

Macquarie Bank Limited

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ASX/Media Release

DESPATCH OF MACQUARIE BANK CAPITAL NOTES 2 POSTCARD AND EMAIL TO ELIGIBLE SECURITYHOLDERS AND PAMPHLET AND EMAIL TO ELIGIBLE BCN HOLDERS

Sydney, 19 February 2020 – Attached for the purpose of ASX Listing Rule 3.17.1, is a postcard, with similar email communication, being sent today to holders of Macquarie Group Limited ("MGL") ordinary shares (ASX: MQG), Macquarie Group Capital Notes 2 (ASX: MQGPB), Macquarie Group Capital Notes 3 (ASX: MQGPC), Macquarie Group Capital Notes 4 (ASX: MQGPD), Macquarie Bank Capital Notes (ASX: MBLPA) ("BCN") or Macquarie Income Securities (ASX: MBLHB), who were recorded on MGL's and Macquarie Bank Limited's registers (as applicable) at 7.00 pm (AEDT) on Friday, 7 February 2020 with a registered address in Australia, regarding participation under the Securityholder Offer component of the Macquarie Bank Capital Notes 2 ("BCN2") Offer pursuant to the BCN2 prospectus separately lodged with ASIC and ASX today (the "Prospectus").

Also attached for the purpose of ASX Listing Rule 3.17.1, is a pamphlet, with similar email communication, also sent today to holders of BCN, who were recorded on Macquarie Bank Limited's register at 7.00 pm (AEDT) on Friday, 7 February 2020 with a registered address in Australia, regarding participation under the Reinvestment Offer component of the BCN2 Offer pursuant to the Prospectus.

For investor enquiries about BCN2, please email the registry at MBCN2Offer@boardroomlimited.com.au or call 1300 005 027 (within Australia) or on +61 2 8023 5474 (outside Australia) (Monday to Friday 8.30 am - 5.30 pm, AEDT) during the Offer Period.

Contact

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Your HIN/SRN is



MACQUARIE
BANK

Macquarie Bank Capital Notes 2 Securityholder Offer

As an Eligible Securityholder, you can use your HIN/SRN shown on the left to request a hard copy of the Prospectus and personalised Application Form or to view the Prospectus and apply online. To view the Prospectus and to apply online, follow the instructions on the back of this card.

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About the Securityholder Offer

Eligible Australian resident holders of Macquarie Group Limited Ordinary Shares, Macquarie Bank Capital Notes, Macquarie Income Securities, Macquarie Group Capital Notes 2, Macquarie Group Capital Notes 3, or Macquarie Group Capital Notes 4 are invited to participate in the Securityholder Offer of Macquarie Bank Capital Notes 2 ("**BCN2**").

The Securityholder Offer opened on Wednesday, 19 February 2020 and is expected to close at 5.00pm (AEDT) on Wednesday, 18 March 2020 ("**Offer Period**") (these dates are indicative and may change without notice). Applications under the Securityholder Offer must be for a minimum of 50 BCN2 (\$A5,000) and in increments of 10 BCN2 (\$A1,000) thereafter.

To find out more

Additional information about the Offer can be found online at www.MBCN2Offer.com.au, by emailing MBCN2Offer@boardroomlimited.com.au or by calling the BCN2 Offer Information Line on 1300 005 027 (within Australia) or on +61 2 8082 5474 (International) (Monday to Friday 8.30am – 5.30pm, AEDT) during the Offer Period.

Follow these steps to participate:

1. Read the Prospectus

If you are considering applying for BCN2 under the Offer, it is important that you read the Replacement Prospectus lodged with ASIC on 19 February 2020 containing details of the Margin (and any supplementary prospectus) ("**Prospectus**") in its entirety before deciding whether to invest in BCN2.

The Prospectus is available electronically at www.MBCN2Offer.com.au.

2. Apply and make an Application Payment

- Visit the BCN2 Offer website at www.MBCN2Offer.com.au and complete the necessary security checks
- Click on Securityholder Offer Application and follow the prompts
- You will need your Securityholder Reference Number (SRN) / Holder Identification Number (HIN)
- Complete the online Application Form and click submit to receive your personalised BPAY®¹ details
- Your BPAY® payment must be received by no later than the Closing Date for the Securityholder Offer, which is expected to be 5.00pm (AEDT) on Wednesday, 18 March 2020

You can also apply using a paper Application Form. You can request a paper copy of the Prospectus and Application Form (free of charge) by calling the BCN2 Offer Information Line. General instructions on how to complete the paper Application Form are set out on the Application Form. You will be required to post your completed Application Form and pay your Application Payment by cheque(s) and/or money order(s) in sufficient time so that it is received by the Closing Date for the Securityholder Offer, which is expected to be 5.00pm (AEDT) on Wednesday, 18 March 2020. If you wish to pay by BPAY® you need to make an online Application.

¹BPAY is registered to BPAY Pty Ltd ABN 69 079 137 518

IMPORTANT NOTICES

BCN2 are issued by MBL under the BCN2 Terms and the BCN2 Deed Poll. This card is not an offer of, or invitation to apply for, BCN2. The Offer is made under the Prospectus lodged with ASIC on 19 February 2020 which replaced the Initial Prospectus lodged with ASIC on 11 February 2020. Applications may only be made by completing the online Application Form at www.MBCN2Offer.com.au or on a paper Application Form attached to or accompanying the Prospectus.

BCN2 are a complex investment and may be difficult to understand, even for experienced investors, and involve different risks from a simple debt or ordinary equity security. Applicants should read the Prospectus in its entirety before making an Application. There are risks associated with an investment in BCN2, including the possible loss of income and principal invested. The risks are discussed further in the Prospectus and you should consider these risks before deciding whether to invest in BCN2. Macquarie Bank Limited ("**MBL**") recommends that you seek guidance from your licensed financial adviser or other professional adviser before deciding whether to invest.

Allocations for the Securityholder Offer will be determined by MBL. MBL has absolute discretion to determine the method and extent of allocations. Allocations may be scaled. Please refer to the Prospectus regarding MBL's privacy statement as it applies to your Application.

If you do not wish to receive further promotional information from us, please contact the BCN2 Offer Information Line.

Capitalised terms in this card have the meanings given in the Prospectus.

Your SRN/HIN is



Macquarie Bank Capital Notes

Resale

and

Macquarie Bank Capital Notes 2

Reinvestment Offer

Macquarie Bank Limited ABN 46 008 583 542

Your BCN will be resold on 24 March 2020, meaning you will be paid \$100 per BCN as well as the distribution paid on this date.¹ Macquarie has announced an offer of BCN2, which includes a priority reinvestment offer for BCN holders. You can use your SRN/HIN shown on the back to view the BCN2 Prospectus and to apply online, by following the instructions on the right.

Resale of BCN

Macquarie Bank Limited ("**MBL**") has announced that it will resell on 24 March 2020, all of the Macquarie Bank Capital Notes ("**BCN**") on issue, in accordance with Clause 8 of the BCN Terms. Eligible holders of BCN have the opportunity to reinvest the resale proceeds of all or some of your BCN in a corresponding number of a new replacement security, Macquarie Bank Capital Notes 2 ("**BCN2**") ("**Reinvestment Offer**"). Participation in the Reinvestment Offer is optional, and as such, holders of BCN are not required to take any action.

If you do not participate in the Reinvestment Offer your BCN will be resold on 24 March 2020 and you will receive \$100 in cash per BCN. A distribution is also scheduled to be paid on the BCN on Tuesday, 24 March 2020, subject to the distribution payment conditions in the BCN Terms. If those conditions are satisfied, all BCN Holders as at the record date for the distribution (including Eligible BCN Holders who participate in the Reinvestment Offer) will receive a distribution of \$1.8425 per BCN in cash.

Eligible BCN Holders who do not wish to participate in the Reinvestment Offer may subscribe for BCN2 as part of the Securityholder Offer if they wish.

About the Reinvestment Offer

Eligible Australian resident holders of BCN are invited to participate in the Reinvestment Offer which is a priority offer to Eligible BCN Holders to reinvest some or all of their BCN in BCN2.

You are eligible to participate in the Reinvestment Offer if you:

- were registered as a holder of BCN on Friday, 7 February 2020;
- are shown on the BCN register as having an address in Australia; and,
- are not in the United States or acting as a nominee for, or for the account or benefit of, a person in the United States or otherwise prevented from receiving the Reinvestment Offer or BCN2 under the laws of any jurisdiction.

You must also continue to hold the relevant BCN on the Closing Date for the Reinvestment Offer. If you are an Eligible BCN Holder, you may apply to reinvest the sale proceeds of some or all of your BCN in a corresponding number of BCN2. You may also apply for additional BCN2. An application for additional BCN2 will be dealt with under the Securityholder Offer. Participation in the Reinvestment Offer is optional.

The Reinvestment Offer opened on Tuesday, 19 February 2020 and is expected to close at 5.00pm AEDT on Wednesday, 18 March 2020 ("**Offer Period**") (these dates are indicative and may change without notice).

There is no minimum number of BCN that you must hold to be able to participate in the Reinvestment Offer. However, if you are an Eligible BCN Holder and you hold 50 BCN or fewer, you must apply to reinvest all your BCN in BCN2 if you wish to participate in the Reinvestment Offer. If you hold more than 50 BCN you can reinvest all of your BCN or apply for a minimum number of 50 BCN2 and increments of 10 BCN2 thereafter.

The minimum number of additional BCN2 you can apply for if you elect to reinvest your BCN as part of the Reinvestment Offer is 10 BCN2 (\$1,000) and thereafter your Application must be in increments of 10 BCN2 (\$1,000).

To find out more

Additional information about the BCN2 Offer can be found online at www.MBCN2Offer.com.au, by emailing MBCN2Offer@boardroomlimited.com.au or by calling the BCN2 Offer Information Line on 1300 005 027 (within Australia) or on +61 2 8023 5474 (International) (Monday to Friday 8.30am – 5.30pm, AEDT) during the Offer Period.

Follow these steps to participate in the Reinvestment Offer:

1. Read the Prospectus

If you are considering reinvesting your BCN in BCN2 under the Reinvestment Offer, it is important that you read the Replacement Prospectus lodged with ASIC on Wednesday, 19 February 2020 containing details of the Margin (and any supplementary prospectus) ("**Prospectus**") in its entirety before making an Application. The Prospectus is available electronically at www.MBCN2Offer.com.au.

2. Reinvest and apply for Additional BCN2 via BPAY®:

- Visit the BCN2 Offer website and complete the necessary security checks to access the Offer site
- Click on Reinvestment Offer Application and follow the prompts
- Complete the online Reinvestment Offer Application Form to reinvest the sale proceeds of some or all of your BCN in BCN2, or to apply for additional BCN2.

You can also apply using a paper Reinvestment Offer Application Form. You can request a paper copy of the Prospectus and Application Form (free of charge) by calling the BCN2 Offer Information Line during the Offer Period.

You will be required to post your completed Reinvestment Offer Application Form and, if applying for additional BCN2, pay your Application Payment by cheque(s) and/or money order(s) in sufficient time so that it is received by the registry by the Closing Date for the Offer, which is expected to be 5.00pm (AEDT) on Wednesday, 18 March 2020. If you wish to pay by BPAY® you need to make an online Application.

IMPORTANT NOTICES

BCN2 are issued by MBL under the BCN2 Terms and the BCN2 Deed Poll. This booklet is not an offer of, or invitation to apply for BCN2. The offer of BCN2 is made under the Prospectus lodged with ASIC on 19 February 2020 which replaced the Initial Prospectus lodged with ASIC on 11 February 2020. Applications may only be made by completing the online Application Form at www.MBCN2Offer.com.au or on a paper Reinvestment Offer Application Form attached to or accompanying the Prospectus.

BCN2 are a complex investment and may be difficult to understand, even for experienced investors, and involve different risks from a simple debt or ordinary equity security. Applicants should read the Prospectus in its entirety before making an Application. There are risks associated with an investment in BCN2, including the possible loss of income and principal invested. The risks are discussed further in the Prospectus and you should consider these risks before deciding whether to invest in BCN2. MBL recommends that you seek guidance from your licensed financial adviser or other professional adviser before deciding whether to invest.

Allocations for the Reinvestment Offer will be determined by MBL and the Joint Lead Managers after the Closing Date. MBL has absolute discretion to determine the method and extent of allocations. Allocations may be scaled back. Please refer to the Prospectus regarding MBL's privacy statement as it applies to your Application.

If you do not wish to receive further promotional information from us, please contact the BCN2 Offer Information Line.

Capitalised terms in this booklet have the meanings given in the Prospectus.

¹ The distribution is subject to the payment conditions in the BCN terms

² BPAY® is registered to BPAY Pty Ltd ABN 69 079 137 518.