

Macquarie Bank Limited

Full Rating Report

Ratings

Foreign Currency

| | |
|----------------|----|
| Long-Term IDR | A |
| Short-Term IDR | F1 |

| | |
|------------------|---|
| Viability Rating | a |
|------------------|---|

| | |
|----------------------|-----|
| Support Rating | 3 |
| Support Rating Floor | BB+ |

Sovereign Risk

| | |
|--------------------------------|-----|
| Long-Term Foreign-Currency IDR | AAA |
| Long-Term Local-Currency IDR | AAA |

Outlooks

| | |
|--|--------|
| Long-Term Foreign-Currency IDR | Stable |
| Sovereign Long-Term Foreign-Currency IDR | Stable |
| Sovereign Long-Term Local-Currency IDR | Stable |

Financial Data

Macquarie Bank Limited

| | 31 Mar 19 | 31 Mar 18 |
|---|-----------|-----------|
| Total assets (USDbn) | 120.1 | 132.8 |
| Total assets (AUDbn) | 169.4 | 173.2 |
| Total equity (AUDbn) | 10.9 | 12.7 |
| Operating profit (AUDbn) | 1.4 | 2.0 |
| Published net income (AUDbn) | 2.0 | 1.6 |
| Comprehensive income (AUDbn) | 2.1 | 1.7 |
| Impaired loans/gross loans (%) | 1.8 | 0.6 |
| Operating profit/risk weighted assets (%) | 1.8 | 2.2 |
| Fitch Core Capital (%) | 12.5 | 12.3 |
| Loans/customer deposits (%) | 135.2 | 138.4 |

Source: Fitch Ratings, Fitch Solutions, MBL

Related Research

[Macquarie Bank Limited - Ratings Navigator \(July 2019\)](#)

[Macquarie Group Limited - Ratings Navigator \(July 2019\)](#)

[Macquarie Group Limited \(August 2019\)](#)

[Macro-Prudential Risk Monitor \(April 2019\)](#)

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Key Rating Drivers

Financial Profile Supports Ratings: Macquarie Bank Limited (MBL) is the main operating subsidiary of Macquarie Group Limited (MGL; A-/Stable) and its Issuer Default Ratings (IDR), Viability Rating (VR) and senior debt rating reflect its strong risk-management framework, sound financial profile and diverse business mix, both by type of business and geography, relative to domestic peers.

These factors help to offset the bank's higher level of complexity and specialised operations outside Australia, relative to domestic peers. MBL is rated higher than the consolidated risk profile of the group to reflect the Australian regulators' focus on protecting depositors. Dividend and liquidity restrictions help to ringfence the bank from potential negative impacts from the non-banking operations of the group.

Robust Risk Management: MBL's risk controls and framework are sound and aligned with those of the group. The centralised approach to risk management supports the bank's sound risk culture. New products and businesses are tightly controlled by a centralised risk management group and regular stress testing is undertaken to monitor potential losses.

Strong Liquidity Management: Fitch Ratings believes MBL has a conservative approach to liquidity management, which offsets its higher reliance on wholesale funding relative to international peers. The bank recently amended its intragroup funding agreement following a regulatory review, which could result in restated liquidity coverage ratios being much lower. However, we view the swift action by the bank to remove the clause in response to the regulatory feedback as indicative of its strong commitment to liquidity management.

Above Peer Capitalisation: Fitch expects MBL to maintain capital ratios and buffers at levels generally higher than domestic peers, which partially reflects its higher risk appetite. The bank remains well-positioned to meet increased capital requirements, which are expected to commence in 2020. MBL also has access to capital markets through the group, if required.

Impaired Loan Cyclical: MBL's asset quality is likely to be more cyclical than retail-oriented Australian banks given a greater exposure to commercial lending and non-loan assets.

Modest Earnings Volatility: MBL's exposure to market-oriented businesses means its earnings exhibit modestly more volatility than those of retail-oriented Australian banks, but less than the group's non-bank operations. Continued growth in its lending and leasing businesses should help to enhance earnings stability over time.

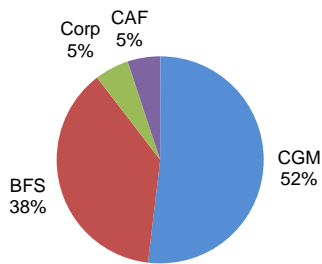
Moderate Support Prospects: We expect a moderate probability of support from authorities, if required, given MBL's position as Australia's fifth-largest bank by total assets. It is also the only non-major bank that is subject to the Australian government's bank levy and is a key player in the domestic financial market.

Rating Sensitivities

Balance Sheet Weakening: A significant weakening of MBL's risk-management framework, liquidity or capital position could result in a downgrade of its IDRs and VR.

Limited Upside: There is limited upside rating potential given MBL's specialised franchise outside Australia and the earnings volatility inherent in a number of its business divisions.

MBL Segment Assets
FYE19



Source: Fitch Ratings, MBL

Operating Environment

MBL's operating environment mid-point is one notch higher than MGL's to reflect a greater level of regulatory oversight relative to MGL's non-banking operation. Further details on MBL's operating environment can be found in the MGL report under Related Research on page 1.

Company Profile

MBL is the registered bank within Macquarie group. It was Australia's fifth-largest bank by assets at end-April 2019, accounting for 2% of total banking-system assets. MBL operates in three of MGL's five divisions – Macquarie Capital Group and Macquarie Asset Management have no operations within MBL. The bulk of operations come from the commodities and global markets group (CGM), corporate and asset finance (CAF) and banking and financial services (BFS). Fitch believes MBL's business model adds complexity and potentially earnings volatility, but also results in greater geographic and earnings diversity relative to domestic peers.

MBL generates a much higher proportion of operating revenue from net interest income than MGL, but this is still low compared with other Fitch-rated Australian banks, which are more retail-oriented. Net interest income made up 37% of MBL's operating income in the financial year ended 31 March 2019 (FY19), while net trading income contributed 49%, making it the main source of operating income in FY19, although this can change from year to year.

Management and Strategy

MBL's management-quality, corporate governance and strategy are consistent with those of MGL reflective of the high level of integration throughout the group.

Risk Appetite

The majority of MGL's lending and securities exposures is held within MBL meaning it is the largest source of credit risk for the group.

MBL's securities underwriting, including exposure to equities, appears sound and is reflected in its good asset quality. Some of MBL's securities exposures relate to client-initiated trades, with the remainder being mainly hedging. Exposures are subject to the limit policies and stress testing set at the group level.

Loan underwriting is broadly in line with the markets in which MBL writes loans, although a higher exposure to commercial lending relative to other Australian banks indicates a greater risk appetite. However, residential mortgages remain the largest segment, accounting for 55% of gross loans at FYE19, up from 45% in FYE18. Underwriting standards have tightened since 2015, partly in response to regulatory changes and greater scrutiny on underwriting practices.

The motor-vehicle finance portfolio within BFS was the next largest book at FYE19, totalling about AUD15 billion or around 20% of gross loans. The business provides finance leases, chattel mortgage and commercial hire purchase to businesses, as well as financing to consumer clients. Key markets include financing for cars and small trucks, the majority of the portfolio being new cars. MBL uses an automated credit decision-making tool and scorecard to assess loans in conjunction with manual assessment. Other loans in the BFS segment (AUD8 billion at FYE19) include commercial loans that target small professional firms, such as lawyers, strata managers and real estate agents, and commodity exposures in CGM (AUD3 billion).

The CAF asset finance portfolio remained broadly stable at around AUD8 billion at FYE19. This portfolio includes technology, energy and ship finance. The CAF principal finance portfolio was AUD4.1 billion at FYE19, down 12% from FYE18 following net repayments and realisations. Loans are originated in the primary market and purchased on the secondary market, with a "hold-to-maturity" investment horizon. The focus is on assets in the corporate real estate, mortgage, infrastructure, and health and education sectors, and can take the form of loans, bonds, mezzanine debt or other debt instruments.

Related Criteria

- [Bank Rating Criteria \(October 2018\)](#)
- [Short-Term Ratings Criteria \(May 2019\)](#)

Market risk appears manageable, accounting for about 6% of risk-weighted assets at FYE19, with much of the risk associated with MBL's securities operations captured in the credit-risk charge. Traded-market risk is MBL's main form of market risk. MBL says it transfers interest-rate risk in the banking book to its trading portfolio, where possible, and trading is undertaken primarily on behalf of clients. This has typically led to low volatility in its trading revenue. The bank says its non-traded foreign-currency exposures are hedged, unless specifically approved by the risk management group.

Financial Profile

Asset Quality

MBL's greater exposure to commercial lending means it is likely to have higher and more volatile impaired-asset levels on average through the cycle compared with most banking peers, which are more retail focused. Fitch continues to expect meaningful losses to emerge for commercial exposures ahead of substantial losses from mortgage portfolios, with the latter only likely to emerge due to a sharp increase in unemployment or interest rates.

MBL's impaired loans/gross loans, Fitch's core metric for asset quality, increased to 1.8% in FY19 from 0.6% the year prior. This was largely driven by the adopted of the Australian equivalent of IFRS9 and Fitch's adoption of stage 3 loans where disclosed as the impaired loan figure when calculating the ratio. Provisioning levels have reduced as a result, but also reflect the bank's low loss expectancy based on its exposures and collateral.

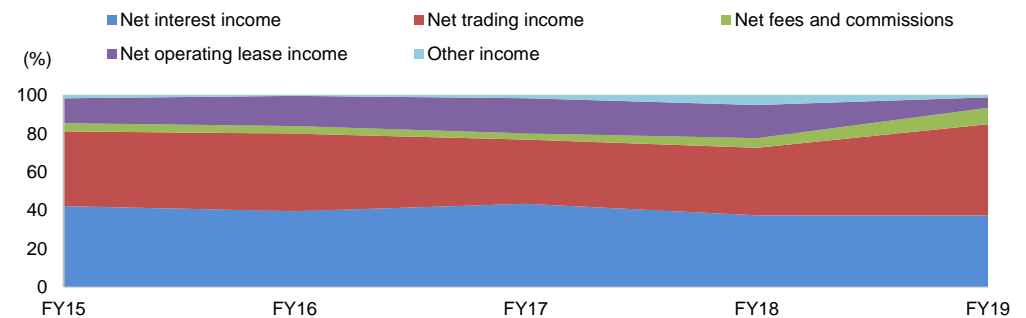
MBL's financial investments, which include debt and equity securities, remained of sound quality and are likely to remain so – 96% of the investments were classified as investment grade on the bank's internal model at FYE19, while only 2% was classified as Stage III. Trading assets, which totalled AUD17.5 billion at FYE19, mostly comprised listed equities and commonwealth and foreign-government securities.

Single-name concentration is modest in the loan portfolio, but more pronounced in MBL's securities and interbank exposures. This partly reflects exposures held for liquidity purposes, with sovereign and financial-institution exposures making up most of the larger exposures.

Earnings and Profitability

MBL Operating Income

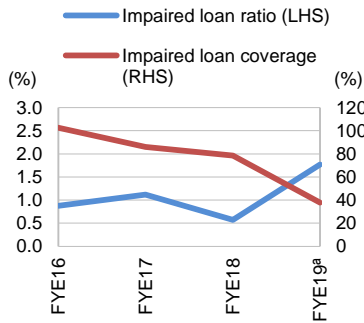
% of total



Source: Fitch Ratings, Fitch Solutions, MBL

Fitch expects MBL's earnings and profitability to remain more volatile relative to other Australian banks due to retail banking and net interest income comprising a smaller part of its overall earnings. MBL's earnings are more likely to be affected by market conditions and foreign-exchange movements, although this also enhances diversity of its earnings. Relative to MGL's non-banking operations, we expect MBL's earnings to be generally more stable through the cycle.

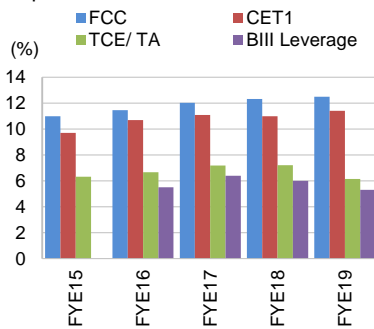
MBL Asset Quality



^a Stage 3 loans, impaired loans previously
Source: Fitch Ratings, Fitch Solutions, MBL

MBL Capitalisation

As per APRA rules



Source: Fitch Ratings, MBL

Capitalisation and Leverage

Fitch expects MBL’s capitalisation to generally remain stronger than the large Australian banks reflecting the differences in its business model and risk appetite. MBL can also benefit from access to additional capital from the group if required. At FYE19, the group had AUD6.1 billion of capital surplus over its regulatory minimums, which were equivalent to around 530bp of MBL’s risk-weighted assets. Fitch believes MBL is well positioned to meet the ‘unquestionably strong’ regulatory capital requirements, which will be implemented from 2020.

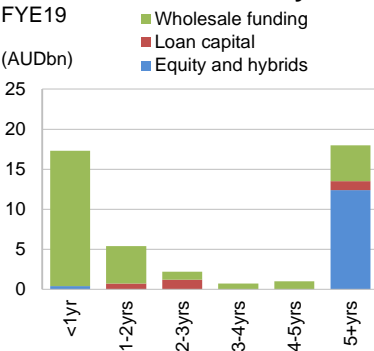
MBL’s regulatory capital adequacy is calculated using the foundation internal ratings-based approach for credit risk and the advanced measurement approach for operational risk under Basel III. MBL’s Fitch Core Capital ratio and common equity Tier 1 (CET1) ratio rose modestly in FY19 and the bank estimated its FYE19 globally harmonised full Basel III CET1 ratio at 14.3% (FYE18 13.5%). The difference between the regulatory and harmonised ratios is largely driven by the conservative mortgage risk-weights and capital deductions in Australia.

On other un-risk-weighted measures, such as the ratio of tangible common equity (TCE) to tangible assets (TA), MBL’s are either in line with or stronger than those of many international banks. The decline in MBL’s un-risk-weighted measures at FYE19 was largely driven by the intragroup transfer of assets between the bank and non-bank. MBL’s Basel III leverage ratio on APRA’s calculation was 5.3% at FYE19, down from 6.0% at FYE18, but remains well in excess of the 3.5% minimum proposed by the regulator. Capital in MBL is ringfenced from the broader group; dividends can only be paid out of the current year’s earnings unless approved by APRA.

MBL Wholesale Maturity

FYE19

(AUDbn)



Source: Fitch Ratings, MBL

Funding and Liquidity

MBL has a high reliance on wholesale funding sources relative to its international bank peers, but this risk is offset through the bank’s strong liquidity management and wholesale funding management. The bank’s customer deposits, which have historically been skewed towards high net-worth individuals, remain broadly stable. Wholesale funding accounted for 55% of total funding excluding derivatives at FYE19 with the rest comprising customer deposits. The bank’s wholesale funding is well managed by maturity, currency and investor. Foreign-currency risk is managed through foreign-currency borrowings either being hedged into the currency of the funded asset or aligned with foreign-currency assets.

MBL’s liquidity policies are set so that it is able to meet its obligations over a 12-month period assuming dislocated funding markets and a modest downturn in its core businesses. MBL’s approach means it typically holds a higher proportion of liquid assets relative to its domestic peers. At FYE19, the bank held AUD25.5 billion of cash and liquid assets, well in excess of the AUD 16.9 billion of wholesale funding maturities over the next 12 months.

Other contingent funding options include AUD21.1 billion of self-securitised residential mortgages at FYE19, which are repo-eligible with the Reserve Bank of Australia and could provide additional support during a crisis. MBL’s Basel III LCR averaged 154% in 4QFY19 while the bank reported a Basel III net stable funding ratio of 113%. MBL’s LCR is much higher than those reported by domestic peers, which Fitch expects will continue given MBL’s approach to liquidity management.

ESG Considerations

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of 3 – ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity.

For more information on our ESG Relevance Scores, visit www.fitchratings.com/esg

Macquarie Bank Limited
Income Statement

| | 31 Mar 2019 | | | 31 Mar 2018 | | | 31 Mar 2017 | | | 31 Mar 2016 | | |
|--|--|--|---------------------------|--|---------------------------|--|---------------------------|--|---------------------------|--|---------------------------|--|
| | Year End USDm Audited - Unqualified | Year End AUDm Audited - Unqualified | As % of Earning Assets | Year End AUDm Audited - Unqualified | As % of Earning Assets | Year End AUDm Audited - Unqualified | As % of Earning Assets | Year End AUDm Audited - Unqualified | As % of Earning Assets | Year End AUDm Audited - Unqualified | As % of Earning Assets | |
| 1. Interest Income on Loans | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - | n.a. | - | |
| 2. Other Interest Income | 3,411.0 | 4,813.0 | 3.39 | 4,619.0 | 3.18 | 4,778.0 | 3.38 | 5,083.0 | 3.24 | 5,083.0 | 3.24 | |
| 3. Dividend Income | n.a. | n.a. | - | 6.0 | 0.00 | 10.0 | 0.01 | 38.0 | 0.02 | 38.0 | 0.02 | |
| 4. Gross Interest and Dividend Income | 3,411.0 | 4,813.0 | 3.39 | 4,625.0 | 3.18 | 4,788.0 | 3.39 | 5,121.0 | 3.27 | 5,121.0 | 3.27 | |
| 5. Interest Expense on Customer Deposits | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - | n.a. | - | |
| 6. Other Interest Expense | 2,009.2 | 2,835.0 | 1.99 | 2,601.0 | 1.79 | 2,608.0 | 1.85 | 2,911.0 | 1.86 | 2,911.0 | 1.86 | |
| 7. Total Interest Expense | 2,009.2 | 2,835.0 | 1.99 | 2,601.0 | 1.79 | 2,608.0 | 1.85 | 2,911.0 | 1.86 | 2,911.0 | 1.86 | |
| 8. Net Interest Income | 1,401.8 | 1,978.0 | 1.39 | 2,024.0 | 1.39 | 2,180.0 | 1.54 | 2,210.0 | 1.41 | 2,210.0 | 1.41 | |
| 9. Net Fees and Commissions | 321.7 | 454.0 | 0.32 | 271.0 | 0.19 | 162.0 | 0.11 | 221.0 | 0.14 | 221.0 | 0.14 | |
| 10. Net Gains (Losses) on Trading and Derivatives | 1,790.2 | 2,526.0 | 1.78 | 1,907.0 | 1.31 | 1,683.0 | 1.19 | 2,262.0 | 1.44 | 2,262.0 | 1.44 | |
| 11. Net Gains (Losses) on Assets and Liabilities at FV | 34.0 | 48.0 | 0.03 | 20.0 | 0.01 | (16.0) | (0.01) | (138.0) | (0.09) | (138.0) | (0.09) | |
| 12. Net Gains (Losses) on Other Securities | 5.0 | 7.0 | 0.00 | 31.0 | 0.02 | 39.0 | 0.03 | 28.0 | 0.02 | 28.0 | 0.02 | |
| 13. Net Insurance Income | n.a. | n.a. | - | n.a. | - | 32.0 | 0.02 | 69.0 | 0.04 | 69.0 | 0.04 | |
| 14. Other Operating Income | 189.9 | 268.0 | 0.19 | 1,143.0 | 0.79 | 983.0 | 0.70 | 922.0 | 0.59 | 922.0 | 0.59 | |
| 15. Total Non-Interest Operating Income | 2,340.8 | 3,303.0 | 2.32 | 3,372.0 | 2.32 | 2,883.0 | 2.04 | 3,364.0 | 2.15 | 3,364.0 | 2.15 | |
| 16. Total Operating Income | 3,742.6 | 5,281.0 | 3.71 | 5,396.0 | 3.71 | 5,063.0 | 3.58 | 5,574.0 | 3.56 | 5,574.0 | 3.56 | |
| 17. Personnel Expenses | 1,026.2 | 1,448.0 | 1.02 | 1,487.0 | 1.02 | 1,487.0 | 1.05 | 1,428.0 | 0.91 | 1,428.0 | 0.91 | |
| 18. Other Operating Expenses | 1,564.1 | 2,207.0 | 1.55 | 1,904.0 | 1.31 | 1,975.0 | 1.40 | 1,839.0 | 1.17 | 1,839.0 | 1.17 | |
| 19. Total Non-Interest Expenses | 2,590.3 | 3,655.0 | 2.57 | 3,391.0 | 2.33 | 3,462.0 | 2.45 | 3,267.0 | 2.09 | 3,267.0 | 2.09 | |
| 20. Equity-accounted Profit/ Loss - Operating | 19.8 | 28.0 | 0.02 | 22.0 | 0.02 | (19.0) | (0.01) | 22.0 | 0.01 | 22.0 | 0.01 | |
| 21. Pre-impairment Operating Profit | 1,172.2 | 1,654.0 | 1.16 | 2,027.0 | 1.39 | 1,582.0 | 1.12 | 2,329.0 | 1.49 | 2,329.0 | 1.49 | |
| 22. Loan Impairment Charge | 97.1 | 137.0 | 0.10 | 19.0 | 0.01 | 253.0 | 0.18 | 491.0 | 0.31 | 491.0 | 0.31 | |
| 23. Securities and Other Credit Impairment Charges | 68.0 | 96.0 | 0.07 | 24.0 | 0.02 | 38.0 | 0.03 | 46.0 | 0.03 | 46.0 | 0.03 | |
| 24. Operating Profit | 1,007.1 | 1,421.0 | 1.00 | 1,984.0 | 1.36 | 1,291.0 | 0.91 | 1,792.0 | 1.14 | 1,792.0 | 1.14 | |
| 25. Equity-accounted Profit/ Loss - Non-operating | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - | n.a. | - | |
| 26. Goodwill Impairment | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - | n.a. | - | |
| 27. Non-recurring Income | 51.0 | 72.0 | 0.05 | 168.0 | 0.12 | 377.0 | 0.27 | 8.0 | 0.01 | 8.0 | 0.01 | |
| 28. Non-recurring Expense | 9.9 | 14.0 | 0.01 | 26.0 | 0.02 | 45.0 | 0.03 | 84.0 | 0.05 | 84.0 | 0.05 | |
| 29. Change in Fair Value of Own Debt | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - | n.a. | - | |
| 30. Other Non-operating Income and Expenses | n.a. | n.a. | - | 27.0 | 0.02 | 110.0 | 0.08 | 20.0 | 0.01 | 20.0 | 0.01 | |
| 31. Pre-tax Profit | 1,048.2 | 1,479.0 | 1.04 | 2,153.0 | 1.48 | 1,733.0 | 1.23 | 1,736.0 | 1.11 | 1,736.0 | 1.11 | |
| 32. Tax expense | 279.2 | 394.0 | 0.28 | 570.0 | 0.39 | 509.0 | 0.36 | 681.0 | 0.43 | 681.0 | 0.43 | |
| 33. Profit/Loss from Discontinued Operations | 677.5 | 956.0 | 0.67 | n.a. | - | n.a. | - | 1,040.0 | 0.66 | 1,040.0 | 0.66 | |
| 34. Net Income | 1,446.5 | 2,041.0 | 1.44 | 1,583.0 | 1.09 | 1,224.0 | 0.87 | 2,095.0 | 1.34 | 2,095.0 | 1.34 | |
| 35. Change in Value of AFS Investments | (6.4) | (9.0) | (0.01) | (101.0) | (0.07) | 4.0 | 0.00 | 41.0 | 0.03 | 41.0 | 0.03 | |
| 36. Revaluation of Fixed Assets | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - | n.a. | - | |
| 37. Currency Translation Differences | 99.2 | 140.0 | 0.10 | 132.0 | 0.09 | (129.0) | (0.09) | (123.0) | (0.08) | (123.0) | (0.08) | |
| 38. Remaining OCI Gains/(losses) | (60.9) | (86.0) | (0.06) | 113.0 | 0.08 | (15.0) | (0.01) | (34.0) | (0.02) | (34.0) | (0.02) | |
| 39. Fitch Comprehensive Income | 1,478.3 | 2,086.0 | 1.47 | 1,727.0 | 1.19 | 1,084.0 | 0.77 | 1,979.0 | 1.26 | 1,979.0 | 1.26 | |
| 40. Memo: Profit Allocation to Non-controlling Interests | 2.8 | 4.0 | 0.00 | 1.0 | 0.00 | (12.0) | (0.01) | (11.0) | (0.01) | (11.0) | (0.01) | |
| 41. Memo: Net Income after Allocation to Non-controlling Interests | 1,443.6 | 2,037.0 | 1.43 | 1,582.0 | 1.09 | 1,236.0 | 0.87 | 2,106.0 | 1.34 | 2,106.0 | 1.34 | |
| 42. Memo: Common Dividends Relating to the Period | 584.0 | 824.0 | 0.58 | 1,527.0 | 1.05 | 1,189.0 | 0.84 | 1,784.0 | 1.14 | 1,784.0 | 1.14 | |
| 43. Memo: Preferred Dividends and Interest on Hybrid Capital Accounted for as Equity Related to the Period | 10.6 | 15.0 | 0.01 | 14.0 | 0.01 | 15.0 | 0.01 | 17.0 | 0.01 | 17.0 | 0.01 | |

Exchange rate

USD1 = AUD1.411034

USD1 = AUD1.30463

USD1 = AUD1.3082

USD1 = AUD1.306

Source: Fitch Ratings, Fitch Solutions, MBL

Macquarie Bank Limited
Balance Sheet

| | 31 Mar 2019 | | 31 Mar 2018 | | 31 Mar 2017 | | 31 Mar 2016 | | As % of Assets |
|---|------------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Year End USDm | Year End AUDm | As % of Assets | Year End AUDm | As % of Assets | Year End AUDm | As % of Assets | Year End AUDm | |
| Assets | | | | | | | | | |
| A. Loans | | | | | | | | | |
| 1. Residential Mortgage Loans | 29,740.6 | 41,965.0 | 24.77 | 36,937.0 | 21.32 | 32,791.0 | 19.58 | 31,378.0 | 17.28 |
| 2. Other Mortgage Loans | 0.0 | 0.0 | 0.00 | n.a. | - | n.a. | - | n.a. | - |
| 3. Other Consumer/ Retail Loans | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 4. Corporate & Commercial Loans | 8,759.5 | 12,360.0 | 7.30 | 14,437.0 | 8.33 | 15,007.0 | 8.96 | 17,280.0 | 9.51 |
| 5. Other Loans | 15,256.9 | 21,528.0 | 12.71 | 30,815.0 | 17.79 | 30,521.0 | 18.23 | 32,771.0 | 18.04 |
| 6. Less: Loan Loss Allowances | 361.4 | 510.0 | 0.30 | 367.0 | 0.21 | 753.0 | 0.45 | 737.0 | 0.41 |
| 7. Net Loans | 53,395.6 | 75,343.0 | 44.47 | 81,822.0 | 47.24 | 77,566.0 | 46.32 | 80,692.0 | 44.43 |
| 8. Gross Loans | 53,757.0 | 75,853.0 | 44.77 | 82,189.0 | 47.45 | 78,319.0 | 46.77 | 81,429.0 | 44.84 |
| 9. Memo: Impaired Loans included above | 952.5 | 1,344.0 | 0.79 | 467.0 | 0.27 | 875.0 | 0.52 | 719.0 | 0.40 |
| 10. Memo: Specific Loan Loss Allowances | n.a. | n.a. | - | 120.0 | 0.07 | 357.0 | 0.21 | 299.0 | 0.16 |
| B. Other Earning Assets | | | | | | | | | |
| 1. Loans and Advances to Banks | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 2. Reverse Repos and Securities Borrowing | 20,657.2 | 29,148.0 | 17.20 | 28,907.0 | 16.69 | 18,027.0 | 10.77 | 23,482.0 | 12.93 |
| 3. Derivatives | 9,985.6 | 14,090.0 | 8.32 | 12,695.0 | 7.33 | 12,067.0 | 7.21 | 17,962.0 | 9.89 |
| 4. Trading Securities and at FV through Income | 12,644.6 | 17,842.0 | 10.53 | 15,305.0 | 8.84 | 27,114.0 | 16.19 | 23,950.0 | 13.19 |
| 5. Securities at FV through OCI / Available for Sale | 3,635.6 | 5,130.0 | 3.03 | 5,322.0 | 3.07 | 5,182.0 | 3.09 | 9,008.0 | 4.96 |
| 6. Securities at Amortised Cost / Held to Maturity | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 7. Other Securities | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 8. Total Securities | 16,280.3 | 22,972.0 | 13.56 | 20,627.0 | 11.91 | 32,296.0 | 19.29 | 32,958.0 | 18.15 |
| 9. Memo: Government Securities included Above | 3,922.7 | 5,535.0 | 3.27 | 6,457.0 | 3.73 | 7,371.0 | 4.40 | 6,978.0 | 3.84 |
| 10. Memo: Total Securities Pledged | 1,140.3 | 1,609.0 | 0.95 | 3,354.0 | 1.94 | 5,633.0 | 3.36 | 4,943.0 | 2.72 |
| 11. Equity Investments in Associates | 155.2 | 219.0 | 0.13 | 727.0 | 0.42 | 203.0 | 0.12 | 426.0 | 0.23 |
| 12. Investments in Property | n.a. | n.a. | - | n.a. | - | 378.0 | 0.23 | 284.0 | 0.16 |
| 13. Insurance Assets | 270.7 | 382.0 | 0.23 | 648.0 | 0.37 | 722.0 | 0.43 | 850.0 | 0.47 |
| 14. Other Earning Assets | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 15. Total Earning Assets | 100,744.6 | 142,154.0 | 83.91 | 145,426.0 | 83.96 | 141,259.0 | 84.36 | 156,654.0 | 86.26 |
| C. Non-Earning Assets | | | | | | | | | |
| 1. Cash and Due From Banks | 5,452.0 | 7,693.0 | 4.54 | 7,722.0 | 4.46 | 7,538.0 | 4.50 | 7,474.0 | 4.12 |
| 2. Memo: Mandatory Reserves included above | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 3. Foreclosed Assets | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 4. Fixed Assets | 1,940.4 | 2,738.0 | 1.62 | 11,074.0 | 6.39 | 10,743.0 | 6.42 | 11,304.0 | 6.22 |
| 5. Goodwill | 48.2 | 68.0 | 0.04 | 67.0 | 0.04 | 56.0 | 0.03 | 68.0 | 0.04 |
| 6. Other Intangibles | 77.2 | 109.0 | 0.06 | 147.0 | 0.08 | 137.0 | 0.08 | 156.0 | 0.09 |
| 7. Current Tax Assets | 155.9 | 220.0 | 0.13 | 234.0 | 0.14 | 254.0 | 0.15 | 313.0 | 0.17 |
| 8. Deferred Tax Assets | 312.5 | 441.0 | 0.26 | 143.0 | 0.08 | 162.0 | 0.10 | 169.0 | 0.09 |
| 9. Discontinued Operations | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 10. Other Assets | 11,338.5 | 15,999.0 | 9.44 | 8,405.0 | 4.85 | 7,292.0 | 4.35 | 5,471.0 | 3.01 |
| 11. Total Assets | 120,069.4 | 169,422.0 | 100.00 | 173,218.0 | 100.00 | 167,441.0 | 100.00 | 181,609.0 | 100.00 |
| Liabilities and Equity | | | | | | | | | |
| D. Interest-Bearing Liabilities | | | | | | | | | |
| 1. Total Customer Deposits | 39,772.3 | 56,120.0 | 33.12 | 59,379.0 | 34.28 | 57,682.0 | 34.45 | 52,228.0 | 28.76 |
| 2. Deposits from Banks | n.a. | n.a. | - | 6,273.0 | 3.62 | 7,357.0 | 4.39 | 11,683.0 | 6.43 |
| 3. Repos and Securities Lending | 2,987.9 | 4,216.0 | 2.49 | 5,380.0 | 3.11 | 6,879.0 | 4.11 | 8,872.0 | 4.89 |
| 4. Commercial Paper and Short-term Borrowings | 0.0 | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 |
| 5. Customer Deposits and Short-term Funding | 42,760.1 | 60,336.0 | 35.61 | 71,032.0 | 41.01 | 71,918.0 | 42.95 | 72,783.0 | 40.08 |
| 6. Senior Unsecured Debt | 23,803.1 | 33,587.0 | 19.82 | 39,685.0 | 22.91 | 43,137.0 | 25.76 | 55,142.0 | 30.36 |
| 7. Subordinated Borrowing | 2,167.2 | 3,058.0 | 1.80 | 2,850.0 | 1.65 | 2,878.0 | 1.72 | 3,322.0 | 1.83 |
| 8. Covered Bonds | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 9. Other Long-term Funding | 13,005.4 | 18,351.0 | 10.83 | 13,993.0 | 8.08 | 7,367.0 | 4.40 | 7,555.0 | 4.16 |
| 10. Total LT Funding | 38,975.7 | 54,996.0 | 32.46 | 56,528.0 | 32.63 | 53,382.0 | 31.88 | 66,019.0 | 36.35 |
| 11. Memo: o/w matures in less than 1 year | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 12. Trading Liabilities | 5,497.4 | 7,757.0 | 4.58 | 9,930.0 | 5.73 | 6,856.0 | 4.09 | 7,101.0 | 3.91 |
| 13. Total Funding | 87,233.2 | 123,089.0 | 72.65 | 137,490.0 | 79.37 | 132,156.0 | 78.93 | 145,903.0 | 80.34 |
| 14. Derivatives | 8,875.1 | 12,523.0 | 7.39 | 11,788.0 | 6.81 | 11,101.0 | 6.63 | 14,713.0 | 8.10 |
| 15. Total Funding and Derivatives | 96,108.2 | 135,612.0 | 80.04 | 149,278.0 | 86.18 | 143,257.0 | 85.56 | 160,616.0 | 88.44 |
| E. Non-Interest Bearing Liabilities | | | | | | | | | |
| 1. Fair Value Portion of Debt | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 2. Credit impairment reserves | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 3. Reserves for Pensions and Other | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 4. Current Tax Liabilities | 74.4 | 105.0 | 0.06 | 139.0 | 0.08 | 211.0 | 0.13 | 343.0 | 0.19 |
| 5. Deferred Tax Liabilities | 95.0 | 134.0 | 0.08 | 586.0 | 0.34 | 484.0 | 0.29 | 406.0 | 0.22 |
| 6. Other Deferred Liabilities | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 7. Discontinued Operations | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 8. Insurance Liabilities | 267.2 | 377.0 | 0.22 | 640.0 | 0.37 | 714.0 | 0.43 | 771.0 | 0.42 |
| 9. Other Liabilities | 14,501.4 | 20,462.0 | 12.08 | 8,066.0 | 4.66 | 8,450.0 | 5.05 | 6,007.0 | 3.31 |
| 10. Total Liabilities | 111,046.2 | 156,690.0 | 92.49 | 158,709.0 | 91.62 | 153,116.0 | 91.44 | 168,143.0 | 92.59 |
| F. Hybrid Capital | | | | | | | | | |
| 1. Pref. Shares and Hybrid Capital accounted for as Debt | 1,057.4 | 1,492.0 | 0.88 | 1,406.0 | 0.81 | 1,737.0 | 1.04 | 756.0 | 0.42 |
| 2. Pref. Shares and Hybrid Capital accounted for as Equity | 277.1 | 391.0 | 0.23 | 391.0 | 0.23 | 391.0 | 0.23 | 391.0 | 0.22 |
| G. Equity | | | | | | | | | |
| 1. Common Equity | 7,321.6 | 10,331.0 | 6.10 | 12,223.0 | 7.06 | 11,816.0 | 7.06 | 11,824.0 | 6.51 |
| 2. Non-controlling Interest | 1.4 | 2.0 | 0.00 | 12.0 | 0.01 | 8.0 | 0.00 | 12.0 | 0.01 |
| 3. Securities Revaluation Reserves | 5.0 | 7.0 | 0.00 | 15.0 | 0.01 | 116.0 | 0.07 | 112.0 | 0.06 |
| 4. Foreign Exchange Revaluation Reserves | 447.2 | 631.0 | 0.37 | 492.0 | 0.28 | 363.0 | 0.22 | 492.0 | 0.27 |
| 5. Fixed Asset Revaluations and Other Accumulated OCI | (86.5) | (122.0) | (0.07) | (30.0) | (0.02) | (106.0) | (0.06) | (121.0) | (0.07) |
| 6. Total Equity | 7,688.7 | 10,849.0 | 6.40 | 12,712.0 | 7.34 | 12,197.0 | 7.28 | 12,319.0 | 6.78 |
| 7. Memo: Equity plus Pref. Shares and Hybrid Capital accounted for as E | 7,965.8 | 11,240.0 | 6.63 | 13,103.0 | 7.56 | 12,588.0 | 7.52 | 12,710.0 | 7.00 |
| 8. Total Liabilities and Equity | 120,069.4 | 169,422.0 | 100.00 | 173,218.0 | 100.00 | 167,441.0 | 100.00 | 181,609.0 | 100.00 |
| 9. Memo: Fitch Core Capital | 6,865.2 | 9,687.0 | 5.72 | 11,297.0 | 6.52 | 10,825.0 | 6.46 | 10,750.0 | 5.92 |

Exchange rate

USD1 = AUD1.411034

USD1 = AUD1.30463

USD1 = AUD1.3082

USD1 = AUD1.306

Source: Fitch Ratings, Fitch Solutions, MBL

Macquarie Bank Limited Summary Analytics

| | 31 Mar 2019 | 31 Mar 2018 | 31 Mar 2017 | 31 Mar 2016 |
|---|-------------|-------------|-------------|-------------|
| | Year End | Year End | Year End | Year End |
| A. Interest Ratios | | | | |
| 1. Interest Income/ Average Earning Assets | 3.26 | 3.17 | 3.37 | 3.44 |
| 2. Interest Income on Loans/ Average Gross Loans | n.a. | n.a. | n.a. | n.a. |
| 3. Interest Expense on Customer Deposits/ Average Customer Deposits | n.a. | n.a. | n.a. | n.a. |
| 4. Interest Expense/ Average Interest-bearing Liabilities | 1.97 | 1.79 | 1.70 | 1.82 |
| 5. Net Interest Income/ Average Earning Assets | 1.34 | 1.39 | 1.54 | 1.48 |
| 6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets | 1.25 | 1.38 | 1.36 | 1.15 |
| 7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets | 1.33 | 1.38 | 1.53 | 1.47 |
| B. Other Operating Profitability Ratios | | | | |
| 1. Operating Profit/ Risk Weighted Assets | 1.83 | 2.16 | 1.43 | 1.91 |
| 2. Non-Interest Expense/ Gross Revenues | 69.21 | 62.84 | 68.38 | 58.61 |
| 3. Loans and securities impairment charges/ Pre-impairment Op. Profit | 14.09 | 2.12 | 18.39 | 23.06 |
| 4. Operating Profit/ Average Total Assets | 0.81 | 1.16 | 0.74 | 0.98 |
| 5. Non-Interest Income/ Gross Revenues | 62.54 | 62.49 | 56.94 | 60.35 |
| 6. Non-Interest Expense/ Average Total Assets | 2.08 | 1.99 | 1.98 | 1.79 |
| 7. Pre-impairment Op. Profit/ Average Equity | 13.70 | 16.40 | 12.96 | 20.01 |
| 8. Pre-impairment Op. Profit/ Average Total Assets | 0.94 | 1.19 | 0.90 | 1.28 |
| 9. Operating Profit/ Average Equity | 11.77 | 16.05 | 10.58 | 15.39 |
| C. Other Profitability Ratios | | | | |
| 1. Net Income/ Average Total Equity | 16.91 | 12.81 | 10.03 | 18.00 |
| 2. Net Income/ Average Total Assets | 1.16 | 0.93 | 0.70 | 1.15 |
| 3. Fitch Comprehensive Income/ Average Total Equity | 17.28 | 13.97 | 8.88 | 17.00 |
| 4. Fitch Comprehensive Income/ Average Total Assets | 1.19 | 1.01 | 0.62 | 1.09 |
| 5. Taxes/ Pre-tax Profit | 26.64 | 26.47 | 29.37 | 39.23 |
| 6. Net Income/ Risk Weighted Assets | 2.63 | 1.73 | 1.36 | 2.23 |
| D. Capitalization | | | | |
| 1. FCC/ FCC-Adjusted Risk Weighted Assets | 12.50 | 12.32 | 12.03 | 11.46 |
| 2. Tangible Common Equity/ Tangible Assets | 6.14 | 7.22 | 7.18 | 6.67 |
| 3. Equity/ Total Assets | 6.40 | 7.34 | 7.28 | 6.78 |
| 4. Basel Leverage Ratio | 5.30 | 6.00 | 6.40 | 5.50 |
| 5. Common Equity Tier 1 Capital Ratio | 11.40 | 11.00 | 11.10 | 10.70 |
| 6. Fully Loaded Common Equity Tier 1 Capital Ratio | 11.40 | 11.00 | 11.10 | 10.70 |
| 7. Tier 1 Capital Ratio | 13.50 | 12.80 | 13.30 | 11.80 |
| 8. Total Capital Ratio | 15.60 | 14.60 | 15.40 | 14.10 |
| 9. Impaired Loans less Loan Loss Allowances/ Fitch Core Capital | 8.61 | 0.89 | 1.13 | (0.17) |
| 10. Impaired Loans less Loan Loss Allowances/ Equity | 7.69 | 0.79 | 1.00 | (0.15) |
| 11. Cash Dividends Paid & Declared/ Net Income | 41.11 | 97.35 | 98.37 | 85.97 |
| 12. Risk Weighted Assets/ Total Assets | 45.75 | 52.96 | 53.76 | 51.66 |
| 13. Risk Weighted Assets - Standardised/ Risk Weighted Assets | n.a. | n.a. | n.a. | n.a. |
| 14. Risk Weighted Assets - Advanced Method/ Risk Weighted Assets | n.a. | n.a. | n.a. | n.a. |
| E. Loan Quality | | | | |
| 1. Impaired Loans/ Gross Loans | 1.77 | 0.57 | 1.12 | 0.88 |
| 2. Growth of Gross Loans | (7.71) | 4.94 | (3.82) | 10.70 |
| 3. Loan Loss Allowances/ Impaired Loans | 37.95 | 78.59 | 86.06 | 102.50 |
| 4. Loan Impairment Charges/ Average Gross Loans | 0.17 | 0.02 | 0.32 | 0.63 |
| 5. Growth of Total Assets | (2.19) | 3.45 | (7.80) | 5.23 |
| 6. Loan Loss Allowances/ Gross Loans | 0.67 | 0.45 | 0.96 | 0.91 |
| 7. Net Charge-offs/ Average Gross Loans | 0.15 | 0.36 | 0.12 | 0.76 |
| 8. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets | 1.77 | 0.57 | 1.12 | 0.88 |
| F. Funding and Liquidity | | | | |
| 1. Loans/ Customer Deposits | 135.16 | 138.41 | 135.78 | 155.91 |
| 2. Liquidity Coverage Ratio | 154.00 | 162.00 | 168.00 | 173.00 |
| 3. Customer Deposits/ Total Funding (including Pref. Shares & Hybrids) | 44.91 | 42.63 | 42.96 | 35.52 |
| 4. Interbank Assets/ Interbank Liabilities | n.a. | n.a. | n.a. | n.a. |
| 5. Net Stable Funding Ratio | 112.90 | n.a. | n.a. | n.a. |
| 6. Growth of Total Customer Deposits | (5.49) | 2.94 | 10.44 | 10.34 |

Source: Fitch Ratings, Fitch Solutions, MBL

Macquarie Bank Limited
Reference Data

| | 31 Mar 2019 | | | 31 Mar 2018 | | 31 Mar 2017 | | 31 Mar 2016 | |
|---|------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
| | Year End USDm | Year End AUDm | As % of Assets | Year End AUDm | As % of Assets | Year End AUDm | As % of Assets | Year End AUDm | As % of Assets |
| A. Off-Balance Sheet Items | | | | | | | | | |
| 1. Managed Securitised Assets Reported Off-Balance Sheet | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 2. Other off-balance sheet exposure to securitizations | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 3. Guarantees | 80.8 | 114.0 | 0.07 | 107.0 | 0.06 | 50.0 | 0.03 | 150.0 | 0.08 |
| 4. Acceptances and documentary credits reported off-balance sheet | 865.3 | 1,221.0 | 0.72 | 874.0 | 0.50 | 682.0 | 0.41 | 708.0 | 0.39 |
| 5. Committed Credit Lines | 5,173.5 | 7,300.0 | 4.31 | 4,712.0 | 2.72 | 4,738.0 | 2.83 | 4,806.0 | 2.65 |
| 6. Other Contingent Liabilities | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 7. Other Off-Balance Sheet items | 1,790.9 | 2,527.0 | 1.49 | 288.0 | 0.17 | 1,165.0 | 0.70 | 1,134.0 | 0.62 |
| 8. Total Assets under Management | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| B. Average Balance Sheet | | | | | | | | | |
| 1. Average Loans | 55,592.8 | 78,443.3 | 46.30 | 79,013.0 | 45.61 | 79,581.3 | 47.53 | 77,616.7 | 42.74 |
| 2. Average Earning Assets | 104,710.4 | 147,750.0 | 87.21 | 145,815.7 | 84.18 | 141,910.7 | 84.75 | 149,033.3 | 82.06 |
| 3. Average Total Assets | 124,617.6 | 175,839.7 | 103.79 | 170,625.3 | 98.50 | 175,230.3 | 104.65 | 182,101.3 | 100.27 |
| 4. Average Managed Securitised Assets (OBS) | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 5. Average Interest-Bearing Liabilities | 102,178.3 | 144,177.0 | 85.10 | 145,472.7 | 83.98 | 153,357.0 | 91.59 | 160,278.0 | 88.25 |
| 6. Average Common equity | 8,137.1 | 11,481.7 | 6.78 | 11,964.0 | 6.91 | 11,803.3 | 7.05 | 10,909.0 | 6.01 |
| 7. Average Equity | 8,555.6 | 12,072.3 | 7.13 | 12,359.7 | 7.14 | 12,206.7 | 7.29 | 11,641.3 | 6.41 |
| 8. Average Customer Deposits | 39,704.9 | 56,025.0 | 33.07 | 58,682.7 | 33.88 | 55,114.3 | 32.92 | 50,486.6 | 27.80 |
| C. Maturities | | | | | | | | | |
| Asset Maturities: | | | | | | | | | |
| Loans & Advances < 3 months | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Loans & Advances 3 - 12 Months | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Loans and Advances 1 - 5 Years | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Loans & Advances > 5 years | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Debt Securities < 3 Months | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Debt Securities 3 - 12 Months | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Debt Securities 1 - 5 Years | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Debt Securities > 5 Years | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Loans & Advances to Banks < 3 Months | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Loans & Advances to Banks 3 - 12 Months | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Loans & Advances to Banks 1 - 5 Years | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Loans & Advances to Banks > 5 Years | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Liability Maturities: | | | | | | | | | |
| Retail Deposits < 3 months | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Retail Deposits 3 - 12 Months | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Retail Deposits 1 - 5 Years | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Retail Deposits > 5 Years | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Other Deposits < 3 Months | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Other Deposits 3 - 12 Months | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Other Deposits 1 - 5 Years | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Other Deposits > 5 Years | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Deposits from Banks < 3 Months | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Deposits from Banks 3 - 12 Months | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Deposits from Banks 1 - 5 Years | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Deposits from Banks > 5 Years | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Senior Debt Maturing < 3 months | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Senior Debt Maturing 3-12 Months | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Senior Debt Maturing 1- 5 Years | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Senior Debt Maturing > 5 Years | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Total Senior Debt on Balance Sheet | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Fair Value Portion of Senior Debt | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Subordinated Debt Maturing < 3 months | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Subordinated Debt Maturing 3-12 Months | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Subordinated Debt Maturing 1- 5 Year | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Subordinated Debt Maturing > 5 Years | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Total Subordinated Debt on Balance Sheet | 2,167.2 | 3,058.0 | 1.80 | 2,850.0 | 1.65 | 2,878.0 | 1.72 | 3,322.0 | 1.83 |
| Fair Value Portion of Subordinated Debt | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| D. Risk Weighted Assets | | | | | | | | | |
| 1. Risk Weighted Assets | 54,936.3 | 77,517.0 | 45.75 | 91,730.0 | 52.96 | 90,016.0 | 53.76 | 93,824.0 | 51.66 |
| 2. Fitch Core Capital Adjustments for Insurance and Securitisation Risk Weighted Assets | n.a. | n.a. | - | n.a. | - | n.a. | - | 0.0 | 0.00 |
| 3. Fitch Core Capital Adjusted Risk Weighted Assets | 54,936.3 | 77,517.0 | 45.75 | 91,730.0 | 52.96 | 90,016.0 | 53.76 | 93,824.0 | 51.66 |
| 4. Other Fitch Adjustments to Risk Weighted Assets | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 5. Fitch Adjusted Risk Weighted Assets | 54,936.3 | 77,517.0 | 45.75 | 91,730.0 | 52.96 | 90,016.0 | 53.76 | 93,824.0 | 51.66 |
| E. Fitch Core Capital Reconciliation | | | | | | | | | |
| 1. Total Equity as reported (including non-controlling interests) | 7,688.7 | 10,849.0 | 6.40 | 12,712.0 | 7.34 | 12,197.0 | 7.28 | 12,319.0 | 6.78 |
| 2. Fair-value adjustments relating to own credit risk on debt issued | 0.0 | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 |
| 3. Non-loss-absorbing non-controlling interests | 0.0 | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 |
| 4. Goodwill | 48.2 | 68.0 | 0.04 | 67.0 | 0.04 | 56.0 | 0.03 | 68.0 | 0.04 |
| 5. Other intangibles | 77.2 | 109.0 | 0.06 | 147.0 | 0.08 | 137.0 | 0.08 | 156.0 | 0.09 |
| 6. Deferred tax assets deduction | 217.6 | 307.0 | 0.18 | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 |
| 7. Net asset value of insurance subsidiaries | 480.5 | 678.0 | 0.40 | 1,201.0 | 0.69 | 1,179.0 | 0.70 | 1,345.0 | 0.74 |
| 8. First loss tranches of off-balance sheet securitizations | 0.0 | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 |
| 9. Fund for general banking risks if not already included and readily convertible into equi | 0.0 | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 |
| 10. Fitch Core Capital | 6,865.2 | 9,687.0 | 5.72 | 11,297.0 | 6.52 | 10,825.0 | 6.46 | 10,750.0 | 5.92 |

Exchange Rate

USD1 = AUD1.411034

USD1 = AUD1.30463

USD1 = AUD1.3082

USD1 = AUD1.306

Source: Fitch Ratings, Fitch Solutions, MBL

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