

**Macquarie Bank Limited**  
(ABN 46 008 583 542)

**U.S. Investors' Website Update dated March 18, 2015**

**Recent Developments**

**Aircraft Portfolio Acquisition**

On March 4, 2015, MGL announced that a subsidiary of MBL had entered into an agreement to acquire an aircraft operating lease portfolio from AWAS Aviation Capital Limited (the "Acquisition").

The portfolio comprises 90 modern, current-generation commercial passenger aircraft leased to 40 airlines. The weighted average age of the fleet is approximately 2 years with an average remaining lease term of 6.5 years. Narrowbody Airbus A320-200 and Boeing 737-800 aircraft comprise more than 90 per cent of the portfolio (by value). The remainder of the portfolio consists of Airbus A330 widebody aircraft.

The portfolio will become part of Macquarie AirFinance, the aircraft operating lease division of Corporate & Asset Finance. As at December 31, 2014, Corporate & Asset Finance had A\$29 billion in assets and loans under management across a range of sectors including aircraft, motor vehicles, mining equipment, rotorcraft, and corporate and real estate lending. Its aircraft operating lease portfolio currently comprises 130 aircraft.

The purchase price for the 90 aircraft is approximately US\$4 billion (subject to adjustments). The capital requirement for this transaction is expected to be A\$0.6 billion. Settlements for the aircraft acquisitions are expected to occur progressively over the next 12 months and are subject to customary closing conditions. The acquisition will be funded from existing funding sources combined with third-party financing arrangements and an institutional placement, which was completed by MGL on March 5, 2015.

**Regulatory Developments**

***United States***

The CFTC continues to issue final and proposed regulations, statements of guidance and no-action letters that may affect certain members of the MGL Group, including MBL. As a non-U.S. swap dealer registered with the CFTC, MBL currently benefits from relief from an obligation to report to the CFTC swaps with non-U.S. persons. This relief is due to expire on December 1, 2015. In addition, the CFTC has granted relief to non-U.S. swap dealers, in connection with their transactions with non-U.S. counterparties, from certain of the CFTC's "transaction-level rules," which include clearing and execution requirements, business conduct rules, documentation requirements and other matters. This relief was based in some instances on substituted compliance with local law. The relief is due to expire on September 30, 2015. We currently expect the CFTC to extend the relief granted under these two actions, or provide similar relief. This expectation is based on, among other factors, the relief having been provided to permit the CFTC to conduct an assessment as to the equivalence of Australia's transaction reporting regime, which has not yet been completed, and Australia's rules governing swap transactions, which have been in the process of being

developed and implemented. Despite this, the timing and content of any potential extension, or a substituted compliance determination, is uncertain. The expiration of this relief without an extension would require MBL to comply with rules that it might not be able to satisfy immediately. See “Regulation and Supervision – International – United States” in our 2014 Annual U.S. Disclosure Report for further information.

### ***United Kingdom***

#### *European Union Financial Transaction Tax (“FTT”)*

Following a meeting of the Council of the European Union on December 9, 2014, the Presidency of the Council provided an update on the status of the FTT and noted that further work was required with respect to certain areas. On January 21, 2015, the French and Austrian finance ministers sent a joint letter to the other nine of the original eleven Participating Member States to re-launch the discussion on how the FTT could be designed and implemented, and proposed for discussion that the FTT should have a wide base and low rates instead of specific asset classes (such as derivatives) being identified as subject to it. See “Recent Developments – Regulatory and supervision developments – United Kingdom – European Union Financial Transaction Tax” in our 2015 Interim U.S. Disclosure Report. for further information.

### **Funding Transactions**

Since September 30, 2014, MBL Group raised A\$15.6 billion of term funding, including A\$7.7 billion of term wholesale funding (including A\$3.3 billion of senior unsecured debt under its US Rule 144A/Regulation S Medium Term Note Program), A\$7.5 billion of term secured finance and A\$0.4 billion of BCN issuance (which was completed in October 2014).

Wholesale term funding of A\$7.7 billion includes A\$3.3 billion in U.S. dollar denominated senior unsecured debt issuance, A\$3.0 billion senior unsecured issuance in the Australian, European, Swiss and Japanese markets and A\$1.4 billion in private placements and structured notes. Term secured finance of A\$7.5 billion includes A\$3.9 billion of acquisition finance facility, A\$1.8 billion of PUMA RMBS and A\$1.7 billion of SMART auto & equipment ABS.