

# Macquarie Group Limited

## Full Rating Report

### Ratings

#### Foreign Currency

Long-Term IDR	A-
Short-Term IDR	F2

Viability Rating	a-
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Support Rating	5
Support Rating Floor	NF

#### 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 Group Limited

	31 Mar 19	31 Mar 18
Total assets (USDbn)	144.0	146.7
Total assets (AUDbn)	203.2	191.3
Total equity (AUDbn)	18.0	17.8
Operating profit (AUDbn)	2.0	2.5
Published net income (AUDbn)	3.0	2.6
Comprehensive income (AUDbn)	3.3	2.6
Impaired loans/gross loans (%)	2.5	0.8
Operating profit/average total assets (%)	1.0	1.4
Tangible common equity/tangible assets (%)	7.6	8.8
Loans/customer deposits (%)	140.6	138.1

Source: Fitch Ratings, Fitch Solutions, MGL

### Related Research

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

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

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

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

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### Key Rating Drivers

**Regulators Prioritise Depositor Protection:** Macquarie Group Limited's (MGL) Viability Rating (VR) is at the same level as the overall consolidated risk profile of the group. Meanwhile, Macquarie Bank Limited (MBL; A/Stable/a) is rated one notch higher to reflect the strong preference of Australian authorities to prioritise bank depositors and the regulatory restrictions on dividends and liquidity transfers from MBL. MGL has sizeable non-banking operations that are subject to lower regulatory scrutiny, but have greater potential for earnings.

**Strong Risk Controls:** MGL's centralised risk framework appears strong. The group has oversight of risk through a dedicated team, which has supported a strong risk-management culture. The framework sets boundaries for divisions to operate within and helps offset MGL's higher risk appetite relative to retail-oriented Australian banks.

**Conservative Liquidity Management:** A high reliance on wholesale funding is offset by the consolidated group's conservative liquidity management. However, there is limited standalone liquidity at MGL, with liquid assets typically held by operating subsidiaries.

**Solid Capitalisation Buffers:** Fitch Ratings expects MGL to maintain large capital buffers over regulatory minimums, reflecting the group's sound capital management. This helps to offset higher earnings and asset-quality volatility relative to other Australian banking groups. MGL's double leverage is low and likely to remain so, given management targets a ratio under 110%.

**Asset-Quality Cyclicity:** The nature of MGL's operations and its greater exposure to non-retail lending is likely to result in higher average impaired-asset levels through the cycle compared with most retail-oriented domestic peers. MGL's adoption of AASB 9 and Fitch's adoption of stage III loans instead of impaired loans for the impaired loan ratio were the main drivers of the rise in the impaired loan ratio over the financial year to end-March 2019 (FYE19).

**Earnings Volatility Reduced Over Time:** MGL's investment banking and other capital market-oriented operations, which are a core part of the group, drive some earnings volatility from year-to-year. However, the level of potential volatility has significantly reduced compared with prior to the global financial crisis, as MGL expanded its annuity-style businesses, which have more predictable and stable revenues.

**Sovereign Support Unreliable:** Fitch believes support from authorities cannot be relied upon for MGL. Support is more likely to be provided to MBL as the group's deposit-taking institution.

**MFHL's Ratings Equalised:** Macquarie Financial Holdings Pty Limited (MFHL, A-/Stable) is rated at the same level as MGL because it is an integral part of MGL's core non-bank operations, and a default would likely have huge reputational risk for MGL.

### Rating Sensitivities

**Balance Sheet Deterioration:** Significant weakening of MGL's risk-management framework, liquidity or capital position could result in a downgrade of MGL's Issuer Default Ratings (IDR) and Viability Rating. MGL's ratings may also be under pressure if there is a large and sustained increase in common-equity double leverage, although Fitch does not expect this to occur.

**Limited Upside:** There is limited upside rating potential given the group's specialised franchise outside Australia and earnings volatility inherent in its market-oriented operations.

## Operating Environment

MGL is the most internationally active among Fitch-rated banking groups in Australia. Only a third of MGL's group income in FY19 was generated in Australia. North America (primarily the US), Europe and Asia are the main non-domestic markets and many have low systemic risk, as indicated by macro-prudential indicators of '1' – for more details see [Macro-Prudential Risk Monitor - April 2019](#). Geographic diversification and sound regulatory oversight from most of MGL's operating markets should help it withstand economic downturns. One of the key drivers for MBL being rated one notch higher than MGL is the stronger prudential regulation in Australia, which is focused on the protection of bank depositors rather than group creditors.

The operating environment for Australian banks remains challenging following a number of official inquiries into conduct within the sector and growing regulatory oversight. MGL is likely to be less impacted by these factors than other domestic banks given the nature of its business and large overseas operations. Conversely, the geographic spread of operations means it is the most directly exposed of the Australian banks to international developments.

## Company Profile

MGL is the listed non-operating holding company of the Macquarie group. Its two main subsidiaries are MBL, which undertakes the group's more traditional banking operations, and MFHL, which undertakes the group's non-banking operations. The group offers a full suite of banking services in Australia. Outside Australia, MGL focuses on niche areas that have superior growth opportunities or where the bank believes it has an expertise advantage.

MGL has five broad operating divisions and its operations are largely client-focused. There are two capital markets-facing businesses – Macquarie Capital Group (MacCap) and Commodities and Global Markets (CGM) – and three businesses with more stable earnings streams – Macquarie Asset Management (MAM), Banking and Financial Services (BFS) and Corporate and Asset Finance (CAF). The divisions are supported by centralised risk management, treasury, IT, finance services, legal and governance.

MGL has a greater exposure to capital-market businesses relative to other Australian banking groups, which increases potential earnings volatility. About 66% of MGL's revenue was generated outside Australia in FY19, which means its profit could be influenced by exchange-rate movements. All operating groups, except BFS, generated most of their revenue overseas in FY19. BFS is Australian-focused, generating all revenue domestically.

## Management and Strategy

MGL's management has a high degree of depth and experience, and senior management tenure tends to be long as a result of promotions typically coming from within the group. Fitch believes this is likely to continue and has played a part in maintaining the consistent group culture and performance.

Although MGL has grown its retail banking operations in recent years, it has historically targeted niches where it has expertise or competitive advantages, which has resulted in reasonable market shares in most of its key operating segments. While Fitch believes this reflects a greater risk appetite relative to most other Australian banks, it has also provided earnings and geographic diversity. Risk is managed well across the organisation – the group provides a centralised framework for the individual businesses to operate within but strategy tends to be driven at the individual business level.

The nature of MGL's operations means it can at times be acquisitive, although the group has shown itself to be disciplined with such transactions. Significant acquisitions are likely to be funded through capital raising or facilities, and sufficient surplus capital is retained on the balance sheet for smaller acquisitions. Expansion tends to be related to an existing business as opposed to greenfield. The group continues to be pragmatic with its business decisions, so that

### Related Criteria

[Bank Rating Criteria \(October 2018\)](#)

[Short-Term Ratings Criteria \(May 2019\)](#)

a business is likely to be sold, restructured or placed into run-off if internal capital return hurdles do not meet expectations.

### Risk Appetite

MGL has a strong, consistent and proven risk management culture, stemming from a centralised risk management group. This helps offset the group's higher risk appetite relative to most other Australian banking groups. The risk appetite and framework for each of the operating divisions is set at the group level, but risk ownership remains at the operating division level along with strategic development.

Worst-case scenarios are used to analyse proposed businesses and MGL will not proceed if losses threaten the group's viability. More generally, MGL says the group uses worst-case scenarios in stress-testing to monitor exposures and potential losses. These measures are supported by a group-wide exposure limit structure.

MBL has the largest balance sheet within the group, and therefore, the greatest risk exposure. Details of underwriting, growth and market risk can be found in the MBL report listed under Related Research on the front page.

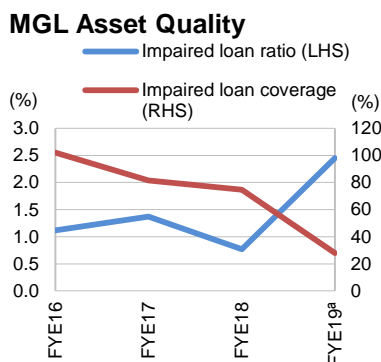
### Financial Profile

#### Asset Quality

The structure of MGL's operation means it has a greater level of commercial and non-lending exposure relative to most domestic peers. Fitch believes this will result in greater volatility in asset quality and a higher average impaired-asset level through the cycle, although this was not the reason of the increase in the impaired loan ratio in FYE19. This was due to MGL's adoption of AASB 9 and Fitch's adoption of stage III loans instead of impaired loans for the impaired loan ratio.

MGL's non-trading equity investments totalled AUD5.9 billion at FYE19, or AUD6.1 billion after adjusting for hedging positions and non-controlling interest – the adjusted number was equivalent to 40% of Fitch Core Capital (FYE18: 41%). The group says these exposures are regularly tested for impairment. The group's financial investments, including equities and debt securities at FYE19 were generally of good quality. Around 92% were classified as investment grade under MGL's internal scoring and about 96% was classified as Stage I under AASB 9. Most of these exposures were to Australian financial institutions.

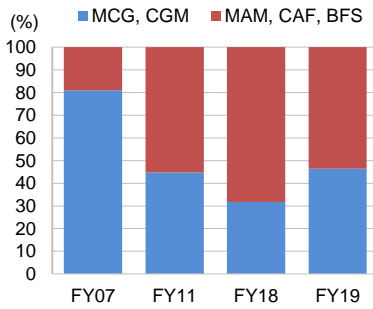
The group's loans (mostly held by MBL) are reasonably well diversified by geography, industry and single name, although there is a level of single-name concentration in the securities and non-listed equity exposures. Equity trading assets totalled AUD8.3 billion, or 54% of FCC, at FYE19 (FYE18: AUD4.5 billion or 27% of FCC). These were mostly held in MBL and were almost entirely listed exposures. These exposures are primarily client-related, limiting the risk to MGL. The level of holdings can vary greatly from year to year, depending on the holdings of physical commodities, market conditions and long equity positions taken.



<sup>a</sup> Stage 3 loans, impaired loans previously  
Source: Fitch Ratings, Fitch Solutions, MGL

**MGL Profit Split**

Operating divisions only

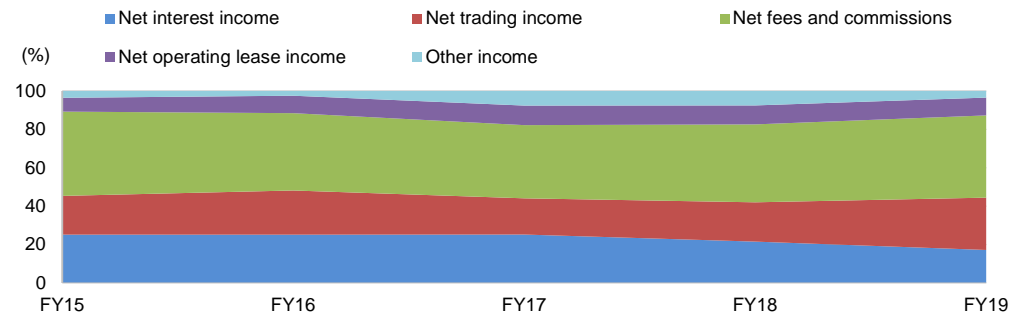


Source: Fitch Ratings, MGL

**Earnings and Profitability**

**MGL Operating Income**

% of total



Source: Fitch Ratings, Fitch Solutions, MGL

The nature of MGL's operations means that its earnings have the potential to be more variable than those of most Australian retail banks. However, MGL has reduced this through investments into the fund management and leasing businesses, which tend to have more steady income sources than the capital markets businesses. The capital market businesses provide revenue diversity and growth potential in favourable market conditions, such as in FY19 when the segment net profit rose 76% from FY18.

MGL expects FY20 earnings to be moderately weaker than in FY19 due to the expectation that favourable market conditions, which boosted earnings in the CGM and MacCap divisions, will ease. Net fees and commissions are MGL's largest revenue source (AUD4.4 billion or 43% of operating income in FY19) and are generated primarily in MFHL through its fund and asset management activities. MGL's other main revenue sources included net interest income, net trading income and operating lease income, which are primarily earned by MBL.

MGL's cost/income ratio is high relative to Australia's major banks. The ratio sits at about 70% in most financial years and we expect this to continue. Staff costs have traditionally been the largest expense and contain a sizeable variable component. We expect technology and compliance costs to remain high to address increasing digitalisation in the banking system and greater regulatory scrutiny. Impairment charges are typically more volatile and have larger proportions of non-loan charges relative to domestic retail-focused peers. MGL also has a higher level of income that Fitch classifies as non-operating – this is mostly related to asset sales and can vary greatly from year to year depending on the number and size of disposals.

**Capitalisation and Leverage**

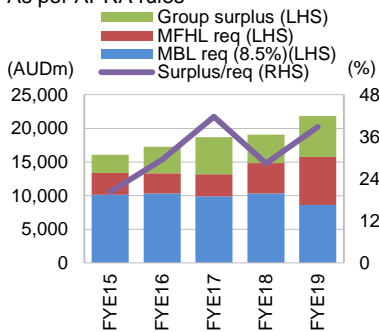
MGL's large capital surplus relative to regulatory minimums reflects its sound capital position and capital management. Fitch believes this is likely to continue due to the nature of its business model and risk appetite compared with domestic peers. Internal sources of capital are likely to remain sufficient to meet organic growth and the group retains access to fresh capital from markets if required for acquisitions or expansion.

MGL is not required to calculate risk-weighted regulatory capital ratios, but is instead required to hold a nominal capital amount that is calculated by aggregating the minimum capital requirements of the group's banking and non-banking operations. The minimum requirement was AUD15.7 billion at FYE19, with MGL holding AUD6.1 billion surplus to this, assuming an 8.5% Tier 1 ratio for the banking group using the Australian Prudential Regulation Authority's (APRA) Basel III rules (FYE18: AUD14.9 billion requirement and AUD4.2 billion surplus). Surplus levels can vary from year to year due to acquisitions and business opportunities, but typically remain high relative to minimum requirements.

MGL's tangible common equity/tangible assets fell to 7.6% by FEY19 (FYE18: 8.8%), while common equity double leverage remained low (102% at FYE19). MGL limits the latter to 110%.

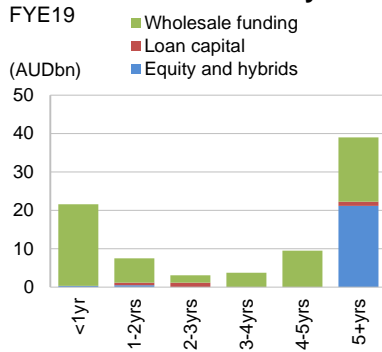
**MGL Capitalisation**

As per APRA rules



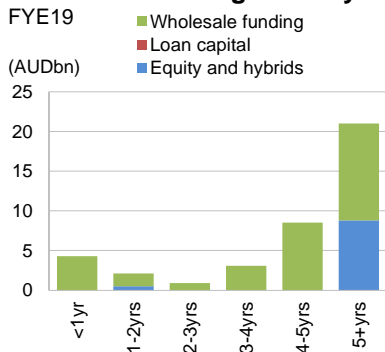
Source: Fitch Ratings, MGL

**MGL Wholesale Maturity**



Source: Fitch Ratings, MGL

**Non-Bank Funding Maturity**



Source: Fitch Ratings, MGL

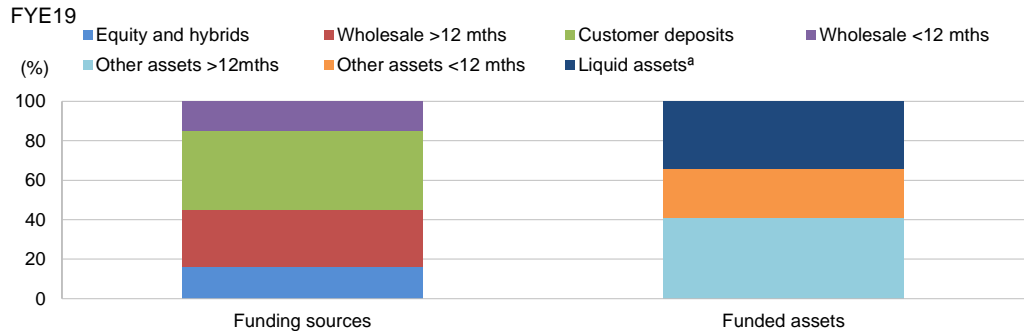
**Funding and Liquidity**

MGL relies on wholesale funding for its non-banking group operations as it does not have a banking licence and cannot gather deposits – this activity is undertaken by MBL. The reliance on wholesale funding sources, particularly offshore, presents higher levels of risks, but MGL offsets this through its conservative approach to liquidity management. Liquid assets throughout the group are typically held at the operating subsidiary level rather than the group level, meaning MGL is reliant on interest and dividend payments from subsidiaries to meet debt repayments. This is one of the key reasons Fitch places a one-notch rating difference between the IDRs of MBL and MGL.

The non-bank operations have wholesale funding maturities of AUD4.3 billion in FY20, which are offset by cash and liquid assets of AUD1.8 billion at FYE19 and AUD15.6 billion on deposit with MBL. The deposit reflects excess funding provided to MFHL from MGL and is an important source of liquidity given MFHL does not have access to central bank repurchase facilities.

MGL and MBL are the only entities within the group that issue debt instruments to external investors as the other entities are internally funded. The differing funding and asset structures of bank and non-bank group results in two slightly differing liquidity policies. MGL’s (non-banking group) is set so that it is able to meet all of its liquidity obligations over a 12-month period assuming no access to funding markets. MBL’s is similar but varies only in that it assumes constrained access to funding markets rather than no access.

**MGL Funded Balance Sheet**



<sup>a</sup> Includes self-securitized mortgages in MBL

Source: Fitch Ratings, MGL

**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](http://www.fitchratings.com/esg)

Annex

<b>Business Groups</b>	
<b>Macquarie Asset Management</b>	A full-service asset manager with assets under management (AUM) of AUD543 billion at FYE19.
Macquarie Infrastructure and Real Assets	A global business, specialising in investing in infrastructure and other real assets through public and private funds, co-investments, partnerships and separately managed accounts. It had equity under management of AUD117 billion at FYE19.
Macquarie investment management	Operates largely in Australia and the US, with AUM of AUD361 billion at FYE19. Undertakes MGL's more traditional fund-management operations.
<b>Corporate and Asset Finance</b>	Undertakes MGL's corporate lending and asset leasing operations.
Principal finance	This division provides corporate and real-estate loans in primary markets, invests in debt in the secondary markets on an opportunistic basis and a transportation finance portfolio. Portfolio totalled AUD13 billion at FYE19.
Asset finance	MGL's asset-leasing business, which operates globally, covers asset classes such as gas and electricity meters, mining equipment and rail assets. Leases totalled AUD8 billion at FYE19.
<b>Banking and Financial Services</b>	Largely responsible for MGL's retail and small-business banking operations, which are almost exclusively in Australia.
Personal banking	Provides retail-banking products through intermediaries and white-label products.
Wealth management	Conducts MGL's retail wealth-management and stock-broking operations.
Business banking	Provides banking services to SMEs, professionals and high-net-worth individuals.
<b>Commodities and Global Markets</b>	Combines MGL's commodities and financial markets and securities businesses while retaining a focus on commodities and other niche markets.
Commodity markets and finance	A global business that provides risk management, lending and financing, and physical execution and logistics services across the energy, metals and agricultural sectors globally.
Credit markets	Operates in the US and provides asset-backed financing products for credit originators and credit investors across commercial and residential mortgages, consumer loans, syndicated corporate loans and middle-market corporate loans.
Fixed-income and currencies	Provides fixed-income and currency-trading and hedging services to corporate and institutional clients globally.
Cash equities and equity derivatives and trading	Provides an institutional global cash equities platform with a strong Asia-Pacific focus, while the derivatives business offers products to both retail and institutional clients in selected locations.
Futures	Offers access to, and clearing services for, a broad range of major exchanges globally for corporate and institutional clients, including other divisions of MGL.
Central	Operates bespoke and non-divisional services, including fostering cross-sale initiatives within the CGM group.
<b>Macquarie Capital</b>	Comprises MGL's corporate advisory and equity and debt capital-market businesses. It also encompasses the group's private-equity and principal investments.

Source: Fitch Ratings, Macquarie Group Limited

Macquarie Group 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	3,795.1	5,355.0	3.51	4,943.0	3.27	5,138.0	3.53	5,461.0	3.35	5,461.0	3.35	
3. Dividend Income	n.a.	n.a.	-	52.0	0.03	95.0	0.07	156.0	0.10	156.0	0.10	
<b>4. Gross Interest and Dividend Income</b>	<b>3,795.1</b>	<b>5,355.0</b>	<b>3.51</b>	<b>4,995.0</b>	<b>3.31</b>	<b>5,233.0</b>	<b>3.60</b>	<b>5,617.0</b>	<b>3.45</b>	<b>5,617.0</b>	<b>3.45</b>	
5. Interest Expense on Customer Deposits	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
6. Other Interest Expense	2,547.8	3,595.0	2.35	2,957.0	1.96	2,953.0	2.03	3,182.0	1.95	3,182.0	1.95	
<b>7. Total Interest Expense</b>	<b>2,547.8</b>	<b>3,595.0</b>	<b>2.35</b>	<b>2,957.0</b>	<b>1.96</b>	<b>2,953.0</b>	<b>2.03</b>	<b>3,182.0</b>	<b>1.95</b>	<b>3,182.0</b>	<b>1.95</b>	
<b>8. Net Interest Income</b>	<b>1,247.3</b>	<b>1,760.0</b>	<b>1.15</b>	<b>2,038.0</b>	<b>1.35</b>	<b>2,280.0</b>	<b>1.57</b>	<b>2,435.0</b>	<b>1.49</b>	<b>2,435.0</b>	<b>1.49</b>	
9. Net Fees and Commissions	3,108.4	4,386.0	2.87	3,840.0	2.54	3,446.0	2.37	3,898.0	2.39	3,898.0	2.39	
10. Net Gains (Losses) on Trading and Derivatives	1,978.0	2,791.0	1.83	1,937.0	1.28	1,694.0	1.16	2,229.0	1.37	2,229.0	1.37	
11. Net Gains (Losses) on Assets and Liabilities at FV	114.1	161.0	0.11	133.0	0.09	75.0	0.05	(162.0)	(0.10)	(162.0)	(0.10)	
12. Net Gains (Losses) on Other Securities	12.0	17.0	0.01	76.0	0.05	419.0	0.29	188.0	0.12	188.0	0.12	
13. Net Insurance Income	n.a.	n.a.	-	n.a.	-	33.0	0.02	72.0	0.04	72.0	0.04	
14. Other Operating Income	838.4	1,183.0	0.77	1,199.0	0.79	1,059.0	0.73	1,019.0	0.63	1,019.0	0.63	
<b>15. Total Non-Interest Operating Income</b>	<b>6,050.9</b>	<b>8,538.0</b>	<b>5.59</b>	<b>7,185.0</b>	<b>4.76</b>	<b>6,726.0</b>	<b>4.62</b>	<b>7,244.0</b>	<b>4.45</b>	<b>7,244.0</b>	<b>4.45</b>	
<b>16. Total Operating Income</b>	<b>7,298.2</b>	<b>10,298.0</b>	<b>6.74</b>	<b>9,223.0</b>	<b>6.11</b>	<b>9,006.0</b>	<b>6.19</b>	<b>9,679.0</b>	<b>5.94</b>	<b>9,679.0</b>	<b>5.94</b>	
17. Personnel Expenses	3,697.3	5,217.0	3.42	4,493.0	2.98	4,379.0	3.01	4,244.0	2.61	4,244.0	2.61	
18. Other Operating Expenses	1,793.0	2,530.0	1.66	2,133.0	1.41	2,029.0	1.40	2,007.0	1.23	2,007.0	1.23	
<b>19. Total Non-Interest Expenses</b>	<b>5,490.3</b>	<b>7,747.0</b>	<b>5.07</b>	<b>6,626.0</b>	<b>4.39</b>	<b>6,408.0</b>	<b>4.41</b>	<b>6,251.0</b>	<b>3.84</b>	<b>6,251.0</b>	<b>3.84</b>	
20. Equity-accounted Profit/ Loss - Operating	(39.7)	(56.0)	(0.04)	241.0	0.16	51.0	0.04	4.0	0.00	4.0	0.00	
<b>21. Pre-impairment Operating Profit</b>	<b>1,768.2</b>	<b>2,495.0</b>	<b>1.63</b>	<b>2,838.0</b>	<b>1.88</b>	<b>2,649.0</b>	<b>1.82</b>	<b>3,432.0</b>	<b>2.11</b>	<b>3,432.0</b>	<b>2.11</b>	
22. Loan Impairment Charge	185.7	262.0	0.17	63.0	0.04	271.0	0.19	553.0	0.34	553.0	0.34	
23. Securities and Other Credit Impairment Charges	187.8	265.0	0.17	226.0	0.15	74.0	0.05	169.0	0.10	169.0	0.10	
<b>24. Operating Profit</b>	<b>1,394.7</b>	<b>1,968.0</b>	<b>1.29</b>	<b>2,549.0</b>	<b>1.69</b>	<b>2,304.0</b>	<b>1.58</b>	<b>2,710.0</b>	<b>1.66</b>	<b>2,710.0</b>	<b>1.66</b>	
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	586.1	827.0	0.54	768.0	0.51	613.0	0.42	160.0	0.10	160.0	0.10	
28. Non-recurring Expense	17.7	25.0	0.02	77.0	0.05	99.0	0.07	77.0	0.05	77.0	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	777.4	1,097.0	0.72	224.0	0.15	286.0	0.20	222.0	0.14	222.0	0.14	
<b>31. Pre-tax Profit</b>	<b>2,740.5</b>	<b>3,867.0</b>	<b>2.53</b>	<b>3,464.0</b>	<b>2.29</b>	<b>3,104.0</b>	<b>2.13</b>	<b>3,015.0</b>	<b>1.85</b>	<b>3,015.0</b>	<b>1.85</b>	
32. Tax expense	622.9	879.0	0.58	883.0	0.58	868.0	0.60	927.0	0.57	927.0	0.57	
33. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
<b>34. Net Income</b>	<b>2,117.6</b>	<b>2,988.0</b>	<b>1.96</b>	<b>2,581.0</b>	<b>1.71</b>	<b>2,236.0</b>	<b>1.54</b>	<b>2,088.0</b>	<b>1.28</b>	<b>2,088.0</b>	<b>1.28</b>	
35. Change in Value of AFS Investments	(43.9)	(62.0)	(0.04)	(376.0)	(0.25)	(162.0)	(0.11)	112.0	0.07	112.0	0.07	
36. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
37. Currency Translation Differences	299.1	422.0	0.28	263.0	0.17	(130.0)	(0.09)	(188.0)	(0.12)	(188.0)	(0.12)	
38. Remaining OCI Gains/(losses)	(59.5)	(84.0)	(0.06)	93.0	0.06	(16.0)	(0.01)	(33.0)	(0.02)	(33.0)	(0.02)	
<b>39. Fitch Comprehensive Income</b>	<b>2,313.2</b>	<b>3,264.0</b>	<b>2.14</b>	<b>2,561.0</b>	<b>1.70</b>	<b>1,928.0</b>	<b>1.33</b>	<b>1,979.0</b>	<b>1.21</b>	<b>1,979.0</b>	<b>1.21</b>	
40. Memo: Profit Allocation to Non-controlling Interests	4.3	6.0	0.00	24.0	0.02	19.0	0.01	25.0	0.02	25.0	0.02	
41. Memo: Net Income after Allocation to Non-controlling Interests	2,113.3	2,982.0	1.95	2,557.0	1.69	2,217.0	1.52	2,063.0	1.27	2,063.0	1.27	
42. Memo: Common Dividends Relating to the Period	1,385.5	1,955.0	1.28	1,785.0	1.18	1,597.0	1.10	1,357.0	0.83	1,357.0	0.83	
43. Memo: Preferred Dividends and Interest on Hybrid Capital Accounted for as Equity Related to the Period	n.a.	n.a.	-	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, MGL

Macquarie Group 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	
<b>Assets</b>									
<b>A. Loans</b>									
1. Residential Mortgage Loans	30,513.8	43,056.0	21.19	36,937.0	19.31	32,791.0	17.93	31,378.0	15.95
2. Other Mortgage Loans	0.0	0.0	0.00	0.0	0.00	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	n.a.	n.a.	-	-	-	n.a.	-	n.a.	-
4. Corporate & Commercial Loans	10,864.4	15,330.0	7.54	15,157.0	7.92	15,928.0	8.71	18,651.0	9.48
5. Other Loans	14,619.1	20,628.0	10.15	29,966.0	15.66	29,379.0	16.06	31,738.0	16.13
6. Less: Loan Loss Allowances	382.7	540.0	0.27	470.0	0.25	874.0	0.48	933.0	0.47
<b>7. Net Loans</b>	<b>55,614.5</b>	<b>78,474.0</b>	<b>38.62</b>	<b>81,590.0</b>	<b>42.64</b>	<b>77,224.0</b>	<b>42.23</b>	<b>80,834.0</b>	<b>41.08</b>
<b>8. Gross Loans</b>	<b>55,997.2</b>	<b>79,014.0</b>	<b>38.89</b>	<b>82,060.0</b>	<b>42.89</b>	<b>78,098.0</b>	<b>42.71</b>	<b>81,767.0</b>	<b>41.56</b>
9. Memo: Impaired Loans included above	1,371.3	1,935.0	0.95	630.0	0.33	1,071.0	0.59	915.0	0.47
10. Memo: Specific Loan Loss Allowances	n.a.	n.a.	-	177.0	0.09	417.0	0.23	413.0	0.21
<b>B. Other Earning Assets</b>									
1. Loans and Advances to Banks	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Reverse Repos and Securities Borrowing	20,798.9	29,348.0	14.44	28,990.0	15.15	18,154.0	9.93	24,066.0	12.23
3. Derivatives	10,245.7	14,457.0	7.12	12,937.0	6.76	12,106.0	6.62	17,983.0	9.14
4. Trading Securities and at FV through Income	14,609.1	20,614.0	10.15	16,579.0	8.67	27,874.0	15.24	24,718.0	12.56
5. Securities at FV through OCI / Available for Sale	3,697.3	5,217.0	2.57	6,166.0	3.22	6,893.0	3.77	11,456.0	5.82
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.	-
<b>8. Total Securities</b>	<b>18,306.4</b>	<b>25,831.0</b>	<b>12.71</b>	<b>22,745.0</b>	<b>11.89</b>	<b>34,767.0</b>	<b>19.01</b>	<b>36,174.0</b>	<b>18.39</b>
9. Memo: Government Securities included Above	3,929.7	5,545.0	2.73	6,457.0	3.37	7,371.0	4.03	6,982.0	3.55
10. Memo: Total Securities Pledged	1,222.5	1,725.0	0.85	3,359.0	1.76	5,709.0	3.12	5,136.0	2.61
11. Equity Investments in Associates	2,990.0	4,219.0	2.08	4,055.0	2.12	2,095.0	1.15	2,691.0	1.37
12. Investments in Property	n.a.	n.a.	-	n.a.	-	380.0	0.21	288.0	0.15
13. Insurance Assets	270.0	381.0	0.19	647.0	0.34	721.0	0.39	850.0	0.43
14. Other Earning Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>15. Total Earning Assets</b>	<b>108,225.6</b>	<b>152,710.0</b>	<b>75.16</b>	<b>150,964.0</b>	<b>78.90</b>	<b>145,447.0</b>	<b>79.53</b>	<b>162,886.0</b>	<b>82.79</b>
<b>C. Non-Earning Assets</b>									
1. Cash and Due From Banks	6,936.0	9,787.0	4.82	9,569.0	5.00	9,317.0	5.09	9,062.0	4.61
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	3,331.6	4,701.0	2.31	11,426.0	5.97	11,009.0	6.02	11,521.0	5.86
5. Goodwill	731.4	1,032.0	0.51	469.0	0.25	442.0	0.24	525.0	0.27
6. Other Intangibles	708.0	999.0	0.49	524.0	0.27	567.0	0.31	553.0	0.28
7. Current Tax Assets	281.4	397.0	0.20	376.0	0.20	471.0	0.26	476.0	0.24
8. Deferred Tax Assets	730.7	1,031.0	0.51	650.0	0.34	638.0	0.35	850.0	0.43
9. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Other Assets	23,050.5	32,525.0	16.01	17,347.0	9.07	14,986.0	8.19	10,882.0	5.53
<b>11. Total Assets</b>	<b>143,995.1</b>	<b>203,182.0</b>	<b>100.00</b>	<b>191,325.0</b>	<b>100.00</b>	<b>182,877.0</b>	<b>100.00</b>	<b>196,755.0</b>	<b>100.00</b>
<b>Liabilities and Equity</b>									
<b>D. Interest-Bearing Liabilities</b>									
1. Total Customer Deposits	39,822.6	56,191.0	27.66	59,412.0	31.05	57,708.0	31.56	52,245.0	26.55
2. Deposits from Banks	n.a.	n.a.	-	10,057.0	5.26	10,125.0	5.54	14,799.0	7.52
3. Repos and Securities Lending	3,428.7	4,838.0	2.38	5,383.0	2.81	6,947.0	3.80	9,061.0	4.61
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
<b>5. Customer Deposits and Short-term Funding</b>	<b>43,251.3</b>	<b>61,029.0</b>	<b>30.04</b>	<b>74,852.0</b>	<b>39.12</b>	<b>74,780.0</b>	<b>40.89</b>	<b>76,105.0</b>	<b>38.68</b>
6. Senior Unsecured Debt	35,568.2	50,188.0	24.70	53,717.0	28.08	50,828.0	27.79	63,685.0	32.37
7. Subordinated Borrowing	2,150.9	3,035.0	1.49	2,855.0	1.49	2,880.0	1.57	3,322.0	1.69
8. Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Long-term Funding	6,603.7	9,318.0	4.59	n.a.	-	n.a.	-	n.a.	-
<b>10. Total LT Funding</b>	<b>44,322.8</b>	<b>62,541.0</b>	<b>30.78</b>	<b>56,572.0</b>	<b>29.57</b>	<b>53,708.0</b>	<b>29.37</b>	<b>67,007.0</b>	<b>34.06</b>
11. Memo: o/w matures in less than 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Trading Liabilities	5,746.1	8,108.0	3.99	10,424.0	5.45	7,471.0	4.09	7,702.0	3.91
<b>13. Total Funding</b>	<b>93,320.2</b>	<b>131,678.0</b>	<b>64.81</b>	<b>141,848.0</b>	<b>74.14</b>	<b>135,959.0</b>	<b>74.34</b>	<b>150,814.0</b>	<b>76.65</b>
14. Derivatives	8,976.4	12,666.0	6.23	11,925.0	6.23	11,128.0	6.08	14,744.0	7.49
<b>15. Total Funding and Derivatives</b>	<b>102,296.6</b>	<b>144,344.0</b>	<b>71.04</b>	<b>153,773.0</b>	<b>80.37</b>	<b>147,087.0</b>	<b>80.43</b>	<b>165,558.0</b>	<b>84.14</b>
<b>E. Non-Interest Bearing Liabilities</b>									
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	292.7	413.0	0.20	262.0	0.14	212.0	0.12	469.0	0.24
5. Deferred Tax Liabilities	301.2	425.0	0.21	749.0	0.39	621.0	0.34	543.0	0.28
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	0.19	640.0	0.33	714.0	0.39	771.0	0.39
9. Other Liabilities	25,039.1	35,331.0	17.39	15,184.0	7.94	14,105.0	7.71	11,863.0	6.03
<b>10. Total Liabilities</b>	<b>128,196.8</b>	<b>180,890.0</b>	<b>89.03</b>	<b>170,608.0</b>	<b>89.17</b>	<b>162,739.0</b>	<b>88.99</b>	<b>179,204.0</b>	<b>91.08</b>
<b>F. Hybrid Capital</b>									
1. Pref. Shares and Hybrid Capital accounted for as Debt	2,783.8	3,928.0	1.93	2,537.0	1.33	2,868.0	1.57	1,887.0	0.96
2. Pref. Shares and Hybrid Capital accounted for as Equity	282.1	398.0	0.20	400.0	0.21	401.0	0.22	403.0	0.20
<b>G. Equity</b>									
1. Common Equity	11,325.7	15,981.0	7.87	15,051.0	7.87	14,157.0	7.74	13,568.0	6.90
2. Non-controlling Interest	150.2	212.0	0.10	1,432.0	0.75	1,316.0	0.72	157.0	0.08
3. Securities Revaluation Reserves	6.4	9.0	0.00	17.0	0.01	393.0	0.21	555.0	0.28
4. Foreign Exchange Revaluation Reserves	584.0	824.0	0.41	375.0	0.20	248.0	0.14	377.0	0.19
5. Fixed Asset Revaluations and Other Accumulated OCI	666.2	940.0	0.46	905.0	0.47	755.0	0.41	604.0	0.31
<b>6. Total Equity</b>	<b>12,732.5</b>	<b>17,966.0</b>	<b>8.84</b>	<b>17,780.0</b>	<b>9.29</b>	<b>16,869.0</b>	<b>9.22</b>	<b>15,261.0</b>	<b>7.76</b>
7. Memo: Equity plus Pref. Shares and Hybrid Capital accounted for as E	13,014.6	18,364.0	9.04	18,180.0	9.50	17,270.0	9.44	15,664.0	7.96
<b>8. Total Liabilities and Equity</b>	<b>143,995.1</b>	<b>203,182.0</b>	<b>100.00</b>	<b>191,325.0</b>	<b>100.00</b>	<b>182,877.0</b>	<b>100.00</b>	<b>196,755.0</b>	<b>100.00</b>
9. Memo: Fitch Core Capital	10,863.7	15,329.0	7.54	16,787.0	8.77	15,843.0	8.66	13,876.0	7.05

Exchange rate

USD1 = AUD1.411034

USD1 = AUD1.30463

USD1 = AUD1.3082

USD1 = AUD1.306

Source: Fitch Ratings, Fitch Solutions, MGL



## Macquarie Group Limited Summary Analytics

	31 Mar 2019	31 Mar 2018	31 Mar 2017	31 Mar 2016
	Year End	Year End	Year End	Year End
<b>A. Interest Ratios</b>				
1. Interest Income/ Average Earning Assets	3.43	3.29	3.56	3.61
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	2.38	1.94	1.86	1.92
5. Net Interest Income/ Average Earning Assets	1.13	1.34	1.55	1.57
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	0.96	1.30	1.37	1.21
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	1.13	1.33	1.54	1.56
<b>B. Other Operating Profitability Ratios</b>				
1. Operating Profit/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
2. Non-Interest Expense/ Gross Revenues	75.23	71.84	71.15	64.58
3. Loans and securities impairment charges/ Pre-impairment Op. Profit	21.12	10.18	13.02	21.04
4. Operating Profit/ Average Total Assets	0.98	1.36	1.21	1.37
5. Non-Interest Income/ Gross Revenues	82.91	77.90	74.68	74.84
6. Non-Interest Expense/ Average Total Assets	3.87	3.52	3.36	3.16
7. Pre-impairment Op. Profit/ Average Equity	14.25	16.58	16.84	23.41
8. Pre-impairment Op. Profit/ Average Total Assets	1.25	1.51	1.39	1.73
9. Operating Profit/ Average Equity	11.24	14.89	14.65	18.49
<b>C. Other Profitability Ratios</b>				
1. Net Income/ Average Total Equity	17.07	15.08	14.21	14.24
2. Net Income/ Average Total Assets	1.49	1.37	1.17	1.05
3. Fitch Comprehensive Income/ Average Total Equity	18.65	14.96	12.26	13.50
4. Fitch Comprehensive Income/ Average Total Assets	1.63	1.36	1.01	1.00
5. Taxes/ Pre-tax Profit	22.73	25.49	27.96	30.75
6. Net Income/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
<b>D. Capitalization</b>				
1. FCC/ FCC-Adjusted Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
2. Tangible Common Equity/ Tangible Assets	7.64	8.82	8.71	7.10
3. Equity/ Total Assets	8.84	9.29	9.22	7.76
4. Basel Leverage Ratio	0.00	n.a.	n.a.	n.a.
5. Common Equity Tier 1 Capital Ratio	0.00	n.a.	n.a.	n.a.
6. Fully Loaded Common Equity Tier 1 Capital Ratio	n.a.	n.a.	n.a.	n.a.
7. Tier 1 Capital Ratio	0.00	n.a.	n.a.	n.a.
8. Total Capital Ratio	n.a.	n.a.	n.a.	n.a.
9. Impaired Loans less Loan Loss Allowances/ Fitch Core Capital	9.10	0.95	1.24	(0.13)
10. Impaired Loans less Loan Loss Allowances/ Equity	7.76	0.90	1.17	(0.12)
11. Cash Dividends Paid & Declared/ Net Income	65.43	69.70	72.09	65.80
12. Risk Weighted Assets/ Total Assets	n.a.	n.a.	n.a.	n.a.
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.
<b>E. Loan Quality</b>				
1. Impaired Loans/ Gross Loans	2.45	0.77	1.37	1.12
2. Growth of Gross Loans	(3.71)	5.07	(4.49)	9.82
3. Loan Loss Allowances/ Impaired Loans	27.91	74.60	81.61	101.97
4. Loan Impairment Charges/ Average Gross Loans	0.33	0.08	0.34	0.71
5. Growth of Total Assets	6.20	4.62	(7.05)	4.67
6. Loan Loss Allowances/ Gross Loans	0.68	0.57	1.12	1.14
7. Net Charge-offs/ Average Gross Loans	0.16	0.38	0.23	0.76
8. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	2.45	0.77	1.37	1.12
<b>F. Funding and Liquidity</b>				
1. Loans/ Customer Deposits	140.62	138.12	135.33	156.51
2. Liquidity Coverage Ratio	n.a.	n.a.	n.a.	n.a.
3. Customer Deposits/ Total Funding (including Pref. Shares & Hybrids)	41.32	41.03	41.45	34.12
4. Interbank Assets/ Interbank Liabilities	n.a.	n.a.	n.a.	n.a.
5. Net Stable Funding Ratio	n.a.	n.a.	n.a.	n.a.
6. Growth of Total Customer Deposits	(5.42)	2.95	10.46	10.25

Source: Fitch Ratings, Fitch Solutions, MGL

Macquarie Group 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
<b>A. Off-Balance Sheet Items</b>									
1. Managed Securitizated 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	151.0	213.0	0.10	312.0	0.16	289.0	0.16	249.0	0.13
4. Acceptances and documentary credits reported off-balance sheet	768.9	1,085.0	0.53	1,087.0	0.57	843.0	0.46	765.0	0.39
5. Committed Credit Lines	7,454.1	10,518.0	5.18	8,439.0	4.41	9,156.0	5.01	7,417.0	3.77
6. Other Contingent Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Other Off-Balance Sheet items	2,999.2	4,232.0	2.08	1,760.0	0.92	1,177.0	0.64	1,159.0	0.59
8. Total Assets under Management	390,706.4	551,300.0	271.33	496,700.0	259.61	481,700.0	263.40	478,600.0	243.25
<b>B. Average Balance Sheet</b>									
1. Average Loans	56,350.7	79,512.7	39.13	79,288.0	41.44	79,617.0	43.54	78,068.0	39.68
2. Average Earning Assets	110,500.7	155,920.3	76.74	151,856.7	79.37	147,025.0	80.40	155,408.0	78.99
3. Average Total Assets	141,764.8	200,035.0	98.45	187,987.3	98.26	190,908.3	104.39	197,940.3	100.60
4. Average Managed Securitizated Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Average Interest-Bearing Liabilities	107,235.5	151,313.0	74.47	152,343.3	79.63	158,686.3	86.77	166,104.7	84.42
6. Average Common equity	10,872.7	15,341.7	7.55	14,783.3	7.73	13,780.0	7.54	12,777.3	6.49
7. Average Equity	12,405.6	17,504.7	8.62	17,115.7	8.95	15,730.3	8.60	14,660.0	7.45
8. Average Customer Deposits	39,739.9	56,074.3	27.60	58,708.7	30.69	55,130.3	30.15	50,515.3	25.67
<b>C. Maturities</b>									
<b>Asset Maturities:</b>									
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.	-
<b>Liability Maturities:</b>									
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.	-
<b>Total Senior Debt on Balance Sheet</b>	<b>n.a.</b>	<b>n.a.</b>	<b>-</b>	<b>n.a.</b>	<b>-</b>	<b>n.a.</b>	<b>-</b>	<b>n.a.</b>	<b>-</b>
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.	-
<b>Total Subordinated Debt on Balance Sheet</b>	<b>2,150.9</b>	<b>3,035.0</b>	<b>1.49</b>	<b>2,855.0</b>	<b>1.49</b>	<b>2,880.0</b>	<b>1.57</b>	<b>3,322.0</b>	<b>1.69</b>
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>D. Risk Weighted Assets</b>									
1. Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Fitch Core Capital Adjustments for Insurance and Securitisation Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>3. Fitch Core Capital Adjusted Risk Weighted Assets</b>	<b>n.a.</b>	<b>n.a.</b>	<b>-</b>	<b>n.a.</b>	<b>-</b>	<b>n.a.</b>	<b>-</b>	<b>n.a.</b>	<b>-</b>
4. Other Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>5. Fitch Adjusted Risk Weighted Assets</b>	<b>n.a.</b>	<b>n.a.</b>	<b>-</b>	<b>n.a.</b>	<b>-</b>	<b>n.a.</b>	<b>-</b>	<b>n.a.</b>	<b>-</b>
<b>E. Fitch Core Capital Reconciliation</b>									
1. Total Equity as reported (including non-controlling interests)	12,732.5	17,966.0	8.84	17,780.0	9.29	16,869.0	9.22	15,261.0	7.76
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	731.4	1,032.0	0.51	469.0	0.25	442.0	0.24	525.0	0.27
5. Other intangibles	708.0	999.0	0.49	524.0	0.27	567.0	0.31	553.0	0.28
6. Deferred tax assets deduction	429.5	606.0	0.30	0.0	0.00	17.0	0.01	307.0	0.16
7. Net asset value of insurance subsidiaries	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
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
<b>10. Fitch Core Capital</b>	<b>10,863.7</b>	<b>15,329.0</b>	<b>7.54</b>	<b>16,787.0</b>	<b>8.77</b>	<b>15,843.0</b>	<b>8.66</b>	<b>13,876.0</b>	<b>7.05</b>

Exchange Rate

USD1 = AUD1.411034

USD1 = AUD1.30463

USD1 = AUD1.3082

USD1 = AUD1.306

Source: Fitch Ratings, Fitch Solutions, MGL

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