

**Macquarie Group Limited**  
**(ABN 94 122 169 279)**

**U.S. Investors' Website Update dated February 19, 2015**

**Recent Developments**

**Operating group name changes**

On February 17, 2015, MGL announced that Macquarie Funds had changed its name to Macquarie Asset Management, and that Fixed Income, Currencies & Commodities had changed its name to Commodities and Financial Markets, to better align the group names to their business activities.

As part of these changes, MGL also announced that the Metals and Energy Capital division within Commodities and Financial Markets had been restructured to better align its commodities activities into two industry groups. The Energy Capital business within Metals and Energy Capital division merged with the Energy Markets division, and the Mining Finance business within Metals and Energy Capital merged with the Metals & Agriculture Sales and Trading division to form the Metals, Mining and Agriculture division. In addition, the Credit Trading division changed its name to the Credit Markets division.

**Trading conditions and market update**

Since the half year ended September 30, 2014, trading conditions across MGL Group have continued to improve and there has been a continued weakening of the Australian dollar.

In MGL's annuity style businesses, Macquarie Asset Management's assets under management increased predominantly driven by foreign exchange movements and new investments, and Corporate & Asset Finance experienced continued growth in the lending and asset portfolios due to business growth as well as foreign exchange movements. Banking & Financial Services also continued to grow its Australian mortgage portfolio, Macquarie platform assets under administration and retail deposits.

In MGL's capital markets-facing businesses, Macquarie Capital benefited from the improved global activity in mergers and acquisitions and equity capital markets activity. In Macquarie Securities, equity capital markets activity in Australia continued to be strong but continued to be offset by subdued secondary equity and derivative market volumes across most regions. Commodities and Financial Markets experienced increased volatility in oil and gas prices which generated increased customer activity across the energy platform. The business also experienced stronger client flows in foreign exchange due to increased market volatility. The credit market in the US remained mixed, influenced by the low interest rate environment, liquidity volatility driven by investor risk appetite and general global uncertainty.

**Enforceable Undertaking**

On January 29, 2015, Macquarie Equities Limited ("MEL"), a subsidiary of MBL, concluded an Enforceable Undertaking ("EU") with ASIC after KPMG, the Independent Expert, submitted a final report to ASIC confirming all deliverables outlined in the Implementation Plan had been completed. MEL addressed ASIC's concerns about the effectiveness of compliance within Macquarie Private Wealth ("MPW") by investing approximately A\$49 million to improve the

record keeping, monitoring and supervision within MPW. MEL has agreed with ASIC a 12 month program to build upon the completed EU implementation plan and to undergoing third-party evaluations to test the operational effectiveness of the improved controls and ensure change is sustained. In addition, the client remediation program is ongoing based on the consistent application of the Financial Ombudsman Service principles and subject to continued oversight by Deloitte and ASIC. The currently estimated remediation amount has been fully provided for. For a description of the EU, see “Recent Developments — Legal proceedings and other provisions — Australia — ASIC” in our 2015 Interim U.S. Disclosure Report.

### **Australian regulatory developments**

The Financial System Inquiry released its final report on December 7, 2014, which included 44 recommendations. The Australian Federal Treasury is presently conducting a public consultation in relation to the recommendations generally, with submissions due by March 31, 2015. At this stage, it is not possible to predict with any certainty what recommendations may be adopted by the Australian Government and, in particular, how prudential standards adopted by APRA as a result of the Financial Services Inquiry or other international developments may impact the capital structure or businesses of MGL. For a description of the Financial System Inquiry, see “Recent Developments — Legal proceedings and other provisions — Australia — Financial System Inquiry” in our 2015 Interim U.S. Disclosure Report.