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30 October 2003



Dear Macquarie Bank Shareholder

VARIATION TO DIVIDEND REINVESTMENT PLAN

This letter is to advise of a variation to the operation of the Macquarie Bank Limited (“MBL” or the “Bank”) Dividend Reinvestment Plan (“DRP”). The DRP was introduced in May 2002 to provide ordinary shareholders of MBL with the choice of applying dividends on their ordinary shares to acquiring fully paid ordinary shares in the Bank rather than receiving those dividends directly in cash.

Under the DRP Rules, Directors may from time to time vary the level of discount to the Market Value (as defined in the DRP Rules) of ordinary MBL shares acquired under the DRP. Shares allotted under the DRP have previously been allotted at a discount of 2.5% to the Market Value.

The Board of MBL has determined that there will no longer be a discount to the Market Value on the allotment of shares under the DRP, effective immediately, having regard to current market practice and the Bank’s capital management.

If you are already a participant in the DRP and wish to continue your participation in the plan, you need not take any action. If you wish to commence participation or vary your level of participation for the next dividend payment in December 2003 and any interim or final dividends thereafter, please return the enclosed form to our share registry, Computershare, by no later than 24 November 2003.

A copy of the Plan Rules and the revised Summary of the Plan Rules can be obtained from the Bank’s Shareholder Centre on our website at www.macquarie.com.au or by calling Computershare on 1300 855 080. If you have any questions please contact Computershare on this number or one of the Bank’s investor relations staff on (02) 8232 5006.

Yours faithfully

Dennis Leong
Company Secretary