

MACQUARIE BANK LIMITED
(ABN 46 008 583 542)
(Incorporated under the laws of the Australia)

NOTICE TO WARRANTHOLDERS

- To : (1) ALL HOLDERS OF EUROPEAN STYLE INDEX CALL WARRANTS RELATING TO THE FTSE CHINA A50 INDEX ISSUED BY MACQUARIE BANK LIMITED (FTSECHINAA50 7800 MBECW140227)
- (2) ALL HOLDERS OF EUROPEAN STYLE INDEX CALL WARRANTS RELATING TO THE HANG SENG INDEX ISSUED BY MACQUARIE BANK LIMITED (HSI 22000 MB ECW140227)
- (3) ALL HOLDERS OF EUROPEAN STYLE INDEX CALL WARRANTS RELATING TO THE HANG SENG INDEX ISSUED BY MACQUARIE BANK LIMITED (HSI 22800 MB ECW140227)
- (4) ALL HOLDERS OF EUROPEAN STYLE INDEX CALL WARRANTS RELATING TO THE HANG SENG INDEX ISSUED BY MACQUARIE BANK LIMITED (HSI 23600 MB ECW140227)
- (5) ALL HOLDERS OF EUROPEAN STYLE INDEX PUT WARRANTS RELATING TO THE FTSE CHINA A50 INDEX ISSUED BY MACQUARIE BANK LIMITED (FTSECHINAA50 7200 MBEPW140227)
- (6) ALL HOLDERS OF EUROPEAN STYLE INDEX PUT WARRANTS RELATING TO THE HANG SENG INDEX ISSUED BY MACQUARIE BANK LIMITED (HSI 21600 MB EPW140227)
- (7) ALL HOLDERS OF EUROPEAN STYLE INDEX PUT WARRANTS RELATING TO THE HANG SENG INDEX ISSUED BY MACQUARIE BANK LIMITED (HSI 22400 MB EPW140227)
- (8) ALL HOLDERS OF EUROPEAN STYLE INDEX PUT WARRANTS RELATING TO THE HANG SENG INDEX ISSUED BY MACQUARIE BANK LIMITED (HSI 23200 MB EPW140227)

Notice is hereby given by Macquarie Bank Limited (“**Macquarie**” or the “**Issuer**”) in respect of:

- (a) the European Style Index Call Warrants relating to the FTSE China A50 Index (FTSECHINAA50 7800 MBECW140227) (the “**FTSECHINAA50 7800 Call Warrants**”);
- (b) the European Style Index Call Warrants relating to the Hang Seng Index (HSI 22000 MB ECW140227) (the “**HSI 22000 Call Warrants**”);

- (c) the European Style Index Call Warrants relating to the Hang Seng Index (HSI 22800 MB ECW140227) (the "**HSI 22800 Call Warrants**");
- (d) the European Style Index Call Warrants relating to the Hang Seng Index (HSI 23600 MB ECW140227) (the "**HSI 23600 Call Warrants**", together with the HSI 22000 Call Warrants and the HSI 22800 Call Warrants, the "**HSI Call Warrants**");
- (e) the European Style Index Put Warrants relating to the FTSE China A50 Index (FTSECHINAA50 7200 MBEPW140227) (the "**FTSECHINAA50 7200 Put Warrants**");
- (f) the European Style Index Put Warrants relating to the Hang Seng Index (HSI 21600 MB EPW140227) (the "**HSI 21600 Put Warrants**");
- (g) the European Style Index Put Warrants relating to the Hang Seng Index (HSI 22400 MB EPW140227) (the "**HSI 22400 Put Warrants**"); and
- (h) the European Style Index Put Warrants relating to the Hang Seng Index (HSI 23200 MB EPW140227) (the "**HSI 23200 Put Warrants**", together with the HSI 21600 Put Warrants and the HSI 22400 Put Warrants, the "**HSI Put Warrants**"),

(together, the "**Warrants**") on the following:

Terms defined or construed in (1) the Supplemental Listing Document dated 30 August 2013 in relation to the FTSECHINAA50 7800 Call Warrants, FTSECHINAA50 7200 Put Warrants, (2) the Supplemental Listing Document dated 23 December 2013 in relation to the HSI 22800 Call Warrants, HSI 23600 Call Warrants, HSI 22400 Put Warrants, HSI 23200 Put Warrants, (3) the Supplemental Listing Document dated 10 January 2014 in relation to the HSI 22000 Call Warrants, HSI 21600 Put Warrants issued by Macquarie bear the same meaning and construction in this Notice.

EXPIRY OF WARRANTS

In accordance with the terms and conditions of the Warrants, the Warrants have expired on the following date:

Warrant	Expiry Date	Strike Level	Conversion Ratio (number of units per Warrant)
FTSECHINAA50 7800 Call Warrants	27 February 2014	7,800	0.000167
HSI 22000 Call Warrants	27 February 2014	22,000	0.001000
HSI 22800 Call Warrants	27 February 2014	22,800	0.001000
HSI 23600 Call Warrants	27 February 2014	23,600	0.001000
FTSECHINAA50 7200 Put Warrants	27 February 2014	7,200	0.000167
HSI 21600 Put Warrants	27 February 2014	21,600	0.001000
HSI 22400 Put Warrants	27 February 2014	22,400	0.001000
HSI 23200 Put Warrants	27 February 2014	23,200	0.001000

The Warrants are cash-settled warrants which entitle a Warrantholder to be paid a cash settlement amount (if positive) (the "**Cash Settlement Amount**") in accordance with the terms and conditions of the Warrants.

Warrantheolders will not be required to deliver an exercise notice. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Warrants will be deemed to have been automatically exercised at 12:00 noon (Singapore time) on the Expiry Date (or if the Valuation Date falls after the Expiry Date, the Expiry Date shall be the Business Day following the Valuation Date). The Cash Settlement Amount less the Exercise Expenses in respect of the Warrants will be paid in the manner set out in the terms and conditions of the Warrants. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all Warrants will be deemed to have expired at 12:00 noon (Singapore time) on the Expiry Date (or if the Valuation Date falls after the Expiry Date, the Expiry Date shall be the Business Day following the Valuation Date) and Warrantheolders will not be entitled to receive any payment from the Issuer in respect of the Warrants.

As the Cash Settlement Amounts (less any Exercise Expenses) for the HSI 22000 Call Warrants, the FTSECHINAA50 7200 Put Warrants and the HSI 23200 Put Warrants are positive, the HSI 22000 Call Warrants, the FTSECHINAA50 7200 Put Warrants and the HSI 23200 Put Warrants are deemed to have been automatically exercised at 12:00 noon (Singapore time) on 27 February 2014.

As the Cash Settlement Amounts (less any Exercise Expenses) for the FTSECHINAA50 7800 Call Warrants, the HSI 22800 Call Warrants, the HSI 23600 Call Warrants, the HSI 21600 Put Warrants and the HSI 22400 Put Warrants are zero, the FTSECHINAA50 7800 Call Warrants, the HSI 22800 Call Warrants, the HSI 23600 Call Warrants, the HSI 21600 Put Warrants and the HSI 22400 Put Warrants are deemed to have expired at 12:00 noon (Singapore time) on 27 February 2014 and the Warrantheolders shall not be entitled to receive any payment from the Issuer in respect of the FTSECHINAA50 7800 Call Warrants, the HSI 22800 Call Warrants, the HSI 23600 Call Warrants, the HSI 21600 Put Warrants and the HSI 22400 Put Warrants.

Accordingly, a holder of a Warrant is entitled to receive (less any Exercise Expenses):

Warrant	Cash Settlement Amount per Warrant ¹
FTSECHINAA50 7800 Call Warrants	SGD 0
HSI 22000 Call Warrants	SGD 0.108
HSI 22800 Call Warrants	SGD 0
HSI 23600 Call Warrants	SGD 0
FTSECHINAA50 7200 Put Warrants	SGD 0.141
HSI 21600 Put Warrants	SGD 0
HSI 22400 Put Warrants	SGD 0
HSI 23200 Put Warrants	SGD 0.088

which will be paid in the manner set out in the terms and conditions of each of the Warrants.

Queries regarding the Notice may be directed to our toll-free hotline at 1800 288 2880.

¹ Warrantheolders will be paid the aggregate Cash Settlement Amount less any Exercise Expenses.

Issued by
MACQUARIE BANK LIMITED

27 February 2014

Macquarie Bank Limited ("Macquarie") is regulated as an Authorised Deposit-taking institution by the Australian Prudential Regulation Authority. Macquarie, acting through its Singapore branch, is authorised and licensed by the Monetary Authority of Singapore to carry on wholesale banking business in Singapore pursuant to the Banking Act, Chapter 19 of Singapore and therefore is subject to the supervision of the Monetary Authority of Singapore.