuring counterparty credit risk exposures (SA-CCR) on 1 Jul 19. Note that SA-CCR has not yet been implemented in many jurisdictions, including US and EU.

³ Eligible Shareholders are shareholders with a registered address in Australia or New Zealand on the register as at 7.00pm on Tuesday 27 August 2019

⁴ Volume-weighted average price

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