

Macquarie Group Ltd.

November 28, 2025

This report does not constitute a rating action.

Credit Highlights

Overview

Key strengths	Key risks
Well-diversified businesses across asset classes and geographies.	Capital-market-facing businesses exposed to volatility.
Very good risk-management capabilities.	More complex credit, market, and operational risks than traditional banking groups.
Group balance-sheet strength provides substantial capital buffer and flexibility.	

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Outlook

Our stable outlook on Macquarie Group Ltd. (MGL), the nonoperating holding company of the Macquarie group, reflects our expectation that the group will maintain its creditworthiness over the next two years. This is on the back of its: (1) well-diversified businesses across asset classes and geographies; (2) stable and repeatable income from asset-management and banking activities; (3) balance-sheet strength that provides a substantial buffer against market volatility and flexibility should opportunities arise; and (4) strong risk-management capabilities, notwithstanding some recent lapses, to manage the group's more complex credit, market, and operational risk exposure than traditional banking groups.

Although [Macquarie Bank Ltd.](#) (MBL; A+/Stable/A-1) contributes to the group's credit strength at the current rating level, its ability to support the nonbanking entities of the group could be constrained due to regulatory separation, in our view.

Downside scenario

We believe downside risk to our rating on MGL could emerge over the next two years if the group credit profile weakens. For example, if: (1) the nonbank part of the group--which in our view is of weaker credit quality relative to the bank--becomes a materially bigger contributor to group earnings on a sustained basis; (2) there are significant lapses in the Macquarie group's risk management; or (3) leverage of the group's nonbank business increases significantly.

Upside scenario

We see very limited upside to our issuer credit rating on MGL over the next two years. This is because we do not believe the credit profile of any of the underlying businesses will strengthen significantly during that time.

Rationale

Well-diversified financial services group

MGL's earnings should continue to benefit from the group's well-diversified business. The group is diversified across asset classes and geographies. It holds a niche market position in specialized commercial banking and investment banking in Australia, and global infrastructure asset management. MGL is headquartered and listed in Australia.

We believe MGL is well-positioned to respond to changing macroeconomic conditions. The group's sound earnings profile in the past five years underscores its ability to maintain earnings strength and stability amid changing macroeconomic conditions. In this regard, MGL compares favorably with a number of financial institutions operating in similar business lines.

The group derives about half of its net profit from more stable and repeatable income sources, mainly from Macquarie Asset Management Holdings Pty Ltd. (MAMHPL), and banking and financial services. MGL derives the balance from market-facing businesses that consist of commodities and global markets, and its investment banking division through Macquarie Financial Ltd. (MFL; BBB+/Stable/A-2).

Very good risk-management capabilities

The Macquarie group's risk-management capabilities allow it to manage a wide range of complex credit and noncredit risk exposures across businesses and geographies. We believe the group's organizational structure is well-aligned with its operating activities. The operational management of risks within businesses is strong, in our view. This is notwithstanding, recent compliance breaches such as failures in monitoring and short selling misreporting that slightly temper our view. Macquarie continues to work with regulators, with various remediation efforts underway.

The Macquarie group follows a three lines of defence model. The first line is the business, which owns the risk and is responsible for having systems, resources, management processes, and operational controls to identify, measure, evaluate, monitor, and control or mitigate material risks. This supports management's ability to oversee and manage risks associated with different business lines. The second line is risk management and compliance that provide oversight and guidance while the third is internal audit that provides independent assurance.

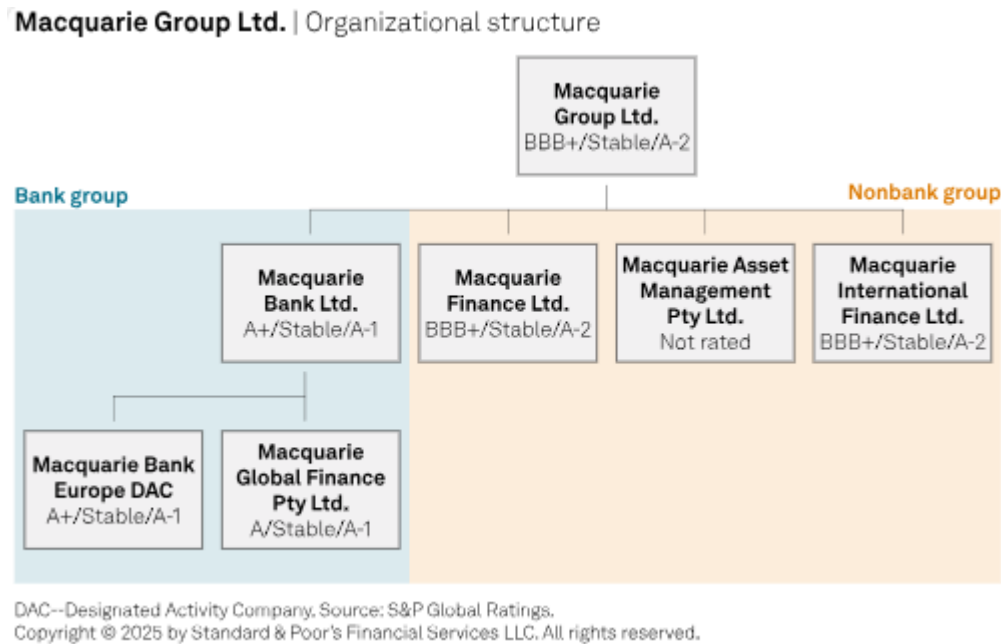
MGL's risk-management capabilities and a robust balance sheet should help it navigate macroeconomic challenges. MGL took A\$29 million in credit and other impairment charges in the six months ended Sept. 30, 2025, representing less than 5 basis points (bps) of the underlying assets against which the impairments were recognized. This compares favorably against an average credit impairment cost of 40 bps for major diversified banking peers globally.

We expect the Macquarie group to maintain its track record of risk-management outcomes with no signs of an increase in risk appetite. MGL's credit quality benefits from diversification afforded by the group's business and geographic diversity.

Group balance-sheet strength provides substantial buffer and flexibility

In our view, the consolidated group's regulatory capital surplus of A\$7.6 billion as of Sept. 30, 2025, provides a substantial buffer for volatility amid changing macroeconomic conditions. The group's recent restructuring of Macquarie International Finance Ltd. (MIFL, BBB+/Stable/A-2) into its non-banking operations from the banking group should support efficient capital allocation for the segment's future growth. MIFL houses the group's commodities trading business.

Chart 1



The group's surplus capital allows for business growth where opportunities arise. This is notwithstanding the board's decision to pay a dividend of 64% of earnings for the six months ended Sept. 30, 2025, toward the top end of its stated 50%-70% range, and its decision to extend by 12 months its A\$2 billion on market share buyback announced in November 2023 for the second time. As of November 2025, the buyback was about half complete.

Group credit profile reflects key operating units

We assess the overall group credit profile at 'a-'. This reflects a combination of our assessment of the group's four key businesses: the bank (MBL), the asset manager (MAMHPL), the commodity trader (MIFL), and the investment bank (MFL). MAMHPL, MIFL, and MFL are all part of the nonbank group. We rate MGL one notch lower than the group credit profile, reflecting the holding company's reliance on dividends and other distributions from operating companies to meet obligations.

Bank is strongly capitalized

We expect MBL to maintain its strong capitalization, with a risk-adjusted capital ratio well above 10% over the next two years. Strong earnings over the past year, including gains

associated with the internal business transfer of MIFL, supported the bank's dividend payment of A\$3.6 billion to MGL. The bank is the main operating entity of MGL's bank group. Its business activities comprise mainly corporate and asset finance, banking and financial services, and commodities and global markets. We assess the bank group's stand-alone credit profile (SACP) at 'a'.

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, we rate the bank one notch above our assessment of its SACP. This reflects our view that the bank is a potential recipient of extraordinary Australian government support in the unlikely event this were required (see the full analysis, "[Macquarie Bank Ltd.](#)," published on Nov. 28, 2025).

Our ratings on MBL are insulated from the MGL group credit profile because we expect government support, if needed, to flow directly to MBL.

Nonbank group houses asset-management, investment-banking and commodity trading activities

We assess the credit quality of the nonbank group to be weaker than that of the bank group. In our view, the nonbank group's credit profile benefits from its sizable asset-management activities, with about A\$959 billion of assets under management (AUM) as of Sept. 30, 2025. The credit profile of the asset manager and therefore the nonbank group also benefits from its position as the largest global alternative asset manager specializing in infrastructure and real assets.

The group's announced sale of its North America and Europe public investment business in April 2025 will further hone its focus on the private market business and enhance its earnings margins in relation to the assets managed. The group will sell A\$285 billion in assets or about 30% of its AUM for about A\$2.8 billion via this transaction.

Environmental, social, and governance (ESG) factors

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

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 profitable Australian banks must meet community expectations.

We see environmental factors as less relevant than social and governance factors to the creditworthiness of the Macquarie group. Nevertheless, we believe the group is well placed to continue to capitalize on opportunities arising from environmentally sustainable projects in its asset-management and investment-banking activities.

We believe MGL is indirectly exposed to environmental factors because it operates in an economy where the commodities sector is significant. This is notwithstanding the fact that the group generated about two-thirds of its income offshore in recent years. Evolution of domestic and global environment standards and legislation and changing customer preferences leading to

a transition to less carbon-intensive forms of energy could weaken the broader economy and the group's lending portfolio.

Likelihood of extraordinary government support

In our view, MGL has a low likelihood of receiving extraordinary government support in a crisis. We consider that, in the event of a banking systemwide crisis or an MGL-specific crisis, Macquarie Bank--which accepts customer deposits and has significant linkages within the Australian financial system--is likely to receive financial support from the Australian government. We believe the impact on the Australian economy or the financial system of such support not extending to the rest of the Macquarie group is likely to be insignificant.

Related Criteria

- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Oct. 13, 2025
- [Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology](#), April 30, 2024
- [Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Jan. 7, 2024
- [Criteria | Corporates | General: Corporate Methodology](#), Jan. 7, 2024
- [General Criteria: National And Regional Scale Credit Ratings Methodology](#), June 8, 2023
- [Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions](#), Dec. 9, 2021
- [Criteria | Financial Institutions | General: Financial Institutions Rating Methodology](#), Dec. 9, 2021
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments](#), April 1, 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [Criteria | Corporates | Industrials: Commodities Trading Industry Methodology](#), Jan. 19, 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. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Research Update: Macquarie International Finance Downgraded To 'BBB+/A-2'. Macquarie Group Affirmed On Restructure; Outlooks Stable](#), Aug. 29, 2025
- [Banking Industry Country Risk Assessment Update: October 2025](#), Oct. 29, 2025

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- [Banking Risk Indicators: October 2025 Update](#), Oct. 31, 2025
- [Banking Industry Country Risk Assessment: Australia](#), May 22, 2025
- [Credit FAQ: Australian Banks Will Take AT1 Phase-Out In Their Stride](#), May 15, 2025

Ratings Detail (as of November 28, 2025)*

Macquarie Group Ltd.

Issuer Credit Rating	BBB+/Stable/A-2
Commercial Paper	
<i>Foreign Currency</i>	BBB+/A-2
Senior Unsecured	BBB+
Short-Term Debt	A-2
Subordinated	BBB

Issuer Credit Ratings History

11-Dec-2019	BBB+/Stable/A-2
10-Dec-2018	BBB/Positive/A-2
21-May-2017	BBB/Stable/A-2

Sovereign Rating

Australia	AAA/Stable/A-1+
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Related Entities

Macquarie AirFinance Holdings Ltd.

Issuer Credit Rating	BBB-/Stable/--
Senior Unsecured	BBB-

Macquarie Bank Europe DAC

Issuer Credit Rating	A+/Stable/A-1
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Macquarie Bank Ltd.

Issuer Credit Rating	A+/Stable/A-1
Certificate Of Deposit	A-1
Commercial Paper	
<i>Foreign Currency</i>	A+/A-1
<i>Local Currency</i>	A-1
Junior Subordinated	BBB-
Senior Unsecured	A+
Short-Term Debt	A-1
Subordinated	BBB+

Macquarie Financial Ltd.

Issuer Credit Rating	BBB+/Stable/A-2
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Macquarie Global Finance Pty Ltd.

Issuer Credit Rating	A/Stable/A-1
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Macquarie International Finance Ltd.

Issuer Credit Rating	BBB+/Stable/A-2
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*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.

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