



Macquarie Bank Limited

Result Announcement
for the year ended
31 March 2006

Presentation to Investors and Analysts

David Clarke, Executive Chairman

Allan Moss, Managing Director & Chief Executive Officer

Greg Ward, Chief Financial Officer

16 May 2006

Disclaimer

This material has been prepared for professional investors.

The firm preparing this report has not taken into account any customer's particular investment objectives, financial resources or other relevant circumstances and the opinions and recommendations herein are not intended to represent recommendations of particular investments to particular customers. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments and, in international transactions, currency risk. 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).

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Unless otherwise specified all information is for year ended 31 March 2006 and increases are on corresponding year. Prior periods restated for AIFRS.



13% increase in profit
33% excluding AIFRS and MGQ impacts

After tax (attributable to ordinary equity holders)

FY 2006	FY 2005 [^]	Increase on pcp
\$A916m	\$A812m	13%

- After tax excluding AIFRS impacts: \$972m (33% up on pcp of \$732m excluding Macquarie Goodman Group (MGQ))

Pre tax

FY 2006	FY 2005 [^]	Increase on pcp
\$A1,287m	\$A1,158m	11%

[^] Prior periods restated for post-tax post-profit impacts of the following Australian equivalents to International Financial Reporting Standards (AIFRS) adjustments: equity accounting, loan loss provisioning, options expense, effective yield, derivative volatility and revaluation of treasury shares.



EPS, dividends and franking

Rewarding shareholders – final dividend 125 cps

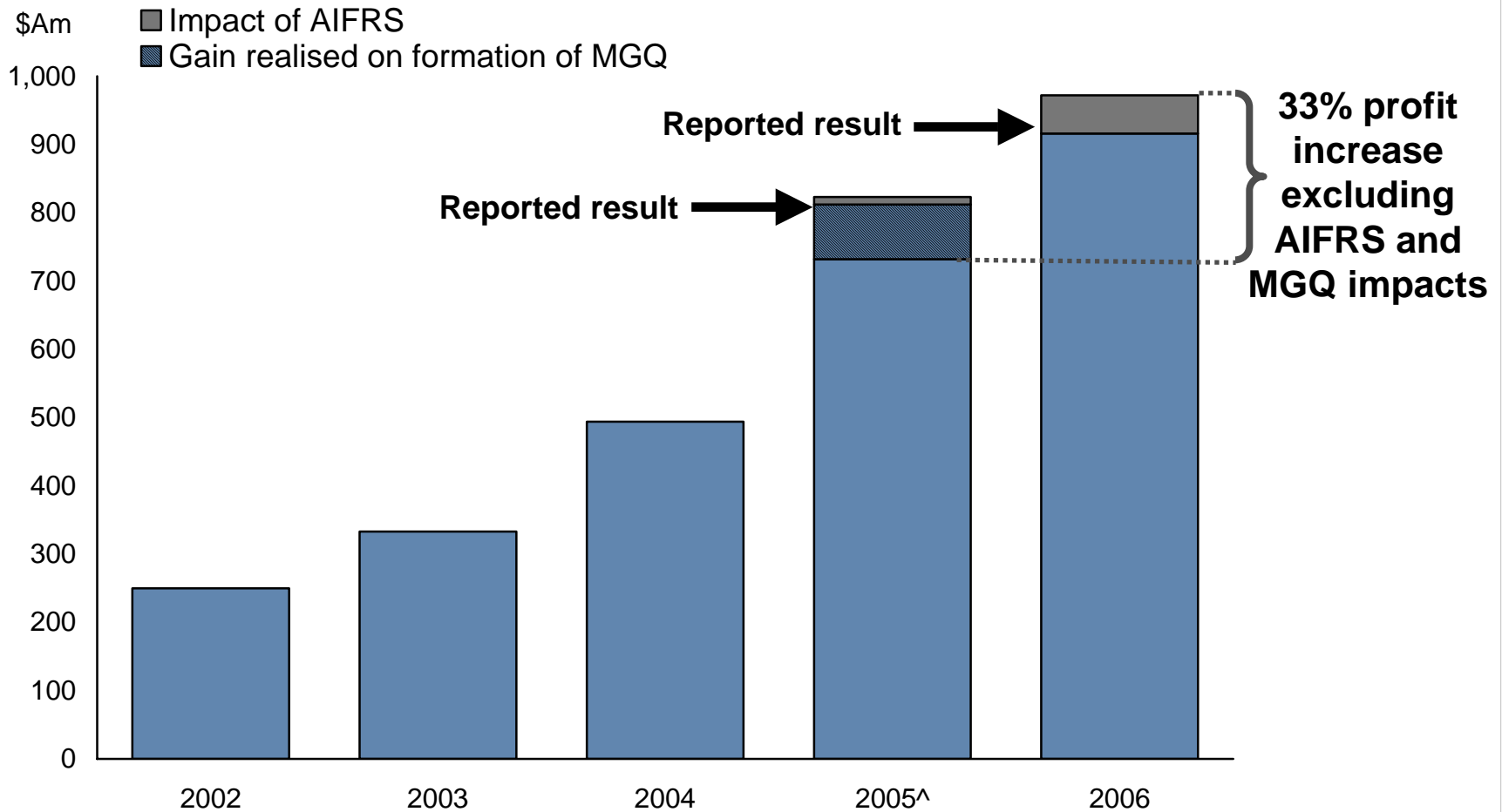
	2006 cps	2005 cps
EPS	400	370 [^]
Total Ordinary Dividend	215	161
Special Dividend	–	40

2H06 dividend of 125c franked to 100%, all other dividends franked to 90%

- 8% increase in EPS on pcp
- 27% increase in EPS on pcp of 333 cps excluding AIFRS and MGQ impacts
- 34% increase in ordinary dividend per share on pcp
- 54% payout ratio on total dividends for year ended 31 March 2006



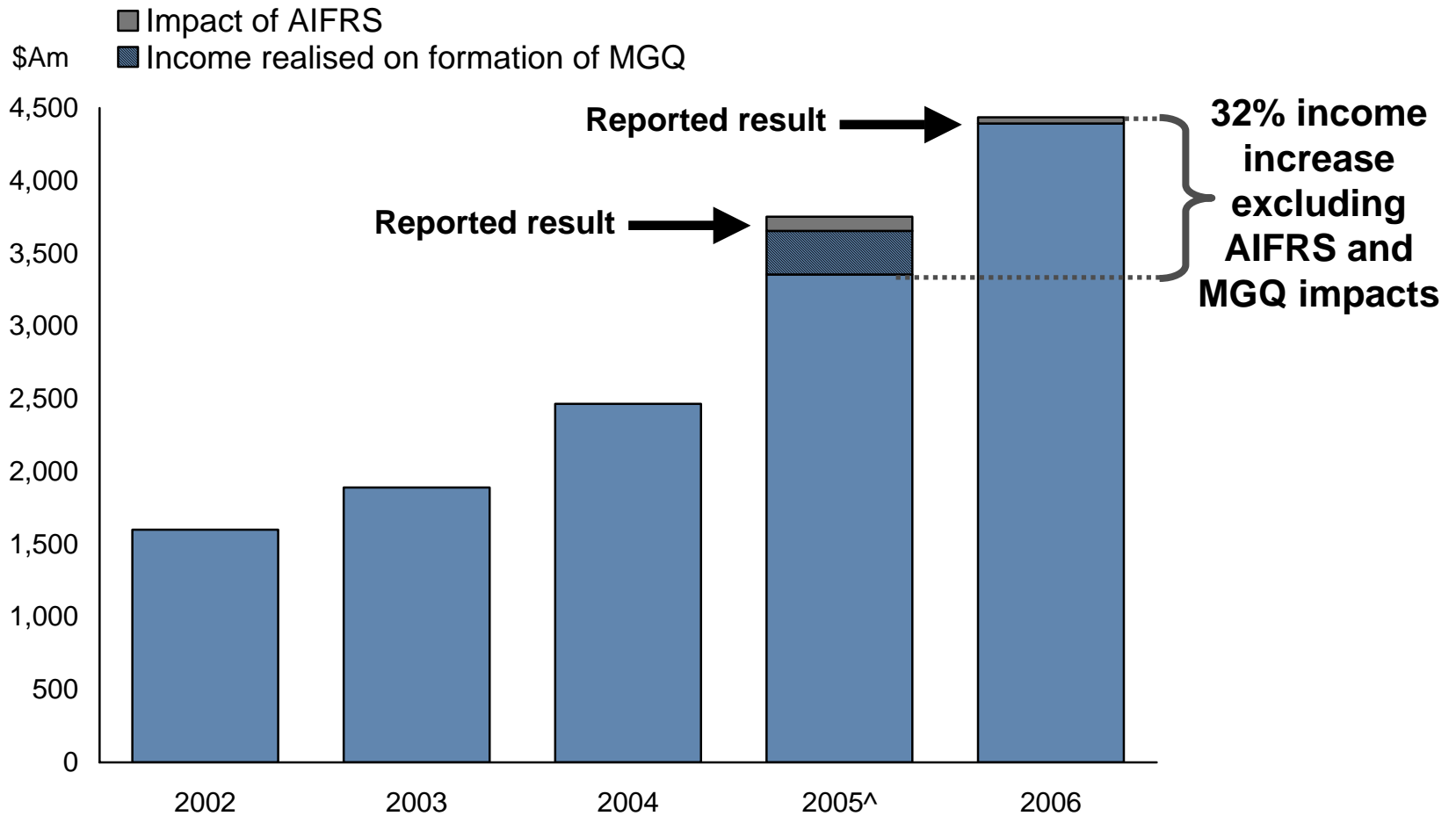
33% increase in profit on pcp (13% including AIFRS and MGQ impacts)



^Restated for AIFRS



32% increase in income on pcp (17% including AIFRS and MGQ impacts)

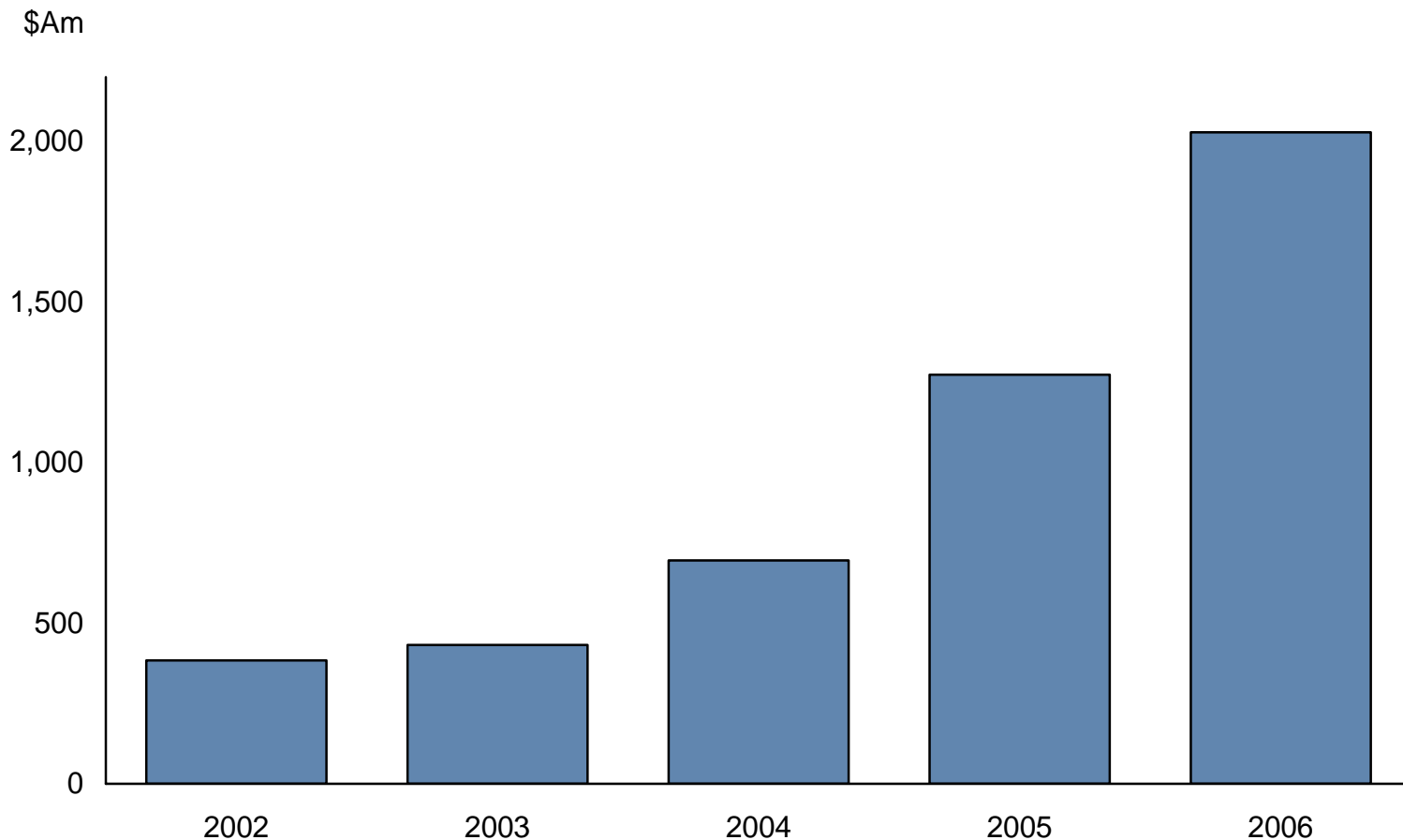


^Restated for AIFRS



International income* growth

59% increase on pcp to \$A2b
48% of total income

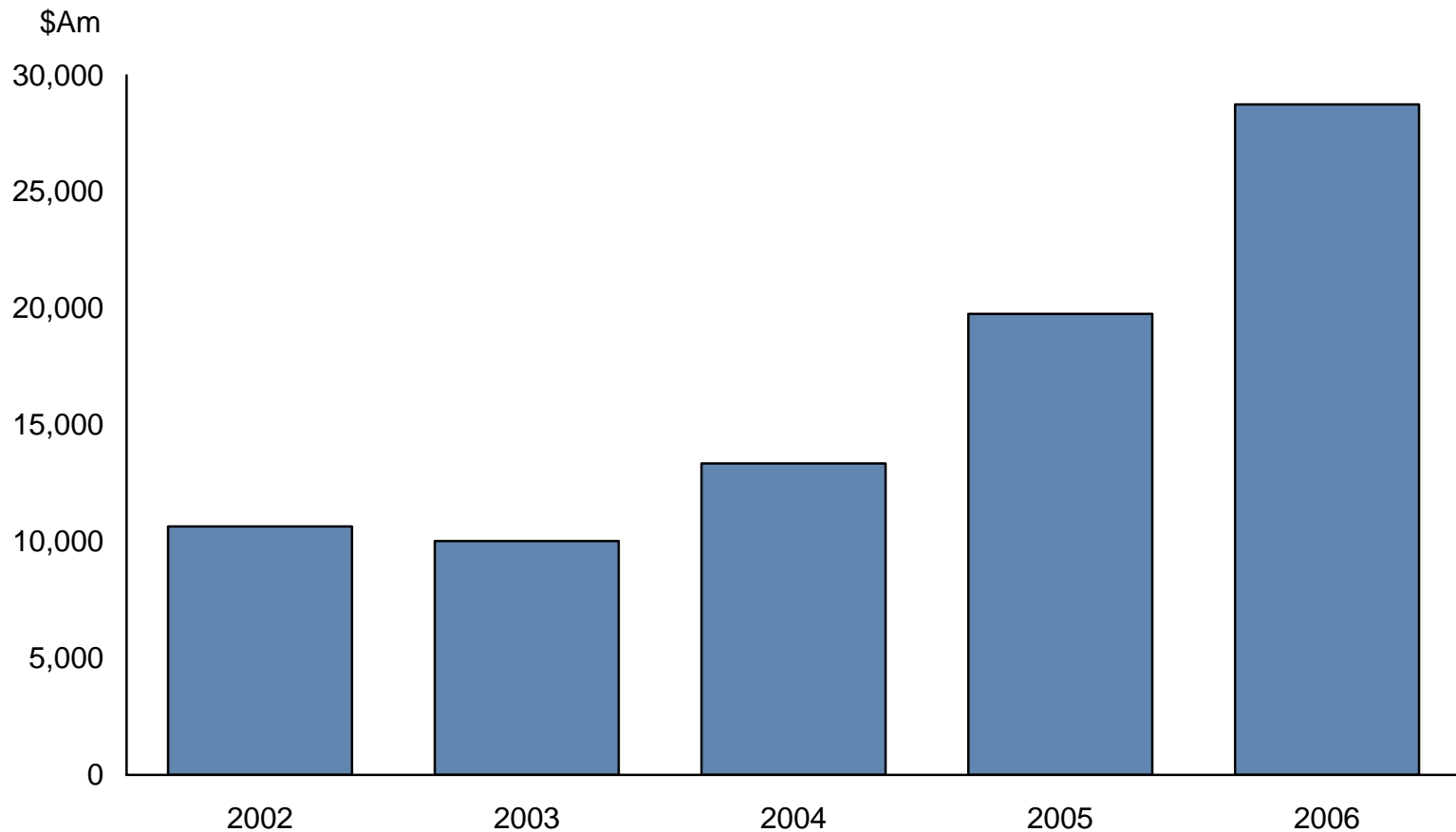


* Excluding earnings on capital



Risk weighted assets growth

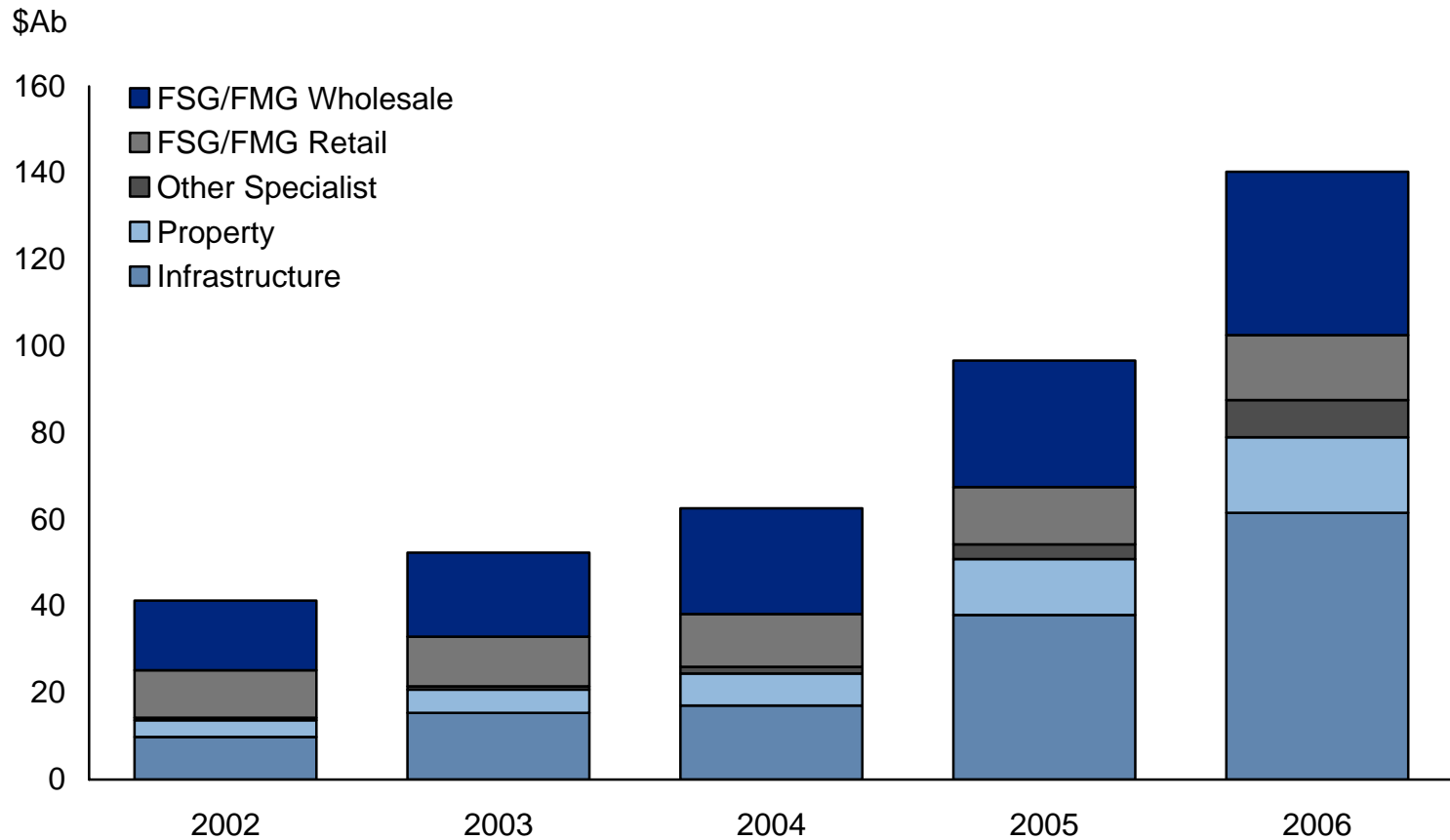
45% increase on pcp to \$A28.8b





Assets under management growth

45% increase on pcp to \$A140.3b



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Strong growth in underlying operating performance

- Strong growth in core earnings (eliminating effects of AIFRS) – up 33% on prior year (excluding profit on formation of MGQ)

	\$Am
Pre-AIFRS profit attributable to ordinary shareholders	972
Post-tax, post-profit share AIFRS impacts:	
Employee options expense	(53)
Derivative volatility – MIPS Hybrid	20
Equity accounting of specialist funds holdings	(28)
Other derivative volatility, effective yield and credit provisioning	5
Profit attributable to ordinary shareholders (as reported)	916



Key drivers of year

- Continued international growth across all Groups
 - International staff up 44% from 1,747 to 2,517
 - International income up 59% from \$A1,273m to \$A2,028m
 - A significant portion of assets in the specialist trusts are now offshore
 - property 72%
 - infrastructure 73%
- All Groups reported record results, excluding impact of Macquarie Goodman Group formation
- Business climate for investment banking generally good throughout the year
 - Strong domestic market performance
 - No major changes in key economic factors
- Many major transactions, solid IPO and new issuance market



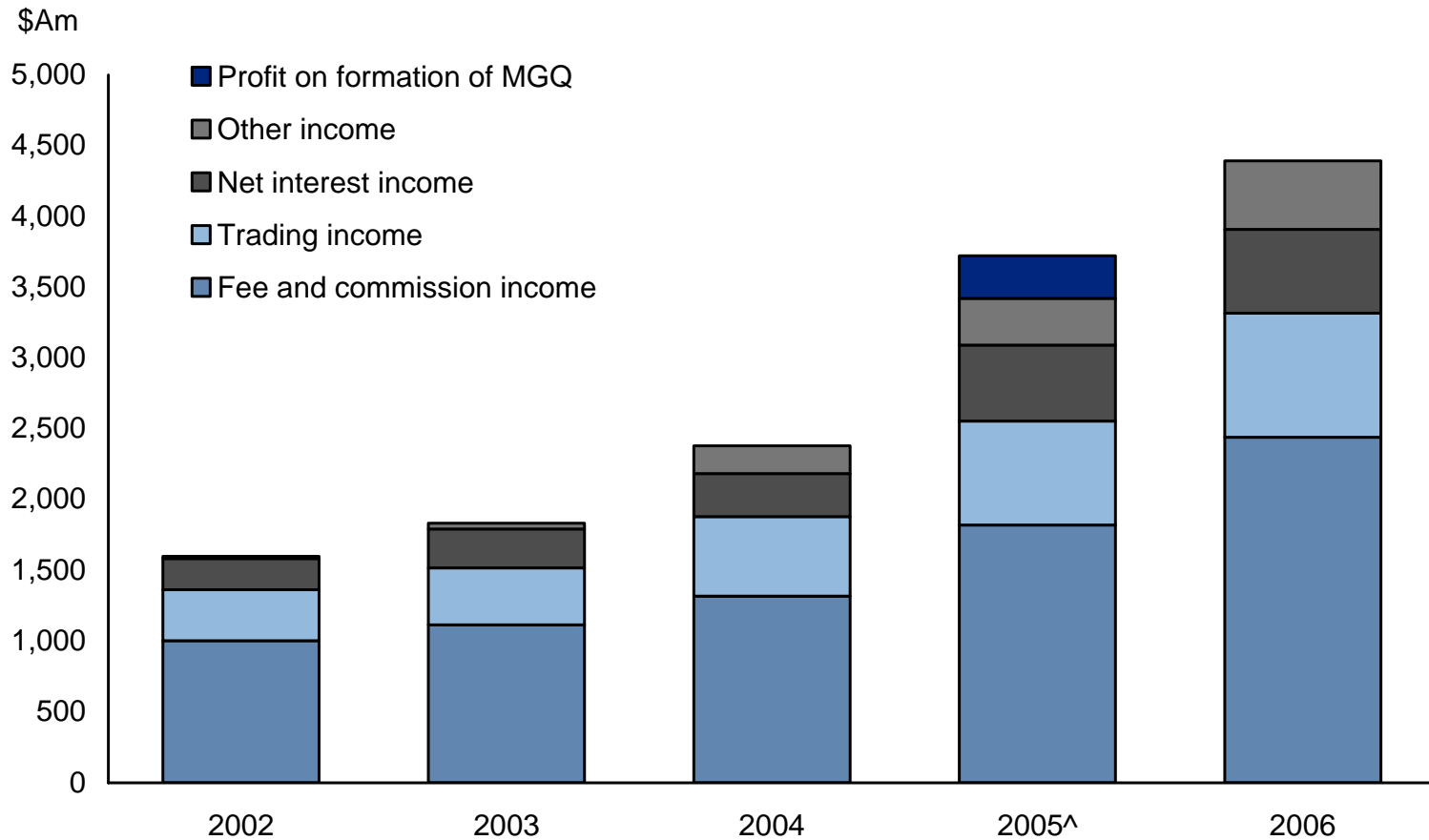
Key drivers of year

- Strong Australian and international equity market conditions
 - Significant advisory and equity capital markets deal flow
 - Very strong performance by Australian and Asian institutional broking and Australian retail broking businesses
- Exceptional trading conditions seen in key equity derivative markets in 1H06 but not repeated in 2H06. Increasing competition in Hong Kong impacting margins
- Strong demand for commodities and structured commodity products
- Assets under management up 45% from \$A96.7b to \$A140.3b and associated base fee growth
 - As expected, performance fees from listed specialist funds well down in second half



Operating income

17% increase to \$A4,393m*



* 32% up on pcp excluding gain realised on formation of Macquarie Goodman Group (MGQ) and impact of AIFRS. ^ Restated for AIFRS.



Fees and commissions income

Up 34% on pcp to \$A2,440m

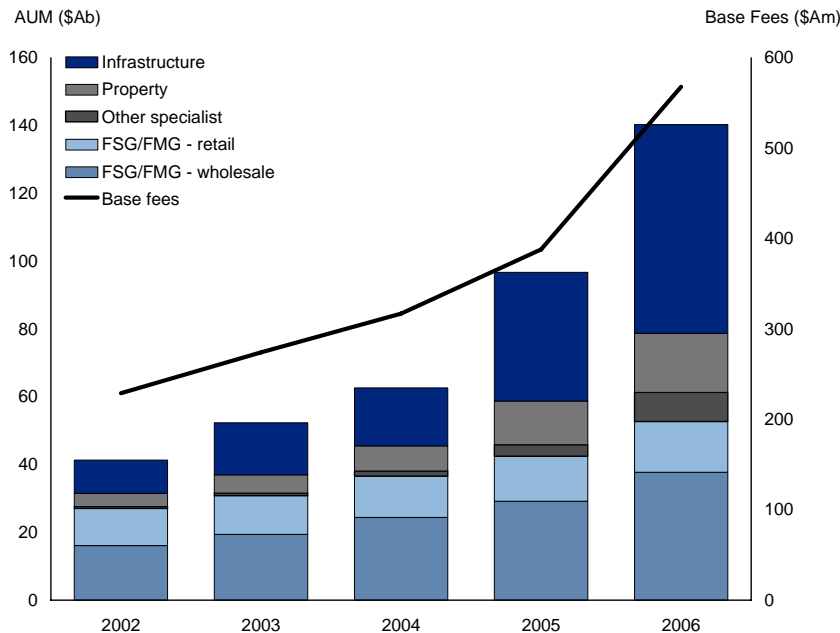
	2006 \$Am	2005 \$Am	% Δ
Funds Management	768	700	10
M&A, Advisory and Underwriting	913	571	60
Brokerage and Commissions	441	329	34
Wrap and Other Administration Fee Income	99	68	46
Financial Products	65	75	(13)
Banking, Lending & Securitisation	37	17	118
Income From Business Alliances	52	35	49
Other	65	26	150
TOTAL	2,440	1,821	34



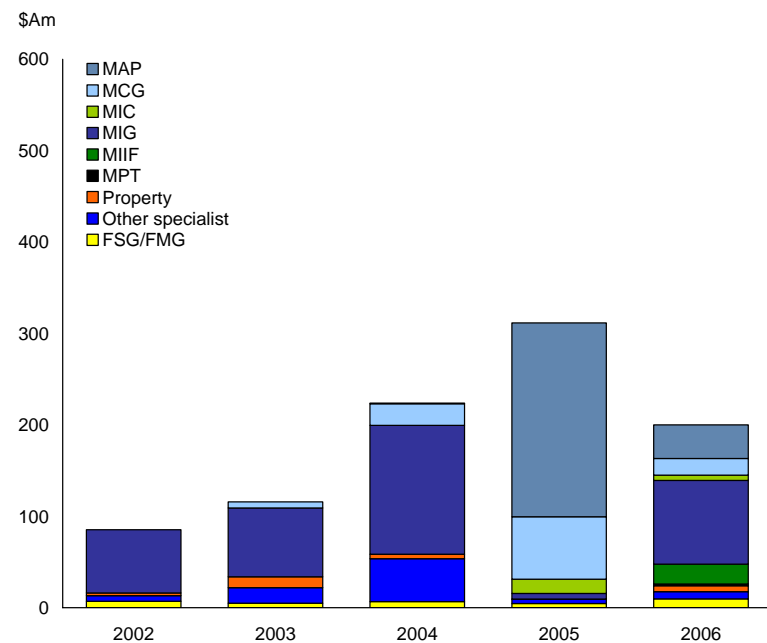
Key drivers of year Funds management income

- AUM up 45% on prior year to \$A140.3b; base fees up 46% on prior year to \$A568m

AUM & Base fees



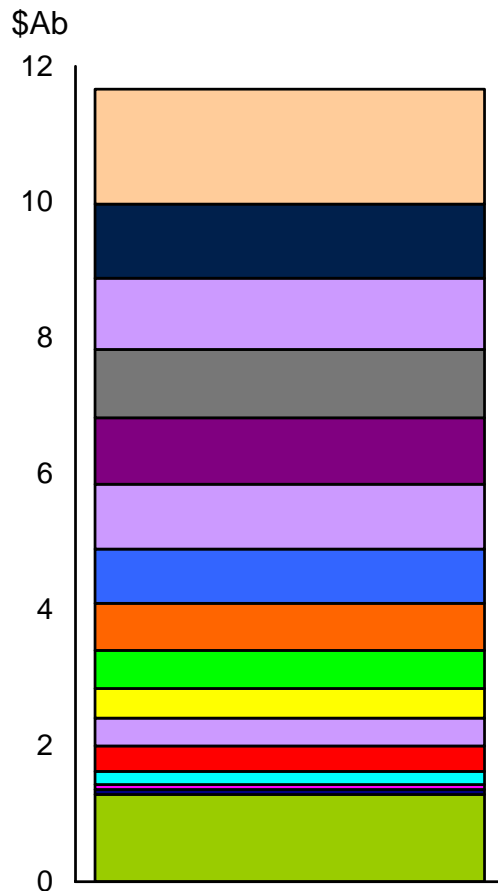
Performance fees



- New funds include MCAG, MIIF, MGU, MMPR, MMG, MKOF, MPCG
- As foreshadowed, performance fees from listed specialist funds in second half not material

* AUM prior period comparative for March 2005 throughout this presentation has been restated using the revised basis of measurement

- \$A11.7b raised in the year; 55% from international investors

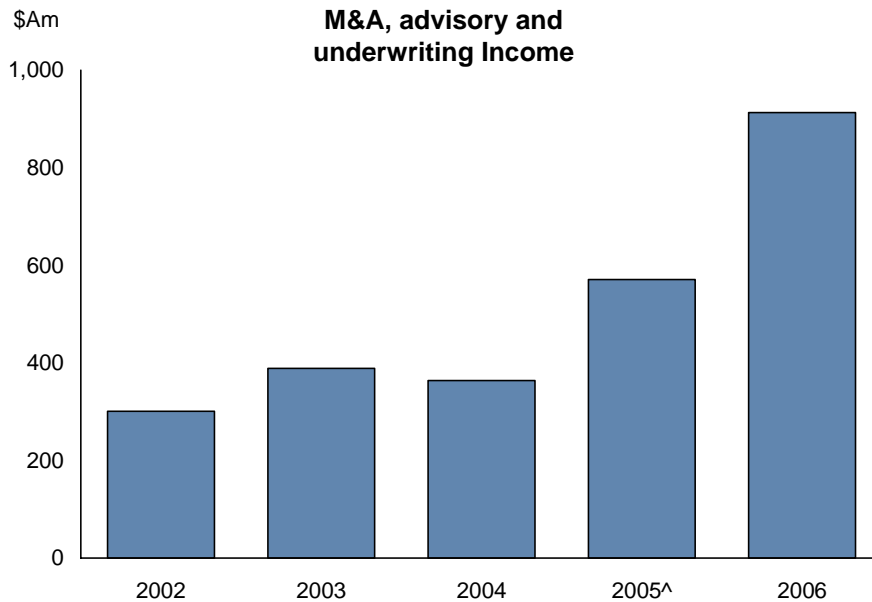


Fund	Raising (\$Am)	Predominant locale of investors
Macquarie Global Property Fund II	1,692	Australia & International
MIG	1,091	Australia & International
MGQ	1,048	Australia
MEIF	1,002	Europe
MIIF	981	Singapore
MMG	953	Australia
Macquarie MEAG Prime REIT	800	Singapore
MKIF	694	International
MGU	560	USA
MAP	433	Australia
MKOF	412	Korea
MOF	375	Australia
GIF II	194	Australia
MPT	73	Canada
Four Corners	71	USA
Other	1,283	Australia & International
TOTAL 2006	\$A11.7 billion	
TOTAL 2005	\$A13.8 billion	



Key drivers of year

Good climate for investment banking



- Strong growth in M&A, advisory and underwriting income, up 60% on pcp to \$A913m
- Mergers and acquisitions
 - Industry globally completed M&A activity up 34% in 2005*
 - Macquarie No. 1 Australian M&A completed by value*
- Equity capital markets
 - Industry global debt and equity underwriting up 13% in 2005*
 - Industry global IPOs by value up 18% in 2005*
 - Macquarie No. 1 Australian ECM completed by value*

Some notable transactions during the year

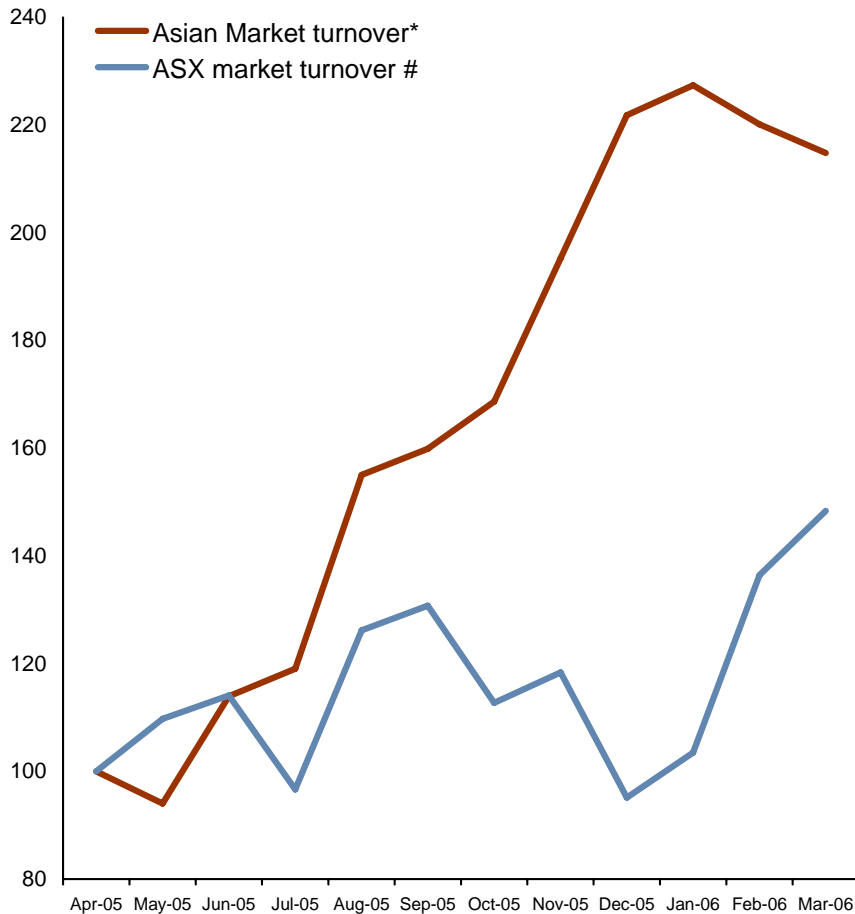
Dulles Greenway Tollroad	Autoroutes Paris-Rhin-Rhône	Macquarie Media Fund IPO
Macquarie International Infrastructure Fund IPO	Dyno Nobel	Macquarie Korea Infrastructure Fund IPO
Wales and West Utilities	Goodman Fielder IPO	SK E&S
BBC Broadcast	European Directories, S.A.	Macquarie MEAG Prime REIT IPO
SEEK IPO	Transurban/Hills Motorway	Icon Parking
Transpacific IPO	Tattersalls IPO	

* Source: Thompson Financial calendar 2005. ^ Restated for AIFRS.

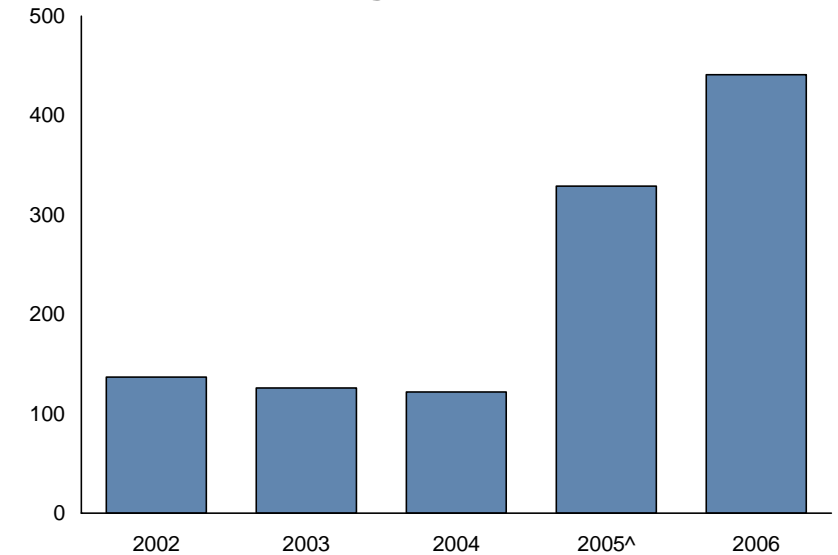


Key drivers of year Brokerage income

Market Turnover



Brokerage commissions

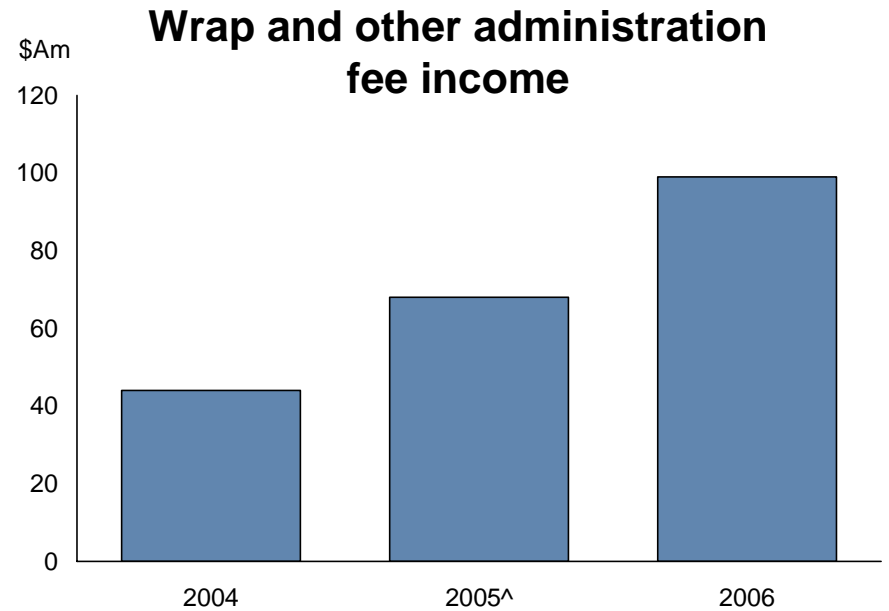
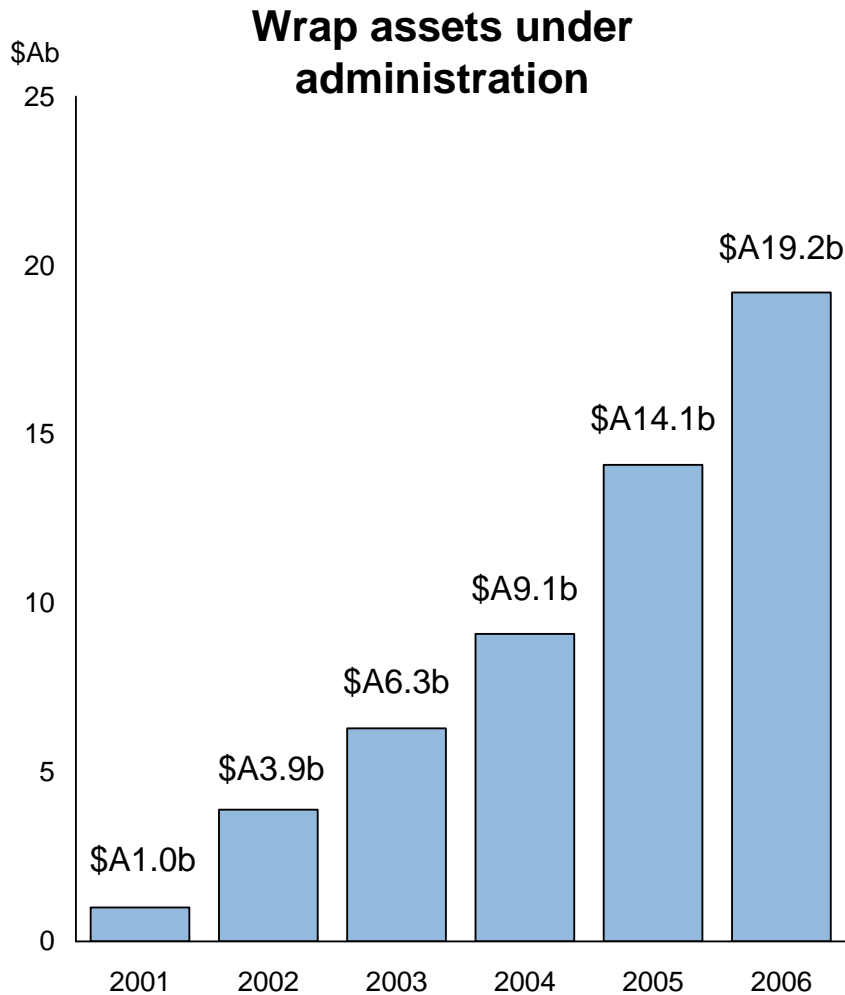


- Growth in broking volumes
- Exceptional equity market conditions
- Increased brokerage market share in regions we are active
- Exceptional Asian broker performance

* Index in USD. Represents the total market turnover for the following locations: Hong Kong, Korea, Taiwan, Japan, Thailand, Singapore, Malaysia, Philippines, Indonesia, and India. Source: stock exchanges in localities identified. # Index in AUD. Source: IRESS. ^ Restated for AIFRS.



Growth of Wrap platform



- Wrap assets under administration up 36% to \$A19.2b
- Strong growth in volumes over the past five years
- Macquarie Wrap – highest net inflows in 2005*

^ Restated for AIFRS. * Source: ASX S&P Market Share Report, year ended 31 December 2005.

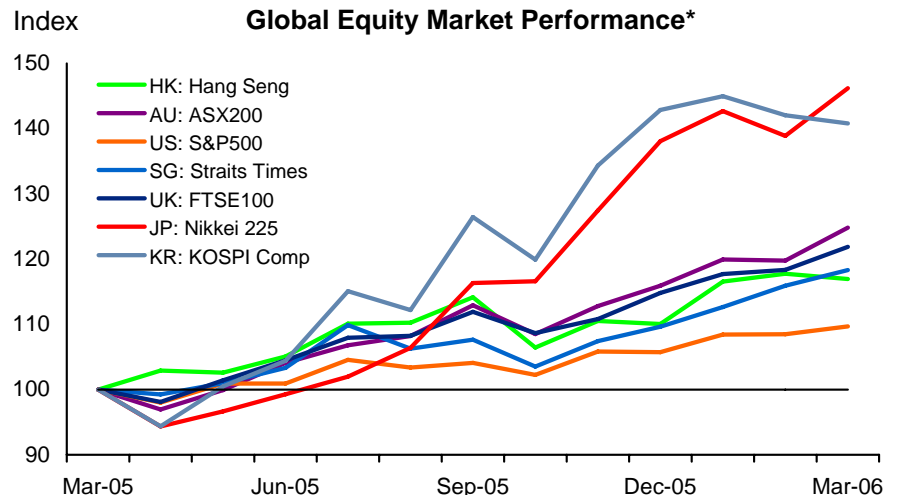


Trading income

Up 19% on pcp to \$A876m

- Favourable equities and commodities market conditions globally
- Hong Kong contribution down on a very strong prior year; replaced by strong contributions from Japan, Korea and Singapore
- High volatility levels in treasury and commodities markets and strong demand for products
- Interest rate products includes trading activities and AASB 139 impact
 - Trading significantly up due to increased levels of local and international corporate activity
 - Funding expense on derivatives hedging interest rate risk in non-trading areas now reported as trading income (previously net interest income)

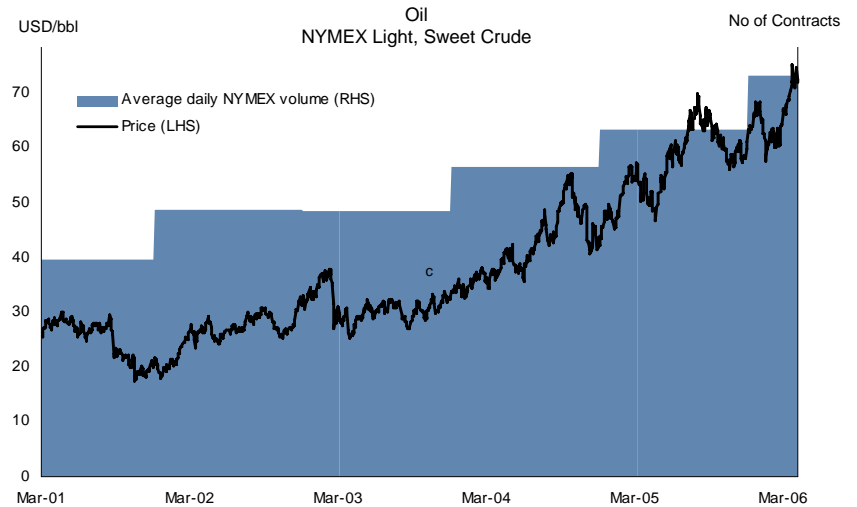
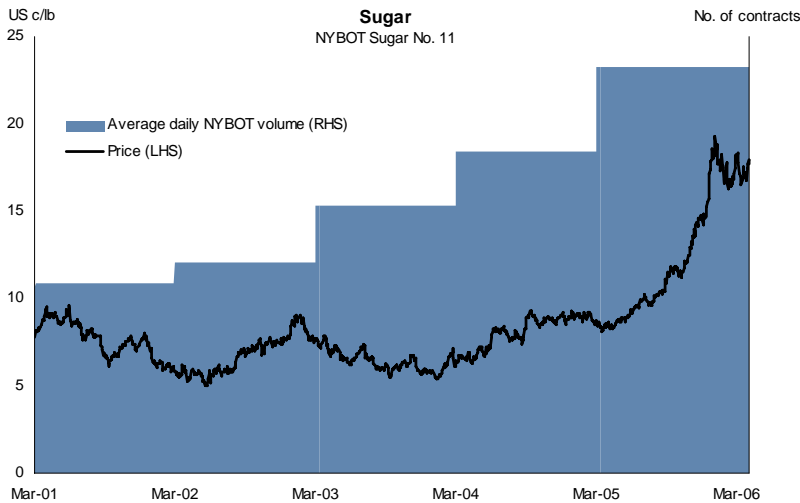
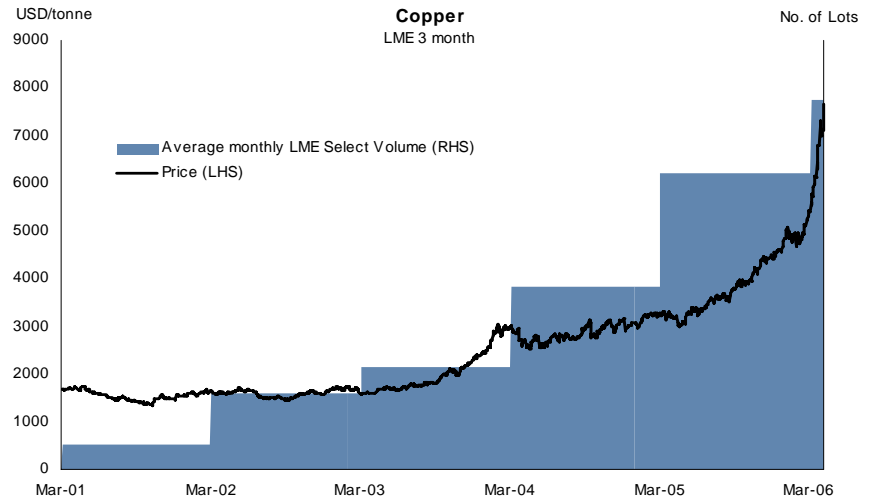
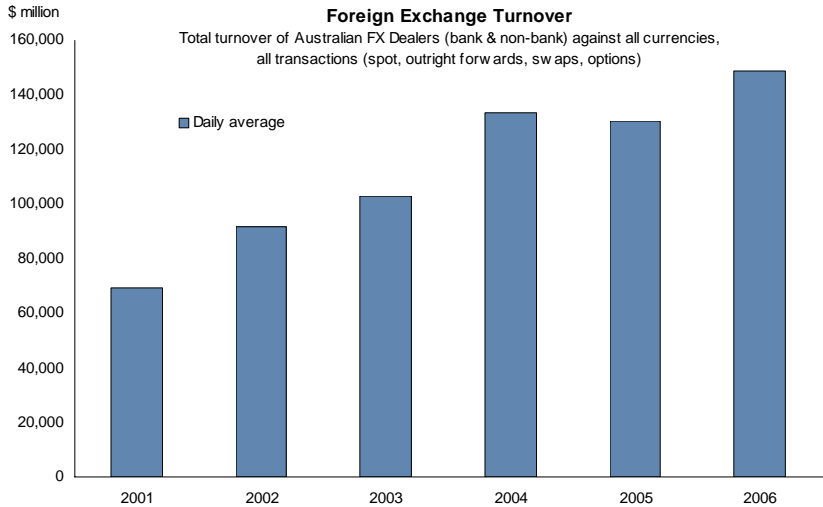
	\$Am	% Δ
Equity Markets	526	40
Commodities	197	19
Foreign exchange products	152	(4)
Interest rate products:	1	(97)
<i>Trading activities (up 136% on pcp)</i>	85	
<i>Volatility on derivatives hedging the MIPS hybrid</i>	28	
<i>Funding expense on derivatives</i>	(112)	
TOTAL	876	19



* Source: Datastream.



Key drivers of year: Increased activity in currency, interest rate and debt markets and strong demand for commodities and structured commodity products

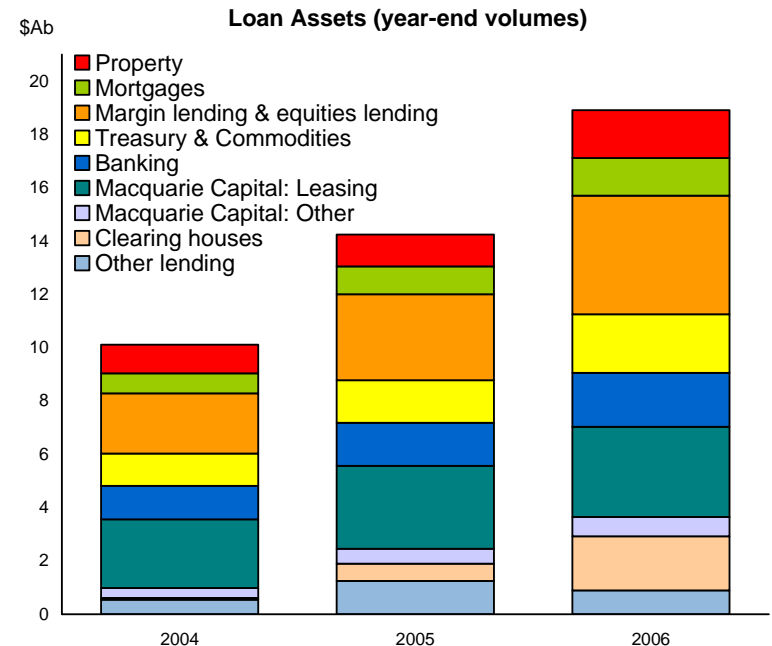




Net interest income

	\$Am
Net interest income (as reported)	592
AASB 139 impacts:	
SPV amortisation of deferred loan costs	114
Other amortisation of deferred loan fees (including opening balance adjustment)	(45)
Funding expense on derivatives reported in trading assets	(112)
Net interest income (excluding AASB 139)	549

	2006			2005		
	Spread %	Average Volume \$Ab	Interest \$Am	Spread %	Average Volume \$Ab	Interest \$Am
Mortgage SPVs	1.11	16.0	178	1.10	13.0	143
Loan assets	2.66	16.4	437	2.64	13.9	366
Trading assets and other securities	0.35	17.2	60	0.59	14.4	86
Total interest bearing assets	1.36	49.6	675	1.44	41.3	594
Non-interest bearing assets			(126)			(58)
Total			549			536



- Spreads stable
- Mortgage portfolio average volume up 23%; loan portfolio average volume up 18%
- Increased funding cost on larger equity investments portfolio



Income from equity investments, seed assets and other transactions

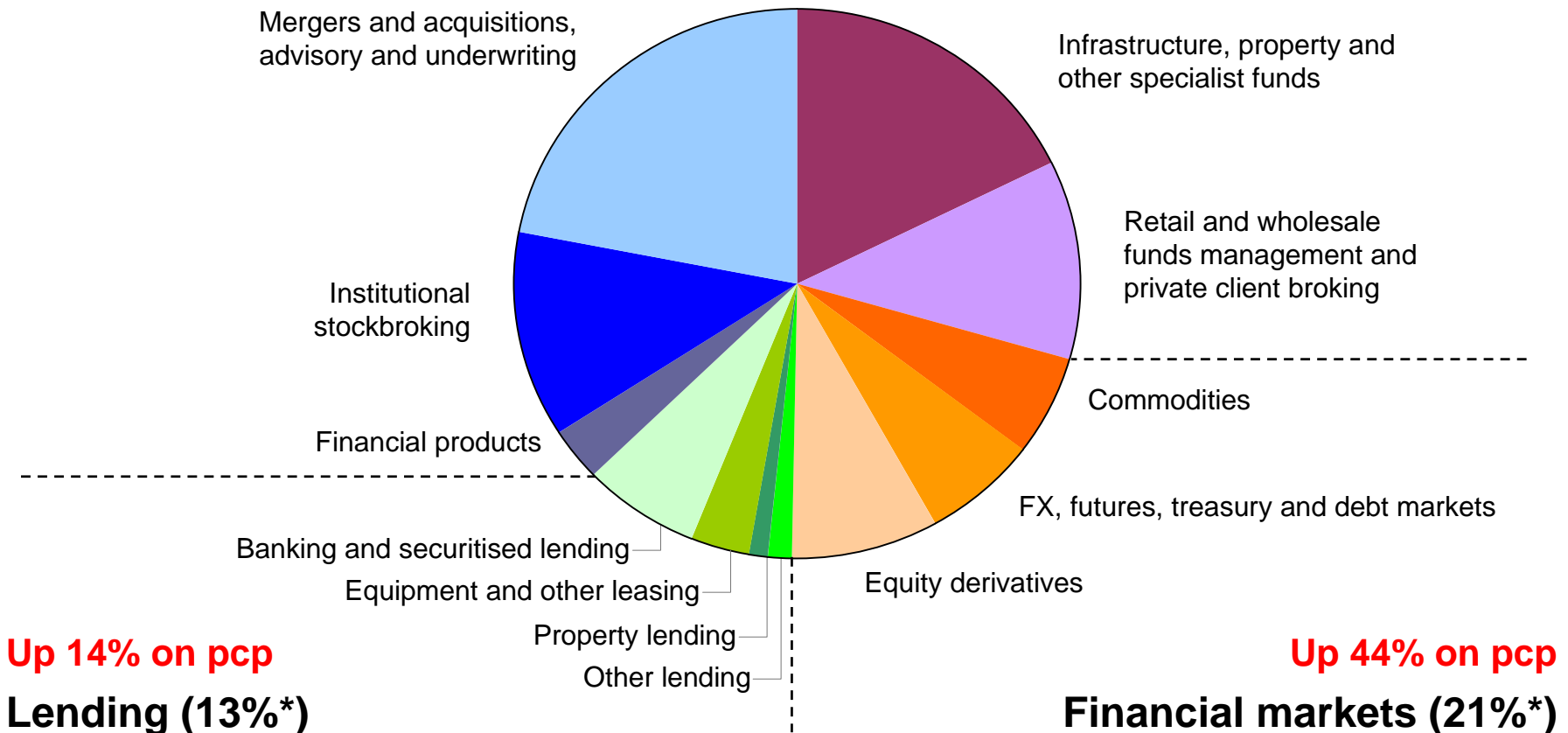
	2006 \$Am	2005 \$Am
Equity investments		
Profit on disposal of securities	186	185
Dividends, distributions and equity accounting income	278	119
	<hr/>	<hr/>
	464	304
Gain on formation of Macquarie Goodman Group	–	300
Effect of AIFRS – equity accounting of specialist funds	(92)	55
	<hr/>	<hr/>
Net income from equity investments (as reported)	372	659
	<hr/>	<hr/>
Seed Assets		
Operating income and disposals (Radio assets, Korean assets, other assets)	130	35
Other	(17)	(33)
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Total	485	661
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Investment banking (37%*)

Up 24% on pcp

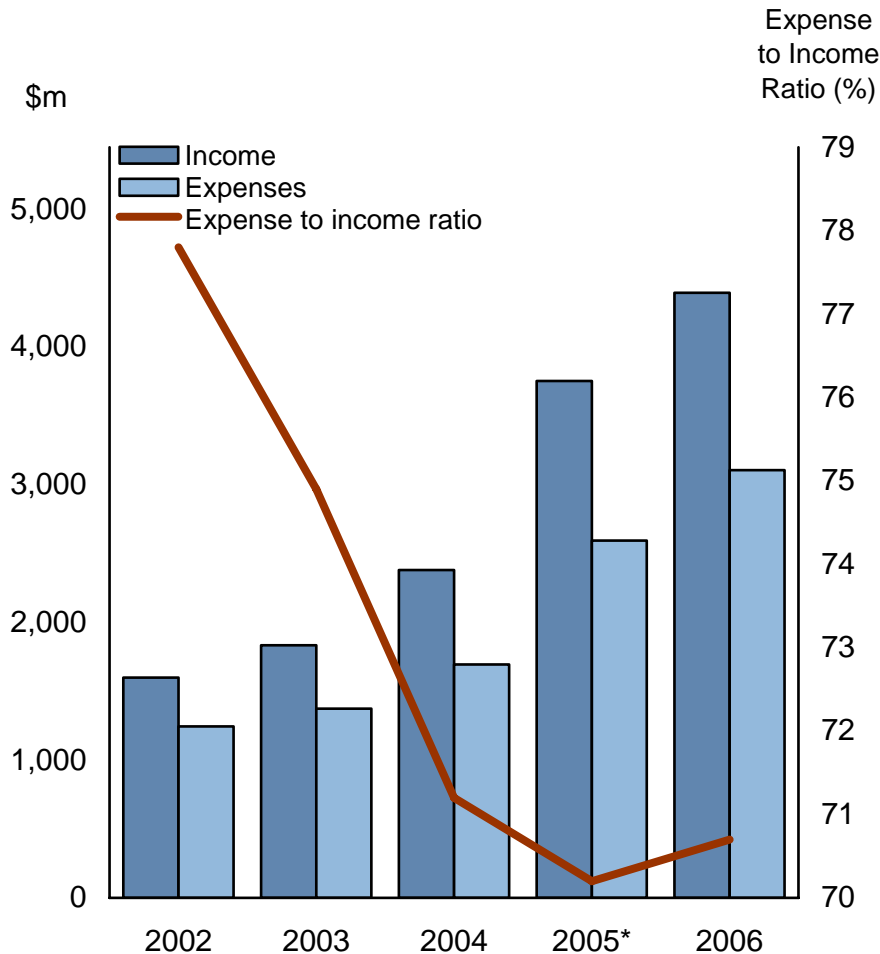
Asset & wealth management (29%*)

Up 28% on pcp excluding MGQ
(Down 1% on pcp including MGQ)



* Represents the percentage contribution to total income.

Operating expenses & headcount



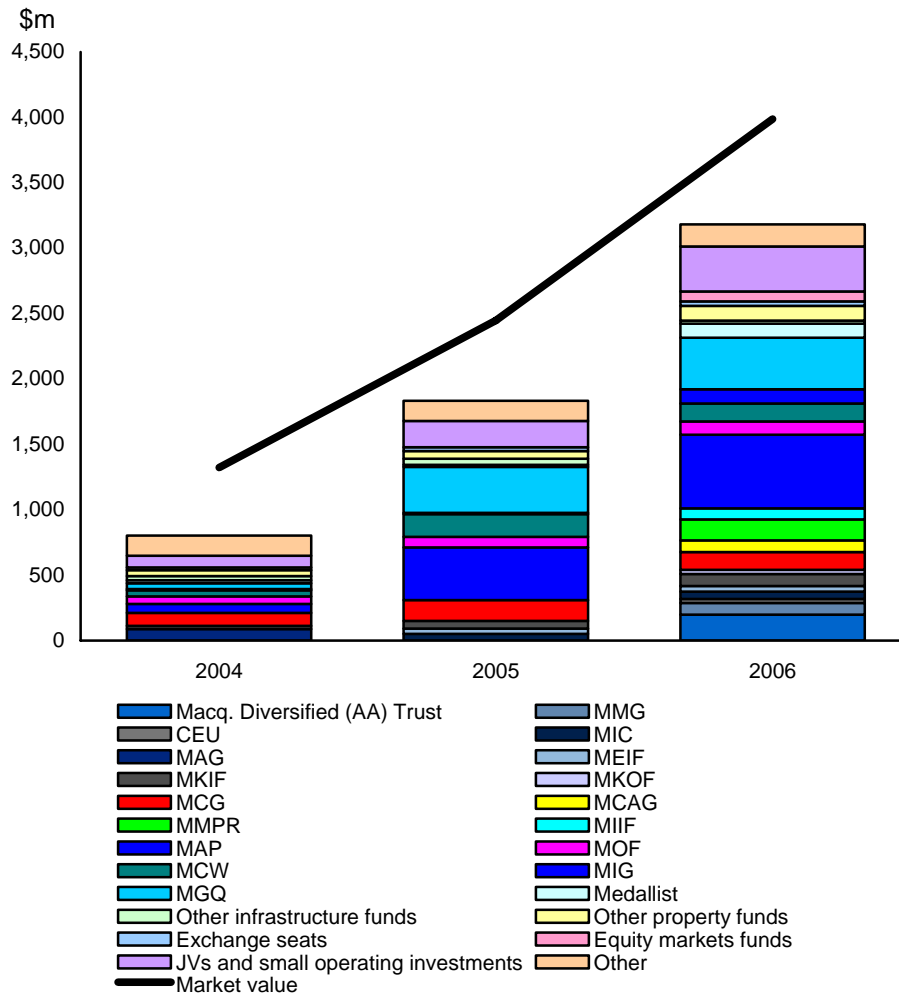
- Employment expenses up 18% – largely driven by headcount
- Investment in staff in strategic growth markets
 - 25% increase in total headcount
 - 44% increase in offshore headcount
- Expense to income ratio: 70.7% vs 70.2%* in prior year
- Executive Director retentions linked to funds for all Executive Committee members and other Executive Directors associated with the specialist funds business
 - Further enhances alignment

* Prior period adjusted to exclude impact of formation of Macquarie Goodman Group (MGQ). Including MGQ, the prior year is 69.1%.



	2006 %	2005 [^] %
Corporate tax rate	30.0	30.0
Rate differential on offshore income	(7.3)	(4.9)
Non-deductible distribution paid/provided on MIS	0.7	0.7
Non-deductible options expense	1.3	0.7
Other	(0.7)	(0.3)
Effective tax rate	24.0	26.2

- Macquarie Income Securities – exposure was fully provided; no material impact
- R&D syndicates settled – no material impact
- FY2007 effective tax rate will fall below 20% as a result of offshore activities

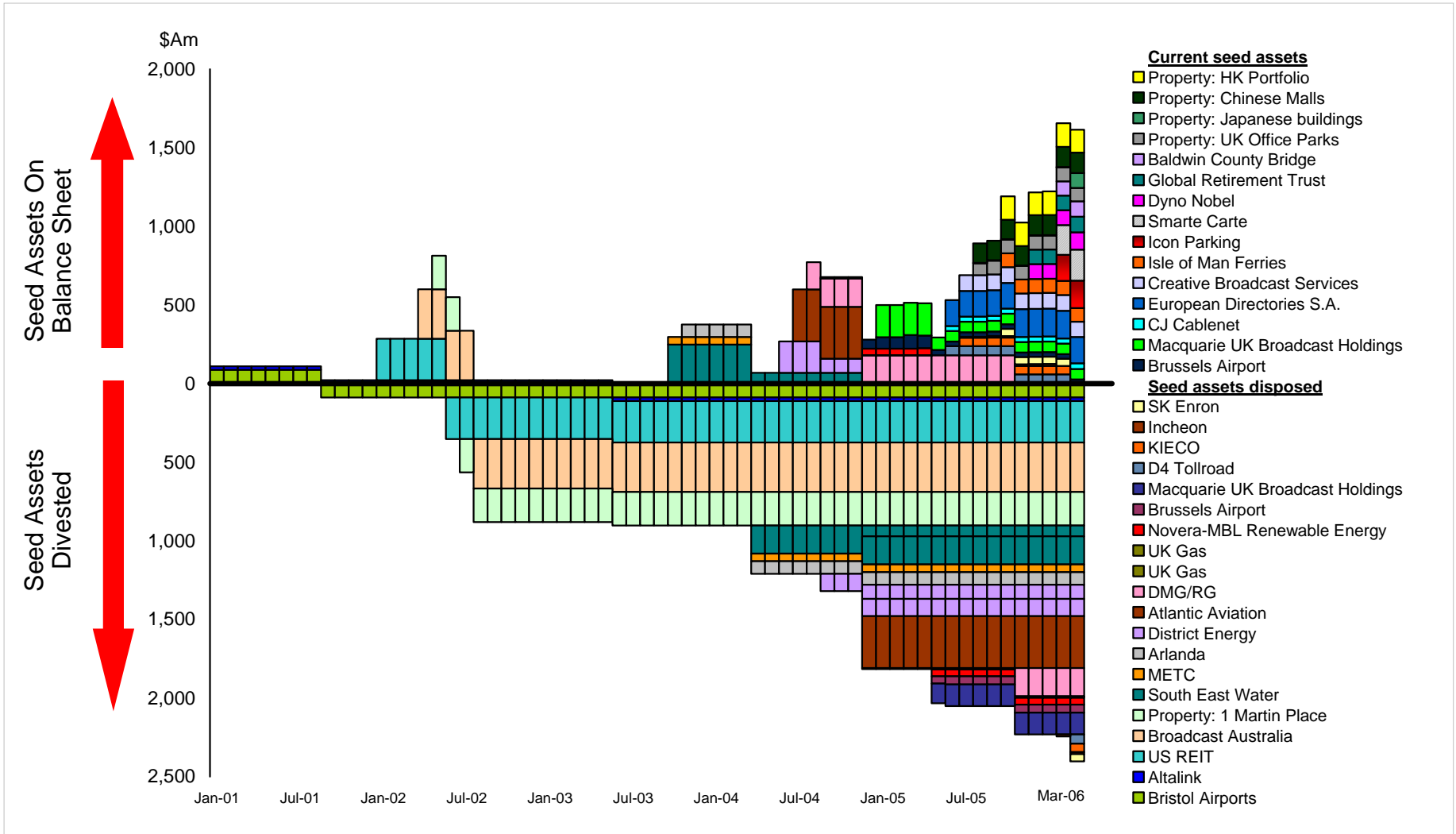


- Growth of equity investments
 - New funds include MMPR, MCAG, MIIF, MMG, MGU, MKOF
 - Investors, especially international, increasingly expect MBL to co-invest

- Realised income
 - \$A372 million contribution to current year income

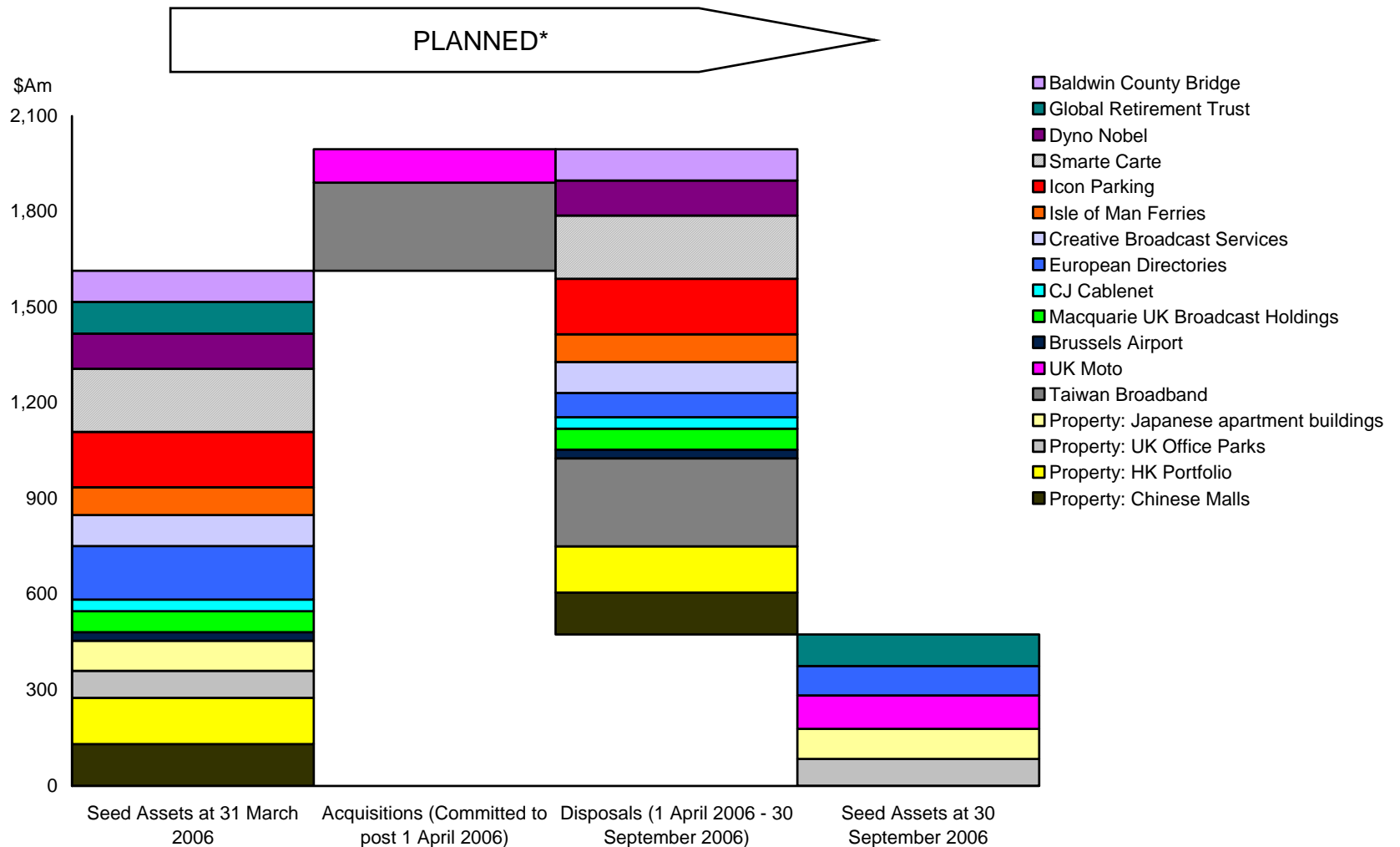
- Unrealised income
 - Equity accounted investments carried at cost; includes investments in funds where Macquarie is also the manager
 - Unrealised gains of \$A805m, up 74% on pcp

Seed assets are being recycled



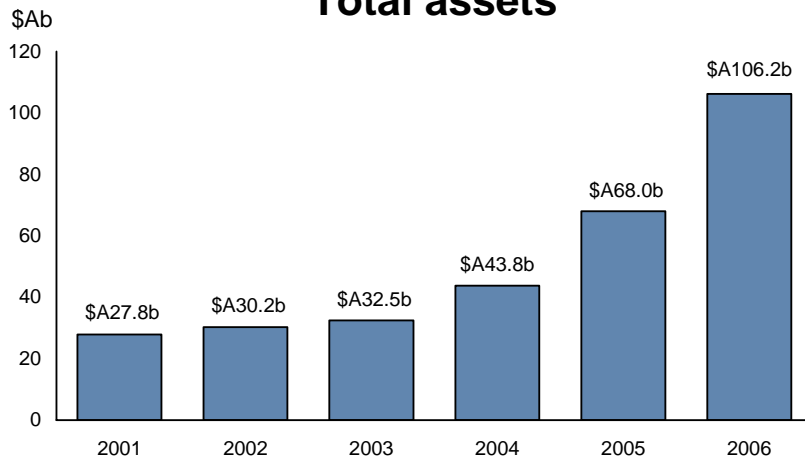
Economic exposure following financial close of assets held with the intention that they will be disposed in the short term. At 31 March 2006.

On track with disposal initiatives

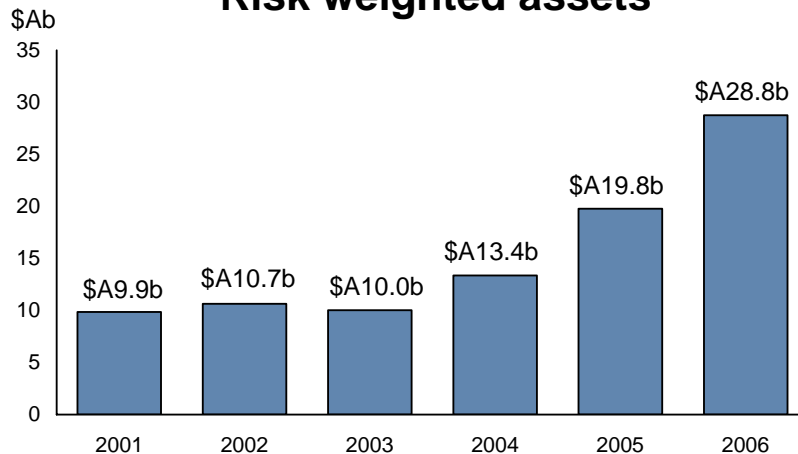


*Planned position is subject to market conditions and management intention, and does not include future uncommitted acquisitions.

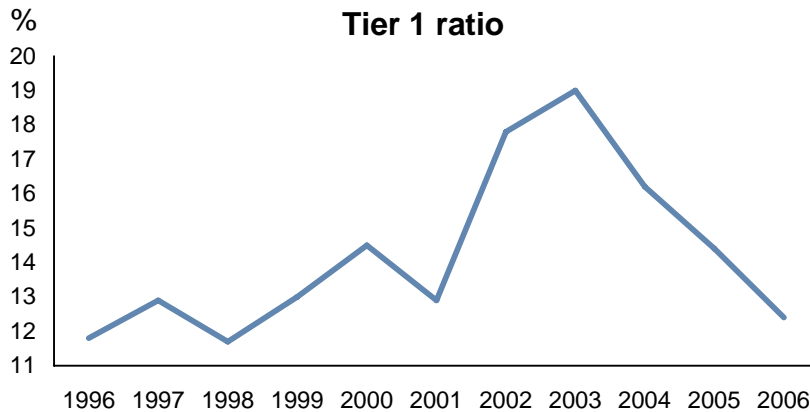
Total assets



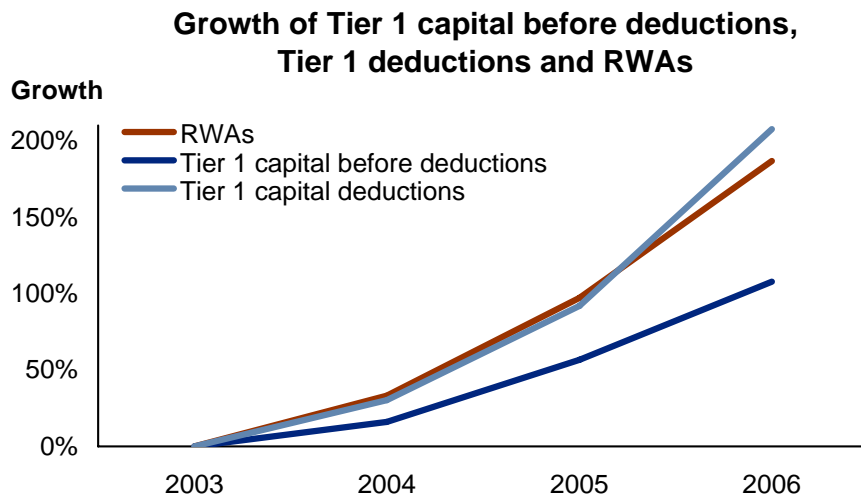
Risk weighted assets



- Total assets up 56% on pcp to \$A106.2b
 - Loan assets up 23% on pcp to \$A35.0b; maintaining low net loan loss ratio
 - Good trading conditions and increase in commodities values: trading portfolio assets including forward obligations from clients up 83% on pcp to \$A14.2b
 - Equity investments up 74% on pcp to \$A3.2b
- Risk weighted assets up 45% on pcp to \$A28.8b



- Tier 1 ratio down to 12.4% driven by:
 - increase in RWAs
 - acquisition of seed assets
 - establishment of new specialist funds



- Returning to pre-2001 capital raising levels
- RWAs growth exceeds growth in Tier 1 capital

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**Strong growth in all
regions and all Groups**

**And we are investing
for the future**



Growing in Asia-Pacific

Income up 94% on pcp

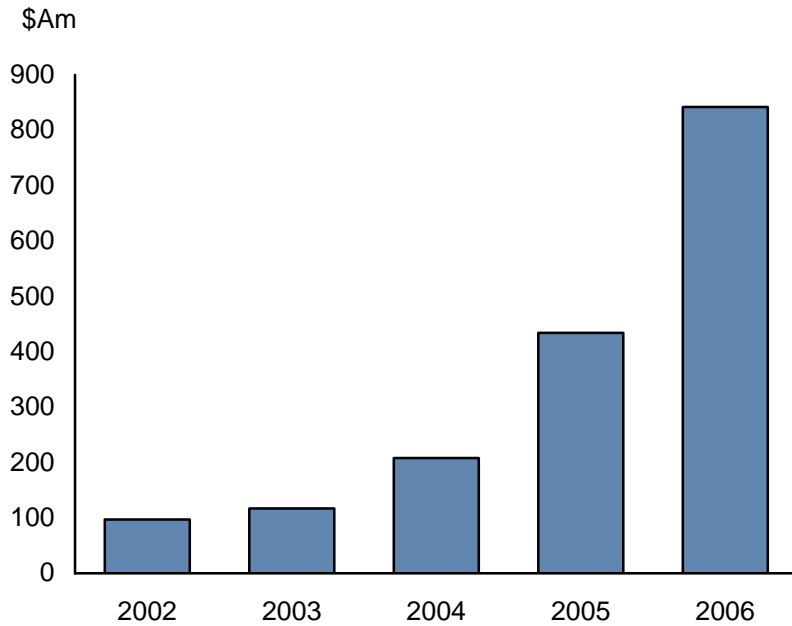
- New listing: Macquarie Korea Infrastructure Fund – KRW1,026b (\$A1.43b) IPO, dual listing on KRX and LSE (Market cap on listing: \$A3.1b)
- New office: India – established securities brokerage and corporate finance business
- New JVs:
 - TMB Macquarie Securities – stockbroking and investment banking in Thailand
 - Post balance date: Macquarie Shinsei Advisory Co – corporate finance in Japan
- New funds:
 - Macquarie International Infrastructure Fund (MIIF) – \$S803m IPO on SGX
 - Macquarie MEAG Prime REIT – \$S990m listing on SGX
 - Macquarie Korea Opportunities Fund – unlisted Korean private equity fund established – KRW340b (\$A478m) committed
 - Post balance date: Macquarie Goodman Hong Kong Wholesale Fund (MGHKF) – \$HK4.8b unlisted property fund established by Macquarie Goodman Asia (MBL/Macquarie Goodman JV)
- Macquarie Securities Asia – Asian contribution* now equal to Australia



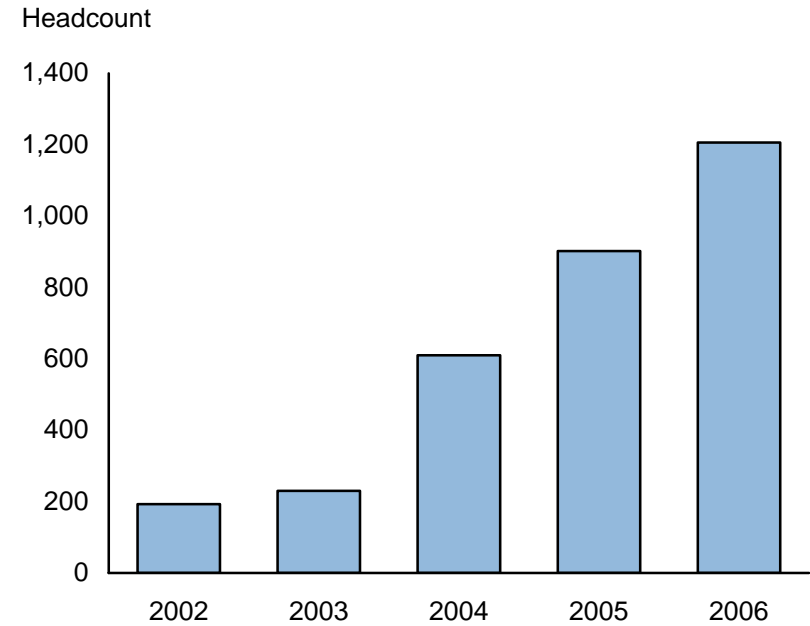
Growing in Asia-Pacific

Income up 94% on pcp

Income*



Staff numbers



- Income* up from \$A434m to \$A842m

*Excluding earnings on capital



Growing in Europe, Africa & the Middle East

Income up 47% on pcp

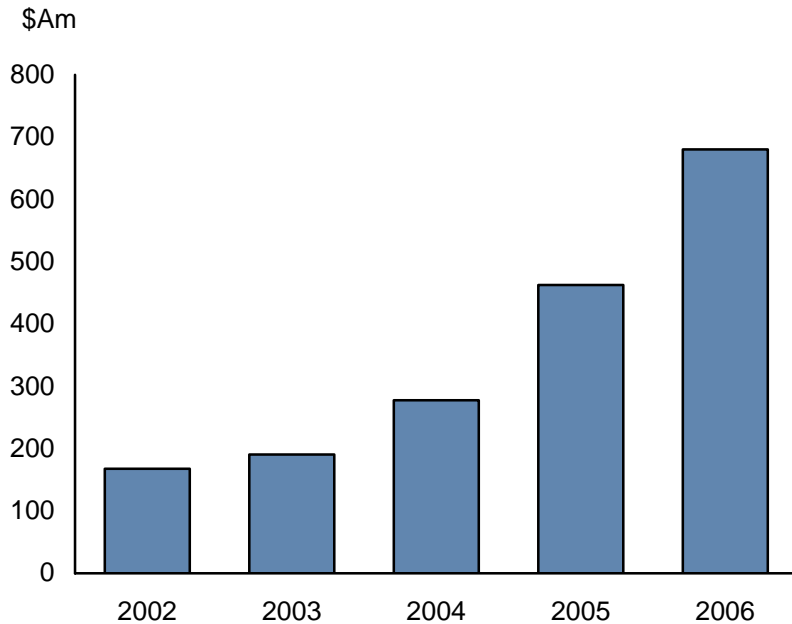
- Macquarie European Infrastructure Fund
 - Final close with investor commitments of €1.5b
- Macquarie Global Property Advisors (49% Macquarie share) – \$US1.3b capital raised for 2nd real estate private equity fund
- New JVs:
 - UK office property JV with Akeler, private real estate and development company
 - Treasury & Commodities and Investment Banking JVs with Abu Dhabi Commercial Bank
- New business:
 - Macquarie Mortgages Italy – commenced licensed mortgage operations, offices in Milan and Rome
- New funds: Post balance date
 - ZonesCorp Infrastructure Fund – unlisted infrastructure investment fund in JV with Abu Dhabi Commercial Bank, focusing on greenfield projects in Abu Dhabi and UAE. Established April 2006 – AED1b (\$A366m) committed
 - Macquarie European Infrastructure Fund II (MEIF II) – diversified unlisted fund focusing on infrastructure investments in Europe. First close May 2006 with initial commitments of €615m



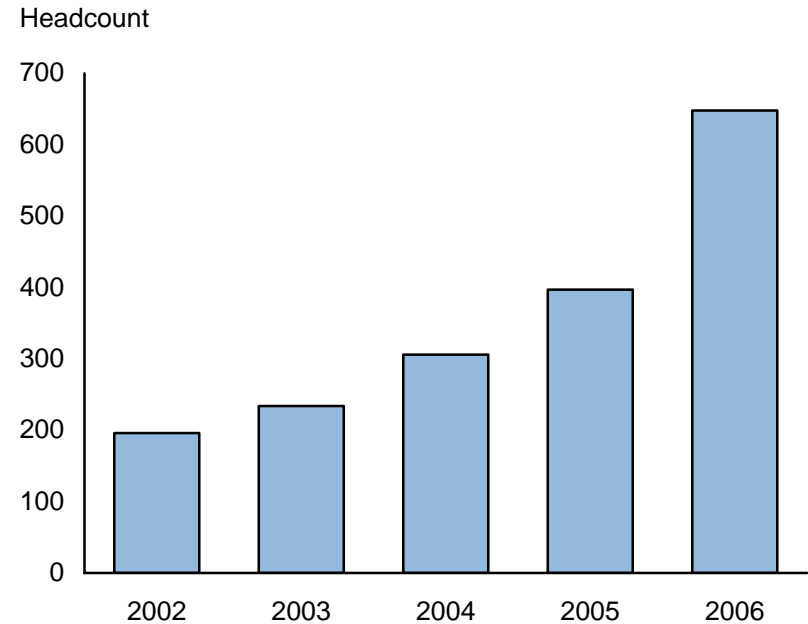
Growing in Europe, Africa & the Middle East

Income up 47% on pcp

Income*



Staff numbers



- Income* up from \$A463m to \$A680m

*Excluding earnings on capital



Growing in the Americas

Income up 34% on pcp

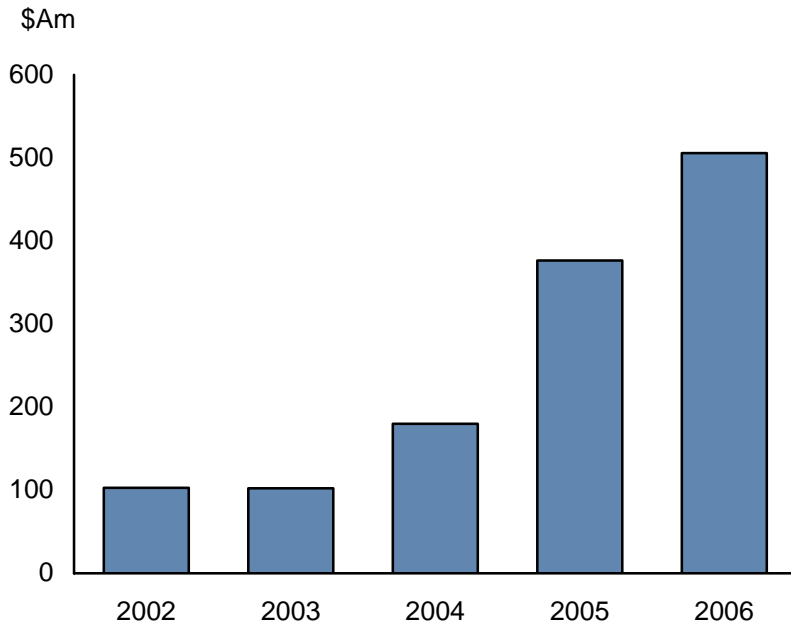
- New business:
 - Macquarie Cook Energy – physical gas trading business based in Los Angeles
- New team:
 - Acquisition of specialist maritime port team based in Seattle
- New funds:
 - Macquarie Global Infrastructure Total Return Fund (MGU) – \$US425m IPO on New York Stock Exchange
 - Post balance date: Macquarie Infrastructure Partners (MIP) – North American diversified unlisted fund focusing on infrastructure and infrastructure-like investments in the US and Canada
- New JV:
 - Treasury & Commodities physical ethanol trading JV with Lansing Grain Company LLC (Lansing Ethanol Services LLC)



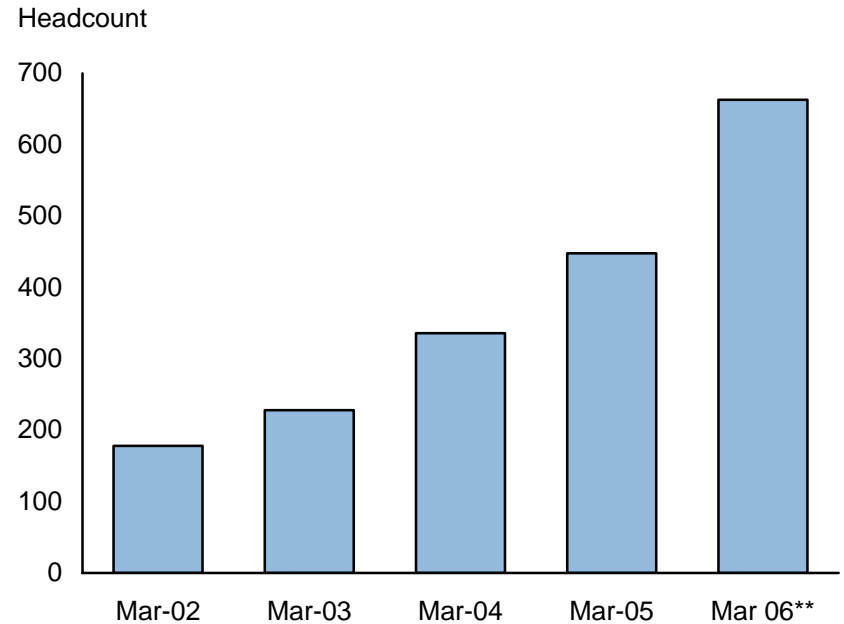
Growing in the Americas

Income up 34% on pcp

Income*



Staff numbers



- Income* up from \$A376m to \$A506m

*Excluding earnings on capital. **Over 50 new staff as part of Cook Inlet acquisition in November 2005



Growing in Australia

Income up 15% on pcp (excluding MGQ)

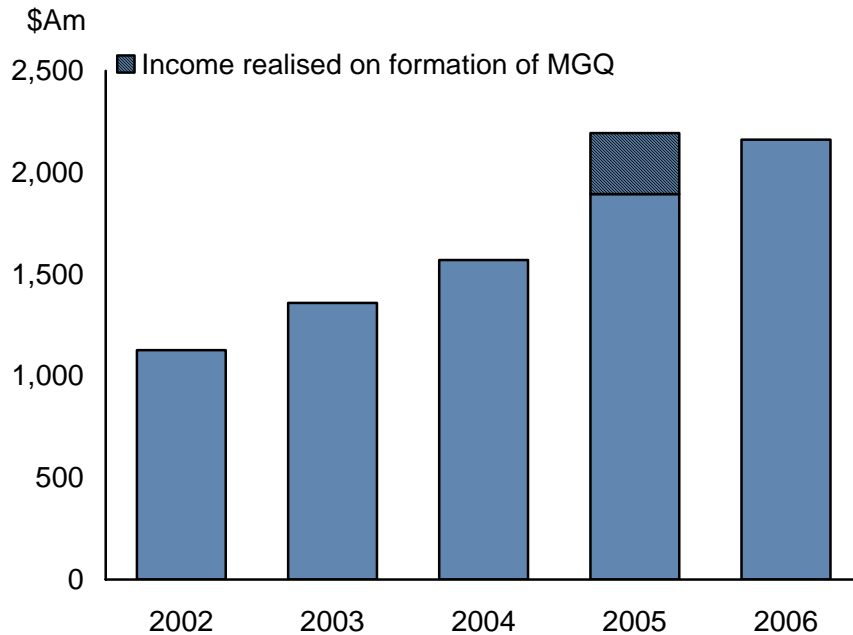
- New funds:
 - Macquarie Media Group
 - Macquarie Capital Alliance Group
 - Macquarie Private Capital Group
- No. 1 Australian equity issuance and No. 1 Mergers and Acquisitions completed*
- No 1. broker by ASX market share 2005 calendar year, No. 1 first quarter 2006^
- CMT exceeded \$A12b; WRAP exceeded \$A19b
- Retail client numbers exceeded 645,000
- New business:
 - Virgin Money Australia – retail financial products distribution alliance



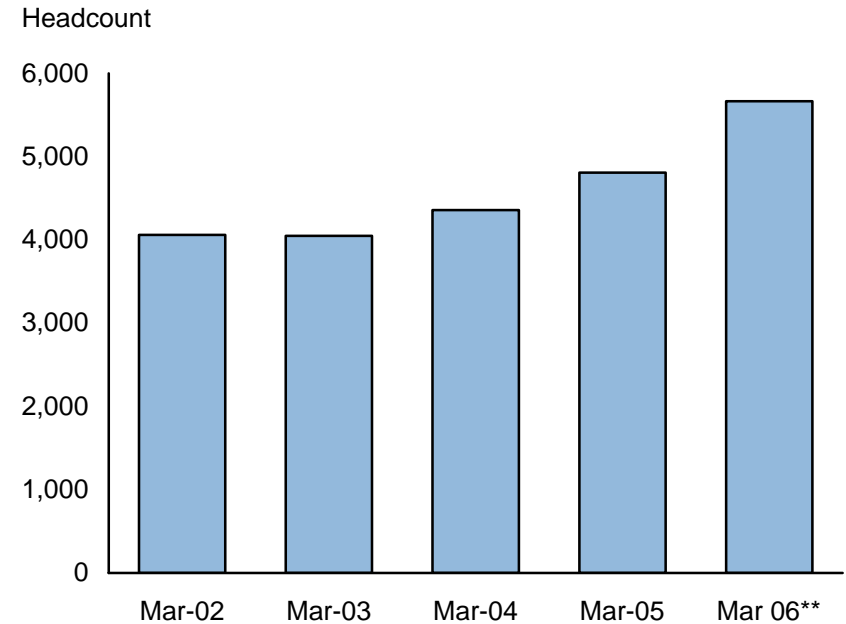
Growing in Australia

Income up 15% on pcp (excluding MGQ)

Income*



Staff numbers

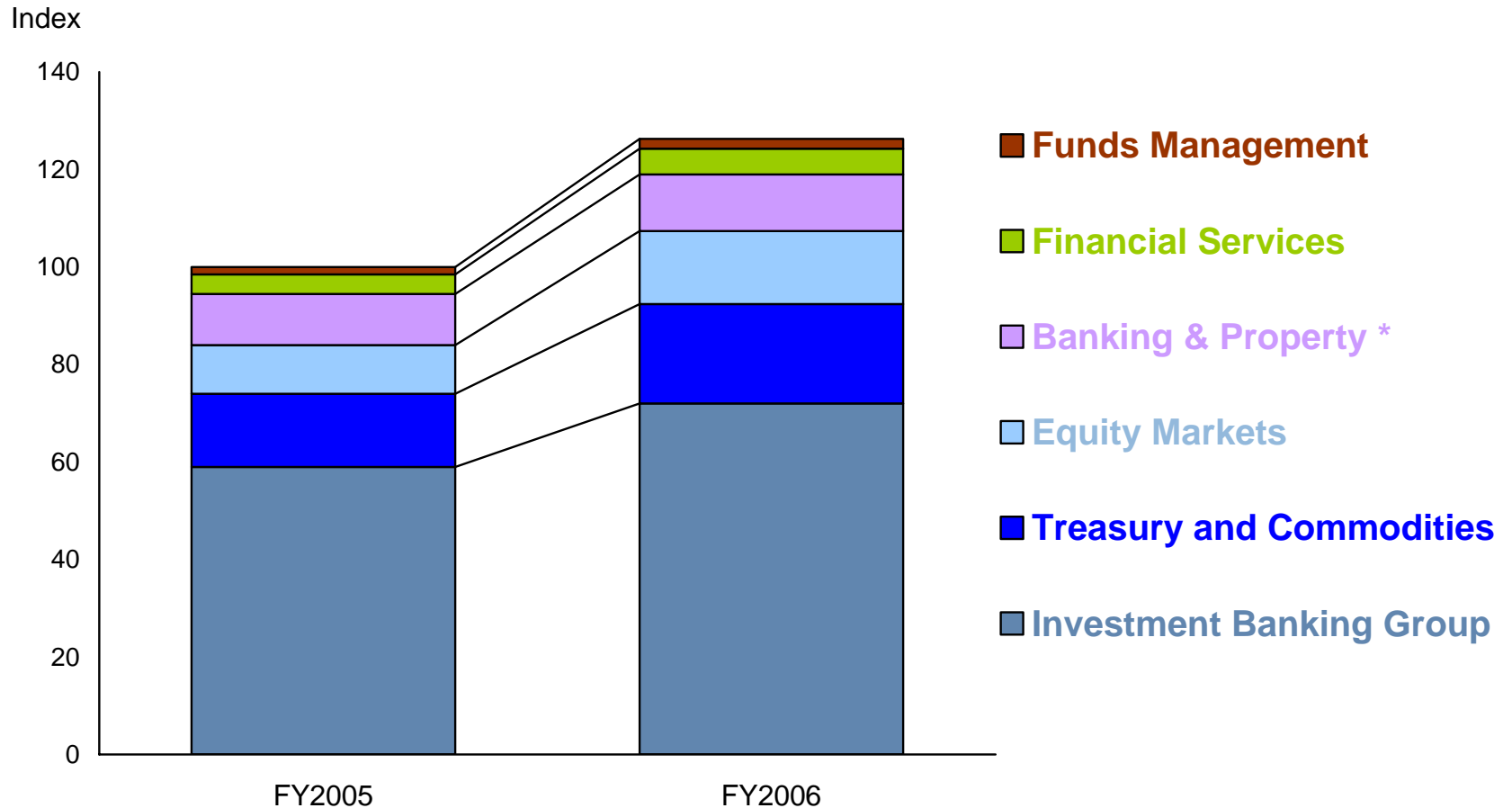


- Income* up 15% on pcp (in line including MGQ at approx \$A2.2b)

*Excluding earnings on capital



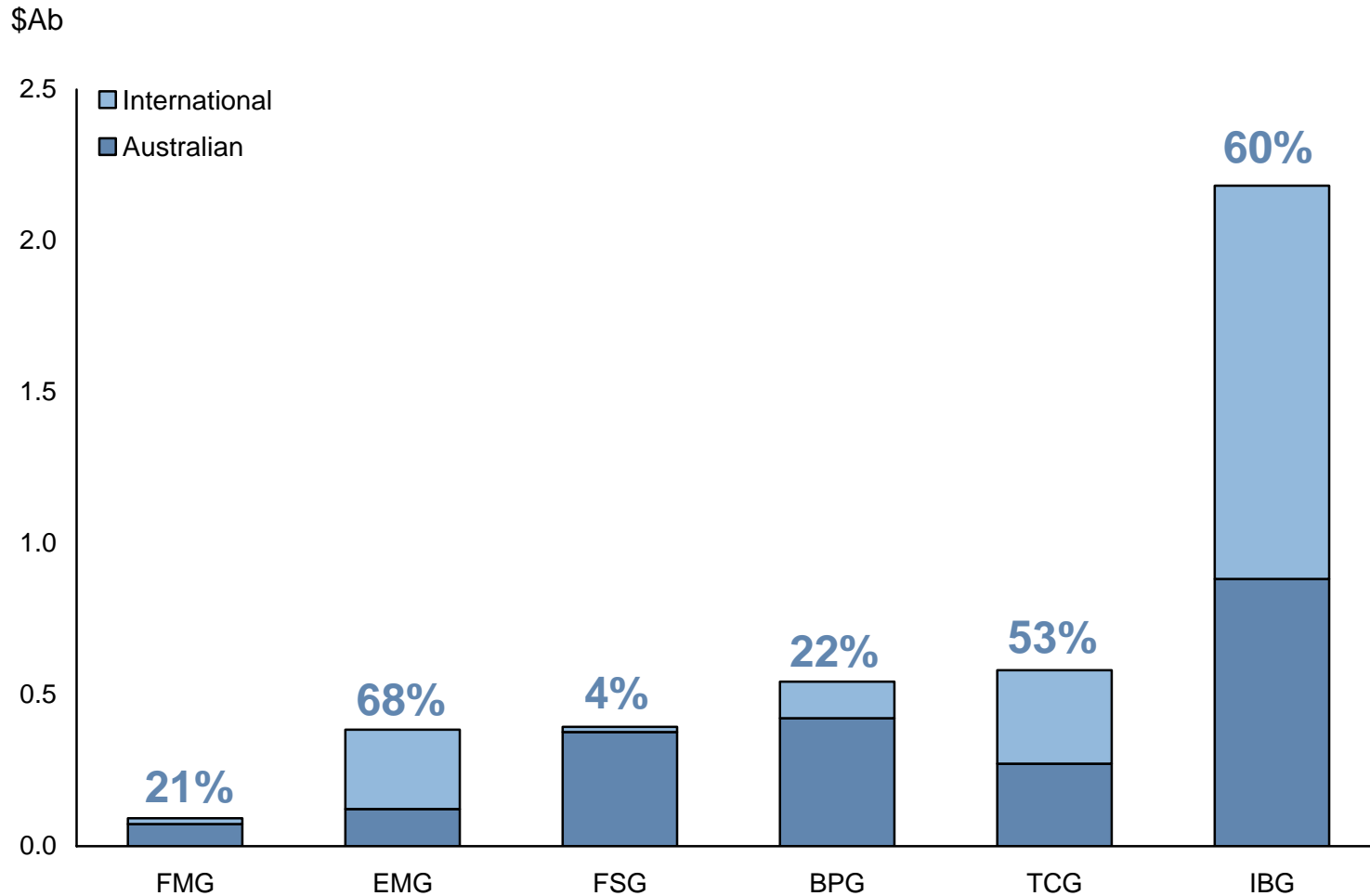
Record contributions by all Groups (excluding impact of MGQ)





International income a major driver

48% of total income[^]



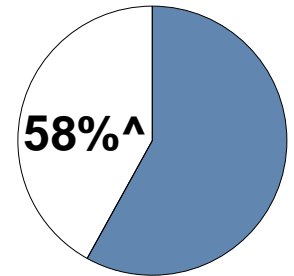
Percentages represent each Group's international income as a percentage of total income [^] Excluding earnings on capital.



Investment Banking Contribution up 30% on pcp

Comments on the year:

- Excellent result
- Growing contribution from international businesses; int'l contribution by Division:
 - Corporate Finance – 61%
 - Macquarie Securities – 71%
 - Financial Products – 32%
 - Macquarie Capital – 29%
- Strong growth trend continuing – 2006 result more than 5 times 2001 result



Corporate Finance – 40% of MBL[^]

- Strong result – up on pcp
- Leading market positions maintained – No.1 M&A completed by value & ECM Australian equity raised¹
- Strong deal flow across regions – completed over 200 deals valued at over A\$69b
- Continued growth in specialist funds
 - Equity under management² up 32% from A\$26.0b to A\$34.4b
 - Six new funds:
 - Listed: Macquarie Capital Alliance Group (ASX), Macquarie International Infrastructure Fund (SGX), Macquarie Media Group (ASX), Macquarie Korea Infrastructure Fund (KRX & LSE)
 - Unlisted: Macquarie Korea Opportunities Fund (MKOF), Global Star – private equity Korean fund in joint venture with Ilshin Investment Company

[^] Percentage contribution based on management accounts pre-tax and pre-profit share. *Adjusting to exclude significant AIFRS impacts.

1. Thomson Financial (calendar 2005). 2. Refer to glossary for definition of Equity Under Mgt



Investment Banking

Contribution up 30% on pcp

- Notable Corporate Finance transactions during the year

Australia/NZ **Andean Resources/Kingsgate Consolidated***, **AGL/Southern Hydro**, **Alinta/AGL**, Broadcast Australia refinancing, **Centennial Coal/Austral Coal**, Coles Myer buyback, Dampier to Bunbury refinancing, Eldercare New Zealand, **FKP/Mulpha Norwest**, **GPT internalisation**, **Pacific Equity Partners/Griffin Foods***, **Henry Walker Eltin Group/Leighton Contractors**, **Macquarie Bank/ATM Solutions**, M5 refinancing, **Retirement Care Australia (RCA)/Moran Health Care**, **RCA/Salvation Army**, **Retirement Villages New Zealand/Metlifecare**, Royal Women's Hospital PPP, Sydney Airport refinancing, **Sydney Gas/Queensland Gas***, **The Communications Group/WPP**, **Transpacific Industrials/ Waste Management NZ***, **Transurban/Hills Motorway**, **Volante Group/Commander Communications***, Westlink M7, Zig Inge Retirement Village. IPOs: Goodman Fielder, Macquarie Media Group, Reverse Corp, SEEK, Tattersalls, Transpacific, Charter Hall. Placements: MAP, MIG, Healthscope, Valad Property, Macquarie Goodman

Asia **Beijing Mei Da Coffee/Starbucks Coffee International**, Changshu Xinghua Port, CJ Cablenet, Daegu East Circulation Road, **Globeleq Inc/El Paso Corporation**, **Guangxi Dameng/CITIC Dameng JV**, Incheon Grand Bridge, **Integrated Microelectronics/Speedy Electronics**, Korean Independent Energy Corporation, Senai-Pasir Gudang-Desaru Expressway, Seoul Subway #9, Taeyoung Waste Water, Taiwan Broadband Communications*, Yongin Waste Water Treatment Plant. IPOs: Macquarie International Infrastructure Fund (MIIF), Macquarie Korea Infrastructure Fund (MKIF), Prime REIT. Placements: Banco de Oro, Gammon India Ltd, Hotel Leelaventure, MIIF, Pacific Basin Shipping, Uttam Galva Steel

North America Abbotsford Regional Hospital & Academic Ambulatory Care Centre, Aquarion Company*, Chicago Skyway refinance, Dulles Greenway tollroad, **Guinor Gold/Crew Gold**, Icon Parking, Indiana toll road*, Kicking Horse Canyon, Las Vegas Executive Air Terminal, Leisureworld & Preferred Health Care Services, **Macquarie Countrywide/First Washington/CalPERS**, Off-Airport Parking, Okanagan Lake Bridge, The Gas Company*, **Thoma Cressey Equity Partners/Citect***, Sea to Sky Highway, Smart Carte, **Western Silver/Glamis Gold***

UK/Europe **Arqiva/Inmedia Communications**, Autoroutes Paris-Rhin-Rhone motorway, Bassetlaw Schools PPP, BBC Broadcast, Bristol airport refinancing, **Challenger Infrastructure Fund/Inexus Group**, Churchill Hospital PPP, Copenhagen Airport, DCT Gdansk, Dyno Nobel Ltd, Energy Power Resources refinancing, **Grupo Ferrovial SA/BAA plc***, Isle of Man Steam Packet, Lambeth, Southwark & Lewisham LIFT PPP, M6 Midland Expressway, Newcastle Hospitals PPP, North Nottingham LIFT PPP, NRE Holdings acquisition* & refinancing, Tank Storage Business (TSB), TDC Directories, Wales & West Utilities, Wightlink Shipping, YBR Group



Investment Banking

Contribution up 30% on pcp

Corporate Finance (contd.)

- Post balance date: Dyno Nobel IPO on ASX (\$A1.91b)

Macquarie Securities (institutional stockbroking) – 11% of MBL^

- Outstanding overall result – 71% up on pcp
- Australia/New Zealand
 - Increased market share and secondary market revenues
 - Steady ECM deal flow – revenues slightly down on pcp
- Asia
 - Well ahead of expectations – result* now equal to Australia
 - Outstanding gains in secondary market revenues, ECM revenues well up on pcp
 - New operations in Malaysia and India, establishment of TMB Macquarie Securities JV in Thailand

Financial Products – 4% of MBL^

- Strong result – up on pcp
- Continued growth in size and range of retail products domestically and internationally
- Ongoing initiatives include: establishment of international distribution network for structured product; launch of further infrastructure related products to retail and high net worth markets

* Contribution based on management accounts pre-tax and pre-profit share



Investment Banking

Contribution up 30% on pcp

Macquarie Capital – 3% of MBL[^]

- Very strong result – well up on pcp, increased contributions from existing leasing and lending activities
- 15% increase in lending and asset-based leasing volumes from \$A3.9b to \$A4.5b; International expansion continuing

Current operating environment:

- Strong Asian and Australian equity markets
- Strong global M&A market
- Solid IPO and equity issuance capacity in Australia and Asia
- Increasing global infrastructure opportunities

Outlook:

- Continued international growth
- Strong corporate finance pipeline
- Expect increase in revenue and profit over the medium term, providing no material change in market conditions

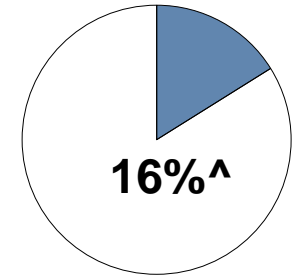


Treasury & Commodities

Contribution up 36% on pcp

Comments on the year:

- Very strong result
- Metals & Energy Capital and Foreign Exchange again the leading contributors
 - Metals & Energy Capital – very strongly up on pcp; continued growth in oil & gas financing business, realisation of some energy and mining investments and strong base metals trading and project finance
 - Foreign Exchange – well up on strong pcp; good volatility, high turnover and growth in internet delivery business
- Strong results across other divisions
 - Commodity Markets (merged Agricultural Commodities and Energy Markets) – significant increase on pcp; higher volatility, increased client hedging, US physical gas and strong growth in commodity investor products
 - Debt Markets – significantly up on pcp; increased corporate and project debt arrangement, increased domestic issuance of Australian based asset-backed securities





Treasury & Commodities

Contribution up 36% on pcp

Comments on the year (cont.):

- Treasury – strong increase on pcp
- Futures – up on pcp
- Trading portfolio assets, including forward obligations from clients, well up due to strong commodity prices

Current operating environment:

- Expect high volatility across most markets to continue
- Satisfactory level of transaction volumes

Outlook:

- Expect to maintain strong market positions in Australia
- Continued selective global expansion
- Expect further oil and gas realisations, with size and timing dependant upon market conditions
- Expect similar performance next year based on current expectation for continued market conditions

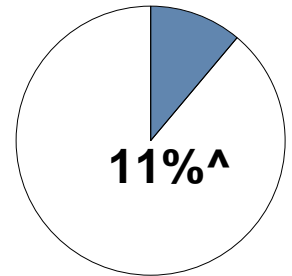


Equity Markets

Contribution up 50% on pcp

Comments on the year:

- Record result. 2/3 of contribution made in first half
- All regions up on pcp
- Asia remains the largest contributor with increases from Japan, Korea and Singapore more than offsetting lower contribution from Hong Kong
- Australia substantially up on pcp:
 - Equity products – up on pcp, retained leading market position in listed and OTC products
 - Fund Products – significantly up on pcp; significant increase in FUM, fund performance remains good
- European structured products business – significant increase in product sales
- US, South Africa and Brazil – all up on pcp





Equity Markets

Contribution up 50% on pcp

Current operating environment:

- Continuing bull markets in Asia and Australia providing generally favourable conditions for equity linked product issuance
- However increasing competition and smaller margins becoming evident, especially in Hong Kong market

Outlook:

- Broadly favourable conditions expected to continue for the medium term, but subject to significant variation between markets
- Any protracted downturn likely to be generally negative, although hedge funds business would benefit from lower equity market returns
- Continuation of strategy to broaden distribution by geography and client segment and to further expand product range

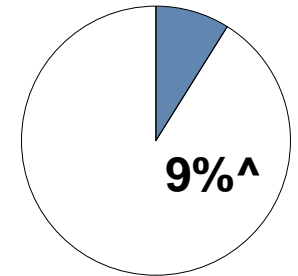


Banking and Property

Contribution up 11% on pcp (excluding MGQ*)

Comments on the year:

- Good contribution
- Real Estate (formerly Property Divisions)
 - Property assets under management (including associates) up 36% from \$A20.7b to \$A28.1b. Major transactions included:
 - Macquarie Office Trust's Maguire acquisition
 - Macquarie DDR Trust's acquisition of Mervyns US retail shopping property portfolio
 - Macquarie Countrywide's acquisition of additional 10% of First Washington
 - Listing of the Macquarie MEAG Prime REIT (SGX)
 - Macquarie Global Property Fund II – \$US1.3b fund raising, first acquisitions in Asia & Europe
 - Working with clients on unlisted fund concepts
 - MLE top 2 performing ASX300 listed Property Trust 58.7% accumulated return**, Macquarie Goodman 39.7% accumulated return**
 - Land development, particularly Medallist, contribution adversely impacted by approval delays and slower housing market, mainly in NSW
 - Continued expansion of REIT management – building presence in Asia, focusing on opportunities from foreshadowed regulatory changes in Europe



*One-off profit in prior year on formation of Macquarie Goodman Group. ^ Percentage contribution based on management accounts pre-tax and pre-profit share.

**Accumulated Return for 12 months to 31 March 2006. Source: UBS Australia – Real Estate Monthly Report 3 April 2006



Banking and Property

Contribution up 11% on pcp (excluding MGQ)

- Banking and Securitisation (merger of Banking with Mortgages and Securitisation Divisions)
 - Mortgages Australia
 - Strong growth in loan book – up 26% from \$A14.5b to \$A18.2b
 - Exclusive funder for Virgin Money Home Loans and primary funder for the Aussie Home Loans business
 - US loan volumes subdued in challenging interest rate environment
 - Margin Lending
 - Continuing good growth in market share to 16%*
 - Total loan portfolio now over \$A3.3b (up 31% from 31 March 2005), growing at more than double the industry average
 - Continued consumer lending product development – leveraging existing client relationships and distribution channels
 - Banking
 - Strong growth in loan and deposit books, increased geographical reach with 3 new offices (Parramatta, Newcastle and Gold Coast)



Banking and Property

Contribution up 11% on pcp (excluding MGQ)

Current operating environment:

- Long term global demand for yield product resulting in
 - Increased allocations to real estate by global investment institutions
 - Continued appetite for real estate funds management products
- Strong capabilities supporting international expansion of lending businesses
- Slowing of Australian residential markets affecting land development businesses

Outlook:

- Subject to market conditions, continued growth both domestically and internationally, especially in international real estate securitisation

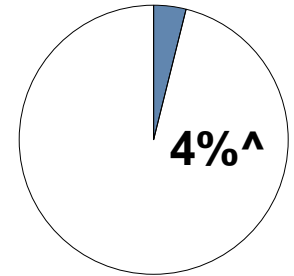


Financial Services

Contribution up 33% on pcp

Comments on the year:

- Good result; profits doubled in past two years*
 - Continued growth of core businesses, diversification of business model and strong equity market environment
- Total assets under administration/advice/management grew 29% from \$A43.5b to \$A56.2b
 - Wrap up 36% to \$A19.2b and CMT up 13% to \$A12b (Wrap and CMT include total Superannuation of \$A16.4b)
 - Wrap continues as market leader for inflows, CMT remains market leader with increased market share during the past year
- Macquarie Professional Series \$A814m in FUM 12 months after launch
- Consistently in top three for ASX retail stockbroking volumes
- Establishment of retail stockbroking joint venture in Thailand with TMB
- NZ asset management joint venture increased FUM by 35% from \$A818m to over \$A1.1b (Macquarie share 49%)
- Private portfolio management and private banking businesses increased FUM/FUA by 64% from \$A1.1b to \$A1.8b
- Launch of Macquarie Insurance – online life, disability, income insurance platform for intermediaries





Financial Services

Contribution up 33% on pcp

Current operating environment:

- Continuing strong equity markets
 - Good underwriting and broking volumes
 - Record inflows into Wrap platform
 - Strong continuing growth in CMT

Outlook:

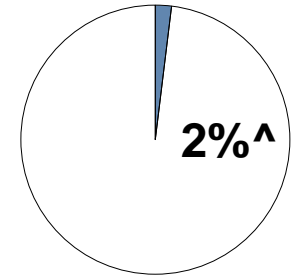
- Continue to investigate and invest in both domestic and international opportunities
- Broking business heavily influenced by market sentiment
- Will grow the new businesses – Macquarie Insurance and Macquarie Professional Series



Funds Management Contribution up 35% on pcp

Comments on the year:

- Good result
- Assets under management up 23% from \$A42.0b (Mar '05) to \$A51.5b
- Average fee margins up
 - Growth in growth asset classes and active funds
- Solid performance in most funds, notably Australian equities
- Good inflows from master trusts and platforms
- Established private equity office in the US and, post-balance date, Hong Kong



Current operating environment/Outlook:

- Benign conditions expected across most asset classes
- Expansion of higher-margin and retail product offerings
- Small-scale acquisitions being sought globally
- Expect to benefit from continued growth in demand for quality funds management products, both in Australia and internationally, over the medium term

- We have had a very good start to 2006/7 year
- Subject to prevailing market conditions continuing, expect:
 - Strong IPO and M&A pipeline
 - Good growth in specialist funds
 - Trading businesses to benefit from geographic and product expansion
 - Good equity broking volumes
- Expect to maintain leading market positions in Australia and focused positions in international markets. Will continue roll-out of investment banking services in Asia
- International income will continue to make an increasingly important contribution
- Expect to benefit from recent staff growth. Staff growth will continue, with an emphasis on international
- Swing factors include:
 - Specialist funds performance
 - Asset realisations
 - General market conditions
- We will continue to roll out the existing business models. We do not envisage any material changes in strategy

- We continue to be well placed due to:
 - Good businesses
 - Diversification
 - Benefits of major growth strategic initiatives
 - Committed quality staff
 - Effective prudential controls
 - Continued strong global investor demand for quality assets
- Subject to market conditions not deteriorating materially, we expect:
 - Continued growth in revenue and earnings across most businesses over time
 - Continued good growth in international businesses



MACQUARIE
BANK



Macquarie Bank Limited

Result Announcement
for the year ended
31 March 2006

Presentation to Investors and Analysts

David Clarke, Executive Chairman

Allan Moss, Managing Director & Chief Executive Officer

Greg Ward, Chief Financial Officer

16 May 2006

1. Introduction	David Clarke
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2. Result analysis	Greg Ward
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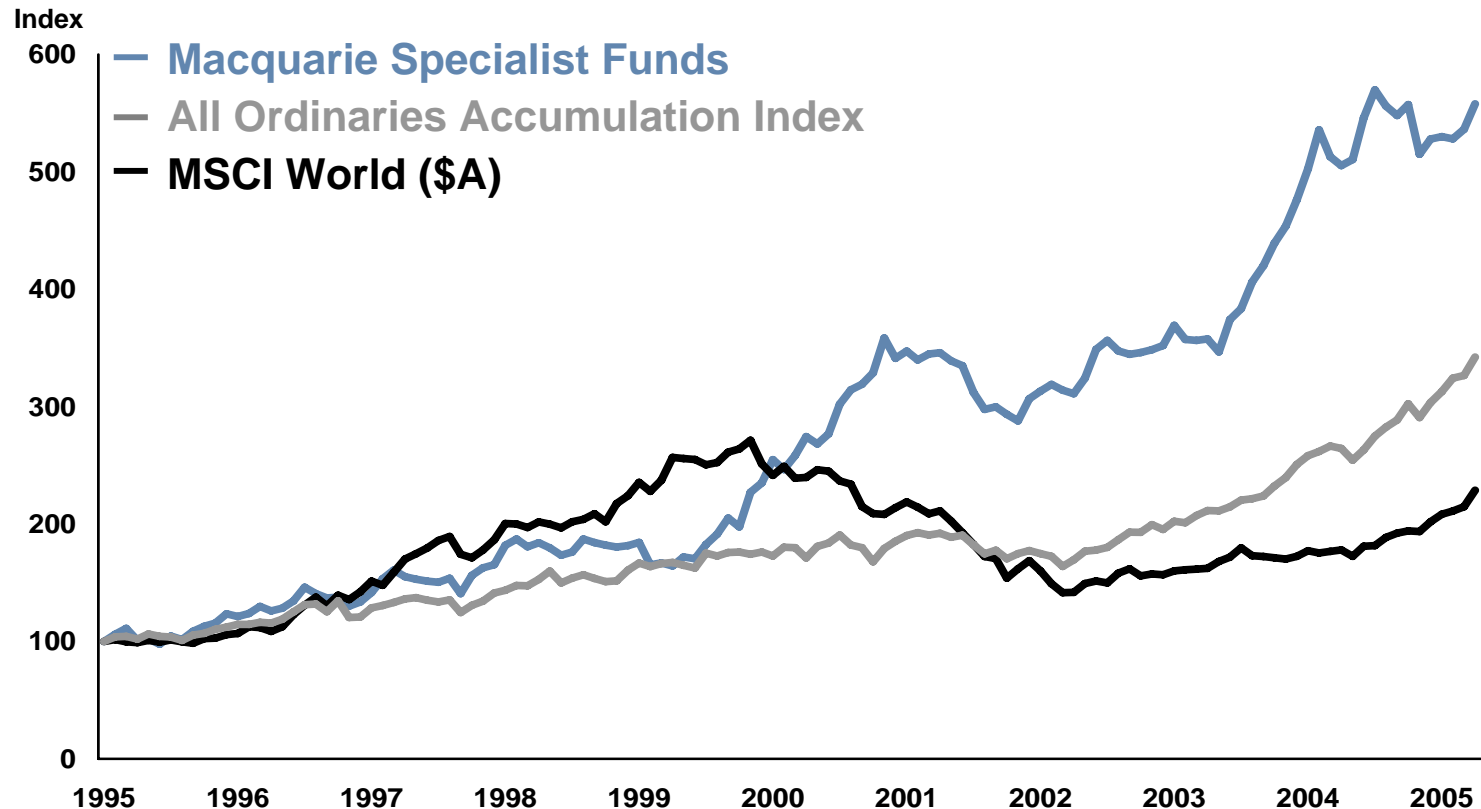
3. Overview of the year & outlook	Allan Moss
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4. Appendices:

- Delivering for investors and communities
- Global issues being monitored carefully
- Total shareholder returns
- Macquarie and Macquarie-managed funds ranking
- Glossary

Unless otherwise specified all information is for year ended 31 March 2006 and increases are on corresponding year. Prior periods restated for AIFRS.

LISTED FUNDS HAVE OUTPERFORMED OVER THE LONG-TERM



Stocks included are Macquarie Airports, Macquarie Communications Infrastructure Group, Macquarie Infrastructure Group, Macquarie CountryWide Trust, Macquarie Goodman Industrial Trust (Macquarie Goodman Group from 2 Feb 2005), Macquarie Leisure Trust, Macquarie Office Trust, Macquarie ProLogis Trust, Southern Cross Fliers, Macquarie DDR Trust, Diversified Utility & Energy Trusts, Macquarie Media Group, Macquarie Power and Infrastructure Income Fund, Macquarie/First Trust Global Infrastructure/Utilities Dividend & Income Fund, Macquarie Infrastructure Company Trust, Macquarie International Infrastructure Fund, Macquarie Global Infrastructure Total Return Fund, Macquarie Korean Infrastructure Fund, Macquarie Central Office Corporate Restructuring REIT and Macquarie MEAG Prime REIT.



WESTLINK M7

Delivery ahead of time

- Construction completed eight months ahead of schedule*

Significant travel time savings

- Reduces travel times by up to 30 minutes*
- Avoids 48 sets of traffic lights*

Equitable tolling solution

- Distance-based tolling caters for both local-based commuter traffic and through commercial/freight traffic
- Initial toll-free period designed to encourage use of the road and toll credits to encourage tag take-up
- Toll calculator available online
- Various payment options available for infrequent users

WESTLINK M7 (cont'd)

Fostering economic development

- State Govt estimate of 24,000 additional full time jobs created and an additional A\$3b in economic output within 3 years of opening*
- Major companies relocated or relocating to corridor (many in advance of opening) are now able to move goods more efficiently:
 - Woolworths National HQ, LG, Makita, Cadbury Schweppes, TNT, Coca Cola, Coles Myer, Chep, Bluescope Steel
- Additional 160,000 homes (250,000 people) forecast over next 25-30 years at Bringelly, Marsden Park and Edmondson Park**

Environmental & other benefits

- Reducing the number of heavy vehicles that use local roads will reduce traffic congestion and improve air quality
- Construction of one of Australia's longest (40km) shared pedestrian/cyclist path

CHICAGO SKYWAY

Improved customer experience

- Significantly reduced queuing at the toll plaza and improved travel time savings by up to 30 minutes*
 - Cash only road converted to cash/Electronic Toll Collection (ETC)
 - Toll plaza re-configured opening two new toll booths and increasing the number of toll collectors on cash lanes
 - New, faster opening gates installed on ETC lanes for immediate response
 - ETC system made compatible with the toll collection system used in eastern states (E-Zpass)
- Significant capital expenditure program underway to alleviate congestion & improve accessibility
 - \$US70m investment which includes refurbishment and reconfiguration of the entry/exit ramps

BRISTOL AIRPORT

Increasing choice of destination

- 100% increase in the number of routes serviced
 - Number of routes increased from 57 (in 2001) to 117 (in 2006)
- Driven by active international route development including introduction of first daily scheduled trans-Atlantic service
- easyJet operating 5 more routes from Bristol than Stanstead (London)

Providing greater choice of carriers

- 40% compound annual growth in low cost carriers
 - Low cost now represent around 60% of the airline mix – up from 29% in 2001



BRISTOL AIRPORT (cont'd)

Creating employment in the region

- 80% growth in jobs based at Bristol airport
 - From 1400 (in 2001) to 2500 (in 2006)

Industry recognition

- Bristol “Highly Commended” at Global Airport awards in 2005
 - Bristol International’s market research analysis, marketing communications activities, and business case presentations for new route opportunities were all recognised as excellent



Delivering for communities

DREAMWORLD

A significant regional employer

- Dreamworld employs up to 1,000 local residents in peak holiday periods

Economic driver

- Dreamworld attracts close to 1.5 million visitors a year
- Generates thousands of visitor nights and millions of dollars for the state's tourism industry
 - Upwards of 800,000 patrons require overnight accommodation annually
 - Holiday/leisure visitors stay on average 6 nights*



DREAMWORLD (cont'd)

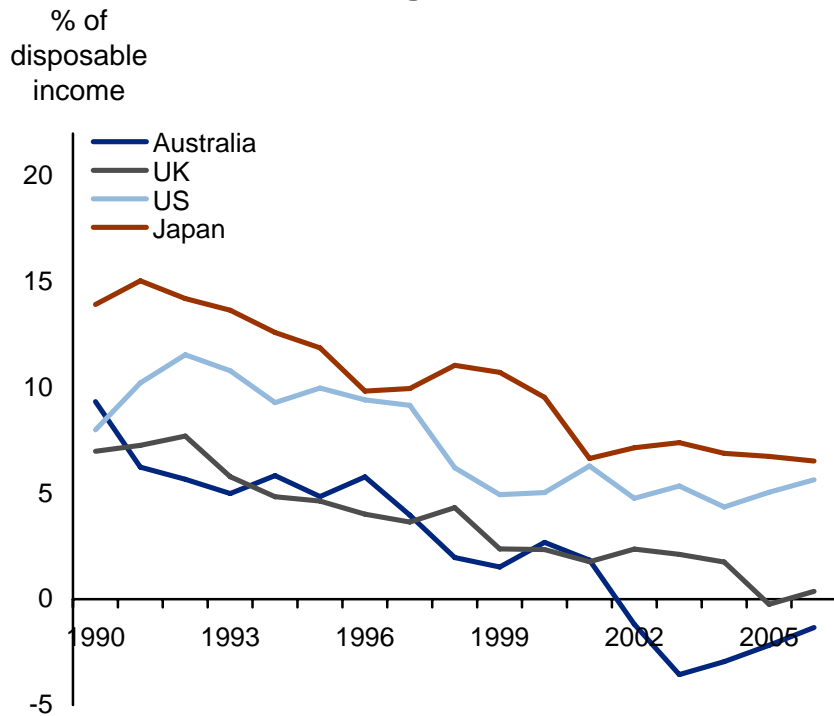
Supporting local businesses and communities

- Dreamworld uses and promotes local products and services wherever possible such as:
 - Ride construction and theming, animal supplies, event entertainment, clothing supplies etc
 - Food and beverages including: 7 tonnes of shredded lettuce, 207 tonnes of potato chips, 225,000 bottles of water (annually)
 - Major sponsors of Gold Coast Tourism, Coomera Chamber of Commerce and the Queensland Tourism Industry Council
 - Supporters of local schools and charities in excess of \$1m per annum
 - Supporters of animal conservation and research in excess of \$500,000 per annum

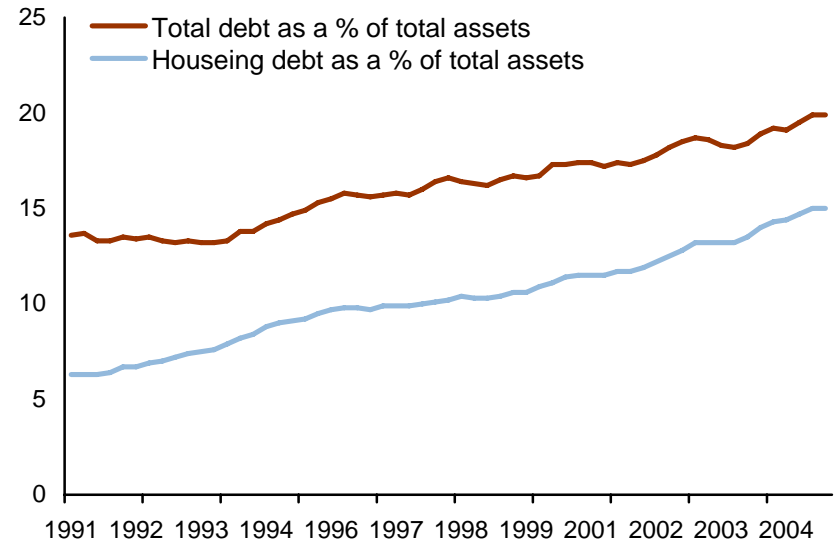
HIGH CONSUMER DEBT

- Savings down, consumer debt up

Savings rates



Australian debt as a % of household assets

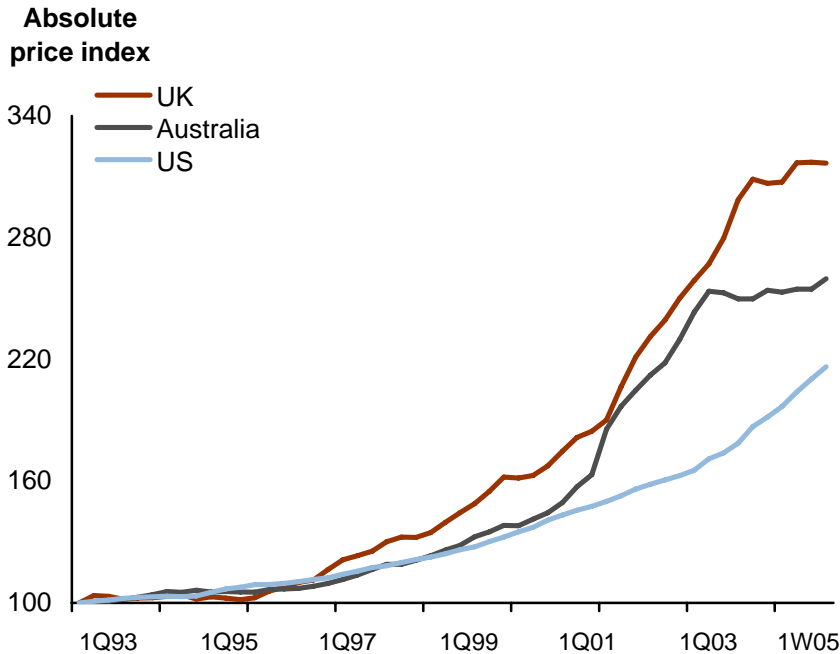




Global issues being monitored carefully

HOUSING PRICE GROWTH – SUPPORTING CONSUMPTION

Housing Prices



US Housing Equity Extraction¹

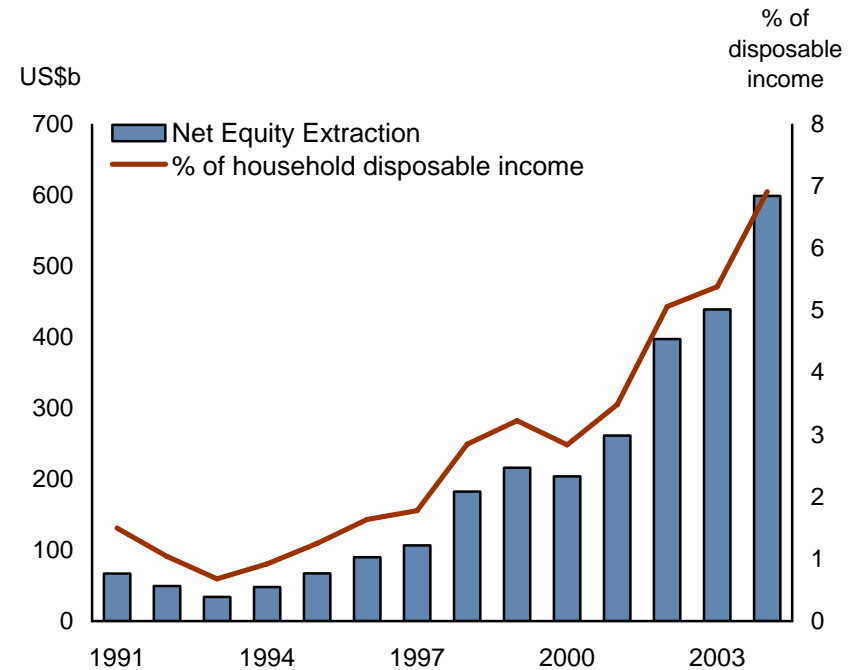


Chart sources: ABS, Nationwide, USOFHEO, US Federal Reserve, RBA

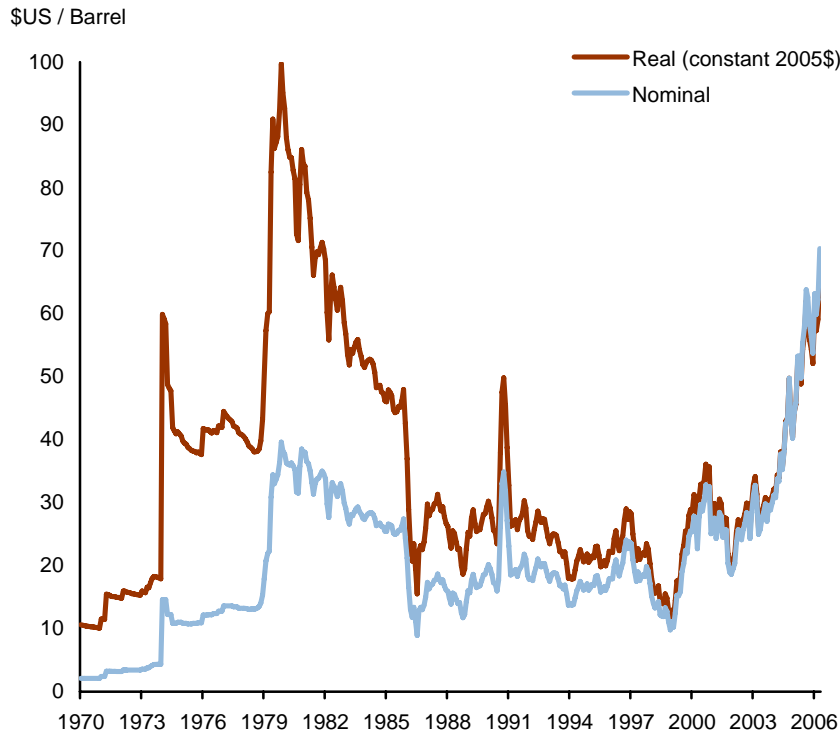
1. Housing equity extraction includes equity extracted by sellers on sale (net of costs), refinancing cash outs and home equity loans. US Federal Reserve survey data suggest that approximately a fourth to a third of the value of home equity loans and cash outs finance personal consumption directly while a further fourth funds repayment of non-mortgage debt that has been used for personal consumption expenditures. The survey suggests that amounts extracted by sellers over and above the amounts used as down-payments for new homes would exhibit similar characteristics, though no survey has been done



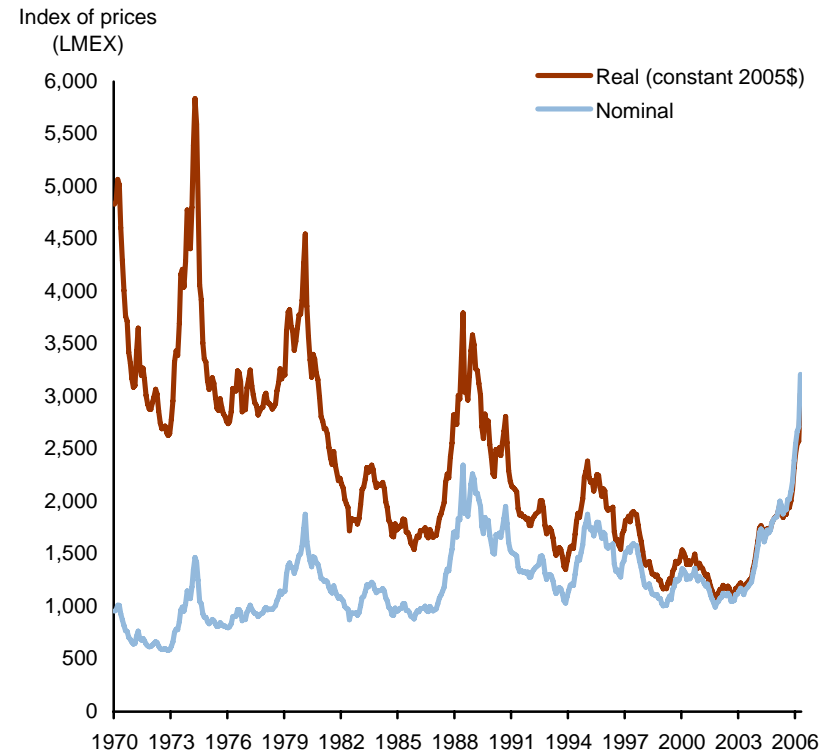
Global issues being monitored carefully

OIL AND BASE METAL PRICES STILL MUCH LOWER IN REAL TERMS THAN 1970s

Monthly Brent Crude Oil Prices



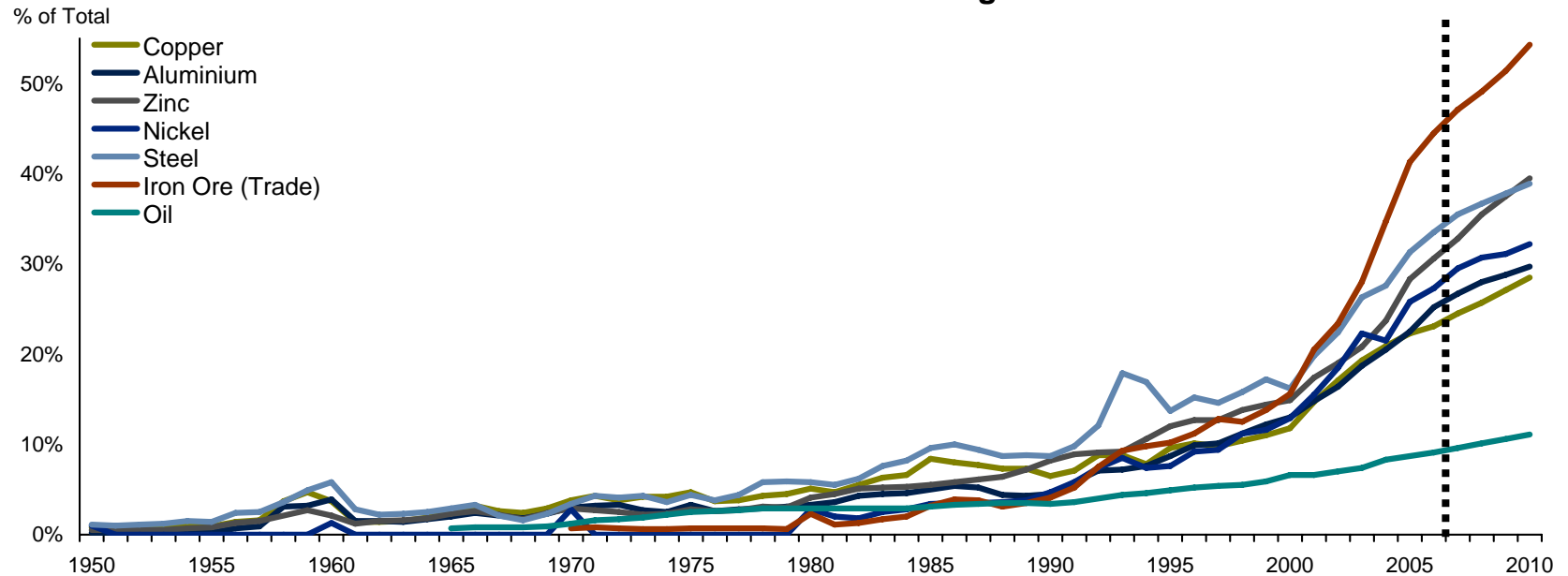
Monthly Base Metal Prices



THE CONTINUING IMPACT OF CHINA

- China has gone from 7–10% of world demand for the main base metals in 1993 to 20–30% of world demand in 2005
- Even allowing for a slowdown from current growth rates, China is likely to account for 30%+ of world demand by 2010

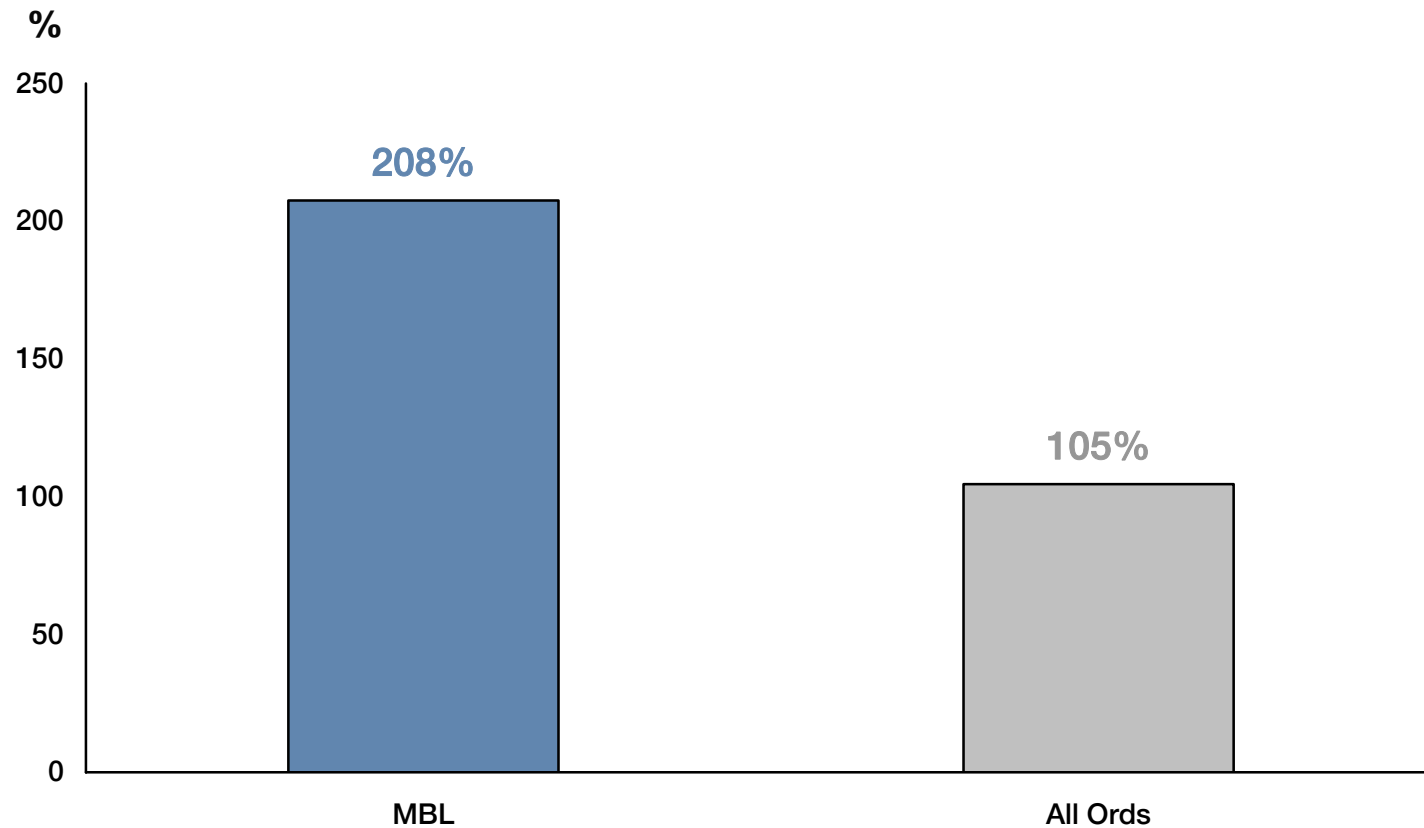
China's Share of World Usage





Total shareholder returns

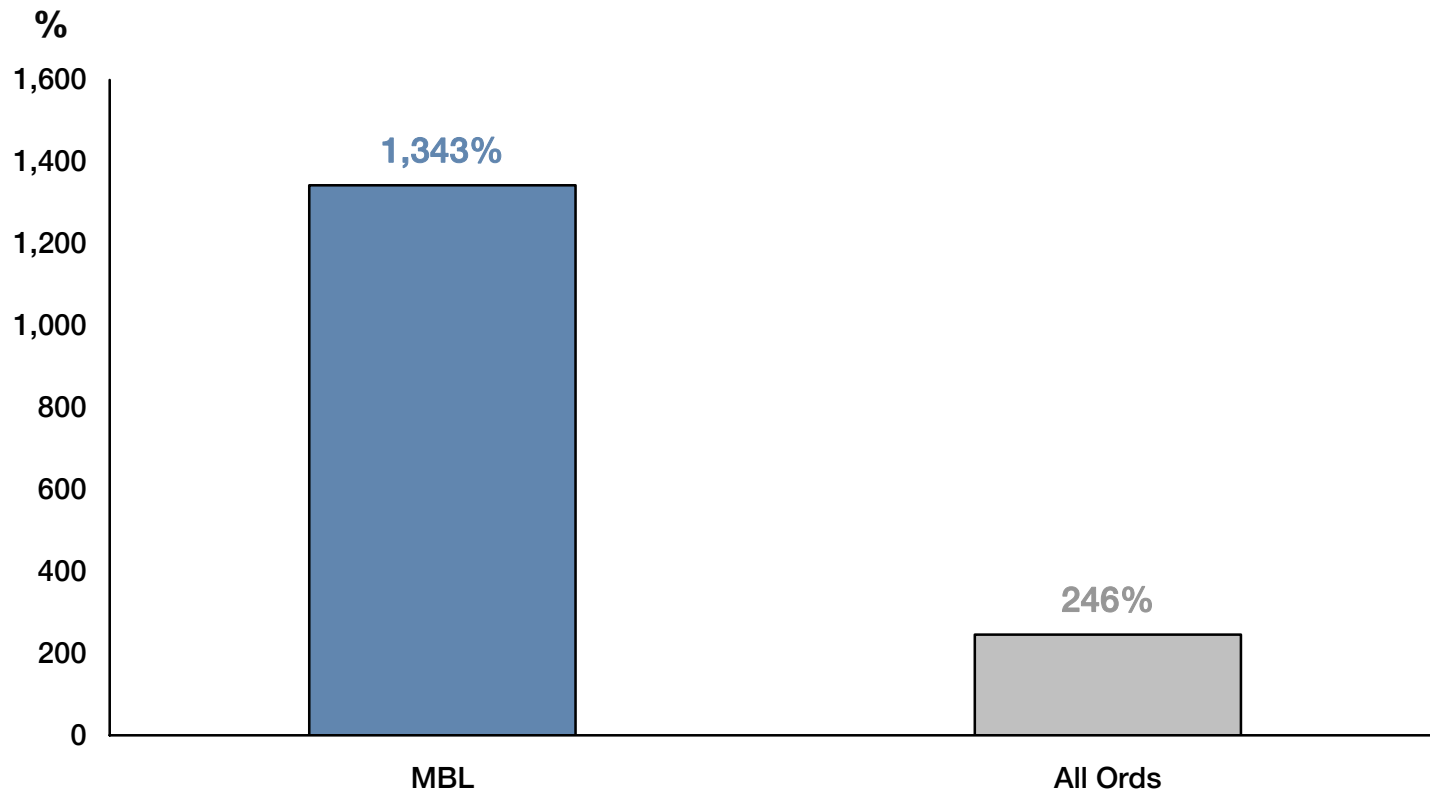
MACQUARIE BANK TOTAL SHAREHOLDER RETURN 2000-2006





Total shareholder returns

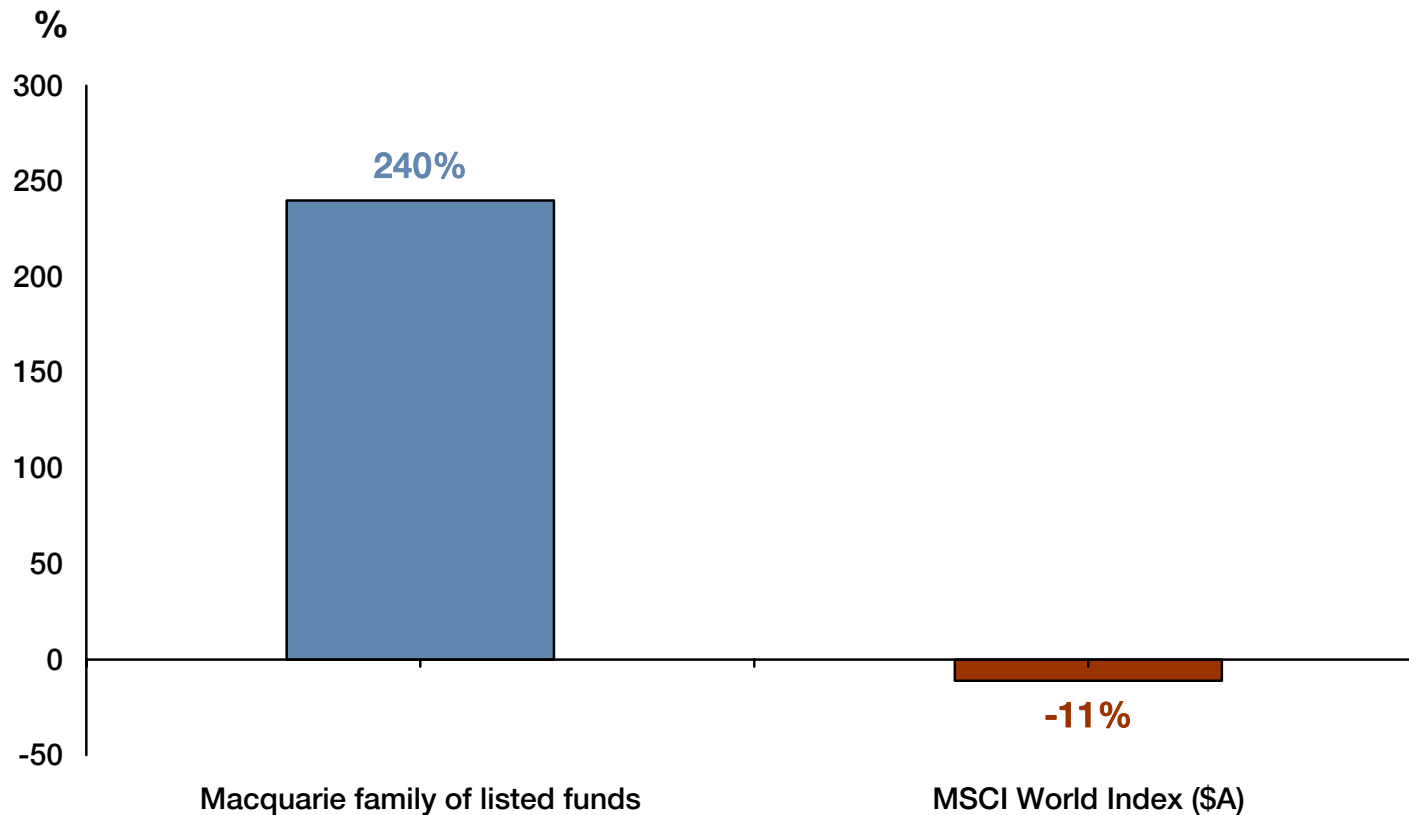
MACQUARIE BANK TOTAL SHAREHOLDER RETURN 1996–2006





Total shareholder returns

MACQUARIE FAMILY OF LISTED FUNDS TOTAL SHAREHOLDER RETURN 2000–2006

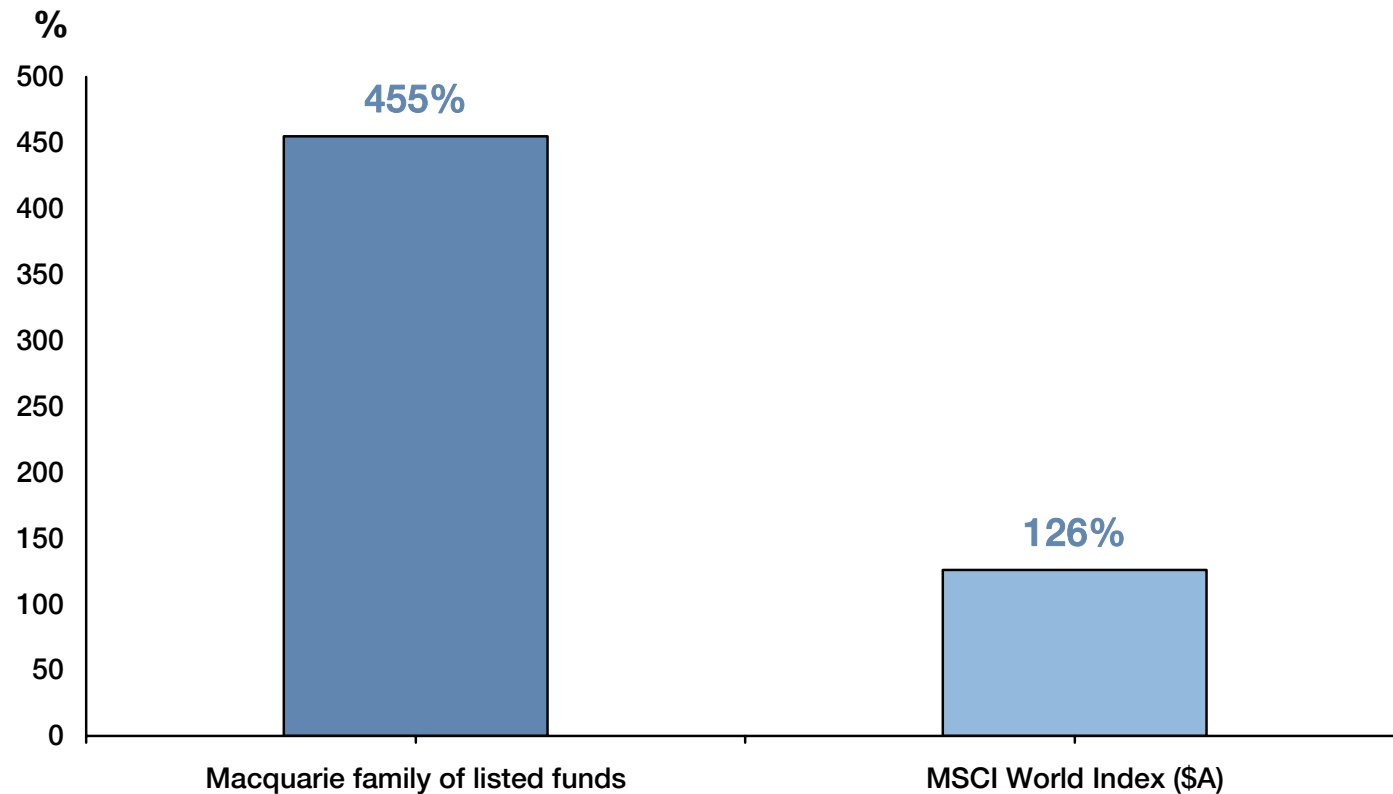


Total shareholder return from 31 March 2000 to 31 March 2006. Refer to glossary for definition of Macquarie family of listed funds. MSCI World Index has been converted to show \$A returns. Actual (USD) index return over the period was 5%.



Total shareholder returns

MACQUARIE FAMILY OF LISTED FUNDS TOTAL SHAREHOLDER RETURN 1996–2006



Total shareholder return from 29 July 1996 to 31 March 2006. Refer to glossary for definition of Macquarie family of listed funds. MSCI World Index has been converted to show \$A returns. Actual (USD) index return over the period was 104%.



Macquarie and Macquarie-managed funds ranking

MACQUARIE AND MACQUARIE-MANAGED LISTED & UNLISTED SPECIALIST FUNDS ARE VERY SUBSTANTIAL WITHIN ASIA PACIFIC

Hypothetical:

Macquarie and its specialist funds would rank #13 in the MSCI Asia Pacific Index as measured by USD market capitalisation

Mkt Cap Rank	Company	Country
10	Sony Corporation	Japan
11	Matsushita Electrical	Japan
12	National Australia Bank	Australia
13	Macquarie and Macquarie-managed funds	Australia
14	Commonwealth Bank	Australia
15	Nomura Holdings	Japan
16	Taiwan Semiconductor Manufacturing	Taiwan



Macquarie and Macquarie-managed funds ranking

MACQUARIE AND MACQUARIE-MANAGED LISTED & UNLISTED SPECIALIST FUNDS ARE VERY SUBSTANTIAL GLOBALLY

Hypothetical:

Macquarie and its specialist funds would rank #119 in the MSCI World Index as measured by USD market capitalisation.

Mkt Cap Rank	Company	Country
116	Target Corporation	USA
117	McDonald's Corporation	USA
118	National Australia Bank	Australia
119	Macquarie and Macquarie-managed funds	Australia
120	Freddie Mac	USA
121	BASF	Germany
122	Washington Mutual	USA

1H06	Half year ended 30 September 2005
2H06	Half year ended 31 March 2006
ABS	Australian Bureau of Statistics
AASB	Australian Accounting Standards Board
AED	Emirati dirham (United Arab Emirates currency).
AGAAP	Australian Generally Accepted Accounting Principles
AIFRS	Australian equivalents to International Financial Reporting Standards
AIIF	African Infrastructure Investment Fund
APRA	Australian Prudential Regulatory Authority
ASX	Australian Stock Exchange
ATO	Australian Tax Office
AUD/\$A	Australian dollar
AUM	Assets Under Management
bbl	barrel
BPG	Banking and Property Group
CEU	Connect East Group
CMT	Cash Management Trust
CPS	Converting Preference Shares
cps	cents per share
DRP	Dividend Reinvestment Plan
DUET	Diversified Utility and Energy Trusts
ECM	Equity Capital Markets
EMG	Equity Markets Group
EPS	Earnings Per Share

Equity under management - infrastructure

Listed funds: market capitalisation as at 31 March 2006 plus fully underwritten or committed future capital raisings.

Listed funds: invested and committed capital.

Mandated assets (including third party investors in consortia which are led by Macquarie-managed funds): invested capital

MBL direct holdings and other funds: invested capital

Jointly managed funds (SAIF, AIIF, DUET, KRIF, Global Star): included at 50% of invested capital.

Note 1: Invested capital comprises actual capital drawn from investors, net of asset realisations returned to investors, plus firm investment commitments which will require a future call on investors.

Note 2: Exchange rates as at 31 March 2006

FUA	Funds Under Administration
FUM	Funds Under Management
FMG	Funds Management Group
FSG	Financial Services Group
FX	Foreign Exchange
FY	Full Year
GDP	Gross Domestic Product
GIF II	Global Infrastructure Fund II
HK	Hong Kong
IBG	Investment Banking Group
IFRS	International Financial Reporting Standards
IPO	Initial Public Offering
JV	Joint Venture
KRIF	Korean Road Infrastructure Fund
KRW	Korean Won
KRX	Korean Stock Exchange

KRX	Korean Stock Exchange
lb	pound
LLC	Limited Liability Company (US)
LMEX	London Metal Exchange Index
LSE	London Stock Exchange
M&A	Mergers and Acquisitions
Macquarie family of listed funds include:	Macquarie Airports, Macquarie Communications Infrastructure Group, Macquarie Infrastructure Group, Macquarie CountryWide Trust, Macquarie Goodman Industrial Trust (Macquarie Goodman Group from 2 Feb 2005) , Macquarie Leisure Trust, Macquarie Office Trust , Macquarie ProLogis Trust, Southern Cross Fliers, Macquarie DDR Trust, Diversified Utility & Energy Trusts, Macquarie Media Group, Macquarie Power and Infrastructure Income Fund, Macquarie/First Trust Global Infrastructure/Utilities Dividend & Income Fund, Macquarie Infrastructure Company Trust, Macquarie International Infrastructure Fund, Macquarie Global Infrastructure Total Return Fund, Macquarie Korea Infrastructure Fund, Macquarie Central Office Corporate Restructuring REIT and Macquarie MEAG Prime REIT.
Macquarie and Macquarie-managed funds include	Macquarie family of listed funds (as above) plus Macquarie unlisted specialist funds including Global Infrastructure Funds (A-D), Macquarie Airports Group, Macquarie Essential Assets Partnership, Macquarie European Infrastructure Fund, other unlisted infrastructure, property and specialist funds.
MAG	Macquarie Airports Group
MAP	Macquarie Airports
MBL	Macquarie Bank Limited
MCAG	Macquarie Capital Alliance Group
MCG	Macquarie Communications Infrastructure Group
MCO-CR REIT	Macquarie Central Office Corporate Restructuring REIT
MCP	Macquarie Capital Partners
MCW	Macquarie CountryWide Trust
MDI	Macquarie Direct Investment
MDT	Macquarie DDR Trust
MEIF	Macquarie European Infrastructure Fund
METC	Michigan Electric Transmission Company
MGI	Macquarie Goodman Industrial Trust
MGM	Macquarie Goodman Management



Glossary

MGQ	Macquarie Goodman Group
MGU	Macquarie Global Infrastructure Total Return Fund
MIC	Macquarie Infrastructure Company Trust
MIG	Macquarie Infrastructure Group
MIIF	Macquarie International Infrastructure Fund
MIP	Macquarie Infrastructure Partners
MIPS	Macquarie Income Preferred Securities
MIS	Macquarie Income Securities
MMG	Macquarie Media Group
MMPR	Macquarie MEAG Prime REIT
MKIF	Macquarie Korea Infrastructure Fund
MKOF	Macquarie Korea Opportunities Fund
MOF	Macquarie Office Trust
MPG/MPCG	Macquarie Private Capital Group
MPR	Macquarie ProLogis Trust
MPT	Macquarie Power Income Fund
MSCI	Morgan Stanley Capital International
NZ	New Zealand
NSW	New South Wales
NYMEX	New York Mercantile Exchange
NYBOT	New York Board of Trade
OECD	Organisation for Economic Cooperation and Development
OEI	Outside Equity Interest
P&L	Profit and Loss

PAO	Principal America Office Trust
PAT	Profit After Tax
pcp	prior corresponding period
R&D	Research and Development
RBA	Reserve Bank of Australia
REIT	Real Estate Investment Trust
ROE	Return On Equity
RWA	Risk-Weighted Assets
S&P	Standard and Poor's
SEC	Securities and Exchange Commission
SEW	South East Water plc
SGX	Singapore Stock Exchange
SPV	Special Purpose Vehicle
TCG	Treasury and Commodities Group
TSR	Total Shareholder Return
UAE	United Arab Emirates
UK	United Kingdom
US	United States of America
USD	US Dollar