



MACQUARIE
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Macquarie Bank Limited

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Disclaimer

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A unique financial institution

- Diversified financial services in Australia
- Focused participant in international markets
- Compound annual growth over a decade:
 - Revenue – 21%
 - NPAT – 19%
 - EPS – 15%
- P/E (historical) – 19.5

Market capitalisation:

Macquarie Bank (MBL):	A\$6.6b	~20 th on ASX
Macquarie Bank listed “family”:	A\$20b	~10 th on ASX

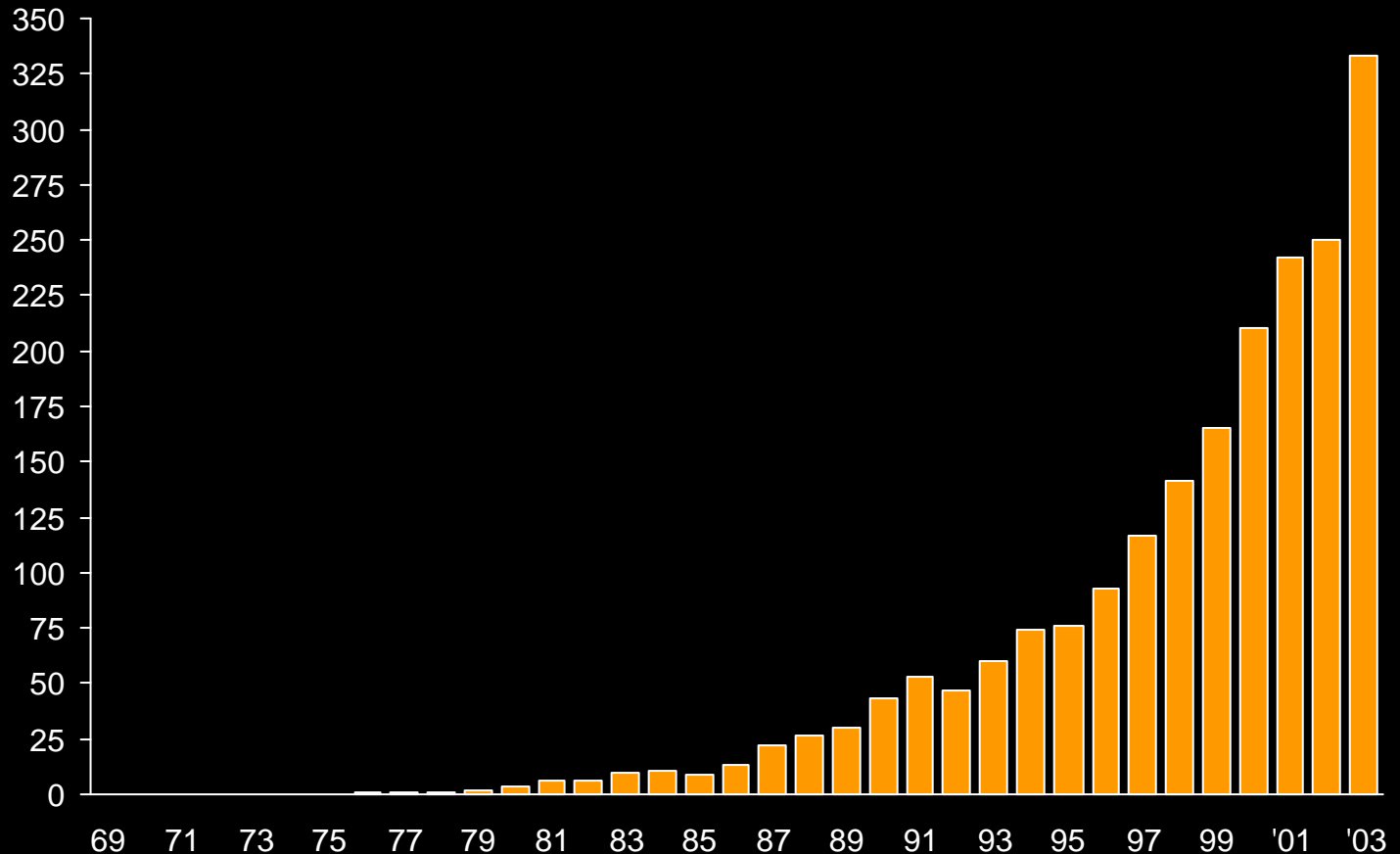


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33 year history of profit growth

Consistent growth

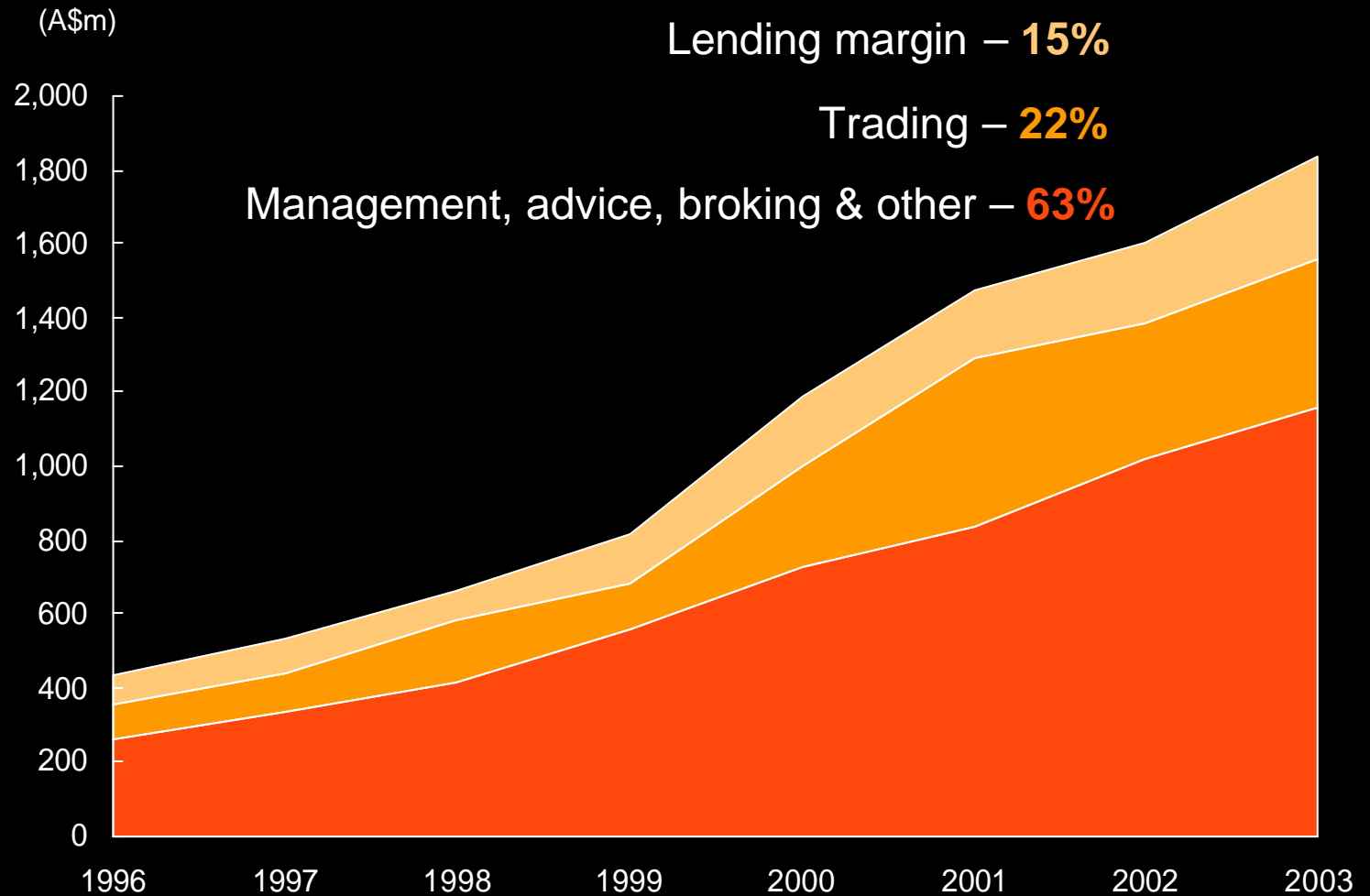
Net Profit
After Tax
(A\$m)





Where the income comes from

By type

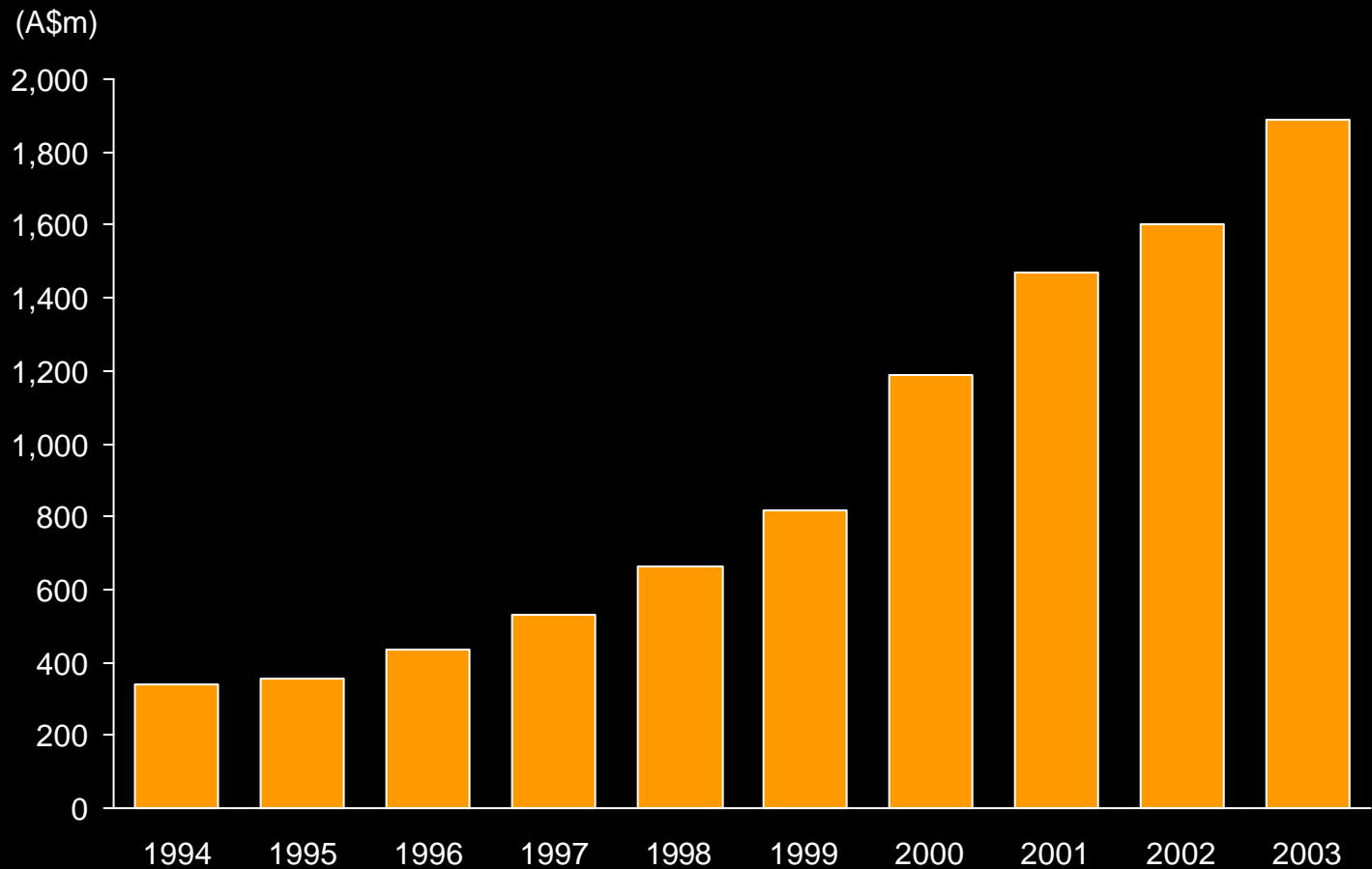




Income growth over the decade

→ 5.4 times

→ 15% growth in year to 31 March 2003

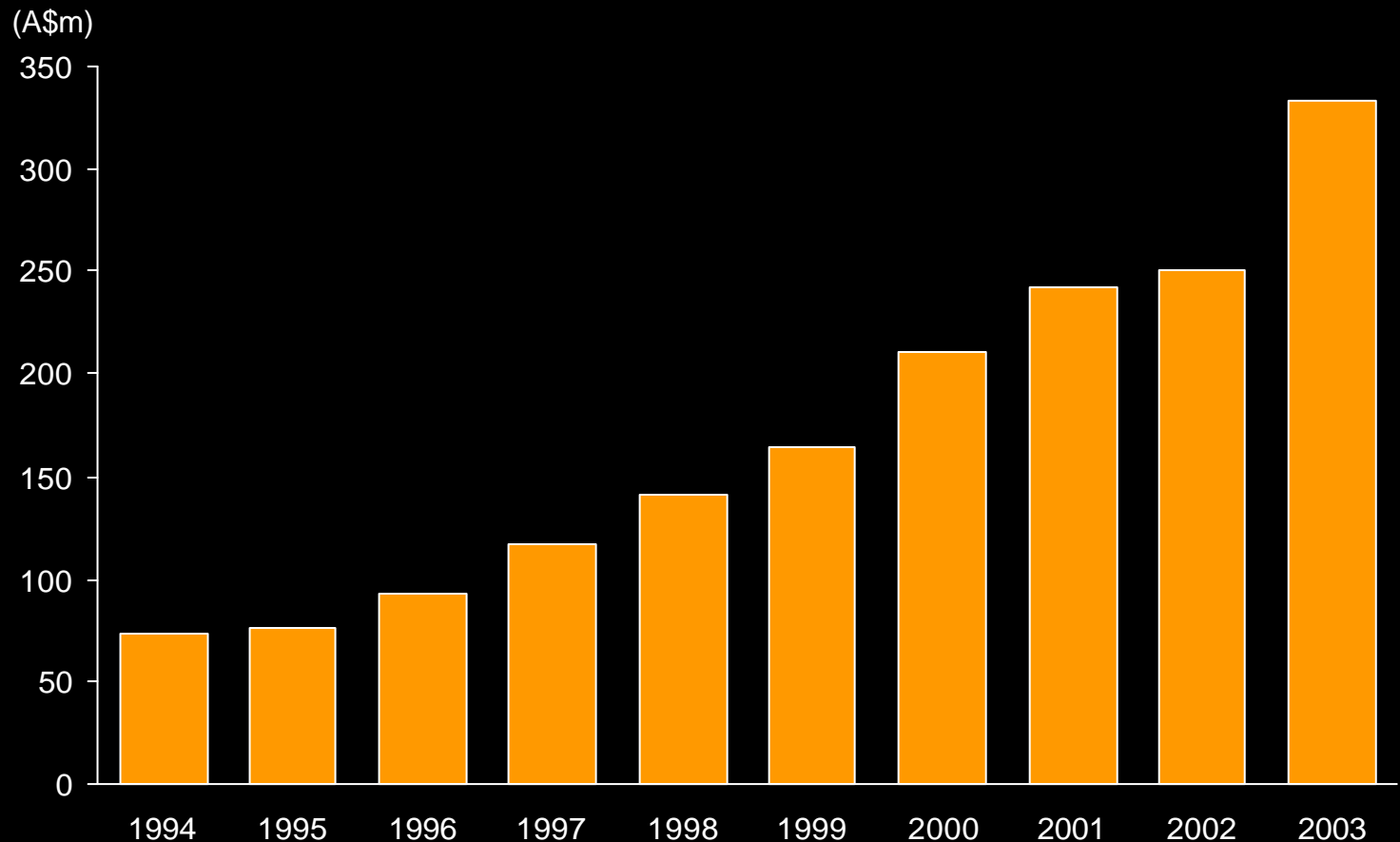




Profit growth over the decade

→ 4.5 times

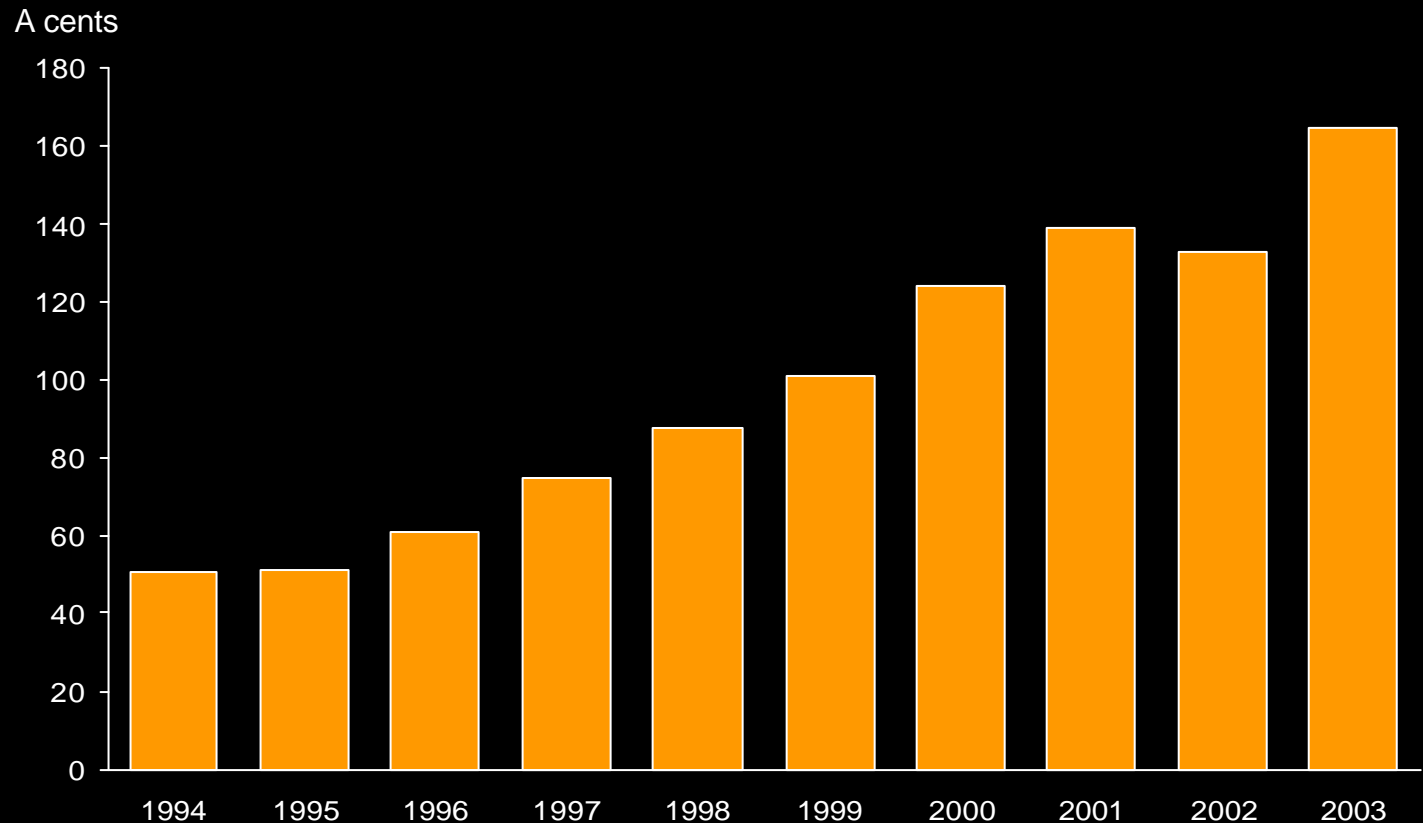
→ 33% growth in year to 31 March 2003





EPS growth over the decade

- Macquarie: 4.3 times
- US mid-cap growth stocks: 3.9 times
- Macquarie: 24% growth in year to 31 March 2003



[^] US mid-cap growth comparison based on S&P/Barra data as at 31 August 2003. Growth rates refer to average EPS growth over decade

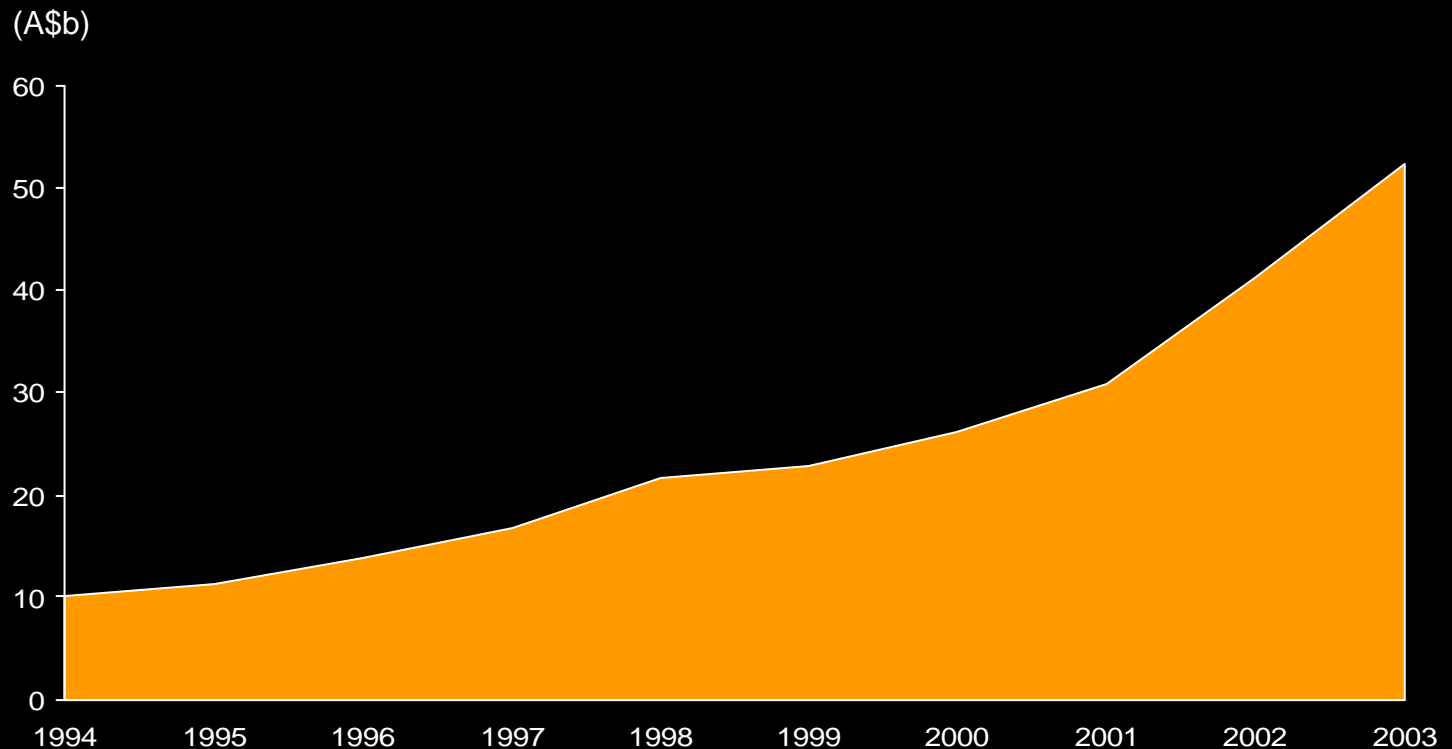


Funds Under Management growth over the decade

→ Macquarie: 5.2 times

→ Global FUM: 2.5 times

→ Macquarie: 27% growth in year to 31 March 2003



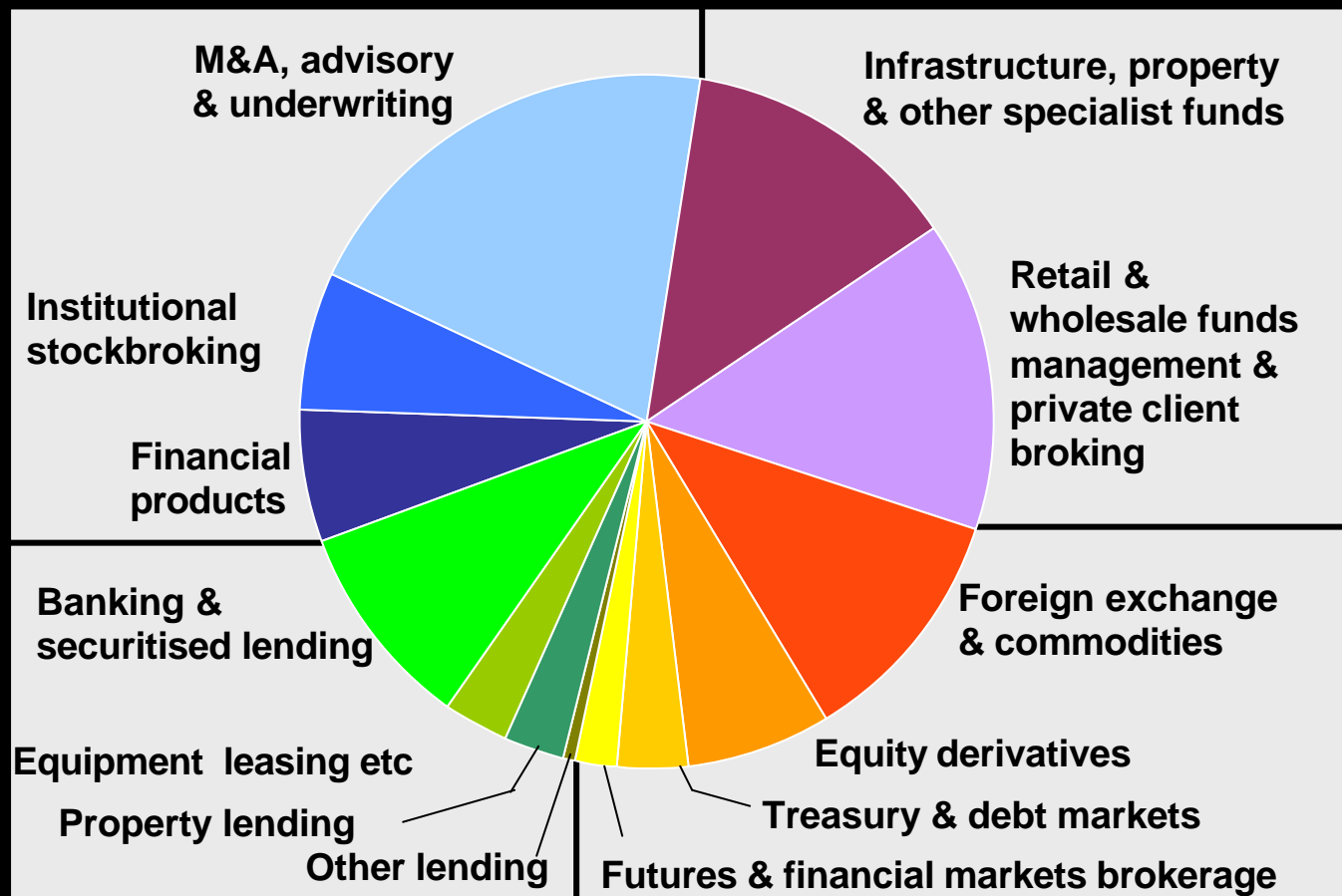


Where the income comes from

Year to 31 March 2003 by business segment

Investment banking 33%

Asset & wealth management 28%



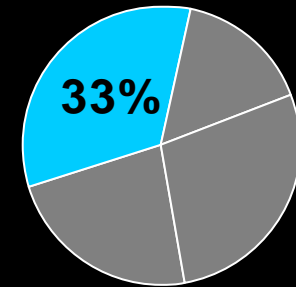
Lending 16%

Financial markets 23%

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



Where the income comes from

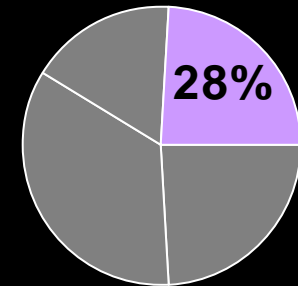


→ Investment banking segment

- No. 1 Project Finance adviser in 2002 (Asia Pacific/Americas), No. 2 globally – *Project Finance International*
- No. 1 M&A in 2002 (Australia), Top 2 ECM house (Australia by value) – *Thomson Financial*
- Institutional broking and research – coverage of 93% (by market capitalisation) of the ASX/S&P300 stocks
- No. 1 for all debt issued into Australian market place calendar 2002 - *Thomson Financial Securities, INSTO*
- Other specialist investment banking activities include property and financial products



Where the income comes from



→ Asset and wealth management segment

→ Total funds under management – A\$57b

→ A\$23b funds managed in infrastructure, property and other specialist funds

→ A\$22b of wholesale funds under management

→ A\$12b in retail funds under management

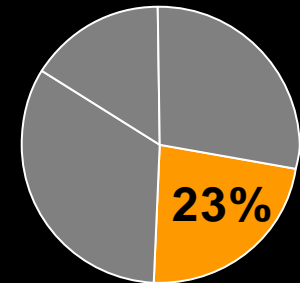
→ Leading infrastructure and property trusts

→ A leader in Australian full-service retail stockbroking

→ One of Australia's fastest growing adviser administration platforms (Wrap) and largest cash management trust



Where the income comes from

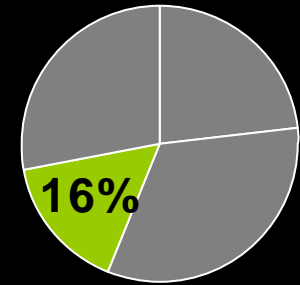


→ Financial Markets segment

- Leading Australian warrant issuer by value in 2002
- Strong equity derivative teams internationally, particularly South Africa, Hong Kong
- No 2 in Australian Futures execution in 2002 on Sydney Futures Exchange
- Principal provider of liquidity to the precious metals sector in the Asian time zone
- Leading participant in the London Metals Exchange
- Growing international agricultural commodities hedging business



Where the income comes from



→ Lending segment

- Specialised banking services to 4,000 select professional businesses e.g. real estate, accounting, financial planning, etc
- A leading funder of Australian residential property development
- A\$10b securitised domestic mortgage portfolio – 65,000 home loans
- Leading Australian market position in capital protected lending on equities
- A\$2.6b leases of auto and technology industries – lease out 170,000 PCs and laptops
- Leading financier to gold mining industry



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Active globally

→ Approximately 5000 employees

→ 18 countries

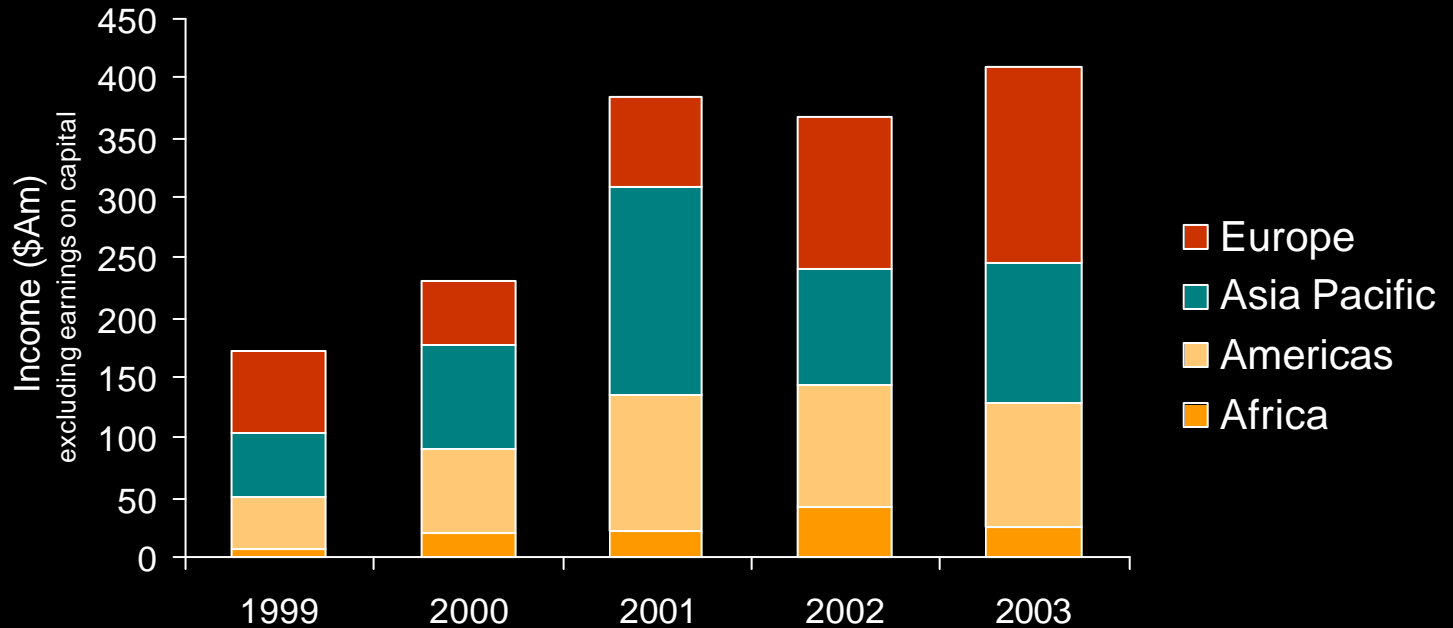


*As at 30 June 2003



International income growing

→ 24% of income sourced outside Australia





Specialist Funds

World class assets –
M6 Toll, England





Specialist Funds

World class assets –
Rome Airport,* Italy



* Direct and indirect interests of 45% through various Macquarie related funds



Specialist Funds

World class assets –
Highway 407*, Canada



*Diluted direct and indirect interests of 43% through Macquarie Infrastructure Group



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Specialist Funds

World class assets –
Transmissions towers, Australia





Specialist Funds

World class assets –
Supermarkets, USA





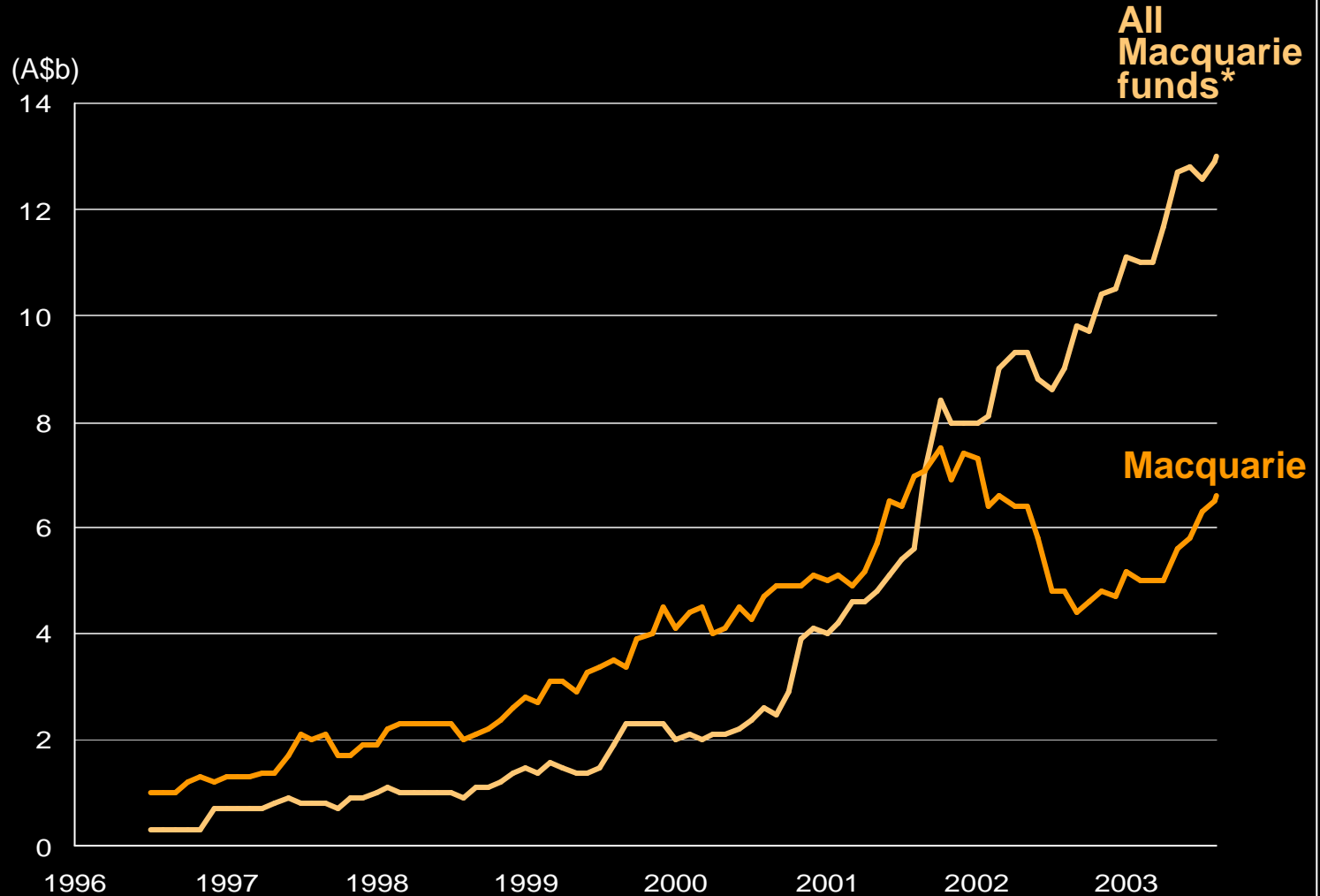
Specialist Funds

World class assets –
Kwangju Second Beltway, Korea





Significant increase in market capitalisation since listing



*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.



Some of our focussed international positions - Asia

- Equity derivatives in Hong Kong
- Stockbroking (Australian) – servicing all key Asian markets
- Infrastructure and property funds management
 - Korean Road Infrastructure Fund
 - Advise Schroder Asian Property Fund
- Securities funds management – Hong Kong, Malaysia, South Korea, Taiwan
- Infrastructure finance – Malaysia, Hong Kong, Singapore, South Korea, Japan
- Property & mortgages – Hong Kong, China, South Korea



Some of our focussed international positions - Americas

- Infrastructure and property funds management
- Infrastructure advisory
- Cross border finance
- Institutional stockbroking (Australian)
- Agricultural commodities hedging
- Metals and mining financing
- Debt markets
- Real estate banking
- Mortgages



Some of our focussed international positions - Europe

- Project and infrastructure finance
- Infrastructure funds management
- Financial products
- Financial advisory
- Institutional stockbroking (Australian)
- Treasury and commodities activities
- Lease financing
- Enhanced Index funds management



How did we achieve this? – Growth through focus

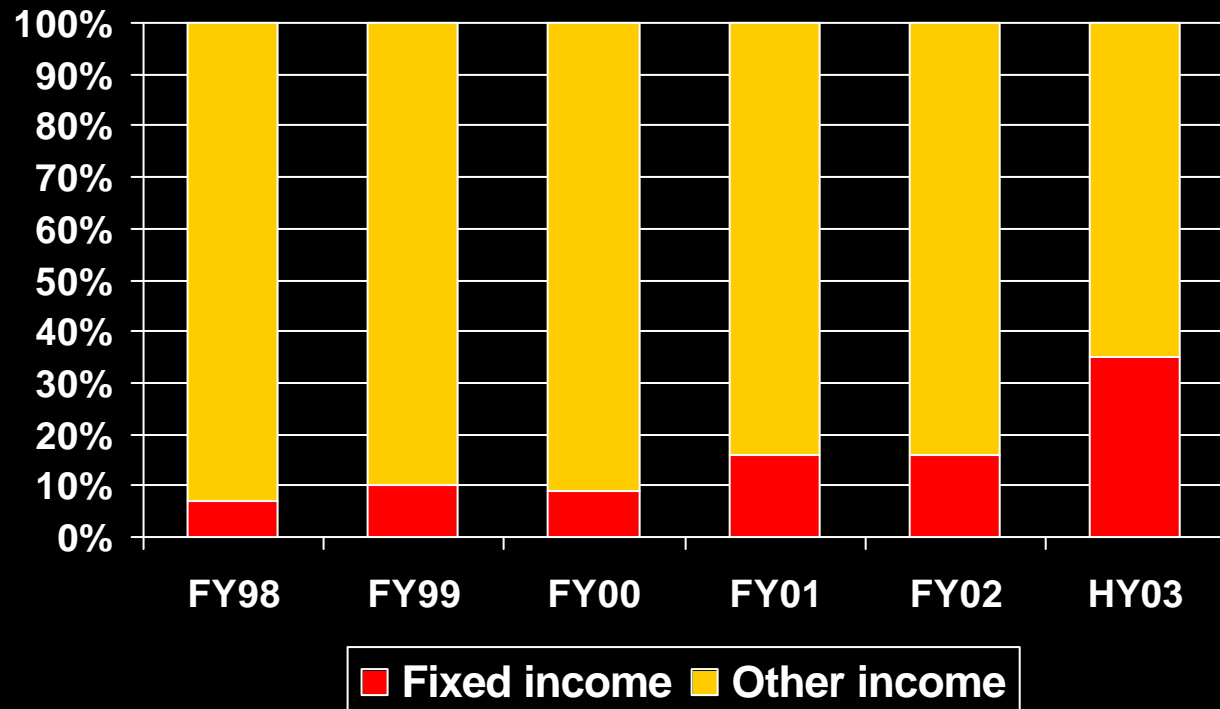
- Focus where we can add special value
- Strong market positions in most Australian activities
- Niche international markets, often with joint venture partner:
 - Leading participant:
 - Infrastructure advice
 - Infrastructure funds
 - Structured finance
 - Derivatives
 - Growing participation:
 - Property
 - Resources advisory
 - Funds management



Macquarie not dependent on fixed income

→ Fixed interest trading income for Macquarie is historically less than 5% of total income

Average global investment bank fixed income/total income



• Global investment banks include Lehman Bros, Bear Stearns, Goldman Sachs, Deutsche Bank, Morgan Stanley, UBS, Credit Suisse (CS), Merrill Lynch (ML), Citigroup (Citi), JPMorgan Chase (JPMC). CS, ML, Citi and JPMC data is not available for 2003. * Fixed income for global investment banks generally includes fixed interest, commodities & FX sales & trading income.



Macquarie value compares favourably to other growth stocks

	MBL*	S&P MidCap 400 /Barra Growth^
10 yr avg EPS growth (% p.a)	15.8	14.5
Price/Earnings	19.5	23.5
Price/Book	3.9	4.0
Dividend yield (% p.a)	2.9	0.7
Return on equity (% p.a)	18.7	14.7

*As at 5 Sept 2003. MBL Dividend yield excludes FY03 special dividend.

^ S&P/Barra data as at 31 August 2003



Some developments post March balance date

- Australia
 - Promina - A\$2b IPO
 - Alinta Gas – advised on a major acquisition and restructure of Australian energy assets
- Canada – launched new regulated assets fund
- Korea – new equity derivatives alliance with Woori Bank and second close of Korea Road Infrastructure Fund raising total commitments to A\$500m
- Africa – new equity derivatives alliance in South Africa
- Taiwan – initiated funds management



Profit for the first quarter ended 30 June 2003

- Well up on last year
- Especially in asset & wealth management and investment banking segments reflecting:
 - Strong performance of specialist funds
 - Better equity markets
 - Improved deal flow



Outlook

- Expect first half and full year to be up on prior corresponding periods
- Good pipeline of transactions
- Equities related businesses are benefiting from improvement in markets



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