S&P Global
Ratings

RatingsDirect®

Macquarie Bank Ltd.

Primary Credit Analyst:
Lisa Barrett, Melbourne + 61 3 9631 2081; lisa.barrett@spglobal.com

Secondary Contacts:
Nico N DeLange, Sydney + 61 2 9255 9887; nico.delange@spglobal.com
Sharad Jain, Melbourne + 61 3 9631 2077; sharad.jain@spglobal.com

Table Of Contents

Macquarie Bank Ltd.

SACP	a-
Anchor	bbb+	
Business Position	Adequate	0
Capital and Earnings	Strong	+1
Risk Position	Adequate	0
Funding	Average	0
Liquidity	Adequate	

\+

Support	+2
ALAC Support	0
GRE Support	0
Group Support	0
Sovereign Support	+2

\+

Additional Factors	0

Issuer Credit Rating
A+/Negative/A-1

Major Rating Factors

Strengths:	Weaknesses:
• A well-diversified business across different asset classes and geographies. • Strong level of capitalization amid the COVID-19 outbreak. • A potential recipient of extraordinary Australian government support.	• Capital market-facing businesses focused on volatile markets and products. • More complex nature of credit, market, and operational risks relative to local and international peers.

Outlook: Negative

The negative outlook on Macquarie Bank Ltd. (MBL), similar to the four Australian major banks, mirrors that on the sovereign rating on Australia (AAA/Negative/A-1+). There is a one-in-three likelihood that we will lower our long-term rating on the bank in the next two years.

Despite the challenges MBL may face from the COVID-19 outbreak, we expect that the bank will maintain a sound operating performance, overall absolute capital levels will not deteriorate, and earnings will be sufficient to absorb credit losses. We also anticipate MBL will be able to adequately manage any funding and liquidity challenges posed by the financial market dislocation in this period.

We see a one-in-three possibility that COVID-19 and the resultant containment measures could heighten the risks to the Australian economy and banking sector. In such a scenario, we expect to assess the economic risk score within our Banking Industry Country Risk Assessment for Australia to have worsened by one category, and consequently apply higher risk weights in our capital analysis. Nevertheless, we believe MBL's stand-alone credit profile (SACP) will remain unchanged even with higher risk weights.

Downside scenario

We expect to lower our long-term issuer credit rating on MBL to 'A' in the next two years if we were to lower our long-term local currency sovereign credit rating on Australia to 'AA+'.

Although we consider the following scenario less likely over the next two years, we would expect to lower our long-term issuer credit rating on MBL to 'A' if contrary to our expectations an unexpected lapse in risk management occurred--for example, resulting in a large trading or operational risk loss--or if its credit quality deteriorated sharply. A downside scenario could also emerge if the bank's risk-adjusted capital (RAC) ratio deteriorates to below 10%.

Upside scenario

We expect to revise the outlook on MBL to stable if we were to revise the outlook on Australia to stable.

Rationale

Our ratings on MBL reflect our view that the bank has a well-diversified business position across different asset classes and geographies, and that MBL will maintain a strong capital position relative to peers' globally, despite the challenges from the coronavirus outbreak. Furthermore, as a moderately systemically important bank, MBL is a potential recipient of extraordinary Australian government support in the unlikely event it were required. While we are of the view that the risk-management capabilities and track record of the group are very good, MBL's exposure to more volatile markets and products and thus the more complex nature of the bank's credit, market, and operational risks relative to local and international peers offsets these strengths to an extent.

MBL is the banking subsidiary of the Macquarie Group Ltd. (MGL; BBB+/Stable/A-2). We assess the SACP of MBL as 'a-'.

Anchor: Diversified financial institution with the majority of its exposures in Australia

The starting point for our ratings on MBL--similar to all other banks operating predominantly in Australia--reflects our assessment of Australia's macroeconomic conditions. This is because notwithstanding its diversification, MBL has about 60% of its total credit exposure in its home market of Australia, 15% in the U.K., 10% in the U.S., and the remainder broadly spread across a range of jurisdictions.

Australia benefits from being a wealthy and diverse economy. The country has performed relatively well during and following negative cycles and external shocks. Australia has to date successfully contained the spread of COVID-19 after a second wave in the second most populous state of Victoria. We believe the national economy has commenced its recovery. This follows the first recession in the country in almost 30 years, triggered by the COVID-19 outbreak and containment measures. We expect credit growth to remain muted despite an accommodative monetary policy. We believe credit losses will ease to levels close to our expected long-term average by 2023 after a significant rise from a historical low in 2019. Following a modest correction in property prices during 2020, growth has resumed on the back of an expected economic recovery. We believe economic growth and low interest rates will continue to drive property price appreciation in the next two years. Nevertheless, high house prices and household debt, and Australia's external weaknesses--against the backdrop of global economic uncertainty--expose the banks to elevated risk of a substantial rise in credit losses in the next two years.

We consider that Australia's prudential regulatory standards are conservative. We also believe that the structure of the banking industry supports stability--a small number of strong retail and commercial banks dominate the sector. Low interest rates, weak credit growth, and a drop in fee income will curtail bank earnings. Still, bank earnings should remain sufficient to absorb higher credit losses. Substantial monetary support from the Reserve Bank of Australia has alleviated funding and liquidity risks for the Australian banks. Nevertheless, the Australian banking system's material dependence on external borrowings exposes the banks to a disruption in access to funding as well as a rise in borrowing costs.

Table 1

Macquarie Bank Ltd.--Key Figures

	--Year ended March 31--				
(Mil. A$)	**2020***	**2020**	**2019**	**2018**	**2017**
Adjusted assets	205,681.0	225,643.0	168,863.0	172,356.0	166,526.0
Customer loans (gross)	88,557.0	88,407.0	74,331.0	80,806.0	76,586.0
Adjusted common equity	13,444.0	13,316.0	10,313.0	11,244.0	10,924.0
Operating revenues	2,899.0	5,782.0	5,269.0	5,421.0	5,100.0
Noninterest expenses	1,807.0	3,681.0	3,636.0	3,370.0	3,451.0
Core earnings	671.0	1,172.0	1,264.0	1,492.0	987.0

*Data as of Sept. 30.

Business position: Well-diversified across different asset classes and geographies

MBL's revenue streams are well-diversified across products, and given the niche focus on various sectors, product concentration compares favorably with peers'. MBL is the registered bank in the Macquarie group and primarily houses the group's corporate and asset finance, retail banking, business banking, wealth management, risk management, and trading businesses.

MBL's business benefits from its strong market position and market share in its Australian home market. It has identified niches across personal banking, business banking, wealth management, vehicle finance, specialized asset finance, and commodities and financial markets business lines. Over more than 20 years, MBL has successfully fended off competition in most core business lines from foreign international financial institutions and investment banks.

As a member of the Macquarie group, the bank's strategic focus on increasing income from repeatable stable income sources supports its business stability. In our opinion, MBL's targeted business mix diversifies the bank's businesses between market-facing businesses and repeatable stable income businesses to deliver solid returns in a range of market conditions.

The higher complexity and volatility of some of the markets in which MBL operates act as a counterbalance to our view of MBL's business stability. This is particularly the case compared with the relatively vanilla retail and commercial banking activities of the Australian major banks. While MBL's business position is diverse relative to its size, by international standards it is smaller than some highly rated financial institutions with corporate and commodities and financial markets business lines, as well as compared with the strong market positions of Australia's four major banking groups in domestic retail and commercial banking.

MBL's investment and rebuilding of its technology stack has enabled it to grow above system levels. This includes its investment in a real-time core banking platform for loans and retail deposits. The bank's growth in residential mortgages and retail deposits has been significantly above system levels over the past year, as has its growth in lower loan-to-value ratio and owner occupier mortgages, both of which we view as lower risk.

Table 2

Macquarie Bank Ltd.--Business Position

	--Year ended March 31--				
(%)	**2020***	**2020**	**2019**	**2018**	**2017**
Total revenues from business line (currency in millions)	2,899.0	6,205.0	6,235.0	5,589.0	5,493.0
Commercial banking/total revenues from business line	40.2	42.2	36.9	31.3	26.0
Trading and sales income/total revenues from business line	60.1	55.3	39.9	30.6	33.6
Return on average common equity	9.5	11.8	17.3	12.6	10.0

*Data as of Sept. 30.

Capital and earnings: Strong level of capitalization

We forecast MBL's RAC ratio will remain strong at 12%-13% over the next two years. As of March 31, 2020, the bank's RAC ratio was 13.4%. Our forecast reflects our expectations that:

- Net interest margin will contract over the forecast period, reflecting the impact of increasing competition in the local market (Australia) as well as internationally and the low interest rate environment.
- Credit loss provisions will peak at about 60 basis points.
- MBL's dividend payout ratio will be toward the lower end of the targeted range of 60%-80%.

We expect that to maintain the RAC ratio above 10%, management would take any actions required. These include lowering its dividend payout ratio; divesting stand-alone assets, businesses, and investments; or raising external capital. In our view, the economic risk trend for banks operating predominantly in Australia is negative. There is a one-in-three likelihood that we would apply higher risk weights in our capital analysis to reflect higher economic risks. In that scenario, we estimate that MBL's RAC ratio will remain above 10%.

MBL maintains its regulatory capital well above the Australian Prudential Regulation Authority's (APRA) minimum standards. As of Sept. 30, 2020, the bank's common equity Tier 1 capital ratio was 13.5%, up from 12.2% as of March 31, 2020. We note that the pro forma ratio for Sept. 30, 2020, was 12.5%, reflecting the transfer of group services to the bank and the payment of a dividend from the bank to the group.

Table 3

Macquarie Bank Ltd.--Capital And Earnings

	--Year ended March 31--				
(%)	**2020***	**2020**	**2019**	**2018**	**2017**
Tier 1 capital ratio	15.4	13.6	13.5	12.8	13.3
Adjusted common equity/total adjusted capital	88.8	91.0	86.4	87.6	84.7
Net interest income/operating revenues	34.7	35.3	37.5	37.2	42.6
Fee income/operating revenues	7.6	10.2	8.6	5.0	3.8
Market-sensitive income/operating revenues	48.8	45.3	48.2	36.2	34.9
Cost to income ratio	62.3	63.7	69.0	62.2	67.7
Preprovision operating income/average assets	1.0	1.1	1.0	1.2	0.9
Core earnings/average managed assets	0.6	0.6	0.7	0.9	0.6

*Data as of Sept. 30.

Table 4

Macquarie Bank Ltd.--Risk-Adjusted Capital Framework Data

(Mil. A$)	**Exposure***	**Basel III RWA**	**Average Basel III RW(%)**	**S&P Global Ratings RWA**	**Average S&P Global Ratings RW (%)**
Credit risk					
Government & central banks	5,226.3	382.0	7.3	157.4	3.0
Of which regional governments and local authorities	2,185.6	0.0	0.0	79.2	3.6
Institutions and CCPs	33,190.3	2,334.0	7.0	6,760.7	20.4
Corporate	46,077.6	39,634.0	86.0	36,895.5	80.1
Retail	78,900.3	28,160.0	35.7	29,018.9	36.8
Of which mortgage	64,144.1	18,497.0	28.8	18,981.5	29.6
Securitization§	3,321.4	758.0	22.8	801.5	24.1
Other assets†	2,136.7	2,089.0	97.8	3,519.9	164.7
Total credit risk	168,852.4	73,357.0	43.4	77,154.0	45.7
Credit valuation adjustment					
Total credit valuation adjustment	--	7,635.0	--	9,925.5	--
Market Risk					
Equity in the banking book	241.4	0.0	0.0	1,929.8	799.4

Table 4

Macquarie Bank Ltd.--Risk-Adjusted Capital Framework Data (cont.)					
Trading book market risk	--	3,816.9	--	4,830.9	--
Total market risk	--	3,816.9	--	6,760.8	--
Operational risk					
Total operational risk	--	10,655.0	--	15,622.7	--
	Exposure	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification	--	95,463.9	--	109,462.9	100.0
Total Diversification/ Concentration Adjustments	--	--	--	4,338.6	4.0
RWA after diversification	--	95,463.9	--	113,801.5	104.0
		Tier 1 capital	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		12,968.0	13.6	14,631.0	13.4
Capital ratio after adjustments‡		12,968.0	13.6	14,631.0	12.9

*Exposure at default. §Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). CCP--Central counterparty. RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data as of March 31, 2020, S&P Global Ratings.

Risk position: Strong risk management outcomes despite complexity of business relative to peers

MBL's risk profile reflects the group's strong risk-management capabilities and outcomes in the context of a wide and complex range of credit and noncredit risk exposures across various businesses and geographies.

We believe the group's organizational structure is well aligned with its operating activities. The group's streamlining of its operating activities has resulted in some moderation of its complexity, which in our opinion supports management's ability to oversee and manage associated risks across different business lines. In addition, we are of the view that MGL has sustained its good risk-management outcomes over time and that there are no signs of an increase in risk appetite. This is further supported by the bank's orientation of its earnings toward repeatable and sustainable income sources.

In line with the broader Macquarie group, MBL's risk management practices are commensurate with the unique and more complex nature of its business activities, compared with Australian major bank peers. MBL leverages the group's risk appetite framework, which we view as well developed. We understand that MBL and the group delegate the ownership of risk at the business unit level and focuses on understanding worst-case outcomes. Also, the risk-management team performs an independent review, as needed. In addition, the activities of MBL are well diversified in terms of geography and products.

Table 5

Macquarie Bank Ltd.--Risk Position					
	--Year ended March 31--				
(%)	**2020***	**2020**	**2019**	**2018**	**2017**
Growth in customer loans	0.3	18.9	(8.0)	5.5	(4.1)

Table 5

Macquarie Bank Ltd.--Risk Position (cont.)					
	--Year ended March 31--				
(%)	2020*	2020	2019	2018	2017
Total managed assets/adjusted common equity (x)	15.3	17.0	16.4	15.4	15.3
New loan loss provisions/average customer loans	0.5	0.6	0.2	0.0	0.3
Net charge-offs/average customer loans	0.1	0.2	0.1	0.5	0.2
Gross nonperforming assets/customer loans + other real estate owned	0.0	1.3	1.9	1.2	1.9
Loan loss reserves/gross nonperforming assets	N.M.	58.5	37.1	37.6	50.8

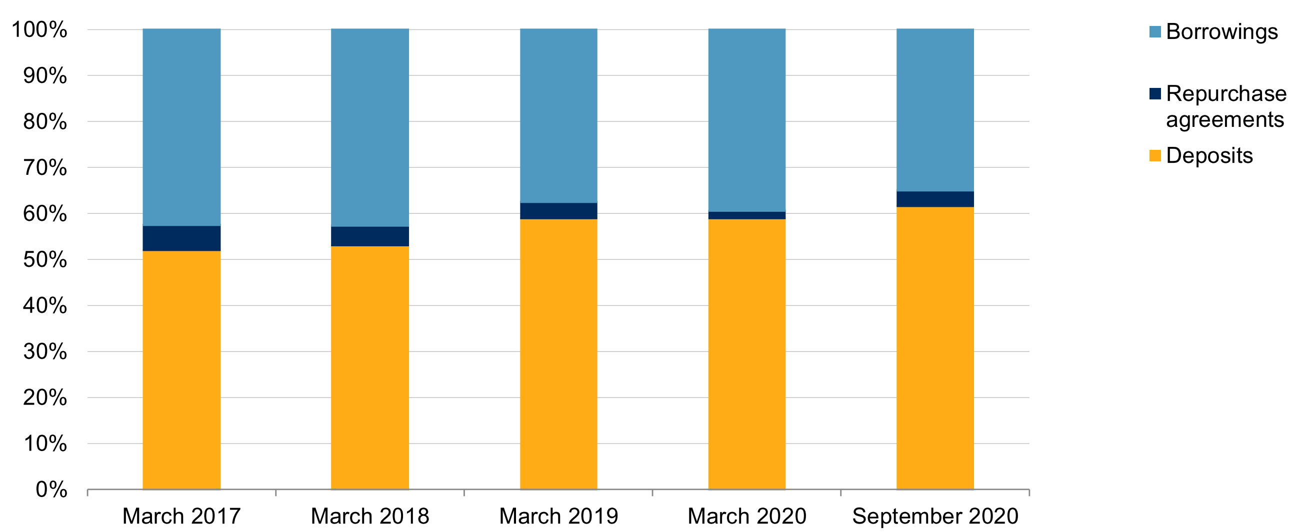
*Data as of Sept. 30. N.M.--Not meaningful.

Funding and liquidity: Funding profile broadly consistent with that of the Australian banking system

While we consider MBL to be partly reliant on wholesale funding, we do not consider the bank's funding profile to be materially different from that of the Australian banking system. MBL's funding metrics are broadly similar to other large banks in Australia, taking into account idiosyncratic features associated with MBL's business base compared with retail and commercial banks. We retain our view that the Australian major banks demonstrate some qualitative funding strengths compared with MBL and all other Australian financial institutions, such as superior deposit-gathering capabilities, branch coverage, and inculcation of its brand in the Australian retail sector. That said, we note that MBL's funding profile over the past years indicates a higher propensity toward deposits (see chart 1). MBL's net stable funding ratio was 112% as of Dec. 31, 2020, on par with that of the Australian major banks.

Chart 1

MBL's Movement In Funding Profile Indicates Increasing Propensity Toward Deposits



Source: S&P Global Ratings.

In our view, the group adequately manages its funding risks, notwithstanding the structural funding weaknesses inherent to the Australian banking system. The group prepares a funding strategy on an annual basis and monitors the progress against the strategy throughout the year. The funding strategy is reviewed by the asset and liability committee and approved by the board of the bank. We note that one of the aims of the funding strategy is to maintain the group's diversity of its current and projected funding sources.

MBL's liquidity is adequate in our opinion, and we believe the bank should be able to survive at least a six-month period of funding disruption. MBL had an average liquidity coverage ratio of 172% as of the quarter ended Dec. 31, 2020, which is well above regulatory minimums and includes MBL's APRA-approved Australian-dollar committed liquidity facility allocation of A$8.5 billion for the 2020 calendar year. As of Sept. 30, 2020, MBL's ratio of broad liquid assets to short-term wholesale funding was 2.45x, higher than the Australian major banks' average of 1.1x.

We believe MBL has good liquidity management capabilities. Scenario analysis is central to the bank's liquidity management framework and the group models several liquidity scenarios covering both market-wide and name-specific crises. MGL's liquidity policy stipulates that both the bank and group be able to meet all obligations daily and during a period of stress for a 12-month period with constrained or no access to funding markets. As an example, one scenario projects the expected cash and liquid assets position during a combined market-wide and group name crisis over a 12-month period. The scenario also assumes no access to new funding sources, a significant loss of customer deposits and contingent funding outflows from undrawn commitments, market movements affecting derivatives positions, or a multiple-notch credit rating downgrade.

Table 6

Macquarie Bank Ltd.--Funding And Liquidity

	--Year ended March 31--				
(%)	**2020***	**2020**	**2019**	**2018**	**2017**
Core deposits/funding base	60.2	56.8	57.7	48.0	46.2
Customer loans (net)/customer deposits	97.0	108.1	107.2	135.5	131.5
Long-term funding ratio	83.7	83.8	76.7	75.5	78.2
Stable funding ratio	117.1	112.0	96.5	94.7	96.5
Short-term wholesale funding/funding base	18.0	17.9	25.7	27.3	24.2
Broad liquid assets/short-term wholesale funding (x)	2.5	2.5	1.7	1.5	1.4
Net broad liquid assets/short-term customer deposits	52.2	55.8	35.7	27.6	20.8
Short-term wholesale funding/total wholesale funding	43.9	40.5	58.9	51.2	43.7

*Data as of Sept. 30.

Environmental, social, and governance (ESG)

In line with the wider Macquarie group, ESG credit factors for MBL are broadly in line with those for its industry and domestic peers. In our view, MBL's risk management and governance frameworks are commensurate with the unique and complex nature, and broad range of, the group's businesses.

MBL's and the group's governance framework is sound, in our view. We believe Australian policymakers have increasingly called for greater penalties for lapses in governance, at least partly on the basis that these profitable banks must meet community expectations. We note that in the most recent inquiries by the Australian authorities, no significant adverse conduct issues emerged that affected MBL and the group's brand or reputation.

Recent measures by MBL and all Australian banks could help the banks in regaining the social franchise that they lost in the past three years amid scrutiny and criticism by the Australian authorities and community. For example, moratoriums were offered on loan repayments to customers suffering hardship due to COVID-19 and containment measures. Although some of these measures may marginally hurt the Australian banks' earnings, we consider that the social benefits outweigh the potential costs.

We see environmental factors as less relevant (than social and governance factors) to the creditworthiness of the group. Still, we believe MBL is indirectly exposed to environmental factors because it operates predominantly in an economy where the commodities sector is significant. Evolution of domestic and global environment standards and legislation and changing customer preferences leading to a transition toward less carbon intensive forms of energy could weaken the broader economy and consequently the bank's lending portfolio.

Support: A potential recipient of extraordinary Australian government support

In our view, MBL is a moderately systemically important institution in Australia where the government is highly supportive of private sector banks. As a result, our issuer credit rating on MBL is two notches higher than the group credit profile, reflecting our view of the bank as a potential recipient of government support in a crisis, in the unlikely event that support were ever required.

We base our opinion concerning MBL's moderate systemic importance on factors including the following:

- Unlike for Australian regional banks and other predominantly retail Australian financial institutions, we believe that the government may have additional incentives to support MBL--in particular including Australian stakeholders in MBL. This is because, in the unlikely and hypothetical event that MBL was at risk of failing, there would likely be fewer market-based workout solutions for MBL's rescue. Our opinion is that MBL is unlikely to be a natural fit for one of Australia's four major banks--which have a retail and commercial banking orientation--and that some parts of its business profile are not likely to be of interest to a potential foreign acquirer.
- MBL has a unique role in Australia as the only Australian bank with some specialized commercial and investment banking business lines that we consider important to Australia's economic prosperity.
- MBL is highly interconnected with Australia's financial sector infrastructure, including as a major counterparty to other Australian institutions in the derivatives markets. We believe that if MBL were to falter, there could be a material adverse impact on the Australian economy.

Additional rating factors:
Hybrid debt instruments

We rate the Macquarie Additional Capital Securities (MACS) issued by MBL's branch in London four notches below our SACP on MBL of 'a-'. The following factors reflect the difference:

- MACS' subordinated status (one notch);
- MACS' risk of partial or untimely payment of coupons (two notches); and
- MACS' contingent capital clauses for mandatory conversion into common equity or write-down (one notch).

In our view, financial support from the Australian government is unlikely to extend to hybrid capital instruments issued by MBL.

Subordinated debt instruments

We rate MBL's Basel III subordinated debt two notches below the SACP--one notch for subordination and the second notch for the contractual conversion or write-down feature. The issue ratings on MBL's Basel II legacy nondeferrable senior subordinated debt are 'BBB', which is one notch below MBL's SACP. We notch these issue ratings from MBL's SACP because we believe that financial support from the Australian government is unlikely to extend to these instruments.

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Guarantee Criteria, Oct. 21, 2016
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions, Nov. 20, 2013
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Anchor Matrix

Industry Risk	Economic Risk									
	1	2	**3**	4	5	6	7	8	9	10
1	a	a	a-	bbb+	bbb+	bbb	-	-	-	-
2	a	a-	a-	bbb+	bbb	bbb	bbb-	-	-	-
3	a-	a-	**bbb+**	bbb+	bbb	bbb-	bbb-	bb+	-	-
4	bbb+	bbb+	bbb+	bbb	bbb	bbb-	bb+	bb	bb	-
5	bbb+	bbb	bbb	bbb	bbb-	bbb-	bb+	bb	bb-	b+
6	bbb	bbb	bbb-	bbb-	bbb-	bb+	bb	bb	bb-	b+
7	-	bbb-	bbb-	bb+	bb+	bb	bb	bb-	b+	b+
8	-	-	bb+	bb	bb	bb	bb-	bb-	b+	b
9	-	-	-	bb	bb-	bb-	b+	b+	b+	b
10	-	-	-	-	b+	b+	b+	b	b	b-

Ratings Detail (As Of March 28, 2021)*

Macquarie Bank Ltd.	
Issuer Credit Rating	A+/Negative/A-1
Commercial Paper	
Foreign Currency	A+/A-1
Junior Subordinated	BB+
Preference Stock	BBB-
Senior Unsecured	A+
Short-Term Debt	A-1
Subordinated	BBB
Subordinated	BBB+
Issuer Credit Ratings History	
07-Apr-2020	A+/Negative/A-1
11-Dec-2019	A+/Stable/A-1
09-Jul-2019	A/Positive/A-1
10-Dec-2018	A/Developing/A-1
30-Oct-2016	A/Negative/A-1
Sovereign Rating	
Australia	AAA/Negative/A-1+
Related Entities	
Macquarie Bank Europe DAC	
Issuer Credit Rating	A+/Negative/A-1
Macquarie Bank Ltd. (London Branch)	
Senior Unsecured	A+
Macquarie Finance Ltd.	
Junior Subordinated	BBB-
Macquarie Financial Holdings Pty Ltd	
Issuer Credit Rating	BBB+/Stable/A-2

Ratings Detail (As Of March 28, 2021)*(cont.)	
Macquarie Group Ltd.	
Issuer Credit Rating	BBB+/Stable/A-2
Senior Unsecured	BBB+
Short-Term Debt	A-2
Subordinated	BBB
Macquarie International Finance Ltd.	
Issuer Credit Rating	A/Negative/A-1

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.