

SUPPLEMENT TO THE BASE PROSPECTUS
FOR THE ISSUE OF WARRANTS

MACQUARIE BANK LIMITED

(ABN 46 008 583 542)

(incorporated with limited liability in the Commonwealth of Australia)



MACQUARIE
BANK

Warrant Programme

ISSUER

Macquarie Bank Limited

PRINCIPAL WARRANT AGENT

Deutsche Bank AG, London Branch

LUXEMBOURG WARRANT AGENT

Deutsche Bank Luxembourg S.A.

LUXEMBOURG LISTING AGENT

Deutsche Bank Luxembourg S.A.

The date of this Supplement to the Base Prospectus is 30 July 2020.

Supplemental information

This supplement to the Base Prospectus for the issue of Warrants (“**Supplement**”) is supplemental to, and must be read in conjunction with, the Base Prospectus for the issue of Warrants dated 21 November 2019 and approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (“**CSSF**”) on 21 November 2019 prepared by Macquarie Bank Limited (ABN 46 008 583 542) (“**Macquarie Bank**”) with respect to Macquarie Bank’s Warrant Programme and all documents which are deemed to be incorporated in, and to form part of, the Base Prospectus (“**Base Prospectus**”). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

Application has been made to the CSSF, in its capacity as competent authority for the purposes of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (“**Prospectus Regulation**”), to approve this Supplement.

Macquarie Bank accepts responsibility for the information contained in this Supplement. To the best of Macquarie Bank’s knowledge (after having taken reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and this Supplement makes no omission likely to affect its import.

The Commonwealth of Australia has not authorised the publication of, nor reviewed, this Supplement or the Base Prospectus nor verified the information contained in them nor made any representations or warranties with respect to, nor accepted any responsibility for, the contents of this Supplement or the Base Prospectus or any other statement made or purported to be made on its behalf in connection with Macquarie Bank or the issue of Warrants.

This Supplement has been prepared pursuant to Article 23 of the Prospectus Regulation.

(a) **Additional Financial Information**

Macquarie Bank Limited 2020 Annual Report <https://www.macquarie.com/au/en/investors/reports.html#mac-common:investors/reports/entity/macquarie-bank-limited>

On 8 May 2020, Macquarie Bank published its 2020 Annual Report (“**2020 Annual Report**”), which includes the audited financial statements of Macquarie Bank consolidated with its controlled entities for the years ended 31 March 2019 and 31 March 2020, and the Independent Auditor’s Report in respect of such financial statements. The information in the 2020 Annual Report specified below shall be deemed to be incorporated by reference, and to form part of, the Base Prospectus.

The audited financial statements of Macquarie Bank consolidated with its controlled entities for the years ended 31 March 2019 and 31 March 2020 include the Income statements, Statements of Comprehensive Income, Statements of Financial Position, Statements of Changes in Equity, Statements of Cash Flow, Notes to the Financial Statements, Directors’ Declaration and the Independent Auditor’s Report. These can be located in the 2020 Annual Report on the following pages:

	2020 Annual Report
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If any information listed in the table above itself incorporates any information or other documents therein, either expressly or implicitly, such information or other documents will not be incorporated in, or form part of, the Base

Prospectus, except where such information or other documents are specifically incorporated by reference in, or attached to, the Base Prospectus by virtue of this Supplement. The non-incorporated parts of the 2020 Annual Report are either not relevant or are covered elsewhere in the Base Prospectus to which this Supplement relates.

(b) Insertion of a new risk factor titled “The Warrants may be cancelled early following the exercise by the Issuer of a call option”

A new risk factor titled “The Warrants may be cancelled early following the exercise by the Issuer of a call option” as set out below is to be inserted to immediately follow the risk factor titled “Creditworthiness of the Issuer” as appearing on page 20 of the Base Prospectus:

“The Warrants may be cancelled early following the exercise by the Issuer of a call option

Where the terms and conditions of the Warrants provide that the Issuer has the right to call the Warrants, following the exercise by the Issuer of such option, the Warrantholder will be unable to realise their expectations for a gain in the value of such Warrants and, if applicable, will no longer participate in the performance of the underlying asset(s) or any Coupon Amount payable under the Warrants.

The Issuer is under no obligation to consider the interests of Warrantholders when it determines whether or not to exercise its call option and you should consider the risk of reinvestment in light of other investments likely to be available at such time.”

(c) Amendment to risk factor titled “The Macquarie Bank Group could suffer losses due to environmental and social factors”

The risk factor titled “The Macquarie Bank Group could suffer losses due to environmental and social factors” on page 32 of the Base Prospectus is deleted in its entirety and replaced with the following:

“The Macquarie Bank Group’s businesses could suffer losses due to environmental and social factors

The Macquarie Bank Group is subject to the risk of unforeseen, hostile or catastrophic events, many of which are outside of its control, including natural disasters, extreme weather events (such as persistent winter storms or protracted droughts), leaks, spills, explosions, release of toxic substances, fires, accidents on land or at sea, terrorist attacks or other hostile or catastrophic events.

Any significant environmental change or external event (including increased frequency and severity of storms, floods and other catastrophic events such as earthquake, pandemic (such as COVID-19), other widespread health emergencies, civil unrest or terrorism events) has the potential to disrupt business activities, impact the Macquarie Bank Group’s operations or reputation, increase credit risk and other credit exposures, damage property and otherwise affect the value of assets held in the affected locations and the Macquarie Bank Group’s ability to recover amounts owing to it.

The Macquarie Bank Group’s businesses could also suffer losses due to climate change. Climate change is systemic in nature and is a significant long-term driver of both financial and non-financial risks. Climate change related impacts include physical risks from changing climatic conditions and transition risks such as changes to laws and regulations, technology development and disruptions and consumer preferences. A failure to respond to the potential and expected impacts of climate change may affect the Macquarie Bank Group’s performance and could have wide-ranging impacts for the Macquarie Bank Group. These include, but are not limited to, impacts on the probability of default and losses arising from defaults, asset valuations and collateral. Failure to effectively manage these risks could adversely affect the Macquarie Bank Group’s business, prospects, reputation, financial performance or financial condition.

The occurrence of any such events may prevent the Macquarie Bank Group from performing under its agreements with clients, may impair its operations or financial results, and may result in litigation, regulatory action, negative publicity or other reputational harm. The Macquarie Bank Group may also not be able to obtain insurance to cover some of these risks and the insurance that it has may be inadequate to cover its losses.

Any such long-term, adverse environmental or social consequences could prompt the Macquarie Bank Group to exit certain businesses altogether. In addition, such an event or environmental change (as the case may be) could have an adverse impact on economic activity, consumer and investor confidence, or the levels of volatility in financial markets.”

(d) Insertion of a new risk factor titled “The Macquarie Bank Group is subject to global economic, market and business risks with respect to the COVID-19 pandemic”

A new risk factor titled “The Macquarie Bank Group is subject to global economic, market and business risks with respect to the COVID-19 pandemic” as set out below is to be inserted to immediately follow the risk factor titled “The Macquarie Bank Group could suffer losses due to environmental and social factors” as appearing on page 32 of the Base Prospectus:

“The Macquarie Bank Group is subject to global economic, market and business risks with respect to the COVID-19 pandemic

The COVID-19 pandemic has caused, and will likely continue to cause, severe impact on global, regional and national economies and disruption to international trade and business activity. The COVID-19 pandemic has already caused increased unemployment and the levels of equity and other financial markets to decline sharply and to become volatile, and such effects may continue or worsen in the future. This may in turn reduce the level of activity in sectors in which certain of the Macquarie Bank Group’s businesses operate and thus have a negative impact on such businesses’ ability to generate revenues or profits.

Governments and central banks around the world have reacted to the economic crisis caused by the pandemic by implementing stimulus and liquidity programs and cutting interest rates, however it is unclear whether these actions or any future actions taken by governments and central banks will be successful in mitigating the economic disruption. If the COVID-19 pandemic is prolonged and/or mitigating actions of governments and central banks are unsuccessful, the negative impact on global growth and global financial markets could be amplified, and may lead to recessions in national, regional or global economies.

The Macquarie Bank Group has implemented a range of support measures to provide short term financial assistance to customers who are facing difficulties as a consequence of COVID-19. Various individual and business customers of the Macquarie Bank Group’s personal and banking businesses who are experiencing financial difficulties due to COVID-19 are able to immediately defer their loan repayments for up to six months. A range of support measures, including short-term deferrals and payment plans have been, and may be, implemented by the Macquarie Group for some of its other businesses.

The impact of COVID-19 may lead to reduced client activity and demand for the Macquarie Group’s products and services, higher credit and valuation losses in Macquarie Group loan and investment portfolios, impairments of financial assets, trading losses and other negative impacts on the Macquarie Group’s financial position, including possible constraints on capital and liquidity, as well as higher costs of capital, and possible changes or downgrades to MBL’s credit ratings. If conditions deteriorate or remain uncertain for a prolonged period, the Macquarie Bank Group’s funding costs may increase and its ability to replace maturing liabilities may be limited, which could adversely affect the Macquarie Bank Group’s ability to fund and grow its business. Please refer to the 2020 audited consolidated annual financial statements in the 2020 annual report of MBL incorporated by reference into the Base Prospectus, for further information on the financial statement impact of COVID-19, including, but not limited to, Note 11 which discusses its impact on MBL’s expected credit losses.

Additionally, despite the business continuity and crisis management policies currently in place, travel restrictions or potential impacts on personnel and operations may disrupt the Macquarie Bank Group’s business and increase operational risk losses. The expected duration and magnitude of the COVID-19 pandemic and its potential impacts on the economy and the Macquarie Bank Group’s personnel and operations are unclear. Should the impact of COVID-19 be prolonged or increasingly widespread and severe, and the actions taken to control its spread be unsuccessful, the Macquarie Bank Group’s results of operations and financial condition may be adversely affected.”

(e) Amendment to the Terms and Conditions of the Warrants

New Conditions 4(K) and (L) shall be inserted to immediately follow Condition 4(J) titled “Distribution Amount” as appearing on page 59 of the Base Prospectus:

“(K) Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Final Terms, during the Optional Redemption Period as specified in the Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Warrantholders in accordance with Condition 10, redeem all or some only of the Warrants then outstanding on the Optional Redemption Date as specified in the notice and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest/Coupon Amount accrued to (but excluding) the relevant Optional Redemption Date. The settlement of the Optional Redemption Amount shall occur on the Optional Redemption Settlement Date as specified in the applicable Final Terms. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and/or not more than the Maximum Redemption Amount in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Warrants, the Warrants to be redeemed ("Redeemed Warrants") will be selected at the discretion of the Issuer.

(L) Redemption at the option of the Warrantholders (Investor Put)

If Investor Put is specified as being applicable in the applicable Final Terms, during the Optional Redemption Period as specified in the Final Terms, the Warrantholder may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Issuer in accordance with Condition 10, redeem, all or some only of the Warrants then outstanding on the Optional Redemption Date as specified in the notice and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest/Coupon Amount accrued to (but excluding) the Optional Redemption Date. The settlement of the Optional Redemption Amount shall occur on the Optional Redemption Settlement Date as specified in the applicable Final Terms. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and/or not more than the Maximum Redemption Amount in each case as may be specified in the applicable Final Terms. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

If this Warrant is represented by a Global Warrant, to exercise the right to require redemption of this Warrant the Warrantholder must, within the notice period, give notice to the Principal Warrant Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg in a form acceptable to Euroclear and Clearstream, Luxembourg, from time to time and, if this Warrant is represented by a Global Warrant, at the same time present or procure the presentation of the relevant Global Warrant to the Principal Warrant Agent for notation accordingly.

Any put notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Warrant pursuant to this Condition 4(L) shall be irrevocable.”

(f) Amendment to the Form of Final Terms

The table under the section titled “Form of Final Terms” is amended by adding the following row immediately after the row titled “Underlying/ Relevant Asset” on page 84:

Put/Call Options:	<p>[Issuer Call: Applicable / Not Applicable</p> <p>(i) Optional Redemption Amount(s) of each Warrant: [[] per Calculation Amount] / [An amount calculated by the Issuer as the Cash Settlement Amount payable by the Issuer as if the Optional Redemption Date were the Valuation Date.]</p> <p>(ii) If redeemable in part:</p>
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	<p>(a) Minimum Redemption Amount: []/[Not applicable because redeemable in full only] (b) Maximum Redemption Amount: []/[Not applicable because redeemable in full only]</p> <p>(iii) Notice period: Minimum period: [] Maximum period: []</p> <p>(iv) Optional Redemption Period: []</p> <p>(v) Optional Redemption Settlement Date: []</p> <p>[Investor Put: Applicable / Not Applicable]</p> <p>(i) Optional Redemption Amount(s) of each Warrant: [[] per Calculation Amount] / [An amount calculated by the Issuer as the Cash Settlement Amount payable by the Issuer as if the Optional Redemption Date were the Valuation Date.]</p> <p>(ii) If redeemable in part: (a) Minimum Redemption Amount: []/[Not applicable because redeemable in full only] (b) Maximum Redemption Amount: []/[Not applicable because redeemable in full only]</p> <p>(iii) Notice period: Minimum period: [] Maximum period: []</p> <p>(iv) Optional Redemption Period: []</p> <p>(v) Optional Redemption Settlement Date: []</p>
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(g) Amendment to the section titled “Trend Information”

The section titled “Trend Information” on page 88 of the Base Prospectus is deleted in its entirety and replaced with the following:

“Trend Information

Other than the matters disclosed under “Significant change in the Issuer’s financial position”, there has been no material adverse change in the prospects of Macquarie Bank or any significant change in the financial performance of the Group since the date of its last published audited financial statements (such date being 31 March 2020).

Except as may be described in this Base Prospectus (including as set out under “Risk Factors” on pages 14 to 37 inclusive of this Base Prospectus) or released to the ASX in compliance with the continuous disclosure requirements of the Listing Rules of the ASX, there are no known trends, uncertainties, demands, commitments or events that have had a material adverse change on Macquarie Bank’s prospects since the financial year ended 31 March 2020.”

(h) Amendment to the section titled “Significant change in the Issuer’s financial position”

The section titled “Significant change in the Issuer’s financial position” on page 111 of the Base Prospectus is deleted in its entirety and replaced with the following:

“Significant change in the Issuer’s financial position

There has been no significant change in the financial or trading position of Macquarie Bank since the financial year ended 31 March 2020, being the date as at which the latest audited financial statements of Macquarie Bank consolidated with its subsidiaries were made up.”

(i) **Amendment to Taxation section titled “Australian withholding taxes”**

The Taxation section titled “Australian withholding taxes” on page 128 of the Base Prospectus is deleted in its entirety and replaced with the following:

“**Australian Taxation**

*The following is a general summary of certain Australian tax consequences under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, “**Australian Tax Act**”), the Taxation Administration Act 1953 of Australia and any relevant regulations, rulings or judicial or administrative pronouncements, at the date of this Base Prospectus, of payments of interest and certain other amounts on the Warrants to be issued by the Issuer under the Programme and certain other matters.*

This taxation summary is not exhaustive and should be treated with appropriate caution. This summary is not intended to be, nor should it be construed as legal or tax advice to any particular investor. Prospective Warrantholders should consult their professional advisers on the taxation implications of an investment in the Warrants for their particular circumstances.

The Warrants may be issued by MBL acting through its Head Office in Sydney (“**MBL Head Office**”) or through any of its branches outside of Australia as specified in the relevant Final Terms (“**MBL Foreign Branch**”). There may be different Australian tax consequences depending upon whether the Warrants are issued by MBL Head Office or by an MBL Foreign Branch.

1. Introduction

The following is a summary of the Australian withholding taxes that could apply in relation to the issue, transfer and settlement of Warrants issued under the Programme. This summary is not exhaustive and does not deal with:

- any other Australian tax aspects of acquiring, holding or disposing of the Warrants (including Australian income taxes); or
- the Australian tax aspects of acquiring, holding or disposing of the relevant underlying asset if the Warrants are physical delivery Warrants.

The Australian Tax Act characterises securities as either “debt interests” (for all entities) or “equity interests” (for companies) including for the purposes of interest withholding tax (“**IWT**”) and dividend withholding tax (“**DWT**”). IWT is payable at a rate of 10 per cent. of the gross amount of interest paid by MBL to a non-resident of Australia (other than a non-resident acting at or through a permanent establishment in Australia) or a resident acting at or through a permanent establishment outside Australia unless an exemption is available or the payments of interest on the Warrants are wholly incurred by MBL in carrying on a business in a country outside Australia through a permanent establishment of MBL in that country. For these purposes, interest is defined in section 128A(1AB) of the Australian Tax Act to include amounts in the nature of, or in substitution for, interest and certain other amounts.

2. Withholding Tax - Warrants

Unless an exemption applies or the payments of interest on the Warrants are wholly incurred by MBL in carrying on a business in a country outside Australia through a permanent establishment of MBL in that country, interest paid by MBL in relation to the Warrants to a non-resident of Australia (other than a non-resident acting at or through a permanent establishment in Australia) or a resident acting at or through a permanent establishment outside Australia will be subject to IWT.

An exemption from Australian IWT is available in respect of Warrants issued by MBL if those Warrants are characterised as “debentures” and are not characterised as “equity interests” for the purposes of the Australian Tax Act and the requirements of section 128F of the Australian Tax Act are satisfied. MBL intends to issue Warrants which

will be characterised as "debentures" and are not "equity interests" for these purposes and which will satisfy the requirements of section 128F of the Australian Tax Act.

If Warrants are issued which are not so characterised, or which do not satisfy the requirements of section 128F of the Australian Tax Act, further information on the material Australian tax consequences of payments of interest and certain other amounts on those Warrants will be specified in the relevant Final Terms (or another relevant supplement to this Base Prospectus).

The requirements that must be satisfied for an exemption from IWT in section 128F to apply in respect of the Warrants are as follows:

- (i) MBL is a company as defined in section 128F(9) of the Australian Tax Act and is a resident of Australia when it issues those Warrants and when interest is paid;
- (ii) those Warrants are issued in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in capital markets are aware that MBL is offering those Warrants for issue. In summary, the five methods are:
 - (a) offers to 10 or more unrelated financiers or securities dealers or entities that carry on the business of investing in securities;
 - (b) offers to 100 or more investors of a certain type;
 - (c) offers of listed Warrants;
 - (d) offers as a result of negotiations initiated via publicly available information sources; and
 - (e) offers to a dealer, manager or underwriter who offers to sell those Warrants within 30 days by one of the preceding methods;
- (iii) MBL does not know, or have reasonable grounds to suspect, at the time of issue, that those Warrants or interests in those Warrants were being, or would later be, acquired, directly or indirectly, by an "associate" of MBL, except as permitted by section 128F(5) of the Australian Tax Act; and
- (iv) at the time of the payment of interest, MBL does not know, or have reasonable grounds to suspect, that the payee is an "associate" of MBL, except as permitted by section 128F(6) of the Australian Tax Act.

Interest withholding tax exemptions under recent tax treaties

The Australian government has signed or announced new or amended double tax agreements with a number of countries (each a "**Specified Country**"). In broad terms, once implemented, the relevant double tax agreements effectively prevent IWT applying to interest derived by:

- the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; and
- a "financial institution" which is a resident of a "Specified Country" and which is unrelated to and dealing wholly independently with MBL. The term "financial institution" refers to either a bank or any other form of enterprise which substantially derives its profits by carrying on a business of raising and providing finance. (However, interest under a back-to-back loan or an economically equivalent arrangement will not qualify for this exemption.)

The Australian Federal Treasury maintains a listing of Australia's double tax agreements which provides details of country, status, and Australian domestic implementation that is available to the public at the Federal Treasury Department's website at: <https://treasury.gov.au/tax-treaties/income-tax-treaties/> (as at [insert date]). This internet site address is included for reference only and the contents of such internet site are not incorporated by reference into, and do not form part of, this Base Prospectus.

The availability of relief under Australia's double tax agreements may be limited by the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting in circumstances where a holder of a Warrant has an insufficient connection with the relevant jurisdiction. Prospective holders of Warrants should

obtain their own independent tax advice as to whether any of the exemptions under the relevant double tax agreements may apply to their particular circumstances.

3. Dividend withholding tax

Australia may impose DWT at a rate of 30 per cent. on unfranked distributions (reducible under an applicable double tax agreement) paid in respect of equity interests held in an Australian company. To the extent that a Warrantholder holds any equity interests as a result of the Warrant then there may be DWT imposed on any amounts received in respect of the Warrants. If a Warrant will give rise to an equity interest in an Australian company, further information regarding DWT will be specified in the relevant Final Terms (or another relevant supplement to this Base Prospectus).

4. Payment of additional amounts

If the applicable Final Terms specify that taxation gross-up is applicable and MBL is at any time required by law to deduct or withhold an amount in respect of the Warrants or coupons for or on account of any present or future taxes or duties of whatever nature imposed or levied by Australia (or any political subdivision thereof or any authority therein having the power to tax), MBL must, subject to certain exceptions, pay such additional amounts as may be necessary in order to ensure that the net amounts received by the holders of the Warrants or coupons after such deduction or withholding are equal to the respective amounts of principal and interest which would otherwise have been receivable in the absence of such deduction or withholding. No additional amounts are payable in relation to any payment in respect of the Warrants or coupons to, or to a third party on behalf of, a holder who is liable for the taxes in respect of the Warrants or coupons by reason of the holder being an associate of MBL for the purposes of section 128F(9) of the Australian Tax Act. If MBL is required by law in relation to any Warrant to deduct or withhold an amount in respect of any withholding taxes as a result of a change in law or regulation or any change in the application or official interpretation of such laws or regulations, MBL will have the option to redeem those Warrants in accordance with the applicable Warrants Terms and Conditions and Final Terms.

If the applicable Final Terms specify that taxation gross-up is not applicable, all payments in respect of the Warrants will be made subject to any withholding taxes imposed by Australia or any political subdivision thereof or any authority therein having the power to tax, and MBL will not be obliged to gross up any payments in respect of the Warrants and shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of any Warrant and all payments made by MBL shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. MBL may, but is under no obligation to, take steps to mitigate the burden of such tax, duty or withholding applied to the Warrants (as deemed appropriate by MBL in its sole discretion).

5. Other Australian tax matters

Under Australian laws as presently in effect:

- (i) *death duties* – no Warrants will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;
- (ii) *stamp duty and other taxes – Warrants* – no ad valorem stamp duty or issue, registration or similar taxes are payable in any Australian State or Territory on the issue or the transfer of any Warrants. In the event of physical delivery, stamp duty may be payable depending on the nature of the asset. Under the terms of a Warrant, the investor will be obliged to pay any stamp duty arising in respect of physical delivery. Accordingly, investors should seek their own stamp duty advice prior to making any investment decision;
- (iii) *TFN withholding taxes – Warrants* – Withholding tax is imposed (see below for the rate of withholding tax) on the payment of interest on Warrants unless the relevant Warrantholder has quoted a tax file number (“**TFN**”), in certain circumstances an Australian Business Number (“**ABN**”) or proof of some other exception (as appropriate).

Assuming the requirements of section 128F are satisfied with respect to the Warrants, then the tax file number (“**TFN**”) withholding requirements under the Australian Tax Act do not apply to payments to a Warrantholder in registered form who is not a resident of Australia and does not hold those Warrants in the course of carrying on business at or through a permanent establishment in Australia. Payments to other persons in respect of the Warrants may be subject to withholding where that person does not quote a TFN or Australian Business Number or provide proof of an appropriate exemption.

The rate of withholding tax is currently 47 per cent.;

(iv) *supply (ABN) withholding tax* – payments in respect of the Warrants can be made free and clear of the "supply withholding tax" imposed under Australia's tax legislation;

(v) *goods and services tax (GST) – Warrants* – none of the issue or receipt of the Warrants, the payment of principal or interest by MBL nor the disposal of Warrants will give rise to any GST liability in Australia (with the possible exception of some kinds of physical delivery Warrants). Physical delivery Warrants may give rise to GST depending on the nature of the assets. Under the terms of a Warrant, the investor will be obliged to pay any GST arising in respect of a Warrant. Accordingly, investors should seek their own GST advice prior to making any investment decision;

(vi) *additional withholdings from certain payments to non-Australian residents* – section 12-315 of Schedule 1 to the Taxation Administration Act gives the Governor-General power to make regulations requiring withholding from certain payments to non-Australian residents. However, section 12-315 expressly provides that the regulations will not apply to interest and other payments which are already subject to the current IWT rules or specifically exempt from those rules. Further, regulations may only be made if the responsible minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The regulations promulgated prior to the date of this Base Prospectus are not relevant to payments in respect of the Warrants. The possible future application of any regulations to the proceeds of any sale of the Warrants will need to be monitored; and

(vii) *garnishee directions by the Commissioner of Taxation ("Commissioner")* – the Commissioner may give a direction under section 255 of the Australian Tax Act or section 260-5 of Schedule 1 of the Taxation Administration Act (or any other analogous provision of any statute) requiring MBL to deduct from any payment to any other entity (including any Warrantholder) any amount in respect of tax payable by that other entity. If MBL is served with such a direction in respect of a Warrantholder, then MBL will comply with that direction and, accordingly, will make any deduction or withholding in connection with that direction. For example, in broad terms, if an amount was owing by MBL to a Warrantholder and that Warrantholder had an outstanding tax-related liability owing to the Commissioner, the Commissioner may issue a notice to MBL requiring MBL to pay the Commissioner the amount owing to the Warrantholder.

6. Taxation of Financial Arrangements

The Australian Tax Act contains rules regarding the taxation of gains and losses in relation to "financial arrangements" (the "**TOFA Rules**"). The TOFA Rules specify a number of different methods for bringing to account gains and losses in relation to "financial arrangements" (including fair value, accruals, retranslation, realization, hedging and financial records).

The TOFA Rules do not affect the provisions relating to the imposition of IWT. In particular, the TOFA Rules do not apply in a manner which overrides the exemption available under section 128F of the Australian Tax Act."

Macquarie Bank will provide, without charge, upon the written request of any person, a copy of this Supplement and the information which is incorporated in this Supplement by reference. Written requests should be directed to Macquarie Bank at its office at Level 6, 50 Martin Place, Sydney NSW 2000, Australia. In addition, such document and information will be available for inspection free of charge at the offices of Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street London EC2 2DB, United Kingdom and Deutsche Bank Luxembourg S.A., 2, bld Konrad Adenauer, L-1115 Luxembourg.

Copies of the Base Prospectus, this Supplement and the information incorporated by reference will also be published on the Luxembourg Stock Exchange's internet site www.bourse.lu.

All information which Macquarie Bank has published or made available to the public in compliance with its obligations under the laws of the Commonwealth of Australia dealing with the regulation of securities, issuers of securities and securities markets has been released to ASX Limited ("**ASX**") in compliance with the continuous disclosure requirements of the ASX Listing Rules. Announcements made by Macquarie Bank under such rules are available on the ASX's internet site www.asx.com.au (Macquarie Bank's ASX code is "MBL").

To the extent of any inconsistency between any statement in this Supplement and any other statement in, or incorporated by reference into, the Base Prospectus, the statements in this Supplement will prevail.

Internet site addresses in this Supplement are included for reference only and the contents of any such internet sites are not incorporated by reference into, and do not form part of, the Base Prospectus.

Save as disclosed in this Supplement and the information which is incorporated in this Supplement by reference, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

MACQUARIE BANK LIMITED

30 July 2020