

CHAIRMAN'S ADDRESS

MACQUARIE BANK LIMITED ANNUAL GENERAL MEETING

23 JULY 2015

LEVEL 10 AUDITORIUM, 50 MARTIN PLACE, SYDNEY

CHECK AGAINST DELIVERY

Good afternoon ladies and gentlemen and welcome to Macquarie Bank's 2015 Annual General Meeting.

I'm Kevin McCann, Chairman of the Bank's Board.

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

With me today are Dennis Leong, the Company Secretary, Mary Reemst, the Bank's Managing Director and Chief Executive Officer, and next to her Patrick Upfold, our Chief Financial Officer.

Macquarie Bank is part of the 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 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 year ended 31 March 2015 before we move to the formal business, at which time Mary Reemst will be available to answer questions regarding the management of Macquarie Bank and Patrick Upfold will be available to answer questions regarding financial matters.

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

As reported in May, the Bank's net operating income for the year to 31 March 2015 was \$A5.3 billion, an increase of 16 per cent on the previous year.

Profit after tax attributable to MBL equity holders was \$A1.1 billion, which was an increase of 46 per cent on the previous year.

Throughout the year, the consolidated entity's liquidity risk management framework operated effectively ensuring funding requirements were met and sufficient liquidity was maintained. The consolidated entity remains well capitalised and as Nicholas mentioned in the first quarter update this morning, the Bank's APRA Basel III common equity tier 1 ratio at 30 June 2015 was 9.9 per cent.

Further details on the Bank's result and a review of the Bank's operations are available in Macquarie Bank's 2015 Annual Report.

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