



**Macquarie Bank Limited**  
(ABN 46 008 583 542)

Disclosure Report (U.S. Version)  
for the fiscal year ended March 31, 2025

Dated: May 23, 2025

## TABLE OF CONTENTS

CERTAIN DEFINITIONS.....	ii
SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS.....	v
AUSTRALIAN EXCHANGE CONTROL RESTRICTIONS.....	viii
FINANCIAL INFORMATION PRESENTATION .....	ix
RISK FACTORS.....	1
CAPITALIZATION AND INDEBTEDNESS.....	15
MACQUARIE BANK LIMITED.....	16
REGULATION AND SUPERVISION.....	30
MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION.....	44

## CERTAIN DEFINITIONS

In this Disclosure Report (U.S. Version) for the fiscal year ended March 31, 2025 (this “*Report*”), unless otherwise specified or the context otherwise requires:

- “*AASB*” means the Australian Accounting Standards Board;
- “*ABN*” means Australian Business Number;
- “*ACCC*” means the Australian Competition and Consumer Commission and its successors;
- “*ADP*” means an institution that is an authorised deposit-taking institution under the Australian Banking Act and regulated as such by APRA;
- “*AML-CTF*” means anti-money laundering and counter-terrorism financing;
- “*AML-CTF Act*” means the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 of Australia;
- “*APRA*” means the Australian Prudential Regulation Authority and its successors;
- “*ASIC*” means the Australian Securities and Investments Commission and its successors;
- “*Asset and Liability Committee*” means the committee established by the Executive Committee with responsibility for oversight of asset and liability management, liquidity policy compliance, liquidity scenario analysis and contingency planning;
- “*ASX*” means the Australian Securities Exchange operated by ASX Limited and its successors;
- “*Australian Accounting Standards*” means Australian Accounting Standards that also ensures compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board;
- “*Australian Banking Act*” means the Banking Act 1959 of Australia;
- “*Australian Corporations Act*” means the Corporations Act 2001 of Australia;
- “*A\$*” or “*\$*” means the Australian dollar and “*US\$*” means the U.S. dollar;
- “*Bank*” and “*MBL*” each means Macquarie Bank Limited (ABN 46 008 583 542) (an ADI) and includes its predecessors and successors, and “*we*”, “*our*”, “*us*” and “*MBL Group*” each means MBL and its controlled entities;
- “*Banking Group*” or “*Bank Group*” means Banking Holdco and the group of existing and future subsidiaries of that intermediate subsidiary, including the Bank, that constitutes the Banking Group as described herein;
- “*Banking Holdco*” means Macquarie B.H. Pty Ltd (ABN 86 124 071 432), the intermediate holding company established as a subsidiary of MGL and as the immediate parent of MBL as part of the Restructure;
- “*Commonwealth*” and “*Australia*” each means the Commonwealth of Australia;
- “*controlled entities*” means those entities (including special purpose entities) over which another party has the power to govern, directly or indirectly, decision making in relation to financial and operating policies, so as to require that entity to conform with such controlling party’s objectives;
- “*Exchange Act*” means the U.S. Securities Exchange Act of 1934, as amended;
- “*Executive Committee*” means the committee established and chaired by the managing director of MGL focusing on a variety of business issues, including key risks faced across the organization;

- “*FCA*” means the U.K. Financial Conduct Authority;
- “*financial statements*” means our historical financial statements;
- “*GAAP*” means generally accepted accounting principles;
- “*historical financial statements*” means our 2025 annual financial statements, our 2024 annual financial statements and our 2023 annual financial statements;
- “*IASB*” means the International Accounting Standards Board;
- “*IFRS*” means International Financial Reporting Standards;
- “*MBL LB*” means the London branch of MBL;
- “*MBL’s U.S. Investors’ Website*” means MBL’s U.S. investors’ website at <http://www.macquarie.com/au/en/disclosures/us-investors/macquarie-bank-limited.html>;
- “*MCN*” means the Macquarie Group Capital Notes 4, the Macquarie Group Capital Notes 5 and the Macquarie Group Capital Notes 6;
- “*MGL*” means Macquarie Group Limited (ABN 94 122 169 279), the authorized NOHC for the Banking Group and the Non-Banking Group, and includes its predecessors and its successors, as more fully described herein;
- “*MGL Group*” means MGL and its controlled entities, including MBL Group;
- “*net operating income*”, an Australian Accounting Standards financial measure, includes net interest income (interest income less interest expense), trading income, fee and commission income, share of net profits of associates and joint ventures, net gains and losses from the sale of investments or the deconsolidation of controlled entities, dividends and distributions received/receivable, and other sundry income items, and is net of impairment charges and is reported in the income statement in our financial statements;
- “*NOHC*” means an authorized non-operating holding company of an ADI;
- “*NOHC Authority*” means the authority to be a non-operating holding company of an ADI granted to MGL by APRA on September 5, 2007 (as amended);
- “*Non-Banking Group*” or “*Non-Bank Group*” means MGL, Macquarie Financial Limited and its subsidiaries and Macquarie Asset Management Holdings Pty Ltd and its subsidiaries;
- “*OFAC*” means the U.S. Office of Foreign Assets Control;
- “*operating expenses*”, an Australian Accounting Standards financial measure, include employment expenses (including staff profit sharing expense), brokerage and commission expense, occupancy expenses (including premises rental expense), non-salary technology expenses, professional fees, travel and communication expense, and other sundry expenses and are reported in the income statement in our financial statements;
- “*PRA*” means the U.K. Prudential Regulation Authority;
- “*RBA*” means the Reserve Bank of Australia;
- “*Restructure*” means the reorganization of the MBL Group that was completed on November 19, 2007 that resulted in the establishment of MGL as the ultimate holding company of MBL and the transfer by the MBL Group of certain businesses, subsidiaries and assets, primarily the Macquarie Capital operating group, to the Non-Banking Group;
- “*shared services*” means the services to be performed by MBL or its subsidiaries for the Banking and Non-Banking Groups described under “Macquarie Bank Limited — Organizational structure”;

- “2023 annual financial statements” means our audited consolidated financial statements contained in our 2023 Annual Report;
- “2023 Annual Report” means our 2023 annual report, extracts of which are incorporated by reference herein and which have been posted on MBL’s U.S. Investors’ Website;
- “2024 annual financial statements” means our audited consolidated financial statements contained in our 2024 Annual Report;
- “2024 Annual Report” means our 2024 annual report, extracts of which are incorporated by reference herein and which have been posted on MBL’s U.S. Investors’ Website;
- “2024 Fiscal Year Management Discussion and Analysis Report” means our Management Discussion and Analysis Report dated May 3, 2024, which includes a comparative discussion and analysis of our results of operations and financial condition for the fiscal year ended March 31, 2024 compared to the fiscal year ended March 31, 2023, along with other balance sheet, capital and liquidity disclosures as at or for the fiscal year ended March 31, 2024, and which is incorporated by reference herein and has been posted on MBL’s U.S. Investors’ Website;
- “2025 annual financial statements” means our audited consolidated financial statements contained in our 2025 Annual Report;
- “2025 Annual Report” means our 2025 annual report, extracts of which are incorporated by reference herein and which have been posted on MBL’s U.S. Investors’ Website; and
- “2025 Fiscal Year Management Discussion and Analysis Report” means our Management Discussion and Analysis Report dated May 9, 2025, which includes a comparative discussion and analysis of our results of operations and financial condition for the fiscal year ended March 31, 2025 compared to the fiscal year ended March 31, 2024, along with other balance sheet, capital and liquidity disclosures as at or for the fiscal year ended March 31, 2025, and which is incorporated by reference herein and has been posted on MBL’s U.S. Investors’ Website.

Our fiscal year ends on March 31, so references to years such as “2025” or “fiscal year” and like references in the discussion of our financial statements, results of operations and financial condition are to the 12 months ending on March 31 of the applicable year.

In this Report, prior financial period amounts that have been reported in financial statements for or contained in the discussion of a subsequent financial period may differ from the amounts reported in the financial statements for or contained in the discussion of the financial statements for that prior financial period as the prior financial period amounts may have been adjusted to conform with changes in presentation in the subsequent financial period.

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Report contains statements that constitute “*forward-looking statements*” within the meaning of Section 21E of the Exchange Act. Examples of these forward-looking statements include, but are not limited to: (i) statements regarding our future results of operations and financial condition; (ii) statements of plans, objectives or goals, including those related to our products or services; and (iii) statements of assumptions underlying those statements. Words such as “*may*”, “*will*”, “*expect*”, “*intend*”, “*plan*”, “*estimate*”, “*anticipate*”, “*believe*”, “*continue*”, “*probability*”, “*risk*”, and other similar words are intended to identify forward-looking statements but are not the exclusive means of identifying those statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution readers that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include:

- conditions in financial markets, global credit and other economic and geopolitical challenges generally;
- market uncertainty, volatility and investor confidence;
- our ability to deal effectively with an economic slowdown or other economic or market difficulties or disruptions;
- defaults by other large financial institutions or counterparties;
- negative impacts to our liquidity due to market disruptions, macroeconomic shocks or legal and regulatory change;
- our ability to effectively manage our capital and liquidity and to adequately fund the operations of the MBL Group;
- changes to the credit ratings assigned to each of MBL and Macquarie Group Limited (“MGL”), our indirect parent company;
- changes in and increased volatility in currency exchange rates;
- losses due to price volatility in equity markets or other markets;
- our ability to effectively hedge our trading exposures;
- risks associated with our physical commodities activities;
- funding constraints of potential purchasers of our assets or on our clients;
- inflationary pressures;
- losses due to climate change;
- the effect of, and changes in, laws, regulations, taxation or accounting standards or practices, or government policy, including as a result of regulatory proposals for reform of the banking and funds management industries in Australia and the other countries in which we conduct our operations or which we may enter in the future;
- restrictions on the ability of our subsidiaries to make payments to MBL;
- our failure to comply with laws governing financial crime, including sanctions;
- increased governmental and regulatory scrutiny and negative publicity;
- litigation and regulatory actions against us;

- changes in the credit quality of MBL's counterparties;
- our ability to attract and retain employees;
- inadequate or failed internal or external operational systems and risk management processes;
- the effectiveness of our risk management processes and strategies;
- increased demands on our managerial, legal, accounting, IT, risk management, operational and financial resources;
- the performance and financial condition of MGL;
- the impact of cyber-attacks, technology disruption events and other information security breaches;
- our ability to maintain appropriately staffed workforces and a healthy and safe work environment;
- environmental and social factors;
- the impact of catastrophic events on MBL and its operations;
- failure of our insurance carriers or our failure to maintain adequate insurance cover;
- risks in using custodians;
- lack of control over entities in the MGL Group that are not part of the MBL Group;
- our ability to complete, integrate or process acquisitions, disposals, mergers and other significant corporate transactions;
- our ability to effectively manage our growth;
- adverse impact on our brand and reputation;
- the effects of competition in the geographic and business areas in which we conduct our operations or which we may enter in the future;
- conflicts of interest;
- the impact of potential tax liabilities;
- changes in accounting standards, policies, interpretations, estimates, assumptions and judgments; and
- various other factors beyond our control.

The foregoing list of important factors is not exhaustive. Statements that include forward-looking statements reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Should one or more of the risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Report as anticipated, believed, estimated, expected or intended.

When relying on forward-looking statements to make decisions with respect to the MBL Group, investors and others should carefully consider the foregoing factors and other uncertainties and events and are cautioned not to place undue reliance on forward-looking statements.

We are under no obligation, and disclaim any obligation, to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this Report.

Significant risk factors applicable to the MBL Group are described under “Risk Factors” and elsewhere in this Report. Other factors are discussed in our 2025 Fiscal Year Management Discussion and Analysis Report, which is incorporated by reference herein.



## AUSTRALIAN EXCHANGE CONTROL RESTRICTIONS

The Australian dollar is convertible into U.S. dollars at freely floating rates, subject to the sanctions described below. The Autonomous Sanctions Regulations 2011 promulgated under the Autonomous Sanctions Act 2011 of Australia, the Charter of the United Nations Act 1945 of Australia and other laws and regulations in Australia restrict or prohibit payments, transactions and dealings with assets having a prescribed connection with certain countries or named individuals or entities subject to international sanctions or associated with terrorism or money laundering.

The Australian Department of Foreign Affairs and Trade (“*DFAT*”) maintains a list of all persons and entities having a prescribed connection with terrorism and a list of all persons and entities that are subject to autonomous sanctions (which include economic sanctions) which are available to the public at the Department’s website at <https://www.dfat.gov.au/international-relations/security/sanctions/consolidated-list>.

In addition, DFAT has established the Australian Sanctions Office (the “*ASO*”), which is the Australian government’s sanctions regulator. The ASO sits within DFAT’s Regulatory Legal Division in the Security, Legal and Consular Group. As the sanctions regulator, the ASO:

- provides guidance to regulated entities, including government agencies, individuals, business and other organizations on Australian sanctions law;
- processes applications for, and issues, sanctions permits;
- works with individuals, business and other organizations to promote compliance and help prevent breaches of the law;
- works in partnership with other government agencies to monitor compliance with sanctions legislation; and
- supports corrective and enforcement action by law enforcement agencies in cases of suspected non-compliance.

Further information is available at <https://www.dfat.gov.au/international-relations/security/sanctions>.

## FINANCIAL INFORMATION PRESENTATION

*Investors should read the following discussion regarding the presentation of our financial information together with the financial information presented elsewhere in this Report, our 2025 Fiscal Year Management Discussion and Analysis Report, our 2024 Fiscal Year Management Discussion and Analysis Report and our historical financial statements.*

### Our financial information

In addition to this section, investors should refer to the discussion of our historical financial information included elsewhere in this Report and in the following additional information posted on MBL's U.S. Investors' Website:

- the section of this Report under the heading "Management's Discussion and Analysis of Results of Operations and Financial Condition", which incorporates by reference:
  - our 2025 Fiscal Year Management Discussion and Analysis Report, which includes a comparative discussion and analysis of our results of operations and financial condition for the fiscal year ended March 31, 2025 compared to the fiscal year ended March 31, 2024, along with other balance sheet, capital and liquidity disclosures as at or for the fiscal year ended March 31, 2025; and
  - our 2024 Fiscal Year Management Discussion and Analysis Report, which includes a comparative discussion and analysis of our results of operations and financial condition for the fiscal year ended March 31, 2024 compared to the fiscal year ended March 31, 2023, along with other balance sheet, capital and liquidity disclosures as at or for the fiscal year ended March 31, 2024;
- our Pillar 3 Disclosure Document dated March 2025, the Pillar 3 Disclosure Document dated December 2024, the Pillar 3 Disclosure Document dated September 2024 and the Pillar 3 Disclosure Document dated June 2024, which describe the Bank's capital position, risk management policies and risk management framework and the measures adopted to monitor and report within this framework; and
- our historical financial statements, which are included in the extracts from our 2025 and 2024 Annual Reports.

Unless otherwise indicated, conversions of Australian dollars to U.S. dollars in this Report have been made at the exchange rate of US\$0.6236 per A\$1.00, which was the noon buying rate in New York City for cable transfers of Australian dollars as certified for customs purposes for the Federal Reserve Bank of New York on March 31, 2025. The noon buying rate on May 16, 2025 was US\$0.6395 per A\$1.00.

### Application of new accounting standards

Please refer to Note 1 of the 2025 annual financial statements for a description of new Australian accounting standards and amendments to accounting standards that are effective in the 2025 fiscal year.

### Our historical financial statements

Our 2025 annual financial statements include our audited financial statements as at and for the fiscal years ended March 31, 2025 and 2024. Our operating segments, as reported in accordance with Australian Accounting Standards, reflect our current operating groups and divisions. See our 2025 Fiscal Year Management Discussion and Analysis Report for further information.

MBL Group is divided into the following operating groups for internal reporting and risk management purposes: Banking and Financial Services and Commodities and Global Markets (excluding certain assets of the Financial Markets business; certain activities of the Commodity Markets and Finance business; and some other less financially significant activities).

For further information on our historical financial information for the 2024 fiscal year and prior periods, refer to the discussion under the heading "Financial Information Presentation – Our financial information" included in our 2024 Annual U.S. Disclosure Report.

We report certain items in the Corporate segment, which includes the Head Office and central service groups costs. Items of income and expense within the Corporate segment include the net result of managing Macquarie Bank's liquidity and funding requirements, earnings on capital and the residual accounting volatility relating to economically hedged positions where hedge accounting is applied as well as accounting volatility for other economically hedged positions where hedge accounting is not applicable. Other items of income and expenses include earnings from investments, central credit and asset related impairments, provisions for legacy matters, unallocated head office costs and costs of central service groups, performance-related profit share and share-based payments expense and income tax expense. The items reported in the Corporate segment do not form part of the total profit contribution provided by our operating groups. The total contribution to profit by operating groups plus the contribution to profit included in the Corporate segment equate to our total profit attributable to the ordinary equity holder.

### **Impact of acquisitions and disposals on the 2025, 2024 and 2023 fiscal years**

We did not make any significant acquisitions or disposals during the 2025, 2024 and 2023 fiscal years.

### **Certain differences between Australian Accounting Standards and U.S. GAAP**

Investors should be aware that the financial information contained or incorporated by reference in this Report and in the additional information posted on MBL's U.S. Investors' Website have been prepared and presented in accordance with Australian Accounting Standards and the recognition and measurement principles prescribed in the current interpretations of the International Financial Reporting Standards, or Australian Accounting Standards. There are differences between Australian Accounting Standards and U.S. GAAP that may be material to the financial information contained or incorporated by reference in this Report and in the additional information posted on MBL's U.S. Investors' Website. MBL Group has not provided a quantitative reconciliation or narrative discussion of these differences in this Report. Investors should therefore consult their own professional advisors for an understanding of the differences between Australian Accounting Standards and U.S. GAAP and how those differences might affect the financial information included in this Report and, more generally, the financial results of the MBL Group going forward.

### **Critical accounting policies and significant judgments**

Critical accounting policies are policies that require us to make estimates or judgments that may significantly affect the reported amounts of assets, liabilities, revenues or expenses. These estimates are based on judgments and assumptions and could potentially result in materially different results under different assumptions and conditions. In preparing our consolidated financial statements, we have made a number of judgments and have applied estimates and assumptions to future events.

Note 1 to our 2025 annual financial statements provides a list of the critical accounting policies and significant judgments.

Other than as indicated in Note 1 to our 2025 annual financial statements, critical accounting policies and significant judgments for the 2025 fiscal year are consistent with those in the prior fiscal year.

### **Pending accounting standards changes**

For a description of standards, interpretations and amendments to Australian Accounting Standards that are not yet effective but could have a significant impact on our accounting policies, see Note 1 to our 2025 annual financial statements.

### **Non-GAAP financial measures**

We report our financial results in accordance with Australian Accounting Standards. However, we include certain financial measures and ratios that are not prepared in accordance with Australian Accounting Standards that we believe provide useful information to investors in measuring the financial performance and condition of our business for the reasons set out below. In addition, some of these non-GAAP financial measures are used by the MBL Group in respect of our financial results. These non-GAAP financial measures do not have a standardized meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. You are cautioned, therefore, not to place undue reliance on any non-GAAP financial measures and ratios included or incorporated by reference into this Report and in the additional information posted on MBL's U.S. Investors' Website. These measures include:

***Funded loan assets and funded statutory statement of financial position***

Funded loan assets is determined based on the funded statements of financial position of the MBL Group and not the statutory statement of financial position classification. MBL Group's statutory statement of financial position is prepared based on Australian Accounting Standards and includes certain accounting gross-ups and non-recourse self-funded assets that do not represent a funding requirement of the MBL Group. A reconciliation between the reported loan assets and the net funded loan assets as at March 31, 2025 is presented in section 5.3 of our 2025 Fiscal Year Management Discussion and Analysis Report.

## RISK FACTORS

*We are subject to a variety of risks that arise out of our financial services and other businesses, many of which are not within our control. We manage our ongoing business risks in accordance with our risk management policies and procedures, some of which are described in “Risk Management” in section 2 of the 2025 Annual Report of MGL and in Note 33 to our 2025 annual financial statements. The following are some of the more significant risk factors that could affect our businesses, prospects, results of operations or financial condition.*

### **Macro-economic risks**

***Our business and results of operation have been and may, in the future, be adversely affected by financial markets, global credit and other economic and geopolitical challenges generally.***

The MBL Group’s businesses operate in or depend on the operation of global markets, including through exposures in securities, loans, derivatives and other activities and it is impacted by various factors it cannot control. In particular, uncertainty and volatility in global credit markets, liquidity constraints, increased funding costs, the level and volatility of interest rates, constrained access to funding, uncertainty concerning government shutdowns and debt ceilings, changing patterns of government spending in response to geopolitical events, fluctuations or other significant changes in both equity and capital market activity, supply chain disruptions and labor shortages have adversely affected and may continue to adversely affect transaction flow in a range of industry sectors. These factors could also adversely affect the MBL Group’s access to and costs of funding and in turn may negatively impact our liquidity and competitive position.

Additionally, global markets may be adversely affected by the current or anticipated impact of climate change, extreme weather events or natural disasters, the emergence or continuation of widespread health emergencies or pandemics, cyberattacks or campaigns, military conflicts, including the Russia-Ukraine conflict, the Israeli-Palestinian conflict and other conflicts in the Middle East, terrorism or other geopolitical events such as rising tensions between the United States and China, and concerns about a potential conflict involving Taiwan.

The dynamic and constantly evolving sanctions environment, including the volume, nature and diversity of sanctions imposed during the Russia-Ukraine conflict, continues to drive heightened sanctions compliance risk and complexity in applying control frameworks across the market. The Russia-Ukraine conflict and conflicts in the Middle East have caused, and may continue to cause, supply shocks in energy, food and other commodities markets, disruption to global shipping lanes and supply chains, increased inflation, cybersecurity risks, increased volatility in commodity, currency and other financial markets and heightened geopolitical tensions. Either new or increased sanctions, the lifting of sanctions or a divergence in sanctions regimes of different authorities on currently-sanctioned countries that are, for example, major energy producers, could continue to disrupt regional and global energy, commodities and financial markets and macroeconomic conditions generally, adversely impacting us and our customers, clients and employees.

New tariff barriers and retaliatory measures that have been imposed or threatened in recent months have disrupted and are likely to continue to disrupt global trade flows and adversely impact economic growth. The impact of announced and implemented tariffs has been exacerbated by the unpredictable manner in which announcements have been made and subsequently revised and the short time frames for implementation of some of these measures. Tariffs and countermeasures may increase volatility in financial markets, including equity, currency and interest rate markets, adversely affect business investment, negatively impact investor confidence, lead to the re-direction of exports, reduce co-operation and escalate tensions between the countries targeted by trade sanctions and result in lower economic growth in both the countries impacted by trade sanctions and globally, any of which may negatively impact our business and results of operations.

Actions taken by central banks, including changes to official interest rate targets, balance sheet management and government-sponsored lending facilities are beyond the MBL Group’s control and difficult to predict. Sudden changes in monetary policy, for example in response to increased inflation or changes to fiscal or trade policies, could lead to financial market volatility and are likely to affect market interest rates and the value of financial instruments and other assets and liabilities, and can impact our customers.

Our trading income may be adversely affected during times of subdued market conditions and client activity. Increased market volatility can lead to trading losses or cause us to reduce the size of our trading activities in order to limit our risk exposure.

Market conditions, as well as declines in asset values, may cause our clients to transfer their assets out of our funds or other products or their brokerage accounts and result in reduced net revenues.

Our realizations from asset sales may also be less than anticipated if economic conditions deteriorate. A deterioration in economic conditions may also negatively impact our ability to exit our investment positions as a result of decreased transaction activity. In addition, if financial markets decline, revenues from our products are likely to decrease. In addition, increases in volatility increase the level of our risk weighted assets and increase our capital requirements. Increased capital requirements may require us to raise additional capital at a time, and on terms, which may be less favorable than we would otherwise achieve during stable market conditions.

Sudden declines and significant volatility in the prices of assets may substantially curtail or eliminate the trading markets for certain assets, which may make it very difficult to sell, hedge or value such assets. The inability to sell or effectively hedge assets reduces our ability to limit losses in such positions; and difficulty in valuing assets may negatively affect our capital, liquidity or leverage ratios, increase funding costs and generally require us to maintain additional capital.

Concerns about, or a default by, one or more institutions or by a sovereign could lead to market-wide liquidity problems, losses or defaults by other institutions, financial instruments losing their value and liquidity, and interruptions to capital markets that may further affect us. Negative perceptions about the soundness of a financial institution can result in counterparties seeking to limit their exposure and depositors withdrawing their deposits, which can happen more quickly than in the past due to the rapid dissemination of negative information through social media channels and other advances in technology, further weakening the institution. Bank collapses in the United States and Europe in 2023 have heightened these concerns. The commercial soundness of many financial institutions may be closely interrelated as a result of credit, trading, clearing or other relationships among financial institutions. This risk is sometimes referred to as “systemic risk” and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms, hedge funds and exchanges that we interact with on a daily basis. If any of our counterpart financial institutions fail, our financial exposures to that institution may lose some or all of their value. Any of these events may have a serious adverse effect on our liquidity, profitability and value.

***Our ability to operate our businesses could be impaired if our liquidity is constrained.***

Liquidity is essential to our business. Financial institutions have failed in the past due to lack of liquidity. Inadequate liquidity, or even the perception that our liquidity is inadequate, would pose a serious risk to our ability to operate. Our liquidity may be impacted at any given time as a result of various factors, including deposit losses, market disruptions, macroeconomic shocks, increases to liquidity and regulatory capital requirements due to legal and regulatory changes, restrictive central bank actions such as quantitative tightening that may reduce monetary supply and increase interest rates, the insolvency of a major market participant or systemically important financial institution, any idiosyncratic event impacting our reputation and/or business, any other unexpected cash outflows or higher-than-anticipated funding needs. The uncertainties surrounding these factors could undermine confidence in us or the financial system as a whole.

Factors beyond our control, such as periods of market stress, a fall in investor confidence or financial market illiquidity may increase our funding costs and reduce our access to conventional funding sources. Additionally, from time to time, regulations that impose increased liquidity requirements on financial institutions may be adopted. These regulations may require us to hold larger amounts of highly liquid assets and/or constrain our ability to raise funding or deploy capital. Further, our ability to liquidate assets may be impaired if there is not generally a liquid market for such assets, as well as in circumstances where other market participants are seeking to sell similar otherwise generally liquid assets at the same time, as is likely to occur in a liquidity or other market crisis or in response to changes in law or regulation.

We may need to raise funding from alternative sources if our access to stable and lower cost sources of funding, such as customer deposits and the equity and debt capital markets, is reduced. Those alternative sources of funding could be more expensive or also limited in availability. Our funding costs could also be negatively affected by actions that we may take in order to satisfy our mandated liquidity coverage and net stable funding ratios or other regulatory requirements.

If we fail to effectively manage our liquidity, this could constrain our ability to fund or invest in our businesses, and thereby adversely affect our business, results of operations, prospects, financial performance or financial condition.

***Failure to maintain our credit ratings and those of our subsidiaries could adversely affect our cost of funds, liquidity, competitive position and access to capital markets.***

The credit ratings assigned to us and certain of our subsidiaries by rating agencies are based on their evaluation of a number of factors, including our ability to maintain a stable and diverse earnings stream, strong capital ratios, strong credit quality and risk management controls, funding stability and security, disciplined liquidity management and our key operating environments, including the availability of systemic support in Australia. In addition, a credit rating downgrade could be driven by the occurrence of one or more of the other risks identified in this section or by other events that are not related to the MBL Group where there has been no deterioration in our business, such as changes to the ratings methodology or criteria.

If we fail to maintain our current credit ratings, this could (i) adversely affect our cost of funds, liquidity, competitive position, the willingness of counterparties to transact with us and our ability to access capital markets; or (ii) trigger our obligations under certain bilateral provisions in some of our trading and collateralized financing contracts. Under these provisions, counterparties could be permitted to terminate contracts with us or require us to post collateral. Termination of our trading and collateralized financing contracts could cause us to sustain losses and impair our liquidity by requiring us to find other sources of financing or to make significant cash payments or securities movements.

***Changes and increased volatility in currency exchange rates may adversely impact our financial results and our financial and regulatory capital positions.***

While our consolidated financial statements are presented in Australian dollars, a significant portion of our operating income is derived, and operating expenses are incurred, from our offshore business activities, which are conducted in a broad range of currencies. Changes in the rate at which the Australian dollar is translated from other currencies can impact our financial statements and the economics of our business.

Although we seek to carefully manage our exposure to foreign currencies, in part through matching of assets and liabilities in local currencies and through the use of foreign exchange forward contracts to hedge our exposure, we are still exposed to exchange risk. The risk becomes more acute during periods of significant currency volatility. Insofar as we are unable to hedge or have not completely hedged our exposure to currencies other than the Australian dollar, our reported profit and foreign currency translation reserve would be affected.

In addition, because the MBL Group's regulatory capital position is assessed in Australian dollars, our capital ratios may be adversely impacted by a depreciating Australian dollar, which increases the capital requirement for assets denominated in currencies other than Australian dollars.

***Our business is subject to the risk of loss associated with price volatility in the equity markets and other markets in which we operate.***

We are exposed to changes in the value of financial instruments and other financial assets that are carried at fair market value, as well as changes to the level of our advisory and other fees, due to changes in interest rates, exchange rates, equity and commodity prices and credit spreads and other market risks. These changes may result from changes in economic conditions, monetary and fiscal policies, market liquidity, availability and cost of capital, international and regional political events, acts of war or terrorism, corporate, political or other scandals that reduce investor confidence in capital markets, natural disasters or pandemics or a combination of these or other factors.

We trade in foreign exchange, interest rate, commodity, bullion, energy, securities and other markets and are an active price maker in the derivatives market. Certain financial instruments that we hold and contracts to which we are a party are complex and these complex structured products often do not have readily available markets to access in times of liquidity stress. Additionally, a number of the markets we trade in, and in particular the energy markets, have or may experience increased levels of volatility as a result of uncertainty and supply chain disruptions related to ongoing developments, such as the Russia-Ukraine conflict, conflict in the Middle East and the implementation or proposed implementation of new trade barriers. In addition, reductions in equity market prices or increases in interest rates may reduce the value of our clients' portfolios, which in turn may reduce the fees we earn for managing assets in certain parts of our business. Increases in interest rates or attractive prices for other investments could cause our clients to transfer their assets out of our funds or other products.

Interest rate risk arises from a variety of sources, including mismatches between the repricing periods of assets and liabilities. As a result of these mismatches, movements in interest rates can affect earnings or the value of

the MBL Group. See also “– Inflation has had, and could continue to have, a negative effect on our business, results of operations and financial condition”.

***Our business is subject to risks including trading losses, risks associated with market volatility and the risks associated with our physical commodities activities.***

Our commodities business primarily involves transacting with our clients to help them manage risks associated with their commodity exposures, and we may also enter into commodity transactions on our own behalf. These transactions often involve us taking on exposure to price movements in the underlying commodities. We employ a variety of techniques and processes to manage these risks, including hedging, but, we may not fully hedge our risk, and our risk management techniques may not be as effective as we intend for a variety of reasons, including unforeseen events occurring outside our risk modelling. For example, some products may have limited market liquidity and access to derivative markets may become constrained during periods of volatile commodity market conditions, increasing the cost of hedging instruments. Our counterparty risk may also be elevated at times of high volatility because our counterparties may be more likely to be under financial stress, increasing our exposure to potential losses as a result of those counterparties defaulting or failing to perform their obligations. See also “– Counterparty credit risk – Failure of external parties to honor their commitments in connection with our trading, lending and other activities may adversely impact our business”.

While most of our commodities markets activities involve financial exposures, from time to time we will also have physical positions, which expose us to the risks of owning and/or transporting commodities, some of which may be hazardous. Commodities involved in our intermediation activities and investments are also subject to the risk of unforeseen or catastrophic events, which are likely to be outside of our control. These risks may include accidents and failures with transportation and storage infrastructure, determinations made by exchanges, extreme weather events or other natural disasters, leaks, spills or release of hazardous substances, disruptions to global supply chains and shipping operations, changes to local legislation and regulation, government action (for example, energy price caps or emergency measures) or hostile geopolitical events (including the ongoing Russia-Ukraine conflict and conflict in the Middle East and any potential conflict as a result of rising tensions between China and Taiwan and the United States). The occurrence of any of such events may prevent us from performing under our agreements with clients, may impair our operations or financial results and may result in litigation, regulatory action, negative publicity or other reputational harm. Also, while we seek to insure against potential risks, insurance may be uneconomic to obtain, the insurance that we have may not be adequate to cover all our losses or we may not be able to obtain insurance to cover some of these risks. There may also be substantial costs in complying with extensive and evolving laws and regulations relating to our commodities and risk management related activities and investments including energy and climate change laws and regulations worldwide. Increasingly complex sanctions regimes implemented by countries globally have increased risk and uncertainty in some areas of the commodities sector, by prohibiting the continuation of, or requiring significant restructuring of, large and complex transactions and potentially affecting planned exit strategies. See also “— We are subject to the risk of loss as a result of not complying with laws governing financial crime, including sanctions”.

***Funding constraints of investors may impact our income.***

We generate a portion of our income from the sale of assets to external parties. If buyers are unable to obtain financing to purchase assets that we currently hold or purchase with the intention to sell in the future, we may be required to hold investment assets for longer than we intend or sell these assets at lower prices than we historically would have expected to achieve, which may lower our rate of return on these investments and require funding for periods longer than we have anticipated.

***Inflation has had, and could continue to have, a negative effect on our business, results of operations and financial condition.***

Inflationary pressures have affected economies, financial markets and market participants worldwide. In 2022 and 2023, central banks responded to these pressures with higher interest rates and aggressive balance sheet policies, which contributed to elevated financial and capital market volatility and significant changes in asset values. Central banks continue to warn that inflationary pressures may persist and there is a risk that inflation could return to the elevated levels recently experienced. New or increased trade barriers may also have an inflationary effect. If inflation were to return to



the recent elevated levels, it could result in increases in labor costs and other operating costs, thus putting pressure on the MBL Group's expenses.

***We could suffer losses due to climate change.***

Our businesses could also suffer losses due to climate change. Climate change is a driver of both financial and non-financial risks. Climate change related impacts include physical risks from changing climatic conditions which could result from increased frequency and/or severity of adverse weather events. Such disasters could disrupt our operations or the operations of customers or external parties on which we rely. These events could impact the ability of our clients or customers to repay their obligations, reduce the value of collateral, negatively impact asset values and result in other effects. Additionally, climate change could result in transition risks such as changes to laws and regulations, technology development and disruptions and changes in consumer and market preferences towards low carbon goods and services. These factors could restrict the scope of our existing businesses, limit our ability to pursue certain business activities and offer certain products and services, amplify credit and market risks, negatively impact asset values, result in litigation, regulatory scrutiny and/or action, negative publicity or other reputational harm and/or otherwise adversely impact us, our business or our customers.

Climate risks can also arise from the inconsistencies and conflicts in the manner in which climate policy and financial regulation is implemented in the regions where the MBL Group operates, including initiatives to apply and enforce policy and regulation with extraterritorial effect. Legislative or regulatory uncertainties and changes are also likely to result in higher regulatory, compliance, credit, reputation and other risks and costs.

Our ability to meet our climate-related goals, targets and commitments is subject to risks and uncertainties, many of which are outside of our control, such as technology advances, public policies and challenges related to capturing, verifying, analyzing and disclosing emissions and climate-related data. Failure to effectively manage these risks could adversely affect our business, prospects, reputation, financial performance or financial condition.

**Legal and regulatory risks**

***Many of our businesses are highly regulated and we could be adversely affected by temporary and permanent changes in law, regulations and regulatory policy.***

We operate various businesses across multiple jurisdictions or sectors, which are regulated by more than one regulator. Additionally, some members of the MGL Group own or manage assets and businesses that are regulated. Our businesses include an "authorised deposit-taking institution" ("ADI") in Australia (regulated by APRA), a credit institution in Ireland (regulated by the Central Bank of Ireland), bank branches in the United Kingdom, the Dubai International Finance Centre and Singapore, and representative offices in the United States, South Africa, Brazil and Switzerland. The regulations vary from country to country but generally are designed to protect depositors and the banking system as a whole, not holders of MBL's securities or creditors. In addition, as a diversified financial institution, many of our businesses are subject to financial services regulation other than prudential banking regulation, as well as laws, regulations and oversight specific to the industries applicable to our businesses and assets. Failure to comply with any laws or regulations which we are subject to could adversely affect our business, prospects, reputation or financial condition.

Regulatory agencies and governments frequently review and revise banking and financial services laws, security and competition laws, fiscal laws and other laws, regulations and policies, including fiscal and trade policies. Changes to laws, regulations or policies, including changes in interpretation or implementation of laws, regulations or policies, could substantially affect us or our businesses, the products and services we offer or the value of our assets, or have unintended consequences or impacts across our business. These may include imposing more stringent liquidity requirements and capital adequacy, increasing tax burdens generally or on financial institutions or transactions, limiting the types of financial services and products that can be offered and/or increasing the ability of other providers to offer competing financial services and products, as well as changes to prudential regulatory requirements. Global economic conditions and increased scrutiny of the governance, culture, remuneration and accountability in the banking sector have led to increased supervision and regulation, as well as changes in regulation in the markets in which we operate and may lead to further significant changes of this kind. Health, safety, environmental and social laws and regulations can also change rapidly and significantly. The occurrence of any adverse health, safety, environmental or social event, or any changes, additions to, or more rigorous enforcement of, health, safety, environmental and social standards could have an impact on operations and/or result in material expenditures.

We have invested in renewable energy and other low-carbon technology projects as part of the global effort to achieve net zero carbon emissions by 2050. We also provide climate-related solutions (including capital and financing, risk management, and physical execution and logistics services across the renewable energy, clean fuels and critical minerals sectors) as part of our lending, trading, derivatives and other businesses to support our clients in their decarbonization efforts. As part of the global effort towards net zero carbon emissions, a number of governments and regulatory bodies have provided subsidies and other support to reduce the cost of capital associated with projects that support these efforts. However, there is a risk that governments and regulatory bodies may scale down or abandon their commitment to this net zero target due to political, economic or social pressures. A widespread scaling down or abandonment of these commitments may result in us and our clients being unable to generate adequate returns from projects that supported these commitments and may significantly reduce the market for our climate-related solutions, negatively impacting our business, results of operations and operational strategies.

In some countries in which we do business or may in the future do business, in particular in emerging markets, the laws and regulations are uncertain and evolving, and it may be difficult for us to determine the requirements of local laws in every market. Our inability to remain in compliance with local laws in a particular market could have a significant and negative effect not only on our businesses in that market but also on our reputation generally.

In addition, regulation is becoming increasingly extensive and complex, and in many instances requires us to make complex judgments, which increases the risk of non-compliance. Some areas of regulatory change involve multiple jurisdictions seeking to adopt a coordinated approach or certain jurisdictions seeking to expand the territorial reach of their regulation. The nature and impact of future changes are unpredictable, beyond our control and may result in potentially conflicting requirements, resulting in additional legal and compliance expenses and changes to our business practices that adversely affect our profitability.

APRA may introduce new prudential regulations or modify existing regulations, including those that apply to MBL as an ADI. Any such event could result in changes to the organizational structure of the Banking Group and/or the MGL Group and adversely affect the MBL Group.

MBL and its subsidiaries are subject to laws that authorize regulatory bodies to block or reduce the flow of funds from those subsidiaries to MBL. Restrictions or regulatory action of that kind could impede access to funds that MBL needs to make payments on its obligations, including debt obligations, or dividend payments. See “Regulation and Supervision” in this Report for more information on the regulatory developments affecting the MGL Group, including MBL.

***We are subject to the risk of loss as a result of not complying with laws governing financial crime, including sanctions.***

We are subject in our operations worldwide to laws and regulations relating to corrupt and illegal payments, counter-terrorism financing, anti-bribery and corruption and adherence to anti-money laundering obligations, as well as laws, sanctions and economic trade restrictions relating to doing business with certain individuals, groups and countries. The geographical diversity of our operations, employees, clients and customers, as well as the vendors and other external parties that we deal with, increases the risk that we may be found in violation of financial crime related laws. Emerging financial crime risk typologies could also limit our ability to track the movement of funds thereby heightening the risk of our breaching financial crime related laws, sanctions or bribery and corruption laws. Our ability to comply with relevant laws is dependent on our detection and reporting capabilities, control processes and oversight accountability. Additionally, the current sanctions environment remains dynamic and constantly evolving. Increasingly complex sanctions and disclosure regimes, which may differ or are not aligned across countries, could adversely affect our business activities and investments, as well as expose us to compliance risk and reputational harm.

A failure to comply with these requirements and expectations, even if inadvertent, or resolve any identified deficiencies could subject us to significant penalties (including criminal liability), revocation, suspension, restriction or variation of conditions of operating licenses, adverse reputational consequences, a breach of our contractual arrangements, litigation by external parties (including potentially class actions) or limitations on our ability to do business.

***We may be adversely affected by increased governmental and regulatory scrutiny or negative publicity.***

Governmental scrutiny from regulators, legislative bodies and law enforcement agencies with respect to matters relating to the financial services sector generally, and our business operations, capital, liquidity, financial and non-financial risk management and other matters, has increased dramatically in recent years. The political and public sentiment regarding financial institutions has resulted in a significant amount of adverse press coverage, as well as

adverse statements or charges by regulators or other government officials, and in some cases, to increased regulatory scrutiny, enforcement actions and litigation. Responding to and addressing such matters, regardless of the ultimate outcome, is time-consuming, expensive, can adversely affect investor confidence and can divert the time and effort of our staff (including senior management) from our business.

Investigations, inquiries, penalties and fines sought by regulatory authorities have increased substantially over the last several years, with regulators exercising their enhanced enforcement powers in commencing enforcement actions or with advancing or supporting legislation targeted at the financial services industry. If we are subject to adverse regulatory findings, the financial penalties could have a material adverse effect on our results or operations. Adverse publicity, governmental scrutiny and legal and enforcement proceedings can also have a negative impact on our reputation with clients and on the morale and performance of our employees.

New or changing government rules and policies may result in government or public scrutiny of our business in ways we have not previously experienced, including in areas such as employment practices and our association with groups and initiatives focused on environmental and social goals. Our efforts to comply with rules and norms across all of the jurisdictions we operate in may expose us to legal risk and criticism from governments and other stakeholders and harm our reputation.

***Litigation and regulatory actions may adversely impact our results of operations.***

We may, from time to time, be subject to material litigation and regulatory actions, for example, as a result of inappropriate documentation of contractual relationships, class actions or regulatory breaches, which, if they crystallize, may adversely impact upon our results of operations and financial condition in future periods or our reputation. We regularly obtain legal advice and make provisions, as deemed necessary. There is a risk that any losses may be larger than anticipated or provided for, or that additional litigation, regulatory actions or other contingent liabilities may arise. Furthermore, even where monetary damages may be relatively small, an adverse finding in a regulatory or litigation matter could harm our reputation or brand, thereby adversely affecting our business.

**Counterparty credit risk**

***Failure of external parties to honor their commitments in connection with our trading, lending and other activities may adversely impact our business.***

We are exposed to potential losses as a result of an individual, counterparty or issuer being unable or unwilling to honor its contractual obligations. We are also exposed to potential concentration risk arising from individual exposures or other concentrations including to industries or countries. We assume counterparty credit risk in connection with our lending, trading, derivatives and other businesses where we rely on the ability of external parties to satisfy their financial obligations to us in full and on a timely basis. Our recovery of the value of the resulting credit exposure may be adversely affected by a number of factors, including declines in the financial condition of the counterparty, the value of collateral we hold and the market value of counterparty obligations we hold. Changes in sanctions laws may affect the credit condition of our counterparties, with those whose businesses were developed around the ability to trade in or utilize now-sanctioned commodities more likely to have been negatively affected. A period of low or negative economic growth, changes in market conditions or stressed or volatile markets and/or a rise in unemployment could also adversely impact the ability of our consumer and/or commercial borrowers or counterparties to meet their financial obligations and negatively impact our credit portfolio. Consumers have been and may continue to be negatively impacted by inflation, resulting in drawdowns of savings or increases in household debt. Higher interest rates, which have increased debt servicing costs for some businesses and households, may adversely impact credit quality, particularly in a period of low or negative economic growth. If the macroeconomic environment worsens, our credit portfolio and allowance for credit losses could be adversely impacted. See Note 33 to our 2025 annual financial statements for details on the concentration of credit risk by significant geographical locations and counterparty types. We are also subject to the risk that our rights against external parties may not be enforceable in all circumstances and jurisdictions. Our inability to enforce our rights may result in losses.

***We may experience impairments in our loans, investments and other assets.***

The MBL Group recorded A\$150 million of credit and other impairment charges for the 2025 fiscal year, including A\$110 million for net credit impairment charges, and A\$40 million for net other impairment charges on interests in associates and joint ventures, intangible assets and other non-financial assets. Credit and other impairments may be required in future periods depending upon the credit quality of our counterparties or if the market value of assets similar to those held were to decline. Credit and other impairment charges may also vary following a change to the inputs or forward-looking information used in the determination of expected credit losses. Please refer to Note 12 of our 2025 annual financial statements for further information on the determination of expected credit losses.

Sudden declines and significant volatility in the prices of assets may substantially curtail or eliminate the trading markets for certain assets, which may make it very difficult to sell, hedge or value such assets. The inability to sell or effectively hedge assets reduces our ability to limit losses in such positions and the difficulty in valuing assets may negatively affect our capital, liquidity or leverage ratios, increase our funding costs and generally require us to maintain additional capital.

**Operational risks**

***Our ability to retain and attract qualified employees is critical to the success of our business and the failure to do so may materially adversely affect our performance.***

Our employees are our most important resource, and our performance largely depends on the talents and efforts of highly skilled individuals. Our continued ability to compete effectively in our businesses and to expand into new business areas and geographic regions depends on our ability to retain and motivate our existing employees and attract new employees. Competition from within the financial services industry and from businesses outside the financial services industry, such as professional service firms, hedge funds, private equity funds and venture capital funds, for qualified employees has historically been intense. Remuneration costs required to attract and retain employees may increase and the competitive market for talent may further intensify. Recent employment conditions have made the competition to hire and retain qualified employees more challenging and costly. Attrition rates may also be impacted by factors such as changes in worker expectations, concerns and preferences, including an increased demand for remote work options and other flexibility in the post COVID-19 environment.

In order to attract and retain qualified employees, we must compensate such employees at or above market levels. Typically, those levels have caused employee remuneration to be our greatest expense as our performance-based remuneration has historically been cash and equity based and highly variable. Recent market events have resulted in increased regulatory and public scrutiny of corporate remuneration policies and the establishment of criteria against which industry remuneration policies may be assessed. As a regulated entity, we may be subject to limitations on remuneration practices (which may or may not affect our competitors). These limitations may require us to further alter our remuneration practices in ways that could adversely affect our ability to attract and retain qualified and talented employees.

Advances in technology, such as automation and artificial intelligence, may result in changes to the composition of our workforce by reducing the number of employees we need to perform certain functions and by requiring higher levels of certain skills. As a result, we may have to manage processes involving workplace displacement and we may have to increase the amount we spend on employee training and recruitment, particularly if we need to acquire skills that are in high demand. If we are unable to effectively manage these processes, our business and operations may be adversely affected.

Current and future laws (including laws relating to immigration and outsourcing) may restrict our ability to move responsibilities or personnel from one jurisdiction to another. This may impact our ability to take advantage of business and growth opportunities or potential efficiencies.

***We may incur financial loss, adverse regulatory consequences or reputational damage due to inadequate or failure in internal or external operational systems and infrastructures, people and processes.***

Our businesses depend on our ability to process and monitor, on a daily basis, a very large number of transactions, many of which are highly complex, across numerous and diverse markets in many currencies. While we employ a range of risk monitoring and risk mitigation techniques, those techniques and the judgments that accompany their application cannot anticipate every economic and financial outcome or the specifics and timing of such outcomes. As such, we may, in the course of our activities, incur losses. There can be no assurance that the risk management processes and strategies

that we have developed will adequately anticipate or be effective in addressing market stress or unforeseen circumstances. For a further discussion of our risk management policies and procedures, see Note 33 to our 2025 annual financial statements and “Risk Management” in section 2 of the 2025 Annual Report of MGL incorporated by reference herein.

We also face the risk of operational failure, termination or capacity constraints of any of the counterparties, clearing agents, exchanges, clearing houses or other financial intermediaries we use to facilitate our securities or derivatives transactions, and as our interconnectivity with our clients and counterparties grows, the risk to us of failures in our clients’ and counterparties’ systems also grows. Any such failure, termination or constraint could adversely affect our ability to effect or settle transactions, service our clients, manage our exposure to risk, meet our obligations to counterparties or expand our businesses or result in financial loss or liability to our clients and counterparties, impairment of our liquidity, disruption of our businesses, regulatory intervention or reputational damage.

As our client base, business activities and geographical reach expands, developing and maintaining our operational systems and infrastructure becomes increasingly challenging. We must continuously update these systems to support our operations and growth, which may entail significant costs and risks of successful integration. Our financial, accounting, data processing or technology assets may fail to operate properly or be disrupted as a result of events that are wholly or partially beyond our control, such as a malicious cyberattack or a disruption event at an external supplier.

Our businesses manage a large volume of sensitive data and rely on the secure processing, transmission, storage and retrieval of confidential, proprietary and other information in our data management systems and technology, and in those managed, processed and stored by external parties on behalf of us. Inadequate data governance, management and control across the data lifecycle, which includes the capture, processing, retention, publication, use, archiving and disposal of data, could lead to poor decision making in the provision of credit as well as affecting our data management regulatory obligations, all of which may cause us to incur losses or lead to regulatory actions. We are subject to laws, rules and regulations in a number of jurisdictions regarding compliance with our privacy policies and the disclosure, collection, use, sharing and safeguarding of personally identifiable information of certain parties, such as our employees, customers, suppliers, counterparties and other external parties, the violation of which could result in litigation, regulatory fines and enforcement actions. Furthermore, a breach, failure or other disruption of our data management systems and technology, or those of our external service providers, could lead to the unauthorized or unintended release, misuse, alteration, loss or destruction of personal or confidential data about our customers, employees or other external parties in our possession. A purported or actual unauthorized access or unauthorized disclosure of personal or confidential data could materially damage our reputation and expose us to liability for violations of privacy and data protection laws.

We have deployed artificial intelligence tools in parts of our business and we anticipate these tools will play an increasing role within our business in the future. Poor use of these tools, including inadequate controls over the way we use these tools and their output, could result in unintended consequences, including employees relying on inaccurate or incomplete outputs. Inadequacies in the datasets on which generative AI tools and other AI algorithms rely may also result in biased, incomplete and/or inaccurate outputs. Future laws or regulations may limit the development of these tools or the way we use them.

We are exposed to the risk of loss resulting from the failure of our internal or external processes and systems, such as from the disruption or failure of our IT systems, or from external suppliers and service providers, including public and private cloud-based technology platforms. Such operational risks may include theft and fraud, failure to effectively implement employment practices and inadequate workplace safety, improper business practices, mishandling of client moneys or assets, client suitability and servicing risks, product complexity and pricing, and valuation risk or improper recording, evaluating or accounting for transactions or breaches of our internal policies and regulations. There is increasing regulatory and public scrutiny concerning the appropriate management of data and the resilience of outsourced and offshore activities and their associated risks. If we fail to manage these risks appropriately, we may incur financial losses and/or regulatory intervention and penalties and damage to our reputation which may impact our ability to attract and retain clients who may or may not be directly affected.

We are also exposed to the risk of loss and adverse impact to our external stakeholders, resulting from our business activities, including the actions or inactions of our employees, contractors or any other persons that are perceived to be representing the MBL Group and external service providers operating in markets globally. Conduct risks can arise from lack of reasonable care and diligence exercised or intentional malfeasance, fraud and other misconduct, including the misuse of client information in connection with insider trading or for other purposes, even if promptly discovered and remediated, can result in reputational damage and material losses and liabilities for us. Whilst we have a range of controls and processes to minimize our conduct risk exposure and identify and manage employee behaviors in line with our risk management policies, it is not always possible to deter or prevent employee misconduct. The precautions we take to

prevent and detect this activity may not be effective in all cases, which could result in financial losses, regulatory intervention and reputational damage.

***A cyber-attack, information security breach or technology disruption event of ours or of an external supplier could adversely affect our ability to conduct our business, manage our exposure to risk or expand our businesses. This may result in the disclosure or misuse of confidential or proprietary information and an increase in our costs to maintain and update our operational and security controls and infrastructure.***

Our businesses depend on the security and efficacy of our data management systems and technology, as well as those of external parties with whom we interact or on whom we rely. To access our network, products and services, our customers and other external parties may use personal mobile devices or computing devices that are outside of our network environment and are subject to their own cybersecurity risks. While we seek to operate in a control environment that limits the likelihood of a cyber and information security incident, and to ensure that the impact of a cyber and information security incident can be minimized by our information security capability and incident response, there can be no assurances that our security controls will provide absolute security against a dynamic external threat environment.

Cyber and information security risks for financial institutions have increased in recent years, in part because of the proliferation of new technologies, the use of internet and telecommunications technology, the increase in remote working arrangements, and the increased sophistication and activities of attackers (including hackers, organized criminals, terrorist organizations, hostile state-sponsored activity, disgruntled individuals, activists and other external parties). These risks have grown more acute due to advances in artificial intelligence, such as the use of machine learning and generative artificial intelligence, which has allowed malicious actors to develop more advanced social engineering attacks, including targeted phishing attacks. Global events and geopolitical instability may increase security threats targeted at financial institutions. Targeted social engineering attacks are becoming more sophisticated and are extremely difficult to prevent, requiring the exercise of sound judgment and vigilance by our employees at all times. The techniques used by hackers change frequently and may not be recognized until launched or until after a breach has occurred. Additionally, the existence of cyber-attacks or security breaches at our suppliers may also not be disclosed to us in a timely manner.

Despite efforts to protect the integrity of our systems through the implementation of controls, processes, policies and other protective measures, there is no guarantee that the measures we continue to take will provide absolute security or recoverability given that the techniques used in cyber-attacks are complex, executed rapidly, frequently evolving, and as a result are difficult to prevent, detect, and respond to.

Due to increasing consolidation, interdependence and complexity of financial entities and technology systems, a technology failure, cyber-attack or other information security breach that significantly degrades, deletes, or compromises the systems or data of one or more financial entities could have a material impact on counterparties or other market participants, including us. This consolidation, interconnectivity and complexity increases the risk of operational failure, on both individual and industry-wide bases, as disparate systems need to be integrated. Any technology failure, cyber-attack or other information security breach, termination or constraint on any of our external parties could, among other things, adversely affect our ability to effect transactions, service our clients, manage our exposure to risk or expand our businesses.

We anticipate cyber-attacks will continue to occur because perpetrators are well resourced, deploying highly sophisticated techniques, including artificial intelligence based attacks, which are evolving rapidly. This challenges our ability to implement effective controls measures to prevent or minimize damage that may be caused by all information security threats. Cyber-attacks or other information security breaches, whether directed at us or external parties, may result in a material loss or have adverse consequences for the MBL Group, including operational disruption, financial losses, reputational damage, theft of intellectual property and customer data, violations of applicable privacy laws and other laws, litigation exposure, regulatory fines, penalties or intervention, loss of confidence in our security measures and additional compliance costs, all of which could have a material adverse impact on the MBL Group.

***Our operations rely on our ability to maintain an appropriately staffed workforce, and on the competence, engagement, health, safety and wellbeing of employees and contractors.***

Our ability to operate our businesses efficiently and profitably, to offer products and services that meet the expectations of our clients and customers, and to maintain an effective risk management framework is highly dependent on our ability to staff our operations appropriately and on the competence, integrity and health, safety and wellbeing of our employees and contractors.

Our operations could be impaired if the measures we take to ensure the health, safety and wellbeing of our employees and contractors are ineffective, or if any external party on which we rely fails to take appropriate and effective actions to protect the health and safety of our employees and contractors.

***We could suffer losses due to hostile, catastrophic or unforeseen events, including due to environmental and social factors.***

Our businesses are subject to the risk of unforeseen, hostile or catastrophic events, many of which are outside of our control, including natural disasters, extreme weather events (such as persistent winter storms or protracted droughts), leaks, spills, explosions, release of toxic substances, fires, accidents on land or at sea, terrorist attacks, military conflict, including the ongoing Russia-Ukraine conflict and conflict in the Middle East and any potential conflict as a result of rising tensions between China and Taiwan and the United States, or other hostile or catastrophic events. Any significant environmental change or external event (including increased frequency and severity of storms, floods and other catastrophic events such as earthquakes, persistent changes in precipitation levels, rising average global temperatures, rising sea levels, pandemics, other widespread health emergencies, civil unrest, geopolitical or terrorism events) has the potential to disrupt business activities, impact our operations or reputation, increase credit risk and other credit exposures, damage property and otherwise affect the value of assets held in the affected locations and our ability to recover amounts owing to us.

The occurrence of any such events may prevent us from performing under our agreements with clients, may impair our operations or financial results, and may result in litigation, regulatory action, negative publicity or other reputational harm. We may also not be able to obtain insurance to cover some of these risks and the insurance that we have may be inadequate to cover our losses. Any such long-term, adverse environmental or social consequences could prompt us to exit certain businesses altogether. In addition, such an event or environmental change (as the case may be) could have an adverse impact on economic activity, consumer and investor confidence, or the levels of volatility in financial markets.

We also face increasing public scrutiny, laws and regulations related to environmental, social and governance (“ESG”) factors, including concerns in respect of “greenwashing” practices. We risk damage to our brand and reputation if we fail to act responsibly in a number of areas, such as diversity and inclusion, environmental stewardship, respecting the rights of Indigenous Peoples, support for local communities, corporate governance and transparency and considering ESG factors (including human rights breaches such as modern slavery) where relevant when conducting our business, including under our investment and procurement processes. We are also subject to competing demands from different stakeholder groups with divergent views on such ESG-related factors, including by governmental and regulatory officials in various geographical markets in which we operate and invest. Failure to effectively manage these risks, including managing ESG-related expectations across varied stakeholder interests, may result in breaches of our statutory obligations and harm to our reputation, and could adversely affect our business, prospects, reputation, financial performance or financial condition.

***Failure of our insurance carriers or our failure to maintain adequate insurance cover could adversely impact our results of operations.***

We maintain insurance that we consider to be prudent for the scope and scale of our activities. If our insurance carriers fail to perform their obligations to us and/or our third-party cover is insufficient for a particular matter or group of related matters, our net loss exposure could adversely impact our results of operations.

***We are subject to risks in using custodians.***

Certain products we manage depend on the services of custodians to carry out certain securities transactions. Securities held at custodians are typically segregated. In the event of the insolvency of a custodian, we might not be able to recover equivalent unsegregated assets in full as the beneficiaries of these products will rank among the custodian’s unsecured creditors. In addition, the cash held with a custodian in connection with these products will not be segregated from the custodian’s own cash, and the creditors of these products will therefore rank as unsecured creditors in relation to the cash they have deposited.

***MBL may be exposed to contagion risk as it does not control the management, operations or business of entities in the MGL Group that are not part of the MBL Group.***

Entities in the MGL Group that are not part of the MBL Group may establish or operate businesses separately from the businesses of the MBL Group and are not obligated to support the businesses of the MBL Group, other than as required by APRA prudential standards. The activities of those entities may have an impact on the MBL Group.

## **Strategic risks**

***Our business may be adversely affected by our failure to adequately manage the risks associated with strategic opportunities and new businesses, including acquisitions, and the exiting or restructuring of existing businesses.***

We are continually evaluating strategic opportunities and undertaking acquisitions of businesses, some of which may be material to our operations. Our completed and prospective acquisitions and growth initiatives may cause us to become subject to unknown liabilities of the acquired or new business, and additional or different regulations.

Future growth, including through acquisitions, mergers and other corporate transactions, may place significant demands on our legal, accounting, IT, risk management and operational infrastructure and result in increased expenses. A number of our business initiatives and further expansions of existing businesses are likely to bring us into contact with new clients, new asset classes and other new products or new markets. These business activities expose us to new and enhanced risks, including reputational concerns arising from dealing with a range of new counterparties and investors, actual or perceived conflicts of interest, regulatory scrutiny of these activities, potential political pressure, increased credit-related and operational risks, including risks arising from IT systems and reputational concerns with the manner in which these businesses are being operated or conducted.

Any time we make an acquisition, we may over-value the acquisition, we may not achieve expected synergies, we may achieve lower than expected cost savings or otherwise incur losses, we may lose customers and market share, we may face disruptions to our operations resulting from integrating the systems, processes and personnel (including in respect of risk management) of the acquired business into the MBL Group or our management's time may be diverted to facilitate the integration of the acquired business into the MBL Group. We may also underestimate the costs associated with outsourcing, exiting or restructuring existing businesses. Where our acquisitions are in foreign jurisdictions, or are in emerging or growth economies in particular, we may be exposed to heightened levels of regulatory scrutiny and political, social or economic disruption and sovereign risk in emerging and growth markets.

### ***Our business depends on our brand and reputation.***

We believe our reputation in the financial services markets and the recognition of the Macquarie brand by our customers are important contributors to our business. Many companies in the MGL Group and many of the funds managed by entities owned, in whole or in part, by MBL and MGL use the Macquarie name. We do not control those entities that are not in the MBL Group, but their actions may reflect directly on our reputation.

Our business may be adversely affected by negative publicity or poor financial performance in relation to any of the entities using the Macquarie name, including any Macquarie-managed fund or funds that Macquarie has promoted or is associated with. Investors and lenders may associate such entities and funds with the name, brand and reputation of the MBL Group and the MGL Group and other Macquarie-managed funds. If funds that use the Macquarie name or are otherwise associated with Macquarie-managed infrastructure assets, such as roads, airports, utilities and water distribution facilities that people view as community assets, are perceived to be managed inappropriately, those managing entities could be subject to criticism and negative publicity, harming our reputation and the reputation of other entities that use the Macquarie name.

***Competitive pressure, both in the financial services industry as well as in the other industries in which we operate, could adversely impact our business.***

We face significant competition from local and international competitors, which compete vigorously in the markets and sectors across which we operate. We compete, both in Australia and internationally, with asset managers, retail and commercial banks, private banking firms, investment banking firms, brokerage firms, internet-based firms, commodity trading firms and other investment and service firms as well as businesses in adjacent industries in connection with the various funds and assets we manage and services we provide. This includes specialist competitors that may not be subject to the same capital and regulatory requirements and therefore may be able to operate more efficiently.

In addition, digital technologies and business models are changing consumer behavior and the competitive environment. The use of digital channels by customers to conduct their banking continues to rise and emerging competitors are increasingly utilizing new technologies and seeking to disrupt existing business models, including in relation to digital payment services and open data banking, that challenge, and could potentially disrupt, traditional financial services. We face competition from established providers of financial services as well as from businesses developed by non-financial services companies. We believe that we will continue to experience pricing pressures in the future as some of our competitors seek to obtain or increase market share.



The widespread adoption and rapid evolution of new technologies, including process automation, machine learning and artificial intelligence, analytic capabilities, self-service digital trading platforms and automated trading markets, internet services and digital assets, such as central bank digital currencies, cryptocurrencies (including stablecoins), tokens and other cryptoassets, clearing and settlement processes could have a substantial impact on the financial services industry. As these technologies develop, customer demand for products and services based on these technologies may increase, and new technologies may increasingly be integrated into the internal processes to generate efficiencies. If we are unable to match the speed or success of our competitors in developing and integrating these technologies, we may be unable to compete effectively with our competitors, adversely affecting our business and results of operations.

Any consolidation in the global financial services industry may create stronger competitors with broader ranges of product and service offerings, increased access to capital, and greater efficiency and pricing power which may enhance the competitive position of the MBL Group's competitors. In addition to mergers and acquisitions pursued for commercial reasons, consolidation may also occur as a result of bank regulators encouraging or directing stronger institutions to acquire weaker institutions to preserve stability. The effect of competitive market conditions, especially in our main markets, products and services, may lead to an erosion in our market share or margins.

***Conflicts of interest could limit our current and future business opportunities.***

As we expand our businesses and our client base, we increasingly have to address potential or perceived conflicts of interest, including situations where our services to a particular client conflict with, or are perceived to conflict with, our own proprietary investments or other interests or with the interests of another client, as well as situations where one or more of our businesses have access to material non-public information that may not be shared with other businesses within the MGL Group. While we believe we have adequate procedures and controls in place to address conflicts of interest, including those designed to prevent the improper sharing of information among our businesses, appropriately dealing with conflicts of interest is complex, and our reputation could be damaged and the willingness of clients or counterparties to enter into transactions may be adversely affected if we fail, or appear to fail, to appropriately manage conflicts of interest. In addition, actual, potential or perceived conflicts could give rise to claims by and liabilities to clients, litigation or enforcement actions.

**Tax**

***Our business operations expose us to potential tax liabilities that could have an adverse impact on our results of operations and our reputation.***

We are exposed to costs and risks arising from the manner in which the Australian and international tax regimes may be applied, enforced and/or amended, both in terms of our own tax compliance and the tax aspects of transactions on which we work with clients and other external parties.

Our international, multi-jurisdictional platform increases our tax risks. Any actual or alleged failure to comply with or any change in the implementation, interpretation, application or enforcement of applicable tax laws and regulations could adversely affect our reputation and affected business areas, significantly increase our effective tax rate or tax liability and expose us to legal, regulatory and other actions.

**Accounting standards**

***Changes in accounting standards, policies, interpretations, estimates, assumptions and judgments that could have a material impact on our financial results.***

Our accounting policies are fundamental to how we record and report our financial position and results of operations. These policies require the use of estimates, assumptions and judgements that affect the reported value of our assets or liabilities and results of operations. Management is required to determine estimates and apply subjective and complex assumptions and judgements about matters that are inherently uncertain. Changes in those estimates, assumptions and judgements are accounted for prospectively as a change in accounting estimate unless it is determined that either (i) the determination thereof was in error or (ii) the accounting policy which sets out the application of those estimates, assumptions and judgements has changed, in which case the previous reported financial information is re-presented.

Accounting standard setting bodies issue new accounting standards and interpretations in response to outreach activities, evolving interpretations, application of accounting principles as well as changes in market developments. In addition, changes in interpretations by accounting standard setting bodies; regulators; and our independent external auditor may also arise from time to time. These changes may be difficult to predict in terms of the nature of such changes

and the timing thereof. The application of new requirements and interpretations may impact how we prepare and report our financial statements. In some cases, we may be required to apply a new or revised standard or change in interpretation retrospectively, resulting in a requirement to re-present our previously reported financial information.

## CAPITALIZATION AND INDEBTEDNESS

The following table sets forth our capitalization as at March 31, 2025.

The information relating to the MBL Group in the following table is based on our 2025 annual financial statements, which were prepared in accordance with Australian Accounting Standards, and should be read in conjunction therewith.

	As at Mar 31, 2025	
	US\$m <sup>1</sup>	A\$m
<b>CAPITALIZATION</b>		
<b>Borrowings<sup>2</sup></b>		
Debt issued — due greater than 12 months.....	18,022	28,900
Loan capital — due greater than 12 months.....	6,212	9,962
<b>Total borrowings<sup>3</sup> .....</b>	<b>24,234</b>	<b>38,862</b>
<b>Equity</b>		
Contributed equity		
Ordinary share capital.....	6,161	9,879
Equity contribution from ultimate parent entity .....	195	313
Reserves .....	1,008	1,616
Retained earnings.....	6,971	11,179
<b>Total equity .....</b>	<b>14,335</b>	<b>22,987</b>
<b>TOTAL CAPITALIZATION.....</b>	<b>38,569</b>	<b>61,849</b>

<sup>1</sup> Conversions of Australian dollars to U.S. dollars have been made at the noon buying rate on March 31, 2025, which was US\$0.6236 per A\$1.00.

<sup>2</sup> As at March 31, 2025, we had A\$10.3 billion of secured indebtedness due in greater than 12 months compared to A\$10.2 billion as at March 31, 2024.

<sup>3</sup> Total borrowings do not include our short-term debt securities, including the current portion of long-term debt. Short-term debt totaled A\$62.9 billion as at March 31, 2025 compared to A\$57.0 billion, as at March 31, 2024.

For details on our short-term debt position as at March 31, 2025, see section 5.4 of our 2025 Fiscal Year Management Discussion and Analysis Report.

# MACQUARIE BANK LIMITED

## Overview

Macquarie Bank Limited is an Australian Prudential Regulation Authority (“APRA”) regulated Authorised Deposit-taking Institution (“ADI”) headquartered in Sydney, Australia and is a wholly owned subsidiary of Macquarie Group Limited. Macquarie Bank offers retail and business banking and wealth management, as well as risk and capital solutions with a particular focus on financial markets, asset finance and commodities. Macquarie Bank offers a range of services to government, institutional, corporate and retail clients.

As at March 31, 2025, MBL employed 15,409 staff,<sup>1</sup> had total assets of A\$375.2 billion and total equity of A\$23.0 billion. For the 2025 fiscal year, MBL net operating income was A\$11,920 million and profit after tax attributable to ordinary equity holders was A\$3,445 million. As at March 31, 2025, MBL conducted its operations in 19 markets, with 51% of MBL Group’s net operating income (excluding corporate items) derived from regions outside Australia. See “— Our business — Regional activity” below for further information.

MBL’s ordinary shares were listed on the ASX from July 29, 1996 until the Restructure in November 2007. Prior to the Restructure, MBL was a widely held ASX-listed public company and engaged in certain investment banking activities through Macquarie Capital. On November 19, 2007, when the Restructure was completed, MBL became an indirect wholly owned subsidiary of MGL, a new ASX-listed company, and the MBL Group transferred to the Non-Banking Group most of the assets and businesses of Macquarie Capital, and some less financially significant assets and businesses of the former Equity Markets group (now part of Commodities and Global Markets) and Treasury and Commodities (now part of Commodities and Global Markets).

MBL’s registered office and principal place of business is Level 1, 1 Elizabeth Street, Sydney, New South Wales 2000, Australia. The telephone number of its principal place of business is +61 2-8232-3333.

## Board of directors

The following table sets forth certain information regarding our Directors.

Name	Age	Position
Glenn Stevens <sup>1,2</sup>	67	Independent Non-Executive Director & Chair of MBL
Stuart Green	60	Managing Director and Chief Executive Officer of MBL
Shemara Wikramanayake <sup>2</sup>	63	Executive Director of MBL
Jillian Broadbent <sup>2</sup>	77	Independent Non-Executive Director of MBL
Philip Coffey <sup>2</sup>	67	Independent Non-Executive Director of MBL
Michelle Hinchliffe <sup>2</sup>	60	Independent Non-Executive Director of MBL
Susan Lloyd-Hurwitz <sup>2</sup>	58	Independent Non-Executive Director of MBL
Rebecca McGrath <sup>2</sup>	60	Independent Non-Executive Director of MBL
Mike Roche <sup>2</sup>	72	Independent Non-Executive Director of MBL
Ian Saines	63	Independent Non-Executive Director of MBL
David Whiteing	56	Independent Non-Executive Director of MBL
Wayne Byres	59	Independent Non-Executive Director of MBL

<sup>1</sup> Also the Chair of MGL.

<sup>1</sup> Also a Director of MGL.

For more information about our Directors, see pages 28 to 34 of our 2025 Annual Report incorporated by reference herein.

## Board and management changes during the 2025 fiscal year

### MBL Board elections and retirements

- Michael Coleman retired as an Independent Non-Executive Director of MBL, effective July 26, 2024.

<sup>1</sup> This figure includes staff employed in certain operationally segregated subsidiaries. All references to staff numbers are calculated on this basis.

## Our key strengths

We believe our profitability, the diversification of our businesses and our geographic spread have been supported by the following key strengths:

- *Strong brand and reputation.* We believe our business successes have resulted in us achieving a level of recognition for quality, integrity and innovative products and services that has been an important element in our ability to maintain, grow and diversify our businesses.
- *Diversified earnings.* Our diversified earnings base has been an important factor in our successful growth. MBL Group's diverse sources of income include the following:
  - *Fee and commission income*, including:
    - Brokerage and other trading related fee income primarily includes brokerage income from the Equity Derivatives and Trading and Futures businesses in Commodities and Global Markets and brokerage income from the provision of wealth services in Banking and Financial Services; and
    - Other fee and commission income includes fees earned on a range of Banking and Financial Services' products and services, including the BFS Wrap and Vision platforms, home loans, car loans, credit cards, business loans and deposits, and includes income from structured, index and retail products from Commodities and Global Markets. In addition, since the transfer of the service entities to the MBL Group in November 2020, Other fee and commission income includes fees received from the Non-Bank Group for services provided by the central service groups.
  - *Trading income* generated predominantly through client trading activities and products issued by Commodities and Global Markets;
  - *Net interest income* primarily earned on home loans, loans to Australian businesses, car loans and credit cards in Banking and Financial Services, interest income on trading assets, leasing, lending and asset financing from Commodities and Global Markets partially offset by funding costs by the Bank Group to fund business activity;
  - *Net operating lease income* generated predominately from operating lease portfolios in Commodities and Global Markets;
  - *Other income* from the sale of asset and equity investments, gains on the deconsolidation of controlled entities, dividends and distributions; and
  - *Equity accounted income* from principal investments in assets and businesses where significant influence is present.
- *Geographic diversity.* As at March 31, 2025, we employed over 15,409 staff in 19 markets. Of those staff, approximately 44% were located in offshore markets. As the MBL Group has expanded, we have applied the resources and experience of a global organization to our understanding of the local environment in the countries in which we operate.
- *Selective approach to growth and diversification.* In addition to adapting our existing businesses and expanding organically, we actively seek to diversify and grow our businesses in selective areas of expertise. We believe that our strategy of expanding selectively, seeking only to enter markets where our particular skills or expertise deliver added value to clients, maximizes our potential for success and is intended to minimize unexpected losses or reputational impacts as we seek to grow and diversify.

- *Strong capital position.* MBL is regulated as an ADI by APRA and, as a result, is subject to APRA’s capital adequacy requirements. MBL has met all of its capital requirements throughout the 2025 fiscal year. As at March 31, 2025, the Banking Group had a Harmonized Basel III<sup>1</sup> Level 2 Common Equity Tier 1 capital ratio of 17.6%, a Tier 1 capital ratio of 19.6% and a total capital ratio of 27.1%. The Banking Group’s APRA Basel III Level 2 Common Equity Tier 1 capital ratio was 12.8%, Tier 1 capital ratio was 14.4%, and total capital ratio was 20.7%. MBL Group continues to monitor regulatory and market developments in relation to liquidity and capital management, as discussed below under “Regulation and Supervision” including (but not limited to) APRA’s “Unquestionably Strong” benchmarks. For further information on our regulatory capital position as at March 31, 2025, see section 6 of our 2025 Fiscal Year Management Discussion and Analysis Report.
- *Risk management.* Managing risk is an integral part of our business, and we believe strong prudential management has been key to our success. Where we assume risk, we do so in what we believe to be a calculated and controlled framework. Our risk management framework is described in Note 33 to our 2025 annual financial statements and in “Risk Management” in section 2 of the 2025 Annual Report of MGL incorporated by reference herein.

## Organizational structure

MBL is an indirect wholly owned subsidiary of MGL and forms part of the Banking Group. MBL comprises two operating groups: Banking and Financial Services and Commodities and Global Markets. Certain assets of the Financial Markets business and certain activities of the Commodity Markets and Finance business, and some other less financially significant activities, are undertaken from within the Non-Banking Group.

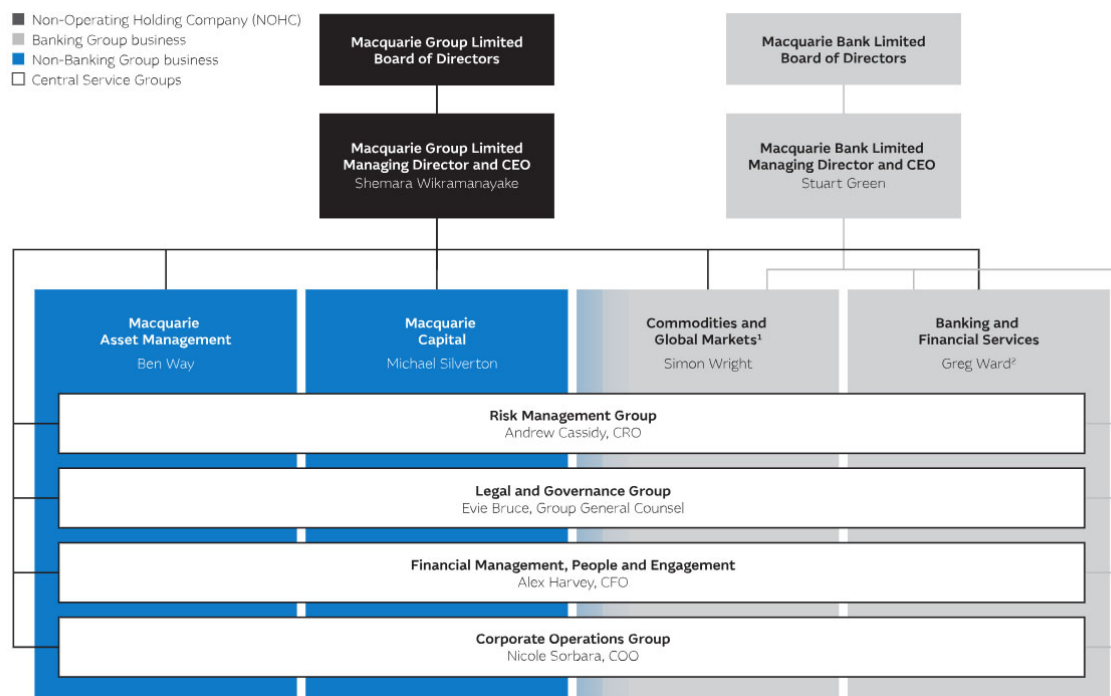
MBL Group currently provides services to both the Banking Group and the Non-Banking Group through the Corporate segment. The Corporate segment is not considered an operating group and includes the following Central Service Groups: Corporate Operations Group, Financial Management, People and Engagement, Risk Management Group, Legal and Governance Group and Central Executive. Services include: risk management, finance, technology, operations, group treasury, human resources, workplace, legal and corporate governance, corporate affairs, taxation services, strategy, operational risk management, data and transformation, business resilience and global security, central executive services, and other services as may be agreed from time to time.

MBL and MGL have corporate governance and policy frameworks that meet APRA’s requirements for ADIs and NOHCs, respectively. The Banking Group and the Non-Banking Group operate as separate sub-groups within MGL with clearly identifiable businesses, separate capital requirements and discrete funding programs. For further information on MGL and MBL’s liquidity and funding, see the discussion in section 5 of our 2025 Fiscal Year Management Discussion and Analysis Report. Although the Banking Group and the Non-Banking Group operate as separate sub-groups, both are integral to MGL Group’s identity and strategy as they assist the MGL Group in continuing to pursue value adding and diversified business opportunities while meeting its obligations under APRA rules.

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<sup>1</sup> “Harmonized” Basel III estimates are calculated in accordance with the Basel Committee on Banking Supervision Basel III framework, noting that MBL is not regulated by the Basel Committee on Banking Supervision and so impacts shown are indicative only.

The following diagram shows our current organizational structure of the MGL Group and reflects the composition of the Banking and Non-Banking Groups.



As at January 1, 2025

<sup>1</sup> Certain assets of the Credit Markets business, certain activities of the Commodity Markets and Finance business, and some other less financially significant activities are undertaken from within the Non-Banking group.

<sup>2</sup> The current Group Head of BFS is also the Deputy Group CEO.

MBL and MGL will continue to monitor and review the appropriateness of the MGL Group structure. From time to time, the optimal allocation of MGL's businesses between the Banking Group and the Non-Banking Group and within the Banking Group and the Non-Banking Group may be adjusted and MBL and MGL may make changes in light of relevant factors including business growth, regulatory considerations, market developments and counterparty considerations.

## Our strategy

The growth of MBL's global operations over 56 years reflects our philosophy to expand selectively, focusing on specialist areas where we bring deep expertise to address areas of unmet need on behalf of clients and communities in line with our purpose and longstanding operating principles. We offer our teams significant operating freedom balanced by limits on risk. Alignment of interests is a longstanding feature, demonstrated by willingness to both invest alongside clients and closely align the interests of shareholders and staff.

This approach has helped us to grow into a diversified global business, conducting a broad range of activities and creating enduring franchises where we have differentiated perspectives. Our approach has not been to place big bets, but to expand adjacently, taking learnings from one market to another, or using expertise built in one part of a sector to grow into another.

This philosophy is reflected in our flexible approach to allocating capital. We rely on our teams who are close to their markets and clients to drive ideas, setting out the opportunity they have identified and the associated risks and how they plan to manage them, with the teams in the business remaining accountable for the long-term outcomes they deliver. Teams at the center of the organization assess the business case being made, including second line review of risks, before allocating capital with a view to maintaining diversification across our activities while seeking an acceptable risk adjusted return for each project, based on its specific characteristics.

***Our Purpose – why we exist:*** Empowering people to innovate and invest for a better future.

***Our Principles – how we do business:*** Opportunity, Accountability and Integrity.

***Our Strategy – is developed from the bottom up:*** Across Banking and Financial Services and Commodities and Global Markets.

***Our core business involves utilizing our human capital to realize opportunities, backed by a strong balance sheet:*** Evolution driven by: Building enduring franchises from positions of deep expertise and pursuing adjacent growth opportunities, managing diversified businesses across regions and service offerings to deliver consistent returns through cycles, addressing unmet client and community needs, focusing on areas aligned to structural trends where there is growth, ensuring accountability and entrepreneurial endeavor from staff, continuously enhancing our operating platform, adopting a disciplined approach to risk management, underpinned by a sound risk culture and embedded across the organization and maintaining a strong and conservative balance sheet with diversified sources of funding.

***Supported from the center:*** Corporate Operations Group, Financial Management, People and Engagement, Risk Management Group and Legal and Governance Group.

## **Our history and evolution**

MBL Group, the predecessor of the MGL Group, has its origins as the merchant bank Hill Samuel Australia Limited, created in 1969 as a wholly-owned subsidiary of Hill Samuel & Co. Limited, London. We obtained an Australian banking license as MBL in 1985 and in 1996, MBL was publicly listed on the ASX.

MBL's ordinary shares were listed on ASX from July 29, 1996 until the Restructure in November 2007. Prior to the Restructure, MBL was a widely held ASX-listed public company and engaged in certain investment banking activities through Macquarie Capital. On November 19, 2007, when the Restructure was completed, MBL became an indirect subsidiary of MGL, a new ASX-listed company, and the MBL Group transferred most of the assets and businesses of Macquarie Capital, and some less financially significant assets and businesses of the former Equity Markets group (now part of Commodities and Global Markets) and Treasury and Commodities (now part of Commodities and Global Markets) to the Non-Banking Group. The activities not transferred to the Non-Banking Group upon the Restructure formed part of the Banking Group or MBL. As MGL is the successor to MBL Group's businesses, the historical financial statements of the MBL Group reflect the historical results of operations and financial condition of MGL Group's businesses.

Since listing, MGL has diversified its operations by business line and geography through a mix of organic growth and strategic acquisitions, including but not limited to the acquisition of the Bankers' Trust Australia Investment Banking business in the 1999 fiscal year and the acquisition of the cash equities business of ING Group (Asia) in the 2004 fiscal year.

In light of opportunities that emerged from the global financial crisis and ensuing market conditions, MGL made a number of strategic acquisitions which complemented existing operations and strengthened its global platform. These included, but were not limited to, the following:

- the acquisition of Constellation Energy in the 2009 fiscal year, which enhanced Commodities and Financial Markets', which now forms part of Commodities and Global Markets, position within the North American natural gas market;
- the acquisition of Delaware Investments in the 2010 fiscal year, which enhanced Macquarie Asset Management's global asset management capability;
- the acquisition of the Ford Credit and GMAC portfolios in the 2010 and 2011 fiscal years, respectively, which enhanced the former Corporate and Asset Finance's (now Banking and Financial Services') motor vehicle leasing portfolio; and
- the acquisition of the ILFC aircraft operating lease portfolio in the 2011 fiscal year, which enhanced the former Corporate and Asset Finance's (now Macquarie Asset Management's) portfolio and the Macquarie Aviation Finance business.



In addition to these strategic acquisitions, organic growth initiatives, particularly in the 2010 and 2011 fiscal years, such as the hiring of individuals and teams with extensive experience in targeted industries, added greater regional depth to key businesses. This allowed many of our businesses to expand their product offerings internationally. For further information on regional growth, see “— Our business — Regional activity” below for further information.

## Our business

### Overview of the MBL Group

As at March 31, 2025, MBL had total assets of A\$375.2 billion and total equity of A\$23.0 billion. For the 2025 fiscal year, our net operating income was A\$11,920 million and profit after tax attributable to ordinary equity holders was A\$3,445 million. Of MBL Group’s net operating income (excluding corporate items), 51% was derived from regions outside Australia.

The tables below show the relative net operating income and profit contribution from ordinary activities of each of our operating groups for the 2025 and 2024 fiscal years.

#### *Net operating income of MBL Group by operating group for the 2025 and 2024 fiscal years<sup>1</sup>*

	Fiscal Year ended		Movement
	Mar 31, 2025	Mar 31, 2024	
	A\$m	A\$m	%
Banking and Financial Services .....	3,237	3,209	1
Commodities and Global Markets <sup>2</sup> .....	5,804	5,979	(3)
<b>Total net operating income from operating groups .....</b>	<b>9,041</b>	<b>9,188</b>	<b>(2)</b>
Corporate <sup>3</sup> .....	2,879	2,378	21
<b>Total net operating income .....</b>	<b>11,920</b>	<b>11,566</b>	<b>3</b>

<sup>1</sup> For further information on our segment reporting, see section 3 of our 2025 Fiscal Year Management Discussion and Analysis Report and Note 3 to our 2025 annual financial statements.

<sup>2</sup> As reported for the MBL Group, the Commodities and Global Markets group excludes certain assets of the Financial Markets business; certain activities of the Commodity Markets and Finance business; and some other less financially significant activities.

<sup>3</sup> The Corporate segment includes earnings from legacy businesses within the Bank Group, the net impact of managing liquidity for the MBL Group, earnings on capital, non-trading derivative volatility, provision for legacy matters, earnings from investments, central credit and asset related impairments, unallocated head office costs and costs of central service groups, performance-related profit share and share-based payments expense and income tax expense.

#### *Net profit contribution of MBL Group by operating group for the 2025 and 2024 fiscal years<sup>1</sup>*

	Fiscal Year ended		Movement
	Mar 31, 2025	Mar 31, 2024	
	A\$m	A\$m	%
Banking and Financial Services .....	1,380	1,241	11
Commodities and Global Markets <sup>2</sup> .....	2,872	3,116	(8)
<b>Total contribution to net profit from operating groups .....</b>	<b>4,252</b>	<b>4,357</b>	<b>(2)</b>
Corporate <sup>3</sup> .....	(807)	(1,445)	(44)
<b>Profit attributable to the ordinary equity holders of MBL ...</b>	<b>3,445</b>	<b>2,912</b>	<b>18</b>

<sup>1</sup> For further information on our segment reporting, see section 3 of our 2025 Fiscal Year Management Discussion and Analysis Report and Note 3 to our 2025 annual financial statements.

<sup>2</sup> As reported for the MBL Group, the Commodities and Global Markets group excludes certain assets of the Financial Markets business; certain activities of the Commodity Markets and Finance business; and some other less financially significant activities.

<sup>3</sup> The Corporate segment includes earnings from legacy businesses within the Bank Group, the net impact of managing liquidity for the MBL Group, earnings on capital, non-trading derivative volatility, provision for legacy matters, earnings from investments, central credit and asset related impairments, unallocated head office costs and costs of central service groups, performance-related profit share and share-based payments expense and income tax expense.

## ***Regional activity***

As at March 31, 2025, the MBL Group employed 15,409 staff globally and conducted its operations in 19 markets.

*Australia.* MBL Group has its origins as the merchant bank Hill Samuel Australia Limited, created in 1969 as a wholly-owned subsidiary of Hill Samuel & Co. Limited, London, and began operations in Sydney in January 1970 with only three staff. As at March 31, 2025, the MBL Group employed 8,684 staff in Australia. In the 2025 fiscal year, Australia contributed A\$4,437 million (49%) of our net operating income (excluding corporate items) as compared to A\$4,311 million (47%) in the 2024 fiscal year.

*Americas.* MBL Group has been active in the Americas for over 30 years, since we established our first office in New York in 1994, and has grown rapidly over the last several years, both organically and through acquisitions. As at March 31, 2025, the MBL Group employed 1,703 staff across 4 markets. In the 2025 fiscal year, the Americas contributed A\$2,158 million (24%) of our net operating income (excluding corporate items) as compared to A\$2,121 million (23%) in the 2024 fiscal year.

*Asia.* MBL Group has been active in Asia for more than 25 years, since we established our first office in Hong Kong in 1995. As at March 31, 2025, the MBL Group employed 3,376 staff across 8 markets. MBL has expanded the regional investment and product platforms of Commodities and Global Markets (excluding certain assets of the Financial Markets business; certain activities of the Commodity Markets and Finance business; and some other less financially significant activities), which had established an Asian regional “hub” in Singapore in the 2011 fiscal year. In the 2025 fiscal year, Asia contributed A\$454 million (5%) of our net operating income (excluding corporate items) as compared to A\$587 million (6%) in the 2024 fiscal year.

*Europe, Middle East & Africa.* MBL Group has been active in Europe since the late 1980s, in Africa since 2000 and the Middle East since 2005. As at March 31, 2025, the MBL Group employed 1,646 staff across 5 markets. In the 2025 fiscal year, Europe, Middle East & Africa contributed A\$1,979 million (22%) of our net operating income (excluding corporate items) as compared to A\$2,147 million (23%) in the 2024 fiscal year.

For further information on our segment reporting, see section 3 of our 2025 Fiscal Year Management Discussion and Analysis Report and Note 3 to our 2025 annual financial statements.

## **Operating groups**

### ***Banking and Financial Services***

Banking and Financial Services (“BFS”) is in the Bank Group and is MBL Group’s retail banking and financial services business providing a diverse range of personal banking, wealth management and business banking products and services to retail clients, advisers, brokers and business clients. BFS’ net operating income is primarily sourced from interest income earned from the loan portfolio and fee and commission income on a range of products.

BFS comprises the following businesses:

- **Personal Banking:** Provides a diverse range of retail banking products to clients with home loans, transaction and savings accounts and credit cards.
- **Wealth Management:** Provides clients with a wide range of wrap platform and cash management services, investment and superannuation products, financial advice and private banking.
- **Business Banking:** Provides a full range of deposit, loan and payment solutions, as well as tailored services to business clients across a range of key industry segments.

BFS contributed A\$1,380 million to MBL Group’s net profit in the 2025 fiscal year and, as at March 31, 2025, had 3,139 staff operating predominately in Australia.

***Commodities and Global Markets (excluding certain assets of the Financial Markets business; certain activities of the Commodity Markets and Finance business; and some other less financially significant activities)***

Commodities and Global Markets (“CGM”) operates both in the Bank and Non-Bank Group. CGM’s net operating income primarily comprises net interest and trading income, fee and commission income and operating lease income earned from products and services delivered within each of these areas.

CGM is a global business offering capital and financing, risk management, market access, physical execution and logistics solutions across three distinct business lines:

**COMMODITIES:**

- Provides capital and financing, risk management, and physical execution and logistics solutions across power, gas, emissions, oil, agriculture and resources sectors globally. The division also offers commodity-based index products to institutional investors.

**FINANCIAL MARKETS:**

Financial Markets provides clients with access to a wide range of service offerings across foreign exchange, rates, credit markets and listed derivatives markets. Our two divisions in Financial Markets are:

- Fixed Income & Currencies: Provides currency and fixed income trading and hedging services as well as financing of warehouse, securitization and settlement solutions across a range of asset classes for corporate and institutional clients globally.
- Futures: Provides a full range of execution, clearing and financing solutions to corporate and institutional clients, providing continuous 24-hour coverage of major markets globally.

**ASSET FINANCE:**

- Delivers a diverse range of tailored finance solutions globally across a variety of industries and asset classes.

**CENTRAL:**

- Develops and manages cross-divisional initiatives. It houses various CGM-wide services including the Chief Operating Officer (“COO”) and Chief Financial Officer (“CFO”) teams, data and technology team, legal, non-financial risk functions and other specialist activities. Aligned to our CFO office is our Equity Derivatives and Trading business, which issues retail derivatives in key locations and provides derivatives products and equity finance solutions to its institutional client base and conducts risk management and market making activities.

CGM contributed A\$2,872 million to MBL Group’s net profit in the 2025 fiscal year and, as at March 31, 2025, had over 2,132 staff located in 19 markets in Australia, the Americas, Europe, Middle East and Asia.

**Corporate**

The Corporate segment includes the net result of managing the MGL Group’s liquidity and funding requirements, earnings on capital and the residual accounting volatility relating to economically hedged positions where hedge accounting is applied, as well as accounting volatility for other economically hedged positions where hedge accounting is not applicable. Other items of income and expense within the Corporate segment include earnings from investments, changes in central overlays to impairments or valuation of assets, provisions for legacy matters, unallocated head office costs and costs of Central Service Groups, MGL Group’s performance-related profit share and share-based payments expense and income tax expense.

Corporate contributed a net loss of A\$807 million in the 2025 fiscal year.

For further information on Corporate’s results of operations and financial condition for the 2025 fiscal year, see section 3.4 of our 2025 Fiscal Year Management Discussion and Analysis Report.

## **Legal proceedings and regulatory matters**

### ***Germany***

MBL was one of over 100 financial institutions involved in the German dividend trading market. Over a dozen criminal trials related to cum-ex have been or are being prosecuted against individuals in German courts and there have been a number of convictions. MBL's historical involvement in that market included short selling-related activities and acting as a lender to third parties who undertook dividend trading.

The Cologne Prosecutor's Office is investigating MBL's historical activities. Under German law, companies cannot be criminally prosecuted, but they can be added as ancillary parties to the trials of certain individuals. Ancillary parties may be subject to confiscation orders requiring the disgorgement of profits.

As part of their ongoing industry-wide investigation, the German authorities have designated as suspects approximately 100 current and former MGL Group staff members, including the current MGL Group CEO. Most of these individuals are no longer at the MGL Group. MGL Group has been responding to the German authorities' requests for information about its historical activities. MGL Group expects the German authorities to continue to seek information from former and current MGL Group employees as the industry-wide investigation continues.

Since 2018, a number of German civil claims have been brought against MBL by investors in a group of independent investment funds financed by MBL to undertake German dividend trading in 2011, who seek total damages of approximately €59 million. The funds were trading shares around the dividend payment dates where investors were seeking to obtain the benefit of dividend withholding tax credits. The investors' credit claims were refused and there was no loss to the German revenue authority. MBL strongly disputes these claims noting that it did not arrange, advise or otherwise engage with the investors, who were high net-worth individuals with their own advisers. Many, if not all, had previously participated in similar transactions.

MGL Group has provided for these matters.

### ***Other legal proceedings***

Revenue authorities undertake risk reviews and audits as part of their normal activities. We have assessed those matters which have been identified in such reviews and audits as well as other taxation claims and litigation, including seeking advice where appropriate.

We have contingent liabilities in respect of actual and potential claims and proceedings that have not been determined. An assessment of likely losses is made on a case-by-case basis for the purposes of our financial statements and specific provisions that we consider appropriate are made, as described in Note 20 to our 2025 annual financial statements. We do not believe that the outcome of any such liabilities, either individually or in the aggregate, are likely to have a material effect on our operations or financial condition.

## **Competition**

The financial services industry and all of our businesses are intensely competitive, and we expect them to remain so. See "Risk Factors — Competitive pressure, both in the financial services industry as well as in the other industries in which we operate, could adversely impact our business". We compete, both in Australia and internationally, with asset managers, retail and commercial banks, non-bank mortgage brokers, private banking firms, investment banking firms and brokerage firms.

In Australia, we face significant competition from the four major Australian commercial banks, international banks, regional commercial banks, building societies, brokerage firms, private equity firms, mortgage repackagers and other financial intermediaries. In recent years, competition has increased as international banks have established an Australian presence, large insurance and banking industry participants have sought to establish themselves in markets that are perceived to offer higher growth potential, and as local institutions have become more sophisticated and competitive and have sought alliances, mergers or strategic relationships.

The international trend towards consolidation and strategic alliances has significantly increased the capital base and geographic reach of some of our competitors. This trend has also hastened the globalization of the securities and financial services markets. To take advantage of some of our recent strategic acquisitions and organic growth opportunities, we will need to compete successfully with financial institutions that are larger and that may have a stronger local presence and longer operating history outside of Australia.

In North America, Europe and Asia, the principal markets in which we operate outside Australia, we compete with commercial banks, investment banking and brokerage firms, private equity firms, large fund managers, integrated energy companies and other broad-based financial services firms that have historically offered a broad range of products to enhance their competitive position. See “Risk Factors — Competitive pressure, both in the financial services industry as well as in the other industries in which we operate, could adversely impact our business”.

In other overseas markets where we offer limited products and services, we face the challenge of competing with firms that offer a broader range of services than we do, are better known or have a broader platform or more financial, capital, employee or other resources. In an attempt to overcome these barriers, MBL Group or MGL Group, where appropriate, has established alliances with local providers in a number of international markets in an attempt to benefit from the market strength of an existing player.

We also face intense competition in attracting and retaining qualified employees. Our ability to continue to compete effectively in our businesses will depend upon our ability to attract new employees and retain and motivate our existing employees and to continue to compensate employees competitively amid intense public and regulatory scrutiny on the employee remuneration practices of financial institutions. See “Risk Factors — Our ability to retain and attract qualified employees is critical to the success of our business and the failure to do so may materially adversely affect our performance” and “Regulation and Supervision — Australia” in this Report for more information on the regulation of our remuneration practices.

#### **Additional financial disclosures for the 2025 fiscal year**

##### ***MBL Group’s credit risk by country and counterparty type***

The table below details the concentration of credit risk by country and counterparty type of MBL Group’s financial assets measured at amortized cost, fair value through other comprehensive income (“FVOCI”) and undrawn credit commitments subject to the impairment requirements of AASB 9 *Financial Instruments*. AASB 9 is an equivalent standard to International Financial Reporting Standard 9 – *Financial Instruments*, as issued by the International Accounting Standards Board. The table includes MBL Group’s top eleven credit risk exposures by country other than the Australia and New Zealand region, MBL Group’s total credit risk exposures in all other countries other than the Australia and New Zealand region, MBL Group’s credit exposure in the Australia and New Zealand region, and MBL Group’s total credit exposure. The country classification is determined by the country of risk to which the MBL Group is most exposed when assessing the counterparty to meet its obligations as they fall due, however, where the exposures are subject to multiple countries of risk, country classification has been determined based on counterparty’s country of domicile. The counterparty type is based on Standard Economic Sector Classifications of Australia (SESCA) used by the Australian Bureau of Statistics. Government represents Australian and foreign governments, including government departments and agencies. Financial institutions represent central banks and central borrowing authorities, Australian and foreign banks, registered financial corporations, insurance corporations, funds, financial intermediaries, and auxiliaries. Retail and others represent public and private trading enterprises and retail banking customers. For the purposes of this disclosure, the gross exposure of financial assets measured at amortized cost represents the amortized cost before the expected credit loss (“ECL”) allowance and for financial assets measured at FVOCI represents the carrying value before fair value adjustments and ECL allowance. Accordingly, these exposures will not be equal to the amount as presented in MBL Group’s statements of financial position. This information is unaudited.

Country	As at Mar 31, 2025 <sup>1</sup>			
	Governments	Financial Institutions	Retail and other	Total exposure
	A\$m	A\$m	A\$m	A\$m
<b>United States</b>				
Cash and bank balances.....	—	3,931	—	3,931
Cash collateralized lending and reverse repurchase agreements .....	—	10,891	168	11,059
Margin money and settlement assets.....	36	3,934	645	4,615

As at Mar 31, 2025<sup>1</sup>

Country	Governments	Financial Institutions	Retail and other	Total exposure
	A\$m	A\$m	A\$m	A\$m
Financial investments .....	—	9	105	114
Other assets .....	1	47	149	197
Loan assets .....	12	5,675	2,379	8,066
Due from other MGL Group entities .....	—	423	1	424
Undrawn credit commitments .....	40	514	1,232	1,786
<b>Total United States .....</b>	<b>89</b>	<b>25,424</b>	<b>4,679</b>	<b>30,192</b>
<b>United Kingdom</b>				
Cash and bank balances .....	—	1,184	—	1,184
Cash collateralized lending and reverse repurchase agreements .....	—	3,007	—	3,007
Margin money and settlement assets .....	—	6,420	1,663	8,083
Financial investments .....	—	337	—	337
Other assets .....	—	4	135	139
Loan assets .....	—	381	1,587	1,968
Due from other MGL Group entities .....	—	140	291	431
Undrawn credit commitments .....	—	56	574	630
<b>Total United Kingdom .....</b>	<b>—</b>	<b>11,529</b>	<b>4,250</b>	<b>15,779</b>
<b>Canada</b>				
Cash and bank balances .....	—	81	—	81
Cash collateralized lending and reverse repurchase agreements .....	—	4,989	—	4,989
Margin money and settlement assets .....	—	240	47	287
Financial investments .....	—	627	—	627
Other assets .....	—	—	4	4
Loan assets .....	—	162	333	495
Due from other MGL Group entities .....	—	2	—	2
Undrawn credit commitments .....	—	—	253	253
<b>Total Canada .....</b>	<b>—</b>	<b>6,101</b>	<b>637</b>	<b>6,738</b>
<b>France</b>				
Cash and bank balances .....	—	97	—	97
Cash collateralized lending and reverse repurchase agreements .....	—	4,169	43	4,212
Margin money and settlement assets .....	—	217	330	547
Financial investments .....	256	4	8	268
Other assets .....	—	—	2	2
Loan assets .....	—	49	287	336
Due from other MGL Group entities .....	—	—	—	—
Undrawn credit commitments .....	—	1	2	3
<b>Total France .....</b>	<b>256</b>	<b>4,537</b>	<b>672</b>	<b>5,465</b>
<b>Ireland</b>				
Cash and bank balances .....	—	1,032	—	1,032
Cash collateralized lending and reverse repurchase agreements .....	—	1,251	4	1,255
Margin money and settlement assets .....	—	9	9	18
Other assets .....	—	1	8	9
Loan assets .....	—	64	16	80

As at Mar 31, 2025 <sup>1</sup>				
Country	Governments	Financial Institutions	Retail and other	Total exposure
	A\$M	A\$M	A\$M	A\$M
Undrawn credit commitments .....	—	16	100	116
<b>Total Ireland .....</b>	<b>—</b>	<b>2,373</b>	<b>137</b>	<b>2,510</b>
<b>Germany</b>				
Cash and bank balances .....	—	174	—	174
Cash collateralized lending and reverse repurchase agreements .....	—	880	71	951
Margin money and settlement assets .....	—	884	488	1,372
Loan assets .....	—	—	66	66
Due from other MGL Group entities .....	—	—	1	1
Undrawn credit commitments .....	—	132	—	132
<b>Total Germany .....</b>	<b>—</b>	<b>2,070</b>	<b>626</b>	<b>2,696</b>
<b>Hong Kong</b>				
Cash and bank balances .....	—	105	—	105
Cash collateralized lending and reverse repurchase agreements .....	—	2,113	—	2,113
Margin money and settlement assets .....	—	238	—	238
Other assets .....	—	—	1	1
Loan assets .....	—	—	85	85
Due from other MGL Group entities .....	—	14	—	14
Undrawn credit commitments .....	—	—	19	19
<b>Total Hong Kong .....</b>	<b>—</b>	<b>2,470</b>	<b>105</b>	<b>2,575</b>
<b>Singapore</b>				
Cash and bank balances .....	—	122	—	122
Cash collateralized lending and reverse repurchase agreements .....	—	2,124	11	2,135
Margin money and settlement assets .....	—	110	18	128
Financial investments .....	—	106	—	106
Other assets .....	1	—	12	13
Loan assets .....	—	27	268	295
Due from other MGL Group entities .....	—	31	1	32
Undrawn credit commitments .....	—	—	19	19
<b>Total Singapore .....</b>	<b>1</b>	<b>2,520</b>	<b>329</b>	<b>2,850</b>
<b>Netherlands</b>				
Cash and bank balances .....	—	1	—	1
Cash collateralized lending and reverse repurchase agreements .....	—	2,112	24	2,136
Margin money and settlement assets .....	—	41	242	283
Financial investments .....	—	33	—	33
Loan assets .....	—	243	141	384
Undrawn credit commitments .....	—	—	62	62
<b>Total Netherlands .....</b>	<b>—</b>	<b>2,430</b>	<b>469</b>	<b>2,899</b>
<b>United Arab Emirates</b>				
Cash and bank balances .....	—	4	—	4
Cash collateralized lending and reverse repurchase agreements .....	1,449	2,004	—	3,453
Margin money and settlement assets .....	5	—	15	20

As at Mar 31, 2025 <sup>1</sup>				
Country	Governments	Financial Institutions	Retail and other	Total exposure
	A\$m	A\$m	A\$m	A\$m
Other assets.....	—	1	—	1
Loan assets.....	—	81	145	226
Undrawn credit commitments .....	—	—	5	5
<b>Total United Arab Emirates.....</b>	<b>1,454</b>	<b>2,090</b>	<b>165</b>	<b>3,709</b>
<b>Cayman Islands .....</b>				
Cash collateralized lending and reverse repurchase agreements .....	—	3,588	—	3,588
Margin money and settlement assets.....	—	52	—	52
Loan assets.....	—	23	1	24
Undrawn credit commitments .....	—	2	10	12
<b>Total Cayman Islands .....</b>	<b>—</b>	<b>3,665</b>	<b>11</b>	<b>3,676</b>
<b>Top eleven countries</b>				
Cash and bank balances.....	—	6,731	—	6,731
Cash collateralized lending and reverse repurchase agreements .....	1,449	37,128	321	38,898
Margin money and settlement assets.....	41	12,145	3,457	15,643
Financial investments .....	256	1,116	113	1,485
Other assets.....	2	53	311	366
Loan assets.....	12	6,705	5,308	12,025
Due from other MGL Group entities.....	—	610	294	904
Undrawn credit commitments .....	40	721	2,276	3,037
<b>Total top eleven countries<sup>2</sup>.....</b>	<b>1,800</b>	<b>65,209</b>	<b>12,080</b>	<b>79,089</b>
<b>Other foreign countries</b>				
Cash and bank balances.....	—	751	—	751
Cash collateralized lending and reverse repurchase agreements .....	—	4,888	6	4,894
Margin money and settlement assets.....	1	770	1,360	2,131
Financial investments .....	—	364	—	364
Other assets.....	—	1	704	705
Loan assets.....	—	254	4,192	4,446
Due from other MGL Group entities.....	—	209	18	227
Undrawn credit commitments .....	17	135	668	820
<b>Total other foreign countries.....</b>	<b>18</b>	<b>7,372</b>	<b>6,948</b>	<b>14,338</b>
<b>Gross credit risk in foreign countries</b>				
Cash and bank balances.....	—	7,482	—	7,482
Cash collateralized lending and reverse repurchase agreements .....	1,449	42,016	327	43,792
Margin money and settlement assets.....	42	12,915	4,817	17,774
Financial investments .....	256	1,480	113	1,849
Other assets.....	2	54	1,015	1,071
Loan assets.....	12	6,959	9,500	16,471
Due from other MGL Group entities.....	—	819	312	1,131
Undrawn credit commitments .....	57	856	2,944	3,857
<b>Total gross credit risk in foreign countries.....</b>	<b>1,818</b>	<b>72,581</b>	<b>19,028</b>	<b>93,427</b>



Country	As at Mar 31, 2025 <sup>1</sup>			
	Governments	Financial Institutions	Retail and other	Total exposure
	A\$m	A\$m	A\$m	A\$m
<b>Australia and New Zealand region<sup>3</sup></b>				
Cash and bank balances.....	—	14,787	—	14,787
Cash collateralized lending and reverse repurchase agreements .....	—	7,200	620	7,820
Margin money and settlement assets.....	5	1,941	34	1,980
Financial investments .....	1,469	13,384	128	14,981
Other assets.....	—	108	801	909
Loan assets <sup>4</sup> .....	30	2,009	161,602	163,641
Due from other MGL Group entities.....	—	2,193	9	2,202
Undrawn credit commitments .....	37	836	22,116	22,989
<b>Total Australia and New Zealand region.....</b>	<b>1,541</b>	<b>42,458</b>	<b>185,310</b>	<b>229,309</b>
<b>Gross credit risk</b>				
Cash and bank balances.....	—	22,269	—	22,269
Cash collateralized lending and reverse repurchase agreements .....	1,449	49,216	947	51,612
Margin money and settlement assets.....	47	14,856	4,851	19,754
Financial investments .....	1,725	14,864	241	16,830
Other assets.....	2	162	1,816	1,980
Loan assets.....	42	8,968	171,102	180,112
Due from other MGL Group entities.....	—	3,012	321	3,333
Undrawn credit commitments .....	94	1,692	25,060	26,846
<b>Total gross credit risk<sup>5</sup> .....</b>	<b>3,359</b>	<b>115,039</b>	<b>204,338</b>	<b>322,736</b>

<sup>1</sup> Totals may not foot due to rounding.

<sup>2</sup> The top eleven countries represent 85% of MBL Group's total non-Australia and New Zealand region credit risk exposures as at March 31, 2025.

<sup>3</sup> Includes Australia, New Zealand, Marshall Islands, Fiji, Vanuatu, and Solomon Islands.

<sup>4</sup> Comprises of home loans of A\$141,549 million, asset financing of A\$3,078 million and corporate, commercial and other lending of A\$19,014 million.

<sup>5</sup> The total gross credit risk exposure aligns to the amount disclosed in Note 33.1 to MBL Group's 2025 annual financial statements.

### ***Lease commitments, contingent liabilities and assets***

We do not expect our lease commitments to have a significant effect on our liquidity needs. Lease commitments are disclosed in our annual financial statements each year and are not required to be disclosed under Australian Accounting Standards in interim financial statements.

As at March 31, 2025, the MBL Group had A\$27.5 billion of contingent liabilities and commitments, including A\$26.8 billion of credit commitments including undrawn credit facilities and debt commitments and A\$0.7 billion of other contingencies and commitments. See Note 30 "Contingent liabilities and commitments" to our 2025 annual financial statements which shows MBL Group's contingent liabilities and commitments as at March 31, 2025.

### ***Quantitative and qualitative disclosures about market risk***

Each year we prepare a detailed analysis of market risk as it applies to the MBL Group and a quantitative analysis of MBL Group's value at risk for equities, interest rates, foreign exchange and bullion, and commodities, individually and in the aggregate thereof. See Note 33 "Financial risk management" to our 2025 annual financial statements for a quantitative and qualitative discussion of these risks.

## REGULATION AND SUPERVISION

### Australia

In Australia, the principal regulators that supervise and regulate our activities are APRA, the RBA, the Australian Securities and Investments Commission (“ASIC”), ASX Limited (as the operator of the Australian Securities Exchange (“ASX”) market), Australian Securities Exchange Limited (as the operator of the ASX24 market), the Australian Competition and Consumer Commission (“ACCC”) and the Australian Transaction Reports and Analysis Centre (“AUSTRAC”).

Set out below is a summary of certain key Australian legislative and regulatory provisions that are applicable to our operations. This summary also describes certain regulators and regulatory regimes applicable to the MGL Group, including MGL as the authorized non-operating holding company (“NOHC”) for the Banking Group and the Non-Banking Group.

### APRA

APRA is the prudential regulator of the Australian financial services industry, focused on ensuring financial promises are met within a stable, efficient and competitive financial system. Under the Australian Banking Act, MBL is an ADI, and MGL is a NOHC and, as such, both are regulated by APRA. MBL and MGL have corporate governance and policy frameworks designed to meet APRA’s requirements for ADIs and NOHCs, respectively.

Under the Australian Banking Act, APRA has powers to issue directions to MGL and MBL and, in certain circumstances, to appoint a Banking Act statutory manager to take control of MBL’s business. In certain circumstances, APRA may require MBL to transfer all or part of its business to another entity under the Financial Sector (Transfer and Restructure) Act 1999 (the “*Australian FSTR Act*”). A transfer under the Australian FSTR Act overrides anything in any contract or agreement to which MBL is a party to, including the terms of its debt securities. APRA’s powers under the Australian Banking Act and Australian FSTR Act are discretionary and may be more likely to be exercised by it in circumstances where MGL or MBL is in material breach of applicable banking laws and/or regulations or is in financial distress. In these circumstances, APRA is required to have regard to protecting the interests of MBL’s depositors and to the stability of the Australian financial system, but not necessarily to the interests of other creditors of MGL and MBL. For more information regarding legislative enhancement of APRA’s powers in relation to ADIs, see the “— Recovery and Exit Planning and Resolution Planning” section below.

In its supervision of ADIs, APRA focuses on capital adequacy, liquidity, market risk, credit risk, operational risk, associations with related entities, large exposures to unrelated entities and funds management, securitization, covered bonds activities and climate change financial risk. APRA also focuses on the supervision of non-financial risks including outsourcing, business continuity management, information security, governance, accountability, remuneration and risk culture. APRA requires ADIs to regularly report on a broad range of information, including financial and statistical information in respect of prudential and other matters. Some of this information is not available to investors. APRA also conducts on-site visits and formal meetings with the ADIs’ board, senior management and external auditors. The external auditors provide additional assurance to APRA that prudential standards applicable to ADIs are being complied with, statistical and financial data provided by ADIs to APRA are reliable, and that statutory and other banking requirements are being met. External auditors are required to undertake targeted reviews of specific risk management areas as requested by APRA. APRA may also exercise certain investigative powers if an ADI fails to provide information about its financial stability or becomes unable to meet its obligations. APRA is responsible for the prudential regulation and supervision of Registrable Superannuation Entity (“RSE”) licensees. MGL Group has an RSE licensee (Macquarie Investment Management Limited (“MIML”)) which is subject to APRA’s prudential framework for superannuation trustees.

The MGL Group has been working with APRA on a remediation plan that strengthens MBL’s governance, culture, structure and remuneration to ensure full and ongoing compliance with prudential standards and management of MBL-specific risks. The changes under the plan, on which we will continue to deliver through 2025 and beyond, will have a positive impact on MBL through improved systems, frameworks, processes, and further strengthen its risk culture.

### RBA

In exercising its powers, APRA works closely with the RBA. The RBA is Australia’s central bank and an active participant in the financial markets. It also manages Australia’s foreign reserves, issues Australian currency notes, serves

as banker to the Australian government and, through the Payment Systems Board (the board of the RBA is responsible for the RBA's payments system policy), supervises the payments system and sets the target cash rate.

### ***ASIC***

ASIC is Australia's corporate, markets and financial services regulator, which regulates Australian companies, financial markets, financial services organizations and professionals who deal and advise in investments, superannuation, insurance, deposit taking and credit. ASIC is also responsible for consumer protection, monitoring and promoting market integrity and licensing in relation to the Australian financial system.

ASIC regulates each of the entities we operate in Australia as the corporate regulator and is responsible for enforcing appropriate standards of corporate governance and conduct by directors and officers. A number of MGL Group entities hold Australian financial services ("AFS") licenses. ASIC licenses and monitors AFS licensees and requires AFS licensees to ensure the financial services covered by their license are provided efficiently, honestly and fairly. A number of MGL Group entities also hold Australian Credit Licenses ("ACL"). ASIC regulates ACL holders as the consumer credit regulator, licensing and regulating those entities to ensure they meet standards set out in the National Consumer Credit Protection Act 2009 of Australia (the "NCCP Act").

ASIC is also responsible for the supervision of trading on Australia's domestic licensed equity, derivatives and futures markets, including trading by MBL and other ASX and ASX24 market participants in the MBL Group. On May 7, 2025, ASIC announced that additional conditions have been imposed on MBL's Australian financial services licence following compliance failures in Macquarie's futures dealing business and its over-the-counter derivatives trade reporting. The conditions require MBL to prepare and implement a remediation plan and appoint an independent expert to review and report on the adequacy of the remediation activities.

### ***ASX24***

The ASX24 market provides exchange traded and over-the-counter services and regulates derivative trades that MBL execute through the ASX24 as a market participant in the ASX24.

As an authorized market participant, MBL is subject to the operating rules of ASX24 which contain comprehensive provisions for preventing conflicts and enforcing compliance with the operating rules. The rules cover all aspects of trading and of clearing and settling, including monitoring market conduct, disciplining of participants and suspension or termination of participation rights and market access.

### ***ASX***

ASX is Australia's primary securities market. MGL's ordinary shares are listed on ASX. MBL and MGL each have a contractual obligation to comply with ASX's listing rules, which have the statutory backing of the Australian Corporations Act. The ASX listing rules govern requirements for listing on ASX and include provisions in relation to issues of securities, disclosure to the market, executive remuneration and related-party transactions. ASX and ASIC oversee our compliance with ASX's listing rules, including any funds we manage that are listed on the ASX.

MBL is also an authorized market participant of ASX Settlement and ASX Clear and is subject to the operating rules which contain comprehensive provisions for preventing conflicts and enforcing compliance with the operating rules. The rules cover all aspects of clearing and settling, including monitoring market conduct, disciplining of participants and suspension or termination of participation rights and market access.

### ***ACCC***

The ACCC is Australia's competition regulator. Its key responsibilities are to ensure that corporations do not act in a way that may have the effect of eliminating or reducing competition, and to oversee product safety and liability issues, pricing practices and third-party access to facilities of national significance. The ACCC's consumer protection activities complement those of Australia's state and territory consumer affairs agencies that administer the unfair trading legislation of those jurisdictions.

### ***AUSTRAC***

AUSTRAC is Australia's anti-money laundering and counter-terrorism financing regulator and specialist financial intelligence unit. It works collaboratively with Australian industries and businesses (including certain entities of MGL

Group) in their compliance with anti-money laundering and counter-terrorism financing legislation. As Australia's financial intelligence unit, AUSTRAC contributes to investigative and law enforcement work to combat money laundering, terrorism financing, organized and financial crime, tax evasion and to prosecute criminals in Australia and overseas.

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 ("*AML-CTF Act*") places obligations on providers of financial services and gaming services, and on bullion dealers. The AML-CTF Act affects entities who offer specific services which may be exploited to launder money or finance terrorism, for example, those relating to financial products, electronic fund transfers, designated remittance arrangements and correspondent banking relationships. The AML-CTF Act also has broad extra-territorial application to overseas entities of Australian companies.

A number of entities in MGL Group are considered to be "reporting entities" for the purposes of the AML-CTF Act and are required to undertake certain obligations, including "know your customer" obligations, on-boarding and ongoing customer risk assessments, identification and verification obligations, enhanced customer due diligence, establishing an AML-CTF program to identify, mitigate and manage the risk of money laundering and terrorism financing, enhanced record-keeping and reporting on suspicious matters, cash transactions above a set threshold and international funds transfer instructions to and from Australia.

MBL Group and MGL Group continue to monitor, manage and implement changes as a result of AML-CTF legislation.

#### ***Other Australian regulators***

In addition to the foregoing regulators, MBL Group and MGL Group and the businesses and funds they manage are subject to supervision by various other regulators in Australia, including but not limited to the Australian Energy Regulator, the Essential Services Commission, Economic Regulation Authority and the Department of Energy and Water in connection with activities and the management of funds in the utilities and energy sectors.

#### ***Australian regulatory developments***

##### ***Capital adequacy***

APRA's approach to the assessment of an ADI's capital adequacy is based on the risk-based capital adequacy framework set out in the Basel Committee on Banking Supervisions' ("*Basel Committee*") publications.

APRA has stipulated a capital adequacy framework that applies to MBL as an ADI and MGL as a NOHC. In the case of MGL Group, this framework is set out in MGL's NOHC Authority.

Pillar 3 Disclosure Documents setting out the qualitative and quantitative disclosures of risk management practices and capital adequacy required to be published by MBL Group in accordance with APRA's Prudential Standard APS 330 Public Disclosure ("*APS 330*") are posted on MBL's U.S. Investors' Website. Measurement of capital adequacy and MBL's economic capital model is more fully described in MBL's Pillar 3 Disclosure Document dated March 2025, which is posted on MBL's U.S. Investors' Website.

On December 9, 2024, APRA confirmed that it will phase out the use of Additional Tier 1 ("*ATI*") capital instruments to simplify and improve the effectiveness of bank capital in a crisis. APRA intends to consult on amendments to prudential and reporting standards in mid-2025 and finalize changes to prudential standards before the end of 2025, with the updated framework to come into effect from January 1, 2027. APRA intends to further consider the implications of the removal of AT1 on NOHCs, such as MGL, that issue AT1 and will engage impacted entities.

##### ***Liquidity***

APRA's liquidity standard ("*APS 210*") details the local implementation of the Basel III liquidity framework for Australian banks. In addition to a range of qualitative requirements, APS 210 incorporates the Liquidity Coverage Ratio ("*LCR*") and the Net Stable Funding Ratio ("*NSFR*"). The LCR and NSFR apply specifically to MBL (the regulated ADI in the MGL Group). As an APRA authorized and regulated NOHC, MGL is required to manage liquidity in compliance with APS 210's qualitative requirements.

The LCR requires unencumbered liquid assets be held to cover expected net cash outflows under a combined "idiosyncratic" and market-wide stress scenario lasting 30 calendar days. Under APS 210, the eligible stock of high-

quality liquid assets (“*HQLA*”) includes notes and coin, balances held with central banks, Australian dollar Commonwealth Government and semi-government securities, any Committed Liquidity Facility (“*CLF*”) allocation, as well as certain *HQLA*-qualifying foreign currency securities. Consistent with the industry-wide phase out of the *CLF*, MBL’s *CLF* allocation reduced to zero as at December 2022. Since May 2022, APRA has imposed a 25% add-on to the net cash outflow component of MBL’s *LCR* calculation.

The *NSFR* is a 12-month structural funding metric, requiring that “available stable funding” be sufficient to cover “required stable funding”, where “stable” funding has an actual or assumed maturity of greater than 12 months. Since April 2021, APRA has imposed a 1% decrease to the available stable funding component of MBL’s *NSFR* calculation.

On July 24, 2024, APRA published updated prudential standards, a prudential practice guide and a ‘Response to submissions’ paper to its November 2023 consultation on targeted changes to liquidity and capital requirements aimed at strengthening the banking sector’s resilience to future stress. These updates will come into effect from July 1, 2025. In addition, APRA plans to conduct a comprehensive review of *APS 210*, ahead of an expected implementation date for the revised *APS 210* standard in 2026.

#### *Recovery and exit planning and resolution planning*

On January 1, 2024, *CPS 190* Recovery and Exit Planning (“*CPS 190*”) and *CPS 900* Resolution Planning (“*CPS 900*”) came into effect for banks and insurers, including MBL, MGL and MIML. *CPS 190* came into effect for superannuation entities from January 1, 2025.

The prudential standards, and their supporting prudential practice guides (*CPG 190* Recovery and Exit Planning and *CPG 900* Resolution Planning) are the culmination of several years of policy development to ensure the financial system is better prepared to manage periods of stress.

On December 2, 2021, APRA released a letter finalizing loss-absorbing capacity requirements for domestic systemically important banks to increase minimum Total Capital by 4.5% of risk weighted assets, which applies from January 1, 2026. APRA has confirmed that MBL will be subject to the same requirement.

#### *Climate change financial risk*

On August 28, 2024, APRA published its Corporate Plan for 2024-2025, noting a key climate-related activity for this period is to consult on amendments to *CPS 220* Risk Management to more clearly embed climate-related financial risk considerations in risk management frameworks. On November 13, 2024, APRA published the findings from the Climate Risk Self-Assessment (completed by APRA-regulated entities on a voluntary basis in May 2024).

#### *Market risk*

The Basel Committee’s finalized standard on minimum capital requirements for market risk (the *Fundamental Review of the Trading Book* (“*FRTB*”)) includes a clearly defined boundary between trading book and banking book, and a standardized approach and internal model approach that relies upon the use of expected shortfall models.

As part of its 2024-2025 Corporate Plan, APRA announced that it expects ADIs to continue momentum towards *FRTB* readiness. Further, since 2019, APRA has undertaken a number of rounds of industry consultation and prepared revisions to *APS 117* Capital Adequacy: Interest Rate Risk in the Banking Book (Advanced ADIs) (“*APS 117*”) that aim to simplify the interest rate risk in the banking book (“*IRRBB*”) framework and reduce volatility in the *IRRBB* capital charge calculation. The revised *APS 117* was finalized in July 2024 and will come into effect on October 1, 2025.

#### *Operational risk*

On July 17, 2023, APRA released the final version of the new cross-industry prudential standard *CPS 230* Operational Risk Management (“*CPS 230*”), which commences from July 1, 2025. *CPS 230* aims to strengthen operational risk management for APRA-regulated entities by introducing new requirements to address identified weaknesses in existing controls, improve business continuity planning to ensure they are positioned to respond to severe disruptions, and strengthen third-party risk management by ensuring risks from material service providers are appropriately managed. *CPS 230* contains transitional arrangements for pre-existing contractual arrangements with service providers, with the requirements in the standard applying from the earlier of the contract renewal date or July 1, 2026.

On June 13, 2024, APRA released the final prudential practice guide CPG 230 Operational Risk Management to accompany the new CPS 230, which provides guidance to assist entities with the implementation of, and compliance with, the new standard.

#### *Remuneration*

APRA's Prudential Standard CPS 511 Remuneration ("*CPS 511*") requires boards to maintain a remuneration framework that promotes effective risk management of both financial and non-financial risks including variable downward-adjustment tools and deferral periods to address poor risk and conduct outcomes.

On August 1, 2023, APRA released updates to CPS 511 requiring APRA-regulated entities to publicly disclose information on aspects of their remuneration. The disclosure requirements commence for all entities from their first full financial year following January 1, 2024. For the MGL Group, this requirement came into effect for the full financial year commencing April 1, 2024. APRA is also proposing to collect and publish more granular data on remuneration (in addition to the public disclosure requirements). APRA has yet to finalize the draft reporting standard and communicate the commencement date.

Under the updates to CPS 511, entities must:

- annually publish information on their remuneration frameworks, design, governance and outcomes; and
- disclose additional qualitative information and how they have placed a material weight on non-financial risk measures, such as risk management.

On September 6, 2024, APRA released for consultation its proposed minor updates to CPS 511. On December 5, 2024, APRA indicated that it expects to release the finalized revisions in the first half of calendar year 2025.

#### *Financial Accountability Regime*

The Financial Accountability Regime Act 2023 (the "*FAR Act*") applies to the banking industry, i.e., ADIs and NOHCs, including both MGL and MBL. It also applies to the insurance and superannuation industries, including MIML within the Banking Group, as of March 15, 2025. The FAR Act is intended to improve the operating culture of entities in the banking, insurance and superannuation industries and to increase transparency and accountability across these industries – both in relation to prudential and conduct related matters. It imposes certain obligations on accountable entities (e.g., MGL, MBL and MIML) and their accountable persons. The regime is jointly administered by APRA and ASIC.

#### *Governance*

On March 6, 2025, APRA released a discussion paper with eight proposals to strengthen its prudential governance framework across the financial system, including the banking industry (including both MGL as a NOHC and MBL as an ADI) and the superannuation industry (including MIML). These proposals may result in updates to cross-industry prudential standards CPS 510 Governance and CPS 520 Fit and Proper and superannuation prudential standards SPS 510 Governance, SPS 520 Fit and Proper and SPS 521 Conflicts of Interest. APRA has invited written submissions in response to the discussion paper by June 6, 2025.

APRA intends to release updated prudential standards and guidance for formal consultation in the first half of calendar year 2026 and aims to publish the updated framework in the beginning of 2027, ahead of it commencing by 2028.

#### *ASIC market integrity rules*

ASIC introduced new market integrity rules, effective March 10, 2023, aimed at promoting the technological and operational resilience of securities and futures market operators and participants, including the MBL Group. The technological and operational resilience rules clarify and strengthen existing obligations for market operators and participants and providing greater domestic and international alignment in relation to issues of change management, outsourcing, information security, business continuity planning, governance and resourcing, and trading controls. The MBL Group has updated its policies and procedures to comply with these requirements. In September 2024, ASIC issued

further guidance on compliance with technological and operational resilience with which participants are expected to comply. MBL Group is assessing its policies and procedures against the updated guidance.

#### *Transaction reporting rules*

The ASIC Derivative Transaction Rules (Reporting) 2024 commenced on October 21, 2024 to replace the ASIC Derivative Transaction Rules (Reporting) 2022. The updated rules were enacted to align to international reporting standards and consolidate transitional provisions and exemptions.

#### *Banking Code*

On June 27, 2024, ASIC approved a new version of the Australian Banking Association's Banking Code of Practice (the "Code"). The new Code commenced on February 28, 2025, and includes enhancements such as expanding the definition of a small business, broadening the definition of financial difficulty and new provisions for deceased estates. The Code sets out the standards of practice and service in the Australian banking industry for individual and small business customers, and their guarantors. MBL is a subscriber to the Code.

#### *Australian environmental, social and governance regulation and disclosure*

The Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024 received Royal Assent on September 17, 2024 and came into force on January 1, 2025. The amendments require in-scope companies, including MGL, to report certain mandatory climate-related disclosures, and consider voluntarily reporting certain sustainability-related disclosures, based on International Sustainability Standards Board ("ISSB") equivalent standards, namely Australian Sustainability Reporting Standard ("AASB") S1 (General Requirements for Disclosure of Sustainability Related Financial Information) and AASB S2 (Climate-related Disclosures). The amendments require MGL, as the ultimate parent company, to commence reporting for its financial year commencing April 1, 2025. MGL continues to progress its established project to prepare for future sustainability and climate-related reporting obligations.

ASIC has continued to be proactive in using enforcement powers in relation to greenwashing misconduct as a strategic priority and issued Report 791 *ASIC's interventions on greenwashing misconduct: 2023-2024* on August 23, 2024 detailing findings, recommendations and good practice for entities to consider in relation to sustainable finance-related products and services.

#### *Australian AML-CTF reforms*

On November 29, 2024, the AML-CTF Amendment Bill 2024 was passed by Parliament, amending the AML-CTF Act and introducing significant reforms to the Australian AML-CTF regime. These amendments seek to lift Australian laws to meet international standards set by the Financial Action Task Force ("FATF") recommendations.

The AML-CTF reforms extend the regime to additional high-risk services provided by lawyers, accountants, trust and company service providers, real estate professionals, and dealers in precious metals and stones. Furthermore, they aim to modernize the regime to reflect changes in business structures and technologies by updating regulations on virtual assets and payments technology and simplifying the AML-CTF regime to enhance its effectiveness.

For current AUSTRAC regulated entities, the reformed obligations will apply from March 31, 2026, except the tipping off reforms, which came into effect on March 31, 2025. To support the reforms, AUSTRAC released an exposure draft of the updated Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1) (the "Rules") on December 11, 2024. Consultation is ongoing throughout the industry and the Rules are expected to be finalized by mid-2025.

MGL Group has established an ongoing program of work to achieve and maintain compliance with these reforms.

#### *Combatting Foreign Bribery*

Amendments to the Australian Criminal Code under the Crimes Legislation Amendment (Combatting Foreign Bribery) Act 2024 came into effect on September 8, 2024. The amendments expand the scope of the foreign bribery offence and introduces a new offence under which corporations are strictly liable, including criminal liability for failing to prevent bribery of a foreign official by an associate acting on their behalf, unless the corporation can demonstrate it had "adequate procedures" to prevent foreign bribery.

### *Fraud prevention*

On February 13, 2025, the Scams Prevention Framework Act 2025 was passed by Parliament. The Act amends the Competition and Consumer Act 2010 to establish a scams prevention framework which requires service providers in selected sectors of the economy, including banking and insurance, to take a variety of actions to combat scams relating to, connected with, or using their services. These actions include documenting and implementing governance arrangements to combat scams and taking reasonable steps to prevent, detect, report, disrupt and respond to scams. The Minister for Financial Services has not yet designated which sectors are included in the framework and this is expected to occur with the release of the related Codes.

### **International**

Our businesses are subject to various regulatory regimes.

#### ***United States***

U.S. financial regulators remain active in issuing new and revised regulations, exemptive orders and interpretive guidance. This regulatory activity could have a material effect on our business, financial condition and results of operations, including with respect to the activities of MGL and its U.S. subsidiaries and representative offices. See “Risk Factors — Many of our businesses are highly regulated and we could be adversely affected by temporary and permanent changes in law, regulations and regulatory policy”.

In the United States, MBL is not permitted to conduct any banking activity, however through its U.S. representative offices, MBL is permitted to introduce deals to U.S. customers. These representative offices are generally limited to (i) soliciting business on behalf of MBL, which must then be approved and booked offshore, and (ii) performing administrative tasks as directed by MBL. Our representative offices are licensed and subject to periodic examination by the banking regulatory authorities of the individual states in which they are located, including New York and Texas. Our representative offices are also subject to periodic examination by the relevant regional Federal Reserve Bank, each of which is in turn subject to oversight by the Board of Governors of the Federal Reserve System (the “FRB”).

#### *Securities, commodities and derivatives regulators*

The United States features a comprehensive financial regulatory regime that applies to many of MGL Group’s products and services, including securities, commodities, derivatives and other similar instruments. Some of these products and services are subject to the overlapping regulatory jurisdiction of multiple U.S. regulatory agencies, including the FRB, the Securities and Exchange Commission (the “SEC”) and the Commodity Futures Trading Commission (the “CFTC”). The U.S. regulatory landscape is subject to material developments as new or revised rules, exemptive orders and interpretive guidance are promulgated, implemented and enforced by the relevant regulator, and this may have a material effect on our U.S. operations. MGL Group’s broker-dealer subsidiaries are regulated by the SEC and by various other self-regulatory organizations of which they are members, such as the Financial Industry Regulatory Authority (“FINRA”) and the national securities exchanges (e.g., the Nasdaq Stock Market), as well as by state securities regulators. We also conduct securities and corporate finance-related activities through several investment advisers and investment companies registered with the SEC under, respectively, the U.S. Investment Advisers Act of 1940 and the U.S. Investment Company Act of 1940.

We are regulated by the CFTC and the National Futures Association (“NFA”) with respect to the trading of futures, swaps and commodity options for customers and related clearing activities, as well as soliciting and accepting orders for such transactions. MBL is registered as a swap dealer with the CFTC and Macquarie Futures USA LLC (“MFUSA”) within the Banking Group is registered as a futures commission merchant with the CFTC. Macquarie Capital (USA) Inc. is registered with the NFA as an introducing broker for swaps. As CFTC registrants, MBL and MFUSA are subject to comprehensive regulatory oversight by the CFTC. In addition, MBL is registered as a security-based swap dealer with the SEC.



Pursuant to the CFTC's Comparability Determination for Australia: Certain Entity-Level Requirements, 78 Federal Register 78864, MBL's compliance with provisions and requirements under the applicable Australian regulatory regimes is sufficient to meet some CFTC swap dealer requirements to which MBL would otherwise be subject. Together, these requirements will impact MBL and MFUSA as a direct market participant that transacts in derivatives, in the case of MBL, and as an intermediary that provides access to the derivatives markets for others, in the case of MFUSA. The SEC has jurisdiction over transactions in security-based swaps, which generally include swaps on a single security or a narrow-based index of securities or on a single loan and credit default swaps on a single issuer or issuers of securities in a narrow-based security index. The SEC has adopted regulations requiring, among other things, registration of security-based swap dealers and compliance with regulations on business conduct, trade reporting, recordkeeping, financial reporting and other matters. Security-based swaps, because they are securities, are subject to the general anti-fraud and anti-manipulation provisions of the U.S. federal securities laws. MBL is registered as a security-based swap dealer with the SEC and is required to comply with the SEC's regulations governing security-based swap dealers and security-based swaps. These registration and compliance obligations will likely result in increased costs with respect to MBL's security-based swaps business. The SEC and CFTC share jurisdiction over "mixed swaps". Mixed swaps are a type of derivative contract that combine elements of both securities-based swaps and commodity-based swaps, and therefore can implicate the regulatory authority of both the SEC and the CFTC. MBL engages in mixed swaps, which impose compliance obligations under both the CFTC and SEC regimes. As part of its swap dealer and security-based swap dealer obligations, MBL is also subject to the FRB's capital regulations, as well as the FRB's initial and variation margin requirements for uncleared swaps and security-based swaps.

#### *Anti-money laundering regulators*

The MBL representative offices, MFUSA and MGL Group's securities broker-dealers and mutual funds managed or sponsored by MGL Group's subsidiaries are subject to anti-money laundering ("AML") laws and regulations in the United States. Applicable regulations include those issued by the Treasury Department's Financial Crimes Enforcement Network ("FinCEN") to implement various AML requirements of the Bank Secrecy Act (as amended, the "*Bank Secrecy Act*"). The Bank Secrecy Act and similar regulations require certain types of financial institutions (including U.S. representative offices of foreign banks and U.S. futures commission merchants, securities broker-dealers and mutual funds) to establish and maintain written AML compliance programs.

The MBL representative offices, MFUSA and MGL Group's securities broker-dealers and other subsidiaries in the United States have adopted written AML compliance programs that are reasonably designed to comply with the Bank Secrecy Act, including with respect to maintenance of a customer identification program, filing of suspicious activity reports ("SARs") and beneficial ownership reporting. Our U.S. operations also engage in extensive "know your customer" reviews when onboarding new customers and clients, which includes screening such parties against the Specially Designated Nationals and Blocked Persons List published by the Office of Foreign Assets Control ("OFAC") within the U.S. Department of the Treasury.

#### *Economic sanctions*

The MBL representative offices and MGL Group's other operations that are within or that involve the United States (e.g., transactions through the United States, transfers through the U.S. financial system) must also comply with the economic sanctions programs administered by OFAC, which enforces economic sanctions against targeted foreign countries, individuals and entities. The MBL representative offices and MGL Group's U.S. futures commission merchant, securities broker-dealers and other subsidiaries in the United States have adopted and implemented procedures that are reasonably designed to ensure their compliance with the economic sanctions programs administered by OFAC. MBL operations outside the United States and that do not otherwise involve the United States also are mindful of secondary U.S. sanctions, which target non-U.S. persons' activities outside the United States that are deemed by the U.S. government to counter U.S. foreign policy or U.S. national security.

#### *Other U.S. regulators*

The Federal Energy Regulatory Commission regulates the wholesale natural gas and electricity markets in which we operate. As we continue to expand our U.S. energy trading business, our compliance with energy trading regulations will become increasingly important.

Other regulators that affect the funds and companies that we manage include, but are not limited to, the Federal Communications Commission with respect to certain media-related investments and various other applicable federal, state and local agencies. In addition, our entry into the physical commodities trading business has subjected us to further U.S. regulations, including, but not limited to, federal, state and local environmental laws.

## ***United Kingdom***

### ***Financial Conduct Authority (“FCA”) and the Prudential Regulation Authority (“PRA”)***

The FCA and the PRA are responsible for the regulation of financial services business in the U.K., including banking, investment business, consumer credit and insurance. Deposit-taking institutions, insurers and significant investment firms are dual-regulated, with the PRA responsible for the authorization, prudential regulation and day-to-day supervision of such firms, and the FCA responsible for regulating their conduct of business requirements. MBL operates a branch, Macquarie Bank Limited London Branch (“*MBL LB*”), in the U.K. The PRA and FCA have regulatory oversight of the U.K. activities of MBL, including MBL LB. APRA, however, remains its prudential regulator.

MGL has three regulated subsidiaries in the U.K. within the Non-Banking Group, Macquarie Infrastructure and Real Assets (Europe) Limited (“*MIRAE*”), Macquarie Capital (Europe) Limited (“*MCEL*”) and Macquarie Investment Management Europe Limited (“*MIMEL*”) authorized and regulated by the FCA. MIRAE is authorized as an alternative investment fund manager (“*AIFM*”) pursuant to the Financial Services and Markets Act 2000, as amended (the “*FSMA*”), and is able to manage qualifying alternative investment funds and market such funds to professional investors in the U.K. MCEL and MIMEL are authorized and regulated by the FCA as investment firms.

MBL LB, MIRAE, MCEL and MIMEL are required to comply with certain U.K. legislation and regulatory requirements set forth by the FCA and, in the case of MBL LB, the PRA in their handbooks of rules and guidance (as amended from time to time) (collectively, the “*U.K. Rules*”). The U.K. Rules include, among others, requirements for prudential management of risks, systems and controls, corporate governance, market conduct, conduct of business and the treatment of customers.

In many cases, the U.K. Rules reflect the requirements set out in EU laws and regulations which have been implemented in the U.K., or assimilated in the U.K. following the U.K.’s withdrawal from the EU, (such as the Markets in Financial Instruments Directive 2014/65/EU (“*MiFID II*”) and the Markets in Financial Instruments Regulation (600/2014/EU) (“*MiFIR*”), which relate to the carrying on of investment business). The U.K. Rules have, in certain cases, been amended to tailor to the U.K. financial system.

### ***Other U.K. regulators***

Other U.K. regulators that may impact our business include the Office of Gas and Electricity Markets, which regulates the U.K. downstream natural gas and electricity industry, and the Information Commissioner’s Office which is responsible for regulating compliance with legislation in the U.K. governing data protection and electronic communications.

## ***European Union***

### ***EU Regulators***

In the EU, the European Banking Authority is the agency tasked with implementing a standard set of rules to regulate and supervise banking and certain financial services across all EU countries. Under the Single Supervisory Mechanism (the “*SSM*”), the European Central Bank (“*ECB*”) is designated as the competent authority for banking supervision across the EU, with national competent authorities (“*NCA*s”) as the direct financial services regulatory authorities in each individual EU member state. The ECB directly regulates entities designated as “Significant Institutions” and indirectly regulates, through the NCAs, entities designated as “Less Significant Institutions” (“*LSIs*”).

### ***France – Autorité de Contrôle Prudentiel et de Resolution (“ACPR”) and Autorité des Marchés Financiers (the “AMF”)***

The ACPR is responsible for the supervision of the banking and insurance sectors in France and authorizes any regulated entity such as credit institutions, investment firms, insurance companies, financing companies and payment institutions. The ACPR is responsible for prudential supervision but is also the competent authority when it comes to clients’ protection and financial crime, more specifically AML-CTF matters. The AMF is the French financial markets regulator and is responsible for regulating the market, its participants and investment products distributed via these markets and is also responsible for ensuring that investors are properly informed.

Macquarie Capital France Société Anonyme (“MCF”) within the Non-Banking Group and the French branch of Macquarie Bank Europe Designated Activity Company (“MBE”) within the Banking Group are regulated by both the ACPR and the AMF. The French branch of Macquarie Asset Management S.à r.l. (“MAMES”) within the Non-Banking Group was incorporated on April 22, 2024, and is supervised by the AMF. These entities are required to comply with French legislation and regulatory requirements set out by the ACPR and AMF in the form of codes, regulations and guidance issued from time to time (collectively, the “French Rules”), as applicable. The French Rules include, among others, requirements as to capital adequacy, liquidity adequacy, systems and controls, corporate governance, market conduct, financial crime, conduct of business and the treatment of customers.

#### *Ireland – Central Bank of Ireland (“CBI”)*

The CBI is responsible for the regulation of financial services business in Ireland, including banking, investment business, consumer credit and insurance. Those credit institutions that are LSIs within the SSM framework are supervised directly by the CBI with indirect supervision from the ECB.

The MBL Group has an authorized Irish subsidiary, MBE, which is authorized and regulated as a credit institution by the CBI. MBE is designated as a High-Impact LSI within the SSM framework.

Regulated entities in Ireland are required to comply with Irish legislation and the regulatory requirements set forth by the CBI in the form of codes, regulations and guidance issued from time to time (collectively, the “Irish Rules”), as applicable. The Irish Rules include, among others, requirements as to capital adequacy, liquidity adequacy, systems and controls, corporate governance, market conduct, conduct of business and the treatment of customers. The Irish Rules reflect the requirements set out in EU prudential regulations and directives such as Regulation (EU) 2019/876 (“CRR II”), Directive (EU) 2019/878 (“CRD V”).

#### *Luxembourg - Commission de Surveillance du Secteur Financier (“CSSF”)*

The CSSF is Luxembourg’s financial sector regulator, responsible for regulating investment business including investment fund managers, credit institutions and investment firms.

The MGL Group includes the following Luxembourg regulated entities within the Non-Banking Group:

- Macquarie Investment Management Europe S.A. (“MIMESA”), which is authorized and regulated by the CSSF as an investment firm; and
- MAMES, which is authorized and regulated by the CSSF as an alternative investment fund manager.

As regulated entities, MIMESA and MAMES are required to comply with Luxembourg legislation and regulation as set out by the CSSF in the form of codes, regulations and guidance issued from time to time (collectively, the “Luxembourg Rules”), as applicable. The Luxembourg Rules include, among others, requirements as to capital adequacy, systems and controls, corporate governance, market conduct, conduct of business and the treatment of customers.

#### ***Other international regulators***

Outside Australia, the United States, the EU and the U.K., MBL has branches in the Dubai International Finance Centre, and Singapore that are regulated by the Dubai Financial Services Authority, and the Monetary Authority of Singapore, respectively. MBL also has a representative office in South Africa, regulated by the South African Reserve Bank, in Brazil, regulated by the Banco Central do Brasil, and in Switzerland, regulated by the Swiss Financial Markets Supervisory Authority, which gives MBL limited authorization to conduct marketing of its products and services to institutions, subject to local license limitations. Bank regulation varies from country to country, but generally is designed to protect depositors and the banking system as a whole, not holders of a bank’s securities. Bank regulations may cover areas such as capital adequacy, minimum levels of liquidity, and the conduct and marketing of banking services.

Other key financial regulators of our businesses include but are not limited to the Securities and Futures Commission of Hong Kong.

Financial regulation varies from country to country and may include the regulation of securities offerings, mergers and acquisitions activity, commodities and futures activities, anti-trust issues, investment advice, trading and brokerage, sales practices, and the offering of investment products and services.

In addition to the foregoing, certain businesses and assets owned or managed by the MBL Group in international jurisdictions are subject to additional laws, regulations and oversight that are specific to the industries applicable to those businesses and assets.

### ***International regulatory developments***

#### *U.S. anti-money laundering regulations*

At this time, registered investment advisers are not required by SEC regulation to establish or maintain an AML compliance program or file SARs with FinCEN. However, on September 4, 2024, FinCEN published a final rule to include certain investment advisers in the definition of “financial institution” under the Bank Secrecy Act, prescribe minimum standards for AML and countering the financing of terrorism programs to be established by covered advisers, require covered advisers to report suspicious activity to FinCEN pursuant to the Bank Secrecy Act, and make several other related changes to FinCEN regulations. The regulations apply to certain investment advisers who may be at risk for misuse by money launderers, terrorist financiers, or other actors who seek access to the U.S. financial system for illicit purposes and who threaten U.S. national security. The new rules are scheduled to take effect on January 1, 2026 and are expected primarily to affect MGL Group’s U.S. asset management businesses by increasing regulatory obligations, including reporting, governance and customer identification obligations.

#### *Canadian derivative regulations*

Canada has harmonized derivatives reporting rules across its provinces and territories. MBL, as well as its subsidiary Macquarie Energy Canada Ltd (“MEC”), are currently operating as deemed derivative dealers in Canada for purposes of transaction reporting and, since September 2024, are subject to Canadian business conduct requirements. Derivative dealer registration rules have not yet been finalized in Canada, but it is anticipated that MBL and MEC may be required to register as derivative dealers. Registration and compliance obligations in Canada will likely result in increased costs with respect to MBL’s and its subsidiaries’ Canadian derivatives business.

#### *U.K. prudential framework*

MBL LB is prudentially regulated by its home regulator, APRA. However, certain PRA provisions, applicable to third country branches in the U.K., would apply to MBL LB.

MGL Group investment firms in the UK such as MCEL, MIRAEEL and MIMEL are prudentially regulated by the FCA under the Investment Firm Prudential Regime (“IFPR”).

#### *U.K. regulatory reform*

The Financial Services and Markets Act 2023 (the “FSMA 2023”) received royal assent on June 29, 2023 with some provisions having come into effect on August 29, 2023 and others coming into force pursuant to subsequent regulations made by HM Treasury. The FSMA 2023 aims to implement the outcomes of the government’s future regulatory framework review and to make changes to update the U.K. regulatory regime following Brexit. The FSMA 2023 establishes a framework to revoke EU law relating to financial services, and enables HM Treasury, the FCA and PRA to replace EU law in the U.K. with legislation and a regulatory rule-set to deliver a comprehensive “FSMA” model of regulation. The FSMA 2023 moves away from the onshored EU legislation towards the historic approach taken under the Financial Services and Markets Act 2000 (the “FSMA 2000”), whereby primary responsibility for regulation is delegated to the U.K. regulatory authorities, subject to the oversight of Parliament.

The Retained EU Law (Revocation and Reform) Act 2023 (the “Brexit Freedoms Act”), which also received royal assent on June 29, 2023, establishes a framework for the repeal of non-financial services retained EU law and provides for the abolition of the supremacy of retained EU law and general principles of EU law interpretation. This ends the special status that retained EU law (including those relating to financial services) has on the U.K. statute book. The Brexit Freedoms Act also provides and modifies a number of powers relating to the ability of a Minister of the Crown (or similar) to amend retained EU legislation. It treats all retained direct EU legislation as equivalent to domestic secondary legislation and subject to amendment in the same way as secondary legislation.

The FSMA 2023 and the Brexit Freedoms Act are framework legislation for the U.K. government to make further policy changes and diverge from EU law. As is common with financial services regulation, the applicable changes to different firms are likely to come into effect over a period and require a change management program to identify and implement relevant changes.

In December 2022, HM Treasury published a policy statement on “*Building a smarter financial services framework for the UK*”, which set out the U.K. government’s plan to deliver the future regulatory framework through the powers established in the FSMA 2023 and announced a package of over 30 measures to reform U.K. financial services regulation (collectively known as the “*Edinburgh Reforms*”). Work has been undertaken in delivering the outcomes arising from the Wholesale Markets Review, Lord Hill’s Listing Review, the Securitisation Review, and the Review into the Solvency II Directive. There will be continued implementation of the remaining outcomes of the Wholesale Markets Review, continued work on Solvency II, the Packaged Retail and Insurance-Based Investment Products Regulation, the Short Selling Regulation, the Taxonomy Regulation, the Money Market Funds Regulation, Payment Services Directive and the E-Money Directive, Insurance Mediation and Distribution Directives, the Capital Requirements Regulation and Directive, Long-Term Investment Funds Regulation, and the consumer information rules in the Payment Accounts Regulations 2015. A number of these reforms may impact the MGL Group’s U.K. regulated entities. The U.K. government continues to make progress on the Edinburgh Reforms.

The regulation pertaining to U.K. and EU financial services is particularly dynamic, with the U.K. tailoring its rules in order to promote growth and competitiveness in markets, while the EU is expected to continue considering its position and make changes in response to the U.K. leaving the EU. Following Brexit, the EU has introduced a number of amendments and initiatives in many areas of financial services regulation, including a large number of amendments to MiFID II and MiFIR in March 2024. In addition to these regulatory changes, the U.K. and EU have both released papers detailing their approach to improving growth and competitiveness, with the U.K. Treasury publishing a policy paper which sets out its “New approach to ensure regulators and regulation support growth” in March 2025, and the EU publishing its Competitiveness Compass, which sets out a roadmap to improving the competitive standing of Europe, in January 2025. As is common with financial services regulation, the applicable changes to different firms will come into effect over a period and require a change management program to identify and implement relevant changes. The impact of such changes on the MGL Group is unknown at this time, although any such changes could have an impact on the MGL Group’s operations, business, compliance framework, structure, reputation, profitability and/or prospects. On October 26, 2023, the Economic Crime and Corporate Transparency Act 2023 (the “*ECCT Act*”) received Royal Assent. It is effectively the second part of a legislative package to prevent the abuse of U.K. corporate structures and tackle economic crime. It follows on from the Economic Crime (Transparency and Enforcement) Act 2022, which received Royal Assent on March 15, 2022. The ECCT Act introduces a new offence for failure to prevent fraud which comes into force September 1, 2025, and expands the grounds on which companies can be held criminally liable.

#### *EU prudential framework for credit institutions – CRR and CRD*

The Basel III framework sets the global standards for prudential requirements for banks and was implemented in the EEA through the EU Capital Requirements Regulation (“*CRR*”) and Fourth Capital Requirements Directive (“*CRD IV*”). The CRR established a single set of harmonized prudential rules which apply directly to all credit institutions in the EEA, with CRD IV containing other provisions required to be transposed into national law. The latest amendments to these requirements were implemented in the form of CRR III from January 2025 and will be implemented for CRD VI from January 2026. The CRR and CRD as amended apply to MBE as implemented in Ireland by the CBI.

From January 11, 2027, CRD VI will require EU member states to prohibit the provision of cross-border banking services (including lending) into the EU by a third country “institution” (in broad terms, a bank or a large broker-dealer) other than from a locally licensed branch. The prohibition appears as a new Article 21c of CRD. The requirement will apply to “an undertaking established in a third country” and will in practice capture banks and investment firms (broker-dealers) which deal on their own account or underwrite financial instruments, and are large or part of a large group (i.e. having total consolidated assets or carrying out investment services in respect of amounts exceeding EUR 30 billion). The requirement will apply to ‘core banking services’ which is defined to include: (a) accepting deposits and other repayable funds; (b) lending, including consumer credit, credit agreements relating to immovable property, factoring with or without recourse and the financing of commercial transactions (including forfeiting); and (c) provision of guarantees and commitments. These restrictions could result in more lending being required to be carried out by EEA-based entities and branches, with correspondingly less cross-border lending by MGL Group’s non-EEA-based subsidiaries, particularly MBL LB. This could result in potentially higher capital or local liquidity requirements, which could impact our profitability and return on capital.

#### *EU prudential framework for investment firms – IFR and IFD*

MGL Group investment firms in the EU such as MCF and MIMESA, are prudentially regulated under the Investment Firms Regulation (“*IFR*”) and the Investment Firms Directive (“*IFD*”), where the investment firms are categorized into one of three classes according to their size and business activities, and are subject to certain capital, liquidity, governance, risk management, reporting and disclosure requirements.

### *EU regulatory reforms*

The EU's Digital Operational Resilience Act ("DORA") applied in all EU member states as of January 17, 2025. Its stated aim is to improve resilience against cyber security and technology risks within the financial services sector and to address a perceived gap in existing operational resilience legislation, which lacked sufficient Information and Communication Technology ("ICT") coverage and did not reflect the risks of increasing reliance and inter-connectedness of ICT within the financial services sector. DORA requires in-scope entities to implement comprehensive information and communications technology risk frameworks, monitoring, and incident response and business continuity plans. It applies to certain subsidiaries of the MGL Group, including MBE, MCF, MAMES and MIMESA. Although DORA only directly targets EU regulated entities, the MGL Group's intra-group operational model means it also impacts global policies and standards.

### *EU anti-money laundering regulations*

MCF and MAMES are subject to a range of measures aimed at preventing financial crime which are mandated under European wide directives which member states must legislate for at a national level; the latest directive is the 6th Money Laundering Directive ("6MLD"). 6MLD strengthens criminal penalties and expands the scope of the existing legislation to better fight against money laundering and the financing of terrorism. 6MLD does not apply in the U.K. However, the U.K.'s legislative regime is substantively similar in scope to 6MLD. The EU AML regulations were introduced in 2024, and its main objectives are to harmonize AML regulation across the EU and to reduce discrepancies in national implementations of earlier AML directives.

Additionally, the EU anti money laundering authority ("EUAMLA") was established in June 2024 and is expected to commence operations in mid-2025. EUAMLA is intended to enhance cooperation among financial intelligence units and to co-ordinate national authorities in applying EU rules to counter money laundering and terrorist financing.

### *International environmental, social and governance regulations*

There is increased regulatory and investor scrutiny over the environmental, social and governance ("ESG") impacts of the activities of financial groups such as MGL Group, including associated sustainability and greenwashing risk management, particularly in the EU and the U.K.

At the EU level, the Sustainable Finance Disclosure Regulation (EU) No. 2019/2088 (the "SFDR") was introduced to enable clients and investors to make informed investment decisions based upon standardized environmental sustainability disclosures. MAMES is subject to SFDR disclosure and periodic reporting requirements at an entity and product level. MCF is only subject to SFDR entity-level disclosure requirements. On September 14, 2023, the European Supervisory Authorities published public and targeted consultations in relation to amending SFDR. The European Commission published a summary of feedback received from the consultations on May 3, 2024 confirming strong support for changes to the SFDR framework, which may lead to a substantial overhaul of the existing disclosure regime into rules based upon product labelling and improved interoperability with other EU sustainability regulation. Proposals are not expected to be published until the fourth quarter of 2025 due to prioritization of other sustainable finance initiatives under the EU's regulatory simplification agenda.

Regulatory initiatives in the U.K. continue to focus on issuers and asset managers. MIRAE and MIMEL publishes an annual entity-specific report to comply with new FCA rules mandating climate-related disclosures for asset managers, which align with Taskforce on Climate-related Financial Disclosures ("TCFD").

On November 28, 2023, the FCA published its Policy Statement setting out its final rules on the U.K. Sustainability Disclosure Requirements ("SDR") and investment labels. SDR has a phased implementation with requirements applying between 2024-2026. The majority of this regime is for use by asset managers and distributors, and is broadly designed to prevent greenwashing and ensure consistency in sustainable product labelling. These labelling and disclosure rules have a limited impact upon MGL Group's U.K. asset management entities due to the focus on retail clients and exclusion of overseas funds. On April 23, 2024, the FCA published a consultation proposing to extend SDR to portfolio management activity. This proposal has been delayed.

Varying regulatory approaches are being taken regarding greenwashing risk management. The FCA's new anti-greenwashing rule, introduced as part of the SDR, has applied to all FCA-regulated MGL Group entities in the U.K. since May 31, 2024. This rule builds upon existing regulatory marketing principles by requiring firms to ensure that any reference to the sustainability characteristics of a product or service is consistent with the product's or service's profile and is not misleading.

The standardization of sustainability reporting continues to progress. The ISSB released its first two sustainability reporting standards (IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures) which have been effective from January 1, 2024. On May 16, 2024, the U.K. government confirmed they plan to endorse these standards in the first quarter of 2025. In the EU, the Corporate Sustainability Reporting Directive (EU) 2022/2464 (“*CSRD*”) entered into force in January 2023 and requires large European undertakings to report sustainability information under European Sustainability Reporting Standards (“*ESRS*”). The reporting framework currently in force requires certain MGL Group entities regulated in Europe to report from 2026 and MGL as a consolidated group from 2029. An omnibus package was published by the European Commission in February 2025 which proposes to delay this 2026 reporting date and revise the application of CSRD reporting requirements to a significantly smaller range of companies. The related EU Corporate Sustainability Due Diligence Directive (Directive (EU) 2024/1760) (“*CS3D*”) entered into force on July 25, 2024, imposing due diligence and reporting obligations which will expected apply to MGL as a consolidated group operating in the EU from July 2027. In future, MBE will be required to make quantitative and qualitative prudential disclosures on ESG risks as a credit institution under the revised CRR framework based on regulatory technical standards, which have not yet been issued by the European Banking Authority.

The MGL Group is also subject to modern slavery legislation and annually reports its approach towards identifying and mitigating the risk of modern slavery within its supply chain and business operations.

## **MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

*In addition to the information included in this Report, investors should refer to our 2025 Fiscal Year Management Discussion and Analysis Report for a comparative discussion and analysis of our results of operations and financial condition for the 2025 fiscal year compared to the 2024 fiscal year, along with other balance sheet, capital and liquidity disclosures as at and for the fiscal year ended March 31, 2025, and our 2024 Fiscal Year Management Discussion and Analysis Report for a comparative discussion and analysis of our results of operations and financial condition for the 2024 fiscal year compared to the 2023 fiscal year, each of which is posted on MBL’s U.S. Investors’ Website.*

### **Fiscal year ended March 31, 2025 compared to fiscal year ended March 31, 2024**

See sections 1 – 7 of our 2025 Fiscal Year Management Discussion and Analysis Report for a discussion of our results of operations and financial condition for the 2025 and 2024 fiscal years, which has been incorporated by reference herein.

#### ***Accounting restatement***

In our 2025 annual financial statements, we revised our measure of financial investments included within cash and cash equivalents to exclude financial investments with a residual maturity of three months or less at the relevant balance date but whose maturity exceeded three months at the date of acquisition, which impacted the amount of cash and cash equivalents and cash flows from the operating activities under liquid asset holdings we reported. We restated the comparative figures as at and for the year to March 31, 2024 on the same basis. See Note 26 to our 2025 annual financial statements for more information. Our 2024 Annual Report that is incorporated by reference herein contains the comparative figures as at and for the years ended March 31, 2024 and 2023 on the prior basis.

### **Fiscal year ended March 31, 2024 compared to fiscal year ended March 31, 2023**

See sections 1 – 7 of our 2024 Fiscal Year Management Discussion and Analysis Report for a discussion of our results of operations and financial condition for the 2024 and 2023 fiscal years, which has been incorporated by reference herein.





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