



ASX/Media Release

MACQUARIE GROUP NOTES RELEASE OF APRA PAPER ON UNQUESTIONABLY STRONG CAPITAL

SYDNEY, 19 July 2017 – Macquarie Group (ASX: MQG; ADR: MQBKY) notes the Australian Prudential Regulation Authority (APRA) released today an Information Paper setting out its conclusions with respect to the quantum of additional capital to be required for the Australian banking sector to have capital ratios that are considered ‘unquestionably strong’.

For Authorised Deposit-taking Institutions that use an internal ratings based approach to credit risk, APRA has concluded that it will be necessary to increase minimum capital requirements by the equivalent of around 150 basis points by 1 January 2020.

These requirements will apply to Macquarie Bank Limited (MBL). Whilst details of how this will be implemented are yet to be finalised, based on 31 March 2017 capital position this would increase MBL’s minimum capital requirements by approximately \$A1.4b.

As at 31 March 2017, MBL’s Common Equity Tier 1 (CET1) ratio was 11.1% and MQG’s surplus capital¹ on an APRA basis was \$A5.5b.

MQG believes that its current capital surplus is sufficient to accommodate the proposed increase in minimum capital requirements outlined in the paper.

Contacts

Karen Khadi	Macquarie Group Investor Relations	+61 2 8232 3548
James Freeman	Macquarie Group Investor Relations	+61 2 8232 0596
Lisa Jamieson	Macquarie Group Media Relations	+61 2 8232 6016
Navleen Prasad	Macquarie Group Media Relations	+61 2 8232 6472

¹ Group capital is calculated at 8.5 per cent Risk Weighted Assets (RWA) including capital conservation buffer (CCB), per APRA ADI Prudential Standard 110.