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**ASX/Media Release**

**MACQUARIE BANK LIMITED LAUNCHES  
\$A400 MILLION MACQUARIE BANK CAPITAL NOTES 2 OFFER**

**SYDNEY, Tuesday, 11 February 2020** – Macquarie Bank Limited (ASX: MBL) (MBL) today announced its intention to raise \$A400 million with the ability to raise more or less, through the offer of Macquarie Bank Capital Notes 2 (BCN2). BCN2 are expected to be quoted on the Australian Stock Exchange (ASX) under the code MBLPB.

BCN2 are fully paid, unsecured, subordinated, non-cumulative, mandatorily convertible, perpetual, automatically convertible notes issued by MBL at an Issue Price of \$100 per BCN2. Distributions are scheduled to be paid quarterly in arrears, subject to certain Payment Conditions.

The Offer is consistent with Macquarie's strategy to actively manage its capital mix and maintain diverse sources of funding.

BCN2 will qualify as Additional Tier 1 Capital of MBL for Australian Prudential Regulation Authority purposes.

The offer of BCN2 is made under a Prospectus which was lodged with the Australian Securities and Investments Commission (ASIC) and the ASX today. The offer is available only to investors resident in Australia and to certain institutional investors.

The Prospectus is available at [www.MBCN2Offer.com.au](http://www.MBCN2Offer.com.au), or by calling the BCN2 Offer Information Line, as per the details below or by emailing [MBCN2Offer@boardroomlimited.com.au](mailto:MBCN2Offer@boardroomlimited.com.au). A replacement Prospectus containing the Margin is expected to be made available on Wednesday 19 February 2020 (Replacement Prospectus) when the BCN2 offer opens.

Macquarie Capital (Australia) Limited has been appointed as Sole Arranger and a Joint Lead Manager. ANZ Securities Limited, Citigroup Global Markets Australia Pty Limited, Commonwealth Bank of Australia, E&P Corporate Advisory Pty Limited, Ord Minnett Limited, Morgans Financial Limited, National Australia Bank Limited and Westpac Institutional Bank have also been appointed as Joint Lead Managers (collectively JLMs).

**More information about the Offer**

The offer is expected to open on Wednesday 19 February 2020 and consists of:

- an Institutional Offer to Institutional Investors;
- a Broker Firm Offer made to Australian resident retail and high net worth clients of Syndicate Brokers who are invited to apply under the Broker Firm Offer;
- a Reinvestment Offer made to Eligible BCN Holders; and
- a Securityholder Offer made to holders of MGL Ordinary Shares (ASX: MQG), Macquarie Bank Capital Notes (ASX: MBLPA), Macquarie Group Capital Notes 2 (ASX: MQGPB), Macquarie Group Capital Notes 3 (ASX: MQGPC) Macquarie Group Capital Notes 4 (ASX: MQGPD) or Macquarie Income Securities (ASX: MBLHB) as at 7.00pm (AEDT) on 7 February 2020, who are resident in

Australia (and not otherwise prevented from receiving the Offer of BCN2 under the securities laws of another jurisdiction, as determined by MBL).

Anyone who wants to invest in BCN2 will need to contact their Syndicate Broker (to apply under the Broker Firm Offer) or complete the online Application Form (to apply under the Securityholder Offer or Reinvestment Offer) that will be available at [www.MBCN2Offer.com.au](http://www.MBCN2Offer.com.au) when the Offer opens.

The Closing Date for the Securityholder Offer and Reinvestment Offer is expected to be 5.00pm (AEDT) on 18 March 2020. The Closing Date for the Broker Firm Offer is expected to be 5.00pm (AEDT) on 18 March 2020.

### Further information

BCN2 are complex and not suitable for all investors. Potential investors should read the Replacement Prospectus in its entirety before deciding whether to apply to invest in BCN2. If any part of the Replacement Prospectus is unclear, we recommend seeking guidance from a financial advisor or other professional adviser.

If you have any questions about BCN2 or the Offer, you should seek advice from your financial adviser or other professional adviser. You can also email the Registrar at [MBCN2Offer@boardroomlimited.com.au](mailto:MBCN2Offer@boardroomlimited.com.au) or call the BCN2 Offer Information Line on 1300 005 027 (within Australia) or on +61 2 8023 5474 (outside Australia) (Monday to Friday 8.30am - 5.30pm, AEDT) during the Offer Period. Applicants under the Broker Firm Offer may also call their Syndicate Broker.

### Indicative Timetable

| KEY DATES FOR THE OFFER                                   | DATE   |
|---|--|
| Lodgement of the Prospectus with ASIC                     | Tuesday, 11 February 2020  |
| Bookbuild period commences                                | Tuesday, 11 February 2020  |
| Announcement of the Margin                                | Friday, 14 February 2020   |
| Lodgement of the replacement Prospectus with ASIC         | Wednesday, 19 February 2020  |
| Opening Date  | Wednesday, 19 February 2020  |
| Closing Date  | Wednesday, 18 March 2020   |
| Issue Date  | Tuesday, 24 March 2020   |
| BCN2 commence trading on ASX on a normal settlement basis | Wednesday, 25 March 2020   |
| Holding Statements despatched by                          | Monday, 30 March 2020  |
| KEY DATES FOR BCN2  | DATE   |
| Issue Date  | Tuesday, 24 March 2020   |
| First Distribution Payment Date <sup>1</sup>              | Sunday, 21 June 2020*  |
| Scheduled Optional Exchange Dates                         | Sunday, 21 December 2025**,<br>Sunday, 21 June 2026*** and<br>Monday, 21 December 2026 |
| Scheduled Mandatory Exchange Date                         | Thursday, 21 December 2028   |

\* Due to the Business Day convention, the first Distribution Payment Date is deferred from Sunday, 21 June 2020 to Monday, 22 June 2020.

\*\* Due to the Business Day convention, the first Scheduled Optional Exchange Date is deferred from Sunday, 21 December 2025 to Monday, 22 December 2025.

\*\*\* Due to the Business Day convention, the second Scheduled Optional Exchange Date is deferred from Sunday, 21 June 2026 to Monday, 22 June 2026.

<sup>1</sup> Subject to Payment Conditions, including MBL's absolute discretion to determine whether or not to pay Distributions.

### **Dates may change**

These dates are indicative only and may change without notice.

MBL, in consultation with the JLMs, may vary the timetable, including by extending any Closing Date, closing the Offer early without notice or accepting late Applications, whether generally or in particular cases, or withdrawing the Offer at any time before BCN2 are issued, in its discretion. As such, you are encouraged to apply as soon as possible after the Opening Date.

### **Definitions**

Unless otherwise defined, capitalised words used in this announcement have the meanings given to them in the Prospectus.

### **Disclaimer**

The information provided in this announcement and the Prospectus is not personal investment advice and has been prepared without taking into account your investment objectives, financial situation or particular needs (including financial and taxation issues). It is important that you read the Replacement Prospectus in full before deciding to invest in BCN2 and consider the risks that could affect the performance of BCN2.

### **NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

This announcement does not constitute an offer of any securities (including the BCN2) for sale or issue. No action has been taken to register or qualify BCN2 or the Offer or to otherwise permit a public offering of BCN2 outside Australia. In particular, this announcement does not constitute an offer of securities for sale in the United States. Neither the BCN2 nor the MGL Ordinary Shares have been or will be registered under the U.S. Securities Act of 1933, as amended (the Securities Act), or the securities laws of any state or other jurisdiction of the United States, and they may not be offered, sold or resold in the United States or to, or for the benefit of, any "U.S. person" (as defined in Regulation S under the Securities Act) except pursuant to an exemption from the registration requirements of the Securities Act and applicable US State Securities laws.

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