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## **Non-collateralised Structured Products**

### **Notice of Valuation of Residual Value of 40,000,000 European Style (Cash Settled) Category R Callable Bear Contracts relating to the Hang Seng Index (the "CBBCs") (Stock Code : 60105)**

**issued by**

### **MACQUARIE BANK LIMITED**

(ABN 46 008 583 542)

*(incorporated under the laws of Australia)*

**Sponsor**

**Macquarie Capital Limited**

### **Announcement**

All capitalised terms not defined in this announcement have the same meaning as defined in the terms and conditions of the CBBCs (the "**Conditions**").

Under the Conditions, following the occurrence of the Mandatory Call Event ("**MCE**") of the CBBCs at 10:21:42 on 20 February 2017, the Residual Value has been determined to be HK\$98.83 per Board Lot (such Board Lot being 10,000 CBBCs).

The Residual Value is determined by us by reference to the following formula:

$$\text{Residual Value per Board Lot} = \frac{(\text{Strike Level} - \text{Maximum Index Level}) \times \text{Index Currency Amount} \times \text{One Board Lot}}{\text{Divisor}}$$

Where:

"Strike Level" means 24,400;

"Maximum Index Level" means 24,202.34;

"Index Currency Amount" means HK\$1.00; and

"Divisor" means 20,000.

Subject to Settlement Disruption Event, all eligible CBBCs holders will receive the Residual Value on 23 February 2017, being three CCASS Settlement Days following the end of the MCE Valuation Period.

Hong Kong, 20 February 2017