

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 25 May 2012.

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 15 November 2011 and approved by the Luxembourg *Commission de Surveillance du Secteur Financier* ("**CSSF**") on 15 November 2011 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**").

Application has been made to the CSSF, in its capacity as competent authority for the purposes of the Prospectus Directive 2003/71/EC of the European Parliament and the Council of 4 November, 2003 ("**Prospectus Directive**"), 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 16 of the Prospectus Directive.

In accordance with Article 16(2) of the Prospective Directive, investors who have already agreed to purchase or subscribe for the securities before this Supplement is published have the right, exercisable within a time limit of two working days after the publication of this Supplement, to withdraw their acceptances.

Additional Financial Information

Macquarie Bank Limited 2012 Annual Report

On 27 April 2012 Macquarie Bank published its 2012 Annual Report ("**2012 Annual Report**"), which includes the audited financial statements of Macquarie Bank consolidated with its controlled entities for the years ended 31 March 2011 and 31 March 2012 and the independent audit report in respect of such financial statements. The information in the 2012 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 2011 and 31 March 2012 include the Income statements, Statements of comprehensive income, Statements of financial position, Statements of changes in equity, Statements of cash flows, Notes to the financial statements, Directors' declaration and the Independent audit report. These can be located in the 2012 Annual Report on the following pages:

	2012 Annual Report
Income statements	42
Statements of comprehensive income	43
Statements of financial position	44-45
Statements of changes in equity	46-47
Statements of cash flows	48-49

Notes to the financial statements	50-153
Directors' declaration	154
Independent audit report	155

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 form part of the Base Prospectus for the purposes of the Prospectus Directive, except where such information or other documents are specifically incorporated by reference in, or attached to, the Base Prospectus by virtue of this Supplement. Any information not listed in the table above but contained in the 2012 Annual Report is given for information only.

Additional Information about Macquarie Bank Limited

The section "Macquarie Bank Limited" on pages 67-76 of the Base Prospectus shall be amended as follows:

- Subsections 'Information about Macquarie Bank Limited' and 'Organisational Structure' on pages 67-68 shall be removed in their entirety and be replaced as follows:

Macquarie Bank Limited

Information about Macquarie Bank Limited

Macquarie Bank Limited (ABN 46 008 583 542) is headquartered in Sydney, Australia and directly and through its subsidiaries, engages in Australian and international financial services businesses.

Macquarie Bank is a corporation constituted with limited liability under the laws of the Commonwealth of Australia regulated by the APRA as an ADI in Australia and by the Financial Services Authority in the United Kingdom as to banking business with Professional and Eligible Counterparties. Macquarie Bank complies with all applicable corporate governance requirements under Australian law.

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

MBL'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, MBL 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**". MBL comprises the "Banking Group" activities of MGL. MBL's ultimate parent entity is MGL and MBL's immediate parent entity is Macquarie B.H. Pty Ltd (ABN 86 124 071 432). Both MGL and Macquarie B.H. Pty Ltd are incorporated in Australia.

Although MBL's ordinary shares are no longer listed on ASX, MBL's Macquarie Income Securities continue to be listed on ASX and accordingly, MBL remains subject to the disclosure and other requirements of ASX as they apply to ASX Debt Listings.

At 31 March 2012 MBL employed over 5,900 people and had total assets of A\$136.2 billion, a Tier 1 regulatory capital adequacy ratio of 13.8%, a total regulatory capital adequacy ratio of 16.6% and total equity of A\$9.3 billion. For the full year ending 31 March 2012, MBL's total operating income was A\$4.7 billion and profit attributable to ordinary equity holders was \$A609 million.

As at 31 March 2012, MBL conducted its operations directly and indirectly through over 680 subsidiaries organised in over 20 countries.

MBL's registered office is Level 3, 25 National Circuit, Forrest, Australian Capital Territory 2603, Australia. Its principal place of business is No. 1 Martin Place, Sydney, New South Wales 2000, Australia. The telephone number of its principal place of business is +612 8232 3333.

Organisational Structure

MBL comprises five operating groups: Corporate & Asset Finance; Banking & Financial Services; Macquarie Funds (excluding the Macquarie Infrastructure and Real Assets division); Fixed Income, Currencies & Commodities (excluding certain assets of the Credit Trading business and some other less financially significant activities) and Macquarie Securities (excluding the Cash division and certain activities of the Derivatives division in certain jurisdictions). MBL Group also has one division: Real Estate Banking.

MGL Group provides shared services to both the Banking Group and the Non-Banking Group through the Corporate segment. The Corporate segment is not considered an operating group and comprises five central functions: Risk Management, Legal and Governance, Financial Management, Corporate Services, and Market Operations and Technology. Shared services include: Risk Management, Finance, Information Technology, Group Treasury, Settlement Services, Equity Markets Operations, Human Resources Services, Business Services, Company Secretarial, Media Relations, Corporate Communications and Investor Relations Services, Taxation Services, Business Improvement and Strategy Services, Central Executive Services, Other Group-wide Services, Business Shared Services, and other services as may be agreed from time to time.

Subsection 'Business Group Overview' on pages 68-69 shall be removed in its entirety and be replaced as follows:

Fixed Income, Currencies and Commodities (excluding certain assets of the Credit Trading business and some other less financially significant activities)

Fixed Income, Currencies & Commodities is a client and counterparty driven business, offering risk management services, trading in select physical commodities, financing and access to markets through specialization in fixed income, currency and commodity markets. Fixed Income, Currencies & Commodities' products and services range from exchange traded futures, over-the-counter derivatives and customized risk management solutions, physical supply and purchase agreements, equity and asset investments and other financing arrangements. Clients are typically large producers or consumers of commodities, or those exposed to price movement risks in interest rates, currencies and commodities, or funds and other financial institutions looking to invest in those markets.

Banking and Financial Services

Banking & Financial Services is in the Banking Group and is the primary relationship manager for MBL's retail client base. Banking & Financial Services brings together MBL's retail banking and financial services businesses providing a diverse range of wealth management products and services to financial advisers, stockbrokers, mortgage brokers, professional service industries and the end consumer.

Macquarie Funds (excluding the Macquarie Infrastructure and Real Assets division)

Macquarie Funds is MBL's funds management business. Macquarie Funds is a full service asset manager, offering a diverse range of capabilities and products including securities investment management and fund and equity-based solutions.

Macquarie Infrastructure and Real Assets division of Macquarie Funds resides in the Non-Banking Group and manages alternative assets, specializing in infrastructure and other real asset classes via public and private funds, co-investments, partnerships and separately managed accounts.

Macquarie Securities (excluding the Cash division and certain activities of the Derivatives division in certain jurisdictions)

Macquarie Securities activities include retail derivatives and arbitrage trading activities, including sales of retail derivatives, arbitrage trading, equity finance and capital management.

The Cash division of Macquarie Securities resides in the Non-Banking group and its activities include cash equities broking and equity capital markets services.

Corporate and Asset Finance

Corporate & Asset Finance provides innovative and traditional capital, finance and related services to clients operating in selected international markets. Corporate & Asset Finance specializes in corporate debt and asset finance including aircraft, motor vehicles, technology, healthcare, manufacturing, industrial, energy, rail and mining equipment.

Real Estate Banking division

Real Estates Banking's activities include real estate investment, development management and asset management.

Subsection 'Lawsuits and Contingent liabilities' on page 70 shall be removed in its entirety and be replaced as follows:

Lawsuits and Contingent liabilities

Macquarie Bank is a subsidiary of MGL. MGL and its controlled entities ("Macquarie Group") is a large diversified Australian-based financial institution with a long and successful history. Like any financial institution, Macquarie Group has been subject to lawsuits most of which have lapsed without further action.

On December 22, 2010, ASIC commenced legal proceedings in the Federal Court of Australia against a number of banking institutions, including MBL. In one set of proceedings, ASIC is seeking compensation for investors arising out of the collapse of Storm Financial Limited ("Storm") for an alleged breach of contract, contravention of the statutory prohibitions against unconscionable conduct and liability as linked credit providers of Storm under section 73 of the Trade Practices Act 1974 of Australia. In another set of proceedings, ASIC alleges that there was an unregistered managed investment scheme in which the relevant banks were involved.

Representative legal action has also been brought through a private law firm in the same court claiming an unregistered managed investment scheme involving Storm on a similar basis as ASIC's action and claiming compensation for those investors. As at the date of this document, the proceedings are progressing through a pre-trial process. MBL denies liability with respect to these claims.

Save as disclosed in the preceding three paragraphs, there are no, nor have there been, any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which MBL or the Macquarie Group is aware) in the 12 month period prior to the date of this document which may have or have had a significant effect on the financial position or profitability of MBL.

Subsection 'Directors of Macquarie Bank' on pages 72-75 shall be removed in its entirety and be replaced as follows:

Directors of Macquarie Bank

The persons named below are Voting Directors of Macquarie Bank under Macquarie Bank's constitution and exercise the powers of directors for the purposes of the Corporations Act. All members of the Board of Voting Directors of Macquarie Bank have the business address of No. 1 Martin Place, Sydney, NSW, 2000.

H Kevin McCann, AM

BA LLB (Hons) (Syd), LLM (Harv), FAICD

Independent Chairman since 17 March 2011

Independent Voting Director since August 2007 (of Macquarie Bank since December 1996)

Chairman of the Board Nominating Committee

Member of the Board Remuneration Committee

Member of the Board Risk Committee

Kevin McCann is currently Chairman of Origin Energy Limited, and a Director of BlueScope Steel Limited and the United States Studies Centre at the University of Sydney, and . Mr McCann is a member of the University of Sydney Senate and its Nominations and Appointments Committee and Investment and Commercialisation Committee and a member of the Evans and Partners Advisory Board. He is also Chairman of the National Library of Australia Foundation, NSW President and a board member of the Australian Institute of Company Directors and a council member of the European Australian Business Council. Mr McCann was a Partner (from 1970 to 2004) and Chairman of Allens Arthur Robinson, a leading firm of Australian lawyers. He practiced as a commercial lawyer specialising in Mergers and Acquisitions, Mineral and Resources Law and Capital Markets Transactions. He was previously Chairman of Triako Resources Limited, Healthscope Limited and ING Management Limited.

Nicholas W Moore

BCom LLB (UNSW), FCA

Managing Director and Chief Executive Officer since May 2008

Executive Voting Director of Macquarie Group since February 2008 (of Macquarie Bank since May 2008)

Member of the Board Risk Committee

Nicholas Moore joined Macquarie's Corporate Services Division in 1986. In 1996, Mr Moore was appointed Head of the Project and Structured Finance Division. In 1998 he was appointed Head of the Asset and Infrastructure Group and then Head of the Investment Banking Group on its inception in 2001. In this role, he oversaw significant growth in Macquarie's net income through the global growth of the advisory, fund management, financing and securities businesses. Currently, Mr Moore is also Chairman of the Police and Community Youth Clubs NSW Limited, a Director of the Centre for Independent Studies and Chairman of the University of NSW Business School Advisory Council.

Diane J Grady, AM

BA (Mills), MA (Hawaii), MBA (Harv), FAICD

Independent Voting Director since May 2011 (of Macquarie Bank since May 2011)

Member of the Board Remuneration Committee

Member of the Board Risk Committee

Ms Grady has been a full time independent director of public companies and not-for-profit boards since 1994. She is currently a Director of BlueScope Steel Limited, a member of the McKinsey Advisory Board, Chair of Ascham School and Chair of the Hunger Project Australia. Previously she was a Director of Woolworths Limited, Goodman Group, Wattyl Limited, Lend Lease US Office Trust, Lend Lease Limited, MLC and a Trustee of the Sydney Opera House. She was also President of Chief Executive Women and chaired the group's taskforce which published the CEO Kit for Attracting and Retaining Female Talent.

Ms Grady was a partner at McKinsey & Company where she spent 15 years consulting to clients in a broad range of industries on strategic and operational issues. She was a worldwide leader of the firm's Organisation and Change Management Practice and the first woman outside the United States to be elected to McKinsey's global partnership. In Australia, she headed McKinsey's Consumer Goods, Retailing and Marketing Practice Group. Ms Grady was made a member of the Order of Australia in 2009 for her contribution to business and to the promotion of women leaders and in 2001 received a Centenary Medal for service to Australian society through business leadership.

Michael J Hawker, AM

BSc (Sydney), FAICD, FAIM, SF Fin

Independent Voting Director since March 2010 (of Macquarie Bank since March 2010)

Member of the Board Audit Committee

Member of the Board Risk Committee

Michael Hawker was Chief Executive Officer and Managing Director of Insurance Australia Group from 2001 to 2008. From 1995 to 2001, Mr Hawker held a range of positions at Westpac, including Group Executive of Business and Consumer Banking and General Manager of Financial Markets. Prior to this, he held a number of positions at Citibank, including Deputy Managing Director for Australia and subsequently Executive Director, Head of Derivatives, Europe. Currently, Mr Hawker is the Chairman of the George Institute for Global Health, a member of the George Institute for Global Health (UK) and is a Director of the Australian Rugby Union and Aviva Plc Group, the largest insurance provider in the UK. He is also Chairman of Australian Rugby Union and SANZAR and a member of the International Rugby Board Council. Mr Hawker is a member of the Advisory Board to GEMS, a Hong Kong based private equity firm, and a member of the board of trustees of the Giant Steps Foundation. He was previously President of the Insurance Council of Australia, Chairman of the Australian Financial Markets Association, a board member of the Geneva Association and a member of the Financial Sector Advisory Council. Mr Hawker is additionally the founder of the Australian Business in the Community Network.

Peter M Kirby

BEC (Rhodes), BEc (Hons) (Natal), MA (Manch), MBA (Wits)

Independent Voting Director since August 2007 (of Macquarie Bank since June 2003)

Member of the Board Audit Committee

Member of the Board Governance and Compliance Committee

Member of the Board Risk Committee

Peter Kirby was the Managing Director and Chief Executive Officer of CSR Limited from 1998 to March 2003. He was a member of the Board of the Business Council of Australia from 2001 to 2003. Mr Kirby received the Centenary Medal in 2003. Prior to joining CSR, he was with the Imperial Chemical Industries PLC group (ICI) for 25 years in a variety of senior management positions around the world, including Chairman/CEO of ICI Paints, responsible for the group's coatings businesses worldwide, and a member of the Executive Board of ICI PLC, with responsibility for ICI Americas and the western hemisphere. Currently he is Chairman of DuluxGroup Limited. Mr Kirby's previous directorships include Chairman and Director of Medibank Private Limited and, Director of Orica Limited and the Beacon Foundation.

Catherine B Livingstone, AO

BA (Hons) (Macquarie), HonDBus (Macquarie), HonDSc (Murdoch), FCA, FTSE, FAICD
Independent Voting Director since August 2007 (of Macquarie Bank since November 2003)
Chairman of the Board Audit Committee
Member of the Board Governance and Compliance Committee
Member of the Board Nominating Committee
Member of the Board Risk Committee

Catherine Livingstone was the Managing Director of Cochlear Limited from 1994 to 2000. Prior to that she was the Chief Executive, Finance, at Nucleus Limited and before that held a variety of finance and accounting roles including having been with chartered accountants, Price Waterhouse, for several years. Ms Livingstone was awarded the Centenary Medal in 2003 for service to Australian Society in Business Leadership and was elected a Fellow of the Australian Academy of Technological Sciences and Engineering in 2002. She is currently Chairman of Telstra Corporation Limited, a Director of WorleyParsons Limited, a member of the New South Wales Innovation Council and President of the Australian Museum Trust. Ms Livingstone was also previously Chairman of CSIRO and a Director of Goodman Fielder and Rural Press Limited.

John R Niland, AC

BCom MCom HonDSc (UNSW), PhD (Illinois), DUniv (SCU), FAICD
Independent Voting Director since August 2007 (of Macquarie Bank since February 2003)
Chairman of the Board Governance and Compliance Committee
Member of the Board Remuneration Committee
Member of the Board Risk Committee

John Niland is a Professor Emeritus of the University of New South Wales (UNSW) and was Vice-Chancellor and President of UNSW from 1992 to 2002. Before that he was the Dean of the Faculty of Commerce and Economics. He is currently Chairman of Campus Living Funds Management Limited and Chairman of Singapore Management University's International Academic Review Panel. Dr Niland is a former Chief Executive of the State Pollution Control Commission and Executive Chairman of the Environment Protection Authority. He has served on the Australian Universities Council, the Prime Minister's Science, Engineering and Innovation Council, the boards of the Centennial Park and Moore Park Trust, realestate.com.au Limited, St Vincent's Hospital, the Sydney Symphony Orchestra Foundation, the Sydney Olympic bid's Building Commission and the University Grants Committee of Hong Kong. He is a former President of the National Trust of Australia (NSW).

Helen M Nugent, AO

BA (Hons) (Qld), PhD (Qld), MBA (Harv), HonDBus (Qld)
Independent Voting Director since August 2007 (of Macquarie Bank since June 1999)
Chairman of the Board Remuneration Committee
Member of the Board Nominating Committee
Member of the Board Risk Committee

Helen Nugent is currently Chairman of Funds SA and a Director of Origin Energy Limited and Freehills. Previously, Dr Nugent has been involved in the financial services sector as Director of Strategy at Westpac Banking Corporation, Chairman of Swiss Re (Australia) Limited and a Non-Executive Director of the State Bank of New South Wales and Mercantile Mutual. In addition, she was previously Chairman of Hudson (Australia and New Zealand) and a Director of UNiTAB, Carter Holt Harvey and Australia Post. She has also been a Partner at McKinsey and Company.

She has been actively involved in the arts and education. In the arts, she is Chairman of the National Portrait Gallery and was formerly Deputy Chairman of the Australia Council, Chairman of the Major Performing Arts Board of the Australia Council, Chairman of the Ministerial Inquiry into the Major

Performing Arts and Deputy Chairman of Opera Australia. In education, she is currently Chancellor of Bond University and President of Cranbrook School. Previously she was a member of the Bradley Review into Higher Education and Professor in Management and Director of the MBA Program at the Australian Graduate School of Management.

Peter H Warne

BA (Macquarie) FAICD

Independent Voting Director since August 2007 (of Macquarie Bank since July 2007)

Chairman of the Board Risk Committee

Member of the Board Audit Committee

Member of the Board Governance and Compliance Committee

Member of the Board Remuneration Committee

Peter Warne was Head of Bankers Trust Australia Limited's (BTAL) Financial Markets Group from 1988 to 1999. Prior to this he held a number of roles at BTAL. He was a Director and Deputy Chairman of the Sydney Futures Exchange (SFE) from 1995 to 1999 and a Director from 2000 to 2006. When the SFE merged with the Australian Securities Exchange (ASX Limited) in July 2006 he became a Director of ASX Limited. Currently, Mr Warne is on the boards of other listed entities as, including Chairman of ALE Property Group and Deputy Chairman of WHK Group Limited. He is also Deputy Chairman of Capital Markets CRC Limited, a Director of Securities Research Centre of Asia Pacific Limited and of New South Wales Treasury Corporation, a member of the Advisory Board of the Australian Office of Financial Management and a Patron of Macquarie University Foundation. He is a former Director of Next Financial Limited, Macquarie Capital Alliance Group and a former Chairman and Director of TEYS Limited.

Greg C Ward

BEC (Macquarie), MEd (Macquarie), FCA, F Fin

Managing Director and Chief Executive Officer since December 2011

Executive Voting Director since December 2011

Greg Ward joined Macquarie on listing in 1996 and was appointed Chief Financial Officer in 1997. In December 2011, Mr Ward became the Managing Director and Chief Executive Officer of Macquarie Bank Limited and a member of its Board. He is also the Deputy Managing Director and a member of the Board Risk Committee of Macquarie Group Limited.

Prior to working with Macquarie, Mr Ward held senior roles with Westpac Banking Corporation and PricewaterhouseCoopers. Mr Ward was also an inaugural member of the Federal Treasury's Financial Reporting Panel and served as a Board member of the Australian Accounting Standards Board from September 1999 to February 2003. Mr Ward is currently a Board member of the Macquarie Group Foundation which facilitates the Macquarie Group's philanthropic undertakings, a member of the Macquarie University Council and a director of UNICEF Australia.

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 No. 1 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.

In accordance with Article 10 of the Prospectus Directive, 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 under such rules are available on the ASX’s internet site <http://www.asx.com.au/asx/statistics/announcements.do> (Macquarie’s ASX code is MQG).

To the extent of any inconsistency between any statement in this Supplement and any 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

25 May 2012