

## **CHAIRMAN'S ADDRESS**

### **MACQUARIE BANK LIMITED ANNUAL GENERAL MEETING**

**25 JULY 2013**

**MACQUARIE'S MELBOURNE OFFICE, THE CONFERENCE ROOM,**

**LEVEL 27, 101 COLLINS STREET, MELBOURNE, VICTORIA**

### **CHECK AGAINST DELIVERY**

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Good afternoon ladies and gentlemen and welcome to Macquarie Bank's 2013 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. 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 the 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 2013 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 May, the Bank's net operating income for the year to 31 March 2013 was \$A4.6 billion, in line with the previous year.

Profit after tax attributable to MBL equity holders was \$A650 million, which was an increase of 6.7 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 2013 had an APRA Basel III core equity tier 1 capital ratio of 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 2013 Annual Report.

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

As we announced at our annual results, Catherine Livingstone will retire today as a Director of Macquarie Group and Macquarie Bank.

Catherine has been a Board member for 10 years and has served as Chairman of the Board Audit Committee for the past eight years.

Michael Coleman has joined the Macquarie Group and Macquarie Bank Boards. He is a member of the Board Risk and Board Audit Committees and will succeed Catherine as Chairman of the Board Audit Committee.

As an audit partner specialising in financial services at KPMG for 30 years, Michael has a strong background in financial reporting, regulatory and corporate governance. He was also KPMG's Regional Leader for Asia Pacific Quality and Risk Management for nine years.

As announced this morning, we are also delighted to advise that Professor Gary Banks has agreed to join the Macquarie Group and Macquarie Bank Boards, effective 1 August 2013. Gary has deep experience across economics, public policy and regulation in Australia and internationally. This experience includes roles with The Organisation for Economic Co-operation and Development (OECD), the World Bank and Chairmanship of the Productivity Commission.

Gary was chairman of the Productivity Commission from its inception in 1998 until 2012. He is currently CEO of the Australia and New Zealand School of Government. We believe his experience will be of significant benefit to Macquarie.

Peter Maher announced his intention to retire from Macquarie after serving as Head of our Banking and Financial Services Group – or BFS – for more than 12 years.

Peter will leave BFS following a record result in the last financial year and having built and integrated a strong retail financial offering for Macquarie.

Greg Ward has been appointed Group Head of BFS and remains as Deputy Managing Director of Macquarie Group and Chief Executive Officer of Macquarie Bank.

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