

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 HANG SENG INDEX ISSUED BY MACQUARIE BANK LIMITED (HSI 21800 MB ECW170227)
- (2) ALL HOLDERS OF EUROPEAN STYLE INDEX CALL WARRANTS RELATING TO THE HANG SENG INDEX ISSUED BY MACQUARIE BANK LIMITED (HSI 22600 MB ECW170227)
- (3) ALL HOLDERS OF EUROPEAN STYLE INDEX CALL WARRANTS RELATING TO THE HANG SENG INDEX ISSUED BY MACQUARIE BANK LIMITED (HSI 23400 MB ECW170227)
- (4) ALL HOLDERS OF EUROPEAN STYLE INDEX PUT WARRANTS RELATING TO THE HANG SENG INDEX ISSUED BY MACQUARIE BANK LIMITED (HSI 20400 MB EPW170227)
- (5) ALL HOLDERS OF EUROPEAN STYLE INDEX PUT WARRANTS RELATING TO THE HANG SENG INDEX ISSUED BY MACQUARIE BANK LIMITED (HSI 21200 MB EPW170227)
- (6) ALL HOLDERS OF EUROPEAN STYLE INDEX PUT WARRANTS RELATING TO THE HANG SENG INDEX ISSUED BY MACQUARIE BANK LIMITED (HSI 22000 MB EPW170227)

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 Hang Seng Index (HSI 21800 MB ECW170227) (the "**HSI 21800 Call Warrants**");
- (b) the European Style Index Call Warrants relating to the Hang Seng Index (HSI 22600 MB ECW170227) (the "**HSI 22600 Call Warrants**");
- (c) the European Style Index Call Warrants relating to the Hang Seng Index (HSI 23400 MB ECW170227) (the "**HSI 23400 Call Warrants**", together with the HSI 21800 Call Warrants and the HSI 22600 Call Warrants, the "**HSI Call Warrants**");
- (d) the European Style Index Put Warrants relating to the Hang Seng Index (HSI 20400 MB EPW170227) (the "**HSI 20400 Put Warrants**");
- (e) the European Style Index Put Warrants relating to the Hang Seng Index (HSI 21200 MB EPW170227) (the "**HSI 21200 Put Warrants**"); and

- the European Style Index Put Warrants relating to the Hang Seng Index (HSI 22000 MB EPW170227) (the "**HSI 22000 Put Warrants**", together with the HSI 20400 Put Warrants and the HSI 21200 Put Warrants, the "**HSI Put Warrants**"),

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

Terms defined or construed in (1) the Supplemental Listing Document dated 06 December 2016 in relation to the HSI 22600 Call Warrants, HSI 21200 Put Warrants, (2) the Supplemental Listing Document dated 22 December 2016 in relation to the HSI 21800 Call Warrants, HSI 23400 Call Warrants, HSI 20400 Put Warrants, HSI 22000 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	Exercise Price/Strike Level	Conversion Ratio (number of shares per Warrant)
HSI 21800 Call Warrants	27 February 2017	21,800	0.001000
HSI 22600 Call Warrants	27 February 2017	22,600	0.001000
HSI 23400 Call Warrants	27 February 2017	23,400	0.001000
HSI 20400 Put Warrants	27 February 2017	20,400	0.001000
HSI 21200 Put Warrants	27 February 2017	21,200	0.001000
HSI 22000 Put Warrants	27 February 2017	22,000	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.

Warrantholders 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 Warrantholders 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 21800 Call Warrants, the HSI 22600 Call Warrants and the HSI 23400 Call Warrants are positive, the HSI 21800 Call Warrants, the HSI 22600 Call Warrants and the HSI 23400 Call Warrants are deemed to have been automatically exercised at 12:00 noon (Singapore time) on 27 February 2017.

As the Cash Settlement Amounts (less any Exercise Expenses) for the HSI 20400 Put Warrants, the HSI 21200 Put Warrants and the HSI 22000 Put Warrants are zero, the HSI 20400 Put Warrants, the HSI 21200 Put Warrants and the HSI 22000 Put Warrants are deemed to have expired at 12:00 noon (Singapore time) on 27 February 2017 and the Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the HSI 20400 Put Warrants, the HSI 21200 Put Warrants and the HSI 22000 Put Warrants.

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

Warrant	Cash Settlement Amount per Warrant ¹
HSI 21800 Call Warrants	SGD 0.38795
HSI 22600 Call Warrants	SGD 0.24299
HSI 23400 Call Warrants	SGD 0.09803
HSI 20400 Put Warrants	SGD 0
HSI 21200 Put Warrants	SGD 0
HSI 22000 Put Warrants	SGD 0

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.

Issued by
MACQUARIE BANK LIMITED

27 February 2017

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.

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