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ASX Release

8 May 2002

Macquarie Bank Activates Dividend Reinvestment Plan

The Board of Macquarie Bank Limited has resolved to activate the dividend reinvestment plan ("DRP") for ordinary shareholders approved by shareholders at the 2001 Annual General Meeting. The DRP will commence in time for the Bank's next ordinary dividend.

Ordinary shareholders resident in Australia and New Zealand will be able to acquire new shares in the Bank under the DRP at a small discount to the prevailing market price and without transaction costs. The capital raised will be used to support the Bank's broad strategic development, especially in specialist asset class funds management.

The issue discount has been set by the Board initially at 2.5% of the prevailing market price of the Bank's ordinary shares, as determined in the rules of the DRP. The rules were lodged with ASX after the Annual General Meeting in July 2001.

The Bank's full year results announcement will occur on 16 May 2002 and the amount and timing of the 2002 final dividend will be announced at that time.

Documentation concerning the DRP will be mailed to ordinary shareholders in the next few weeks.

Yours faithfully

Dennis Leong
Company Secretary