

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 6600 MBECW140828)
- (2) ALL HOLDERS OF EUROPEAN STYLE INDEX CALL WARRANTS RELATING TO THE HANG SENG INDEX ISSUED BY MACQUARIE BANK LIMITED (HSI 23200 MB ECW140828)
- (3) ALL HOLDERS OF EUROPEAN STYLE INDEX CALL WARRANTS RELATING TO THE HANG SENG INDEX ISSUED BY MACQUARIE BANK LIMITED (HSI 23800 MB ECW140828)
- (4) ALL HOLDERS OF EUROPEAN STYLE INDEX CALL WARRANTS RELATING TO THE HANG SENG INDEX ISSUED BY MACQUARIE BANK LIMITED (HSI 24400 MB ECW140828)
- (5) ALL HOLDERS OF EUROPEAN STYLE INDEX PUT WARRANTS RELATING TO THE FTSE CHINA A50 INDEX ISSUED BY MACQUARIE BANK LIMITED (FTSECHINAA50 6000 MBEPW140828)
- (6) ALL HOLDERS OF EUROPEAN STYLE INDEX PUT WARRANTS RELATING TO THE HANG SENG INDEX ISSUED BY MACQUARIE BANK LIMITED (HSI 23000 MB EPW140828)
- (7) ALL HOLDERS OF EUROPEAN STYLE INDEX PUT WARRANTS RELATING TO THE HANG SENG INDEX ISSUED BY MACQUARIE BANK LIMITED (HSI 23600 MB EPW140828)

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 6600 MBECW140828) (the "**FTSECHINAA50 6600 Call Warrants**");
- (b) the European Style Index Call Warrants relating to the Hang Seng Index (HSI 23200 MB ECW140828) (the "**HSI 23200 Call Warrants**");
- (c) the European Style Index Call Warrants relating to the Hang Seng Index (HSI 23800 MB ECW140828) (the "**HSI 23800 Call Warrants**");
- (d) the European Style Index Call Warrants relating to the Hang Seng Index (HSI 24400 MB ECW140828) (the "**HSI 24400 Call Warrants**", together with the HSI 23200 Call Warrants and the HSI 23800 Call Warrants, the "**HSI Call Warrants**");

- (e) the European Style Index Put Warrants relating to the FTSE China A50 Index (FTSECHINAA50 6000 MBEPW140828) (the "**FTSECHINAA50 6000 Put Warrants**");
- (f) the European Style Index Put Warrants relating to the Hang Seng Index (HSI 23000 MB EPW140828) (the "**HSI 23000 Put Warrants**"); and
- (g) the European Style Index Put Warrants relating to the Hang Seng Index (HSI 23600 MB EPW140828) (the "**HSI 23600 Put Warrants**", together with the HSI 23000 Put Warrants, the "**HSI Put Warrants**"),

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

Terms defined or construed in (1) the Supplemental Listing Document dated 03 March 2014 in relation to the FTSECHINAA50 6600 Call Warrants, FTSECHINAA50 6000 Put Warrants, (2) the Supplemental Listing Document dated 19 June 2014 in relation to the HSI 23200 Call Warrants, HSI 23800 Call Warrants, HSI 23000 Put Warrants, HSI 23600 Put Warrants, (3) the Supplemental Listing Document dated 11 July 2014 in relation to the HSI 24400 Call 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 6600 Call Warrants	28 August 2014	6,600	0.000167
HSI 23200 Call Warrants	28 August 2014	23,200	0.001000
HSI 23800 Call Warrants	28 August 2014	23,800	0.001000
HSI 24400 Call Warrants	28 August 2014	24,400	0.001000
FTSECHINAA50 6000 Put Warrants	28 August 2014	6,000	0.000167
HSI 23000 Put Warrants	28 August 2014	23,000	0.001000
HSI 23600 Put Warrants	28 August 2014	23,600	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 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 FTSECHINAA50 6600 Call Warrants, the HSI 23200 Call Warrants, the HSI 23800 Call Warrants and the HSI 24400 Call Warrants are positive, the FTSECHINAA50 6600 Call Warrants, the HSI 23200 Call Warrants, the HSI 23800 Call Warrants and the HSI 24400 Call Warrants are deemed to have been automatically exercised at 12:00 noon (Singapore time) on 28 August 2014.

As the Cash Settlement Amounts (less any Exercise Expenses) for the FTSECHINAA50 6000 Put Warrants, the HSI 23000 Put Warrants and the HSI 23600 Put Warrants are zero, the FTSECHINAA50 6000 Put Warrants, the HSI 23000 Put Warrants and the HSI 23600 Put Warrants are deemed to have expired at 12:00 noon (Singapore time) on 28 August 2014 and the Warrantheolders shall not be entitled to receive any payment from the Issuer in respect of the FTSECHINAA50 6000 Put Warrants, the HSI 23000 Put Warrants and the HSI 23600 Put Warrants.

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

Warrant	Cash Settlement Amount per Warrant ¹
FTSECHINAA50 6600 Call Warrants	SGD 0.095
HSI 23200 Call Warrants	SGD 0.273
HSI 23800 Call Warrants	SGD 0.176
HSI 24400 Call Warrants	SGD 0.080
FTSECHINAA50 6000 Put Warrants	SGD 0
HSI 23000 Put Warrants	SGD 0
HSI 23600 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

28 August 2014

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