

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

**NON-COLLATERALISED WARRANTS
ANNOUNCEMENT**

**Proposed Issue of
25,000,000 European Style Index Put Warrants
relating to the S&P 500® Index**

Introduction

Macquarie Bank Limited (the “**Issuer**”) wishes to announce the launch of the proposed issuance of 25,000,000 European Style Index Put Warrants (the “**Warrants**”) relating to the S&P 500® Index (the “**Index**”). Macquarie Capital Securities (Singapore) Pte. Limited has been appointed as the designated market-maker (the “**Designated Market Maker**”) and the warrant agent (the “**Warrant Agent**”) for the Warrants.

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.

Further details of the Warrants are set out below.

Entitlement/Exercise of the Warrants

The issue price of each Warrant is SGD 0.205. Every 1,000 Warrants will initially relate to 1 index unit.

The Warrants have a strike level of 3,300.000 (“**Strike Level**”) and may only be exercised on 17 September 2021 (the “**Expiry Date**”).

Cash Settlement Amount

Warrantholders shall not be required to deliver an exercise notice. Exercise of Warrants shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Warrants shall 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 shall 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 shall 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 shall not be entitled to receive any payment from the Issuer in respect of the Warrants.

The Cash Settlement Amount for every Warrant exercised is calculated as follows:

$$[(\text{Strike Level} - \text{Closing Level}) \times \text{Conversion Ratio}] \times \text{Exchange Rate}$$

Where

Closing Level : The Special Opening Quotation (“**SOQ**”) for the Index as published on the Bloomberg page “SPXSET <INDEX>” on the Valuation Date, where such SOQ will also be used for determining the final settlement price for the futures contracts over the Index expiring on the Valuation Date

Exchange Rate : The prevailing rate of exchange between the United States dollar to Singapore dollar as at or around 10:00 a.m. (New York time) on the Valuation Date as shown on Reuters provided that if the Reuters service ceases to display such information, such page as displays such information on such other services as may be selected by the Issuer.

Valuation Date : 17 September 2021 or if such day is not the day on which the September 2021 futures contracts over the Index expire on the Chicago Mercantile Exchange Inc., the day on which such futures contracts will expire on the Chicago Mercantile Exchange Inc. or its successor or assign.

The Conversion Ratio (expressed as the number of index units to which one Warrant relates) is 0.001000. The Strike Level is based on the reference level of 4,097.170 used for the pricing of the Warrants. The Warrants carry a premium of 23.2% and a gearing of 26.8 times.

Listing and Trading of the Warrants

An application will be made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of and quotation for the Warrants. The Warrants, when issued, will be represented by a global warrant certificate to be deposited with The Central Depository (Pte) Limited (“**CDP**”). The Warrants will be traded on the SGX-ST through the book-entry scripless settlement system of CDP. It is expected that dealings in the Warrants will commence on or about 15 April 2021 on the SGX-ST. The Warrants will be traded in Singapore dollars on the SGX-ST.

The Designated Market Maker

The Designated Market Maker will provide competitive buy and sell quotes (“**Quotations**”) for the Warrants continuously during the trading hours of the SGX-ST (with the spread between the buy and sell quotes not exceeding 10 times the minimum permitted price movement in the Warrants in accordance with the rules of the SGX-ST or SGD 0.20, whichever is the greater). The minimum quantity of Warrants to which the Quotations will apply is 10,000 Warrants.

Quotations may not be provided by the Designated Market Maker in the following circumstances:

- (a) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;
- (b) if the Warrants are valueless (where the Issuer’s bid price is below the minimum bid size for such securities as prescribed by the SGX-ST);

- (c) when trading in the shares or securities relating to or constituting the Index is suspended or limited in a material way for any reason (including price quote limits activated by the relevant exchange or otherwise), for the avoidance of doubt, the Designated Market Maker is not obliged to provide quotations for the Warrants at any time when the shares or securities relating to or constituting the Index are not traded for any reason during the last trading session of the New York Stock Exchange or the NASDAQ Stock Market;
- (d) where the Warrants are suspended from trading for any reason including, but without limitation, as a result of trading in the shares or securities relating to or constituting the Index being suspended, trading of options or futures relating to the Index on any options or futures exchanges being suspended, or options or futures generally on any options and/or futures exchanges on which options relating to the Index are traded being suspended, or if the Index for whatever reason is not calculated;
- (e) market disruption events, including, without limitation, any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the SGX-ST or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) in shares or securities relating to or constituting the Index, options or futures relating to the Index or any exchange-traded fund over the Index on any options or futures exchanges or options or futures generally on any options and/or futures exchanges on which options relating to the Index are traded;
- (f) where the Issuer or the Designated Market Maker faces technical problems affecting the ability of the Designated Market Maker to provide bids and offer quotations;
- (g) where the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions, and the Issuer informs the SGX-ST of its inability to do so as soon as practicable;
- (h) in cases where the Issuer has no Warrants to sell, then the Designated Market Maker will only provide the bid price;
- (i) if the stock market experiences exceptional price movement and volatility; and
- (j) when it is a public holiday in Singapore and/or the SGX-ST, the New York Stock Exchange, the NASDAQ Stock Market and/or the Chicago Mercantile Exchange Inc are not open for dealings.

The last trading day on which the Designated Market Maker will provide competitive Quotations for the Warrants would be the fifth Business Day immediately preceding the Expiry Date.

Termsheet

A copy of the termsheet relating to the Warrants is attached as an Appendix to this Announcement.

Information on the Issuer

Macquarie Bank Limited (“**MBL**”) is an APRA regulated ADI headquartered in Sydney, Australia and is a wholly owned subsidiary of Macquarie Group Limited (ABN 94 122 169 279) (“**MGL**”). MBL’s

expertise covers asset management and finance, banking, advisory and risk and capital solutions across debt, equity and commodities. MBL acts primarily as an investment intermediary for institutional, corporate, government and retail clients and counterparties around the world, generating income by providing a diversified range of products and services to clients.

MBL began in 1969 as the merchant bank Hill Samuel Australia Limited, a wholly owned subsidiary of Hill Samuel & Co Limited, London. Authority for MBL to conduct banking business in Australia was received from Australian Federal Treasurer on 28 February 1985.

MBL's ordinary shares were listed on the Australian Securities Exchange operated by ASX Limited ("**ASX**") on 29 July 1996 until the corporate restructuring of the Macquarie Group in November 2007. As part of the restructure, MBL became an indirect subsidiary of MGL, a new ASX listed company comprising a "Banking Group" and a "Non-Banking Group". MBL comprises the "Banking Group" activities of MGL. Although MBL's ordinary shares are no longer listed on ASX, MBL's Macquarie Income Securities continue to be quoted on ASX and accordingly, MBL remains subject to the disclosure and other requirements of ASX as they apply to companies with debt securities listed on the ASX.

MBL's registered office is Level 6, 50 Martin Place Sydney, New South Wales 2000, Australia. MBL's principal administrative office is 50 Martin Place, Sydney, New South Wales 2000, Australia. The telephone number of its principal place of business is +612 8232 3333.

MBL comprises two operating groups: Banking & Financial Services and Commodities & Global Markets (excluding certain assets of the Credit Markets business, certain activities of the Cash Equities business and the Commodity Markets and Finance business; and some other less financially significant activities).

Macquarie Group provides shared services to both the Banking Group and the Non-Banking Group through the Corporate segment. The Corporate segment is not considered an operating group and comprises four central functions: Risk Management, Legal and Governance, Financial Management and Corporate Operations. Shared services include: Risk Management, Finance, Information Technology, Group Treasury, Markets Operations, Human Resources Services, Business Services, Corporate Governance, Corporate Affairs, Taxation Services, Business Improvement and Strategy Services, Central Executive Services, Business Services, and other services as may be agreed from time to time.

For further information on Macquarie, please visit its website at www.macquarie.com.

The Issuer's long-term debt has been assigned a credit rating of A2 by Moody's Investors Service, A+ by S&P Global Ratings and A by Fitch Ratings.

Risk Factors

In respect of the Warrants, investors should note that they are subject to an exchange rate risk as the Cash Settlement Amount is converted from United States dollars into Singapore dollars. The value of the Warrants may therefore be affected by, amongst other factors, the relative exchange rates of the Singapore dollar and the United States dollar. Exchange rates between currencies are determined by forces of supply and demand in the foreign exchange markets. These forces are, in turn, affected by factors such as international balances of payments and other economic and financial conditions,

government intervention in currency markets and currency trading speculation. Fluctuations in foreign exchange rates, foreign political and economic developments, and the imposition of exchange controls or other foreign governmental laws or restrictions applicable to such investments may affect the foreign currency market price and the exchange rate-adjusted equivalent price of the Warrants. Fluctuations in the exchange rate of any one currency may be offset by fluctuations in the exchange rate of other relevant currencies.

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Issued by
MACQUARIE BANK LIMITED

09 April 2021

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