

**CHAIRMAN'S ADDRESS**

**MACQUARIE BANK LIMITED AGM**

**28 JULY 2011**

**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 2011 Annual General Meeting.

I'm Kevin McCann, Chairman of Macquarie Bank Limited.

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, Richard Sheppard, the Bank's Managing Director and Chief Executive Officer, and next to him Greg Ward, our Chief Financial Officer

Macquarie Bank Limited is a subsidiary of Macquarie Group Limited and is regulated by the Australian Prudential Regulation Authority as an Authorised Deposit-taking Institution.

Macquarie Bank is required to hold its own Annual General Meeting due to the listed Macquarie Income Securities.

However, 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 today and are available on the Macquarie Group website, along with the webcast of the event.

The Bank's operating results were broadly covered at the Macquarie Group AGM held earlier today and published in releases to the ASX. I will therefore make a brief comment on the Macquarie Bank result for the year ended 31 March 2011 before we move to the formal business, at which time Richard Sheppard will be available to answer questions regarding the management of Macquarie Bank, and Greg Ward will be available to answer questions regarding financial matters.

I would like to advise that 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 2011 was \$A4.8 billion, an increase of 31 per cent on the previous year.

Profit after tax attributable to MBL equity holders was \$A803 million, which was an increase of 21 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 31 March 2011 had a Tier 1 capital ratio of 10.7 per cent and a total capital ratio of 12.4 per cent.

Further details on the Bank's result and a review of the Bank's operations are available in Macquarie Bank's 2011 Annual Report.

As you would all be aware, our former Chairman David Clarke passed away on the 8<sup>th</sup> of April this year, having resigned from his position just a few weeks earlier due to ill health.

Under his leadership over 40 years, Macquarie grew from an organisation of 12 employees based in Sydney to a global enterprise of more than 15,500 staff in 28 countries.

In addition to his many business achievements, David leaves an enduring philanthropic legacy.

While his loss is keenly felt, his philosophy is embedded in the Macquarie culture and our over 15,500 staff continue to work under the principles and policies he helped develop.

Before moving on the formal business of the meeting, I will touch on other Board matters. In addition to my own appointment as Chairman following David's resignation on the 17<sup>th</sup> of March, we were pleased to announce the appointment of Diane Grady to the Boards of Macquarie Group and Macquarie Bank.

A full-time independent director since 1994, Diane has served on the boards of many leading companies, including Woolworths, Goodman Group, Lend Lease and MLC. She is currently a Director of BlueScope Steel.

Diane's experience as a director of major listed Australian companies with international businesses and her background in strategy and operational issues will be of great benefit to Macquarie and we welcome her to the Board.

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