



ASX / Media Release

Macquarie notes S&P has affirmed ratings and revised outlooks

Sydney, 31 October 2016 - Macquarie Group Limited (ASX: MQG; ADR: MQBKY) today noted Standard and Poor's (S&P) affirmed the ratings of the Macquarie Group of companies and changed the outlook from stable to negative as a consequence of its assessment of Australian economic conditions.

Following today's report, the ratings of entities in the Macquarie Group of companies is as follows:

Entity	Rating		Outlook
Macquarie Bank Limited	A / A-1	Affirmed	Negative
Macquarie Group Limited	BBB / A-2	Affirmed	Negative
Macquarie Financial Holdings Proprietary Limited	BBB / A-2	Affirmed	Negative
Macquarie International Finance Limited	A- / A-2	Affirmed	Negative

Macquarie notes S&P's comments that today's changes to the outlooks for 25 institutions across the Australian financial services industry reflects their view that the "economic risks facing all financial institutions operating in Australia are rising due to the strong growth in private sector debt and residential property prices in the past four years, notwithstanding some signs of moderation in growth in recent months."

The Group also noted the following comments made today by S&P:

- "Australia remains among the lower risk banking systems globally. We consider financial institutions operating in the country benefit from a resilient economy, relatively benign economic outlook by global standards, conservative risk appetite and governance, and conservative prudential regulation."
- "In our opinion, the Australian government remains highly likely to provide timely financial support to the systemically important private banks in the country, if needed. Nevertheless, we now consider that there is a one-in-three chance that within the next two years, we will revise our assessment of government supportiveness to supportive from the current highly supportive."

Contacts

Karen Khadi	Investor Relations	+61 2 8232 3548
James Freeman	Investor Relations	+61 2 8232 0596
Lisa Jamieson	Media Relations	+61 2 8232 6016
Navleen Prasad	Media Relations	+61 2 8232 6472