



**Macquarie Bank Limited
Hong Kong Branch**

Annual Disclosure Statement

31 March 2013

(Accordance to the Banking (Disclosure) Rules
made pursuant to Section 60A of the Banking Ordinance)



Basis of preparation

The Annual Disclosure Statement for the financial period ended 31 March 2013 (the "Disclosure Statement") has been prepared in accordance with the relevant requirements of the Banking (Disclosure) Rules made under section 60A of the Banking Ordinance.

The International Financial Reporting Standards were applied to the Disclosure Statement. The information in the Disclosure Statement is not audited and does not constitute statutory accounts.

Principal activities

Macquarie Bank Limited, Hong Kong Branch is a licensed bank under the Banking Ordinance (Cap. 155). The Branch principally engages in cash equities brokerage business. No comparative information is available for this Disclosure Statement for the standalone bank branch since the branch has not started its business operations until 1 October 2012.

Macquarie Bank Limited, Hong Kong Branch



Profit and Loss Information

Figures in HKD million	From 1 October 2012 to 31 March 2013
Interest income	1
Interest expense	<u>(3)</u>
Net interest income / (expense)	(2)
Net losses arising from investments held for trading	(7)
Fees and commission income	666
Fees and commission expenses	<u>(104)</u>
Net fees and commission Income	562
Others	<u>(366)</u>
Other operating income	<u>189</u>
Total operating income	187
Staff expenses	(164)
Rental expenses	(13)
Other expenses	<u>(307)</u>
Total operating expenses	(484)
Loss before taxation	(297)
Taxation	<u>31</u>
Loss after taxation	<u>(266)</u>

Macquarie Bank Limited, Hong Kong Branch



Balance Sheet Information

Figures in HKD million	31 March 2013
Assets	
Balances with banks	673
Government bills, notes and bonds	140
Securities held for trading purposes	136
Loans and receivables	-
Other receivables ¹	23,207
Total assets	24,156
Liabilities	
Deposits and balances from banks	-
Deposits from customers	-
Amount due to overseas offices	715
Other payables ¹	23,707
Other accounts	(266)
Total liabilities	24,156

¹ Major balances represent amounts receivable / payable in respect of dealing in securities for the cash equities brokerage business.

Additional information

1. Cross-border claims

Geographical areas and individual countries constituting 10% or more of the aggregate cross-border claims but excluding claims to head office, branches and subsidiaries:

31 March 2013

Figures in HKD million	Banks and other financial institutions	Public sector entities	Others	Total
Asia Pacific				
Japan	95	-	2,504	2,599
Singapore	5	-	1,462	1,467
North America				
United States	71	-	3,656	3,727
Western Europe				
United Kingdom	162	-	1,964	2,126

The above country/geographical segment classification is based on the head office location of the counterparties, (excluding amount due from head office, branches and subsidiaries), and is derived according to the location of the counterparties after taking into account any risk transfer.

Additional information

2. Currency risk

Figures in HKD million

Foreign currency exposures arising from trading, non-trading and structural positions, where an individual foreign currency net position constitutes 10% or more of the total net position in all foreign currencies:

31 March 2013

	<i>AUD</i>	<i>JPY</i>	<i>USD</i>	<i>SGD</i>	<i>Total</i>
Spot assets	422	5,551	791	1,865	8,629
Spot liabilities	(489)	(5,618)	(639)	(1,869)	(8,615)
Forward purchases	-	84	526	-	610
Forward sales	-	(75)	(238)	(41)	(354)
Net Long / (short) position	<u>(67)</u>	<u>(58)</u>	<u>440</u>	<u>(45)</u>	<u>270</u>
Net structural position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net option position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

3. Liquidity ratio

31 March
2013

Average liquidity ratio for the financial period ended 835.92%

The average liquidity ratio for the period is the arithmetic mean of each calendar month's average liquidity ratio calculated in accordance with the Forth Schedule to the Banking Ordinance.

Additional information

4. Off-balance sheet exposures

	31 March
Figures in HKD thousand	2013
Derivatives	
<u>Exchange rate-related derivative contracts</u>	
Contractual amounts	764,053
Before netting	
- Fair value assets	364
- Fair value liabilities	(556)

The exchange rate-related derivative contracts were carried out for both trading and hedging purposes.

5. Disclosure on Remuneration

Pursuant to section 3 of Supervisory Policy Manual (CG-5) Guideline on a sound remuneration system issued by the HKMA, Macquarie Bank Limited, Hong Kong Branch complies with the requirements and has adopted the remuneration systems of Macquarie Bank Limited, Head Office. For details on Macquarie Bank Limited Head Office Report, please refer to pages 7 – 32 of the 2013 Annual Report.

Macquarie Bank Limited



Bank information (consolidated basis)

Capital and capital adequacy

	31 March 2013
Figures in AUD million	
Capital ratios - Tier 1 Ratio	10.8%
- Total Ratio	13.5%
Shareholders' funds	8,655

The figures have been calculated in accordance with the Basel Capital Accord and incorporated market risk associated with trading portfolios.

Other financial information

Figures in AUD million

	31 March 2013
Total assets	136,037
Total liabilities	127,382
Total advances	47,926
Total customer deposits	40,966

	For the year ended 31 March 2013
Pre-tax profit	1,029

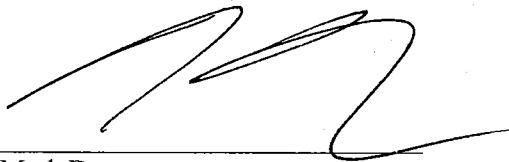
Details of the above information can be obtained from the Macquarie Bank Limited 2013 annual report.



Statement of Compliance

This information in this statement is not false or misleading in any material respect.

A copy of the Disclosure Statement has been lodged with the Hong Kong Monetary Authority's Public Registry for public inspection.



Mark Duncan
Chief Executive, Hong Kong Branch

28 June 2013