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Macquarie Bank Limited

Presentation to
Annual General Meeting

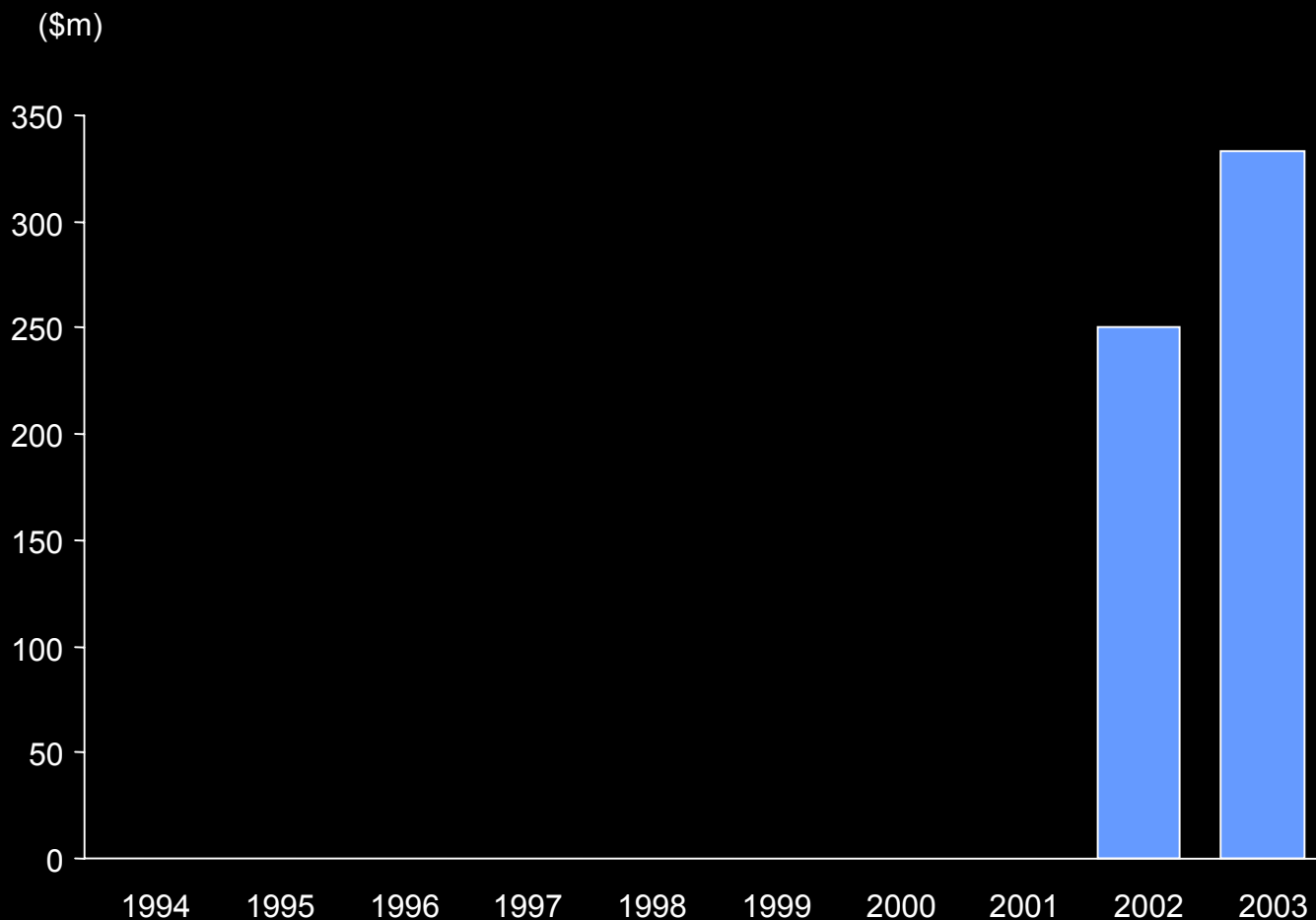
*Allan Moss, Managing Director and Chief
Executive Officer*

31 July 2003



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Profit growth: 33% to \$333m

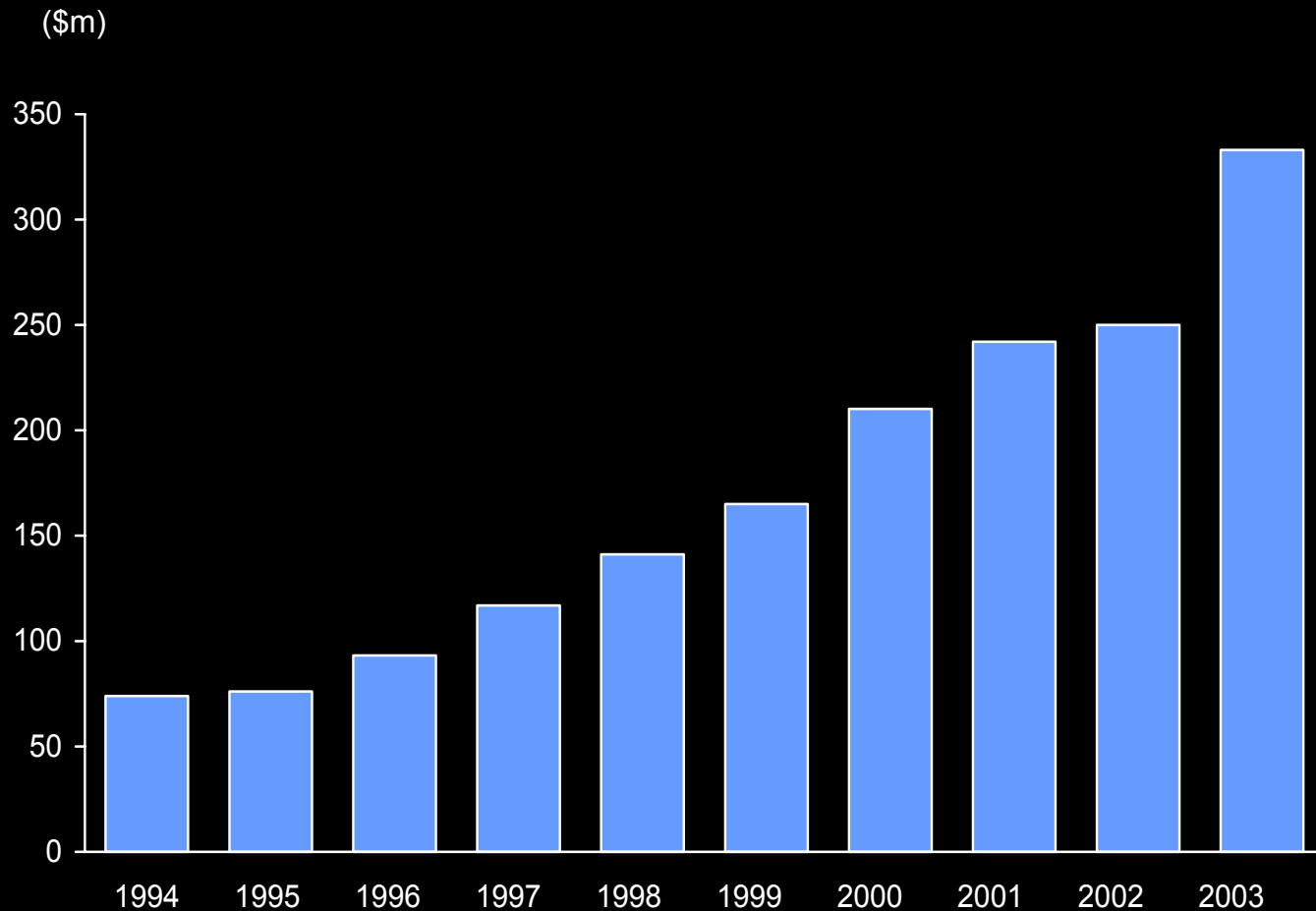




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Profit growth: 33% to \$333m

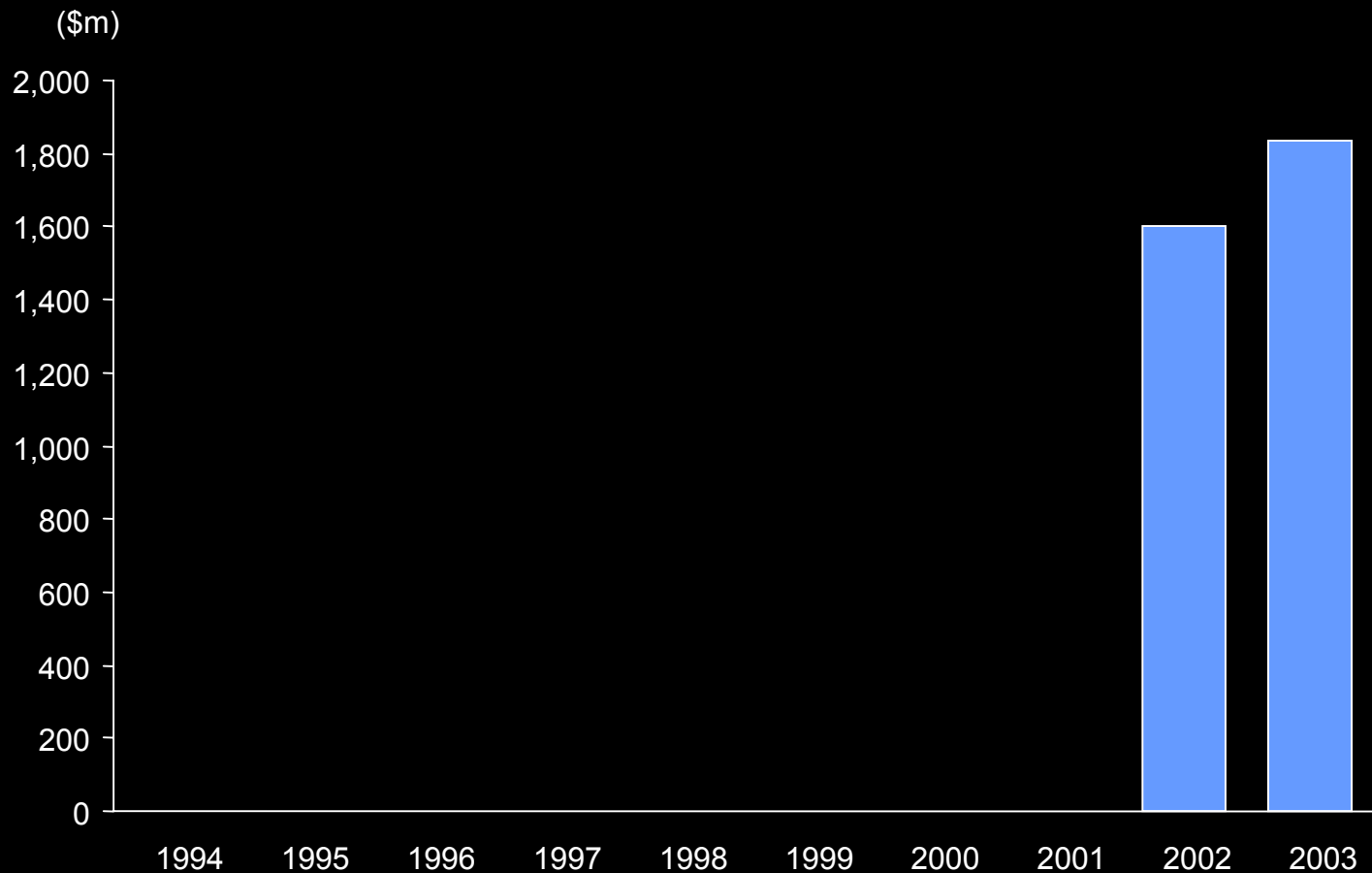
→ 4.5 times over the decade





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Income growth: 15% to \$1.8b



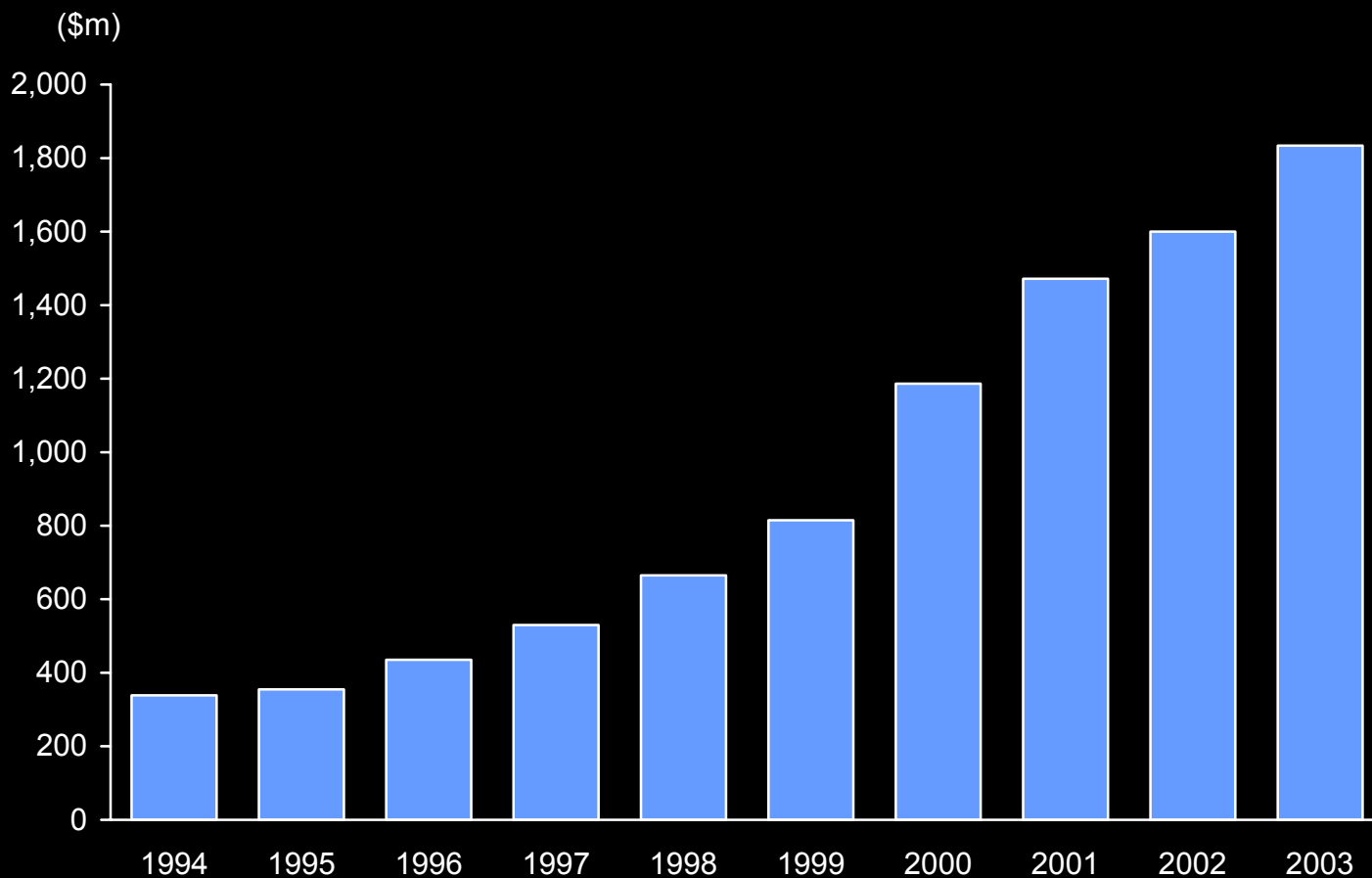
* Income excludes BA transmission income and operating expenses for holding period from 2 April to 12 August 2002



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Income growth: 15% to \$1.8b

→ 5.4 times over the decade



* Income excludes BA transmission income and operating expenses for holding period from 2 April to 12 August 2002



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Funds under management growth: 27% to \$52b

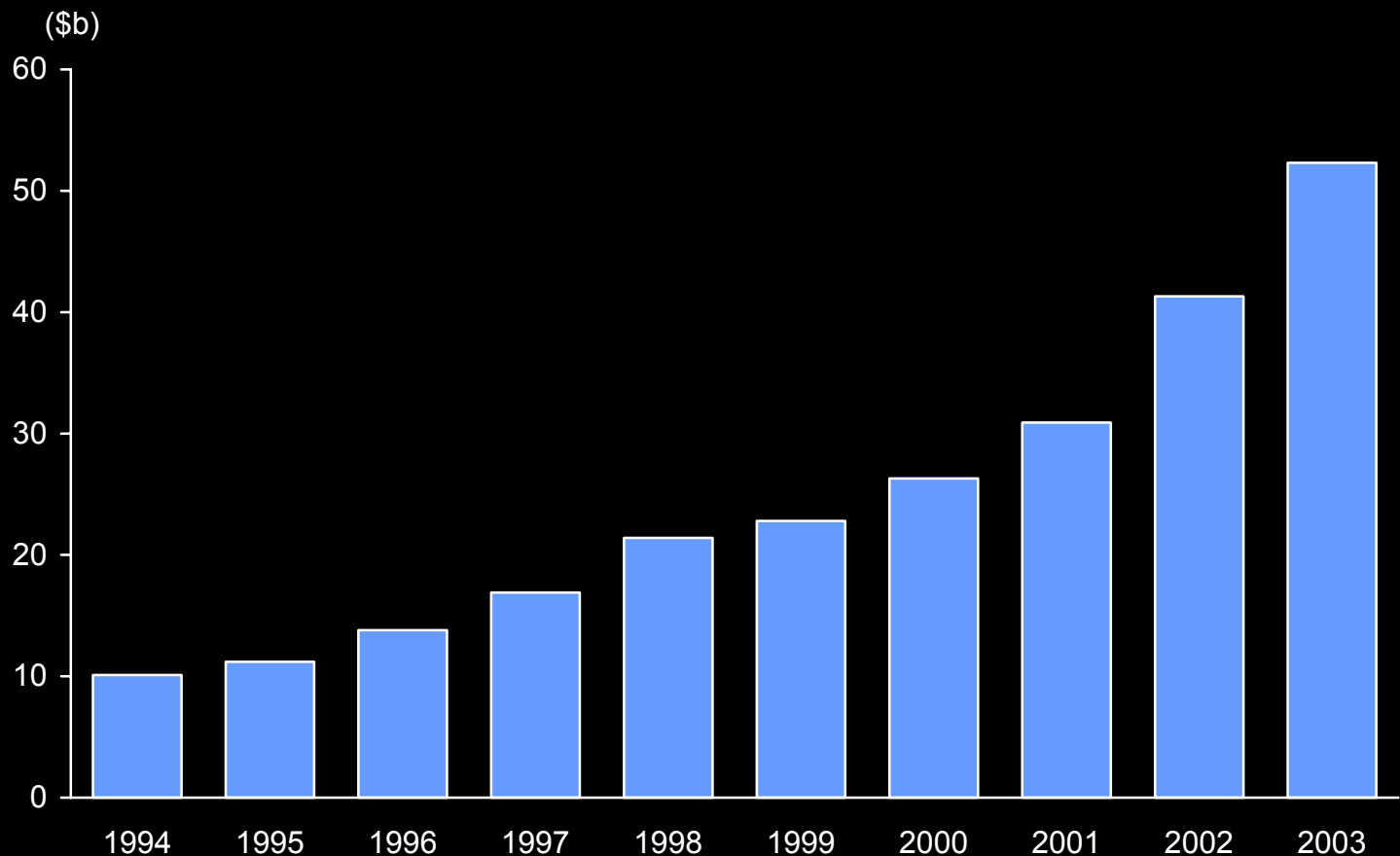




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Funds under management growth: 27% to \$52b

- 5.2 times over the decade
- Australia's 4th largest fund manager





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Total assets growth: 8% to \$33b

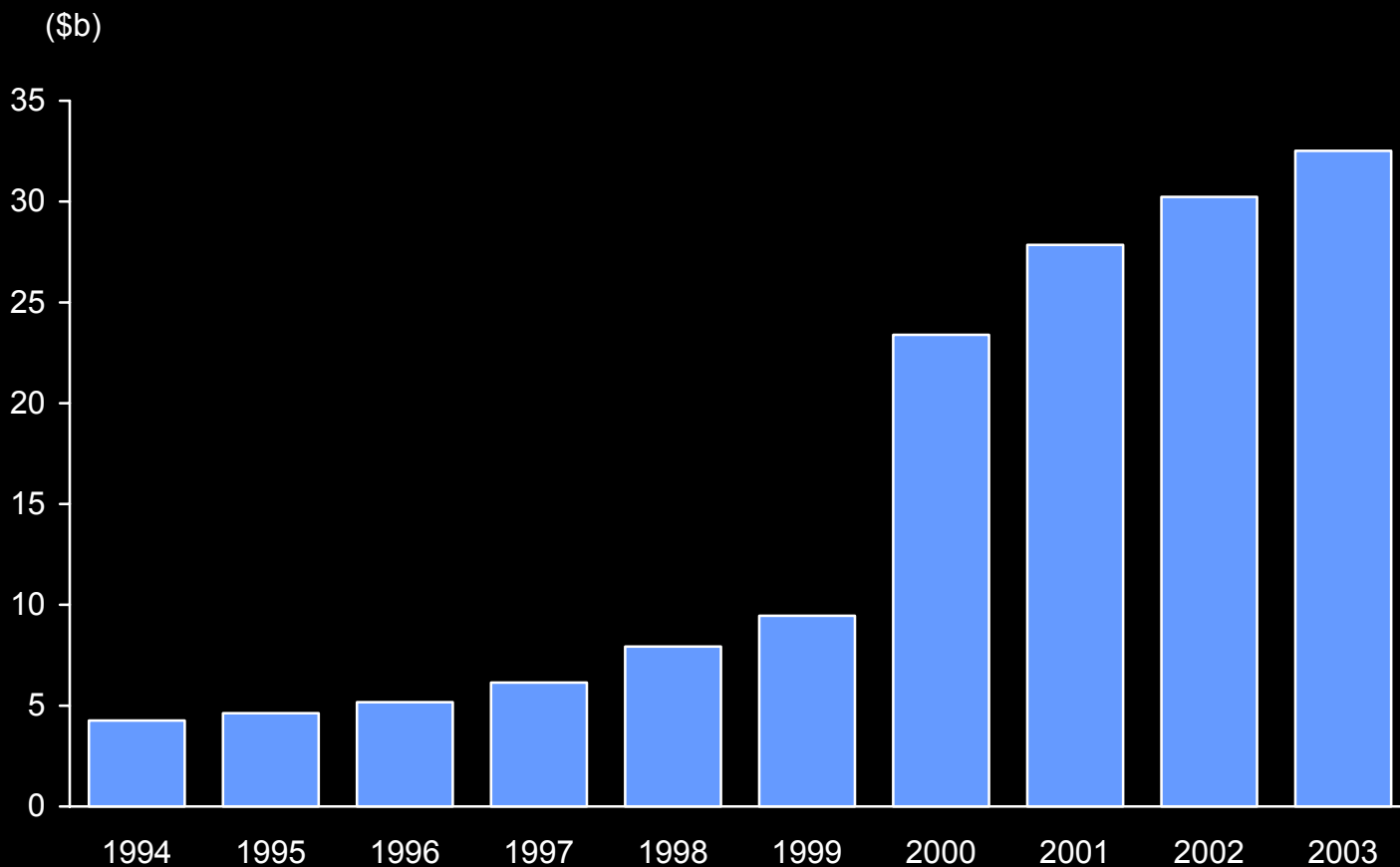




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Total assets growth: 8% to \$33b

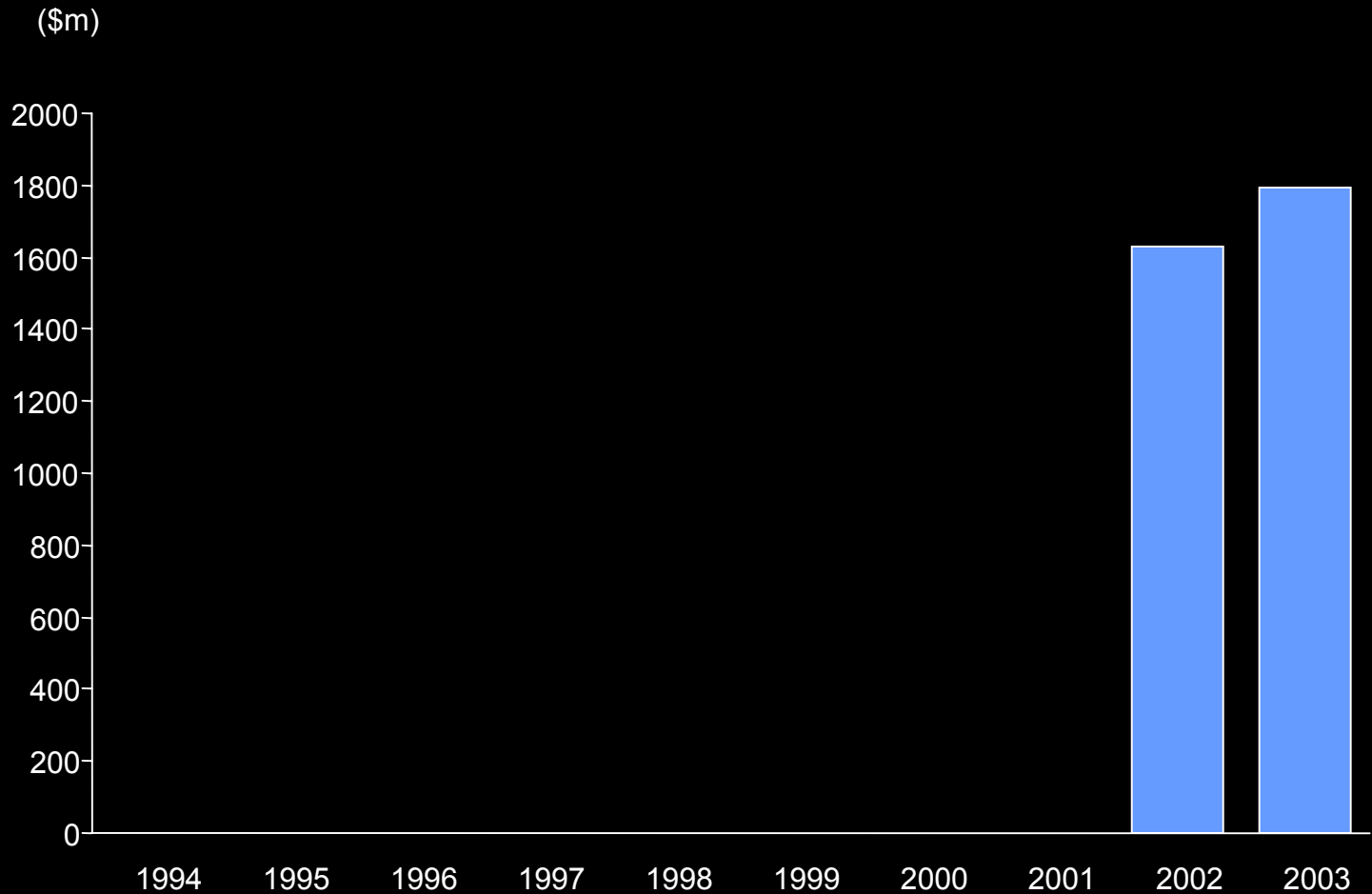
→ 7.6 times over the decade





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Total capital growth: 10% to \$1.8b

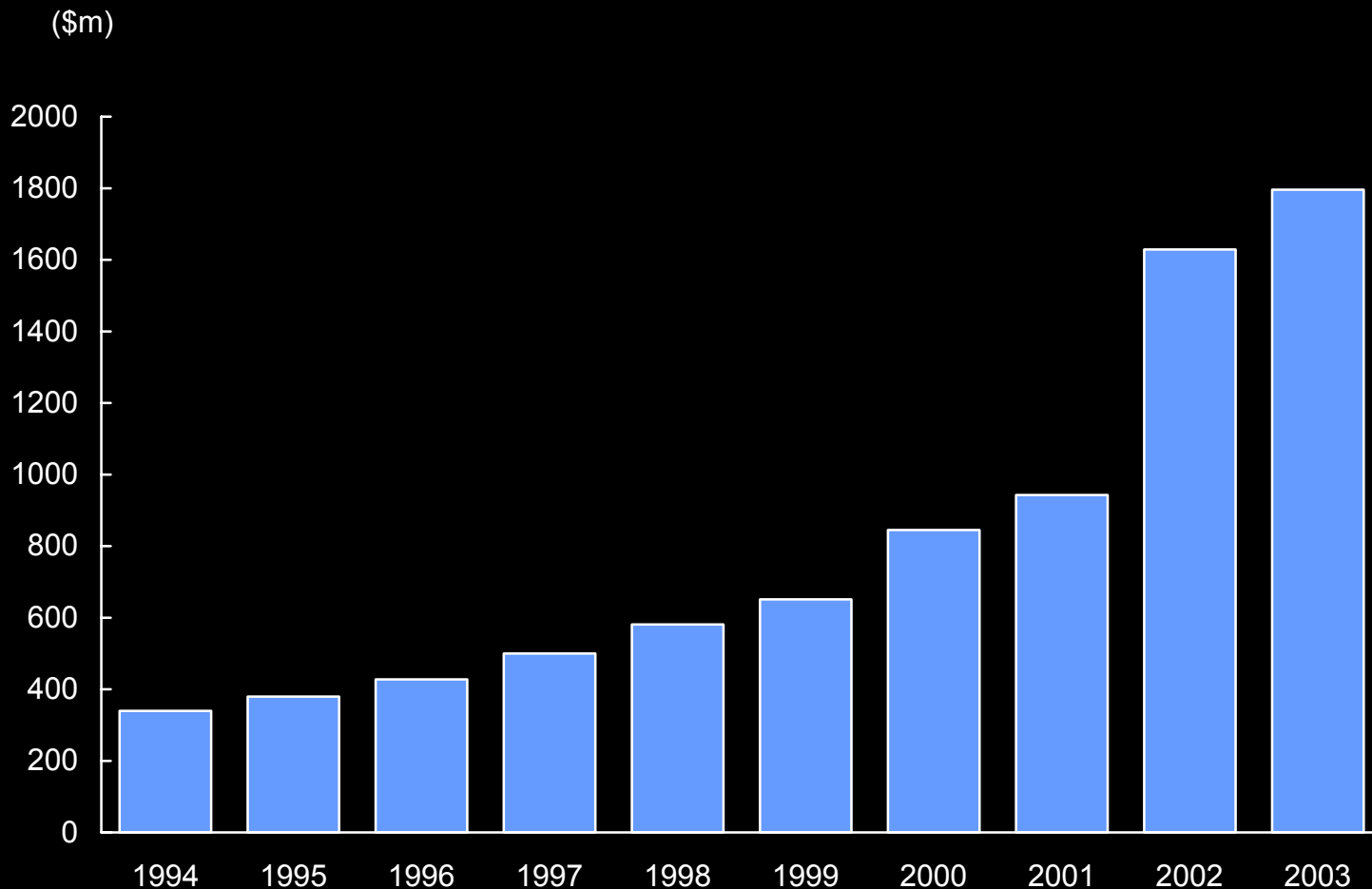




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Total capital growth: 10% to \$1.8b

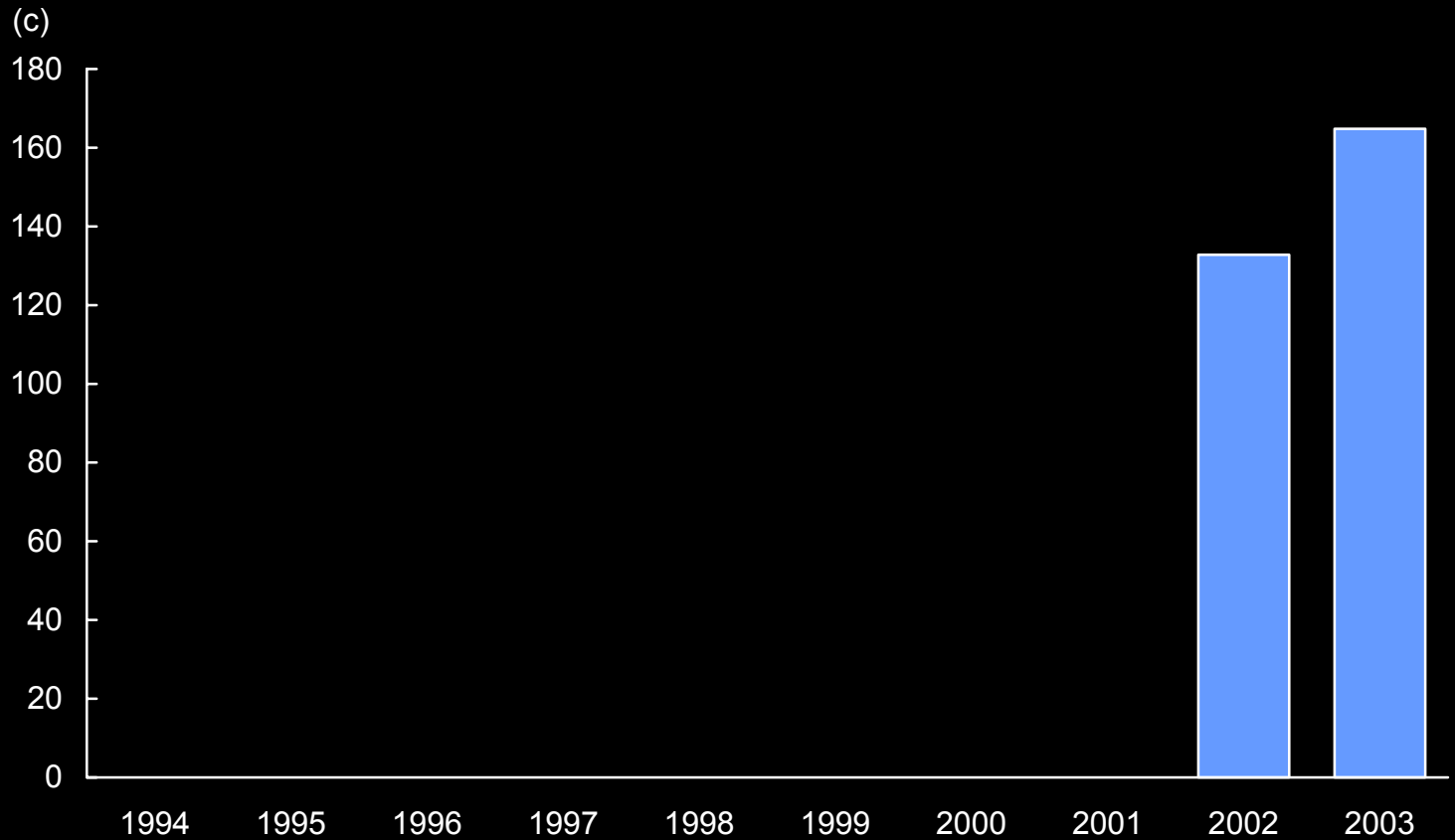
→ 5.3 times over the decade





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EPS growth: 24% to 165c



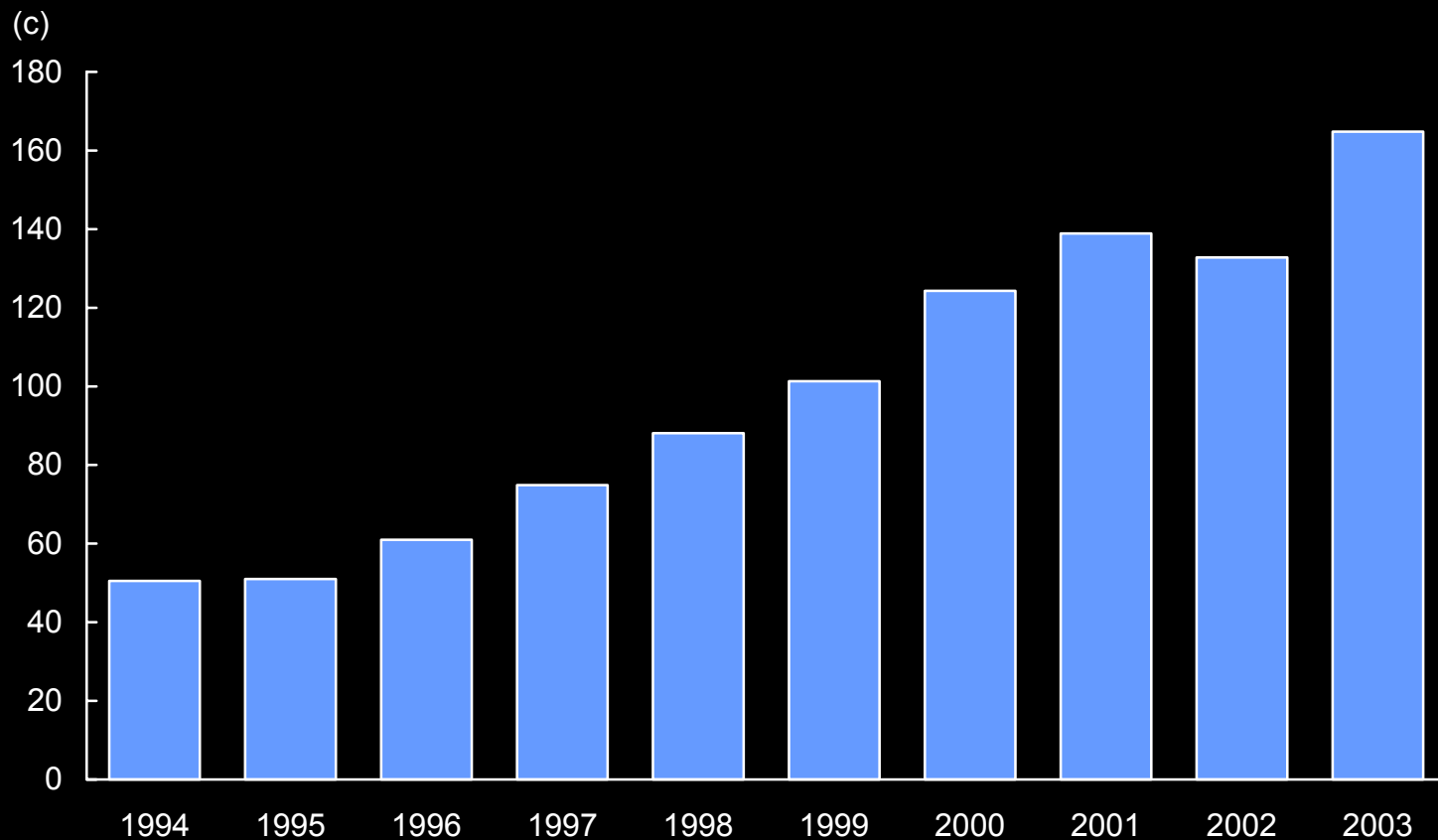
* Basic EPS calculation



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EPS growth: 24% to 165c

- 3.3 times over the decade
- Australian market only 1.4 times

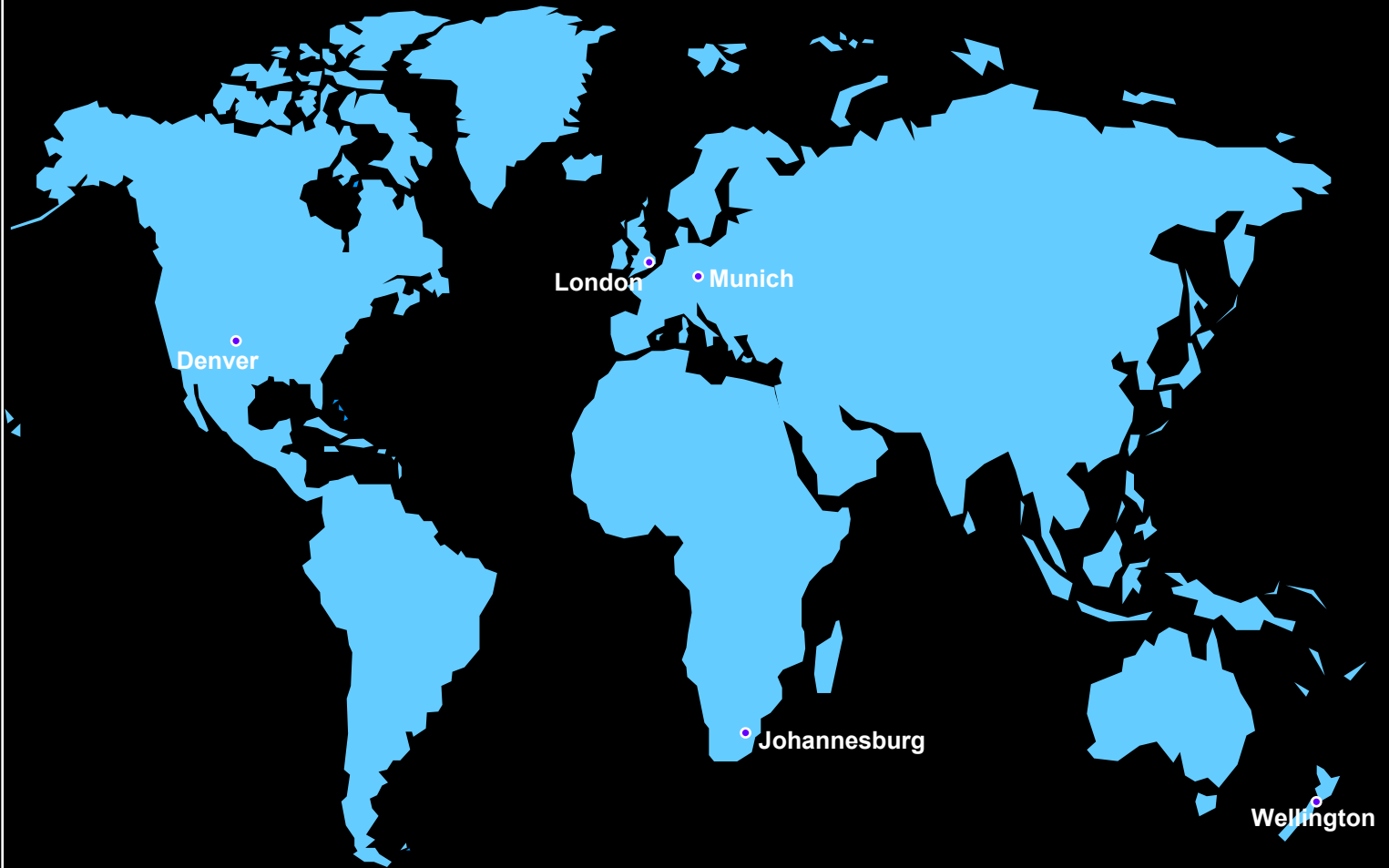


* Australian market EPS based on IBES data (MSCI Australia series). MBL EPS series based on company information



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1994: only 5 offices outside Australia with 50 staff





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Today: 33 offices outside Australia with around 800 staff



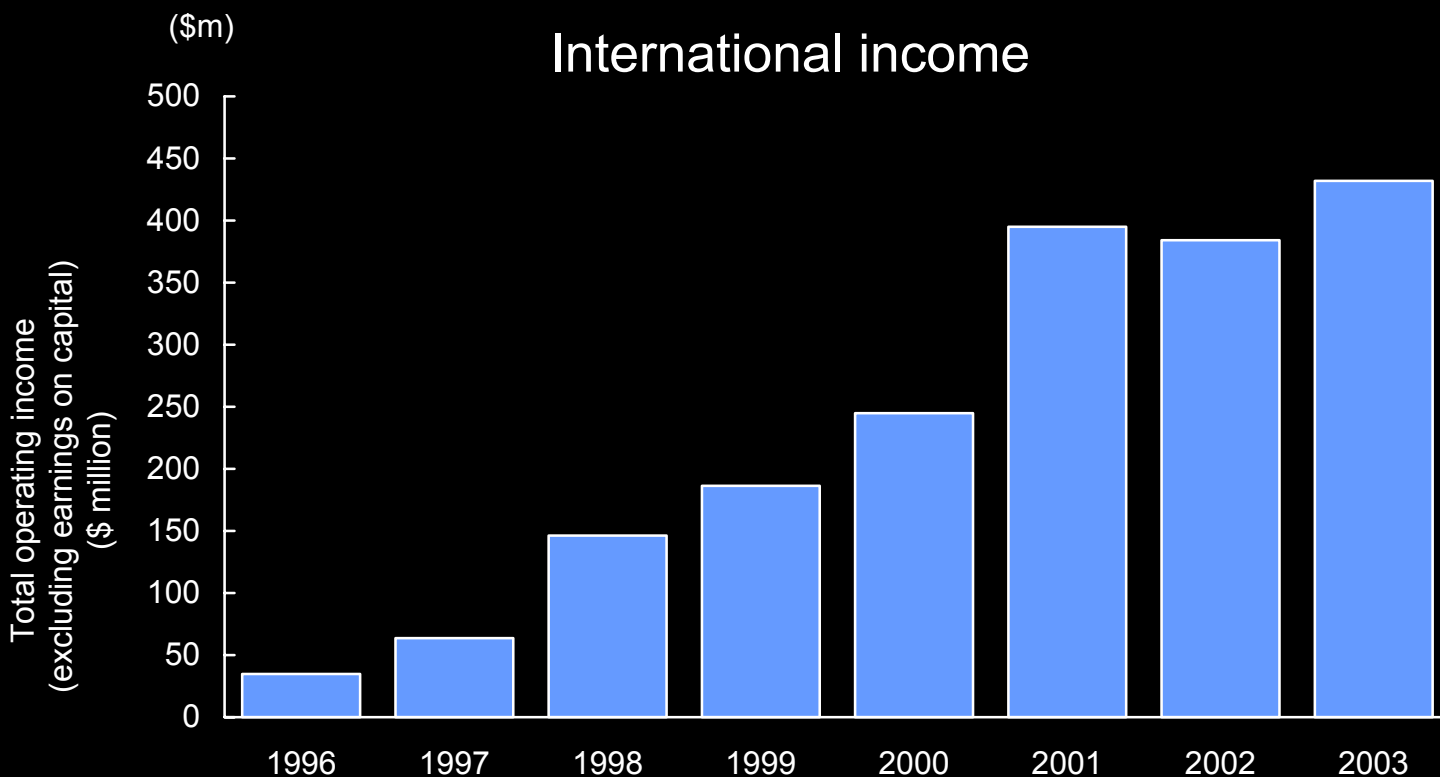
*As at 30 June 2003



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Where the income comes from

- 24% from international activities
- Up 12% in subdued global markets

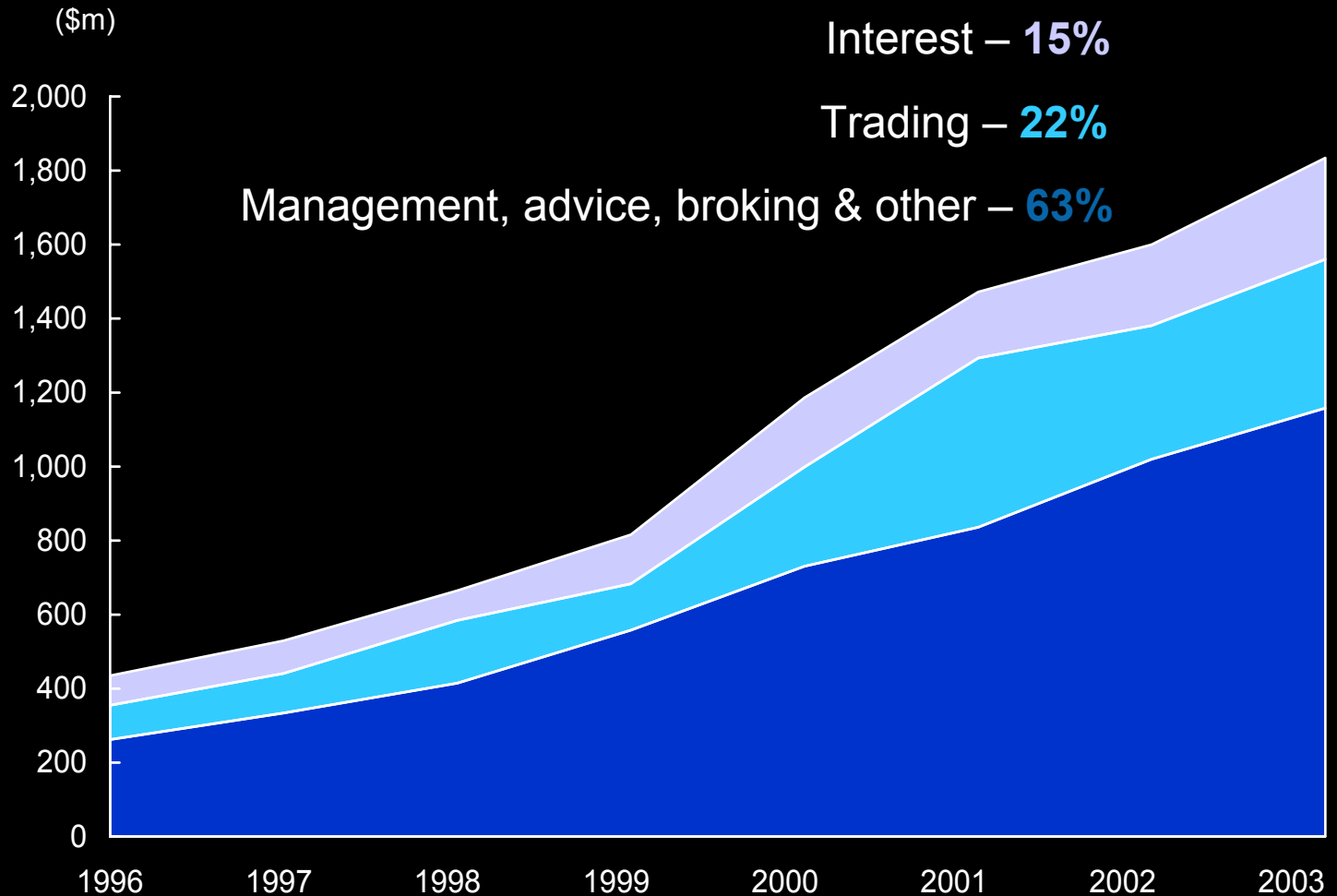




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Where the income comes from

By type



*Income excludes BA transmission income and operating expenses for holding period from 2 April to 12 August 2002



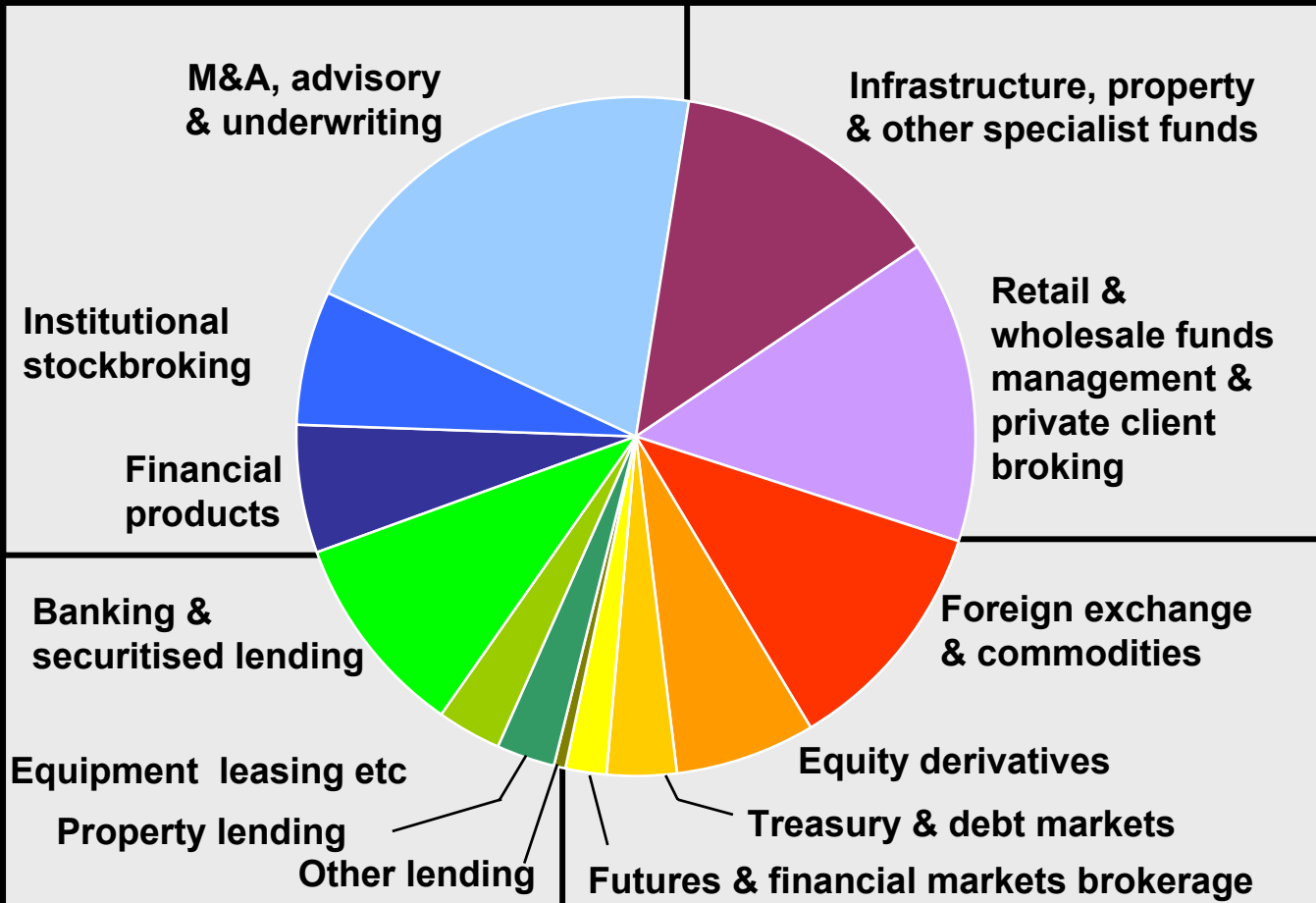
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Where the income comes from

By business segment

Investment banking 33%

Asset & wealth management 28%



Lending 16%

Financial markets 23%

* Income excludes BA transmission income and operating expenses for holding period from 2 April to 12 August 2002



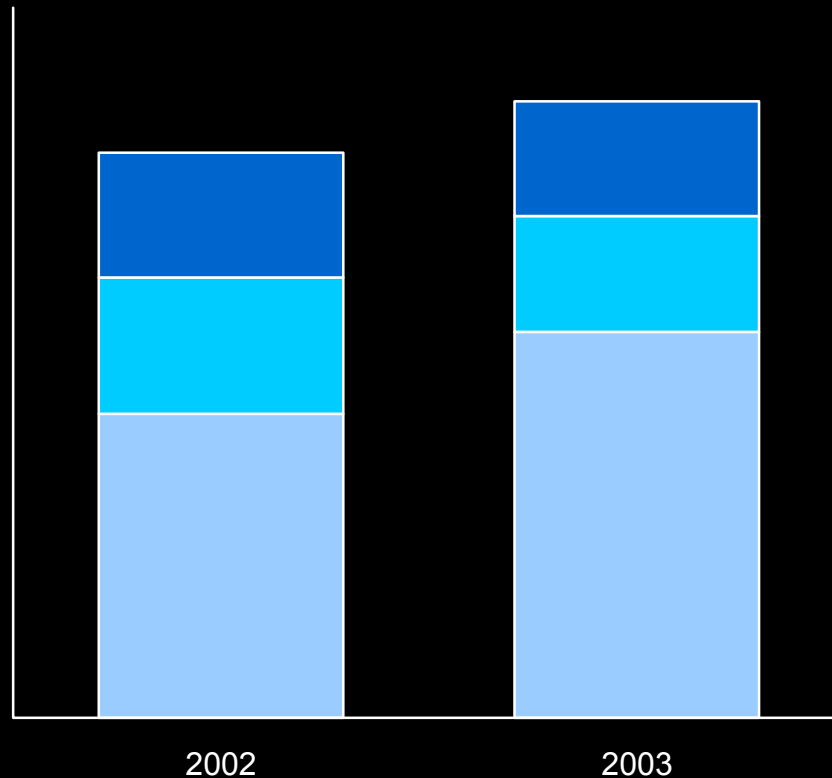
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Investment banking segment

→ 33% of total income

→ Up 9%

(\$m)



■ Financial products

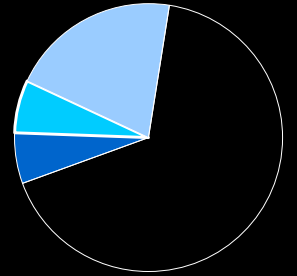
■ Institutional
stockbroking

■ M&A, advisory &
underwriting



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Investment banking examples



→ London Underground

→ Advised on £4.4b upgrade

→ Constellation Brands

→ Advised on \$2.4b merger to create the world's largest wine company

→ Broadcast Australia

→ Acquired as seed asset for \$310m IPO of Macquarie Communications Infrastructure Group



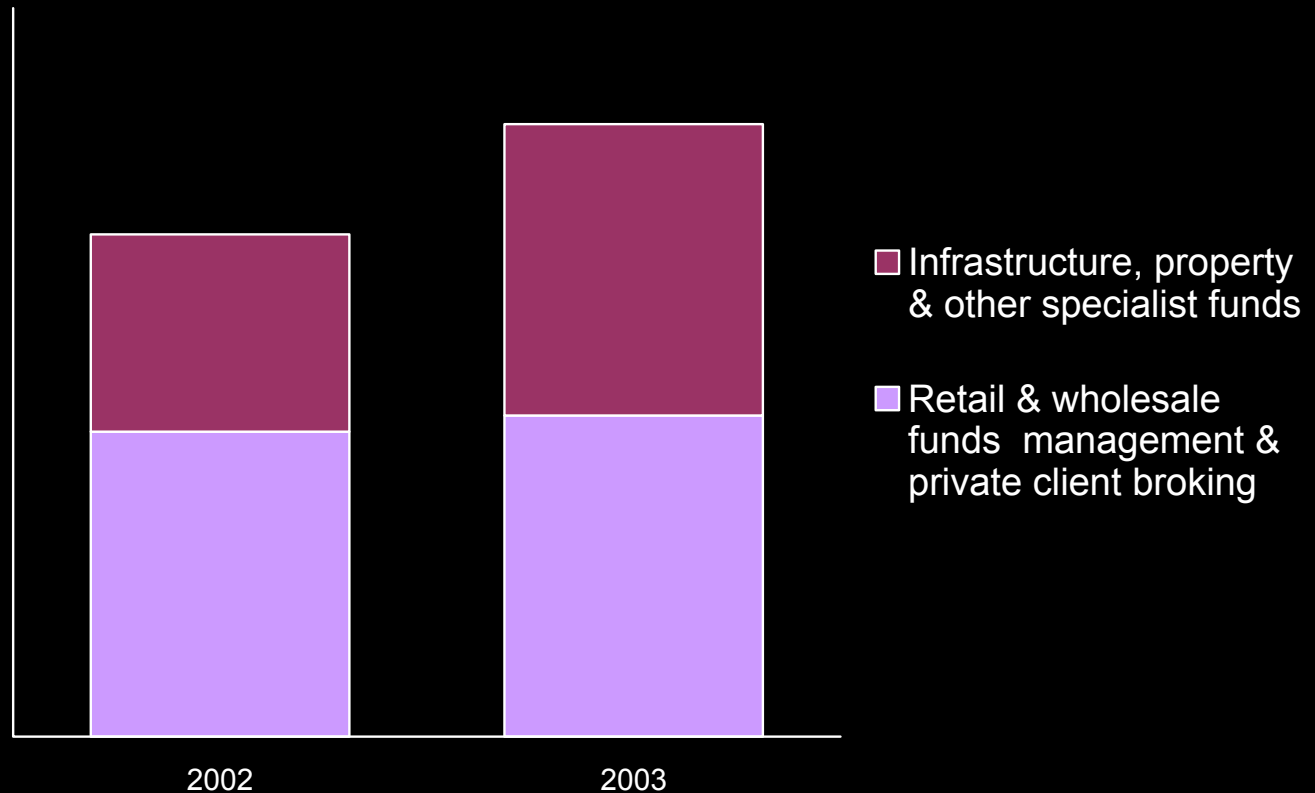
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Asset and wealth management segment

→ 28% of total income

→ Up 22%

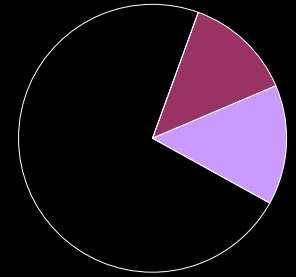
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Asset and wealth management examples

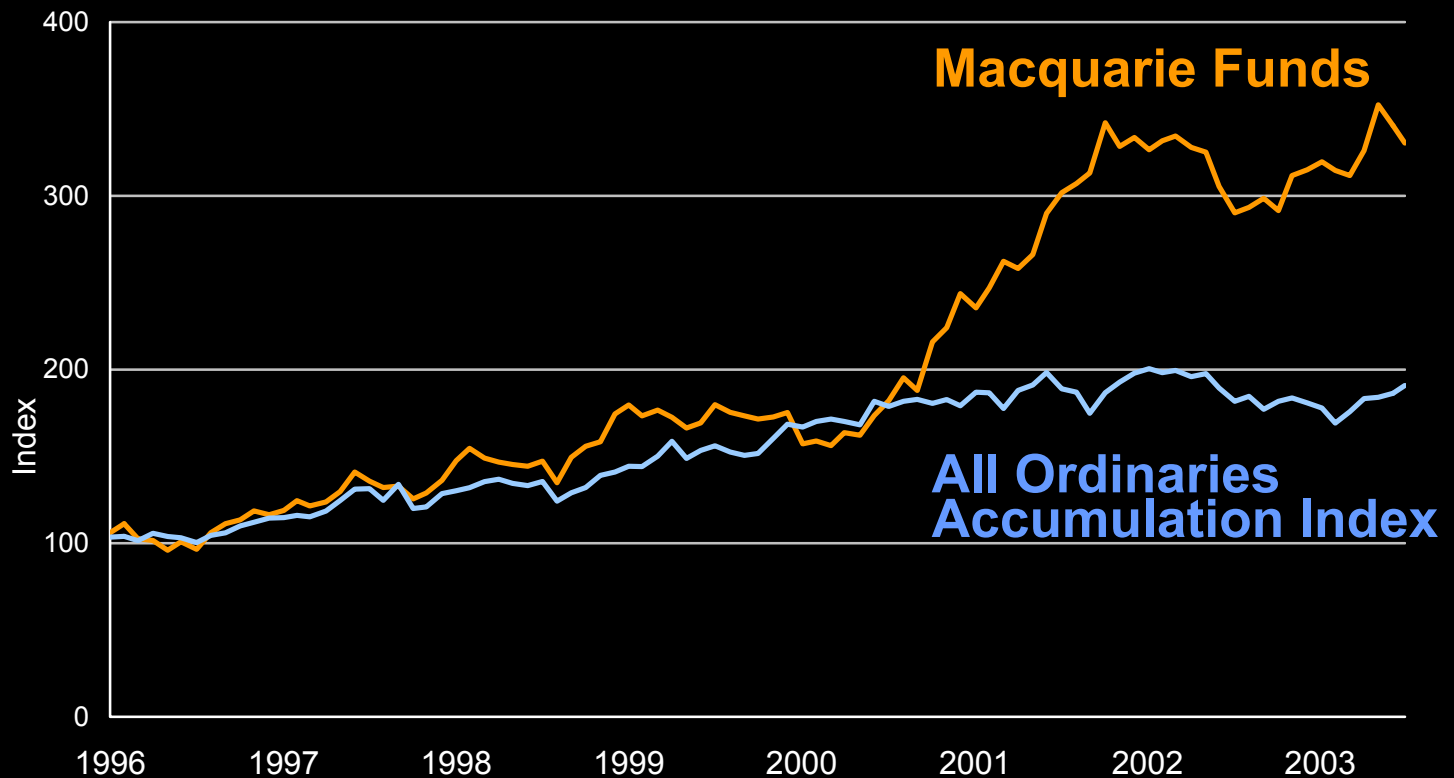


- Over 550,000 retail clients
- MIG has interests in around 1,500km of toll roads
- 5 listed and 22 unlisted property funds have interests in around 360 properties



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Listed infrastructure and property funds have outperformed



Comprises the accumulated performance of Macquarie Airports, Macquarie Communications Infrastructure Group, Macquarie Infrastructure Group, Macquarie CountryWide Trust, Macquarie Goodman Industrial Trust, Macquarie Leisure Trust, Macquarie Office Trust and Macquarie ProLogis Trust.

* All data as at 25 July 2003, indexed at 100 on 29 December 1996



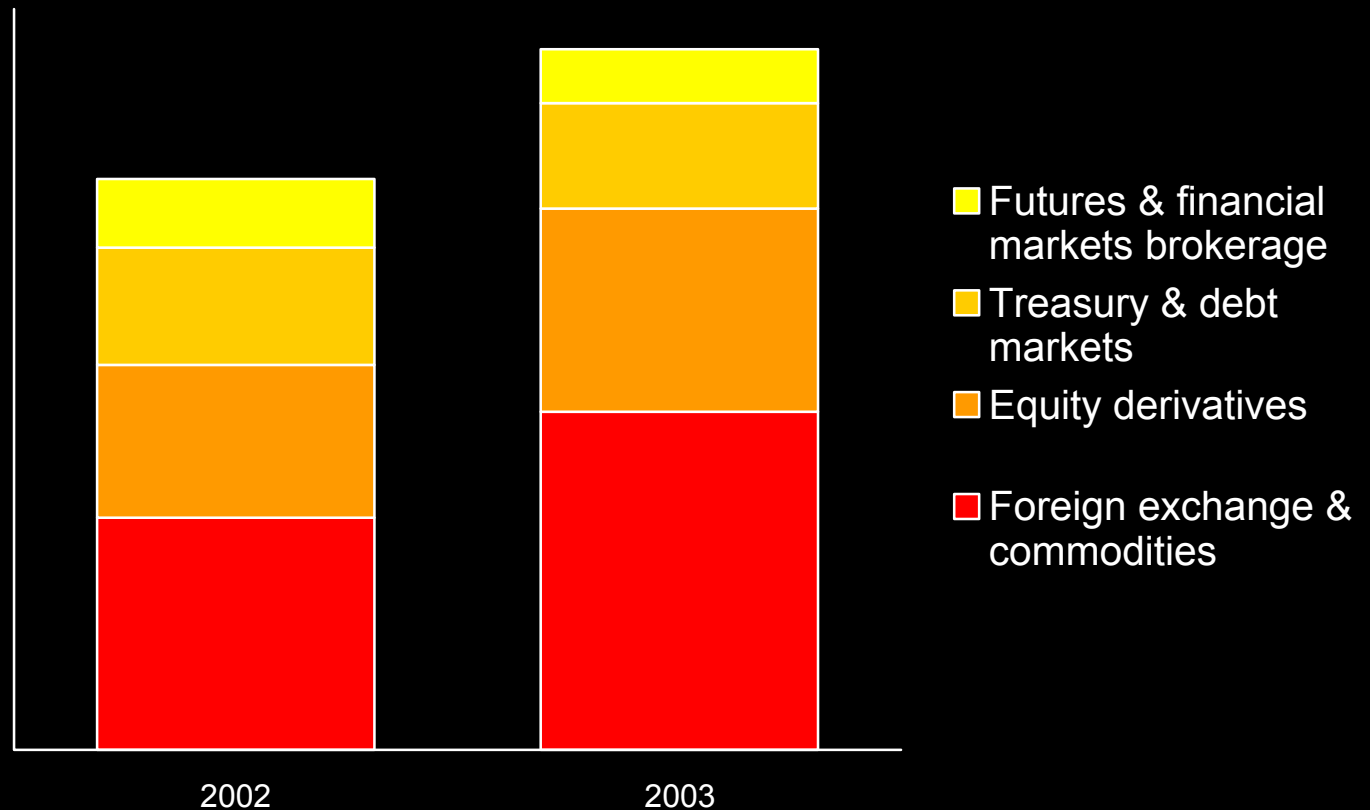
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Financial markets segment

→ 23% of total income

→ Up 23%

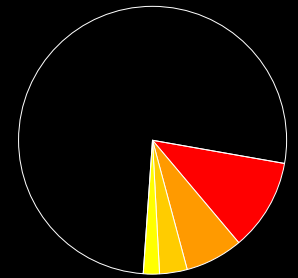
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Financial markets examples



- Market turnover in Australian warrants (premium traded) of over \$1,000,000,000
- Foreign exchange turnover of approx \$1,500,000,000,000
- Hedged over 10,600,000 tonnes of raw sugar
 - equivalent of approx 1,800,000,000,000 teaspoons



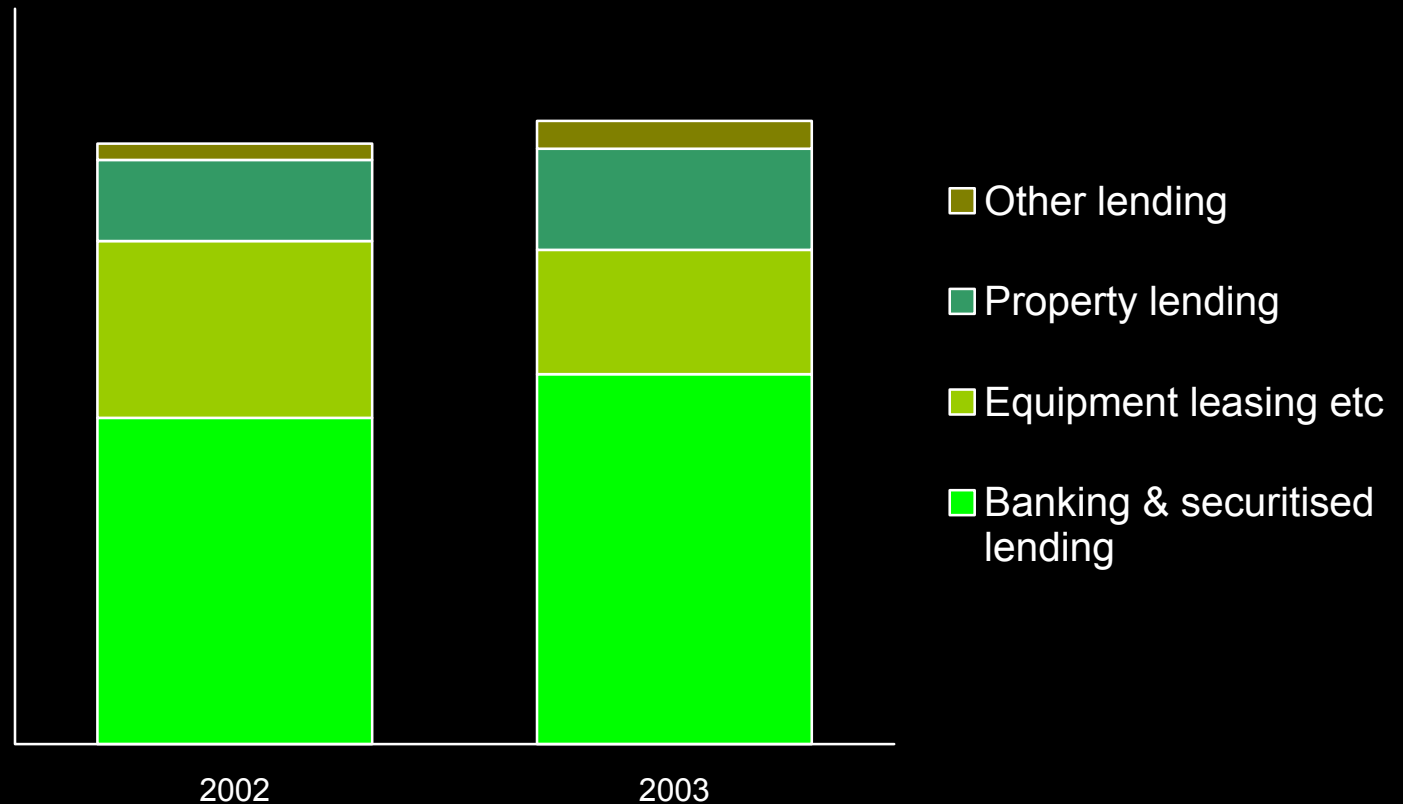
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Lending segment

→ 16% of total income

→ Up 4%

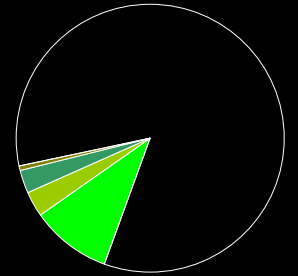
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Lending examples



- Fund 4,000 businesses
- Facilitate mortgage finance for over 65,000 homes
- Lease out 170,000 PCs and laptops



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Some post balance date developments in Australia

- Promina - \$2b IPO
- Alinta Gas – advised Alinta and AMP Henderson controlled and managed entities on acquisition and restructure of energy assets
- Macquarie Goodman Industrial Trust – announced friendly takeover bid for AMP Industrial Trust
- Private client advisers – took on board 25,000 clients and 48 advisers from Hartleys



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Some post balance date developments internationally

- Canada – launched new regulated assets fund
- Korea – new equity derivatives alliance and second close of Korea Road Infrastructure Fund to raise total to \$500m
- Africa – new equity derivatives alliance in South Africa and sold interest in East African Gold Mines
- Taiwan – initiated funds management



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Outstanding equity transactions since January 2003

- Lead manager in 10 significant transactions
- Raised over \$3b
- Excellent returns to investors



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Profit for the first quarter well up on last year

- **Investment Banking** – substantially up on prior corresponding period
 - good levels of activity in Corporate Finance and Institutional Stockbroking
 - strong performance of specialist funds
 - good leasing volumes
- **Treasury and Commodities** – down from outstanding first quarter last year



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Profit for the first quarter well up on last year

- **Banking and Property** – in line with prior corresponding period
- **Equity Markets** – substantially up reflecting some improvement in international markets
- **Funds Management** – substantially up reflecting growth in funds under management
- **Financial Services** – substantially up as planned



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Outlook

- Market conditions are still uncertain – especially international markets
- Expect first half and full year to be up on prior corresponding periods
- Our equities related businesses are well placed to benefit from any improvement in markets
- Quantum of full year profit growth will depend on transaction flow and general market conditions



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We will continue the Macquarie approach

- Full service in Australia/ focussed international expansion
- Strong risk management
- Investing in growth through the cycle