

ASX/Media Release

MACQUARIE GROUP FITCH RATINGS UPGRADE

SYDNEY, 10 October 2022 – Macquarie Group (ASX: MQG; ADR: MQBKY) today noted that Fitch Ratings (Fitch) had upgraded its Long-Term Issuer Default Ratings (IDR) of Macquarie Group Limited (MGL) and subsidiary Macquarie Financial Holdings Pty Limited.

Following the upgrades, Fitch Ratings of Macquarie entities are:

- Macquarie Group Limited: Long-Term IDR 'A' (from 'A-') / Short-Term IDR 'F1' (from 'F2')
- Macquarie Financial Holdings Pty Limited: Long-Term IDR 'A' (from 'A-') / Short-Term IDR 'F1' (from 'F2')
- Macquarie Bank Limited (MBL): Long-Term IDR 'A' (Affirmed) / Short-Term IDR 'F1' (Affirmed)
- Macquarie International Finance Limited: Long-Term IDR 'A' (Affirmed) / Short-Term IDR 'F1' (Affirmed)

The Outlook on the entities' Long-Term IDRs is Stable. Fitch noted the following items within key rating drivers:

- "Fitch aligns MGL's ratings with the consolidated group assessment to reflect moderate common equity double leverage (group operates to a 110% limit) and sound liquidity management."
- "The consolidated group and MGL's Viability Ratings (VR) have been upgraded to 'a' from 'a-', after Fitch revised the group operating environment (OE) score to 'aa-' from 'a+'. The OE reassessment has also supported revisions in the business profile, earnings and profitability, and funding and liquidity scores to 'a' from 'a-'."
- "The bank's IDRs, VR and senior debt ratings are underpinned by robust risk controls and a high-quality management team, which has driven a strong financial profile over a number of years. Partly offsetting this is MBL's significant level of non-traditional banking operations relative to domestic bank peers, as well as a modest Australian loan-market share and higher reliance on wholesale funding compared with some international peers."
- "Fitch takes a blended approach when assigning OE scores for MGL and MBL, given the scope of international operations."
- "We believe the non-banks' business model and earnings stability have improved and are likely to continue improving, supported largely by the Macquarie Asset Management (MAM) business."
- "Fitch expects pressure on funding and liquidity to be limited for the group over the next 12 months, due to the liquidity and deposit flows in the system which are still high. The group's strong liquidity management and sound liquidity ratios help to offset some of the risks on its greater reliance on wholesale funding than international peers..."

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