



ASX/Media Release

MACQUARIE GROUP AND MACQUARIE BANK S&P RATINGS UPGRADE

Sydney, 11 December 2019 – Macquarie Group (ASX: MQG) and Macquarie Bank Limited (ASX: MBL) today noted that S&P Global Ratings (S&P) had upgraded the long-term issuer credit ratings for Macquarie Group Limited, Macquarie Bank Limited (MBL) and other Macquarie entities.

Macquarie noted S&P's statement that the ratings upgrade reflects the view "the group and bank's risk management capabilities have strengthened over time".

Following the upgrades, S&P ratings¹ of Macquarie entities are:

- Macquarie Bank Limited: A+ long term (from A) / A-1 short term (affirmed)
- Macquarie Group Limited: BBB+ long term (from BBB) / A-2 short term (affirmed)

The Outlook for the long-term rating for Macquarie Bank Limited and Macquarie Group Limited is Stable. S&P does not assign an outlook on short term ratings.

Prior to today's upgrade, Macquarie Bank Limited's long-term rating had been unchanged for 28 years.

S&P further noted that it took into account:

- "The Macquarie group and MBL's performance and risk management outcomes pre and post the global financial crisis. Compared with a peer group of international banks, the volatility of the Macquarie group's earnings has been lower for a sustained period and the group was able to deal with global credit headwinds."
- "The Macquarie group's internal reorganization is substantially complete. In our view, the internal reorganization will improve the transparency of the group's business activities. The reorganization will also simplify the group's business activities and lead to divisions being organized along business lines with similar risk profiles and customer needs."
- "The reorientation of the Macquarie group and the bank's earnings toward repeatable and sustainable income sources, which will benefit the group and bank's future earnings profile as well as risk management outcomes relative to international peer banks, which are more focused on capital market related activities."
- "The significant diversity of the Macquarie group's activities in terms of geography and product."
- "The resourcing of the Macquarie group's risk management team, with staff levels having nearly doubled post the global financial crisis."

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This document has been authorised for release by Dennis Leong, Company Secretary.

¹ A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by an assigning rating agency, and any rating should be evaluated independently of any other information.