

MACQUARIE BANK LIMITED
(ABN 46 008 583 542)
(Incorporated under the laws of Australia)

**NON-COLLATERALISED WARRANTS
ANNOUNCEMENT**

**Proposed Issue of
80,000,000 European Style Cash Settled Put Warrants
relating to ordinary shares of Keppel Corporation Limited**

Introduction

Macquarie Bank Limited (the “**Issuer**”) wishes to announce the launch of the proposed issuance of 80,000,000 European Style Cash Settled Put Warrants (the “**Warrants**”) relating to the ordinary shares of Keppel Corporation Limited (the “**Underlying Shares**”). Macquarie Capital Securities (Singapore) Pte. Limited has been appointed as the designated market-maker (the “**Designated Market Maker**”) and the warrant agent (the “**Warrant Agent**”) for the Warrants.

The Warrants are cash-settled warrants which entitle a warrantholder to be paid a cash settlement amount (if positive) (the “**Cash Settlement Amount**”) in accordance with the terms and conditions of the Warrants.

Further details of the Warrants are set out below.

Entitlement/Exercise of the Warrants

The issue price of each Warrant is SGD 0.303. Every 6 Warrants will initially relate to 1 Underlying Share.

The Warrants have an exercise price of SGD 11.600 (the “**Exercise Price**”) and may only be exercised on 02 June 2014 (the “**Expiry Date**”).

Cash Settlement Amount

Warrantholders shall not be required to deliver an exercise notice. Exercise of Warrants shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Warrants shall be deemed to have been automatically exercised at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day). The Cash Settlement Amount less the Exercise Expenses in respect of the Warrants shall be paid in the manner set out in the terms and conditions of the Warrants. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all Warrants shall be deemed to have expired at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) and warrantholders shall not be entitled to receive any payment from the Issuer in respect of the Warrants.

The Cash Settlement Amount in respect of each Warrant exercised shall be an amount (if positive) payable in Singapore dollars equal to (A) (i) the Exercise Price (subject to adjustment as provided in the terms and conditions of the Warrants) LESS (ii) the arithmetic mean of the closing prices of one Underlying Share (as derived from the daily publications of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) subject to any adjustments to such closing prices determined by the Issuer to be

necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date MULTIPLIED by (B) the Conversion Ratio. The Valuation Date is each of the five business days prior to and including the business day immediately before the Expiry Date. The Conversion Ratio (expressed as the number of Underlying Shares to which one Warrant relates) is 0.166667. The Exercise Price is based on the reference spot price of SGD 10.970 used for the pricing of the Warrants. The Warrants carry a premium of 10.8% and a gearing of 6 times.

Listing and Trading of the Warrants

An application will be made to the SGX-ST for the listing of and quotation for the Warrants. The Warrants, when issued, will be represented by a global warrant certificate to be deposited with The Central Depository (Pte) Limited (“**CDP**”). The Warrants will be traded on the SGX-ST through the book-entry scripless settlement system of CDP. It is expected that dealings in the Warrants will commence on or about 11 December 2013 on the SGX-ST. The Warrants will be traded in Singapore dollars on the SGX-ST.

The Designated Market Maker

The Designated Market Maker will provide competitive buy and sell quotes (“**Quotations**”) for the Warrants continuously during the trading hours of the SGX-ST (with the spread between the buy and sell quotes not exceeding 10 times the minimum permitted price movement in the Warrants in accordance with the rules of the SGX-ST or SGD 0.20, whichever is the greater). The minimum quantity of Warrants to which the Quotations will apply is 10,000 Warrants.

Quotations will/may however not be provided by the Designated Market Maker in the following circumstances:

- (a) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;
- (b) if the Warrants are valueless (where the Issuer’s bid price is below the minimum bid size for such securities as prescribed by the SGX-ST), then the Designated Market Maker will provide the offer price only;
- (c) where trading in the Underlying Shares is suspended or limited in a material way;
- (d) where the Issuer or the Designated Market Maker faces technical problems affecting the ability of the Designated Market Maker to provide bids and offer quotations;
- (e) where the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions, and the Issuer informs the SGX-ST of its inability to do so as soon as practicable;
- (f) in cases where the Issuer has no Warrants to sell, then the Designated Market Maker will only provide the bid price;
- (g) if the stock market experiences exceptional price movement and volatility; and
- (h) when it is a public holiday in Singapore and the SGX-ST is not open for dealings.

The last trading day on which the Designated Market Maker will provide competitive Quotations for the Warrants would be the fifth Business Day immediately preceding the Expiry Date.

Termsheet

A copy of the termsheet relating to the Warrants is attached as an Appendix to this Announcement.

Information on the Issuer

The Issuer was incorporated on 26 April 1983 with limited liability for an unlimited duration. It is incorporated in Australia, registered in the Australian Capital Territory, Australia and regulated by the Corporations Act 2001 of Australia. The registered office of the Issuer is at Level 3, 25 National Circuit, Forrest, ACT, 2603. The Issuer's principal place of business is No. 1 Martin Place, Sydney, NSW, 2000, Australia.

The Issuer is an Authorised Deposit-taking Institution (ADI) regulated by Australian Prudential Regulation Authority (APRA) that, directly and through its subsidiaries, engages in Australian and international financial services businesses through five operating groups - Corporate and Asset Finance, Banking and Financial Services, Macquarie Funds (excluding the Macquarie Infrastructure and Real Assets Division), the Fixed Income, Currencies and Commodities (excluding certain assets of the Credit Trading business and other less financially significant activities) and Macquarie Securities (excluding the Cash Division and certain activities of the Derivatives division, in each case, in certain jurisdictions).

The Issuer began in 1969 as the merchant bank Hill Samuel Australia Limited, a wholly owned subsidiary of Hill Samuel & Co Limited, London. Authority for the Issuer to conduct banking business in Australia was received from Australian Federal Treasurer on 28 February 1985.

The Issuer's ordinary shares were listed on the Australian Securities Exchange operated by ASX Limited ("ASX") on 29 July 1996 until the corporate restructuring of the Macquarie Group in November 2007. As part of the restructure the Issuer became an indirect subsidiary of Macquarie Group Limited (ABN 94 122 169 279) ("MGL"), a new ASX listed company comprising a "Banking Group" and a "Non-Banking Group". The Issuer comprises the "Banking Group" activities of MGL. Although the Issuer's ordinary shares are no longer listed on ASX, the Issuer's Macquarie Income Securities continue to be quoted on ASX and accordingly, the Issuer remains subject to the disclosure and other requirements of ASX as they apply to ASX Debt Listings.

The Issuer's long-term debt has been assigned a credit rating of A2 by Moody's Investors Service and A by Standard and Poor's.

Issued by

MACQUARIE BANK LIMITED

05 December 2013

Macquarie Bank Limited ("Macquarie") is regulated as an Authorised Deposit-taking institution by the Australian Prudential Regulation Authority. Macquarie, acting through its Singapore branch, is authorised and licensed by the Monetary Authority of Singapore to carry on wholesale banking business in Singapore pursuant to the Banking Act, Chapter 19 of Singapore and therefore is subject to the supervision of the Monetary Authority of Singapore.