

APPLICABLE PRICING SUPPLEMENT

ZAR10,000,000,000 DEBT INSTRUMENT PROGRAMME

MACQUARIE SECURITIES SOUTH AFRICA LIMITED (Incorporated with limited liability under registration number 2006/023546/06 in the Republic of South Africa)

Unconditionally and irrevocably guaranteed by

MACQUARIE GROUP LIMITED

((ABN 94 122 189 279), a corporation constituted with limited liability under the laws of the Commonwealth of Australia)



MACQUARIE

Issue of ZAR 130,000,000 Unsecured Floating Rate Notes due 27 January 2020

This document constitutes the Applicable Pricing Supplement relating to the Issue of the Tranche of Notes described herein ("Notes" and "this Tranche of Notes").

This Applicable Pricing Supplement must be read in conjunction with the Amended and Updated Programme Memorandum, dated 8 September 2016, as amended and/or supplemented from time to time ("Programme Memorandum") prepared by Macquarie Securities South Africa Limited ("Issuer") in connection with the Macquarie Securities South Africa Limited ZAR10,000,000,000 Debt Instrument Programme ("Programme").

The Programme Memorandum, dated 8 September 2016, was approved by JSE Limited ("JSE") on 27 July 2016.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meaning ascribed to them in the section of the Programme Memorandum headed "Terms and Conditions of the Notes" ("Note Terms and Conditions"). References to any Condition in this Applicable Pricing Supplement are to that Condition of the Note Terms and Conditions.

This Tranche of Notes will be issued on, and subject to, the Applicable Note Terms and Conditions. The Applicable Note Terms and Conditions are the Note Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of this Tranche of Notes set out in this Applicable Pricing Supplement.

To the extent that there is any conflict or inconsistency between the provisions of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

A. DESCRIPTION OF THE NOTES

1. Issuer	Macquarie Securities South Africa Limited
2. Guarantor	Macquarie Group Limited
3. Tranche number	1
4. Series number	263
5. Status of the Notes	The Notes are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank <i>pari passu</i> and rateably without any preference or priority among themselves and (save for certain debts required to be preferred by law that is both mandatory and of general application) at least <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Issuer, as described in Condition 5.
6. Security	Unsecured
7. Form of the Notes	Registered Notes The Notes in this Tranche are issued in registered uncertificated form and will be held in the CSD
8. Type of Notes	Floating Rate Notes
9. Issue Date/First Settlement Date	31 January 2019
10. Issue Price	100%
11. Interest Basis	Floating Rate
12. Redemption/Payment Basis	100% of the Aggregate Nominal Amount
13. Change of Interest or Redemption/Payment Basis	Not Applicable
14. Aggregate Nominal Amount	ZAR 130,000,000
15. Specified Currency	ZAR

16. Specified Denomination (Nominal Amount per Note) ZAR 1,000,000
17. Minimum Specified Denomination of each Note ZAR 1,000,000
18. Business Day Convention Following Business Day Convention
- B. PROGRAMME AMOUNT**
1. Programme Amount as at the Issue Date ZAR 10,000,000,000
2. Aggregate Outstanding Nominal Amount of all of the Notes issued under the Programme (including all Notes in issue under the Programme pursuant to the Previous Programme Memorandum) as at the Issue Date ZAR 2,456,000,000, including the aggregate Nominal Amount of Notes issued on the Issue Date specified in Item A(9) above. The authorised Programme Amount has not been exceeded.
- C. FLOATING RATE NOTES**
1. Interest Commencement Date 31 January 2019
2. Interest Payment Date(s) 27 April, 27 July, 27 October 2019 & 27 January 2020
3. First Interest Payment Date 27 April 2019
4. Interest Periods The first Interest Period shall commence on (and include) the Interest Commencement Date and end on (but exclude) the first Interest Payment Date. Thereafter, each successive Interest Period shall commence on (and include) the immediately preceding Interest Payment Date and end on (but exclude) the immediately following Interest Payment Date; provided that the final Interest Period shall end on (but exclude) the Final Redemption Date.
5. Manner in which the Rate(s) of Interest is/are to be determined Screen Rate Determination
6. *If ISDA Determination applicable:* Not Applicable
7. *If Screen Rate Determination applicable:*
- (a) Reference Rate JIBAR (being, subject to Condition 8.3.3, the average mid-market yield rate per annum for 3-month deposits in Rand which appears on the Relevant Screen Page as the "SFX 3M YIELD" at or about the Relevant Time on the Interest Determination Date, determined by the Calculation Agent in accordance with Condition 8.3.3
- (b) Interest Determination Date The first day of each Interest Period; provided that the Interest Determination Date for the first Interest Period shall be 28 January 2019
8. Relevant Screen Page Reuters Screen SAFETY page
9. Margin 0.85% per annum
10. Relevant time 10h00 (South African time)
11. *If Other Determination applicable:* Not Applicable
12. Minimum Rate of Interest Not Applicable
13. Maximum Rate of Interest Not Applicable
14. Day Count Fraction Actual/365
15. Default Rate Not Applicable
16. Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest for Floating Rate Notes Not Applicable

D. REDEMPTION**1. Redemption at maturity:**

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| (a) Maturity Date | 27 January 2020 |
| (b) Final Redemption Amount | The aggregate Outstanding Nominal Amount of this Tranche. |
| 2. Put Option: | Not Applicable |
| 3. Call Option: | Not Applicable |
| 4. Optional early redemption following a Tax Event and/or a Change in Law | Applicable (Note: see Condition 9.4) |
| (a) Early Redemption Date | The Interest Payment Date stipulated as the date for redemption of this Tranche in the notice of redemption given by the Issuer in terms of Condition 9.4. |
| (b) Early Redemption Amount | The aggregate Outstanding Nominal Amount of this Tranche. |
| 5. Other terms: | Not Applicable |

E. AGENTS AND SPECIFIED OFFICES

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| 1. Calculation Agent | The Issuer |
| 2. Specified Office of the Calculation Agent | Level 2, Great Westerford, 240 Main Road, Rondebosch, Cape Town, 7700, South Africa |
| 3. Paying Agent | The Issuer |
| 4. Specified Office of the Paying Agent | Level 2, Great Westerford, 240 Main Road, Rondebosch, Cape Town, 7700, South Africa |
| 5. Transfer Agent | The Issuer |
| 6. Specified Office of the Transfer Agent | Level 2, Great Westerford, 240 Main Road, Rondebosch, Cape Town, 7700, South Africa |
| 7. Settlement Agent | The Standard Bank of South Africa Limited |
| 8. Specified Office of the Settlement Agent | 5 Simmonds Street, Johannesburg, 2001, South Africa |

F. REGISTER CLOSED

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| 1. Last Day to Register | Up until 17h00 (South African time) on 16 April, 16 July, 16 October 2019 & 16 January 2020 (whether such day is a Business Day or not) |
| 2. Books Closed Period | The Register will be closed during the ten days preceding each Interest Payment Date and the Final Redemption Date from 17h00 (South African time) on the relevant Last Day to Register until 17h00 (South African time) on the day preceding the Interest Payment Date and the Final Redemption Date, being the period during which the Register is closed for purposes of giving effect to transfers, redemptions or payments in respect of this Tranche of Notes |
| 3. Books Closed Dates | 17 April, 17 July, 17 October 2019 & 17 January 2020 |

G. GENERAL

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| 1. Exchange Control Approval | Not Applicable |
| 2. Additional selling restrictions | Not Applicable |
| 3. International Securities Identification Numbering (ISIN) | ZAG000156688 |
| 4. Stock Code Number | MAQ132 |
| 5. Financial Exchange | JSE Limited (Interest Rate Market) |
| 6. Method of Distribution | Auction |
| 7. Name of Dealer | The Issuer |
| 8. Stabilisation Manager | Not Applicable |

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| 9. | Governing law | The Notes and the applicable Terms and Conditions are governed by, and shall be construed in accordance with, the laws of South Africa


The Guarantee is governed by, and shall be construed in accordance with, the laws of New South Wales, Australia |
| 10. | Business Centre | Johannesburg |
| 11. | Additional Business Centre | Not Applicable |
| 12. | Rating assigned to the Programme | The Programme was assigned an Issue credit rating from Standard & Poor's of BBB/A-2 (Global Scale) and zaAAA/zaA-1+ (SA National Scale) on 11 December 2018. Standard & Poor's conduct full ratings annually and the next full analysis will be released in December 2019. |
| 13. | Rating assigned to this Tranche of Notes as at the Issue Date | This Tranche of Notes was assigned an issue credit rating from Standard & Poor's of BBB/A-2 (Global Scale) and zaAAA/zaA-1+ (SA National Scale) on 31 January 2019. Standard & Poor's conduct full ratings annually and the next full analysis will be released in December 2019. |
| 14. | Rating Agency for this Tranche of Notes | Standard & Poor's |
| 15. | Commercial Paper Regulations | The information required to be disclosed in terms of paragraph 3(5) of the Commercial Paper Regulations is set out in Annexure "A" to this Applicable Pricing Supplement |
| 16. | Other provisions | None |

The Issuer certifies that to the best of its knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that this applicable pricing supplement contains all information required by law and the Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in the placing document, the pricing supplements, the annual financial statements and any amendments or supplements to the aforementioned documents, except as otherwise stated therein.

The JSE takes no responsibility for the contents of the placing document, the pricing supplements, the annual financial statements of the issuer and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of the placing document, the pricing supplements, the annual financial statements of the issuer and any amendments or supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of the placing document and listing of the debt securities is not to be taken in any way as an indication of the merits of the issuer or of the debt securities and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

Application is hereby made to list this Tranche of Notes on the Interest Rate Market of the JSE, as from 31 January 2019, pursuant to the Macquarie Securities South Africa Limited ZAR10,000,000,000 Debt Instrument Programme.

For: MACQUARIE SECURITIES SOUTH AFRICA LIMITED

By: 
duly authorised

Name: GRAHAM CRAWFORD

Date: 28-01-2019

By: 
duly authorised

Name: Robert Thompson

Date: 28/1/19

ANNEXURE "A" TO THE APPLICABLE PRICING SUPPLEMENT
COMMERCIAL PAPER REGULATIONS

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The information required to be disclosed in terms of paragraph 3(5) of the Commercial Paper Regulations is set out below (except where such information is disclosed in the Programme Memorandum and/or the Applicable Pricing Supplement):

1. **Issuer and Ultimate Borrower (paragraph 3(5)(a) of the Commercial Paper Regulations)**

The Issuer of the Tranche of Notes described in the Applicable Pricing Supplement (the relevant Tranche) is Macquarie Securities South Africa Limited (incorporated with limited liability under registration number 2006/023546/06 in South Africa).

The "ultimate borrower" (as defined in the Commercial Paper Regulations) is the Issuer.
2. **Going concern (paragraph 3(5)(b) of the Commercial Paper Regulations)**

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments, thereby reflecting the adequacy of the liquidity and solvency of the Issuer.
3. **Auditor (paragraph 3(5)(c) of the Commercial Paper Regulations)**

The auditors of the Issuer as at the Issue Date are PricewaterhouseCoopers Incorporated. PricewaterhouseCoopers Incorporated has acted as the auditors of the Issuer's latest audited financial statements.
4. **Total amount of Commercial Paper (paragraph 3(5)(d) of the Commercial Paper Regulations)**
 - a) The Issuer has, prior to the Issue Date, issued "commercial paper" (as defined in the Commercial Regulations) of which an aggregate amount of ZAR 2,326,000,000 remains outstanding (excluding this issuance).
 - b) As at Issue Date, to the best of the Issuer's knowledge and belief, the Issuer estimates that it will issue "commercial paper" (as defined in the Commercial Paper Regulations) in an aggregate amount of ZAR 7,674,000,000 during the Issuer's current financial year (excluding the relevant Tranche).
5. **Other information (paragraph 3(5)(e) of the Commercial Paper Regulations)**

All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in the relevant Tranche is contained in the Programme Memorandum and the Applicable Pricing Supplement.
6. **Material adverse change (paragraph 3(5)(f) of the Commercial Paper Regulations)**

Save as disclosed in the Programme Memorandum, there has been no material adverse change in the Issuer's financial position since the date of the Issuer's last audited financial statements.
7. **Listing (paragraph 3(5)(g) of the Commercial Paper Regulations)**

The relevant Tranche will be listed on the Interest Rate Market of the JSE.
8. **Use of proceeds (paragraph 3(5)(h) of the Commercial Paper Regulations)**

The proceeds of the issue of the relevant Tranche will be used by the Issuer for its general corporate purposes.
9. **Security (paragraph 3(5)(i) of the Commercial Paper Regulations)**

The obligations of the Issuer in respect of the relevant Tranche are unsecured (in that the Noteholders have no real rights of security in respect of such obligations). However, Macquarie Group Limited has, in terms of and subject to the Guarantee, irrevocably and unconditionally guaranteed to the Noteholders the due and punctual payment by the Issuer of all amounts owing by the Issuer in respect of the Notes.
10. **Auditors confirmation (paragraph 3(5)(j) of the Commercial Paper Regulations)**

The Issuer's auditors as at the Issue Date have confirmed in writing that nothing has come to their attention which causes them to believe that the issue of the relevant Tranche under the Programme, pursuant to the Programme Memorandum (as read with the Applicable Pricing Supplement) will not comply in all material respects with the provisions of the Commercial Paper Regulations.
11. **Audited financial statements (paragraphs 3(5)(l)(i) and (l)(ii) of the Commercial Paper Regulations)**

Where, in relation to the issue of the relevant Tranche, the Programme Memorandum and/or the Applicable Pricing Supplement is distributed and/or made available for inspection in South Africa, a copy of the Issuer's latest audited annual financial statements will at all times separately accompany (either by electronic delivery or by physical delivery) the Programme Memorandum and/or Applicable Pricing Supplement, as required by the Commercial Paper Regulations.