

2025 Management Discussion and Analysis

Macquarie Group | Year ended 31 March 2025





Commodity Markets and Finance, United States

Commodities and Global Markets' Commodity Markets and Finance team combines activities in the physical and financial commodity markets to create highly effective and bespoke risk management solutions for clients across the energy sector.

Macquarie Group Limited ABN 94 122 169 279

Notice to readers

The purpose of this report is to provide information supplementary to the Macquarie Group Limited Financial Report (the Financial Report) for the year ended 31 March 2025, including further detail in relation to key elements of Macquarie Group Limited and its subsidiaries' (Macquarie, the Consolidated Entity) financial performance and financial position. The report also outlines the funding and capital profile of the Consolidated Entity.

Certain financial information in this report is prepared on a different basis to that contained in the Financial Report, which is prepared in accordance with Australian Accounting Standards. Where financial information presented within this report does not comply with Australian Accounting Standards, a reconciliation to the statutory information is provided.

Date of this report

This report has been prepared for the year ended 31 March 2025 and is current as at 9 May 2025.

Cover image

Cubbie Ag, Australia

Cubbie Ag comprises 93,700 hectares of farmland in Australia and can produce more than 250,000 bales of cotton in full production years. Since 2019, Macquarie Asset Management's investment has supported Cubbie Ag in delivering its operational and sustainability initiatives.



Explanatory notes

Comparative information and conventions

Where necessary, comparative figures have been restated to conform to changes in current year financial presentation and group structures.

References to the prior year are to the 12 months ended 31 March 2024.

References to the first half are to the six months ended 30 September 2024.

References to the second half are to the six months ended 31 March 2025.

In the financial tables throughout this document “**” indicates that the absolute percentage change in the balance was greater than 300% or indicates the result was a gain in one period but a loss in another, or vice versa.

Independent Auditor’s Report

This document should be read in conjunction with the Financial Report for the year ended 31 March 2025, which was subject to independent audit by PricewaterhouseCoopers.

PricewaterhouseCoopers’ independent auditor’s report to the members of Macquarie Group Limited dated 9 May 2025 was unqualified.

Any additional financial information in this document which is not included in the Financial Report was not subject to independent audit by PricewaterhouseCoopers.

Disclaimer

The material in this document has been prepared by Macquarie Group Limited ABN 94 122 169 279 (“MGL”) and is general background information about Macquarie’s (“MGL and its subsidiaries”) activities current as at the date of this document. This information is given in summary form and does not purport to be complete. The material in this document may include information derived from publicly available sources that have not been independently verified. Information in this document should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or other financial products or instruments and does not take into account your particular investment objectives, financial situation or needs. Before acting on any information you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice. No representation or warranty is made as to the accuracy, completeness or reliability of the information. All securities and financial product or instrument transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments and, in international transactions, currency risk.

This document may contain forward looking statements – that is, statements related to future, not past, events or other matters – including, without limitation, statements regarding our intent, belief or current expectations with respect to Macquarie’s businesses and operations, market conditions, results of operation and financial condition, capital adequacy, provisions for impairments and risk management practices. Readers are cautioned not to place undue reliance on these forward looking statements. Macquarie does not undertake any obligation to publicly release the result of any revisions to these forward looking statements or to otherwise update any forward looking statements, whether as a result of new information, future events or otherwise, after the date of this document. Actual results may vary in a materially positive or negative manner. Forward looking statements and hypothetical examples are subject to uncertainty and contingencies outside Macquarie’s control. Past performance is not a reliable indication of future performance.

Other than Macquarie Bank Limited ABN 46 008 583 542 (“MBL”), any Macquarie group entity noted in this document is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Cth). That entity’s obligations do not represent deposits or other liabilities of MBL and MBL does not guarantee or otherwise provide assurance in respect of the obligations of that entity. Any investments are subject to investment risk including possible delays in repayment and loss of income and principal invested.

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01

Results Overview

Viamed Salud, Spain

Viamed is a private healthcare group providing essential services across Spain. Since 2020, Macquarie Asset Management has supported Viamed's growth and sustainability agenda, including through the installation of a green hydrogen plant at its hospital in Murcia - the first in Europe to benefit from the technology.





1.1 Executive Summary

Macquarie (MGL and its subsidiaries, the Consolidated Entity) is a global financial services group with offices in 31 markets.

Macquarie Group Limited (MGL, the Company) is listed in Australia and is regulated by the Australian Prudential Regulation Authority (APRA), the Australian banking regulator, as a Non-Operating Holding Company (NOHC) of Macquarie Bank Limited (MBL), an authorised deposit-taking institution (ADI). Macquarie's activities are also subject to supervision by various other regulatory agencies around the world.

Founded in 1969, Macquarie now employs over 19,700¹ people globally, has total assets of \$A445.2 billion and total equity of \$A35.8 billion as at 31 March 2025.

Macquarie's breadth of expertise covers asset management, retail and business banking, wealth management, as well as advisory, risk and capital solutions across debt, equity, financial markets and commodities. The diversity of our operations, combined with a strong capital position and robust risk management framework, has contributed to Macquarie's 56-year record of unbroken profitability.

Macquarie works with government, institutional, corporate and retail clients and counterparties around the world, providing a diversified range of products and services. We have established leading market positions as a global specialist in a wide range of sectors, including renewables, infrastructure, resources, technology and services, commodities and energy.

Alignment of interests is a longstanding feature of Macquarie's client-focused business, demonstrated by our willingness to both invest alongside clients and closely align the interests of our shareholders and staff.

¹ This figure includes staff employed in certain operationally segregated subsidiaries (OSS).

FY2025 net profit¹**\$A3,715m**

↑ 5% on prior year

FY2025 net operating income

\$A17,208m

↑ 2% on prior year

FY2025 operating expenses

\$A12,140m

broadly in line with the prior year

FY2025 return on equity

11.2%

↑ from 10.8% in the prior year

FY2025 return on tangible equity

12.7%

↑ from 12.4% in the prior year

~54%

Annuity-style | Income

~29%**~17%**

Markets-facing | Income

¹ Net profit is profit after tax attributable to ordinary equity holders of Macquarie Group Limited.

1.1 Executive Summary

Continued

FY2025 net profit contribution¹ by Operating Group

Summary of the Operating Groups' performance for the year ended 31 March 2025.

Non-Banking Group	Macquarie Asset Management (MAM) \$A1,610m ↑ 33% on prior year due to <ul style="list-style-type: none"> increased net income on equity, debt and other investments primarily driven by the gain on sale of Macquarie Rotorcraft increased performance fees from Private Markets-managed funds, managed accounts and co-investors increased share of net profits from associates and joint ventures primarily driven by higher net profits from the sale of underlying assets within equity accounted investments and funds. Partially offset by: <ul style="list-style-type: none"> non-recurrence of an impairment reversal recognised on a green equity investment in the prior year increased other (expenses)/income primarily driven by higher net expenditure in green platforms on balance sheet. 	Macquarie Capital \$A1,043m broadly in line with the prior year due to <ul style="list-style-type: none"> lower credit and equity impairment reversals compared to the prior year, higher credit provisions due to deployment of the private credit portfolio and an increase in expected credit loss provisions driven by a deterioration in the macroeconomic outlook higher funding costs reflecting growth in the equity investment portfolio lower net gains on investments compared to the prior year. Partially offset by: <ul style="list-style-type: none"> higher fee and commission income, driven by advisory fee income, particularly in Europe and ANZ and higher brokerage fee income mainly due to increased market activity in Asia and ANZ higher net interest income from the private credit portfolio, benefitting from \$A3.6 billion of growth in average drawn loan assets.
	Banking and Financial Services (BFS) \$A1,380m ↑ 11% on prior year due to <ul style="list-style-type: none"> lower operating expenses reflecting lower average headcount driven by digitalisation and operational improvements and the cessation of car loan originations higher net interest income driven by growth in the average loan and deposit portfolios, partially offset by margin compression due to lending and deposit competition and changes in portfolio mix higher fee and commission income driven by growth in average funds on platform, as well as higher lending and transaction volumes. Partially offset by: <ul style="list-style-type: none"> higher credit impairments driven by changes to recovery expectations for the residual car loan portfolio and deterioration in the macroeconomic outlook, partially offset by changes in the composition of portfolio growth. 	Commodities and Global Markets (CGM)² \$A2,829m ↓ 12% on prior year due to <ul style="list-style-type: none"> decreased risk management income primarily driven by decreased client hedging activity due to subdued conditions in certain commodity markets, particularly EMEA Gas, Power and Emissions and Global Oil. These reductions were partially offset by increased contributions from Resources, primarily from the metals sector, and Agriculture decreased inventory management and trading income driven by timing of income recognition on North American Gas and Power contracts and a reduction in oil trading, partially offset by increased trading gains in North American Gas and Power markets higher operating expenses driven by increased brokerage, commission and fee expenses across equities, foreign exchange, interest rates and credit as well as increased investment on technology platform and infrastructure. Partially offset by: <ul style="list-style-type: none"> increased equities income driven by increased client activity and trading opportunities increased foreign exchange, interest rate and credit products income driven by continued strong client hedging activity in structured foreign exchange products and increased contributions from financing origination.
Corporate Net expenses of \$A3,147m ↓ 1% on prior year due to <ul style="list-style-type: none"> higher net interest and trading income primarily driven by higher earnings on capital higher other income from a one-off sale of centrally held assets. Partially offset by: <ul style="list-style-type: none"> higher credit and other impairment charges driven by a deterioration in the macroeconomic outlook and legacy goodwill impairment. 		

¹ Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax.

² Certain assets of the Financial 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.

Profit attributable to the ordinary equity holders

\$A3,715m

↑ 5% on prior year

	HALF YEAR TO			FULL YEAR TO		
	Mar 25	Sep 24	Movement	Mar 25	Mar 24	Movement
	\$Am	\$Am	%	\$Am	\$Am	%
Financial performance summary						
Net interest income	1,838	1,669	10	3,507	3,459	1
Net trading income	2,910	2,460	18	5,370	5,448	(1)
Fee and commission income	3,490	3,300	6	6,790	6,249	9
Share of net profits/(losses) from associates and joint ventures	166	1	*	167	(49)	*
Net credit impairment (charges)/reversals	(212)	(54)	293	(266)	134	*
Net other impairment (charges)/reversals	(74)	(21)	252	(95)	235	*
Net other operating income	874	861	2	1,735	1,411	23
Net operating income	8,992	8,216	9	17,208	16,887	2
Employment expenses	(3,904)	(3,756)	4	(7,660)	(7,723)	(1)
Brokerage, commission and fee expenses	(626)	(580)	8	(1,206)	(1,071)	13
Non-salary technology expenses	(625)	(575)	9	(1,200)	(1,163)	3
Other operating expenses	(1,066)	(1,008)	6	(2,074)	(2,104)	(1)
Total operating expenses	(6,221)	(5,919)	5	(12,140)	(12,061)	1
Operating profit before income tax	2,771	2,297	21	5,068	4,826	5
Income tax expense	(640)	(686)	(7)	(1,326)	(1,291)	3
Profit after income tax	2,131	1,611	32	3,742	3,535	6
(Profit)/loss attributable to non-controlling interests	(28)	1	*	(27)	(13)	108
Profit attributable to ordinary equity holders of Macquarie Group Limited	2,103	1,612	30	3,715	3,522	5
Key metrics						
Expense to income ratio (%)	69.2	72.0		70.5	71.4	
Compensation ratio (%)	41.3	43.1		42.2	43.1	
Effective tax rate (%)	23.3	29.9		26.3	26.8	
Basic earnings per share (cents per share)	554.8	424.6		979.4	916.6	
Diluted earnings per share (cents per share)	552.3	423.0		975.5	911.4	
Dividend per ordinary share (cents per share)	390.0	260.0		650.0	640.0	
Ordinary dividend payout ratio (%)	71	61		67	70	
Annualised return on equity (%)	12.5	9.9		11.2	10.8	
Annualised return on tangible equity (%)	13.9	11.4		12.7	12.4	

1.1 Executive Summary

Continued

Net operating income

Net operating income of \$A17,208 million for the year ended 31 March 2025 increased 2% from \$A16,887 million in the prior year. The increase was primarily driven by higher fee and commission income, higher net other operating income and share of net profits from associates and joint ventures. This was partially offset by credit and other impairment charges in the current year.

Net interest and trading income

FULL YEAR TO		broadly in line with prior year
31 Mar 25	31 Mar 24	
\$Am	\$Am	
8,877	8,907	

Largely driven by:

- lower risk management income primarily in EMEA Gas, Power and Emissions and Global Oil, partially offset by increased contributions from Resources and Agriculture, in CGM
- lower inventory management and trading income driven by timing of income recognition on North American Gas and Power contracts and a reduction in oil trading, partially offset by increased trading gains in North American Gas and Power markets, in CGM
- higher funding costs reflecting growth in the equity investment portfolio, in Macquarie Capital.

Partially offset by:

- higher net interest income due to growth in the average private credit portfolio, in Macquarie Capital
- higher equities income driven by increased client activity and trading opportunities, in CGM
- higher foreign exchange, interest rate and credit products income driven by continued strong client hedging activity and increased contributions from financing origination, in CGM
- higher net interest income due to growth in the average loan and deposit portfolios, partially offset by margin compression and changes in portfolio mix, in BFS.

Share of net profits/(losses) from associates and joint ventures

FULL YEAR TO		↑ substantially on prior year
31 Mar 25	31 Mar 24	
\$Am	\$Am	
167	(49)	

Largely driven by:

- higher net profits from the sale of underlying assets within equity accounted investments and funds and overall performance of the investment portfolio, in MAM.

Net other operating income

FULL YEAR TO		↑23% on prior year
31 Mar 25	31 Mar 24	
\$Am	\$Am	
1,735	1,411	

Largely driven by:

- the gain on sale of Macquarie Rotorcraft, in MAM
- a one-off sale of centrally held assets, in Corporate.

Partially offset by:

- increased net expenditure in green platforms on balance sheet, in MAM.

Fee and commission income

FULL YEAR TO		↑9% on prior year
31 Mar 25	31 Mar 24	
\$Am	\$Am	
6,790	6,249	

Largely driven by:

- higher performance fees from Private Markets-managed funds, managed accounts and co-investors, in MAM
- higher advisory fee income, particularly in Europe and ANZ and higher brokerage fee income mainly due to increased market activity in Asia and ANZ, in Macquarie Capital
- higher base fees in Private Markets due to fundraising and investments made, partially offset by asset realisations in funds, in MAM.

Credit and other impairment (charges)/reversals

FULL YEAR TO		↑ substantially on prior year
31 Mar 25	31 Mar 24	
\$Am	\$Am	
(361)	369	

Largely driven by:

- deterioration in the macroeconomic outlook
- non-recurrence of an impairment reversal recognised on a green equity investment in the prior year, in MAM
- lower credit and equity impairment reversals compared to the prior year and higher credit provisions due to deployment of the private credit portfolio, in Macquarie Capital.

Operating expenses

Total operating expenses of \$A12,140 million for the year ended 31 March 2025 were broadly in line with the prior year.

Employment expenses

FULL YEAR TO	
31 Mar 25	31 Mar 24
\$Am	\$Am
7,660	7,723

broadly in line
with prior year

Largely driven by:

- lower salary and related expenses from lower average headcount.

Partially offset by:

- wage inflation
- higher profit share and share-based payments expenses mainly as a result of the performance of the Consolidated Entity.

Non-salary technology expenses

FULL YEAR TO	
31 Mar 25	31 Mar 24
\$Am	\$Am
1,200	1,163

↑3%
on prior year

Largely driven by:

- increased investment in technology initiatives, with a focus on data and digitalisation, to support business growth.

Partially offset by:

- lower project-based consultancy spend.

Brokerage, commission and fee expenses

FULL YEAR TO	
31 Mar 25	31 Mar 24
\$Am	\$Am
1,206	1,071

↑13%
on prior year

Largely driven by:

- increased hedging and trading-related expenses across equities, foreign exchange, interest rates and credit, in CGM
- increased market activity, in Macquarie Capital.

Other operating expenses

FULL YEAR TO	
31 Mar 25	31 Mar 24
\$Am	\$Am
2,074	2,104

broadly in line
with prior year

Largely driven by:

- non-recurrence of expenses related to a specific legacy matter and other transaction-related charges
- lower indirect and other tax expenses.

Partially offset by:

- higher occupancy expenses.

Income tax expense

Income tax expense of \$A1,326 million for the year ended 31 March 2025 increased 3% from \$A1,291 million in the prior year. The effective tax rate¹ for the year ended 31 March 2025 was 26.3%, down from 26.8% in the prior year.

The lower effective tax rate compared to the prior year was mainly driven by the geographic composition and nature of earnings.

¹ Calculation of the effective tax rate is after adjusting for the impact of non-controlling interests.

02

Financial Performance Analysis

Fixed Income and Currencies, Europe

Commodities and Global Markets' Fixed Income and Currencies teams in London and Paris offer a comprehensive suite of services in foreign exchange, interest rates and credit markets to corporate and institutional clients across Europe.





2.1 Net Interest and Trading Income

	HALF YEAR TO			FULL YEAR TO		
	Mar 25	Sep 24	Movement	Mar 25	Mar 24	Movement
	\$Am	\$Am	%	\$Am	\$Am	%
Net interest income	1,838	1,669	10	3,507	3,459	1
Net trading income	2,910	2,460	18	5,370	5,448	(1)
Net interest and trading income	4,748	4,129	15	8,877	8,907	(<1)

Net interest income and net trading income are recorded in accordance with Australian Accounting Standards, with net interest income brought to account using the effective interest method and net trading income predominantly comprising gains and losses relating to trading activities.

For CGM, which predominantly earns income from trading-related activities, the relative contribution of net interest income and net trading income from those activities can vary from period to period depending on the underlying trading strategies undertaken by the Consolidated Entity and its clients.

With respect to businesses that predominantly earn income from lending activities, derivatives that hedge interest rate risk are measured at fair value through profit or loss (FVTPL). Changes in the fair value are presented in net trading income and give rise to income statement volatility unless designated in hedge accounting relationships. If designated in fair value hedge accounting relationships, the carrying value of the hedged items are adjusted for changes in the fair value attributable to the hedged risks to reduce volatility in the income statement. If designated in cash flow hedge accounting relationships, the effective portion of the derivatives' fair value gains or losses are deferred in the cash flow hedge reserve as part of Other Comprehensive Income (OCI), and subsequently recognised in the income statement at the time at which the hedged items affect the income statement for the hedged risks. For segment reporting, derivatives are accounted for on an accrual basis in the results of the Operating Groups to the extent that the Corporate segment manages the derivative volatility, either through the application of hedge accounting or where the derivative volatility may offset the volatility of other positions managed within the Corporate segment.

The presentation of net interest income and net trading income separately can distort the analysis of the underlying activities and drivers. For example, within Asset Finance (a business within CGM), interest rate swaps are entered into to hedge the interest rate risk associated with loan assets. The interest income and associated funding costs are recognised in net interest income, however, the related swaps are recognised in net trading income. Accordingly, net interest income and net trading income are presented and discussed below in aggregate for each Operating Group, which management believes presents a more consistent overview of business performance and allows for a better analysis of the underlying activities and drivers.

	HALF YEAR TO			FULL YEAR TO		
	Mar 25	Sep 24	Movement	Mar 25	Mar 24	Movement
	\$Am	\$Am	%	\$Am	\$Am	%
MAM	(283)	(293)	(3)	(576)	(557)	3
BFS	1,391	1,326	5	2,717	2,645	3
CGM						
Commodities						
Risk management	1,078	886	22	1,964	2,251	(13)
Lending and financing	179	187	(4)	366	359	2
Inventory management and trading	357	333	7	690	906	(24)
Foreign exchange, interest rates and credit	708	632	12	1,340	1,231	9
Equities	245	203	21	448	331	35
Asset Finance	54	28	93	82	78	5
Macquarie Capital	490	322	52	812	690	18
Corporate	529	505	5	1,034	973	6
Net interest and trading income	4,748	4,129	15	8,877	8,907	(<1)

Net interest and trading income of \$A8,877 million for the year ended 31 March 2025 was broadly in line with the prior year.

MAM

Net interest and trading expense includes funding costs and hedging impacts related to investments, receivables and operating leases.

Net interest and trading expense of \$A576 million for the year ended 31 March 2025 was broadly in line with the prior year.

BFS

Net interest and trading income relates to interest income earned from the loan portfolio that primarily comprises home loans, loans to businesses, car loans and credit cards. BFS also generates income from deposits, which are used as a source of funding.

Net interest and trading income of \$A2,717 million for the year ended 31 March 2025 increased 3% from \$A2,645 million in the prior year, primarily due to 11% growth in the average loan portfolio¹ and 16% growth in average BFS deposit volumes¹. This was partially offset by margin compression due to lending and deposit competition and changes in portfolio mix.

As at 31 March 2025 the loan and deposit portfolios included:

- home loan volumes² of \$A141.7 billion, up 19% from \$A119.3 billion as at 31 March 2024
- business banking loan volumes of \$A16.7 billion, up 6% from \$A15.8 billion as at 31 March 2024
- car loan volumes of \$A2.7 billion, down 41% from \$A4.6 billion as at 31 March 2024, and
- BFS deposits³ of \$A172.4 billion, up 21% from \$A142.7 billion as at 31 March 2024.

CGM

Net interest and trading income of \$A4,890 million for the year ended 31 March 2025 decreased 5% from \$A5,156 million in the prior year.

Commodities

(i) Risk management

Income from risk management is driven by managing clients' exposure to commodity price volatility, which is supported by our strong internal risk management framework.

Risk management income of \$A1,964 million for the year ended 31 March 2025 decreased 13% from \$A2,251 million in the prior year, primarily driven by decreased client hedging activity due to subdued conditions in certain commodity markets, particularly EMEA Gas, Power and Emissions and Global Oil. These reductions were partially offset by increased contributions from Resources, primarily from the metals sector, and Agriculture.

(ii) Lending and financing

Lending and financing activities include interest income from the provision of loans and working capital finance to clients across a range of commodity sectors including metals, energy and agriculture. Commodities lending and financing activities are primarily secured against underlying assets and typically have associated hedging to protect against downside risk.

Lending and financing income of \$A366 million for the year ended 31 March 2025 was broadly in line with the prior year.

(iii) Inventory management and trading

CGM enters into financial and physical contracts including exchange traded derivatives, OTC derivatives, storage contracts and transportation agreements as part of its commodities platform. These arrangements enable CGM to facilitate client transactions and provide CGM with trading opportunities where there is an imbalance between the supply and demand for commodities. Revenue is dependent on a number of factors including the volume of transactions, the level of risk assumed and the volatility of price movements across commodity markets and products.

Storage and transportation contracts, which are managed on a fair value basis for financial and risk management purposes, are required to be accounted for on an accruals basis for statutory reporting purposes, which may result in some variability in the timing of reported income.

Inventory management and trading income of \$A690 million for the year ended 31 March 2025 decreased 24% from \$A906 million in the prior year, driven by timing of income recognition on North American Gas and Power contracts and a reduction in oil trading, partially offset by increased trading gains in North American Gas and Power markets.

Foreign exchange, interest rates and credit

Net interest and trading income from foreign exchange, interest rates and credit related activities are generated from the provision of trading and hedging services to a range of corporate and institutional clients globally, in addition to making secondary markets in corporate debt securities, syndicated bank loans and middle market loans and providing specialty lending.

Net interest and trading income from foreign exchange, interest rates and credit related activities of \$A1,340 million for the year ended 31 March 2025 increased 9% from \$A1,231 million in the prior year, due to continued strong client hedging activity in structured foreign exchange products and increased contributions from financing origination.

¹ Calculations based on average volumes net of offset accounts.

² Home loan volumes exclude offset accounts.

³ BFS deposits include home loan offset accounts.

2.1 Net Interest and Trading Income

Continued

Equities

Equities net interest and trading income is generated from the issue of derivative products, the provision of equity finance solutions to institutional clients and the conduct of risk management and trading activities.

Equities net interest and trading income of \$A448 million for the year ended 31 March 2025 increased 35% from \$A331 million in the prior year, primarily from increased client activity and trading opportunities.

Macquarie Capital

Net interest and trading income includes the interest income earned from debt investments and the funding costs associated with both the debt and equity investment portfolios.

Net interest and trading income of \$A812 million for the year ended 31 March 2025 increased 18% from \$A690 million in the prior year.

The increase was primarily due to higher net interest income from the private credit portfolio, up 21% on the prior year, benefitting from \$A3.6 billion¹ of growth in average drawn loan assets. This was partially offset by higher funding costs reflecting growth in the equity investment portfolio.

Corporate

Net interest and trading income in the Corporate segment includes the net result of managing Macquarie's liquidity and funding requirements, with the Operating Groups assumed to be fully debt funded for the purposes of the internal funding charges.

The Corporate segment also includes earnings on capital, funding costs associated with investments held centrally, and accounting volatility arising from movements in underlying rates relating to economically hedged positions where hedge accounting is not applied.

Net interest and trading income of \$A1,034 million for the year ended 31 March 2025 increased 6% from \$A973 million in the prior year, primarily driven by higher earnings on capital.

¹ Average volume calculation is based on balances converted at spot foreign exchange rates as at 31 March 2025.

2.2 Fee and Commission Income

	HALF YEAR TO			FULL YEAR TO		
	Mar 25	Sep 24	Movement	Mar 25	Mar 24	Movement
	\$Am	\$Am	%	\$Am	\$Am	%
Base fees	1,500	1,448	4	2,948	2,895	2
Portfolio administration fees	163	158	3	321	298	8
Other asset management fees	102	100	2	202	200	1
Base, portfolio administration and other asset management fees	1,765	1,706	3	3,471	3,393	2
Performance fees	434	403	8	837	632	32
Mergers and acquisitions, advisory and underwriting fees	503	413	22	916	743	23
Brokerage and other trading-related fees	434	429	1	863	791	9
Other fee and commission income	354	349	1	703	690	2
Total fee and commission income	3,490	3,300	6	6,790	6,249	9

Total fee and commission income of \$A6,790 million for the year ended 31 March 2025 increased 9% from \$A6,249 million in the prior year. The increase was primarily driven by higher performance fees in MAM and higher base fees in MAM Private Markets due to fundraising and investments made, partially offset by asset realisations in funds. Macquarie Capital recognised higher advisory and brokerage fee income.

Base fees, Other asset management fees and Performance fees

	HALF YEAR TO			FULL YEAR TO		
	Mar 25	Sep 24	Movement	Mar 25	Mar 24	Movement
	\$Am	\$Am	%	\$Am	\$Am	%
Base fees						
MAM						
Public Investments	744	721	3	1,465	1,474	(1)
Private Markets	745	715	4	1,460	1,400	4
Total MAM	1,489	1,436	4	2,925	2,874	2
Other Operating Groups	11	12	(8)	23	21	10
Total base fee income	1,500	1,448	4	2,948	2,895	2
Performance fees						
MAM	434	403	8	837	631	33
Other Operating Groups	-	-	-	-	1	(100)
Total performance fee income	434	403	8	837	632	32

2.2 Fee and Commission Income

Continued

Base fees

Base fees of \$A2,948 million for the year ended 31 March 2025 increased 2% from \$A2,895 million in the prior year.

Base fees are typically generated from funds management activities and are mainly attributable to MAM.

Base fees in Private Markets were higher due to fundraising and investments made by funds and mandates, partially offset by asset realisations in funds and spin off of the majority of the Core/Core Plus real estate business. This was largely offset by lower base fees in Public Investments primarily due to outflows in equity strategies, partially offset by favourable market movements.

Refer to Section 7 for further details of MAM's Assets under Management (AUM) and Equity under Management (EUM).

Portfolio administration fees

Portfolio administration fees include administration fees earned on the BFS Wrap platform.

Portfolio administration fees of \$A321 million for the year ended 31 March 2025 increased 8% from \$A298 million in the prior year, due to higher average funds on platform.

Other asset management fees

Other asset management fees include distribution and marketing service fees in MAM.

Other asset management fees of \$A202 million for the year ended 31 March 2025 were broadly in line with the prior year.

Performance fees

Performance fees are typically generated from Macquarie-managed funds and assets that have outperformed pre-defined benchmarks.

Performance fees of \$A837 million for the year ended 31 March 2025 increased 32% from \$A632 million in the prior year.

Performance fees for the year ended 31 March 2025 included performance fees from a range of funds including Macquarie Asia Infrastructure Fund (MAIF) 2, Macquarie European Infrastructure Fund (MEIF) 4, Macquarie Infrastructure Partners (MIP) III and other Private Markets-managed funds, managed accounts and co-investors.

The prior year included performance fees from MIP III, MEIF4, Macquarie Korea Opportunities Fund (MKOF) 3, MKOF4 and other Private Markets-managed funds, managed accounts and co-investors.

Mergers and acquisitions, advisory and underwriting fees

Mergers and acquisitions, advisory and underwriting fees of \$A916 million for the year ended 31 March 2025 increased 23% from \$A743 million in the prior year and were mainly attributable to Macquarie Capital, particularly in Europe and ANZ.

Brokerage and other trading-related fee income

Brokerage and other trading-related fees primarily include brokerage income from the Equities business in Macquarie Capital, the Equity Derivatives and Trading and Futures businesses in CGM and brokerage income from the provision of wealth services in BFS.

Brokerage and other trading-related fee income of \$A863 million for the year ended 31 March 2025 increased 9% from \$A791 million in the prior year, mainly due to increased market activity in Macquarie Capital, particularly in Asia and ANZ.

Other fee and commission income

Other fee and commission income includes other fees earned on a range of BFS' products and services including the Wrap platform, home loans, car loans, credit cards, business loans and deposits. MAM includes fees related to distribution and marketing services, transfer agent oversight services, and commission income, while CGM includes structured, index and retail products.

Other fee and commission income of \$A703 million for the year ended 31 March 2025 was broadly in line with the prior year.

2.3 Share of Net Profits/(Losses) from Associates and Joint Ventures

	HALF YEAR TO			FULL YEAR TO		
	Mar 25	Sep 24	Movement	Mar 25	Mar 24	Movement
	\$Am	\$Am	%	\$Am	\$Am	%
Share of net profits/(losses) from associates and joint ventures	166	1	*	167	(49)	*

Share of net profits from associates and joint ventures of \$A167 million for the year ended 31 March 2025 compared to losses of \$A49 million in the prior year. This movement was primarily driven by higher net profits from the sale of underlying assets within equity accounted investments and funds as well as overall performance of the investment portfolio, in MAM.

2.4 Credit and Other Impairment (Charges)/Reversals

	HALF YEAR TO			FULL YEAR TO		
	Mar 25	Sep 24	Movement	Mar 25	Mar 24	Movement
	\$Am	\$Am	%	\$Am	\$Am	%
Credit impairment (charges)/reversals						
Loan assets	(217)	(72)	201	(289)	107	*
Financial investments and other assets	(26)	(10)	160	(36)	(27)	33
Loans to associates and joint ventures	13	16	(19)	29	27	7
Off balance sheet exposures	34	12	183	46	11	*
Margin money and settlement assets	(17)	(1)	*	(18)	16	*
Gross credit impairment (charges)/reversals	(213)	(55)	287	(268)	134	*
Recovery of amounts previously written off	1	1	-	2	-	*
Net credit impairment (charges)/reversals	(212)	(54)	293	(266)	134	*
Other impairment (charges)/reversals						
Interests in associates and joint ventures	16	(4)	*	12	263	(95)
Intangible and other non-financial assets	(90)	(17)	*	(107)	(28)	282
Net other impairment (charges)/reversals	(74)	(21)	252	(95)	235	*
Total credit and other impairment (charges)/reversals	(286)	(75)	281	(361)	369	*

	HALF YEAR TO			FULL YEAR TO		
	Mar 25	Sep 24	Movement	Mar 25	Mar 24	Movement
	\$Am	\$Am	%	\$Am	\$Am	%
MAM	(12)	4	*	(8)	122	*
BFS	(24)	(21)	14	(45)	15	*
CGM	(81)	(16)	*	(97)	11	*
Macquarie Capital	(73)	(42)	74	(115)	164	*
Corporate	(96)	-	*	(96)	57	*
Total credit and other impairment (charges)/reversals	(286)	(75)	281	(361)	369	*

Total credit and other impairment charges of \$A361 million for the year ended 31 March 2025 compared to reversals of \$A369 million in the prior year.

Net credit impairment charges of \$A266 million compared to reversals of \$A134 million in the prior year, mainly driven by a deterioration in the macroeconomic outlook and higher credit provisions due to deployment of the private credit portfolio, in Macquarie Capital.

Net other impairment charges of \$A95 million compared to reversals of \$A235 million in the prior year, mainly driven by the non-recurrence of an impairment reversal on a green equity investment in the prior year, in MAM, lower equity impairment reversals in Macquarie Capital and legacy goodwill impairment in Corporate.

MAM

Net credit and other impairment charges of \$A8 million for the year ended 31 March 2025 compared to reversals of \$A122 million in the prior year, primarily driven by the non-recurrence of an impairment reversal recognised on a green equity investment in the prior year.

BFS

Net credit and other impairment charges of \$A45 million for the year ended 31 March 2025 compared to reversals of \$A15 million in the prior year, largely driven by changes to recovery expectations for the residual car loan portfolio and deterioration in the macroeconomic outlook, partially offset by changes in the composition of portfolio growth.

CGM

Net credit and other impairment charges of \$A97 million for the year ended 31 March 2025 compared to reversals of \$A11 million in the prior year, driven by an increase in expected credit loss provisions due to a deterioration in the macroeconomic outlook.

Macquarie Capital

Net credit and other impairment charges of \$A115 million for the year ended 31 March 2025 compared to reversals of \$A164 million in the prior year.

The movement reflected lower credit and equity impairment reversals compared to the prior year, higher credit provisions due to deployment of the private credit portfolio and an increase in expected credit loss provisions driven by a deterioration in the macroeconomic outlook.

Corporate

Net credit and other impairment charges of \$A96 million for the year ended 31 March 2025 compared to reversals of \$A57 million in the prior year, driven by an increase in expected credit loss provisions due to a deterioration in macroeconomic outlook and legacy goodwill impairment.

For further information on the Consolidated Entity's determination of its expected credit losses, please refer to Note 13 *Expected credit losses* in the Annual Report.

2.5 Net Other Operating Income

	HALF YEAR TO			FULL YEAR TO		
	Mar 25 \$Am	Sep 24 \$Am	Movement %	Mar 25 \$Am	Mar 24 \$Am	Movement %
Investment income						
Net gain from interests in businesses and subsidiaries	314	129	143	443	303	46
Net gain from financial investments	77	153	(50)	230	505	(54)
Net gain from interests in associates and joint ventures	345	221	56	566	284	99
Net gain from non-financial assets	62	14	*	76	18	*
Net investment income	798	517	54	1,315	1,110	18
Rental income	516	514	<1	1,030	1,023	1
Depreciation	(234)	(235)	(<1)	(469)	(470)	(<1)
Net operating lease income	282	279	1	561	553	1
Subsidiaries and businesses held for investment purposes¹						
Net operating revenue ²	367	419	(12)	786	749	5
Expenses ³	(698)	(657)	6	(1,355)	(1,131)	20
Net loss from subsidiaries and businesses held for investment purposes	(331)	(238)	39	(569)	(382)	49
Net other income	125	303	(59)	428	130	229
Total net other operating income	874	861	2	1,735	1,411	23

Total net other operating income of \$A1,735 million for the year ended 31 March 2025 increased 23% from \$A1,411 million in the prior year, mainly driven by the gain on sale of Macquarie Rotorcraft, in MAM and a one-off sale of centrally held assets in Corporate, partially offset by increased net expenditure in green platforms on balance sheet, in MAM.

Investment income

Investment income of \$A1,315 million for the year ended 31 March 2025 increased 18% from \$A1,110 million in the prior year, mainly driven by the gain on sale of Macquarie Rotorcraft in MAM, partially offset by lower net gains on investments in Macquarie Capital.

Net operating lease income

Net operating lease income of \$A561 million for the year ended 31 March 2025 was broadly in line with the prior year.

Businesses and subsidiaries held for investment purposes

Net loss from businesses and subsidiaries held for investment purposes of \$A569 million for the year ended 31 March 2025 increased 49% from \$A382 million in the prior year, primarily driven by higher net expenditure in green platforms on balance sheet, in MAM.

Other income

Other income of \$A428 million for the year ended 31 March 2025 was substantially up from \$A130 million in the prior year, primarily driven by a one-off sale of centrally held assets in Corporate and increased inventory sales, gain on sale of receivables and loan termination fees, in CGM.

¹ Businesses and subsidiaries held for investment purposes are consolidated entities that are held with the ultimate intention to sell as part of Macquarie's investment activities.

² Includes revenue of \$A1,156 million (2024: \$A1,064 million) before deduction of \$A370 million (2024: \$A315 million) related to cost of goods sold and other direct costs.

³ Includes employment expenses, depreciation, amortisation, impairment expenses, finance cost and other operating expenses.

2.6 Operating Expenses

	HALF YEAR TO			FULL YEAR TO		
	Mar 25 \$Am	Sep 24 \$Am	Movement %	Mar 25 \$Am	Mar 24 \$Am	Movement %
Employment expenses						
Salary and related costs including commissions, superannuation and performance-related profit share	(3,295)	(3,074)	7	(6,369)	(6,394)	(<1)
Share-based payments	(409)	(433)	(6)	(842)	(833)	1
Provision for long service leave and annual leave	(10)	(34)	(71)	(44)	(46)	(4)
Total compensation expenses	(3,714)	(3,541)	5	(7,255)	(7,273)	(<1)
Other employment expenses including on-costs, staff procurement and staff training	(190)	(215)	(12)	(405)	(450)	(10)
Total employment expenses	(3,904)	(3,756)	4	(7,660)	(7,723)	(1)
Brokerage, commission and fee expenses	(626)	(580)	8	(1,206)	(1,071)	13
Non-salary technology expenses	(625)	(575)	9	(1,200)	(1,163)	3
Other operating expenses						
Occupancy expenses	(260)	(232)	12	(492)	(394)	25
Professional fees	(316)	(214)	48	(530)	(468)	13
Indirect and other taxes	(73)	(60)	22	(133)	(186)	(28)
Advertising and promotional expenses	(97)	(93)	4	(190)	(177)	7
Amortisation of intangible assets	(91)	(84)	8	(175)	(164)	7
Travel and entertainment expenses	(84)	(79)	6	(163)	(168)	(3)
Fees for audit and other services	(43)	(32)	34	(75)	(70)	7
Other	(102)	(214)	(52)	(316)	(477)	(34)
Total other operating expenses	(1,066)	(1,008)	6	(2,074)	(2,104)	(1)
Total operating expenses	(6,221)	(5,919)	5	(12,140)	(12,061)	1

Total operating expenses of \$A12,140 million for the year ended 31 March 2025 were broadly in line with the prior year with offsetting movements across expense categories.

Key drivers of the movements included:

- Total employment expenses of \$A7,660 million for the year ended 31 March 2025 were broadly in line with the prior year. The impact of lower average headcount and lower one-off staff costs were largely offset by wage inflation and higher profit share and share-based payments expenses mainly as a result of the performance of the Consolidated Entity.
- Brokerage, commission and fee expenses of \$A1,206 million for the year ended 31 March 2025 increased 13% from \$A1,071 million in the prior year, primarily due to increased hedging and trading-related expenses across equities, foreign exchange, interest rates and credit, in CGM and increased market activity in Macquarie Capital.
- Non-salary technology expenses of \$A1,200 million for the year ended 31 March 2025 increased 3% from \$A1,163 million in the prior year, primarily due to an increased investment in technology initiatives, with a focus on data and digitalisation, to support business growth. This was partially offset by lower project-based consultancy spend.
- Other operating expenses of \$A2,074 million for the year ended 31 March 2025 were broadly in line with \$A2,104 million in the prior year, largely driven by the non-recurrence of expenses related to a specific legacy matter and other transaction-related charges and lower indirect and other tax expenses. This was partially offset by higher occupancy expenses.

2.7 Headcount

	AS AT		MOVEMENT		
	Mar 25	Sep 24	Mar 24	Sep 24 %	Mar 24 %
Headcount by Operating Group¹					
MAM	2,221	2,449	2,473	(9)	(10)
BFS	3,139	3,318	3,690	(5)	(15)
CGM	2,538	2,544	2,523	(<1)	1
Macquarie Capital	1,512	1,568	1,599	(4)	(5)
Total headcount – Operating Groups	9,410	9,879	10,285	(5)	(9)
Total headcount – Corporate	10,325	10,174	10,381	1	(1)
Total headcount	19,735	20,053	20,666	(2)	(5)
Headcount by region					
Australia ²	9,594	9,671	10,206	(1)	(6)
International:					
Americas	2,979	3,157	3,190	(6)	(7)
Asia	4,271	4,184	4,249	2	1
Europe, Middle East and Africa	2,891	3,041	3,021	(5)	(4)
Total headcount – International	10,141	10,382	10,460	(2)	(3)
Total headcount	19,735	20,053	20,666	(2)	(5)
International headcount ratio (%)	51	52	51		

Total headcount of 19,735 as at 31 March 2025 decreased 5% from 20,666 as at 31 March 2024 mainly from operational efficiency savings enabled through investment in technology and transformation initiatives.

¹ Headcount numbers in this document includes staff employed in certain operationally segregated subsidiaries (OSS).

² Includes New Zealand.

2.8 Income Tax Expense

	FULL YEAR TO	
	Mar 25 \$Am	Mar 24 \$Am
Operating profit before income tax	5,068	4,826
(Profit)/loss attributable to non-controlling interests	(27)	(13)
Operating profit before income tax and after non-controlling interests	5,041	4,813
<i>Prima facie tax @ 30%</i>	1,520	1,448
Tax effect of amounts which are (non-deductible)/non-assessable in calculating taxable income:		
Rate differential on offshore income	(372)	(229)
Other items	178	72
Income tax expense	1,326	1,291
Effective tax rate¹	26.3 %	26.8 %

Income tax expense of \$A1,326 million for the year ended 31 March 2025 increased 3% from \$A1,291 million in the prior year. The effective tax rate for the year ended 31 March 2025 was 26.3%, down from 26.8% in the prior year.

The lower effective tax rate compared to the prior year was mainly driven by the geographic composition and nature of earnings.

¹ The effective tax rate is calculated on Operating profit before income tax and after non-controlling interests.

03

Segment Analysis

Vocus, Australia

Vocus is a leading provider of fibre and network solutions, owning and operating over 27,000 kilometres of fibre network in Australia. Macquarie Asset Management is helping Vocus to scale its operations regionally, driving new opportunities to compete and better serve its customers.





3.1 Basis of Preparation

Operating Segments

AASB 8 *Operating Segments* requires the 'management approach' to disclosing information about the Consolidated Entity's reportable segments. The financial information is reported on the same basis as used internally by senior management for evaluating Operating Segment performance and for deciding how to allocate resources to Operating Segments. Such information may be produced using different measures to that used in preparing the statutory income statement.

For internal reporting, performance measurement and risk management purposes, the Consolidated Entity is divided into Operating Groups and a Corporate segment (reportable segments).

The financial information disclosed relates to the Consolidated Entity's ordinary activities.

These segments have been set up based on the different core products and services offered. The Operating Groups comprise:

- **MAM** which is a global integrated asset manager that provides a diverse range of investment solutions to clients including real assets, real estate, credit, equities & multi-asset, insurance solutions and secondaries
- **BFS** which provides a diverse range of personal banking, wealth management and business banking products and services to retail clients, advisers, brokers and business clients
- **CGM** which is a global business offering capital and financing, risk management, market access, physical execution and logistics solutions to its diverse client base across Commodities, Financial Markets and Asset Finance
- **Macquarie Capital** which has global capability in advisory and capital raising services, providing clients with specialist expertise and flexible capital solutions across a range of sectors. It also has global capability in specialist investing across private credit, private equity, real estate, growth equity, venture capital, and in infrastructure and energy projects and companies. Macquarie Capital's Equities brokerage business provides clients with access to equity research, sales, execution capabilities and corporate access with a focus on Asia-Pacific.

The Corporate segment, which is not considered an Operating Group, comprises head office and Central Service Groups, and holds certain legacy and strategic investments, assets and businesses that are not allocated to any of the Operating Groups. Items of income and expense within the Corporate segment include the net result of managing Macquarie'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 applied.

Other items of income and expense within the Corporate segment include earnings from investments, changes in central overlays to credit and other impairments or valuation of assets, provisions for legacy matters, unallocated head office and Central Service Groups costs. The Corporate segment also includes performance-related profit share and share-based payments expenses and income tax expense.

Below is a selection of key policies applied in determining the Operating Segment results.

Internal funding arrangements

Group Treasury has the responsibility for managing wholesale funding for the Consolidated Entity, and Operating Groups primarily obtain their required funding from Group Treasury. The Operating Groups are assumed to be fully debt funded for the purposes of internal funding charges. The interest rates charged by Group Treasury are determined by the currency and term of the funding.

With the exception of deposit funding, Operating Groups may only source funding directly from external sources where the funding is secured by the Operating Group's assets or where they have specific capabilities that support Group Treasury in raising unsecured funding. In such cases, Operating Groups generally bear the funding costs directly and Group Treasury may levy additional charges, where appropriate.

Transactions between Operating Segments

Operating Segments that enter into arrangements with other Operating Segments must do so on commercial terms or as agreed by the Consolidated Entity's Chief Executive Officer or Chief Financial Officer.

Internal transactions are recognised in each of the relevant categories of income and expense and eliminated on consolidation as appropriate.

Accounting for derivatives that economically hedge interest rate risk

With respect to businesses that predominantly earn income from lending activities, derivatives that hedge interest rate risk are measured at fair value through profit or loss (FVTPL). Changes in the fair value are presented in net trading income and give rise to income statement volatility unless designated in hedge accounting relationships. If designated in fair value hedge accounting relationships, the carrying value of the hedged items are adjusted for changes in the fair value attributable to the hedged risks to reduce volatility in the income statement. If designated in cash flow hedge accounting relationships, the effective portion of the derivatives' fair value gains or losses are deferred in the cash flow hedge reserve as part of Other Comprehensive Income (OCI), and subsequently recognised in the income statement at the time at which the hedged items affect the income statement for the hedged risks. For segment reporting, derivatives are accounted for on an accrual basis in the results of the Operating Groups to the extent that the Corporate segment manages the derivative volatility, either through the application of hedge accounting or where the derivative volatility may offset the volatility of other positions managed within the Corporate segment.

Central Service Groups

The Central Service Groups provide a range of functions supporting MGL's Operating Groups, ensuring that they have the appropriate workplace support and systems to operate effectively and the necessary resources to meet their regulatory, compliance, financial, legal and risk management requirements.

Central Service Groups recover their costs from Operating Groups generally on either a time and effort allocation basis or a fee for service basis. Central Service Groups include the Corporate Operations Group (COG), Financial Management, People and Engagement (FPE), Risk Management Group (RMG), Legal and Governance Group (LGG) and Central Executive.

Performance-related profit share and share-based payments expense

Performance-related profit share and share-based payments expenses relating to the Macquarie Group Employee Retained Equity Plan (MEREP) are recognised in the Corporate segment and are not allocated to Operating Groups.

Income tax

The income tax expense and benefit is recognised in the Corporate segment and is not allocated to the Operating Groups. However, to recognise an Operating Group's contribution to permanent income tax differences, the internal management revenue/(charge) category is used.

This internal management revenue/(charge) category, which is primarily used for permanent income tax differences generated by the Operating Groups, is offset by an equal and opposite amount recognised in the Corporate segment such that they are eliminated on consolidation.

Presentation of segment income statements

The income statements on the following pages for each of the reported segments are in some cases summarised by grouping non-material balances together. Where appropriate, all material or key balances have been reported separately to provide users with information relevant to the understanding of the Consolidated Entity's financial performance. The financial information disclosed relates to the Consolidated Entity's ordinary activities.

3.1 Basis of Preparation

Continued

	MAM \$Am	BFS \$Am
Full year ended 31 March 2025		
Net interest and trading (expense)/income	(576)	2,717
Fee and commission income/(expense)	4,210	611
Share of net profits/(losses) from associates and joint ventures	257	(1)
Other operating income and charges		
Net credit and other impairment charges	(8)	(45)
Net other operating income and charges	358	(42)
Internal management (charge)/revenue	(23)	(3)
Net operating income	4,218	3,237
Total operating expenses	(2,594)	(1,857)
Operating profit/(loss) before income tax	1,624	1,380
Income tax expense	-	-
(Profit)/loss attributable to non-controlling interests	(14)	-
Net profit/(loss) contribution	1,610	1,380
Full year ended 31 March 2024		
Net interest and trading (expense)/income	(557)	2,645
Fee and commission income/(expense)	3,941	554
Share of net profits/(losses) from associates and joint ventures	54	-
Other operating income and charges		
Net credit and other impairment reversals	122	15
Net other operating income and charges	196	(6)
Internal management (charge)/revenue	(2)	1
Net operating income	3,754	3,209
Total operating expenses	(2,559)	(1,968)
Operating profit/(loss) before income tax	1,195	1,241
Income tax expense	-	-
Loss/(profit) attributable to non-controlling interests	13	-
Net profit/(loss) contribution	1,208	1,241

CGM \$Am	Macquarie Capital \$Am	Corporate \$Am	Total \$Am
4,890	812	1,034	8,877
529	1,453	(13)	6,790
40	(129)	-	167
(97)	(115)	(96)	(361)
645	566	208	1,735
11	51	(36)	-
6,018	2,638	1,097	17,208
(3,190)	(1,584)	(2,915)	(12,140)
2,828	1,054	(1,818)	5,068
-	-	(1,326)	(1,326)
1	(11)	(3)	(27)
2,829	1,043	(3,147)	3,715
5,156	690	973	8,907
586	1,201	(33)	6,249
42	(144)	(1)	(49)
11	164	57	369
508	680	33	1,411
19	21	(39)	-
6,322	2,612	990	16,887
(3,108)	(1,538)	(2,888)	(12,061)
3,214	1,074	(1,898)	4,826
-	-	(1,291)	(1,291)
(1)	(23)	(2)	(13)
3,213	1,051	(3,191)	3,522

3.2 MAM

	HALF YEAR TO			FULL YEAR TO		
	Mar 25 \$Am	Sep 24 \$Am	Movement %	Mar 25 \$Am	Mar 24 \$Am	Movement %
Net interest and trading expense	(283)	(293)	(3)	(576)	(557)	3
Fee and commission income						
Base fees	1,489	1,436	4	2,925	2,874	2
Performance fees	434	403	8	837	631	33
Other fee and commission income	240	208	15	448	436	3
Total fee and commission income	2,163	2,047	6	4,210	3,941	7
Share of net profits from associates and joint ventures	178	79	125	257	54	*
Other operating income and charges						
Net income on equity, debt and other investments	435	171	154	606	347	75
Net credit and other impairment (charges)/reversals	(12)	4	*	(8)	122	*
Other (expenses)/income	(178)	(70)	154	(248)	(151)	64
Total other operating income and charges	245	105	133	350	318	10
Internal management charge	(20)	(3)	*	(23)	(2)	*
Net operating income	2,283	1,935	18	4,218	3,754	12
Operating expenses						
Employment expenses	(403)	(420)	(4)	(823)	(835)	(1)
Brokerage, commission and fee expenses	(229)	(193)	19	(422)	(385)	10
Other operating expenses	(704)	(645)	9	(1,349)	(1,339)	1
Total operating expenses	(1,336)	(1,258)	6	(2,594)	(2,559)	1
Non-controlling interests¹	(21)	7	*	(14)	13	*
Net profit contribution	926	684	35	1,610	1,208	33
Non-GAAP metrics						
Assets under management (\$Ab)	941.0	916.8	3	941.0	938.3	<1
Equity under management (\$Ab)	221.1	217.5	2	221.1	222.3	(1)
Headcount	2,221	2,449	(9)	2,221	2,473	(10)

Net profit contribution of \$A1,610 million for the year ended 31 March 2025 increased 33% from \$A1,208 million in the prior year due to:

- increased net income on equity, debt and other investments primarily driven by the gain on sale of Macquarie Rotorcraft
- increased performance fees from Private Markets-managed funds, managed accounts and co-investors
- increased share of net profits from associates and joint ventures primarily driven by higher net profits from the sale of underlying assets within equity accounted investments and funds.

Partially offset by:

- non-recurrence of an impairment reversal recognised on a green equity investment in the prior year
- increased other (expenses)/income primarily driven by higher net expenditure in green platforms on balance sheet.

¹ Non-controlling interests adjust reported consolidated profit or loss for the share that is attributable to non-controlling interests, such that the net profit contribution represents the net profit attributable to ordinary equity holders.

Net interest and trading expense

Net interest and trading expense includes funding costs and hedging impacts related to investments, receivables and operating leases.

Net interest and trading expense of \$A576 million for the year ended 31 March 2025 was broadly in line with the prior year.

Base fees

Base fee income of \$A2,925 million for the year ended 31 March 2025 increased 2% from \$A2,874 million in the prior year.

Base fees in Private Markets were higher due to fundraising and investments made by funds and mandates, partially offset by asset realisations in funds and spin off of the majority of the Core/Core Plus real estate business. This was largely offset by lower base fees in Public Investments primarily due to outflows in equity strategies, partially offset by favourable market movements.

Performance fees

Performance fees are typically generated from Macquarie-managed funds and assets that have outperformed pre-defined benchmarks. Performance fees of \$A837 million for the year ended 31 March 2025 increased 33% from \$A631 million in the prior year.

The year ended 31 March 2025 included performance fees from a range of funds including MAIF2, MEIF4, MIP III and other Private Markets-managed funds, managed accounts and co-investors. The prior year included performance fees from MIP III, MEIF4, MKOF3, MKOF4 and other Private Markets-managed funds, managed accounts and co-investors.

Other fee and commission income

Other fee and commission income includes fees related to distribution and marketing services, transfer agent oversight services, and commission income.

Distribution and marketing service fees are offset by associated expenses that, for accounting purposes, are recognised in Operating expenses.

Other fee and commission income of \$A448 million for the year ended 31 March 2025 was broadly in line with the prior year.

Share of net profits from associates and joint ventures

Share of net profits from associates and joint ventures of \$A257 million for the year ended 31 March 2025 was substantially up from \$A54 million in the prior year.

The increase was primarily driven by higher net profits from the sale of underlying assets within equity accounted investments and funds and overall performance of the investment portfolio.

Net income on equity, debt and other investments

Net income on equity, debt and other investments of \$A606 million for the year ended 31 March 2025 increased 75% from \$A347 million in the prior year, primarily driven by the gain on sale of Macquarie Rotorcraft.

Net credit and other impairment (charges)/reversals

Net credit and other impairment charges of \$A8 million for the year ended 31 March 2025, compared to reversals of \$A122 million in the prior year, primarily driven by the non-recurrence of an impairment reversal recognised on a green equity investment in the prior year.

Other (expenses)/income

Other expenses of \$A248 million for the year ended 31 March 2025 increased 64% from \$A151 million in the prior year were primarily driven by higher net expenditure in green platforms on balance sheet.

Operating expenses

Total operating expenses of \$A2,594 million for the year ended 31 March 2025 increased 1% from \$A2,559 million in the prior year, primarily driven by higher brokerage and commission fees and non-recurring transaction charges.

3.3 BFS

	HALF YEAR TO			FULL YEAR TO		
	Mar 25 \$Am	Sep 24 \$Am	Movement %	Mar 25 \$Am	Mar 24 \$Am	Movement %
Net interest and trading income	1,391	1,326	5	2,717	2,645	3
Fee and commission income						
Wealth management fee income	217	218	(<1)	435	371	17
Banking and lending fee income	90	86	5	176	183	(4)
Total fee and commission income	307	304	1	611	554	10
Share of net losses from associates and joint ventures	-	(1)	(100)	(1)	-	*
Other operating income and charges						
Net credit and other impairment (charges)/reversals	(24)	(21)	14	(45)	15	*
Other (expenses)/income	(24)	(18)	33	(42)	(6)	*
Total other operating income and charges	(48)	(39)	23	(87)	9	*
Internal management revenue/(charge)	1	(4)	*	(3)	1	*
Net operating income	1,651	1,586	4	3,237	3,209	1
Operating expenses						
Employment expenses	(256)	(294)	(13)	(550)	(635)	(13)
Brokerage, commission and fee expenses	(92)	(84)	10	(176)	(146)	21
Technology expenses ¹	(313)	(299)	5	(612)	(631)	(3)
Other operating expenses	(260)	(259)	<1	(519)	(556)	(7)
Total operating expenses	(921)	(936)	(2)	(1,857)	(1,968)	(6)
Net profit contribution	730	650	12	1,380	1,241	11
Non-GAAP metrics						
Funds on platform (\$Ab) ²	154.0	158.5	(3)	154.0	147.4	4
Loan portfolio (\$Ab) ³	161.4	150.4	7	161.4	140.2	15
BFS deposits (\$Ab) ⁴	172.4	153.1	13	172.4	142.7	21
Headcount	3,139	3,318	(5)	3,139	3,690	(15)

Net profit contribution of \$A1,380 million for the year ended 31 March 2025 increased 11% from \$A1,241 million in the prior year due to:

- lower operating expenses reflecting lower average headcount driven by digitalisation and operational improvements and the cessation of car loan originations
- higher net interest income driven by growth in the average loan and deposit portfolios, partially offset by margin compression due to lending and deposit competition and changes in portfolio mix
- higher fee and commission income driven by growth in average funds on platform, as well as higher lending and transaction volumes.

Partially offset by:

- higher credit impairments driven by changes to recovery expectations for the residual car loan portfolio and deterioration in the macroeconomic outlook, partially offset by changes in the composition of portfolio growth.

¹ Technology expenses include technology staff expenses, depreciation of technology assets, amortisation of capitalised software and maintenance costs.

² Funds on platform has been updated to include custodial holdings previously excluded. Prior period balances have been restated.

³ The loan portfolio comprises home loans, loans to businesses, car loans and credit cards.

⁴ BFS deposits include home loan offset accounts.

Net interest and trading income

Net interest and trading income relates to interest income earned from the loan portfolio that primarily comprises home loans, loans to businesses, car loans and credit cards. BFS also generates income from deposits, which are used as a source of funding.

Net interest and trading income of \$A2,717 million for the year ended 31 March 2025 increased 3% from \$A2,645 million in the prior year, primarily due to 11% growth in the average loan portfolio¹ and 16% growth in average BFS deposit volumes¹. This was partially offset by margin compression due to lending and deposit competition and changes in portfolio mix.

As at 31 March 2025 the loan and deposit portfolios included:

- home loan volumes² of \$A141.7 billion, up 19% from \$A119.3 billion as at 31 March 2024
- business banking loan volumes of \$A16.7 billion, up 6% from \$A15.8 billion as at 31 March 2024
- car loan volumes of \$A2.7 billion, down 41% from \$A4.6 billion as at 31 March 2024, and
- BFS deposits³ of \$A172.4 billion, up 21% from \$A142.7 billion as at 31 March 2024.

Wealth management fee income

Wealth management fee income relates to fees earned on a range of BFS' products and services including Wrap administration fees and Private Bank advice fees.

Funds on platform⁴ of \$A154.0 billion as at 31 March 2025 increased 4% from \$A147.4 billion as at 31 March 2024 driven by net client flows and favourable market movements.

Wealth management fee income of \$A435 million for the year ended 31 March 2025 increased 17% from \$A371 million in the prior year, due to a reclassification of platform related fee expense to brokerage, commission and fee expenses and higher administration and advice fees from higher average funds on platform.

Banking and lending fee income

Banking and lending fee income relates to fees earned on a range of BFS' products including home loans, car loans, credit cards, business loans and deposits.

Banking and lending fee income of \$A176 million for the year ended 31 March 2025 decreased 4% from \$A183 million in the prior year, mainly driven by fee simplification, partially offset by higher lending and transaction volumes.

Net credit and other impairment (charges)/reversals

Net credit and other impairment charges of \$A45 million for the year ended 31 March 2025 compared to reversals of \$A15 million in the prior year, largely driven by changes to recovery expectations for the residual car loan portfolio and deterioration in the macroeconomic outlook, partially offset by changes in the composition of portfolio growth.

Other (expenses)/income

Other expenses of \$A42 million for the year ended 31 March 2025 were substantially up from \$A6 million in the prior year, mainly driven by the revaluation of an equity investment.

Operating expenses

Total operating expenses of \$A1,857 million for the year ended 31 March 2025 decreased 6% from \$A1,968 million in the prior year.

Employment expenses of \$A550 million for the year ended 31 March 2025 decreased 13% from \$A635 million in the prior year, largely due to lower average headcount driven by digitalisation and operational improvements.

Brokerage, commission and fee expenses of \$A176 million for the year ended 31 March 2025 increased 21% from \$A146 million in the prior year, largely driven by a reclassification of platform related fee expenses from wealth management fee income.

Technology expenses of \$A612 million for the year ended 31 March 2025 decreased 3% from \$A631 million in the prior year mainly driven by operational improvements and the cessation of car loan originations, partially offset by continued investment in digitalisation and other technology initiatives.

¹ Calculations based on average volumes net of offset accounts.

² Home loan volumes exclude offset accounts.

³ BFS deposits include home loan offset accounts.

⁴ Funds on platform has been updated to include custodial holdings previously excluded. Prior period balances have been restated.

3.4 CGM

	HALF YEAR TO			FULL YEAR TO		
	Mar 25 \$Am	Sep 24 \$Am	Movement %	Mar 25 \$Am	Mar 24 \$Am	Movement %
Net interest and trading income						
Commodities						
Risk management	1,078	886	22	1,964	2,251	(13)
Lending and financing	179	187	(4)	366	359	2
Inventory management and trading	357	333	7	690	906	(24)
Total commodities	1,614	1,406	15	3,020	3,516	(14)
Foreign exchange, interest rates and credit	708	632	12	1,340	1,231	9
Equities	245	203	21	448	331	35
Asset Finance	54	28	93	82	78	5
Net interest and trading income	2,621	2,269	16	4,890	5,156	(5)
Fee and commission income						
Brokerage and other trading-related fees	153	154	(1)	307	297	3
Other fee and commission income	87	135	(36)	222	289	(23)
Total fee and commission income	240	289	(17)	529	586	(10)
Share of net profits from associates and joint ventures	33	7	*	40	42	(5)
Other operating income and charges						
Net income on equity, debt and other investments	48	42	14	90	2	*
Net credit and other impairment (charges)/reversals	(81)	(16)	*	(97)	11	*
Net operating lease income	207	211	(2)	418	431	(3)
Other income	50	87	(43)	137	75	83
Total other operating income and charges	224	324	(31)	548	519	6
Internal management revenue	6	5	20	11	19	(42)
Net operating income	3,124	2,894	8	6,018	6,322	(5)
Operating expenses						
Employment expenses	(401)	(403)	(<1)	(804)	(811)	(1)
Brokerage, commission and fee expenses	(237)	(244)	(3)	(481)	(451)	7
Other operating expenses	(974)	(931)	5	(1,905)	(1,846)	3
Total operating expenses	(1,612)	(1,578)	2	(3,190)	(3,108)	3
Non-controlling interests	1	-	*	1	(1)	*
Net profit contribution	1,513	1,316	15	2,829	3,213	(12)
Non-GAAP metrics						
Headcount	2,538	2,544	(<1)	2,538	2,523	1

Net profit contribution of \$A2,829 million for the year ended 31 March 2025 decreased 12% from \$A3,213 million in the prior year due to:

- decreased risk management income primarily driven by decreased client hedging activity due to subdued conditions in certain commodity markets, particularly EMEA Gas, Power and Emissions and Global Oil. These reductions were partially offset by increased contributions from Resources, primarily from the metals sector, and Agriculture
- decreased inventory management and trading income driven by timing of income recognition on North American Gas and Power contracts and a reduction in oil trading, partially offset by increased trading gains in North American Gas and Power markets
- higher operating expenses driven by increased brokerage, commission and fee expenses across equities, foreign exchange, interest rates and credit as well as increased investment on technology platform and infrastructure.

Partially offset by:

- increased equities income driven by increased client activity and trading opportunities
- increased foreign exchange, interest rate and credit products income driven by continued strong client hedging activity in structured foreign exchange products and increased contributions from financing origination.

Net interest and trading income

Net interest and trading income of \$A4,890 million for the year ended 31 March 2025 decreased 5% from \$A5,156 million in the prior year.

Commodities net interest and trading income

(i) Risk management

Income from risk management is driven by managing clients' exposure to commodity price volatility, which is supported by our strong internal risk management framework.

Risk management income of \$A1,964 million for the year ended 31 March 2025 decreased 13% from \$A2,251 million in the prior year, primarily driven by decreased client hedging activity due to subdued conditions in certain commodity markets, particularly EMEA Gas, Power and Emissions and Global Oil. These reductions were partially offset by increased contributions from Resources, primarily from the metals sector, and Agriculture.

(ii) Lending and financing

Lending and financing activities include interest income from the provision of loans and working capital finance to clients across a range of commodity sectors including metals, energy and agriculture. Commodities lending and financing activities are primarily secured against underlying assets and typically have associated hedging to protect against downside risk.

Lending and financing income of \$A366 million for the year ended 31 March 2025 was broadly in line with the prior year.

(iii) Inventory management and trading

CGM enters into financial and physical contracts including exchange traded derivatives, OTC derivatives, storage contracts and transportation agreements as part of its commodities platform. These arrangements enable CGM to facilitate client transactions and provide CGM with trading opportunities where there is an imbalance between the supply and demand for commodities. Revenue is dependent on a number of factors including the volume of transactions, the level of risk assumed and the volatility of price movements across commodity markets and products.

Storage and transportation contracts, which are managed on a fair value basis for financial and risk management purposes, are required to be accounted for on an accruals basis for statutory reporting purposes, which may result in some variability in the timing of reported income.

Inventory management and trading income of \$A690 million for the year ended 31 March 2025 decreased 24% from \$A906 million in the prior year, driven by timing of income recognition on North American Gas and Power contracts and a reduction in oil trading, partially offset by increased trading gains in North American Gas and Power markets.

Foreign exchange, interest rates and credit net interest and trading income

Net interest and trading income from foreign exchange, interest rates and credit related activities are generated from the provision of trading and hedging services to a range of corporate and institutional clients globally, in addition to making secondary markets in corporate debt securities, syndicated bank loans and middle market loans and providing specialty lending.

Net interest and trading income from foreign exchange, interest rates and credit related activities of \$A1,340 million for the year ended 31 March 2025 increased 9% from \$A1,231 million in the prior year due to continued strong client hedging activity in structured foreign exchange products and increased contributions from financing origination.

Equities net interest and trading income

Equities net interest and trading income is generated from the issue of derivative products, the provision of equity finance solutions to institutional clients and the conduct of risk management and trading activities.

Equities net interest and trading income of \$A448 million for the year ended 31 March 2025 increased 35% from \$A331 million in the prior year, primarily from increased client activity and trading opportunities.

3.4 CGM

Continued

Fee and commission income

Fee and commission income of \$A529 million for the year ended 31 March 2025 decreased 10% from \$A586 million in the prior year, driven by a reduction in Futures contribution, primarily due to subdued volatility in certain markets.

Net income on equity, debt and other investments

Net income on equity, debt and other investments of \$A90 million for the year ended 31 March 2025 was substantially up from \$A2 million in the prior year, primarily driven by gains on sale of unlisted equity investments.

Net credit and other impairment (charges)/reversals

Net credit and other impairment charges of \$A97 million for the year ended 31 March 2025 compared to reversals of \$A11 million in the prior year, driven by an increase in expected credit loss provisions due to a deterioration in the macroeconomic outlook.

Net operating lease income

Net operating lease income of \$A418 million for the year ended 31 March 2025 decreased 3% from \$A431 million in the prior year, primarily driven by decreased volumes in technology and energy sectors.

Other income

Other income of \$A137 million for the year ended 31 March 2025 increased 83% from \$A75 million in the prior year, primarily driven by higher inventory sales, gain on sale of receivables and lease termination fees.

Operating expenses

Total operating expenses of \$A3,190 million for the year ended 31 March 2025 increased 3% from \$A3,108 million in the prior year.

Employment expenses of \$A804 million for the year ended 31 March 2025 were broadly in line with the prior year.

Brokerage, commission and fee expenses of \$A481 million for the year ended 31 March 2025 increased 7% from \$A451 million in the prior year due to increased hedging and trading-related expenses across equities, foreign exchange, interest rates and credit.

Other operating expenses of \$A1,905 million for the year ended 31 March 2025 increased 3% from \$A1,846 million in the prior year, mainly reflecting increased investment on technology platform and infrastructure.

3.5 Macquarie Capital

	HALF YEAR TO			FULL YEAR TO		
	Mar 25 \$Am	Sep 24 \$Am	Movement %	Mar 25 \$Am	Mar 24 \$Am	Movement %
Net interest and trading income	490	322	52	812	690	18
Fee and commission income	782	671	17	1,453	1,201	21
Share of net losses from associates and joint ventures	(44)	(85)	(48)	(129)	(144)	(10)
Other operating income and charges						
Net income on equity, debt and other investments	303	309	(2)	612	683	(10)
Net credit and other impairment (charges)/reversals	(73)	(42)	74	(115)	164	*
Other income/(expenses)	2	(48)	*	(46)	(3)	*
Total other operating income and charges	232	219	6	451	844	(47)
Internal management revenue	33	18	83	51	21	143
Net operating income	1,493	1,145	30	2,638	2,612	1
Operating expenses						
Employment expenses	(307)	(311)	(1)	(618)	(622)	(1)
Brokerage, commission and fee expenses	(67)	(57)	18	(124)	(87)	43
Other operating expenses	(439)	(403)	9	(842)	(829)	2
Total operating expenses	(813)	(771)	5	(1,584)	(1,538)	3
Non-controlling interests¹	(8)	(3)	167	(11)	(23)	(52)
Net profit contribution	672	371	81	1,043	1,051	(1)
Non-GAAP metrics						
Headcount	1,512	1,568	(4)	1,512	1,599	(5)

Net profit contribution of \$A1,043 million for the year ended 31 March 2025 was broadly in line with the prior year due to:

- lower credit and equity impairment reversals compared to the prior year, higher credit provisions due to deployment of the private credit portfolio and an increase in expected credit loss provisions driven by a deterioration in the macroeconomic outlook
- higher funding costs reflecting growth in the equity investment portfolio
- lower net gains on investments compared to the prior year.

Partially offset by:

- higher fee and commission income, driven by advisory fee income, particularly in Europe and ANZ and higher brokerage fee income mainly due to increased market activity in Asia and ANZ
- higher net interest income from the private credit portfolio, benefitting from \$A3.6 billion of growth in average drawn loan assets.

¹ Non-controlling interests adjust reported consolidated profit or loss for the share that is attributable to non-controlling interests, such that the net profit or loss contribution represents the net profit or loss attributable to ordinary equity holders.

3.5 Macquarie Capital

Continued

Net interest and trading income

Net interest and trading income includes the interest income earned from debt investments and the funding costs associated with both the debt and equity investment portfolios.

Net interest and trading income of \$A812 million for the year ended 31 March 2025 increased 18% from \$A690 million in the prior year.

The increase was primarily due to higher net interest income from the private credit portfolio, up 21% on the prior year, benefitting from \$A3.6 billion¹ of growth in average drawn loan assets. This was partially offset by higher funding costs reflecting growth in the equity investment portfolio.

Fee and commission income

Fee and commission income of \$A1,453 million for the year ended 31 March 2025 increased 21% from \$A1,201 million in the prior year.

Mergers and acquisitions fee income was up 33% on the prior year, particularly in Europe and ANZ. Capital markets fee income was in line with the prior year, with increases in equity capital markets offset by decreases in debt capital markets.

Brokerage income was up 12% on the prior year due to increased market activity, particularly in Asia and ANZ.

Share of net losses from associates and joint ventures

Share of net losses from associates and joint ventures of \$A129 million for the year ended 31 March 2025 decreased 10% from \$A144 million in the prior year.

The movement reflected changes in the composition and performance of the investment portfolio.

Net income on equity, debt and other investments

Net income on equity, debt and other investments of \$A612 million for the year ended 31 March 2025 decreased 10% from \$A683 million in the prior year, primarily driven by lower net gains on investments, mainly in ANZ, partially offset by higher net gains in Europe.

Other (expenses)/income

Other expenses of \$A46 million for the year ended 31 March 2025 were substantially up from \$A3 million in the prior year, primarily driven by lower net income on consolidated investments.

Net credit and other impairment (charges)/reversals

Net credit and other impairment charges of \$A115 million for the year ended 31 March 2025 compared to reversals of \$A164 million in the prior year.

The movement reflected lower credit and equity impairment reversals compared to the prior year, higher credit provisions due to deployment of the private credit portfolio and an increase in expected credit loss provisions driven by a deterioration in the macroeconomic outlook.

Operating expenses

Total operating expenses of \$A1,584 million for the year ended 31 March 2025 increased 3% from \$A1,538 million in the prior year.

The movement was mainly driven by higher brokerage and commission expenses due to increased market activity.

¹ Average volume calculation is based on balances converted at spot foreign exchange rates as at 31 March 2025.

3.6 Corporate

	HALF YEAR TO			FULL YEAR TO		
	Mar 25 \$Am	Sep 24 \$Am	Movement %	Mar 25 \$Am	Mar 24 \$Am	Movement %
Net interest and trading income	529	505	5	1,034	973	6
Fee and commission expense	(2)	(11)	(82)	(13)	(33)	(61)
Share of net (losses)/profits from associates and joint ventures	(1)	1	*	-	(1)	(100)
Other operating income and charges						
Net income on equity and debt investments	10	4	150	14	24	(42)
Net credit and other impairment (charges)/reversals	(96)	-	*	(96)	57	*
Other income/(expenses)	21	173	(88)	194	9	*
Total other operating income and charges	(65)	177	*	112	90	24
Internal management charge	(20)	(16)	25	(36)	(39)	(8)
Net operating income and charges	441	656	(33)	1,097	990	11
Operating expenses						
Employment expenses	(2,537)	(2,328)	9	(4,865)	(4,821)	1
Other operating expense recoveries	998	952	5	1,950	1,933	1
Total operating expenses	(1,539)	(1,376)	12	(2,915)	(2,888)	1
Income tax expense	(640)	(686)	(7)	(1,326)	(1,291)	3
Non-controlling interests¹	-	(3)	(100)	(3)	(2)	50
Net loss contribution	(1,738)	(1,409)	23	(3,147)	(3,191)	(1)
Non-GAAP metrics						
Headcount	10,325	10,174	1	10,325	10,381	(1)

Net loss contribution of \$A3,147 million for the year ended 31 March 2025 decreased 1% from \$A3,191 million in the prior year due to:

- higher net interest and trading income primarily driven by higher earnings on capital
- higher other income from a one-off sale of centrally held assets.

Partially offset by:

- higher credit and other impairment charges driven by a deterioration in the macroeconomic outlook and legacy goodwill impairment.

¹ Non-controlling interests adjust reported consolidated profit or loss for the share that is attributable to non-controlling interests, such that the net profit or loss contribution represents the net profit or loss attributable to ordinary equity holders.

3.6 Corporate

Continued

Net interest and trading income

Net interest and trading income in the Corporate segment includes the net result of managing Macquarie's liquidity and funding requirements, with the Operating Groups assumed to be fully debt funded for the purposes of the internal funding charges.

The Corporate segment also includes earnings on capital, funding costs associated with investments held centrally, and accounting volatility arising from movements in underlying rates relating to economically hedged positions where hedge accounting is not applied.

Net interest and trading income of \$A1,034 million for the year ended 31 March 2025 increased 6% from \$A973 million in the prior year, primarily driven by higher earnings on capital.

Net credit and other impairment (charges)/reversals

Net credit and other impairment charges of \$A96 million for the year ended 31 March 2025 compared to reversal of \$A57 million in the prior year, driven by an increase in expected credit loss provisions due to a deterioration in macroeconomic outlook and legacy goodwill impairment.

Other income/(expenses)

Other income/(expenses) of \$A194 million for the year ended 31 March 2025 were substantially up from \$A9 million in the prior year. The current year included a one-off sale of centrally held assets.

Employment expenses

Employment expenses relate to the Consolidated Entity's Central Service Groups including COG, FPE, RMG, LGG and Central Executive, as well as expenses associated with the Consolidated Entity's profit share and retention plans.

Employment expenses of \$A4,865 million for the year ended 31 March 2025 were broadly in line with \$A4,821 million in the prior year. The current year included an increase in profit share and share-based payments expenses mainly as a result of the performance of the Consolidated Entity, as well as wage inflation, partially offset by the impact of lower average headcount.

Other operating expense recoveries

Other operating expense recoveries in the Corporate segment include the recovery of Central Service Groups' costs (including employment-related costs¹) from the Operating Groups, partially offset by non-employment related operating costs of the Corporate segment.

Other operating expense recoveries of \$A1,950 million for the year ended 31 March 2025 were broadly in line with the prior year reflecting the recovery of Central Service Group cost base and lower expenses on certain legacy and other transaction-related charges.

¹ Performance-related profit share and share-based payments expenses related to Macquarie Group Employee Retained Equity Plan (MEREP) are not allocated to the Operating Groups.

3.7 International Income

International income¹ by region

	HALF YEAR TO			FULL YEAR TO		
	Mar 25 \$Am	Sep 24 \$Am	Movement %	Mar 25 \$Am	Mar 24 \$Am	Movement %
Americas	2,773	2,340	19	5,113	5,389	(5)
Asia	800	798	<1	1,598	1,429	12
Europe, Middle East and Africa	2,165	1,730	25	3,895	3,614	8
Total international income	5,738	4,868	18	10,606	10,432	2
Australia ²	2,793	2,676	4	5,469	5,426	1
Total income (excluding Corporate items)	8,531	7,544	13	16,075	15,858	1
Corporate items	461	672	(31)	1,133	1,029	10
Net operating income (as reported)	8,992	8,216	9	17,208	16,887	2
International income (excluding Corporate items) ratio (%)	67	65		66	66	

International income by Operating Group and region

	FULL YEAR TO MAR 25						
	Americas \$Am	Asia \$Am	Europe, Middle East and Africa \$Am	Total International \$Am	Australia ² \$Am	Total Income \$Am	Total International %
MAM	2,024	631	1,064	3,719	522	4,241	88
BFS	-	-	-	-	3,240	3,240	-
CGM	2,153	577	2,015	4,745	1,262	6,007	79
Macquarie Capital	936	390	816	2,142	445	2,587	83
Total	5,113	1,598	3,895	10,606	5,469	16,075	66

Total international income of \$A10,606 million for the year ended 31 March 2025 increased 2% from \$A10,432 million in the prior year. Total international income represented 66% of total income (excluding Corporate items) which was in line with the prior year.

Income from the Americas of \$A5,113 million for the year ended 31 March 2025 decreased 5% from \$A5,389 million in the prior year. The decrease was mainly driven by timing of income recognition on North American Gas and Power contracts, in CGM and lower performance fees in MAM. This was partially offset by increased trading gains in North American Gas and Power markets and contributions from foreign exchange, interest rate and credit products, in CGM.

In Asia, income of \$A1,598 million for the year ended 31 March 2025 increased 12% from \$A1,429 million in the prior year. The increase was primarily driven by higher performance fees, partially offset by the non-recurrence of an impairment reversal on a green equity investment in the prior year, in MAM, as well as lower contributions from the oil sector, in CGM.

Income from Europe, Middle East and Africa of \$A3,895 million for the year ended 31 March 2025 increased 8% from \$A3,614 million in the prior year. The increase was mainly driven by the gain on sale of Macquarie Rotorcraft and higher share of net profits from associates and joint ventures in MAM, as well as higher advisory fee income, in Macquarie Capital. This was partially offset by decreased contributions in EMEA Gas, Power and Emissions, in CGM.

In Australia, income of \$A5,469 million for the year ended 31 March 2025 was broadly in line with the prior year. There were higher contributions from Resources in CGM and higher fee and commission income, in both MAM and Macquarie Capital. This was partially offset by lower net credit and other impairment reversals and lower net gains on investments, in Macquarie Capital.

¹ International income reflects net operating income excluding earnings on capital and other corporate items, including internal management revenue/(charge).

² Includes New Zealand.

04

Balance Sheet

Macquarie Bank home loans, Australia

James is a Macquarie Bank home loan customer. It's the home loan designed with good borrowers in mind – delivering competitive rates with low fees.



James



4.1 Statement of Financial Position

	AS AT		MOVEMENT
	Mar 25 \$Ab	Mar 24 \$Ab	Mar 24 %
Assets			
Cash and bank balances	26.4	31.9	(17)
Cash collateralised lending and reverse repurchase agreements	66.6	58.4	14
Trading assets	35.0	27.9	25
Margin money and settlement assets	26.6	24.1	10
Derivative assets	24.3	24.1	1
Financial investments	21.5	24.4	(12)
Held for sale assets	6.6	2.2	200
Other assets	14.2	12.6	13
Loan assets	205.6	176.4	17
Interests in associates and joint ventures	7.7	7.0	10
Property, plant and equipment and right-of-use assets	6.9	8.1	(15)
Intangible assets	1.7	4.3	(60)
Deferred tax assets	2.1	2.1	-
Total assets	445.2	403.4	10
Liabilities			
Deposits	177.7	148.4	20
Cash collateralised borrowing and repurchase agreements	4.9	12.6	(61)
Trading liabilities	5.9	5.0	18
Margin money and settlement liabilities	28.8	28.4	1
Derivative liabilities	23.4	25.6	(9)
Held for sale liabilities	1.9	0.4	*
Other liabilities	15.0	14.5	3
Issued debt securities and other borrowings	135.2	119.9	13
Deferred tax liabilities	0.3	0.4	(25)
Total liabilities excluding loan capital	393.0	355.2	11
Loan capital	16.4	14.2	15
Total liabilities	409.4	369.4	11
Net assets	35.8	34.0	5
Equity			
Contributed equity	11.1	11.4	(3)
Reserves	4.8	3.9	23
Retained earnings	19.5	18.2	7
Total capital and reserves attributable to ordinary equity holders of Macquarie Group Limited	35.4	33.5	6
Non-controlling interests	0.4	0.5	(20)
Total equity	35.8	34.0	5

Statement of financial position

Assets

Total assets of \$A445.2 billion as at 31 March 2025 increased 10% from \$A403.4 billion as at 31 March 2024.

The principal drivers for the increase were as follows:

- loan assets of \$A205.6 billion as at 31 March 2025 increased 17% from \$A176.4 billion as at 31 March 2024, driven by loan volume growth in BFS home loans and Macquarie Capital's private credit portfolio
- cash collateralised lending and reverse repurchase agreements of \$A66.6 billion as at 31 March 2025 increased 14% from \$A58.4 billion as at 31 March 2024, driven by higher trading activity in CGM and an increase in holdings of reverse repurchase agreements as part of Group Treasury's liquid asset portfolio management
- trading assets of \$A35.0 billion as at 31 March 2025 increased 25% from \$A27.9 billion as at 31 March 2024, driven by an increase in holdings of physical commodities, in CGM
- held for sale assets of \$A6.6 billion as at 31 March 2025 increased substantially from \$A2.2 billion as at 31 March 2024, primarily driven by the reclassification of businesses and assets held for sale, in MAM
- margin money and settlement assets of \$A26.6 billion as at 31 March 2025 increased 10% from \$A24.1 billion as at 31 March 2024, driven by an increase in margin money in CGM and an increase in settlement assets in both CGM and Macquarie Capital.

These increases were partially offset by:

- cash and bank balances of \$A26.4 billion as at 31 March 2025 decreased 17% from \$A31.9 billion as at 31 March 2024, driven by a reduction in the overnight deposit held with the Reserve Bank of Australia (RBA) as part of Group Treasury's liquid asset portfolio management
- financial investments of \$A21.5 billion as at 31 March 2025 decreased 12% from \$A24.4 billion as at 31 March 2024, driven by an increase in holdings of debt securities as part of Group Treasury's liquid asset portfolio management
- intangible assets of \$A1.7 billion as at 31 March 2025 decreased 60% from \$A4.3 billion as at 31 March 2024, driven by disposals and reclassification of businesses as held for sale, in MAM.

Liabilities

Total liabilities of \$A409.4 billion as at 31 March 2025 increased 11% from \$A369.4 billion as at 31 March 2024.

The principal drivers for the increase were as follows:

- deposits of \$A177.7 billion as at 31 March 2025 increased 20% from \$A148.4 billion as at 31 March 2024, driven by volume growth in deposits, in BFS
- issued debt securities and other borrowings of \$A135.2 billion as at 31 March 2025 increased 13% from \$A119.9 billion as at 31 March 2024, driven by the net issuance of commercial paper, certificates of deposit and borrowings, in Group Treasury
- loan capital of \$A16.4 billion as at 31 March 2025 increased 15% from \$A14.2 billion as at 31 March 2024, driven by the net issuance of Tier 1 and Tier 2 loan capital.

These increases were partially offset by:

- cash collateralised borrowing and repurchase agreements of \$A4.9 billion as at 31 March 2025 decreased 61% from \$A12.6 billion as at 31 March 2024, driven by the maturity of the RBA Term Funding Facility
- derivative liabilities of \$A23.4 billion as at 31 March 2025 decreased 9% from \$A25.6 billion as at 31 March 2024, driven by subdued volatility across energy markets, as well as the maturity of prior year positions.

Equity

Total equity of \$A35.8 billion as at 31 March 2025 increased 5% from \$A34.0 billion as at 31 March 2024, driven by earnings generated during the current year and foreign currency translation reserves, largely due to the depreciation of the Australian Dollar against the United States Dollar. This was partially offset by dividend payments and ordinary shares acquired via the on-market share buyback.

4.2 Loan Assets

Loan assets by Operating Group per the funded balance sheet are shown in detail below:

	Notes	AS AT		MOVEMENT
		Mar 25 \$Ab	Mar 24 ¹ \$Ab	Mar 24 %
BFS				
Home loans	1	143.0	120.4	19
Business banking	2	16.6	15.7	6
Car loans	3	2.6	4.5	(42)
Other	4	0.2	0.3	(33)
Total BFS		162.4	140.9	15
CGM				
Asset finance	5	4.3	3.4	26
Resources and commodities	6	3.7	4.1	(10)
Foreign exchange, interest rate and credit	7	10.5	8.4	25
Other	8	0.4	0.1	300
Total CGM		18.9	16.0	18
MAM				
Other	9	0.2	0.1	100
Total MAM		0.2	0.1	100
Macquarie Capital				
Corporate and other lending ²	10	24.1	19.4	24
Total Macquarie Capital		24.1	19.4	24
Total³		205.6	176.4	17

¹ Following changes to funded balance sheet methodology, the balances for period ending 31 March 2024 have been restated.

² Includes loans secured by mortgages over residential property.

³ Total loan assets per funded balance sheet includes self-securitised assets.

Explanatory notes concerning asset security of funded loan asset portfolio

1. Home loans

Loans secured by mortgages over residential property.

2. Business banking

Loan portfolio secured largely by working capital, business cash flows and real property.

3. Car loans

Secured by motor vehicles.

4. BFS Other

Includes credit cards.

5. Asset finance

Predominantly secured by underlying financed assets.

6. Resources and commodities

Diversified loan portfolio primarily to the resources sector that are secured by the underlying assets with associated price hedging to mitigate risk.

7. Foreign exchange, interest rate and credit

Diversified lending predominantly consisting of loans which are secured by other loan collateral, assets including rights and receivables and warehoused security from mortgages and auto loans.

8. CGM Other

Equity collateralised loans.

9. MAM Other

Secured by underlying financed assets.

10. Corporate and other lending

Diversified corporate and real estate lending portfolio, predominantly consisting of loans which are senior, secured, covenanted and with a hold to maturity horizon.

4.3 Equity Investments

Equity investments include:

- interests in associates and joint ventures including those classified as held for sale;
- subsidiaries and certain other assets held for investment purposes; and
- financial investments excluding trading equities.

The classification is driven by a combination of the level of influence Macquarie has over the investment and Macquarie's business intention with respect to the holding of the investment.

For the purpose of analysis, equity investments have been re-grouped into the following categories:

- investments in Macquarie-managed funds; and
- other investments.

Equity investments reconciliation

	AS AT		MOVEMENT
	Mar 25	Mar 24	Mar 24
	\$Ab	\$Ab	%
Equity investments			
Statement of financial position			
Equity investments at fair value	1.8	2.2	(18)
Interests in associates and joint ventures ¹	9.1	8.5	7
Total equity investments per statement of financial position	10.9	10.7	2
Adjustment for funded balance sheet			
Non-controlling interests ²	(0.2)	(0.1)	100
Total funded equity investments	10.7	10.6	1
Adjustment for equity investment analysis			
Subsidiaries and certain other assets held for investment purposes ³	2.7	2.7	-
Associates' reserves ⁴	-	(0.1)	(100)
Total adjusted equity investments⁵	13.4	13.2	2

¹ Includes total interests in associates and joint ventures as per Note 14 of the Annual Report and interests in associates and joint ventures classified as held for sale as per Note 11 of the Annual Report.

² These represent the portion of ownership in equity investments not attributable to Macquarie. As this is not a position that Macquarie is required to fund, it is netted against the consolidated assets and liabilities in preparing the funded balance sheet.

³ Subsidiaries and certain other assets held for investment purposes are consolidated entities that are held for the ultimate intention to sell as part of Macquarie's investment activities.

⁴ Associates' reserves (gross of tax) that will be released to income upon realisation of the investment.

⁵ The adjusted value represents the total net exposure to Macquarie.

Equity investments by category

Equity investments of \$A13.4b¹

Category	AS AT		MOVEMENT
	Mar 25 \$Ab	Mar 24 \$Ab	Mar 24 %
MAM			
Macquarie Asset Management Private Markets-managed funds	2.6	2.0	30
Investments acquired to seed new Private Markets-managed products and mandates	0.9	1.1	(18)
Other Macquarie-managed funds	-	0.2	(100)
Green Energy	1.3	2.0	(35)
Transport, industrial, real estate and infrastructure	1.8	1.6	13
Other	0.1	0.2	(50)
Total MAM	6.7	7.1	(6)
Macquarie Capital			
Infrastructure & Energy Capital	2.1	1.5	40
Principal Finance	1.9	1.8	6
Growth & Technology and Venture Capital	1.7	1.2	42
Other	0.1	0.1	-
Total Macquarie Capital	5.8	4.6	26
Total Other²	0.9	1.5	(40)
Total equity investments	13.4	13.2	2

¹ Equity investments includes interests in associates and joint ventures including those classified as held for sale, subsidiaries and certain other assets held for investment purposes and financial investments excluding trading equities.

² Includes BFS, CGM and Corporate

05

Funding and Liquidity

MMG Dugald River Mine, Australia

MMG is a global producer of copper and other base metals, with operations in Australia, Peru, the Democratic Republic of the Congo and Botswana. Macquarie Capital has a long history of advising MMG, including on multiple capital raisings and its acquisition of Botswana's Khoemacau Copper Mine in early 2024.



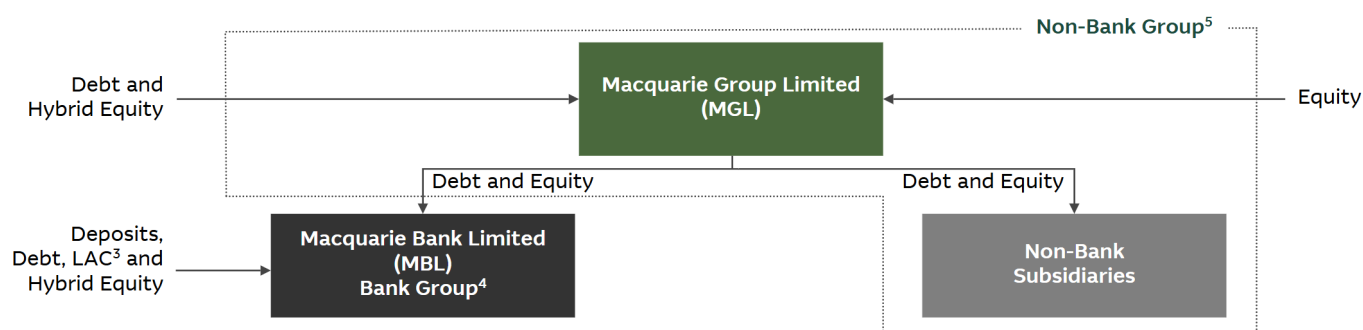


5.1 Liquidity Risk Governance and Management Framework

Governance and oversight

MGL and MBL are Macquarie's two primary external funding vehicles which have separate and distinct funding, capital and liquidity management arrangements. MGL provides funding predominantly to the Non-Bank Group¹ and limited funding to some MBL subsidiaries. MBL provides funding to the Bank Group².

The high level funding structure of the Group is shown below:



Macquarie's liquidity risk management framework is designed to ensure that it is able to meet its obligations as they fall due under a range of market conditions.

Liquidity management is performed centrally by Group Treasury, with oversight from the MGL and MBL Asset and Liability Committees (ALCO), the MGL and MBL Boards and the Risk Management Group (RMG). Macquarie's liquidity policies are approved by the MGL and MBL Boards after endorsement by the respective ALCO and liquidity reporting is provided to the Boards on a regular basis. The MGL and MBL ALCO members include the MGL Chief Executive Officer, MBL Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Chief Operating Officer, Group General Counsel, Head of Group Treasury and relevant Operating Group Heads.

RMG provides independent oversight of liquidity risk management, including ownership of liquidity policies and key limits and approval of material liquidity scenario assumptions.

Liquidity policy and risk appetite

The MGL and MBL liquidity policies are designed so that each of Macquarie, the Bank Group and the Non-Bank Group maintains sufficient liquidity to meet their obligations as they fall due. The MBL liquidity policy outlines the standalone framework for the Bank Group and its principles are consistent with the MGL liquidity policy. In some cases, other entities within Macquarie may also be required to have a standalone liquidity policy. In these cases, the principles applied within the entity-specific liquidity policies are also consistent with those applied in the broader MGL liquidity policy.

Macquarie establishes a liquidity risk appetite, which is approved by the MGL and MBL Boards, and represents an articulation of the nature and level of liquidity risk that is acceptable in the context of achieving Macquarie's strategic objectives. Macquarie's liquidity risk appetite is intended to ensure that Macquarie is able to meet all of its liquidity obligations during a period of liquidity stress: a twelve month period with constrained access to funding markets for MBL, no access to funding markets for MGL while preserving the capabilities of Macquarie's franchise businesses.

Reflecting the longer-term nature of the Non-Bank Group asset profile, MGL is funded predominantly with a mixture of capital and long-term wholesale funding. MBL is an authorised deposit-taking institution (ADI) and is funded mainly with deposits, long-term liabilities and capital.

¹ The Non-Bank Group comprises MAM, Macquarie Capital and certain assets of the Financial Markets business, certain activities of the Commodity Markets and Finance business and some other less financially significant activities of CGM.

² The Bank Group comprises BFS and CGM (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 are undertaken from within the Non-Bank Group).

³ Subordinated debt to meet APRA's Loss Absorbing Capacity (LAC) requirements.

⁴ MBL is the primary external funding vehicle for the Bank Group. Macquarie International Finance Limited (MIFL) and Macquarie Bank Europe (MBE) also operate as external funding vehicles for certain subsidiaries within the Bank Group.

⁵ MGL is the primary external funding vehicle for the Non-Bank Group.

Liquidity risk tolerance and principles

Macquarie's liquidity risk appetite is supported by a number of risk tolerances and principles applied to mitigating and managing liquidity risk in both MGL and MBL.

Risk tolerances

- Term assets must be funded by term liabilities and short-term assets must exceed short-term wholesale liabilities
- Cash and liquid assets must be sufficient to cover the expected outflows under a twelve month stress scenario and meet minimum regulatory requirements
- Cash and liquid assets held to cover stress scenarios and regulatory minimums must be high quality unencumbered liquid assets and cash
- Diversity and stability of funding sources is a key priority
- Balance sheet currency mismatches are managed within set tolerances
- Funding and liquidity exposures between entities within Macquarie are monitored and constrained where required.

Liquidity management strategy

- Macquarie has a centralised approach to liquidity management
- Funding and liquidity risk is managed through stress scenario analysis and setting limits on the composition and maturity of assets and liabilities, including funding concentration limits
- A global liquidity framework is maintained that outlines Macquarie's approach to managing funding and liquidity requirements in offshore subsidiaries and branches
- The liquidity position is managed to ensure all obligations can be met as required on an intraday basis
- A liquidity contingency plan for MGL and a liquidity contingency plan for MBL is maintained, which provides an action plan in the event of a liquidity 'crisis'
- A funding strategy for MGL and a funding strategy for MBL is prepared annually and monitored on a regular basis
- Internal pricing allocates liquidity costs, benefits and risks to areas responsible for generating them
- Strong relationships are maintained to assist with managing confidence and liquidity
- The MGL Board, MBL Board and senior management receive regular reporting on Macquarie's liquidity position, including compliance with liquidity policies and regulatory requirements.

Liquidity contingency plan

Group Treasury maintains a liquidity contingency plan for MGL and a liquidity contingency plan for MBL, which outline how a liquidity crisis would be managed for the Group and Bank, respectively. The plans define roles and responsibilities and actions to be taken in a liquidity event, including identifying key information requirements and appropriate communication plans with both internal and external parties.

Specifically, the plan details:

- factors that may constitute a crisis
- the officers responsible for invoking each plan
- a committee of senior executives responsible for managing a crisis
- the information required to effectively manage a crisis
- a communications strategy
- a high level checklist of possible actions to conserve or raise additional liquidity for the Group or Bank; and
- contact lists to facilitate prompt communication with all key internal and external stakeholders.

The MBL plan also incorporates a retail run operational plan that outlines the Bank's processes and operational plans for managing a significant increase in customer withdrawals during a potential deposit 'run' on Macquarie.

In addition, Macquarie monitors a range of early warning indicators on a daily basis that might assist in identifying emerging risks in Macquarie's liquidity position. These indicators are reviewed by senior management and are used to inform any decisions regarding invoking the plan.

The liquidity contingency plans are subject to regular review by both Group Treasury and RMG. They are submitted annually to the MGL and MBL ALCO and respective Boards for approval.

Macquarie is a global financial institution, with branches and subsidiaries in a variety of countries. Regulations in certain countries may require some branches or subsidiaries to have specific local contingency plans. Where that is the case, the liquidity contingency plans contain either a supplement or a reference to a separate document providing the specific information required for those branches or subsidiaries.

Funding strategy

Macquarie prepares a centralised funding strategy for MGL and a centralised funding strategy for MBL on an annual basis and monitors progress against the strategies throughout the year. The funding strategies aim to:

- maintain diversity of funding sources for MGL and MBL, across a range of tenors, currencies and products; and
- ensure ongoing compliance with all liquidity requirements and facilitate forecast asset growth.

The funding strategies are reviewed by the MGL and MBL ALCO and approved by the respective Boards.

5.2 Management of Liquidity Risk

Scenario analysis

Scenario analysis is central to Macquarie's liquidity risk management framework. In addition to regulatory defined scenarios, Group Treasury models additional liquidity scenarios covering both market-wide and Macquarie name-specific crises. Scenario analysis performs a range of functions within the liquidity risk management framework, including being a basis for:

- monitoring compliance with internal liquidity risk appetite statements by ensuring all liquidity obligations can be met in the corresponding scenarios
- determining a minimum level of cash and liquid assets
- determining an appropriate minimum tenor of funding for Macquarie's assets; and
- determining the overall capacity for future asset growth.

The scenarios separately consider the requirements of the Bank Group and the Non-Bank Group. These scenarios use a range of assumptions, which Macquarie intends to be conservative, regarding the level of access to capital markets, deposit outflows, contingent funding requirements and asset sales.

As an example, one internal scenario projects the expected cash and liquid asset position during a combined market-wide and Macquarie name-specific crisis over a twelve month time frame. This scenario assumes no access to wholesale funding markets, a significant loss of deposits and contingent funding outflows resulting from undrawn commitments, market moves impacting derivatives and other margined positions combined with a multiple notch credit rating downgrade. Macquarie's cash and liquid asset portfolio must exceed the minimum requirement as calculated in this scenario at all times.

Liquid asset holdings

Group Treasury centrally maintains a portfolio of highly liquid unencumbered assets which are intended to ensure adequate liquidity is available under a range of market conditions. The minimum level of cash and liquid assets is calculated with reference to internal scenario analysis and regulatory requirements.

The cash and liquid asset portfolio contains only unencumbered assets that can be relied on to maintain their liquidity in a crisis scenario. Specifically, cash and liquid assets held to meet minimum internal and regulatory requirements must be cash balances (including central bank reserves and overnight lending to financial institutions), qualifying High-Quality Liquid Assets (HQLA) and other Reserve Bank of Australia (RBA) repo-eligible securities. Composition constraints are also applied to ensure appropriate diversity and quality of the assets in the portfolio.

The cash and liquid asset portfolio is held in a range of currencies consistent with the distribution of liquidity needs by currency, allowing for an acceptable level of currency mismatches. Certain other Operating Segments also hold cash and liquid assets as part of their operations. Macquarie had \$A81.1 billion cash and liquid assets as at 31 March 2025 (31 March 2024¹: \$A78.2 billion), of which \$A69.2 billion was held by Macquarie Bank (31 March 2024¹: \$A63.7 billion).

Funds transfer pricing

An internal funds transfer pricing framework is in place that has been designed to produce appropriate incentives for business decision making by reflecting the funding costs arising from business actions and the separate funding tasks and liquidity requirements of the Bank and Non-Bank Groups. Under this framework, each business is allocated the appropriate cost of the funding required to support its products and business lines, recognising the actual and contingent funding-related exposures their activities create. The Operating Groups are assumed to be fully debt funded for the purposes of internal funding charges.

¹ Following changes to funded balance sheet methodology, the balances for period ending 31 March 2024 have been restated.

Credit ratings¹

	Macquarie Bank Limited		Macquarie Group Limited	
	Short-term rating	Long-term rating	Short-term rating	Long-term rating
Moody's Ratings	P-1	Aa2/Stable	P-1	A1/Stable
Standard and Poor's	A-1	A+/Stable	A-2	BBB+/Stable
Fitch Ratings	F-1	A+/Stable	F-1	A/Stable

Regulatory liquidity metrics

The Australian Prudential Regulation Authority's (APRA) 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, the standard incorporates the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR). The LCR and NSFR apply specifically to Macquarie Bank as a regulated ADI. As an APRA authorised and regulated Non-Operating Holding Company, MGL is required to manage liquidity in compliance with APS 210's qualitative requirements. Separate quantitative requirements are imposed internally by the MGL and MBL ALCOs and the Boards.

Liquidity Coverage Ratio

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 HQLA includes notes and coins, balances held with central banks, Australian dollar Commonwealth government and semi-government securities, as well as certain HQLA-qualifying foreign currency securities.

Macquarie Bank's three month average LCR to 31 March 2025 was 175% (average based on daily observations)². For a detailed breakdown of Macquarie Bank's LCR, please refer to Macquarie's regulatory disclosures.

Net Stable Funding Ratio

The NSFR is a twelve 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 twelve months. Macquarie Bank's NSFR as at 31 March 2025 was 113%³. For a detailed breakdown of Macquarie Bank's NSFR, please refer to Macquarie's regulatory disclosures.

¹ A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by an assigning rating agency and any rating should be evaluated independently of any other information.

² APRA imposed a 25% add-on to the Net Cash Outflow component of Macquarie Bank's LCR calculation, effective from 1 May 2022.

³ APRA imposed a 1% decrease to the Available Stable Funding component of Macquarie Bank's NSFR calculation, effective from 1 April 2021.

5.3 Funded Balance Sheet

Macquarie's statement of financial position is prepared based on Australian Accounting Standards. The funded balance sheet is a representation of Macquarie's funding requirements once certain items (e.g., derivative revaluation and self-funded trading assets) have been netted from the statement of financial position. The funded balance sheet is not a liquidity risk management tool, as it does not consider the granular liquidity profiling of all on and off-balance sheet components considered in both Macquarie's internal liquidity framework and the regulatory liquidity metrics.

The table below reconciles the reported assets of Macquarie to the net funded assets as at 31 March 2025. The following pages split this between the Bank Group and the Non-Bank Group to assist in the analysis of each of the separate funding profiles of the respective entities.

	Notes	AS AT	
		Mar 25 \$Ab	Mar 24 ¹ \$Ab
Total assets per Macquarie's statement of financial position		445.2	403.4
Netted items:			
Derivative revaluation	1	(23.4)	(25.6)
Segregated funds	2	(10.6)	(11.7)
Other	3	(14.1)	(12.7)
Self-funded trading assets	4	(29.0)	(24.7)
Net funded assets		368.1	328.7

Explanatory notes concerning net funded assets

1. Derivative revaluation

Offsetting derivative positions do not generally require funding. For presentation purposes, the total gross derivative balances are netted in the funded balance sheet with the resulting funding requirement included as part of net trading assets.

2. Segregated funds

These represent the assets and liabilities that are recognised where Macquarie holds segregated client monies. The client monies will be matched by assets held to the same amount. Any excess client funds placed with Macquarie are netted down against cash and liquid assets.

3. Other

Macquarie through its day-to-day operations generates working capital (other assets includes receivables and prepayments and other liabilities includes creditors and accruals) that produce a 'net balance' that either requires or provides funding.

4. Self-funded trading assets

Macquarie enters into stock borrowing and lending as well as repurchase agreements and reverse repurchase agreements in the normal course of trading activity that it conducts with its clients and counterparties. Also as part of its trading activities, Macquarie pays and receives margin collateral on its outstanding derivative positions. These trading and liquidity management related asset and liability positions are viewed as being self-funded to the extent that they offset one another and, therefore, are netted as part of this adjustment.

These adjustments do not indicate the existence of an enforceable netting arrangement. For further information about balances which are subject to enforceable netting arrangements, please refer to Note 39 *Offsetting financial assets and financial liabilities* in the Annual Report.

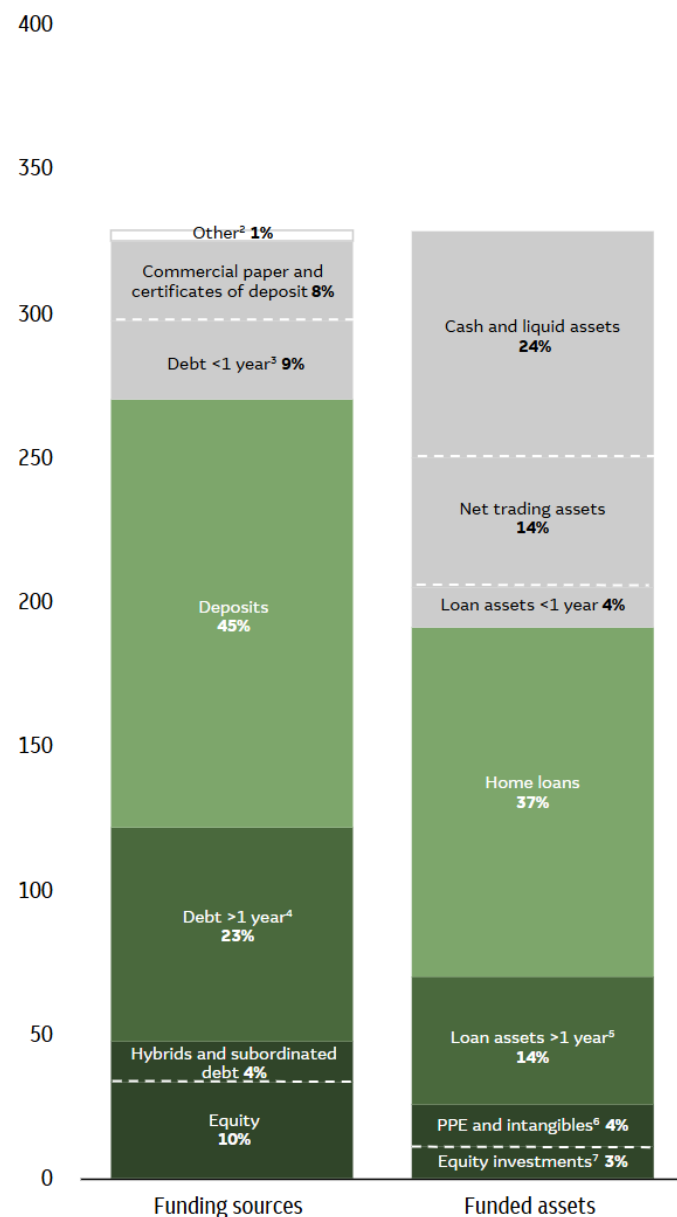
¹ Following changes to funded balance sheet methodology, the balances for period ending 31 March 2024 have been restated.

5.4 Funding Profile for Macquarie

The change in composition of the funded balance sheet is illustrated in the chart below.

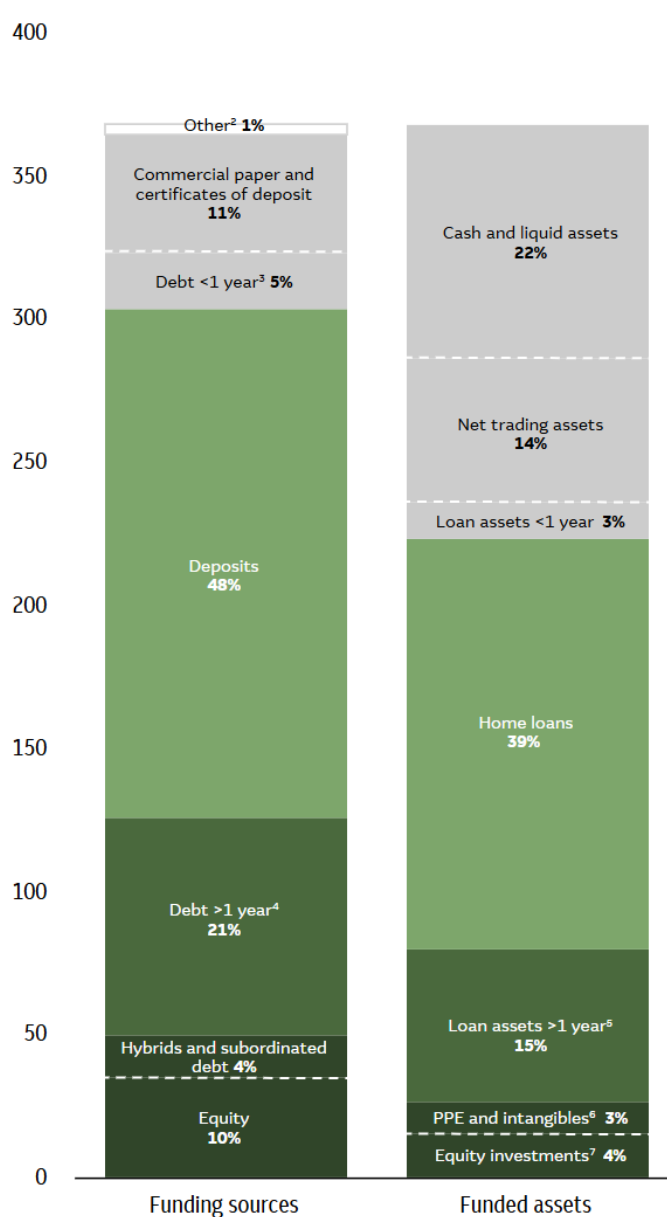
31 March 2024¹

\$A billion



31 March 2025

\$A billion



¹ Following changes to funded balance sheet methodology, the balances for period ending 31 March 2024 have been restated.

² Includes components of other liabilities, provisions, held for sale liabilities, current tax and deferred tax liabilities.

³ Debt <1 year includes Subordinated debt (\$A2.0 billion at 31 March 2025), Secured funding (incl. RBA TFF at 31 March 2024), Bonds, Structured notes and Unsecured loans.

⁴ Debt >1 year includes Secured funding, Bonds, Structured notes and Unsecured loans.

⁵ Loan assets >1 year includes Debt investments.

⁶ Includes deferred tax assets.

⁷ Equity investments includes Macquarie's co-investments in Macquarie-managed funds and other equity investments.

5.4 Funding Profile for Macquarie

Continued

Funded balance sheet

		AS AT	
		Mar 25	Mar 24 ¹
	Notes	\$Ab	\$Ab
Funding sources			
Commercial paper and certificates of deposit	1	41.2	27.3
Structured notes	2	2.6	2.0
Secured funding	3		
Securitisation		13.0	13.8
Other secured funding		5.3	14.6
Bonds	4	53.1	56.2
Unsecured loans	5	19.6	14.9
Deposits	6	177.7	148.4
Hybrids and subordinated debt	7	16.4	14.2
Equity	8	35.8	34.0
Other	9	3.4	3.3
Total		368.1	328.7
Funded assets			
Cash and liquid assets	10	81.1	78.2
Net trading assets	11	50.4	45.1
Loan assets less than one year	12	12.8	13.8
Home loans	13	143.3	120.8
Loan assets greater than one year	12	49.5	41.8
Debt investments	14	4.1	3.1
Equity investments ²	15	16.2	11.4
Property, plant and equipment and intangibles		10.7	14.5
Total		368.1	328.7

See section 5.7 for Notes 1-15.

¹ Following changes to funded balance sheet methodology, the balances for period ending 31 March 2024 have been restated.

² Includes held for sale assets.

Term funding initiatives

Macquarie has a liability-driven approach to balance sheet management, where funding is raised prior to assets being taken on to the balance sheet. Since 1 April 2024, Macquarie has continued to raise term wholesale funding across various products and currencies.

Details of term funding raised between 1 April 2024 and 31 March 2025:

		Bank Group \$Ab	Non-Bank Group \$Ab	Total \$Ab
Issued paper	- Senior unsecured	5.3	0.4	5.7
Secured funding	- Term securitisation, covered bond and other secured finance	3.9	3.9	7.8
Loan facilities	- Unsecured loan facilities	4.6	11.1	15.7
Loan capital	- Hybrid instruments and subordinated debt	1.3	1.5	2.8
Total		15.1	16.9	32.0

Macquarie has continued to develop its major funding markets and products during the year ended 31 March 2025.

From 1 April 2024 to 31 March 2025, Macquarie raised \$A32.0 billion¹ of term funding including:

- \$A15.7 billion of unsecured loan facilities
- \$A5.9 billion of securitisation issuances
- \$A5.7 billion of senior unsecured debt
- \$A2.8 billion of loan capital comprising of \$A1.5 billion of MCN7 Hybrid instrument issuance and \$A1.3 billion of subordinated unsecured debt
- \$A1.1 billion refinance of secured trade finance facilities; and
- \$A0.8 billion of covered bond issuance.

¹ Issuances cover a range of tenors, currencies and product types and are Australian dollar equivalent based on foreign exchange rates at the time of issuance. Includes refinancing of loan facilities.

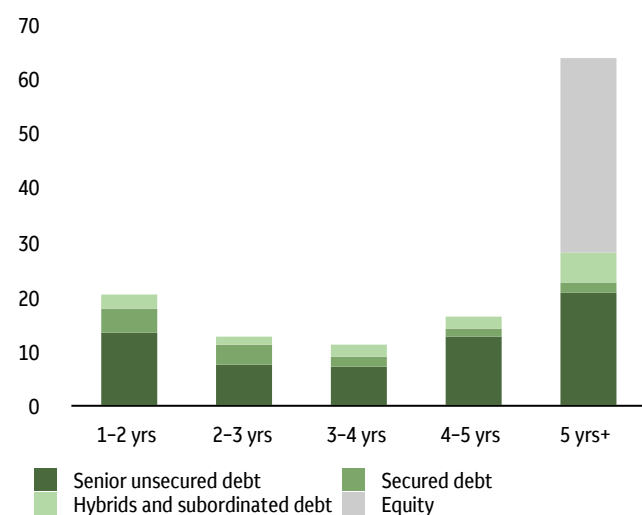
5.4 Funding Profile for Macquarie

Continued

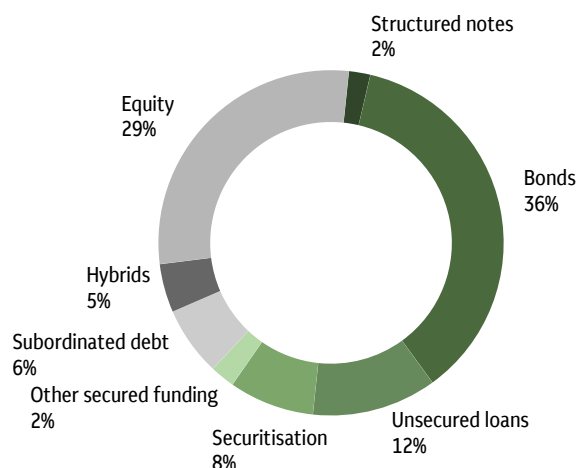
Term funding profile

Detail of drawn funding maturing beyond one year

\$A billion



Diversity of funding sources



AS AT MAR 25

	1-2 yrs \$Ab	2-3 yrs \$Ab	3-4 yrs \$Ab	4-5 yrs \$Ab	5 yrs+ \$Ab	Total \$Ab
Structured notes ¹	0.7	0.3	0.1	0.7	0.7	2.5
Bonds	11.9	7.2	6.8	6.7	13.1	45.7
Unsecured loans	1.1	0.3	0.5	5.4	7.3	14.6
Senior unsecured debt	13.7	7.8	7.4	12.8	21.1	62.8
Securitisation ¹	3.6	2.5	1.9	0.7	1.3	10.0
Other secured funding	0.6	1.1	-	0.9	0.3	2.9
Secured debt	4.2	3.6	1.9	1.6	1.6	12.9
Hybrids ²	2.1	0.7	0.7	0.7	1.5	5.7
Subordinated debt ²	0.7	0.8	1.3	1.3	4.0	8.1
Hybrids and subordinated debt	2.8	1.5	2.0	2.0	5.5	13.8
Equity	-	-	-	-	35.8	35.8
Total term funding sources drawn	20.7	12.9	11.3	16.4	64.0	125.3
Undrawn ³	0.9	0.5	0.9	3.1	0.9	6.3
Total term funding sources drawn and undrawn	21.6	13.4	12.2	19.5	64.9	131.6

Macquarie has a funding base that is stable with short-term wholesale funding covered by cash, liquids and other short-term assets.

As at 31 March 2025, Macquarie's term assets were covered by term funding >1 year, stable deposits, hybrids, subordinated debt and equity.

The weighted average term to maturity of term funding >1 year (excluding deposits, equity and securitisations) was 4.5 years as at 31 March 2025.

As at 31 March 2025, in addition to drawn term funding in the table above, deposits represented \$A177.7 billion (48% of Macquarie's total funding), commercial paper and certificates of deposit represented \$A41.2 billion (11% of total funding), debt <1 year represented \$A19.9 billion (5% of total funding), hybrids with first call date <1 year represented \$A0.6 billion and other represented \$A3.4 billion (1% of total funding).

¹ Securitisation and structured notes are profiled using a behavioural maturity profile.

² Included in this balance are securities with conditional repayment obligations. These securities are disclosed using the earlier repricing dates instead of contractual maturity.

³ Includes securitisations which are profiled using a behavioural maturity profile and subject to eligible collateral being available.

Deposit strategy

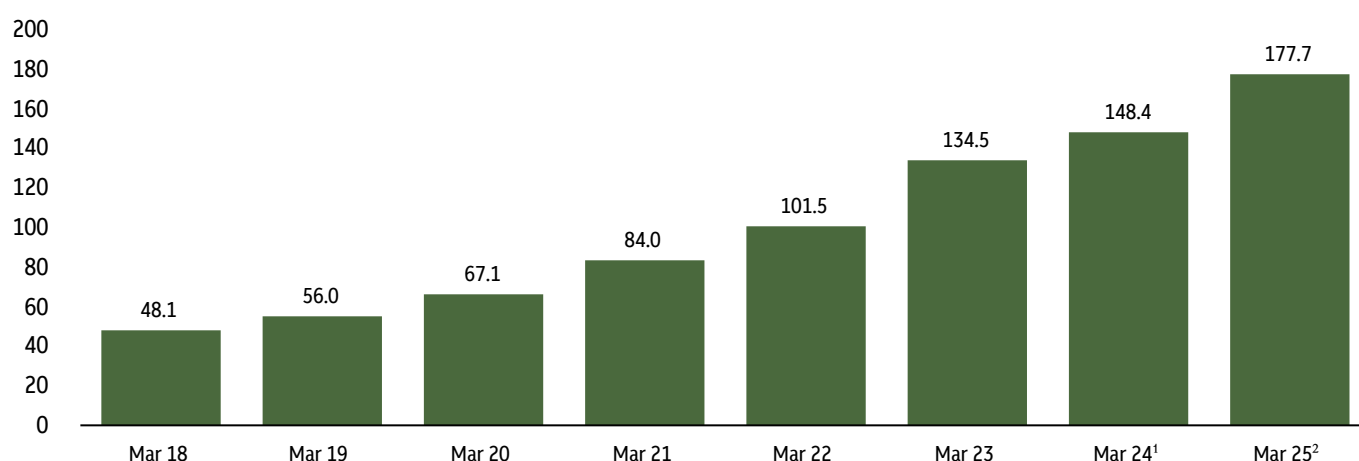
MBL continues to pursue a deposit strategy that is consistent with the core liquidity management strategy of achieving diversity and stability of funding sources. The strategy is focused on growing the BFS deposit base, which represents a stable and reliable source of funding and reduces Macquarie's reliance on wholesale funding markets.

In particular, MBL is focused on the quality and diversification of the deposit base, targeting transactional and relationship-based deposits. MBL is covered by the Financial Claims Scheme (FCS), an Australian Government scheme that provides protection to depositors up to a limit of \$A250,000 per account holder per ADI.

The chart below illustrates the deposit growth since 31 March 2018.

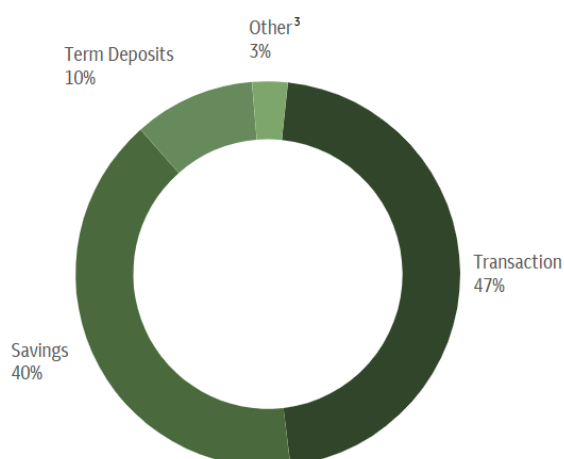
Deposits

\$A billion

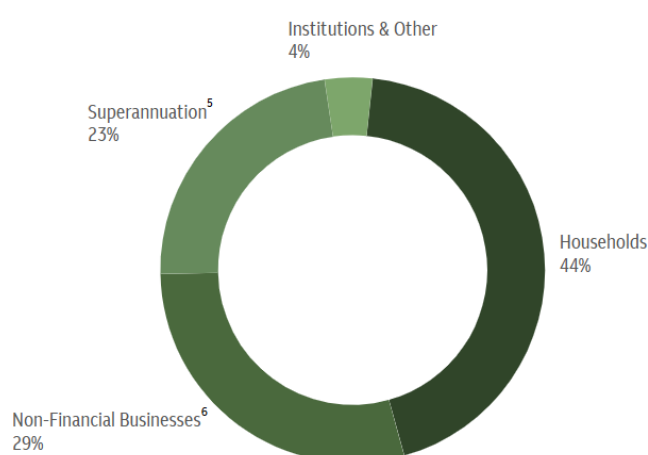


Composition of deposits

By Type²



By Counterparty⁴



¹ Following changes to funded balance sheet methodology, the balances for period ending 31 March 2024 have been restated.

² Total deposits include BFS deposits of \$A172.4 billion and \$A5.3 billion of corporate/wholesale deposits, including those taken by MBE as at 31 March 2025.

³ Includes corporate/wholesale deposits.

⁴ As at 31 March 2025 for Total Residents Deposits on Australian books per APRA Monthly Authorised Deposit Taking Institution Statistics (MADIS).

⁵ Predominantly Self-Managed Super Funds.

⁶ Predominantly Private Enterprises and Trusts.

5.5 Funding Profile for the Bank Group

Continued

Funded balance sheet

		AS AT	
		Mar 25	Mar 24 ¹
	Notes	\$Ab	\$Ab
Funding sources			
Commercial paper and certificates of deposit	1	41.1	27.3
Structured notes	2	0.7	0.5
Secured funding	3		
Securitisation		10.8	11.6
Other secured funding		3.0	12.4
Bonds	4	18.8	20.6
Unsecured loans	5	11.1	8.5
Deposits	6	177.7	148.3
Hybrids and subordinated debt	7	12.6	10.8
Equity	8	23.0	21.4
Other	9	3.7	3.4
Total		302.5	264.8
Funded assets			
Cash and liquid assets	10	69.2	63.7
Net trading assets	11	44.0	41.7
Loan assets less than one year	12	11.4	12.0
Home loans	13	143.0	120.4
Loan assets greater than one year	12	27.0	24.3
Debt investments	14	2.7	2.5
Non-Bank Group balances with the Bank Group		(2.8)	(7.5)
Equity investments	15	0.8	0.7
Property, plant and equipment and intangibles		7.2	7.0
Total		302.5	264.8

See section 5.7 for Notes 1–15.

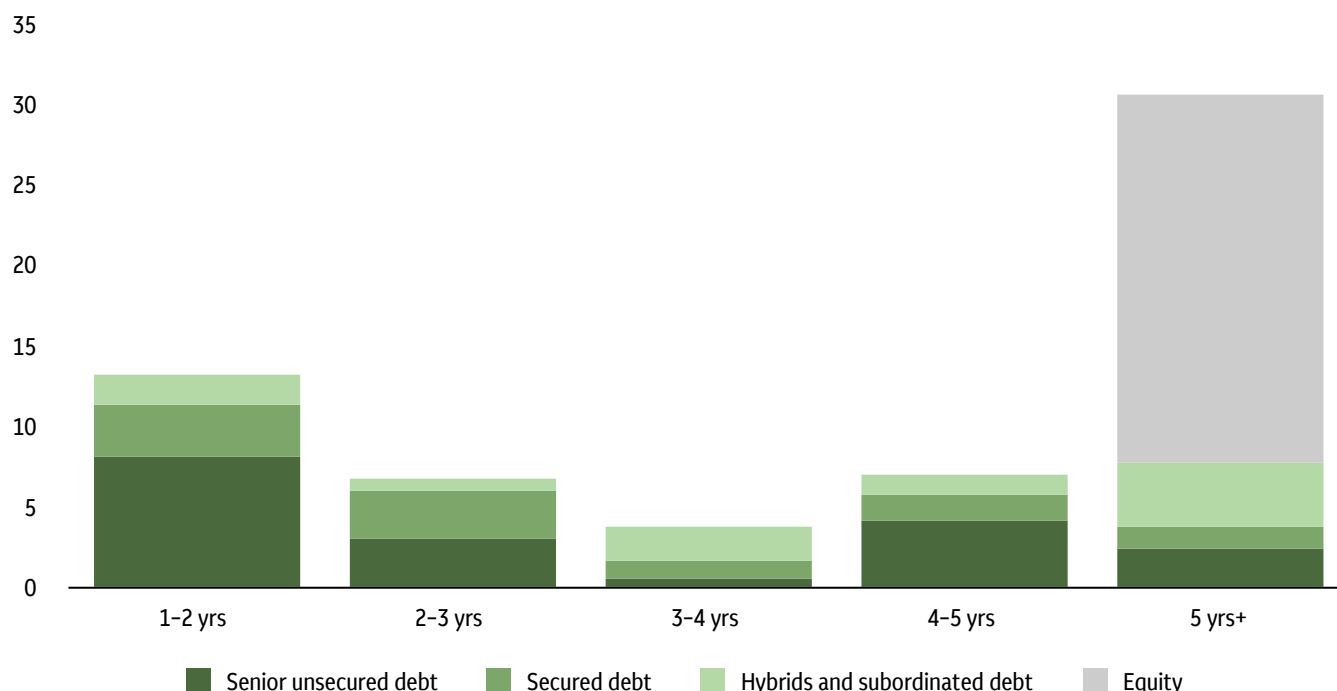
¹ Following changes to funded balance sheet methodology, the balances for period ending 31 March 2024 have been restated.

5.5 Funding Profile for the Bank Group

Term funding profile

Detail of drawn funding maturing beyond one year

\$A billion



	AS AT MAR 25					Total \$Ab
	1-2 yrs \$Ab	2-3 yrs \$Ab	3-4 yrs \$Ab	4-5 yrs \$Ab	5 yrs+ \$Ab	
Structured notes ¹	0.1	-	0.1	0.2	0.2	0.6
Bonds	7.1	2.9	-	1.6	0.3	11.9
Unsecured loans	1.0	0.2	0.5	2.4	2.0	6.1
Senior unsecured debt	8.2	3.1	0.6	4.2	2.5	18.6
Securitisation ¹	2.7	1.9	1.2	0.7	1.3	7.8
Other secured funding	0.5	1.1	-	0.9	-	2.5
Secured debt	3.2	3.0	1.2	1.6	1.3	10.3
Hybrids ²	1.2	-	0.7	-	-	1.9
Subordinated debt ²	0.7	0.8	1.3	1.3	4.0	8.1
Hybrids and subordinated debt	1.9	0.8	2.0	1.3	4.0	10.0
Equity	-	-	-	-	23.0	23.0
Total term funding sources drawn	13.3	6.9	3.8	7.1	30.8	61.9
Undrawn ³	0.3	0.2	0.1	0.1	0.1	0.8
Total term funding sources drawn and undrawn	13.6	7.1	3.9	7.2	30.9	62.7

Macquarie Bank has diversity of funding across a range of tenors, currencies and products. The weighted average term to maturity of term funding >1 year (excluding deposits, equity and securitisations) was 3.5 years as at 31 March 2025.

As at 31 March 2025, in addition to drawn term funding in the table above, deposits represented \$A177.7 billion (59% of the Bank Group's total funding), commercial paper and certificates of deposit represented \$A41.1 billion (14% of total funding), debt <1 year represented \$A17.5 billion (6% of total funding), hybrids with first call date <1 year represented \$A0.6 billion and other represented \$A3.7 billion (1% of total funding).

¹ Securitisation and structured notes are profiled using a behavioural maturity profile.

² Included in this balance are securities with conditional repayment obligations. These securities are disclosed using the earlier repricing dates instead of contractual maturity.

³ Includes securitisations which are profiled using a behavioural maturity profile and subject to eligible collateral being available.

5.5 Funding Profile for the Bank Group

Continued

The key tools used for raising debt funding, which primarily fund MBL and the Bank Group, are as follows¹:

- \$US25 billion Regulation S Debt Instrument Programme under which \$US6.7 billion of debt securities were outstanding as at 31 March 2025
- \$US25 billion MBL Commercial Paper Program under which \$US19.3 billion of debt securities were outstanding as at 31 March 2025
- \$US25 billion US Rule 144A/Regulation S Medium-Term Note Program, including senior and subordinated notes, under which \$US8.6 billion of debt securities were outstanding as at 31 March 2025
- \$A10.8 billion of external securitisation of which \$A9.6 billion PUMA RMBS and \$A1.2 billion SMART ABS was drawn as at 31 March 2025
- \$US10 billion European Commercial Paper Programme, including Euro Commercial Paper and Euro Certificates of Deposit, under which \$US5.6 billion of debt securities were outstanding as at 31 March 2025
- \$A10 billion Covered Bond Programme under which \$A1.9 billion of debt securities were outstanding as at 31 March 2025
- \$A10 billion Regulation S Subordinated Notes Debt Programme under which \$A2.5 billion of debt securities were outstanding as at 31 March 2025
- \$US5 billion MIFL Commercial Paper Programme under which \$US0.5 billion of debt securities were outstanding as at 31 March 2025
- \$US5 billion Structured Note Programme under which \$US0.4 billion of structured notes were outstanding as at 31 March 2025
- \$A7 billion² of Unsecured Loan Facilities of which \$A7 billion was drawn as at 31 March 2025
- \$A2.4 billion of other subordinated unsecured debt outstanding as at 31 March 2025; and
- \$US0.7 billion³ Secured Trade Finance Facility of which \$US0.7 billion was drawn as at 31 March 2025.

Macquarie Bank accesses the Australian capital markets through the issuance of Negotiable Certificates of Deposit. As at 31 March 2025, Macquarie Bank had \$A0.5 billion of these securities outstanding.

Macquarie Bank as a RITS member is able to access the RBA daily market operations.

¹ Funding outstanding excludes capitalised costs.

² Includes issuance out of MIFL and MBE. Values are Australian dollar equivalent as at 31 March 2025.

³ Values are US dollar equivalents as at 31 March 2025.

5.6 Funding Profile for the Non-Bank Group

Funded balance sheet

		AS AT	
		Mar 25	Mar 24 ¹
	Notes	\$Ab	\$Ab
Funding sources			
Commercial paper and certificates of deposit	1	0.1	-
Structured notes	2	1.9	1.5
Secured funding	3		
Securitisation		2.2	2.2
Other secured funding		2.3	2.2
Bonds	4	34.3	35.6
Unsecured loans	5	8.5	6.4
Deposits	6	-	0.1
Hybrids	7	3.8	3.4
Equity	8	12.8	12.6
Other	9	(0.3)	(0.1)
Total		65.6	63.9
Funded assets			
Cash and liquid assets	10	11.9	14.5
Non-Bank Group balances with the Bank Group		2.8	7.5
Net trading assets	11	6.4	3.4
Loan assets less than one year	12	1.4	1.8
Home loans	13	0.3	0.4
Loan assets greater than one year	12	22.5	17.5
Debt investments	14	1.4	0.6
Equity investments ²	15	15.4	10.7
Property, plant and equipment and intangibles		3.5	7.5
Total		65.6	63.9

See Section 5.7 for Notes 1-15.

¹ Following changes to funded balance sheet methodology, the balances for period ending 31 March 2024 have been restated.

² Includes held for sale assets.

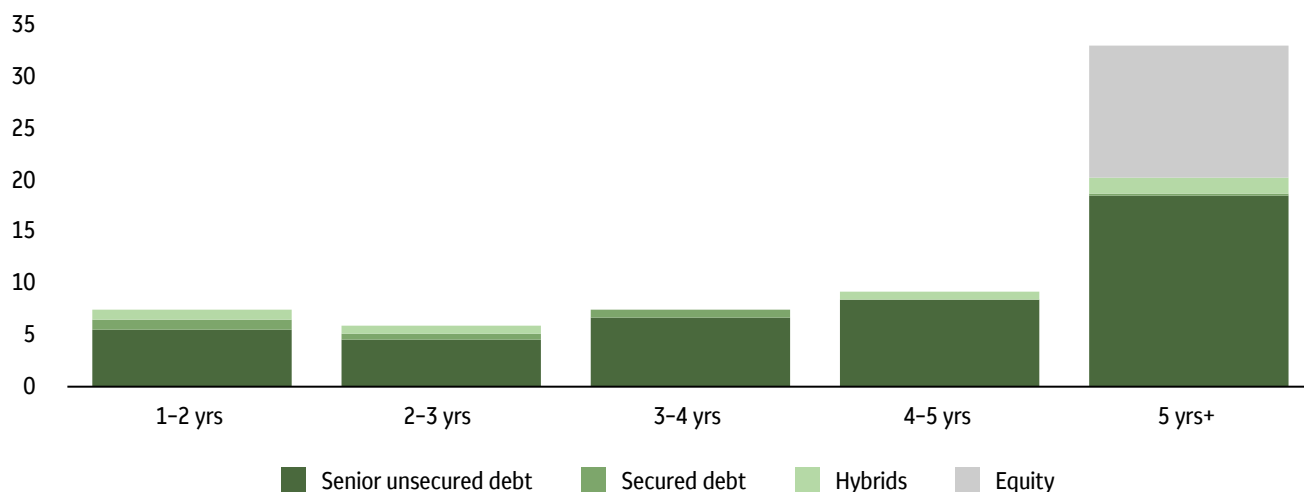
5.6 Funding Profile for the Non-Bank Group

Continued

Term funding profile

Detail of drawn funding maturing beyond one year

\$A billion



	AS AT MAR 25					Total \$Ab
	1-2 yrs \$Ab	2-3 yrs \$Ab	3-4 yrs \$Ab	4-5 yrs \$Ab	5 yrs+ \$Ab	
Structured notes ¹	0.6	0.3	–	0.5	0.5	1.9
Bonds	4.8	4.3	6.8	5.1	12.8	33.8
Unsecured loans	0.2	0.1	–	3.0	5.2	8.5
Senior unsecured debt	5.6	4.7	6.8	8.6	18.5	44.2
Securitisation ¹	0.9	0.6	0.7	–	–	2.2
Other secured funding	0.1	–	–	–	0.3	0.4
Secured debt	1.0	0.6	0.7	–	0.3	2.6
Hybrids ²	0.9	0.7	–	0.7	1.5	3.8
Equity	–	–	–	–	12.8	12.8
Total term funding sources drawn	7.5	6.0	7.5	9.3	33.1	63.4
Undrawn ³	0.6	0.3	0.8	3.0	0.8	5.5
Total term funding sources drawn and undrawn	8.1	6.3	8.3	12.3	33.9	68.9

The weighted average term to maturity of term funding >1 year (excluding equity and securitisations) was 5.1 years as at 31 March 2025. As at 31 March 2025, commercial paper and certificates of deposit represented \$A0.1 billion, debt <1 year represented \$A2.4 billion (4% of total funding) and other represented \$A(0.3) billion.

The key tools used for raising debt funding, which primarily fund MGL and the Non-Bank Group, are as follows⁴:

- \$US25 billion US Rule 144A/Regulation S Medium-Term Note Program, under which \$US12.2 billion of debt securities were outstanding as at 31 March 2025
- \$US20 billion Regulation S Debt Instrument Programme under which \$US8.5 billion of debt securities were outstanding as at 31 March 2025
- \$US10 billion MGL Commercial Paper Programme under which \$US0.1 billion of debt securities were outstanding as at 31 March 2025
- \$A12.4 billion⁵ of Unsecured Loan Facilities of which \$A8.1 billion⁵ was drawn as at 31 March 2025
- \$US5 billion Structured Note Programme under which \$US1.2 billion of structured notes were outstanding as at 31 March 2025
- \$US1.8 billion of Muni-gas Prepayment funding outstanding as at 31 March 2025
- \$US2.0 billion of external securitisation of which \$US1.4 billion was drawn as at 31 March 2025; and
- \$US0.5 billion Secured Trade Finance Facility of which \$US0.4 billion was drawn as at 31 March 2025.

Macquarie Group as a RITS member is able to access the RBA open market operations.

¹ Securitisation and structured notes are profiled using a behavioural maturity profile.

² Included in this balance are securities with conditional repayment obligations. These securities are disclosed using the earlier repricing dates instead of contractual maturity.

³ Includes securitisations which are profiled using a behavioural maturity profile and subject to eligible collateral being available.

⁴ Funding outstanding excludes capitalised costs.

⁵ Values are Australian dollar equivalents as at 31 March 2025.

5.7 Explanatory Notes Concerning Funding Sources and Funded Assets

1. Commercial paper and certificates of deposit

Short-term wholesale funding.

2. Structured notes

Includes debt instruments on which the return is linked to a number of variables including interest rates, currencies, equities and credit. They are generally issued as part of structured transactions with clients and are hedged with positions in underlying assets or derivative instruments.

3. Secured funding

Funding arrangements secured against an asset (or pool of assets) including securitisations.

4. Bonds

Unsecured long-term wholesale funding.

5. Unsecured loans

Loan facilities not secured by specific assets or collateral.

6. Deposits

BFS deposits and other corporate/wholesale deposits. The Australian Government Financial Claims Scheme covers eligible deposits in Macquarie Bank.

7. Hybrids and subordinated debt

Includes additional Tier I and Tier II instruments.

8. Equity

Equity balances are comprised of issued capital, retained earnings and reserves.

9. Other

Includes net other assets/liabilities, provisions, held for sale liabilities, current tax and deferred tax liabilities.

10. Cash and liquid assets

Cash and liquid assets are held as cash balances (including central bank reserves and overnight lending to financial institutions), qualifying HQLA, and other RBA repo-eligible securities.

11. Net trading assets

The net trading asset balance consists of financial markets, commodities and equity trading assets including the net derivative position, any trading-related receivables or payables and margin or collateral balances.

12. Loan assets

This represents loans provided to retail and wholesale borrowers. Excludes home loans.

See section 4.2 for further information.

13. Home loans

Loans secured by mortgages over residential property.

14. Debt investments

These can include various categories of debt securities including asset backed securities, bonds, commercial mortgage backed securities and residential mortgage backed securities.

15. Equity investments

These include equity investments at fair value, interests in associates and joint ventures and other assets classified as held for sale.

06

Capital

Haeyang Energy Co Ltd, Korea

Haeyang Energy operates a 1,720-kilometre gas pipeline in Gwangju, Korea's sixth largest city. Since 2021, Macquarie Asset Management has supported the expansion of Haeyang Energy's network into underserved areas along with initiatives to ensure a safe working environment for its employees.





6.1 Overview

As an APRA authorised and regulated Non-Operating Holding Company (NOHC), MGL is required to hold adequate regulatory capital to cover the risks for Macquarie, including the Non-Bank Group. MGL and APRA have agreed on a capital adequacy framework based on APRA's capital standards for ADIs and Macquarie's Board-approved Economic Capital Adequacy Model (ECAM).

Macquarie's capital adequacy framework requires it to maintain minimum regulatory capital requirements calculated as the sum of:

- The Bank Group's minimum Tier 1 capital requirement, based on a percentage of risk-weighted assets (RWA) plus Tier 1 deductions using prevailing APRA ADI Prudential Standards; and
- The Non-Bank Group's capital requirement, calculated using Macquarie's ECAM.

Transactions internal to Macquarie are eliminated.

Eligible regulatory capital of Macquarie consists of ordinary share capital, retained earnings and certain reserves plus eligible hybrid instruments. Eligible hybrid instruments as at 31 March 2025 include the Macquarie Additional Capital Securities (MACS), Macquarie Bank Capital Notes 2 (BCN2), Macquarie Bank Capital Notes 3 (BCN3), Macquarie Group Capital Notes 4 (MCN4), Macquarie Group Capital Notes 5 (MCN5), Macquarie Group Capital Notes 6 (MCN6) and Macquarie Group Capital Notes 7 (MCN7).

Pillar 3

The APRA Prudential Standard APS 330 Public Disclosure (APS 330) integrates the Pillar 3 public disclosure requirements from the Basel III framework, with some national specific modifications. The disclosures consist of key prudential metrics and information relating to risk management approach, regulatory capital, credit risk, counterparty credit risk, securitisation, market risk, operational risk, interest rate risk in the banking book (IRRBB), countercyclical capital buffer requirement, leverage ratio and liquidity metrics.

Macquarie Basel III regulatory capital surplus calculation

	AS AT MAR 25	AS AT SEP 24	MOVEMENT
	\$Am	\$Am	%
Macquarie eligible capital:			
Bank Group Gross Tier 1 capital	25,549	23,353	9
Non-Bank Group eligible capital	16,300	15,509	5
Eligible capital	41,849	38,862	8
Macquarie capital requirement:			
Bank Group capital requirement			
Risk-Weighted Assets (RWA) ¹	149,362	136,938	9
Capital required to cover RWA ²	15,683	14,378	9
Tier 1 deductions	3,803	3,362	13
Total Bank Group capital requirement	19,486	17,740	10
Total Non-Bank Group capital requirement	12,816	11,320	13
Total Macquarie capital requirement	32,302	29,060	11
Macquarie regulatory capital surplus	9,547	9,802	(3)

¹ In calculating the Bank Group's contribution to Macquarie's capital requirement, RWA internal to Macquarie are eliminated (Mar 25: \$A1,596 million; Sep 24: \$A1,129 million).
² The Bank Group regulatory requirements are calculated in accordance with Prudential Standard APS 110 Capital Adequacy (APS 110), at 10.5% of RWA (Sep 24: 10.5%). This includes the industry minimum Tier 1 requirement of 6.0%, capital conservation buffer (CCB) of 3.75% and a countercyclical capital buffer (CCyB). The CCyB of the Bank Group at Mar 25 is 0.74% (Sep 24: 0.76%), this is rounded to 0.75% (Sep 24: 0.75%) for presentation purposes. The individual CCyB varies by jurisdiction and the Bank Group CCyB is calculated as a weighted average based on exposures in different jurisdictions at period end.

6.2 Bank Group Capital

The Bank Group is accredited by APRA to apply the Foundation Internal Ratings-Based Approach for wholesale exposures and the Advanced Internal Ratings-Based Approach for retail exposures in determining credit risk capital requirements, together with the Internal Model Approach for market risk and interest rate risk in the banking book (IRRBB). These advanced approaches place a higher reliance on a bank's internal capital measures and therefore require a more sophisticated level of risk management and risk measurement practices. Operational risk is subject to the Standardised Measurement Approach.

Capital disclosures in this section include APRA Basel III and Harmonised Basel III¹. The former reflects Macquarie's regulatory requirements under APRA Basel III rules, whereas the latter is relevant for comparison with banks regulated by regulators other than APRA.

Common Equity Tier 1 Capital

The Bank Group's Common Equity Tier 1 capital under Basel III consists of ordinary share capital, retained earnings and certain reserves, less prescribed regulatory adjustments. MBL periodically pays dividends to MGL. As required, MGL may inject capital into MBL to support projected business growth.

Tier 1 Capital

Tier 1 capital consists of Common Equity Tier 1 capital and Additional Tier 1 capital (hybrids). Additional Tier 1 capital as at 31 March 2025 consists of MACS, BCN2 and BCN3.

MACS were issued by MBL, acting through its London Branch in March 2017. MACS are subordinated, unsecured notes that pay discretionary, non-cumulative, semi-annual fixed rate cash distributions. Subject to certain conditions the MACS may be redeemed on 8 March 2027, or every fifth anniversary thereafter. MACS can be exchanged for a variable number of fully paid MGL ordinary shares on an acquisition event (where a person acquires control of MBL or MGL), where MBL's Common Equity Tier 1 capital ratio falls below 5.125%, or where APRA determines MBL would be non-viable without an exchange or a public sector injection of capital (or equivalent support).

BCN2 were issued by MBL in June 2020 and are quoted on the Australian Securities Exchange. The BCN2 pay discretionary, quarterly floating rate cash distributions equal to three month BBSW plus 4.70% per annum margin, adjusted for franking credits. These instruments are non-cumulative and unsecured and may be redeemed at face value on 21 December 2025, 21 June 2026 or 21 December 2026 (subject to certain conditions being satisfied) or earlier in specified circumstances. The BCN2 can be converted into a variable number of MGL ordinary shares (subject to certain conditions being satisfied) on these redemption dates; mandatorily exchanged on 21 December 2028; exchanged earlier upon an acquisition event (with the acquirer gaining control of MGL or MBL); where MBL's Common Equity Tier 1 capital ratio falls below 5.125%, or where APRA determines MBL would be non-viable without an exchange or a public sector injection of capital (or equivalent support).

BCN3 were issued by MBL in August 2021 and are quoted on the Australian Securities Exchange. The BCN3 pay discretionary, quarterly floating rate cash distributions equal to three-month BBSW plus 2.90% per annum margin, adjusted for franking credits. These instruments are non-cumulative and unsecured and may be redeemed at face value on 7 September 2028, 7 March 2029, or 7 September 2029 (subject to certain conditions being satisfied) or earlier in specified circumstances. The BCN3 can be converted into a variable number of MGL ordinary shares (subject to certain conditions being satisfied) on these redemption dates; mandatorily exchanged on 8 September 2031; exchanged earlier upon an acquisition event (with the acquirer gaining control of MGL or MBL); where MBL's Common Equity Tier 1 capital ratio falls below 5.125%, or where APRA determines MBL would be non-viable without an exchange or a public sector injection of capital (or equivalent support).

¹ Harmonised Basel III estimates are calculated in accordance with the updated BCBS Basel III framework, noting that MBL is not regulated by the BCBS and therefore impacts shown are indicative only.

Bank Group Basel III Tier 1 Capital

	AS AT MAR 25		AS AT SEP 24		MOVEMENT	
	APRA Basel III	Harmonised Basel III	APRA Basel III	Harmonised Basel III	APRA Basel III	Harmonised Basel III
	\$Am	\$Am	\$Am	\$Am	%	%
Common Equity Tier 1 capital						
Paid-up ordinary share capital	10,192	10,192	10,209	10,209	(<1)	(<1)
Retained earnings	11,249	11,047	9,916	9,733	13	14
Reserves	1,612	1,612	847	847	90	90
Gross Common Equity Tier 1 capital	23,053	22,851	20,972	20,789	10	10
Regulatory adjustments to Common Equity Tier 1 capital:						
Goodwill	42	42	38	38	10	10
Other intangible assets	28	28	51	51	(45)	(45)
Deferred tax assets	1,072	51	941	66	14	(23)
Net other fair value adjustments	137	137	94	94	46	46
Capitalised expenses	851	-	811	-	5	-
Shortfall in provisions for credit losses	439	236	327	128	34	84
Equity exposures	1,193	-	1,032	-	16	-
Other Common Equity Tier 1 capital deductions	41	1	68	41	(39)	(98)
Total Common Equity Tier 1 capital deductions	3,803	495	3,362	418	13	18
Net Common Equity Tier 1 capital	19,250	22,356	17,610	20,371	9	10
Additional Tier 1 Capital						
Additional Tier 1 capital instruments	2,496	2,496	2,381	2,381	5	5
Gross Additional Tier 1 capital	2,496	2,496	2,381	2,381	5	5
Deduction from Additional Tier 1 capital	-	-	-	-	-	-
Net Additional Tier 1 capital	2,496	2,496	2,381	2,381	5	5
Total Net Tier 1 capital	21,746	24,852	19,991	22,752	9	9

6.2 Bank Group Capital

Continued

Bank Group Basel III Risk-Weighted Assets (RWA)

	AS AT MAR 25		AS AT SEP 24		MOVEMENT	
	APRA Basel III	Harmonised Basel III	APRA Basel III	Harmonised Basel III	APRA Basel III	Harmonised Basel III
	\$Am	\$Am	\$Am	\$Am	%	%
Credit risk (excluding counterparty credit risk)	76,624	59,061	70,490	54,029	9	9
Counterparty credit risk	42,012	37,086	36,867	33,429	14	11
Credit risk RWA for securitisation exposures	916	1,297	806	1,143	14	13
Equity risk	-	2,983	-	2,580	-	16
Market risk	8,526	8,526	8,619	8,619	(1)	(1)
Interest rate risk in the banking book	4,154	-	3,773	-	10	-
Operational risk	18,726	17,807	17,512	16,256	7	10
Total Bank Group RWA	150,958	126,760	138,067	116,056	9	9
Capital Ratios						
Bank Group Level 2 Common Equity Tier 1 capital ratio (%)	12.8	17.6	12.8	17.6		
Bank Group Level 2 Tier 1 capital ratio (%)	14.4	19.6	14.5	19.6		

6.3 Non-Bank Group Capital

The Non-Bank Group's capital requirement is calculated using Macquarie's ECAM. The ECAM is based on similar principles and models as the Basel III regulatory capital framework for banks, with both calculating capital at a one year 99.9% confidence level. The table below shows a comparison of Basel III and ECAM methodologies for key risk types.

RISK ¹	BASEL III ²	ECAM
Credit	Capital requirement generally determined by Basel III IRB formula, with some parameters specified by the regulator (e.g. loss given default estimates for wholesale counterparties)	Capital requirement generally determined by Basel III IRB formula, but with internal estimates of key parameters
Equity	Harmonised Basel III: 250% or 400% risk weight, depending on the type of investment. Deduction from Common Equity Tier 1 above a threshold APRA Basel III: 100% Common Equity Tier 1 deduction ³	Capital requirement generally determined by extension of Basel III credit model to cover equity exposures. Capital requirement between 34% and 84% of face value; average 54%
Market	M ⁴ times 10-day 99% Value at Risk (VaR) plus M ⁴ times 10-day 99% Stressed Value at Risk (SVaR), plus a specific risk charge	Scenario-based approach
Operational	Standardised Measurement Approach	Scenario-based internal measurement approach

¹ The ECAM also covers non-traded interest rate risk and the risk on assets held as part of business operations, including fixed assets, goodwill, intangible assets and capitalised expenses.

² Basel III requirements shown, with Market Risk per the revised BCBS Basel II Market Risk Framework. APRA has implemented the Basel III framework (APRA Basel III), and in some areas has introduced stricter requirements (APRA super equivalent).

³ Includes all Banking Book equity investments, plus net long Trading Book holdings in financial institutions.

⁴ M is the Market Risk capital multiplier, which is 3 plus any additions specified.

6.3 Non-Bank Group Capital

Continued

Non-Bank Group capital requirement

	AS AT MAR 25	AS AT SEP 24	MOVEMENT
	Capital Requirement	Capital Requirement	Capital Requirement
	\$Am	\$Am	%
Credit risk	3,080	2,622	17
Equity risk	7,621	6,637	15
Market risk	209	197	6
Operational risk	678	670	1
Other ¹	1,228	1,194	3
Total Non-Bank Group capital requirement	12,816	11,320	13

¹ Other includes capital requirements for non-traded interest rate risk, the risk on assets held as part of business operations and diversification offset. Assets held as part of business operations include: fixed assets, goodwill, intangible assets and capitalised expenses.

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07

Funds Management

Specialist Disability Accommodation, Australia

Macquarie Asset Management has been supporting the evolution of specialist disability accommodation in Australia since 2017, helping to address the ongoing need for inclusive, high-quality and technology-enabled homes for people with disability.





7.1 Assets Under Management

	AS AT		MOVEMENT		
	Mar 25 \$Ab	Sep 24 \$Ab	Mar 24 \$Ab	Sep 24 %	Mar 24 %
Assets under Management (AUM) by type					
Public Investments					
Fixed Income	305.5	298.5	307.5	2	(1)
Equities	219.8	220.5	234.0	(<1)	(6)
Alternatives and Multi-asset	26.7	24.2	25.9	10	3
Total Public Investments	552.0	543.2	567.4	2	(3)
Private Markets ¹					
Infrastructure Equity	324.6	302.5	299.1	7	9
Infrastructure Debt	33.7	31.2	32.4	8	4
Real Estate ²	20.9	31.0	31.5	(33)	(34)
Agriculture	4.9	4.8	4.7	2	4
Transport Finance	4.9	4.1	3.2	20	53
Total Private Markets	389.0	373.6	370.9	4	5
Total MAM	941.0	916.8	938.3	3	<1
Total AUM	941.0	916.8	938.3	3	<1
AUM by region					
Americas	380.4	365.6	395.9	4	(4)
Europe, Middle East and Africa	211.9	198.9	202.4	7	5
Australia	291.9	299.0	289.2	(2)	1
Asia	56.8	53.3	50.8	7	12
Total AUM	941.0	916.8	938.3	3	<1

Public Investments' AUM of \$A552.0 billion as at 31 March 2025 decreased 3% from \$A567.4 billion as at 31 March 2024, primarily driven by outflows in equity strategies and movements in contractual insurance assets, partially offset by favourable foreign exchange and market movements.

Private Markets' AUM of \$A389.0 billion as at 31 March 2025 increased 5% from \$A370.9 billion as at 31 March 2024, primarily due to investments, net valuation changes and favourable foreign exchange movements, partially offset by divestments of underlying assets and spin off of the majority of the Core/Core Plus real estate business.

¹ Private Markets (AUM) excluding Real Estate is calculated as the proportional ownership interest in the underlying assets of funds and mandated assets that Macquarie actively manages or advises for the purpose of wealth creation, adjusted to exclude cross-holdings in funds and reflects Macquarie's proportional ownership interest of the fund manager.

Private Markets AUM includes equity yet to deploy and equity committed to assets but not yet deployed.

² Real Estate AUM represents the proportional gross asset value (including estimated total project costs for developments) of real estate assets owned by funds or managed by investee platforms.

7.2 Equity Under Management

The Private Markets division of MAM tracks its funds under management using an Equity under Management (EUM) measure as base management fee income is typically aligned with EUM.

Type of equity investment	Basis of EUM calculation
Listed equity	• Market capitalisation at the measurement date plus underwritten or committed future capital raisings for listed funds.
Unlisted equity	• Committed capital from investors at the measurement date less called capital subsequently returned to investors for unlisted funds.
	• Invested capital at measurement date for managed businesses. ¹

If a fund is managed through a joint venture with another party, the EUM amount is weighted based on Macquarie's proportionate economic interest in the joint venture management entity.

Equity under Management by type and region

	AS AT ^{2,3}		MOVEMENT		
	Mar 25 \$Ab	Sep 24 \$Ab	Mar 24 \$Ab	Sep 24 %	Mar 24 %
EUM by type					
Listed equity	7.5	7.5	8.7	-	(14)
Unlisted equity	213.6	210.0	213.6	2	-
Total EUM	221.1	217.5	222.3	2	(1)
EUM by region⁴					
Australia	16.4	16.5	14.7	(1)	12
Europe, Middle East and Africa	121.9	124.2	128.7	(2)	(5)
Americas	50.3	43.0	46.1	17	9
Asia	32.5	33.8	32.8	(4)	(1)
Total EUM	221.1	217.5	222.3	2	(1)

EUM of \$A221.1 billion as at 31 March 2025 was broadly in line with 31 March 2024. This was primarily due to equity returned by funds and co-investments due to the divestment of underlying assets and spin off of the majority of the Core/Core Plus real estate business. These were partially offset by capital raised for funds and co-investments and favourable foreign exchange movements.

¹ Managed businesses includes third-party equity invested in Private Markets-managed businesses where management arrangements exist with Macquarie.

² Excludes equity invested by Macquarie directly into businesses managed by Private Markets and cross-holding in funds.

³ Where a fund's EUM is denominated in a foreign currency, amounts are translated to Australian dollars at the exchange rate prevailing at the measurement date.

⁴ By location of fund management team.

08

Glossary

Tailored business banking, Australia

With over 30 years of business expertise, Banking and Financial Services understands businesses of all shapes and sizes, and provides deposit, loan and payment solutions tailored to a range of sectors.





8.1 Glossary

Defined term	Definition
A	
AASB	Australian Accounting Standards Board.
ABS	Asset Backed Securities.
ADI	Authorised Deposit-taking Institution.
Additional Tier 1 Capital	A capital measure defined by APRA comprising high quality components of capital that satisfy the following essential characteristics: <ul style="list-style-type: none"> • provide a permanent and unrestricted commitment of funds • are freely available to absorb losses • rank behind the claims of depositors and other more senior creditors in the event of winding up of the issuer; and • provide for fully discretionary capital distributions.
Additional Tier 1 Deductions	An amount deducted in determining Additional Tier 1 Capital, as defined in Prudential Standard APS 111 Capital Adequacy: Measurement of Capital.
ALCO	The Asset and Liability Committee.
ANZ	Australia and New Zealand.
APRA	Australian Prudential Regulation Authority.
Asset Finance	Asset Finance is a global provider of specialist finance and asset management solutions across: Technology, Media and Telecoms; Energy, Renewables and Sustainability; Fund Finance; Resources; Structured Lending; and Shipping and Export Credit Agencies.
Assets under Management (AUM)	Private Markets (AUM) excluding Real Estate is calculated as the proportional ownership interest in the underlying assets of funds and mandated assets that Macquarie actively manages or advises for the purpose of wealth creation, adjusted to exclude cross-holdings in funds and reflects Macquarie's proportional ownership interest of the fund manager. Private Markets AUM includes equity yet to deploy and equity committed to assets but not yet deployed. Real Estate AUM represents the proportional gross asset value (including estimated total project costs for developments) of real estate assets owned by funds or managed by investee platforms.
Assets under Management by region	AUM by region is defined by the location of the underlying assets for funds managed by Private Markets, and the location of the investor for all other funds.
Associates	Associates are entities over which Macquarie has significant influence, but not control. Investments in associates may be further classified as Held for Sale ('HFS') associates. HFS associates are those that have a high probability of being sold within 12 months to external parties. Associates that are not held for sale are carried at cost and equity-accounted. Macquarie's share of the investment's post-acquisition profits and losses is recognised in the income statement and its share of post-acquisition movements in reserves is recognised within equity.
B	
Bank Group	MBL and its subsidiaries.
Bank Group Capital	Level 2 regulatory group capital.
Banking Group	The Banking Group comprises BFS and most business activities of CGM.
Basel III IRB Formula	A formula to calculate RWA, as defined in Prudential Standard APS 113 Capital Adequacy: Internal Ratings-based Approach to Credit Risk.
BCBS	Basel Committee on Banking Supervision.
BCN2	On 2 June 2020, MBL issued 6.4 million Macquarie Bank Capital Notes 2 (BCN2) at a face value of \$A100 each. BCN2 are unsecured, subordinated notes that pay discretionary, quarterly floating rate cash distributions and may be redeemed at face value on 21 December 2025, 21 June 2026 or 21 December 2026 (subject to certain conditions being satisfied) or earlier in specified circumstances. BCN2 can be converted into a variable number of MGL ordinary shares (subject to certain conditions) on these redemption dates; mandatorily exchanged on 21 December 2028; exchanged earlier upon an acquisition event (with the acquirer gaining control of MBL or MGL); where MBL's Common Equity Tier 1 capital ratio falls below 5.125%; or where APRA determines MBL would be non-viable without an exchange or a public sector injection of capital (or equivalent support).
BCN3	On 27 August 2021, MBL issued 6.5 million Macquarie Bank Capital Notes 3 (BCN3) at a face value of \$A100 each. BCN3 are unsecured, subordinated notes that pay discretionary, quarterly floating rate cash distributions and may be redeemed at face value on 7 September 2028, 7 March 2029 or 7 September 2029 (subject to certain conditions being satisfied) or earlier in specified circumstances. BCN3 can be converted into a variable number of MGL ordinary shares (subject to certain conditions) on these redemption dates; mandatorily exchanged on 8 September 2031; exchanged earlier upon an acquisition event (with the acquirer gaining control of MBL or MGL); where MBL's Common Equity Tier 1 capital ratio falls below 5.125%; or where APRA determines MBL would be non-viable without an exchange or a public sector injection of capital (or equivalent support).

Defined term	Definition
BBSW	Bank Bill Swap Rate.
BFS	Banking and Financial Services.
BFS deposits	BFS deposits are deposits by counterparties including individuals, self-managed super funds, and small-medium businesses. Deposit products include Cash Management Account, Term Deposits, Regulated Trust Accounts, and Transaction Accounts.
C	
CCB	Capital Conservation Buffer.
CCyB	Countercyclical Capital Buffer
Central Service Groups	The Central Service Groups consist of the Corporate Operations Group, Financial Management, People & Engagement Group, Risk Management Group, Legal and Governance Group and Central Executive.
CGM	Commodities and Global Markets.
Common Equity Tier 1 Capital	A capital measure defined by APRA, comprising the highest quality components of capital that fully satisfy all the following essential characteristics: <ul style="list-style-type: none"> • provide a permanent and unrestricted commitment of funds • are freely available to absorb losses • do not impose any unavoidable servicing charge against earnings; and • rank behind the claims of depositors and other creditors in the event of winding up. Common Equity Tier 1 Capital comprises paid up capital, retained earnings, and certain reserves.
Common Equity Tier 1 Capital Ratio	Common Equity Tier 1 Capital net of Common Equity Tier 1 deductions expressed as a percentage of RWA.
Common Equity Tier 1 Deductions	An amount deducted in determining Common Equity Tier 1 Capital, as defined in Prudential Standard APS 111 Capital Adequacy: Measurement of Capital.
Compensation ratio	The ratio of Compensation expense to Net operating income.
Consolidated Entity	Macquarie Group Limited and its subsidiaries.
D	
Directors' Profit Share (DPS)	The DPS plan comprises exposure to a notional portfolio of Macquarie-managed funds. Retained amounts for Executive Directors are notionally invested over the retention period. This investment is described as 'notional' because Executive Directors do not directly hold securities in relation to this investment. However, the value of the retained amounts will vary as if these amounts were directly invested in actual securities, giving the Executive Directors an effective economic exposure to the performance of the securities. If the notional investment results in a notional loss, this loss will be offset against any future notional income until the loss is completely offset.
E	
Earnings on capital and other corporate income items	Net operating income includes the income generated by Macquarie's Operating Groups, income from the investment of Macquarie's capital, and certain items of operating income not attributed to Macquarie's Operating Groups. Earnings on capital and other corporate income items is net operating income less the net operating income generated by Macquarie's Operating Groups.
Earnings per share	A performance measure that measures earnings attributable to each ordinary share, defined in AASB 133: Earnings Per Share.
ECAM	Economic Capital Adequacy Model.
ECL	Expected Credit Losses as defined and measured in terms of AASB 9: Financial Instruments.
Effective tax rate	The income tax expense as a percentage of the profit before income tax, both adjusted for amounts attributable to non-controlling interests. The effective tax rate differs from the Australian company tax rate due to permanent differences arising from the income tax treatment of certain income and expenses as well as tax rate differentials on some of the income earned offshore.
EMEA	Europe, the Middle East and Africa.
Equity under Management (EUM)	Refer to definition in section 7.2.
Expense/Income ratio	Total operating expenses expressed as a percentage of Net operating income.
F	
Financial Report	Macquarie Group Limited Annual Financial Report.
FIRB	Foundation Internal Ratings Based Approach (for determining credit risk).
FVOCI	Fair value through other comprehensive income.
FVTPL	Fair value through profit or loss.
FY2024	The year ended 31 March 2024.
FY2025	The year ended 31 March 2025.

8.1 Glossary

Continued

Defined term	Definition
H	
Headcount	Headcount represents Macquarie's active permanent and variable workforce, and includes Macquarie employees (permanent and casual) and its contingent workers (contractors, agency workers and secondees). Macquarie's non-executive directors are not included.
HQLA	High-quality liquid assets.
I	
International income	Operating income is classified as 'international' with reference to the geographic location from which the operating income is reported from a management perspective. This may not be the same geographic location where the operating income is recognised for reporting purposes. For example, operating income generated by work performed for clients based overseas but recognised in Australia for reporting purposes could be classified as 'international' income. Income earned in the Corporate segment is excluded from the analysis of international income.
L	
LGD	Loss given default is defined as the economic loss which arises upon default of the obligor.
M	
Macquarie, the Consolidated Entity	Macquarie Group Limited and its subsidiaries.
Macquarie Bank	MBL and its subsidiaries.
MACS	On 8 March 2017, MBL, acting through its London Branch, issued \$US750 million of Macquarie Additional Capital Securities (MACS). MACS are subordinated, unsecured notes that pay discretionary, non-cumulative, semi-annual fixed rate cash distributions. Subject to certain conditions the MACS may be redeemed on 8 March 2027, or every fifth anniversary thereafter. MACS can be exchanged for a variable number of MGL ordinary shares on an acquisition event (where a person acquires control of MBL or MGL), where MBL's Common Equity Tier 1 capital ratio falls below 5.125%, or where APRA determines MBL would be non-viable without an exchange or a public sector injection of capital (or equivalent support).
MAM	Macquarie Asset Management.
MAMHPL	Macquarie Asset Management Holdings Pty Ltd.
MBE	Macquarie Bank Europe.
MBL	Macquarie Bank Limited ABN 46 008 583 542.
MCN4	On 27 March 2019, MGL issued 9.05 million Macquarie Group Capital Notes 4 (MCN4) at a face value of \$A100 each. MCN4 are subordinated, non-cumulative, unsecured notes that pay discretionary, non-cumulative, quarterly floating rate cash distributions and may be redeemed at face value on 10 September 2026, 10 March 2027 or 10 September 2027 (subject to certain conditions being satisfied) or earlier in specified circumstances. MCN4 can be converted into a variable number of MGL ordinary shares (subject to certain conditions being satisfied) on these redemption dates; mandatorily exchanged on 10 September 2029; exchanged earlier upon an acquisition event (with the acquirer gaining control of MGL); or where APRA determines MGL would be non-viable without an exchange or a public sector injection of capital (or equivalent support).
MCN5	On 17 March 2021, MGL issued 7.25 million Macquarie Group Capital Notes 5 (MCN5) at a face value of \$A100 each. MCN5 are subordinated, non-cumulative, unsecured notes that pay discretionary, non-cumulative, quarterly floating rate cash distributions and may be redeemed at face value on 18 September 2027, 18 March 2028 or 18 September 2028 (subject to certain conditions being satisfied) or earlier in specified circumstances. MCN5 can be converted into a variable number of MGL ordinary shares (subject to certain conditions being satisfied) on these redemption dates; mandatorily exchanged on 18 September 2030; exchanged earlier upon an acquisition event (with the acquirer gaining control of MGL); or where APRA determines MGL would be non-viable without an exchange or a public sector injection of capital (or equivalent support).
MCN6	On 15 July 2022, MGL issued 7.5 million Macquarie Group Capital Notes 6 (MCN6) at a face value of \$A100 each. MCN6 are subordinated, non-cumulative, unsecured notes that pay discretionary, non-cumulative, quarterly floating rate cash distributions and may be redeemed at face value on 12 September 2029, 12 March 2030 or 12 September 2030 (subject to certain conditions being satisfied) or earlier in specified circumstances. MCN6 can be converted into a variable number of MGL ordinary shares (subject to certain conditions being satisfied) on these redemption dates; mandatorily exchanged on 12 September 2032; exchanged earlier upon an acquisition event (with the acquirer gaining control of MGL); or where APRA determines MGL would be non-viable without an exchange or a public sector injection of capital (or equivalent support).

Defined term	Definition
MCN7	On 16 September 2024, MGL issued 15.0 million Macquarie Group Capital Notes 7 (MCN7) at a face value of \$A100 each. MCN7 are subordinated, non-cumulative, unsecured notes that pay discretionary, non-cumulative, quarterly floating rate cash distributions and may be redeemed at face value on 15 December 2031, 15 June 2032 or 15 December 2032 (subject to certain conditions being satisfied) or earlier in specified circumstances. MCN7 can be converted into a variable number of MGL ordinary shares (subject to certain conditions being satisfied) on these redemption dates; mandatorily exchanged on 15 December 2034; exchanged earlier upon an acquisition event (with the acquirer gaining control of MGL); or where APRA determines MGL would be nonviable without an exchange or a public sector injection of capital (or equivalent support).
MEREP	Macquarie Group Employee Retained Equity Plan.
MFL	Macquarie Financial Limited.
MGL, the Company	Macquarie Group Limited ABN 94 122 169 279.
MIFL	Macquarie International Finance Limited.
N	
Net loan losses	The impact on the income statement of loan amounts provided for or written-off during the period, net of the recovery of any such amounts which were previously written-off or provided for in the income statement.
Net tangible assets per ordinary share	(Total equity less Non-controlling interest less the Future Income Tax Benefit plus the Deferred Tax Liability less Intangible assets) divided by the number of ordinary shares on issue at the end of the period.
Net trading income	Income that comprises gains and losses related to trading assets and liabilities and includes all realised and unrealised fair value changes and foreign exchange differences.
Non-Bank Group	MGL, MFL and its subsidiaries, and MAMHPL and its subsidiaries.
Non-Banking Group	The Non-Banking Group comprises Macquarie Capital, MAM and some business activities of CGM.
Non-GAAP metrics	Non-GAAP metrics include financial measures, ratios and other information that are neither required nor defined under Australian Accounting Standards.
O	
Operating Groups	The Operating Groups consist of MAM, BFS, CGM and Macquarie Capital.
OTC	Over-the-counter.
P	
Private Markets	MAM Private Markets.
Public Investments	MAM Public Investments.
R	
RBA	Reserve Bank of Australia.
Return on equity	The profit after income tax attributable to Macquarie's ordinary shareholders expressed as an annualised percentage of the average total capital and reserves attributable to ordinary equity holders over the relevant period.
Return on tangible equity	The profit after income tax attributable to Macquarie's ordinary shareholders expressed as an annualised percentage of the average total capital and reserves attributable to ordinary equity holders over the relevant period, less the average balances of intangible assets. These intangible assets do not include any balances classified as held for sale.
Risk-weighted assets (RWA)	A risk-based measure of an entity's exposures, which is used in assessing its overall capital adequacy.
RITS	Reserve Bank Information and Transfer System
RMBS	Residential Mortgage-Backed Securities.
S	
Senior Management	Members of Macquarie's Executive Committee and Executive Directors who have a significant management or risk responsibility in the organisation.
Subordinated debt	Debt issued by Macquarie for which agreements between Macquarie and the lenders provide, in the event of liquidation, that the entitlement of such lenders to repayment of the principal sum and interest thereon is and shall at all times be and remain subordinated to the rights of all other present and future creditors of Macquarie. Subordinated debt is classified as liabilities in the Macquarie financial statements and may be included in Tier 2 Capital.
T	
TFF	Reserve Bank of Australia Term Funding Facility.
Tier 1 Capital	Tier 1 Capital comprises (i) Common Equity Tier 1 Capital; and (ii) Additional Tier 1 Capital.
Tier 1 Capital Deductions	Tier 1 Capital Deductions comprises (i) Common Equity Tier 1 Capital Deductions; and (ii) Additional Tier 1 Capital Deductions.
Tier 1 Capital Ratio	Tier 1 Capital net of Tier 1 Capital Deductions expressed as a percentage of RWA.

8.1 Glossary

Continued

Defined term	Definition
True Index products	True Index products deliver clients pre-tax index returns (before buy/sell spreads on transactions). Any under-performance is compensated by Macquarie and conversely, any out-performance is retained by Macquarie.
U	
UK	The United Kingdom.
US	The United States of America.

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