

CHAIRMAN'S ADDRESS

MACQUARIE BANK LIMITED ANNUAL GENERAL MEETING

26 JULY 2018

LEVEL 10 AUDITORIUM, 50 MARTIN PLACE, SYDNEY

CHECK AGAINST DELIVERY

Good afternoon ladies and gentlemen and welcome to Macquarie Bank's 2018 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 Alex Harvey, 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 2018 before we move to the formal business.

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

For the full year ended 31 March 2018, profit after tax attributable to Macquarie Bank ordinary equity holders was \$A1.57 billion, which was an increase of 28 per cent on the previous year.

Net operating income of \$A6.16 billion was up six per cent on the prior year. The result included lower charges for impairments and provisions, and increased fee and commission income, partially offset by lower investment income.

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 Macquarie Group's first quarter update this morning, the Bank's APRA Basel III Common Equity Tier 1 ratio at 30 June 2018 was 10.3 per cent.

Further details on the Bank's result and a review of the Bank's operations are available in Macquarie Bank's 2018 Annual Report.

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