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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 Bull Contracts relating to the Hang Seng Index (the "CBBCs") (Stock Code : 62548)

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 09:20:34 in the pre-opening session on 18 August 2017, the Residual Value has been determined to be HK\$93.92 per Board Lot (such Board Lot being 10,000 CBBCs).

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

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

Where:

"Minimum Index Level" means 26,951.92;

"Strike Level" means 26,858;

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

"Divisor" means 10,000.

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

Hong Kong, 18 August 2017