IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS ("QIBs") (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT, AS AMENDED (THE "SECURITIES ACT")) OR (2) NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS (IN EACH CASE, WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT).

IMPORTANT: You must read the following before continuing. The following applies to this Preliminary Offering Memorandum (the "Offering Memorandum") following this page, and you are advised to read this carefully before reading, accessing or making any other use of the Offering Memorandum. In accessing the Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE LAWS OF OTHER JURISDICTIONS. **PROHIBITION OF SALES TO EEA RETAIL INVESTORS –** THE SECURITIES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA ("EEA"). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) FROM THE DATE OF APPLICATION OF REGULATION (EU) NO 1286/2014 (THE "PRIIPS REGULATION"), A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU ("MIFID II"); (II) FROM THE DATE OF APPLICATION OF THE PRIIPS REGULATION, A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC ("IMD"), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) A PERSON OR ENTITY THAT IS NOT A QUALIFIED INVESTOR AS DEFINED IN DIRECTIVE 2003/71/EC (AS AMENDED, THE "PROSPECTUS DIRECTIVE"). CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY THE PRIIPS REGULATION FOR OFFERING OR SELLING THE SECURITIES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE SECURITIES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION. IN ADDITION, IN THE UNITED KINGDOM, THE OFFERING MEMORANDUM IS FOR DISTRIBUTION ONLY TO (I) PERSONS WHO ARE INVESTMENT PROFESSIONALS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "ORDER"); (II) HIGH NET WORTH ENTITIES FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER; OR (III) ANY OTHER PERSON TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED OR CAUSED TO BE COMMUNICATED UNDER THE ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFERING MEMORANDUM RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS, AND WILL BE ENGAGED IN ONLY WITH SUCH PERSONS. THIS OFFERING MEMORANDUM MUST NOT BE ACTED ON OR RELIED ON BY PERSONS IN THE UNITED KINGDOM WHO ARE NOT RELEVANT PERSONS. THE COMMUNICATION OF THIS OFFERING MEMORANDUM TO ANY PERSON IN THE UNITED KINGDOM WHO IS NOT A RELEVANT PERSON IS UNAUTHORISED AND MAY CONTRAVENE THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED (THE "FSMA").

THE FOLLOWING OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view this Offering Memorandum or make an investment decision with respect to the securities, investors must be either (1) QIBs or (2) non-US persons (within the meaning of Regulation S under the Securities Act) outside the U.S. This Offering Memorandum is being sent at your request and by accepting the e-mail and accessing this Offering Memorandum, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) QIBs or (b) non-U.S. persons (within the meaning of Regulation S under the Securities Act) and that the electronic mail address that you gave us and to which this Offering Memorandum has been delivered is not located in the U.S., and (2) that you consent to delivery of such Offering Memorandum by electronic transmission.

You are reminded that this Offering Memorandum has been delivered to you on the basis that you are a person into whose possession this Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this Offering Memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Agents or any affiliate of the Agents is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Agents or such affiliate on behalf of the issuer in such jurisdiction.

This Offering Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently neither the Agents, nor any person who controls them nor any of their directors, officers, employees nor any of their agents nor any affiliate of any such person accept any liability or responsibility whatsoever in respect of any difference between this Offering Memorandum distributed to you in electronic format and the hard copy version available to you on request from the Agents.

Macquarie Bank Limited

(ABN 46 008 583 542)

(ACTING THROUGH ITS LONDON BRANCH)

US$750,000,000 6.125%

MACQUARIE ADDITIONAL CAPITAL SECURITIES

(SUBJECT TO EXCHANGE UPON AN AUTOMATIC EXCHANGE EVENT OR ACQUISITION EVENT, IN EACH CASE FOR FULLY PAID ORDINARY SHARES OF MACQUARIE GROUP LIMITED (ABN 94 122 169 279))

ISSUE PRICE 100.000%

Macquarie Bank Limited, a corporation incorporated under the laws of the Commonwealth of Australia (the "Bank" or "MBL), acting through its London Branch (the "Issuer"), is offering US$750,000,000 aggregate principal amount of Macquarie Additional Capital Securities (the "Securities"), which are subject to Exchange upon an Automatic Exchange Event or Acquisition Event, in each case for fully paid ordinary shares in the capital of Macquarie Group Limited ("MGL") ("MGL Ordinary Shares") as described in this offering memorandum. The Securities will be issued under MBL's U.S.$20,000,000,000 Rule 144A medium-term note program. Unless otherwise specified herein or the context otherwise requires, certain defined terms are set out under the heading "Certain Definitions" in this offering memorandum.

Subject to the Payment Exceptions, interest will be payable on the Securities (i) semiannually in arrears on March 8 and September 8 of each year, beginning on September 8, 2017, and (ii) on any Acquisition Exchange Date, in each case at an initial rate of 6.125% per annum up until the tenth anniversary of the original issue date of the Securities. Thereafter, for each Interest Payment Date occurring during any Interest Period, the interest rate payable on the Securities will equal the Reference Rate applicable to the Interest Period plus the Margin. See "Description of the Securities." All interest to be paid on the Securities will be non-cumulative. See "Description of the Securities."

The Securities are perpetual and have no maturity date unless redeemed earlier, Exchanged for MGL Ordinary Shares or Written-Off. The Securities will be our fully paid, perpetual, unsecured, direct, subordinated and general obligations. In a Winding-Up of MBL, subject to Write-Off, the Securities will rank equally with Equal Ranking Obligations and ahead of MBL Ordinary Shares and will be subordinated to all claims of Senior Creditors. The Securities may, with the prior written approval of the Australian Prudential Regulation Authority ("APRA"), be redeemed in whole (but not in part), at the option of the Issuer at a redemption price equal to 100% of the Principal Amount thereof (plus other certain amounts) following the occurrence of a Regulatory Event or a Tax Event, or on any Reset Date. See "Description of the Securities—Redemption of the Securities under Certain Circumstances." If an Automatic Exchange Event occurs prior to the redemption of the Securities, the Principal Amount (or a portion thereof) of the Securities will immediately be Exchanged for MGL Ordinary Shares, whereupon the rights of the relevant holders of such Securities in respect of the Principal Amount (or the portion thereof) will be (with effect from the Automatic Exchange Date) immediately and irrevocably terminated in respect of such amount Exchanged**.** If an Exchange has not occurred within 5 Business Days of the Automatic Exchange Date, then an Exchange will not occur and each Security, or portion thereof, which would otherwise have been Exchanged, will be Written-Off. An Automatic Exchange Event means either a Non-Viability Event or a Common Equity Tier 1 Trigger Event. A Common Equity Tier 1 Trigger Event occurs when MBL determines, or APRA has notified MBL in writing that it believes, that either or both of the Common Equity Tier 1 Ratios in respect of the MBL Level 1 Group and the MBL Level 2 Group is equal to or less than 5.125%. A Non-Viability Event occurs when APRA (i) issues a written notice to MBL that it is necessary that Relevant Tier 1 Securities (including the Securities) be subject to Loss Absorption because, without such Loss Absorption, APRA considers that MBL would become non-viable, or (ii) notifies MBL in writing that it has determined that, without a public sector injection of capital or equivalent support, MBL would become non-viable. If an Acquisition Event occurs prior to the redemption of the Securities, then the Issuer must Exchange all of the Securities, unless the Directors determine that an Acquisition Exchange Exception applies, in which circumstance no Exchange shall occur and no other action would be required to be taken in relation to the Securities on account of that Acquisition Event. For more information, see "Description of the Securities—Exchange of Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off".

An application has been made for the listing and quotation of the Securities on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this offering memorandum. Admission of the Securities to the Official List of the SGX-ST and quotation of the Securities on the SGX-ST is not to be taken as an indication of the merits of the Securities, the Issuer, MGL, each of their subsidiaries and/or associated companies.

Investing in the Securities involves certain risks, including the potential for such securities to be Exchanged or Written-Off, and you must determine the suitability of such investment in light of your own circumstances. You should carefully review the section entitled "Risk Factors" beginning on page 10 of this offering memorandum. In addition, you should review the section entitled "Risk Factors" in our Disclosure Report (U.S. Version) for the fiscal year ended March 31, 2016 ("2016 Annual U.S. Disclosure Report"), as supplemented by our Disclosure Report (U.S. Version) for the half year ended September 30, 2016 ("2017 Interim U.S. Disclosure Report") and the section entitled "Risk Factors" in MGL's Disclosure Report (U.S. Version) for the fiscal year ended March 31, 2016 ("MGL's 2016 Annual U.S. Disclosure Report"), as supplemented by MGL's Disclosure Report (U.S. Version) for the half year ended September 30, 2016 ("MGL's 2017 Interim U.S. Disclosure Report"). See "Where You Can Find Additional Information".

Each initial and subsequent purchaser of the Securities offered hereby in making its purchase will be deemed to have made certain acknowledgements, representations and agreements relating to the subordination of the Securities, Exchanges and Write-Offs following an Exchange Event, certain tax matters, and other acknowledgements, representations and agreements intended to restrict the resale or other transfer of such Securities as set forth in "Description of the Securities", and may in certain circumstances be required to provide confirmation of compliance with such resale or other transfer restrictions below and as set forth in "Important Notices" and "Plan of Distribution".

Neither the Securities nor the MGL Ordinary Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and the Securities are being offered and sold only (A) to "qualified institutional buyers" ("QIBs") as defined in Rule 144A under the Securities Act ("Rule 144A") in reliance upon the exemption provided by Rule 144A under the Securities Act and (B) in offshore transactions to certain non-U.S. persons in reliance upon Regulation S under the Securities Act ("Regulation S"). Prospective purchasers are hereby notified that the seller of the Securities may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on resales and transfers, see "Important Notices" and "Plan of Distribution".

The Securities are not protected accounts or deposit liabilities of the Bank for the purpose of the Banking Act 1959 of Australia (the "Australian Banking Act") and are not insured or guaranteed by (1) the Commonwealth of Australia or any governmental agency of the Commonwealth of Australia (2) the United States of America, the Federal Deposit Insurance Corporation or any other governmental agency of the United States or (3) the government or any governmental agency of the United Kingdom or any other jurisdiction. The liabilities which are preferred by law to the claim of a holder in respect of a Security will be substantial and the terms and conditions for the Securities do not limit the amount of such liabilities which may be incurred or assumed by the Bank from time to time.

The Bank or any agent may reject any order in whole or in part.

The Securities will be issued in registered, book-entry form in minimum denominations of US$200,000 and integral multiples of US$1,000 in excess of that amount and will be eligible for clearance through the facilities of The Depository Trust Company ("DTC") and its direct and indirect participants, including Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, S.A. ("Clearstream, Luxembourg") on or about March 8, 2017.

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Agents

BofA Merrill Lynch **Citigroup** **HSBC** **J.P. Morgan** **Macquarie Capital**

Co-Managers

Barclays **Lloyds Securities** **nabSecurities, LLC** **Wells Fargo Securities**

March 1, 2017

You should rely only on the information contained in, or incorporated by reference into, this offering memorandum. The Bank and MGL (in relation to information relating to them) have not authorized anyone to provide you with different information. The Bank is not, and the agents are not, making an offer of the Securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained or incorporated by reference in this offering memorandum is accurate as of any date other than that of the document in which it appears.

The Securities are complex financial instruments and may not be a suitable investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Securities to retail investors. By purchasing, or making or accepting an offer to purchase, any Securities from MBL and/or the agents, each prospective investor represents, warrants, and undertakes to and agrees with MBL, MGL and each Agent that it has and will at all times comply with all applicable laws, regulations and regulatory guidance relating to the promotion, offering, distribution and/or sale of the Securities or MGL Ordinary Shares (as the case may be) (including without limitation the European Union's Directive 2004/39/EC (as amended) as implemented in each Member State of the European Economic Area) and any other applicable laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Securities by investors in any relevant jurisdiction. Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Securities from MBL and/or the agents, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

The Securities will be treated as "restricted securities" within the meaning of Rule 144 under the Securities Act for so long as they remain outstanding. In addition, any Securities that would otherwise be unrestricted for purposes of the Securities Act because they were previously sold in an offshore transaction in reliance on Regulation S under the Securities Act may lose their unrestricted status if purchased and resold by any affiliate of the Bank in any market-making transaction. Accordingly, holders of any Security will only be able to resell Securities in reliance on Rule 144A or Regulation S or in other transactions exempt from registration under the Securities Act or to the Bank, any of its affiliates or any of the agents.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) from the date of application of Regulation (EU) No 1286/2014 (the "PRIIPS Regulation"), a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("MiFID II"); (ii) from the date of application of the PRIIPS Regulation, a customer within the meaning of Directive 2002/92/EC ("IMD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) a person or entity that is not a qualified investor as defined in Directive 2003/71/EC (as amended, the "Prospectus Directive"). Consequently no key information document required by the PRIIPs Regulation for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

The MGL Ordinary Shares to be issued in connection with an Exchange Event are subject to transfer restrictions, and may not be offered or sold except outside the United States in compliance with Regulation S, in the United States to qualified institutional buyers in compliance with Rule 144A, or in other transactions exempt from registration under the Securities Act.

The communication of this offering memorandum and any other document or materials relating to the issue of any Securities offered hereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the FSMA. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Order), or within Article 49(2)(a) to (d) of the Order, or to any other persons to whom it may otherwise lawfully be communicated or caused to be communicated under the Order (all such persons together referred to as "relevant persons"). Any investment or investment activity to which this

offering memorandum relates is available only to relevant persons, and will be engaged in only with such persons. This offering memorandum must not be acted on or relied on by persons who are not relevant persons. The communication of this offering memorandum to any person in the United Kingdom who is not a relevant person is unauthorized and may contravene the FSMA. See "Important Notice" and "Plan of Distribution – United Kingdom".

There are references in this offering memorandum to credit ratings. Credit ratings are for distribution only to a person (a) who is not a "retail client" as defined for the purposes of Section 761G of the Corporations Act 2001 of Australia (the "Australian Corporations Act") and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Australian Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this offering memorandum and anyone who receives this offering memorandum must not distribute it to any person who is not entitled to receive it.

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CERTAIN DEFINITIONS

Unless otherwise specified below or the context otherwise requires, certain other defined terms used in this offering memorandum have the meanings assigned to them in "Certain definitions" in our 2017 Interim U.S. Disclosure Report or 2016 Annual U.S. Disclosure Report. Nonetheless, in this offering memorandum, unless otherwise specified or the context otherwise requires, the following terms have the definitions set forth below. In addition, any references to any laws include federal or state laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them.

- "*2015 Annual Report*" means our 2015 annual report, extracts of which are incorporated by reference herein and which have been posted on MBL's U.S. Investors' Website;

- "*2016 Annual Report*" means our 2016 annual report, extracts of which are incorporated by reference herein and which have been posted on MBL's U.S. Investors' Website;

- *"2017 Interim U.S. Disclosure Report"* means our Disclosure Report (U.S. Version) for the half year ended September 30, 2016 and the documents incorporated by reference therein;

- "*2017 Interim U.S. Financial Report*", which among other things, contains our unaudited consolidated financial statements for the half years ended September 30, 2016 and 2015 and the notes thereto;

- *"2016 Annual U.S. Disclosure Report"* means our Disclosure Report (U.S. Version) for the fiscal year ended March 31, 2016 and the documents incorporated by reference therein;

- *"A$"* or *"$"* means the Australian dollar and *"US$"* means the U.S. dollar;

- *"ABN"* means Australian Business Number;

- "*Acquisition Event*" means:

  (a) a takeover bid is made to acquire all or some MBL Ordinary Shares or MGL Ordinary Shares and the offer is, or becomes, unconditional and as a result of the bid the bidder (and its associates as defined in section 12 of the Australian Corporations Act) has a relevant interest in more than 50% of the MBL Ordinary Shares or MGL Ordinary Shares on issue;

  (b) a court approves a scheme of arrangement which, when implemented, will result in a person (and its associates as defined in section 12 of the Australian Corporations Act) having a relevant interest in more than 50% of the MBL Ordinary Shares or MGL Ordinary Shares on issue; or

  (c) a person together with its associates as defined in section 12 of the Australian Corporations Act;

  (i) acquires or comes to hold beneficially more than 50% of the voting shares (as defined in the Australian Corporations Act) in the capital of MBL or MGL; or

  (ii) enters into an agreement to beneficially acquire more than 50% of the voting shares (as defined in the Australian Corporations Act) in the capital of MBL or MGL and the agreement to acquire is, or becomes, unconditional,

  (for the purposes of this definition, each an "*event*"), other than:

  (d) an event that occurs as part of a solvent reorganization of the relevant entity where the persons holding relevant interests in the ordinary equity capital (being listed on ASX) of the bidder or other person ("*Approved Acquirer*") acquiring a relevant interest in more than 50% of the MBL Ordinary Shares or MGL Ordinary Shares on issue or beneficially acquiring more than 50% of the voting shares in the capital of MBL or MGL are, or will be, substantially the same, and in substantially

the same proportions, as the persons who held relevant interests in the MBL Ordinary Shares or MGL Ordinary Shares or who held beneficially voting shares in the capital of MBL or MGL immediately prior to the event where:

(i) the event is initiated by the Directors or the directors of MGL or would not, in MBL's reasonable opinion, otherwise be materially adverse to the interests of holders of the Securities as a whole; and

(ii) the Approved Acquirer agrees for the benefit of holders of the Securities to:

(A) issue listed ordinary share capital in the Approved Acquirer in all circumstances where MGL would have otherwise been obliged to issue MGL Ordinary Shares in accordance with these terms; and

(B) comply with the obligations and restrictions as apply to MGL in connection with the Securities as if references to MGL in this "Description of the Securities" were references to the Approved Acquirer; or

(e) in the case of MBL, where the person acquiring the relevant interest in or acquiring voting shares in MBL is a wholly owned subsidiary of MGL;

- "*Acquisition Exchange Date*" means the date (whether or not a Business Day) on which an Exchange pursuant to an Acquisition Event occurs;

- "*Acquisition Exchange Exceptions"* means a determination by the Directors that (A) as at the Acquisition Exchange Date, an MGL Ordinary Share Event subsists, or will likely be subsisting (except where, despite the MGL Ordinary Share Event, the Exchange would be in the best interests of holders of the Securities as a whole); or (B) the Exchange Number of MGL Ordinary Shares to be issued in Exchange for a Security (calculated in accordance with the terms of the Securities as if it were not limited by the Maximum Exchange Number applicable to an Acquisition Exchange Date) would exceed the Maximum Exchange Number applicable to an Acquisition Exchange Date (except where, despite the Exchange Number being limited to the Maximum Exchange Number applicable to an Acquisition Exchange Date, the Exchange would be in the best interests of holders of the Securities as a whole);

- "*Additional Tier 1 Capital*", "*Tier 1 Capital*" and "*Tier 2 Capital*" each has the meaning determined for that term (or its equivalent) by APRA from time to time;

- *"ADI"* means an institution that is an authorized deposit-taking institution under the Australian Banking Act and regulated as such by APRA;

- "*Applicable Shareholding Law*" means any law in force in Australia or any relevant foreign jurisdiction which limits or restricts the number of ordinary shares in MBL, MGL or any of their respective Related Bodies Corporate in which a person may have an interest or over which it may have a right or power, including, without limitation, Chapter 6 of the Australian Corporations Act, the Foreign Acquisitions and Takeovers Act 1975 of Australia, the Financial Sector (Shareholdings) Act 1998 of Australia and Part IV of the Competition and Consumer Act 2010 of Australia;

- "*Approved Nominee*" means in connection with an Exchange, a subsidiary of MGL which is (i) nominated by MGL; and (ii) a holding company of MBL on the applicable Exchange Date, which has been approved by APRA prior to the Exchange Date to be an Approved Nominee for the purposes of the Exchange;

- *"APRA"* means the Australian Prudential Regulation Authority or any authority succeeding to its powers and responsibilities;

- *"ASIC"* means the Australian Securities and Investments Commission and its successors;

- *"ASX"* means the Australian Securities Exchange operated by ASX Limited and its successors;

- "*ASX Listing Rules*" means the listing rules of the ASX as amended, varied or waived (whether in respect of MBL, MGL or generally) from time to time;

- ***"****ASX Operating Rules****"*** means the market operating rules of the ASX as amended, varied or waived (whether in respect of MBL, MGL or generally) from time to time;

- "*ASX Settlement Operating Rules*" means the settlement operating rules of the ASX as amended, varied or waived (whether in respect of MBL, MGL or generally) from time to time;

- "*ASX Trading Day*" means a business day within the meaning of the ASX Listing Rules on which trading in MGL Ordinary Shares takes place;

- "*Attributable Proceeds*" means, in respect of a holder of a Security to whom paragraph (11)(f) of "Description of the Securities—Exchange of Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off— Exchange Mechanics" applies, an amount equal to: (i) the net proceeds of the sale of such MGL Ordinary Shares, actually received after deducting any applicable brokerage, stamp duties and other taxes (including, without limitation, any FATCA Withholding), charges and expenses, divided by the number of such MGL Ordinary Shares issued and sold; multiplied by (ii) the number of MGL Ordinary Shares issued and sold in accordance with paragraph (11)(f) of "Description of the Securities—Exchange of Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off— Exchange Mechanics" in respect of that Security;

- *"Australian Banking Act"* means the Banking Act 1959 of Australia;

- *"Australian Corporations Act"* means the Corporations Act 2001 of Australia;

- *"Australian FSBT Act"* means the Financial Sector (Business Transfer and Group Restructure) Act 1999 of Australia;

- *"Australian Reserve Bank Act"* means the Reserve Bank Act 1959 of Australia;

- "*Automatic Exchange Date*" means the date (whether or not a Business Day) on which an Automatic Exchange Event occurs;

- "*Automatic Exchange Event*" means either a Non-Viability Event or a Common Equity Tier 1 Trigger Event;.

- *"Bank"* and *"MBL"* each means Macquarie Bank Limited (ABN 46 008 583 542) (an ADI) and includes its predecessors and successors; provided that *"we"*, *"our"*, *"us"* and *"MBL Group"* each means MBL and its controlled entities and/or the Issuer, as applicable under the terms of the Securities;

- *"Banking Group"* means Banking Holdco and the group of existing and future subsidiaries of that intermediate subsidiary, including the Bank, that constitutes the Banking Group as described herein;

- *"Banking Holdco"* means Macquarie B.H. Pty Ltd (ABN 86 124 071 432), an intermediate holding company established as a subsidiary of MGL and which is the immediate parent of MBL;

- "*BCNs*" means the A$429,000,000 perpetual subordinated notes of MBL known as the Macquarie Bank Capital Notes and issued by MBL in 2014;

- "*Branch Substitution"* has the meaning set forth under "—Branch Substitution";

- "*Business Day*" means each Monday, Tuesday, Wednesday, Thursday and Friday that (i) is not a day on which banking institutions in the City of New York, the City of Sydney, Australia or the principal financial center of any other Relevant Foreign Jurisdiction generally are authorized or obligated by law, regulation or executive order to close and (ii) solely with respect to any payment or other action to be made or taken at any Place of Payment outside the City of New York, is a Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in such Place of Payment generally are authorized or obligated by law, regulation or executive order to close;

- "*Buy-Back*" means a transaction involving the acquisition by MBL of MBL Ordinary Shares pursuant to an offer made in its discretion in accordance with the provisions of Part 2J of the Australian Corporations Act;

- "*Capital Reduction*" means a reduction in capital initiated by MBL in its discretion in respect of MBL Ordinary Shares in any way permitted by the provisions of Part 2J of the Australian Corporations Act;

- "*CHESS*" means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd (ACN 008 504 532);

- "*Common Equity Tier 1 Capital*" in respect of each of the MBL Level 1 Group and the MBL Level 2 Group has the meaning determined for that term (or its equivalent) by APRA from time to time;

- "*Common Equity Tier 1 Ratio*" means: (i) in respect of the MBL Level 1 Group, the ratio of Common Equity Tier 1 Capital in respect of the MBL Level 1 Group to risk weighted assets of the MBL Level 1 Group; and (ii) in respect of the MBL Level 2 Group, the ratio of Common Equity Tier 1 Capital in respect of the MBL Level 2 Group to risk weighted assets of the MBL Level 2 Group; in each case as calculated by the methodology prescribed (or its equivalent ratio) by APRA from time to time;

- "*Common Equity Tier 1 Trigger Event*" means MBL determines, or APRA has notified MBL in writing that it believes, that either or both of the Common Equity Tier 1 Ratios in respect of the MBL Level 1 Group and the MBL Level 2 Group is equal to or less than 5.125%;

- "*Commonwealth*" and "*Australia*" each means the Commonwealth of Australia;

- "*controlled entities*" means those entities (including special purpose entities) over which another party has the power to govern, directly or indirectly, decision making in relation to financial and operating policies, so as to require that entity to conform with such controlling party's objectives;

- "*Currency Conversion Date*" means: for the Exchange Floor Price, the ASX Trading Day immediately preceding the Issue Date; and for the Exchange Date VWAP, the ASX Trading Day immediately preceding the Exchange Date;

- "*Daily VWAP*" means the volume weighted average sale price of MGL Ordinary Shares sold on the ASX on a day but does not include any "Crossing" transacted outside the "Open Session State", or any "Special Crossing" transacted at any time, each as defined in the ASX Operating Rules, or any overseas trades or trades pursuant to the exercise of options over MGL Ordinary Shares;

- "*Determination Date*" means (i) for the initial Interest Period March 1, 2017, and (ii) for each subsequent Interest Period, the Reset Date on which that Interest Period commences;

- "*Directors*" means some or all of the Voting Directors (as defined in MBL's constitution) of MBL acting as a board;

- "*Dividend Restriction*" means that MBL must not: (i) determine, declare or pay any MBL Ordinary Share Dividend; or (ii) undertake any Buy-Back or Capital Reduction;

- "*ECS*" means the US$250,000,000 10.25% perpetual junior subordinated notes issued by the Issuer in 2012;

- "*Encumbrance*" means any mortgage, pledge, charge, lien, assignment by way of security, hypothecation, security interest, title retention, preferential right or trust arrangement, any other security agreement or security arrangement (including any security interest under the Personal Property Securities Act 2009 of Australia) and any other arrangement of any kind having the same effect as any of the foregoing;

- "*Equal Ranking Obligations*" means obligation of, or claim against, MBL that exists or may arise in connection with: the BCN; the MIS Preference Shares; the ECS; and any other (i) preference share, security or capital instrument issued by MBL or (ii) obligation of, or claim against, MBL in respect of a preference share, security or capital instrument issued by a member of the MGL Group, which preference share, security, capital instrument of, or obligation or claim against, MBL ranks, or is expressed to rank, equally with the Securities or any other Equal Ranking Obligation and including each other Relevant Tier 1 Security;

- *"Exchange"* means, in respect of a Security or portion thereof and an Exchange Date, the transfer of that Security or portion thereof in connection with the allotment and issue of MGL Ordinary Shares, in accordance with the terms described herein, and the performance of the Related Exchange Steps; and "Exchanged" and "Exchanging" have corresponding meanings***;***

- "*Exchange Act*" means the U.S. Securities Exchange Act of 1934, as amended;

- "*Exchange Amount*" means the Principal Amount of any Security or portion thereof that is to be Exchanged on the Exchange Date;

- "*Exchange Date*" means the date (whether or not a Business Day) on which an Exchange Event occurs;

- "*Exchange Date VWAP*" means the VWAP during the VWAP Period (expressed as a U.S. Dollar Amount);

- "*Exchange Event*" means either a Non-Viability Event, a Common Equity Tier 1 Trigger Event or an Acquisition Event;

- "*Exchange Floor Price*" means 20% of the Issue Date VWAP (expressed as a U.S. Dollar Amount);

- "*financial statements*" means our and/or MGL's historical financial statements, as the context requires;

- "*Initial Reset Date*" means March 8, 2027;

- "*Interest Payment Date*" means the following dates: (i) March 8 and September 8 of each year, commencing on September 8, 2017 and (ii) any Acquisition Exchange Date;

- "*Interest Period*" means (i) initially, the period from (and including) the Issue Date to (but excluding)) the Initial Reset Date, and (ii) thereafter, the period from (and including) a Reset Date to (but excluding) the next Reset Date;

- "*Interest Rate*" means for each Interest Payment Date occurring during an Interest Period, the Reference Rate applicable to the Interest Period plus the Margin (which for the initial Interest Period is 6.125%, being the sum of the initial Reference Rate plus the Margin);

- "*Issue Date*" means the first date on which the Securities were originally issued;

- "*Issue Date VWAP*" means the VWAP during the 20 ASX Trading Days immediately preceding (but not including) the Issue Date (as such number may be adjusted in accordance with the provisions described in paragraphs (4), (5) or (6) of "Description of the Securities—Exchange of Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off — Exchange Mechanics");

- "*Issuer*" means MBL, acting through its London Branch;

- "*Loss Absorption*" means any exchange for or conversion into ordinary shares or writing-off in respect of any Relevant Tier 1 Securities in accordance with their terms or by operation of law on the occurrence of an Automatic Exchange Event (including an Exchange or Write-Off of Securities);

- "*Margin*" means 3.703% per annum;

- "*MBL*" means Macquarie Bank Limited (ACN 008 583 542), a company incorporated under the laws of Australia;

- "*MBL Level 1 Group*" means MBL and such other entities included from time to time in the calculation of MBL's capital ratios on a Level 1 basis (or its equivalent, in either case, as defined by APRA from time to time);

- "*MBL Level 2 Group*" means the MBL Level 1 Group and such other entities included from time to time in the calculation of MBL's capital ratios on a Level 2 basis (or its equivalent, in either case, as defined by APRA from time to time);

- "*MBL Ordinary Share*" means a fully paid ordinary share in the capital of MBL;

- "*MBL Ordinary Share Dividend*" means any interim, final or special dividend payable in accordance with the Australian Corporations Act and the constitution of MBL in respect of MBL Ordinary Shares;

- "*MBL's U.S. Investors' Website*" means MBL's U.S. investors' website at http://www.macquarie.com/mgl/com/us/usinvestors/mbl;

- "*MGL*" means Macquarie Group Limited (ABN 94 122 169 279), the authorized NOHC for the Banking Group and the Non-Banking Group, and includes its predecessors and its successors, as more fully described herein;

- "*MGL Group*" means MGL and its controlled entities, including MBL Group;

- "*MGL Ordinary Share*" means a fully paid ordinary share in the capital of MGL;

- "*MGL Ordinary Share Event*" means, in respect of MGL and an Acquisition Exchange Date, that:

    - MGL Ordinary Shares have ceased to be listed or admitted to trading on ASX (and continue not to be listed or admitted to trading on that date); or

    - any reason (including, without limitation, any applicable law or order affecting MBL, MGL or a Related Body Corporate or holders of Securities generally) prevents the Exchange of Securities generally (including, without limitation, the performance of any Related Exchange Steps);

- "*MGL's 2015 Annual Report*" means MGL's 2015 annual report, extracts of which are incorporated by reference herein and which have been posted on MGL's U.S. Investors' Website;

- "*MGL's 2015 Fiscal Year Management Discussion and Analysis Report*" means MGL's Management Discussion and Analysis Report dated May 8, 2015, which includes a comparative discussion and

analysis of MGL's results of operation and financial condition for the year ended March 31, 2015 compared to the year ended March 31, 2014, along with other balance sheet, capital and liquidity disclosures as at or for the year ended March 31, 2015, has been posted on MGL's U.S. Investors' Website and has been incorporated by reference herein;

- "*MGL's 2016 Annual Report*" means MGL's 2016 annual report, extracts of which are incorporated by reference herein and which have been posted on MGL's U.S. Investors' Website;

- *"MGL's 2016 Annual U.S. Disclosure Report"* means MGL's Disclosure Report (U.S. Version) for the fiscal year ended March 31, 2016 and the documents incorporated by reference therein;

- "*MGL's 2016 Fiscal Year Management Discussion and Analysis Report*" means MGL's Management Discussion and Analysis Report dated May 6, 2016, which includes a comparative discussion and analysis of MGL's results of operation and financial condition for the year ended March 31, 2016 compared to the year ended March 31, 2015, along with other balance sheet, capital and liquidity disclosures as at or for the year ended March 31, 2016, has been posted on MGL's U.S. Investors' Website and has been incorporated by reference herein;

- "*MGL's 2017 Half Year Management's Discussion and Analysis Report*" means MGL's Management Discussion and Analysis Report dated November 11, 2016, which includes a comparative discussion and analysis of MGL's results of operation and financial condition for the half year ended September 30, 2016 compared to the half year ended September 30, 2015, along with other balance sheet, capital and liquidity disclosures as at or for the half year ended September 30, 2016, has been posted on MGL's U.S. Investors' Website and has been incorporated by reference herein;

- *"MGL's 2017 Interim U.S. Disclosure Report"* means MGL's Disclosure Report (U.S. Version) for the half year ended September 30, 2016 and the documents incorporated by reference therein;

- "*MGL's 2017 Interim U.S. Financial Report*", which among other things, contains MGL's unaudited consolidated financial statements for the half years ended September 30, 2016 and 2015 and the notes thereto;

- "*MGL's U.S. Investors' Website*" means MGL's U.S. investors' website at http://www.macquarie.com/mgl/com/us/usinvestors/mgl;

- "*MIS Preference Shares*" means the preference shares comprised in the stapled security known as the Macquarie Income Securities issued by MBL in 1999;

- "*NOHC*" means an authorized non-operating holding company of an ADI;

- "*Non-Banking Group*" means Non-Banking Holdco and the group of existing and future subsidiaries of that intermediate subsidiary that constitute the Non-Banking Group as described herein;

- "*Non-Banking Holdco*" means Macquarie Financial Holdings Pty Limited (ABN 63 124 071 398), an intermediate holding company established as a subsidiary of MGL and which is the parent of the Non-Banking Group;

- "*Non-Viability Event*" means when APRA: (i) issues a written notice to us that it is necessary that Relevant Tier 1 Securities (including the Securities) be subject to Loss Absorption because, without such Loss Absorption, APRA considers that we would become non-viable; or (ii) notifies MBL in writing that it has determined that, without a public sector injection of capital or equivalent support, MBL would become non-viable;

- "*Principal Amount*" means in respect of any Security which is outstanding at any time, the outstanding principal amount of the Security, and for such purposes: (a) the principal amount of a Security issued at a discount, at par or at a premium is at any time to be equal to its Specified Denomination; and (b) if the

principal amount of a Security has at any time been Exchanged or Written-Off as described in this offering memorandum, the principal amount of the Security will be reduced by the principal amount so Exchanged or Written-Off at that time;

- "*RBA*" means the Reserve Bank of Australia;

- "*Reclassification*" means a division, consolidation or reclassification of MGL's share capital (not involving any cash payment or other distribution or compensation to or by holders of MGL Ordinary Shares or to or by any entity in MGL Group);

- "*Redemption Price*" means 100% of the Principal Amount of the Securities to be redeemed, together with an amount equal to calculated but unpaid interest for the period from (and including) the immediately preceding Interest Payment Date to (but excluding) the date fixed for redemption;

- "*Reference Rate*" means, in respect of an Interest Period, means the ICE Swap Rate for a swap in U.S. dollars with a designated maturity of a tenor equal to the Interest Period that appears at approximately 11:00 am (New York City time) on the Determination Date for that Interest Period, as determined by the Bank. On each Determination Date, if the relevant ICE Swap Rate cannot be determined, then the Bank will determine the relevant ICE Swap Rate for such day on the basis of the mid-market semi-annual swap rate quotations to the Bank provided by 5 leading swap dealers in the New York City interbank market (the "*Reference Banks*") at approximately 11:00 am (New York City time), on such Determination Date, and, for this purpose, the mid-market semi-annual swap rate means the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating U.S. dollar interest rate swap transaction with a term equal to the applicable Interest Period commencing on such Determination Date and in an amount, as determined by the Bank, that is representative for a single transaction in the relevant market at the relevant time (the "*Representative Amount*") with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an actual/360 day count basis, is equivalent to U.S. dollar LIBOR with a designated maturity of 3 months. The Bank will request the principal New York City office of each of the Reference Banks to provide a quotation of its rate. If at least 3 quotations are provided, the rate for that day will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If fewer than 3 quotations are provided as requested, the rate will be determined by the Issuer in good faith and in a commercially reasonable manner;

- "*Regulatory Event*" has the meaning set forth under "—Redemption of Securities under certain circumstances— Redemption for regulatory reasons";

- "*Related Body Corporate*" has the meaning given in the Australian Corporations Act;

- "*Related Entity*" has the meaning given to it by APRA from time to time;

- "*Relevant Foreign Jurisdiction*" means, at any time, (i) the United Kingdom; or (ii) any other jurisdiction (other than Australia) in which MBL has a branch or permanent establishment and to which the Securities are attributable at the relevant time as a result of the Branch Substitution, in each case, including any political subdivision or any authority thereof or therein;

- "*Relevant Tier 1 Security*" means a security forming part of the Tier 1 Capital of MBL that is capable of being subject to Loss Absorption where an Automatic Exchange Event occurs (including the BCN and the ECS);

- "*Relevant Tier 2 Security*" means a security and any other security forming part of the Tier 2 Capital of MBL that is capable of being subject to Loss Absorption where a Non-Viability Event occurs;

- "*Reset Date*" means the Initial Reset Date, the fifth anniversary of the Initial Reset Date and the fifth anniversary of each such date;

- "*Restructure*" means the reorganization of MBL Group that was completed on November 19, 2007 that resulted in the establishment of MGL as the ultimate holding company of MBL and the transfer by MBL Group of certain businesses, subsidiaries and assets, primarily the Macquarie Capital operating group, to the Non-Banking Group;

- "*Sale Agent*" means a person appointed by MBL to sell MGL Ordinary Shares, and includes an agent of that person, which is not MBL or any Related Entity of MBL;

- "*Senior Creditors*" means all present and future creditors of MBL, including its depositors, general unsubordinated creditors and prior ranking subordinated creditors (including instruments forming part of the Tier 2 Capital of MBL), whose claims: (A) are entitled to be admitted in a Winding-Up of MBL; and (B) are not in respect of Equal Ranking Obligations;

- "*Specified Denomination*" means denominations of US$200,000 and integral multiples of US$1,000 in excess thereof;

- "*Tax Event*" has the meaning set forth under "—Redemption of Securities under certain circumstances – Redemption for taxation reasons";

- "*Taxing Jurisdiction*" means Australia or any political subdivision or taxing authority thereof or therein or a Relevant Foreign Jurisdiction, including the United Kingdom, other than the United States;

- "*U.S. Dollar Amount*" means, in relation to any amount denominated in a currency other than U.S. Dollars, the amount converted into U.S. Dollars at the spot rate of exchange for the purchase by MGL of that currency with U.S. Dollars in the Sydney foreign exchange market on the Currency Conversion Date determined by MBL in good faith having regard to the latest available market data;

- "*VWAP*" means, subject to any adjustments described in paragraphs (2) or (3) of "Description of the Securities—Exchange of Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off— Exchange Mechanics", for a period or relevant number of days, the average of the Daily VWAPs of MGL Ordinary Shares sold on the ASX during the relevant period or on the relevant days (such average rounded to the nearest full cent);

- "*VWAP Period*" means, for the purposes of calculating the Exchange Date VWAP and the Exchange Number, the 5 ASX Trading Days immediately preceding, but not including, the Exchange Date;

- "*Winding-Up*" means, with respect to an entity, the winding-up, liquidation, termination or dissolution of the entity, but does not include any winding-up, liquidation, termination or dissolution for the purposes of a consolidation, amalgamation, merger or solvent reconstruction (the terms of which have been approved by the shareholders of the entity or by a court of competent jurisdiction) under which the continuing or resulting entity effectively assumes the entire obligations of the entity in respect of the Securities; and

- "*Written-Off*" means that, in respect of a Security or portion thereof, the rights of the relevant holder of the Security or portion thereof (including to payment of any Principal Amount, interest with respect to such Principal Amount and to be issued with MGL Ordinary Shares) in relation to such Security or portion thereof are immediately and irrevocably terminated for no consideration with effect on and from the Exchange Date; and "*Write-Off*" and "*Writing-Off*" have corresponding meanings.

IMPORTANT NOTICES

Neither the Securities nor MGL Ordinary Shares have been, or will be, registered under the Securities Act or the securities laws of any state and have not been approved or disapproved by the Securities and Exchange Commission (the "SEC") or any state securities authority. Neither the SEC nor any state securities authority has passed upon the accuracy or adequacy of this offering memorandum. Any representation to the contrary is unlawful.

As purchaser of the Securities, you will be deemed to have acknowledged, represented and agreed as follows:

1. Neither the Securities nor MGL Ordinary Shares have been, or will be, registered under the Securities Act or any other applicable securities law and, accordingly, neither the Securities nor the MGL Ordinary Shares may be offered, sold, transferred, pledged, encumbered or otherwise disposed of unless in accordance with and subject to applicable law and the transfer restrictions described herein.

2. Either (A) you are a QIB and purchasing Securities for your own account or solely for the account of one or more accounts for which you act as a fiduciary or agent, each of which is a QIB, and you acknowledge that you are aware that the seller may rely upon the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A thereunder or (B) you are a purchaser acquiring Securities in an offshore transaction occurring outside the United States within the meaning of Regulation S and that you are not a "U.S. person" (and are not acquiring such Securities for the account or benefit of a U.S. person) within the meaning of Regulation S.

3. On your own behalf and on behalf of any account for which you are purchasing the Securities, you will offer, sell or otherwise transfer such Securities (A) only in minimum principal amounts of US$200,000 and integral multiples of US$1,000 in excess thereof and (B) only (a) pursuant to the exemption from the registration requirements of the Securities Act provided by Rule 144A, (b) in a transaction not subject to registration under the Securities Act in reliance on Regulation S, (c) to the Bank or any of its subsidiaries or affiliates, or (d) to an agent that is a party to the Terms Agreement to be dated on or about March 1, 2017 between the Bank and the agents named on the cover of this offering memorandum (the "Terms Agreement"). You acknowledge that each Global Security will contain a legend substantially to the effect of the foregoing paragraph 1 and this paragraph 3 and that the Bank is under no obligation to remove such legend from any Security, to register the offer and sale of any Security under the Securities Act or to take any other steps to cause any Security to become freely tradable.

4. You understand that any Securities sold in reliance on Rule 144A will be treated as "restricted securities" within the meaning of Rule 144 under the Securities Act for so long as they remain outstanding. In addition, any Securities that would otherwise be unrestricted for purposes of the Securities Act because they were previously sold in an offshore transaction in reliance on Regulation S under the Securities Act may lose their unrestricted status if purchased and resold by any affiliate of the Bank in any market-making transaction. Accordingly, holders of any Security will only be able to resell Securities in reliance on Rule 144A or Regulation S or in other transactions exempt from registration under the Securities Act or to the Bank, any of its affiliates or any of the agents.

You further understand that the MGL Ordinary Shares to be issued if an Exchange Event occurs are subject to transfer restrictions, and may not be offered or sold except outside the United States in compliance with Regulation S, in the United States to qualified institutional buyers in compliance with Rule 144A, or in certain other transactions exempt from registration under the Securities Act.

5. Either (A) you are not a fiduciary of a pension, profit-sharing or other employee benefit plan subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") or a plan subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), you are not purchasing the Securities on behalf of or with "plan assets" of any such plan, and you are not a governmental or church or other plan ("non-ERISA arrangement") subject to provisions under applicable federal, state, local or foreign law that are similar to the requirements of ERISA or Section 4975 of the Code ("similar law") or (B) your purchase and holding of the Securities and any Exchange of such Securities for MGL Ordinary Shares is eligible for exemptive relief under U.S. Department of Labor Prohibited Transaction Class Exemption 96-23, 95-60, 91-38, 90-1 or 84-14, under Section 408(b)(17) of ERISA or Section 4975(d)(20) of the Code, or under another applicable exemption or, in the case of a non-ERISA arrangement, your purchase and holding of the Securities and any

Exchange of such Securities for MGL Ordinary Shares will not constitute or result in a non-exempt violation of the provisions of any similar law.

6. If you are acquiring any Securities as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

7. Neither this offering memorandum nor any disclosure document (as defined in the Australian Corporations Act) in relation to the Securities has been, or will be, lodged with the Australian Securities and Investments Commission ("ASIC") and the Securities may not be offered for sale, nor may applications for the sale or purchase of any Securities be invited, in Australia (including an offer or invitation which is received by a person in Australia) and neither this offering memorandum nor any advertisement or other offering material relating to the Securities may be distributed or published in Australia unless (i) (A) the aggregate amount payable on acceptance of the offer or invitation by each offeree or invitee for the Securities is at least A$500,000 (or its equivalent in another currency, in either case, disregarding amounts, if any, lent by the person offering the Securities or making the invitation or its associates), or (B) the offer or invitation is otherwise an offer or invitation for which no disclosure is required to be made under Parts 6D.2 or 7.9 of the Australian Corporation Act, (ii) the offer, invitation or distribution does not constitute an offer to a "retail client" as defined for the purposes of Section 761G of the Australian Corporations Act, (iii) the offer, invitation or distribution complies with all applicable laws and regulations relating to the offer, sale and resale of the Securities in the jurisdiction in which such offer, sale and resale occurs, and (iv) such action does not require any document to be lodged with ASIC.

8. The Securities are not intended to be offered, sold or otherwise made available to and will not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) from the date of application of the PRIIPS Regulation, a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) from the date of application of the PRIIPS Regulation, a customer within the meaning of IMD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) a person or other entity that is not a qualified investor as defined in the Prospectus Directive.

9. The Bank, the agents, MGL and others will rely upon the truth and accuracy of the foregoing and the following acknowledgments, representations and agreements and you agree that, if any of the acknowledgments, representations or warranties deemed to have been made by you in connection with your purchase of Securities are no longer accurate, you shall promptly notify the Bank and each agent through which you purchased any Securities.

10. You understand and agree to the terms described under "Description of the Securities" including, without limitation, the matters described under "Description of the Securities — Exchange of Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off" and "Description of the Securities—Status and Subordination of Securities—Upon a Winding-Up of the Bank."

As recipient of this offering memorandum or purchaser of the Securities, you will be deemed to have acknowledged, represented and agreed as follows:

1. You have been afforded an opportunity to request from the Bank or MGL, as the case may be, and to review, and have received, all additional information considered by you to be necessary to verify the accuracy and completeness of the information contained herein and have not relied on any agent or any person affiliated with any agent in connection with your investigation of the accuracy and completeness of such information or your investment decision.

2. No person has been authorized to give any information or to make any representation concerning us, MGL or MGL Group, the Securities or MGL Ordinary Shares other than those contained or incorporated by reference herein and, if given or made, such other information or representation should not be relied upon as having been authorized by the Bank, MGL, MGL Group or any agent.

3. In making a decision to invest in the Securities, you must rely on your own examination of us, MGL, the MGL Group and the terms of this offering, the Securities and MGL Ordinary Shares, including the merits and risks involved. The contents of this offering memorandum and information incorporated herein by reference are not to be construed as legal, business or tax advice or a recommendation or statement of opinion (or a report of either of those things) that any person invest in the Securities. You are urged to consult your own attorney or business or tax advisor for legal, business or tax advice.

4. You are hereby offered the opportunity to ask questions of and receive answers from the Bank concerning our business, the Securities, MGL, the MGL Group, their business, the MGL Ordinary Shares and the conditions of this offering. All enquiries should be directed to the Bank and the agents.

5. This offering memorandum is submitted for personal use to a limited number of institutional and other sophisticated investors for informational use solely in connection with the consideration of the purchase of the Securities. Its use for any other purpose is not authorized. It may not be copied or reproduced in whole or in part, and it may not be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is submitted.

6. This offering memorandum does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Securities or the distribution of this offering memorandum in any jurisdiction where such action is required.

7. An offer or sale within the United States by any dealer (whether or not participating in this offering) of Securities initially sold pursuant to Regulation S may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

8. Certain persons participating in the offering of Securities may engage in transactions that stabilize, maintain or otherwise affect the price of the Securities. These transactions may include stabilizing and the purchase of Securities to cover short positions. Such stabilizing, if commenced, may be discontinued at any time. For a description of these activities, see "Plan of Distribution".

9. You may have to bear the financial risks of an investment in the Securities (or where Exchanged, of an investment in MGL Ordinary Shares) for an indefinite period of time.

10. In this offering memorandum, we "incorporate by reference" certain information that we and MGL make available to prospective purchasers of Securities, see "Where You Can Find Additional Information". The information incorporated by reference is considered part of this offering memorandum and later information incorporated by reference herein or in any supplement hereto or made available to prospective purchasers of Securities, will update and supersede earlier information contained herein or in any supplement hereto or incorporated by reference herein. Each person who receives this offering memorandum and each purchaser of Securities hereunder expressly acknowledges and agrees that the information included or incorporated by reference herein or in any supplement hereto shall, for all purposes, form a part of this offering memorandum and be deemed to have been delivered to such person herewith.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We "incorporate by reference" into this offering memorandum the information available for Macquarie Bank Limited at http://www.macquarie.com/mgl/com/us/usinvestors/mbl**.** (the "Bank's U.S. investors' website") and the information available for Macquarie Group Limited at http://www.macquarie.com/mgl/com/us/usinvestors/mgl ("MGL's U.S. investors' website", and together with the Bank's U.S. investors' website, the "U.S. Investor Websites"). This means that the information available on the U.S. Investor Websites is considered part of this offering memorandum and part of the information contained in each of these documents on which you make your investment decision with respect to the Securities and any potential Exchange to MGL Ordinary Shares when you purchase the Securities. You should review the information on the U.S. Investor Websites carefully before investing in the Securities.

MBL

At the date of this offering memorandum, the following materials are available on the Bank's U.S. investors' website:

- our 2017 Interim U.S. Disclosure Report, which contains, among other things, a description of our business and the regulation to which we are subject and management's discussion and analysis of our results of operations;
- our 2017 Interim U.S. Financial Report, which among other things, contains our unaudited consolidated financial statements for the half years ended September 30, 2016 and 2015 and the notes thereto;
- our 2016 Annual U.S. Disclosure Report, which contains, among other things, a description of our business and the regulation to which we are subject, risk factors related to our business and management's discussion and analysis of our results of operations;
- extracts from our 2016 Annual Report, which, among other things, contains our audited consolidated financial statements for the 2016 and 2015 fiscal years and the notes thereto;
- extracts from the 2016 Annual Report of MGL;
- extracts from our 2015 Annual Report, which, among other things, contains our audited consolidated financial statements for the 2015 and 2014 fiscal years and the notes thereto;
- extracts from the 2015 Annual Report of MGL;
- our Pillar 3 Disclosure Document dated March 2016, which describes the Bank's capital position, risk management policies and risk management framework and the measures adopted to monitor and report within this framework; and
- our constitution, which is our governing document.

MGL

At the date of this offering memorandum, the following materials are available on MGL's U.S. investors' website:

- MGL's 2017 Interim U.S. Disclosure Report, which contains, among other things, a description of MGL's business and the regulation to which MGL is subject;
- MGL's 2017 Interim Directors' Report and Financial Report, which among other things, contains MGL's unaudited consolidated financial statements for the half years ended September 30, 2016, and 2015 and the notes thereto;

- MGL's 2017 Half Year Management's Discussion and Analysis Report, which contains MGL's management's discussion and analysis of MGL's results of operations for the half year ended September 30, 2016, as compared to September 30, 2015, a discussion of MGL's liquidity and capital resources, a description of MGL's regulatory capital and information regarding MGL's Assets Under Management;

- MGL's 2016 Annual U.S. Disclosure Report, which contains, among other things, a description of MGL's business and the regulation to which MGL is subject and risk factors related to MGL's business;

- MGL's 2016 Fiscal Year Management Discussion and Analysis Report, which contains MGL's management's discussion and analysis of MGL's results of operations for the year ended March 31, 2016 as compared to the year ended March 31, 2015, a discussion of MGL's liquidity and capital resources, a description of MGL's regulatory capital and information regarding MGL's Assets Under Management;

- extracts from MGL's 2016 Annual Report, which, among other things, contains MGL's audited consolidated financial statements for the 2016 and 2015 fiscal years and the notes thereto;

- extracts from MGL's 2015 Annual Report, which, among other things, contains MGL's audited consolidated financial statements for the 2015 and 2014 fiscal years and the notes thereto;

- sections 1.0 to 4.0 of MGL's 2015 Fiscal Year Management Discussion and Analysis Report, which contains MGL's management's discussion and analysis of MGL's results of operations for the year ended March 31, 2015 as compared to the year ended March 31, 2014;

- MGL's Pillar 3 Disclosure Document dated March 2016, which describes MGL's capital position, risk management policies and risk management framework and the measures adopted to monitor and report within this framework; and

- MGL's constitution, which is MGL's governing document.

After the date of this offering memorandum, the Bank or MGL may put additional information on their respective U.S. Investor Websites. Later information on the U.S. Investor Websites or in this offering memorandum or any supplement hereto updates and supersedes earlier information on the U.S. Investor Websites and this offering memorandum and any supplement hereto.

Copies of the information on the U.S. Investor Websites can be obtained from the Bank or MGL, as applicable, upon request. Requests should be directed to Macquarie Bank Limited or Macquarie Group Limited, c/o Macquarie Holdings (USA) Inc., 125 West 55th Street, New York, New York 10019; Attention: Corporate Communications Division; or Macquarie Bank Limited or Macquarie Group Limited, 50 Martin Place, Sydney, New South Wales 2000, Australia; Attention: Macquarie Investor Relations. Telephone requests may be directed to +1-212-231-1000 or +612-8232-4750.

No information other than the information available on the U.S. Investor Websites in so far as it relates to each of the Bank or MGL, as applicable, or in a supplement hereto that the Bank or MGL prepares or agrees, is incorporated by reference in or otherwise deemed to be a part of this offering memorandum. The information contained on or accessible from any Bank, MGL or other MGL Group website (excluding the U.S. Investors' Websites), including any references to such websites in this offering memorandum or any documents incorporated herein, does not constitute a part of this offering memorandum or any other document incorporated by reference and is not incorporated by reference herein.

Each prospective purchaser of the Securities is hereby offered the opportunity to ask questions of the Bank and MGL concerning the applicable terms and conditions of the offering, the Securities and MGL Ordinary Shares, and to request from the Bank any additional information the prospective purchaser may consider necessary in making an informed investment decision or in order to verify the information set forth in this offering memorandum.

While any Securities remain outstanding or until such time as the Securities are Exchanged for MGL Ordinary Shares, the Bank and MGL will, during any period in which the Bank or MGL is not subject to Section 13 or 15(d)

of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), or exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, make available, to any QIB who holds any Security and any prospective purchaser of a Security who is a QIB designated by such holder of such Security, upon the request of that QIB, the information concerning the Bank or MGL and MGL Ordinary Shares required to be provided to that QIB by Rule 144A(d)(4) under the Securities Act.

ENFORCEABILITY OF CIVIL LIABILITIES

The Bank is incorporated in the Commonwealth of Australia with limited liability for an unlimited duration. Most of the Bank's directors and executive officers and certain other parties reside outside the United States. A substantial portion of the Bank's assets and all or a substantial portion of the assets of those directors and executive officers may be located outside the United States. As a result, it may be difficult for an investor in the United States to effect service of process within the United States upon the Bank or those other parties or to enforce against the Bank or those other parties in foreign courts judgments obtained in U.S. courts predicated upon, among other things, the civil liability provisions of U.S. federal or state securities laws.

MGL is incorporated in the Commonwealth of Australia with limited liability for an unlimited duration. Most of MGL's directors and executive officers and certain other parties reside outside the United States. A substantial portion of MGL's assets and a substantial portion of the assets of those directors and executive officers may be located outside the United States. As a result, it may be difficult for an investor in the United States to effect service of process within the United States upon MGL or those other parties or to enforce against MGL or those other parties in foreign courts judgments obtained in U.S. courts predicated upon, among other things, the civil liability provisions of U.S. federal or state securities laws.

We have been advised by King & Wood Mallesons, our Australian legal counsel, that there is doubt as to the enforceability in Australia in original actions or in actions for enforcement of judgments of U.S. courts of civil liabilities predicated solely upon U.S. federal or state securities laws.

Additionally, PricewaterhouseCoopers, an Australian Partnership ("PwC Australia") may be able to assert a limitation of liability with respect to claims arising out of its audit reports, as described under "Independent Accountants."

EXCHANGE RATES

MBL Group and MGL Group publish their consolidated financial statements in Australian dollars and its fiscal year ends on March 31 of each year. For your convenience, the following table sets forth, for MBL Group's and MGL Group's fiscal years and months indicated, the period-end, average (fiscal year only), high and low noon buying rates in New York City for cable transfers of Australian dollars as certified for customs purposes for the Federal Reserve Bank of New York, expressed in U.S. dollars per A$1.00.

In providing these translations, we are not representing that the Australian dollar amounts actually represent these U.S. dollar amounts or that we could have converted those Australian dollars into U.S. dollars. Unless otherwise indicated, conversions of Australian dollars to U.S. dollars in this Report have been made at the noon buying rate on September 30, 2016, which was US$0.7667 per A$1.00. The noon buying rate on February 24, 2017 was US$0.7681 per A$1.00.

Fiscal year	Period End	Average Rate[1]	High	Low
2013	1.0409	1.0317	1.0591	0.9688
2014	0.9275	0.9339	1.0564	0.8715
2015	0.7625	0.8673	0.9488	0.7582
2016	0.7677	0.7353	0.8118	0.6855
2017[(2)]	0.7657	0.7493	0.7733	0.7174
Month	**Period End**	**Average Rate[1]**	**High**	**Low**
August 2016	0.7519	0.7629	0.7717	0.7516
September 2016	0.7667	0.7591	0.7676	0.7470
October 2016	0.7611	0.7612	0.7715	0.7545
November 2016	0.7387	0.7532	0.7733	0.7345
December 2016	0.7230	0.7346	0.7512	0.7174
January 2017	0.7582	0.7465	0.7584	0.7231
February 2017[(2)]	0.7681	0.7661	0.7716	0.7564

1 For the years indicated, the average of the noon buying rates on the last day of each month during the period. For the months indicated, the average of the noon buying rates on each business day of the month.

2 Through February 24, 2017.

OFFERING MEMORANDUM SUMMARY

The following is a summary of certain information contained elsewhere or incorporated by reference in this offering memorandum relating to MBL and MGL. It does not contain all the information that may be important to you and is qualified in its entirety by the more detailed information appearing elsewhere in the offering memorandum and the information incorporated by reference herein. You should read this offering memorandum and the information incorporated by reference herein in its entirety, particularly the "Risk Factors" sections below and included in each of MBL's and MGL's 2017 Interim U.S. Disclosure Reports and 2016 Annual U.S. Disclosure Reports, before investing in the Securities. This Offering Memorandum Summary contains certain forward-looking statements. See "Special note regarding forward-looking statements" beginning on page vi of our 2017 Interim U.S. Disclosure Report and "Special note regarding forward-looking statements" beginning on page vii of MGL's 2017 Interim U.S. Disclosure Report.

Macquarie Bank Limited

MBL is an APRA regulated ADI under the Australian Banking Act headquartered in Sydney, Australia and is a subsidiary of MGL, an ASX-listed public company. As a provider of asset management and finance, banking, advisory and risk and capital solutions across debt, equity and commodities, MBL is a primarily client-driven business which generates income by providing a diversified range of products and services to clients. MBL Group acts on behalf of institutional, corporate and retail clients and counterparties around the world.

MBL Group, also known as the Banking Group, comprises four operating groups: Commodities & Global Markets (excluding certain assets of the Credit Markets business, certain activities of the Cash Equities business and some other less financially significant activities), Banking & Financial Services, Macquarie Asset Management (excluding the Macquarie Infrastructure and Real Assets division and the Macquarie Investment Management division) and Corporate & Asset Finance.

At September 30, 2016, MBL employed over 4,500 staff, had total assets of A$176.6 billion and total equity of A$12.5 billion. As at September 30, 2016, MBL conducted its operations in 19 countries, with 51% of MBL Group's revenues for the half year ended September 30, 2016 from external customers derived from regions outside Australia. See "Macquarie Bank Limited — Our business — Regional activity" in our 2017 Interim U.S. Disclosure Report for further information.

MBL's ordinary shares were listed on the ASX from July 29, 1996 until the Restructure in November 2007. Prior to the Restructure, MBL was a widely held ASX-listed public company and engaged in certain investment banking activities through Macquarie Capital. On November 19, 2007, when the Restructure was completed, MBL became an indirect wholly owned subsidiary of MGL, a new ASX-listed company, and MBL Group transferred to the Non-Banking Group most of the assets and businesses of Macquarie Capital, and some less financially significant assets and businesses of the former Equity Markets group and Treasury & Commodities (now part of Commodities & Global Markets). Although MBL's ordinary shares are no longer listed on the ASX, MBL's Macquarie Income Securities continue to be listed on the ASX and, accordingly, MBL remains subject to the disclosure and other requirements of the ASX as they apply to companies with debt securities listed on the ASX.

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

Macquarie Group Limited

MGL is an ASX-listed diversified financial services holding company headquartered in Sydney, Australia and regulated as a NOHC by APRA. As a provider of asset management and finance, banking, advisory and risk and capital solutions across debt, equity and commodities, MGL is primarily a client-driven business which generates income by providing a diversified range of products and services to clients. MGL Group acts on behalf of institutional, corporate and retail clients and counterparties around the world. MGL's market capitalization as at the close of business on February 20, 2017 was A$29.7 billion (approximately US$22.7 billion based on the noon buying rate on February 17, 2017 of US$0.7657 per A$1.00).

At September 30, 2016, MGL employed over 13,800 staff, had total assets of A$193.1 billion and total equity of A$15.5 billion. For the half year ended September 30, 2016, MGL's net operating income was A$5.2 billion and

profit after tax attributable to ordinary equity holders was A$1,050 million. As at September 30, 2016, MGL conducted its operations in 27 countries, with 59% of MGL Group's net operating income (excluding earnings on capital and other corporate items) for the half year ended September 30, 2016 being derived from international income. See "Macquarie Group Limited — Our business — Regional activity" in MGL's 2017 Interim U.S. Disclosure Report for further information.

MGL Group's business operations are conducted primarily through two groups, within which its individual businesses operate: the Banking Group and the Non-Banking Group.

The Banking Group consists of MBL and its subsidiaries operating through four operating groups as described above. See "—Macquarie Bank Limited."

The Non-Banking Group consists of Macquarie Capital; the Macquarie Infrastructure and Real Assets division and the Macquarie Investment Management division of Macquarie Asset Management; and certain assets of the Credit Markets business, certain activities of the Cash Equities business and some other less financially significant activities of Commodities & Financial Markets.

MGL was incorporated in the State of Victoria on October 12, 2006. MGL's registered office and principal administrative office is Level 6, 50 Martin Place, Sydney, New South Wales 2000, Australia. The telephone number of its principal administrative office is +612-8232-3333.

The MGL Ordinary Shares to be issued in connection with an Exchange Event are described under "Description of the MGL Ordinary Shares".

Summary of Terms

In this section entitled "Summary of Terms", references to "the Bank" and similar references are to MBL only and not to MBL Group. Certain defined terms used in this "Summary of Terms" are defined in the section entitled "Description of the Securities" and "Description of the MGL Ordinary Shares" in this offering memorandum.

Securities being offered	Macquarie Additional Capital Securities, subject to Exchange upon an Automatic Exchange Event or Acquisition Event (the "Securities")
The Issuer	Macquarie Bank Limited, acting through its London Branch
The agents	Citigroup Global Markets Inc. HSBC Securities (USA) Inc. J.P. Morgan Securities LLC Merrill Lynch, Pierce, Fenner & Smith Incorporated Macquarie Capital (USA) Inc. Barclays Capital Inc. Lloyds Securities Inc. nabSecurities, LLC Wells Fargo Securities, LLC
Principal Amount and Specified Currency	US$750,000,000, as may be reduced due to Exchange or Write-Off
Method of distribution	The Issuer is offering the Securities in the United States through the agents to QIBs in reliance on Rule 144A and in "offshore transactions" to persons that are not "U.S. persons" (as defined in Regulation S) and in the EEA and certain other jurisdictions as set forth under "Plan of Distribution—Selling Restrictions".
Issue Date	The date on which the Securities are issued, which is expected to be March 8, 2017.
Interest Payment Dates	(i) Semiannually, in arrears, on March 8 and September 8 of each year, commencing on September 8, 2017 and (ii) on any Acquisition Exchange Date. All interest to be paid on the Securities will be non-cumulative.
Interest Reset and Rates	Interest on the Securities will be payable at an initial rate of 6.125% per annum up until the tenth anniversary of the original issue date of the Securities and thereafter, for each Interest Payment Date occurring during any Interest Period, the interest rate payable on the Securities will equal the Reference Rate applicable to the Interest Period plus the Margin. See "Description of the Securities."
Non-Cumulative Interest Payments	The Issuer shall not make an interest payment on the Securities on any Interest Payment Date (and no interest payment shall be made on such Interest Payment Date) if any of the Payment Exceptions apply, which consist of: • the Directors, in their absolute discretion, determine that the amount is not to be paid to holders of the Securities; • payment of the amount would result in MBL breaching APRA's capital adequacy requirements applicable to it; • payment of the amount would result in MBL becoming, or being likely to become, insolvent for the purposes of the

	Australian Corporations Act; or • APRA objects to the payment of the amount. Interest payments and Additional Amounts in respect of interest payments are non-cumulative. If such amounts are not paid because of a Payment Exception, the Issuer has no liability to pay it.
Dividend Restriction	If, for any reason, any amount of interest, or any Additional Amount in respect of an interest amount, has not been paid in full on the relevant Interest Payment Date, a Dividend Restriction shall apply from that date until the next Interest Payment Date unless the relevant amount is paid in full within 10 Business Days of the Missed Interest Payment Date unless an exception applies. See "Description of the Securities — Interest" for further information.
Stated Maturity	The Securities are perpetual and have no stated maturity.
Redemption and repurchase	The Issuer may not redeem or repurchase the Securities for any reason without obtaining the prior written approval of APRA. The Issuer may not elect to redeem or repurchase the Securities unless: (a) the Securities to be redeemed or repurchased are replaced (concurrently with the redemption or repurchase or beforehand) with Tier 1 Capital of the same or better quality, and the replacement or repurchase of those Securities is done under conditions which are sustainable for the income capacity of the "MBL Level 1 Group" and the "MBL Level 2 Group", or (b) APRA is satisfied that the capital positions of the "MBL Level 1 Group" and the "MBL Level 2 Group" are sufficient after the Securities are redeemed or repurchased, see "Description of the Securities — Redemption of Securities under certain circumstances — Approval of APRA" in this offering memorandum. Prospective purchasers of Securities should not expect that APRA's approval will be given for any redemption or repurchase of any Securities. Notices to redeem any Securities shall be given in writing to each holder not more than 60 days' nor less than 30 days' prior to the date fixed for redemption.
Redemption upon the occurrence of a Tax Event or Regulatory Event, or on a Reset Date	The Securities may (subject to the prior written approval of APRA and satisfaction of certain conditions regarding the replacement of the Securities with Tier 1 Capital of the same or better quality) be redeemed at the option of the Issuer, in whole but not in part, following the occurrence of a Tax Event or a Regulatory Event, or on any Reset Date, in each case, at the Redemption Price, see "Description of the Securities — Redemption of Securities under certain circumstances". Prospective purchasers of Securities should not expect that APRA's approval will be given for any redemption of Securities.
Exchange	Following the occurrence of an Exchange Event (as summarized below), the Principal Amount of the Securities (or portions thereof, if applicable) will be Exchanged for MGL Ordinary Shares and the rights of the relevant holders of such Securities in respect of the Principal Amount (or the portion thereof Exchanged) will be immediately and irrevocably terminated in respect of such amount Exchanged. See "Description of the Securities — Exchange of

Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off" and "Description of the Securities — Exchange of Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off — Exchange Mechanics" in this offering memorandum for more information.

Write-Off after an Automatic Exchange Event ..... If for any reason an Exchange due to an Automatic Exchange Event does not occur within 5 Business Days of the Automatic Exchange Date, then such Exchange will not occur and each Security or portion thereof which would be required to be Exchanged will be Written-Off. Subject to the previous sentence, if MGL Ordinary Shares are issued in connection with an Exchange but the transfer of the relevant Securities for those MGL Ordinary Shares has not occurred as described herein, each Security or portion thereof which would be required to be Exchanged will be automatically terminated and written-off and the MGL Ordinary Shares shall be taken to be fully-paid in consideration of that termination and write-off. See "Description of the Securities — Exchange of Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off" in this offering memorandum.

Exchange Event..... An Exchange Event includes a Non-Viability Event, a Common Equity Tier 1 Trigger Event and an Acquisition Event.

A Non-Viability Event occurs when APRA: (a) issues a written notice to MBL that it is necessary that Relevant Tier 1 Securities (including the Securities) be subject to Loss Absorption because, without such Loss Absorption, APRA considers that MBL would become non-viable; or (b) notifies MBL in writing that it has determined that, without a public sector injection of capital or equivalent support, MBL would become non-viable.

A Common Equity Tier 1 Trigger Event occurs when MBL determines, or APRA has notified MBL in writing that it believes, that either or both of the Common Equity Tier 1 Ratios in respect of the MBL Level 1 Group and the MBL Level 2 Group is equal to or less than 5.125%.

An Acquisition Event occurs when (a) a takeover bid is made to acquire all or some MBL Ordinary Shares or MGL Ordinary Shares and the offer is, or becomes, unconditional and as a result of the bid the bidder (and its associates as defined in section 12 of the Australian Corporations Act) has a relevant interest in more than 50% of the MBL Ordinary Shares or MGL Ordinary Shares on issue; (b) a court approves a scheme of arrangement which, when implemented, will result in a person (and its associates as defined in section 12 of the Australian Corporations Act) having a relevant interest in more than 50% of the MBL Ordinary Shares or MGL Ordinary Shares on issue; or (c) a person together with its associates as defined in section 12 of the Australian Corporations Act; (i) acquires or comes to hold beneficially more than 50% of the voting shares (as defined in the Australian Corporations Act) in the capital of MBL or MGL; or (ii) enters into an agreement to beneficially acquire more than 50% of the voting shares (as defined in the Australian Corporations Act) in the capital of MBL or MGL and the agreement to acquire is, or becomes, unconditional, subject to certain exceptions.

See "Description of the Securities — Exchange of Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off" in this offering memorandum.

No Events of Default..... The Securities do not contain any default or event of default provisions and therefore your remedies with regards to any breaches of our obligations thereunder are very limited. See "Risk Factors— There are no events of default under the terms of the Securities. Accordingly, an investor holding Securities has very limited rights if amounts scheduled to be paid are not paid and for other breaches of our obligations."

Status of the Securities ..... The Securities will be fully paid, perpetual, unsecured, direct, subordinated and general obligations of the Bank and will rank *pari passu* without any preference among themselves.

Except to the extent mandatorily provided by law, each Security ranks for payment in a Winding-Up of the Bank: (a) senior to MBL Ordinary Shares; (b) *pari passu* with Equal Ranking Obligations; and (c) subordinate to all claims of Senior Creditors (which includes MBL's depositors and general unsubordinated creditors, instruments forming part of MBL's Tier 2 Capital) and obligations of MBL that are preferred by mandatory provisions of law (including under the Australian Banking Act and Australian Reserve Bank Act). See "Description of the Securities — Status and Subordination of Securities" for further information.

Each holder should be aware that, if MBL is in a Winding-Up, it is possible that an Exchange Event will have already occurred, following which the holder's Securities may be Exchanged for MGL Ordinary Shares or Written-Off. See "Risk Factors — Securities are subject to Exchange with a fall back to Write-Off in the event of the non-viability of MBL" in this offering memorandum.

MBL is an ADI under the Australian Banking Act. The Australian Banking Act provides that, in the event an ADI becomes unable to meet its obligations or suspends payment, the ADI's assets in Australia are to be available to meet specified liabilities of the ADI in priority to all other liabilities of the ADI (including the Securities). These specified liabilities include certain obligations of the ADI to APRA in respect of amounts payable by APRA to holders of protected accounts, other liabilities of the ADI in Australia in relation to protected accounts, debts due to the Reserve Bank of Australia (the "RBA") and certain other debts to APRA. A "protected account" is either (a) an account where the ADI is required to pay the account-holder, on demand or at an agreed time, the net credit balance of the account, or (b) another account or financial product prescribed by regulation. Further, under the Australian Reserve Bank Act debts due to the RBA by an ADI shall, in a Winding-Up of that ADI, have priority over all other debts other than debts due to the Commonwealth, but subject to the priorities under the Australian Banking Act described above.

The Securities do not constitute deposit liabilities or protected accounts of, MBL in Australia for the purposes of the Australian Banking Act and are not insured or guaranteed by the United States Federal Deposit Insurance Corporation or any government,

governmental agency or compensation scheme of the United States, Australia, the United Kingdom or any other jurisdiction or by any other party.

The liabilities which are preferred by law to the claim of a holder in respect of the Securities are substantial. The terms and conditions of the Securities do not limit the amount of such liabilities which MBL may incur or assume.

See "Description of the Securities — How the Securities rank against other debt" for more information.

Denomination and form ..... It is expected that delivery of the Securities will be made on or about March 8, 2017.

The Securities will be issued in fully registered form in minimum denominations of US$200,000 and integral multiples of US$1,000 in excess thereof.

Securities sold to QIBs in reliance on Rule 144A will be represented by one or more Global Securities (each, a "Rule 144A Global Security"), registered in the name of a nominee of DTC. Securities sold outside of the United States to non-U.S. persons in offshore transactions in reliance on Regulation S will be represented by one or more Global Securities (each, a "Regulation S Global Security" and, together with the Rule 144A Global Securities, the "Global Securities") registered in the name of a nominee of DTC. Definitive Securities will only be issued in limited circumstances. See "Legal Ownership and Book-Entry Issuance — Special Considerations for Global Securities".

The Bank will not issue certificated Securities except in limited circumstances described under "Legal Ownership And Book-Entry Issuance—Special Situations When a Global Security Will Be Terminated". Settlement of the Securities will occur through DTC against payment for value on the issue date. See "Legal Ownership And Book-Entry Issuance" for more information.

Existence ..... Subject to the provisions described under "Description of the Securities — Mergers and Similar Transactions", the Bank and MGL are required to do or cause to be done all things necessary to preserve and keep in full force and effect each of the Bank's and MGL's existence, rights (charter and statutory) and franchises; provided, however, that the Bank and MGL shall each not be required to preserve any such right or franchise if their respective Boards of Directors determine that the preservation thereof is no longer desirable in the conduct of each of their business and that the loss thereof is not disadvantageous in any material respect to the holders of Securities; or (i) required by APRA (or any statutory manager or similar official appointed by it) under law and prudential regulation applicable in the Commonwealth of Australia (including without limitation the Australian Banking Act or the Australian FSBT Act, which terms, as used herein, include any amendments thereto, rules thereunder and any successor laws, amendments and rules), or (ii) determined by the Bank, MGL or by APRA (or any statutory manager or similar official appointed by it), to be necessary in order for the Bank or MGL to be managed in a sound and prudent manner or for the Bank, MGL or APRA (or any statutory manager or similar official appointed by it),

to resolve any financial difficulties affecting the Bank or MGL, in each case, in accordance with law and prudential regulation applicable in the Commonwealth of Australia. See "Description of the Securities — Existence".

Taxation..... The Issuer will pay all amounts that we are required to pay on the Securities without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or other governmental charges imposed or levied by or on behalf of a Taxing Jurisdiction. This obligation will not apply, however, if those taxes, duties, assessments or other governmental charges are required by the Taxing Jurisdiction to be withheld or deducted. If that were to occur, the Issuer will, subject to certain exceptions set out in "Payment of Additional Amounts" below, pay additional amounts of, or in respect of, the principal of, and any interest amounts on, the affected Securities that are necessary so that the net amounts paid to the holders of those Securities, after deduction or withholding, will equal the amounts of principal and any interest that the Issuer would have had to pay on those Securities if the deduction or withholding had not been required.

Subject to the discussion under "Tax Considerations—United States Federal Income Taxation," interest payments received by U.S. holders (as defined in the same section) of Securities are expected to be treated for U.S. federal income tax purposes as dividends subject to preferential tax rates if the dividends are "qualified dividend income" and such holder meets certain holding period requirements.

U.S. holders that receive MGL Ordinary Shares upon Exchange will generally recognize capital gain or loss in an amount equal to the difference between the amount such holder receives at such time (including the fair market value of any MGL Ordinary Shares received upon an Exchange) and its tax basis in the Securities.

For a more complete discussion of the U.S. federal income tax consequences of investment in the Securities and MGL Ordinary Shares, see "Tax Considerations—United States Federal Income Taxation."

No Australian stamp duty, issue, registration or similar taxes are payable by any holder on the issue or transfer of MGL Ordinary Shares (including an issue of shares as a result of Exchange) provided that no person obtains a relevant interest in the issued voting shares of MGL of 90% or more. The Australian stamp duty legislation generally permits the interests of associates to be added in working out whether the 90% threshold is reached. In some circumstances, the interests of unrelated entities can also be aggregated together in working out whether the 90% threshold is reached.

For a discussion of certain other tax considerations, see "Tax Considerations" below.

Ratings of the Securities..... The Securities have been rated Ba1 by Moody's and BB by S&P.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by an assigning rating agency, and any rating should be evaluated independently of any other information.

Fiscal Agent	The Bank of New York Mellon
Paying Agent	The Bank of New York Mellon
CUSIP	55608XAC1 - Rule 144A Global Note 55608YAC9 - Regulation S Global Note
ISIN	US55608XAC11 - Rule 144A Global Note US55608YAC93 - Regulation S Global Note
Listing and Trading	An application has been made for the listing and quotation of the Securities on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this offering memorandum. Admission of the Securities to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Securities, the Issuer, MGL, each of their subsidiaries and/or their associated companies. The Securities will be traded on the SGX-ST in a minimum board lot size of U.S.$200,000 for so long as the Securities are listed on the SGX-ST. For so long as the Securities are listed on the SGX-ST and the rules of the SGX-ST require, the Issuer will appoint and maintain a paying agent in Singapore if definitive Securities are issued, where the Securities may be presented or surrendered for payment or redemption, in the event that the Global Securities are exchanged for definitive Securities. In addition, in the event that the Global Securities are exchanged for definitive Securities, announcement of such exchange shall be made through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Securities, including details of the paying agent in Singapore.
Singaporean Paying Agent	The Bank of New York Mellon will act as Singaporean paying agent. The Singaporean paying agent will not have a role in facilitating or making payments under the Securities. The Singaporean paying agent is being appointed solely to fulfill the listing requirements of the SGX-ST.
MGL Ordinary Shares	For a description of the MGL Ordinary Shares to be issued if an Exchange Event occurs, see "Description of the MGL Ordinary Shares".
Transfer Restrictions on MGL Ordinary Shares	The MGL Ordinary Shares to be issued to holders of Securities upon an Exchange are subject to transfer restrictions for so long as they remain outstanding, and may not be offered or sold except outside the United States in compliance with Regulation S, in the United States to qualified institutional buyers in compliance with Rule 144A, or in other transactions exempt from registration under the Securities Act.
MGL Deed of Undertaking	In respect of its obligations under an Exchange, MGL has entered into a deed poll ("MGL Deed of Undertaking") for the benefit of the holders of Securities, pursuant to which it has irrevocably undertaken to perform its obligations relating to an Exchange (including in connection with the issue and delivery of MGL Ordinary Shares to

holders of Securities upon an Exchange), to use all reasonable endeavors to procure quotation of the MGL Ordinary Shares issued where Securities are required to be Exchanged on the ASX, to ensure that the MGL Ordinary Shares issued where Securities are required to be Exchanged will rank equally with all other fully paid MGL Ordinary Shares, and from the applicable Exchange Date (subject to the provisions of the Securities relating to Write-Off, the provisions described in the paragraph of "Description of the Securities — Exchange of Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off—Exchange Mechanics" entitled "Securities held in a clearing system" and that the Securities do not create or confer any voting rights in respect of any member of MGL Group prior to Exchange), to treat each holder of Securities as the holder of the Exchange Number of MGL Ordinary Shares and will take all such steps, including updating any register, required to record the Exchange, and to otherwise comply with the terms of the Securities. See "Description of the Securities – Exchange of Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off".

MGL has no other obligation or liability in respect of any Security or portion thereof. The remedies of a holder in respect of any failure of MGL to issue the MGL Ordinary Shares upon an Exchange are limited in accordance with the terms of the Securities, the provisions of the Securities relating to Write-Off, the provisions described in the paragraph of "Description of the Securities — Exchange of Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off—Exchange Mechanics" entitled "Securities held in a clearing system" and the MGL Deed of Undertaking, to the holder seeking specific performance by MGL to issue the MGL Ordinary Shares.

Governing law..... New York law, except as to our authorization and execution of the Securities and the Second Amended and Restated Fiscal Agency Agreement, to be dated on or around March 8, 2017, as may be further amended or supplemented from time to time, between us and the Fiscal Agent (the "Fiscal Agency Agreement") and the subordination, exchange and write-off provisions of the Securities and Fiscal Agency Agreement, which are governed by the laws of the State of New South Wales, Australia and the laws of the Commonwealth of Australia. The MGL Deed of Undertaking will be governed by the laws of the State of New South Wales, Australia and the laws of the Commonwealth of Australia.

Risk factors..... Prospective purchasers of the Securities should consider carefully all of the information set forth or incorporated by reference in this offering memorandum and any supplement, in particular, the information set forth under "Risk Factors" in this offering memorandum and each of MBL's and MGL's 2017 Interim U.S. Disclosure Reports and 2016 Annual U.S. Disclosure Reports, before making an investment in the Securities.

RISK FACTORS

An investment in the Securities involves a degree of risk which may affect your investment in the Securities, including our ability to pay interest on or redeem the principal of the Securities, the prices of the Securities in the secondary market or the possibility of an Exchange or Write-Off (and the value of the MGL Ordinary Shares in the event of an Exchange). You should carefully consider the risks described below and in the "Risk Factors" sections included in MBL's and MGL's 2017 Interim U.S. Disclosure Reports and 2016 Annual U.S. Disclosure Reports, as well as in the other information contained or incorporated by reference in this offering memorandum before making an investment decision. The risks and uncertainties described below and in such other information are not the only ones facing us or you, as holders of the Securities or MGL Ordinary Shares in the event of Exchange. Additional risks and uncertainties that we are unaware of, or that we currently deem immaterial, may become important factors that affect our ability to make payment on the Securities or the value of the MGL Ordinary Shares.

The Bank's obligations under the Securities will be deeply subordinated to its senior and other indebtedness, the incurrence of which is not restricted by the terms hereof, and the rights of the holders of MGL Ordinary Shares upon an Exchange will be further subordinated.

The Securities that may be issued by the Issuer are by their terms deeply subordinated in right of payment to all of the Bank's current and future senior and other indebtedness (including instruments forming part of the Tier 2 Capital of MBL and obligations of MBL that are preferred by mandatory provisions of law, including under the Australian Banking Act and Australian Reserve Bank Act). Accordingly, the Bank's obligations under the Securities will not be paid unless it can satisfy in full all of its other obligations ranking senior to the Securities and will only be paid equally with its Equal Rating Obligations such as preference shares. If there is a Winding-Up of MBL and amounts on the Securities are owed, the Bank's assets would be available to pay such amounts only after all of its indebtedness (other than Equal Rating Obligations) has been paid in full. There is no restriction on the amount of debt that the Bank may issue that ranks senior to or equally with the Securities. The issue of any such debt may reduce the amount recoverable by you upon any Winding-Up of the Bank. Further, upon an Exchange the rights of holders of MGL Ordinary Shares would be further subordinated to all senior and subordinated indebtedness of MGL and, if the Securities are Written Off, the holders will have no rights at all.

Because the Securities do not contain any limit on the amount of additional debt that we may incur, our ability to make payments on a timely basis or at all on the Securities you hold may be affected by the amount and terms of our future debt.

Our ability to make payments on a timely basis or at all on our outstanding debt may depend on the amount and terms of our other obligations, including any outstanding Securities. The Securities do not contain any limitation on the amount of indebtedness, senior or otherwise, that we may issue in the future. As we issue additional Securities under the Fiscal Agency Agreement or incur other indebtedness, unless our earnings grow in proportion to our debt and other fixed charges, our ability to service the Securities on a timely basis or at all may become impaired.

The Securities are complex financial instruments and may not be a suitable investment for all investors.

The Securities are complex financial instruments that include certain features which, since January 1, 2013, are required for the Securities to qualify as Tier 1 Capital of MBL under APRA's prudential standards. As a result, an investment in the Securities will involve certain risks which may not be relevant to alternative securities and investments. Each potential investor must determine the suitability of such investment in the Securities and, in the event of Exchange, the MGL Ordinary Shares, in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities, the rights attaching to the Securities, when and how the Securities may be redeemed, Exchanged for MGL Ordinary Shares or Written-Off and the information contained or incorporated by reference in this offering memorandum or any applicable supplement to this offering memorandum;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular

financial situation, an investment in the Securities and the impact the Securities (and potentially the MGL Ordinary Shares) will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities (or the MGL Ordinary Shares), including the risk of an Exchange or Write-Off, including where the U.S. dollar payments for principal or interest are different from the potential investor's currency;

(iv) understand thoroughly the terms of the Securities, including the provisions governing an Exchange or Write-Off of Securities (including, in particular, the uncertainty as to the circumstances under which an Exchange Event will or may be deemed to occur and the circumstances in which Exchange might not occur following the occurrence of an Exchange Event) and be familiar with the behavior of any relevant financial markets and their potential impact on the likelihood of certain events that may lead to such an Exchange Event under the Securities occurring; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible situations for economic, interest rate, exchange rate and other factors that may affect its investment and its ability to bear the applicable risks. A potential investor should not invest in the Securities unless it has the knowledge and expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effect on the value of the Securities, the circumstances and effect of the Securities being Exchanged for MGL Ordinary Shares or Written-Off, as well as the impact this investment will have on the potential investor's overall investment portfolio. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this offering memorandum or incorporated by reference herein.

In particular, the Securities are not eligible investments for retail investors. By purchasing, or making or accepting an offer to purchase, any Securities from MBL and/or the agents, each prospective investor represents, warrants, agrees with and undertakes to MBL and each Agent that it has and will at all times comply with all applicable laws, regulations and regulatory guidance relating to the promotion, offering, distribution and/or sale of the Securities (including, without limitation, any applicable laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Securities by investors in any relevant jurisdiction).

The Securities have no scheduled maturity and you do not have the right to cause the Securities to be redeemed or otherwise accelerate the repayment of the Principal Amount of the Securities except upon a Winding-Up of MBL.

The Securities are perpetual securities and have no fixed maturity date or fixed redemption date. Accordingly, we are under no obligation to repay all or any part of the Principal Amount of the Securities and any payments to be made on the Securities are non-cumulative. Additionally, we have no obligation to redeem the Securities at any time and you have no right to call for their redemption or otherwise accelerate the repayment of the Principal Amount of the Securities (except in the limited circumstances upon a Winding-Up of MBL).

Interest on the Securities will be due and payable only at the Issuer's sole and absolute discretion and will be subject to the other Payment Exceptions. Interest is non-cumulative and, if not paid, shall not be due and shall not accumulate or be payable at any time thereafter and you shall have no rights thereto.

Interest on the Securities will be due and payable only at the Issuer's sole discretion, and will not be paid if any other Payment Exception subsists. The Issuer shall have sole and absolute discretion at all times and for any reason not to make (in whole or in part) any interest payment that would otherwise be scheduled to be paid on any Interest Payment Date. Additionally, payments on the Securities can be cancelled for other Payment Exceptions. See "Description of the Securities—Interest." If the Issuer does not make an interest payment on the relevant Interest Payment Date (or if the Issuer elects to make a payment of a portion, but not all, of such interest payment), such non-payment shall evidence the exercise of the Issuer's discretion not to pay such interest payment (or the portion of such interest payment not paid), or that another Payment Exception subsists, and accordingly such interest payment (or the portion thereof not paid) shall not be due and payable. Because the Securities are intended to qualify as Additional Tier 1 Capital, the Issuer may determine, at its discretion, not to make (in whole or in part) any interest

payment on the Securities. In addition, the Issuer may without restriction (other than the Dividend Restriction) use funds that could have been applied to make such interest payments to meet its other obligations as they become due.

Interest not paid shall not accumulate or be payable at any time thereafter, and holders of the Securities shall have no rights thereto or to receive any additional interest or compensation as a result of such cancellation. Furthermore, non-payment of interest in accordance with the terms of Securities shall not constitute a default in payment or otherwise under the terms of the Securities. If practicable, MBL shall provide notice of any determination not to pay interest to the holders of the Securities through DTC on or prior to the relevant Interest Payment Date. If practicable, MBL will endeavor to provide such notice at least 5 Business Days prior to the relevant Interest Payment Date. However, failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such determination not to pay interest, or give holders of the Securities any rights as a result of such failure.

In addition to the Issuer's right to determine not to make (in whole or in part) interest payments at any time, the terms of the Securities also restrict the Issuer from making interest payments on the Securities in certain other circumstances. Such interest that is determined not to be, or is restricted from being, paid shall not be due and shall not accumulate or be payable at any time thereafter and you shall have no rights thereto.

The Issuer shall not make an interest payment on the Securities on any Interest Payment Date (and such interest payment shall therefore be deemed to have been cancelled and thus shall not be due and payable on such Interest Payment Date) if any of the Payment Exceptions apply, which comprise:

- the Directors, in their absolute discretion, determine that the amount is not to be paid to holders of the Securities;
- payment of the amount would result in MBL breaching APRA's capital adequacy requirements applicable to it;
- payment of the amount would result in MBL becoming, or being likely to become, insolvent for the purposes of the Australian Corporations Act; or
- APRA objects to the payment of the amount.

With respect to the second bullet above, as described under "Regulation and Supervision — Australia — APRA — APRA's prudential supervision — Capital adequacy" in our 2016 Annual Report, pursuant to APS 110, APRA requires MBL, as an ADI, to hold a capital conservation buffer above the prudential capital requirement of Common Equity Tier 1 Capital. The capital conservation buffer is 2.5% of the ADI's total risk-weighted assets unless determined otherwise by APRA. APS 110 provides that an ADI's Common Equity Tier 1 Capital plus the capital conservation determined by APRA will be no less than 7.0% of the ADI's total risk-weighted assets. In addition, APRA may, following notice in writing to MBL, as an ADI, require it to hold additional Common Equity Tier 1 Capital of between 0% and 2.5% of total risk-weighted assets as a countercyclical capital buffer. Although this countercyclical capital buffer is currently 0%, APRA may increase this countercyclical capital buffer with 12 months' notice. If our capital levels exceed the minimum capital requirement but fall within the capital conservation buffer, distributions on the Securities may be restricted. It is not possible to predict with certainty whether we will meet these requirements at all times, and if we do not meet these requirements, we will not be permitted to pay interest on the Securities unless we receive approval from APRA to make payments in excess of the constraints imposed by the capital buffers. Under APS 110, APRA will only grant such approval where it is satisfied that the ADI has established measures to raise capital equal to or greater than the amount above the constraint that it wishes to distribute.

Although the Issuer may, in its sole discretion, elect to make a partial interest payment on the Securities on any Interest Payment Date, it may only do so to the extent that such partial interest payment may be made without breaching the Payment Exceptions. In addition, the Issuer may elect to make a full or partial interest payment with respect to an Equal Ranking Obligation without making an interest payment on any or all of the Securities on any Interest Payment Date.

The Issuer will be responsible for determining compliance with this restriction, and neither the Fiscal Agent nor any other agent will be required to monitor such compliance. Any interest not paid because of a Payment Exception on any relevant Interest Payment Date shall not be due and shall not accumulate or be payable at any time thereafter, and holders of the Securities shall have no rights thereto or to receive any additional interest or compensation as a result of such non-payment. Furthermore, non-payment of interest in accordance with the terms of the Securities shall not constitute a default in payment or otherwise under the terms of the Securities.

The Securities may be traded with accrued interest, but under certain circumstances described above, such interest may be cancelled and not paid on the relevant Interest Payment Date.

The Securities may trade, and/or the prices for the Securities may appear, on the SGX-ST and in other trading systems with accrued interest. If this occurs, purchasers of Securities in the secondary market will pay a price that includes such accrued interest upon purchase of the Securities. However, if a payment of interest on any Interest Payment Date is cancelled or deemed cancelled (in each case, in whole or in part) as described herein and thus is not due and payable, purchasers of such Securities will not be entitled to that interest payment (or if the Issuer elects to make a payment of a portion, but not all, of such interest payment, the portion of such interest payment not paid) on the relevant Interest Payment Date.

The interest rate on the Securities will reset on each Reset Date.

The interest rate on the Securities will initially be 6.125% per annum. However, the interest rate will be reset on each Reset Date such that from (and including) each Reset Date, the applicable per annum interest rate will be equal to the Reference Rate applicable to the Interest Period plus the Margin. The interest rate following any Reset Date may be less than the initial interest rate and/or the interest rate that applies immediately prior to such Reset Date, which could affect the amount of any interest payments under the Securities and so the market value of the Securities.

Securities are subject to Exchange in the event of an Exchange Event with, in some cases, a fall back to Write-Off.

Securities issued by MBL are subject to Exchange for MGL Ordinary Shares if an Exchange Event occurs, with a fall back to Write-Off if such Exchange Event is an Automatic Exchange Event. Exchange Events include a Non-Viability Event, a Common Equity Tier 1 Trigger Event or an Acquisition Event.

A Non-Viability Event occurs when APRA (a) issues a written notice to MBL that it is necessary that Relevant Tier 1 Securities (including the Securities) be subject to Loss Absorption because, without such Loss Absorption, APRA considers that MBL would become non-viable, or (b) notifies MBL in writing that it has determined that, without a public sector injection of capital or equivalent support, MBL would become non-viable.

A Common Equity Tier 1 Trigger Event occurs when MBL determines, or APRA has notified MBL in writing that it believes, that either or both of the Common Equity Tier 1 Ratios in respect of the MBL Level 1 Group and the MBL Level 2 Group is equal to or less than 5.125%.

An Acquisition Event occurs when (a) a takeover bid is made to acquire all or some MBL Ordinary Shares or MGL Ordinary Shares and the offer is, or becomes, unconditional and as a result of the bid the bidder (and its associates as defined in section 12 of the Australian Corporations Act) has a relevant interest in more than 50% of the MBL Ordinary Shares or MGL Ordinary Shares on issue; (b) a court approves a scheme of arrangement which, when implemented, will result in a person (and its associates as defined in section 12 of the Australian Corporations Act) having a relevant interest in more than 50% of the MBL Ordinary Shares or MGL Ordinary Shares on issue; or (c) a person together with its associates as defined in section 12 of the Australian Corporations Act; (i) acquires or comes to hold beneficially more than 50% of the voting shares (as defined in the Australian Corporations Act) in the capital of MBL or MGL; or (ii) enters into an agreement to beneficially acquire more than 50% of the voting shares (as defined in the Australian Corporations Act) in the capital of MBL or MGL and the agreement to acquire is, or becomes, unconditional, subject to certain exceptions.

If an Automatic Exchange Event occurs, on the date of such event, MBL will be required to Exchange some or

all of the Principal Amount of the Securities for MGL Ordinary Shares. If a Non-Viability Event described in item (b) above occurs, MBL will be required to Exchange all of the Principal Amount of the Securities for MGL Ordinary Shares. If for any reason Exchange has not occurred within 5 Business Days of the Automatic Exchange Date, MBL will be required to Write-Off the Securities (or portions thereof) that were to have been so Exchanged and immediately and irrevocably terminate the rights of the holders of such Securities (or portions thereof).

If an Acquisition Event occurs, the Issuer must Exchange all of the Securities, unless the Directors determine that an Acquisition Exchange Exception applies, in which circumstance no Exchange shall occur and no other action would be required to be taken in relation to the Securities on account of that Acquisition Event. The Directors determination may not coincide with investors' preferences.

The circumstances under which APRA would determine that MBL is non-viable are uncertain.

It is a requirement under APRA's prudential standards that any subordinated debt, including the Securities, in order to be eligible for inclusion as regulatory capital, contain provisions for conversion, exchange or write-off in the event of non-viability. These Securities contain provisions allowing for Exchange upon the occurrence of an Exchange Event, with, in the case of an Automatic Exchange Event, a fall back to Write-Off. The prudential standards do not define non-viability and APRA has not provided any guidance on how it would determine non-viability. Non-viability could be expected to include a serious impairment of MBL's financial position. However, it is possible that APRA's view of non-viability may not be confined to solvency or capital measures and APRA's position on these matters may change over time. Non-viability may be significantly impacted by a number of factors, including factors which impact the business, operation and financial condition of MBL, such as systemic and non-systemic macro-economic, environmental and operational factors.

An investor holding Securities may, on Exchange or Write-Off, lose some or all of the value of its investment.

Upon the occurrence of an Exchange Event, investors may lose some or all of the value of their investment and may not receive any compensation. Loss Absorption on account of the non-viability of MBL does not apply to regulatory capital instruments issued by MBL prior to 2012, and accordingly the holders of the Securities offered hereby are likely to be in a worse position in the event an Automatic Exchange Event occurs than holders of regulatory capital instruments issued by MBL that are not subject to a Loss Absorption feature, other than MBL's Tier 2 Securities issued on June 10, 2015, which nonetheless rank senior to these Securities. See "Description of the Securities — How the Securities rank against other debt" for more information.

An Exchange Event could occur at any time. An investor holding Securities subject to Exchange may upon Exchange receive MGL Ordinary Shares worth significantly less than the Principal Amount of the investor's Securities; such MGL Ordinary Shares may be subject to restriction on transfer in the absence of a prospectus or equivalent disclosure document.

An Exchange Event could occur at any time. It could occur on dates not previously contemplated by investors or which may be unfavorable in light of then-prevailing market conditions or investors' individual circumstances or timing preferences.

Potential investors in Securities should understand that, if an Exchange Event occurs and Securities are Exchanged for MGL Ordinary Shares, investors may be obliged to accept the MGL Ordinary Shares even if they do not consider such shares to be an appropriate investment for them at the time and despite any change in the financial position of MGL since the issue of the Securities or any disruption to the market for those shares or to capital markets generally.

There may be no market in the MGL Ordinary Shares received on Exchange and investors may not be able to sell the MGL Ordinary Shares at a price equal to the value of their investment or at all and as a result may suffer loss. Furthermore, the sale of MGL Ordinary Shares issued upon Exchange of the Securities may also be restricted by applicable Australian law, including restrictions under the Australian Corporations Act on the sale of MGL Ordinary Shares to investors within 12 months of their issue (except where certain exemptions apply) on account of the Securities and the MGL Ordinary Shares being issued without MGL having made a prospectus or equivalent disclosure as required by the Australian Corporations Act. The restrictions may apply to sales by any nominee for

investors as well as sales by investors and, by sales being so restricted, investors may suffer loss. The application of those restrictions will turn on whether MGL has provided sufficient disclosure to make the MGL Ordinary Shares freely tradeable, as to which MGL has no affirmative obligation to holders.

The number of MGL Ordinary Shares that an investor may receive on Exchange cannot be greater than a maximum exchange number based on 20% of the VWAP during the period of 20 ASX Trading Days immediately preceding (but not including) the first date on which the Securities were issued (the "Issue Date VWAP"). At the time of an Exchange Event, such maximum exchange number may be lower than the number of shares to which an investor in Securities would otherwise be entitled, and as a result, an investor in Securities may receive, on Exchange, MGL Ordinary Shares worth significantly less than the Principal Amount outstanding of such investor's Securities.

The number of MGL Ordinary Shares that an investor holding Securities subject to Exchange will receive on Exchange will be adjusted only for limited corporate actions of MGL.

The Issue Date VWAP is adjusted for only very limited corporate actions of MGL, namely pro rata bonus issues and divisions, consolidations or reclassifications of MGL's share capital not involving any cash payment or other distribution or compensation to or by Shareholders or to or by any entity in the MGL Group. Accordingly, as a result of other corporate actions of MGL, an investor in Securities may, upon Exchange, receive MGL Ordinary Shares worth significantly less than the nominal amount of the investor's Securities. The terms of the Securities do not restrict corporate actions that MGL may undertake. See "Description of the Securities — Exchange of Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off — Exchange Mechanics".

The number of MGL Ordinary Shares that an investor holding Securities subject to Exchange will receive on Exchange is based on the price of the MGL Ordinary Shares for a period before the Exchange occurs.

The number of MGL Ordinary Shares that a holder may receive upon an Exchange of Securities will be calculated in accordance with a formula which provides for a calculation based on a discounted five business day volume weighted average price (unless otherwise specified in the applicable Pricing Supplement). This period is retrospective, and means the period of 5 ASX Trading Days immediately preceding, but not including, the Exchange Date. The MGL Ordinary Shares may not be listed at the time that an Exchange is to occur. They may not have been listed for some period of time, for example, if MGL is acquired by another entity and delisted (and holders of the Securities would have no right to object to those actions if proposed). The MGL Ordinary Shares may not be able to be sold at prices representing the VWAP used to determine the number of shares to be issued, or at all. In particular, the VWAP will be based wholly or partly on trading days which occurred before the Exchange Event.

In addition, the calculation for the number of MGL Ordinary Shares that a holder may receive upon an Exchange of Securities relies upon a conversion of Australian dollar amounts (being the currency in which the MGL Ordinary Shares are denominated and are quoted on the ASX) to United States dollar amounts. For more information on the exchange mechanics see, "Description of the Securities — Exchange of Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off — Exchange Mechanics". There are risks that the exchange rate between Australian dollars and United States dollars may be subject to material changes, and the imposition or modification of exchange controls by the applicable governments which may also affect exchange rates. We have no control over the factors that generally affect these risks, including economic, financial and political events and the supply and demand for the applicable currencies. In recent years, exchange rates between certain currencies, including the exchange rate between the Australian dollar and U.S. dollar, have been highly volatile and volatility between these currencies or with other currencies may be expected in the future. Fluctuations in exchange rates in the past are not necessarily indicative, however, of fluctuations that may occur in the future. Depending upon the exchange rates prevailing around the time that an Exchange Event occurs, the number of MGL Ordinary Shares that an investor in the Securities actually receives upon an Exchange relating to a particular Exchange Event may be significantly less than the number of MGL Ordinary Shares the investor may have been received had the Exchange taken place on a different date or that the investor otherwise expected to receive, and that prospective investors could lose a substantial portion of their investment in these circumstances.

Holders of the Securities do not have anti-dilution protection in all circumstances.

The number of MGL Ordinary Shares to be issued upon an Exchange will be the Principal Amount of the Securities outstanding immediately prior to the Exchange Date as adjusted for the mechanics set forth in "Description of the Securities." There is no requirement that there should be an adjustment to the amount a holder of Securities receives upon an Exchange for every corporate or other event that may affect the market price of the MGL Ordinary Shares to be received upon an Exchange. In particular, any adjustment events that might be included will likely be less extensive than those often included in the terms of convertible securities. Accordingly, the occurrence of events in respect of which no adjustment to the price at which Securities are Exchanged may adversely affect the expected or market value of the Securities.

The tax consequences of holding MGL Ordinary Shares following an Exchange could be different for some categories of holder from the tax consequences for them of holding Securities.

Upon the occurrence of an Exchange Event, Securities may be Exchanged into MGL Ordinary Shares. The tax consequences of holding MGL Ordinary Shares following an Exchange could be different for some categories of holder from the tax consequences for them of holding Securities.

If an investor holding Securities subject to Exchange (i) notifies MBL that it does not wish to receive MGL Ordinary Shares as a result of the Exchange; (ii) is a Foreign Holder (as defined under the heading "Description of the Securities — Exchange of Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off — Exchange Mechanics"), or (iii) does not provide Australian securities account information or any other information required to record a transfer of MGL Ordinary Shares, the MGL Ordinary Shares that investor would receive on Exchange may be issued to a sale agent (which may not be MBL or any Related Entity of MBL (which has the meaning given by APRA from time to time)), who will endeavor to sell the MGL Ordinary Shares on behalf of that investor, and the sale agent will have no duty to obtain a fair market price in such sale.

To enable MGL to issue MGL Ordinary Shares to an investor on Exchange, the investor needs to have an appropriate securities account in Australia for the receipt of MGL Ordinary Shares and to provide to MBL or MGL their name and address and certain security holder account and other details. Each investor should understand that a failure to provide this information to MBL or MGL, or where the investor is a Foreign Holder or notifies MBL that it does not wish to receive MGL Ordinary Shares in connection with an Exchange, may result in MGL issuing the MGL Ordinary Shares to a sale agent which will endeavor to sell the MGL Ordinary Shares and pay the net proceeds therefrom (if any) to the investor. The sale agent will have no duty or obligation to seek a fair market price, or to engage in an arms-length transaction in such sale. MBL, MGL and the sale agent give no assurance as to whether a sale will be achieved or the price at which it may be achieved and each have no liability to holders of the Securities for any loss suffered as a result of the sale of MGL Ordinary Shares. In this situation, investors will have no rights against MBL or MGL in relation to the Exchange and may receive less value for the sale of such MGL Ordinary Shares than if such shares had been issued to the investor, or no value at all. See "Description of the Securities — Exchange of Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off — Exchange Mechanics" for more information.

An investor holding Securities subject to an Automatic Exchange Event will not receive MGL Ordinary Shares on an Exchange if MBL for any reason fails to effect the Exchange within 5 Business Days of the Automatic Exchange Date, including the performance of any Related Exchange Steps.

If due to an Automatic Exchange Event MBL is required to Exchange the Principal Amount outstanding of Securities but fails to do so within 5 Business Days of the Automatic Exchange Date for any reason including because it is prevented from doing so by applicable law, court order, government action or for any other reason, the Exchange will not occur and each Security or portion thereof which would be required to be Exchanged will be Written-Off. Subject to the previous sentence, if MGL Ordinary Shares are issued in connection with an Exchange but the transfer of the relevant Securities for those MGL Ordinary Shares has not occurred as described herein, in which case each Security or portion thereof which would be required to be Exchanged will be automatically terminated and written-off and the MGL Ordinary Shares shall be taken to be fully-paid in consideration of that termination and write-off. In these situations, holders will lose some or all of the value of their investment and will not receive any compensation or have any further recourse with respect to the lost value. The rules and regulations

of the ASX in certain circumstances limit MGL's ability, without shareholder approval, to issue MGL Ordinary Shares and other equity securities (which may include convertible notes) without the approval of holders of MGL Ordinary Shares ("Shareholders"). If the Exchange of Securities would contravene that limit, then MGL may be prevented from issuing MGL Ordinary Shares in Exchange for the Securities and such Securities may be required to be Written-Off. As at the date of this offering memorandum, MGL has obtained waivers from particular listing rules of the ASX in connection with the issue of the Securities which would mean that Shareholder approval would not be required in connection with the issue of MGL Ordinary Shares upon an Exchange. However, there can be no assurance that such waivers will remain in full force and effect, and will not have been modified or revoked, at the time that any Exchange is to take place.

As described further in "Description of the MGL Ordinary Shares", there are provisions of Australian law, including those that govern takeovers and foreign ownership limits, that are relevant to the ability of any person to acquire interests in MGL beyond the limits prescribed by those laws.

Investors should take care to ensure that by acquiring any Securities which provide for such Securities to be Exchanged into MGL Ordinary Shares as described under "Description of the Securities — Exchange of Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off" (taking into account any MGL Ordinary Shares into which they may Exchange), they do not breach any applicable restrictions on the ownership of their interests in MGL. If the acquisition of such Securities by the investor or a nominee or the Exchange of such Securities would breach those restrictions, MBL may be prevented from Exchanging such Securities and, where Exchange is required due to an Automatic Exchange Event, such Securities may be required to be Written-Off.

MGL may not issue the MGL Ordinary Shares in the case of an Automatic Exchange Event, in which case, Securities (which would otherwise have been Exchanged) will be Written-Off, and holders of such Securities will receive no consideration.

Upon an Automatic Exchange Event, if MGL fails to Exchange any Securities (or portions thereof) for MGL Ordinary Shares within 5 Business Days of the Automatic Exchange Date, such Securities (or the portions thereof), which would otherwise have been Exchanged, will be Written-Off. The rights of the holders of such Securities or portions thereof (including rights to payment of any Principal Amount, interest with respect to such Principal Amount and to be issued with MGL Ordinary Shares) will be immediately and irrevocably terminated for no consideration in respect of such amount Written-Off and holders of such Securities will receive no consideration for their investment. In addition, the holders of such Securities will have no recourse to MGL if MGL fails to issue MGL Ordinary Shares in respect of any Securities, or portions thereof, subject to Exchange and such Securities, or portions thereof, are then Written-Off.

An investor holding Securities may lose some or all of its investment if the Bank or MGL becomes insolvent.

Although the Securities may pay a higher rate of interest than debt securities which are not subordinated, there is a risk that an investor holding Securities may lose some or all of its investment should the Bank or MGL become insolvent.

The terms of the Securities do not limit the amount of the liabilities ranking senior to any Securities which may be incurred or assumed by the Bank from time to time, whether before or after the date of issue of the relevant Securities.

If the Bank is declared insolvent and a Winding-Up proceeding is initiated in respect of it, the Bank will be required to pay the holders of senior debt and meet its obligations to all its creditors (other than creditors in respect of Equal Ranking Obligations) in full before it can make any payments on the Securities. If this occurs, the Bank may not have enough assets remaining after these payments to pay amounts due under the relevant Securities.

In addition, all Securities will provide that (see "Description of the Securities — Interest"), the Bank is only permitted to make payments on such Securities if payment of the amount would not result in the Bank becoming, or being likely to become, insolvent for the purposes of the Australian Corporations Act.

Further, if the Bank is insolvent, an Automatic Exchange Event may have occurred in which case the Securities will be Exchanged or Written Off.

If MGL is declared insolvent and a Winding-Up proceeding is initiated, rights of the holders of MGL Ordinary Shares to participate in the surplus assets of MGL will (subject in respect of some statutory claims by shareholders for breach of statutory requirements) rank behind the claims of all creditors of MGL and behind the claims of holders of any class of shares issued by MGL which confer preferential rights to participate in the surplus assets. Such insolvency or Winding-Up proceedings may also affect the ability of MGL to issue MGL Ordinary Shares in connection with an Exchange and, if MGL is prevented from issuing the MGL Ordinary Shares within 5 Business Days of an Automatic Exchange Event, the relevant Securities will be Written-Off.

Insolvency and similar proceedings will be subject to Australian law.

In the event that the Bank or MGL becomes insolvent, insolvency proceedings are likely to be governed by Australian law or the law of another jurisdiction determined in accordance with Australian law. Australian insolvency laws are, and the laws of that other jurisdiction can be expected to be, different from the insolvency laws of certain other jurisdictions. In particular (i) the administration procedure under the Australian Corporations Act and regulations thereunder, which provides for the potential re-organization of an insolvent company, differs significantly from Chapter 11 under the United States Bankruptcy Code and may differ from similar provisions under the insolvency laws of other non-Australian jurisdictions, and (ii) in Australia, some statutory claims by shareholders for breach of statutory requirements can rank equally with or ahead of claims of other creditors. In connection with such insolvency proceedings generally, all debts payable by, and all claims against, the insolvent debtor, being debts or claims the circumstances giving rise to which occurred before the day on which the winding-up is taken to have commenced, will be admissible to proof in those proceedings. In these circumstances, a creditor will be entitled to lodge proof of any such debt owed to them (and thereby "prove" in respect of their debt) in those proceedings. For the purposes of proof, a claim in a currency that is not in Australian dollars is converted into Australian dollars at a rate prevailing at the date of commencement of the winding-up, such rate being determined either by a method agreed in the terms of the relevant debt or, if there is no such agreement, by a rate as specified in the Australian Corporations Act. Holders of Securities shall only be entitled to prove for any sums payable in respect of the Securities as a debt which is subject to, and contingent upon, prior payment in full of the Senior Creditors. See "Description of the Securities — Status and Subordination of Securities" for further information.

MBL is an ADI under the Australian Banking Act. The Australian Banking Act provides that, in the event an ADI becomes unable to meet its obligations or suspends payment, the ADI's assets in Australia are to be available to meet specified liabilities of the ADI in priority to all other liabilities of the ADI (including, the Securities). These specified liabilities include certain obligations of the ADI to APRA in respect of amounts payable by APRA to holders of protected accounts, other liabilities of the ADI in Australia in relation to protected accounts, debts to the RBA and certain other debts to APRA. A "protected account" is either (a) an account where the ADI is required to pay the account-holder, on demand or at an agreed time, the net credit balance of the account, or (b) another account or financial product prescribed by regulation. In addition, under the Australian Reserve Bank Act, debts due to the Reserve Bank of Australia by an ADI shall, in a Winding-Up, have priority over all other debts of the ADI other than debts due to the Commonwealth, but subject to the priorities under the Banking Act described above.

The Securities do not constitute protected accounts or deposit liabilities of MBL in Australia for the purposes of the Australian Banking Act and are not insured or guaranteed by the United States Federal Deposit Insurance Corporation or any government, governmental agency or compensation scheme of the United States, Australia, the United Kingdom or any other jurisdiction or by any other party.

The liabilities which are preferred by Australian law to the claims of a holder in respect of a Security will be substantial and the terms and conditions of the Securities do not limit the amount of such liabilities which may be incurred or assumed by MBL from time to time.

See "Description of the Securities — How the Securities rank against other debt" for further information on the ranking of the Securities in the event of a Winding-Up of MBL.

In addition, to the extent that the holders of the Securities or MGL Ordinary Shares are entitled to any recovery with respect to the Securities or MGL Ordinary Shares in any bankruptcy, or certain other events in bankruptcy, insolvency, dissolution or reorganization relating to MBL or MGL, as the case may be, those holders might not be entitled in such proceedings to a recovery in U.S. dollars and might be entitled only to a recovery in Australian dollars.

There are no events of default under the terms of the Securities. Accordingly, an investor holding Securities has limited remedies available for non-payment of amounts owing and for other breaches of our obligations.

There are no defaults or events of default under the terms of the Securities. As a result, your remedies as a holder of the Securities for any breach or failure of our obligations under the terms of the Securities are very limited. A holder has no right to institute proceedings for the Winding-Up of the Bank and may prove in any Winding-Up of the Bank for the Principal Amounts of the Securities only on a subordinated basis after all prior ranking claims have been paid. In particular, the holder of a Security will not be entitled to exercise any right of set-off or counterclaim against amounts owing by the Bank in respect of such Securities. Additionally, because the Securities are perpetual, payment on the Securities cannot be accelerated upon a breach, other than on the occurrence of our Winding-Up.

The remedies of a holder in respect of any failure of MGL to issue the MGL Ordinary Shares are limited in accordance with the terms of the Securities and the MGL Deed of Undertaking, which provide that holders have no rights against MGL in respect of the Securities other than (and subject always to where Write-Off applies) to seek specific performance of the obligation to issue the MGL Ordinary Shares. Specific performance is in the discretion of the court and may not be granted.

Additionally, the remedies under the Securities are more limited than those typically available to our unsubordinated creditors. No interest will be due and payable if such interest is not paid due to a Payment Exception (in each case, in whole or in part) as described under "Description of the Securities" pursuant to any Payment Exceptions or an Exchange Event or Write-Off. Accordingly, no default in payment or otherwise under the Securities will have occurred or be deemed to have occurred in such circumstances.

Following the occurrence of an Exchange, all of the Issuer's obligations under the Securities that are Exchanged shall be irrevocably and automatically released in consideration of the Issuer's issuance of MGL's Ordinary Shares on the Exchange Date, and no principal or interest can become due and payable after such date. An Exchange will not constitute a default under the terms of Securities.

No rights to set-off.

Neither the Bank nor a holder of a Security has any contractual right to set-off any sum at any time payable to a holder or the Bank (as applicable) under or in relation to the Security against amounts owing by the holder to the Bank or by the Bank to the holder (as applicable).

Matters requiring the consent of a defined majority of holders.

The terms of the Securities and the Fiscal Agency Agreement require the prior consent or approval of holders of the Securities in order for certain actions to be taken or things to be done, and permit defined majorities of holders to bind all holders (including holders who did not vote on the relevant matter (which may be a substantive issue), and holders who voted in a manner contrary to the majority). See "Description of the Securities — Modification of the Securities, the Fiscal Agency Agreement or the MGL Deed of Undertaking and Waiver of Covenants".

The Issuer has broad rights to redeem the Securities in the event of certain tax and regulatory events and the Issuer's exercise of such rights of redemption may adversely affect your return on the Securities.

The Issuer may not redeem or repurchase the Securities for any reason, unless it obtains the prior written approval of APRA. Prospective purchasers of Securities should not expect that APRA's approval will be given for any redemption or repurchase of any Securities. However, subject to APRA's approval, which may not be given, the Issuer may redeem or repurchase the Securities if:

(a) the Securities to be redeemed or repurchased are replaced (concurrently with the redemption or repurchase or beforehand) with Tier 1 Capital of the same or better quality, and the replacement or repurchase of those Securities is done under conditions which are sustainable for the income capacity of the "MBL Level 1 Group" and the "MBL Level 2 Group", or

(b) APRA is satisfied that the capital positions of the "MBL Level 1 Group" and the "MBL Level 2 Group" are sufficient after the Securities are redeemed or repurchased, see "Description of the Securities — Redemption of Securities under certain circumstances — Approval of APRA" in this offering memorandum.

In addition, the Securities may, with the prior written approval of APRA, be redeemed, in whole (but not in part), at the option of the Issuer following the occurrence of a Regulatory Event or a Tax Event, or on any Reset Date (in each case, as defined in this offering memorandum under the heading "Description of the Securities — Redemption of Securities under certain circumstances"). A Tax Event occurs, for example, where due to an amendment or change to the laws or regulations in Australia or any Relevant Foreign Jurisdiction affecting taxation, or any official application or interpretation thereof (in each case, which was not expected by the Bank as at the Issue Date), the Issuer would be obliged to increase the amounts payable in respect of any Securities due to any withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Bank's taxing jurisdiction or the Issuer or any member of the MGL Group is or will become exposed to more than a *de minimis* amount of taxes, duties, assessments, costs or other governmental charges on the Securities, including, without limitation, more than a *de minimis* adverse change in the deductibility of interest payments on the Securities under the laws of the Relevant Foreign Jurisdiction.

A Regulatory Event occurs, for example, where a law or regulation in Australia or any Relevant Foreign Jurisdiction is introduced, amended or changed, after the Issue Date of the Securities (which was not expected by the Bank as at the Issue Date), and the Issuer determines, as a result of such change, (i) any of the Securities are not eligible for inclusion as Tier 1 Capital of the "MBL Level 1 Group" or the "MBL Level 2 Group", (ii) additional requirements would be imposed on the Bank, or MGL or any other member of MGL Group, which the Bank determines, in its absolute discretion, might have a material adverse effect on the Bank, MGL or any other member of MGL Group, or (iii) that to have any of the Securities outstanding would be impractical or that the Bank, MGL or any other member of MGL Group would be exposed to a more than *de minimis* increase in its costs in connection with the Securities.

Such redemption options are broad. There are a number of events that could expose us to "a more than a de minimis amount of taxes, duties, assessments, costs or other governmental charges" on the Securities that, subject to APRA providing its prior written approval, which may not be given, would allow us to exercise a redemption of the Securities upon a Tax Event. The Tax Event redemption option will only apply if there is an exposure to such tax changes applicable to the Securities after the Issue Date. It is not possible for us to specify now all the ways in which a change of law may expose us to a more than *de minimis* amount of taxes, duties, assessments, costs or other governmental charges applicable to the Securities and give us a Tax Event redemption option.

It is not possible to predict whether or not any change in the laws of Australia or a Relevant Foreign Jurisdiction or a change in APRA's prudential standards, or any of the other events referred to above, will occur and give us an option to redeem the Securities pursuant to a Tax Event or a Regulatory Event and, if so, whether or not we will elect to exercise such redemption option.

Additionally, if the Securities are redeemed, they may be redeemed at times when prevailing interest rates are lower than when holders invested in the Securities. As a result, holders may not be able to reinvest the redemption proceeds in a comparable security with an effective interest rate equal to or higher than that applicable to the Securities being redeemed.

The capital adequacy of MBL, which could affect whether an Exchange or Write-Off occurs, will be affected by its business decisions and, in making such decisions, MBL's interests may not be aligned with those of the holders of the Securities.

MBL's capital adequacy could be affected by a number of factors, including the changing of such requirements by APRA and MBL's regulators. It will also depend on the MBL's decisions relating to its businesses and operations, as well as the management of its capital position. MBL will have no obligation to consider the interests of the holders of the Securities in connection with its strategic decisions, including in respect of its capital management. Holders of the Securities will not have any claim against MBL, MGL or any other member of the MGL Group or MBL Group relating to decisions that affect the business and operations of such entities, including their capital position, regardless of whether they result in the occurrence of an Exchange or Write-Off. Such decisions could cause holders of the Securities to lose all or part of the value of their investment in the Securities.

If, under certain circumstances, MBL or MGL is merged or consolidated into another entity, or substantially all of their assets are sold to another entity, such entity need not assume the obligations under the Securities, unless it causes an Acquisition Event.

MBL and MGL are permitted to consolidate or merge with another company or other entity or to sell substantially all of their assets to another company or entity where required to do so by APRA (or a statutory manager or a similar official) under applicable law or prudential regulation in Australia or where determined by the respective directors or by APRA (or a statutory manager or a similar official) to be necessary in order for MBL or MGL to be managed in a sound or prudent manner or for MBL or MGL, or APRA (or a statutory manager or a similar official), to resolve any financial difficulties affecting each of them. In either case, such entity need not assume the obligations under the Securities, and holders of the Securities may have no recourse to such entity and no grounds to require repayment of the Principal Amount of the Securities on account of that consolidation or merger, unless it causes an Acquisition Exchange Event. In particular, such a transaction may be effected in certain circumstances by APRA under the Australian FSBT Act, pursuant to which some or all of MBL's assets or liabilities may be transferred to another authorized deposit taking institution (see "— APRA has powers to issue directions to MBL and MGL and, in certain circumstances, to appoint an ADI statutory manager to take control of MBL's business" below). Such a merger, consolidation, or asset sale, whether or not effected by APRA, may not be an Acquisition Exchange Event and affect the value of the Securities and the likelihood of MBL making payment to holders of any amount due under their Securities.

APRA has powers to issue directions to MBL and MGL and, in certain circumstances, to appoint an ADI statutory manager to take control of MBL's business.

Under the Australian Banking Act, APRA has powers to issue directions to MBL and MGL and, in certain circumstances, to appoint an ADI statutory manager to take control of MBL's business. In addition, APRA may, in certain circumstances, require MBL to transfer all or part of its business to another entity under the Australian FSBT Act. A transfer under the Australian FSBT Act overrides anything in any contract or agreement to which MBL is party, including the terms of the Securities.

The powers of APRA and the powers of any ADI statutory manager (appointed to MBL):

- are broad and include a power of the statutory manager to cancel shares or any right to acquire shares in MBL, and may be exercised to intervene in the performance of obligations and the exercise of rights under the Securities; and

- may be exercised in a way which adversely affects the ability of MBL or MGL to comply with their respective obligations in respect of the Securities (including in connection with the Exchange of Securities),

and this may adversely affect the position of holders of the Securities.

APRA's powers under the Australian Banking Act and Australian FSBT Act are discretionary and may more likely be exercised by it in circumstances where MBL or MGL is in material breach of applicable banking laws and/or regulations or is in financial distress, including where MBL or MGL has contravened the Australian Banking Act (or any related regulations or other instruments made, or conditions imposed, under that Act) or where MBL has informed APRA that it is likely to become unable to meet its obligations, or that it is about to suspend payment. In these circumstances, APRA is required to have regard to protecting the interests of MBL's depositors and to the

stability of the Australian financial system, but not necessarily to the interests of other creditors of MBL (including holders of the Securities) and MGL.

The Commonwealth Treasury of Australia announced in September 2012 a consultation on a series of reform proposals directed at strengthening APRA's crisis management powers. Submissions closed in December 2012; however the Commonwealth Treasury of Australia is yet to release an official response to the submissions received. If implemented, these proposals could lead to some changes (for example, a broadening of APRA's powers to appoint an ADI statutory manager) to the Australian law matters described above. The Financial System Inquiry recommended that the issues raised in that consultation be pursued and the Government has endorsed that recommendation.

You may not be able to enforce judgments obtained in U.S. courts against the Bank or MGL.

The Bank and MGL are incorporated in Australia, most of their respective directors and executive officers reside outside the United States and most of the assets of the Bank and MGL and their respective directors and executive officers are located outside the United States. You may not be able to effect service of process on their directors and executive officers or enforce judgments against them or the Bank or MGL outside the United States. The Bank and MGL have been advised by their Australian counsel that there is doubt as to whether an Australian court would enforce a judgment of liability obtained in the United States against the Bank or MGL predicated solely upon the securities laws of the United States.

The Securities' credit ratings may not reflect all risks of an investment in the Securities and a downgrade, suspension or withdrawal of the rating assigned by any rating agency to the Securities could cause the liquidity or market value of the Securities to decline.

Upon issuance, it is expected that the Securities will be rated by S&P and Moody's and may in the future be rated by additional rating agencies. However, we are under no obligation to ensure the Securities are rated by any rating agency and any rating initially assigned to the Securities may be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, circumstances relating to the basis of the rating, such as adverse changes to our business, so warrant. In addition, the credit ratings of the Securities may not reflect the potential impact of all risks related to structure and other factors on any trading market for, or trading value of, the Securities. In addition, real or anticipated changes in the credit ratings of the Securities, including any suspension, reduction or withdrawal of a rating by a rating agency, will generally affect any trading market for, or trading value of, the Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, cancellation, reduction or withdrawal at any time by the assigning rating agency. If the Issuer determines to no longer maintain one or more ratings, or if any rating agency lowers or withdraws its rating, such event could reduce the liquidity or market value of the Securities.

The Securities and MGL Ordinary Shares to be issued upon Exchange are subject to transfer restrictions.

The Securities have not been, and will not be, registered under the Securities Act or any other applicable securities laws and are being offered hereby to QIBs in transactions that are either exempt from registration pursuant Rule 144A under the Securities Act or to non-U.S. persons outside of the United States in offshore transactions that are not subject to registration in reliance on Regulation S. Accordingly, the Securities (for so long as they remain outstanding) and MGL Ordinary Shares to be issued upon Exchange are subject to certain restrictions on the resale and other transfer thereof as set forth under "Important Notices" and "Plan of Distribution". As a result of these restrictions, there can be no assurance as to the existence of a secondary market for the Securities or the liquidity of such market if one develops. Consequently, investors must be able to bear the economic risk of an investment in your Securities for an indefinite period of time.

There may not be any trading market for the Securities and many factors affect the trading and market value of the Securities, including restrictions on transferability in the United States.

Upon issuance, the Securities may not have an established trading market. We cannot ensure that a trading market for your Securities will ever develop or be maintained if developed. Although application has been made for the listing and quotation of the Securities on the SGX-ST, there is no guarantee that the application will be

approved. Even if approval in-principle is obtained from the SGX-ST for the listing and quotation of the Securities on the SGX-ST, no assurance can be given that an active trading market for the Securities will develop or as to the liquidity or sustainability of any such market, the ability of holders to sell their Securities or the price at which holders will be able to sell their Securities. Even if an active trading market were to develop, the Securities could trade at prices that may be lower than the initial offering price.

In addition to the Bank's creditworthiness and solvency, many factors affect the trading market for, and trading value of, the Securities. These factors include but are not limited to:

- specific features of these Securities, including the subordination, Exchange and Write-Off provisions;
- the Principal Amount of the Securities;
- the redemption features of the Securities;
- the level, direction and volatility of market interest rates and exchange rates generally;
- investor confidence and market liquidity; and
- our financial condition and results of operations.

There may be a limited number of buyers or no buyers at all when holders decide to sell the Securities. The Securities may only be resold or transferred (i) pursuant to the exemption from the registration requirements of the Securities Act provided by Rule 144A, (ii) in a transaction not subject to registration under the Securities Act in reliance on Regulation S, (iii) to the Bank or any of its subsidiaries, or (iv) to an Agent. We and/or our affiliates have no obligation to make a market with respect to the Securities and make no commitment to make a market in or repurchase the Securities. These factors may affect the price investors receive for such Securities or the ability to sell such Securities at all. In addition, Securities that are designed for specific investment objectives or strategies often experience a more limited trading market and more price volatility than those not so designed. An investor should not purchase the Securities unless they understand and know that they can bear all of the investment risks involving the Securities.

Because the Securities will be issued in the form of Global Securities held by or on behalf of DTC, and/or an alternative clearing system, holders of Securities will have to rely on their procedures for transfer, payment and communication with the Issuer.

Securities may be represented by one or more Global Securities. Such Global Securities will be deposited with a custodian for DTC and/or an alternative clearing system (collectively or individually, the "Depositary"). Investors will not be entitled to Securities in definitive form. The Depositary, or its nominee, will be the sole registered owner and holder of all Securities represented by a Global Security, and investors will be permitted to own only indirect interests in a Global Security. Indirect interests must be held by means of an account with a broker, bank or other financial institution that in turn has an account with the Depositary or with another institution that does. Thus, an investor whose Security is represented by a Global Security will not be a holder of the Security, but only an indirect owner of an interest in the Global Security. As an indirect owner, an investor's rights relating to a Global Security will be governed by the account rules of the Depositary and those of the investor's financial institution or other intermediary through which it holds its interest (e.g., Euroclear or Clearstream, Luxembourg, if DTC is the Depositary), as well as general laws relating to securities transfers. We do not recognize this type of investor or any intermediary as a holder of Securities and instead deal only with the Depositary that holds the Global Security. An investor in a Global Security will be an indirect holder and must look to its own bank or broker for payments on the Securities and protection of its legal rights relating to the Securities.

See "Description of the Securities — Payment mechanics for Securities" and "Legal Ownership and Book-Entry Issuance" for further discussion of the risks associated with holding Global Securities.

MBL may be treated as a passive foreign investment company, which could result in adverse U.S. federal income tax consequences to U.S. investors.

In general, MBL will be treated as a passive foreign investment company ("PFIC") for any taxable year in which either (1) at least 75% of MBL's gross income (looking through certain 25% or more-owned corporate subsidiaries) is passive income or (2) at least 50% of the average value of MBL's assets (looking through certain 25% or more-owned corporate subsidiaries) is attributable to assets that produce, or are held for the production of, passive income. Passive income generally includes dividends, interest, rents, royalties, and gains from the disposition of passive assets. However, some income and assets that would ordinarily be categorized as passive under the rules above would not be so categorized if the assets are used and the income is derived in the active conduct of a banking business by an active foreign bank.

MBL has not determined whether it has previously been a PFIC for any year, or whether it will be a PFIC in 2017 or future years. Because PFIC status is determined annually and is based on MBL's income, assets and activities for the entire taxable year, there can be no assurance that MBL will not be classified as a PFIC in any year. If MBL were characterized as a PFIC for U.S. federal income tax purposes in any taxable year during which a U.S. investor owns the Securities, such U.S. investor could face adverse U.S. federal income tax consequences such as increased U.S. federal income tax liability and additional reporting requirements. A "qualified electing fund" election may alleviate some of the adverse consequences of PFIC status; however, MBL does not intend to provide the information necessary for U.S. investors to make qualified electing fund elections if MBL is classified as a PFIC. We urge U.S. investors to consult their own tax advisors regarding the possible application of the PFIC rules.

USE OF PROCEEDS

The Bank intends to use the net proceeds from the sales of Securities to fund the activities of its London branch.

DESCRIPTION OF THE SECURITIES

In this section entitled "Description of the Securities", references to the "Bank," "we", "us", "our" and similar references are to MBL or the Issuer (as applicable) only and not to MBL Group or MGL Group.

The Securities will be issued under a Second Amended and Restated Fiscal Agency Agreement, to be dated on or around March 8, 2017, between MBL and The Bank of New York Mellon, as fiscal agent (the "Fiscal Agent" and the "Fiscal Agency Agreement", respectively).

The Securities are perpetual and have no maturity date unless redeemed earlier, Exchanged for MGL Ordinary Shares or Written-Off, as described below. Interest will be payable on the Securities (i) semiannually in arrears on March 8 and September 8 of each year, beginning on September 8, 2017 and (ii) on any Acquisition Exchange Date, in each case at an initial rate of 6.125% per annum up until the tenth anniversary of the original issue date of the Securities and thereafter, for each Interest Payment Date occurring during any Interest Period, the interest rate payable on the Securities will equal the Reference Rate applicable to the Interest Period plus the Margin. Such interest will be paid to the persons in whose names the Securities are registered at the close of business on the fifteenth day (whether or not a Business Day) next preceding such Interest Payment Date (the "Regular Record Date"). Interest will be paid on the basis of a 360-day year comprised of twelve 30-day calendar months. See "— Payment mechanics for Securities" below for further information.

The Securities will be our fully paid, perpetual, unsecured, direct, subordinated and general obligations ranking *pari passu* without any preference among themselves and, in our Winding-Up, subject to a Write-Off, will rank behind the claims of all Senior Creditors, equally with Equal Ranking Obligations and ahead of MBL Ordinary Shares, as further described below under "— How the Securities rank against other debt" and "— Status and Subordination of Securities". The following table represents MBL's debt obligations and ordinary equity and reserves by category, including Senior Creditors, Equal Ranking Obligations and MBL Ordinary Shares and reserves as at September 30, 2016:

	As at	
	September 30, 2016	**September 30, 2016**
	US$bn[1]	**A$bn**
Senior Creditors[2]	**125.3**	**163.4**
Bank Capital Notes[3]	**0.3**	**0.4**
Macquarie Income Securities[4]	**0.3**	**0.4**
Perpetual Junior Subordinated Notes[5]	**0.3**	**0.3**
Total Equal Ranking Obligations[6]	**0.9**	**1.1**
MBL Ordinary Shares and reserves	**9.3**	**12.1**
TOTAL LIABILITIES AND ORDINARY EQUITY AND RESERVES	**135.4**	**176.6**

1 Conversions of Australian dollars to U.S. dollars have been made at the noon buying rate on September 30, 2016, which was US$0.7667 per A$1.00. See "Exchange rates" for further information on the historical rates of exchange between the Australian dollar and the U.S. dollar.

2 Senior Creditors include prior ranking subordinated instruments, such instruments forming part of the Tier 2 Capital of MBL, which at September 30, 2016 totalled A$3.0 billion outstanding.

3 Bank Capital Notes ("BCNs") means the A$429,000,000 perpetual subordinated notes of MBL issued by MBL in 2014. BCNs are convertible subordinated notes that are included as Additional Tier 1 Capital for MBL. Subject to various conditions, BCNs are callable on March 24, 2020, September 24, 2020 and March 24, 2021, and if still in force, will be mandatorily exchanged for a variable number of MGL Ordinary Shares on March 24, 2023.

4 Macquarie Income Securities are the preference shares forming part of the stapled security known as the Macquarie Income Securities issued by MBL in 1999.

5 Perpetual junior subordinated notes are the US$250,000,000 10.25% perpetual junior subordinated notes issued by the Issuer in 2012.

[6] Equal Ranking Obligations has the meaning given under the heading "— Exchange of Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off".

As at September 30, 2016, the entitlements of our Senior Creditors plus the entitlements against our subsidiaries to which the Securities are "structurally subordinated" amounted to A$163.4 billion and we had A$1.1 billion of outstanding Equal Ranking Obligations and A$12.1 billion of Ordinary Shares and reserves.

If an Automatic Exchange Event occurs prior to the redemption of the Securities, the Principal Amount (or a portion thereof) of some or all of the Securities will immediately be Exchanged for a whole number of MGL Ordinary Shares and if an Acquisition Event occurs prior to the redemption of the Securities, unless the Directors determine that an Acquisition Exchange Exception applies (in which circumstance no Exchange will occur and no other action would be required to be taken in relation to the Securities on account of that Acquisition Event), the Principal Amount (or a portion thereof) of some or all of the Securities will be Exchanged for MGL Ordinary Shares in whole. Upon such Exchange the rights of the relevant holders of such Securities in respect of the Principal Amount (or the portion thereof Exchanged) will be immediately and irrevocably terminated in respect of such amount Exchanged with effect from the Exchange Date.

A Non-Viability Event occurs when APRA (i) issues a written notice to MBL that it is necessary that Relevant Tier 1 Securities (including the Securities) be subject to Loss Absorption because, without such Loss Absorption, APRA considers that MBL would become non-viable, or (ii) notifies MBL in writing that it has determined that, without a public sector injection of capital or equivalent support, MBL would become non-viable.

A Common Equity Tier 1 Trigger Event occurs when MBL determines, or APRA has notified MBL in writing that it believes, that either or both of the Common Equity Tier 1 Ratios in respect of the MBL Level 1 Group and the MBL Level 2 Group is equal to or less than 5.125%.

An Acquisition Event occurs when (a) a takeover bid is made to acquire all or some MBL Ordinary Shares or MGL Ordinary Shares and the offer is, or becomes, unconditional and as a result of the bid the bidder (and its associates as defined in section 12 of the Australian Corporations Act) has a relevant interest in more than 50% of the MBL Ordinary Shares or MGL Ordinary Shares on issue; (b) a court approves a scheme of arrangement which, when implemented, will result in a person (and its associates as defined in section 12 of the Australian Corporations Act) having a relevant interest in more than 50% of the MBL Ordinary Shares or MGL Ordinary Shares on issue; or (c) a person together with its associates as defined in section 12 of the Australian Corporations Act; (i) acquires or comes to hold beneficially more than 50% of the voting shares (as defined in the Australian Corporations Act) in the capital of MBL or MGL; or (ii) enters into an agreement to beneficially acquire more than 50% of the voting shares (as defined in the Australian Corporations Act) in the capital of MBL or MGL and the agreement to acquire is, or becomes, unconditional, subject to certain exceptions.

If the amount of our Ordinary Shares and reserves are not sufficient to satisfy APRA's capital requirements, some or all of our Relevant Tier 1 Securities, including the Securities, will be subject to Exchange or Write-Off. See "— Exchange of Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off" below. As at September 30, 2016, we had $12.1 billion of outstanding MBL Ordinary Shares and reserves, $1.1 billion of outstanding Relevant Tier 1 Securities and $3.0 billion of outstanding Relevant Tier 2 Securities.

If, for any reason, Exchange has not occurred within 5 Business Days of the Automatic Exchange Date, then Exchange will not occur and each Security, or portion thereof, which would otherwise have been Exchanged, will be Written-Off. Subject to the previous sentence, if MGL Ordinary Shares are issued in connection with an Exchange but the transfer of the relevant Securities for those MGL Ordinary Shares has not occurred as described herein, in which case each Security or portion thereof which would be required to be Exchanged will be automatically terminated and written-off and the MGL Ordinary Shares shall be taken to be fully-paid in consideration of that termination and write-off. See "— Exchange of Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off" below.

The Securities may, with the prior written approval of APRA and the satisfaction of certain conditions regarding the replacement of the Securities with Tier 1 Capital of the same or better quality and maintenance of acceptable capital requirements, be redeemed at the option of the Issuer, in whole, but not in part, following the occurrence of a

Regulatory Event or a Tax Event (in each case, as defined under the heading "— Redemption of Securities under certain circumstances" below), or on any Reset Date.

The Securities are initially being offered in the Principal Amount of US$750,000,000.

The Securities will be issued only in fully registered form and in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof.

The Securities will be represented by one or more global certificates deposited with a custodian for DTC and registered in the name of such common depositary or its nominee. You will hold beneficial interests in the Securities through DTC and its direct and indirect participants, and such direct and indirect participants will record your beneficial interest on their books. The Agents expect to deliver the Securities through the facilities of DTC against payment in immediately available funds on or about March 8, 2017. Secondary market trading through DTC will occur in the ordinary way following the applicable rules and operating procedures of DTC, Clearstream, Luxembourg and Euroclear. See "Legal Ownership And Book-Entry Issuance — Clearance and Settlement" for more information about these clearing systems (the "Clearing Systems").

Definitive debt securities will only be issued in the limited circumstances described under "Legal Ownership And Book-Entry Issuance — Special Situations when a Global Security will be Terminated".

Payment of principal of and interest (if any) on the Securities, so long as the Securities are represented by Global Securities, will be made in immediately available funds. Owners of book-entry interests in the Securities will receive payments relating to their Securities in U.S. dollars. Beneficial interests in the Global Securities will trade in the same-day funds settlement system of DTC, and secondary market trading activity in such interests will therefore settle in same-day funds.

The Securities will be issued under the Fiscal Agency Agreement

The Fiscal Agency Agreement and its associated documents, including your Security, contain the full legal text of the matters described in this section entitled "Description of the Securities". This section is a summary only and does not describe every aspect of the Fiscal Agency Agreement and your Security. For example, in this section, we use terms that have been given special meaning in the Fiscal Agency Agreement, but we describe the meaning of only the more important of those terms.

The Fiscal Agency Agreement and the Securities are governed by New York law, except as to authorization and execution by us and the subordination, exchange and write-off provisions, which are governed by the laws of the State of New South Wales, Australia and the Commonwealth of Australia.

A copy of the Fiscal Agency Agreement (which includes the Securities) is available for inspection during normal business hours at the office of the Fiscal Agent.

The Fiscal Agent performs administrative duties for us such as sending interest payments and notices to holders. See "— Our relationship with the Fiscal Agent" below for more information about the Fiscal Agent.

We may issue other debt securities

The Fiscal Agency Agreement and the Securities do not limit our ability to incur other indebtedness or to issue other securities. Also, we are not subject to financial covenants or similar restrictions by the terms of the Securities or the Fiscal Agency Agreement.

Interest

The interest payable on the Securities in respect of a specified Principal Amount on any Interest Payment Date shall be calculated according to the following formula:

$$\text{Interest} = \frac{\text{Interest Rate} \times \text{Principal Amount}}{2}$$

and, in the case of any other date, shall be calculated in respect of each specified Principal Amount having regard to the Interest Rate and the number of days from (and including) the immediately preceding Interest Payment Date to (but excluding) that date on the basis of a 360-day year of twelve 30-day months. Interest on the Securities will be payable at an initial rate of 6.125% per annum up until the Initial Reset Date of the Securities and thereafter, for each Interest Payment Date occurring during any Interest Period, the interest rate payable on the Securities will equal the Reference Rate applicable to the Interest Period plus the Margin.

Payments of amounts of interest and Additional Amounts (as defined in "—Payment of Additional Amounts" below) will be made unless:

- the Directors, in their absolute discretion, determine that the amount is not to be paid to holders of the Securities;
- payment of the amount would result in MBL breaching APRA's capital adequacy requirements applicable to it;
- payment of the amount would result in MBL becoming, or being likely to become, insolvent for the purposes of the Australian Corporations Act; or
- APRA objects to the payment of the amount (collectively, the "Payment Exceptions").

For further information on the second bullet above, see "Risk factors — In addition to the Issuer's right to cancel (in whole or in part) interest payments at any time, the terms of the Securities also restrict the Issuer from making interest payments on the Securities in certain circumstances, in which case such interest shall be deemed to have been cancelled. Interest that is deemed cancelled shall not be due and shall not accumulate or be payable at any time thereafter and you shall have no rights thereto".

In determining not to pay any amount of interest or any Additional Amount, the Directors shall consider payments of such amounts as if they were payments of dividends on a preference share which is an Equal Ranking Obligation. If all or any part of an amount will not be paid in whole or part because of any Payment Exception, the Issuer must give notice to the Fiscal Agent promptly after determining or becoming aware that payment will not be made.

Interest amounts and Additional Amounts in respect of interest amounts, payable on the Securities are non-cumulative. If all or any part of any such amount is not paid because of any Payment Exception, the Issuer has no liability to pay the unpaid amount and holders of the Securities have no claim or entitlement in respect of any person in respect of such non-payment and such non-payment does not constitute a default or an event of default however described, determined or defined. No interest accrues or Additional Amount is payable on any unpaid amount in respect of the Securities and the holders of the Securities have no claim or entitlement in respect of interest or Additional Amounts on any unpaid amount.

If, for any reason, any amount of interest, or any Additional Amount in respect of an interest amount, has not been paid in full on the relevant Interest Payment Date (the "Missed Interest Payment Date"), a Dividend Restriction shall apply from that date until the next Interest Payment Date unless the relevant amount is paid in full within 10 Business Days of the Missed Interest Payment Date. The Dividend Restriction does not apply:

- in connection with any employment contract, employee equity plan, other benefit plan or other similar arrangement with or for the benefit of any one or more employees, officers, directors or consultants of a member of the MGL Group; or

- to the extent that at the time such amount has not been paid on the relevant Interest Payment Date, MBL is legally obliged to pay on or after that date a MBL Ordinary Share dividend or is legally obliged to complete on or after that date a Buy-Back or Capital Reduction.

How the Securities rank against other debt

The Securities will not be secured by any of our property or assets. Thus, by owning a Security, you are one of our unsecured creditors.

The Securities are subordinated to all of our existing and future debt and other liabilities, other than MBL Ordinary Shares. See "— Status and Subordination of Securities" below for additional information on how subordination limits the ability of holders of Securities to receive payment or pursue other rights if we fail to fulfill an obligation hereunder or have certain other financial difficulties. The Securities rank, in a Winding-Up of MBL, behind the claims of all Senior Creditors (which includes MBL's depositors, MBL's general unsubordinated creditors (including trade creditors), prior ranking subordinated creditors (including instruments forming part of the Tier 2 Capital of MBL) and obligations of MBL that are preferred by mandatory provisions of law (including under the Australian Banking Act and Australian Reserve Bank Act as described further below)), equally with Equal Ranking Obligations and ahead of MBL Ordinary Shares (as further described below under "— Status and Subordination of Securities").

MBL is an ADI under the Australian Banking Act. The Australian Banking Act provides that, in the event an ADI becomes unable to meet its obligations or suspends payment, the ADI's assets in Australia are to be available to meet specified liabilities of the ADI in priority to all other liabilities of the ADI (including, the Securities). These specified liabilities include certain obligations of the ADI to APRA in respect of amounts payable by APRA to holders of protected accounts, other liabilities of the ADI in Australia in relation to protected accounts, debts to the RBA and certain other debts to APRA. A "protected account" is either (a) an account where the ADI is required to pay the account-holder, on demand or at an agreed time, the net credit balance of the account, or (b) another account or financial product prescribed by regulation.

In addition, under the Australian Reserve Bank Act, debts due to the RBA by an ADI shall, in the Winding-Up, have priority over all other debts other than debts due to the Commonwealth.

The Securities do not constitute protected accounts or deposit liabilities of MBL in Australia for the purposes of the Australian Banking Act and are not insured or guaranteed by the United States Federal Deposit Insurance Corporation or any government, governmental agency or compensation scheme of the United States, Australia, the United Kingdom or any other jurisdiction or by any other party.

The liabilities which are preferred by law to the claim of a holder in respect of a Security will be substantial and the terms and conditions of the Securities do not limit the amount of such liabilities which may be incurred or assumed by MBL from time to time.

Status and Subordination of Securities

The Securities will be our fully paid, perpetual, unsecured, direct, subordinated and general obligations ranking *pari passu* without any preference among themselves.

The Securities will be Exchanged for MGL Ordinary Shares in the circumstances described in "— Exchange of Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off" below.

The rights and claims of the holders of the Securities are, in a Winding-Up of MBL, expressly subject to the conditions, and subordinated on the basis set out below.

Upon a Winding-Up of the Bank

In our Winding-Up, the rights of the holders of the Securities against us to recover any sum payable in respect of the Securities:

(i) shall be subordinate and junior in right of payment to our obligations to Senior Creditors, to the extent that all claims in respect of such obligations to Senior Creditors shall be entitled to be paid in full before any payment shall be paid on account of any sums payable in respect of such Security, and any other liabilities that are preferred by mandatory provisions of law (including under the Australian Banking Act and Australian Reserve Bank Act);

(ii) shall rank *pari passu* and ratably (as to its due proportion only) with our other subordinated creditors in respect of Equal Ranking Obligations; and

(iii) shall be senior and rank ahead in right of payment to our obligations in respect of MBL Ordinary Shares.

If an order of a court of competent jurisdiction in Australia is made (other than an order successfully appealed or permanently stayed within 30 days), or an effective resolution passed, for our Winding-Up in Australia, we are liable to redeem each Security for its Principal Amount in accordance with the terms herein. In a Winding-Up of MBL in Australia, the holder of the Securities is entitled, subject to the terms herein, to claim on a subordinated basis in accordance with the subsequent paragraph for payment of an amount equal to the Principal Amount but has no further or other claim on MBL in the Winding-Up.

In our Winding-Up, holders shall be entitled to prove only for any sums payable in respect of the Securities as a debt which is subject to, and contingent upon prior payment in full of, the Senior Creditors and the holder of the Securities shall be entitled to claim for payment of an amount equal to the Principal Amount and that claim ranks equally with all Equal Ranking Obligations. By their purchase of or by holding interests in Securities, the holders of the Securities will be taken to have waived to the fullest extent permitted by law any right to prove in any such Winding-Up as creditors ranking for payment in any other manner.

Neither we nor a holder of the Securities shall be entitled to:

(i) set-off against any amounts owing in respect of the Securities held by such holder any amount held by the holder to our credit whether in any account, in cash or otherwise, nor any of our deposits, advances or debts, or any other amount owing by the holder of the Securities to us on any account whatsoever; or

(ii) effect any reduction of the amount due to such holder in respect of the Securities by merger of accounts or lien or the exercise of any other rights the effect of which are or may be to reduce the amount due in respect of such Securities.

Any payment, whether voluntary or in any other circumstances received by a holder of the Securities from or on our account (including by way of credit, set-off by operation of law or otherwise) or from any liquidator, receiver, manager or statutory manager in breach of the terms hereof, will be held by the relevant holder of the Securities in trust for and to the order of the Senior Creditors. Such trust shall be for a term expiring on the earlier of the date on which all Senior Creditors have been paid in full or eighty years from the date of the issue of the Securities.

The Securities are also subordinated by operation of mandatory provisions of law pursuant to the Australian Corporations Act, the Australian Banking Act and the Australian Reserve Bank Act. See "— How the Securities rank against other debt" above for further information.

As at September 30, 2016, the claims of our Senior Creditors plus claims against our subsidiaries to which the Securities are "structurally subordinated" amounted to A$163.4 billion and we had A$1.1 billion of outstanding Equal Ranking Obligations and A$12.1 billion of MBL Ordinary Shares and reserves.

We expect that from time to time we will incur additional indebtedness and other obligations that will constitute claims of our Senior Creditors. The Securities do not limit the amount of our obligations that can rank ahead of the Securities that we may incur or assume in the future.

Each holder, by its purchase or holding of an interest in Securities, shall be taken to have irrevocably acknowledged and agreed that:

- the subordination provisions of the form of Securities constitute a debt subordination for the purposes of section 563C of the Australian Corporations Act;

- it does not have, and waives to the maximum extent permitted by law, any entitlement to interest under section 563B of the Australian Corporations Act to the extent that a holder of a preference share which is an Equal Ranking Obligation would not be entitled to such interest;

- it will not exercise any voting or other rights as a creditor in any Winding-Up or administration of MBL in any jurisdiction:

    (i) until and after all Senior Creditors have been paid in full; or

    (ii) otherwise in a manner inconsistent with the ranking and subordination described in this "Description of the Securities";

- MBL's obligations in respect of the Securities are subordinated in the manner provided in the subordination provisions of the Securities; and

- the debt subordination effected by the subordination provisions of the Securities is not affected by any act or omission of MBL or a Senior Creditor which might otherwise affect it at law or in equity.

Form of Securities

The Securities will be issued in global — *i.e.*, book-entry — form represented by a global security registered in the name of a depositary, which will be the holder of all the Securities represented by the global security. Those who own beneficial interests in a Global Security (as defined in this offering memorandum under the heading "Legal Ownership and Book-Entry Issuance — What is a Global Security?") will do so through participants in the Depositary's securities clearance system, and the rights of these indirect owners will be governed solely by the applicable procedures of the Depositary and its participants. We describe Global Securities below under "Legal Ownership and Book-Entry Issuance".

Market-Making Transactions

If you purchase your Securities in a market-making transaction, you will receive information about the issue price you pay and your trade and issue dates in a separate confirmation of sale. A market-making transaction is one in which an agent or any other initial purchaser resells Securities that it has previously acquired from another holder of those Securities. A market-making transaction in particular Securities occurs after the original sale of the Securities. See "Plan of Distribution" below.

Payment of Additional Amounts

The Issuer will pay all amounts that we are required to pay on the Securities without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or other governmental charges imposed or levied by or on behalf of a Taxing Jurisdiction. This obligation will not apply, however, if those taxes, duties, assessments or other governmental charges are required by the Taxing Jurisdiction to be withheld or deducted. If that were to occur, the Issuer will, subject to the Payment Exceptions, pay additional amounts of, or in respect of, the principal of, and any interest amounts on, the affected Securities ("Additional Amounts") that are necessary so that the net amounts paid to the holders of those Securities, after deduction or withholding, will equal the amounts of principal and any interest that the Issuer would have had to pay on those Securities if the deduction or withholding had not been required except that no Additional Amounts are in any circumstances payable in relation to any payment in respect of the Securities:

(a) to, or to a third party on behalf of, a holder of the Securities who is liable for such taxes in respect of such Securities by reason of its having some connection with Australia other than the mere holding of an interest in such Security or receipt of principal or interest amount in respect thereof or could have lawfully avoided (but not so avoided) such liability by providing or procuring that any third party provides the holder of the Securities a

Tax File Number ("TFN") and/or (if applicable) Australian Business Number ("ABN") or evidence that the holder of the Securities is not required to provide a TFN and/or ABN to us;

(b) to, or to a third party on behalf of, a holder of the Securities who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the Securities are presented for payment;

(c) where it is presented for payment more than 30 days after the date on which the amount is first payable and was provided for, whichever is later, except to the extent that a holder of Securities would have been entitled to the Additional Amounts on presenting the Security for payment on any day during that 30 day period; or

(d) where it is presented for payment by or on behalf of a holder of Securities who would have been able to avoid such withholding or deduction by presenting the relevant Security to another Fiscal Agent in a Member State of the European Union.

No Additional Amounts shall in any circumstances be payable with respect to any payment of, or in respect of, the Principal Amount of, or any interest amount on, any Security to any holder who is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent that payment would, under the laws of a Taxing Jurisdiction, be treated as being derived or received for tax purposes by a beneficiary or settlor of that fiduciary or a member of that partnership or a beneficial owner who would not have been entitled to those Additional Amounts had it been the actual holder of the affected Security.

In addition, any amounts to be paid on the Securities will be paid, and any MGL Ordinary Shares to be delivered as a result of an Exchange will be delivered, net of any withholding, deduction, interest or penalty imposed or required under the Foreign Account Tax Compliance Act (a "FATCA Withholding") pursuant to Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended (the "Code"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code ("FATCA"), and in no circumstances will any Additional Amounts be required to be paid or additional MGL Ordinary Shares be required to be delivered on account of any such FATCA Withholding. Each holder shall be deemed to authorize the Issuer, MGL and any financial institutions or intermediaries through which payments are made, to deal with payments, MGL Ordinary Shares to be issued or delivered and the Securities in accordance with FATCA, including remitting, or otherwise dealing with, any amounts and MGL Ordinary Shares comprising a FATCA Withholding, and reporting payment or account or other information to the United States Internal Revenue Service ("IRS") or other relevant revenue or taxing authority, in accordance with applicable requirements under FATCA. In addition, where MGL Ordinary Shares are required to be delivered to a holder of this Security upon an Exchange and the Issuer is required or entitled to make a FATCA Withholding, then the Issuer is entitled to take actions necessary to comply with that FATCA Withholding in accordance with paragraph 11 of "Description of the Securities – Exchange of Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off – Exchange Mechanics". For additional information, see "Tax Considerations – United States Federal Income Taxation – U.S. Withholding Obligations."

Whenever we refer in this offering memorandum, in any context, to the payment of the principal of, or any interest amount on, any Security or the net proceeds received on the sale or Exchange of any Security, we mean to include the payment of Additional Amounts to the extent that, in that context, Additional Amounts are, were or would be payable.

Any Additional Amounts payable on Securities will be subordinated in right of payment, see "— Status and Subordination of Securities" below.

Redemption of Securities under certain circumstances

The Securities may, with the approval of APRA and the satisfaction of certain conditions, see "—Approval of APRA" below, be redeemed at the Issuer's option, in whole but not in part, following the occurrence of a

Regulatory Event or a Tax Event (in each case, as defined below), or on any Reset Date. No Security or portion thereof can, or will, be Exchanged at the option of a holder of such Security.

Any such redemption will be made at a redemption price equal to the Redemption Price, however interest and Additional Amounts on the Securities are non-cumulative and may not be paid, even in circumstances where the Securities are redeemed.

If the Issuer chooses to redeem the Securities following a Tax Event or a Regulatory Event, then immediately prior to the giving of any notice of redemption of Securities pursuant to this section, the Issuer will deliver to the Fiscal Agent for the benefit of the holders of the Securities an officer's certificate stating that the Issuer is entitled to effect such redemption and setting forth in reasonable detail a statement of facts showing that the conditions precedent to our right to so redeem the Securities have occurred.

If the Issuer exercises an option to redeem the Securities, the Issuer will provide holders with not less than 30 nor more than 60 days' notice. Notices to redeem Securities shall be given by us in writing and for so long as any Securities are held in a clearing system, given to each holder in accordance with the rules and regulations of that clearing system relating to the delivery of notices, or mailed to their last addresses appearing on the register of the Securities. Notices to redeem the Securities shall specify the date fixed for redemption, the redemption price, the place or places of payment and that payment will be made upon presentation and surrender of the Securities to be redeemed. If the redemption follows the occurrence of a Regulatory Event or Tax Event, such notice shall also state that the conditions precedent to such redemption have occurred and state that the Issuer has elected to exercise its option to redeem the Securities in accordance with their terms.

If the Issuer has provided a notice of redemption in the manner described above, the Principal Amount of the Securities called for redemption shall become due on the date fixed for redemption.

Approval of APRA

We cannot make any redemption or repurchase any Securities for any reason without obtaining the prior written approval of APRA and we cannot elect to redeem or repurchase the Securities unless:

(i) the Securities to be redeemed or repurchased are replaced (before or concurrently with the redemption or repurchase) with a Tier 1 Capital instrument of the same or better quality, and the replacement or repurchase of those Securities is done under conditions which are sustainable for the income capacity of the "MBL Level 1 Group" and the "MBL Level 2 Group"; or

(ii) APRA is satisfied that the capital positions of the "MBL Level 1 Group" and the "MBL Level 2 Group" are sufficient after the Securities are redeemed or repurchased.

Prospective purchasers of Securities should not expect that APRA's approval will be given for any redemption or repurchase of Securities.

Redemption for taxation reasons

Subject to the conditions set forth under "— Approval of APRA" above, we may elect to redeem the affected Securities, in whole but not in part, at a redemption price equal to the Redemption Price, upon the occurrence of any of the following (a "Tax Event"):

- there is a change in or any amendment to the laws or regulations of a Taxing Jurisdiction, or of any political subdivision or taxing authority of or in a Taxing Jurisdiction, that affects taxation; or

- there is a change or amendment in an official application or interpretation of those laws or regulations (provided, however, that, where such change or amendment relates to a Relevant Foreign Jurisdiction following a Branch Substitution, such change or amendment occurs after the date of that Branch Substitution and was not expected by MBL as at that date),

in each case, which change becomes effective on or after the Issue Date and was not expected by MBL as at the Issue Date; and

- subject to certain conditions described below, such a change or amendment causes us to become obligated to pay any Additional Amounts, see "— Payment of Additional Amounts", or

- the Issuer, MBL or another member of the MGL Group is or will become exposed to more than a *de minimis* amount of taxes, duties, assessments, costs or other governmental charges on the Securities, including, without limitation, more than a *de minimis* adverse change in the deductibility of interest payments on the Securities under the laws of the Taxing Jurisdiction.

Before we can redeem the affected Securities, we must:

- give the holders of those Securities at least 30 and not more than 60 days' written notice of our intention to redeem those Securities (and, at the time that notice is given, the obligation to pay those Additional Amounts or inability to deduct interest must remain in effect); and

- deliver to the holders of those Securities and the Fiscal Agent a legal opinion of our counsel confirming that the conditions that must be satisfied for redemption have occurred.

If, however, within 60 days of us becoming liable to pay any Additional Amounts on the Securities, we can eliminate the risk that we will have to pay those Additional Amounts by filing a form, making an election or taking some similar reasonable measure that in our sole judgment will not be adverse to us and will involve no material cost to us, a Tax Event will be taken not to have occurred.

Redemption for regulatory reasons

Subject to the conditions set forth under "— Approval of APRA" above, we may elect to redeem the Securities, in whole but not in part, at the Redemption Price, upon the occurrence of any of the following (a "Regulatory Event"):

- a law or regulation applicable in the Commonwealth of Australia, any State or Territory of Australia or any Relevant Foreign Jurisdiction, or any directive, order, standard, requirement, guideline or statement of APRA or similar regulator in a Relevant Foreign Jurisdiction (whether or not having the force of law), which applies to MBL, MGL or any other member of MGL Group (a "Regulation") is introduced, amended, clarified or changed or its application changed; or

- an announcement is made that a Regulation will be introduced, amended, clarified or changed or its application changed; or

- a decision is made by any court or other authority interpreting, applying or administering any Regulation,

in each case, which event occurs or is effective on or after the date we originally issued the Securities and was not expected by us as at such date (each such event a "Change in Law") (provided, however, that, where the Change of Law relates to a Relevant Foreign Jurisdiction following a Branch Substitution, the Change of Law occurs after the date of that Branch Substitution and was not expected by MBL as at that date) and we determine that, as a result of that Change in Law:

- any of the Securities are not eligible for inclusion as Additional Tier 1 Capital of the MBL Level 1 Group or the MBL Level 2 Group; or

- that additional requirements (including regulatory, capital, financial, operational or administrative requirements) in connection with the Securities would be imposed on us, MGL or any other member of MGL Group which we determine, in our absolute discretion, might have a material adverse effect on MBL, MGL or any other member of MGL Group or otherwise be unacceptable; or

- that to have any of the Securities outstanding would be unlawful or impractical or that MBL, MGL or any other member of MGL Group would be exposed to a more than de minimis increase in its costs in connection with such Securities.

Redemption on any Reset Date

Subject to the conditions set forth under "— Approval of APRA" above, we may elect to redeem the Securities on any Reset Date, in whole but not in part, at the option of the Issuer, at the Redemption Price (but interest installments scheduled for payment on the redemption date will be payable to the holder of record of the Securities at the close of business on the relevant record dates) and subject to the notice requirements stated in the preceding paragraphs.

Exchange of Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off

Automatic Exchange Event

If an Automatic Exchange Event occurs, on the date on which such Automatic Exchange Event occurs (whether or not such date is a Business Day) (the "Automatic Exchange Date"), the Principal Amount of the Securities will be immediately Exchanged for MGL Ordinary Shares in an amount equal (following or together with any Loss Absorption in respect of other Relevant Tier 1 Securities) to:

- the aggregate face value of Relevant Tier 1 Securities that APRA has notified us must be subject to Loss Absorption; or

- if APRA has not so notified us, the Principal Amount of Securities determined by us, in the manner described below, as would satisfy APRA that (i) in the case of a Common Equity Tier 1 Trigger Event, the Common Equity Tier 1 Ratio in respect of either or both of the MBL Level 1 Group and the MBL Level 2 Group, as the case may be, will be restored to greater than 5.125% or (ii) in the case of a Non-Viability Event, MBL will not become non-viable,

provided, however, that in the case of an Automatic Exchange Event where APRA notifies us in writing that it has determined that, without a public sector injection of capital or equivalent support, we would become non-viable, the Principal Amount of all Securities shall be Exchanged in full.

No Security or portion thereof can, or will, be Exchanged at the option of a holder thereof.

In determining the Principal Amount of Securities which must be Exchanged in accordance with the preceding paragraphs, the Issuer may, in its discretion, Exchange (in the case of Securities), or convert into MGL Ordinary Shares or write-off (in the case of any other Relevant Tier 1 Securities), the Securities and any Relevant Tier 1 Securities on a proportionate basis (unless the terms of any Relevant Tier 1 Security provide for any Loss Absorption to occur other than on a proportionate basis with the Securities and other Relevant Tier 1 Securities), or such other basis as the Issuer considers fair and reasonable, provided, however, that such determination must not impede or delay the immediate Exchange of the relevant Principal Amount of Securities.

On the Automatic Exchange Date, we will determine the Securities or portions thereof as to which the Exchange is to take effect and in making that determination may make any decisions with respect to the identity of the holders of Securities at that time as may be necessary or desirable to ensure Exchange occurs in an orderly manner, including disregarding any transfers of Securities that have not been settled or registered at that time.

If only some Securities are to be Exchanged in accordance with an Automatic Exchange Event, we will endeavor to treat holders of the Securities on an approximately proportionate basis, but may discriminate to take account of the effect of marketable parcels, the need to round to whole numbers, the number of MGL Ordinary Shares, and authorized denominations of any Securities or other Relevant Tier 1 Securities remaining on issue and other similar considerations and the need to effect the Exchange immediately.

For the purposes of the foregoing, where the specified currency of the principal amount of Relevant Tier 1 Securities is not the same for all Relevant Tier 1 Securities, we may treat them as if converted into a single currency of our choice at such rate of exchange as we in good faith consider reasonable.

We must give notice of our determination of the Securities or portions thereof as to which Exchange is to take effect (an "Automatic Exchange Notice") as soon as practicable to the Fiscal Agent and the holders of Securities, which must specify:

- the Automatic Exchange Date;
- the Principal Amount of the Securities that have been, or are to be, Exchanged; and
- the relevant number or principal amount of other Relevant Tier 1 Securities that have been, or are to be, subject to Loss Absorption.

Notwithstanding the above or any other term of the Securities, if for any reason an Exchange in connection with an Automatic Exchange Event has not occurred within 5 Business Days of the Automatic Exchange Date, then such Exchange will not occur and each Security or portion thereof that would otherwise be required to be Exchanged, will be Written-Off. Subject to the previous sentence, if MGL Ordinary Shares are issued in connection with an Exchange but the transfer of the relevant Securities for those MGL Ordinary Shares has not occurred as described herein, each Security or portion thereof which would be required to be Exchanged will be automatically terminated and written-off and the MGL Ordinary Shares shall be taken to be fully-paid in consideration of that termination and write-off. We will give notice to holders of affected Securities if an Exchange has not occurred (a "Failed Exchange Notice"), but failure to give such Failed Exchange Notice shall not prevent the occurrence of Write-Off in respect of the affected Securities.

Promptly following its receipt of the Automatic Exchange Notice, pursuant to the applicable rules and operating procedures of DTC currently in effect, DTC shall transmit the Automatic Exchange Notice to its direct participants holding the Securities at such time.

An Exchange on account of an Automatic Exchange Event takes place on the relevant Automatic Exchange Date and in the manner required by this section ("—"Automatic Exchange Event"), notwithstanding anything in the sections "—Redemption of Securities under certain circumstances" or "—Acquisition Event" (and any Acquisition Notice in respect of the Securities, given before the Automatic Exchange Date but in respect of which the Exchange has not completed, will be taken to be revoked and of no force or effect).

Acquisition Event

If an Acquisition Event occurs then: (i) the Issuer must Exchange all outstanding Securities, unless the Directors determine that an Acquisition Exchange Exception applies, in which circumstances (subject to the following paragraph), no Exchange shall occur, and no other action is required to be taken in relation to the Securities, on account of that Acquisition Event; and (ii) if the Securities are to be Exchanged on account of an Acquisition Event, the Directors may determine, in their discretion that, all or any part of an amount not exceeding an amount equal to calculated but unpaid interest for the period from (and including) the immediately preceding Interest Payment Date to (but excluding) the Acquisition Exchange Date:

(a) is payable to each holder of the Securities in cash on the Acquisition Exchange Date; and/or

(b) shall be added to form part of the Exchange Amount.

The Issuer must give each holder of the Securities a notice (an "*Acquisition Notice*") by no later than 5:00 pm (Sydney time) on the tenth Business Day after the occurrence of the Acquisition Event, specifying:

(i) details of the Acquisition Event to which the notice relates; and

(ii) if an Exchange is to occur:

(A) the date on which the Exchange pursuant to an Acquisition Event is to occur (an "Acquisition Exchange Date"), which is to be, (1) no later than the second Business Day prior to the date reasonably determined by the Issuer to be the last date on which holders of MGL Ordinary Shares can participate in the bid, scheme or arrangement concerned, (2) such other earlier date as the Issuer may reasonably determine having regard to the best interests of holders of the Securities as a whole and the timing of the Acquisition Event concerned (provided that the Acquisition Exchange Date must be at least 25 Business Days after the date of the Acquisition Notice), or (3) such other date as APRA may require; and

(B) whether any determination has been made by the Directors under part (ii) of the first paragraph of this section "Acquisition Event" and, if so, details of that determination; or

(C) otherwise, the reason why an Exchange is not to occur.

Exchange Events Generally

Nothing shall prevent, impede or delay any Exchange or Write-Off of Relevant Tier 1 Securities as described herein, including, without limitation, the following events:

- any failure or delay in any Loss Absorption in respect of any other Relevant Tier 1 Securities;
- any failure or delay in giving an Automatic Exchange Notice or Failed Exchange Notice;
- any failure or delay in quotation of the MGL Ordinary Shares to be issued where Securities are required to be Exchanged;
- any requirement to select or adjust the Principal Amount of Securities to be Exchanged or Written-Off; and
- any failure or delay by a holder of Securities or any other party to comply with the provisions described herein.

Each holder of Securities, by its purchase or holding of an interest in any Securities irrevocably acknowledges and agrees that:

- we intend that the Securities constitute Additional Tier 1 Capital and are able to absorb losses when an Automatic Exchange Event occurs (that is, at a trigger point where Common Equity Tier 1 Ratios fall to or below 5.125% of total risk-weighted assets or at the point of non-viability as described in APRA's prudential standards and guidelines) and that the Securities are subject to Exchange or Write-Off as described herein, which is a fundamental feature of the Securities;
- Loss Absorption shall occur immediately on the Automatic Exchange Date and that may result in disruption or failures in trading or dealings in the Securities;
- no conditions or events will affect the operation of Exchange or Write-Off and the holders of the outstanding Securities shall not have any rights to vote in respect of any Securities or portions thereof that are Exchanged or Written-Off;

- any failure or delay in the completion of any procedure, formality or other matter connected with the Exchange or Writing-Off of Securities shall not prevent, impede or delay the Exchange or Write-Off of such Securities (which shall be deemed to have occurred immediately with effect on and from the Automatic Exchange Date, notwithstanding such failure or delay);

- upon an Exchange, subject to the provisions described in the paragraph of "Description of the Securities — Exchange of Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off—Exchange Mechanics" entitled "Securities held in a clearing system", such holder consents to becoming a member of MGL and agrees to be bound by the constitution of MGL;

- it agrees to the application of payments and issue of MGL Ordinary Shares in respect of its Securities upon an Exchange, notwithstanding anything which might otherwise affect the Exchange including, without limitation:

    (i) any change in the financial position of MBL, MGL or MGL Group since the Issue Date;

    (ii) any disruption to the market or potential market for the MGL Ordinary Shares or to capital markets generally;

    (iii) it being impossible or impracticable to list the MGL Ordinary Shares on the ASX; or

    (iv) it being impossible or impracticable to sell or otherwise dispose of the MGL Ordinary Shares;

- if an Exchange does not occur for any reason within 5 Business Days of the Automatic Exchange Date, each Security or portion thereof subject to such Exchange will be Written-Off. Subject to the previous sentence, if MGL Ordinary Shares are issued in connection with an Exchange but the transfer of the relevant Securities for those MGL Ordinary Shares has not occurred as described herein, each Security or portion thereof which would be required to be Exchanged will be automatically terminated and written-off and the MGL Ordinary Shares shall be taken to be fully-paid in consideration of that termination and write-off;

- it will provide MBL and MGL with any information that MBL or MGL considers necessary or desirable, or to take any and all such action as is within the reasonable control of that holder, to give effect to an Exchange;

- it has no right to request an Exchange, redemption, or payment in respect of the Exchange, of a Security or any portion thereof or to determine whether (or in what circumstances) the Securities it holds are Exchanged or redeemed;

- it has no remedies on account of a failure by MGL:

    (i) to make any payment in respect of an Exchange; or

    (ii) to issue MGL Ordinary Shares as required in respect of an Exchange other than (and subject always to where Write-Off applies) to seek specific performance of the obligation to issue the MGL Ordinary Shares;

- prior to an Exchange, the Securities do not create or confer any voting rights in respect of any member of MGL Group; and

- subject to applicable law, it is not entitled to be provided with copies of any notices of general meetings of MBL or MGL or any other documents (including annual reports and financial statements) sent by MBL or MGL to holders of ordinary shares or other securities (if any) in MBL or MGL.

Each holder of Securities, by its purchase or holding of an interest in any Securities irrevocably:

- appoints each of MGL, MBL, any Sale Agent, their respective duly authorized officers and any liquidator, administrator, statutory manager or other similar official of MGL or MBL (each an "*Appointed Person*") severally to be the attorney of the holder and the agents of the holder, with the power in the name and on behalf of the holder to:

    (i) do all such acts and things (including, without limitation signing all documents, instruments or transfers or instructing CHESS) as may, in the opinion of the Appointed Person, be necessary or desirable to be done in order to give effect to, record or perfect an Exchange or Write-Off (as applicable);

    (ii) do all other things which an Appointed Person reasonably believes to be necessary or desirable to give effect to the terms of the Securities; and

    (iii) appoint in turn its own agent or delegate; and

- authorizes and directs MBL and/or the Fiscal Agent to make such entries in the register, including amendments and additions to the register, which MBL and/or the Fiscal Agent may consider necessary or desirable to record an Exchange or Write-Off (as applicable).

The power of attorney to be given by Security holders in respect of the Securities will be given for valuable consideration and to secure the performance by the Security holder of the Security holder's obligations under the Securities, will be irrevocable and will survive and not be affected by the subsequent disability or incapacity of the Security holder (or, if such Security holder is an entity, by its dissolution or termination). An Appointed Person will have no liability in respect of any acts duly performed in accordance with the power of attorney thereby given.

For any Security which is to be Exchanged or Written-Off only in part:

(i) for the purposes of the transfer of that portion of that Security to MGL, the Principal Amount of that Security to be Exchanged and the Principal Amount of that Security that is not to be Exchanged shall each be deemed to be a separate Security with a denomination equal to the relevant Principal Amount; and

(ii) in any case, such Security will be surrendered with, if we or the Fiscal Agent so requires, due endorsement by, or written instrument of transfer in the form satisfactory to us and the Fiscal Agent duly executed by, the holder thereof or its attorney duly authorized in writing; additionally, we will execute, and the Fiscal Agent will authenticate and deliver to the registered holder of such Security without service charge, a new Security or Securities of like form and tenor, of any Principal Amount equal to and in exchange for the non-Exchanged or non-Written-Off portion of the Principal Amount of the Security so surrendered.

Where an Automatic Exchange Event takes effect, MBL must perform the obligations in respect of the relevant determination, immediately on the Exchange Date, whether or not such day is a Business Day.

Where any Securities are Exchanged or Written-Off only in part:

- the amount of interest payable in respect of that Security on each Interest Payment Date falling after that Exchange Date will be reduced and calculated on the Principal Amount, or portion thereof, of that Security as reduced on the date of the Exchange or Write-Off;

- the voting entitlement of the holder of that Security in respect of that Security shall be adjusted and calculated on the Principal Amount of that Security as reduced on the date of the Exchange or Write-Off; and

- the redemption price that may be payable on redemption of that Security on and from that date of the Exchange or Write-Off shall be adjusted and calculated on the Principal Amount of that Security as reduced on such date.

In respect of its obligations under an Exchange, MGL has entered into a deed poll ("*MGL Deed of Undertaking*") for the benefit of the holders of Securities, pursuant to which it has irrevocably undertaken:

- to perform its obligations relating to an Exchange (including in connection with the issue and delivery of MGL Ordinary Shares) as provided under the Securities (notwithstanding that it is not an obligor under the Securities);

- to use all reasonable endeavors to procure quotation of the MGL Ordinary Shares issued where Securities are required to be Exchanged on the ASX. Each holder of the Securities so Exchanged by its purchase or holding of an interest in any Securities agrees not to trade MGL Ordinary Shares issued on an Exchange (except as permitted by the Australian Corporations Act, other applicable laws and the ASX Listing Rules) until MGL has taken such steps as are required by the Australian Corporations Act, other applicable laws and the ASX Listing Rules for MGL Ordinary Shares to be freely tradable without further disclosure or other action and agrees that MGL may impose a holding lock or refuse to register a transfer in respect of MGL Ordinary Shares until such time;

- to ensure that the MGL Ordinary Shares issued where Securities are required to be Exchanged will rank equally with all other fully paid MGL Ordinary Shares;

- from the applicable Exchange Date (subject to the provisions of the Securities relating to Write-Off, the provisions described in the paragraph of "Description of the Securities — Exchange of Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off—Exchange Mechanics" entitled "Securities held in a clearing system" and that the Securities do not create or confer any voting rights in respect of any member of MGL Group prior to Exchange), to treat each holder of Securities as the holder of the applicable Exchange Number of MGL Ordinary Shares and will take all such steps, including updating any register, required to record the Exchange; and

- to otherwise comply with the terms of the Securities.

The MGL Deed of Undertaking will be governed by the laws of the State of New South Wales, Australia and the Commonwealth of Australia.

Exchange Mechanics

(1) Exchange

On an Exchange Date, subject to where Write-Off applies, each of the events described in this paragraph (1) shall occur in respect of any Security or portion thereof to be Exchanged.

(a) Each relevant Security or portion thereof (including the rights of each holder of the relevant Security or portion thereof to payment of interest or any other amount owing in relation to that Security or portion thereof) will be automatically and irrevocably transferred free from any Encumbrance to MGL or an Approved Nominee for an amount payable by MGL equal to the Principal Amount of the relevant Security or portion thereof and MGL will apply that Principal Amount or portion thereof by way of payment for subscription for the MGL Ordinary Shares to be allotted and issued under paragraph 1(b). Each holder of a relevant Security or any portion thereof is taken to have irrevocably directed that any amount payable under this paragraph 1(a) is to be applied as provided for in paragraph 1(b) and no such holder (or other person claiming through a holder) has any right to payment in any other way.

(b) MGL will allot and issue the Exchange Number of MGL Ordinary Shares to the holder of the Security (or as they may direct) for a subscription price equal to the Principal Amount of that Security or portion thereof. The "*Exchange Number*" will be calculated by MBL in accordance with the following formula:

$$\text{Exchange Number} = \frac{\text{Exchange Amount}}{(0.99 \times \text{Exchange Date VWAP})}$$

subject to the Exchange Number being no greater than the Maximum Exchange Number.

(c) The "*Maximum Exchange Number per US$1,000*" will be calculated by MBL on the Issue Date in accordance with the following formula:

$$\text{Maximum Exchange Number per US\$1,000} = \frac{\text{US\$1,000}}{\text{Exchange Floor Price}}$$

(d) The "*Maximum Exchange Number*" will be calculated by MBL on the Exchange Date in accordance with the following formula:

$$\text{Maximum Exchange Number} = \frac{\text{(Exchange Amount x Maximum Exchange Number per US\$1,000)}}{\text{US\$1,000}}$$

(e) If the total number of MGL Ordinary Shares to be allotted to a holder in respect of their aggregate holding of Securities or portions thereof upon Exchange includes a fraction of an MGL Ordinary Share, that fraction of an MGL Ordinary Share will be disregarded.

(f) All rights of the relevant holder of that Security or portion thereof to payment of interest or any other amount owing, both in the future and unpaid as at the Exchange Date, in relation to such Security or portion thereof transferred are immediately and irrevocably terminated for no other consideration.

(g) As agreed between, among others, MGL and MBL on or about the Issue Date, MBL, MGL and their Related Bodies Corporate will deal with the Securities or portions thereof being Exchanged so that fully paid MBL Ordinary Shares are issued to, or as directed by, MGL or to a Related Body Corporate of MGL nominated by MGL (which is a holding company of MBL and which itself issues ordinary shares to, or as directed by, MGL), for an aggregate issue price equal to the aggregate Exchange Amount of the Securities to be Exchanged and the Securities transferred to MGL or to an Approved Nominee in accordance with this paragraph 1 shall be redeemed and cancelled (the "*Related Exchange Steps*").

(2) Adjustments to VWAP

For the purposes of calculating VWAP under the terms of the Securities:

(a) where, on some or all of the ASX Trading Days in the relevant VWAP Period, MGL Ordinary Shares have been quoted on the ASX as cum dividend or cum any other distribution or entitlement and the Securities or portions thereof will be Exchanged for MGL Ordinary Shares after the date those MGL Ordinary Shares no longer carry that dividend or any other distribution or entitlement, then the VWAP on the ASX Trading

Days on which those MGL Ordinary Shares have been quoted cum dividend or cum any other distribution or entitlement shall be reduced by an amount ("*Cum Value*") equal to:

(i) (in case of a dividend or other distribution), the amount of that dividend or other distribution including, if the dividend or other distribution is franked, the amount that would be included in the assessable income of a recipient of the dividend or other distribution who is both a resident of Australia and a natural person under the Australian Tax Act and eligible to receive a franked distribution;

(ii) (in the case of any other entitlement that is not a dividend or other distribution under Section 2(a)(i) above which is traded on the ASX on any of those ASX Trading Days), the VWAP of all such entitlements sold on the ASX during the VWAP Period on the ASX Trading Days on which those entitlements were traded; or

(iii) (in the case of any other entitlement which is not traded on the ASX during the VWAP Period), the value of the entitlement as reasonably determined by MBL; and

(b) where, on some or all of the ASX Trading Days in the VWAP Period, MGL Ordinary Shares have been quoted on the ASX as ex dividend or ex any other distribution or entitlement, and the Securities or portions thereof will be Exchanged for MGL Ordinary Shares which would be entitled to receive the relevant dividend or other distribution or entitlement, the VWAP on the ASX Trading Days on which those MGL Ordinary Shares have been quoted ex dividend or ex any other distribution or entitlement shall be increased by the Cum Value.

(3) Adjustments to VWAP for divisions and similar transactions

(a) Where during the relevant VWAP Period there is a change in the number of the MGL Ordinary Shares on issue as a result of a Reclassification, in calculating the VWAP for that VWAP Period, the Daily VWAP applicable on each day in the relevant VWAP Period which falls before the date on which trading in the MGL Ordinary Shares is conducted on a post Reclassification basis shall be adjusted by multiplying the VWAP by the following fraction:

$$\frac{A}{B}$$

where:

"*A*" means the aggregate number of MGL Ordinary Shares immediately before the Reclassification; and

"*B*" means the aggregate number of MGL Ordinary Shares immediately after the Reclassification.

(b) Any adjustment to VWAP made by MBL in accordance with paragraphs (2) and (3)(a) above will be effective and binding on holders of the Securities and the terms of the Securities will be construed accordingly. Any such adjustment must be notified to all holders of the Securities as soon as reasonably practicable following its determination by MBL.

(4) Adjustments to Issue Date VWAP

For the purposes of determining the Issue Date VWAP, adjustments to VWAP will be made in accordance with paragraphs (2) and (3) above during the VWAP period for the Issue Date VWAP. On and from the Issue Date, adjustments to the Issue Date VWAP:

(a) may be made in accordance with paragraphs (5) and (6) below; and

(b) if so made, will cause an adjustment to the Maximum Exchange Number per US$1,000.

(5) Adjustments to Issue Date VWAP for bonus issues

(a) Subject to paragraph 5(b), if MGL makes a pro rata bonus issue of MGL Ordinary Shares to holders of MGL Ordinary Shares generally, the Issue Date VWAP will be adjusted immediately in accordance with the following formula:

$$V = V_o \times \frac{RD}{RD + RN}$$

where:

"*V*" means the Issue Date VWAP applying immediately after the application of this formula;

"V_o" means the Issue Date VWAP applying immediately prior to the application of this formula;

"*RN*" means the number of MGL Ordinary Shares issued pursuant to the bonus issue; and

"*RD*" means the number of MGL Ordinary Shares on issue immediately prior to the allotment of new MGL Ordinary Shares pursuant to the bonus issue.

(b) Paragraph (5)(a) above does not apply to MGL Ordinary Shares issued as part of a bonus share plan, employee or executive share plan, executive option plan, share top up plan, share purchase plan or a dividend reinvestment plan.

(c) For the purpose of paragraph (5)(a) above, an issue will be regarded as a pro rata issue notwithstanding that MGL does not make offers to some or all holders of MGL Ordinary Shares with registered addresses outside Australia, provided that in so doing MGL is not in contravention of the ASX Listing Rules.

(d) No adjustments to the Issue Date VWAP will be made under this Section (5) for any offer of MGL Ordinary Shares not covered by paragraph (5)(a) above, including a rights issue or other essentially pro rata issue.

(e) The fact that no adjustment is made for an issue of MGL Ordinary Shares except as covered by paragraph (5)(a) shall not in any way restrict MGL from issuing MGL Ordinary Shares at any time on such terms as it sees fit nor be taken to constitute a modification or variation of rights or privileges of holders of any Securities or otherwise requiring any consent or concurrence.

(6) Adjustment to Issue Date VWAP for divisions and similar transactions

(a) If at any time after the Issue Date there is a change in the number of MGL Ordinary Shares on issue as a result of a Reclassification, MBL will adjust the Issue Date VWAP by multiplying the Issue Date VWAP applicable on the Business Day immediately before the date of any such Reclassification by the following formula:

$$\frac{A}{B}$$

where:

"*A*" means the aggregate number of MGL Ordinary Shares immediately before the Reclassification; and

"*B*" means the aggregate number of MGL Ordinary Shares immediately after the Reclassification.

(b) Each holder of a Security acknowledges that MGL may, consolidate, divide or reclassify securities so that there is a lesser or greater number of MGL Ordinary Shares at any time in its absolute discretion without any such action constituting a modification or variation of rights or privileges of holders of any Securities or otherwise requiring any consent or concurrence.

(7) No adjustment to Issue Date VWAP in certain circumstances

Despite the provisions of paragraphs (5) and (6) above, no adjustment shall be made to the Issue Date VWAP where such cumulative adjustment (rounded if applicable) would be less than one percent of the Issue Date VWAP then in effect. Any adjustment not made in accordance with this paragraph (7) shall be carried forward and taken into account in determining whether any subsequent adjustment shall be made.

(8) Announcement of adjustment to Issue Date VWAP

If MBL determines an adjustment to the Issue Date VWAP under paragraphs (5) and (6) above, such an adjustment will be:

(a) determined as soon as reasonably practicable following the relevant event; and

(b) notified to holders of the Securities (an "*Adjustment Notice*") within 10 Business Days of MBL determining the adjustment.

The adjustment set out in the Adjustment Notice will be final and binding on holders of the Securities and the terms of the Securities will be construed accordingly.

(9) Failure to Exchange

Subject to where Write-Off applies and paragraph (11)(g) below, if, in respect of an Exchange of a Security or any portion thereof, MGL fails to issue the MGL Ordinary Shares to, or in accordance with the instructions of, the relevant holder of that Security on the applicable Exchange Date or to the Sale Agent where paragraph (11) below applies, the Principal Amount of that Security or portion thereof shall nonetheless be transferred and dealt with in accordance with paragraphs (1)(a), (1)(f) and (1)(g) above and the remedies of any holder of that Security in respect of that failure are limited to seeking an order for specific performance of MGL's obligations to issue MGL Ordinary Shares.

If, in respect of an Exchange of a Security or portion thereof, that Security or portion thereof is not transferred on the Exchange Date free from Encumbrance to MGL or its Approved Nominee, MGL shall issue the Exchange Number of MGL Ordinary Shares to the holder in respect of that Security and all rights of the relevant holder (and any person claiming through the holder) in such Security or portion thereof are taken to have ceased and that Security or portion thereof shall be cancelled.

This paragraph (9) does not affect the obligation of MGL to deliver the MGL Ordinary Shares or of the holder of a relevant Security to transfer that Security or portion thereof when required in accordance with its terms.

(10) Securities held in a clearing system

Subject to where Write-Off applies, if:

(a) any Security or portion thereof is required to be Exchanged; and

(b) the holder of that Security is the operator of a clearing system or a nominee for a common depository for any one or more clearing systems (such operator or nominee for a common depository acting in such capacity as is specified in the rules and regulations of the relevant clearing system or clearing systems),

then, with effect from the Exchange Date:

(c) the holder's rights in relation to each such Security or portion thereof being Exchanged are deemed to have been immediately and irrevocably terminated in respect of such amount Exchanged;

(d) MGL will issue the relevant aggregate Exchange Number of MGL Ordinary Shares due to such holder in uncertificated form through MGL's share registry provider to a Sale Agent in accordance with and subject to this section for no additional consideration to hold on trust for delivery or sale for the benefit of the participants in, or members of, the relevant clearing system or clearing systems who held interests in the corresponding Securities through the relevant clearing system or clearing systems immediately prior to Exchange ("*Clearing System Participants*"); and

(e) each such Clearing System Participant will, in respect of its proportional entitlement to an interest in that Security, be entitled to receive MGL Ordinary Shares (or the proceeds of the sale of MGL Ordinary Shares) from the Sale Agent in accordance with, and subject to, this section as though references to the "holder" or "registered holder" of any Security or a portion thereof are to the Clearing System Participant and references to MGL issuing MGL Ordinary Shares to the holder are to the Sale Agent delivering to the Clearing System Participant the MGL Ordinary Shares issued to the Sale Agent under paragraph (10)(d).

(11) Holders of Securities whose MGL Ordinary Shares are to be sold

Subject to where Write-Off applies, if any Security or portion thereof is required to be Exchanged and if:

(a) the registered holder of that Security has notified MBL that it does not wish to receive MGL Ordinary Shares as a result of the Exchange (whether entirely or to the extent specified in the notice), which notice may be given at any time on or after the Issue Date and no less than 15 Business Days prior to the Exchange Date;

(b) the registered holder of that Security either has an address in the register which is a place outside Australia or is believed by MBL or MGL to not be a resident of Australia (in either case, the Security holder being a "Foreign Holder");

(c) for any reason (whether or not due to the fault of the holder):

(i) MBL or MGL does not receive any information required by it in accordance with the terms of that Security so as to impede MGL from issuing the MGL Ordinary

Shares to the holder of that Security on the Exchange Date; or

(ii) a FATCA Withholding is required to be made in respect of any MGL Ordinary Shares to be delivered as a result of that Exchange; or

(d) MGL is of the opinion that under an Applicable Shareholding Law, the registered holder of that Security is prohibited from acquiring some or all of the Exchange Number of MGL Ordinary Shares on the Exchange Date;

then, subject to paragraph (11)(e) below and without limiting paragraph (10), MBL will use reasonable endeavors to appoint a Sale Agent (which is not MBL or any Related Entity of MBL) on such terms as MBL considers reasonable, who will act in accordance with paragraph (11)(f) where MBL, MGL and the Sale Agent can be satisfied that the obligation in paragraph (11)(f) may be performed in respect of the relevant Security and the relevant MGL Ordinary Shares in accordance with all applicable laws and without MBL, MGL or the Sale Agent having to take steps which any of them regard as unacceptable or onerous.

On the Exchange Date:

(e) where paragraph (11)(a), (11)(b), 11(c)(ii) or (11)(d) above applies, MGL will issue the Exchange Number of MGL Ordinary Shares to the holder of that Security only to the extent (if at all) that:

(i) where paragraph (11)(a) above applies, the holder's notice referred to in paragraph 11(a) indicates the holder wishes to receive them;

(ii) where paragraph (11)(b) above applies, the Foreign Holder has notified MBL that it wishes to receive MGL Ordinary Shares as a result of the Exchange (whether entirely or to the extent specified in the notice), which notice may be given at any time on or after the Issue Date and no less than 15 Business Days prior to the Exchange Date, and MGL is satisfied that the laws of both Australia and the Foreign Holder's country of residence permit the issue of the Exchange Number of MGL Ordinary Shares to the Foreign Holder as contemplated by this paragraph (11) (but as to which MGL is not bound to enquire), either unconditionally or after compliance with conditions which the MGL, in its absolute discretion, regards as acceptable and not unduly onerous;

(iii) where paragraph (11)(c)(ii) above applies, MGL, in its absolute discretion, considers that it can do so in accordance with the requirements applicable to the relevant FATCA Withholding without it having to take steps which it regards as unacceptable or onerous; or

(iv) where paragraph (11)(d) above applies, the issue would result in the holder receiving the maximum number of MGL Ordinary Shares the holder is permitted to acquire in compliance with Applicable Shareholding Law as at the Exchange Date;

(f) otherwise, subject to paragraph (11)(g) below and any other circumstances where Write-Off applies, MGL will issue the balance of the Exchange Number of MGL Ordinary Shares in respect of that holder to the Sale Agent on the terms that, at the first reasonable opportunity to sell the MGL Ordinary Shares, the Sale Agent will arrange for their sale and pay to the holder of the relevant Security on a date determined by the Sale Agent a cash amount equal to the Attributable Proceeds of the holder of that Security (and, where a FATCA Withholding has been required to be made, will remit the cash amount referable to the FATCA Withholding to, or as directed by, the relevant authority or agency). The issue of MGL Ordinary Shares to the Sale Agent will satisfy all obligations of MGL and

its Related Bodies Corporate in connection with the Exchange, that Security or portion thereof will be deemed Exchanged and will be dealt with in accordance with paragraph (1) and, on and from the issue of MGL Ordinary Shares, the rights of the holder of that Security the subject of this paragraph (11) are limited to its rights in respect of the MGL Ordinary Shares or the Attributable Proceeds as provided in this paragraph (11); and

(g) where paragraph (10) or paragraph (11)(f) above applies in respect of a holder of a Security and a Sale Agent is unable to be appointed, or any of MGL or the Sale Agent is of the opinion that the issue of MGL Ordinary Shares to the Sale Agent and subsequent delivery or sale in accordance with paragraph (10) or paragraph (11)(f) cannot be undertaken in accordance with Applicable Shareholding Law or other applicable law (or can be undertaken in accordance with Applicable Shareholding Law or applicable law only after MGL or the Sale Agent take steps which any of MBL, MGL or the Sale Agent regard as onerous) then, without in any way limiting other circumstances where Write-Off may apply as described in this offering memorandum, if either or both of MGL and the Sale Agent is of the opinion that the issue of MGL Ordinary Shares cannot be undertaken within 5 Business Days of the Automatic Exchange Date to the Sale Agent in accordance with paragraph (11)(f) above or otherwise to the holder of that Security in accordance with paragraph (10), then that Security or portion thereof will be Written-Off.

Nothing in this paragraph (11) will affect the Exchange of any Security or portion thereof to any holder of that Security which is not a person to which any of paragraphs (11)(a) to (11)(d) applies.

For the purpose of this paragraph (11), none of MBL, MGL, the Sale Agent or any other person owes any obligations or duties to the Security holders in relation to the price at which MGL Ordinary Shares are sold or has any liability for any loss suffered by a Security holder as a result of the sale of MGL Ordinary Shares.

Mergers and Similar Transactions

We or MGL are generally permitted to consolidate or merge with another company or firm. We or MGL are also permitted to sell substantially all of our assets to another company or firm, or to buy substantially all of the assets of another company or firm. However, neither we nor MGL may take any of these actions unless all the following conditions are met:

- Where we or MGL consolidate or merge out of existence or sell substantially all of our or MGL's assets, except as otherwise indicated below, the other company or firm must be an entity organized as a corporation, trust or partnership and:

  (i) in respect of a consolidation, merger, sale of assets or other transaction concerning us, it must expressly accept all obligations of MBL included in the Securities; and

  (ii) in respect of a consolidation, merger, sale of assets or other transaction concerning MGL, it or its ultimate holding company must expressly assume the performance of every covenant of MGL included in the Securities and the MGL Deed of Undertaking.

- We deliver to the holders of the Securities a certificate (signed by our chief executive or financial officer or treasurer) and opinion of counsel, each stating that the consolidation, merger, sale, lease or purchase of assets or other transaction complies with the terms of the Securities.

- The merger, sale of assets or other transaction must not cause the Issuer to be unable to make scheduled payments and comply with its obligations under the Securities, and the Issuer must not already be unable to make scheduled payments or be in breach of its obligations under the Securities, unless the consolidation, merger, sale of assets or other transaction would cure such inability or breach.

- If such company or firm is not organized and validly existing under the laws of Australia or a Relevant Foreign Jurisdiction, it must expressly agree that all payments pursuant to the Securities must be made without withholding or deduction for or on account of any tax, duty, assessment or governmental charge of whatever nature imposed or levied on behalf of the jurisdiction of organization of such company or firm, or any political subdivision or taxing authority thereof or therein, unless such tax, duty, assessment or governmental charge is required by such jurisdiction or any such subdivision or authority to be withheld or deducted, in which case such company or firm will pay such Additional Amounts in order that the net amounts received by the holders of the Securities after such withholding or deduction will equal the amount which would have been received in respect of the Securities in the absence of such withholding or deduction, subject to the same exceptions as would apply with respect to the payment by us of Additional Amounts in respect of the Securities (substituting the jurisdiction of organization of such company or firm for Australia or the Relevant Foreign Jurisdiction (as applicable)); provided, however, that this indemnity shall not apply to any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, and shall not require the payment of Additional Amounts on account of any such withholding or deduction.

Notwithstanding the above, neither we nor MGL are prevented from consolidating with or merging into any other person or conveying, transferring or leasing our respective properties and assets substantially as an entirety to any person, or from permitting any person to consolidate with or merge into us or MGL or to convey, transfer or lease our respective properties and assets substantially as an entirety to us or MGL where such consolidation, merger, conveyance, transfer or lease is:

- required by APRA (or any statutory manager or similar official appointed by it) under law and prudential regulation applicable in the Commonwealth of Australia (including, without limitation the Australian Banking Act or the Australian FSBT Act, as used herein, and any amendments thereto, rules thereunder and any successor laws, amendments and rules)); or

- determined by us or MGL, or by APRA (or any statutory manager or similar official appointed by it) to be necessary in order for us or MGL to be managed in a sound and prudent manner or for us, MGL or APRA (or any statutory manager or similar official appointed by it) to resolve any financial difficulties affecting us or MGL, in each case in accordance with law and prudential regulation applicable in the Commonwealth of Australia.

Existence

Subject to the provisions described under "— Mergers and Similar Transactions" above, we and MGL are each required to do or cause to be done all things necessary to preserve and keep in full force and effect our existence, rights (charter and statutory) and franchises; provided, however, that each of us and MGL shall not be required to preserve any such right or franchise if our respective Boards of Directors determines that the preservation thereof is no longer desirable in the conduct of our respective businesses and that the loss thereof is not disadvantageous in any material respect to the holders of the Securities or:

- required by APRA (or any statutory manager or similar official appointed by it) under law and prudential regulation applicable in the Commonwealth of Australia (including without limitation the Australian Banking Act or the Australian FSBT Act, which terms, as used herein, include any amendments thereto, rules thereunder and any successor laws, amendments and rules)); or

- determined by us or MGL, or by APRA (or any statutory manager or similar official appointed by it), to be necessary in order for MBL or MGL to be managed in a sound and prudent manner or for us or MGL, or APRA (or any statutory manager or similar official appointed by it), to resolve any financial difficulties affecting each of us, in each case in accordance with law and prudential regulation applicable in the Commonwealth of Australia.

Branch Substitution

The Securities have been initially issued by MBL, acting through its London Branch. MBL or any Substitute Branch substituted as described below may, subject to APRA's prior written approval and all other necessary authorizations, regulatory and governmental approvals and consents, substitute another branch of MBL (a "Substitute Branch") as issuer of the Securities by an amendment to the terms of the Securities and the execution of such further documents (if any) and the compliance with such other formalities or requirements as may be necessary to ensure that such Substitute Branch is bound in full by all of the obligations of MBL under the Securities (a "Branch Substitution"):

- without the consent or approval of the holders of the Securities, *provided, however,* that MBL is of the opinion that the substitution does not, taken as a whole and in conjunction with all other amendments, if any, made contemporaneously with the substitution, materially adversely affect the interests of holders of the Securities as a whole; or

- with the consent of holders of at least 50% of the Principal Amount of the Securities then outstanding at a meeting duly called in accordance with the terms of the Securities or by written consent of holders of at least 50% of the Principal Amount of all Securities then outstanding.

After a Branch Substitution, the Substitute Branch may effect a further substitution (including to the Issuer or a previous Substitute Branch) in accordance with this Section (with necessary changes).

Not later than 14 days after the execution of the documents and compliance with the requirements described in this Section, the Substitute Branch shall notify the holders of the Securities of the Branch Substitution.

Upon the execution of such documents and compliance with such requirements, the terms of the Securities will be deemed to be modified in such manner as shall be necessary to give effect to the above provisions and, without limitation, references in the Securities to the Issuer will, unless the context otherwise requires, be deemed to be or include references to the Substitute Branch.

Modification of the Securities, the Fiscal Agency Agreement or the MGL Deed of Undertaking and Waiver of Covenants

The prior written approval of APRA is required to modify, amend or supplement the terms of the Securities, the Fiscal Agency Agreement or MGL Deed of Undertaking, insofar as it affects the Securities, or to give consents or waivers in respect of the Securities or take other actions where such modification, amendment, supplement, consent, waiver or other action may affect the eligibility of the Securities as Tier 1 Capital of MBL.

If we are able to obtain APRA's prior written approval, there are three types of changes we can make to the Fiscal Agency Agreement, the Securities and MGL Deed of Undertaking and these changes might subject the holders to U.S. federal tax.

Changes not requiring approval

The first type of change does not require any approval by holders of the Securities. These changes are limited to curing any ambiguity or curing, correcting or supplementing any defective provision, adding to our or MGL's covenants or surrendering our rights, or MGL surrendering its rights, or modifying the Fiscal Agency Agreement, the Securities or MGL Deed of Undertaking in any manner determined by us, MGL and the Fiscal Agent to be consistent with the Securities and not materially adverse to the interest of holders of Securities.

Changes requiring majority approval

Second, any change not described in "—Changes not requiring approval" above or "—Changes requiring each holder's approval" below to the Fiscal Agency Agreement, the Securities and the MGL Deed of Undertaking would require the following approval (in addition to the prior written approval of APRA):

- the written consent of the holders of at least 50% of the Principal Amount of the Securities effected at the time outstanding; or

- the adoption of a resolution at a meeting at which a quorum of holders is present by 50% of the Principal Amount of the Securities effected at the time outstanding represented at the meeting.

The same 50% approval would be required for us to obtain a waiver of any of our respective covenants in the Fiscal Agency Agreement, the Securities or MGL Deed of Undertaking. Such covenants include the promises we and MGL each make about merging, which we describe above under "— Mergers and Similar Transactions". If the holders approve a waiver of a covenant, neither we nor MGL will have to comply with it.

These defined majorities are able to bind all holders of the Securities, including holders who did not provide written consent or attend and vote at a relevant meeting and holders who voted in a manner contrary to the majority.

The quorum at any meeting called to adopt a resolution will be persons holding or representing a majority in Principal Amount of the Securities at the time outstanding and, at any reconvened meeting adjourned for lack of a quorum, 25% of the Principal Amount of the Securities outstanding. For purposes of determining whether holders of the Principal Amount of Securities required for any action or vote, or for any quorum, have taken the action or vote, or constitute a quorum, the Principal Amount of any particular Security may differ from its Principal Amount at issuance or ultimate redemption (if applicable) but will not exceed its stated face amount upon original issuance.

Unless otherwise indicated, we will be entitled to set any day as a record date for determining which holders of book-entry Securities are entitled to make, take or give requests, demands, authorizations, directions, notices, consents, waivers or other action, or to vote on actions, authorized or permitted by the Fiscal Agency Agreement. In addition, record dates for any book-entry Security may be set in accordance with procedures established by the Depositary from time to time. Therefore, record dates for book-entry Securities may differ from those for other Securities. Book-entry and other indirect owners should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the Fiscal Agency Agreement or any Securities or request a waiver.

Changes requiring each holder's approval

Finally, there are changes that cannot be made without the written consent or the affirmative vote or approval of each holder of outstanding securities. Here is a list of those types of changes:

- change the due date for the payment of principal of, or any installment of interest on any Security;

- reduce the Principal Amount of any Security, the portion of any Principal Amount that is payable according to the terms of the Securities, the interest rate payable upon redemption;

- change the subordination provisions of a Security, the Deed of Undertaking or Exchange features (other than adjustments contemplated by the terms of the Securities) in a manner adverse to the interests of any holder of the Security;

- change the currency of any payment on a Security;

- change our obligation to pay Additional Amounts, subject to the Payment Exceptions;

- shorten the period during which redemption of the Securities is not permitted or permit redemption during a period not previously permitted;

- change the place of payment on a Security;

- reduce the percentage of Principal Amount of the Securities outstanding necessary to modify, amend or supplement the Fiscal Agency Agreement or the Securities;

- reduce the percentage of Principal Amount of the Securities outstanding required to adopt a resolution or the required quorum at any meeting of holders of Securities at which a resolution is adopted; or

- change any provision in a Security with respect to redemption at the holders' option in any manner adverse to the interests of any holder of the Securities.

Only outstanding Securities are eligible

Only holders of outstanding Securities will be eligible to participate in any action by holders of Securities. Also, we will count only outstanding Securities in determining whether the various percentage requirements for taking action have been met. For these purposes, a Security will not be "outstanding":

- if it has been surrendered for cancellation;

- if it has been Written-Off in full;

- if we have called such Security for redemption or it is payable and we have deposited or set aside, in trust for its holder, money for its payment or redemption;

- if it is in lieu of or in substitution for other Securities that have been authenticated and delivered;

- if we or one of our affiliates is the owner; or

- in the case of the Securities only, if it has been Exchanged.

Form, exchange and transfer of Securities

If any Securities cease to be issued in registered global form, they will be issued:

- only in fully registered form;
- without interest coupons; and
- unless we indicate otherwise, in denominations of US$200,000 or integral multiple of US$1,000 in excess thereof.

Holders may exchange their Securities for Securities of smaller denominations or combine them into fewer Securities of larger denominations, as long as the total Principal Amount is not changed.

Holders may exchange or transfer their Securities at the office of the Fiscal Agent. They may also replace lost, stolen, destroyed or mutilated Securities at that office. We have appointed the Fiscal Agent to act as our agent for registering Securities in the names of holders and transferring and replacing Securities. We may appoint another entity to perform these functions or perform them ourselves.

Holders will not be required to pay a service charge to transfer or exchange their Securities, but they may be required to pay for any tax or other governmental charge and certain other related expenses associated with the exchange or transfer and any other reasonable expenses (including the fees and expenses of the Fiscal Agent) in connection with the exchange or transfer. The transfer or exchange, and any replacement, will be made only if our

transfer agent is satisfied with the holder's proof of legal ownership. The transfer agent may require an indemnity before replacing any Securities.

We may appoint additional transfer agents or vary or terminate the appointment of any particular transfer agent at any time and from time to time upon giving not less than ninety days' notice to such transfer agent and the Fiscal Agent. We may also approve a change in the office through which any transfer agent acts, provided that we shall at all times maintain a transfer agent in the Borough of Manhattan, The City of New York.

If a Security is issued as a Global Security, only the Depositary — *e.g.*, DTC, Euroclear or Clearstream, Luxembourg — will be entitled to transfer and exchange the Security as described in this subsection, since the Depositary will be the sole holder of the Security.

The rules for exchange described above apply to exchange of Securities for other Securities of the same kind.

Payment mechanics for Securities

Who receives payment?

If we pay interest on a Security on an Interest Payment Date, we will pay the interest to the person in whose name the Security is registered at the close of business on the Regular Record Date relating to the Interest Payment Date, see "— Payment and Record Dates for interest" below. If we pay interest on any payment date, we will pay the interest to the person entitled to receive the principal of the Security. If principal or another amount is to be paid, we will pay the amount to the holder of the Security against surrender of the Security at a proper place of payment or, in the case of a Global Security, in accordance with the applicable policies of the Depositary, which will be DTC, Euroclear or Clearstream, Luxembourg.

Payment and Record Dates for interest

Subject to the Payment Exceptions, interest will be payable on the Securities (i) semiannually in arrears on March 8 and September 8 of each year, beginning on September 8, 2017 and (ii) on any Acquisition Exchange Date, in each case at an initial rate (until the Initial Reset Date) of 6.125% per annum to the persons in whose names the Securities are registered at the close of business on the fifteenth day (whether or not a Business Day) next preceding such Interest Payment Date (the "Regular Record Date"). Interest will be paid on the basis of a 360-day year comprised of twelve 30-day calendar months. If any payment date for the Securities falls on a day that is not a Business Day, the payment date shall be postponed to the next succeeding Business Day, and no additional amount will be payable on account of the delay. Notwithstanding the foregoing, if an Automatic Exchange Event occurs, the Issuer, MGL and any Related Body Corporate shall perform its obligations in respect of the Automatic Exchange Event immediately on the Exchange Date, irrespective of whether that date is also a Business Day.

How we will make payments

Payments on Global Securities. We will make payments on a Global Security in accordance with the applicable policies as in effect from time to time of the Depositary, which will be DTC, Euroclear or Clearstream, Luxembourg. Under those policies, we will pay directly to the Depositary, or its nominee, and not to any indirect owners who own beneficial interests in the Global Security. An indirect owner's right to receive those payments will be governed by the rules and practices of the Depositary and its participants, see "Legal Ownership and Book-Entry Issuance — What is a Global Security?".

Payments on Non-Global Securities. We will make payments on a Security in non-global, registered form as follows. We will pay interest that is due on an Interest Payment Date by check mailed on the Interest Payment Date to the holder at its address shown on the Fiscal Agent's records as of the close of business on the Regular Record Date. We will make all other payments by check at the office of the Paying Agent described below, against surrender of the Security. All payments by check will be made in next-day funds — *i.e.*, funds that become available on the day after the check is cashed.

Alternatively, if a non-Global Security has a face amount of at least US$5,000,000 and the holder asks us to do so, we will pay any amount that becomes due on the Security by wire transfer of immediately available funds to an account at a bank in New York City, on the due date. To request wire payment, the holder must give the Paying Agent appropriate wire transfer instructions at least five Business Days before the requested wire payment is due. In the case of any interest payment due on an Interest Payment Date, the instructions must be given by the person or entity who is the holder on the relevant Regular Record Date. In the case of any other payment, payment will be made only after the Security is surrendered to the Paying Agent. Any wire instructions, once properly given, will remain in effect unless and until new instructions are given in the manner described above.

Book-entry and other indirect owners should consult their banks or brokers for information on how they will receive payments on their Securities.

Paying Agent

We may appoint one or more financial institutions to act as our paying agents, at whose designated offices Securities in non-global entry form may be surrendered for payment when applicable. We call each of those financial institutions a "Paying Agent". We may appoint additional Paying Agents or vary or terminate the appointment of any particular Paying Agent at any time and from time to time upon giving not less than ninety days' notice to such Paying Agent. We may also approve a change in the office through which any Paying Agent acts, provided that at all times there will be a Paying Agent in the Borough of Manhattan, The City of New York. We may also choose to act as our own Paying Agent. Initially, we have appointed The Bank of New York Mellon as the Paying Agent. We must notify the Fiscal Agent of changes in the Paying Agents.

Unclaimed payments

Any entitlement for a holder of these Securities to receive payment of any amount in respect of these Securities will become void unless the holder (in the case of the Principal Amount) has presented and surrendered their applicable Securities, and has provided address or account details for the purposes of payments, in accordance with the terms hereof within 10 years from the applicable payment date or (in the case of interest amounts) has provided address or account details for the purposes of payments in accordance with the terms hereof within 5 years from the applicable payment date.

Notices

Notices to be given to holders of a Global Security will be given only to the Depositary, in accordance with its applicable policies as in effect from time to time. Notices to be given to holders of Securities not in global form will be sent by mail to the respective addresses of the holders as they appear in the Fiscal Agent's records, and will be deemed given when mailed. Neither the failure to give any notice to a particular holder, nor any defect in a notice given to a particular holder, will affect the sufficiency of any notice given to another holder. Book-entry and other indirect owners should consult their banks or brokers for information on how they will receive notices.

Our relationship with the Fiscal Agent

The Bank of New York Mellon is serving as the Fiscal Agent for the Securities issued under the Fiscal Agency Agreement.

Successor fiscal agent

The Fiscal Agency Agreement provides that the Fiscal Agent may be removed by us at any time or may resign upon 30 days prior written notice to us or any shorter period that we accept, effective upon the acceptance by a successor fiscal agent of its appointment. The Fiscal Agency Agreement provides that any successor fiscal agent must have an established place of business in the Borough of Manhattan, The City of New York. We must notify the holders of the Securities of the appointment of a successor fiscal agent.

Governing law

The Fiscal Agency Agreement and the Securities will be governed by, and construed in accordance with, the laws of the State of New York without reference to the State of New York principles regarding conflicts of laws, except that all matters governing authorization and execution of the Securities and the Fiscal Agency Agreement by MBL, the subordination and exchange and write-off provisions of the Securities and the MGL Deed of Undertaking will be governed by the laws of the State of New South Wales, Australia and the laws of the Commonwealth of Australia. We have appointed Macquarie Holdings (USA) Inc. located at 125 West 55th Street, New York, New York 10019, as our agent for service of process in The City of New York in connection with any action arising out of the sale of the Securities or enforcement of the terms of the Fiscal Agency Agreement.

LEGAL OWNERSHIP AND BOOK-ENTRY ISSUANCE

In this section entitled "Legal Ownership and Book-Entry Issuance", references to "we", "us", "our" and similar references are to the Bank only and not to MBL Group.

In this section, we describe special considerations that will apply to the Securities because they will be issued in global — *i.e.*, book-entry — form. First we describe the difference between legal ownership and indirect ownership of Securities. Then we describe special provisions that apply to the Global Securities.

Who is the Legal Owner of a Registered Security?

Each Security in registered form will be represented either by a certificate issued in definitive form to you or by one or more global securities representing the entire issuance of Securities. We refer to those who have Securities registered in their own names, on the books that we or the Fiscal Agent or other agent maintain for this purpose, as the "holders" of those Securities. These persons are the legal holders of the Securities. We refer to those who, indirectly through others, own beneficial interests in Securities that are not registered in their own names as indirect owners of those Securities. As we discuss below, indirect owners are not legal holders, and investors in Securities issued in book-entry form or in street name will be indirect owners.

Book-Entry Owners

We will issue each Security in book-entry form only. This means the Securities will be represented by one or more Global Securities registered in the name of a financial institution that holds them as Depositary on behalf of other financial institutions that participate in the Depositary's book-entry system. These participating institutions, in turn, will hold beneficial interests in the Securities on behalf of themselves or their customers.

Under the fiscal agency agreement, only the person in whose name a Security is registered is recognized as the holder of that Security. Consequently, so long as the Securities remain in global form, we will recognize only the Depositary as the holder of the Securities and we will make all payments on the Securities, including deliveries of any property other than cash, to the Depositary. The Depositary passes along the payments it receives to its participants, which in turn pass the payments along to their customers who are the beneficial owners. The Depositary and its participants do so under agreements they have made with one another or with their customers; they are not obligated to do so under the terms of the Securities.

As a result, holders will not own Securities directly. Instead, they will own beneficial interests in a Global Security, through a bank, broker or other financial institution that participates in the Depositary's book-entry system or holds an interest through a participant. As long as the Securities remain in global form, holders will be indirect owners, and not holders, of the Securities.

Street Name Owners

In the future we may terminate a Global Security. In these cases, investors may choose to hold their Securities in their own names or in street name. Securities held by an investor in street name would be registered in the name of a bank, broker or other financial institution that the investor chooses, and the investor would hold only a beneficial interest in those Securities through an account it maintains at that institution.

For Securities held in street name, we will recognize only the intermediary banks, brokers and other financial institutions in whose names the Securities are registered as the holders of those Securities and we will make all payments on those Securities, including deliveries of any property other than cash, to them. These institutions pass along the payments they receive to their customers who are the beneficial owners, but only because they agree to do so in their customer agreements or because they are legally required to do so; they are not obligated to do so under the terms of the Securities. Investors who hold Securities in street name will be indirect owners, not holders, of those Securities.

Legal Holders

Our obligations, as well as the obligations of the Fiscal Agent under the Fiscal Agency Agreement and the obligations, if any, of any third parties employed by us or any other agent, run only to the holders of the Securities. We do not have obligations to investors who hold beneficial interests in Global Securities, in street name or by any other indirect means. This will be the case whether an investor chooses to be an indirect owner of a Security or has no choice because we are issuing the Securities only in global form.

For example, once we make a payment or give a notice to the holder, we have no further responsibility for that payment or notice even if that holder is required, under agreements with Depositary participants or customers or by law, to pass it along to the indirect owners but does not do so. Similarly, if we want to obtain the approval of the holders for any purpose — *e.g.*, to amend the Fiscal Agency Agreement or to relieve us of the consequences of our obligation to comply with a particular provision of the Fiscal Agency Agreement — we would seek the approval only from the holders, and not the indirect owners, of the relevant Securities. Whether and how the holders contact the indirect owners is up to the holders.

When we refer to "you" in this offering memorandum, we mean those who invest in the Securities whether they are the holders or only indirect owners of those Securities. When we refer to "your Securities" in this offering memorandum, we mean the Securities in which you will hold a direct or indirect interest.

Special Considerations for Indirect Owners

If you hold Securities through a bank, broker or other financial institution, either in book-entry form or in street name, you should check with your own institution to find out:

- how it handles securities payments and notices;
- whether it imposes fees or charges;
- whether and how you can instruct it to exercise any rights to purchase or sell Securities or to exchange or convert a Security for or into other property;
- how it would handle a request for the holders' consent, if ever required;
- whether and how you can instruct it to send you Securities registered in your own name so you can be a holder, if that is permitted in the future;
- how it would exercise rights under the Securities if there were an event triggering the need for holders to act to protect their interests; and
- how the Depositary's rules and procedures will affect these matters.

What is a Global Security?

A Global Security may not be transferred to or registered in the name of anyone other than the Depositary or its nominee, unless special termination situations arise. We describe those situations below under "— Holder's Option to obtain a Non-Global Security" and "— Special Situations when a Global Security will be Terminated". As a result of these arrangements, the Depositary, or its nominee, will be the sole registered owner and holder of all Securities represented by a Global Security, and holders will be permitted to own only indirect interests in a Global Security. Indirect interests must be held by means of an account with a broker, bank or other financial institution that in turn has an account with the Depositary or with another institution that does.

Special Considerations for Global Securities

As an indirect owner, an investor's rights relating to a Global Security will be governed by the account rules of the Depositary and those of the investor's financial institution or other intermediary through which it holds its

interest (*e.g.*, DTC, Euroclear or Clearstream, Luxembourg), as well as general laws relating to securities transfers. We do not recognize this type of investor or any intermediary as a holder of Securities and instead deal only with the Depositary that holds the Global Security.

If the Securities are issued only in the form of a Global Security, an investor should be aware of the following:

- an investor cannot cause the Securities to be registered in its own name, and cannot obtain non-global certificates for its interest in the Securities, except in the special situations we describe below;

- an investor will be an indirect holder and must look to its own bank or broker for payments on the Securities and protection of its legal rights relating to the Securities, as we describe above under "— Who is the Legal Owner of a Registered Security?";

- an investor may not be able to sell interests in the Securities to some insurance companies and other institutions that are required by law to own their securities in non-book-entry form;

- an investor may not be able to pledge its interest in a Global Security in circumstances where certificates representing the Securities must be delivered to the lender or other beneficiary of the pledge in order for the pledge to be effective;

- the Depositary's policies will govern payments, deliveries, transfers, exchanges, notices and other matters relating to an investor's interest in a Global Security, and those policies may change from time to time. We and the Fiscal Agent will have no responsibility for any aspect of the Depositary's policies, actions or records of ownership interests in a Global Security. We and the Fiscal Agent also do not supervise the Depositary in any way;

- the Depositary will require that those who purchase and sell interests in a Global Security within its book-entry system use immediately available funds and your broker or bank may require you to do so as well; and

- financial institutions that participate in the Depositary's book-entry system and through which an investor holds its interest in the Global Securities, directly or indirectly, may also have their own policies affecting payments, deliveries, transfers, exchanges, notices and other matters relating to the securities, and those policies may change from time to time. For example, if you hold an interest in a global security through Euroclear or Clearstream, Luxembourg, when DTC is the Depositary, Euroclear or Clearstream, Luxembourg, as applicable, will require those who purchase and sell interests in that Security through them to use immediately available funds and comply with other policies and procedures, including deadlines for giving instructions as to transactions that are to be effected on a particular day. There may be more than one financial intermediary in the chain of ownership for an investor. We do not monitor and are not responsible for the policies or actions or records of ownership interests of any of those intermediaries.

Holder's Option to obtain a Non-Global Security

If we issue any Securities in book-entry form but we choose to give the beneficial owners of those Securities the right to obtain non-Global Securities, any beneficial owner entitled to obtain non-Global Securities may do so by following the applicable procedures of the Depositary, broker or other financial institution through which that owner holds its beneficial interest in the Securities. If you are entitled to request a non-global certificate and wish to do so, you will need to allow sufficient lead time to enable us or our agent to prepare the requested certificate.

Special Situations when a Global Security will be Terminated

In addition, in a few special situations described below, a Global Security will be terminated and interests in it will be exchanged for certificates in non-global form representing the Securities it represented. After that exchange, the choice of whether to hold the Securities directly or in street name will be up to the investor. Investors must consult their own banks or brokers to find out how to have their interests in a Global Security transferred on termination to their own names, so that they will be holders. We have described the rights of holders and street name investors above under "— Who is the Legal Owner of a Registered Security?".

The special situations for termination of a Global Security are as follows:

- if the DTC notifies us that it is unwilling, unable or no longer qualified to continue as depositary for that Global Security; or

- if we notify the Fiscal Agent that we wish to terminate that Global Security.

If a Global Security is terminated, only the Depositary, and not us or the Fiscal Agent, is responsible for deciding the names of the institutions in whose names the Securities represented by the Global Security will be registered and, therefore, who will be the holders of those Securities.

Clearance and Settlement

DTC, Euroclear and Clearstream, Luxembourg have established electronic securities and payment transfer, processing, depositary and custodial links among themselves and others, either directly or through custodians and depositaries. These links allow securities to be issued, held and transferred among the Depositaries without the physical transfer of certificates.

Special procedures to facilitate clearance and settlement have been established among DTC, Euroclear and Clearstream, Luxembourg to trade securities across borders in the secondary market. Because the Securities will be represented by Global Securities and payments for the Securities will be made in U.S. dollars, these procedures can be used for cross-market transfers and the Securities will be cleared and settled on a delivery against payment basis.

The Global Securities will be registered in the name of a nominee for, and accepted for settlement and clearance by, DTC.

The policies of DTC, Clearstream, Luxembourg and Euroclear will govern payments, transfers, exchange and other matters relating to the investor's interest in Securities held by them.

We have no responsibility for any aspect of the actions of DTC, Clearstream, Luxembourg or Euroclear or any of their direct or indirect participants. We have no responsibility for any aspect of the records kept by DTC, Clearstream, Luxembourg or Euroclear or any of their direct or indirect participants. We also do not supervise these systems in any way.

DTC, Clearstream, Luxembourg, Euroclear and their participants perform these clearance and settlement functions under agreements they have made with one another or with their customers. Investors should be aware that DTC, Clearstream, Luxembourg, Euroclear and their participants are not obligated to perform these procedures and may modify them or discontinue them at any time.

The descriptions of DTC, Euroclear and Clearstream, Luxembourg below reflect our understanding of their rules and procedures as they are currently in effect. Those systems could change their rules and procedures at any time.

DTC

DTC has advised the Bank that it is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a financial market utility designated as systematically important by the Financial Stability Oversight

Council, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for DTC participants and to facilitate the clearance and settlement of transactions among its participants in those securities through electronic book-entry transfers and pledges between the accounts of DTC participants, thereby eliminating the need for physical movement of securities certificates.

DTC participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations and may in the future include certain other organizations ("*DTC participants*"). Indirect access to the DTC system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly ("indirect DTC participant").

Transfers of ownership or other interests in Securities in DTC may be made only through DTC participants. Indirect DTC participants are required to effect transfers through a DTC participant. DTC has no knowledge of the actual beneficial owners of the Securities. DTC's records reflect only the identity of the DTC participants to whose accounts the Securities are credited, which may not be the beneficial owners. DTC participants will remain responsible for keeping account of their holdings on behalf of their customers and for forwarding all notices concerning the Securities to their customers.

So long as DTC, or its nominee, is a registered owner of the Global Securities, payments of principal and interest on the Securities will be made in immediately available funds in accordance with their respective holdings shown on DTC's records, unless DTC has reason to believe that it will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of the DTC participants and not of DTC, the Fiscal Agent or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Bank or the Fiscal Agent. Disbursement of payments to DTC participants will be DTC's responsibility, and disbursement of payments to the beneficial owners will be the responsibility of DTC participants and indirect DTC participants.

Because DTC can only act on behalf of DTC participants, who in turn act on behalf of indirect DTC participants, and because owners of beneficial interests in the Securities holding through DTC will hold interests in the Securities through DTC participants or indirect DTC participants, the ability of the owners of beneficial interests to pledge the Securities to persons or entities that do not participate in DTC, or otherwise take actions with respect to the Securities, may be limited.

Ownership of interests in the Securities held by DTC will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC, the DTC participants and the indirect DTC participants. The laws of some jurisdictions require that certain persons take physical delivery in definitive form of securities which they own. Consequently, the ability to transfer beneficial interests in the Securities held by DTC is limited to that extent.

DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of DTC participants and Members of the National Securities Clearing Corporation and Fixed Income Clearing Corporation (also subsidiaries of DTCC), as well as by Euronext and the Financial Industry Regulatory Authority, Inc. Access to the depository system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. The rules applicable to DTC's participants are on file with the Commission. More information about DTC can be found at its Internet Web site at http://www.dtcc.com. This website is not intended to be incorporated by reference into this offering memorandum.

DTC participants that hold securities through DTC on behalf of investors will follow the settlement practices applicable to United States corporate debt obligations in DTC's Same-Day Funds Settlement System. Securities will be credited to the securities custody accounts of these DTC participants against payment in sameday funds, for payments in U.S. dollars, on the Issue Date.

Clearstream, Luxembourg

Clearstream, Luxembourg holds securities for its participating organizations ("*Clearstream, Luxembourg participants*") and facilitates the clearance and settlement of securities transactions between Clearstream, Luxembourg participants through electronic book-entry changes in accounts of Clearstream, Luxembourg participants, thereby eliminating the need for physical movement of certificates. Clearstream, Luxembourg provides to Clearstream, Luxembourg participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg also interfaces with domestic securities markets in several countries. Clearstream, Luxembourg is registered as a bank in Luxembourg, and as such is subject to regulation by the *Commission de Surveillance du Secteur Financier*, and the *Banque Centrale du Luxembourg* which supervise and oversee the activities of Luxembourg banks. Clearstream, Luxembourg participants are world-wide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations, and may include the agents. Indirect access to Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with a Clearstream, Luxembourg participant. Clearstream, Luxembourg has established an electronic bridge with Euroclear as the operator of the Euroclear system (the "Euroclear Operator") in Brussels to facilitate settlement of trades between Clearstream, Luxembourg and the Euroclear Operator.

Distributions with respect to Securities held beneficially through Clearstream, Luxembourg will be credited to cash accounts of Clearstream, Luxembourg participants in accordance with its rules and procedures, to the extent received by the depositary for Clearstream, Luxembourg.

Euroclear

Euroclear holds securities and book-entry interests in securities for participating organizations ("*Euroclear participants*") and facilitates the clearance and settlement of securities transactions between Euroclear participants, and between Euroclear participants and participants of certain other securities intermediaries through electronic book-entry changes in accounts of such participants or other securities intermediaries. Euroclear provides Euroclear participants, among other things, with safekeeping, administration, clearance and settlement, securities lending and borrowing, and related services. Euroclear participants are investment banks, securities brokers and dealers, banks, central banks, supranationals, custodians, investment managers, corporations, trust companies and certain other organizations, and may include the agents. Non participants in Euroclear may hold and transfer beneficial interests in a Global Security through accounts with a participant in the Euroclear system or any other securities intermediary that holds a book-entry interest in a Global Security through one or more securities intermediaries standing between such other securities intermediary and Euroclear.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the "Terms and Conditions"). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear participants, and has no record or relationship with persons holding through Euroclear participants.

Distributions with respect to Securities held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the Terms and Conditions, to the extent received by the depositary for Euroclear.

Special payment and timing considerations for transactions in Euroclear and Clearstream, Luxembourg

Payments, deliveries, transfers, exchanges, notices and other matters relating to the Securities made through Euroclear or Clearstream, Luxembourg must comply with the rules and procedures of those systems. Those systems could change their rules and procedures at any time. We have no control over those systems or their participants and we take no responsibility for their activities. Transactions between participants in Euroclear or Clearstream,

Luxembourg, on the one hand, and participants in DTC, on the other hand, when DTC is the Depositary, would also be subject to DTC's rules and procedures.

Securities which are accepted for clearance through Euroclear and Clearstream, Luxembourg systems will be allocated a Common Code and an International Securities Identification Number, or ISIN.

Investors will be able to make and receive through the Euroclear and Clearstream, Luxembourg payments, deliveries, transfers, exchanges, notices and other transactions involving any Securities held through those systems only on days when those systems are open for business. Those systems may not be open for business on days when banks, brokers and other institutions are open for business in the United States.

In addition, because of time-zone differences, U.S. investors who hold their interests in the Securities through these systems and wish to transfer their interests, or to receive or make a payment or delivery or exercise any other right with respect to their interests, on a particular day may find that the transaction will not be effected until the next Business Day in Luxembourg or Brussels, as applicable. Thus, investors who wish to exercise rights that expire on a particular day may need to act before the expiration date. In addition, investors who hold their interests through both DTC and Euroclear or Clearstream, Luxembourg may need to make special arrangements to finance any purchases or sales of their interests between the U.S. and European clearing systems, and those transactions may settle later than would be the case for transactions within one clearing system.

Secondary Market Trading

Trading Between DTC participants

Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC's rules. Secondary market trading will be settled using procedures applicable to United States corporate debt obligations in DTC's Same-Day Funds Settlement System for securities. Settlement will be in same-day funds.

Trading between Euroclear and/or Clearstream, Luxembourg participants

We understand that secondary market trading between Euroclear and/or Clearstream, Luxembourg participants will occur in the ordinary way following the applicable rules and operating procedures of Euroclear and Clearstream, Luxembourg. Secondary market trading will be settled using procedures applicable to conventional Eurobonds in registered form for securities.

Trading between a DTC participant seller and a Euroclear or Clearstream, Luxembourg participant purchaser

A purchaser of Securities that are held in the account of a DTC participant must send instructions to Euroclear or Clearstream, Luxembourg at least one business day prior to settlement. The instructions will provide for the transfer of the Securities from the selling DTC participant's account to the account of the purchasing Euroclear or Clearstream, Luxembourg participant. Euroclear or Clearstream, Luxembourg, as the case may be, will then instruct the common depositary for Euroclear and Clearstream, Luxembourg to receive the Securities either against payment or free of payment.

The interests in the Securities will be credited to the respective clearing system. The clearing system will then credit the account of the participant, following its usual procedures. Credit for the Securities will appear on the next day, European time. Cash debit will be back-valued to, and the interest on the Securities will accrue from, the value date, which would be the preceding day. If the trade fails and settlement is not completed on the intended date, the Euroclear or Clearstream, Luxembourg cash debit will be valued as of the actual settlement date instead.

Euroclear participants or Clearstream, Luxembourg participants will need the funds necessary to process sameday funds settlement. The most direct means of doing this is to pre-position funds for settlement, either from cash or from existing lines of credit, as for any settlement occurring within Euroclear or Clearstream, Luxembourg. Under this approach, participants may take on credit exposure to Euroclear or Clearstream, Luxembourg until the Securities are credited to their accounts one business day later.

As an alternative, if Euroclear or Clearstream, Luxembourg has extended a line of credit to them, participants can choose not to pre-position funds and will instead allow that credit line to be drawn upon to finance settlement. Under this procedure, Euroclear participants or Clearstream, Luxembourg participants purchasing securities would incur overdraft charges for one business day (assuming they cleared the overdraft as soon as the securities were credited to their accounts). However, any interest on the securities would accrue from the value date. Therefore, in many cases, the investment income on securities that is earned during that one-business day period may substantially reduce or offset the amount of the overdraft charges. This result will, however, depend on each participant's particular cost of funds.

DESCRIPTION OF THE MGL ORDINARY SHARES

The rights and liability attaching to the MGL Ordinary Shares to be issued on Exchange of the Securities are set out in the constitution of MGL and are also regulated by the Australian Corporations Act, the listing rules of the ASX and the laws of the Commonwealth of Australia. The following summarizes some, but not all of the material rights and liabilities attaching to the MGL Ordinary Shares. The following does not purport to be complete and is subject to, and qualified by reference to, all of the provisions of MGL's constitution which is incorporated by reference into this offering memorandum, the Australian Corporations Act, the listing rules of the ASX and the laws of the Commonwealth of Australia.

General

A copy of MGL's constitution, with such amendments as were approved on December 12, 2013, is available on MGL's U.S. investors' website. MGL's constitution is largely comparable to the articles of incorporation and by-laws of a corporation organized in the United States. Under MGL's constitution there is no limit on how many shares MGL may have on issue at any time. MGL's Board of Directors is authorized to provide for the issue of fully paid Ordinary Shares on terms determined by the directors, at the issue price that the directors determine and at the time that the directors determine. The Board of Directors may also provide for the cancellation of shares, the issue of shares with any preferential, deferred or special rights, privileges or conditions, or any restrictions relating to any shares in regard to dividends, voting, return of capital or otherwise.

The rights that attach to MGL Ordinary Shares are detailed in MGL's constitution and may only be varied with the sanction of a special resolution of a meeting of the Shareholders or with the consent in writing of three-quarters of Shareholders, as described further under "– Variation of Rights" below.

For more information on the Australian law limitations on the right of non-residents or non-citizens of Australia to hold, own or vote on shares in MGL, see "Applicable Shareholding Law" under "Description of the Securities – Exchange of Securities on an Exchange Event with, in the case of an Automatic Exchange Event, a fall back to Write-Off – Exchange Mechanics".

General Meetings and Voting

The Voting Directors (as such term is defined in MGL's constitution) of MGL may convene and arrange to hold a meeting of MGL's Shareholders at any time, but must do so if required to do so under the Australian Corporations Act (including that a general meeting must be convened where members with at least 5% of the votes that may be cast at the general meeting, who are entitled to vote at the general meeting, have so requested and annual general meetings must be convened at least once each calendar year and, in any event, within 5 months after the end of MGL's financial year). Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of MGL and to receive all notices, accounts and other documents required to be furnished to Shareholders under MGL's constitution, the Australian Corporations Act and the listing rules of the ASX. Shareholders may attend in person or by proxy and vote on issues requiring a shareholders' resolution at general meetings. Such issues include the election of directors of MGL and any changes to the constitution of MGL. Notice is given to Shareholders when those meetings are to be held and of the items of business to be considered.

At a general meeting, every holder of MGL Ordinary Shares present in person or by proxy or attorney or representative has one vote on a show of hands and, on a poll, one vote per fully paid MGL Ordinary Share (and, subject to the terms on which they are issued, a proportion of a vote for shares partly paid, equal to the proportion the amount paid on the share bears to its total issue price). For more information on matters related to general meetings and voting, see Section 7 of MGL's constitution and Chapter 2G of the Australian Corporations Act.

The Securities do not create or confer any voting rights in respect of MGL Ordinary Shares, MGL or any other member of MGL Group at any time prior to Exchange.

Dividends

It is MGL's present policy to pay dividends twice yearly on all ordinary shares of MGL. Such dividends are paid at the discretion of the Voting Directors of MGL.

Subject to the rights of holders of shares issued with any special or restricted rights, that portion of the profits of MGL which the Voting Directors of MGL may from time to time determine to distribute by way of a dividend, must be paid on all of the shares of a particular class in respect of which the dividend is paid. Dividends may only be paid by MGL in compliance with the Australian Corporations Act and APRA's prudential standards as they apply to MGL and the MGL Group. None of MGL's dividends shall carry interest as against MGL. The directors may fix the amount, the time of payment and the method for payment of the dividend. The directors may deduct from the dividend payable to an ordinary Shareholder all sums presently payable by the Shareholder to MGL on account of calls or otherwise in relation to shares. MGL also has a dividend reinvestment plan, see "– Dividend Reinvestment Plan" below.

See Section 1.1 in each of MGL's 2016 Fiscal Year Management Discussion and Analysis Report and 2015 Fiscal Year Management Discussion and Analysis Report, which are each incorporated by reference into this offering memorandum, for further information on the historical dividends paid by MGL on MGL Ordinary Shares over these historical periods.

Dividend Reinvestment Plan

MGL presently operates a Dividend Reinvestment Plan ("DRP"). It is optional and offers ordinary Shareholders in Australia and New Zealand the opportunity to acquire fully paid MGL Ordinary Shares without transaction costs. A Shareholder can elect to participate in or terminate their involvement in the DRP at any time. For further information regarding the DRP, see Note 5 in MGL's audited consolidated financial statements for the 2016 fiscal year included in MGL's 2016 Annual Report.

Changes to the rights of Shareholders

MGL's constitution has effect as a contract between MGL and each Shareholder, between MGL and each director and company secretary, and between a Shareholder and each other Shareholder, under which each person agrees to observe and perform the constitution and rules so far as they apply to that person. In accordance with MGL's constitution and the Australian Corporations Act, MGL may modify or repeal its constitution, or a provision of its constitution, by a special resolution that has been passed by at least 75% of the votes cast by Shareholders entitled to vote on the resolution.

An ADI statutory manager appointed by APRA has power under the Australian Banking Act to, among other things, cancel shares or rights to acquire shares in MGL or vary or cancel rights attached to shares, notwithstanding the constitution, the Australian Corporations Act, the terms of any contract to which MGL is party or the listing rules of any financial market in whose list MGL is included (including the ASX).

Rights to Redemption

MGL Ordinary Shares may not be redeemed at the election of MGL Shareholders.

Variation of Rights

The rights attaching to shares of any class may be varied in accordance with MGL's constitution including with the sanction of a special resolution passed at a meeting of the holders of shares of that class or with the written consent of the holders of at least three quarters of the issued shares of that class.

Limitations on ownership and changes in control of MGL Ordinary Shares

MGL's constitution contains limitations on the rights to own securities in MGL. In addition, there are detailed Australian laws and regulations which govern the acquisition of interests in MGL, including, without limitation:

- Chapter 6 of the Australian Corporations Act, which imposes requirements upon the acquisition of control over issued voting shares and voting power in MGL, including restrictions and procedures that will generally apply where a relevant interest of at least 20% of the total votes attaching to voting shares of MGL is required;

- the Foreign Acquisitions and Takeovers Act 1975 of Australia, which regulates foreign investment in Australia (including investments in MGL) and that may require notifications be made and/or approvals be obtained in relation to such investments;

- the Financial Sector (Shareholdings) Act 1998 of Australia, which may require prior approval be obtained for the acquisition of a stake of more than 15% in Australian financial sector companies, such as MGL; and

- Part IV of the Competition and Consumer Act 2010 of Australia, which may restrict any direct and indirect acquisition of interests in MGL where that acquisition is considered to impact competition in the sectors in Australia in which MGL operates.

The application of these requirements, and of the provisions of other laws and regulations, may depend upon the identity of the person acquiring the interest in MGL, and each investor must understand the effect that such laws and regulations may have upon any acquisition by them of interests in MGL in light of their own circumstances,

To the extent permitted by law, under the constitution, MGL has a first and paramount lien on every share for all due and unpaid calls and installments in respect of that share, all money which MGL is required by law to pay, and has paid, in respect of that share, reasonable interest on the amount due from the date it becomes due until payment, and reasonable expenses of MGL in respect of the default on payment.

Calls on MGL Ordinary Shares

Holders of MGL Ordinary Shares (which will be fully-paid) have no liability for further capital calls by MGL. MGL Voting Directors may, in respect of any partly-paid shares in MGL:

- make calls on a member in respect of any money unpaid on the shares of that member, if the money is not by terms of issue of those shares made payable at fixed times;

- make a call payable by installments; and

- revoke or postpone a call.

Upon notice, each holder of partly-paid shares in MGL must pay to MGL, by the time or times and at the place specified by MGL, the amount called on that shareholder's shares. If the requirements of notice are not satisfied by the date specified in the notice, MGL may make a further call for that amount plus an amount of interest, failing satisfaction of which, the Voting Directors may, by resolution, forfeit the relevant partly-paid shares.

Winding Up

In the event that MGL were ever wound up, depositors and all creditors and holders of any classes of shares or other securities issued by MGL that have a preferential right in respect of the distribution of assets in a winding up would be paid out before any distribution to Shareholders. Any surplus available after the claims of all creditors and other preferential rights were satisfied would be distributed among Shareholders in accordance with section 18 of the constitution and the Australian Corporations Act.

U.S. Transfer Restrictions

The MGL Ordinary Shares to be issued upon an Exchange are subject to U.S. transfer restrictions, and may not be offered or sold except outside the United States in compliance with Regulation S, in the United States to qualified institutional buyers in compliance with Rule 144A, or in other transactions exempt from registration under the Securities Act.

Transfer of MGL Ordinary Shares

Subject to the U.S. transfer restrictions described above, MGL Ordinary Shares may be transferred by written transfer instrument in any usual or common form, or any other form approved by the ASX or MGL's directors, or any manner permitted by the settlement rules of ASX Settlement Pty Limited ("ASTC Settlement Rules").

A transfer of MGL Ordinary Shares must be made in accordance with MGL's constitution, the Australian Corporations Act, the listing rules of the ASX ("ASX Listing Rules") and the ASTC Settlement Rules.

Share Buy-Back

MGL is entitled to buy-back MGL Ordinary Shares in accordance with the requirements of the Australian Corporations Act and the ASX Listing Rules. MGL Ordinary Shares acquired by MGL under a buy-back must be cancelled in accordance with the Australian Corporations Act.

Annual Report

Shareholders have the opportunity to receive each year a copy of MGL's annual report which provides a review of MGL Group's performance as a whole during the previous financial year.

CHESS

Shareholders hold MGL Ordinary Shares through the ASX's settlement system known as the Clearing House Electronic Sub-Register System (or "CHESS"). CHESS is an automated transfer and settlement system operated by ASX Settlement Pty Limited for the paperless registration and transfer of securities. MGL does not issue share certificates to Shareholders. Instead, following transfer, MGL will provide Shareholders with a holding statement that sets out the number of MGL Ordinary Shares registered in such Shareholder's name.

Constitution provisions governing disclosure of shareholdings

There are no provisions in MGL's constitution which provide an ownership threshold above which share ownership must be disclosed. However, Chapter 6 of the Australian Corporations Act requires a person to disclose certain prescribed information to MGL and the ASX if the person has or ceases to have a 'substantial holding' in the Company. The term 'substantial holding' is defined in the Australian Corporations Act as broadly, a relevant interest in 5% or more of the total number of votes attaching to voting shares and is not limited to direct shareholdings. For further information, see "– Major Shareholders" below.

The Australian Corporations Act also permits MGL or ASIC to direct any Shareholder of MGL to make certain disclosures in respect of their interest in MGL's shares and the interest held by any other person in those shares.

Major Shareholders

MGL is not directly or indirectly controlled by another corporation, any government or any other natural or legal persons, separately or jointly. As of March 1, 2017, no entity was the beneficial owner of 5% or more of MGL Ordinary Shares.

Employee Share Plans and Executive Remuneration

The principal employee share scheme operated by MGL Group is called the Macquarie Group Employee Retained Equity Plan ("MEREP"). The MEREP is used to deliver remuneration, including deferred and performance-based remuneration, in the form of MGL Ordinary Shares. The main award type under the MEREP are Restricted Share Units ("RSUs"). A RSU is a beneficial interest in a MGL Ordinary Share held on behalf of a MEREP participant by the plan trustee (Trust). A similar award type available under the MEREP are Restricted Shares, which are MGL Ordinary Shares transferred from the Trust and held by a MEREP participant subject to restrictions on disposal, vesting and forfeiture rules. Deferred Share Units ("DSUs") are also allocated under MEREP. A DSU represents the right to receive, on exercise of the DSU, either a share held in the Trust or a newly issued share (as determined by MGL in its absolute discretion) for no cash payment, subject to the vesting and forfeiture provisions of the MEREP. A MEREP participant holding a DSU has no right or interest in any share until the DSU is exercised. Remuneration for the most senior executives, known as the Executive Committee, is also comprised of Performance Share Units ("PSUs") allocated under the MEREP. PSUs are allocated to Executive Committee members based on their performance, vest in equal tranches after three and four years and are exercisable subject to the achievement of two performance indicators. For further information regarding MEREP, see Note 32 in MGL's audited consolidated financial statements for the 2016 fiscal year included in MGL's 2016 Annual Report. For further information regarding performance-based remuneration in the form of PSUs allocated to MGL's Executive Committee, see Schedule 2 in the "Directors Report — Remuneration Report" in MGL's 2016 Annual Report.

MGL Group also presently operates an Employee Share Plan ("ESP") whereby each fiscal year, eligible employees are offered up to A$1,000 worth of fully paid MGL Ordinary Shares for no cash payment. MGL Ordinary Shares allocated under the ESP have sale restrictions and rank equally with all other fully paid Ordinary Shares then on issue. For further information regarding the ESP, see Note 32 in MGL's audited consolidated financial statements for the 2016 fiscal year included in MGL's 2016 Annual Report.

Preference Shares

MGL may issue preference shares (including redeemable preference shares) and issued shares may be converted into preference shares on the terms as set out in Schedule 1 of the constitution of MGL or otherwise approved by special resolution. Only in limited circumstances will preference shareholders have rights to move resolutions or vote at any general meeting of MGL. Whilst, as at the date of this offering memorandum, MGL has not issued any preference shares, there is no limit on the amount of preference shares which MGL may issue in the future.

TAX CONSIDERATIONS

United States Federal Income Taxation

General

This section describes the material United States federal income tax consequences of purchasing, owning and disposing of the Securities and the MGL Ordinary Shares which may be received upon the Exchange of the Securities. This summary is based upon the Internal Revenue Code of 1986, as amended (the "Code"), regulations promulgated under the Code, rulings and decisions now in effect, all of which are subject to change, including changes in effective dates and other retroactive changes, or possible differing interpretations. It deals only with Securities and MGL Ordinary Shares held as capital assets within the meaning of Section 1221 of the Code and does not purport to deal with persons in special tax situations, such as financial institutions, insurance companies, regulated investment companies, real estate investment trusts, flow-through entities or other entities treated as partnerships for U.S. federal income tax purposes, tax-exempt entities or persons holding the Securities or MGL Ordinary Shares in a tax-deferred or tax-advantaged account, dealers in securities or currencies, traders in securities that elect to mark to market, persons subject to the alternative minimum tax, entities classified as partnerships, persons holding Securities or MGL Ordinary Shares as a hedge against currency risks, as a position in a "straddle" or as part of a "hedging", "conversion" or other "integrated" transaction for tax purposes, a person that purchases or sells Securities or MGL Ordinary Shares as part of a wash sale for tax purposes, or U.S. Holders (as defined below) whose functional currency is not the U.S. dollar. It only deals with holders that purchase the Securities upon original issuance and holders that receive MGL Ordinary Shares in Exchange, except where otherwise specifically noted. If a partnership holds the Securities or MGL Ordinary Shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Thus, persons who are partners in a partnership holding the Securities or MGL Ordinary Shares should consult their own tax advisors. Moreover, all persons considering the purchase of the Securities should consult their own tax advisors concerning the application of U.S. federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Securities and MGL Ordinary Shares arising under the laws of any other taxing jurisdiction.

As used in this offering memorandum, the term "U.S. Holder" means a beneficial owner of Securities or MGL Ordinary Shares that is for U.S. federal income tax purposes:

(1) a citizen or resident of the United States;

(2) a corporation (including an entity treated as a corporation for U.S. federal income tax purposes) that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

(3) an estate the income of which is subject to U.S. federal income tax regardless of its source; or

(4) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust.

Certain trusts not described in clause (4) above in existence on August 20, 1996 that elect to be treated as a United States person will also be a U.S. Holder for purposes of the following discussion. As used herein, the term "Non-U.S. Holder" means a beneficial owner of Securities or MGL Ordinary Shares that is (1) a nonresident alien individual, (2) a foreign corporation, or (3) an estate or trust that in either case is not subject to U.S. federal income tax on a net income basis on income or gain from Securities and MGL Ordinary Shares.

NO STATUTORY, REGULATORY, JUDICIAL OR ADMINISTRATIVE AUTHORITY DIRECTLY DISCUSSES HOW THE SECURITIES SHOULD BE TREATED FOR U.S. FEDERAL INCOME TAX PURPOSES. AS A RESULT, THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF YOUR INVESTMENT IN THE SECURITIES ARE UNCERTAIN. ACCORDINGLY, WE URGE YOU TO CONSULT YOUR TAX ADVISOR AS TO THE TAX CONSEQUENCES OF OWNERSHIP OF

SECURITIES DESCRIBED BELOW AND AS TO THE APPLICATION OF STATE, LOCAL, OR OTHER TAX LAWS TO YOUR INVESTMENT IN YOUR SECURITIES.

U.S. Holders of Securities

This subsection addresses the U.S. federal income tax consequences to U.S. Holders of Securities.

As discussed under "PFIC Considerations" below, generally, if for any taxable year 75% or more of MBL's gross income is passive income, or at least 50% of MBL's assets are held for the production of, or produce, passive income, MBL would be characterized as a passive foreign investment company, or a PFIC, for U.S. federal income tax purposes. MBL has not determined whether it has previously been a PFIC for any year, or whether it will be a PFIC in 2017 or in future years. Because PFIC status is determined annually and is based on MBL's income, assets and activities for the entire taxable year, there can be no assurance that MBL will not be classified as a PFIC in any year. The tax treatment of dividends and gains realized discussed below under "Payments of interest" and "sale, redemption, Exchange or Write-off of Securities" respectively is only applicable for years in which MBL is not a PFIC with respect to a U.S. Holder of Securities. The treatment of dividends and gains realized in years in which MBL is treated as a PFIC with respect to U.S. Holders of Securities will be subject to the rules described under "PFIC Considerations" below. If MBL is characterized as a PFIC for U.S. federal income tax purposes in any taxable year, any U.S. holder of the Securities in that year could face adverse U.S. federal income tax consequences such as increased U.S. federal income tax liability and additional reporting requirements.

Payments of interest. The Securities will be treated as equity for U.S. federal income tax purposes. Accordingly, in general, the interest payments with respect to the Securities will be treated as dividends to the extent of MBL's current or accumulated earnings and profits as determined for U.S. federal income tax purposes. Dividends will be income from sources outside the United States and will, depending on your circumstances, be either "passive" or "general" income for purposes of computing the foreign tax credit allowable to you. The rules governing foreign tax credits are complex, and you should consult your tax advisor regarding the creditability of foreign taxes in your particular circumstances. Subject to the discussion under "PFIC Considerations" below, any portion of an interest payment in excess of MBL's current and accumulated earnings and profits would be treated first as a nontaxable return of capital that would reduce your tax basis in the Securities, and would thereafter be treated as capital gain, the tax treatment of which is discussed below under "— Sale, redemption, Exchange or Write-Off of Securities." Because MBL does not currently maintain calculations of its earnings and profits under U.S. federal income tax principles, it is expected that all interest payments on the Securities will generally be reported to U.S. Holders as dividends.

Subject to the discussion under "PFIC Considerations" below, with respect to noncorporate U.S. holders, interest payments on the Securities that are treated as dividends for U.S. federal income tax purposes generally will be qualified dividend income that are subject to preferential tax rates in the case of an individual who holds the Securities for more than 60 days during the 121-day period beginning 60 days before the applicable Interest Payment Date and meets other holding period requirements. The interest payments on the Securities will not be eligible for the dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations.

The amount of an interest payment on the Securities will include amounts, if any, withheld in respect of Australian or UK taxes. For more information on Australian withholding taxes, please see the discussion under "— Commonwealth of Australia taxation" in this offering memorandum. Subject to applicable limitations, some of which vary depending upon your circumstances, Australian income taxes withheld from interest payments on the Securities to a U.S. Holder not eligible for an exemption from Australian withholding tax (under the U.S.-Australian income tax treaty or otherwise) will be creditable against the U.S. Holder's U.S. federal income tax liability. The rules governing foreign tax credits are complex, and you should consult your tax advisor regarding the creditability of foreign taxes in your particular circumstances. For more information on UK withholding tax, please see the discussion under "— United Kingdom Tax Considerations" in this offering memorandum. Subject to applicable limitations, some of which vary depending upon your circumstances, any amounts withheld from interest payments on the Securities to a U.S. Holder on account of UK income tax that are not eligible for an exemption from UK withholding tax (under the U.S./UK double tax convention relating to income and capital gains, or otherwise) will be creditable against the U.S. Holder's U.S. federal income tax liability. The rules governing foreign

tax credits are complex, and you should consult your tax advisor regarding the creditability of foreign taxes in your particular circumstances.

Sale, redemption, Exchange or Write-Off of Securities. Subject to the discussion under "PFIC Considerations" below, you will generally recognize capital gain or loss upon the sale, redemption, Exchange or Write-Off of your Securities in an amount equal to the difference between the amount you receive at such time (including the fair market value of any MGL Ordinary Shares received upon an Exchange) and your tax basis in the Securities. In general, your tax basis in your Securities will be equal to the price you paid for them. Such capital gain or loss will be long-term capital gain or loss if you held your Securities for more than one year. Capital gain of a non-corporate U.S. Holder is generally taxed at preferential rates where the property is held for more than one year. The deductibility of capital losses is subject to limitations. Such gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. Your initial tax basis in any MGL Ordinary Shares received upon an Exchange of your Securities for MGL Ordinary Shares will equal the fair market value of the MGL Ordinary Shares received (as determined on the date of receipt) and your holding period for any MGL Ordinary Shares received upon such an Exchange will begin on the day immediately following the date of receipt of the MGL Ordinary Shares.

Medicare Tax

A U.S. Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, is subject to a 3.8% tax on the lesser of (1) the U.S. Holder's "net investment income" (or "undistributed net investment income" in the case of an estate or trust) for the relevant taxable year and (2) the excess of the U.S. Holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals is between US$125,000 and US$250,000, depending on the individual's circumstances). A holder's net investment income generally includes interest payments with respect to the Securities and its net gains from the disposition of Securities, unless such income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). U.S. Holders that are individuals, estates or trusts should consult their own tax advisors regarding the applicability of the Medicare tax to income and gains in respect of their investment in Securities.

PFIC Considerations

MBL has not determined whether it has previously been a PFIC for any year, or whether it will be a PFIC in 2017 or in future years. Because PFIC status is determined annually and is based on MBL's income, assets and activities for the entire taxable year, there can be no assurance that MBL will not be classified as a PFIC in any year.

In general, MBL will be a PFIC with respect to you if, for any taxable year in which you hold the Securities, either (i) at least 75% of the gross income of MBL for the taxable year is passive income or (ii) at least 50% of the value, determined on the basis of a quarterly average, of MBL's assets is attributable to assets that produce or are held for the production of passive income (including cash). Passive income generally includes dividends, interest, royalties, rents (other than certain rents and royalties derived in the active conduct of a trade or business), annuities and gains from assets that produce passive income. If MBL owns at least 25% by value of the stock of another corporation, MBL would be treated for purposes of the PFIC tests as owning its proportionate share of the assets of the other corporation, and as receiving directly its proportionate share of the other corporation's income.

Income and assets that would ordinarily be categorized as passive under the rules above would not be so categorized if the assets are used and the income is derived in the active conduct of a banking business by an active foreign bank. The IRS guidance implementing such exception is unclear, however, and it is therefore not certain that MBL will qualify as an active foreign bank in 2017 and subsequent years, and which of MBL's assets and income would be treated as used and derived in the active conduct of a banking business for purposes of the PFIC rules.

If MBL were to be treated as a PFIC, you would generally be subject to special rules with respect to gain realized on the sale or other disposition of Securities and excess distributions that we make to you in any year in which MBL is a PFIC with respect to you. Distributions to you in a taxable year will generally be treated as excess distributions if the distributions are greater than 125% of the average annual distributions received by you in respect

of the Securities during the three preceding taxable years or, if shorter, your holding period for the Securities. Under the special rules, you would be treated as if you had realized such gain or excess distributions ratably over your holding period for the Securities. Amounts allocated to the year of disposition and to years before MBL became a PFIC would be taxed as ordinary income and amounts allocated to each other taxable year would be taxed at the highest tax rate applicable to individuals or corporations, as appropriate, in effect for each such year to which the gain was allocated, together with an interest charge in respect of the tax attributable to each such year. Your Securities will be treated as stock in a PFIC if MBL was a PFIC at any time during your holding period in your Securities, even if MBL is not currently a PFIC. A "qualified electing fund" election may alleviate some of the adverse consequences of PFIC status; however, MBL does not intend to provide the information necessary for U.S. Investors to make qualified electing fund elections if MBL is classified as a PFIC.

Special rules apply for calculating the amount of the foreign tax credit with respect to excess distributions by a PFIC.

In addition, dividends that you receive from MBL will not constitute qualified dividend income to you if MBL is a PFIC (or is treated as a PFIC with respect to you) either in the taxable year of the distribution or the preceding taxable year. Dividends that you receive that do not constitute qualified dividend income are not eligible for taxation at the preferential rates applicable to qualified dividend income. Instead, you must include the gross amount of any such dividend paid by MBL out of our accumulated earnings and profits (as determined for United States federal income tax purposes) in your gross income, and it will be subject to tax at rates applicable to ordinary income.

If you own Securities during any year that MBL is a PFIC with respect to you, you may be required to file IRS Form 8621.

Adjustment of the Exchange Number

The Exchange Number is subject to adjustment under certain circumstances. U.S. Treasury Regulations promulgated under Section 305 of the Code may treat a U.S. Holder of the Securities as having received a constructive distribution if and to the extent that certain adjustments (or, in some cases, certain failures to make adjustments) to the Exchange Number increase a U.S. Holder's proportionate interest in MGL's assets or earnings. Adjustments to the Exchange Number made pursuant to a bona fide reasonable adjustment formula that has the effect of preventing dilution of the interest of the U.S. Holder of the Securities will generally not be considered to result in a constructive distribution to the U.S. Holder. If adjustments that do not qualify as being pursuant to a bona fide reasonable adjustment formula are made (or, in some cases, adjustments that do so qualify that fail to be made), U.S. Holders of Securities may be treated as having received a distribution even though they have not received any cash or property. For example, the IRS could assert that a decrease in the Exchange Number to reflect an Extraordinary Dividend to Shareholders generally gives rise to a constructive taxable distribution to the U.S. Holders of the Securities. Any constructive distribution would be includable in such U.S. Holder's income at its then fair market value in a manner described above under "Payments of interest". Although MBL does not believe that an adjustment in most cases is likely to be treated as giving rise to a taxable distribution, it is possible that the IRS, and, if challenged, a court, could disagree with MBL's position.

Information with Respect to Foreign Financial Assets

Owners of "specified foreign financial assets" with an aggregate value in excess of $50,000 (and in some circumstances, a higher threshold) may be required to file an information report with respect to such assets with their tax returns. "Specified foreign financial assets" may include financial accounts maintained by foreign financial institutions, as well as the following, but only if they are held for investment and not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-United States persons, (ii) financial instruments and contracts that have non-United States issuers or counterparties, and (iii) interests in foreign entities. Holders are urged to consult their tax advisors regarding the application of this reporting requirement to their ownership of the Securities.

Non-U.S. Holders

This subsection addresses the U.S. federal income tax consequences to Non-U.S. Holders.

Under United States federal income and estate tax law, and subject to the discussions below under "— Information Reporting and Backup Withholding" and "— U.S. Withholding Obligations," if you are a Non-U.S. Holder of Securities, interest payments with respect to the Securities are currently exempt from United States federal income tax, including withholding tax, unless such interest payments are effectively connected with your conduct of a U.S. trade or business, and, if required by an applicable income tax treaty, are attributable to your permanent establishment in the United States.

If you are a Non-U.S. Holder of Securities, you generally will not be subject to United States federal income tax on gain realized on the sale, redemption, Exchange or Write-Off of Securities unless:

- the gain is effectively connected with your conduct of a trade or business in the United States, and, if required by an applicable income tax treaty, is attributable to your permanent establishment in the United States, or

- you are an individual, you are present in the United States for 183 or more days during the taxable year in which the gain is realized and certain other conditions exist.

For purposes of the United States federal estate tax, the Securities will be treated as situated outside the United States and will not be includible in the gross estate of a holder who is neither a citizen nor a resident of the United States (as specially defined for United States federal estate tax purposes) at the time of death.

Information Reporting and Backup Withholding

Payments of interest made to a U.S. Holder and proceeds to a U.S. Holder from the sale of Securities that are made within the United States or through certain U.S.-related financial intermediaries may be subject to information reporting and to backup withholding unless the U.S. Holder is an exempt recipient or, in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that no loss of exemption from backup withholding has occurred. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against such holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that the required information is timely furnished to the IRS.

In addition, a Non-U.S. Holder may be subject to information reporting and backup withholding with respect to payments received on the Securities, unless such Non-U.S. Holder otherwise establishes an exemption. A Non-U.S. Holder generally will not be subject to information reporting or backup withholding, however, if it certifies as to its nonresident status (generally, by filing a W-8BEN, W-8BEN-E or such other applicable form). Amounts withheld under the backup withholding rules may be credited against a Non-U.S. Holder's U.S. federal income tax, and a Non-U.S. Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the IRS in a timely manner.

U.S. Withholding Obligations

FATCA imposes a 30% withholding tax on certain payments to certain non-U.S. financial institutions that fail to comply with information reporting requirements or certification requirements in respect of their direct and indirect United States shareholders and/or United States account-holders. To avoid becoming subject to the 30% withholding tax on payments to them, MBL and other non-U.S. financial institutions may be required to report information to the IRS regarding the holders of Securities and to withhold on a portion of any payment under Securities to certain holders that fail to comply with these information reporting requirements. Such withholding may be imposed at any point in a chain of payments if a non-U.S. payee fails to comply with U.S. information reporting, certification and related requirements. Accordingly, Securities held through a non-compliant institution may be subject to withholding even if the holder of the Securities otherwise would not be subject to withholding. Such withholding will generally not apply to payments made before January 1, 2019. If a holder of Securities is subject to withholding pursuant to this paragraph, there will be no additional amounts payable by way of compensation to the holder of Securities for the deducted amount.

The U.S. Government has signed intergovernmental agreements ("IGAs") with the Australian and U.K. Governments. The Australian IGA was signed on April 28, 2014 and provides an alternative means for Australian financial institutions such as MBL to comply with FATCA. The obligations for Australian financial institutions under the Australian IGA include IRS registration and due diligence and reporting obligations. On May 29, 2014, the Australian Government implemented domestic legislation that enacted the Australian IGA obligations into Australian law. The Australian IGA obligations for Australian financial institutions commenced on July 1, 2014. The UK IGA was signed on September 12, 2012 and provides an alternative means for UK financial institutions such as MBL to comply with FATCA. The obligations for UK financial institutions under the UK IGA include IRS registration and due diligence and reporting obligations. On, June 9, 2014, the UK Government implemented domestic legislation that enacted the UK IGA obligations into UK law. The UK IGA obligations for UK financial institutions commenced on June 30, 2014. MBL may be subject to U.S. withholding tax if MBL fails to either (i) implement the obligations of the Australian or UK IGAs or (ii) enter into an agreement with the IRS to report certain information (an "IRS Agreement").

Each holder of Securities should consult its own tax advisor regarding this legislation in light of such holder's particular situation and the potential impact of the implemented IGAs.

Treatment of MGL Ordinary Shares

If holders receive MGL Ordinary Shares in an Exchange, the tax consequences to such holders of holding MGL Ordinary Shares should, subject to the discussion below, generally be the same as the tax consequences described above of holding the Securities.

If you are a U.S. Holder of MGL Ordinary Shares and receive a dividend on, or dispose of, your MGL Ordinary Shares, the amount of the dividend distribution that you must include in your income, and the amount realized in respect of the disposition, will be the U.S. dollar value of the Australian dollar payments made, determined at the spot Australian dollar/U.S. dollar rate on the date the dividend distribution is includible in your income or on the date of the disposition, regardless of whether the payment is in fact converted into U.S. dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date you include the dividend payment in income or you dispose of your MGL Ordinary Shares to the date you convert the payment into U.S. dollars will be treated as ordinary income or loss and will not be eligible for the special tax rate applicable to qualified dividend income. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

In addition, if MGL were to be a PFIC in the year of the Exchange or in subsequent years, U.S. Holders of MGL Ordinary Shares would be subject to the PFIC rules described under "PFIC Considerations" above.

Commonwealth of Australia taxation

The following is a general summary of the Australian tax consequences of a person who is not a resident of Australia and does not hold the Securities or MGL Ordinary Shares in carrying on business through a permanent establishment in Australia ("Non-Australian Resident Holder").

This summary is of a general nature and is based on the law and practice of the Australian Taxation Office as in effect at 9am Sydney time on the date of this offering memorandum, but which is subject to change. This summary assumes that all relevant transactions are carried out in the manner described in this offering memorandum. Unless otherwise specified, statutory references in this section are references to sections of the Income Tax Assessment Act 1936 or the Income Tax Assessment Act 1997 of Australia (the "Australian Tax Act").

The summary below is not intended to constitute a complete analysis of all the tax consequences relating to the acquisition, ownership and disposal of the Securities or the MGL Ordinary Shares. Furthermore, the summary is not intended to address the Australian tax consequences of any person who either:

(i) is a resident of Australia;

(ii) is a non-resident of Australia who acquires, holds or disposes of the Securities or the MGL Ordinary

Shares as part of, or in the course of carrying on, a business through a permanent establishment in Australia; or

(iii) acquires, holds or disposes of the Securities or the MGL Ordinary Shares in their business of share trading, dealing in securities or who otherwise hold their Securities or MGL Ordinary Shares on revenue account or as trading stock, or who are subject to the "taxation of financial arrangements" provisions in Division 230 of the Income Tax Assessment Act 1997 in relation to their acquisition, holding or disposal of the Securities or the MGL Ordinary Shares.

Each holder or prospective holder of the Securities or MGL Ordinary Shares should consult their own tax advisers concerning the tax consequences of acquiring, owning or disposing of the Securities or MGL Ordinary Shares having regard to their own particular circumstances.

Securities – Interest

The Issuer proposes to issue the Securities in a manner which will satisfy the requirements of section 215-10 of the Australian Tax Act, such that interest payments on the Securities should be treated as non-share dividends that are unfrankable.

Interest paid by the Issuer on the Securities to a Non-Australian Resident Holder should not be subject to Australian income or withholding tax or, to the extent that the Issuer is required to make deductions from the payments for Australian withholding tax, the Issuer would be required (subject to certain limited exceptions, which would generally apply where deductions are required due to the Security Holder's own factual circumstances) to pay such additional amounts as would result in the Security Holders receiving, after such withholding, the same amounts as they would have received if no such withholding were required (see "Description of the Securities — Payment of Additional Amounts").

Disposal of Securities

A Non-Australian Resident Holder should generally not be taxable in Australia on any gain realized on the disposal of the Securities, including a disposal by way of Exchange for MGL Ordinary Shares.

MGL Ordinary Share – Dividends

Dividends paid on the MGL Ordinary Shares to a Non-Australian Resident Holder of MGL Ordinary Shares should not be subject to Australian income or withholding tax if, but only to the extent to which, those dividends are either franked or declared to be conduit foreign income by MGL. That part of any dividend which is neither franked nor declared to be conduit foreign income would be subject to Australian dividend withholding tax at the rate of 30%, unless that rate is reduced by an applicable double tax treaty between Australia and the country of which the holder of the MGL Ordinary Share is a resident.

Disposal of MGL Ordinary Shares

A Non-Australian Resident Holder of MGL Ordinary Shares should generally not be taxable on any gain realised from the disposal of the MGL Ordinary Shares as the MGL Ordinary Shares should generally not be "taxable Australian property".

Stamp Duty

No stamp duty, issue, registration or similar taxes are payable on the issue or transfer of Securities.

No stamp duty, issue, registration or similar taxes are payable by any holder on the issue or transfer of MGL Ordinary Shares (including an issue of shares as a result of Exchange) provided that no person obtains a relevant interest in the issued voting shares of MGL of 90% or more. The stamp duty legislation generally permits the interests of associates to be added in working out whether the 90% threshold is reached. In some circumstances, the interests of unrelated entities can also be aggregated together in working out whether the 90% threshold is reached.

United Kingdom Tax Considerations

United Kingdom Tax Considerations

General

The statements below reflect current UK law and published guidance of Her Majesty's Revenue & Customs ("HMRC") (which may not be binding on HMRC) as at the date of this offering memorandum, which may be subject to change, possibly with retroactive effect. They are intended as a general guide and apply only to holders who hold Securities or MGL Ordinary Shares as an investment and who are the absolute beneficial owners of the Securities or MGL Ordinary Shares and any interest paid thereon. (In particular, holders holding Securities or MGL Ordinary Shares through a clearing system should note that they may not always be regarded as the absolute beneficial owners of such Securities or MGL Ordinary Shares.) This guidance does not address all possible tax consequences relating to an investment in the Securities or MGL Ordinary Shares. In particular, these comments do not generally address the direct tax treatment for holders of Securities or MGL Ordinary Shares other than by withholding.

Any holders who are in doubt as to their own tax position should consult their professional advisers.

Taxation of the Securities

Interest payments

In this section, references to "interest" are to "interest" as understood under UK tax law, which may not have the same meaning given to the term "interest" for any other purpose, including under any other law or the terms and conditions of the Securities.

Interest payments on the Securities by the Issuer will not be subject to withholding or deduction for or on account of UK tax provided that the Taxation of Regulatory Capital Securities Regulations 2013 (the "TRCS Regulations") apply to the Securities (the Bank considers that the TRCS Regulations should apply to the Securities), and there are no arrangements the main purpose, or one of the main purposes, of which is to obtain a tax advantage for any person as a result of the application of the TRCS Regulations.

If the TRCS Regulations do not apply, there may be no withholding or deduction for or on account of UK tax if the Securities are and remain listed on the SGX-ST or some other "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007.

In other cases, an amount must generally be withheld from payments of interest on the Securities on account of UK income tax at the basic rate (currently 20%), subject to any other available exemptions or reliefs.

Payments of interest on the Securities by the Issuer may be subject to UK tax by direct assessment, irrespective of the residence of the Security holder. Where interest payments are made without withholding on account of UK tax, the payments will not be assessed to UK tax where a holder is not resident in the UK for tax purposes and does not carry on a trade, profession or vocation in the UK through a UK branch or agency, or in the case of a corporate holder, a trade in the UK through a permanent establishment in the UK in connection with which the payments of interest are received, or to which the Securities are attributable, in which case (subject to exceptions for payments received by certain categories of agent) tax may be levied on the UK branch, agency or permanent establishment.

Taxation of MGL Ordinary Shares

Payment of dividends

No UK withholding tax will be due on any dividends payable on the MGL Ordinary Shares.

Stamp Duty and Stamp Duty Reserve Tax

Provided that the TRCS Regulations apply to the Securities (see above), and there are no arrangements the main purpose, or one of the main purposes, of which is to obtain a tax advantage for any person as a result of the application of the TRCS Regulations, no UK stamp duty or stamp duty reserve tax will be payable on the issue, transfer, or Write-Off of the Securities.

No UK stamp duty or stamp duty reserve tax will be payable by a Security holder on a redemption of the Securities.

No liability for UK stamp duty or stamp duty reserve tax should arise for a holder on an Exchange of the Securities for MGL Ordinary Shares.

Provided the MGL Ordinary Shares remain in a clearance service, no UK stamp duty should be payable on or in respect of transfers of MGL Ordinary Shares. Provided that no register of the MGL Ordinary Shares is kept in the UK, no stamp duty reserve tax should be payable on agreements to transfer MGL Ordinary Shares.

Singapore Taxation

The summary below is of a general nature and based on the law and practice currently applicable in Singapore. It is not intended to be and does not constitute legal or tax advice. No assurance can be given that the Singapore Courts or fiscal authorities will agree with the positions set out below.

The discussion below is not intended to constitute a complete analysis of all the tax consequences relating to the acquisition, ownership and disposal of the Securities or MGL Ordinary Shares by any persons, some of whom may be subject to special or additional rules.

Each holder or prospective holder of the Securities or MGL Ordinary Shares should consult its own tax advisers concerning the Singaporean or non-Singaporean tax consequences of acquiring, owning or disposing of the Securities or MGL Ordinary Shares. **The attention of holders and prospective holders is in particular directed to the paragraph in bold below under the heading "Interest on Securities".**

Income Tax

Tax Residency

A company is regarded as tax resident in Singapore if the control and management of its business is exercised in Singapore.

An individual is regarded as tax resident in Singapore if the individual is physically present in Singapore or exercises an employment in Singapore (other than as a director of a company) for 183 days or more in the calendar year preceding the year of assessment, or if the individual ordinarily resides in Singapore.

Rates of tax

The income tax rate for corporate taxpayers in Singapore is 17% with effect from the year of assessment 2010 (i.e. in respect of income earned during the financial year or other basis period ended in 2009), with certain partial exemptions granted on the first S$300,000 of chargeable income.

Singapore tax-resident individuals are subject to tax on their taxable income based on progressive tax rates, currently ranging from 0% to 22%. Non-resident individuals are taxable on certain income (excluding employment income, which is taxed at different rates) at 22%.

Singapore income tax position of a holder of the Securities or the MGL Ordinary Shares who is not resident in Singapore and does not carry on any business in Singapore

Interest paid on Securities and realisation of Securities

An Securities Holder who is not resident in, and does not carry on any business in Singapore, will not be subject to Singapore income tax in relation to any Interest payable on the Securities, any profit or gain realised on the sale of the Securities or any profit or gain realised on Exchange of the Securities into MGL Ordinary Shares.

MGL Ordinary Shares

A holder of MGL Ordinary Shares who is not resident in Singapore and does not carry on business in Singapore will not be subject to Singapore income tax in relation to any dividends paid on the MGL Ordinary Shares or any profit or gain realised on the sale of the MGL Ordinary Shares.

Singapore income tax position of a holder of the Securities or MGL Ordinary Shares who is resident in Singapore or who is a non-resident of Singapore but who carries on business activities in Singapore (whether through a branch or other permanent establishment in Singapore or otherwise) in connection with his acquisition or holding of the Securities and/or MGL Ordinary Shares

Singapore tax-resident corporate taxpayers and non-Singapore tax-resident corporate taxpayers carrying on business in Singapore (such as a Singapore branch of a foreign company) are subject to Singapore income tax on income accruing in or derived from Singapore and on foreign-sourced income received or deemed received in Singapore, subject to certain exceptions.

An individual taxpayer who is a Singapore tax resident or who is not a Singapore tax resident but who is carrying on business in Singapore is subject to Singapore income tax on income accruing in or derived from Singapore, subject to certain exceptions. Foreign-sourced income received or deemed received by a Singapore tax-resident individual is exempt from income tax in Singapore, except where such income is received through a partnership in Singapore.

Interest on Securities

Whether Interest paid on the Securities and dividends paid on the MGL Ordinary Shares would constitute foreign source income for the purposes of Singapore income tax will depend on the circumstances of the taxpayer in question – for example, income paid by a foreign payer to a person carrying on a trade or business in Singapore (such as a bank in Singapore) may be regarded as Singapore-source in the hands of such a receiver, whereas the same amount may be regarded as foreign source income if it is paid to a person in Singapore deriving such income as passive investment income.

Interest on the Securities is likely to be regarded as foreign-source income for Singapore income tax purposes where such Interest is derived by a holder of the Securities as passive investment income.

As the Securities are hybrid securities and the characterization of the Securities for the purposes of Singapore income tax law is subject to uncertainties, holders of Securities who are Singapore tax residents, or who are not Singapore tax residents but who are carrying on business in Singapore, should seek their own tax advice as to whether the Securities constitute debt securities for the purposes of Singapore income tax law, and whether payments described as "interest" in this offering memorandum or in any terms and conditions relating to the Securities are interest for the purposes of Singapore income tax law, and whether such payments qualify for exemptions or concessionary tax rates applicable to interest derived by them. No guarantee or assurance is given that any amounts payable on the Securities constitute interest for the purposes of Singapore, or qualify for any exemptions or concessionary tax rates applicable to interest, or that the Securities constitute debt securities for the purposes of Singapore income tax law.

Dividends on MGL Ordinary Shares

Foreign-sourced dividends received or deemed received in Singapore by Singapore tax-resident corporate taxpayers are exempt from Singapore income tax provided that the following conditions are met:

(i) at the time the income is received in Singapore, the highest rate of tax of a similar character to income tax levied on the trade or business income of a company in the jurisdiction from which the income is received is at least 15%;

(ii) the dividend or the income out of which it was paid is subject to some tax of a similar character to income tax under the law of the jurisdiction from which the dividend is received; and

(iii) the Comptroller of Income Tax in Singapore is satisfied that the tax exemption would be beneficial to the recipient of the foreign-sourced income.

From 30 July 2004, the above exemption was extended to foreign dividends or underlying income which is exempted from tax of a similar character to income tax in the foreign jurisdiction as a result of a tax incentive granted by that foreign jurisdiction for carrying out substantive business activities thereon, provided that conditions (i) and (iii) above continue to be satisfied.

Foreign sourced dividends received or deemed received in Singapore by a Singapore tax-resident individual are exempt from income tax in Singapore, except where such income is received through a partnership in Singapore.

For the specific purposes outlined above, dividends paid on the MGL Ordinary Shares will be classified as foreign source dividends, assuming that MGL continues not to be managed and controlled from Singapore.

Gains on the realisation of the Securities or MGL Ordinary Shares

Singapore currently does not impose tax on gains of a capital nature. However, there are no specific laws or regulations which deal with the characterisation of whether a gain is income or capital in nature.

For those holders of Securities or MGL Ordinary Shares who are Singapore tax residents or who are carrying on business in Singapore, gains arising from a realisation of the Securities or MGL Ordinary Shares held as trading stock or acquired for the purposes of realisation at a profit may be construed to be income in nature and subject to Singapore income tax.

An Exchange of the Securities for MGL Ordinary Shares is likely to be considered to be a realisation of the Securities for Singapore income tax purposes.

Adoption of Financial Reporting Standards 39 for Singapore income tax purposes

Under Section 34A of the Income Tax Act, Chapter 134 of Singapore, subject to certain "opt-out" provisions, Singapore incorporated companies and other taxpayers which are required to comply with *Financial Reporting Standards 39 - Financial instruments: Recognition and Measurement* (**FRS 39**) for financial reporting purposes are generally also required to apply FRS 39 for Singapore income tax purposes, subject to certain modifications. Such taxpayers may be required to recognise gains or losses (not being gains or losses in the nature of capital) even though no sale or disposal is made (e.g. on the basis of changes in "fair value"). Each holder or prospective holder of the Securities or MGL Ordinary Shares who may be subject to such provisions should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, ownership and disposal of the Securities or MGL Ordinary Shares.

On 11 December 2014, the Accounting Standards Council issued a new financial reporting standard for financial instruments, FRS 109 – Financial Instruments, which will become mandatorily effective for annual periods beginning on or after 1 January 2018. It is at present unclear whether, and to what extent, the replacement of FRS 39 by FRS 109 will affect the tax treatment of financial instruments which currently follow FRS 39.

Stamp duty

Stamp duty is payable in Singapore only on instruments that:

(a) are first executed in Singapore, or executed outside Singapore and brought into Singapore; and

(b) which relate to immovable property, stocks or shares.

However, there is no Singapore stamp duty payable on the issuance of the Securities or MGL Ordinary Shares.

As the Issuer and MGL are foreign incorporated companies, there is also no stamp duty payable in Singapore on any sale or gift of the Securities or the MGL Ordinary Shares in the event the Securities or the MGL Ordinary Shares are not registered in any register kept in Singapore.

However, in the event that the Securities or the MGL Ordinary Shares are registered in a register kept in Singapore, any instrument for the transfer on sale or gift of the Securities or the MGL Ordinary Shares (as the case may be) would attract stamp duty at the rate of S$0.20 for every S$100 of the consideration or value of the Securities or the MGL Ordinary Shares or part thereof.

In the event that any other instruments in relation to the Securities or MGL Ordinary Shares are first executed in Singapore or executed abroad and brought into Singapore, specific advice should be sought as to whether the particular instrument is subject to stamp duty and, if so, at what rate or amount.

Goods and Services Tax (GST)

A sale of the Securities or MGL Ordinary Shares by a GST-registered investor belonging in Singapore for GST purposes to another person belonging in Singapore is an exempt supply and not subject to GST. Any input GST incurred by the GST-registered investor in making such an exempt supply is generally not recoverable from the Comptroller of GST.

Where the Securities or MGL Ordinary Shares are sold by a GST-registered investor in the course of or furtherance of a business carried on by such investor to a person belonging outside Singapore and that person is outside Singapore when the sale is executed, the sale should generally be considered a taxable supply subject to GST at zero-rate. Subject to the normal rules and limitations for input tax claims under the Singapore GST legislation, any input GST incurred by the GST-registered investor in making such a taxable supply in the course of or furtherance of a business carried on by such investor may generally be recoverable from the Comptroller of GST.

Services consisting of arranging, broking, underwriting or advising on the issue, allotment or transfer of ownership of the Securities or MGL Ordinary Shares provided by a GST-registered person to an investor belonging in Singapore for GST purposes will be subject to GST at the current standard rate of 7%. Similar services rendered to an investor belonging outside Singapore should generally be subject to GST at zero-rate, provided that the investor is outside Singapore when the services are performed and the services provided do not directly benefit any person in Singapore.

Foreign Income Tax Credits

Each holder or prospective holder of the Securities or MGL Ordinary Shares should consult its own tax advisers as to whether, and if so to what extent, any foreign tax credit in Singapore may be obtained for any Australian or other non-Singaporean tax payable on any amount arising in relation to the Securities or MGL Ordinary Shares.

EMPLOYEE RETIREMENT INCOME SECURITY ACT

A fiduciary of a pension, profit-sharing or other employee benefit plan (a "plan") subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), should consider the fiduciary standards of ERISA in the context of the plan's particular circumstances before authorizing an investment in the Securities. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the plan, and whether the investment would involve a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

Section 406 of ERISA and Section 4975 of the Code prohibit plans, as well as individual retirement accounts and Keogh plans subject to Section 4975 of the Code (also "plans"), from engaging in certain transactions involving "plan assets" with persons who are "parties in interest" under ERISA or "disqualified persons" under the Code ("parties in interest") with respect to the plan. A violation of these prohibited transaction rules may result in civil penalties or other liabilities under ERISA and/or an excise tax under Section 4975 of the Code for those persons, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption. Certain employee benefit plans and arrangements including those that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and foreign plans (as described in Section 4(b)(4) of ERISA) ("non-ERISA arrangements") are not subject to the requirements of ERISA or Section 4975 of the Code but may be subject to similar provisions under applicable federal, state, local, foreign or other regulations, rules or laws ("similar laws").

The acquisition of the Securities and any exchange of such Securities for MGL Ordinary Shares by a plan with respect to which we or certain of our affiliates is or becomes a party in interest may constitute or result in a prohibited transaction under ERISA or Section 4975 of the Code, unless those Securities or MGL Ordinary Shares are acquired and held pursuant to and in accordance with an applicable exemption. Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide an exemption for the purchase and sale of securities where neither the Bank nor any of its affiliates have or exercise any discretionary authority or control or render any investment advice with respect to the assets of the plan involved in the transaction and the plan pays no more and receives no less than "adequate consideration" in connection with the transaction (the "service provider exemption"). The U.S. Department of Labor has also issued five prohibited transaction class exemptions, or "PTCEs", that may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the acquisition or holding of the Securities or MGL Ordinary Shares. These exemptions are:

- PTCE 84-14, an exemption for certain transactions determined or effected by independent qualified professional asset managers;
- PTCE 90-1, an exemption for certain transactions involving insurance company pooled separate accounts;
- PTCE 91-38, an exemption for certain transactions involving bank collective investment funds;
- PTCE 95-60, an exemption for transactions involving certain insurance company general accounts; and
- PTCE 96-23, an exemption for plan asset transactions managed by in-house asset managers.

Any acquirer or holder of Securities, MGL Ordinary Shares or any interest therein will be deemed to have represented by its acquisition and holding of the Securities or MGL Ordinary Shares that either (1) it is not a plan and is not acquiring those Securities or MGL Ordinary Shares on behalf of or with "plan assets" of any plan or (2) its acquisition or holding is eligible for the exemptive relief available under any of the PTCEs listed above, the service provider exemption or another applicable exemption. In addition, any acquirer or holder of Securities, MGL Ordinary Shares or any interest therein which is a non-ERISA arrangement will be deemed to have represented by its acquisition or holding of the Securities or MGL Ordinary Shares that its acquisition and holding will not constitute or result in a non-exempt violation of the provisions of any similar law.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering acquiring Securities or MGL

Ordinary Shares on behalf of or with "plan assets" of any plan or non-ERISA arrangement consult with their counsel regarding the availability of exemptive relief under any of the PTCEs listed above, the service provider exemption or any other applicable exemption, or the potential consequences of any purchase or holding under similar laws, as applicable.

If you are an insurance company or the fiduciary of a pension plan or an employee benefit plan, and propose to invest in the Securities or MGL Ordinary Shares, you should consult your legal counsel.

PLAN OF DISTRIBUTION

Under the terms and subject to the conditions set forth in the Terms Agreement between MBL, MGL and the agents named below, the agents have severally, and not jointly, agreed to purchase, and MBL has agreed to sell to the agents, the respective Principal Amount of the Securities listed opposite their names below.

Agents	Principal Amount
Citigroup Global Markets Inc.	$159,375,000
HSBC Securities (USA) Inc.	$159,375,000
J.P. Morgan Securities LLC	$159,375,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	$159,375,000
Macquarie Capital (USA) Inc.	$37,500,000
Barclays Capital Inc.	$18,750,000
Lloyds Securities Inc.	$18,750,000
nabSecurities LLC	$18,750,000
Wells Fargo Securities, LLC	$18,750,000
Total	$750,000,000

Each of the agents has agreed to use its reasonable best efforts to solicit offers to purchase the Securities. In addition, the agents may offer the Securities they have purchased as principal to other agents. MBL will pay each applicable agent a commission which will equal the percentage of the Principal Amount of any such Security sold through such agent. The agents have advised that they propose initially to offer the Securities at the issue price listed on the cover page of this offering memorandum. After the initial offering, the price to investors may be changed.

The agents are entitled to be released and discharged from their obligations under, and to terminate, the Terms Agreement in certain circumstances prior to paying MBL for the Securities. If an agent defaults, the Terms Agreement provides that the purchase commitments of the non-defaulting agents may be increased. The agents are offering the Securities subject to their acceptance of the Securities from MBL and subject to prior sale and each agent will have the right, in its discretion reasonably exercised, to reject any offer to purchase Securities received by it, in whole or in part. The Terms Agreement provides that the obligations of the several agents to pay for and accept delivery of the Securities are subject to approval of certain legal matters by their counsel and to certain other conditions. MBL reserves the right to withdraw, cancel or modify the offer made hereby without notice and may reject orders in whole or in part whether placed directly with MBL or through an agent.

The Terms Agreement provides that MBL, and MGL in certain instances, will indemnify the agents and their affiliates against specified liabilities, including liabilities under the Securities Act, in connection with the offer and sale of the Securities, and will contribute to payments the agents and their affiliates may be required to make in respect of those liabilities.

The Securities are being offered by the agents or affiliates of certain of the agents in offshore transactions outside the United States in reliance on Regulation S under the Securities Act and by agents or affiliates of certain of the agents to QIBs in the United States in reliance on Rule 144A under the Securities Act.

The Securities are new issue securities with no established trading market. Application will be made to the SGX-ST for listing of the Securities.

Price Stabilization

In connection with the offering, Merrill, Lynch, Pierce, Fenner & Smith Incorporated as stabilization manager, and/or any person acting on behalf thereof may purchase and sell the Securities in the open market and engage in other transactions, subject to applicable laws and regulations. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the stabilization manager and/or any person acting on behalf thereof of a greater Principal Amount of the Securities than they are required to purchase from MBL in the offering. Stabilizing transactions consist of bids or purchases by the stabilization manager and/or any person acting on behalf thereof for the purpose of preventing or retarding a decline in the market price of the Securities while the offering is in progress. These transactions may also include stabilizing transactions by the stabilization manager and/or any person acting on behalf thereof for the accounts of the agents.

In addition, the stabilization manager and/or any person acting on behalf thereof may impose a penalty bid. A penalty bid is an arrangement that permits the stabilization manager and/or any person acting on behalf thereof to reclaim a selling concession from a syndicate member in connection with the offering when the Securities originally sold by the syndicate member are purchased in syndicate covering transactions. These activities may stabilize, maintain or otherwise affect the market prices of the Securities. As a result, the price of the Securities may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued at any time. Such activities, if any, will be in compliance with all laws.

Neither MBL nor any of the agents make any representation or prediction as to the direction or magnitude of any effect that the transactions described in the immediately preceding paragraphs may have on the price of Securities. In addition, neither MBL nor any of the agents make any representation that the agents will engage in any such transactions or that such transactions, once commenced, will not be discontinued without notice.

Any stabilization is to be performed outside Australia.

New Issue of the Securities

The Securities are new issues of subordinated securities with no established trading market. In addition, the Securities are subject to certain restrictions on resale and transfer as described herein, including under "Offering Memorandum Summary" and "Employee Retirement Income Security Act." The agents have advised MBL that they presently intend to make a market in the Securities after completion of this offering. Such market making activity will be subject to the limits imposed by applicable laws. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. A liquid or active public trading market for any of the Securities may not develop. If an active trading market for the Securities does not develop, the market price and liquidity of the Securities may be adversely affected. If such Securities are traded, they may trade at a discount from the initial issue price, depending on the market for similar securities, MBL's performance and other factors. See "Risk Factors—There may not be any trading market for the Securities; many factors affect the trading and market value of the Securities, including restrictions on transferability in the United States."

Information about the trade and issue dates, as well as the purchase price, for a market-making transaction will be provided to the purchaser in a separate confirmation of sale.

Selling Restrictions

General

No action has been or will be taken by MBL that would permit a public offering of the Securities, or possession or distribution of this offering memorandum, any amendment or supplement thereto, or any other offering or publicity material relating to the Securities in any country or jurisdiction where, or in any circumstances in which, action for that purpose is required. Accordingly, the Securities may not be offered or sold, directly or indirectly, and neither this offering memorandum nor any other offering or publicity material relating to the Securities may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with applicable laws and regulations.

United States

The Securities are not being registered under the Securities Act in reliance upon the exemptions from registration provided by Rule 144A under the Securities Act and upon Regulation S under the Securities Act. The Securities are being offered hereby only (A) in the United States to QIBs in reliance on the exemption provided by Rule 144A under the Securities Act and (B) outside the United States to persons other than U.S. persons (as defined in Regulation S) ("Regulation S Purchasers") in offshore transactions in reliance upon Regulation S. The minimum principal amount of Securities which may be purchased for any account is US$200,000 and integral multiples of US$1,000 in excess thereof (or, in each case, the equivalent thereof in another currency or composite currency).

Prior to any issuance of Securities in reliance on Regulation S, each relevant agent will be deemed to represent and agree that it will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Securities from them during the distribution compliance period (as defined in Regulation S) a confirmation or notice substantially to the following effect:

> "THE NOTES HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (I) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (II) OTHERWISE UNTIL FORTY DAYS AFTER THE LATER OF THE DATE OF THE COMMENCEMENT OF THE OFFERING AND THE CLOSING DATE, EXCEPT, IN EITHER CASE, IN ACCORDANCE WITH REGULATION S, PURSUANT TO RULE 144A OR AN EFFECTIVE REGISTRATION STATEMENT UNDER THE 1933 ACT. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S."

In addition, until 40 days after the commencement of the offering, an offer or sale of the Securities within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer is made otherwise than pursuant to Rule 144A under the Securities Act or another/under an exemption from registration under the Securities Act.

There is no undertaking to register the Securities hereafter and they cannot be resold except (i) pursuant to an effective registration statement under the Securities Act, (ii) pursuant to the exemption from the registration requirements of the Securities Act provided by Rule 144A, (iii) in a transaction not subject to registration under the Securities Act in reliance on Regulation S, (iv) to MBL or any of its subsidiaries, or (v) to an agent that is a party to the Terms Agreement. Each purchaser of the Securities offered hereby in making its purchase will be deemed to have made the acknowledgments, representations and agreements as set forth under "Important Notices".

Canada

The Securities may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the agents are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Australia

No prospectus or other disclosure document (as defined in the Australian Corporations Act) in relation to the Securities has been, or will be, lodged with ASIC. Each agent has represented and agreed that it:

(a) has not offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of any Securities in Australia, including an offer or invitation which is received by a person in Australia; and

(b) has not distributed or published, and will not distribute or publish, this offering memorandum or any other offering material or advertisement relating to any Securities in Australia,

unless (i) the aggregate consideration payable on acceptance of the offer or invitation by each offeree or invitee is at least A$500,000 (or its equivalent in other currencies, in either case, disregarding moneys lent by the person offering the Securities or making the invitation or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Australian Corporations Act, (ii) the offer, invitation or distribution does not constitute an offer to a "retail client" as defined for the purposes of Section 761G of the Australian Corporations Act, (iii) the offer, invitation or distribution complies with all applicable laws and regulations relating to the offer, sale and resale of the Securities in the jurisdiction in which such offer, sale and resale occurs, and (iv) such action does not require any document to be lodged with ASIC.

Japan

The Securities have not been and will not be registered under the FIEA and are subject to the Special Taxation Measures Act. Each of the agents has represented and agreed that (i) it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any of the Securities in Japan or to, or for the benefit of, any person resident in Japan (which term as used in this item (i) means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any person resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and governmental guidelines of Japan; and (ii) it (a) has not, directly or indirectly, offered or sold any Securities to, or for the benefit of, any person other than a Gross Recipient (as defined below), and (b) will not, directly or indirectly, offer or sell any Securities as part of its initial distribution at any time, to, or for the benefit of, any person other than a Gross Recipient. A "Gross Recipient" as used in (ii) above means (a) a beneficial owner that is, for Japanese tax purposes, neither (x) a Resident Holder, nor (y) a Non-Resident Holder that in either case is a Specially-Related Person, (b) a Designated Financial Institution, or (c) a Resident Holder whose receipt of interest on the Securities

will be made through a payment handling agent in Japan (as defined in Article 2-2, Paragraph (2) of the Cabinet Order).

China

This offering memorandum does not constitute a public offer of Securities, whether by sale or subscription, in the People's Republic of China (the "PRC"). The Securities are not being offered or sold directly or indirectly in the PRC to or for the benefit of, legal or natural persons of the PRC.

Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the Securities or any beneficial interest therein without obtaining all prior PRC's governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of this document are required by the issuer and its representatives to observe these restrictions.

Taiwan

The Securities have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Securities in Taiwan.

Korea

The Securities have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "FSCMA"). Accordingly, the Securities have not been and will not be offered, sold or delivered, directly or indirectly, in Korea or to or for the account or benefit of any Korean resident (as such term is defined in the Foreign Exchange Transaction Law of Korea and its Enforcement Decree) except as otherwise permitted under applicable Korean laws and regulations. Furthermore, a holder of the Securities will be prohibited from offering, delivering or selling any Securities, directly or indirectly, in Korea or to any Korean resident for a period of one year from the date of issuance of the Securities except (i) in the case where the Securities are issued as bonds other than equity-linked bonds, such as convertible bonds, bonds with warrants and exchangeable bonds, and where the other relevant requirements are further satisfied, the Securities may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified institutional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure, or (ii) as otherwise permitted under applicable Korean laws and regulations. Each agent severally but not jointly undertakes, and each further agent appointed under the program will be required to undertake, to use commercially reasonable best measures as an agent in the ordinary course of its business so that any securities dealer to which it sells the Securities confirms that it is purchasing such Securities as principal and agrees with such agent that it will comply with the restrictions described above.

Hong Kong

Each agent will be deemed to represent and agree that the Securities may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Securities may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Singapore

Each agent will be deemed to represent and agree that this offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each agent has represented, warranted and agreed that it has not offered or sold the Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell the Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee of which is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of which is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA, except: (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; (2) where no consideration is or will be given for the transfer; (3) where the transfer is by operation of law; (4) as specified in Section 276(7) of the SFA; or (5) as specified in Regulation 32 of the Securities and Futures (Offers and Investments) (Shares and Debentures) Regulations 2005 of Singapore.

United Kingdom

Each Agent has represented and agreed that: (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or the sale of Securities in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an "authorized person", apply to the Issuer; and (b) it has complied with and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

Switzerland

The Securities may not be publicly offered in Switzerland and are instead being offered by way of a private placement (i.e., to a small number of selected investors only), without any public advertisement and only to investors who do not purchase the Securities with the intention to distribute them to the public. The Securities will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland.

Investors will be individually approached directly from time to time. This offering memorandum, as well as any other material relating to the Subordinate Securities, is personal and confidential and does not constitute an offer to any other person. This offering memorandum, as well as any other material relating to the Securities, may only be used by those investors to whom it has been handed out in connection with the offering of Securities described herein and may neither directly nor indirectly be distributed or made available to other persons without the Bank's express consent. Neither this document nor any other offering or marketing material relating to the Securities or this offering may be copied and/or publicly distributed or otherwise made publicly available in Switzerland or be used in connection with any other offer.

Neither this document nor any other offering or marketing material relating to this offering, the Bank or the Securities have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Securities will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA ("FINMA"), and the offer of Securities has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Securities.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each agent will be deemed to represent and agree that with effect from and including the date on which the Prospectus Directive was implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this offering memorandum as completed by the pricing supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

(a) at any time to any legal entity or other person which is a qualified investor as defined in the Prospectus Directive; or

(b) at any time in other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (a)-(b) above shall require the Bank or any agent to publish a prospectus pursuant to Article 3 of the Prospectus Directive and provided further that, from the date of application of the PRIIPS Regulation, no such offer of Securities as aforesaid should be made to a qualified investor or other person or legal entity that is not a retail client being (i) a retail client as defined in point (11) of Article 4(1) of MiFID II or (ii) a customer within the meaning of IMD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

For the purposes of this provision, the expression an "offer of Securities to the public" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. The expression "Prospectus Directive" means Directive 2003/71/EC, as amended, including Directive 2010/73/EU and includes any relevant implementing measure in the Relevant Member State.

Stamp Taxes and Other Charges

Purchasers of the Securities offered by this offering memorandum may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase and in addition to the issue price on the cover page of this offering memorandum.

Other Relationships

The agents and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the agents and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for MBL, MGL or their respective subsidiaries and affiliates, for which they received or will receive customary fees and expenses. Macquarie Capital (USA) Inc. is an affiliate and an indirect wholly-owned subsidiary of MGL.

In the ordinary course of their various business activities, the agents and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities), financial instruments (including bank loans), currencies and commodities for their own account and for the accounts of their customers, and such investment and securities activities may involve securities, instruments or assets of ours, any of MBL's affiliates, including MGL, or related to their businesses. If any of the agents or their affiliates have a lending relationship with us, certain of those agents or their affiliates routinely hedge, and certain other of those agents may hedge, their credit exposure to MBL consistent with their customary risk management policies. Typically, these agents and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in MBL's securities, including potentially the Securities offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Securities offered hereby. The agents and their respective affiliates may also make investment recommendations and may publish or express independent research views in respect of such securities or instruments or in respect of assets, currencies or commodities that may be related to MBL's business, and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities, instruments, currencies or commodities.

LEGAL MATTERS

The validity of the Securities under New York law and certain other matters of New York law and United States federal law will be passed upon for the Bank by its United States counsel, Sullivan & Cromwell, Sydney, New South Wales, Australia. Certain legal matters in connection with the offering will be passed upon for the agents by their United States counsel, Mayer Brown LLP, New York, New York, United States. Certain matters under Australian and U.K. law will be passed upon for the Bank by its Australian legal counsel and U.K. legal counsel, King & Wood Mallesons, by its Australian tax counsel, Greenwood & Freehills and by its U.K. tax counsel, Sullivan & Cromwell LLP. Sullivan & Cromwell, Mayer Brown LLP and Mayer Brown International LLP may rely as to matters of Australian and U.K. law on the opinion of King & Wood Mallesons.

INDEPENDENT ACCOUNTANTS

The consolidated financial statements of the Bank and MGL as at, and for each of the years ended March 31, 2016, 2015 and 2014, incorporated by reference herein, have been audited in accordance with Australian Auditing Standards by PwC Australia, as stated in their report appearing therein.

With respect to the unaudited financial information contained in our 2017 Interim U.S. Financial Report, which comprises the balance sheet, the income statement, the statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes for the six-month periods ended September 30, 2016, March 31, 2016 and September 30, 2015 incorporated by reference herein, PwC Australia reported that they have applied limited procedures in accordance with the professional standards for a review of such information. However, their separate report dated October 28, 2016 incorporated by reference herein states that they did not audit and they do not express an opinion on that unaudited financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

PwC Australia may be able to assert a limitation of liability with respect to claims arising out of their audit reports to the extent it is subject to the limitations set forth in the Chartered Accountants Australia and New Zealand Scheme (NSW) (the "Accountants Scheme") approved by the New South Wales Professional Standards Council (the "NSW Professional Standards Council") pursuant to the Professional Standards Act (the "NSW Accountants Scheme"). The Professional Standards Act and the NSW Accountants Scheme may limit the liability of the Bank's auditors for damages with respect to certain civil claims arising in, or governed by the laws of, New South Wales directly or vicariously from anything done or omitted in the performance of their professional services to the Bank, including, without limitation, their audits of the Bank's financial statements. PwC Australia's maximum liability under the Accountants Scheme is capped at an amount that depends upon the type of service and the applicable engagement fee for that service, with the lowest such liability cap set at A$2 million (where the claim arises from a service in respect of which the fee is less than A$100,000) and may be up to A$75 million for audit work (where the claim arises from an audit service in respect of which the fee is greater than A$2.5 million or more). The limit does not apply to claims for breach of trust, fraud or dishonesty.

These limitations of liability may limit enforcement in Australian courts of any judgment under United States or other foreign laws rendered against the Bank's auditors based on, or related to, its audit of the Bank's financial statements. However, the Professional Standards Act and the NSW Accountants Scheme have not been subject to judicial consideration and, therefore, how the limitations will be applied by courts and the effect of the limitations on the enforcement of foreign judgments is untested.


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