IMPORTANT NOTICE

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

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

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE LAWS OF OTHER JURISDICTIONS. THE OFFERING MEMORANDUM AND THE OFFER OF THE SUBORDINATED NOTES ARE ONLY ADDRESSED TO AND DIRECTED AT PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE "QUALIFIED INVESTORS" WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE PROSPECTUS DIRECTIVE (DIRECTIVE 2003/71/EC, AS AMENDED, INCLUDING BY DIRECTIVE 2010/73/EU) AND RELEVANT IMPLEMENTING MEASURES IN MEMBER STATES ("QUALIFIED INVESTORS"). IN ADDITION, IN THE UNITED KINGDOM, THE OFFERING MEMORANDUM IS FOR DISTRIBUTION ONLY TO QUALIFIED INVESTORS WHO ARE (I) INVESTMENT PROFESSIONALS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION ORDER 2005, AS AMENDED (THE "ORDER"); OR (II) HIGH NET WORTH COMPANIES AND OTHER PERSONS TO WHOM IT MAY LAWFULLY BE COMMUNICATED, FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER (ALL SUCH PERSONS TOGETHER REFERRED TO AS "RELEVANT PERSONS"). ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFERING MEMORANDUM RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS, AND WILL BE ENGAGED IN ONLY WITH SUCH PERSONS.

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

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

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

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

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

Macquarie Bank Limited

(ABN 46 008 583 542)

US$ 750,000,000

4.875% SUBORDINATED NOTES DUE 2025

(SUBJECT TO EXCHANGE UPON A NON-VIABILITY EVENT FOR FULLY PAID ORDINARY SHARES OF MACQUARIE GROUP LIMITED (ABN 94 122 169 279) WITH A FALL BACK TO WRITE-OFF)

ISSUE PRICE 99.734%

Macquarie Bank Limited, a corporation incorporated under the laws of the Commonwealth of Australia ("we", "us", "our", the "Bank" or "MBL"), is offering US$750,000,000 aggregate principal amount of 4.875% subordinated notes due 2025 (the "Subordinated Notes"), which are subject to Exchange upon a Non-Viability Event for fully paid ordinary shares in the capital of Macquarie Group Limited ("MGL") ("MGL Ordinary Shares") or fallback to Write-Off as described in this offering memorandum. The Subordinated Notes will be issued under MBL's U.S.$20,000,000,000 Rule 144A medium-term note program. Unless otherwise specified herein or the context otherwise requires, certain defined terms are set out under the heading "Certain Definitions" in this offering memorandum.

Interest will be payable on June 10 and December 10 of each year, beginning on December 10, 2015. The Subordinated Notes will mature on June 10, 2025, unless redeemed earlier, Exchanged for MGL Ordinary Shares or Written-Off. The Subordinated Notes will be our unsecured, direct, subordinated and general obligations. In a Winding-Up of MBL, subject to Write-Off, the Subordinated Notes will rank behind the claims of all Senior Creditors, equally with Equal Ranking Securities and ahead of Junior Ranking Obligations. The Subordinated Notes may, with the prior written approval of the Australian Prudential Regulation Authority ("APRA"), be redeemed prior to their stated maturity, in whole (but not in part), at the option of the Bank at a redemption price equal to 100% of the aggregate Principal Amount thereof following the occurrence of a Regulatory Event or a Tax Event, or, in whole or in part, at any time on or after the Redemption Commencement Date. If a Non-Viability Event occurs prior to the maturity or redemption of the Subordinated Notes, the Principal Amount (or a portion thereof) of the Subordinated Notes will immediately be Exchanged for MGL Ordinary Shares, whereupon the rights of the relevant holders of such Subordinated Notes in respect of the Principal Amount (or the portion thereof) will be (with effect from the Non-Viability Date) immediately and irrevocably terminated in respect of such amount Exchanged. If an Exchange has not occurred within 5 Business Days of the Non-Viability Date, then an Exchange will not occur and each Subordinated Note, or portion thereof, which would otherwise have been Exchanged, will be Written-Off. A Non-Viability Event occurs when APRA (i) issues a written notice to MBL that it is necessary that Relevant Securities (including the Subordinated Notes) be subject to Loss Absorption because, without such Loss Absorption, APRA considers that MBL would become non-viable, or (ii) notifies MBL in writing that it has determined that, without a public sector injection of capital or equivalent support, MBL would become non-viable. For more information, see "Description of the Subordinated Notes—Exchange of Subordinated Notes on Non-Viability of MBL with a fall back to Write-Off".

Investing in the Subordinated Notes involves certain risks, including the potential for such notes to be Written-Off, and you must determine the suitability of such investment in light of your own circumstances. You should carefully review the section entitled "Risk Factors" beginning on page 9 of this offering memorandum. In addition, you should review the section entitled "Risk Factors" in our Disclosure Report (U.S. Version) for the fiscal year ended March 31, 2015 ("2015 Annual U.S. Disclosure Report") and the section entitled "Risk Factors" in MGL's Disclosure Report (U.S. Version) for the fiscal year ended March 31, 2015 ("MGL's 2015 Annual U.S. Disclosure Report"). See "Where You Can Find Additional Information".

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

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

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

The Bank or any agent may reject any order in whole or in part. The Subordinated Notes will not be listed on any securities exchange.

The Subordinated Notes will be issued in registered, book-entry form in minimum denominations of US$200,000 and integral multiples of US$1,000 in excess of that amount and will be eligible for clearance through the facilities of The Depository Trust Company ("DTC") and its direct and indirect participants, including Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg") on or about June 10, 2015.

Agents

Citigroup **HSBC** **J.P. Morgan**

Macquarie Capital

Co-Manager

Standard Chartered Bank

June 2, 2015

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

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

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

This offering memorandum is not a prospectus for the purposes of the European Union's Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) as implemented in member states of the European Economic Area (the "*Prospectus Directive*"). This offering memorandum has been prepared on the basis that any offer of Subordinated Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each a "*Relevant Member State*") will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Subordinated Notes.

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

The communication of this offering memorandum and any other document or materials relating to the issue of any Subordinated Notes offered hereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended (the "FSMA"). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"), or within Article 49(2)(A) to (D) of the Financial Promotion Order ("high net worth companies, unincorporated associations, etc."), or to any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, the Subordinated Notes offered hereby are only available to, and any investment or investment activity to which this offering memorandum relates will be engaged in only

with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act on or rely on this offering memorandum or any of its contents. The communication of this offering memorandum to any person in the United Kingdom who is not a relevant person is unauthorized and may contravene the FSMA. See "Important Notices" and "Plan of Distribution".

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

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NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES, 1955, AS AMENDED ("RSA") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

CERTAIN DEFINITIONS

In this offering memorandum, unless otherwise specified or the context otherwise requires:

- *"ABN"* means Australian Business Number;
- *"ADI"* means an institution that is an authorized deposit-taking institution under the Australian Banking Act and regulated as such by APRA;
- *"APRA"* means the Australian Prudential Regulation Authority and its successors;
- *"ASIC"* means the Australian Securities and Investments Commission and its successors;
- *"ASX"* means the Australian Securities Exchange operated by ASX Limited and its successors;
- *"Australian Banking Act"* means the Banking Act 1959 of Australia;
- *"Australian Corporations Act"* means the Corporations Act 2001 of Australia;
- *"Australian FSTB Act"* means the Financial Sector (Business Transfer and Group Restructure) Act 1999 of Australia;
- *"Australian Reserve Bank Act"* means the Reserve Bank Act 1959 of Australia;
- *"A$"* or *"$"* means the Australian dollar and *"US$"* means the U.S. dollar;
- *"Bank"* and *"MBL"* each means Macquarie Bank Limited (ABN 46 008 583 542) (an ADI) and includes its predecessors and successors, and *"we"*, *"our"*, *"us"* and *"MBL Group"* each means MBL and its controlled entities;
- *"Banking Group"* means Banking Holdco and the group of existing and future subsidiaries of that intermediate subsidiary, including the Bank, that constitutes the Banking Group as described herein;
- *"Banking Holdco"* means Macquarie B.H. Pty Ltd (ABN 86 124 071 432), an intermediate holding company established as a subsidiary of MGL and which is the immediate parent of MBL;
- "*Commonwealth*" and "*Australia*" each means the Commonwealth of Australia;
- "*controlled entities*" means those entities (including special purpose entities) over which another party has the power to govern, directly or indirectly, decision making in relation to financial and operating policies, so as to require that entity to conform with such controlling party's objectives;
- *"Equal Ranking Securities"* has the meaning given in this offering memorandum under the heading "Description of the Subordinated Notes — Status and Subordination of Subordinated Notes";
- "*Exchange*" has the meaning given in this offering memorandum under the heading "Description of the Subordinated Notes — Exchange of Subordinated Notes on Non-Viability of MBL with a fall back to Write-Off";
- "*Exchange Act*" means the U.S. Securities Exchange Act of 1934, as amended;
- "*financial statements*" means our and/or MGL's historical financial statements, as the context requires;
- *"Junior Ranking Obligations"* has the meaning given in this offering memorandum under the heading "Description of the Subordinated Notes — Status and Subordination of Subordinated Notes";

- *"Loss Absorption"* has the meaning given in this offering memorandum under the heading "Description of the Subordinated Notes — Exchange of Subordinated Notes on Non-Viability of MBL with a fall back to Write-Off";

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

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

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

- "*MGL's 2014 Annual Report*" means MGL's 2014 annual report, extracts of which are incorporated by reference herein and which have been posted on MGL's U.S. Investors' Website;

- "*MGL's 2014 Fiscal Year Management Discussion and Analysis Report*" means MGL's Management Discussion and Analysis Report dated May 2, 2014, which includes a comparative discussion and analysis of MGL's results of operation and financial condition for the year ended March 31, 2014 compared to the year ended March 31, 2013, along with other balance sheet, capital and liquidity disclosures as at or for the year ended March 31, 2014, has been posted on MGL's U.S. Investors' Website and has been incorporated by reference herein;

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

- *"MGL's 2015 Annual U.S. Disclosure Report"* means MGL's Disclosure Report (U.S. Version) for the fiscal year ended March 31, 2015 and the documents incorporated by reference therein;

- "*MGL's 2015 Fiscal Year Management Discussion and Analysis Report*" means MGL's Management Discussion and Analysis Report dated May 8, 2015, which includes a comparative discussion and analysis of MGL's results of operation and financial condition for the year ended March 31, 2015 compared to the year ended March 31, 2014, along with other balance sheet, capital and liquidity disclosures as at or for the year ended March 31, 2015, has been posted on MGL's U.S. Investors' Website and has been incorporated by reference herein;

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

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

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

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

- "*Non-Viability Event*" has the meaning given in this offering memorandum under the heading "Description of the Subordinated Notes — Exchange of Subordinated Notes on Non-Viability of MBL with a fall back to Write-Off";

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

- *"Redemption Commencement Date"* has the meaning given in this offering memorandum under the heading "Offering Memorandum Summary — Summary of Terms";

- "*Regulatory Capital*" has the meaning given in this offering memorandum under the heading "Description of the Subordinated Notes — Redemption of Subordinated Notes under certain circumstances";

- *"Regulatory Event"* has the meaning given in this offering memorandum under the heading "Description of the Subordinated Notes — Redemption of Subordinated Notes under certain circumstances";

- *"Relevant Securities"* has the meaning given in this offering memorandum under the heading "Description of the Subordinated Notes — Exchange of Subordinated Notes on Non-Viability of MBL with a fall back to Write-Off";

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

- *"Senior Creditors"* has the meaning given in this offering memorandum under the heading "Description of the Subordinated Notes — Status and Subordination of Subordinated Notes";

- *"Tax Event"* has the meaning given in this offering memorandum under the heading "Description of the Subordinated Notes — Redemption of Subordinated Notes under certain circumstances";

- "*Written-Off*" has the meaning given in this offering memorandum under the heading "Description of the Subordinated Notes — Exchange of Subordinated Notes on Non-Viability of MBL with a fall back to Write-Off";

- "*2014 Annual Report*" means our 2014 annual report, extracts of which are incorporated by reference herein and which have been posted on MBL's U.S. Investors' Website; and

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

Unless otherwise specified herein or the context otherwise requires, certain other defined terms used in this offering memorandum have the meanings assigned to them in "Certain definitions" in our 2015 Annual U.S. Disclosure Report.

IMPORTANT NOTICES

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

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

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

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

3. On your own behalf and on behalf of any account for which you are purchasing the Subordinated Notes, you will offer, sell or otherwise transfer such Subordinated Notes (A) only in minimum principal amounts of US$200,000 and integral multiples of US$1,000 in excess thereof and (B) only (a) pursuant to the exemption from the registration requirements of the Securities Act provided by Rule 144A, (b) in a transaction not subject to registration under the Securities Act in reliance on Regulation S, (c) to the Bank or any of its subsidiaries, or (d) to an agent that is a party to the Terms Agreement to be dated on or about June 2, 2015 between the Bank and the agents named on the cover of this offering memorandum (the "Terms Agreement"). You acknowledge that each Global Note will contain a legend substantially to the effect of the foregoing paragraph 1, this paragraph 3 and the following paragraph 4 and that the Bank is under no obligation to remove such legend from any Subordinated Note, to register the offer and sale of any Subordinated Note under the Securities Act or to take any other steps to cause any Subordinated Note to become freely tradable.

4. You acknowledge and understand that the Bank has not determined how it intends to characterize and treat the Subordinated Notes for U.S. federal income tax purposes, as discussed further under "Tax Considerations — United States Federal Income Taxation — Characterization of Subordinated Notes for United States federal income tax purposes". You represent that you have conducted and relied entirely upon your own investigation and assessment of, and sought any advice that you deemed necessary from your own advisors regarding, the U.S. federal income tax consequences to you of the Bank's ultimate characterization and treatment of the Subordinated Notes as either equity or debt, including in respect of how you treat such Subordinated Notes for your U.S. federal income tax purposes. You further acknowledge, represent and agree that you have not relied, and will not rely, upon the Bank, any of the agents named on the front cover of this offering memorandum (each, an "agent") or any of their respective representatives or affiliates for any advice as to the tax consequences to you in relation to your investment in the Subordinated Notes, or for the preparation and filing of any tax returns and elections required or permitted to be made by you in connection therewith.

5. You understand that any Subordinated Notes sold in reliance on Rule 144A will be treated as "restricted securities" within the meaning of Rule 144 under the Securities Act until the maturity date of such Subordinated Notes. In addition, any Subordinated Notes that would otherwise be unrestricted for purposes of the Securities Act because they were previously sold in an offshore transaction in reliance on Regulation S under the Securities Act may lose their unrestricted status if purchased and resold by any affiliate of the Bank in any market-making transaction. Accordingly, holders of any Subordinated Note will only be able to resell Subordinated Notes in reliance on Rule 144A or Regulation S or to the Bank, any of its affiliates or any of the agents.

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

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

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

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

9. You are not an Offshore Associate (as defined below) and, if you purchase the Subordinated Notes as part of the primary distribution of the Subordinated Notes, you will not sell any of the Subordinated Notes (or any interest in any of the Subordinated Notes) to any person if, at the time of such sale, your employees directly involved in the sale knew or had reasonable grounds to suspect that, as a result of the sale, such Subordinated Notes would be acquired (directly or indirectly) by an Offshore Associate (other than in the capacity of a clearing house, custodian, funds manager or responsible entity of an Australian registered managed investment scheme). "Offshore Associate" means an associate (within the meaning of Section 128F(9) of the Income Tax Assessment Act of 1936 of Australia) of the Bank that is either a non-resident of Australia that does not acquire the Subordinated Notes in carrying on a business at or through a permanent establishment in Australia, or a resident of Australia that acquires the Subordinated Notes in carrying on a business at or through a permanent establishment outside Australia. Macquarie Capital (USA) Inc., acting in its capacity as agent (as dealer, manager or underwriter in relation to the offer of Subordinated Notes), is not an Offshore Associate for these purposes. For the avoidance of doubt, if your employees directly involved in a sale of Subordinated Notes do not know or suspect that a person is an associate of the Bank, nothing in this paragraph 8 obliges you or your employees to make positive enquiries of that person to confirm that that person is not an Offshore Associate.

10. Subordinated Notes will only be offered or sold to persons within the European Economic Area who are not retail clients within the meaning of European Union Directive 2004/39/EC (as implemented in each member state thereof).

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

12. You understand and agree to the terms described under "Description of the Subordinated Notes" including, without limitation, the matters described under "Description of the Subordinated Notes — Exchange of Subordinated Notes on Non-Viability of MBL with a fall back to Write-Off" and "Description of the Subordinated Notes—Status and Subordination of Subordinated Notes—Prior to the commencement of a Winding-Up of the Bank."

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

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

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

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

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

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

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

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

8. Certain persons participating in the offering of Subordinated Notes may engage in transactions that stabilize, maintain or otherwise affect the price of the Subordinated Notes. These transactions may include

stabilizing and the purchase of Subordinated Notes to cover short positions. Such stabilizing, if commenced, may be discontinued at any time. For a description of these activities, see "Plan of Distribution".

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

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

WHERE YOU CAN FIND ADDITIONAL INFORMATION

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

MBL

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

- our 2015 Annual U.S. Disclosure Report, which contains, among other things, a description of our business and the regulation to which we are subject, risk factors related to our business and management's discussion and analysis of our results of operations;
- extracts from our 2015 Annual Report, which, among other things, contains our audited consolidated financial statements for the 2015 and 2014 fiscal years and the notes thereto;
- extracts from the 2015 Annual Report of MGL;
- extracts from our 2014 Annual Report, which, among other things, contains our audited consolidated financial statements for the 2014 and 2013 fiscal years and the notes thereto;
- extracts from the 2014 Annual Report of MGL;
- our Pillar 3 Disclosure Document dated March 2014, the Pillar 3 Disclosure Document dated September 2014, the Pillar 3 Disclosure Document dated December 2014 and the Pillar 3 Disclosure Document dated March 2015, which describe the Bank's capital position, risk management policies and risk management framework and the measures adopted to monitor and report within this framework; and
- our constitution, which is our governing document.

MGL

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

- MGL's 2015 Annual U.S. Disclosure Report, which contains, among other things, a description of MGL's business and the regulation to which MGL is subject and risk factors related to MGL's business;
- MGL's 2015 Fiscal Year Management Discussion and Analysis Report, which contains MGL's management's discussion and analysis of MGL's results of operations for the year ended March 31, 2015 as compared to the year ended March 31, 2014, a discussion of MGL's liquidity and capital resources, a description of MGL's regulatory capital and information regarding MGL's Assets Under Management;
- extracts from MGL's 2015 Annual Report, which, among other things, contains MGL's audited consolidated financial statements for the 2015 and 2014 fiscal years and the notes thereto;
- extracts from MGL's 2014 Annual Report, which, among other things, contains MGL's audited consolidated financial statements for the 2014 and 2013 fiscal years and the notes thereto;

- sections 1.0 to 4.0 of MGL's 2014 Fiscal Year Management Discussion and Analysis Report, which contains MGL's management's discussion and analysis of MGL's results of operations for the year ended March 31, 2014 as compared to the year ended March 31, 2013;

- MBL's Pillar 3 Disclosure Document dated March 2014, the Pillar 3 Disclosure Document dated September 2014, the Pillar 3 Disclosure Document dated December 2014 and the Pillar 3 Disclosure Document dated March 2015, which describe MBL's capital position, risk management policies and risk management framework and the measures adopted to monitor and report within this framework; and

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

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

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

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

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

While any Subordinated Notes remain outstanding or until such time as the Subordinated Notes are Exchanged for MGL Ordinary Shares, the Bank and MGL will, during any period in which the Bank or MGL is not subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), or exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, make available, to any QIB who holds any Subordinated Note and any prospective purchaser of a Subordinated Note who is a QIB designated by such holder of such Subordinated Note, upon the request of that QIB, the information concerning the Bank or MGL and MGL Ordinary Shares required to be provided to that QIB by Rule 144A(d)(4) under the Securities Act.

ENFORCEABILITY OF CIVIL LIABILITIES

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

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

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

Additionally, PricewaterhouseCoopers may be able to assert a limitation of liability with respect to claims arising out of its audit reports, as described under "Independent Accountants."

EXCHANGE RATES

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

In providing these translations, we are not representing that the Australian dollar amounts actually represent these U.S. dollar amounts or that we could have converted those Australian dollars into U.S. dollars. Unless otherwise indicated, conversions of Australian dollars to U.S. dollars in this offering memorandum have been made at the noon buying rate on March 31, 2015, which was US$0.7625 per A$1.00. The noon buying rate on May 15, 2015 was US$0.8053 per A$1.00.

Fiscal year	Period End	Average Rate[1]	High	Low
2011	1.0358	0.9450	1.0358	0.8172
2012	1.0367	1.0456	1.1026	0.9453
2013	1.0409	1.0317	1.0591	0.9688
2014	0.9275	0.9339	1.0564	0.8715
2015	0.7625	0.8673	0.9488	0.7582
Month	**Period End**		**High**	**Low**
November 2014	0.8524		0.8737	0.8520
December 2014	0.8173		0.8521	0.8128
January 2015	0.7762		0.8212	0.7758
February 2015	0.7810		0.7898	0.7737
March 2015	0.7625		0.7869	0.7582
April 2015	0.7867		0.8065	0.7566
May 2015 (through May 15, 2015)	0.8053		0.8118	0.7813

[1] The average of the noon buying rates on the last day of each month during the period.

OFFERING MEMORANDUM SUMMARY

The following is a summary of certain information contained elsewhere or incorporated by reference in this offering memorandum relating to MBL and MGL. It does not contain all the information that may be important to you and is qualified in its entirety by the more detailed information appearing elsewhere in the offering memorandum and the information incorporated by reference herein. You should read this offering memorandum and the information incorporated by reference herein in its entirety, particularly the "Risk Factors" sections below and included in each of MBL's and MGL's 2015 Annual U.S. Disclosure Reports, before investing in the Subordinated Notes. This Offering Memorandum Summary contains certain forward-looking statements. See "Special note regarding forward-looking statements" beginning on page vi of our 2015 Annual U.S. Disclosure Report and "Special note regarding forward-looking statements" beginning on page vi of MGL's 2015 Annual U.S. Disclosure Report.

Macquarie Bank Limited

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

MBL Group, also known as the Banking Group, comprises five operating groups: Commodities & Financial Markets (excluding certain assets of the Credit Markets business and some other less financially significant activities), Macquarie Securities (excluding certain activities of the Cash division and certain activities of the Derivatives and Trading divisions, in each case, in certain jurisdictions), Banking & Financial Services, Macquarie Asset Management (excluding the Macquarie Infrastructure and Real Assets division and, as of April 15, 2015, the Macquarie Investment Management division) and Corporate & Asset Finance.

At March 31, 2015, MBL employed over 5,500 staff, had total assets of A$172.6 billion and total equity of A$11.6 billion. For the 2015 fiscal year, our net operating income was A$5.3 billion and profit after tax attributable to ordinary equity holders was A$1,096 million. As at March 31, 2015, MBL conducted its operations in 21 countries, with 54% of MBL Group's revenues from external customers derived from regions outside Australia. See "Macquarie Bank Limited — Our business — Regional activity" in our 2015 Annual U.S. Disclosure Report for further information.

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

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

Macquarie Group Limited

MGL is an ASX-listed diversified financial services holding company headquartered in Sydney, Australia and regulated as a NOHC by APRA. As a provider of banking, financial, advisory, investment and funds management services, MGL Group is a primarily client-driven business which generates income by providing a diversified range of products and services to clients. MGL Group acts on behalf of institutional, corporate and retail clients and counterparties around the world. MGL's market capitalization as at the close of business on May 15, 2015 was

A$27.5 billion (approximately US$22.2 billion based on the noon buying rate on May 15, 2015 of US$0.8053 per A$1.00).

At March 31, 2015, MGL employed over 14,000 staff, had total assets of A$188.0 billion and total equity of A$14.4 billion. For the 2015 fiscal year, MGL Group's net operating income was A$9.3 billion and profit after tax attributable to ordinary equity holders was A$1,604 million. As at March 31, 2015, MGL conducted its operations in 28 countries, with 70% of MGL Group's net operating income (excluding earnings on capital and other corporate items) being derived from international income. See "Macquarie Group Limited — Our business — Regional activity" in MGL's 2015 Annual U.S. Disclosure Report for further information.

MGL Group's operations are conducted primarily through two groups: the Banking Group and the Non-Banking Group, which as at March 31, 2015 included six operating groups within which its individual businesses operate.

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

The Non-Banking Group consists of one operating group: Macquarie Capital; certain activities of the Cash division of Macquarie Securities and certain activities of the Derivatives and Trading divisions of Macquarie Securities, in each case, in certain jurisdictions; the Macquarie Infrastructure and Real Assets division and, after April 15, 2015, the Macquarie Investment Management division of Macquarie Asset Management and certain assets of the Credit Markets business and some other less financially significant activities of Commodities & Financial Markets.

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

The MGL Ordinary Shares to be issued in connection with a Non-Viability Event are described under "Description of the MGL Ordinary Shares".

Summary of Terms

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

Securities being offered	4.875% Subordinated Notes due 2025, subject to Exchange upon a Non-Viability Event with a fall back to Write-Off (the "Subordinated Notes")
The Issuer	Macquarie Bank Limited
The agents	Citigroup Global Markets Inc., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC, Macquarie Capital (USA) Inc. and Standard Chartered Bank
Principal Amount and Specified Currency	US$750,000,000, as may be reduced due to Exchange or Write-Off
Method of distribution	The Bank is offering the Subordinated Notes in the United States through the agents to QIBs in reliance on Rule 144A and in "offshore transactions" to persons that are not "U.S. persons" (as defined in Regulation S) and to persons within the European Economic Area who are "qualified investors" as defined in the Prospectus Directive.
Issue Date	The date on which the Subordinated Notes are issued, which is expected to be June 10, 2015
Interest Payment Dates	Semiannually, on June 10 and December 10 of each year, commencing on December 10, 2015 and ending on the Stated Maturity
Stated Maturity	June 10, 2025 subject to Exchange, Write-Off or early redemption (as described below)
Redemption and repurchase	The Bank may not redeem or repurchase the Subordinated Notes before the Stated Maturity for any reason without obtaining the prior written approval of APRA. The Bank may not elect to redeem or repurchase the Subordinated Notes before the Stated Maturity unless: (a) the Subordinated Notes to be redeemed or repurchased are replaced (concurrently with the redemption or repurchase or beforehand) with Regulatory Capital, and the replacement or repurchase of those Subordinated Notes is done under conditions which are sustainable for the income capacity of the "Issuer Level 1 Group" and the "Issuer Level 2 Group", or (b) APRA is satisfied that the capital positions of the "Issuer Level 1 Group" and the "Issuer Level 2 Group" are sufficient after the Subordinated Notes are redeemed or repurchased, see "Description of the Subordinated Notes — Redemption of Subordinated Notes under certain circumstances — Approval of APRA" in this offering memorandum. Prospective purchasers of Subordinated Notes should not expect that APRA's approval will be given for any redemption or repurchase of any Subordinated Notes. Notices to redeem any Subordinated Notes shall be given in writing to each holder not more than 60 days' nor less than 30 days' prior to the date fixed for redemption.

Redemption upon the occurrence of a Tax Event or Regulatory Event, or following the Redemption Commencement Date	The Subordinated Notes may (subject to the prior written approval of APRA and satisfaction of certain conditions regarding the replacement of the Subordinated Notes with Regulatory Capital) be redeemed before the Stated Maturity at the option of the Bank, in whole but not in part, following the occurrence of a Tax Event or a Regulatory Event, or, in whole or in part, anytime on or after June 10, 2015 (the "Redemption Commencement Date"), in each case, at a redemption price equal to 100% of the Principal Amount thereof (or where, prior to such redemption, such Subordinated Note has been redeemed, Exchanged or Written-Off only in part, then the redemption price payable in respect of that Subordinated Note will be reduced and calculated on the Principal Amount of that Subordinated Note as reduced on the date of the redemption, Exchange or Write-Off) plus accrued and unpaid interest to the date fixed for redemption, see "Description of the Subordinated Notes — Redemption of Subordinated Notes under certain circumstances". Prospective purchasers of Subordinated Notes should not expect that APRA's approval will be given for any redemption of Subordinated Notes.
Exchange	Following the occurrence of a Non-Viability Event, the Principal Amount of the Subordinated Notes (or portions thereof) will be Exchanged for MGL Ordinary Shares and the rights of the relevant holders of such Subordinated Notes in respect of the Principal Amount (or the portion thereof Exchanged) will be immediately and irrevocably terminated in respect of such amount Exchanged. See "Description of the Subordinated Notes — Exchange of Subordinated Notes on Non-Viability of MBL with a fall back to Write-Off" and "Description of the Subordinated Notes — Exchange of Subordinated Notes on Non-Viability of MBL with a fall back to Write-Off — Exchange Mechanics" in this offering memorandum for more information.
Write-Off.....	If for any reason (including, without limitation, an Inability Event) Exchange does not occur within 5 Business Days of the Non-Viability Date, then such Exchange will not occur and in respect of each Subordinated Note or portion thereof that would otherwise have been Exchanged on the Non-Viability Date, the rights of the relevant holders of the Subordinated Notes or portion thereof (including rights to payment of interest with respect to such Principal Amount, both in the future and as accrued but unpaid) are immediately and irrevocably terminated for no consideration with effect on and from the Non-Viability Date. See "Description of the Subordinated Notes — Exchange of Subordinated Notes on Non-Viability of MBL with a fall back to Write-Off" in this offering memorandum.
Non-Viability Event.....	A Non-Viability Event occurs when APRA: (a) issues a written notice to MBL that it is necessary that Relevant Securities (including the Subordinated Notes) be subject to Loss Absorption because, without such Loss Absorption, APRA considers that MBL would become non-viable; or (b) notifies MBL in writing that it has determined that, without a public sector injection of capital or equivalent support, MBL would become non-viable, see "Description of the Subordinated Notes — Exchange of Subordinated Notes on Non-Viability of MBL with a fall back to Write-Off" in this offering memorandum.

Inability Event	An Inability Event occurs when any of MBL, MGL or any of their Related Bodies Corporate is prevented by applicable law, an order of any court, an action of any government authority (including regarding the insolvency, Winding-Up or other external administration of MBL, MGL or a Related Body Corporate), or for any other reason, from observing and performing their obligations in respect of an Exchange (including in connection with the issue of MGL Ordinary Shares or the performance of any Related Exchange Steps (as defined under "Description of the Subordinated Notes — Exchange of Subordinated Notes on Non-Viability of MBL with a fall back to Write-Off — Exchange Mechanics" in this offering memorandum)).
Status of the Subordinated Notes	The Subordinated Notes will be unsecured, direct, subordinated and general obligations of the Bank and will rank *pari passu* without any discrimination, preference or priority among them whatsoever. Except to the extent mandatorily provided by law, each Subordinated Note ranks for payment in a Winding-Up of the Bank: (a) senior to Junior Ranking Obligations (including the ordinary shareholders of the Bank); (b) *pari passu* with Equal Ranking Obligations; and (c) subordinate to all claims of Senior Creditors (which includes MBL's depositors and general unsubordinated creditors and obligations of MBL that are preferred by mandatory provisions of law, including under the Australian Banking Act and Australian Reserve Bank Act). See "Description of the Subordinated Notes — Status and Subordination of Subordinated Notes" for further information. Each holder should be aware that, if MBL is in a Winding-Up, it is possible that a Non-Viability Event will have already occurred, following which the holder's Subordinated Notes may be Exchanged for MGL Ordinary Shares or Written-Off. See "Risk Factors — Subordinated Notes are subject to Exchange with a fall back to Write-Off in the event of the non-viability of MBL" in this offering memorandum. MBL is an ADI under the Australian Banking Act. The Australian Banking Act provides that, in the event an ADI becomes unable to meet its obligations or suspends payment, the ADI's assets in Australia are to be available to meet specified liabilities of the ADI in priority to all other liabilities of the ADI (including the Subordinated Notes). These specified liabilities include certain obligations of the ADI to APRA in respect of amounts payable by APRA to holders of protected accounts, other liabilities of the ADI in Australia in relation to protected accounts, debts due to the Reserve Bank of Australia (the "RBA") and certain other debts to APRA. A "protected account" is either (a) an account where the ADI is required to pay the account-holder, on demand or at an agreed time, the net credit balance of the account, or (b) another account or financial product prescribed by regulation. Further, under the Australian Reserve Bank Act debts due to the RBA by an ADI shall, in a Winding-Up of that ADI, have priority over all other debts other than debts due to the Commonwealth, but subject to the priorities under the Australian Banking Act described above. The Subordinated Notes do not constitute deposit liabilities or protected accounts of, MBL in Australia for the purposes of the

	Australian Banking Act and are not insured or guaranteed by the United States Federal Deposit Insurance Corporation or any government, governmental agency or compensation scheme of the United States, Australia or any other jurisdiction or by any other party. The liabilities which are preferred by law to the claim of a holder in respect of the Subordinated Notes are substantial. The terms and conditions of the Subordinated Notes do not limit the amount of such liabilities which MBL may incur or assume. See "Description of the Subordinated Notes — How the Subordinated Notes rank against other debt" for more information.
Denomination and form	It is expected that delivery of the Subordinated Notes will be made on or about June 10, 2015. The Subordinated Notes will be issued in fully registered form in minimum denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. Subordinated Notes sold to QIBs in reliance on Rule 144A will be represented by one or more global Subordinated Notes (each, a "Rule 144A Global Note"), registered in the name of a nominee of DTC. Subordinated Notes sold outside of the United States to non-U.S. persons in offshore transactions in reliance on Regulation S will be represented by one or more global Subordinated Notes (each, a "Regulation S Global Note" and, together with the Rule 144A Global Notes, the "Global Notes") registered in the name of a nominee of DTC. Definitive Subordinated Notes will only be issued in limited circumstances. See "Legal Ownership and Book-Entry Issuance — Special Considerations for Global Notes".
Existence	Subject to the provisions described under "Description of the Subordinated Notes — Mergers and Similar Transactions" above, the Bank and MGL are required to do all things necessary to preserve and keep in full force and effect each of the Bank's and MGL's existence, rights and franchises; provided, however, that the Bank and MGL shall each not be required to preserve any such right or franchise if (i) their respective Boards of Directors determine that the preservation thereof is no longer desirable in the conduct of each of their business and that the loss thereof is not disadvantageous in any material respect to the holders of Subordinated Notes, (ii) required by APRA under law and prudential standard in the Commonwealth of Australia, or (iii) determined by the Bank or MGL or APRA to be necessary in order for the Bank or MGL to be managed in a sound and prudent manner or for the Bank, MGL or APRA to resolve any financial difficulties affecting the Bank or MGL, in each case, see "Description of the Subordinated Notes — Existence".
Taxation	All payments in respect of the Subordinated Notes will be made without deduction for or on account of withholding taxes imposed within the Commonwealth of Australia, except see "Description of the Subordinated Notes — Payment of Additional Amounts". For a discussion of certain tax considerations, see "Tax Considerations" below.

	No stamp duty, issue, registration or similar taxes are payable by any holder on the issue or transfer of MGL Ordinary Shares (including an issue of shares as a result of Exchange) provided that no person obtains a relevant interest in the issued voting shares of MGL of 90% or more. The stamp duty legislation generally permits the interests of associates to be added in working out whether the 90% threshold is reached. In some circumstances, the interests of unrelated entities can also be aggregated together in working out whether the 90% threshold is reached.
Anticipated Rating of the Subordinated Notes	The Bank's long-term subordinated debt has been rated Baa3 by Moody's, BBB- by S&P and A- by Fitch. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by an assigning rating agency, and any rating should be evaluated independently of any other information.
Fiscal Agent	The Bank of New York Mellon
Paying Agent	The Bank of New York Mellon
MGL Ordinary Shares	For a description of the MGL Ordinary Shares to be issued if a Non-Viability Event occurs, see "Description of the MGL Ordinary Shares".
Transfer Restrictions on MGL Ordinary Shares	The MGL Ordinary Shares to be issued to holders of Subordinated Notes upon an Exchange are subject to transfer restrictions, and may not be offered or sold except outside the United States in compliance with Regulation S, in the United States to qualified institutional buyers in compliance with Rule 144A, or in other transactions exempt from registration under the Securities Act.
MGL Deed of Undertaking	In respect of its obligations under an Exchange, MGL has entered into a deed poll ("MGL Deed of Undertaking") for the benefit of the holders of Subordinated Notes, pursuant to which it has irrevocably undertaken to perform its obligations relating to an Exchange (including in connection with the issue and delivery of MGL Ordinary Shares to holders of Subordinated Notes upon an Exchange), to use all reasonable endeavors to procure quotation of the MGL Ordinary Shares issued or arising from an Exchange on the ASX, to ensure that the MGL Ordinary Shares issued or arising from an Exchange will rank equally with all other fully paid MGL Ordinary Shares, and from the applicable Non-Viability Date (subject to the provisions of the Securities relating to Write-Off and that the Securities do not create or confer any voting rights in respect of any member of MGL Group prior to Exchange), to treat each holder of Subordinated Notes as the holder of the Exchange Number of MGL Ordinary Shares and will take all such steps, including updating any register, required to record the Exchange, and to otherwise comply with the terms of the Subordinated Notes. See "Description of the Subordinated Notes – Exchange of Subordinated Notes on Non-Viability of MBL with a fall back to Write-Off"

	MGL has no other obligation or liability in respect of any Subordinated Note or portion thereof. The remedies of a holder in respect of any failure of MGL to issue the MGL Ordinary Shares upon an Exchange are limited in accordance with the terms of the Subordinated Notes and the MGL Deed of Undertaking.
Governing law.....	New York, except as to authorization and execution by the Bank of the Subordinated Notes and the Fiscal Agency Agreement and the subordination, exchange and write-off provisions of the Subordinated Notes and Fiscal Agency Agreement, which are governed by the laws of the State of New South Wales, Australia and the laws of the Commonwealth of Australia. The MGL Deed of Undertaking will be governed by the laws of the State of New South Wales, Australia and the laws of the Commonwealth of Australia.
Risk factors.....	Prospective purchasers of the Subordinated Notes should consider carefully all of the information set forth or incorporated by reference in this offering memorandum and any supplement, in particular, the information set forth under "Risk Factors" in this offering memorandum and each of MBL's and MGL's 2015 Annual U.S. Disclosure Reports, before making an investment in the Subordinated Notes.

RISK FACTORS

An investment in the Subordinated Notes involves a degree of risk which may affect your investment in the Subordinated Notes, including our ability to pay interest on or the principal of the Subordinated Notes, the prices of the Subordinated Notes in the secondary market or the possibility of an Exchange or Write-Off (and the value of the MGL Ordinary Shares in the event of an Exchange). You should carefully consider the risks described below and in the "Risk Factors" sections included in MBL's and MGL's 2015 Annual U.S. Disclosure Reports, as well as in the other information contained or incorporated by reference in this offering memorandum before making an investment decision. The risks and uncertainties described below and in such other information are not the only ones facing us or you, as holders of the Subordinated Notes or MGL Ordinary Shares in the event of Exchange. Additional risks and uncertainties that we are unaware of, or that we currently deem immaterial, may become important factors that affect our ability to make payment on the Subordinated Notes or the value of the MGL Ordinary Shares.

The Bank's obligations under the Subordinated Notes will be subordinated to its senior indebtedness, the incurrence of which is not restricted by the terms hereof.

The Subordinated Notes that may be issued by the Bank are by their terms subordinated in right of payment to all of the Bank's current and future senior indebtedness. Accordingly, the Bank's obligations under the Subordinated Notes will not be paid unless it can satisfy in full all of its other obligations ranking senior to the Subordinated Notes and are conditional upon the Bank being solvent at the time of payment and immediately after the making of such payment. If there is a Winding-Up of MBL and the Subordinated Notes become due and payable at their Principal Amount together with accrued interest, the Bank's assets would be available to pay such amounts only after all of its indebtedness senior to the Subordinated Notes had been paid in full. There is no restriction on the amount of debt that the Bank may issue that ranks senior to or equally with the Subordinated Notes. The issue of any such debt may reduce the amount recoverable by you upon any Winding-Up of the Bank.

Because neither the Fiscal Agency Agreement nor the Subordinated Notes contain any limit on the amount of additional debt that we may incur, our ability to make payments on a timely basis or at all on the Subordinated Notes you hold may be affected by the amount and terms of our future debt.

Our ability to make payments on a timely basis or at all on our outstanding debt may depend on the amount and terms of our other obligations, including any outstanding Subordinated Notes. Neither the Fiscal Agency Agreement nor the Subordinated Notes contain any limitation on the amount of indebtedness, senior or otherwise, that we may issue in the future. As we issue additional Subordinated Notes under the Fiscal Agency Agreement or incur other indebtedness, unless our earnings grow in proportion to our debt and other fixed charges, our ability to service the Subordinated Notes on a timely basis or at all may become impaired.

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

The Subordinated Notes are novel and complex financial instruments that include certain features which, since January 1, 2013, are required for the Subordinated Notes to qualify as Tier 2 Capital of MBL under APRA's prudential standards. As a result, an investment in the Subordinated Notes will involve certain risks which may not be relevant to alternative securities and investments. Each potential investor must determine the suitability of such investment in the Subordinated Notes and, in the event of Exchange, the MGL Ordinary Shares, in light of its own circumstances. In particular, each potential investor should:

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

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Subordinated Notes and the impact the Subordinated Notes (and potentially the MGL Ordinary Shares) will have on its overall investment portfolio;

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

(iv) understand thoroughly the terms of the Subordinated Notes, including the provisions governing an Exchange or Write-Off of Subordinated Notes (including, in particular, the uncertainty as to the circumstances under which a Non-Viability Event will or may be deemed to occur and the circumstances in which Exchange might not occur following the occurrence of a Non-Viability Event (including, without limitation, whether an Inability Event might occur)) and be familiar with the behavior of any relevant financial markets and their potential impact on the likelihood of certain events that may lead to such a Non-Viability Event under the Subordinated Notes occurring; and

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

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

Subordinated Notes are subject to Exchange with a fall back to Write-Off in the event of the non-viability of MBL.

Subordinated Notes issued by MBL are subject to Exchange for MGL Ordinary Shares with a fall back to Write-Off if a Non-Viability Event occurs. A Non-Viability Event occurs when APRA (a) issues a written notice to MBL that it is necessary that Relevant Securities (including the Subordinated Notes) be subject to Loss Absorption because, without such Loss Absorption, APRA considers that MBL would become non-viable, or (b) notifies MBL in writing that it has determined that, without a public sector injection of capital or equivalent support, MBL would become non-viable.

If a Non-Viability Event occurs, on the date of such event, MBL will be required to Exchange some or all of the Principal Amount of the Subordinated Notes for MGL Ordinary Shares. If a Non-Viability Event described in item (b) above occurs, MBL will be required to Exchange all of the Principal Amount of the Subordinated Notes for MGL Ordinary Shares.

If for any reason Exchange has not occurred within 5 Business Days of the Non-Viability Date, MBL will be required to Write-Off the Subordinated Notes (or portions thereof) that were to have been so Exchanged and immediately and irrevocably terminate the rights of the holders of such Subordinated Notes (or portions thereof).

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

It is a requirement under APRA's prudential standards that any term subordinated debt, in order to be eligible for inclusion as regulatory capital, contain provisions for conversion, exchange or write-off in the event of non-viability. These Subordinated Notes contain provisions allowing for Exchange upon the occurrence of a Non-Viability Event, with a fall back to Write-Off where the Exchange has not occurred within 5 Business Days of the Non-Viability

Date. The prudential standards do not define non-viability and APRA has not provided any guidance on how it would determine non-viability. Non-viability could be expected to include a serious impairment of MBL's financial position. However, it is possible that APRA's view of non-viability may not be confined to solvency or capital measures and APRA's position on these matters may change over time. Non-viability may be significantly impacted by a number of factors, including factors which impact the business, operation and financial condition of MBL, such as systemic and non-systemic macro-economic, environmental and operational factors.

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

Upon the occurrence of a Non-Viability Event, investors may lose some or all of the value of their investment and may not receive any compensation. The requirement for Loss Absorption on account of the non-viability of MBL does not apply to subordinated debt issued by MBL prior to January 1, 2013, and accordingly the holders of the Subordinated Notes offered hereby are likely to be in a worse position in the event of MBL becoming non-viable than holders of subordinated debt issued by MBL that is not subject to a Loss Absorption feature, which includes the majority of MBL's subordinated debt outstanding on the date hereof. See "Description of the Subordinated Notes — How the Subordinated Notes rank against other debt" for more information.

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

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

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

There may be no market in the MGL Ordinary Shares received on Exchange and investors may not be able to sell the MGL Ordinary Shares at a price equal to the value of their investment or at all and as a result may suffer loss. Furthermore, the sale of MGL Ordinary Shares issued upon Exchange of the Subordinated Notes may also be restricted by applicable Australian law, including restrictions under the Australian Corporations Act on the sale of MGL Ordinary Shares to investors within 12 months of their issue (except where certain exemptions apply) on account of the Subordinated Notes and the MGL Ordinary Shares being issued without MGL having made a prospectus or equivalent disclosure as required by the Australian Corporations Act. The restrictions may apply to sales by any nominee for investors as well as sales by investors and, by sales being so restricted, investors may suffer loss. The application of those restrictions will turn on whether MGL has provided sufficient disclosure to make the MGL Ordinary Shares freely tradeable, as to which MGL has no affirmative obligation.

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

The number of MGL Ordinary Shares that an investor holding Subordinated Notes subject to Exchange will receive on Exchange will not be adjusted for certain corporate actions of MGL.

The Issue Date VWAP is adjusted for only very limited corporate actions of MGL, namely pro rata bonus issues

and divisions, consolidations or reclassifications of MGL's share capital not involving any cash payment or other distribution or compensation to or by Shareholders or to or by any entity in the MGL Group. Accordingly, as a result of other corporate actions of MGL, an investor in Subordinated Notes may, upon Exchange, receive MGL Ordinary Shares worth significantly less than the nominal amount of the investor's Subordinated Notes. The terms of the Subordinated Notes do not restrict corporate actions that MGL may undertake. See "Description of the Subordinated Notes — Exchange of Subordinated Notes on Non-Viability of MBL with a fall back to Write-Off — Exchange Mechanics".

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

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

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

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

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

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

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

An investor holding Subordinated Notes subject to Exchange will not receive MGL Ordinary Shares on Exchange if MBL is prevented by an Inability Event, law or any other reason from effecting the Exchange within 5 Business Days of the Non-Viability Date, including the performance of any Related Exchange Steps.

If MBL is required to Exchange the Principal Amount outstanding of Subordinated Notes but fails to do so within 5 Business Days of the Non-Viability Date for any reason including because it is prevented from doing so by an Inability Event, applicable law, court order, government action or for any other reason, the Exchange will not occur and the rights of investors in relation to those Subordinated Notes will be Written-Off and immediately and irrevocably terminated for no consideration, in respect of such amount Written-Off, with effect on and from the Non-Viability Date. In this situation also, holders will lose some or all of the value of their investment and will not receive any compensation or have any further recourse with respect to the lost value.

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

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

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

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

If MGL fails to Exchange any Subordinated Notes (or portions thereof) for MGL Ordinary Shares within 5 Business Days of the Non-Viability Date, such Subordinated Notes (or the portions thereof), which would otherwise

have been Exchanged, will be Written-Off. The rights of the holders of such Subordinated Notes or portions thereof (including rights to payment of interest with respect to such Principal Amount, both in the future or as accrued by unpaid) will be immediately and irrevocably terminated for no consideration in respect of such amount Written-Off and holders of such Subordinated Notes may receive no consideration for their investment. In addition, the holders of such Subordinated Notes will have no recourse to MGL if MGL fails to issue MGL Ordinary Shares in respect of any Subordinated Notes, or portions thereof, subject to Exchange and such Subordinated Notes, or portions thereof, are then Written-Off.

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

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

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

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

In addition, all Subordinated Notes will provide that, prior to the Winding-Up of the Bank (see "Description of the Subordinated Notes — Default, remedies and waiver of default — Events of Default"), the Bank is only permitted to make payments on such Subordinated Notes if it is solvent (as defined in this offering memorandum under the heading "Description of the Subordinated Notes — Status and Subordination of Subordinated Notes") at the time of such payment and if it would be solvent immediately after any such payment. Any such failure to pay will not be considered an Event of Default for the purposes of the Subordinated Notes.

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

Insolvency and similar proceedings will be subject to Australian law.

In the event that the Bank or MGL becomes insolvent, insolvency proceedings are likely to be governed by Australian law or the law of another jurisdiction determined in accordance with Australian law. Australian insolvency laws are, and the laws of that other jurisdiction can be expected to be, different from the insolvency laws of certain other jurisdictions. In particular (i) the administration procedure under the Australian Corporations Act and regulations thereunder, which provides for the potential re-organization of an insolvent company, differs significantly from Chapter 11 under the United States Bankruptcy Code and may differ from similar provisions under the insolvency laws of other non-Australian jurisdictions, and (ii) in Australia, some statutory claims by shareholders for breach of statutory requirements can rank equally with claims of other creditors. In connection with such insolvency proceedings generally, all debts payable by, and all claims against, the insolvent debtor, being debts or claims the circumstances giving rise to which occurred before the day on which the winding-up is taken to have commenced, will be admissible to proof in those proceedings. In these circumstances, a creditor will be entitled to lodge proof of any such debt owed to them (and thereby "prove" in respect of their debt) in those proceedings. For the purposes of proof, a claim in a currency that is not in Australian dollars is converted into Australian dollars at a rate prevailing at the date of commencement of the winding-up, such rate being determined either by a method

agreed in the terms of the relevant debt or, if there is no such agreement, by a rate as specified in the Australian Corporations Act. Holders of Subordinated Notes shall only be entitled to prove for any sums payable in respect of the Subordinated Notes as a debt which is subject to, and contingent upon, prior payment in full of the Senior Creditors. See "Description of the Subordinated Notes — Status and Subordination of Subordinated Notes" and "Description of the Subordinated Notes — Default, remedies and waiver of default" for further information.

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

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

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

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

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

An investor holding Subordinated Notes has limited remedies available for non-payment of amounts owing and for other breaches of our obligations, including limited rights to accelerate principal under the Subordinated Notes.

The only remedy against the Bank for payment default or any breach by it of any obligation, condition or provision under the terms of the Subordinated Notes is the institution of proceedings for its Winding-Up or proving or claiming in any Winding-Up of the Bank. In particular, the holder of a Subordinated Note will not be entitled to exercise any right of set-off or counterclaim against amounts owing by the Bank in respect of such Subordinated Notes. Additionally, under APRA's prudential standards and the terms of the Subordinated Notes, the maturity of the Subordinated Notes will not be accelerated upon default in the payment of principal or interest due and payable, other than on the occurrence of our Winding-Up.

The remedies of a holder in respect of any failure of MGL to issue the MGL Ordinary Shares are limited in accordance with the terms of the Subordinated Notes and the MGL Deed of Undertaking, which provide that holders have no rights against MGL in respect of the Subordinated Notes other than (and subject always to where Write-Off applies) to seek specific performance of the obligation to issue the MGL Ordinary Shares.

No rights to set-off.

Neither the Bank nor a holder of a Subordinated Note has any contractual right to set-off any sum at any time due and payable to a holder or the Bank (as applicable) under or in relation to the Subordinated Note against

amounts owing by the holder to the Bank or by the Bank to the holder (as applicable).

Matters requiring the consent of a defined majority of holders

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

Redemption may adversely affect your return on the Subordinated Notes.

The Bank may not redeem or repurchase the Subordinated Notes before the Stated Maturity for any reason, unless it obtains the prior written approval of APRA. Prospective purchasers of Subordinated Notes should not expect that APRA's approval will be given for any redemption or repurchase of any Subordinated Notes. However, the Bank may redeem or repurchase the Subordinated Notes before the Stated Maturity if: (a) the Subordinated Notes to be redeemed or repurchased are replaced (concurrently with the redemption or repurchase or beforehand) with Regulatory Capital, and the replacement or repurchase of those Subordinated Notes is done under conditions which are sustainable for the income capacity of the "Issuer Level 1 Group" and the "Issuer Level 2 Group", or (b) APRA is satisfied that the capital positions of the "Issuer Level 1 Group" and the "Issuer Level 2 Group" are sufficient after the Subordinated Notes are redeemed or repurchased, see "Description of the Subordinated Notes — Redemption of Subordinated Notes under certain circumstances — Approval of APRA" in this offering memorandum. In addition, the Subordinated Notes may, with the prior written approval of APRA, be redeemed, in whole (but not in part), at the option of the Bank following the occurrence of a Regulatory Event or a Tax Event or, in whole or in part, at any time on or after the Redemption Commencement Date (in each case, as defined in this offering memorandum under the heading "Description of the Subordinated Notes — Redemption of Subordinated Notes under certain circumstances").

A Tax Event occurs, for example, where due to an amendment or change to the laws or regulations in Australia affecting taxation, or any official application or interpretation thereof (in each case, which was not expected by the Bank as at the Issue Date), the Bank would be obliged to increase the amounts payable in respect of any Subordinated Notes due to any withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Bank's taxing jurisdiction or any authority therein or thereof having power to tax or where any payment on the Subordinated Notes in respect of interest is not, or will not be, allowed as a deduction for Australian income tax purposes. A Regulatory Event occurs, for example, where a law or regulation in Australia is introduced, amended or changed, after the Issue Date of the Subordinated Notes (which was not expected by the Bank as at the Issue Date), and the Bank determines, as a result of such change, (i) any of the Subordinated Notes are not eligible for inclusion as Tier 2 Capital of the "Issuer Level 1 Group" or the "Issuer Level 2 Group", (ii) additional requirements would be imposed on the Bank, or MGL or any other member of MGL Group, which the Bank determines, in its absolute discretion, might have a material adverse effect on the Bank, MGL or any other member of MGL Group, or (iii) that to have any of the Subordinated Notes outstanding would be impractical or that the Bank, MGL or any other member of MGL Group would be exposed to a more than *de minimis* increase in its costs in connection with the Subordinated Notes.

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

If, under certain circumstances, we are merged or consolidated into another entity, or substantially all of our assets are sold to another entity, such entity need not assume the obligations under the Subordinated Notes.

We and MGL are permitted to consolidate or merge with another company or other entity or to sell substantially all of our assets to another company or entity where required to do so by APRA (or a statutory manager or a similar

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

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

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

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

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

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

and this may adversely affect the position of holders of the Subordinated Notes.

APRA's powers under the Australian Banking Act and Australian FSTB Act are discretionary and may more likely be exercised by it in circumstances where MBL or MGL is in material breach of applicable banking laws and/or regulations or is in financial distress, including where MBL or MGL has contravened the Australian Banking Act (or any related regulations or other instruments made, or conditions imposed, under that Act) or where MBL has informed APRA that it is likely to become unable to meet its obligations, or that it is about to suspend payment. In these circumstances, APRA is required to have regard to protecting the interests of MBL's depositors and to the stability of the Australian financial system, but not necessarily to the interests of other creditors of MBL (including holders of the Subordinated Notes) and MGL.

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

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

The Subordinated Notes' credit ratings may not reflect all risks of an investment in the Subordinated Notes.

The credit ratings of the Subordinated Notes may not reflect the potential impact of all risks related to structure and other factors on any trading market for, or trading value of, the Subordinated Notes. In addition, real or anticipated changes in the credit ratings of the Subordinated Notes will generally affect any trading market for, or trading value of, the Subordinated Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, cancellation, reduction or withdrawal at any time by the assigning rating agency. Any suspension, reduction or withdrawal of a rating by a rating agency could reduce the liquidity or market value of the Subordinated Notes.

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

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

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

Upon issuance, the Subordinated Notes may not have an established trading market. We cannot ensure that a trading market for your Subordinated Notes will ever develop or be maintained if developed. In addition to the Bank's creditworthiness and solvency, many factors affect the trading market for, and trading value of, the Subordinated Notes. These factors include but are not limited to:

- specific features of these Subordinated Notes, including the subordination, Exchange and Write-Off provisions;
- the time remaining to the Stated Maturity of the Subordinated Notes;
- the outstanding Principal Amount of the Subordinated Notes;
- the redemption features of the Subordinated Notes;
- the level, direction and volatility of market interest rates and exchange rates generally;
- investor confidence and market liquidity; and
- our financial condition and results of operations.

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

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

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

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

The U.S. federal income tax treatment of instruments such as the Subordinated Notes is uncertain and, accordingly, the U.S. Internal Revenue Service ("IRS") may take a different position than MBL or an investor regarding the appropriate characterization and treatment of the Subordinated Notes.

There is no authority that addresses the U.S. federal income tax treatment of an instrument such as the Subordinated Notes that is denominated as a subordinated debt instrument but that provides for Exchange into MGL Ordinary Shares or Write-Off upon the occurrence of a Non-Viability Event, which could result in a holder losing all or a portion of its investment in the Subordinated Notes. It is therefore unclear whether the Subordinated Notes should be treated as equity or debt of MBL for U.S. federal income tax purposes. MBL has not determined how it intends to treat the Subordinated Notes for U.S. federal income tax purposes, as discussed further under "Tax Considerations — United States Federal Income Taxation — Characterization of Subordinated Notes for United States federal income tax purposes".

If the Subordinated Notes are treated as equity for U.S. federal income tax purposes, it is not clear whether the interest payments on the Subordinated Notes will be treated as "qualified dividends" that are eligible for preferential rates of taxation for individuals. For a comprehensive discussion of the tax treatment of the Subordinated Notes, see the discussion below under "Tax Considerations — United States Federal Income Taxation".

Holders should note that the IRS could treat the Subordinated Notes for U.S. federal income tax purposes differently than MBL or holders of the Subordinated Notes. There can be no assurance that any alternative tax treatment, if successfully asserted by the IRS, would not have adverse U.S. federal income tax consequences to a holder of the Subordinated Notes. Each prospective investor should consult their own tax advisor regarding the appropriate characterization of the Subordinated Notes and the tax consequences to them if the IRS successfully asserts a characterization that differs from the investor's characterization of the Subordinated Notes.

USE OF PROCEEDS

The Bank intends to use the net proceeds from the sales of Subordinated Notes for general corporate purposes.

DESCRIPTION OF THE SUBORDINATED NOTES

In this section entitled "Description of the Subordinated Notes", references to the "Bank," "we", "us", "our" and similar references are to MBL only and not to MBL Group or MGL Group.

The Subordinated Notes will be issued under an Amended and Restated Fiscal Agency Agreement dated May 22, 2015 between MBL and The Bank of New York Mellon as fiscal agent (the "Fiscal Agent" and the "Fiscal Agency Agreement", respectively).

The Subordinated Notes will mature on June 10, 2025 at a price equal to 100% of their Principal Amount, as such Principal Amount may be reduced due to Exchange or Write-Off, as described below. Interest will be payable on the Subordinated Notes semiannually in arrears on June 10 and December 10 of each year, beginning on December 10, 2015 at the rate of 4.875% per annum to the persons in whose names the Subordinated Notes are registered at the close of business on the fifteenth day (whether or not a Business Day) next preceding such Interest Payment Date (the "Regular Record Date"). Interest will be paid on the basis of a 360-day year comprised of twelve 30-day calendar months. See "—Payment mechanics for Subordinated Notes" below further information.

The Subordinated Notes will be our unsecured, direct, subordinated and general obligations and, in our Winding-Up, subject to a Write-Off, will rank behind the claims of all Senior Creditors, equally with Equal Ranking Obligations and ahead of Junior Ranking Obligations, as further described below under "— How the Subordinated Notes rank against other debt" and "— Status and Subordination of Subordinated Notes". The following table represents MBL's debt obligations and ordinary equity and reserves by category, including Senior Creditors, Equal Ranking Obligations and Junior Ranking Obligations as at March 31, 2015:

	As at	
	March 15	**March 15**
	US$bn[1]	**A$bn**
Senior Creditors	**120.3**	**157.7**
Equal Ranking Obligations, consisting of:		
Relevant Tier 2 Security obligations[2]	-	-
Other Tier 2 subordinated obligations[3]	1.9	2.5
Total Equal Ranking Obligations	**1.9**	**2.5**
Junior Ranking Obligations, consisting of:		
Relevant Tier 1 Security obligations[4]	0.6	0.8
Other Tier 1 obligations[5]	0.4	0.5
Ordinary equity and reserves	8.5	11.1
Total Junior Ranking Obligations	**9.4**	**12.4**
TOTAL DEBT OBLIGATIONS AND ORDINARY EQUITY AND RESERVES	**131.6**	**172.6**

[1] Conversions of Australian dollars to U.S. dollars have been made at the noon buying rate on March 31, 2015, which was US$0.7625 per A$1.00. See "Exchange rates" for further information on the historical rates of exchange between the Australian dollar and the U.S. dollar.

[2] Relevant Tier 2 Securities has the meaning given under the heading "— Exchange of Subordinated Notes on Non-Viability of MBL with a fall back to Write-Off".

[3] Other Tier 2 subordinated obligations means other Tier 2 obligations of MBL that do not have loss absorption features.

[4] Relevant Tier 1 Securities means a security forming part of the Tier 1 Capital (as defined by APRA) of MBL that has loss absorption features. On October 8, 2014, MBL issued additional Relevant Tier 1 Securities comprising approximately A$429 million of BCN. BCN are convertible subordinated notes that are included as Additional Tier 1 Capital for MBL. Subject to various conditions, BCN are callable on March 24, 2020, September 24, 2020 and March 24, 2021, and if still in force, will be mandatorily exchanged for a variable number of MGL Ordinary Shares on March 24, 2023.

[5] Other Tier 1 obligations means other Tier 1 obligations of MBL that do not have loss absorption features. On May 21, 2015, we announced a tender to repurchase GBP42.5 million of preferred securities, which are included in Other Tier 1 obligations

As at March 31, 2015, the entitlements of our Senior Creditors plus the entitlements against our subsidiaries to which the Subordinated Notes are "structurally subordinated" amounted to A$157.7 billion in aggregate Principal Amount and we had A$2.5 billion of outstanding Equal Ranking Obligations and A$12.4 billion of Junior Ranking Obligations.

If a Non-Viability Event occurs prior to the maturity or redemption of the Subordinated Notes, the Principal Amount (or a portion thereof) of some or all of the Subordinated Notes will immediately be Exchanged for MGL Ordinary Shares in whole (or, in some cases, in part), whereupon the rights of the relevant holders of such Subordinated Notes in respect of the Principal Amount (or the portion thereof Exchanged) will be (with effect from the Non-Viability Date) immediately and irrevocably terminated in respect of such amount Exchanged. Accordingly, references to the "Principal Amount" of the Subordinated Notes in this offering memorandum shall be deemed to refer to such principal amount as it may be reduced due to Exchange or Write-Off. A Non-Viability Event occurs when APRA (i) issues a written notice to MBL that it is necessary that Relevant Securities (including the Subordinated Notes) be subject to Loss Absorption because, without such Loss Absorption, APRA considers that MBL would become non-viable, or (ii) notifies MBL in writing that it has determined that, without a public sector injection of capital or equivalent support, MBL would become non-viable. If the amount of our Relevant Tier 1 Securities is not sufficient to satisfy APRA's capital requirements, some or all of our Relevant Tier 2 Securities, including the Subordinated Notes, will be subject to Exchange or Write-Off. See "— Exchange of Subordinated Notes on Non-Viability of MBL with a fall back to Write-Off" below. As at March 31, 2015, we had approximately $0.8 billion of outstanding Relevant Tier 1 Securities and no outstanding Relevant Tier 2 Securities. If, for any reason (including, without limitation, an Inability Event), Exchange has not occurred within 5 Business Days of the Non-Viability Date, then Exchange will not occur and each Subordinated Note, or portion thereof, which would otherwise have been Exchanged, will be Written-Off. See "— Exchange of Subordinated Notes on Non-Viability of MBL with a fall back to Write-Off" below.

The Subordinated Notes may, with the prior written approval of APRA and the satisfaction of certain conditions regarding the replacement of the Subordinated Notes with Regulatory Capital and maintenance of acceptable capital requirements, be redeemed at the option of the Bank, in whole, but not in part following the occurrence of a Regulatory Event or a Tax Event (in each case, as defined under the heading "— Redemption of Subordinated Notes under certain circumstances" below), or, in whole or in part, at any time on or after the Redemption Commencement Date.

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

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

The Subordinated Notes will be issued under the Fiscal Agency Agreement

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

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

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

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

We may issue other debt securities

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

How the Subordinated Notes rank against other debt

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

The Subordinated Notes are subordinated to all of our existing and future debt and other liabilities, other than Junior Ranking Obligations. See "— Status and Subordination of Subordinated Notes" and "— Default, remedies and waiver of default" below for additional information on how subordination limits the ability of holders of Subordinated Notes to receive payment or pursue other rights if we default or have certain other financial difficulties. The Subordinated Notes rank, in a Winding-Up of MBL, behind the claims of all Senior Creditors (which includes MBL's depositors, MBL's general unsubordinated creditors (including trade creditors) and obligations of MBL that are preferred by mandatory provisions of law, including under the Australian Banking Act and Australian Reserve Bank Act as described further below), equally with Equal Ranking Obligations and ahead of Junior Ranking Obligations (as further described below under "— Status and Subordination of Subordinated Notes").

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

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

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

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

The requirement for Loss Absorption on account of the non-viability of MBL does not apply to subordinated debt issued by MBL prior to January 1, 2013, and accordingly the holders of the Subordinated Notes offered hereby are likely to be in a worse position in the event of MBL becoming non-viable than holders of subordinated debt issued by MBL that is not subject to a Loss Absorption feature, which includes the majority of MBL's subordinated debt outstanding on the date hereof, as set out above under "Other Tier 2 subordinated obligations" in the table representing MBL's debt obligations and ordinary equity and reserves by category.

Status and Subordination of Subordinated Notes

The Subordinated Notes will be our unsecured, direct, subordinated and general obligations.

The Subordinated Notes will be Exchanged for MGL Ordinary Shares when APRA (a) issues a written notice to MBL that it is necessary that Relevant Securities (including the Subordinated Notes) be subject to Loss Absorption because, without such Loss Absorption, APRA considers that MBL would become non-viable, or (b) notifies MBL in writing that it has determined that without a public sector injection of capital or equivalent support, MBL would become non-viable. See "— Exchange of Subordinated Notes on Non-Viability of MBL with a fall back to Write-Off" below.

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

Prior to the commencement of a Winding-Up of the Bank

Prior to the commencement of a Winding-Up of the Bank:

(i) our obligations to make payments of the Principal Amount, redemption amount, interest or other amounts in respect of the Subordinated Notes and all other amounts owing in relation to the Subordinated Notes are conditional upon us being solvent at the time the payments and other amounts owing fall due; and

(ii) no payment of Principal Amount, redemption amount, interest or any other amount shall be made in respect of the Subordinated Notes, except to the extent that we may make such payment and still be solvent immediately thereafter.

For the avoidance of any doubt, any amount not paid as a consequence of these conditions accumulates without compounding and remains a debt owing to the holder by us until it is paid and shall be payable on the first Business Day on which the conditions would not apply (whether or not such date is otherwise a payment date).

For the purposes of this section, we will be considered solvent if we are able to pay our debts as they fall due.

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

(i) shall be subordinate and junior in right of payment to our obligations to Senior Creditors, to the extent that all claims in respect of such obligations to Senior Creditors shall be entitled to be paid in full before any payment shall be paid on account of any sums payable in respect of such Subordinated Note; and

(ii) shall rank *pari passu* and ratably (as to its due proportion only) with our other subordinated creditors in respect of Equal Ranking Obligations, including any additional Subordinated Notes we may issue; and

(iii) shall be senior and rank ahead in right of payment to our obligations in respect of Junior Ranking Obligations.

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

"***Equal Ranking Obligations***" means any instrument that ranks in our Winding-Up as the most junior claim in our Winding-Up ranking senior to Junior Ranking Obligations and includes any other instrument issued as a Relevant Tier 2 Security or which ranks or is expressed to rank equally with the Subordinated Notes or any of our other Relevant Tier 2 Securities.

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

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

"***Junior Ranking Obligations***" means any instrument, present and future, issued by us which is issued as Tier 1 Capital (whether or not constituting Tier 1 Capital at the Issue Date or at the time of commencement of any Winding-Up of MBL) or which ranks or is expressed to rank equally with MBL's Tier 1 Capital, and includes shares (other than a share issued as Tier 2 Capital) and any claims in respect of a shareholding, including the claims described in sections 563AA and 563A of the Australian Corporations Act or by its terms is, or is expressed to be Subordinated in a Winding-Up to the claims of holders of the notes and other Equal Ranking Securities..

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

"***Senior Creditors***" means all of our creditors (present and future), including our depositors and general unsubordinated creditors, whose claims:

(1) are admitted in MBL's Winding-Up; and

(2) are not in respect of:

(A) an Equal Ranking Obligation; or

(B) a Junior Ranking Obligation.

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

In our Winding-Up, holders shall only be entitled to prove for any sums payable in respect of the Subordinated Notes as a debt which is subject to and contingent upon prior payment in full of the Senior Creditors. By their purchase of or by holding interests in Subordinated Notes, the holders of the Subordinated Notes will be taken to have waived to the fullest extent permitted by law any right to prove in any such Winding-Up as creditors ranking for payment in any other manner.

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

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

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

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

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

As at March 31, 2015, the claims of our Senior Creditors plus claims against our subsidiaries to which the Subordinated Notes are "structurally subordinated" amounted to A$157.7 billion in aggregate principal amount and we had A$2.5 billion of outstanding Equal Ranking Obligations and A$12.4 billion of Junior Ranking Obligations.

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

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

- the subordination provisions of the form of Subordinated Notes constitute a debt subordination for the purposes of section 563C of the Australian Corporations Act;
- MBL's obligations in respect of the Subordinated Notes are subordinated in the manner provided in the subordination provisions of the Subordinated Notes; and
- the debt subordination effected by the subordination provisions of the Subordinated Notes is not affected by any act or omission of MBL or a Senior Creditor which might otherwise affect it at law or in equity.

Form of Subordinated Notes

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

Market-Making Transactions

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

Payment of Additional Amounts

We will pay all amounts that we are required to pay on the Subordinated Notes without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or other governmental charges imposed or levied by or on behalf of Australia or any political subdivision or taxing authority thereof or therein. This obligation will not apply, however, if those taxes, duties, assessments or other governmental charges are required by Australia or any such subdivision or taxing authority to be withheld or deducted. If that were to occur, we will pay additional amounts of, or in respect of, the principal of, and any interest on, the affected Subordinated Notes ("additional amounts") that are necessary so that the net amounts paid to the holders of those Subordinated Notes, after deduction or withholding, will equal the amounts of principal and any premium and interest that we would have had to pay on those Subordinated Notes if the deduction or withholding had not been required except that no additional amounts are payable in relation to any payment in respect of the Subordinated Notes:

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

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

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

(c) presented for payment more than 30 days after the date payment became due on that Subordinated Note and was provided for, whichever is later, except to the extent that a holder of Subordinated Notes would have been entitled to the additional amounts on presenting the Subordinated Note for payment on any day during that 30 day period;

(d) to, or to a third party on behalf of, a holder of the Subordinated Notes who is liable for the taxes in respect of the Subordinated Notes by reason of the holder of the Subordinated Note being an "associate" of the Bank for the purposes of Section 128F(9) of the Income Tax Assessment Act 1936 of Australia, as amended (the "Australian Tax Act");

(e) presented for payment, where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive;

(f) presented for payment by or on behalf of a holder of the Subordinated Notes who would have been able to avoid such withholding or deduction by presenting the relevant Subordinated Note to another Paying Agent in a Member State of the European Union.

No additional amounts shall be payable with respect to any payment of, or in respect of, the Principal Amount of, or any interest on, any Subordinated Note to any holder who is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent that payment would, under the laws of Australia or any political subdivision or taxing authority of Australia, be treated as being derived or received for tax purposes by a beneficiary or settlor of that fiduciary or a member of that partnership or a beneficial owner who would not have been entitled to those additional amounts had it been the actual holder of the affected Subordinated Note.

In addition, any amounts to be paid on the Subordinated Notes will be paid, and any MGL Ordinary Shares to be delivered as a result of an Exchange of such Subordinated Notes will be delivered, net of any deduction, withholding, interest or penalty imposed or required pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (a "FATCA Withholding"), and no additional amounts will be required to be paid and no additional MGL Ordinary Shares will be required to be delivered on account of any such FATCA Withholding. Each holder shall be deemed to authorize the Bank and MGL to remit, or otherwise deal with, any amounts and MGL Ordinary Shares comprising a FATCA Withholding and report information in accordance with applicable requirements connected therewith.

Whenever we refer in this offering memorandum, in any context, to the payment of the principal of, or any premium or interest on, any Subordinated Note or the net proceeds received on the sale or Exchange of any Subordinated Note, we mean to include the payment of additional amounts to the extent that, in that context, additional amounts are, were or would be payable.

Any additional amounts payable on Subordinated Notes will be subordinated in right of payment, see "— Status and Subordination of Subordinated Notes" below.

Redemption of Subordinated Notes under certain circumstances

The Subordinated Notes may, with the approval of APRA and the satisfaction of certain conditions, see "— Approval of APRA" below, be redeemed at our option, in whole but not in part, following the occurrence of a Regulatory Event or a Tax Event (in each case, as defined below), or, in whole or in part, at any time on or after the Redemption Commencement Date and prior to the Stated Maturity. No Subordinated Note or portion thereof can, or will, be Exchanged at the option of a holder of such Subordinated Note.

Any such redemption will be made at a redemption price equal to 100% of the Principal Amount of the Subordinated Notes to be redeemed, together with interest accrued on such Principal Amount to but excluding the date fixed for redemption.

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

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

If we have provided a notice of redemption in the manner described above, the Principal Amount of the Subordinated Notes called for redemption shall become due on the date fixed for redemption. On and after the redemption date, unless we default in payment of the redemption price, interest shall cease to accrue on the Principal Amount of the Subordinated Notes or portions thereof called for redemption.

If we exercise an option to redeem the Subordinated Notes in part, we will issue a new Subordinated Note upon presentation and surrender of the Subordinated Notes in Principal Amount equal to the unredeemed portion of the original Subordinated Note in the name of the holder thereof upon cancellation of the original Subordinated Note.

Approval of APRA

We cannot make any redemption or repurchase any Subordinated Notes before the Stated Maturity for any reason without obtaining the prior written approval of APRA.

We cannot elect to redeem or repurchase the Subordinated Notes before the Stated Maturity unless:

(i) the Subordinated Notes to be redeemed or repurchased are replaced (concurrently with the redemption or repurchase or beforehand) with a Tier 1 Capital instrument or a Tier 2 Capital instrument ("Regulatory Capital"), and the replacement or repurchase of those Subordinated Notes is done under conditions which are sustainable for the income capacity of the "Issuer Level 1 Group" and the "Issuer Level 2 Group", or

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

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

Redemption for taxation reasons

Subject to the conditions set forth under "— Approval of APRA" above, we may elect to redeem the affected Subordinated Notes, in whole but not in part, at a redemption price equal to 100% of the Principal Amount of the Subordinated Notes to be redeemed, together with interest accrued on such Principal Amount to but excluding the date fixed for redemption, upon the occurrence of any of the following (a "Tax Event"):

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

- there is a change or amendment in an official application or interpretation of those laws or regulations,

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

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

- as a result of such change or amendment, payment of interest in respect of the Subordinated Notes is not, or will not within 12 months of that change or amendment be, allowed as a deduction for Australian income tax purposes.

Before we can redeem the affected Subordinated Notes, we must:

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

- deliver to the holders of those Subordinated Notes a legal opinion of our counsel confirming that the conditions that must be satisfied for redemption have occurred.

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

Redemption for regulatory reasons

Subject to the conditions set forth under "— Approval of APRA" above, we may elect to redeem the Subordinated Notes, in whole but not in part, at a redemption price equal to 100% of the Principal Amount of the Subordinated Notes to be redeemed, together with interest accrued on such Principal Amount to but excluding the date fixed for redemption, upon the occurrence of any of the following (a "Regulatory Event"):

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

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

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

in each case, which event occurs or is effective on or after the date we originally issued the Subordinated Notes and was not expected by us as at such date (each such event a "Change in Law") and we determine that, as a result of that Change in Law:

- any of the Subordinated Notes are not eligible for inclusion as Tier 2 Capital of the Issuer Level 1 Group or the Issuer Level 2 Group; or

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

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

Exchange of Subordinated Notes on Non-Viability of MBL with a fall back to Write-Off

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

- the aggregate face value of Relevant Securities that APRA has notified us must be subject to Loss Absorption to satisfy APRA that we will not become non-viable; or

- if APRA has not so notified us, the aggregate Principal Amount of Subordinated Notes determined by us, in the manner described below, as would satisfy APRA that we will not become non-viable,

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

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

We will determine the aggregate Principal Amount of Subordinated Notes which must be Exchanged in accordance with the following:

- first, all Relevant Tier 1 Securities shall be subject to Loss Absorption; and

- second, if such Loss Absorption in respect of all Relevant Tier 1 Securities is not sufficient to satisfy the requirements described above, and provided that, as a result of that Loss Absorption, APRA has not withdrawn its determination in connection with the Non-Viability Event, we will Exchange for MGL Ordinary Shares an aggregate Principal Amount of Subordinated Notes and other Relevant Tier 2 Securities shall be subject to Loss Absorption, on an approximately proportionate basis (unless the terms of any such Relevant Tier 2 Security provide for any Loss Absorption to occur other than on a proportionate basis) or on such other basis as we consider fair and reasonable,

provided, however, that such determination must not impede or delay the immediate Exchange of the relevant Principal Amount of Subordinated Notes.

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

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

For the purposes of the foregoing, where the specified currency of the principal amount of Relevant Tier 2 Securities is not the same for all Relevant Tier 2 Securities, we may treat them as if converted into a single currency of our choice at such rate of exchange as we in good faith consider reasonable.

We must give notice of our determination of the Subordinated Notes or portions thereof as to which Exchange is to take effect (a "Non-Viability Notice") as soon as practicable to the Fiscal Agent and the holders of Subordinated Notes, which must specify:

- the Non-Viability Date;

- the aggregate Principal Amount of the Subordinated Notes that have been, or are to be, Exchanged; and

- the relevant number or principal amount of other Relevant Securities that have been, or are to be, subject to Loss Absorption.

Notwithstanding the above or any other term of the Subordinated Notes, if for any reason (including, without limitation, an Inability Event (as defined below)) an Exchange has not occurred within 5 Business Days of the Non-Viability Date, then such Exchange will not occur and each Subordinated Note or portion thereof that would otherwise be required to be Exchanged, will be Written-Off. We will give notice to holders of affected Subordinated Notes if an Exchange has not occurred (a "***Write-Off Notice***"), but failure to give such Write-Off Notice shall not prevent the occurrence of Write-Off in respect of the affected Subordinated Notes.

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

- any failure or delay in any Loss Absorption in respect of any other Relevant Securities;

- any failure or delay in giving a Non-Viability Notice or Write-Off Notice;
- any failure or delay in quotation of the MGL Ordinary Shares to be issued on or arising from an Exchange;
- any requirement to select or adjust the Principal Amount of Subordinated Notes to be Exchanged or Written-Off; and
- any failure or delay by a holder of Subordinated Notes or any other party to comply with the provisions described herein.

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

- we intend that the Subordinated Notes constitute Tier 2 Capital and are able to absorb losses at the point of non-viability as described in APRA's prudential standards and guidelines and that the Subordinated Notes are subject to Exchange or Write-Off as described herein, which is a fundamental feature of the Subordinated Notes;
- Loss Absorption must occur immediately on the Non-Viability Date and that may result in disruption or failures in trading or dealings in the Subordinated Notes;
- no conditions or events will affect the operation of Exchange or Write-Off and such holder will not have any rights to vote in respect of any Subordinated Notes or portions thereof that are Exchanged or Written-Off;
- any failure or delay in the completion of any procedure, formality or other matter connected with the Exchange or Writing-Off of Subordinated Notes held by the holder shall not prevent, impede or delay the Exchange or Write-Off of such Subordinated Notes (which shall be deemed to have occurred immediately with effect on and from the Non-Viability Date, notwithstanding such failure or delay);
- upon an Exchange, such holder consents to becoming a member of MGL and agrees to be bound by the constitution of MGL;
- it agrees to the application of payments and issue of MGL Ordinary Shares in respect of its Subordinated Notes upon an Exchange, notwithstanding anything which might otherwise affect the Exchange including, without limitation:
    (i) any change in the financial position of MBL, MGL or MGL Group since the Issue Date;
    (ii) any disruption to the market or potential market for the MGL Ordinary Shares or to capital markets generally;
    (iii) it being impossible or impracticable to list the MGL Ordinary Shares on the ASX; or
    (iv) it being impossible or impracticable to sell or otherwise dispose of the MGL Ordinary Shares;
- if an Exchange does not occur for any reason (including without limitation, an Inability Event) within 5 Business Days of the Non-Viability Date, each Subordinated Note or portion thereof subject to such Exchange will be Written-Off;
- it will provide MBL and MGL with any information that MBL or MGL considers necessary or desirable, or to take any and all such action as is within the reasonable control of that holder, to give effect to an Exchange;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- to ensure that the MGL Ordinary Shares issued or arising from an Exchange will rank equally with all other fully paid MGL Ordinary Shares;

- from the applicable Non-Viability Date (subject to the provisions of the Subordinated Notes relating to Write-Off and that the Subordinated Notes do not create or confer any voting rights in respect of any member of MGL Group prior to Exchange), to treat each holder of Subordinated Notes as the holder of the applicable Exchange Number of MGL Ordinary Shares and will take all such steps, including updating any register, required to record the Exchange; and

- to otherwise comply with the terms of the Subordinated Notes.

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

"***ASX***" means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

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

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

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

"***Inability Event***" means any of MBL, MGL or any of their Related Bodies Corporate is prevented by applicable law, an order of any court, an action of any government authority (including regarding the insolvency, Winding-Up or other external administration of MBL, MGL or a Related Body Corporate), or for any other reason, from observing and performing their obligations in respect of an Exchange (including in connection with the issue of MGL Ordinary Shares or the performance of any Related Exchange Steps).

"***Loss Absorption***" means any exchange for or conversion into ordinary shares or writing-off in respect of any Relevant Securities in accordance with their terms or by operation of law on the occurrence of a Non-Viability Event (including an Exchange or Write-Off of Subordinated Notes).

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

"***Non-Viability Date***" means the date (whether or not a Business Day) on which a Non-Viability Event occurs.

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

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

"***Relevant Securities***" means the Relevant Tier 1 Securities and the Relevant Tier 2 Securities.

"***Relevant Tier 1 Security***" means a security forming part of the Tier 1 Capital of MBL that is capable of being subject to Loss Absorption where a Non-Viability Event occurs.

"***Relevant Tier 2 Security***" has the meaning set forth under "— Status and Subordination of Subordinated Notes" above.

"***Written-Off***" means that, in respect of a Subordinated Note or portion thereof, the rights of the relevant holders of that Subordinated Note or portion thereof (including to payment of interest with respect to such Principal Amount, both in the future and as accrued but unpaid and to be issued with MGL Ordinary Shares) in relation to that Subordinated Note or portion thereof are immediately and irrevocably terminated for no consideration with effect on and from the Non-Viability Date, and "***Write-Off***" and "***Writing-Off***" have corresponding meanings.

Exchange Mechanics

(1) Exchange

On a Non-Viability Date, subject to where Write-Off applies, each of the events described in this paragraph (1) shall occur in respect of any Subordinated Note or portion thereof to be Exchanged.

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

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

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

subject to the Exchange Number being no greater than the Maximum Exchange Amount per US$1,000.

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

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

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

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

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

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

(g) As agreed between, among others, MGL and MBL on or about the Issue Date, MBL, MGL and their Related Bodies Corporate will deal with the Subordinated Notes or portions thereof being Exchanged so that fully paid ordinary shares in the capital of MBL are issued to, or as directed by, MGL or to a Related Body Corporate of MGL nominated by

MGL (which is a holding company of MBL and which itself issues ordinary shares to, or as directed by, MGL), for an aggregate issue price equal to the aggregate Exchange Amount of the Subordinated Notes to be Exchanged and the Subordinated Notes transferred to MGL or to an Approved Nominee in accordance with this paragraph 1 shall be redeemed and cancelled (the "***Related Exchange Steps***").

(2) Adjustments to VWAP

For the purposes of calculating VWAP under the terms of the Subordinated Notes:

(a) where, on some or all of the ASX Trading Days in the relevant VWAP Period, MGL Ordinary Shares have been quoted on the ASX as cum dividend or cum any other distribution or entitlement and the Subordinated Notes or portions thereof will be Exchanged for MGL Ordinary Shares after the date those MGL Ordinary Shares no longer carry that dividend or any other distribution or entitlement, then the VWAP on the ASX Trading Days on which those MGL Ordinary Shares have been quoted cum dividend or cum any other distribution or entitlement shall be reduced by an amount ("***Cum Value***") equal to:

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

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

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

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

(3) Adjustments to VWAP for divisions and similar transactions

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

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

where:

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

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

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

(4) Adjustments to Issue Date VWAP

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

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

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

(5) Adjustments to Issue Date VWAP for bonus issues

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

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

where:

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

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

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

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

(8) Announcement of adjustment to Issue Date VWAP

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

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

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

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

(9) Failure to Exchange

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

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

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

(10) Subordinated Notes held in a clearing system

Subject to where Write-Off applies, if:

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

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

then, with effect from the Non-Viability Date:

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

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

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

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

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

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

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

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

(i) MBL or MGL does not receive any information required by it in accordance with the terms of that Subordinated Note so as to impede MGL from issuing the MGL Ordinary Shares to the holder of that Subordinated Note on the Non-Viability Date; or

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

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

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

On the Non-Viability Date:

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

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

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

(iii) where paragraph (11)(c)(ii) above applies, MGL, in its absolute discretion, considers that it can do so in accordance with the requirements applicable to the

relevant FATCA Withholding without it having to take steps which it regards as unacceptable or onerous; or

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

(f) otherwise, subject to paragraph (11)(g) below and any other circumstances where Write-Off applies, MGL will issue the balance of the Exchange Number of MGL Ordinary Shares in respect of that holder to the Sale Agent on the terms that, at the first reasonable opportunity to sell the MGL Ordinary Shares, the Sale Agent will arrange for their sale and pay to the holder of the relevant Subordinated Note on a date determined by the Sale Agent a cash amount equal to the Attributable Proceeds of the holder of that Subordinated Note (and, where a FATCA Withholding has been required to be made, will remit the cash amount referable to the FATCA Withholding to, or as directed by, the relevant authority or agency). The issue of MGL Ordinary Shares to the Sale Agent will satisfy all obligations of MGL and its Related Bodies Corporate in connection with the Exchange, that Subordinated Note or portion thereof will be deemed Exchanged and will be dealt with in accordance with paragraph (1) and, on and from the issue of MGL Ordinary Shares, the rights of the holder of that Subordinated Note the subject of this paragraph (11) are limited to its rights in respect of the MGL Ordinary Shares or the Attributable Proceeds as provided in this paragraph (11); and

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

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

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

(12) Certain Definitions

For the purposes of this "—Exchange Mechanics" section the following terms will have the meanings below:

"***Applicable Shareholding Law***" means any law in force in Australia or any relevant foreign jurisdiction which limits or restricts the number of ordinary shares in MBL, MGL or any of their respective Related Bodies Corporate in which a person may have an interest or over which it may have

a right or power, including, without limitation, Chapter 6 of the Australian Corporations Act, the Foreign Acquisitions and Takeovers Act 1975 of Australia, the Financial Sector (Shareholdings) Act 1998 of Australia and Part IV of the Competition and Consumer Act 2010 of Australia.

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

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

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

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

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

"***Attributable Proceeds***" means, in respect of a holder of a Subordinated Note to whom paragraph (11)(g) above applies, an amount equal to: (i) the net proceeds of the sale of such MGL Ordinary Shares, actually received after deducting any applicable brokerage, stamp duties and other taxes (including, without limitation, any FATCA Withholding), charges and expenses, divided by the number of such MGL Ordinary Shares issued and sold; multiplied by (ii) the number of MGL Ordinary Shares issued and sold in accordance with paragraph (11)(g) in respect of that Subordinated Note.

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

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

"***Exchange Amount***" means the Principal Amount of any Subordinated Note or portion thereof that is to be Exchanged on the Non-Viability Date.

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

"***Issue Date***" means the first date on which the Subordinated Notes were originally issued.

"***Issue Date VWAP***" means the VWAP during the 20 ASX Trading Days on which trading in MGL Ordinary Shares took place immediately preceding (but not including) the Issue Date (expressed as a U.S. Dollar Amount and as such number may be adjusted in accordance with paragraphs (4), (5) or (6) above).

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

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

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

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

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

"***VWAP***" means, subject to any adjustments described in paragraphs (2) or (3) above, for a period or relevant number of days, the average of the Daily VWAPs of MGL Ordinary Shares sold on the ASX during the relevant period or on the relevant days (such average being expressed as a U.S. Dollar Amount, rounded to the nearest full cent).

"***VWAP Conversion Date***" means:

(a) for the Issue Date VWAP, the ASX Trading Day immediately preceding the Issue Date; and

(b) for the Non-Viability Date VWAP, the ASX Trading Day immediately preceding the Non-Viability Date.

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

Mergers and Similar Transactions

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

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

  (i) in respect of a consolidation, merger, sale of assets or other transaction concerning us, it must expressly assume the due and punctual payment of the Principal Amount of and interest, if any, on the Subordinated Notes and the performance of every covenant of ours included in the Subordinated Notes; and

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

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

- The merger, sale of assets or other transaction must not cause a default on the Subordinated Notes, and we must not already be in default under the Subordinated Notes, unless the consolidation, merger, sale of assets or other transaction would cure the default.

- If such company or firm is not organized and validly existing under the laws of Australia, it must expressly agree:

    (i) to indemnify the holder of the Subordinated Notes against any tax, assessment or governmental charge required to be withheld or deducted from any payment to such holder as a consequence of such consolidation, merger, sale of assets or other transaction; and

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

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

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

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

Existence

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

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

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

Default, remedies and waiver of default

Events of Default

The "Events of Default" in respect of the Subordinated Notes are:

(a) If we fail to pay any part of the Principal Amount in respect of the Subordinated Notes within 14 days of the relevant due date or fail to pay any amount of interest in respect of the Subordinated Notes within 30 days of the relevant due date; for the avoidance of doubt, if the condition to payment described in paragraph (ii) under the heading "— Status and Subordination of Subordinated Notes — Prior to the commencement of a Winding-Up of the Bank" is not satisfied, then we are not obliged to make payment and, accordingly, no amount is due and the Event of Default in this paragraph (a) cannot occur; or

(b) An order is made by a court of competent jurisdiction in Australia (other than an order successfully appealed or permanently stayed within 30 days), or an effective resolution is passed for our Winding-Up in Australia.

If the Event of Default specified in paragraph (b) above occurs, then, subject to the section entitled "— Remedies for holders of Subordinated Notes if an Event of Default occurs" below, by notice to us at the specified office of the Fiscal Agent, effective upon receipt of such notice by the Fiscal Agent, (1) any holder of Subordinated Notes may declare that all the Subordinated Notes held by that holder are immediately due and repayable, or (2) holders of not less than 25% of the outstanding Subordinated Notes may declare that all the Subordinated Notes are immediately due and repayable, and, in each case, each holder of such Subordinated Notes may prove or claim in our Winding-Up of MBL, subject to the matters set forth under the heading "— Status and Subordination of Subordinated Notes".

Remedies for holders of Subordinated Notes if an Event of Default occurs

In the event of the occurrence of either of the Events of Default set out above in "— Events of Default", in addition to the right to give notice in respect of the Event of Default specified in paragraph (a) of that section, the holder of any Subordinated Notes may institute proceedings for our Winding-Up of MBL or, subject to the matters set forth under the heading "— Status and Subordination of Subordinated Notes", for proving or claiming in any Winding-Up of MBL.

No remedy against us (including, without limitation, any right to sue for a sum of damages which has the same economic effect of an acceleration of our payment obligations), other than the institution of proceedings for Winding-Up or, subject to the matters set forth under the heading "— Status and Subordination of Subordinated Notes", for proving or claiming in any Winding-Up, shall be available to the holders of any Subordinated Notes for the recovery of amounts owing in respect of the Subordinated Notes or in respect of any breach by us of any obligation, condition or provision binding on us under the terms of the Subordinated Notes. In particular, no holders of any Subordinated Notes shall be entitled to exercise any right of set-off or counterclaim which, but for the restrictions on any set-off described in "— Status and Subordination of Subordinated Notes" and the matters otherwise set forth in this paragraph, may be available to such holders of Subordinated Notes against amounts owing by us in respect of such Subordinated Notes (whether prior to, or following, any bankruptcy, Winding-Up or sequestration of us).

On our Winding-Up, holders of the Subordinated Notes shall only be entitled to prove for any sums payable in respect of the Subordinated Notes as a debt which is subject to and contingent upon prior payment in full of the Senior Creditors. The holders of the Subordinated Notes waive to the fullest extent permitted by law any right to prove in any such Winding-Up as a creditor ranking for payment in any other manner.

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

The prior written approval of APRA is required to modify, amend or supplement the terms of the Subordinated Notes, the Fiscal Agency Agreement or MGL Deed of Undertaking, insofar as it affects the Subordinated Notes, or to give consents or waivers in respect of the Subordinated Notes or take other actions where such modification, amendment, supplement, consent, waiver or other action may affect the eligibility of the Subordinated Notes as Tier 2 Capital of MBL.

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

Changes requiring each holder's approval

First, there are changes that cannot be made without the written consent or the affirmative vote or approval of each holder affected by the change. Here is a list of those types of changes:

- change the due date for the payment of principal of, or any installment of interest on any Subordinated Note;
- reduce the Principal Amount of any Subordinated Note, the portion of any Principal Amount that is payable upon acceleration of the maturity of the Subordinated Note, the interest rate or any premium payable upon redemption;
- change the subordination provisions of a Subordinated Note, the Deed of Undertaking or Exchange features (other than adjustments contemplated by the terms of the Subordinated Notes) in a manner adverse to the interests of any holder of the Subordinated Note;
- change the currency of any payment on a Subordinated Note;
- change our obligation to pay additional amounts;
- shorten the period during which redemption of the Subordinated Notes is not permitted or permit redemption during a period not previously permitted;
- change the place of payment on a Subordinated Note;
- reduce the percentage of Principal Amount of the Subordinated Notes outstanding necessary to modify, amend or supplement the Fiscal Agency Agreement or the Subordinated Notes or to waive past defaults or future compliance;
- reduce the percentage of Principal Amount of the Subordinated Notes outstanding required to adopt a resolution or the required quorum at any meeting of holders of Subordinated Notes at which a resolution is adopted; or
- change any provision in a Subordinated Note with respect to redemption at the holders' option in any manner adverse to the interests of any holder of the Subordinated Notes.

Changes not requiring approval

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

Changes requiring majority approval

Any other change to the Fiscal Agency Agreement, the Subordinated Notes and the MGL Deed of Undertaking would require the following approval (in addition to the prior written approval of APRA):

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

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

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

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

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

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

Only outstanding Subordinated Notes are eligible

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

- if it has been surrendered for cancellation;

- if it has been Written-Off in full;
- if we have called such Subordinated Note for redemption or it has become due and payable at maturity or otherwise and we have deposited or set aside, in trust for its holder, money for its payment or redemption;
- if it is in lieu of or in substitution for other Subordinated Notes that have been authenticated and delivered;
- if we or one of our affiliates is the owner; or
- in the case of the Subordinated Notes only, if it has been Exchanged.

Form, exchange and transfer of Subordinated Notes

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

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

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

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

Holders will not be required to pay a service charge to transfer or exchange their Subordinated Notes, but they may be required to pay for any tax or other governmental charge and certain other related expenses associated with the exchange or transfer and any other reasonable expenses (including the fees and expenses of the Fiscal Agent) in connection with the exchange or transfer. The transfer or exchange, and any replacement, will be made only if our transfer agent is satisfied with the holder's proof of legal ownership. The transfer agent may require an indemnity before replacing any Subordinated Notes.

We may appoint additional transfer agents or cancel the appointment of any particular transfer agent. We may also approve a change in the office through which any transfer agent acts.

If any Subordinated Notes are redeemable and we redeem less than all those Subordinated Notes, we may block the transfer or exchange of those Subordinated Notes during the period beginning 15 days before the day we mail the notice of redemption and ending on the day of that mailing, in order to freeze the list of holders to prepare the mailing, and refuse to register transfers of or exchange any Subordinated Note selected for redemption, except that we will continue to permit transfers and exchanges of the unredeemed portion of any Subordinated Note being partially redeemed.

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

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

Payment mechanics for Subordinated Notes

Who receives payment?

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

Payment and Record Dates for interest

Interest will be payable on the Subordinated Notes semiannually in arrears on June 10 and December 10 of each year, beginning on December 10, 2015 at the rate of 4.875% per annum to the persons in whose names the Subordinated Notes are registered at the close of business on the fifteenth day (whether or not a Business Day) next preceding such Interest Payment Date (the "Regular Record Date"). Interest will be paid on the basis of a 360-day year comprised of twelve 30-day calendar months. If any Interest Payment Date for the Subordinated Notes falls on a day that is not a Business Day, the interest payment shall be postponed to the next succeeding Business Day, and no interest on such payment shall accrue for the period from and after the Interest Payment Date. If the Maturity Date or any earlier redemption date falls on a day that is not a Business Day, payment of the Principal Amount and interest otherwise due on such day will be made on the next succeeding Business Day, and no interest on such payment shall accrue for the period from and after such maturity, or redemption date, as the case may be.

How we will make payments

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

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

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

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

Paying Agent

We may appoint one or more financial institutions to act as our paying agents, at whose designated offices Subordinated Notes in non-global entry form may be surrendered for payment at their maturity. We call each of those financial institutions a "Paying Agent". We may add, replace or terminate Paying Agents from time to time; provided that at all times there will be a Paying Agent in the Borough of Manhattan, The City of New York. We may also choose to act as our own Paying Agent. Initially, we have appointed The Bank of New York Mellon, as the Paying Agent. We must notify the Fiscal Agent of changes in the Paying Agents.

Unclaimed payments

Claims against us for payment in respect of the Subordinated Notes remaining unclaimed will become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate payment date.

Notices

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

Our relationship with the Fiscal Agent

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

Successor fiscal agent

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

Governing law

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

LEGAL OWNERSHIP AND BOOK-ENTRY ISSUANCE

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

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

Who is the Legal Owner of a Registered Subordinated Note?

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

Book-Entry Owners

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

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

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

Street Name Owners

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

For Subordinated Notes held in street name, we will recognize only the intermediary banks, brokers and other financial institutions in whose names the Subordinated Notes are registered as the holders of those Subordinated Notes and we will make all payments on those Subordinated Notes, including deliveries of any property other than cash, to them. These institutions pass along the payments they receive to their customers who are the beneficial owners, but only because they agree to do so in their customer agreements or because they are legally required to do

so; they are not obligated to do so under the terms of the Subordinated Notes. Investors who hold Subordinated Notes in street name will be indirect owners, not holders, of those Subordinated Notes.

Legal Holders

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

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

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

Special Considerations for Indirect Owners

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

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

What is a Global Note?

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

Special Considerations for Global Notes

As an indirect owner, an investor's rights relating to a Global Note will be governed by the account rules of the Depositary and those of the investor's financial institution or other intermediary through which it holds its interest (*e.g.*, Euroclear or Clearstream, Luxembourg), as well as general laws relating to securities transfers. We do not recognize this type of investor or any intermediary as a holder of Subordinated Notes and instead deal only with the Depositary that holds the Global Note.

If the Subordinated Notes are issued only in the form of a Global Note, an investor should be aware of the following:

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

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

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

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

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

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

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

Holder's Option to obtain a Non-Global Note

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

Special Situations when a Global Note will be Terminated

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

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

- if the Depositary notifies us that it is unwilling, unable or no longer qualified to continue as Depositary for that Global Note;
- if we notify the Fiscal Agent that we wish to terminate that Global Note; or
- an Event of Default has occurred with regard to these Subordinated Notes that has not been cured or waived and a holder makes a written request for certificates in non-global form.

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

DTC

DTC has advised the Bank that it is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for DTC participants and to facilitate the clearance and settlement of transactions among its participants in those securities through electronic book-entry transfers and pledges between the accounts of DTC participants, thereby eliminating the need for physical movement of securities certificates.

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

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

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

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

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

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

Clearstream, Luxembourg

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

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

Euroclear

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

that holds a book-entry interest in a Global Note through one or more securities intermediaries standing between such other securities intermediary and Euroclear.

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

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

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

Payments, deliveries, transfers, exchanges, notices and other matters relating to the Subordinated Notes made through Euroclear or Clearstream, Luxembourg must comply with the rules and procedures of those systems. Those systems could change their rules and procedures at any time. We have no control over those systems or their participants and we take no responsibility for their activities. Transactions between participants in Euroclear or Clearstream, Luxembourg, on the one hand, and participants in DTC, on the other hand, when DTC is the Depositary, would also be subject to DTC's rules and procedures.

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

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

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

DESCRIPTION OF THE MGL ORDINARY SHARES

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

General

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

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

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

General Meetings and Voting

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

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

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

Dividends

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

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

See Section 1.1 in each of MGL's 2015 Fiscal Year Management Discussion and Analysis Report and 2014 Fiscal Year Management Discussion and Analysis Report, which are each incorporated by reference into this offering memorandum, for further information on the historical dividends paid by MGL on MGL Ordinary Shares over these historical periods.

Dividend Reinvestment Plan

MGL presently operates a Dividend Reinvestment Plan ("DRP"). It is optional and offers ordinary Shareholders in Australia and New Zealand the opportunity to acquire fully paid MGL Ordinary Shares without transaction costs. A Shareholder can elect to participate in or terminate their involvement in the DRP at any time. For further information regarding the DRP, see Notes 5 and 28 in MGL's audited consolidated financial statements for the 2015 fiscal year included in MGL's 2015 Annual Report.

Changes to the rights of Shareholders

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

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

Rights to Redemption

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

Variation of Rights

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

Limitations on ownership and changes in control of MGL Ordinary Shares

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

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

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

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

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

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

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

Calls on MGL Ordinary Shares

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

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

- make a call payable by installments; and

- revoke or postpone a call.

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

Winding Up

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

U.S. Transfer Restrictions

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

Transfer of MGL Ordinary Shares

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

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

Share Buy-Back

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

Annual Report

Shareholders have the opportunity to receive each year a copy of MGL's annual report which provides a review of MGL Group's performance as a whole during the previous financial year.

CHESS

Shareholders hold MGL Ordinary Shares through the ASX's settlement system known as the Clearing House Electronic Sub-Register System (or "CHESS"). CHESS is an automated transfer and settlement system operated by ASX Settlement Pty Limited for the paperless registration and transfer of securities. MGL does not issue share certificates to Shareholders. Instead, following transfer, MGL will provide Shareholders with a holding statement that sets out the number of MGL Ordinary Shares registered in such Shareholder's name.

Constitution provisions governing disclosure of shareholdings

There are no provisions in MGL's constitution which provide an ownership threshold above which share ownership must be disclosed. However, Chapter 6 of the Australian Corporations Act requires a person to disclose certain prescribed information to MGL and the ASX if the person has or ceases to have a 'substantial holding' in the Company. The term 'substantial holding' is defined in the Australian Corporations Act as broadly, a relevant interest in 5% or more of the total number of votes attaching to voting shares and is not limited to direct shareholdings. For further information, see "– Major Shareholders" below.

The Australian Corporations Act also permits MGL or ASIC to direct any Shareholder of MGL to make certain disclosures in respect of their interest in MGL's shares and the interest held by any other person in those shares.

Major Shareholders

MGL is not directly or indirectly controlled by another corporation, any government or any other natural or legal persons, separately or jointly. As of the date of this offering memorandum, MGL is not aware of any person who is the beneficial owner of 5% or more of MGL Ordinary Shares.

Employee Share Plans and Executive Remuneration

The principal employee share scheme operated by MGL Group is called the Macquarie Group Employee Retained Equity Plan ("MEREP"). The MEREP is used to deliver remuneration, including deferred and performance-based remuneration, in the form of MGL Ordinary Shares. The main award type under the MEREP are Restricted Share Units ("RSUs"). A RSU is a beneficial interest in a MGL Ordinary Share held on behalf of a MEREP participant by the plan trustee (Trust). A similar award type available under the MEREP are Restricted Shares, which are MGL Ordinary Shares transferred from the Trust and held by a MEREP participant subject to restrictions on disposal, vesting and forfeiture rules. Deferred share units ("DSUs") are also allocated under MEREP. A DSU represents the right to receive, on exercise of the DSU, either a share held in the Trust or a newly issued share (as determined by MGL in its absolute discretion) for no cash payment, subject to the vesting and forfeiture provisions of the MEREP. A MEREP participant holding a DSU has no right or interest in any share until the DSU is exercised. Remuneration for the most senior executives, known as the Executive Committee, is also comprised of Performance Share Units ("PSUs") allocated under the MEREP. PSUs are allocated to Executive Committee members based on their performance, vest in equal tranches after three and four years and are exercisable subject to the achievement of two performance indicators. For further information regarding MEREP, see Note 33 in MGL's audited consolidated financial statements for the 2015 fiscal year included in MGL's 2015 Annual Report. For further information regarding performance-based remuneration in the form of PSUs allocated to MGL's Executive Committee, see Section 1 in the "Directors Report — Remuneration Report" in MGL's 2015 Annual Report.

MGL Group also presently operates an Employee Share Plan ("EPS") whereby each fiscal year, eligible employees are offered up to A$1,000 worth of fully paid MGL Ordinary Shares for no cash payment. MGL Ordinary Shares allocated under the EPS have sale restrictions and rank equally with all other fully paid Ordinary Shares then on issue. For further information regarding the EPS, see Note 33 in MGL's audited consolidated financial statements for the 2015 fiscal year included in MGL's 2015 Annual Report.

Preference Shares

MGL may issue preference shares (including redeemable preference shares) and issued shares may be converted into preference shares on the terms as set out in schedule 1 of the constitution or otherwise approved by special resolution. Only in limited circumstances will preference shareholders have rights to move or second resolutions or vote at any general meeting of MGL. Whilst, as at the date of this offering memorandum, MGL has not issued any preference shares, there is no limit on the amount of preference shares which MGL may issue in the future.

TAX CONSIDERATIONS

United States Federal Income Taxation

General

The following summary of certain U.S. federal income tax consequences of the purchase, ownership and disposition of the Subordinated Notes is based upon the Internal Revenue Code of 1986, as amended (the "Code"), regulations promulgated under the Code, rulings and decisions now in effect, all of which are subject to change, including changes in effective dates and other retroactive changes, or possible differing interpretations. It deals only with Subordinated Notes held as capital assets within the meaning of Section 1221 of the Code and does not purport to deal with persons in special tax situations, such as financial institutions, insurance companies, regulated investment companies, real estate investment trusts, flow-through entities, tax-exempt entities or persons holding the Subordinated Notes in a tax-deferred or tax-advantaged account, dealers in securities or currencies, traders in securities that elect to mark to market, persons subject to the alternative minimum tax, entities classified as partnerships, persons holding Subordinated Notes as a hedge against currency risks, as a position in a "straddle" or as part of a "hedging", "conversion" or other "integrated" transaction for tax purposes, a person that purchases or sells Subordinated Notes as part of a wash sale for tax purposes, or U.S. Holders (as defined below) whose functional currency is not the U.S. dollar. It only deals with holders that purchase the Notes upon original issuance, except where otherwise specifically noted. If a partnership holds the Subordinated Notes, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Thus, persons who are partners in a partnership holding the Subordinated Notes should consult their own tax advisors. Moreover, all persons considering the purchase of the Subordinated Notes should consult their own tax advisors concerning the application of U.S. federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Subordinated Notes arising under the laws of any other taxing jurisdiction.

As used in this offering memorandum, the term "U.S. Holder" means a beneficial owner of a Subordinated Note that is for U.S. federal income tax purposes:

(1) a citizen or resident of the United States;

(2) a corporation (including an entity treated as a corporation for U.S. federal income tax purposes) that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

(3) an estate the income of which is subject to U.S. federal income tax regardless of its source; or

(4) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust.

Certain trusts not described in clause (4) above in existence on August 20, 1996 that elect to be treated as a United States person will also be a U.S. Holder for purposes of the following discussion. As used herein, the term "Non-U.S. Holder" means a beneficial owner of a Subordinated Note that is (1) a nonresident alien individual, (2) a foreign corporation, or (3) an estate or trust that in either case is not subject to U.S. federal income tax on a net income basis on income or gain from a Subordinated Note.

NO STATUTORY, REGULATORY, JUDICIAL OR ADMINISTRATIVE AUTHORITY DIRECTLY DISCUSSES HOW THE SUBORDINATED NOTES SHOULD BE TREATED FOR U.S. FEDERAL INCOME TAX PURPOSES. AS A RESULT, THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF YOUR INVESTMENT IN THE SUBORDINATED NOTES ARE UNCERTAIN. ACCORDINGLY, WE URGE YOU TO CONSULT YOUR TAX ADVISOR AS TO THE TAX CONSEQUENCES OF OWNERSHIP OF SUBORDINATED NOTES DESCRIBED BELOW AND AS TO THE APPLICATION OF STATE, LOCAL, OR OTHER TAX LAWS TO YOUR INVESTMENT IN YOUR SUBORDINATED NOTES.

Characterization of Subordinated Notes for United States federal income tax purposes. There is no authority that addresses the U.S. federal income tax treatment of an instrument such as the Subordinated Notes that is denominated as a subordinated debt instrument but that provides for Exchange into MGL Ordinary Shares or Write-Off upon the occurrence of a Non-Viability Event, which could result in a holder losing all or a portion of its investment in the Subordinated Notes. It is therefore unclear whether the Subordinated Notes should be treated as equity or debt of MBL for U.S. federal income tax purposes. MBL has not determined whether to treat the Subordinated Notes as equity or debt for U.S. federal income tax purposes. The IRS may classify the Subordinated Notes differently than the manner in which MBL or any holder of the Subordinated Notes treats the Subordinated Notes. U.S. Holders are urged to consult their own tax advisors regarding the U.S. federal income tax classification of the Subordinated Notes and the U.S. federal income tax consequences to them of owning the Subordinated Notes.

U.S. Holders

Tax Consequences if the Subordinated Notes are Treated as Equity

This subsection addresses the U.S. federal income tax consequences to U.S. Holders if the Subordinated Notes are treated as equity of MBL for U.S. federal income tax purposes, and the discussion below assumes that the Subordinated Notes will be so treated.

Payments of interest. In general, if the Subordinated Notes are treated as equity, the interest payments with respect to the Subordinated Notes will be treated as dividends to the extent of MBL's current or accumulated earnings and profits as determined for U.S. federal income tax purposes. Subject to the discussion under "— PFIC considerations" below, any portion of an interest payment in excess of MBL's current and accumulated earnings and profits would be treated first as a nontaxable return of capital that would reduce your tax basis in the Subordinated Notes, and would thereafter be treated as capital gain, the tax treatment of which is discussed below under "— Sale, redemption, maturity, Exchange or Write-Off of Subordinated Notes." Because MBL does not currently maintain calculations of its earnings and profits under U.S. federal income tax principles, it is expected that all interest payments on the Subordinated Notes will generally be reported to U.S. Holders as dividends.

It is unclear whether interest payments on the Subordinated Notes that are treated as dividends for U.S. federal income tax purposes will be treated as "qualified dividends" that are subject to preferential tax rates in the case of an individual who holds the Subordinated Notes for more than 60 days during the 121-day period beginning 60 days before the applicable Interest Payment Date and meets other holding period requirements. The interest payments on the Subordinated Notes will not be eligible for the dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations.

The amount of an interest payment on the Subordinated Notes will include amounts, if any, withheld in respect of Australian taxes. For more information on Australian withholding taxes, please see the discussion under "— Commonwealth of Australia taxation" in this offering memorandum. Interest payments on the Subordinated Notes that are treated as dividends for U.S. federal income tax purposes will be foreign-source income to U.S. Holders. Subject to applicable limitations, some of which vary depending upon your circumstances, Australian income taxes withheld from interest payments on the Subordinated Notes to a U.S. Holder not eligible for an exemption from Australian withholding tax (under the U.S.- Australian income tax treaty or otherwise) will be creditable against the U.S. Holder's U.S. federal income tax liability. The rules governing foreign tax credits are complex, and you should consult your tax advisor regarding the creditability of foreign taxes in your particular circumstances.

Sale, redemption, maturity, Exchange or Write-Off of Subordinated Notes. Subject to the discussion under "— PFIC considerations" below, you will generally recognize capital gain or loss upon the sale, redemption, maturity, Exchange or Write-Off of your Subordinated Notes in an amount equal to the difference between the amount you receive at such time (including the fair market value of any MGL Ordinary Shares received upon an Exchange) and your tax basis in the Subordinated Notes. In general, your tax basis in your Subordinated Notes will be equal to the price you paid for them. Such capital gain or loss will be long-term capital gain or loss if you held your Subordinated Notes for more than one year. Capital gain of a non-corporate U.S. Holder is generally taxed at preferential rates where the property is held for more than one year. The deductibility of capital losses is subject to limitations. Such gain or loss will generally be income or loss from sources within the United States for foreign tax

credit limitation purposes. Your initial tax basis in any MGL Ordinary Shares received upon an Exchange of your Subordinated Notes for MGL Ordinary Shares will equal the fair market value of the MGL Ordinary Shares received (as determined on the date of receipt) and your holding period for any MGL Ordinary Shares received upon such an Exchange will begin on the day immediately following the date of receipt of the MGL Ordinary Shares.

PFIC considerations. MBL does not expect to be a passive foreign investment company ("PFIC") for U.S. federal income tax purposes, and therefore believes that the Subordinated Notes should not be treated as stock of a PFIC, but this conclusion is a factual determination made annually and thus may be subject to change. In general, MBL will be a PFIC with respect to you if, for any taxable year in which you hold the Subordinated Notes, either (i) at least 75% of the gross income of MBL for the taxable year is passive income or (ii) at least 50% of the value, determined on the basis of a quarterly average, of MBL's assets is attributable to assets that produce or are held for the production of passive income (including cash). If MBL were to be treated as a PFIC, gain realized on the sale or other disposition of Subordinated Notes would in general not be treated as capital gain. Instead, you would be treated as if you had realized such gain ratably over your holding period for the Subordinated Notes. Amounts allocated to the year of disposition and to years before MBL became a PFIC would be taxed as ordinary income and amounts allocated to each other taxable year would be taxed at the highest tax rate applicable to individuals or corporations, as appropriate, in effect for each such year to which the gain was allocated, together with an interest charge in respect of the tax attributable to each such year. With certain exceptions, your Subordinated Notes will be treated as stock in a PFIC if MBL was a PFIC at any time during your holding period for the Subordinated Notes.

Medicare Tax. A U.S. Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8% tax on the lesser of (1) the U.S. Holder's "net investment income" (or "undistributed net investment income" in the case of an estate or trust) for the relevant taxable year and (2) the excess of the U.S. Holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between US$125,000 and US$250,000, depending on the individual's circumstances). A holder's net investment income generally includes interest payments on the Subordinated Notes that are treated as dividends and its net gains from the disposition of Subordinated Notes, unless such income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). U.S. Holders that are individuals, estates or trusts should consult their own tax advisors regarding the applicability of the Medicare tax to income and gains in respect of their investment in Subordinated Notes.

Tax Consequences if the Subordinated Notes are Treated as Debt

This subsection addresses the U.S. federal income tax consequences if the Subordinated Notes are treated as debt for U.S. federal income tax purposes, and the discussion below assumes that the Subordinated Notes will be so treated.

Characterization of the Subordinated Notes. As described under "Description of the Subordinated Notes — Exchange of Subordinated Notes on Non-Viability of MBL with a fall back to Write-Off," if a Non-Viability Event occurs, you may receive MGL Ordinary Shares in exchange for your Subordinated Notes or your Subordinated Notes may be Written-Off. If the Subordinated Notes are treated as debt, we intend to take the position that there is no more than a remote chance that a Non-Viability Event will occur and the Subordinated Notes should accordingly not be treated as contingent payment debt instruments ("CPDIs") for U.S. federal income tax purposes. If the Internal Revenue Service successfully challenged this position, and the Subordinated Notes were treated as CPDIs, you could be required to accrue interest income at a rate higher than the stated interest rate on the Subordinated Notes and to treat as ordinary income, rather than capital gain, any gain recognized on a sale, exchange or redemption of the Subordinated Notes. You are urged to consult your own tax advisors regarding the potential application of the CPDI rules to the Subordinated Notes and the consequences thereof.

Payments of interest. Interest on the Subordinated Notes will be includible in ordinary income at the time you receive the interest or when it accrues, depending on your method of accounting for tax purposes. The amount of an interest payment on the Subordinated Notes will include amounts, if any, withheld in respect of Australian taxes. For more information on Australian withholding taxes, please see the discussion under "— Commonwealth of Australia taxation" in this offering memorandum. Interest payments on the Subordinated Notes will be considered foreign-source income to U.S. Holders. Subject to applicable limitations, some of which vary depending upon your

circumstances, Australian income taxes withheld from interest payments on the Subordinated Notes to a U.S. Holder not eligible for an exemption from Australian withholding tax (under the U.S.- Australian income tax treaty or otherwise) will be creditable against the U.S. Holder's U.S. federal income tax liability. The rules governing foreign tax credits are complex, and you should consult your tax advisor regarding the creditability of foreign taxes in your particular circumstances.

Sale, redemption, maturity, Exchange or Write-Off of Subordinated Notes. You will generally recognize capital gain or loss upon the sale, redemption, maturity, Exchange or Write-Off of your Subordinated Notes in an amount equal to the difference between the amount you receive at such time (including the fair market value of any MGL Ordinary Shares received upon an Exchange), excluding any amounts attributable to accrued but unpaid interest (which will be treated as interest payments), and your tax basis in the Subordinated Notes. In general, your tax basis in your Subordinated Notes will be equal to the price you paid for them. Capital gain of a non-corporate U.S. Holder is generally taxed at preferential rates where the property is held for more than one year. The deductibility of capital losses is subject to limitations. Such gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. Your initial tax basis in any MGL Ordinary Shares received upon an Exchange of your Subordinated Notes for MGL Ordinary Shares will equal the fair market value of the MGL Ordinary Shares received (as determined on the date of receipt) and your holding period for any MGL Ordinary Shares received upon such an Exchange will begin on the day immediately following the date of receipt of the MGL Ordinary Shares.

Medicare Tax. A U.S. Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8% tax on the lesser of (1) the U.S. Holder's "net investment income" (or "undistributed net investment income" in the case of an estate or trust) for the relevant taxable year and (2) the excess of the U.S. Holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between US$125,000 and US$250,000, depending on the individual's circumstances). A holder's net investment income will generally include its interest income and its net gains from the disposition of Subordinated Notes, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). U.S. Holders that are individuals, estates or trusts should consult their own tax advisors regarding the applicability of the Medicare tax to income and gains in respect of their investment in Subordinated Notes.

Non-U.S. Holders

Under United States federal income and estate tax law, and subject to the discussions below under "— Information Reporting and Backup Withholding" and "— U.S. Withholding Obligations," if you are a Non-U.S. Holder of a Subordinated Note, interest on a Subordinated Note paid to you is exempt from United States federal income tax, including withholding tax, unless such interest is effectively connected with the conduct by the Non-U.S. Holder of a U.S. trade or business, and, if required by an applicable income tax treaty, is attributable to such Non-U.S. Holder's permanent establishment in the United States.

If you are a Non-U.S. Holder of a Subordinated Note, you generally will not be subject to United States federal income tax on gain realized on the sale, Exchange or retirement of a Subordinated Note unless:

- the gain is effectively connected with your conduct of a trade or business in the United States, or
- you are an individual, you are present in the United States for 183 or more days during the taxable year in which the gain is realized and certain other conditions exist.

For purposes of the United States federal estate tax, the Subordinated Notes will be treated as situated outside the United States and will not be includible in the gross estate of a holder who is neither a citizen nor a resident of the United States (as specially defined for United States federal estate tax purposes) at the time of death.

Information Reporting and Backup Withholding

Payments of interest made to a U.S. Holder and proceeds to a U.S. Holder from the sale of a Subordinated Note that are made within the United States or through certain U.S.-related financial intermediaries may be subject to information reporting and to backup withholding unless the U.S. Holder is an exempt recipient or, in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that no loss of exemption from backup withholding has occurred. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against such holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that the required information is timely furnished to the IRS.

In addition, a Non-U.S. Holder may be subject to information reporting and backup withholding with respect to payments received on the Subordinated Notes, unless such Non-U.S. Holder is an exempt recipient or otherwise establishes an exemption. A Non-U.S. Holder generally will not be subject to information reporting or backup withholding, however, if it certifies as to its nonresident status (generally, by filing a W-8BEN, W-8BEN-E or such other applicable form). Amounts withheld under the backup withholding rules may be credited against a Non-U.S. Holder's U.S. federal income tax, and a Non-U.S. Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the IRS in a timely manner.

Information with Respect to Foreign Financial Assets

Individuals that (i) are either (a) a U.S. citizen, (b) a resident alien for any part of the year, (c) a nonresident alien that has made an election to be treated as a resident alien for purposes of filing a joint U.S. federal income tax return or (d) a nonresident alien who is a bonafide resident of American Samoa or Puerto Rico and (ii) own "specified foreign financial assets" with an aggregate value in excess of US$50,000 (and in some circumstances, a higher threshold), will generally be required to file an information report on IRS Form 8938 with respect to such assets with their U.S. federal tax returns. "Specified foreign financial assets" include any financial accounts maintained by foreign financial institutions, as well as any of the following, but only if they are held for investment and not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-United States persons, (ii) financial instruments and contracts that have non-United States issuers or counterparties, and (iii) interests in foreign entities. Such reporting requirement may also apply to certain non-individual holders. Holders are urged to consult their tax advisors regarding the application of this reporting requirement to their ownership of Subordinated Notes.

U.S. Withholding Obligations

The Foreign Account Tax Compliance Act ("FATCA") imposes a 30% withholding tax on certain payments to certain non-U.S. financial institutions that fail to comply with information reporting requirements or certification requirements in respect of their direct and indirect United States shareholders and/or United States account-holders. United States account-holders subject to such information reporting or certification requirements may include holders of Subordinated Notes, and the Bank may be required to withhold on a portion of any payment made under the Subordinated Notes. In addition, the Bank may be required to withhold on a portion of any payment under any Subordinated Note that is made to a non-U.S. financial institution that has not agreed to comply with these information reporting requirements. Such withholding may be imposed at any point in a chain of payments if a non-U.S. payee fails to comply with U.S. information reporting, certification and related requirements. Accordingly, Subordinated Notes held through a non-compliant institution may be subject to withholding even if the holder of the Subordinated Note otherwise would not be subject to withholding. Such withholding will generally not apply to payments made before January 1, 2017. If a holder of a Subordinated Note is subject to withholding pursuant to this paragraph, there will be no additional amounts payable by way of compensation to the holder of a Subordinated Note for the deducted amount.

The Australian Government and the U.S. Government signed an intergovernmental agreement on April 28, 2014 (the "IGA"), providing an alternative means for Australian financial institutions such as MBL to comply with FATCA. The obligations for Australian financial institutions under the IGA include IRS registration and due diligence and reporting obligations. On May 29, 2014, the Australian Government implemented domestic legislation that enacted the IGA obligations into Australian law. The IGA obligations for Australian financial institutions commenced on July 1, 2014. MBL may be subject to U.S. withholding tax if MBL fails to either (i) implement such IGA obligations or (ii) enter into an agreement with the IRS to report certain information about holders of the Subordinated Notes (an "IRS Agreement"). Holders of the Subordinated Notes may become subject to U.S. withholding if such holders fail to provide information requested by us in order to comply with an IRS Agreement.

Each holder of a Subordinated Note should consult its own tax advisor regarding this legislation in light of such holder's particular situation and the potential impact of the implemented IGA.

Commonwealth of Australia 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 ("TAA") and any relevant regulations, rulings or judicial or administrative pronouncements, at the date of this offering memorandum, of payments of interest and certain other amounts on the Subordinated Notes to be issued by the Bank and certain other matters.

This taxation summary is not exhaustive and should be treated with appropriate caution. In particular, the taxation summary does not deal with the position of certain classes of holders of Subordinated Notes (including dealers in securities, custodians or other third parties who hold Subordinated Notes on behalf of other persons). Prospective Subordinated Note holders should also be aware that particular terms of issue of Subordinated Notes may affect the tax treatment of those Subordinated Notes.

This summary is not intended to be, nor should it be construed as legal or tax advice to any particular investor. Prospective holders of Subordinated Notes should consult their professional advisers on the tax implications of an investment in the Subordinated Notes for their particular circumstances.

Interest Withholding Tax

The Australian Tax Act characterizes securities as either "debt interests" (for all entities) or "equity interests" (for companies) including for the purposes of Australian interest withholding tax ("IWT") and dividend withholding tax. IWT is payable at a rate of 10% of the gross amount of interest paid by the Bank to a non-resident of Australia (other than a non-resident that acquires its Subordinated Notes in carrying on a business at or through a permanent establishment in Australia) or an Australian resident that acquires its Subordinated Notes in carrying on a business at or through a permanent establishment outside Australia unless an exemption is available. 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.

An exemption from IWT is available in respect of Subordinated Notes issued by the Bank if those Subordinated Notes are characterized as "debentures" and are not characterized as "equity interests" for the purposes of the Australian Tax Act and the requirements of Section 128F of the Australian Tax Act are satisfied. The Bank intends to issue Subordinated Notes which will be characterized as "debentures" and which are not "equity interests" for these purposes and the returns paid on the Subordinated Notes are to be "interest". Therefore, the Bank intends to issue the Subordinated Notes in a manner which will satisfy the requirements of Section 128F of the Australian Tax Act.

If Subordinated Notes are issued which are not so characterized 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 Subordinated Notes will be specified in the relevant supplements to this offering memorandum.

In broad terms, the requirements in Section 128F for an exemption from IWT are as follows:

(a) The Bank is a company as defined in Section 128F(9) of the Australian Tax Act and is a resident of Australia when it issues those Subordinated Notes and when interest is paid;

(b) the Subordinated Notes 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 the Bank is offering those Subordinated Notes for issue. In summary, the five methods are:

(i) offers to 10 or more unrelated financiers, securities dealers or entities that carry on the business of investing in securities in the course of operating in financial markets;

(ii) offers to 100 or more investors of a certain type;

(iii) offers of listed Subordinated Notes;

(iv) offers via publicly available information sources; and

(v) offers to a dealer, manager or underwriter who offers to sell those Subordinated Notes within 30 days by one of the preceding methods.

In addition, the issue of any of those Subordinated Notes (whether in global form or otherwise) and the offering of interests in any of those Subordinated Notes by one of these methods should satisfy the public offer test;

(c) the Bank does not know, or have reasonable grounds to suspect, at the time of issue, that those Subordinated Notes or interests in those Subordinated Notes were being, or would later be, acquired, directly or indirectly, by an "associate" of the Bank, except as permitted by Section 128F(5) of the Australian Tax Act; and

(d) at the time of the payment of interest, the Bank does not know, or have reasonable grounds to suspect, that the payee is an "associate" of the Bank, except as permitted by Section 128F(6) of the Australian Tax Act.

Interest withholding tax exemptions under certain tax treaties

The Australian Government has signed new or amended double tax conventions ("New Treaties") with a number of countries (including the United States) (each a "Specified Country"). The New Treaties apply to interest derived by a resident of a Specified Country.

In broad terms, the New Treaties 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 the Bank. 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 paid 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 conventions which provides details of country, status, withholding tax rate limits and Australian domestic implementation which is available to the public at the Federal Treasury Department's website.

Payment of additional amounts

As set out in more detail in the applicable terms and conditions of the Subordinated Notes, if the Bank is at any time compelled or authorized by law to deduct or withhold an amount in respect of any Australian withholding taxes imposed or levied by the Commonwealth of Australia in Australia in respect of the Subordinated Notes, the Bank 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 Subordinated Notes after such deduction or withholding are equal to the respective amounts which would have been received had no such deduction or withholding been required. If the Bank is compelled by law in relation to any Subordinated Note 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, the Bank will have the option to redeem those Subordinated Notes in accordance with the applicable terms and conditions of the Subordinated Notes (or another relevant supplement to

this offering memorandum). No additional amounts are payable in relation to any payment in respect of the Subordinated Notes to, or to a third party on behalf of, a holder of the Subordinated Notes who is liable for the taxes in respect of the Subordinated Notes by reason of the holder of the Subordinated Note being an "associate" of the Bank for the purposes of Section 128F(9) of the Australian Tax Act.

Other Australian tax matters

Under Australian laws as presently in effect:

(a) *income tax — offshore Subordinated Note holder.* Assuming the requirements of Section 128F of the Australian Tax Act are satisfied with respect to the Subordinated Notes, payment of principal and interest to a Subordinated Note holder who is a non-resident of Australia and who, during the taxable year, does not hold the Subordinated Notes in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income taxes;

(b) *income tax — Australian Subordinated Note holders.* Australian residents or non-Australian residents who hold the Subordinated Notes in the course of carrying on business at or through a permanent establishment in Australia ("Australian Holders"), will be assessable for Australian tax purposes on income either received or accrued due to them in respect of the Subordinated Notes. Whether income will be recognized on a cash receipts or accruals basis will depend upon the tax status of the particular Subordinated Note holder and the applicable terms and conditions of the Subordinated Notes. Special rules apply to the taxation of Australian residents who hold the Subordinated Notes in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located;

(c) *gains on disposal of Subordinated Notes — offshore Subordinated Note holders.* A Subordinated Note holder who is a non-resident of Australia and who, during the taxable year, does not hold the Subordinated Notes in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income tax on gains realized during that year on the sale or redemption of the Subordinated Notes, provided such gains do not have an Australian source. A gain arising on the sale of the Subordinated Notes by a non-Australian resident Subordinated Note holder to another non-Australian resident where the Subordinated Notes are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia would not generally be regarded as having an Australian source.

If the gain arising on the sale of Subordinated Notes has an Australian source, a Subordinated Note holder may be eligible for relief from Australian tax on such gain under a double tax treaty between Australia and the Subordinated Note holder's country of residence. If protection from Australian income tax is not available under a tax treaty, it would be necessary to take into account exchange rate movements during the period that the Subordinated Notes were held in calculating the amount of the gain;

(d) *gains on disposal of Subordinated Notes — Australian Subordinated Note holders.* Australian Holders will be required to include any gain on disposal of the Subordinated Notes in their taxable income. Special rules apply to the taxation of Australian residents who hold the Subordinated Notes in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located;

(e) *deemed interest.* There are specific rules that can apply to treat a portion of the purchase price of Subordinated Notes as interest for IWT purposes when certain Subordinated Notes originally issued at a discount or with a maturity premium or which do not pay interest at least annually are sold to an Australian resident (who does not acquire them in the course of carrying on business at or through a permanent establishment outside Australia) or a non-resident who acquires them in the course of carrying on business at or through a permanent establishment in Australia. If the Subordinated Notes are not issued at a discount and do not have a maturity premium, these rules should not apply to the Subordinated Notes. These rules do not apply in circumstances where the deemed interest would have been exempt under Section 128F if the Subordinated Notes had been held to maturity by a non-resident;

(f) *death duties.* No Subordinated Notes 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;

(g) *stamp duty and other taxes.* No ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue or the transfer of *any* Subordinated Notes;

(h) *TFN withholding taxes on payments in respect of Subordinated Notes.* Section 12-140 of Schedule 1 to the Taxation Administration Act of 1953 of Australia ("*TAA*") imposes a type of withholding tax at the rate of 49% (such rate applicable for the 2014-15, 2015-16 and 2016-17 income years and, under current law, will be reduced to 47% following the 2016-17 income year) on the payment of interest on certain registered securities unless the relevant payee has quoted a TFN (in certain circumstances), an ABN or proof of some other exception (as appropriate);

Assuming the requirements of Section 128F are satisfied with respect to the Subordinated Notes, then the requirements of Section 12-140 do not apply to payments to a holder of Subordinated Notes who is not a resident of Australia and is not holding those Subordinated Notes in the course of carrying on business at or through a permanent establishment in Australia. Payments to other classes of holders of Subordinated Notes may be subject to a withholding where such holder of a Subordinated Note does not quote a TFN, ABN or provide proof of an appropriate exemption (as appropriate);

(i) *ABN supply withholding tax.* Payments in respect of the Subordinated Notes can be made free and clear of the "supply withholding tax" imposed under Australia's tax legislation;

(j) *goods and services tax (GST).* Neither the issue nor receipt of the Subordinated Notes will give rise to a liability for GST in Australia on the basis that the supply of Subordinated Notes will comprise either an input taxed financial supply or (in the case of an offshore subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest by the Bank, nor the disposal of the Subordinated Notes, would give rise to any GST liability in Australia;

(k) *qualifying securities.* Certain Subordinated Notes may be "qualifying securities" if they are issued at a discount or with a maturity premium or which do not pay interest at least annually, and the term of which, ascertained as at the time of issue will, or is reasonably likely to, exceed one year. These Subordinated Notes will generally be subject to the taxation of financial arrangements regime in Division 230 of the Australian Tax Act (see paragraph (o) below). If such Subordinated Notes are issued, further information on Australia's accruals regime will be specified;

(l) *additional withholdings from certain payments to non-residents.* Section 12-315 of Schedule 1 to the TAA 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 offering memorandum are not relevant to any payments in respect of the Subordinated Notes. Any further regulations should also not apply to repayments of principal under the Subordinated Notes, as in the absence of any issue discount or maturity premium, such amounts will generally not be reasonably related to assessable income. The possible application of any future regulations to the proceeds of any sale of Subordinated Notes will need to be monitored;

(m) *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 TAA (or any other analogous provision under another statute) requiring the Bank to deduct from any payment to any other entity (including any holder of a Subordinated Note) any amount in respect of tax payable by that other entity. If the Bank is served with such a direction in respect of a holder of a Subordinated Note, then the Bank 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 the Bank to a holder of a Subordinated Note and that holder had an outstanding Australian tax-related liability owing to the Commissioner, the Commissioner may issue a notice to the Bank requiring the Bank to pay the Commissioner the amount owing to the holder;

(n) *taxation of foreign exchange gains and losses.* Divisions 230, 775 and 960 contain rules to deal with the taxation consequences of foreign exchange transactions. The rules are complex and may apply to any Subordinated Note holders if the Subordinated Notes are not denominated in Australian dollars. Any such Subordinated Note holders should consult their professional advisors for advice as to how to tax account for any foreign exchange gains or losses arising from their holding of those Subordinated Notes; and

(o) *taxation of financial arrangements.* Division 230 of the Australian Tax Act contains tax-timing rules for certain taxpayers to bring to account gains and losses from "financial arrangements".

The rules do not apply to certain taxpayers in respect of certain short term "financial arrangements" and in respect of certain arrangements that do not give rise to a "qualifying security" (see paragraph (k) above). They also may not, for example, apply to holders of Subordinated Notes which are individuals and certain other entities (e.g. certain superannuation entities and managed investment schemes) which do not meet various turnover or asset thresholds, unless they make an election that the rules apply to their "financial arrangements". Potential holders of Subordinated Notes should seek their own tax advice regarding their own personal circumstances as to whether such an election should be made.

The rules in Division 230 do not alter the rules relating to the imposition of IWT. In particular, the rules do not override the IWT exemption available under Section 128F of the Australian Tax Act.

(p) *Taxation consequences upon Exchange*. The taxation consequences which may arise on the Exchange of Subordinated Notes into MGL Ordinary Shares are complex. In some cases, any gain or loss on the Exchange may be disregarded under the Australian Tax Act. There are also a range of tax consequences which may apply to Shareholders, or particular Shareholders, in holding, acquiring or disposing of MGL Ordinary Shares. Holders should seek their own taxation advice if their Subordinated Notes are Exchanged for MGL Ordinary Shares.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "*EU Savings Directive*"), each EU Member State is required to provide to the tax authorities of another EU Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other EU Member State or certain limited types of entity established in that other EU Member State. However, for a transitional period, Austria may instead apply a withholding system in relation to such payments, deducting tax at a rate of 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, and certain dependent and associated territories of certain EU Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in an EU Member State or certain limited types of entity established in an EU Member State. In addition, the EU Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent and associated territories in relation to payments made by a person in an EU Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

On March 24, 2014, the Council of the European Union adopted a directive amending the EU Savings Directive to materially extend its scope to cover additional types of savings income and products that generate interest or equivalent income (including certain types of life insurance contracts) as well as a broader range of investment funds. In addition, a "look through" procedure will be established to limit the opportunities for circumventing the application of the EU Savings Directive by the use of certain intermediaries. EU Member States

have until January 1, 2016 to adopt domestic legislation to give effect to these changes, which must be applied from January 1, 2017.

EMPLOYEE RETIREMENT INCOME SECURITY ACT

A fiduciary of a pension, profit-sharing or other employee benefit plan (a "plan") subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), should consider the fiduciary standards of ERISA in the context of the plan's particular circumstances before authorizing an investment in the Subordinated Notes. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the plan, and whether the investment would involve a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

Section 406 of ERISA and Section 4975 of the Code prohibit plans, as well as individual retirement accounts and Keogh plans subject to Section 4975 of the Code (also "plans"), from engaging in certain transactions involving "plan assets" with persons who are "parties in interest" under ERISA or "disqualified persons" under the Code ("parties in interest") with respect to the plan. A violation of these prohibited transaction rules may result in civil penalties or other liabilities under ERISA and/or an excise tax under Section 4975 of the Code for those persons, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption. Certain employee benefit plans and arrangements including those that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and foreign plans (as described in Section 4(b)(4) of ERISA) ("non-ERISA arrangements") are not subject to the requirements of ERISA or Section 4975 of the Code but may be subject to similar provisions under applicable federal, state, local, foreign or other regulations, rules or laws ("similar laws").

The acquisition of the Subordinated Notes and any exchange of such Subordinated Notes for MGL Ordinary Shares by a plan with respect to which we or certain of our affiliates is or becomes a party in interest may constitute or result in a prohibited transaction under ERISA or Section 4975 of the Code, unless those Subordinated Notes or MGL Ordinary Shares are acquired and held pursuant to and in accordance with an applicable exemption. Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide an exemption for the purchase and sale of securities where neither the Bank nor any of its affiliates have or exercise any discretionary authority or control or render any investment advice with respect to the assets of the plan involved in the transaction and the plan pays no more and receives no less than "adequate consideration" in connection with the transaction (the "service provider exemption"). The U.S. Department of Labor has also issued five prohibited transaction class exemptions, or "PTCEs", that may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the acquisition or holding of the Subordinated Notes or MGL Ordinary Shares. These exemptions are:

- PTCE 84-14, an exemption for certain transactions determined or effected by independent qualified professional asset managers;
- PTCE 90-1, an exemption for certain transactions involving insurance company pooled separate accounts;
- PTCE 91-38, an exemption for certain transactions involving bank collective investment funds;
- PTCE 95-60, an exemption for transactions involving certain insurance company general accounts; and
- PTCE 96-23, an exemption for plan asset transactions managed by in-house asset managers.

Any acquirer or holder of Subordinated Notes, MGL Ordinary Shares or any interest therein will be deemed to have represented by its acquisition and holding of the Subordinated Notes or MGL Ordinary Shares that either (1) it is not a plan and is not acquiring those Subordinated Notes or MGL Ordinary Shares on behalf of or with "plan assets" of any plan or (2) its acquisition or holding is eligible for the exemptive relief available under any of the PTCEs listed above, the service provider exemption or another applicable exemption. In addition, any acquirer or holder of Subordinated Notes, MGL Ordinary Shares or any interest therein which is a non-ERISA arrangement will be deemed to have represented by its acquisition or holding of the Subordinated Notes or MGL Ordinary Shares that its acquisition and holding will not constitute or result in a non-exempt violation of the provisions of any similar law.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering acquiring Subordinated Notes or MGL Ordinary Shares on behalf of or with "plan assets" of any plan or non-ERISA arrangement consult with their counsel regarding the availability of exemptive relief under any of the PTCEs listed above, the service provider exemption or any other applicable exemption, or the potential consequences of any purchase or holding under similar laws, as applicable.

If you are an insurance company or the fiduciary of a pension plan or an employee benefit plan, and propose to invest in the Subordinated Notes or MGL Ordinary Shares, you should consult your legal counsel.

PLAN OF DISTRIBUTION

Under the terms and subject to the conditions set forth in the Terms Agreement between MBL, MGL and the agents named below, the agents have severally, and not jointly, agreed to purchase, and MBL has agreed to sell to the agents, the respective principal amount of the Subordinated Notes listed opposite their names below.

Agents	Principal amount
Citigroup Global Markets Inc.	$200,000,000
HSBC Securities (USA) Inc.	$200,000,000
J.P. Morgan Securities LLC	$200,000,000
Macquarie Capital (USA) Inc.	$112,500,000
Standard Chartered Bank	$37,500,000
Total	$750,000,000

Each of the agents has agreed to use its reasonable best efforts to solicit offers to purchase the Subordinated Notes. In addition, the agents may offer the Subordinated Notes they have purchased as principal to other agents. MBL will pay each applicable agent a commission which will equal the percentage of the Principal Amount of any such Subordinated Note sold through such agent. The agents have advised that they propose initially to offer the Subordinated Notes at the issue price listed on the cover page of this offering memorandum. After the initial offering, the price to investors may be changed.

The agents are entitled to be released and discharged from their obligations under, and to terminate, the Terms Agreement in certain circumstances prior to paying MBL for the Subordinated Notes. If an agent defaults, the Terms Agreement provides that the purchase commitments of the non-defaulting agents may be increased. The agents are offering the Subordinated Notes subject to their acceptance of the Subordinated Notes from MBL and subject to prior sale and each agent will have the right, in its discretion reasonably exercised, to reject any offer to purchase Subordinated Notes received by it, in whole or in part. The Terms Agreement provides that the obligations of the several agents to pay for and accept delivery of the Subordinated Notes are subject to approval of certain legal matters by their counsel and to certain other conditions. MBL reserves the right to withdraw, cancel or modify the offer made hereby without notice and may reject orders in whole or in part whether placed directly with MBL or through an agent.

The Terms Agreement provides that MBL, and MGL in certain instances, will indemnify the agents and their affiliates against specified liabilities, including liabilities under the Securities Act, in connection with the offer and sale of the Subordinated Notes, and will contribute to payments the agents and their affiliates may be required to make in respect of those liabilities.

The Subordinated Notes are being offered by the agents or affiliates of certain of the agents in offshore transactions outside the United States in reliance on Regulation S under the Securities Act and by agents or affiliates of certain of the agents to QIBs in the United States in reliance on Rule 144A under the Securities Act.

Price Stabilization

In connection with the offering, J.P. Morgan Securities LLC, as the Stabilization Manager, and/or any person acting on behalf thereof may purchase and sell the Subordinated Notes in the open market and engage in other transactions, subject to applicable laws and regulations. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the Stabilization Manager and/or any person acting on behalf thereof of a greater principal amount of the Subordinated Notes than they are required to purchase from MBL in the offering. Stabilizing transactions consist of bids or purchases by the Stabilization Manager and/or any person acting on behalf thereof for the purpose of preventing or retarding a decline in the market price of the Subordinated Notes while the offering is in progress. These transactions may also include

stabilizing transactions by the Stabilization Manager and/or any person acting on behalf thereof for the accounts of the agents.

In addition, the Stabilization Manager and/or any person acting on behalf thereof may impose a penalty bid. A penalty bid is an arrangement that permits the Stabilization Manager and/or any person acting on behalf thereof to reclaim a selling concession from a syndicate member in connection with the offering when the Subordinated Notes originally sold by the syndicate member are purchased in syndicate covering transactions. These activities may stabilize, maintain or otherwise affect the market prices of the Subordinated Notes. As a result, the price of the Subordinated Notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued at any time. Such activities, if any, will be in compliance with all laws.

Neither MBL nor any of the agents make any representation or prediction as to the direction or magnitude of any effect that the transactions described in the immediately preceding paragraphs may have on the price of Subordinated Notes. In addition, neither MBL nor any of the agents make any representation that the agents will engage in any such transactions or that such transactions, once commenced, will not be discontinued without notice.

New Issue of the Subordinated Notes

The Subordinated Notes are new issues of subordinated securities with no established trading market. In addition, the Subordinated Notes are subject to certain restrictions on resale and transfer as described herein, including under "Offering Memorandum Summary" and "Employee Retirement Income Security Act." The Subordinated Notes will not be listed on any securities exchange. The agents have advised MBL that they presently intend to make a market in the Subordinated Notes after completion of this offering. Such market making activity will be subject to the limits imposed by applicable laws. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. A liquid or active public trading market for any of the Subordinated Notes may not develop. If an active trading market for the Subordinated Notes does not develop, the market price and liquidity of the Subordinated Notes may be adversely affected. If such Subordinated Notes are traded, they may trade at a discount from the initial issue price, depending on the market for similar securities, MBL's performance and other factors. See "Risk Factors—There may not be any trading market for the Subordinated Notes; many factors affect the trading and market value of the Subordinated Notes, including restrictions on transferability in the United States until maturity of the Subordinated Notes."

Information about the trade and settlement dates, as well as the purchase price, for a market-making transaction will be provided to the purchaser in a separate confirmation of sale.

Selling Restrictions

General

No action has been or will be taken by MBL that would permit a public offering of the Subordinated Notes, or possession or distribution of this offering memorandum, any amendment or supplement thereto, or any other offering or publicity material relating to the Subordinated Notes in any country or jurisdiction where, or in any circumstances in which, action for that purpose is required. Accordingly, the Subordinated Notes may not be offered or sold, directly or indirectly, and neither this offering memorandum nor any other offering or publicity material relating to the Subordinated Notes may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with applicable laws and regulations.

United States

The Subordinated Notes are not being registered under the Securities Act in reliance upon the exemptions from registration provided by Rule 144A under the Securities Act and upon Regulation S under the Securities Act. The Subordinated Notes are being offered hereby only (A) in the United States to QIBs in reliance on the exemption provided by Rule 144A under the Securities Act and (B) outside the United States to persons other than U.S. persons (as defined in Regulation S) ("Regulation S Purchasers") in offshore transactions in reliance upon Regulation S. The minimum Principal Amount of Subordinated Notes which may be purchased for any account is US$200,000 and

integral multiples of US$1,000 in excess thereof (or, in each case, the equivalent thereof in another currency or composite currency).

Prior to any issuance of Subordinated Notes in reliance on Regulation S, each relevant agent will be deemed to represent and agree that it will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Subordinated Notes from them during the distribution compliance period (as defined in Regulation S) a confirmation or notice substantially to the following effect:

> "THE NOTES HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (I) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (II) OTHERWISE UNTIL FORTY DAYS AFTER THE LATER OF THE DATE OF THE COMMENCEMENT OF THE OFFERING AND THE CLOSING DATE, EXCEPT, IN EITHER CASE, IN ACCORDANCE WITH REGULATION S, PURSUANT TO RULE 144A OR AN EFFECTIVE REGISTRATION STATEMENT UNDER THE 1933 ACT. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S."

In addition, until 40 days after the commencement of the offering, an offer or sale of the Subordinated Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer is made otherwise than pursuant to Rule 144A under the Securities Act or another exemption from registration under the Securities Act.

There is no undertaking to register the Subordinated Notes hereafter and they cannot be resold except (i) pursuant to an effective registration statement under the Securities Act, (ii) pursuant to the exemption from the registration requirements of the Securities Act provided by Rule 144A, (iii) in a transaction not subject to registration under the Securities Act in reliance on Regulation S, (iv) to MBL or any of its subsidiaries, or (v) to an agent that is a party to the Terms Agreement. Each purchaser of the Subordinated Notes offered hereby in making its purchase will be deemed to have made the acknowledgments, representations and agreements as set forth under "Important Notices".

Australia

No prospectus or other disclosure document (as defined in the Australian Corporations Act) in relation to the Subordinated Notes has been, or will be, lodged with ASIC. Each agent has represented and agreed that it:

(a) has not offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of any Subordinated Notes in Australia, including an offer or invitation which is received by a person in Australia; and

(b) has not distributed or published, and will not distribute or publish, this offering memorandum or any other offering material or advertisement relating to any Subordinated Notes in Australia,

unless (i) the aggregate consideration payable on acceptance of the offer or invitation by each offeree or invitee is at least A$500,000 (or its equivalent in other currencies, in either case, disregarding moneys lent by the person offering the Subordinated Notes or making the invitation or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Australian Corporations Act, (ii) the offer, invitation or distribution does not constitute an offer to a "retail client" as defined for the purposes of Section 761G of the Australian Corporations Act, (iii) the offer, invitation or distribution complies with all applicable laws and regulations relating to the offer, sale and resale of the Subordinated Notes in the jurisdiction in which such offer, sale and resale occurs, and (iv) such action does not require any document to be lodged with ASIC.

Japan

The Subordinated Notes have not been and will not be registered under the FIEA and are subject to the Special Taxation Measures Act. Each of the agents has represented and agreed that (i) it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any of the Subordinated Notes in Japan or to, or for the benefit of, any person resident in Japan (which term as used in this item (i) means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any person resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and governmental guidelines of Japan; and (ii) it (a) has not, directly or indirectly, offered or sold any Subordinated Notes to, or for the benefit of, any person other than a Gross Recipient (as defined below), and (b) will not, directly or indirectly, offer or sell any Subordinated Notes as part of its initial distribution at any time, to, or for the benefit of, any person other than a Gross Recipient. A "Gross Recipient" as used in (ii) above means (a) a beneficial owner that is, for Japanese tax purposes, neither (x) a Resident Holder, nor (y) a Non-Resident Holder that in either case is a Specially-Related Person, (b) a Designated Financial Institution, or (c) a Resident Holder whose receipt of interest on the Subordinated Notes will be made through a payment handling agent in Japan (as defined in Article 2-2, Paragraph (2) of the Cabinet Order).

Hong Kong

Each agent has represented, warranted and agreed that the Subordinated Notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Subordinated Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Subordinated Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Singapore

Each agent has acknowledged that this offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each agent has represented, warranted and agreed that it has not offered or sold the Subordinated Notes or caused the Subordinated Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell the Subordinated Notes or cause the Subordinated Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Subordinated Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Subordinated Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee of which is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of which is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Subordinated Notes pursuant to an offer made under Section 275 of the SFA, except: (1) to an

institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; (2) where no consideration is or will be given for the transfer; (3) where the transfer is by operation of law; (4) as specified in Section 276(7) of the SFA; or (5) as specified in Regulation 32 of the Securities and Futures (Offers and Investments) (Shares and Debentures) Regulations 2005 of Singapore.

United Kingdom

Each Agent will be deemed to represent and agree that: (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) received by it in connection with the issue or sale of any Subordinated Notes in circumstances in which Section 21(1) of the FSMA would not, if MBL was not an "authorized person", apply to MBL; and (b) it has complied with and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Subordinated Notes in, from or otherwise involving the United Kingdom.

Switzerland

The Subordinated Notes may not be publicly offered in Switzerland and are instead being offered by way of a private placement (i.e., to a small number of selected investors only), without any public advertisement and only to investors who do not purchase the Notes with the intention to distribute them to the public. The Subordinated Notes will not be listed on the SIX Swiss Exchange ("*SIX*") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland.

Investors will be individually approached directly from time to time. This offering memorandum, as well as any other material relating to the Subordinate Notes, is personal and confidential and does not constitute an offer to any other person. This offering memorandum, as well as any other material relating to the Subordinated Notes, may only be used by those investors to whom it has been handed out in connection with the offering of Subordinated Notes described herein and may neither directly nor indirectly be distributed or made available to other persons without the Bank's express consent. Neither this document nor any other offering or marketing material relating to the Subordinated Notes or this offering may be copied and/or publicly distributed or otherwise made publicly available in Switzerland or be used in connection with any other offer.

Neither this document nor any other offering or marketing material relating to this offering, the Bank or the Subordinated Notes have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Subordinated Notes will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA ("*FINMA*"), and the offer of Subordinated Notes has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("*CISA*"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Subordinated Notes.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "*Relevant Member State*"), each agent will be deemed to represent and agree that with effect from and including the date on which the Prospectus Directive was implemented in that Relevant Member State (the "*Relevant Implementation Date*") it has not made and will not make an offer of Subordinated Notes which are the subject of the offering contemplated by this offering memorandum as completed by the pricing supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Subordinated Notes to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant agent or agents nominated by the Bank for any such offer; or

(c) at any time in other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Subordinated Notes referred to in (a) to (c) above shall require the Bank or any agent to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "*offer of Notes to the public*" in relation to any Subordinated Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Subordinated Notes to be offered so as to enable an investor to decide to purchase or subscribe the Subordinated Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. The expression "*Prospectus Directive*" means Directive 2003/71/EC, as amended, including Directive 2010/73/EU and includes any relevant implementing measure in the Relevant Member State.

Stamp Taxes and Other Charges

Purchasers of the Subordinated Notes offered by this offering memorandum may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase and in addition to the issue price on the cover page of this offering memorandum.

Other Relationships

The agents and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the agents and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for MBL, MGL or their respective subsidiaries and affiliates, for which they received or will receive customary fees and expenses. Macquarie Capital (USA) Inc. is an affiliate and an indirect wholly-owned subsidiary of MGL.

In the ordinary course of their various business activities, the agents and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities), financial instruments (including bank loans), currencies and commodities for their own account and for the accounts of their customers, and such investment and securities activities may involve securities, instruments or assets of ours, any of MBL's affiliates, including MGL, or related to their businesses. If any of the agents or their affiliates have a lending relationship with us, certain of those agents or their affiliates routinely hedge, and certain other of those agents may hedge, their credit exposure to MBL consistent with their customary risk management policies. Typically, these agents and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in MBL's securities, including potentially the Subordinated Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Subordinated Notes offered hereby. The agents and their respective affiliates may also make investment recommendations and may publish or express independent research views in respect of such securities or instruments or in respect of assets, currencies or commodities that may be related to MBL's business, and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities, instruments, currencies or commodities.

LEGAL MATTERS

The validity of the Subordinated Notes under New York law and certain other matters of New York law and United States federal law will be passed upon for the Bank by its United States counsel, Sullivan & Cromwell, Sydney, New South Wales, Australia. Certain legal matters in connection with the offering will be passed upon for the agents by their United States counsel, Mayer Brown LLP, New York, New York, United States. Certain matters under Australian law will be passed upon for the Bank by its Australian counsel, King & Wood Mallesons. Sullivan & Cromwell and Mayer Brown LLP may rely as to matters of Australian law on the opinion of King & Wood Mallesons.

INDEPENDENT ACCOUNTANTS

The consolidated financial statements of the Bank and MGL as at, and for each of the years ended March 31, 2015, 2014 and 2013, incorporated by reference herein, have been audited in accordance with Australian Auditing Standards by PricewaterhouseCoopers, an Australian partnership ("PwC Australia"), our independent auditors, as stated in their reports appearing therein.

PwC Australia may be able to assert a limitation of liability with respect to claims arising out of its audit reports described above to the extent it is subject to the limitations set forth in the Professional Standards Act of 1994 of New South Wales, Australia (the "Professional Standards Act") and the Institute of Chartered Accountants in Australia (NSW) Scheme adopted by The Institute of Chartered Accountants in Australia and approved by the New South Wales Professional Standards Council pursuant to the Professional Standards Act, which expired on October 7, 2014 (the "NSW Accountants Scheme") (or, any predecessor scheme), and the new limitation of liability scheme, which replaced the Interim NSW Accountants Scheme effective October 8, 2014 (the "New NSW Accountants Scheme"). The New NSW Accountants Scheme has a duration of 5 years and maintains the maximum liability caps established under the Interim NSW Accountants Scheme. The Professional Standards Act, the Interim NSW Accountants Scheme and the New NSW Accountants Scheme may limit the liability of PwC Australia for damages with respect to certain civil claims arising in, or governed by the laws of, New South Wales directly or vicariously from anything done or omitted in the performance of their professional services to the Bank, including, without limitation, their audits of the Bank's financial statements. PwC Australia's maximum liability under the New NSW Accountants Scheme is capped at an amount that depends upon the type of service and the applicable engagement fee for that service, with the lowest such liability cap set at A$2 million (where the claim arises from a service in respect of which the fee is less than A$100,000) and may be up to A$75 million for audit work (where the claim arises from an audit service in respect of which the fee is greater than A$2.5 million or more). The limit does not apply to claims for breach of trust, fraud or dishonesty.

These limitations of liability may limit enforcement in Australian courts of any judgment under United States or other foreign laws rendered against PwC Australia based on, or related to, its audit of the financial statements of the Bank. Substantially all of PwC Australia's assets are located in Australia. However, the Professional Standards Act and the NSW Accountants Scheme have not been subject to judicial consideration and, therefore, how the limitations will be applied by courts and the effect of the limitations on the enforcement of foreign judgments is untested.


MACQUARIE
BANK