



MACQUARIE

ASX / Media Release

MACQUARIE NOTES APRA'S PROPOSED CHANGES TO MORTGAGE CAPITAL REQUIREMENTS

SYDNEY, 20 July 2015 - Macquarie Group Limited (ASX: MQG; ADR: MQBKY) today notes APRA's release of proposed changes to the level of capital required to be held against residential mortgages.

The proposed changes do not come into effect until 1 July 2016, however, based on our current mortgage portfolio, the impact on MGL's APRA Basel III capital surplus would be approximately \$A150 million (at 8.5% RWAs), equivalent to a 20 basis point reduction in the Bank Group's CET1 ratio. The increased capital requirement for mortgages will be accommodated from the existing capital surplus and retained earnings. As at 31 March 2015 Macquarie's capital surplus was \$A2.7b over regulatory minimum requirement of 8.5%¹.

As is customary, Macquarie will provide a market update at its Annual General Meeting on 23 July 2015.

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¹ Calculated on an APRA basis at 8.5% RWA including capital conservation buffer (CCB), per the 1 Jan 16 minimum requirements in APRA Prudential Standard 110