

Macquarie Bank Limited
(ABN 46 008 583 542)

U.S. Investors' Website Update dated January 12, 2009

Sale of Margin Loan Portfolio

On January 8, 2009, Macquarie Group Limited ("MGL") announced that Macquarie Bank Limited ("MBL") had completed the sale of a substantial portion of its margin lending portfolio to Leveraged Equities, a wholly owned subsidiary of Bendigo and Adelaide Bank Limited, an Australian regional bank. Leveraged Equities agreed to acquire a A\$1.5 billion loan portfolio of MBL for a premium of A\$52 million, which MBL received in the form of short dated convertible preference shares issued by Bendigo and Adelaide Bank Limited. MGL reported that the sale of MBL's margin lending portfolio will result in a profit contribution of approximately A\$43 million (before tax and profit share) to MBL. As of September 30, 2008, the margin lending portfolio had a book value of A\$2.9 billion, of which approximately A\$900 million was run off prior to the sale of the A\$1.5 billion portfolio to Leveraged Equity, with the remaining A\$500 million continuing to be held by MBL.

Balance Sheet Initiatives

MGL announced that since September 30, 2008, it has completed a further A\$8.1 billion of its previously announced A\$15 billion funded balance sheet reduction initiatives, which includes the sale of MBL's margin lending business. This brings the total of initiatives completed to date to A\$12 billion, with the other A\$3 billion currently underway and expected to be completed by March 31, 2009.

Funding and Liquidity

Since September 30, 2008, MBL's funding and liquidity position has improved as a result of:

- a 27% increase in retail deposits since September 30, 2008 from A\$9.4 billion to A\$11.9 billion at December 31, 2008; and
- a 14% increase in term funding since September 30, 2008 from A\$31.9 billion to approximately A\$36.5 billion at December 31, 2008.

During the fiscal quarter ended December 31, 2008, MBL issued US\$3.3 billion of government guaranteed term funding under its US MTN program.

Market Conditions

MGL reported that during the fiscal quarter ended December 31, 2008, market conditions were exceptionally challenging for almost all Macquarie businesses, adversely impacting levels of business activity and profitability.