

**CHAIRMAN'S ADDRESS**

**MACQUARIE BANK LIMITED ANNUAL GENERAL MEETING**

**25 JULY 2012**

**LEVEL 3, AUDITORIUM, NO. 1 MARTIN PLACE, SYDNEY**

**CHECK AGAINST DELIVERY**

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Good afternoon ladies and gentlemen and welcome to Macquarie Bank's 2012 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, Greg Ward, the Bank's Managing Director and Chief Executive Officer, and next to him Patrick Upfold, our Chief Financial Officer

Macquarie Bank is part of the Macquarie Group. The Bank's Macquarie Income Securityholders 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 today and are available on the Macquarie website, along with the webcast of the event.

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 2012 before we move to the formal business, at which time Greg Ward 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 April, the Bank's net operating income for the year to 31 March 2012 was \$A4.7 billion, a decrease of 6 per cent on the previous year.

Profit after tax attributable to MBL equity holders was \$A609 million, which was a decrease of 24 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 at 30 June 2012 had a Harmonised Basel III core equity tier 1 capital ratio of 11.7 per cent.

Further details on the Bank's result and a review of the Bank's operations are available in Macquarie Bank's 2012 Annual Report.

Before moving on the formal business of the meeting, I will touch on other Board matters.

As you would all be aware, Richard Sheppard, the Deputy Managing Director of Macquarie Group and Chief Executive of Macquarie Bank since leading the Group's non-operating holding company restructure in 2007, retired on 20 December 2011. On behalf of the Board, I would like to acknowledge Richard's outstanding contribution to Macquarie over more than 30 years.

Greg Ward succeeded Mr Sheppard as Deputy Managing Director of Macquarie Group and Chief Executive of Macquarie Bank. Patrick Upfold succeeded Mr Ward as the Group's Chief Financial Officer and continues as Treasurer.

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