

ASX/Media Release

MACQUARIE GROUP MOODY'S RATINGS UPGRADE

SYDNEY, 2 June 2023 – Macquarie Group (ASX: MQG; ADR: MQBKY) today notes that Moody's Investors Service (Moody's) had upgraded its senior unsecured debt and long-term issuer ratings of Macquarie Group Limited (MGL), Macquarie Bank Limited (MBL), Macquarie International Finance Limited (MIFL) and Macquarie Financial Holdings Pty Limited (MFHPL).

Following the upgrades, Moody's Ratings of Macquarie entities are:

- Macquarie Group Limited: Long-term issuer rating 'A2' (from 'A3') / Short-term issuer rating 'P-1' (from 'P-2')
- Macquarie Bank Limited: Long-term issuer rating 'A1' (from 'A2') / Short-term issuer rating 'P-1' (affirmed)
- Macquarie International Finance Limited: Long-term issuer rating 'A2' (from 'A3') / Short-term issuer rating 'P-1' (from 'P-2')
- Macquarie Financial Holdings Pty Limited: Long-term issuer rating 'A2' (from 'A3') / Short-term issuer rating 'P-1' (from 'P-2')

The Outlook on the entities' ratings is Stable.

Moody's noted the ratings upgrade reflected "Macquarie's very strong profitability, supported by the evolution of its business mix reflected by the growth of its residential mortgage lending, and its conservative risk and balance sheet settings reflected by its high levels of liquidity and strong capital adequacy. Macquarie's profitability has been very strong and benefits from well-developed franchises in its chosen business segments". Moody's also noted the following rationale:

- "The Group's earnings diversification is a credit strength, with the potential earnings volatility of the Group's commodities and capital markets businesses balanced by the stability of the Group's asset management business, which provide a strong source of stable, recurring revenues, generating high levels of base fee income. Additionally, the Group's large and growing Australian retail and commercial banking business supplements the Group's stable revenue sources."
- "Macquarie maintains high levels of liquidity, reflecting its conservative liquidity policy, which ensures that it is able to meet all of its liquidity obligations during a period of liquidity stress, defined as a twelve-month period with constrained access to funding markets for MBL, no access to funding markets for Macquarie Group Limited, and with only a limited reduction in Macquarie's franchise businesses."
- Moody's "expect the funding intensity of the Group will remain high; however, this risk is in part mitigated by the good term structure of the Group's market funding and the diversification of its investor base."
- "Moody's expects that Macquarie will continue to demonstrate a commitment to prudent capital management."

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