

Macquarie Bank Limited

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ASX/Media Release

MACQUARIE BANK LIMITED WITHDRAWS MACQUARIE BANK CAPITAL NOTES 2 OFFER

SYDNEY, Friday, 13 March 2020 – Macquarie Bank Limited (ASX: MBL) (MBL) today announced the withdrawal of its offer of \$A500 million of Macquarie Bank Capital Notes 2 (BCN2), which was made under a Prospectus dated 11 February 2020 and updated 19 February 2020. MBL took the decision to withdraw the offer in light of significantly changed market conditions in recent weeks.

The decision does not affect MBL's commitment to repay \$A429m of Macquarie Bank Capital Notes (ASX:MBLPA)(BCN) on 24 March 2020 and \$A400m of Macquarie Income Securities (ASX:MBLHB)(MIS) on 15 April 2020.

As stated at Macquarie Group Limited's Operational Briefing on 11 February 2020, MGL's capital position is strong, with a surplus¹ of \$A5.8b at 31 December 2019. MBL's Basel III Common Equity Tier 1 Capital Ratio was 14.2% on a harmonised basis and 11.4% on an APRA basis. MBL's Tier 1 Capital Ratio was 13.3% on an APRA basis.

On a proforma basis, after the redemption of MIS and BCN, MGL's capital surplus¹ was \$A5.3b at 31 December 2019. MBL's pro forma Tier 1 Capital Ratio was 12.7% on an APRA basis.

MBL's long-term issuer rating was upgraded to A+ from A by Standard & Poor's on 11 December 2019.

No BCN2 have been, or will be, issued under the Prospectus. The expiry date of the Prospectus has been brought forward to the date of this announcement.

Refunds of application monies will be paid (without interest) as soon as practicable. If Applicants have provided the Registrar with a nominated bank account, refunds will be paid by direct credit otherwise payment will be made by cheque. Applicants under the Broker Firm Offer should contact their Broker.

Questions about applications or refunds can be directed to the Registrar at MBCN2Offer@boardroomlimited.com.au or by calling 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).

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1. Calculated at 8.5% RWA including the capital conservation buffer (CCB), per APRA ADI Prudential Standard 110; Based on materiality, the 8.5% used to calculate the Group capital surplus does not include the countercyclical capital buffer (CCyB) of ~13bps. The individual CCyB varies by jurisdiction and the Bank Group's CCyB is calculated as a weighted average based on exposures in different jurisdictions.