



MBL Consolidated Statement taken from ASX Media Releases on 26 November 2010 and 22 December 2010

MACQUARIE BANK TO DEFEND ASIC ACTION

SYDNEY, 22 December, 2010 - Macquarie Bank Limited (Macquarie) notes the statement released today by the Australian Securities and Investments Commission (ASIC) regarding commencing legal proceedings in relation to Storm Financial (Storm).¹

Macquarie remains disappointed that ASIC has chosen to commence litigation. Macquarie has conducted a detailed internal review over the past two years and has received extensive independent legal advice. Macquarie maintains that its conduct, and that of its staff, has been ethical, lawful and professional.

Macquarie will be defending the legal proceedings and continues to believe that ASIC's action is unsustainable and speculative. Over the past 2 years, ASIC has undertaken detailed enquiries of Macquarie and we have fully co-operated and will continue to do so.

Whilst Macquarie recognises that the market downturn affected many investors, including Storm investors, there is a fundamental difference between the role of a margin lender and that of Storm, a financial adviser licensed by ASIC.

Macquarie has been responding under its established dispute resolution process to any complaints made by Storm-advised clients who had margin loan facilities with Macquarie. Where delays in processing of redemptions or account closures may have contributed to financial detriment, Macquarie made payments for these and other account errors.

Important facts regarding Storm:

- Storm and its financial advisers provided clients with financial advice;
- Storm held an Australian financial services licence (AFSL) which ASIC issued in 2003 and amended in 2007 to expand the scope of Storm's authorisations;

¹ On December 22, 2010, the Australian Securities and Investments Commission commenced legal proceedings in the Federal Court of Australia against a number of banking institutions, including Macquarie Bank Limited, seeking compensation for investors arising out of the collapse of Storm Financial Limited (In Liquidation) (Receivers and Managers Appointed). These proceedings include claims for (i) an alleged breach of contract, contravention of the statutory prohibitions against unconscionable conduct and liability as linked credit providers of Storm under section 73 of the Trade Practices Act of 1974, and (ii) an alleged unregistered managed investment scheme in which the banks were involved.

- Macquarie did not provide personal financial advice to Storm clients;
- Macquarie was one of a number of margin lenders whom Storm advisers and their clients selected;
- Macquarie did not provide home mortgages through Storm; and
- Macquarie did not pay any fees or trailing commissions to Storm on the margin loans.

Macquarie recently received an approach from a law firm claiming to act on behalf of a number of Storm clients. Macquarie will strongly defend its position in any proceedings.