

CHAIRMAN'S ADDRESS

MACQUARIE BANK LIMITED ANNUAL GENERAL MEETING

27 JULY 2017

LEVEL 23, 101 COLLINS STREET, MELBOURNE

CHECK AGAINST DELIVERY

Good afternoon ladies and gentlemen and welcome to Macquarie Bank's 2017 Annual General Meeting.

I am Peter Warne, Chairman of the Macquarie Bank Board and I will be chairing the meeting today.

The Company Secretary has confirmed that a quorum is present, so I formally declare the meeting open.

To my right is Mary Reemst, the Bank's Managing Director and Chief Executive Officer, and Patrick Upfold, our Chief Financial Officer. On my left is Dennis Leong, our Company Secretary.

Macquarie Bank is part of Macquarie Group. I note that Macquarie Income Security holders were also invited to the Macquarie Group AGM which was held earlier today.

My address and the presentation from the Macquarie Group AGM were lodged with the ASX this morning and are available on the Macquarie website, along with a webcast of the meeting.

The Bank's operating results were broadly covered at the Macquarie Group AGM held earlier today. I will therefore make only a brief comment on the Macquarie Bank result for the full year ended 31 March 2017 before we move to the formal business.

At that time, Mary Reemst will answer any questions regarding the management of Macquarie Bank and Patrick Upfold will answer questions regarding financial matters.

Recording devices, photographic equipment and mobile phones may not be used during this meeting.

For the full year ended 31 March 2017, profit after tax attributable to Macquarie Bank ordinary equity holders was \$A1.2 billion. While this was down on the \$A2.1 billion profit in the prior year, it should be noted that the previous result included a profit of \$A1.0 billion from now discontinued operations.

Profit from continuing operations was up 16 per cent on last year to \$A1.2 billion.

Macquarie Bank's liquidity risk management framework operated effectively throughout the year, ensuring funding requirements were met and sufficient liquidity was maintained. Macquarie Bank remains well capitalised and as mentioned in the first quarter update this morning, the Bank's APRA Basel III Common Equity Tier 1 ratio at 30 June 2017 was 10.9 per cent.

Further details on the Bank's result and a review of the Bank's operations are available in Macquarie Bank's 2017 Annual Report.

I will now turn to the formal business of the meeting.