

THIRD SUPPLEMENT TO THE OFFERING MEMORANDUM DATED 13 JUNE 2019

MACQUARIE BANK LIMITED

(ABN 46 008 583 542)

(incorporated with limited liability in the Commonwealth of Australia)



U.S.\$25,000,000,000

(or equivalent in other currencies)

Debt Instrument Programme

ISSUER

Macquarie Bank Limited

DEALERS

Australia and New Zealand Banking Group Limited

BofA Merrill Lynch

Bank of China Limited

Citigroup

Commonwealth Bank of Australia

Goldman Sachs International

HSBC

ING

J.P. Morgan

Macquarie Bank International Limited

Macquarie Bank Limited

National Australia Bank Limited

SMBC Nikko

UBS Investment Bank

Wells Fargo Securities

Westpac Banking Corporation

ISSUING & PAYING AGENT

Citibank, N.A., London Branch

CMU LODGING AGENT

Citicorp International Limited

The date of this Supplement is 12 May 2020

Pages 1 to 134 and pages 211 to 213 inclusive of the Offering Memorandum dated 13 June 2019 comprise a base prospectus, as supplemented by the Supplementary Prospectus dated 4 November 2019 and the Second Supplementary Prospectus dated 18 December 2019, of Macquarie Bank Limited (ABN 46 008 583 542) (“**Issuer**” or “**Macquarie Bank**”) (the “**Base Prospectus**”) for the purposes of Article 8 of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) in respect of unsecured and unsubordinated debt instruments to be admitted to the Official List of the UK Listing Authority (as defined below) and to be admitted to trading on the London Stock Exchange’s regulated market (“**PD Debt Instruments**”). The base prospectus was approved by the Financial Conduct Authority (“**FCA**”) in its capacity as competent authority under the Financial Services and Markets Act 2000 (UK) (“**FSMA**”) (“**UK Listing Authority**”) for the purposes of the Prospectus Directive on 13 June 2019.

Pages 135 to 213 inclusive of the Offering Memorandum comprise an offering circular, a Supplementary Offering Circular dated 4 November 2019 and a Second Supplementary Offering Circular dated 18 December 2019 (the “**Offering Circular**”) and has been prepared by Macquarie Bank in connection with the issuance of unsecured, unsubordinated or subordinated debt instruments other than PD Debt Instruments (“**Non-PD Debt Instruments**”) and, together with the PD Debt Instruments, the “**Debt Instruments**”). The Offering Circular has not been reviewed or approved by the UK Listing Authority and does not constitute a prospectus for the purposes of the Prospectus Directive. The Offering Circular does not form part of the Base Prospectus.

Supplementary Prospectus

Pages 1 to 4 (inclusive) of this supplement (the “**Third Supplementary Prospectus**”) are supplemental to, and must be read in conjunction with, the Base Prospectus and all documents which are deemed to be incorporated in, and to form part of, the Base Prospectus. This Third Supplementary Prospectus constitutes a supplementary prospectus for the purposes of Section 87G of the FSMA. The information on page 5 of this supplement constitutes a supplementary offering circular and does not form part of the Base Prospectus or this Third Supplementary Prospectus. Unless specified otherwise, terms used herein shall be deemed to have the meanings given to them in the Base Prospectus.

Macquarie Bank accepts responsibility for the information contained in this Third Supplementary Prospectus. 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 Third Supplementary Prospectus is in accordance with the facts and this Third Supplementary Prospectus makes no omission likely to affect its import.

The purpose of this Third Supplementary Prospectus is to (a) incorporate by reference into the Base Prospectus information included in the Macquarie Bank 2020 Annual Report (“**2020 Annual Report**”); (b) update the Base Prospectus following the release by S&P Global Ratings, Inc. (S&P) of a change (upgrade) to the long-term issuer credit rating assigned by S&P to Macquarie Bank and a revision to the outlook assigned by S&P to Macquarie Bank; (c) amend the risk factor titled “The Macquarie Bank Group could suffer losses due to environmental and social factors”; and (d) insert 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”.

Investors should be aware of their rights under section 87Q(4) to (6) of the FSMA.

(a) Additional Financial Information

Macquarie Bank 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, 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 in, and to form part of, the Base Prospectus.

The audited financial statements of Macquarie Bank Limited consolidated with its controlled entities for the years ended 31 March 2019 and 31 March 2020 includes 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 (page)
Income Statements	55
Statements of Comprehensive Income	56
Statements of Financial Position	57
Statements of Changes in Equity	58-59
Statements of Cash Flows	60
Notes to the Financial Statements	61-200
Directors' Declaration	201
Independent Auditor's Report	202

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 Third Supplementary Prospectus. The non-incorporated parts of the 2020 Annual Report are either not relevant or are covered elsewhere in the Base Prospectus to which this Third Supplementary Prospectus relates.

(b) Credit Rating

On 11 December 2019, S&P upgraded the long-term issuer credit rating for Macquarie Bank and on 8 April 2020, S&P revised the outlook for Macquarie Bank to negative from stable. As at the date of this Third Supplementary Prospectus, the Bank has the following debt ratings for long-term unsubordinated unsecured obligations:

- S&P Global Ratings, Inc.: A+ / Negative
- Moody's Investors Service Limited: A2 / Stable; and
- Fitch Ratings Australia Pty Ltd: A / Stable.

(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 23 of the Base Prospectus is deleted in its entirety and replaced with the following:

"The Macquarie Bank Group 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 our 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 social or environmental 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 23 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 disruptions 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 more 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 the 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 Macquarie Bank Group’s products and services, higher credit and valuation losses in Macquarie Bank Group loan and investment portfolios, impairments of financial assets, trading losses and other negative impacts on the Macquarie Bank Group’s financial position, including possible constraints on capital and liquidity, as well as a higher cost of capital, and possible changes or downgrades to Macquarie Bank’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.

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.”

Additional General Information

To the extent that there is any inconsistency between (a) any statement in this Third Supplementary Prospectus or any statement incorporated by reference into the Base Prospectus by this Third Supplementary Prospectus and (b) any other statement in, or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Copies of this Third Supplementary Prospectus and the 2020 Annual Report will also be published on the internet site www.macquarie.com.

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").

There has been no significant change in the financial or trading position of Macquarie Bank or Macquarie Bank consolidated with its controlled entities since 31 March 2020, and no material adverse change in the financial position or prospects of Macquarie Bank or Macquarie Bank consolidated with its controlled entities since 31 March 2020, being the end date for the last financial period for which audited financial statements of Macquarie Bank consolidated with its controlled entities have been published.

Save as disclosed in this Third Supplementary Prospectus and the information which is incorporated in this Third Supplementary Prospectus 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.

Supplementary Offering Circular

NEITHER THE OFFERING CIRCULAR NOR THIS SUPPLEMENTARY OFFERING CIRCULAR HAVE BEEN REVIEWED OR APPROVED BY THE UK LISTING AUTHORITY AND THE OFFERING CIRCULAR DOES NOT CONSTITUTE A PROSPECTUS FOR THE PURPOSES OF REGULATION (EU) 2017/1129.

This page 5 of this supplement (“**Third Supplementary Offering Circular**”) is supplemental to, and must be read in conjunction with, the Offering Circular and all documents which are deemed to be incorporated in, and to form part of, the Offering Circular. This Supplementary Offering Circular is to be read in conjunction with the following sections of the Supplementary Prospectus (save as amended herein):

- Additional Financial Information;
- Credit Rating;
- Amendment to risk factor titled “The Macquarie Bank Group could suffer losses due to environmental and social factors”;
- 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”; and
- Additional General Information,

which will be deemed to be incorporated by reference herein, save that references to “Base Prospectus” shall be deemed to be to the “Offering Circular” and references to “Supplementary Prospectus” shall be deemed to be to this “Third Supplementary Offering Circular”.