



## **Disclaimer**

Information, including forecast financial information, in this presentation should not be considered as a recommendation in relation to holding, purchasing or selling shares, securities or other instruments in or, in entities related to, Macquarie Bank Limited or any other company. Due care and attention has been used in the preparation of forecast information. However, actual results may vary from forecasts and any variation may be materially positive or negative. Forecasts, by their very nature, are subject to uncertainty and contingencies many of which are outside the control of Macquarie Bank Limited.



MACQUARIE  
BANK

# Macquarie Bank Limited

Presentation to

Investors and Analysts

Supplementary Information Package

13 May 2003



# Contents

	<b>Page</b>
1. Pro-forma result excluding BA transmission business	4
2. Snapshot of BA impact	5
3. Composition of fee and commission income	6
4. Funds under management	7
5. Fee income from funds under management	8
6. Composition of trading income	9
7. Equities-related income	10
8. Net interest income	11
9. Composition of other expenses	12
10. International operating income by Group and region	13
11. Loan assets	14
12. Credit quality	15
13. Credit ratings	16
14. Reconciliation of net capital base	17
15. Risk weighted assets	19



# Pro-forma result excluding BA transmission business

	As reported \$m	BA \$m	Adjusted* \$m
Interest income	247	27	274
Fee and commission income	1,116	-	1,116
Trading income	402	-	402
Other income	125	(83)	42
<b>Total operating income</b>	<b>1,890</b>	<b>(56)</b>	<b>1,834</b>
Employment expenses	(970)	3	(967)
Occupancy expenses	(92)	-	(92)
Non-salary technology expenses	(84)	-	(84)
Other operating expenses	(284)	53	(231)
<b>Total operating expenses</b>	<b>(1,430)</b>	<b>56</b>	<b>(1,374)</b>
<b>Profit from ordinary activities</b>	<b>460</b>	<b>-</b>	<b>460</b>

\* adjusted result excludes Broadcast Australia Limited ("BA") (formerly ntl Australia) transmission income and operating expenses for holding period from 2 April 2002 to 12 August 2002



# Snapshot of BA impact

---

	\$m
Fee and commission income	30
Other income	103
Interest expense	(27)
Total operating income	106
Operating expenses	(56)
<b>Total profit before tax*</b>	<b>50</b>

---

\* excludes underwriting income of \$5m



# Composition of fee and commission income

	FY 2003 \$m	FY 2002 \$m
Mergers and acquisitions, advisory and underwriting	389	301
Management fees – base fees	274	229
Performance fees	116	85
Brokerage and commissions	126	137
Cross-border leasing and other financial products	84	99
Banking, lending and securitisation	74	77
Other	53	75
<b>Total</b>	<b>1,116</b>	<b>1,003</b>



# Funds under management

	FY 2003 \$b	FY 2002 \$b
<b>Infrastructure</b>		
HLY (Hills Motorway)	1.0	0.9
HRZ (Horizon Energy)	0.1	0.2
MAP	1.7	0.3
MCG	1.0	-
MIG	9.5	7.6
SCF	0.6	-
<b>Property</b>		
MCW	1.0	0.8
MGI	0.8	0.6
MLE	0.2	0.1
MOF	1.6	1.3
MPRCA	0.5	-
<b>Unlisted</b>	<b>34.3</b>	<b>29.5</b>
<b>Total</b>	<b>52.3</b>	<b>41.3</b>



# Fee income from funds under management

	FY 2003		FY 2002	
	Base \$m	Perf \$m	Base \$m	Perf \$m
<b>Infrastructure</b>				
HLY (Hills Motorway)	0.4	-	0.4	-
HRZ (Horizon Energy)	0.2	-	0.4	-
MAP	4.9	-	-	-
MCG	3.2	6.7	-	-
MIG	63.2	75.3	47.7	69.2
SCF	0.4	-	-	-
<b>Property</b>				
MCW	3.7	1.7	3.1	-
MGI	-	-	-	-
MLE	0.7	-	0.7	-
MOF	6.7	10.1	5.0	3.1
MPRCA	-	-	-	-
<b>Unlisted</b>	191.0	22.0	172.0	13.1
<b>Total</b>	274.4	115.8	229.3	85.4





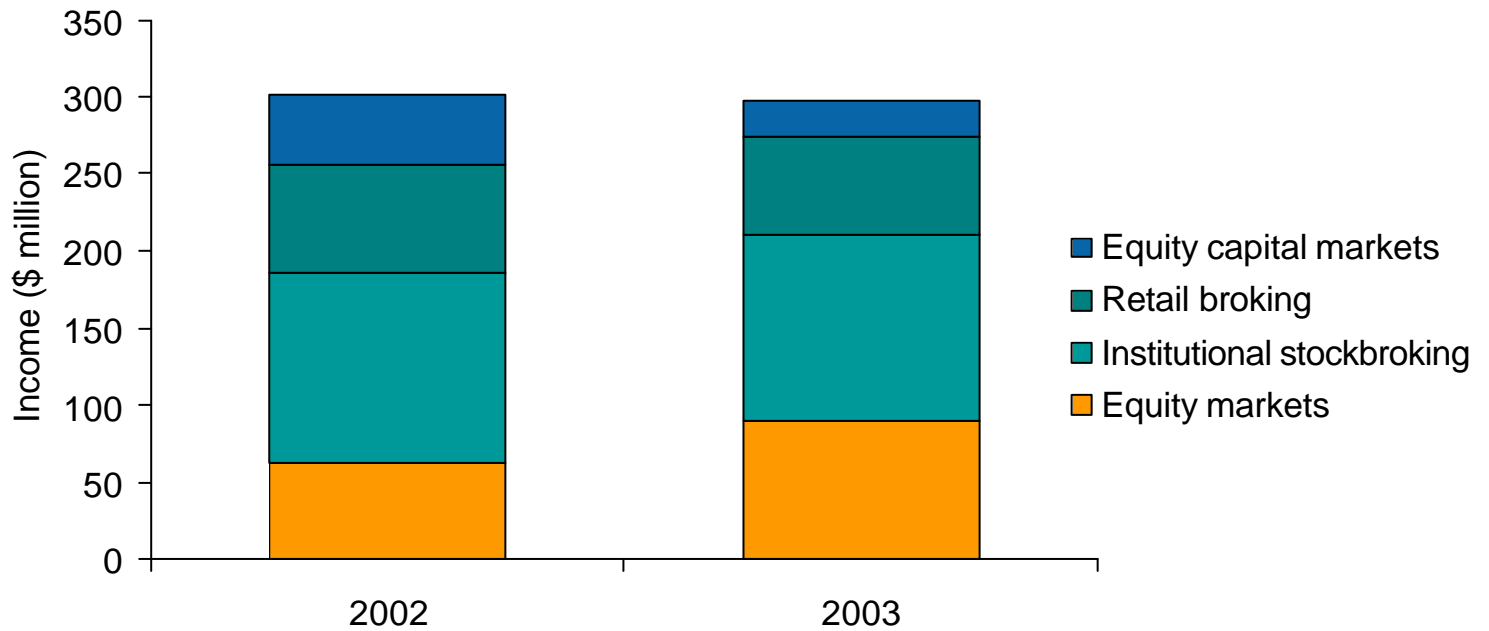
# Composition of trading income

	FY 2003 \$m	FY 2002 \$m
Equities	150	135
Commodities	116	100
Foreign exchange	98	87
Interest rate products	38	39
<b>Total</b>	<b>402</b>	<b>361</b>



MACQUARIE  
BANK

# Equities-related income





# Net interest income

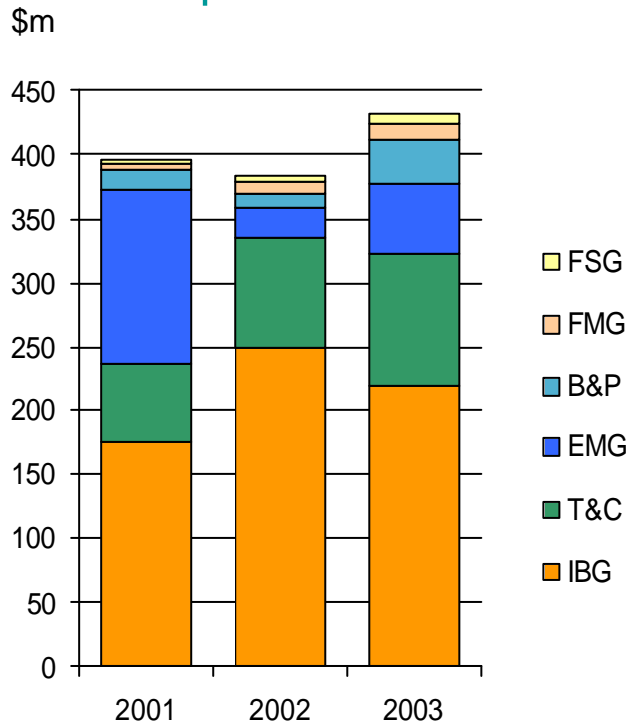
	FY 2003			FY 2002		
	Interest \$m	Volume \$m	Spread %	Interest \$m	Volume \$m	Spread %
Loan assets	247	10,037	2.5	207	8,598	2.4
Trading assets and other securities	46	8,516	0.5	31	8,500	0.4
Non-interest bearing assets*	(19)			(19)		
<b>Total</b>	<b>274</b>			<b>219</b>		

\* adjusted to exclude BA interest expense for holding period from 2 April 2002 to 12 August 2002

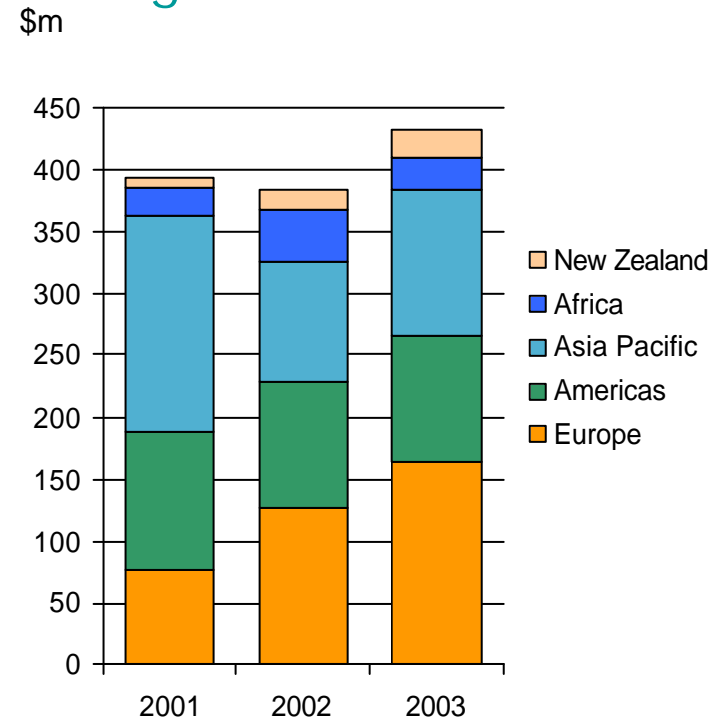


# International operating income by Group and region

## Group



## Region





# Composition of other expenses

Cost control

	FY 2003 \$m	FY 2002 \$m
Occupancy	92	84
Non-salary technology	84	79
Professional fees	67	52
Travel	36	42
Communication	16	19
Other operating	112	110
<b>Total*</b>	<b>407</b>	<b>386</b>

\* adjusted to exclude BA interest expense for holding period from 2 April to 12 August 2002



# Loan assets

	FY 2003 \$m	FY2002 \$m
Macquarie Capital	2,878	2,534
Structured Finance	315	302
<b>Total Investment Banking</b>	<b>3,193</b>	<b>2,836</b>
Overnight Cash	1,173	456
Metals & Mining	649	766
Foreign Exchange	146	153
Debt Markets	580	231
<b>Total Treasury &amp; Commodities</b>	<b>2,548</b>	<b>1,606</b>
Macquarie Securitisation & Mortgages	510	1,697
Banking	1,088	1,061
Margin Lending	1,370	926
Property	1,090	1,030
<b>Total Banking &amp; Property</b>	<b>4,058</b>	<b>4,714</b>
<b>Equity Markets</b>	<b>95</b>	<b>53</b>
<b>Total</b>	<b>9,894</b>	<b>9,209</b>



# Credit quality

	FY 2003 \$m	FY 2002 \$m
<b>Net charge for specific provisions:</b>		
Recovery of assets previously provided for	10	2
Recovery of assets previously written off	1	1
Provided for during the financial year	(9)	(16)
Loan losses written off	(2)	(2)
<b>Total</b>	<b>-</b>	<b>(15)</b>
Loan assets	<b>9,894</b>	<b>9,209</b>
<b>Specific provision as a percentage of loan assets</b>	<b>0.14%</b>	<b>0.24%</b>



# Credit ratings

---

	Short-term	Long-term
Fitch Ratings	F1	A+
Moody's Investors Service	P1	A2
Standard & Poor's	A1	A

→ All ratings recently affirmed





# Reconciliation of net capital base

## Tier 1 capital

	FY 2003 \$m	FY 2002 \$m
Ordinary share capital	1,137	1,012
Macquarie Income Securities	317	258
Converting Preference Shares	150	150
Outside equity interest	2	4
Retained earnings	659	617
Dividend Reinvestment Plan	71	-
Less: APS 120 subsidiaries retained earnings	(68)	(54)
Less: APS 222 investment deduction	(236)	(7)
Less: intangibles	(17)	(17)
Less: future income tax benefit	(97)	(63)
<b>Total</b>	<b>1,918</b>	<b>1,900</b>



# Reconciliation of net capital base

	FY 2003 \$m	FY 2002 \$m
Tier 1 capital	1,918	1,900
Macquarie Income Securities (excess over allowable Tier 1 capital)	74	133
Subordinated debt (net of amortised amount)	337	193
General reserve for losses	55	59
Less: associated tax benefits	(17)	(18)
<b>Tier 2</b>	<b>449</b>	<b>367</b>
Less: other deductions	(204)	(198)
<b>Net capital base</b>	<b>2,163</b>	<b>2,069</b>



# Risk weighted assets

	FY 2003 \$m	FY 2002 \$m
On-balance sheet	7,587	7,365
Off balance sheet	1,886	2,567
Market risk charge	580	719
<b>Total</b>	<b>10,053</b>	<b>10,651</b>



MACQUARIE  
BANK

# Macquarie Bank Limited

Presentation to

Investors and Analysts

Supplementary Information Package

13 May 2003