Macquarie Group Limited

Key Rating Drivers

Resolution Debt Buffers: Macquarie Group Limited's (MGL) largest operating subsidiary Macquarie Bank Limited's (MBL; A+/Stable) Long-Term Issuer Default Rating (IDR) is above its Viability Rating (VR) of 'a' to reflect the debt buffers the bank has built to address minimum loss-absorbing capacity (LAC) requirements. MBL continues to accumulate LAC in line with Australia's major banks, which we believe is at a sufficient level to support recapitalisation of the bank in the event of a resolution scenario, providing additional protection to third-party senior creditors. We assess MBL and MGL to have the same risk of failure, which is reflected in their VRs.

Internationally Diversified Operations: We apply a blended approach to determine the operating environment score for MGL and MBL, reflecting the diversity of the group's international operations. MGL's score is driven by the heavy weighting of assets and exposure towards 'aa' jurisdictions. MBL's score also reflects this weighting in addition to its greater domestic concentration, given Australia's high household leverage and its mortgage lending and bank regulatory framework. This places its factor score at the lower end of the 'aa' category.

Continued Growth in Banking Business: We expect MGL's business model and earnings stability to strengthen over the medium term, supported by continued expansion of MBL's lending activities. MBL has grown its Australian residential mortgage and deposit market share to approximately 7% and we forecast further gains. MGL's diversified earnings profile compares favourably with that of domestic peers, although some segments are susceptible to more volatile market conditions.

Credit Risk Well Managed: MGL's centralised risk management framework and oversight of subsidiaries through a dedicated risk function underpin its strong credit risk-management practices. These have delivered robust financial outcomes over a sustained period and offset the group's higher risk appetite relative to other Australian banking group peers.

Sound Asset Quality: We expect a modest deterioration in asset quality in the financial year ending June 2027 (FY27), driven by a slight uptick in unemployment and higher interest rates relative to the prior financial year. Downside risk persists from the Iran war's spillovers to the Australian economy. Losses from impaired loans should stay low, buoyed by strong collateral coverage and adequate provisioning. MGL's impaired-loan ratio is likely to be moderately higher than MBL's, reflecting its greater commercial and corporate exposures.

Diversified Earnings Profile: We expect profitability at MGL and MBL to remain sound, underpinned by the breadth of their operations and revenue streams. MGL's operating profit should stay broadly stable in FY27, supported by continued loan growth and modest net interest margin expansion in the banking business. Expense growth is likely to stay contained, aided by ongoing technology investment and efficiency gains.

Strong Capital Buffers: We expect continued strong capital ratios to support the capitalisation and leverage scores of MGL and MBL. We also expect MBL to maintain its common equity Tier 1 (CET1) ratio of 12.8% at FYE26 above 12.0% over the long term. Australia's regulator takes a conservative approach to applying the final Basel III rules, which can make MBL's CET1 ratio appear modest relative to that of some international peers. We consider additional metrics to assess MGL's capitalisation, as it does not report CET1 ratios.

Robust Liquidity Management: We expect funding and liquidity to remain well managed for the group and bank over the next 12 months, with a steady improvement in the loan/deposit ratios. Similar to major domestic banks, these remain higher than at some international peers. MBL's average liquidity coverage ratio of 192% in 1Q27, which it typically maintains at a higher level than at larger domestic peers, partially offsets its smaller deposit franchise and lower stable deposit ratio. MBL's net stable funding ratio was 116% at FYE26, comfortably above regulatory minimums.

Low Double Leverage: We align MGL's ratings with the VR of key group entities to reflect modest common equity double leverage and sound liquidity management. We expect MGL to keep its double leverage ratio below 120% and for liquidity at the operating and bank holding company to remain strong.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

MGL

MGL's ratings may be downgraded if the common equity double leverage exceeds 120% for a sustained period, although we do not expect this to occur.

MGL's VR and Long-Term IDR are broadly sensitive to the same factors as MBL's VR. A VR downgrade at MBL, which forms a large part of the group, could result in rating downgrades across the consolidated group.

A downgrade of MGL's Short-Term IDR to 'F2' would require the Long-Term IDR to be downgraded by at least two notches to 'BBB+' or by one notch to 'A-' combined with the funding and liquidity score being lowered to at least 'a-'.

MBL

MBL's Long-Term IDR and VR could be downgraded if we revise down the operating environment score to the 'a' category, from the 'aa' category, as this would likely lead to a reassessment of most other factors. We believe this is unlikely, but could occur amid a sharp and structural decline in Australia's GDP growth that rapidly increases unemployment. MBL's Long-Term IDR, which is one notch above the VR, is also sensitive to resolution debt buffers falling below its minimum requirement of 6% of risk-weighted assets (June 2026: above 8%) or Fitch assessing the buffer as insufficient to provide further protection for senior creditors. The VR could be downgraded if a combination of the following were to occur:

- the four-year average of the stage 3 loan/gross loan ratio rising to above 2.0% for a sustained period (FY23-FY26: 0.9%)

- the four-year average of operating profit/risk-weighted assets declining to below 1.5% for a sustained period (FY23-FY26: 3.0%)

- the CET1 ratio falling below 10.5% without a credible plan to raise it back above this level (FYE26: 12.8%)

- the business profile score being revised down to 'a-', possibly due to a large drop in lending or MBL's deposit market position.

Deterioration or findings of significant deficiencies in MBL's risk-management framework and liquidity management could also pressure the ratings, as this would most likely result in a lower risk-profile score and have a negative effect on our assessment of some financial profile factors.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

MGL

MGL's ratings are broadly sensitive to similar factors as MBL's VR. An upgrade of MBL's VR could support positive momentum of the rating of the consolidated group. The ratings of MBL and MGL could still differ, as MGL has a less stringent regulatory framework and has lower scores for asset quality and capitalisation and leverage than MBL.

MBL

Positive momentum in MBL's VR and IDR would require an upward revision of MBL's business or risk profile factor scores. This could be reflected in mortgage and deposit market share growth closer to that of higher-rated peers or a clear path towards the removal of the AUD500 million regulatory operational risk charge.

Other Debt and Issuer Ratings

Rating Level	Rating	Outlook
Senior unsecured: long term	A	n.a.
Senior unsecured: short term	F1	n.a.

Note: n.a stands for not applicable
Source: Fitch Ratings

Senior Unsecured Instruments

We equalise MGL's long-term senior unsecured debt rating with its VR, which is the anchor rating. The debt rating is above the baseline notching for bank holding company senior debt because MGL owns highly diversified and material subsidiaries that, in our view, provide options to sell subsidiaries or assets to reduce risks for senior creditors.

MBL's long-term senior unsecured debt rating is one notch above its VR. This is consistent with our *Bank Rating Criteria*, as resolution buffers are under 10% of risk-weighted assets and senior debt cannot be used to fulfil regulatory resolution buffer requirements. This limits the probability of default on senior unsecured instruments.

Short-Term IDR

The short-term senior unsecured debt ratings of MGL and MBL are at the lower of the two options that map to the Long-Term IDRs of 'A' and 'A+', respectively, because the 'a' funding and liquidity score is lower than the minimum 'aa-' score to achieve the higher option of 'F1+'.

Subordinated Debt

MBL's subordinated debt is rated two notches below its anchor rating – the VR – for loss severity, with non-performance risk adequately captured by the VR. The regulator determines the point of non-viability, at which point the instruments would typically be converted to equity in part or in full. None of the reasons for alternative notching from the anchor rating, as described in the criteria, are present.

Fixed Rate Profit Note

MGL's USD50 million fixed-rate profit note due December 2034 is rated in line with its IDR, which is in turn equalised with the VR. A default of the senior unsecured obligations would be deemed a default of MGL, in accordance with our rating definitions.

We assess the note under our Sukuk rating criteria. We have given no consideration to any underlying assets or collateral provided, as we believe MGL's ability to satisfy payments due on the note will ultimately depend on it satisfying its unsecured payment obligations under the transaction documents.

In addition to MGL's propensity to repay the note, we believe MGL would be required to ensure full and timely repayment due to its various roles and obligations under the documentation. These include, but are not limited to, the features below:

- MGL, as issuer, will ensure sufficient funds are available to meet the profit payments under the note on each profit payment date. MGL can take other measures so there is no shortfall and that the aggregate nominal amount and profit are paid in full and in a timely manner.

- MGL shall pay the periodic profit funded through murabaha transactions. Profit payment is annual and ends on the maturity date. Upon the scheduled maturity date or early redemption, the issuer will redeem the aggregate nominal amount.

- The note is the issuer's direct, unconditional, unsubordinated and unsecured obligation and ranks pari passu and without prejudice among itself and at least equally with all the issuer's other unsecured and unsubordinated obligations from time to time outstanding.

- If a sharia event occurs with respect to the note, as determined by the issuer or sharia agent, Macquarie Financial Limited (MFL), on its behalf, the issuer shall redeem the note in whole with not less than 10 business days' notice to noteholders at their early redemption amount (principal), together, if appropriate, with accrued profit to (but excluding) the redemption date.

The transaction is governed by English law. We do not express an opinion on whether the relevant transaction documents are enforceable under any applicable law. However, the note rating reflects our belief that MGL will stand behind its obligations.

We do not express an opinion on the issuance's compliance with sharia principles when assigning issue ratings.

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

Short-Term IDR

A downgrade of the Short-Term IDRs would occur if we downgrade the Long-Term IDRs to 'A-' or below and revise the funding and liquidity score to below 'a'.

Senior Unsecured Instruments and Fixed-Rate Profit Note

We would downgrade the senior unsecured instrument ratings if the VRs are downgraded. MGL's senior debt ratings are also sensitive to a deterioration in the diversity of its subsidiaries, while MBL's senior debt ratings could also be downgraded if its LAC buffers decline to levels that would no longer warrant an uplift over the VR.

We would downgrade the fixed-rate profit note rating if MGL's VR is downgraded. The note rating is also sensitive to negative changes to MGL's roles and obligations under the note documents.

Subordinated Debt

We would downgrade MBL's subordinated instrument ratings if its VR is downgraded or if any of the reasons for wider notching outlined in our *Bank Rating Criteria* apply, although we view this as unlikely.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

Short-Term IDR

We would upgrade the Short-Term IDRs if the Long-Term IDRs are upgraded to 'AA-' or the funding and liquidity score is revised to 'aa-' or above.

Senior Unsecured Instruments and Fixed-Rate Profit Note

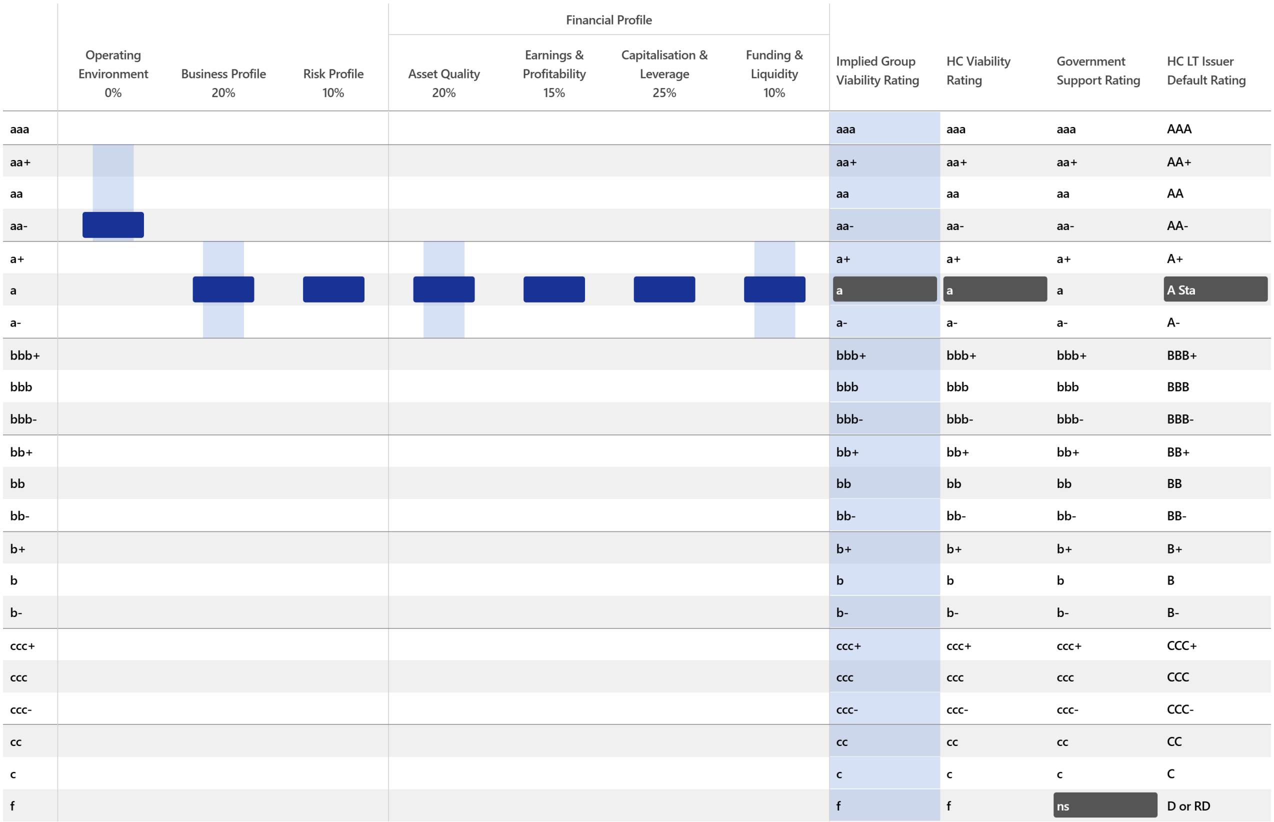
We would upgrade the long-term senior unsecured instrument ratings if the VRs are upgraded.

We would upgrade the fixed-rate profit note rating if MGL's VR is upgraded.

Subordinated Debt

We would upgrade MBL's subordinated debt rating if its VR is upgraded or if any of the reasons for narrower notching outlined in our *Bank Rating Criteria* apply, although we view this as unlikely.

Ratings Navigator



The Key Rating Driver (KRD) weightings used to determine the implied VR are shown as percentages at the top. In cases where the implied VR is adjusted upwards or downwards to arrive at the VR, the KRD associated with the adjustment reason is highlighted in red. The shaded areas indicate the benchmark-implied scores for each KRD.

Factor Outlook

Stable Evolving Positive Negative

VR - Adjustments to Key Rating Drivers

There is no implied range for the earnings and profitability and capitalisation and leverage key rating drivers of MGL, because MGL does not report risk-weighted assets. We assess these key rating drivers based on complementary metrics rather than the core metrics of operating profit/risk-weighted assets and the CET1 ratio.

MBL's asset-quality score of 'a+' has been assigned below the 'aa' category implied score for the following adjustment reason: underwriting standards and/or growth (negative). The adjustment for MBL is driven by its strong loan growth. The bank's loan underwriting is sound and has remained consistent.

Company Summary and Key Qualitative Factors

Operating Environment

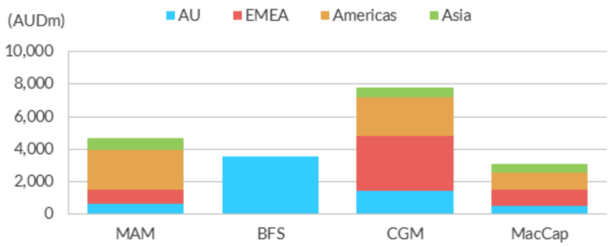
MGL is the most internationally active of Fitch-rated Australian banking groups. Offshore revenue accounted for about 68% of total income at FYE26, with North America (primarily the US), Europe and Asia representing the principal non-domestic markets. A significant share of group earnings and assets is located in jurisdictions assessed in the 'aa' operating environment range, supporting an operating environment score of 'aa-' for both MGL and MBL, the group's main operating subsidiary.

Australian prudential regulation prioritises depositor protection over group creditor interests, which is a key reason MBL's VR is assessed on a standalone basis and may be differentiated from the group VR. The two ratings are currently at the same level.

Prolonged Middle East conflict poses increasing risks to Australian economic growth, although domestic banks are well positioned to absorb these pressures. Unemployment is likely to rise moderately over the remainder of 2026, which will put pressure on banks' asset quality. Sound underwriting standards across the system, combined with sustained house price appreciation over the past three years, should contain losses.

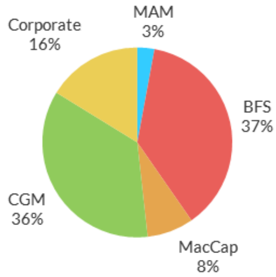
Australia's household debt-to-disposable income ratio remains high relative to most global peers, despite declining to 177% by end-2025 from a recent peak of 185% in 2022. Household leverage is incorporated into the operating environment assessment, placing the score at the lower end of the 'aa' category.

Geographic Diversity
FYE26 revenue by region



Source: MGL

MGL Segment Assets
FYE26



Source: MGL

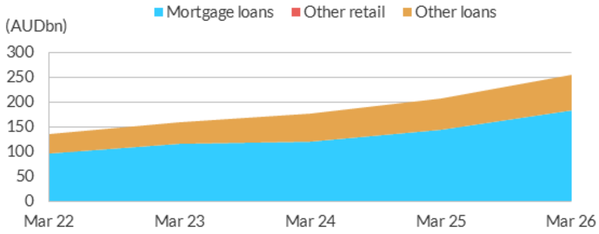
Business Profile

MGL is the listed non-operating holding company of the Macquarie group. Its principal subsidiaries are MBL, which undertakes traditional banking operations, Macquarie Financial Limited, Macquarie International Finance Limited (MIFL, A/Stable), Macquarie Global Finance Limited (MGF, A/Stable) and Macquarie Asset Management Holdings Pty Limited. The group provides a full suite of banking services in Australia while targeting niche and non-traditional activities offshore.

The group's business model has remained stable, with expansion focused on existing areas of expertise. MGL operates through four divisions: two capital-markets-facing businesses, Macquarie Capital (MacCap) and Commodities and Global Markets (CGM), and two businesses with more stable earnings profiles, Macquarie Asset Management (MAM) and Banking and Financial Services (BFS). These divisions are supported by centralised risk management, treasury, IT, finance, legal and governance functions.

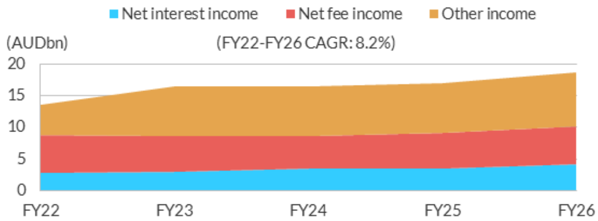
Fitch considers MGL's management to be highly skilled and experienced, underpinning effective strategic execution and consistent financial performance. MGL is selectively acquisitive but maintains transaction discipline, with business expansion typically tied to existing operations and significant acquisitions funded through debt and capital raising. The group has demonstrated a willingness to exit, restructure or divest businesses that fail to meet return thresholds. We do not expect the recently announced CEO transition to materially alter group strategy.

Loan Book Breakdown



CAGR: compound annual growth rate
Source: Fitch Ratings, Fitch Solutions, MGL

Revenue Breakdown



CAGR: compound annual growth rate
Source: Fitch Ratings, Fitch Solutions, MGL

Risk Profile

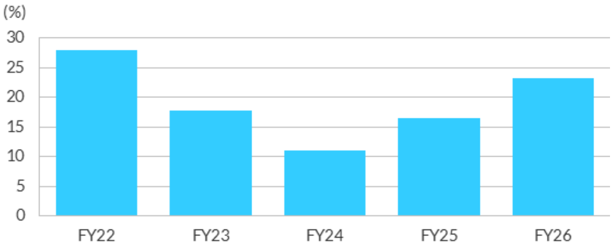
MGL maintains a larger risk appetite than most Australian banking groups, which tend to be heavily oriented towards retail and traditional banking activities. The group's consistent risk management has tempered this appetite over time, reflected in a strong execution record. MGL's risk framework is centralised and integrated across group entities.

MGL continues to report strong loan growth, driven largely by banking operations – most notably residential mortgages. This growth has been supported by technology investment, broker relationships and faster processing times relative to peers, rather than any relaxation of underwriting standards, such as high loan-to-value ratio or interest-only lending.

MBL holds the largest balance sheet within the group, comprising the majority of MGL's risk exposure. For details on underwriting, growth and market risk, refer to Fitch's rating report on MBL.

Non-financial risk remains elevated for MGL and the broader sector, most visibly through regulatory actions including fines for compliance and conduct shortcomings. The group has several remediation programmes underway to address historical matters, and MBL retains the AUD500 million capital overlay imposed in 2021.

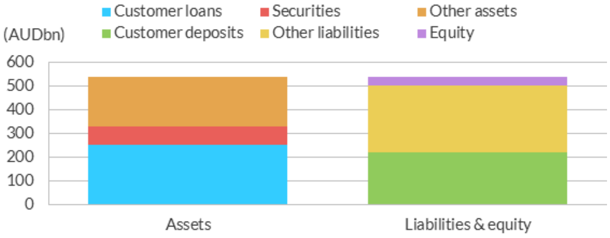
Loan Growth



Source: Fitch Ratings, Fitch Solutions, MGL

Balance Sheet

End-Mar 2026



Source: Fitch Ratings, Fitch Solutions, MGL

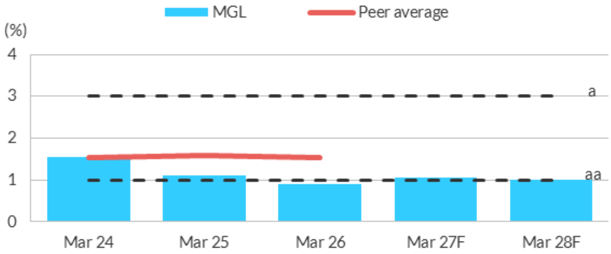
Financial Profile

Asset Quality

MGL's exposure and loan types may result in more volatile asset quality metrics through the cycle relative to some peers. Loans made up only 47% of MGL's assets at FYE26, significantly lower than most domestic banking group peers. Asset quality tends to be stronger in MGL's non-loan financial assets (mostly investment-grade on MGL's internal scale) and residential mortgage book (72% of total loans) than in its corporate, commercial and other lending, and we expect this to remain the case.

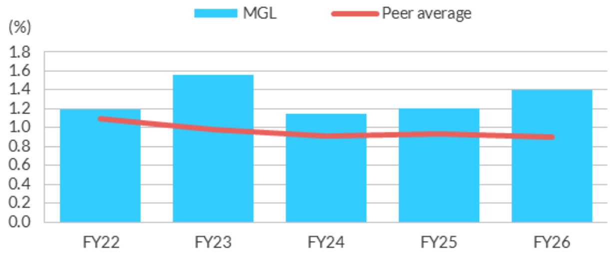
The bulk of MGL’s remaining assets at FYE26 were derivatives, financial investments and trading assets. Derivative assets tend to show more volatility in terms of size on the balance sheet, depending on client activity and mark-to-market movements. Trading assets consist mainly of government debt securities, listed equities and commodities, while financial investments mostly consist of debt securities held as liquid asset holdings.

Impaired Loans/Gross Loans



Source: Fitch Ratings, Fitch Solutions, banks

Operating Profit/Average Assets



Source: Fitch Ratings, Fitch Solutions, banks

Earnings and Profitability

Relative to domestic peers, MGL generates a significant proportion of non-interest income, including fee and commission income and net trading income, which together accounted for more than 75% of operating income at FYE26. Some fee income, such as base management fees from the asset management business, is reasonably stable, as it is largely tied to the volume and value of assets under management. By contrast, trading and derivatives income in CGM and deal-related fee income in MacCap have shown greater variability, although this has mainly been to the upside during periods of commodity price volatility.

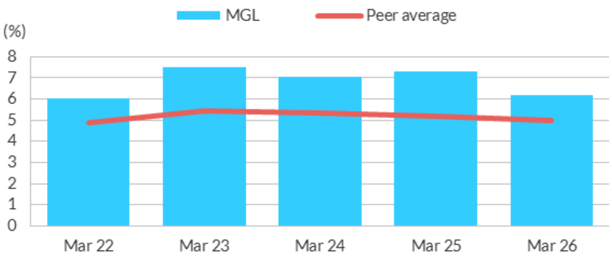
Fitch focuses primarily on the operating profit/average total assets metric when assessing MGL's earnings, as only the banking operations are required to calculate risk-weighted assets under Australia's regulatory framework. MGL also regularly generates material non-operating revenue through asset and business disposals; Fitch therefore also considers the return on equity metric to capture this activity. Both metrics compare favourably with similarly rated domestic and international peers with broadly comparable operating environment scores.

Capitalisation and Leverage

MGL's sound capital management over a sustained period is reflected in its robust surplus relative to regulatory minimums. The minimum Tier 1 requirement stood at AUD33.3 billion at FYE26, with the group holding around 28% surplus to this level. Fitch considers strong capital buffers appropriate because of the higher risk profile and complexity of MGL's operations, as they provide greater protection against unexpected risks relative to domestic peers with simpler business models. MGL's capitalisation score is lower than MBL's, reflecting the less stringent capital framework and reporting requirements applicable to MGL.

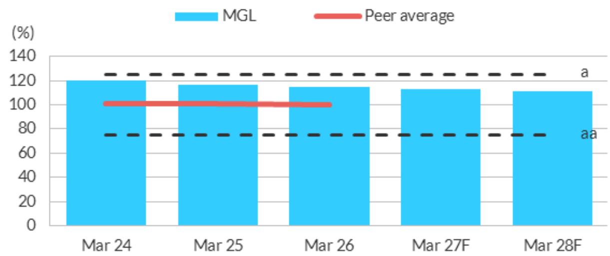
MGL is not required to calculate risk-weighted regulatory capital ratios, but instead must hold a nominal capital amount calculated by aggregating the minimum capital requirements of its banking and non-banking operations. In assigning MGL's factor score, Fitch also considers un-risk-weighted capital ratios, such as tangible common equity/tangible assets, where MGL compares favourably with similarly rated international peers. Common equity double leverage was below 120% at FYE26, and we expect this to remain the case.

Tangible Equity/Tangible Assets



Source: Fitch Ratings, Fitch Solutions, banks

Gross Loans/Customer Deposits



Source: Fitch Ratings, Fitch Solutions, banks

Funding and Liquidity

MGL relies on wholesale funding to finance its non-banking group operations, as it does not have a banking licence and is therefore prevented from gathering deposits; this activity is undertaken by MBL. The group manages its wholesale funding maturity, currency and product well, which reduces risk for the non-bank operations. Funding conditions have remained favourable for the group, and we expect this to broadly remain the case over the next 12 months.

MGL's liquidity management policies are relatively prudent and are set so that it can meet all its liquidity obligations over a 12-month period, assuming no access to funding markets. Policies for MBL assume limited market access. Funding for the non-bank operations is typically done through MGL, which is reliant on interest and dividend payments from its subsidiaries to meet debt repayments. MGL and MBL account for most of the debt instruments issued to external investors.

Additional Notes on Charts

Black dashed lines represent boundaries for indicative quantitative ranges and implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'aa' category. Peer average includes BNP Paribas SA, Commonwealth Bank of Australia, Macquarie Bank Limited, The Goldman Sachs Group, Inc., Westpac Banking Corporation, National Australia Bank Limited, Australia and New Zealand Banking Group Limited. Unless otherwise stated, financial year (FY) end is 31 December for all banks in this report. Financial year end of Macquarie Group Limited, Macquarie Bank Limited is Mar 31. Financial year end of Commonwealth Bank of Australia is 30-Jun. Financial year end of Westpac Banking Corporation, National Australia Bank Limited, Australia and New Zealand Banking Group Limited is 30-Sep.

Financials

Financial Statements

	31 Mar 23 12 months (AUDm)	31 Mar 24 12 months (AUDm)	31 Mar 25 12 months (AUDm)	31 Mar 26 12 months (AUDm)	31 Mar 27F 12 months (AUDm)	31 Mar 28F 12 months (AUDm)
Summary income statement						
Net interest and dividend income	3,028	3,459	3,507	4,151	-	-
Net fees and commissions	5,530	5,178	5,584	5,993	-	-
Other operating income	9,583	8,411	9,096	10,711	-	-
Total operating income	18,141	17,048	18,187	20,855	20,869	21,590
Operating costs	11,121	12,619	12,865	13,546	13,761	14,091
Pre-impairment operating profit	7,020	4,429	5,322	7,309	7,107	7,498
Loan and other impairment charges	388	-134	266	478	404	388
Operating profit	6,632	4,563	5,056	6,831	6,703	7,111
Other non-operating items (net)	360	263	12	-102	-	-
Tax	1,824	1,291	1,326	1,860	-	-
Net income	5,168	3,535	3,742	4,869	4,860	5,155
Other comprehensive income	1,623	350	857	-1,787	-	-
Fitch comprehensive income	6,791	3,885	4,599	3,082	-	-
Summary balance sheet						
Assets						
Gross loans	159,888	177,586	206,913	254,886	285,472	314,020
– of which impaired	2,025	2,762	2,299	2,290	-	-
Loan loss allowances	1,316	1,215	1,265	1,357	-	-
Net loans	158,572	176,371	205,648	253,529	-	-
Interbank	-	-	-	-	-	-
Derivatives	36,114	24,067	24,269	43,533	-	-
Other securities and earning assets	99,569	116,088	124,024	163,587	-	-
Total earning assets	294,255	316,526	353,941	460,649	-	-
Cash and due from banks	45,656	31,855	26,385	23,422	-	-
Other assets	47,961	55,023	64,895	56,030	-	-

Total assets	387,872	403,404	445,221	540,101	588,116	633,941
Liabilities						
Customer deposits	134,714	148,416	177,671	221,547	252,564	282,871
Interbank and other short-term funding	44,477	39,957	46,101	53,520	-	-
Other long-term funding	90,845	92,520	94,004	103,855	-	-
Trading liabilities and derivatives	37,600	30,629	29,219	50,187	-	-
Total funding and derivatives	307,636	311,522	346,995	429,109	-	-
Other liabilities	40,363	43,685	46,036	56,205	-	-
Preference shares and hybrid capital	5,767	14,201	16,401	17,931	-	-
Total equity	34,106	33,996	35,789	36,856	-	-
Total liabilities and equity	387,872	403,404	445,221	540,101	-	-
Exchange rate	USD1= AUD1.4899	USD1= AUD1.5309	USD1= AUD1.5924	USD1= AUD1.4609	-	-

Source: Fitch Ratings, Fitch Solutions, MGL

Key Ratios

Ratios (%; annualised as appropriate)	**31 Mar 23**	**31 Mar 24**	**31 Mar 25**	**31 Mar 26**	**31 Mar 27F**	**31 Mar 28F**
Profitability						
Operating profit/risk-weighted assets	-	-	-	-	-	-
Net interest income/average earning assets	0.9	1.1	1.0	1.0	1.1	1.1
Non-interest expense/gross revenue	67.6	76.4	75.6	72.7	68.4	67.6
Net income/average equity	16.4	10.5	10.9	13.5	-	-
Asset quality						
Impaired loans ratio	1.3	1.6	1.1	0.9	1.1	1.0
Growth in gross loans	17.8	11.1	16.5	23.2	12.0	10.0
Loan loss allowances/impaired loans	65.0	44.0	55.0	59.3	58.8	60.8
Loan impairment charges/average gross loans	0.2	-0.1	0.2	0.1	0.1	0.1
Capitalisation						
Common equity Tier 1 ratio	-	-	-	-	-	-
Fully loaded common equity Tier 1 ratio	-	-	-	-	-	-
Fitch Core Capital ratio	-	-	-	-	-	-
Tangible common equity/tangible assets	7.5	7.1	7.3	6.2	-	-
Basel leverage ratio	-	-	-	-	-	-
Net impaired loans/common equity Tier 1	-	-	-	-	-	-
Net impaired loans/Fitch Core Capital	2.5	5.5	3.2	2.8	-	-
Funding and liquidity						
Gross loans/customer deposits	118.7	119.7	116.5	115.0	-	-
Gross loans/customer deposits + covered bonds	117.8	-	-	-	113.0	111.0

Liquidity coverage ratio	-	-	-	-	-	-
Customer deposits/total non-equity funding	48.0	49.5	52.3	54.1	-	-
Net stable funding ratio	-	-	-	-	-	-

Source: Fitch Ratings, Fitch Solutions, MGL

Support Assessment

Government Support

Sovereign		Australia
Sovereign Long Term Issuer Default Rating	●	AAA/Stable
Total adjustment (notches)		—
Typical D-SIB Government Support for sovereign's rating level		a+ to a-
Actual jurisdiction D-SIB Government Support		a
Government Support Rating		ns
Government ability to support D-SIBs		
Size of banking system	●	Negative
Structure of banking system	●	Negative
Sovereign financial flexibility (for rating level)	●	Neutral
Government propensity to support D-SIBs		
Resolution legislation	●	Neutral
Support stance	●	Positive
Government propensity to support bank		
Systemic importance	●	Negative
Liability structure	●	Negative
Ownership	●	Neutral

The colours indicate the influence of each support factor in our assessment. Influence: Dark blue = neutral; Red = higher

Source: Fitch Ratings

MGL's Government Support Rating (GSR) of 'ns' (no support) reflects our view that there is no reasonable assumption that support will be forthcoming from the Australian authorities. We believe that if support were provided to the group, it would most likely be through the regulated bank, MBL.

Subsidiaries and Affiliates

We equalise the Long-Term IDRs of MFL and Macquarie International Finance Limited (MIFL) with that of their direct parent, MGL, whose Long-Term IDR is the anchor rating and drives the entities' Shareholder Support Ratings (SSRs), which reflect their status as a key and integral part of the group. We believe the subsidiaries undertake core functions, even though they are small relative to the group. In addition, a default by either entity would damage MGL's reputation and the group's franchise.

The Long-Term IDRs of Macquarie Global Finance Pty Limited (MGF) and Macquarie Bank Europe Designated Activity Company (MBE) are driven by their SSRs, which are equalised with the VR of their parent, MBL. This reflects uncertainty over whether MBL's resolution debt buffers will be pre-placed or effectively available to support the senior creditors of MGF and MBE. The entities' SSRs reflect our view that, despite their small size, they undertake core group functions, which increases the propensity of MBL to extend support. If either entity were to default, it would damage the reputation and franchise of MBL and the wider group.

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

A downgrade in MGL's IDRs would be reflected in the SSRs and IDRs of MFL and MIFL, assuming no change in our assumption around the propensity to support. In addition, a reduction in the role and relevance of these entities to the group could lead to a downgrade of the SSRs and therefore IDRs.

A downgrade in MBL's VR would be reflected in the SSRs and IDRs of MGF and MBE, assuming no change in our assumption around the propensity to support. In addition, a reduction in the role and relevance of these entities to the bank could lead to a downgrade of the SSRs and therefore IDRs.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

An upgrade in the IDRs of MGL would be reflected in the SSRs and IDRs of MFL and MIFL, assuming no change to our assumption around the propensity to support.

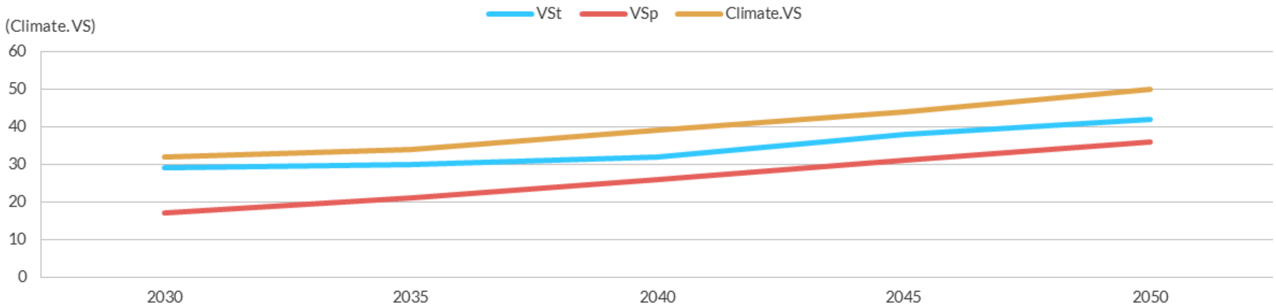
An upgrade in MBL's VR would be reflected in the SSRs and IDRs of MGF and MBE, assuming no change to our assumption around the propensity to support. We may also upgrade MBE's SSR and IDR if we believe there is certainty that it would benefit from MBL's resolution debt buffer. This would result in the anchor rating switching to MBL's Long-Term IDR.

Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify issuers whose credit profiles have a higher potential exposure to climate-related risks, and to subject those ratings to additional analysis and consideration in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk).

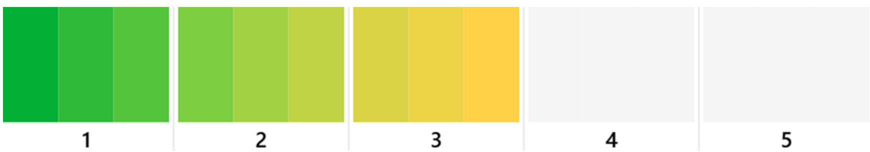
The Climate.VS for MGL for 2035 is 34, which indicates that climate risk factors are not expected to materially affect the credit profile, but some adaptation may be needed. This reflects a transition risk (VSt) component signal of 30 and a physical risk (VSp) component signal of 21. Any potential effect on the rating may differ from the illustrative rating impact in the Climate.VS framework.

Climate Vulnerability Signals for Macquarie Group Limited



Source: Fitch Ratings

Environmental, Social and Governance Considerations

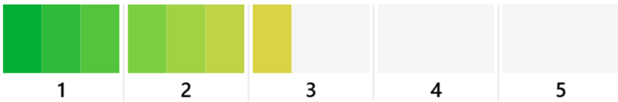


Environmental Relevance Scores

General issues	Score	Sector-specific issues	Reference
GHG Emissions & Air Quality	2	Regulatory risks, emissions fines or compliance costs related to owned, financed or managed assets, which could impact asset prices, profitability, etc.	Operating Environment; Business Profile; Risk Profile; Asset Quality
Energy Management	1	n.a.	n.a.
Water & Wastewater Management	1	n.a.	n.a.
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Business Profile; Risk Profile; Asset Quality

Social Relevance Scores

General issues	Score	Sector-specific issues	Reference
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities: SME and community development programs; financial literacy programs	Business Profile; Risk Profile
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Operating Environment; Business Profile; Risk Profile
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile
Employee Wellbeing	1	n.a.	n.a.
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices	Business Profile; Financial Profile



Governance Relevance Scores

General issues	Score	Sector-specific issues	Reference
Management Strategy	3	Operational implementation of strategy	Business Profile
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Business Profile; Earnings & Profitability; Capitalisation & Leverage
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile

ESG Scoring	Credit-Relevant ESG Scale	
ESG relevance scores range from '1' to '5' based on a 15-level colour gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant. The Environmental (E), Social (S) and Governance (G) tables break out the general and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signalling the credit relevance of the sector-specific issues to an issuer's overall credit rating. The Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The panels underneath the relevance scores tables are visualisations of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The Score columns summarise rating relevance and impact to credit from ESG issues. The column on the far left identifies any ESG relevance sub-factor issues that are drivers or potential drivers of an issuer's credit rating (corresponding with scores of '3', '4' or '5'). All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact. Classification of ESG issues has been developed from Fitch's sector ratings criteria. The general and sector-specific issues draw on the classification standards published by the UN Principles for Responsible Investing, the Sustainability Accounting Standards Board and the World Bank.	5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to 'Higher' relative importance within the Navigator.
	4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to 'Moderate' relative importance within the Navigator.
	3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to 'Lower' relative importance within the Navigator.
	2	Irrelevant to the entity rating but relevant to the sector.
	1	Irrelevant to the entity rating and irrelevant to the sector.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means 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. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/topics/esg/products#esg-relevance-scores

Ratings

Foreign Currency	
Long-Term IDR	A
Short-Term IDR	F1
Viability Rating	a
Government Support Rating	ns
Sovereign Risk (Australia)	
Long-Term Foreign-Currency IDR	AAA
Long-Term Local-Currency IDR	AAA
Country Ceiling	AAA
Outlooks	
Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

ESG and Climate

Highest ESG Relevance Scores	
Environmental	2
Social	3
Governance	3

Climate Vulnerability

2035 Climate Vulnerability Signal: 34

Transition (VSt): 30

Physical (VSp): 21

Applicable Criteria

Non-Bank Financial Institutions Rating Criteria (January 2025)
Sukuk Rating Criteria (October 2025)
Bank Rating Criteria (May 2026)

Related Research

Fitch Affirms Macquarie Group at 'A' and Macquarie Bank at 'A+'; Upgrades Macquarie Bank's GSR (August 2026)
Developed Markets 100 Largest Banks Monitor (July 2026)
Global Economic Outlook (June 2026)

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For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.

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