This is an Offering Circular for the purposes of the
Business Rules of the Australian Stock Exchange Limited

OFFERING CIRCULAR
Dated 10 December 2003

MACQUARIE BANK LIMITED

(ABN 46 008 583 542)
Issuer

TWO SERIES OF CALL WARRANTS AND TWO SERIES OF PUT WARRANTS
ARE OFFERED OVER

S&P/ASX 200 SHARE PRICE INDEX

Warrants offered under this Offering Circular are offered exclusively to Associates of Macquarie Bank Limited

#20294v2

Defined Terms
Section 5 and Section 7 of this Offering Circular contain definitions of certain terms used in this document.

Information and Representations
This Offering Circular has been prepared by Macquarie Bank Limited, the Issuer of the Warrants. Any other parties distributing this product are only doing so as a distributor and not as an agent for Macquarie Bank Limited. Potential investors should note that no person is authorised by the Issuer to give any information to investors or to make any representation on behalf of the Issuer not contained in this Offering Circular.

This Offering Circular has been prepared by Macquarie only from publicly available information. No other entity has been a party to its preparation or furnished any information specifically to Macquarie for the purposes of its preparation.

Similarly, information in this Offering Circular concerning the entities forming part of the S&P/ASX 200 has not been independently verified. Macquarie has not, in preparing this Offering Circular had regard to any information concerning those companies or its subsidiaries other than that which is in the public domain. Macquarie does not therefore accept any responsibility for, and makes no representation or warranty, express or implied, as to the accuracy or completeness of such information. Investors should make their own enquiries.

Nothing in this Offering Circular can be relied upon as implying that there has been no change in the affairs of any entity forming part of the S&P/ASX 200 or Macquarie since the date as at which information is given in this Offering Circular, or as a representation as to the future in relation to any entity or Macquarie.

Offering Circular Not a Prospectus
The disclosure provisions of Part 6D.2 of the Corporations Act 2001 (Cth) are not applicable to this Offering Circular because the Warrants are not securities for the purposes of section 92(3) of the Corporations Act 2001 (Cth). Accordingly, a copy of this Offering Circular has not been and will not be lodged or registered with the ASIC. The ASIC and ASX take no responsibility for the contents of this Offering Circular or for the Warrants.

Investment Decisions
A document of this type cannot take into account the investment objectives, financial situation and particular needs of each potential investor. Accordingly, nothing in this Offering Circular is a recommendation by the Issuer or any other person concerning investment in Warrants or any other security. Potential investors should not rely on this Offering Circular as the sole basis for any investment decision in relation to Warrants, Shares or any other security and should seek independent financial and taxation advice before making a decision whether to invest in Warrants.

Unsecured Obligations
Warrants are not deposit liabilities of Macquarie. They are unsecured obligations of the Issuer and in the event of the winding up of the Issuer would rank equally with other unsecured obligations of the Issuer and ahead of subordinated debt and obligations to shareholders (in their capacity as such). Section 13A(3) of the Banking Act 1959 (Commonwealth) provides that in the event of the Issuer becoming unable to meet its obligations the assets of the Issuer in Australia shall be available to meet its deposit liabilities in Australia in priority to all other liabilities of the Issuer (including the obligations of the Issuer under the Warrants).

Jurisdiction
The distribution of this Offering Circular in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this Offering Circular comes should seek advice on and observe any such restrictions. Failure to comply with relevant restrictions may violate those laws. This Offering Circular is not an offer or invitation in relation to Warrants in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. Warrants have not and will not be registered under the Securities Act 1933 (United States of America) and may not be offered or sold in the United States of America.

Potential Conflicts of Interests
Companies in the Macquarie Bank Limited group may buy and sell Warrants, exchange traded options, futures contracts and other securities which relate to or comprise part of an Index, either as principal or agent. In addition, companies in the Macquarie Bank Limited group may from time to time advise any of the listed entities which comprise part of the Index

in relation to activities unconnected with the issue of the Warrants, including (but not limited to) general corporate advice, financing, funds management and property and other services.

The rights of Holders against the Issuer are set out in the Terms. The Issuer is not a fiduciary to Holders. Any profits earned and any losses incurred by the Issuer and its related bodies corporate in their trading activities (in relation to Securities, Warrants or otherwise) will accrue entirely to those parties independently of the Issuer's obligations to Holders as set out in the Terms.

Role of Computershare Investor Services Pty Limited

Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of this Offering Circular and its name appears for information purposes only.

Commissions

The Issuer may give to brokers to the Issue, whether in the primary or secondary market, a discount, commission or fee in respect of each Warrant placed or purchased by the broker.

Electronic Form

This Offering Circular and the Application Form are available in paper version and in electronic form. The electronic version can be found at *www.macquarie.com.au* from date of this Offering Circular until the expiry of all Series issued under this Offering Circular.

If you view an electronic copy of this Offering Circular, please ensure that you have received the entire Offering Circular accompanied by the Application Form.

Registered Trade Marks

The Share Price Index is a registered trade mark of Standard & Poor's, a division of The McGraw-Hill Companies, Inc. and has been licensed for use by Macquarie Bank Limited. The Warrants are not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of investing in securities generally or in the Warrants particularly or the ability of the Share Price Index to track general stock market performance. S&P's only relationship to the Issuer is the licensing of certain trademarks and trade names of S&P and of the Share Price Index which is determined, composed and calculated by S&P without regard to the Issuer or the Holders of the Warrants. S&P has no obligation to take the needs of the Issuer or the Holders of the Warrants into consideration in determining, composing or calculating the Share Price Index. S&P is not responsible for and has not participated in the determination of the timing of, prices at or quantities of the Warrants to be issued or in the determination of or calculation of the equation by which Warrants are to be converted into cash. S&P has no obligation or liability in connection with the administration, marketing or trading of the Warrants.

S&P DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE SHARE PRICE INDEX OR ANY DATA INCLUDED THEREIN AND S&P SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS THEREIN. S&P MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ISSUER, HOLDERS OF THE WARRANTS OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE SHARE PRICE INDEX OR ANY DATA INCLUDED THEREIN. S&P MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE SHARE PRICE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL S&P HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

Privacy Act 1988 (Commonwealth) – Collection Statement

If you complete an application for Warrants offered under this Offering Circular you will be supplying to the Issuer personal information. The Issuer will be bound by the Privacy Act 1988 (Commonwealth), as amended by the Privacy Amendment (Private Sector) Act 2002 ("the Privacy Act"), in relation to the Issuer's collection, holding, use, disclosure, management, access, correction and disposal of that information.

You should be aware that:

- You can contact us by phone, fax or email and request access to your information. In normal circumstances, we will give you full access to your information, however there may be some legal or administrative reason to deny you access, in which case we will tell you of our reason. Further, there may be some charge to give you full access where your request requires the compiling of information that has been archived or is significant in volume.

- The Issuer will use your personal information for the following purposes:
  - assessing your application for Warrants.
  - assessing the credit and other exposure that the Macquarie Bank Limited group of companies has to you.
  - to keep and maintain a register of Holders.
  - marketing of products and services which are of the same type as Warrants.
  - to determine future product and business strategies and to develop its services.
  - to comply with all applicable regulatory or legal requirements (including the requirements of ASIC, ASX, ATO and AUSTRAC).
  - to communicate with you in relation to your Warrants and all transactions relating to your Warrants.

- Your personal information may be disclosed to other entities in the Macquarie Bank Limited group of companies in carrying out the above uses. It may also be disclosed to any financial institution nominated by you in an Application Form and may be disclosed to your stockbroker or licensed financial adviser.

- While the information we ask you to supply in the Application Form is not required by law, the Issuer may not be able to assess your application if the information is not supplied.

You can also obtain a copy of the Issuer's privacy statement on *www.macquarie.com.au* or by requesting it from us.

Contents

Important Dates	
Date of Offering Circular:	10 December 2003
Offer Opens:	10 December 2003
Expected Commencement of Trading on ASX:	11 December 2003
Offer Closes:	
XJOWMB Call	3 March 2004
XJOWMC Call	3 March 2004
XJOWMU Put	3 March 2004
XJOWMV Put	3 March 2004

Section 1 General Features

The features of the Warrants are set out in detail in the following sections of this Offering Circular. This section is not a full description of the rights and obligations of a Holder, which are governed by the Terms of Issue (set out in section 5 of this Offering Circular) and the general law. Investors should read the whole of this Offering Circular before making an investment decision. If there is any conflict between this section and any other section of this Offering Circular (including the Terms) the latter prevails

What is a Warrant?

Call Warrants
Call Warrants give a Holder the right to receive the Cash Settlement Amount which is an amount in Australian dollars. The Cash Settlement Amount is payable where the Closing Level of the Index is greater than the Exercise Level for that Series at the time of exercise.

Put Warrants
Put Warrants give a Holder the right to receive the Cash Settlement Amount which is an amount in Australian Dollars. The Cash Settlement Amount is payable where the Closing Level of the Index is less than the Exercise Level for that Series at the time of exercise.

What is an American Warrant?

An American Warrant is a Warrant that can be exercised at any time before the Expiry Date or on the Expiry Date at or before the Closing Time.

What is a European Warrant?

A European Warrant is a Warrant that can only be exercised on the Expiry Date at or before the Closing Time.

Characteristics of Call or Put Warrants
The Warrants provide exposure to movements in the level of the S&P/ASX 200 Share Price Index. The S&P/ASX 200 Share Price Index comprise the ASX 100 (as it was prior to 3 April 2000) and the next 100 stock selected by turnover from companies whose index capitalisation exceeds $150 million.

The value of Call Warrants tends to rise if the level of the Index increases, and tends to fall if the level of the Index decreases. The value of Put Warrants tends to rise if the level of the Index decreases, and tends to fall if the level of the Index increases. Warrants are a leveraged investment. Both increases and decreases in the level of the Index are likely to be magnified, in percentage terms, in the Warrant price.

Adjustments to an Index
An Index may, from time to time, be adjusted by S&P or any successor sponsor to an Index. Where this is done in accordance with the current rules applying to an Index no changes will be made under the Terms of Issue. In the event, however, that there are material changes made to the structure or method of calculation of an Index, an adjustment may be made so as to reflect, as far as possible, the structure and method of calculation of an Index as applicable at the date of this Offering Circular.

Admission to Trading Status on the ASX
The fact that the ASX has admitted the Warrants to trading status is not to be taken in any way as an indication of the merits of the Issuer, any Company or the Warrants now offered for subscription. Admission to trading status of the Warrants pursuant to this Offering Circular will commence as soon as practicable after the release of acceptances on the Company Announcements Platform of the ASX. The ASX does not warrant the accuracy or truth of the contents of this Offering Circular.

In not objecting to the Terms of Issue or by admitting the Warrants to trading status, the ASX has not authorised or caused the issue of this Offering Circular and is not in any way a party to or concerned in authorising or causing the issue of this Offering Circular or the making of offers or invitations with respect to the Warrants. The ASX takes no responsibility for the contents of this Offering Circular. In particular, the ASX has not formed a view as to whether this Offering Circular complies with the "reasonable investor" standard of disclosure contained in Rule 8.7.5 of the ASX Business Rules, this being the responsibility of the Issuer. The ASX makes no representation as to whether this Offering Circular and the Terms of Issue comply with the Corporations Act 2001 (Cth) or the ASX Business Rules. To the extent permitted by the Trade Practices Act or any other relevant law, the ASX will be under no liability for any claim whatsoever, including for any financial or consequential loss or damage suffered by Holders or any other person, where that claim arises wholly or substantially out of reliance on any information contained in this Offering Circular or any error in, or omission from, this Offering Circular.

Dividends and Voting Rights
Holders of Warrants are not entitled to dividends or rights (including voting rights) in respect of the Securities comprising the Index.

Section 1 General Features

Risks
Investing in Warrants involves a significant degree of risk, including the risk that the entire investment will be lost.

Some of the risks involved in investing in Warrants are more fully described in Section 3. Potential investors should ensure that they fully understand the risks involved and consult with relevant advisers before making any investment decision.

Extraordinary Events and Material Changes
Offerees should note that some provisions of the Terms of Issue confer discretions on the Issuer. These discretions include the discretion to nominate Extraordinary Events (see Clause 1.7 of the Terms of Issue) and to determine whether there has occurred a material change to the relevant Index (see Clause 1.6 of the Terms of Issue). The exercise or non-exercise of these discretions could adversely affect the value of the Warrants.

In particular, if the Issuer, with the consent of the ASX, nominates an Extraordinary Event (for example, where there is a material change in the method of calculation of the Index), the Warrant will be cancelled and the Issuer will pay to the Holder the Cash Settlement Amount, calculated in accordance with Clause 4.7 of the Terms of Issue.

Holders do not have the power to direct the Issuer concerning the exercise of any discretion, although the Issuer may only exercise certain discretions with the consent of ASX. The discretions are set out in the Terms of Issue.

Taxation
Purchasing, holding, selling or exercising Warrants will have income tax or capital gains tax implications for investors. The tax consequences will depend on the particular circumstances of each Holder. Potential investors should seek independent advice referable to their own circumstances prior to making any investment decision.

Section 2 Description of the Warrants

SUMMARY TABLE OF WARRANTS

ASX Code	American or European	Index	Call or Put	Exercise Level	Expiry Date	Index Multiplier*
XJOWMB	European	S&P/ASX 200	Call	3250	17/03/04	$0.005
XJOWMC	European	S&P/ASX 200	Call	3350	17/03/04	$0.005
XJOWMU	European	S&P/ASX 200	Put	3150	17/03/04	$0.005
XJOWMV	European	S&P/ASX 200	Put	3250	17/03/04	$0.005

*The Index Multiplier is used to convert the level of an Index into a dollar value

Issuer

Macquarie Bank Limited. Section 6 contains more information on the Issuer.

Maximum Issue Size

The initial issue size for each Series is set out below. The Issuer reserves the right, without the consent of or the giving of prior notice to the Holders, to increase the maximum issue size by seeking the consent of the ASX to such increase at any time during the Offer Period.

ASX Code	Maximum Issue Size
XJOWMB	10 million
XJOWMC	10 million
XJOWMU	10 million
XJOWMV	10 million

Minimum Subscription and Underwriting

There is no minimum number of Warrants which must be issued for the offer to proceed. The offer is not underwritten.

Offer Period

The offer of Warrants under this Offering Circular is open from 9:00am (Sydney time) on 10 December 2003 and will close with respect to a particular Series on the earlier of the day which is two weeks prior to the Expiry Date and the date being six months after the date of this Offering Circular, subject to the rights of the Issuer to withhold offering any or all Series of Warrants at any time and for any period of time and to close the offer with respect to any or all Series of Warrants on an earlier date without prior notice. No Warrants will be issued on the basis of this Offering Circular later than six months after the date of this Offering Circular.

The Issuer reserves the right and currently intends to continue to issue Warrants in each Series after the commencement of trading of Warrants on the stock market conducted by ASX.

Issue Price

This Offering Circular does not specify the price at which Warrants of a particular Series will be issued. The issue price (or "Premium") will depend on the level of the relevant Index and other parameters at the time the offeror agrees to subscribe for Warrants and will therefore vary from time to time during the offer period.

Offer and Application Procedure

No Warrants are offered under this Offering Circular to any person except Associates of the Issuer. Offers from any other person will not be accepted.

Associates of the Issuer may make offers to subscribe for Warrants. Offers must be made on the Offer Form. Acceptance of any offer will occur only when the Issuer causes the ASX to release, through the Company Announcements Platform an announcement of the Issuer's acceptance of the offer for the number of the relevant Warrants.

The Associates of the Issuer which subscribe for Warrants will act in accordance with the directions of the Issuer. Accordingly, the Warrants subscribed for by the Associates of the Issuer may be offered from time to time on the ASX in the discretion and at the direction of the Issuer. Potential purchasers of the Warrants can obtain a copy of this Offering Circular from the Issuer.

Trading

Permission has been granted for the Warrants offered by this Offering Circular to be admitted to trading status on the stock market conducted by ASX.

Treatment of Dividends and Rights

Warrants do not confer on the Holder any entitlement to any dividends or other distributions nor to any rights (including voting rights) in respect of any securities included in the Index.

Exercise Procedure

Holders wishing to exercise Warrants of a Series must lodge with the Issuer a completed Exercise Notice for a number of Warrants of that Series no later than 4:15pm on the Expiry Date.

In respect of an American Warrant the Exercise Notice must be lodged no later than 4.15 pm on a Business Day which is not later than the Expiry Date. The Business Day on which the Exercise Notice is duly given is the Exercise Day for that Warrant.

In respect of a European Warrant, the Exercise Notice must be lodged on the Expiry Date not later than 4.15 pm. If an Exercise Notice is received prior to the Expiry Date, it will be treated as having been received on the Expiry Date.

If a Holder fails to give an Exercise Notice in accordance with the Terms of Issue, the Holder will be deemed to have given an Exercise Notice on the Expiry Date.

Exercise

On the giving of an effective Exercise Notice, the Issuer will make a payment in Australian dollars to the Holder equal to the Cash Settlement Amount, if any, as determined in accordance with clause 4.6 of the Terms of Issue, to fulfil the Issuer's obligations under the Warrant.

CHESS

ASX has implemented automation of the transfer and settlement system for transactions in Australian quoted securities, under which transfers are executed in paperless form and issue of certificates is not required. This system is called the Clearing House Electronic Subregister System ("CHESS"). It is expected that over time all securities traded on ASX will participate in CHESS.

The Issuer has applied to have the Warrants admitted to CHESS. When the Warrants become "CHESS Approved Securities", holdings will be registered on two subregisters: an electronic CHESS subregister and an issuer sponsored subregister. Warrants held by a Holder who is a participant in CHESS or a person sponsored by a participant in CHESS will be registered on the CHESS subregister. All other Warrant Holdings will be registered on the issuer sponsored subregister.

Under the CHESS system, Holders will be provided with a holding statement and will be provided with a new holding statement whenever there is a change in holding, rather than with a certificate. The holding statement will be similar to a bank statement and will record the number of Warrants held and the particulars of the Holder, including the Holder's Holder Identification Number in the case of a CHESS Holder or a Shareholder Reference Number in the case of an Issuer Sponsored Holder.

Holders who hold Warrants with more than one sponsoring participant will receive separate holding statements from ASX.

Register

The Warrants will be noted in a register of Warrants maintained by Computershare Investor Services Pty Limited.

Section 2 Description of the Warrants

Risk Factors
Investment in Warrants involves a degree of risk. The risks are described in more detail in section 3.

An investment in Warrants is considered by the Issuer to be suitable only for investors who fully understand the risks involved and are prepared to sustain a loss of up to the full amount paid for a Warrant.

The Issuer recommends that potential investors obtain independent financial and taxation advice before acquiring Warrants.

Buy-back
The Issuer currently intends to make a market (provide buy and sell quotes) in Warrants on ASX and therefore to buy-back and re-sell in the course of so doing Warrants which have been issued.

Section 3 Risk Factors

Investing in Warrants involves a degree of risk. Potential investors should ensure that they understand fully all of the risks involved in holding Warrants and where necessary, should obtain independent financial advice on the risks. This section is a summary of some of these risks, but is not a substitute for independent advice.

Performance by the Issuer

The value of the Warrants depends on, among other things, the ability of the Issuer to perform its obligations in accordance with the Terms of Issue by making the payments referred to in the Terms of Issue. The financial performance of the Issuer may affect its ability to meet such obligations.

The performance by the Issuer of its obligations under the Warrants is not guaranteed by ASX, the National Guarantee Fund or the Options Clearing House.

Section 6 includes information about the business activities and financial position of the Issuer.

National Guarantee Fund - Not a Guarantor in all Cases

Claims against the National Guarantee Fund may be made in respect of secondary trading in Warrants between brokers on the stock market conducted by ASX. Claims can in no way relate to the Issuer's obligations in respect of the primary issue of the Warrants or the settlement obligations of the Issuer arising from the exercise or lapse of a Warrant.

Factors Affecting Warrant Value

The market price of a Warrant is expected to be dependent upon such factors as the level of the Index, the volatility of the Index and the securities comprising the Index, the level and volatility of the Share Price Index futures contract (which is traded on the Sydney Futures Exchange) or any replacement futures contract, the level of interest rates, the time remaining until the Expiry Date and other interrelated and complex factors and general risks applicable to stock markets on which securities comprising the Index and the Warrants are traded.

The market price of a Call Warrant is likely to fall if the level of the Index falls. The market price of a Put Warrant is likely to fall if the level of the Index rises. The performance of the relevant Index will affect the market value of the Warrant. The Issuer makes no representation or warranty as to the performance of any Index.

Possible Illiquidity of Trading Market

Investors should be aware that there is no accurate indication as to the extent to which the Warrants will trade in the secondary market, nor is there sufficient evidence as to whether that market will be liquid or illiquid.

From time to time the Issuer (or other members of the Macquarie Bank Limited Group of companies) may deal in listed securities some of which are included in an Index. Significant dealing in such securities may impact on the level of the Index. In addition, companies in the Macquarie Bank Limited group may from time to time advise any of the listed entities which comprise part of the Index in relation to activities unconnected with the issue of the Warrants, including (but not limited to) general corporate advice, financing, funds management and property and other services.

General Market Risks

General movements in local and international stock markets, prevailing and anticipated economic conditions, investor sentiment, interest rates and exchange rates could all affect the market price of Warrants. These risks are generally applicable to any investment on ASX or any other stock market.

Exercise of Discretion by the Issuer

Offerees should note that some provisions of the Terms of Issue confer discretions on the Issuer. These discretions include the discretion to nominate Extraordinary Events (see Clause 1.7 of the Terms of Issue) and to determine whether there has occurred a material change to the relevant Index (see Clause 1.6 of the Terms of Issue). The exercise or non-exercise of these discretions could adversely affect the value of the Warrants.

Holders do not have the power to direct the Issuer concerning the exercise of any discretion, although the Issuer may only exercise certain discretions with the consent of ASX. The discretions are set out in the Terms of Issue.

Change to Terms of Issue
The Issuer may in certain circumstances make Changes to the Terms of Issue. These circumstances include:

(a) where the terms of the Change are authorised by a resolution of Holders;

(b) with the consent of ASX where the Change is necessary or desirable in the reasonable opinion of the Issuer to comply with any statutory or other legal requirement or any requirements of ASX; or

(c) with the consent of ASX where the Issuer determines that certain provisions of the Terms of Issue are inappropriate in a general way.

Schedule 4 of the Terms of Issue provides that a resolution of Holders is validly passed only where:

(a) the Issuer notifies every Holder of the proposed Change;

(b) the Issuer supplies the Holder with a document setting out the reasons for, and any advantages and disadvantages of, the proposed Change;

(c) the Issuer supplies the Holder with a ballot paper allowing the Holder to vote for or against the proposed change either by way of a postal ballot or at a meeting of Holders (at the discretion of the Issuer); and

(d) not less than three times as many votes are validly cast in favour of the Change as are validly cast against it.

Suspension of Warrant Trading
Trading of Warrants on ASX's stock market may be halted or suspended by ASX. This may occur whenever ASX deems such action appropriate in the interests of maintaining a fair and orderly market in Warrants or otherwise deems such action advisable in the public interest or to protect investors.

The withdrawal of admission to trading status or suspension of the Warrants may, in the Issuer's discretion, cause the Warrants to lapse if such withdrawal or suspension is deemed to be an Extraordinary Event by the Issuer.

Potential Conflicts of Interests
The rights of Warrant Holders against the Issuer are set out in the Terms of Issue. The Issuer is not a fiduciary of any Warrant Holders. Any profits earned and any losses incurred by the Issuer and its related bodies corporate in their trading activities (in relation to Warrants or otherwise) will accrue entirely to those parties independently of the Issuer's obligations to Warrant Holders.

Section 4 Description of the Underlying Financial Instrument: The Index

The information in this section is intended only as a general summary of the nature of the Indices, and not as a complete description. The information has been extracted and summarised from publicly available sources. The Issuer has made no attempt to summarise all of the information from the sources identified nor to verify the correctness of or to update this information. Potential investors should obtain advice from a stockbroker or qualified financial adviser on the merits of an investment in any Series of Warrants.

Introduction

On 3 April 2000, the Australian Stock Exchange restructured its benchmark equity index for the Australian share market, the All Ordinaries Index (AOI).

The restructure involved increasing the number of stocks in the AOI from around 250 to 500, and introducing a new family of AOI subset indices, made up of 20, 50, 100, 200 and 300 stocks respectively.

On 23 February 2002, ASX announced the sale of its index business to Standard & Poor's, an independent global index provider in the United States. The new ownership became effective on 3 April 2002.

S&P/ASX 200 Share Price Index

The S&P/ASX 200 SPI comprises the previous ASX 100 (prior to 3 April 2002) and the next 100 stocks selected by turnover from companies whose index capitalisation exceeds $150 million.

Guidelines for the construction of the S&P/ASX 200 SPI are available on ASX's Internet site, www.asx.com.au. The guidelines include:

- The S&P/ASX 200 SPI (Index) is a closed ended (fixed number) index;
- Downweighting factors used in the construction of the Index is based on liquidity;
- If a company's free float falls below 15% and it is in the Index it will no longer be eligible for inclusion;
- If a company in the Index is subject to a Takeover Offer or Announcement or a Scheme of Arrangement, and its free float falls below 25%, the downweighting factor will be immediately adjusted so that:
  - if the free float is greater than 20% but less than 25%, the maximum downweighting factor will be 50%;
  - if the free float is greater than 15% but less than 20%, the maximum downweighting factor will be 25%; and
  - if the free float is below 15% the company will be removed from the Index.
- Companies which are suspended from trading shall be retained in the index at the last index price prior to suspension;
- The portfolios for the Index will be reviewed quarterly using the previous 6 months data;
- The index capitalisation used in determining whether a particular company displaces an existing member in a size index or is displaced by a potential new entrant at a periodic review of the Index will be calculated as a six month average market capitalisation multiplies by the downweighting factor that applies to the particular company.

1. **INTERPRETATION**

1.1 **Definitions**

In these Terms unless the context otherwise requires:

"American Warrant" means a Warrant specified in Section 2 as being American in type;

"ASX" means the Australian Stock Exchange Limited (ACN 008624691);

"ASX Business Rules" means the business rules of the ASX;

"Business Day" means a day on which the stock market conducted by the ASX is open for trading and banks are open for general business in both Sydney and Melbourne;

"Call Warrant" means a Warrant specified in Section 2 as a Call Warrant;

"Calculation Agent" means Macquarie Bank Limited (ABN 46 008 583 542), unless the ASX requires a different Calculation Agent, in which event the Issuer will use reasonable endeavours to appoint a new Calculation Agent which has been approved by the ASX to make such calculations and to do such other things as required under these Terms of Issue;

"Cash Settlement Amount" means the amount determined in accordance with clause 4.6;

"Change" means, in respect of these Terms, any modification, variation, alteration or deletion of, or addition to, these Terms;

"Closing Date" means in relation to each Series, the following date:

ASX Code	Closing Date
XJOWMB	3 March 2004
XJOWMC	3 March 2004
XJOWMU	3 March 2004
XJOWMV	3 March 2004

"Closing Level" means, on any day, in respect of the Index, the closing level of the Index on that day as reported to or published by S&P;

"Closing Time" means 4.15 pm (Sydney time);

"Complete" means, in relation to a Warrant, the performance by the Issuer and the Holder of all the obligations specified in these Terms following the giving by the Holder of an effective Exercise Notice;

"Default Rate" means the overdraft rate from time to time of the Issuer's principal banker for amounts in excess of $100,000;

"European Warrant" means a Warrant specified in Section 2 as being European in type;

"Exercise Day" means subject to Clause 5.4:

(a) in respect of an American Warrant:

(i) if an Exercise Notice is received by the Issuer at the Office on a Business Day before the Closing Time, that day;

(ii) if an Exercise Notice is received by the Issuer at the Office either on a day which is not a Business Day or on a Business Day but after the Closing Time, the following Business Day; and

(b) in respect of a European Warrant, if an Exercise Notice is received on or before the Closing Time on the Expiry Date, the Expiry Date.

"Exercise Level" means in relation to each Series, the Exercise Level specified in Section 2 for the relevant Series of Warrants;

"Exercise Notice" means a notice in the form of Schedule 3 given by the Holder or other person entitled to give such a notice to the Issuer in respect of a Warrant in accordance with Clause 5;

"Expiry Date" means, in relation to each Series, the Expiry Date specified in Section 2 for the relevant Series of Warrants;

"Extraordinary Event" means an event the subject of a nomination under Clause 1.7 which has not been withdrawn under Clause 1.8;

"Holder" means the person whose name is for the time being entered in the Register as the holder of a Warrant;

"Index" means the S&P/ASX 200 Share Price Index;

"**Index Multiplier**" in relation to a Series of Warrants means the Index Multiplier specified in Section 2 for the relevant Series of Warrants;

The Index Multiplier is used to convert the level of an Index into a dollar value.

"**Issuer**" means Macquarie Bank Limited (ABN 46 008 583 542) which in the ASX Business Rules is described as the "Warrant-Issuer";

"**Office**" means the principal office of the Issuer in Sydney or another office of the Issuer of which the Issuer has given notice to the Holder;

"**Opening Date**" means 10 December 2003;

"**Premium**" means, in relation to each Warrant, the amount paid for subscription of that Warrant;

"**Pricing Day**" means any date on which the level of the Index is to be determined by the Calculation Agent in relation to the Warrants;

"**Put Warrant**" means a Warrant specified in Section 2 as a Put Warrant;

"**Register**" means the register of Holders kept and maintained by the Issuer in accordance with Clause 3.1;

"**SCH**" means the ASX Settlement and Transfer Corporation Pty Limited (ANC 008504532) as approved as the Securities Clearing House under the Corporations Act 2001 (Cth) or any Clearing House or other entity which is substituted for it;

"**SCH Business Rules**" means the business rules of SCH;

"**Security**" means at any time, each of the securities which comprise the Index at that time;

"**Series**" means each of the Warrants issued with identical rights as the result of an offer made in the period from the Opening Date for that Series to the Closing Date for that Series;

"**S&P**" means Standard & Poor's, a division of The McGraw Hill Companies Inc;

"**Termination Date**" has the meaning set forth in Clause 2.3".

"**Terms**" means these terms of issue;

"**Warrant**" means a warrant issued under these Terms.

1.2 General

In these Terms unless the context otherwise requires:

(a) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation issued under, that legislation or legislative provision;

(b) the singular includes the plural and vice versa;

(c) a reference to an individual or person includes a corporation, partnership, joint venture association, authority, trust, government and governmental authority and vice versa;

(d) a reference to a gender includes all genders;

(e) a reference to a Clause, Schedule or Annexure is to a clause, schedule or annexure of or to these Terms;

(f) a reference to any agreement or document (including, without limitation, these Terms, the ASX Business Rules and the SCH Business Rules) is to that agreement or document (and, where applicable, any of its provisions) as amended, novated, supplemented or replaced from time to time;

(g) a reference to "dollars", "cents" and "$" is a reference to Australian currency;

(h) where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning;

(i) a reference to a date or time is to that date or time in Sydney;

(j) a reference to Warrants "ceasing to be officially quoted" is to those Warrants ceasing to be officially quoted on the stock market conducted by ASX whether that occurs by reason of delisting, suspension or otherwise;

(k) expressions not otherwise defined in these Terms which are defined in the Corporations Act 2001 (Cth) have the meaning given to them in the Corporations Act 2001 (Cth);

(l) the expression "Business" followed by the name of a day of the week means that day of the week which is also a Business Day; and

(m) unless otherwise specified, references to determinations in respect of the Index are references to those determinations made by or published by the S&P or successor to S&P (in accordance with Clause 1.5)

1.3 Headings

In these Terms, headings are for convenience only and do not affect interpretation.

1.4 Business Rules

All provisions of these Terms are subject, to the extent that they apply to the Warrants, to any contrary requirement from time to time of the ASX Business Rules or the SCH Business Rules unless ASX or SCH (as applicable) gives or has given a waiver or consent in respect of the Warrants (whether or not subject to conditions) of any or all of those rules.

1.5 Successor Index

If on any Pricing Day the Index is:

(a) not calculated and published by S&P but is calculated and announced by or to a successor to S&P, such successor being acceptable to the Calculation Agent; or

(b) replaced by a successor index which, in the determination of the Calculation Agent, uses the same or substantially similar formula for and method of calculation of the successor index as was used in the calculation of the Index,

then the Index so calculated or the new index (as the case may be) will be deemed to be the Index.

1.6 Discontinuation or Modification of an Index

If:

(a) S&P or any successor sponsor (as referred to above) makes a material change in the formula for or the method of calculating the Index or in any way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent shares and capitalisation or other routine event); or

(b) S&P (or any successor sponsor of the Index) fails or ceases to calculate and announce the Index,

then, the Calculation Agent will (in consultation with the ASX) calculate and, where applicable, continue to calculate the Index (and any relevant component of the Index) in lieu of a published level for the Index as determined by the Calculation Agent in accordance with the formula for and method of calculating the level of the Index in effect prior to the change or failure occurring, but using only those securities that comprised the Index immediately prior to that change or failure (other than those securities that have since ceased to be listed on the ASX).

1.7 Nomination of Extraordinary Event

Subject to clauses 1.5 and 1.6 the Issuer may at any time, with the consent of ASX, nominate as an Extraordinary Event any event which:

(a) continues for a period of 24 hours or more and which is:

(i) the cessation of publication of the Index;

(ii) the suspension of or a material limitation of trading in:

(A) securities which together comprise a material percentage weight of the Index; or

(B) securities generally on the ASX; or

(iii) the suspension or material limitation of trading in the Share Price Index futures contract (or any then equivalent futures contract) traded on the Sydney Futures Exchange (or any successor entity);

(b) is a material change in the method of calculation of the Index; or

(c) causes the withdrawal of admission to trading status or suspension of the

Warrants (except in the case of where that withdrawal or suspension is caused by the Issuer).

1.8 Withdrawal of Nomination

Where the Issuer has nominated an event as an Extraordinary Event under Clause 1.7, the Issuer may in its discretion and with the consent of ASX, withdraw that nomination at any time before the earlier to occur of:

(a) ten Business Days of that nomination being made; and

(b) the Issuer making payment under clause 4.7, and

the Warrant is deemed to never have lapsed under Clause 2.3.

1.9 Notice of Nominations or Withdrawals

Where a nomination of an event is made under Clause 1.7 or a nomination is withdrawn under Clause 1.8, the Issuer must immediately notify that nomination or withdrawal of nomination (as the case may be) by:

(a) placing a notice in a major financial daily newspaper (if any) and a major daily newspaper in each State and Territory of Australia giving details of the nomination or withdrawal of nomination (as the case may be); and

(b) giving a copy of the text of that notice to ASX and, when the Warrants are CHESS Approved Securities, to SCH.

1.10 Series of Warrants

These Terms apply separately to each Series and the definition of Exercise Price, Exercise Level, Expiry Date, Extraordinary Event, Holder, Index Multiplier, Register and Series are to be construed accordingly.

1.11 Correction of Index

If the level of the Index published by S&P or any subsequent sponsor of the Index on a Pricing Day is subsequently corrected and the correction published by S&P or any subsequent sponsor of the Index within 5 Business Days of the original publication, the Issuer may notify the Holders of the Warrants of the corrected amount and, where applicable, the adjusted amount that is payable in accordance with these Terms of Issue or, where the Issuer has already made payment to a Holder, the amount that is payable as a result of that correction. If notice of an amount that is payable is given, the Issuer or each Holder (as applicable) must within 20 Business Days pay to the other party that amount.

2. THE WARRANT

2.1 Issue of Warrant

In consideration for the payment of the Premium to the Issuer (receipt of which is acknowledged by the Issuer) and following acceptance of the offer by a release of an announcement through the Company Announcements Platform, the Issuer agrees to issue a Warrant to the Holder in the relevant Series.

2.2 Nature of Warrant

Subject to these Terms of Issue a Warrant gives the Holder the right to give the Issuer in accordance with these Terms of Issue an Exercise Notice which, once given, is irrevocable and which:

(a) in respect of a European Warrant, may only be given on the Expiry Date on or before the Closing Time; and

(b) in respect of an American Warrant, may be given on or before the Closing Time on the Expiry Date.

2.3 Lapse of Warrant

The Warrant automatically lapses if there is an Extraordinary Event which has, with the consent of the ASX, been nominated by the Issuer under Clause 1.7, with that lapse taking effect on and from the Business Day on which that nomination is made ("Termination Date").

2.4 Deemed Exercise Notice

If the Warrant has not been exercised before the Closing Time on the Expiry Date the Holder, or the person determined to be entitled to be the Holder in accordance with clause 4.3, will be deemed to have given the Issuer an Exercise Notice. The Exercise Day will be the Expiry Date.

2.5 Cancellation

Where the Issuer is the Holder of the Warrant, the Issuer may cancel the Warrant by recording the cancellation in the Register.

2.7 Buy Backs

The Issuer may buy back the Warrant and become the Holder of the Warrant, which will not lapse when bought back. The Warrant may be resold by the Issuer.

3. REGISTER OF HOLDERS, CERTIFICATES AND TRANSFERS

3.1 Register

The Issuer must keep and maintain (at its cost) a register of the Holders in accordance with the provisions of Schedule 1 and in accordance with the requirements of the ASX Business Rules and the SCH Business Rules.

3.2 No Certificates for Warrants

The Issuer need not issue a certificate evidencing the title of the Holder to the Warrant but must comply with the ASX Business Rules concerning the issue of notices relating to Warrants and the SCH Business Rules.

3.3 Transfer

A Warrant may be transferred if and only if the transfer is in the form prescribed by or under the ASX Business Rules and the SCH Business Rules or, if permitted, in accordance with the provisions of Schedule 2.

3.4 Registration of Transfer of Warrants

The Issuer:

(a) must deal with, certify and register a transfer of a Warrant which complies with Clause 3.3 in accordance with the ASX Business Rules and the SCH Business Rules; and

(b) may refuse to register such a transfer where such refusal is permitted by, and in accordance with any procedures prescribed by, the ASX Business Rules and the SCH Business Rules.

3.5 Holder Entitled to Copy of Terms

Where the Holder gives notice to the Issuer requesting a copy of these Terms accompanied by a fee of $10, the Issuer must, within ten (10) Business Days of receipt of that notice and payment, supply a copy of these Terms (incorporating any Changes) to the Holder.

3.6 Copy of Terms Available

The Issuer must keep available for inspection at the Office a copy of these Terms (incorporating any Changes) and the Holder and any member of the public has the same right to inspect these Terms as it has to inspect the Register.

4. COMPLETION OF WARRANT

4.1 Exercise Notice

Subject to Clauses 4.2 and 4.3, the Holder of a Warrant may require Completion of the Warrant by giving to the Issuer an Exercise Notice.

4.2 Completion by Unregistered Person

Subject to Clause 4.3, where a person claims to be entitled to be registered as the Holder of a Warrant, that person may give the Issuer an Exercise Notice specifying that the person claims to be so entitled and in those circumstances, if the person giving the Exercise Notice becomes the Holder of the Warrant within 5 Business Days after the Exercise Day, the Exercise Notice is to be treated as having been properly given and, subject to that Clause, becomes effective immediately on that person becoming so registered.

4.3 Multiple Exercise Notices

If more than one Exercise Notice which is otherwise effective is given under either or both Clause 4.1 and Clause 4.2 in respect of a Warrant, the only Exercise Notice in respect of that Warrant which is to be treated as being effective is that given by the person who, to the knowledge, or in the reasonable opinion, of the Issuer, was the last of those persons who, before the Closing Time on the Exercise Day in respect of the first such Exercise Notice, became entitled to be the Holder of that Warrant (which may, if that is the case, include the Holder at the Closing Time on the Exercise Day) and every other Exercise Notice given in respect of that Warrant notwithstanding Clauses 4.1 and 4.2 is of no force or effect.

4.4 Effectiveness of Exercise Notices

An Exercise Notice given under Clause 4.1 or Clause 4.2 becomes effective if and only if the Warrant does not lapse under Clause 2.3 before Closing Time on the Expiry Date.

If this condition is not satisfied, the Exercise Notice is not effective and the Issuer must give a notice to that effect accompanied by the purported Exercise Notice and all documents which accompanied it to the person who gave the Exercise Notice.

4.5 Obligation to Complete

Upon and by virtue of an Exercise Notice in relation to a Warrant becoming effective or being deemed to be given in accordance with clause 2.4:

(a) the obligations of the Issuer to Complete the Warrant become unconditional; and

(b) the Issuer and the Holder must Complete the Warrant in the manner described in clause 4.6.

4.6 Cash Settlement Amount

If an effective Exercise Notice is given (or is deemed to be given pursuant to clause 2.4) by Closing Time on the Expiry Date in respect of a Warrant the Issuer must, within twenty (20) Business Days after the Exercise Day, pay to the Holder the amount per Warrant exercised determined by the following formulae:

In the case of a Call Warrant

CSA = (CL - EL) x IM

Where:

CSA = the amount to be paid, provided where CSA would be determined to be a negative number CSA will equal zero;

CL = the Closing Level on the Exercise Day;

EL = the Exercise Level; and

IM = the Index Multiplier;

In the case of a Put Warrant

CSA = (EL - CL) x IM

Where:

CSA = the amount to be paid, provided where CSA would be determined to be a negative number CSA will equal zero;

CL = the Closing Level on the Exercise Day;

EL = the Exercise Level; and

IM = the Index Multiplier;

4.7 Extraordinary Event

If the Warrant lapses under Clause 2.3 the Issuer must, within ten (10) Business Days after the Termination Date, pay to the Holder the amount per Warrant held determined as the Cash Settlement Amount provided that the Termination Date will be deemed to be the Exercise Day.

5. NOTICES

5.1 Method of giving Notices by Issuer

Except where otherwise provided by these Terms, all notices required or permitted to be given by the Issuer to the Holder pursuant to these Terms or the ASX Business Rules must be written and are treated as being duly given if:

(a) left at the person's address; or

(b) sent by pre-paid mail to that person's address (which must be air mail if that address is not within Australia).

5.2 Time of Receipt

A notice given by the Issuer in accordance with Clause 6.1 is treated as having been duly given and received:

(a) when delivered (in the case of it being left at that person's address); and

(b) on the third Business Day after posting (in the case of it being sent by pre-paid mail).

5.3 Address of Parties

For the purposes of this Clause 5:

(a) the address of the Holder is the address of the Holder recorded in the Register; and

(b) if more than one person is entered in the Register as the Holder of any Warrant, a notice given to any of those persons is effective as notice to all of those persons.

5.4 Notice by Holder

All notices required or permitted to be given by the Holder to the Issuer pursuant to these Terms or otherwise in respect of the Warrant must be in writing and are treated as being duly given if and only if they are actually received by the Issuer at the Office or at such other address as the Issuer may by notice specify to the Holder.

6. GENERAL

6.1 Amendments

The Issuer may from time to time by notice sent to the Holder make any Change to these Terms where:

(a) the terms of that Change are authorised by a resolution of the Holders passed in accordance with the provisions of Schedule 4;

(b) with the consent of ASX, the Change is necessary or desirable in the reasonable opinion of the Issuer to comply with any statutory or other legal requirement or any requirement of the ASX; or

(c) with the consent of ASX, the Change relates to Schedule 2 and permits the transfer of a Warrant by a method other than the method in Schedule 2.

6.2 Notifications to ASX

The Issuer must notify the ASX of any Change to these Terms made under Clause 6.1

6.3 No Requisition

Nothing in these Terms authorises a Holder (alone or together with other Holders) to requisition the consideration of any resolution.

6.4 Waiver

The failure, delay, relaxation or indulgence on the part of the Issuer in exercising any power or right conferred upon the Issuer by these Terms does not operate as a waiver of that power or right nor does any single exercise of any power or right preclude any other or further exercise of it or the exercise of any other power or right under these Terms.

6.5 Telephone Recording

The Holder agrees to:

(a) the tape recording by the Issuer of any telephone conversations concerning the Warrant;

(b) the retention of any tape recording so made; and

(c) the use of any tape recording so made as evidence of the content of the conversation.

6.6 Discretions

The Holder may not give any direction to the Issuer, even where the Warrant is Completed, concerning the exercise by the Issuer of any discretion conferred on the Issuer by these Terms.

6.7 Governing Law and Jurisdiction

The Warrant is governed by and construed in accordance with the law of New South Wales and the parties submit to the non-exclusive jurisdiction of the courts of New South Wales and any court hearing appeals from those courts.

SCHEDULE 1

THE REGISTER

1. The Issuer must establish and maintain or cause to be established and maintained a Register of Holders at the Office (or any other place considered appropriate by the Issuer) ("the principal part of the Register") and may also establish and, if it so establishes, must maintain any number of other registers of Holders at such other places as the Issuer may determine (which will form part of the Register).

2. The Issuer must enter, or cause to be entered, in the Register the full name and address of each Holder, the number of Warrants held by that Holder and the date of issue of each of those Warrants and any other particulars which it thinks proper.

3. Where there is more than one part of the Register, Holders may elect by notice to the Issuer as to the part of the Register on which their Warrant must, for the time being, be registered.

4. If no election under paragraph 3 of this Schedule is made on the grant of the Warrant, the Warrant will be registered on the principal part of the Register.

5. If there are any further issues or transfers of Warrants and no election is made as to the part of the Register on which those Warrants are to be registered, a Warrant will be registered on the principal part of the Register or such other part of the Register as the Issuer may decide.

6. The Register must, except when duly closed be open at all reasonable times during business hours on each Business Day to the inspection of any Holder, or any person authorised in writing by the Holder or any officer or member of the Holder.

7. Where there is more than one part of the Register, a Warrant will be transferred by the Issuer from one part of the Register to another part of the Register without fee on the written request of the Holder, subject to any payment by the Holder of any stamp duty involved.

8. The Issuer may, subject to the SCH Business Rules, from time to time close the Register for any period or periods not exceeding twenty (20) Business Days in any year or any longer period that ASX may allow.

9. Except as required by law, no notice of any trust (express, implied, resulting or constructive) will be entered in the Register.

10. Where required by the ASX Business Rules the Register will be examined by the auditor appointed by the Issuer at regular intervals of not more than three (3) months and ASX will be notified of the results.

11. The property in the Warrant is, for all purposes, situated at the place where the part of the Register on which the Warrant is for the time being registered is situated and not elsewhere.

12. Except as otherwise provided in these Terms, the Issuer must recognise the Holder as the absolute owner of the Warrant and all persons may act accordingly.

13. Except as otherwise provided in these Terms or as ordered by a court of competent jurisdiction or as required by law, the Issuer is not bound to take notice of any trust or equity affecting the ownership of a Warrant or the rights incidental to the Warrant and the receipt of the Holder in respect of the Warrant of any monies payable in respect of the Warrant is a good discharge to the Issuer.

14. There must not be more than three (3) joint holders of the Warrant except in the case of the legal personal representatives of a deceased Holder.

15. If there are joint holders of any Warrant and one of those joint holders dies, the survivor will be the only person recognised by the Issuer as having any title or interest in the Warrant.

16. The legal personal representative of a deceased Holder (not being one of several joint holders) is the only person recognised by the Issuer as having any title to the Holder's Warrant.

17. Any person becoming entitled to the Warrant as a consequence of the death, unsoundness of mind or bankruptcy of any Holder, upon producing such evidence as the Issuer may reasonably require that he holds the office in respect of which he proposes to act or his title as successor to the Holder, may transfer the Warrant.

18. When the Warrants become "CHESS Approved Securities", holdings will be registered on an electronic CHESS or Issuer Sponsored Subregister. Warrants held by a Holder that is a participant in CHESS, or a person sponsored by a participant in CHESS, will be registered on the CHESS subregister. All other Warrant holdings will be registered on the Issuer Sponsored Subregister.

SCHEDULE 2

(Clause 3.3)

TRANSFER OF WARRANTS

1. No fee will be charged for the registration of a transfer.

2. A transfer must be in accordance with the applicable ASX Business Rules and the SCH Business Rules.

3. The transferor of the Warrant is regarded as remaining the owner of the Warrant the subject of the instrument of transfer until the name of the transferee is entered in the Register in respect of the Warrant.

4. On registration of the transfer of the Warrant, the transferee will be recognised as entitled to the Warrant free from any equity, set off or cross-claim of the Issuer against the transferor.

SCHEDULE 3
(Clause 4.1)

WARRANTS - Exercise Notice

To: Equity Market Trade Support
Macquarie Bank Limited
PO Box 3423
SYDNEY NSW 2001

Dear Sir/Madam,

This is to notify you that, [I/We*], being [the Holder(s)/ entitled to be registered as Holder(s)] of the number of Warrants set out below and issued with the terms specified in Section 5 of the Offering Circular issued by Macquarie Bank Limited and dated 10 December 2003, (the "Terms"), hereby give notice under Clause [4.1/4.2*] of the Terms of the completion of the number of Warrants set out below. Expressions used in this Exercise Notice have the same meaning as in the Terms.

This notice is irrevocable.

Name of Holder:
Address:
Number of Warrants:
ASX Code:

DATED the day of

SIGNED BY THE HOLDER

(COMPANIES MUST EXECUTE UNDER COMMON SEAL)

SCHEDULE 4

(Clause 6.1)

RESOLUTION OF HOLDERS

A resolution of the Holders is duly passed if and only if:

1. the Issuer dispatches by notice to every Holder a document setting out the terms of the proposed Change together with a ballot paper enabling the Holder to vote either in favour of or against the Change either by way of a postal ballot or at a meeting of Holders (at the discretion of the Issuer), a document setting out the reasons for and any advantages or disadvantages of the Change and a document summarising the provisions of this Schedule 4;

2. the Issuer retains all ballot papers which are returned to it on the voting date or within the voting period (which must, in any event, be not less than twenty (20) Business Days after the date of dispatch of the last of the notices referred to in paragraph 1 of this Schedule 4);

3. the Issuer's auditor (after consultation with the Issuer's solicitors, if desired by either the auditor or the Issuer) determines the validity of all ballot papers returned on the voting date or during the voting period;

4. the Issuer's auditor adds together all of the votes cast on valid ballot papers during the voting period (calculated on the basis of one vote for each Warrant held by the person casting that vote) in favour of the Change and all of the votes cast on valid ballot papers during the voting period (calculated on the same basis) against the Change;

5. the number of votes validly cast in favour of the Change (as determined by the previous paragraph) is not less than three (3) times greater than the number of votes validly cast against the Change (as so determined); and

6. if the Issuer or a person associated with the Issuer (within the meaning of Part 1.2 Division 2 of the Corporations Act 2001 (Cth) (other than section 13 and 14)) returns a ballot paper, it is to be treated as not being valid unless the person holds the relevant Warrant as trustee or nominee for another person that is not so associated with the Issuer.

Section 6 Description of the Issuer and its commercial activities: Macquarie Bank Limited

The Issuer
Macquarie Bank Limited ("Macquarie") is an authorised deposit taking institution under s9 of the Banking Act 1959 (Commonwealth). As at 30 September 2003 Macquarie had total assets of approximately A$36.8 billion and equity attributable to ordinary equity holders of Macquarie of approximately A$2.4 billion on a consolidated basis. For the year ended 30 September 2003 Macquarie reported profit from ordinary activities after income tax attributable to ordinary equity holders of approximately A$242 million on a consolidated basis.

Macquarie is rated by Standard & Poor's, FitchIBCA and Moody's Investor Service as follows:

	Short Term	Long Term
Standard & Poor's	A1	A
FitchIBCA	F1	A+
Moody's Investor Service	P1	A2

Rating Agencies
The rating agencies (Standard & Poor's, FitchIBCA and Moody's Investor Service) have not consented to the inclusion of their ratings in this Offering Circular. The ratings agencies do not independently verify information provided to them by the Issuer, and therefore, the rating agencies make no representation or warranty with respect to the accuracy of their ratings. The rating agencies have not been involved in the preparation, or authorised the issue of, this Offering Circular.

Investors should note that credit ratings assigned by the rating agencies address only credit risk, which is only one element of any investment decision and should not be construed as relating to the Warrants the subject of this Offering Circular. Ratings are not recommendations to buy, hold or sell Warrants. By publishing a rating, the rating agencies are not inducing or advising investors to take any action with respect to the Warrants or any other security. Ratings and rating reports should not be construed as investment advice, personalised or other. Accordingly, each investor should conduct their own evaluation of the Warrants or consult with their investment adviser.

Ratings are subject to change or withdrawal at anytime, which change or withdrawal is within each rating agency's sole discretion.

Disclosure Obligations
The Issuer, as a company whose shares are quoted on the stock market of the ASX, is a disclosing entity under the Corporations Act and the ASX Listing Rules and has a continuous disclosure obligation. This means that, subject to certain exceptions, the Issuer must disclose to the ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the Issuer's ordinary shares. Copies of the information disclosed to the ASX can be viewed on the public file of the Issuer at the ASX.

The ASX has waived certain of the ASX Business Rules to the extent that the Issuer is not required to include information in this Offering Circular which has previously been disclosed to ASX pursuant to the Issuer's continuous disclosure obligation.

Documents Available
The Issuer will provide a copy, free of charge, of any of the following documents to any person who requests such copies during the offer period in relation to the Offering Circular, by contacting the Equity Markets Group, Macquarie Bank Limited, No. 1 Martin Place, Sydney, NSW Australia, telephone number: 1800 803 010.

- the latest available financial report and annual review of the Issuer; and
- the latest available interim report, including the interim financial report of the Issuer.

The Issuer's latest available Annual Review and Financial Reports are also able to be reviewed online via the Issuer's website at: **www.macquarie.com.au/shareholdercentre**. The Annual Review and financial reports contain a range of information including:

- Chairman's and Managing Director's Report;
- Management and Organisation;
- Consolidated Statement of Financial Performance;
- Consolidated Statement of Financial Position;
- Directors' Declaration;
- Independent Audit report; and
- Financial summary since listing.

Macquarie lodges other documents with the ASX under the ASX Listing Rules during the course of the year pursuant to its continuous disclosure obligation. Macquarie will, on request as above, provide any person with a list of those documents, together with any requested documents which have been lodged, free of charge.

No circumstance has arisen or information has become available except as disclosed in this Offering Circular or to ASX that would materially affect an investor's decision for the purpose of making an informed assessment of the capacity of the Issuer to fulfil its obligations under the Terms and Issue since the end of the half-year ended 30 September 2003.

Section 7 Definitions

Definitions
In this Offering Circular, unless the context otherwise requires:

(a) words given a meaning in the Terms of Issue and not separately defined in this section 7 have the same meaning in the rest of this Offering Circular;

(b) a reference to "$" or "dollars" is to an amount in Australian currency;

(c) a reference to a date or time is to a date or time in Sydney;

"**ASIC**" means the Australian Securities and Investments Commission;

"**Associate**" means, in relation to the Issuer, related bodies corporate of the Issuer;

"**Company Announcements Platform**" means the electronic system operated by the ASX for the receipt, storage, retrieval and dissemination of market information;

"**Offering Circular**" means this document; and

"**Terms of Issue**" means the Terms of Issue contained in section 5.

OFFER FORM

NO WARRANTS ARE OFFERED UNDER THIS OFFERING CIRCULAR TO ANY PERSON EXCEPT ASSOCIATES OF THE ISSUER. OFFERS FROM ANY OTHER PERSON WILL NOT BE ACCEPTED.

This Offer Form must not be handed on unless attached to the Offering Circular

OFFERS: Macquarie Bank Limited
No. 1 Martin Place
SYDNEY NSW 2002
Attention: Mr Justin Crawford (02 8232 4445)

Company Name First Names or Australian Company Number

Address

No. Street City/Town

State Postcode

NUMBER OF WARRANTS WHICH ARE OFFERED TO BE ACQUIRED

ASX Code	Number
XJOWMB	________
XJOWMC	________
XJOWMU	________
XJOWMV	________

TOTAL PREMIUM ENCLOSED: A$..

CHESS DETAILS: PID: HIN:

The offer set out in this Offer Form can only be accepted by Macquarie Bank Limited causing ASX to release through the Company Announcements Platform an announcement of acceptance in accordance with the procedure set out in this Offering Circular.

Authorised Signatory(s)

____
Name
Title

____
Name

#20294v2

Dated this 10th day of December, 2003.

This Offering Circular was executed by Macquarie Bank Limited under power of attorney by Chris Horne and Neil Smyth.

DIRECTORY

ISSUER

Macquarie Bank Limited
No. 1 Martin Place
Sydney NSW 2002

REGISTRAR

Computershare Investor
Services Pty Limited
Level 3
60 Carrington Street
Sydney NSW 2002