

SECOND SUPPLEMENT TO THE BASE PROSPECTUS  
FOR THE ISSUE OF GUARANTEED DEBT INSTRUMENTS

**MACQUARIE BANK LIMITED**

(ABN 46 008 583 542)

(incorporated with limited liability in the Commonwealth of Australia)



MACQUARIE  
BANK

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

(or equivalent in other currencies)

**Issuance of Guaranteed Debt Instruments under a Debt Instrument Programme**

**ISSUER**

Macquarie Bank Limited

**DEALERS**

BofA Merrill Lynch

Barclays Capital

Citi

Credit Suisse

Deutsche Bank

HSBC

J.P. Morgan

Macquarie Bank International Limited

Macquarie Bank Limited

National Australia Bank Limited

The Royal Bank of Scotland

UBS Investment Bank

**GUARANTOR**

Commonwealth of Australia

**ISSUING & PAYING AGENT**

Deutsche Bank AG, London Branch

The date of this Second Supplement to the Base Prospectus is 17 November 2009

## Supplemental information

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This supplement to the Base Prospectus for the issue of Guaranteed Debt Instruments ("**Second Supplement**") is supplemental to, and must be read in conjunction with, the Base Prospectus for the issue of Guaranteed Debt Instruments dated 16 September 2009, and approved by the Financial Services Authority ("**FSA**") in its capacity as competent authority under the Financial Services and Markets Act 2000 (UK) ("**FSMA**") ("**UK Listing Authority**") for the purposes of Directive 2003/71/EC of the European Parliament and the Council of 4 November, 2003 ("**Prospectus Directive**") on 18 September 2009, and the Supplement to the Base Prospectus dated 26 October 2009 ("**First Supplement**"), in each case prepared by Macquarie Bank Limited (ABN 46 008 583 542) ("**Macquarie Bank**") with respect to Macquarie Bank's U.S.\$25,000,000,000 Debt Instrument Programme and all documents which are deemed to be incorporated in, and to form part of, those documents (together with the First Supplement, the "**Base Prospectus**"). This Second Supplement constitutes a supplementary prospectus for the purposes of Section 87G of the FSMA. Unless specified otherwise, terms used herein shall be deemed to have the meanings given them in the Base Prospectus.

Application has been made to the UK Listing Authority, in its capacity as competent authority for the purposes of the Prospectus Directive, to approve this Second Supplement.

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

If any person intending to acquire, or acquiring, any Guaranteed Debt Instruments is in any doubt about whether it can rely on the Base Prospectus and this Second Supplement and/or who is responsible for its contents they should take legal advice.

None of the Macquarie Bank, the Dealers or their respective affiliates have reviewed or verified the Updated Commonwealth Disclosure (as defined below) and none of them makes any representations or warranties with respect to, or (in the case of the Dealers) accepts any responsibility for, the Updated Commonwealth Disclosure. By receiving this Second Supplement, you acknowledge that none of the Dealers, nor any of their respective affiliates, have assumed any responsibility for any part of the Updated Commonwealth Disclosure.

Other than the two reports provided by the Commonwealth of Australia each entitled "Description of the Commonwealth and the Commonwealth Guarantee" and dated 15 May 2009 ("**May 2009 Commonwealth Disclosure**") and 1 October 2009 ("**October 2009 Commonwealth Disclosure**", and, together with the May 2009 Commonwealth Disclosure, the "**Previous Commonwealth Disclosures**") and the Updated Commonwealth Disclosure (as defined below), the Commonwealth of Australia has not authorised the publication of, nor reviewed, the Base Prospectus or this Second Supplement nor verified the information contained in it nor made any representations or warranties with respect to, nor accepted any responsibility for, the contents of the Base Prospectus or this Second Supplement or any other statement made or purported to be made on its behalf in connection with Macquarie Bank or the issue and offering of Guaranteed Debt Instruments.

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

### *Updated Commonwealth Disclosure*

The report provided by the Commonwealth of Australia entitled "Description of the Commonwealth and the Commonwealth Guarantee" dated as of 6 November 2009 ("**Updated Commonwealth Disclosure**"), which report supersedes the Previous Commonwealth Disclosures and replaces the October 2009 Commonwealth Disclosure, shall be incorporated in, and form part of, the Base Prospectus.

If the Updated Commonwealth Disclosure itself incorporates any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of the Base Prospectus for the purposes of the Prospectus Directive, except where such information or other documents are specifically incorporated by reference in, or attached to, the Base Prospectus by virtue of this Second Supplement.

To the extent of any inconsistency between any statement in this Second Supplement or the Updated Commonwealth Disclosure and any statement in, or incorporated by reference into, the Base Prospectus prior to the date of this Second Supplement (including, without limitation, the Previous Commonwealth Disclosures), the statements in this Second Supplement or the Updated Commonwealth Disclosure, as the case may be, will prevail.

### ***Additional Financial Information***

#### ***2010 Interim Directors' and Financial Report***

On 30 October 2009 Macquarie Bank published its 2010 Interim Directors' and Financial Report ("**2010 Interim Financial Report**"), which includes the unaudited financial statements of Macquarie Bank consolidated with its controlled entities for the half years ended 30 September 2008, 31 March 2009 and 30 September 2009 and the independent auditor's review report in respect of such financial statements. The information in the 2010 Interim Financial Report specified below shall be deemed to be incorporated in, and to form part of, the Base Prospectus.

The unaudited financial statements of Macquarie Bank consolidated with its controlled entities for the half years ended 30 September 2008, 31 March 2009 and 30 September 2009 includes the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, Notes to the Consolidated Financial Statements, Directors' Declaration and the Independent Auditor's Review Report. These can be located in the 2010 Interim Financial Report on the following pages:

#### **2010 Interim Financial Report**

Consolidated Income Statement	4
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If any information listed in the table above itself incorporates any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of the Base Prospectus for the purposes of the Prospectus Directive, except where such information or other documents are specifically incorporated by reference in, or attached to, the Base Prospectus by virtue of this Second Supplement. Any information not listed in the table above but contained in the 2010 Interim Financial Report is given for information only.

### *Updated Information about Macquarie Bank Limited*

*The sections entitled “Information about Macquarie Bank Limited”, “Organisational Structure” and “Business Group Overview” on pages 78 to 81 (inclusive) of the Base Prospectus shall be deleted and replaced by the following:*

#### **“Information about Macquarie Bank Limited**

Macquarie Bank is headquartered in Sydney, Australia and is an ADI regulated by APRA that, directly and through its subsidiaries, engages in Australian and international financial services businesses through four operating groups and two divisions - Fixed Income, Currencies and Commodities (formerly Treasury and Commodities), Banking and Financial Services, Macquarie Funds and Macquarie Securities operating groups and the Corporate and Asset Finance and Real Estate Banking divisions.

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

Macquarie Bank’s ordinary shares were listed on ASX on 29 July 1996 until the corporate restructuring of the Macquarie group in November 2007. Although Macquarie Bank’s ordinary shares are no longer listed on ASX, Macquarie Bank’s Macquarie Income Securities continue to be listed on ASX and accordingly, Macquarie Bank remains subject to the disclosure and other requirements of ASX as they apply to ASX Debt Listings.

Prior to the Macquarie group corporate restructuring, Macquarie Bank was a widely held public company and engaged in certain investment banking activities through Macquarie Capital. On 13 November 2007 Macquarie Bank became an indirect subsidiary of Macquarie Group Limited (ABN 94 122 169 279) (“MGL”), a new ASX listed company comprising a “**Banking Group**” and a “**Non-Banking Group**”. On 16 November 2007, most of the assets and businesses of Macquarie Capital and some less financially significant assets and businesses of the former Equity Markets operating group and Fixed Income, Currencies and Commodities operating group (formerly Treasury and Commodities) were transferred from Macquarie Bank (the Banking Group) to the Non-Banking Group..

At 30 September 2009, Macquarie Bank employed over 4,500 people and had total assets of A\$127.8 billion, a Tier 1 regulatory capital adequacy ratio of 11.7%, a total regulatory capital adequacy ratio of 13.6% and total equity of A\$6.8 billion. For the half year ending 30 September 2009, Macquarie Bank’s total operating income was A\$1.6 billion and profit from ordinary activities after income tax was \$A275 million.

Macquarie Bank registered office is Level 3, 25 National Circuit, Forrest, Australian Capital Territory, 2603, Australia. Its principal place of business is No.1 Martin Place, Sydney, New South Wales 2000, Australia. The telephone number of its principal place of business is +61 2 8232 3333.

#### **Organisational Structure**

As at the date of this Base Prospectus, Macquarie Bank has four principal operating groups and two divisions:

- Fixed Income, Currencies and Commodities Group (formerly Treasury and Commodities Group);

- Banking and Financial Services Group;
- Macquarie Funds Group;
- Macquarie Securities Group;
- Corporate and Asset Finance division; and
- Real Estate Banking division.

Macquarie Bank is supported by a number of specialised areas of MGL. These shared services are provided under outsourcing arrangements with Macquarie Group Services Australia Pty Limited, a subsidiary of MGL, pursuant to service agreements and include:

- Risk Management;
- Finance;
- Information Technology;
- Group Treasury;
- Settlement Services;
- Equity Markets Operations;
- Human Resources Services;
- Business Services;
- Company Secretarial and Investor Relations Services;
- Media Relations and Corporate Communications;
- Taxation Services;
- Business Improvement and Strategy Services;
- Central Executive Services;
- Other Group-wide Services; and
- Business Shared Services.

## **Business Group Overview**

### **Fixed Income, Currencies and Commodities Group (formerly Treasury and Commodities Group)**

Fixed Income, Currencies & Commodities (FICC) provides a variety of services across the globe with an underlying specialisation in interest rate, commodity or foreign exchange related institutional trading, marketing, lending, clearing or platform provision.

The predominant FICC client base is financial institutions and significant commodity producers and consumers. With structuring, sales and trading professionals in Australia, New Zealand, the

Americas, Canada, Asia and the Middle East, FICC offers quality service and risk management solutions to meet clients' needs.

FICC offers trading, sales, research and finance covering:

- Fixed income – interest rate, debt and credit securities
- Currency – foreign exchange spot, forward and tailored services
- Commodities – metals, energy, environmental products, agriculture, freight, bulk commodities, and complementary futures services

FICC operates in most major trading markets and emerging markets around the world.

### **Banking and Financial Services Group**

Banking and Financial Services products and services include:

- Cash Management Trust (CMT), Cash Management Account (CMA), Premium Portfolio Service and Coin Financial Planning Software
- Full service stockbroking
- Edge Online broking platform
- Relationship banking services for businesses and professionals
- Private banking, executive wealth management and strategic financial planning
- Private portfolio management
- Mortgage management
- Credit cards (issuer and wholesale service provider)
- Macquarie Life insurance
- Funds management and administration.

### **Macquarie Funds Group**

Macquarie Funds Group is a full service securities fund manager with over 25 years experience. The group offers a range of investments for both retail and institutional investors across a variety of asset classes. These include:

- Equities
- Listed Infrastructure
- Private equity and hedge fund of funds
- Listed real estate
- Currencies

- Fixed income
- Cash
- Commodities.

MFG was formed in August 2008 from the merger of the funds and fund-based structured product businesses within the Funds Management Group, Equity Markets Group's Funds Products Division and Macquarie Capital Products Division.

### **Macquarie Securities Group**

Macquarie Securities Group was formed in April 2008 by merging the operating activities of the Equity Markets Group (excluding the Fund Products Division) and the Macquarie Capital Securities Division of Macquarie Capital.

Macquarie Securities activities include:

- Institutional cash equities
- Institutional / retail derivatives
- Structured equity finance
- Arbitrage trading
- Synthetic products
- Global securities finance
- Capital Management
- Collateral management
- Securities Borrowing and Lending.

### **Corporate and Asset-Finance division**

Corporate and Asset Finance provides innovative and traditional capital, finance and related services to clients operating in selected international markets. With offices in Australia, New Zealand, Asia, North America and Europe, Corporate and Asset Finance specialises in:

- Leasing and asset finance
- Tailored debt and finance solutions
- Asset remarketing, sourcing and trading.

### **Real Estate Banking division**

Real Estate Banking (REB) was formed through the merger of the real estate financing and investment businesses in March 2009.

With offices in Australia, China, South Korea, the UK and the US, REB activities encompass:

- Listed and unlisted real estate funds management
- Asset management
- Real estate investment, advisory and development management
- Real estate project and development financing.”.

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Macquarie Bank will provide, without charge, upon the written request of any person, a copy of this Second Supplement and the information which is incorporated in this Second Supplement by reference. Written requests should be directed to Macquarie Bank at its office at No. 1 Martin Place, Sydney NSW 2000, Australia, for attention of the Treasurer. In addition, such documents and information will be available for inspection free of charge at the offices of Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2 2DB, United Kingdom.

A copy of the Updated Commonwealth Disclosure has been filed with the FSA and is available for viewing at the document viewing facility of the FSA.

Copies of this Second Supplement and the 2010 Interim Financial Report will also be published on the internet site [www.macquarie.com.au](http://www.macquarie.com.au).

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

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

Save as disclosed in this Second Supplement or the Updated Commonwealth Disclosure, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

**MACQUARIE BANK LIMITED**

17 November 2009